

1 **WHEREAS**, the Successor Agency is the owner of that certain real property consisting of
2 approximately 4.35 acres of land located on the north side of East Cooley Avenue, approximately
3 1,500 feet west of South Tippecanoe, San Bernardino, California (APN 0281-031-51 and 0281-041-
4 41) (the “Property”); and

5 **WHEREAS**, within the LRPMP, the Property is: i) identified as Site No. 44; ii) described as
6 a 4.35-acre parking lot consisting of two (2) parcels zoned Heavy Industrial (2.78 acres of which is
7 constrained by two high-tension power distribution line easements, 0.60 acres of which consists of a
8 20-foot-wide strip of land and 0.97 acres of which is developable with structures [the “Property’s
9 Limitations”]); iii) designated for sale; and iv) more fully described in Exhibit "A" attached hereto,
10 which is an excerpt from the LRPMP; and

11 **WHEREAS**, on March 6, 2017, the Successor Agency Board approved the original Property
12 Disposition Strategy, which among other things, authorized a competitive process that would result in listing
13 for sale of 18 real property sites with a real estate broker (two of which are owned by the City of
14 San Bernardino); and

15 **WHEREAS**, on August 16, 2017, the Successor Agency Board approved the “Amended
16 Property Disposition Strategy”, which (i) reduced the number of real property sites to be listed with
17 a real estate broker from 18 to 16 (one of which is owned by the City of San Bernardino); (ii)
18 provided for an alternate method of real property disposition for the two real property sites removed
19 from the group to be listed with a real estate broker; (iii) where applicable, provided a current status
20 update on completed and pending real property transfers; and (iv) established an Escrow and Title
21 Administrative Management Fee to allow the City to recover a portion of the cost of its services
22 with respect to the management of the sale of real property assets; and

23 **WHEREAS**, consistent with the Amended Property Disposition Strategy, on October 18,
24 2017, the Successor Agency approved an Agreement with Keller Williams (the “KW Agreement”)
25 to list and sell 15 real property sites of the Successor Agency (the City entered into a separate
26 agreement with Keller Williams for its single real property site); and

27 **WHEREAS**, as a part of the KW Agreement, KW is required to prepare of a Broker’s
28 Opinion of Value (the “BOV”) for each Successor Agency property that is sold; and

1 **WHEREAS,** based on past practice, the DOF has acknowledged that BOVs are an acceptable
2 method and basis for confirming that the value of real property being sold by a successor agency is fair
3 and reasonable; and

4 **WHEREAS,** in response to the listing, KW received, thoroughly reviewed and vetted several
5 offers to purchase the Property; and

6 **WHEREAS,** on December 22, 2017, HIP SoCal Properties, LLC (the “HIP”) offered to
7 purchase the Property for \$625,000 (the “Purchase Price”) (a copy of the offer is attached to this
8 Resolution as Exhibit “B”); and

9 **WHEREAS,** KW has confirmed that HIP’s purchase offer was the highest received, that HIP
10 is a credible buyer capable of purchasing the Property and has recommended that the Successor
11 Agency consider HIP’s purchase offer; and

12 **WHEREAS,** on December 26, 2017, KW submitted its BOV indicating its opinion that the
13 market value of the Property, inclusive of the Property’s Limitations, is currently \$351,200 (the “BOV
14 Market Value”); and

15 **WHEREAS,** in consideration that the \$625,000 Purchase Price exceeds the BOV Market
16 Value by \$273,800, or 77.96%, it may be concluded that the purchase price offered by HIP for the
17 Property is fair and reasonable, as more fully described within the BOV, a copy of which is attached to
18 this Resolution as Exhibit “C”; and

19 **WHEREAS,** this Resolution will approve the Purchase and Sale Agreement and Joint
20 Escrow Instructions (the “Purchase and Sale Agreement”) between the Successor Agency and HIP
21 SoCal Properties, LLC with respect to the Property, a copy of which is attached to this Resolution
22 as Exhibit “D,” and authorize certain related actions; and

23 **WHEREAS,** on March 21, 2018, the Successor Agency Board approved the Purchase and
24 Sale Agreement; and

25 **WHEREAS,** consistent with the provisions of the HSC and the LRPMP, the effectiveness
26 of the Purchase and Sale Agreement is subject to the approval of the Oversight Board and the DOF;
27 and

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1 **A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR**
 2 **AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SAN**
 3 **BERNARDINO APPROVING THE PURCHASE AND SALE AGREEMENT**
 4 **AND JOINT ESCROW INSTRUCTIONS BETWEEN THE SUCCESSOR**
 5 **AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SAN**
 6 **BERNARDINO AND HIP SOCIAL PROPERTIES, LLC WITH RESPECT TO**
 7 **THE REAL PROPERTY LOCATED ON THE NORTH SIDE OF EAST**
 8 **COOLEY AVENUE, APPROXIMATELY 1,500 FEET WEST OF SOUTH**
 9 **TIPPECANOE AVENUE, SAN BERNARDINO, CALIFORNIA (APNs 0281-**
 10 **031-51 AND 0281-041-41), AND APPROVING CERTAIN RELATED**
 11 **ACTIONS**

12 PASSED, APPROVED AND ADOPTED THIS 2nd day of April, 2018, by the following vote:

Board Members	Ayes	Nays	Abstain	Absent
HEADRICK	X			
HILL	X			
MORRIS	X			
(VACANT)				
SMITH	X			
TORRES				X
(VACANT)				

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 20 Lisa Connor, Secretary

21 The foregoing Resolution is hereby approved this 2nd day of April, 2018.

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24 James P. Morris, Chairman
 25 Oversight Board for the
 26 Successor Agency to the Redevelopment
 27 Agency of the City of San Bernardino
 28

**Narrative for Site No. 44
East Cooley Avenue, San Bernardino
(APN 0281-031-51 and 0281-041-41)
Excerpted from the
Long-Range Property Management Plan
(Pages 205-209)**

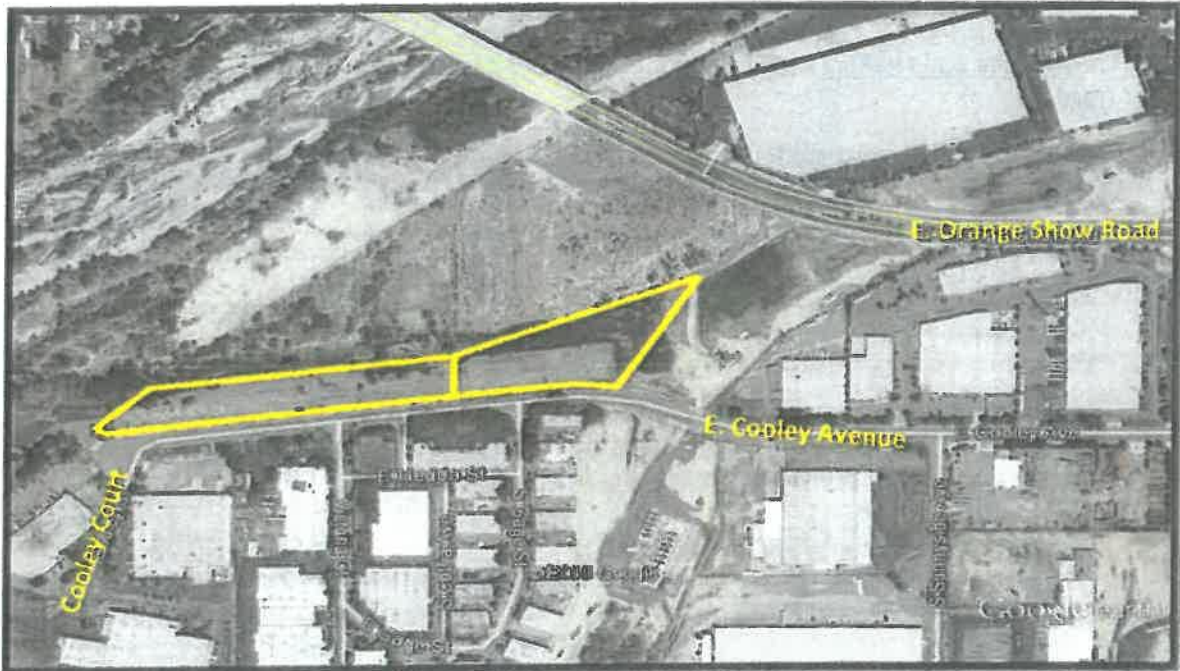
(See Attachment)

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Site No. 44: E. Cooley Avenue Parking Lot

Address: E. Cooley Avenue
APNs: 0281-031-51
0281-041-41





Site No. 44: E. Cooley Avenue Parking Lot

A. Permissible Use (HSC § 34191.5 (c) (2)):

Site No. 44 is the E. Cooley Avenue Parking Lot (the “Parking Lot”) and is proposed to be sold by the Successor Agency.

B. Acquisition of Property (HSC § 34191.5 (c) (1) (A) and § 34191.5 (c) (1) (B)):

Property records indicate that the Parking Lot was acquired by the Agency in several separate transactions and carries a total Book Value of \$437,337. The following table details the property records:

<i>Acquisition Details of the Parking Lot</i>				
<i>APN</i>	<i>Acquisition Date</i>	<i>Book Value</i>	<i>Original APNs as Acquired by Agency</i>	<i>Historical Background</i>
0281-031-51	September 1978	\$437,337	0281-031-01	Eminent domain action
			0281-031-19	
			0281-031-30	
0281-041-41			0281-041-17	

The Parking Lot was acquired by the Agency in order to meet the revitalization goals of City and the Agency to alleviate the existence and spread of physical and economic blight. The estimated current value (the “ECV”) of the Parking Lot is \$310,000.

C. Site Information (HSC § 34191.5 (c) (1) (C)):

The Parking Lot consists of two (2) parcels (APNs 0281-031-51; 0281-041-41) totaling 4.35 acres located on E. Cooley Avenue. The Parking Lot is zoned Industrial Heavy (IH). The IH designation is intended for a variety of intense industrial activities that could potentially generate significant impacts, such as excessive noise, dust, and other nuisances, such as rail yards and multi-modal transportation centers. This zone is also intended to provide for the continuation and development of heavy manufacturing industries in locations where they will be compatible with and not adversely impact adjacent land uses.

On April 3, 2013, DOF approved Oversight Board adopted Resolution No. SBOB/2012-20, which authorized the Successor Agency to, among other things, recover the Property from the San Bernardino Economic Development Corporation (the “SBEDC”) and to grant a real property easement with respect to a portion of the Property to the SBEDC (see Exhibit “J” – DOF Correspondence). The Successor Agency intends to grant the easement prior to the disposition of the Property.

D. Estimated Current Value (HSC § 34191.5 (c) (1) (D)):

To determine an ECV for the Parking Lot, in January 2015, the Agency conducted a comparable sales analysis through the National Data Collective. The ECV was determined to be approximately \$310,000.

Local factors were not taken into consideration in determining the ECV of this site. The ECV is only a rough estimate that was obtained from an on-line source where only comparable sales data are available. It is not possible to include environmental issues or any other special or unique factors



Site No. 44: E. Cooley Avenue Parking Lot

into simple ECV calculations, as such data are not available from the source. Therefore, the actual value of the property may vary significantly from the ECV. The Successor Agency notes that in the environment of AB 1484, it may not be possible to achieve appraised values. The Successor Agency will be in charge of the process seeking to achieve successful marketing of properties, and will act with reasonable diligence. However, the constraints and environment of AB 1484 militate against maximizing prices. The actual sales prices to be realized will be a function of what a willing buyer is willing to pay under circumstances where there will be no seller financing and dispositions will be subject to Oversight Board approval. There is no reason to think that book values will be realized.

E. Site Revenues (HSC § 34191.5 (c) (1) (E)):

There are no site revenues generated from the Parking Lot.

F. History of Environmental Contamination (HSC § 34191.5 (c) (1) (F)):

There is no known history of environmental contamination.⁵⁰

G. Potential for Transit Oriented Development (TOD) and the Advancement of Planning Objectives of the Successor Agency (HSC § 34191.5 (c) (1) (G)):

There is no potential for a TOD in conjunction with Parking Lot.

Selling the Parking Lot advances the planning objectives of the Successor Agency and the City to develop and revitalize this area of the community through the creation of opportunities for private investment in the City.

H. History of Previous Development Proposals and Activity (HSC § 34191.5 (c) (1) (H)):

In September of 1989, a Disposition and Development Agreement and Lease and Option to Purchase (the "Agreement") was approved between the Agency and Rockwell International ("Rockwell") for their operation on Cooley Avenue. The Agreement called for the Agency-owned parcels (APNs 0281-031-51; 0281-041-41) to be improved as a parking lot and made available to Rockwell for parking.

Operations at Rockwell ceased in 1997 and since then, the Parking Lot has had two (2) development proposals from two different developers to combine APN 02812-041-41 with other property for development; neither came to fruition.

I. Disposition of Property:

The Successor Agency proposes to sell the Parking Lot in accordance with the Successor Agency's policies and procedures for property disposition as shown in Exhibit "A" Section I. Purchase and Sale Procedures.

The ECV of the Parking Lot is approximately \$310,000.

Date of estimated current value – January 2015

⁵⁰ <http://jeoltracker.waterboards.ca.gov/map/?CMD=runreport&myaddress=Cooley+Ave+and+Cooley+Cl+San+Bernardino>



Site No. 44: E. Cooley Avenue Parking Lot

Value Basis – The ECV was determined by a comparable sales analysis using the National Data Collective subscription service. The ECV is approximately \$310,000.

Local factors that may affect land value were not taken into consideration. Therefore, the actual value of the property may vary greatly from the ECV. The ECV is only a planning number and should not be relied upon as a basis for actual value.

Proposed sale date – TBD and subject to the Successor Agency’s implementation of its policies and procedures for property disposition as shown in Exhibit “A.”

Proposed sale value – TBD and subject to a fair market appraisal conducted by a licensed appraiser.

The Successor Agency notes that in the environment of AB 1484, it may not be possible to achieve appraised values. The Successor Agency will be in charge of the process seeking to achieve successful marketing of properties, and will act with reasonable diligence. However, the constraints and environment of AB 1484 militate against maximizing prices. The actual sales prices to be realized will be a function of what a willing buyer is willing to pay under circumstances where there will be no seller financing and dispositions will be subject to Oversight Board approval. There is no reason to think that book values will be realized.

J. Implementation of the Long-Range Property Management Plan:

Following the approval of the LRPMP by the DOF, the Successor Agency will implement the LRPMP.

For properties to be sold, implementation will include distribution of any land sales proceeds for enforceable obligations and/or distributed as property tax to the taxing entities. Due to the vagaries associated with the sale of land, such as uncertainties concerning the timing of sale and the price that would be realized, it is not feasible to precisely state in the LRPMP how the funds will be used. In that regard, once an agreement is reached with respect to the purchase and sale of a property, the agreement will be presented to the Oversight Board for concurrence. The Oversight Board’s approval will be evidenced by a resolution that will be submitted to DOF and, per the HSC, is subject to DOF’s review. That resolution will include or refer to a staff report which describes with greater particularity, once more facts are known, how the proceeds of sale will be distributed. As noted in Section I – Introduction of the LRPMP, the LRPMP provides that proceeds of the sale may be used for enforceable obligations and/or distributed as property tax to the taxing entities through the County Auditor-Controller. The need to retain some or all of the proceeds of sale for enforceable obligations will depend on whether there is a short-fall in RPTTF in the ROPS cycle during which the escrow is anticipated to close. If a short-fall were to occur in the RPTTF at that time, then all or a portion of the sale proceeds should be used to fulfill an enforceable obligation with any remaining sale proceeds then distributed as property tax to the taxing entities through the County Auditor-Controller. If there is not a short-fall in RPTTF at the time of close of escrow, then land sale proceeds would be distributed as property tax to the taxing entities through the County Auditor-Controller in a manner described at the time of Oversight Board approval as to a



Site No. 44: E. Cooley Avenue Parking Lot

particular property sale. Since it is impossible to foresee when and if a short-fall in the RPTTF may occur, or when the property will be sold, the use of the sale proceeds cannot be specifically determined at this time and, therefore, cannot be stated with greater particularity in the LRPMP. However, it is clear that at the time a sale takes place, the sale will be brought back to the Oversight Board and will be subject to review.

**HIP SoCal Properties, LLC Offer
December 22, 2017**

(See Attachment)

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STANDARD OFFER, AGREEMENT AND ESCROW
INSTRUCTIONS FOR PURCHASE OF REAL ESTATE
(Vacant Land)

AIR Commercial Real Estate Association

December 22, 2017

(Date for Reference Purposes)

1. Buyer.

1.1 Howard Industrial Partners and/or Assignee (Buyer) hereby offers to purchase the real property, hereinafter described, from the owner thereof (Seller) collectively, the Parties or individually, a Party, through an escrow (Escrow) expected to close 20 or 10 days after the waiver or expiration of the Buyer's Contingencies, (Expected Closing Date) to be held by Lawyers Title, Attn: Kristi Sims-Munoz (Escrow Holder) whose address is 3480 Vine Street, Riverside, CA 92507, Phone No. 909-841-7645, Facsimile No. on the terms and conditions set forth in this agreement (Agreement). Buyer shall have the right to assign Buyer's rights hereunder, but any such assignment shall not relieve Buyer of Buyer's obligations herein unless Seller expressly releases Buyer.

1.2 The term "Date of Agreement" as used herein shall be the date when by execution and delivery (as defined in paragraph 20.2) of this document or a subsequent counteroffer thereto, Buyer and Seller have reached agreement in writing whereby Seller agrees to sell, and Buyer agrees to purchase, the Property upon terms accepted by both Parties.

2. Property.

2.1 The real property (Property) that is the subject of this offer consists of (insert a brief physical description) Approximately 4.35 acres of land

is located in the City of San Bernardino, County of San Bernardino State of California is commonly known by the street address of E Cooley Ave

and is legally described as: To be provided in escrow

(APN: 0281-031-51 & 0281-041-41)

2.2 If the legal description of the Property is not complete or is inaccurate, this Agreement shall not be invalid and the legal description shall be completed or corrected to meet the requirements of Lawyers Title (Title Company), which shall issue the title policy hereinafter described.

2.3 The Property includes, at no additional cost to Buyer, the permanent improvements thereon, including those items which pursuant to applicable law are a part of the property, as well as the following items, if any, owned by Seller and at present located on the Property: N/A All improvements must be vacant and no third party may have a possessory interest in any improvement as of Closing.

2.4 Except as provided in Paragraph 2.3, the Purchase Price does not include Seller's personal property, furniture and furnishings, and N/A all of which shall be removed by Seller prior to Closing.

3. Purchase Price.

3.1 The purchase price (Purchase Price) to be paid by Buyer to Seller for the Property shall be: \$625,000.00 or (complete only if purchase price will be determined based on a per-unit cost instead of a fixed price) \$ per unit. The unit used to determine the Purchase Price shall be: lot acre square foot other peroning areas of less than a full unit. The number of units shall be based on a calculation of total area of the Property as certified to the Parties by a licensed surveyor in accordance with paragraph 9.1(g). However, the following rights of way and other areas will be excluded from such calculation: The Purchase

Price shall be payable as follows:

(a) Cash down payment, including the Deposit as defined in paragraph 4.3 (or if an all cash transaction, the Purchase Price): \$625,000.00

(Strike if not applicable) (b) Amount of "New Loan" as defined in paragraph 5.1, if any: \$ (c) Buyer shall take title to the Property subject to and/or assume the following existing deed(s) of trust (Existing Deed(s) of Trust) securing the existing promissory note(s) (Existing Note(s)): (i) An Existing Note ("First Note") with an unpaid principal balance as of the Closing of approximately: \$ Said First Note is payable at \$ per month, including interest at the rate of % per annum until paid (and/or the entire unpaid balance is due on

(ii) An Existing Note ("Second Note") with an unpaid principal balance as of the Closing of approximately: \$ Said Second Note is payable at \$ per month, including interest at the rate of % per annum until paid (and/or the entire unpaid balance is due on

(Strike if not applicable) (d) Buyer shall give Seller a deed of trust (Purchase Money Deed of Trust) on the property, to secure the promissory note of Buyer to Seller described in paragraph 5 (Purchase Money Note) in the amount of: \$

224 INITIALS

INITIALS

3.2 If Buyer is taking title to the Property subject to, or assuming, an Existing Deed of Trust and such deed of trust permits the beneficiary to demand payment of fees including, but not limited to, points, processing fees, and appraisal fees as a condition to the transfer of the Property, Buyer agrees to pay such fees up to a maximum of 1.5% of the unpaid principal balance of the applicable Existing Note.

4. Deposits.

4.1 Buyer has delivered to Broker a check in the sum of \$ _____, payable to Escrow Holder, to be delivered by Broker to Escrow Holder within 2 or _____ business days after both Parties have executed this Agreement and the executed Agreement has been delivered to Escrow Holder, within 2 or 5 business days after both Parties have executed this Agreement and the executed Agreement has been delivered to Escrow Holder. Buyer shall deliver to Escrow Holder a check in the sum of \$20,000.00. If said check is not received by Escrow Holder within said time period then Seller may elect to unilaterally terminate this transaction by giving written notice of such election to Escrow Holder whereupon neither Party shall have any further liability to the other under this Agreement. Should Buyer and Seller not enter into an agreement for purchase and sale, Buyer's check or funds shall, upon request by Buyer, be promptly returned to Buyer.

4.2 Additional deposits:

(a) Within 5 business days after the Date of Agreement, Buyer shall deposit with Escrow Holder the additional sum of \$ _____ to be applied to the Purchase Price at the Closing.

(b) Within 5 business days after the contingencies discussed in paragraph 9.1 (a) through (k) are approved or waived, Buyer shall deposit with Escrow Holder the additional sum of \$ _____ to be applied to the Purchase Price at the Closing.

4.3 Escrow Holder shall deposit the funds deposited with it by Buyer pursuant to paragraphs 4.1 and 4.2 (collectively the "Deposit"), in a State or Federally chartered bank in an interest-bearing account whose term is appropriate and consistent with the timing requirements of this transaction. The interest therefrom shall accrue to the benefit of Buyer, who hereby acknowledges that there may be penalties or interest forfeitures if the applicable instrument is redeemed prior to its specified maturity. Buyer's Federal Tax Identification Number is _____. NOTE: Such interest-bearing account cannot be opened until Buyer's Federal Tax Identification Number is provided.

4.4 Notwithstanding the foregoing, within 5 days after Escrow Holder receives the monies described in paragraph 4.1 above, Escrow Holder shall release \$100 of said monies to Seller as and for independent consideration for Seller's execution of this Agreement and the granting of the contingency period to Buyer as herein provided. Such independent consideration is non-refundable to Buyer but shall be credited to the Purchase Price in the event that the purchase of the Property is completed.

5. Financing Contingency. (Strike if not applicable)

5.1 This offer is contingent upon Buyer obtaining from an insurance company, financial institution or other lender, a commitment to lend to Buyer a sum equal to at least _____% of the Purchase Price, on terms reasonably acceptable to Buyer. Such loan ("New Loan") shall be secured by a first deed of trust or mortgage on the Property. If this Agreement provides for Seller to carry back junior financing, then Seller shall have the right to approve the terms of the New Loan. Seller shall have 7 days from receipt of the commitment setting forth the proposed terms of the New Loan to approve or disapprove of such proposed terms. If Seller fails to notify Escrow Holder, in writing, of the disapproval within said 7 days it shall be conclusively presumed that Seller has approved the terms of the New Loan.

5.2 Buyer hereby agrees to diligently pursue obtaining the New Loan. If Buyer shall fail to notify its Broker, Escrow Holder and Seller, in writing within _____ days following the Date of Agreement, that the New Loan has not been obtained, it shall be conclusively presumed that Buyer has either obtained said New Loan or has waived this New Loan contingency.

5.3 If, after due diligence, Buyer shall notify its Broker, Escrow Holder and Seller, in writing, within the time specified in paragraph 5.2 hereof, that Buyer has not obtained said New Loan, this Agreement shall be terminated, and Buyer shall be entitled to the prompt return of the Deposit, plus any interest earned thereon, less only Escrow Holder and Title Company cancellation fees and costs, which Buyer shall pay.

6. Seller Financing (Purchase Money Note) (Strike if not applicable)

6.1 If Seller approves Buyer's financials (see paragraph 6.5) the Purchase Money Note shall provide for interest on unpaid principal at the rate of _____% per annum, with principal and interest paid as follows:

The Purchase Money Note and Purchase Money Deed of Trust shall be on the current terms commonly used by Escrow Holder, and be junior and subordinate only to the Existing Note(s) and/or the New Loan expressly called for by this Agreement.

6.2 The Purchase Money Note and/or the Purchase Money Deed of Trust shall contain provisions regarding the following (see also paragraph 10.2 (b)):

(a) Prepayment. Principal may be prepaid in whole or in part at any time without penalty, at the option of the Buyer.

(b) Late Charge. A late charge of 8% shall be payable with respect to any payment of principal, interest, or other charges, not made within 10 days after it is due.

(c) Due On Sale. In the event the Buyer sells or transfers title to the Property or any portion thereof, then the Seller may, at Seller's option, require the entire unpaid balance of said Note to be paid in full.

6.3 If the Purchase Money Deed of Trust is to be subordinate to other financing, Escrow Holder shall, at Buyer's expense, prepare and record on Seller's behalf a request for notice of default and/or sale with regard to each mortgage or deed of trust to which it will be subordinate.

6.4 WARNING: CALIFORNIA LAW DOES NOT ALLOW DEFICIENCY JUDGEMENTS ON SELLER FINANCING. IF BUYER ULTIMATELY DEFAULTS ON THE LOAN, SELLER'S SOLE REMEDY IS TO FORECLOSE ON THE PROPERTY.

6.5 Seller's obligation to provide financing is contingent upon Seller's reasonable approval of Buyer's financial condition. Buyer to provide a current financial statement and copies of its Federal tax returns for the last 3 years to Seller within 10 days following the Date of Agreement. Seller has 10 days following receipt of such documentation to satisfy itself with regard to Buyer's financial condition and to notify Escrow Holder as to whether or not Buyer's financial condition is acceptable. If Seller fails to notify Escrow Holder, in writing, of the disapproval of this contingency within said time period, it shall be conclusively presumed that Seller has approved Buyer's financial condition. If Seller is not satisfied with Buyer's financial condition or if Buyer fails to deliver the required documentation then Seller may notify Escrow Holder in writing that Seller Financing will not be available, and Buyer shall have the option, within 10 days of the receipt of such notice, to either terminate this transaction or to purchase the Property without Seller financing. If Buyer fails to notify Escrow Holder within said time period of its election to terminate this transaction then Buyer shall be conclusively presumed to have elected to purchase the Property without Seller financing. If Buyer elects to terminate, Buyer's Deposit shall be refunded less Title Company and Escrow Holder cancellation fees and costs, all of which shall be Buyer's obligation.

7. Real Estate Brokers.

7.1 The following real estate broker(s) ("Brokers") and brokerage relationships exist in this transaction and are consented to by the Parties (check the applicable boxes):

- Keller Williams represents Seller exclusively ("Seller's Broker");
- Lee & Associates - Ontario represents Buyer exclusively ("Buyer's Broker"); or
- _____ represents both Seller and Buyer ("Dual Agency").

The Parties acknowledge that Brokers are the procuring cause of this Agreement. See paragraph 24 regarding the nature of a real estate agency relationship. Buyer shall use the services of Buyer's Broker exclusively in connection with any and all negotiations and offers with respect to the Property for a period of 1 year from the date inserted for reference purposes at the top of page 1.

7.2 Buyer and Seller each represent and warrant to the other that he/she/it has had no dealings with any person, firm, broker or finder in connection with the negotiation of this Agreement and/or the consummation of the purchase and sale contemplated herein, other than the Brokers named in paragraph 7.1, and no broker or other person, firm or entity, other than said Brokers is/are entitled to any commission or finder's fee in connection with this transaction as the result of any dealings or acts of such Party. Buyer and Seller do each hereby agree to indemnify, defend, protect and hold the other harmless from and against any costs, expenses or liability for compensation, commission or charges which may be claimed by any broker, finder or other similar party, other than said named Brokers by reason of any dealings or act of the indemnifying Party.

8. Escrow and Closing.

8.1 Upon acceptance hereof by Seller, this Agreement, including any counteroffers incorporated herein by the Parties, shall constitute not only the agreement of purchase and sale between Buyer and Seller, but also instructions to Escrow Holder for the consummation of the Agreement through the Escrow. Escrow Holder shall not prepare any further escrow Instructions restating or amending the Agreement unless specifically so instructed by

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the Parties or a Broker herein. Subject to the reasonable approval of the Parties, Escrow Holder may, however, include its standard general escrow provisions.

8.2 As soon as practical after the receipt of this Agreement and any relevant counteroffers, Escrow Holder shall ascertain the Date of Agreement as defined in paragraphs 1.2 and 20.2 and advise the Parties and Brokers, in writing, of the date ascertained.

8.3 Escrow Holder is hereby authorized and instructed to conduct the Escrow in accordance with this Agreement, applicable law and custom and practice of the community in which Escrow Holder is located, including any reporting requirements of the Internal Revenue Code. In the event of a conflict between the law of the state where the Property is located and the law of the state where the Escrow Holder is located, the law of the state where the Property is located shall prevail.

8.4 Subject to satisfaction of the contingencies herein described, Escrow Holder shall close this escrow (the "Closing") by recording a general warranty deed (a grant deed in California) and the other documents required to be recorded, and by disbursing the funds and documents in accordance with this Agreement.

8.5 ~~Buyer and Seller shall each pay one-half of the Escrow Holder's charges and Seller shall pay the usual recording fees and any required documentary transfer taxes. Seller shall pay the premium for a standard coverage owner's or joint protection policy of life insurance. (See also paragraph 4.4)~~

8.6 Escrow Holder shall verify that all of Buyer's contingencies have been satisfied or waived prior to Closing. The matters contained in paragraphs 9.1 subparagraphs (b), (c), (d), (e), (g), (i), (n), and (o), 9.4, 9.5, 12, 13, 14, 16, 18, 20, 21, 22, and 24 are, however, matters of agreement between the Parties only and are not instructions to Escrow Holder.

8.7 If this transaction is terminated for non-satisfaction and non-waiver of a Buyer's Contingency, as defined in paragraph 9.2, then neither of the Parties shall thereafter have any liability to the other under this Agreement, except to the extent of a breach of any affirmative covenant or warranty in this Agreement. In the event of such termination, Buyer shall be promptly refunded all funds deposited by Buyer with Escrow Holder, less only the \$100 provided for in paragraph 4.4 and the Title Company and Escrow Holder cancellation fees and costs, all of which shall be Buyer's obligation. If this transaction is terminated as a result of Seller's breach of this Agreement then Seller shall pay the Title Company and Escrow Holder cancellation fees and costs.

8.8 ~~The Closing shall occur on the Expected Closing Date, or as soon thereafter as the Escrow is in condition for Closing; provided, however, that if the Closing does not occur by the Expected Closing Date and said Date is not extended by mutual instructions of the Parties, a Party not then in default under this Agreement may notify the other Party, Escrow Holder, and Brokers, in writing that, unless the Closing occurs within 5 business days following said notice, the Escrow shall be deemed terminated without further notice or instructions.~~

8.9 Except as otherwise provided herein, the termination of Escrow shall not relieve or release either Party from any obligation to pay Escrow Holder's fees and costs or constitute a waiver, release or discharge of any breach or default that has occurred in the performance of the obligations, agreements, covenants or warranties contained therein.

8.10 ~~If this sale of the Property is not consummated for any reason other than Seller's breach or default, then at Seller's request, and as a condition to any obligation to return Buyer's deposit (see paragraph 2.4), Buyer shall within 5 days after written request deliver to Seller, at no charge, copies of all surveys, engineering studies, soil reports, maps, master plans, feasibility studies and other similar items prepared by or for Buyer that pertain to the Property. Provided, however, that Buyer shall not be required to deliver any such report if the written contract which Buyer entered into with the consultant who prepared such report specifically forbids the dissemination of the report to others.~~

9. Contingencies to Closing. The Contingency Start Date shall be defined as the date that the fully executed escrow agreement is received by the escrow holder.

9.1 The Closing of this transaction is contingent upon the satisfaction or waiver of the following contingencies. IF BUYER FAILS TO NOTIFY ESCROW HOLDER, IN WRITING, OF THE DISAPPROVAL OF ANY OF SAID CONTINGENCIES WITHIN THE TIME SPECIFIED THEREIN, IT SHALL BE CONCLUSIVELY PRESUMED THAT BUYER HAS APPROVED SUCH ITEM, MATTER OR DOCUMENT. Buyer's conditional approval shall constitute disapproval, unless provision is made by the Seller within the time specified therefore by the Buyer in such conditional approval or by this Agreement, whichever is later, for the satisfaction of the condition imposed by the Buyer. Escrow Holder shall promptly provide all Parties with copies of any written disapproval or conditional approval which it receives. With regard to subparagraphs (a) through (m) the pre-printed time periods shall control unless a different number of days is inserted in the spaces provided.

(a) Disclosure. Seller shall make to Buyer, through Escrow, all of the applicable disclosures required by law (See AIR Commercial Real Estate Association ("AIR") standard form entitled "Seller's Mandatory Disclosure Statement") and provide Buyer with a completed Property Information Sheet ("Property Information Sheet") concerning the Property, duly executed by or on behalf of Seller in the current form or equivalent to that published by the AIR within 10 or _____ days following the Date of Agreement. Buyer has 10 days from the receipt of said disclosures to approve or disapprove the matters disclosed.

(b) Physical Inspection. Buyer has 40 or 20 days from the Contingency Start Date receipt of the Property Information Sheet or the Date of Agreement, whichever is later, to satisfy itself with regard to the physical aspects and size of the Property.

(c) Hazardous Substance Conditions Report. Buyer has 30 or 20 days from the receipt of the Property Information Sheet or the Date of Agreement, whichever is later, to satisfy itself with regard to the environmental aspects of the Property. Seller recommends that Buyer obtain a Hazardous Substance Conditions Report concerning the Property and relevant adjoining properties. Any such report shall be paid for by Buyer. A "Hazardous Substance" for purposes of this Agreement is defined as any substance whose nature and/or quantity of existence, use, manufacture, disposal or effect, render it subject to Federal, state or local regulation, investigation, remediation or removal as potentially injurious to public health or welfare. A "Hazardous Substance Condition" for purposes of this Agreement is defined as the existence on, under or relevantly adjacent to the Property of a Hazardous Substance that would require remediation and/or removal under applicable Federal, state or local law.

(d) Soil Inspection. Buyer has 30 or 20 days from the Contingency Start Date receipt of the Property Information Sheet or the Date of Agreement, whichever is later, to satisfy itself with regard to the condition of the soils on the Property. Seller recommends that Buyer obtain a soil test report. Any such report shall be paid for by Buyer. Seller shall provide Buyer copies of any soils report that Seller may have within 10 days of the Date of Agreement.

(e) Governmental Approvals. Buyer has 30 or 20 days from the Contingency Start Date Date of Agreement to satisfy itself with regard to approvals and permits from governmental agencies or departments which have or may have jurisdiction over the Property and which Buyer deems necessary or desirable in connection with its intended use of the Property, including, but not limited to, permits and approvals required with respect to zoning, planning, building and safety, fire, police, handicapped and Americans with Disabilities Act requirements, transportation and environmental matters.

NOTE: Past uses of the Property may no longer be allowed. In the event that the Property must be rezoned, it is Buyer's responsibility to obtain the rezoning from the appropriate government agencies. Seller shall sign all documents Buyer is required to file in connection with rezoning, conditional use permits and/or other development approvals.

(f) Conditions of Title. Escrow Holder shall cause a current commitment for title insurance ("Title Commitment") concerning the Property issued by the Title Company, as well as legible copies of all documents referred to in the Title Commitment ("Underlying Documents"), and a scaled and dimensioned plot showing the location of any easements to be delivered to Buyer within 10 or _____ days following the Date of Agreement. Buyer has 10 days from the receipt of the Title Commitment, the Underlying Documents and the plot plan to satisfy itself with regard to the condition of title. The disapproval by Buyer of any monetary encumbrance, which by the terms of this Agreement is not to remain against the Property after the Closing, shall not be considered a failure of this contingency, as Seller shall have the obligation, at Seller's expense, to satisfy and remove such disapproved monetary encumbrance at or before the Closing.

(g) Survey. Buyer has 30 or 20 days from the Contingency Start Date receipt of the Title Commitment and Underlying Documents to satisfy itself with regard to any ALTA title supplement based upon a survey prepared to American Land Title Association ("ALTA") standards for an owner's policy by a licensed surveyor, showing the legal description and boundary lines of the Property, any easements of record, and any improvements, poles, structures and things located within 10 feet of either side of the Property boundary lines. Any such survey shall be prepared at Buyer's direction and expense. If Buyer has obtained a survey and approved the ALTA title supplement, Buyer may elect within the period allowed for Buyer's approval of a survey to have an ALTA extended coverage owner's form of title policy, in which event Buyer shall pay any additional premium attributable thereto.

(h) Existing Leases and Tenancy Statements. Seller shall within 10 or _____ days of the Date of Agreement provide both Buyer and Escrow Holder with legible copies of all leases, subleases or rental arrangements (collectively, "Existing Leases") effecting the Property. All Existing Leases shall be terminated at or prior to Closing, without cost to Buyer, and with a tenancy statement ("Estoppel Certificate") in the latest form or equivalent to that published by the AIR, executed by Seller and/or each tenant and subtenant of the Property. Seller shall use its best efforts to have each tenant complete and execute an Estoppel Certificate. If any tenant fails or refuses to provide an Estoppel Certificate then Seller shall complete and execute an Estoppel Certificate for that tenancy. Buyer has 10 days from the receipt of said Existing Leases and Estoppel Certificates to satisfy itself with regard to the Existing Leases and any other tenancy issues.

(i) Owner's Association. Seller shall within 10 or _____ days of the Date of Agreement provide Buyer with a statement and transfer

234
INITIALS

INITIALS

package from any owner's association servicing the Property. Such transfer package shall at a minimum include: copies of the association's bylaws, articles of incorporation, current budget and financial statement. Buyer has 10 days from the Contingency Start Date receipt of such documents to satisfy itself with regard to the association.

(j) ~~Other Agreements.~~ Seller shall within 10 or _____ days of the Date of Agreement provide Buyer with legible copies of all other agreements ("Other Agreements") known to Seller that will affect the Property after Closing. Buyer has 10 days from the Contingency Start Date receipt of said Other Agreements to satisfy itself with regard to such Agreements.

(k) ~~Financing.~~ If paragraph 5 hereof dealing with a financing contingency has not been stricken, the satisfaction or waiver of such New Loan contingency.

(l) ~~Existing Notes.~~ If paragraph 3.1(c) has not been stricken, Seller shall within 10 or _____ days of the Date of Agreement provide Buyer with legible copies of the Existing Notes, Existing Deeds of Trust and related agreements (collectively, "Loan Documents") to which the Property is still remain subject. Seller shall cause all financing evidenced by the Loan Documents to be paid off, in full, at or prior to Closing, and all liens securing any Loan Documents shall be released without cost to Buyer. ~~After the Closing, Escrow Holder shall promptly request from the holders of the Existing Notes a beneficiary statement ("Beneficiary Statement") confirming: (1) the amount of the unpaid principal balance, the current interest rate, and the date to which interest is paid, and (2) the nature and amount of any impounds held by the beneficiary in connection with such loan. Buyer has 10 or _____ days from the receipt of the Loan Documents and Beneficiary Statements to satisfy itself with regard to such financing. Buyer's obligation to close is conditioned upon Buyer being able to purchase the Property without acceleration or change in the terms of any Existing Notes or charges to Buyer except as otherwise provided in this Agreement or approved by Buyer, provided, however, Buyer shall pay the transfer fee referred to in paragraph 3.2 hereof. Likewise if Seller is to carry back a Purchase Money Note then Seller shall within 10 or _____ days of the Date of Agreement provide Buyer with a copy of the proposed Purchase Money Note and Purchase Money Deed of Trust. Buyer has 10 or _____ days from the receipt of such documents to satisfy itself with regard to the form and content thereof.~~

(m) ~~Personal Property.~~ The Property shall be delivered to Buyer free and clear of all personal property. ~~In the event that any personal property is included in the Purchase Price, Buyer has 10 or _____ days from the Date of Agreement to satisfy itself with regard to the title condition of such personal property. Seller recommends that Buyer obtain a UCC-1 report. Any such report shall be paid for by Buyer. Seller shall provide Buyer copies of any liens or encumbrances affecting such personal property that it is aware of within 10 or _____ days of the Date of Agreement.~~

(n) ~~Destruction, Damage or Loss.~~ There shall not have occurred prior to the Closing, a destruction of, or damage or loss to, the Property or any portion thereof, from any cause whatsoever, which would cost more than \$10,000.00 to repair or cure. If the cost of repair or cure is \$10,000.00 or less, Seller shall repair or cure the loss prior to the Closing if Buyer so requests. Buyer shall have the option, within 10 days after receipt of written notice of a loss costing more than \$10,000.00 to repair or cure, to either terminate this Agreement or to purchase the Property notwithstanding such loss, but without deduction or offset against the Purchase Price. If the cost to repair or cure is more than \$10,000.00, and Buyer does not elect to terminate this Agreement, Buyer shall be entitled to any insurance proceeds applicable to such loss. Unless otherwise notified in writing, Escrow Holder shall assume no such destruction, damage or loss has occurred prior to Closing.

(o) ~~Material Change.~~ Buyer shall have 10 days following receipt of written notice of a Material Change within which to satisfy itself with regard to such change. "Material Change" shall mean a substantial adverse change in the use, occupancy, tenants, title, or condition of the Property that occurs after the date of this offer and prior to the Closing. Unless otherwise notified in writing, Escrow Holder shall assume that no Material Change has occurred prior to the Closing.

(p) ~~Seller Performance.~~ The delivery of all documents and the due performance by Seller of each and every undertaking and agreement to be performed by Seller under this Agreement.

(q) ~~Brokerage Fee.~~ Payment at the Closing of such brokerage fee as is specified in this Agreement or later written instructions to Escrow Holder executed by Seller and Brokers ("Brokerage Fee"). It is agreed by the Parties and Escrow Holder that Brokers are a third party beneficiary of this Agreement insofar as the Brokerage Fee is concerned, and that no change shall be made with respect to the payment of the Brokerage Fee specified in this Agreement, without the written consent of Brokers.

9.2 All of the contingencies specified in subparagraphs (a) through (m) of paragraph 9.1 are for the benefit of, and may be waived by, Buyer, and may be elsewhere herein referred to as "Buyer's Contingencies."

9.3 If any of Buyer's Contingencies or any other matter subject to Buyer's approval is disapproved as provided for herein in a timely manner ("Disapproved Item"), Seller shall have the right within 10 days following the receipt of notice of Buyer's disapproval to elect to cure such Disapproved Item prior to the Expected Closing Date ("Seller's Election"). Seller's failure to give to Buyer within such period, written notice of Seller's commitment to cure such Disapproved Item on or before the Expected Closing Date shall be conclusively presumed to be Seller's Election not to cure such Disapproved Item. If Seller elects, either by written notice or failure to give written notice, not to cure a Disapproved Item, Buyer shall have the right, within 10 days after Seller's Election to either accept title to the Property subject to such Disapproved Item, or to terminate this Agreement. Buyer's failure to notify Seller in writing of Buyer's election to accept title to the Property subject to the Disapproved Item without deduction or offset shall constitute Buyer's election to terminate this Agreement. Unless expressly provided otherwise herein, Seller's right to cure shall not apply to the remediation of Hazardous Substance Conditions or to the Financing Contingency. Unless the Parties mutually instruct otherwise, if the time periods for the satisfaction of contingencies or for Seller's and Buyer's elections would expire on a date after the Expected Closing Date, the Expected Closing Date shall be deemed extended for 3 business days following the expiration of: (a) the applicable contingency period(s), (b) the period within which the Seller may elect to cure the Disapproved Item, or (c) if Seller elects not to cure, the period within which Buyer may elect to proceed with this transaction, whichever is later.

9.4 Buyer understands and agrees that until such time as all Buyer's Contingencies have been satisfied or waived, Seller and/or its agents may solicit, entertain and/or accept back-up offers to purchase the Property, but Seller may not enter into any other contractual agreement to sell the Property or any part thereof.

9.5 The Parties acknowledge that extensive local, state and Federal legislation establish broad liability upon owners and/or users of real property for the investigation and remediation of Hazardous Substances. The determination of the existence of a Hazardous Substance Condition and the evaluation of the impact of such a condition are highly technical and beyond the expertise of Brokers. The Parties acknowledge that they have been advised by Brokers to consult their own technical and legal experts with respect to the possible presence of Hazardous Substances on the Property or adjoining properties, and Buyer and Seller are not relying upon any investigation by or statement of Brokers with respect thereto. The Parties hereby assume all responsibility for the impact of such Hazardous Substances upon their respective interests herein.

10. Documents Required at or Before Closing:

10.1 Five days prior to the Closing date Escrow Holder shall obtain an updated Title Commitment concerning the Property from the Title Company and provide copies thereof to each of the Parties.

10.2 Seller shall deliver to Escrow Holder in time for delivery to Buyer at the Closing:

(a) Grant or general warranty deed, duly executed and in recordable form, conveying fee title to the Property to Buyer.

(b) ~~If applicable, the Beneficiary Statements concerning Existing Notes;~~

(c) ~~If applicable, the Existing Leases and Other Agreements together with duly executed assignments thereof by Seller and Buyer. The assignment of Existing Leases shall be on the most recent Assignment and Assumption of Lessor's Interest in Lease form published by the AIR or its equivalent;~~

(d) ~~If applicable, Estoppel Certificate executed by Seller and/or the tenant(s) of the Property.~~

(e) An affidavit executed by Seller to the effect that Seller is not a "foreign person" within the meaning of Internal Revenue Code Section 1445 or successor statutes. If Seller does not provide such affidavit in form reasonably satisfactory to Buyer at least 3 business days prior to the Closing, Escrow Holder shall at the Closing deduct from Seller's proceeds and remit to the Internal Revenue Service such sum as is required by applicable Federal law with respect to purchases from foreign sellers.

(f) If the Property is located in California, an affidavit executed by Seller to the effect that Seller is not a "nonresident" within the meaning of California Revenue and Tax Code Section 18662 or successor statutes. If Seller does not provide such affidavit in form reasonably satisfactory to Buyer at least 3 business days prior to the Closing, Escrow Holder shall at the Closing deduct from Seller's proceeds and remit to the Franchise Tax Board such sum as is required by such statute.

(g) ~~If applicable, a bill of sale, duly executed, conveying title to any included personal property to Buyer.~~

(h) If the Seller is a corporation, a duly executed corporate resolution authorizing the execution of this Agreement and the sale of the Property.

10.3 Buyer shall deliver to Seller through Escrow:

(a) The cash portion of the Purchase Price and such additional sums as are required of Buyer under this Agreement shall be deposited by Buyer with Escrow Holder, by federal funds wire transfer, or any other method acceptable to Escrow Holder in immediately collectable funds, no later than 2:00 P.M. on the business day prior to the Expected Closing Date provided, however, that Buyer shall not be required to deposit such monies into Escrow if at the time set for the deposit of such monies Seller is in default or has indicated that it will not perform any of its obligations hereunder. Instead, in such circumstances in order to reserve its rights to proceed Buyer need only provide Escrow with evidence establishing that the required

27
INITIALS

INITIALS

monies were available.

~~(b) If a Purchase Money Note and Purchase Money Deed of Trust are called for by this Agreement, the duly executed originals of those documents, the Purchase Money Deed of Trust being in recordable form, together with evidence of fire insurance on the improvements in the amount of the full replacement cost naming Seller as a mortgagee-leasee payee, and a real estate tax service contract (at Buyer's expense), assuring Seller of notice of the status of payment of real property taxes during the life of the Purchase Money Note.~~

~~(c) The Assignment and Assumption of Lessor's Interest in Lease form specified in paragraph 10.2(e) above, duly executed by Buyer.~~

~~(d) Assumptions duly executed by Buyer of the obligations of Seller that secure after Closing under any Other Agreements.~~

~~(e) If applicable, a written assumption duly executed by Buyer of the loan documents with respect to Existing Notes.~~

~~(f) If the Buyer is a corporation, a duly executed corporate resolution authorizing the execution of this Agreement and the purchase of the Property.~~

10.4 At Closing, Escrow Holder shall cause to be issued to Buyer a standard coverage (or ALTA extended, if elected pursuant to 9.1(g)) owner's form policy of title insurance effective as of the Closing, issued by the Title Company in the full amount of the Purchase Price, insuring title to the Property vested in Buyer, subject only to the exceptions approved by Buyer and together with any endorsements reasonably required by Buyer (at Buyer's expense). In the event there is a Purchase Money Deed of Trust in this transaction, the policy of title insurance shall be a joint protection policy insuring both Buyer and Seller.

IMPORTANT: IN A PURCHASE OR EXCHANGE OF REAL PROPERTY, IT MAY BE ADVISABLE TO OBTAIN TITLE INSURANCE IN CONNECTION WITH THE CLOSE OF ESCROW SINCE THERE MAY BE PRIOR RECORDED LIENS AND ENCUMBRANCES WHICH AFFECT YOUR INTEREST IN THE PROPERTY BEING ACQUIRED. A NEW POLICY OF TITLE INSURANCE SHOULD BE OBTAINED IN ORDER TO ENSURE YOUR INTEREST IN THE PROPERTY THAT YOU ARE ACQUIRING.

11. Prorations and Adjustments.

11.1 **Taxes.** Applicable real property taxes and special assessment bonds shall be prorated through Escrow as of the date of the Closing, based upon the latest tax bill available. The Parties agree to prorate as of the Closing any taxes assessed against the Property by supplemental bill levied by reason of events occurring prior to the Closing. Payment of the prorated amount shall be made promptly in cash upon receipt of a copy of any supplemental bill.

11.2 **Insurance.** **WARNING:** Any insurance which Seller may have maintained will terminate on the Closing. Buyer is advised to obtain appropriate insurance to cover the Property.

~~11.3 **Rentals, Interest and Expenses.** Scheduled rentals, interest on Existing Notes, utilities, and operating expenses shall be prorated as of the date of Closing. The Parties agree to promptly adjust between themselves outside of Escrow any rents received after the Closing.~~

~~11.4 **Security Deposit.** Security Deposits held by Seller shall be given to Buyer as a credit to the cash required of Buyer at the Closing.~~

~~11.5 **Post-Closing Matters.** Any item to be prorated that is not determined or determinable at the Closing shall be promptly adjusted by the Parties by appropriate cash payment outside of the Escrow when the amount due is determined.~~

~~11.6 **Variations in Existing Note Balances.** In the event that Buyer is purchasing the Property subject to an Existing Deed of Trust (e), and in the event that a Beneficiary Statement as to the applicable Existing Note (e) discloses that the unpaid principal balance of such Existing Note (e) at the closing will be more or less than the amount set forth in paragraph 3.4(e) hereof ("Existing Note Variation"), then the Purchase Money Note (e) shall be reduced or increased by an amount equal to such Existing Note Variation. If there is to be no Purchase Money Note, the cash required at the Closing per paragraph 3.4(e) shall be reduced or increased by the amount of such Existing Note Variation.~~

~~11.7 **Variations in New Loan Balances.** In the event Buyer is obtaining a New Loan and the amount ultimately obtained exceeds the amount set forth in paragraph 6.4, then the amount of the Purchase Money Note, if any, shall be reduced by the amount of such excess.~~

11.5 **Owner's Association Fees.** Escrow Holder shall: (i) bring Seller's account with the association current and pay any delinquencies or transfer fees from Seller's proceeds, and (ii) pay any up front fees required by the association from Buyer's funds.

12. Representations and Warranties of Seller and Disclaimers.

12.1 Seller's warranties and representations shall survive the Closing and delivery of the deed for a period of 3 years, and any lawsuit or action based upon them must be commenced within such time period. Seller's warranties and representations are true, material and relied upon by Buyer and Brokers in all respects. Seller hereby makes the following warranties and representations to Buyer and Brokers:

(a) **Authority of Seller.** Seller is the owner of the Property and/or has the full right, power and authority to sell, convey and transfer the Property to Buyer as provided herein, and to perform Seller's obligations hereunder.

(b) **Maintenance During Escrow and Equipment Condition At Closing.** Except as otherwise provided in paragraph 9.1(n) hereof, Seller shall maintain the Property until the Closing in its present condition, ordinary wear and tear excepted.

(c) **Hazardous Substances/Storage Tanks.** Seller has no knowledge, except as otherwise disclosed to Buyer in writing, of the existence or prior existence on the Property of any Hazardous Substance, nor of the existence or prior existence of any above or below ground storage tank.

(d) **Compliance.** Seller has no knowledge of any aspect or condition of the Property which violates applicable laws, rules, regulations, codes or covenants, conditions or restrictions, or of improvements or alterations made to the Property without a permit where one was required, or of any unfulfilled order or directive of any applicable governmental agency or casualty insurance company requiring any investigation, remediation, repair, maintenance or improvement to be performed on the Property.

(e) **Changes in Agreements.** Prior to the Closing, Seller will not violate or modify any Existing Lease or Other Agreement, or create any new leases or other agreements affecting the Property, without Buyer's written approval, which approval may be given or withheld, in Buyer's sole discretion. ~~Will not be unreasonably withheld.~~

(f) **Possessory Rights.** Seller has no knowledge that anyone will, at the Closing, have any right to possession of the Property, ~~except as disclosed by this Agreement or otherwise in writing to Buyer.~~

(g) **Mechanics' Liens.** There are no unsatisfied mechanics' or materialmen's lien rights concerning the Property.

(h) **Actions, Suits or Proceedings.** Seller has no knowledge of any actions, suits or proceedings pending or threatened before any commission, board, bureau, agency, arbitrator, court or tribunal that would affect the Property or the right to occupy or utilize same.

(i) **Notice of Changes.** Seller will promptly notify Buyer and Brokers in writing of any Material Change (see paragraph 9.1(o)) affecting the Property that becomes known to Seller prior to the Closing.

(j) **No Tenant Bankruptcy Proceedings.** Seller has no notice or knowledge that any tenant of the Property is the subject of a bankruptcy or insolvency proceeding.

(k) **No Seller Bankruptcy Proceedings.** Seller is not the subject of a bankruptcy, insolvency or probate proceeding.

~~(l) **Personal Property.** Seller has no knowledge that anyone will, at the Closing, have any right to possession of any personal property included in the Purchase Price nor knowledge of any liens or encumbrances affecting such personal property, except as disclosed by this Agreement or otherwise in writing to Buyer.~~

12.2 Buyer hereby acknowledges that, except as otherwise stated in this Agreement, Buyer is purchasing the Property in its existing condition and will, by the time called for herein, make or have waived all inspections of the Property Buyer believes are necessary to protect its own interest in, and its contemplated use of, the Property. The Parties acknowledge that, except as otherwise stated in this Agreement, no representations, inducements, promises, agreements, assurances, oral or written, concerning the Property, or any aspect of the occupational safety and health laws, Hazardous Substance laws, or any other act, ordinance or law, have been made by either Party or Brokers, or relied upon by either Party hereto.

12.3 In the event that Buyer learns that a Seller representation or warranty might be untrue prior to the Closing, and Buyer elects to purchase the Property anyway then, and in that event, Buyer waives any right that it may have to bring an action or proceeding against Seller or Brokers regarding said representation or warranty.

12.4 Any environmental reports, soils reports, surveys, feasibility studies, and other similar documents which were prepared by third party consultants and provided to Buyer by Seller or Seller's representatives, have been delivered as an accommodation to Buyer and without any representation or warranty as to the sufficiency, accuracy, completeness, and/or validity of said documents, all of which Buyer relies on at its own risk. Seller believes said documents to be accurate, but Buyer is advised to retain appropriate consultants to review said documents and investigate the Property.

13. Possession.

Possession of the Property shall be given to Buyer at the Closing free and clear of any possessory rights granted to third parties and free and clear of all personal property, ~~subject to the rights of tenants under Existing Leases.~~

14. Buyer's Entry.

At any time prior to the Closing, during the Escrow period, Buyer, and its agents and representatives, shall have the right at reasonable times and subject to rights of tenants, to enter upon the Property for the purpose of making inspections and tests specified in this Agreement, including the unrestricted right to conduct a Phase II Environmental Report. No destructive testing shall be conducted, however, without Seller's prior approval which shall not be unreasonably withheld. Following any such entry or work, unless otherwise directed in writing by Seller, Buyer shall return the Property to the condition it was in prior to such entry or work, including the recompaction or removal of any disrupted soil or material as Seller may reasonably direct. All such inspections and tests and any other work conducted or materials furnished with respect to the Property by or for Buyer shall be paid for by Buyer as and

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when due and Buyer shall indemnify, defend, protect and hold harmless Seller and the Property of and from any and all claims, liabilities, losses, expenses (including reasonable attorneys' fees), damages, including those for injury to person or property, arising out of or relating to any such work or materials or the acts or omissions of Buyer, its agents or employees in connection therewith.

15. Further Documents and Assurances.

The Parties shall each, diligently and in good faith, undertake all actions and procedures reasonably required to place the Escrow in condition for Closing as and when required by this Agreement. The Parties agree to provide all further information, and to execute and deliver all further documents, reasonably required by Escrow Holder or the Title Company.

16. Attorneys' Fees.

If any Party or Broker brings an action or proceeding (including arbitration) involving the Property whether founded in tort, contract or equity, or to declare rights hereunder, the Prevailing Party (as hereafter defined) in any such proceeding, action, or appeal thereon, shall be entitled to reasonable attorneys' fees. Such fees may be awarded in the same suit or recovered in a separate suit, whether or not such action or proceeding is pursued to decision or judgment. The term "Prevailing Party" shall include, without limitation, a Party or Broker who substantially obtains or defeats the relief sought, as the case may be, whether by compromise, settlement, judgment, or the abandonment by the other Party or Broker of its claim or defense. The attorneys' fees award shall not be computed in accordance with any court fee schedule, but shall be such as to fully reimburse all attorneys' fees reasonably incurred.

17. Prior Agreements/Amendments.

17.1 This Agreement supersedes any and all prior agreements between Seller and Buyer regarding the Property.

17.2 Amendments to this Agreement are effective only if made in writing and executed by Buyer and Seller.

18. Broker's Rights.

~~18.1 If this sale is not consummated due to the default of either the Buyer or Seller, the defaulting Party shall be liable to and shall pay to Brokers the Brokerage Fee that Brokers would have received had the sale been consummated. If Buyer is the defaulting party, payment of said Brokerage Fee is in addition to any obligation with respect to liquidated or other damages.~~

~~18.2 Upon the Closing, Brokers are authorized to publicize the facts of this transaction.~~

19. Notices.

19.1 Whenever any Party, Escrow Holder or Brokers herein shall desire to give or serve any notice, demand, request, approval, disapproval or other communication, each such communication shall be in writing and shall be delivered personally, by messenger or by mail, postage prepaid, to the address set forth in this Agreement or by facsimile transmission or by email.

19.2 Service of any such communication shall be deemed made on the date of actual receipt if personally delivered. Any such communication sent by regular mail shall be deemed given 48 hours after the same is mailed. Communications sent by United States Express Mail or overnight courier that guarantee next day delivery shall be deemed delivered 24 hours after delivery of the same to the Postal Service or courier. Communications transmitted by facsimile transmission or by email shall be deemed delivered upon transmission telephonic confirmation of receipt (confirmation report from fax machine is sufficient), provided a copy is also delivered via delivery or mail. If such communication is received on a Saturday, Sunday or legal holiday, it shall be deemed received on the next business day. Notwithstanding anything herein to the contrary, notices delivered by Buyer to Escrow Holder shall be deemed as effective notice to Seller for all purposes.

19.3 Any Party or Broker hereto may from time to time, by notice in writing, designate a different address to which, or a different person or additional persons to whom, all communications are thereafter to be made.

20. Duration of Offer.

20.1 If this offer is not accepted by Seller on or before 5:00 P.M. according to the time standard applicable to the city of

_____ on the date of _____

it shall be deemed automatically revoked.

20.2 The acceptance of this offer, or of any subsequent counteroffer hereto, that creates an agreement between the Parties as described in paragraph 1.2, shall be deemed made upon delivery to the other Party or either Broker herein of a duly executed writing unconditionally accepting the last outstanding offer or counteroffer.

21. LIQUIDATED DAMAGES. (This Liquidated Damages paragraph is applicable only if initialed by both Parties.)

THE PARTIES AGREE THAT IT WOULD BE IMPRACTICABLE OR EXTREMELY DIFFICULT TO FIX, PRIOR TO SIGNING THIS AGREEMENT, THE ACTUAL DAMAGES WHICH WOULD BE SUFFERED BY SELLER IF BUYER FAILS TO PERFORM ITS OBLIGATIONS UNDER THIS AGREEMENT. THEREFORE, IF, AFTER THE SATISFACTION OR WAIVER OF ALL CONTINGENCIES PROVIDED FOR THE BUYER'S BENEFIT, BUYER BREACHES THIS AGREEMENT, SELLER SHALL BE ENTITLED TO LIQUIDATED DAMAGES IN THE AMOUNT OF \$20,000.00 UPON PAYMENT OF SAID SUM TO SELLER, BUYER SHALL BE RELEASED FROM ANY FURTHER LIABILITY TO SELLER, AND ANY ESCROW CANCELLATION FEES AND TITLE COMPANY CHARGES SHALL BE PAID BY SELLER.

[Handwritten initials]

Buyer Initials

Seller Initials

22. ARBITRATION OF DISPUTES. (This Arbitration of Disputes paragraph is applicable only if initialed by both Parties.)

~~22.1 ANY CONTROVERSY AS TO WHETHER SELLER IS ENTITLED TO THE LIQUIDATED DAMAGES AND/OR BUYER IS ENTITLED TO THE RETURN OF DEPOSIT MONEY, SHALL BE DETERMINED BY BINDING ARBITRATION BY, AND UNDER THE COMMERCIAL RULES OF THE AMERICAN ARBITRATION ASSOCIATION ("COMMERCIAL RULES"). ARBITRATION HEARINGS SHALL BE HELD IN THE COUNTY WHERE THE PROPERTY IS LOCATED. ANY SUCH CONTROVERSY SHALL BE ARBITRATED BY 3 ARBITRATORS WHO SHALL BE IMPARTIAL REAL ESTATE BROKERS WITH AT LEAST 5 YEARS OF FULL TIME EXPERIENCE IN BOTH THE AREA WHERE THE PROPERTY IS LOCATED AND THE TYPE OF REAL ESTATE THAT IS THE SUBJECT OF THIS AGREEMENT. THEY SHALL BE APPOINTED UNDER THE COMMERCIAL RULES. THE ARBITRATORS SHALL HEAR AND DETERMINE SAID CONTROVERSY IN ACCORDANCE WITH APPLICABLE LAW, THE INTENTION OF THE PARTIES AS EXPRESSED IN THIS AGREEMENT AND ANY AMENDMENTS THERETO, AND UPON THE EVIDENCE PRODUCED AT AN ARBITRATION HEARING. PRE-ARBITRATION DISCOVERY SHALL BE PERMITTED IN ACCORDANCE WITH THE COMMERCIAL RULES OR STATE LAW APPLICABLE TO ARBITRATION PROCEEDINGS. THE AWARD SHALL BE EXECUTED BY AT LEAST 2 OF THE 3 ARBITRATORS, BE RENDERED WITHIN 30 DAYS AFTER THE CONCLUSION OF THE HEARING, AND MAY INCLUDE ATTORNEYS' FEES AND COSTS TO THE PREVAILING PARTY PER PARAGRAPH 16 HEREOF. JUDGMENT MAY BE ENTERED ON THE AWARD IN ANY COURT OF COMPETENT JURISDICTION NOTWITHSTANDING THE FAILURE OF A PARTY DULY NOTIFIED OF THE ARBITRATION HEARING TO APPEAR THEREAT.~~

~~22.2 BUYER'S RESORT TO OR PARTICIPATION IN SUCH ARBITRATION PROCEEDINGS SHALL NOT BAR SUIT IN A COURT OF COMPETENT JURISDICTION BY THE BUYER FOR DAMAGES AND/OR SPECIFIC PERFORMANCE UNLESS AND UNTIL THE ARBITRATION RESULTS IN AN AWARD TO THE SELLER OF LIQUIDATED DAMAGES, IN WHICH EVENT SUCH AWARD SHALL ACT AS A BAR AGAINST ANY ACTION BY BUYER FOR DAMAGES AND/OR SPECIFIC PERFORMANCE.~~

~~22.3 NOTICE: BY INITIATING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIATING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL UNLESS SUCH RIGHTS ARE SPECIFICALLY INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY.~~

[Handwritten initials]

INITIALS

INITIALS

ATTENTION: NO REPRESENTATION OR RECOMMENDATION IS MADE BY THE AIR COMMERCIAL REAL ESTATE ASSOCIATION OR BY ANY BROKER AS TO THE LEGAL SUFFICIENCY, LEGAL EFFECT, OR TAX CONSEQUENCES OF THIS AGREEMENT OR THE TRANSACTION TO WHICH IT RELATES. THE PARTIES ARE URGED TO:

1. SEEK ADVICE OF COUNSEL AS TO THE LEGAL AND TAX CONSEQUENCES OF THIS AGREEMENT.
2. RETAIN APPROPRIATE CONSULTANTS TO REVIEW AND INVESTIGATE THE CONDITION OF THE PROPERTY. SAID INVESTIGATION SHOULD INCLUDE BUT NOT BE LIMITED TO: THE POSSIBLE PRESENCE OF HAZARDOUS SUBSTANCES, THE ZONING OF THE PROPERTY, THE INTEGRITY AND CONDITION OF ANY STRUCTURES AND OPERATING SYSTEMS, AND THE SUITABILITY OF THE PROPERTY FOR BUYER'S INTENDED USE.

WARNING: IF THE PROPERTY IS LOCATED IN A STATE OTHER THAN CALIFORNIA, CERTAIN PROVISIONS OF THIS AGREEMENT MAY NEED TO BE REVISED TO COMPLY WITH THE LAWS OF THE STATE IN WHICH THE PROPERTY IS LOCATED.

NOTE:

1. THIS FORM IS NOT FOR USE IN CONNECTION WITH THE SALE OF RESIDENTIAL PROPERTY.
2. IF EITHER PARTY IS A CORPORATION, IT IS RECOMMENDED THAT THIS AGREEMENT BE SIGNED BY TWO CORPORATE OFFICERS.

The undersigned Buyer offers and agrees to buy the Property on the terms and conditions stated and acknowledges receipt of a copy hereof.

BROKER:

Lee & Associates@-Ontario

Attn: Chris Morrell / Cody Wolf

Title:

Address: 3535 Inland Empire Blvd.

Ontario, CA 91764

Telephone: (909) 373-2721

Facsimile: (909) 944-8250

Email: cwolf@lee-assoc.com

Federal ID No.

Broker/Agent DRE License #: 01410974 / 01997598

BUYER:

Howard Industrial Partners and/or Assignee

By: 

Date:

Name Printed: Tim Howard

Title:

Telephone: (714) 769-9155

Facsimile: ()

Email: thoward@hipre.net

By:

Date:

Name Printed:

Title:

Address: 1944 North Tustin Street, Suite 122

Orange, CA 92865

Telephone: ()

Facsimile: ()

Email:

Federal ID No.

27. Acceptance.

27.1 Seller accepts the foregoing offer to purchase the Property and hereby agrees to sell the Property to Buyer on the terms and conditions therein specified.

27.2 Seller acknowledges that Brokers have been retained to locate a Buyer and are the procuring cause of the purchase and sale of the Property set forth in this Agreement. In consideration of real estate brokerage service rendered by Brokers, Seller agrees to pay Brokers a real estate Brokerage Fee in a sum equal to _____ % of the Purchase Price to be divided between the Brokers as follows: Seller's Broker _____ % and Buyer's Broker _____ %. This Agreement shall serve as an irrevocable instruction to Escrow Holder to pay such Brokerage Fee to Brokers out of the proceeds accruing to the account of Seller at the Closing. Broker's to be paid by Seller pursuant to a separate agreement.

27.3 Seller acknowledges receipt of a copy hereof and authorizes Brokers to deliver a signed copy to Buyer.

NOTE: A PROPERTY INFORMATION SHEET IS REQUIRED TO BE DELIVERED TO BUYER BY SELLER UNDER THIS AGREEMENT.

BROKER:

Keller Williams

Attn: Lara Fernandez

Title:

Address: 1473 Ford St., Suite 200

Redlands, CA 92373

Telephone: (928) 848-8585

Facsimile: ()

Email: larafernandez5@kw.com

Federal ID No.:

Broker/Agent DRE License #: 02015587

SELLER:

Successor Agency to the Redevelopment Agency of the City of San Bernardino

By:

Date:

Name Printed: Andrea Miller

Title: City Manager

Telephone: (909) 384-5122

Facsimile: (909) 384-5138

Email:

Miller_An@sbcity.org

By:

Date:

Name Printed:

Title:

Address: 300 N. "D" Street


INITIALS

PAGE 8 OF 9

INITIALS

San Bernardino, CA 92418

Telephone: () _____

Facsimile: () _____

Email: _____

Federal ID No.: _____

NOTICE: These forms are often modified to meet changing requirements of law and industry needs. Always write or call to make sure you are utilizing the most current form: AIR Commercial Real Estate Association, 500 N Brand Blvd, Suite 900, Glendale, CA 91203. Telephone No. (213) 687-5777. Fax No.: (213) 687-8616.

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INITIALS

PAGE 9 OF 9

INITIALS

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

**Broker's Opinion of Value
Prepared by
Keller Williams

(See Attachment)**

BROKER OPINION OF VALUE



0 Cooley Ave., San Bernardino, CA 92408

PREPARED FOR:

Ms. Lisa Connor
Project Manager
Successor Agency to the Redevelopment Agency
of the City of San Bernardino
290 N. "D" Street - 3rd Floor
San Bernardino, CA 92401

FOR THE PROPERTY LOCATED AT:

E. COOLEY AVE.
SAN BERNARDINO, CA
APN: 0281-031-51, 0281-041-41

DECEMBER 26 , 2017

KW COMMERCIAL
1473 Ford Street
Redlands, CA 92373

DOUGLAS REYNOLDSON
Commercial Real Estate Investment Advisor
909.478.4517
dreynoldson@kwcommercial.com
BRE #01456022

KENNETH PATTERSON
Agent
909.793.2100
kenpcommercial@gmail.com

We obtained the information above from sources we believe to be reliable. However, we have not verified its accuracy and make no guarantee, warranty or representation about it. It is submitted subject to the possibility of errors, omissions, change of price, rental or other conditions, prior sale, lease or financing, or withdrawal without notice. We include projections, opinions, assumptions or estimates for example only, and they may not represent current or future performance of the property. You and your tax and legal advisors should conduct your own investigation of the property and transaction.

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0 Cooley Ave., San Bernardino, CA 92408

TABLE OF CONTENTS

Broker's Opinion of Value

- Property Profile
- Location Aerial
- Assessor's Parcel Maps
- Location Map

Comparable Sales

Comparison Summary Table

Comparable #1

- Property Profile
- Assessor's Parcel Map
- Aerial

Comparable #2

- Property Profile
- Assessor's Parcel Map
- Aerial

Comparable #3

- Property Profile
- Assessor's Parcel Map
- Aerial

Leading Broker's Resume

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BROKER'S OPINION OF VALUE



0 Cooley Ave., San Bernardino, CA 92408

December 26 , 2017

Ms. Lisa Connor
Project Manager
Successor Agency to the Redevelopment Agency
of the City of San Bernardino
290 N "D" Street – 3rd Floor
San Bernardino, California 92401

Re: Broker Opinion of Value for Site No. 44 -- APN #0281-031-51 and 0281-041-41

Dear Ms. Connor:

We have prepared the following report regarding our opinion of value for the above referenced property ("Site"). Our opinion of value is based on an analysis of comparable sales.

Site Description

The Site consists of two contiguous parcels that together equal approximately 4.35 acres (or 189,486 sf). The Site is improved with a parking lot. The Site is zoned Heavy Industrial ("IH") which is a very broad zoning category, which allows multiple types of industrial uses, some of which require a Minor Use Permit ("MUP") or Conditional Use Permit ("CUP") with City Council approval. Two high-tension power line easements (100-foot-wide and 70-foot-wide, respectively) affect approximately 64% (or 121,100 sf) of the Site. As a result, only approximately 1.57 acres (or 63,386 sf) could be developed subject to certain practical limitations. For example, approximately 0.60 acres (or 26,137 sf), of the 1.57 acres that is unaffected by the powerline easements consists of a 20-foot wide strip of land, which may not have any practical value for the development of structures. Therefore, in our opinion only approximately 0.97 acres (or 42,254 sf) of the Site is suitable for development of structures ("Buildable Area"). In addition, the Buildable Area is adjacent to the San Bernardino County Flood Control Gage Canal. Consequently, any building proposed on the Buildable Area will require a set-back distance from the County property. Notwithstanding the easements and building restrictions, the Site could be developed with a modest size building and be used for a variety heavy industrial storage, construction yard, or parking purposes.

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Comparable Sales

Overall, there have been few recent sales of IH-zoned undeveloped land near the Site. As a result, it was necessary for the purposes of the report to consider comparable sales that have occurred over the last four years to get at least three comparable purchase and sale transactions. Therefore, and as further described below, within the last four years there were three property sales of IH-zoned undeveloped land which we believe are appropriate to use as comparable sales for the Site. The comparable sales are either currently vacant or were vacant at the time of the sale. We have adjusted each comparable sale based on site developability, easement restrictions and changes in the marketplace over time.

Comparable No. 1 is approximately 6.31 acres (or 274,864 sf) of vacant land being used as storage, sold in October 2017, is located on Cooley Drive (abutting the Site on the west), and is zoned IH. This property is also affected by a power line easement. In addition, a significant portion of each of its parcels (approximately 4.4 acres in total) is within the embankment area and river bed of the Santa Ana River and is included within a perpetual easement controlled by the San Bernardino County Flood Control District that restricts the easement area for only flood control and recreation purposes (which is tantamount to fee). Therefore, the net developable portion of this property is approximately 1.91 acres (approximately 83,200 sf). The sale price was \$373,000 or \$4.48/sf of the net developable area. Because the net developable area of Comparable No. 1 is more than twice the size of the Site's net developable area, we believe that the Site would not command the same price per square foot. Based on this we would adjust Comparable No. 1 downward by at least 10% to \$4.03/ sf.

Comparable No. 2 is approximately 7.10 acres (or 309,195 sf) of vacant land, sold in August 2015, is located on Orange Show Road, and is zoned IH. This property is affected by a 70-foot wide power line easement, impacting approximately 0.91 acres (or 39,550 sf) of the property, resulting in a net developable portion of approximately 6.19 acres (or 269,645 sf). The property sold for \$1,575,000, or approximately \$5.84/sf of the net developable area. Because the net developable area of Comparable No. 2 is more than six times the size of the Site's net developable area, we believe that the Site would not command the same price per square foot. Based on this we would adjust Comparable No. 2 downward by at least 30% to \$4.08/ sf.

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BROKER'S OPINION OF VALUE



0 Cooley Ave., San Bernardino, CA 92408

Comparable No. 3 is approximately 1.92 acres (or 82,820 sf) of vacant land, sold in July 2013, is located on North "I" Street, and is zoned IH. There are no easements that affect the developable portion of this property. The property sold for \$266,000, or approximately \$3.17/sf of the net developable area. There are at least three factors that should be considered with respect to adjusting Comparable No. 3 to the Site. First, Comparable No. 3 is over four years old. Consequently, we believe the changes in market values for IH-zoned property would result in at least a 60% increase in value for the Site. Secondly, the net developable area of Comparable No. 3 is about twice the size of the Site's net developable area. In our opinion, we believe the size differential would result in at least a 10% offset to the value of the Site. Lastly, this comparable is unaffected by any easement crossing the property that would limit its utility. In our opinion, we believe that the lack of an easement affecting development utility would result in at least a 10% offset to the value of the Site. Based on the foregoing, we value Comparable No. 3, as adjusted, at \$4.06/sf (i.e., $\$3.17/\text{sf} \times 1.6 = \$5.072/\text{sf} \times .80 = \$4.0576/\text{sf}$, rounded to \$4.06/sf).

Valuation Analysis

To determine an opinion of value, we considered the value of the net developable area and the powerline easement affected portions of the Site (and the 20-foot wide narrow strip of land) separately and then added the two resulting numbers together to get an overall value.

Value of the Developable Area

To arrive at our opinion of value for the Site, we averaged the adjusted values of each of the above described comparable sales to arrive at a per square foot value of the Site. The result of this computation is \$4.06/sf (i.e., $\$4.03 + \$4.08 + \$4.06 = \$12.17 \div 3 = \$4.056$, rounded to \$4.06). Based on this, we multiplied \$4.06 by the 42,254 sf portion of the Site that is developable and arrived at \$171,551.24 (i.e., $\$4.06 \times 42,254 = \$171,551.24$).

Value of Powerline Easement Affected Area

Although the portion of the Site that is affected by the powerline may not be developed with structures, it may be put to certain valuable practical uses (e.g., heavy industrial storage, construction yards, parking lots, etc.). Based on our experience, we believe that IH-zoned property with these types of permanent restrictions would command a lower sales price as compared to properties without such restrictions. Therefore, it is our opinion that the existence of a powerline easement on the Site that permanently restricts the development utility of the portion of the Site affected by the easement together with the 20-foot wide narrow strip of land described above would result in at least a 70% offset to the value of the portion of the Site that is unaffected by the easement. In this case, we believe that the value of the Site affected by the powerline easement (and the 20-foot wide narrow strip of land) is \$179,623.04 (i.e., $189,486/\text{sf} - 42,254/\text{sf} = 147,232/\text{sf} \times \$1.22 = \$179,623.04$).

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BROKER'S OPINION OF VALUE



0 Cooley Ave., San Bernardino, CA 92408

Broker Opinion of Value

Based on the foregoing, it is our opinion that the Site is worth the sum of the value of the net developable portion of the Site (i.e., \$171,551.24) together with the value of the Site affected by the powerline easement (and the 20-foot wide narrow strip of land) (i.e., \$179,623.04).

Therefore, it is our opinion that the overall value of the Site is \$351,200 (i.e., \$171,551.24 + \$179,623.04 = \$351,174.28, rounded to \$351,200).

Our Broker Opinion of Value is: \$351,200.

Also, enclosed you will find the following:

1. Property Profile
2. Comparable Sales Information with Summary Table
3. Broker's Resume

We appreciate the opportunity to prepare this report. Please do not hesitate to call with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kenneth Patterson', written over a light blue horizontal line.

Kenneth Patterson
BRE# 00774852
1473 Ford St. #200
Redlands, CA 92373
951-318-8516
kenpcommercial@gmail.com

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PROPERTY DETAILS



0 Cooley Ave., San Bernardino, CA 92408

Owner Information

Owner Name:	Successor Agency/Rda City Of Sn Bndo	Tax Billing City & State:	San Bernardino, CA
Mail Owner Name:	Successor Agency/Rda City Of Sn Bndo	Tax Billing Zip:	92401
Tax Billing Address:	201 N E St #301	Tax Billing Zip+4:	1520

Location Information

School District:	Redlands	Census Tract:	72.00
Comm College District Code:	San Bernardino Vly J	Topography:	Flat/Level
Location Influence:	River	Neighborhood Code:	092-092

Tax Information

APN :	0281-041-41-0000	Lot:	11
Tax Area:	7045	Block:	72
Tax Appraisal Area:	12	Water Tax Dist:	San Bernardino Vly J
Legal Description:	PARCEL MAP 4781 THAT PTN PARCEL NO 6 LYING EAST OF THE EAST LINE LOT 11 BLK 72 R S B AS RECORDED IN MAP BOOK 7 PAGE 2 OFFICIAL RECORDS		

Assessment & Tax

Tax Year	Total Tax
2014	\$1,886

Characteristics

County Land Use:	Vacant Land	Lot Area:	95,396
Universal Land Use:	Vacant Land (NEC)	Water:	Public
Lot Acres:	2.19	Sewer:	Public Service

Last Market Sale & Sales History

Owner Name:	Successor Agency/Rda City Of Sn Bndo	
Recording Date	12/03/2014	03/18/2011
Sale Date	11/24/2014	03/17/2011
Nominal	Y	Y
Buyer Name	Redevelopment Agcy Of San Bernard	San Bernardino Economic Dev Co
Seller Name	San Bernardino Economic Dev Co	Redevelopment Agcy Of San Bernard
Document Number	463109	112899
Document Type	Quit Claim Deed	Quit Claim Deed

KW COMMERCIAL
1473 Ford Street
Redlands, CA 92373

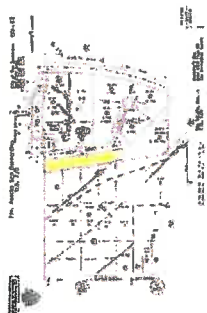
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E Cooley Ave, San Bernardino, CA 92408, San Bernardino County



N/A	N/A	94,090	\$189,486	Active Listing
Beds	Bldg Sq Ft	Lot Sq Ft	MLS List Price	
N/A	N/A	VCNT LND-NE	N/A	
Baths	Yr Built	Type	Sale Date	

Owner Information

Owner Name:	Successor Agency/Rda City Of Sn Bndo	Tax Billing City & State:	San Bernardino, CA
Mail Owner Name:	Successor Agency/Rda City Of Sn Bndo	Tax Billing Zip:	92401
Tax Billing Address:	201 N E St #301	Tax Billing Zip+4:	1520

Location Information

Zip Code:	92408	Census Tract:	72.00
School District:	Redlands	Topography:	Flat/Level
Comm College District Code:	San Bernardino Vly J	Neighborhood Code:	092-092
Location Influence:	River		

Tax Information

APN :	0281-031-51-0000	Lot:	11
Tax Area:	7077	Block:	72
Tax Appraisal Area:	12	Water Tax Dist:	San Bernardino Vly J
Legal Description:	PARCEL MAP 4781 THAT PTN PARCEL NO 6 LYING WEST OF EAST LINE LOT 11 BLK 72 R S B RECORDED MAP BOOK 7 PAGE 2 OFFICIAL RECORDS		

Assessment & Tax

Tax Year	Total Tax
2014	\$621

Characteristics

County Land Use:	Vacant Land	Gross Area:	MLS: 189,486
Universal Land Use:	Vacant Land (NEC)	Water:	Public
Lot Acres:	2.16	Sewer:	Public Service
Lot Area:	94,090		

Listing Information

MLS Listing Number:	EV17251228	MLS Current List Price:	\$189,486
MLS Status:	Active	MLS Original List Price:	\$189,486
MLS Area:	274 - SAN BERNARDINO	MLS Listing Agent:	Evfernlar-Lara Fernandez
MLS Status Change Date:	11/04/2017	MLS Listing Broker:	KELLER WILLIAMS REALTY

Last Market Sale & Sales History

Owner Name:	Successor Agency/Rda City Of Sn Bndo	
Recording Date	12/03/2014	03/18/2011
Sale Date	11/24/2014	03/17/2011
Nominal	Y	Y
Buyer Name	Redevelopment Agcy Of San Bernard	San Bernardino Economic Dev Co

Courtesy of LARA FERNANDEZ, KELLER WILLIAMS REALTY, California Regional MLS

The data within this report is compiled by CoreLogic from public and private sources. The data is deemed reliable, but is not guaranteed. The accuracy of the data contained herein can be independently verified by the recipient of this report with the applicable county or municipality.

Property Detail

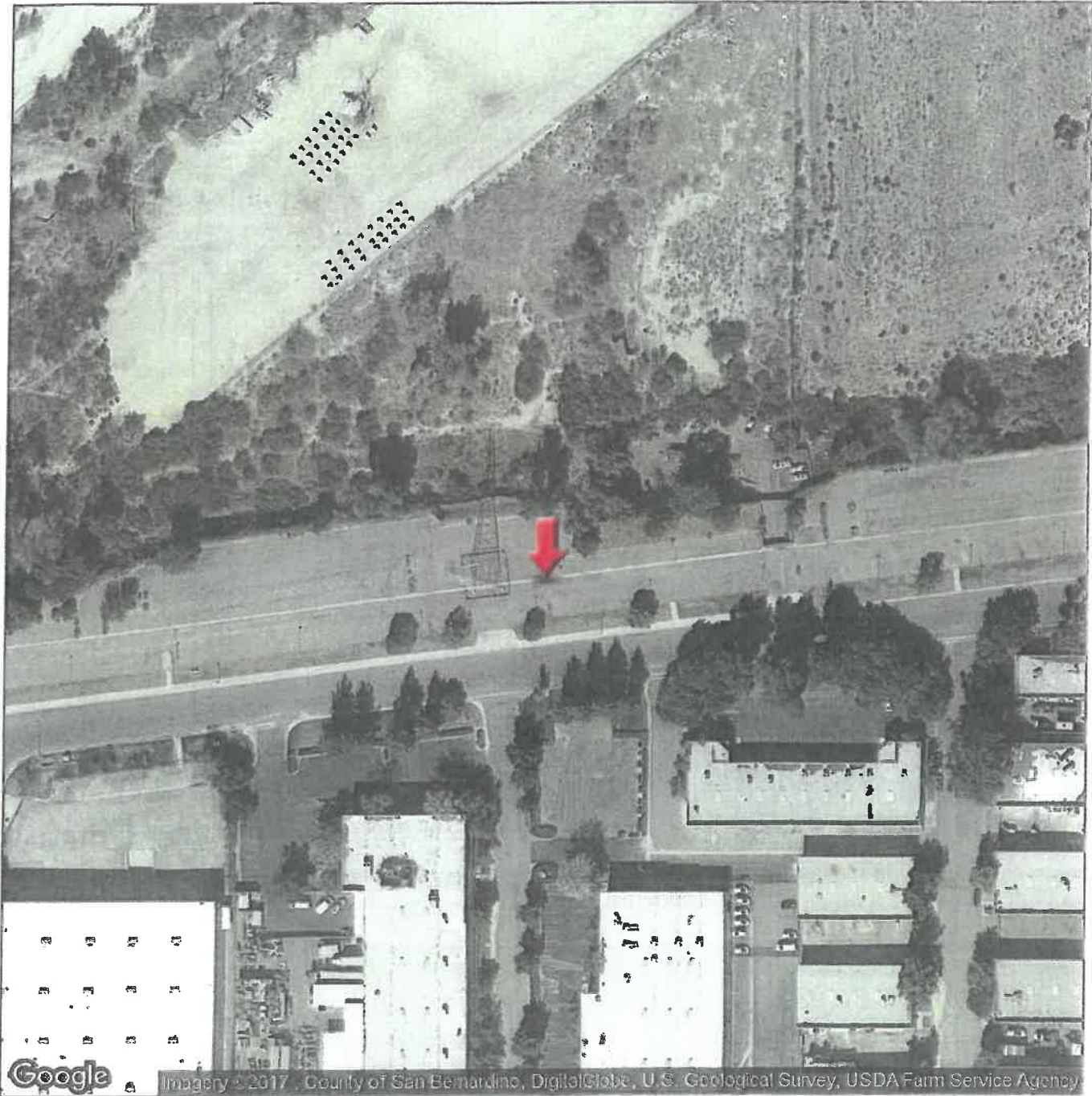
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Page 1 of 2

LOCATION AERIAL



0 Cooley Ave., San Bernardino, CA 92408



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LAND FOR SALE

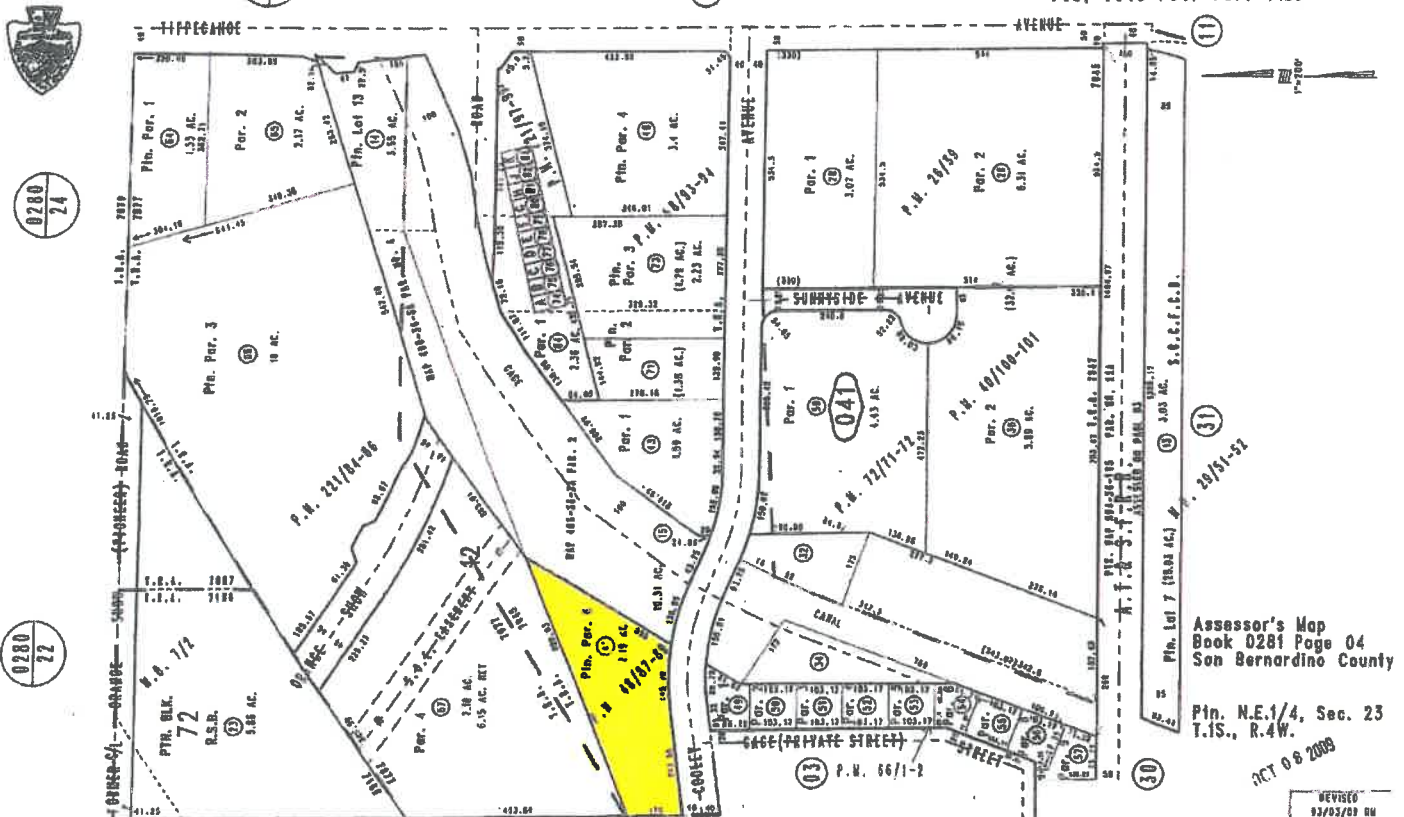


0 Cooley Ave., San Bernardino, CA 92408

THIS MAP IS FOR THE PURPOSE OF AD VALOREM TAXATION ONLY.

Ptn. Rancho San Bernardino
M.B. 7/2

City of San Bernardino 0281-04
Tax Rate Area
7007 7045 7047 7077 7186



Ptn. Victoria Farms, Unit No. 2, Tract No. 2038, M.B. 29/51-52 Parcel Map No. 4781, P.M. 48/87-89
 Parcel Map No. 2927, P.M. 26/39 Parcel Map No. 5481, P.M. 58/93-94
 January 2005 Ptn. Parcel Map No. 4201, P.M. 40/100-101 Ptn. Parcel Map No. 5958, P.M. 66/1-7
 Parcel Map No. 18207, P.M. 221/97-99, Code Plan 07-0563084
 Ptn. Parcel Map No. 17132, P.M. 221/84-86
 Parcel Map No. 6859, P.M. 72/71-72

Assessor's Map
Book 0281 Page 04
San Bernardino County

Ptn. N.E.1/4, Sec. 23
T.1S., R.4W.

OCT 08 2008

WEVISO
02/03/03 RM
08/17/03 LH

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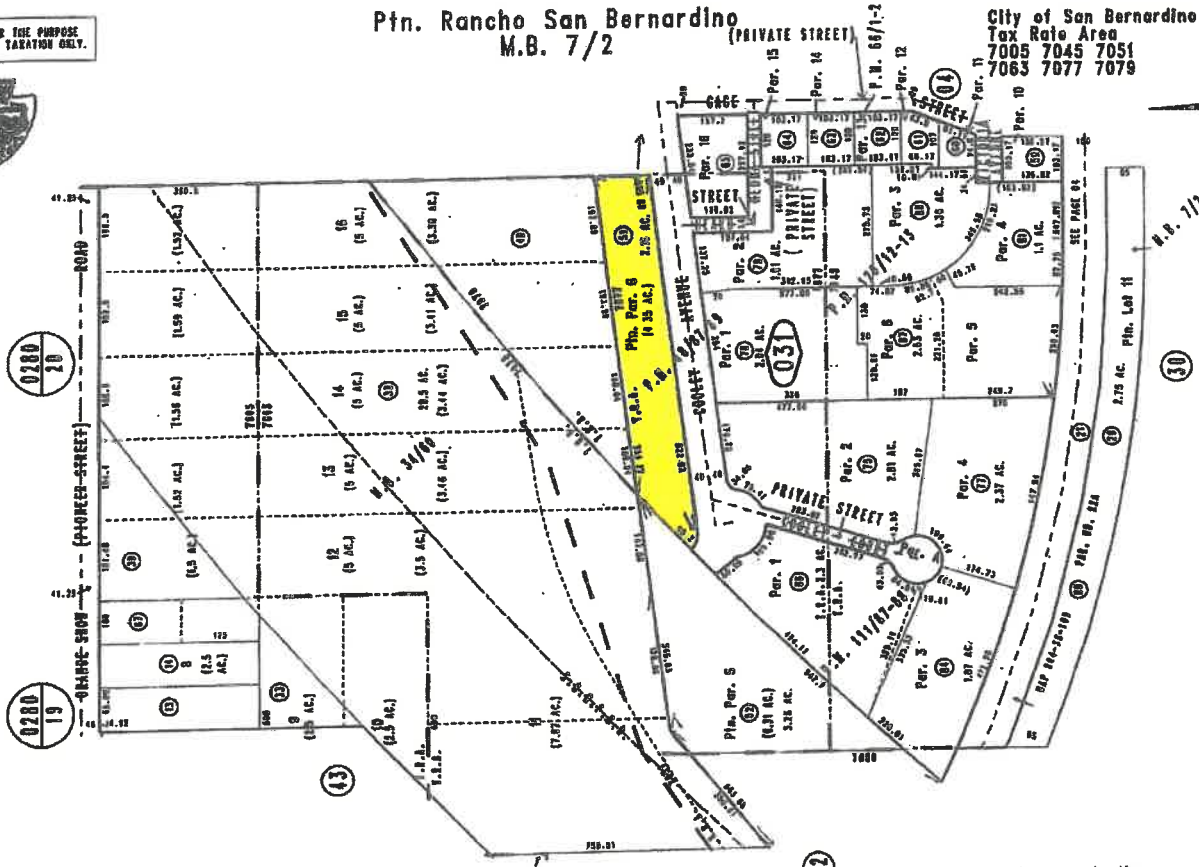
0 Cooley Ave., San Bernardino, CA 92408

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Ptn. Rancho San Bernardino
M.B. 7/2

City of San Bernardino 0281 - 03
Tax Rate Area
7005 7045 7051
7063 7077 7079



January 2005
Ptn. Parcel Map No. 5968, P.M. 86/1-2
Ptn. Parcel Map No. 4781, P.M. 46/87-89
Ptn. Chev Tract, Tract No. 2424, H.B. 34/80

Parcel Map No. 10515, P.M. 120/12-13
Parcel Map No. 9484, P.M. 111/87-88

Ptn. S.E.1/4, Sec. 14
T.1S., R.4W.

Assessor's Map
Book 0281 Page 03
San Bernardino County

APR 08 2016

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02/22/16 BM

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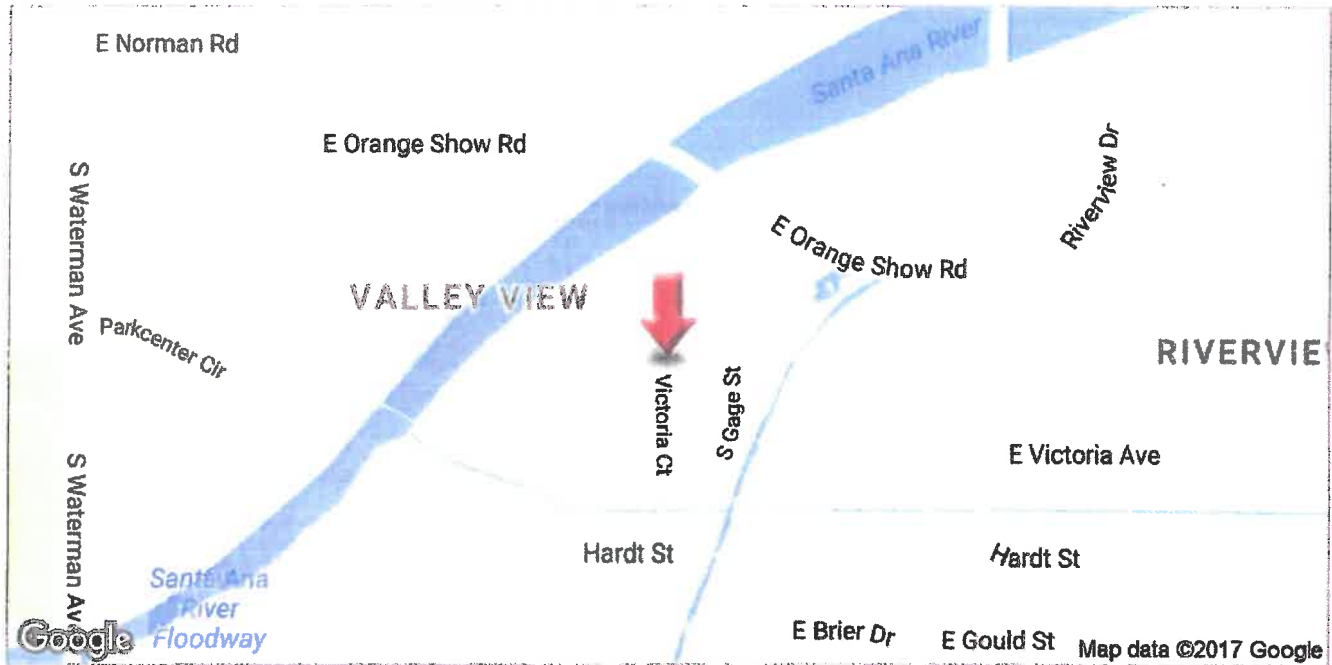
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LOCATION MAP



0 Cooley Ave., San Bernardino, CA 92408



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COMPARABLE SALES SUMMARY



0 Cooley Ave., San Bernardino, CA 92408

Comparable Sales Summary (Without Adjustments)

	APN	Location	A Lot Size (SF)	B Use Restricted Easement Offsets (SF)	C Net Land SF (A - B)	D Net Developabl e Land SF (C)	E Net Developabl e Land \$/ SF (G / D)	F Gross Land \$/SF (G / A)	G Sale Value	Sale Date
Property Site	0281-041-41 0281-031-51	E. Cooley Avenue	189,486	121,100	68,386	42,254*				
Sale Comparable #1	0281-031-52 0281-021-30	Cooley Drive	274,863	191,663	83,200	83,200	\$4.48	\$1.36	\$373,000	10/10/2017
Sale Comparable #2	0281-041-67	Orange Show Road	309,195	39,550	269,645	269,645	\$5.84	\$5.09	\$1,575,000	8/19/2015
Sale Comparable #3	0138-231-02 0138-231-04 0138-231-05 0138-231-09 0138-231-10	N "T" Street	83,820	0	83,820	83,820	\$3.17	\$3.17	\$266,000	7/26/2013
							\$4.50	\$3.21		

* 42,254 SF of buildable space due to configuration of easements

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0 Cooley Ave., San Bernardino, CA 92408

Comparable Sales #1

- Property Information Sheet
- Assessor's Parcel Map
- Aerial

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0281-021-30-0000, CA, San Bernardino County



N/A	N/A	132,858	\$373,000
Beds	Bldg Sq Ft	Lot Sq Ft	Sale Price
N/A	N/A	VCNT LND-NE	05/10/2017
Baths	Yr Built	Type	Sale Date

Owner Information

Owner Name:	Cooley Properties Lp	Tax Billing City & State:	Carlsbad, CA
Mail Owner Name:	Cooley Properties Lp	Tax Billing Zip:	92011
Tax Billing Address:	7040 Avenida Encinas #104-519	Tax Billing Zip+4:	4652

Location Information

School District:	Colton	Census Tract:	72.00
Comm College District Code:	San Bernardino Vly J	Topography:	Flat/Level
Location Influence:	River	Neighborhood Code:	092-092

Tax Information

APN :	0281-021-30-0000	Lot:	11
Tax Area:	7080	Block:	72
Tax Appraisal Area:	12	Water Tax Dist:	San Bernardino Vly J
Legal Description:	PARCEL MAP 4781 THAT PTN PARCEL NO 5 LYING WEST OF EAST LINE LOT 11 BLK 72 R S B RECORDED IN MAP BOOK 7 PAGE 2 OFFICIAL RECORDS		

Assessment & Tax

Tax Year	Total Tax
2014	\$2,092

Characteristics

County Land Use:	Vacant Land	Lot Area:	132,858
Universal Land Use:	Vacant Land (NEC)	Water:	Public
Lot Acres:	3.05	Sewer:	Public Service

Last Market Sale & Sales History

Recording Date:	10/10/2017	Sale Type:	Full
Sale Date:	05/10/2017	Deed Type:	Grant Deed
Sale Price:	\$373,000	Owner Name:	Cooley Properties Lp
Multi/Split Sale:	Multi	Seller:	Successor Agcy To Of Redev Agcy/C
Document Number:	416650		

Recording Date	10/10/2017	12/03/2014	03/18/2011	08/05/1992	11/30/1988
Sale Date	05/10/2017	11/24/2014	03/17/2011		10/1988
Sale Price	\$373,000				
Nominal		Y	Y		Y
Buyer Name	Cooley Properties Lp	Redevelopment Agcy Of San Bernard	San Bernardino Economic Dev Co	Redevelopment Agency Of The City Of San	Wade Carolyn
Seller Name	Successor Agcy To Of Redev Agcy/C	San Bernardino Economic Dev Co	Redevelopment Agcy Of San Bernard	Thomason Carolyn G	Wade John Tansley
Document Number	416650	463109	112899	324917	402270
Document Type	Grant Deed	Quit Claim Deed	Quit Claim Deed	Miscellaneous Document	Quit Claim Deed

Courtesy of LARA FERNANDEZ, KELLER WILLIAMS REALTY, California Regional MLS

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Property Detail

Generated on 12/28/2017

Page 1 of 2

Cooley Dr, San Bernardino, CA 92408, San Bernardino County



N/A	N/A	142,005	\$373,000
Beds	Bldg Sq Ft	Lot Sq Ft	Sale Price
N/A	N/A	VCNT LND-NE	05/10/2017
Baths	Yr Built	Type	Sale Date

Owner Information

Owner Name:	Cooley Properties Lp	Tax Billing City & State:	Carlsbad, CA
Mail Owner Name:	Cooley Properties Lp	Tax Billing Zip:	92011
Tax Billing Address:	7040 Avenida Encinas #104-519	Tax Billing Zip+4:	4652

Location Information

Zip Code:	92408	Census Tract:	72.00
School District:	Redlands	Topography:	Flat/Level
Comm College District Code:	San Bernardino Vly J	Neighborhood Code:	092-092
Location Influence:	River		

Tax Information

APN :	0281-031-52-0000	Lot:	10
Tax Area:	7077	Block:	72
Tax Appraisal Area:	12	Water Tax Dist:	San Bernardino Vly J
Legal Description:	PARCEL MAP 4781 THAT PTN PARCEL NO 5 LYING EAST OF EAST LINE LOT 10 BLK 72 R S B RECORDED MAP BOOK 7 PAGE 2 OFFICIAL RECORDS		

Assessment & Tax

Tax Year	Total Tax
2014	\$3,231

Characteristics

County Land Use:	Vacant Land	Lot Area:	142,005
Universal Land Use:	Vacant Land (NEC)	Water:	Public
Lot Acres:	3.26	Sewer:	Public Service

Last Market Sale & Sales History

Recording Date:	10/10/2017	Sale Type:	Full
Sale Date:	05/10/2017	Deed Type:	Grant Deed
Sale Price:	\$373,000	Owner Name:	Cooley Properties Lp
Multi/Split Sale:	Multiple	Seller:	Successor Agcy To Of Redev Agcy/C
Document Number:	416650		

Recording Date	10/10/2017	12/03/2014	03/18/2011	11/30/1988	12/29/1986
Sale Date	05/10/2017	11/24/2014	03/17/2011	10/1988	12/1986
Sale Price	\$373,000				\$407,500
Nominal		Y	Y	Y	
Buyer Name	Cooley Properties Lp	Redevelopment Agcy Of San Bernardino	San Bernardino Economic Dev Co	Wade Carolyn	Thomason Ryland M
Seller Name	Successor Agcy To Of Redev Agcy/C	San Bernardino Economic Dev Co	Redevelopment Agcy Of San Bernardino	Wade John Tansley	San Bernardino Industrial
Document Number	416650	463109	112699	402270	396821
Document Type	Grant Deed	Quit Claim Deed	Quit Claim Deed	Quit Claim Deed	Corporation Grant Deed

Courtesy of LARA FERNANDEZ, KELLER WILLIAMS REALTY, California Regional MLS

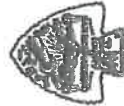
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Property Detail

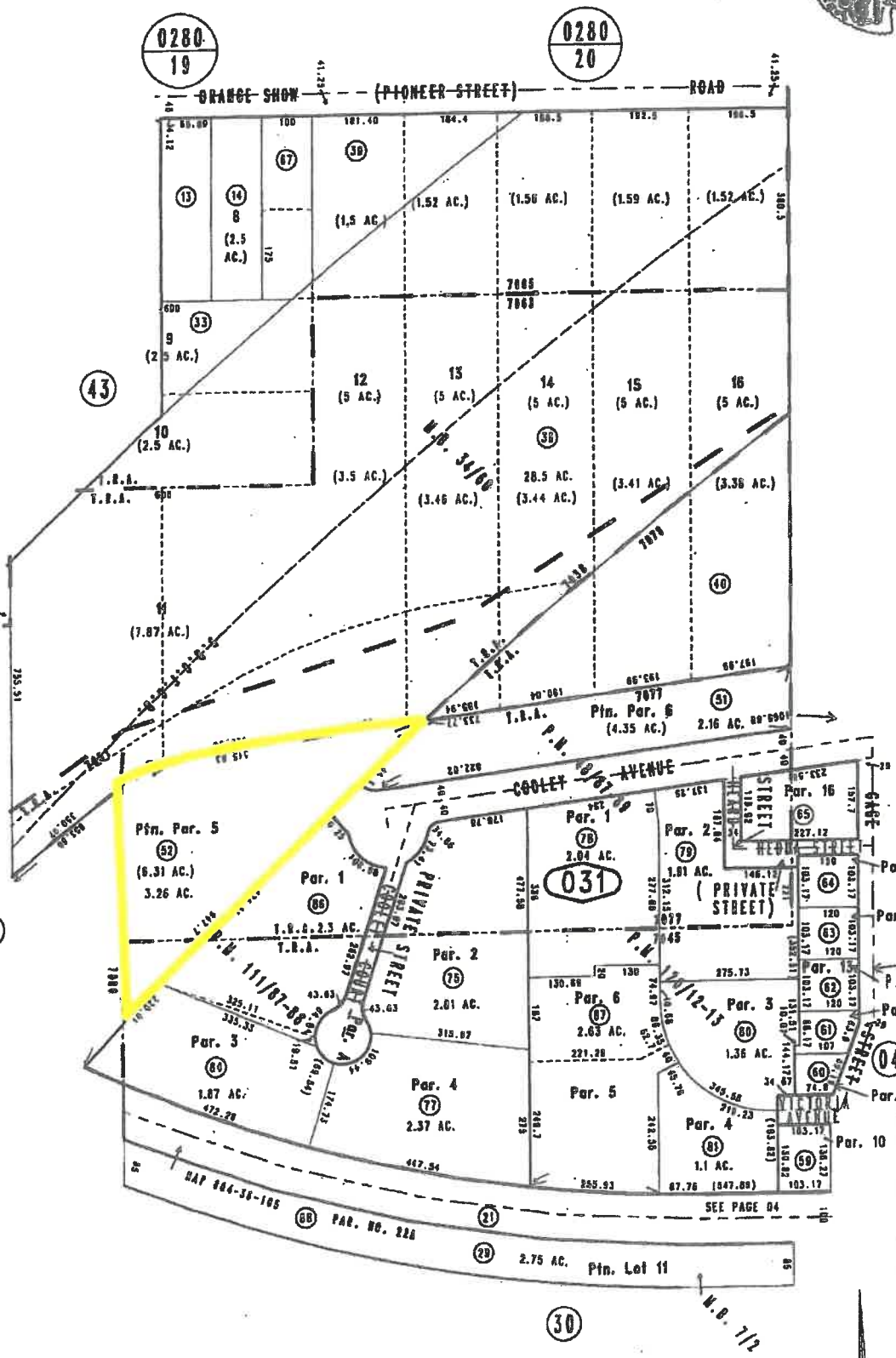
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Page 1 of 2

THIS MAP IS FOR THE PURPOSE OF A VALUER TAXATION ONLY.



Ptn. Rancho San Bernardino (PRIVATE STREET)
 M.B. 7/2
 City of San Bernardino 0281-03
 Tax Rate Area
 7005 7045 7051
 7063 7077 7079



January 2005
 Ptn. Parcel Map No. 5568, P.M. 66/1-2
 Ptn. Parcel Map No. 4781, P.M. 48/87-89
 Ptn. Chew Tract, Tract No. 2424, M.B. 34/60

Parcel Map No. 10513, P.M. 120/12-13
 Parcel Map No. 9484, P.M. 111/87-88

Ptn. S.E. 1/4, Sec. 14
 T.J.S., R.A.W.

Assessor's Map
 Book 0281 Page 03
 San Bernardino County

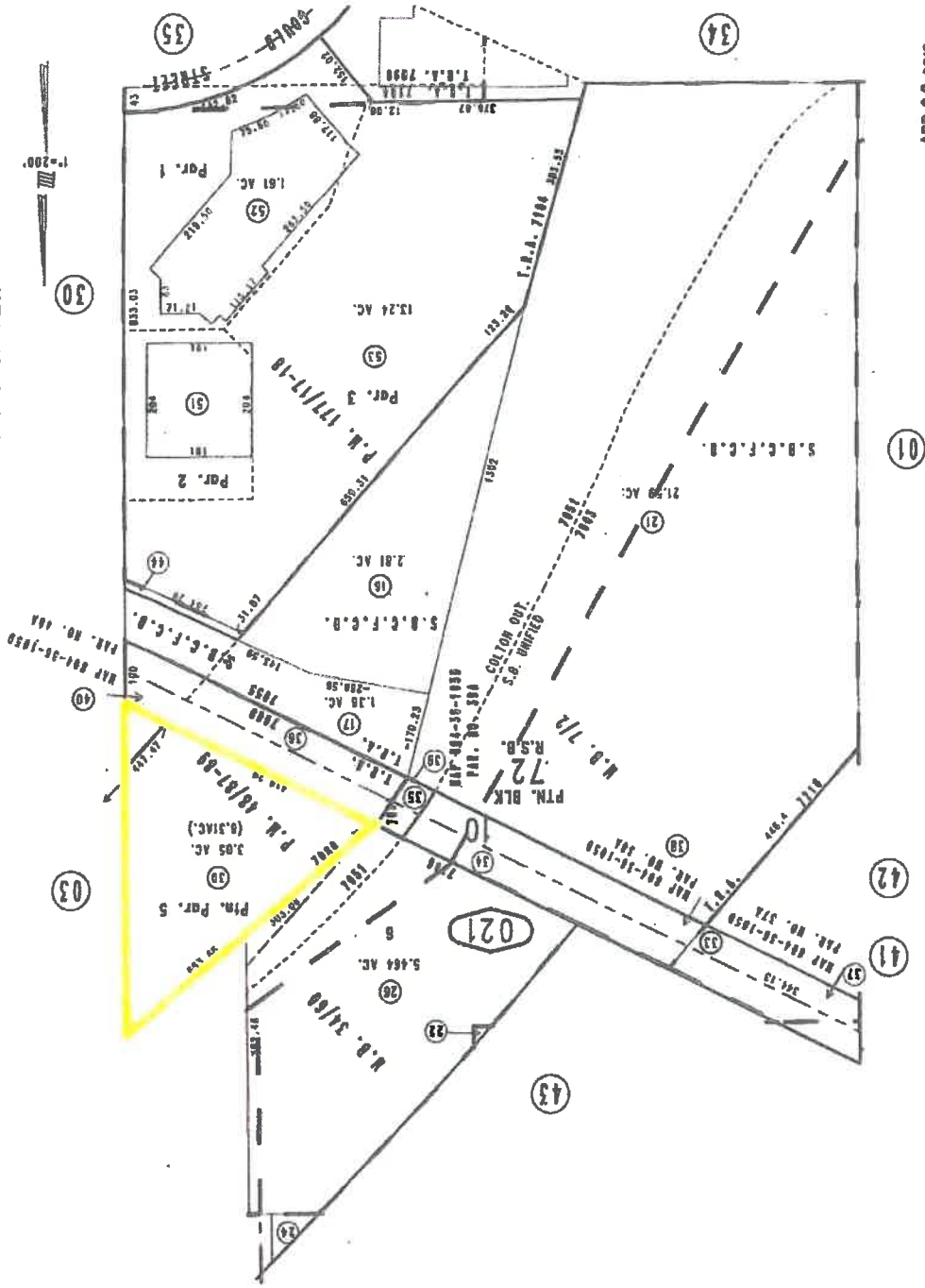
APR 08 2016
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 02/25/16 RN

THIS MAP IS FOR THE PURPOSE
OF AD VALOREM TARIFFION ONLY.



Ptn. Rancho San Bernardino
M.B. 7/2

City of San Bernardino 0281 - 02
Tax Rate Area
7003 7206 7051 7080
7104 7210 7211



APR 08 2018

REVISED
02/05/15 RH-W
01/23/18 RM

Assessor's Map
Book 0281 Page 02
San Bernardino County

Ptn. N.W. 1/4, Sec. 23
T.1S., R.4W.

Parcel Map No. 14704, P.M. 177117-18
Ptn. Parcel Map No. 4781, P.M. 48/87-89
Ptn. Chev Tract, Tract No. 2424, M.B. 34/60

January 2005

0 Cooley Ave., San Bernardino, CA 92408



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0 Cooley Ave., San Bernardino, CA 92408



Comparable Sales #2

- Property Information Sheet
- Assessor's Parcel Map
- Aerial

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Orange Show Rd, San Bernardino, CA 92408, San Bernardino County



N/A	N/A	309,195	\$1,575,000
Beds	Bldg Sq Ft	Lot Sq Ft	Sale Price
N/A	N/A	VCNT LND-NE	08/12/2015
Baths	Yr Built	Type	Sale Date

Expired Listing

Owner Information

Owner Name:	Swift Transportation Co Of Arizona L	Tax Billing City & State:	Phoenix, AZ
Mall Owner Name:	Swift Transportation Co Of Arizona L	Tax Billing Zip:	85043
Tax Billing Address:	2200 S 75th Ave	Tax Billing Zip + 4:	7410

Location Information

Zip Code:	92408	Census Tract:	72.00
School District:	Redlands	Topography:	Flat/Level
Comm College District Code:	San Bernardino Vly J	Neighborhood Code:	092-092

Tax Information

APN :	0281-041-67-0000	Tax Appraisal Area:	12
Tax Area:	7077	Water Tax Dist:	San Bernardino Vly J
Legal Description:	PARCEL MAP 17132 PARCEL 4 BOOK 221 PAGE 84		

Assessment & Tax

Assessment Year	2017	2016	2015
Assessed Value - Total	\$1,938,000	\$1,900,000	\$958,000
Assessed Value - Land	\$1,938,000	\$1,900,000	\$958,000
YOY Assessed Change (\$)	\$38,000	\$942,000	
YOY Assessed Change (%)	2%	98.33%	

Tax Year	Total Tax	Change (\$)	Change (%)
2014	\$13,174		
2015	\$13,097	-\$77	-0.58%
2016	\$24,928	\$11,831	90.33%

Special Assessment	Tax Amount
Sb Valley Muni Wtr Dbt Svc	\$3,087.50
S B City Lmad 1059	\$1,029.62
Redlands Unified Bond	\$995.60
San Bdno Comm College Bond	\$665.00
Co Ventor Control	\$1.30
Total Of Special Assessments	\$5,927.55

Characteristics

County Land Use:	Vacant Land	Lot Area:	309,195
Universal Land Use:	Vacant Land (NEC)	Water:	Public
Lot Acres:	7.098	Sewer:	Public Service

Listing Information

MLS Listing Number:	CV15146552	MLS Current List Price:	\$2,164,323
MLS Status:	Expired	MLS Original List Price:	\$2,164,323
MLS Area:	274 - SAN BERNARDINO	MLS Listing Agent:	Cv35496-Ryan Athens

Courtesy of LARA FERNANDEZ, KELLER WILLIAMS REALTY, California Regional MLS

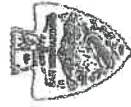
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Property Detail

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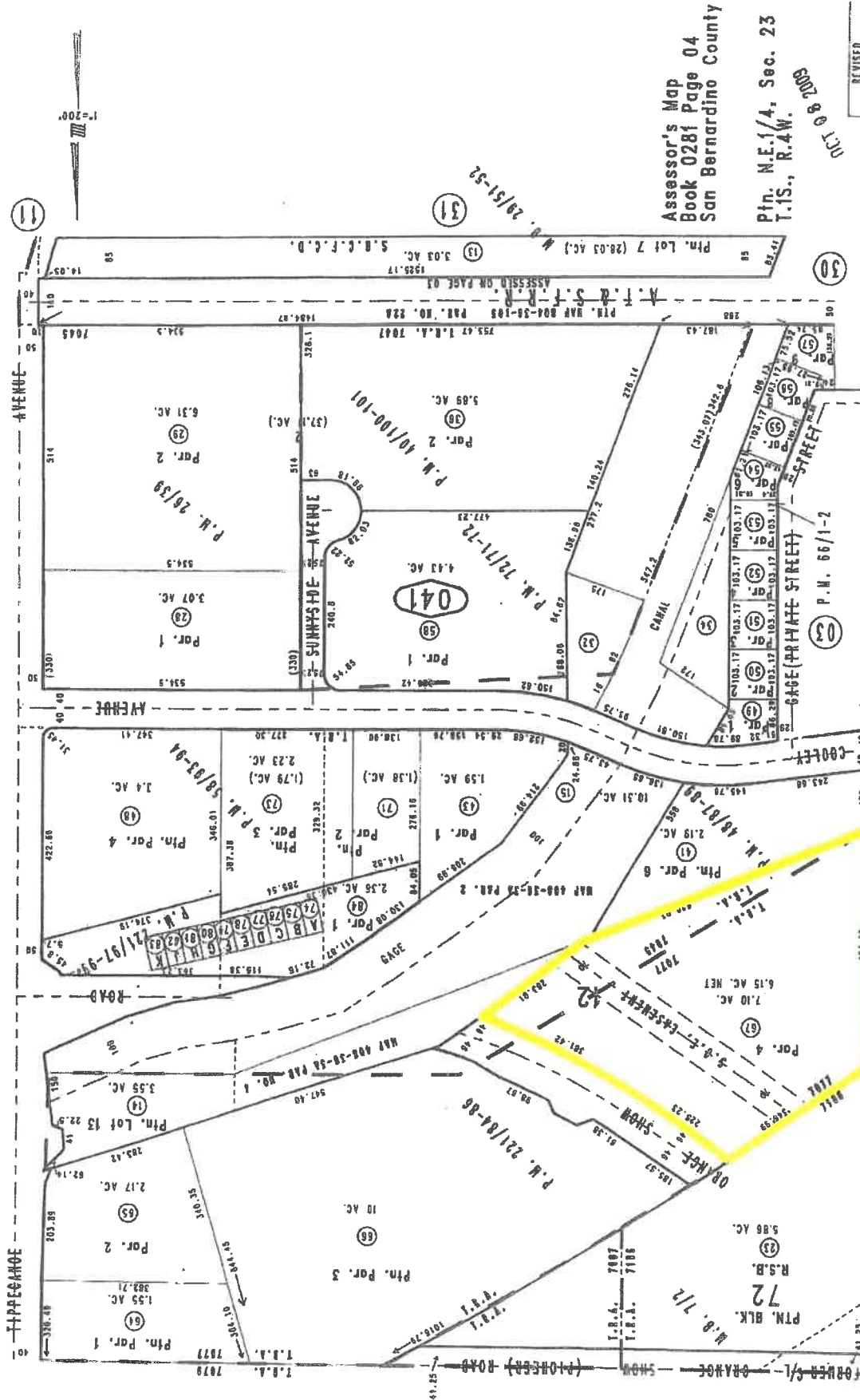
Page 1 of 2

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Ptn. Rancho San Bernardino
M.B. 7/2

City of San Bernardino 0281 - 04
Tax Rate Area
7007 7045 7047 7077 7186



Pin Victoria Farms, Unit No. 2, Tract No. 2038, M.B. 29/51-52 Ptn Parcel Map No. 4781, P.M. 48/87-89
Parcel Map 2927, P.M. 26/59
January 2005 Ptn. Parcel Map No. 4201, P.M. 40/100-101
Ptn. Parcel Map No. 5481, P.M. 58/93-94
Ptn. Parcel Map No. 17132, P.M. 221/84-86
Parcel Map No. 6659, P.M. 72/71-72
Parcel Map No. 18207, P.M. 221/97-99, Condo Plan 07-0563084

Assessor's Map
Book 0281 Page 04
San Bernardino County

Ptn. N.E. 1/4, Sec. 23
T.1S., R.4W.

REVISED
03/03/09 RM
08/27/09 LH

0280 25

0280 24

0280 22

31

30

03

11

10

M.B. 29/51-52

P.M. 66/1-2

P.M. 66/1-2

P.M. 66/1-2

P.M. 66/1-2

P.M. 66/1-2

P.M. 66/1-2

P.M. 66/1-2

REVISED
03/03/09 RM
08/27/09 LH



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Comparable Sales #3

- Property Information Sheet
- Assessor's Parcel Map
- Aerial

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936 W 3rd St, San Bernardino, CA 92410, San Bernardino County



N/A	N/A	16,570	\$266,000
Beds	Bldg Sq Ft	Lot Sq Ft	Sale Price
N/A	N/A	VCNT LND-NE	06/05/2013
Baths	Yr Built	Type	Sale Date

Owner Information

Owner Name:	Pensco Trust Company	Tax Billing Zip:	92867
Mail Owner Name:	Pensco Trust Company	Tax Billing Zip+4:	5848
Tax Billing Address:	1012 E Adams Ave	Owner Occupied:	No
Tax Billing City & State:	Orange, CA		

Location Information

Zip Code:	92410	Census Tract:	49.00
School District:	San Bernardino	Topography:	Flat/Level
Comm College District Code:	San Bernardino Vly J	Neighborhood Code:	091-091

Tax Information

APN :	0138-231-05-0000	Lot:	1
Tax Area:	7160	Block:	16
Tax Appraisal Area:	12	Water Tax Dist:	San Bernardino Vly J
Legal Description:	R S B S 130 FT LOT 1 BLK 16 AND PTN VAC ALLEY ON N EX E 225 FT EX ST		

Assessment & Tax

Assessment Year	2017	2016	2015
Assessed Value - Total	\$55,453	\$54,366	\$53,549
Assessed Value - Land	\$55,453	\$54,366	\$53,549
YOY Assessed Change (\$)	\$1,087	\$817	
YOY Assessed Change (%)	2%	1.53%	

Tax Year	Total Tax	Change (\$)	Change (%)
2014	\$689		
2015	\$709	\$20	2.86%
2016	\$844	\$135	19.11%

Special Assessment	Tax Amount
Sb Valley Muni Wtr Dbt Svc	\$88.34
School Bonds	\$43.22
San Bdn Comm College Bond	\$19.02
Co Ventor Control	\$1.30
Total Of Special Assessments	\$300.41

Characteristics

County Land Use:	Vacant Land	Gross Area:	MLS: 12,500
Universal Land Use:	Vacant Land (NEC)	Water:	Public
Lot Acres:	0.38	Sewer:	Public Service
Lot Area:	16,570	Year Built:	MLS: 1983

Listing Information

MLS Listing Number:	CC193187	MLS Current List Price:	\$1,199,000
MLS Status:	Canceled	MLS Listing Agent:	Scolliau-Laurie Kim Leggio
MLS Area:	274 - SAN BERNARDINO	MLS Listing Broker:	MMDC INC

Courtesy of LARA FERNANDEZ, KELLER WILLIAMS REALTY, California Regional MLS

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Property Detail

Generated on 12/28/2017

Page 4 of 12

MLS Status Change Date: 06/22/2013

Last Market Sale & Sales History

Recording Date:	07/26/2013	Sale Type:	Full
Sale Date:	06/05/2013	Deed Type:	Grant Deed
Sale Price:	\$266,000	Owner Name:	Pensco Trust Company
Multi/Split Sale:	Multi	Seller:	Harraka R & J Family Trust
Document Number:	329566		

Recording Date	07/26/2013	01/03/2011	10/05/2009	10/01/2008	11/13/2007
Sale Date	06/05/2013	12/20/2010	09/29/2009	09/22/2008	11/06/2007
Sale Price	\$266,000	\$300,000		\$941,700	\$43,404
Nominal			Y		
Buyer Name	Steckler Terry	Harraka Robert & J A Trust	I Street LLC	Rpg Ents Inc	Dannis Dan & Kathleen
Seller Name	Harraka R & J Family Trust	I Street LLC	Steckler Kevin L	Fci Natl Lender Svcs Inc	Foreclosure Consultants Inc
Document Number	329566	1181	437450	439754	626446
Document Type	Grant Deed	Grant Deed	Grant Deed	Trustee's Deed	Trustee's Deed

Recording Date	08/23/2006	07/14/2004	07/07/2003
Sale Date	01/03/2006	07/12/2004	07/06/2003
Sale Price	\$850,000	\$600,000	
Nominal			Y
Buyer Name	Algroup Inc	Classic Home Loans	Mayco Developers
Seller Name	Classic Home Loans	Landamerica Default Svcs Co C	Mayco Developers
Document Number	577112	499313	492472
Document Type	Grant Deed	Trustee Deed	Grant Deed

Mortgage History

Mortgage Date	01/26/2007	08/23/2006
Mortgage Amount	\$150,000	\$92,000
Mortgage Lender		Private Individual
Mortgage Code	Private Party Lender	Private Party Lender

Foreclosure History

Document Type	Notice Of Trustee's Sale	Notice Of Trustee's Sale	Notice Of Default
Default Date			05/17/2007
Foreclosure Filing Date	02/11/2008	08/22/2007	05/17/2007
Recording Date	02/14/2008	08/30/2007	05/21/2007
Document Number	68132	503048	304111
Default Amount			\$30,141
Final Judgment Amount	\$905,300	\$203,600	
Original Doc Date	11/09/2006	01/26/2007	01/26/2007
Original Document Number	765963	51936	51936

Courtesy of LARA FERNANDEZ, KELLER WILLIAMS REALTY, California Regional MLS

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Property Detail

Generated on 12/28/2017
Page 5 of 12

340 N I St, San Bernardino, CA 92410-1814, San Bernardino County



N/A	N/A	8,060	\$266,000
Beds	Bldg Sq Ft	Lot Sq Ft	Sale Price
N/A	N/A	RES-NEC	06/05/2013
Baths	Yr Built	Type	Sale Date

Owner Information

Owner Name:	Pensco Trust Company	Tax Billing Zip:	92867
Mail Owner Name:	Pensco Trust Company	Tax Billing Zip+4:	5848
Tax Billing Address:	1012 E Adams Ave	Owner Occupied:	No
Tax Billing City & State:	Orange, CA		

Location Information

Zip Code:	92410	Census Tract:	49.00
Carrier Route:	C015	Topography:	Flat/Level
School District:	San Bernardino	Neighborhood Code:	091-091
Comm College District Code:	San Bernardino Vly J		

Tax Information

APN :	0138-231-09-0000	Lot:	1
Tax Area:	7160	Block:	16
Tax Appraisal Area:	12	Water Tax Dist:	San Bernardino Vly J
Legal Description:	R S B W 62 FT E 175 FT S 130 FT LOT 1 BLK 16 AND PTN OF VAC ALLEY ON N		

Assessment & Tax

Assessment Year	2017	2016	2015
Assessed Value - Total	\$26,934	\$26,406	\$26,009
Assessed Value - Land	\$26,934	\$26,406	\$26,009
YOY Assessed Change (\$)	\$528	\$397	
YOY Assessed Change (%)	2%	1.53%	

Tax Year	Total Tax	Change (\$)	Change (%)
2014	\$335		
2015	\$345	\$10	2.85%
2016	\$487	\$142	41.22%

Special Assessment	Tax Amount
Sb Valley Muni Wtr Dbt Svc	\$42.90
School Bonds	\$20.99
San Bdn Comm College Bond	\$9.24
Co Ventor Control	\$1.30
Total Of Special Assessments	\$222.96

Characteristics

County Land Use:	Vacant Land	Lot Area:	8,060
Universal Land Use:	Residential (NEC)	Water:	Public
Lot Acres:	0.185	Sewer:	Public Service

Estimated Value

RealAVM™ (1):	\$189,818	Confidence Score (2):	78
RealAVM™ Range:	\$165,142 - \$214,494	Forecast Standard Deviation (3):	13
Value As Of:	12/14/2017		

Courtesy of LARA FERNANDEZ, KELLER WILLIAMS REALTY, California Regional MLS

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Property Detail

Generated on 12/28/2017

Page 7 of 12

(1) RealAVM™ is a CoreLogic® derived value and should not be used in lieu of an appraisal.

(2) The Confidence Score is a measure of the extent to which sales data, property information, and comparable sales support the property valuation analysis process. The confidence score range is 60 - 100. Clear and consistent quality and quantity of data drive higher confidence scores while lower confidence scores indicate diversity in data, lower quality and quantity of data, and/or limited similarity of the subject property to comparable sales.

(3) The FSD denotes confidence in an AVM estimate and uses a consistent scale and meaning to generate a standardized confidence metric. The FSD is a statistic that measures the likely range or dispersion an AVM estimate will fall within, based on the consistency of the information available to the AVM at the time of estimation. The FSD can be used to create confidence that the true value has a statistical degree of certainty.

Last Market Sale & Sales History

Recording Date:	07/26/2013	Sale Type:	Full
Sale Date:	06/05/2013	Deed Type:	Grant Deed
Sale Price:	\$266,000	Owner Name:	Pensco Trust Company
Multi/Split Sale:	Multi	Seller:	Harraka R & J Family Trust
Document Number:	329566		

Recording Date	07/26/2013	01/03/2011	10/05/2009	09/22/2009	10/01/2008
Sale Date	06/05/2013	12/20/2010	08/29/2009	09/15/2009	09/22/2008
Sale Price	\$266,000	\$300,000			\$941,700
Nominal			Y	Y	
Buyer Name	Steckler Terry	Harraka Robert & J A Trust	I Street LLC	Steckler Kevin L	Rpg Ents Inc
Seller Name	Harraka R & J Family Trust	I Street LLC	Steckler Kevin L	Rpg Ents Inc	Fci Natl Lender Svcs Inc
Document Number	329566	1181	437450	414426	439754
Document Type	Grant Deed	Grant Deed	Grant Deed	Grant Deed	Trustee's Deed

Recording Date	11/13/2007	08/23/2006	07/14/2004
Sale Date	11/06/2007	01/05/2006	07/12/2004
Sale Price	\$43,404	\$850,000	\$600,000
Nominal			
Buyer Name	Dannis Dan & Kathleen	Algroup inc	Classic Home Loans
Seller Name	Foreclosure Consultants Inc	Classic Home Loans	Landamerica Default Svcs Co C
Document Number	626445	577112	499313
Document Type	Trustee's Deed	Grant Deed	Trustee Deed

Mortgage History

Mortgage Date	01/26/2007	08/23/2006
Mortgage Amount	\$150,000	\$92,000
Mortgage Lender		Private Individual
Mortgage Code	Private Party Lender	Private Party Lender

Foreclosure History

Document Type	Notice Of Trustee's Sale	Notice Of Trustee's Sale	Notice Of Default
Default Date			05/17/2007
Foreclosure Filing Date	02/11/2008	08/22/2007	05/17/2007
Recording Date	02/14/2008	08/30/2007	05/21/2007
Document Number	68132	503045	304112
Default Amount			\$30,141
Final Judgment Amount	\$905,300	\$200,048	
Original Doc Date	11/09/2006	01/26/2007	01/26/2007
Original Document Number	765963	51937	51937

Courtesy of LARA FERNANDEZ, KELLER WILLIAMS REALTY, California Regional MLS

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Property Detail

Generated on 12/28/2017

Page 8 of 12

308 N I St, San Bernardino, CA 92410, San Bernardino County



N/A	N/A	14,690	\$266,000
Beds	Bldg Sq Ft	Lot Sq Ft	Sale Price
N/A	N/A	VCNT LND-NE	06/05/2013
Baths	Yr Built	Type	Sale Date

Owner Information

Owner Name:	Pensco Trust Company	Tax Billing Zip:	92867
Mail Owner Name:	Pensco Trust Company	Tax Billing Zip+4:	5848
Tax Billing Address:	1012 E Adams Ave	Owner Occupied:	No
Tax Billing City & State:	Orange, CA		

Location Information

Zip Code:	92410	Census Tract:	49.00
Carrier Route:	C015	Topography:	Flat/Level
School District:	San Bernardino	Neighborhood Code:	091-091
Comm College District Code:	San Bernardino Vly J		

Tax Information

APN :	0138-231-10-0000	Lot:	1
Tax Area:	7160	Block:	16
Tax Appraisal Area:	12	Water Tax Dist:	San Bernardino Vly J
Legal Description:	R S B E 113 FT OF THAT PTN LOT 1 BLK 16 DESC AS BEG AT SE COR SD LOT 1 TH W 175 FT TH N 130 FT TH E 175 FT TH S 130 FT TO POB EX ST		

Assessment & Tax

Assessment Year	2017	2016	2015
Assessed Value - Total	\$49,115	\$48,152	\$47,429
Assessed Value - Land	\$49,115	\$48,152	\$47,429
YOY Assessed Change (\$)	\$963	\$723	
YOY Assessed Change (%)	2%	1.52%	

Tax Year	Total Tax	Change (\$)	Change (%)
2014	\$610		
2015	\$628	\$17	2.86%
2016	\$765	\$137	21.8%

Special Assessment	Tax Amount
Sb Valley Muni Wtr Dbt Svc	\$78.24
School Bonds	\$38.28
San Bdno Comm College Bond	\$16.85
Co Ventor Control	\$1.30
Total Of Special Assessments	\$283.20

Characteristics

County Land Use:	Vacant Land	Lot Area:	14,690
Universal Land Use:	Vacant Land (NEC)	Water:	Public
Lot Acres:	0.3372	Sewer:	Public Service

Last Market Sale & Sales History

Recording Date:	07/26/2013	Sale Type:	Full
Sale Date:	06/05/2013	Deed Type:	Grant Deed

Courtesy of LARA FERNANDEZ, KELLER WILLIAMS REALTY, California Regional MLS

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Property Detail

Generated on 12/28/2017

Page 10 of 12

Sale Price: **\$266,000**
 Multi/Split Sale: **Multi**
 Document Number: **329566**

Owner Name: **Pensco Trust Company**
 Seller: **Harraka R & J Family Trust**

Recording Date	07/26/2013	01/03/2011	10/05/2009	09/22/2009	10/01/2008
Sale Date	06/05/2013	12/20/2010	09/29/2009	09/15/2009	09/22/2008
Sale Price	\$266,000	\$300,000			\$941,700
Nominal			Y	Y	
Buyer Name	Steckler Terry	Harraka Robert & J A Trust	I Street LLC	Steckler Kevin L	Rpg Ents Inc
Seller Name	Harraka R & J Family Trust	I Street LLC	Steckler Kevin L	Rpg Ents Inc	Fci Natl Lender Svcs Inc
Document Number	329566	1181	437450	414426	439754
Document Type	Grant Deed	Grant Deed	Grant Deed	Grant Deed	Trustee's Deed

Recording Date	11/13/2007	08/23/2006	07/14/2004
Sale Date	11/06/2007	01/03/2006	07/12/2004
Sale Price	\$43,404	\$850,000	\$600,000
Nominal			
Buyer Name	Danni's Dan & Kathleen	Aigroup Inc	Classic Home Loans
Seller Name	Foreclosure Consultants Inc	Classic Home Loans	Landamerica Default Svcs Co C
Document Number	626447	577112	499313
Document Type	Trustee's Deed	Grant Deed	Trustee Deed

Mortgage History

Mortgage Date	01/26/2007	08/23/2006
Mortgage Amount	\$150,000	\$92,000
Mortgage Lender		Private Individual
Mortgage Code	Private Party Lender	Private Party Lender

Foreclosure History

Document Type	Notice Of Trustee's Sale	Notice Of Trustee's Sale	Notice Of Default
Default Date			05/17/2007
Foreclosure Filing Date	02/11/2008	08/22/2007	05/17/2007
Recording Date	02/14/2008	08/30/2007	05/21/2007
Document Number	68132	503049	304115
Default Amount			\$30,141
Final Judgment Amount	\$905,300	\$202,029	
Original Doc Date	11/09/2006	01/26/2007	01/26/2007
Original Document Number	765963	51940	51940

340 N I St, San Bernardino, CA 92410-1814, San Bernardino County



N/A	N/A	38,000	\$266,000
Beds	Bldg Sq Ft	Lot Sq Ft	Sale Price
N/A	N/A	RES-NEC	06/05/2013
Baths	Yr Built	Type	Sale Date

Owner Information

Owner Name:	Pensco Trust Company	Tax Billing Zip:	92867
Mail Owner Name:	Pensco Trust Company	Tax Billing Zip+4:	5848
Tax Billing Address:	1012 E Adams Ave	Owner Occupied:	No
Tax Billing City & State:	Orange, CA		

Location Information

Zip Code:	92410	Census Tract:	49.00
Carrier Route:	C015	Topography:	Flat/Level
School District:	San Bernardino	Neighborhood Code:	091-091
Comm College District Code:	San Bernardino Vly J		

Tax Information

APN :	0138-231-02-0000	Lot:	1
Tax Area:	7160	Block:	16
Tax Appraisal Area:	12	Water Tax Dist:	San Bernardino Vly J
Legal Description:	R S B PTN LOT 1 BLK 16 BEG 150 FT N OF NW COR INTERSECTION THIRD AND I ST ST TH W 345 FT TH N 5 FT TO A T S F R/W TH NELY ALG R/W TO W LI I ST TH S ALG W LI I ST TO POB AND N 10 FT VAC ALLEY ON S AS RECORDED FEB 28, 1977 BK 9123 PG 917		

Assessment & Tax

Assessment Year	2017	2016	2015
Assessed Value - Total	\$127,278	\$124,762	\$122,908
Assessed Value - Land	\$127,278	\$124,762	\$122,908
YOY Assessed Change (\$)	\$2,496	\$1,874	
YOY Assessed Change (%)	2%	1.52%	

Tax Year	Total Tax	Change (\$)	Change (%)
2014	\$1,580		
2015	\$1,625	\$45	2.86%
2016	\$1,743	\$118	7.29%

Special Assessment	Tax Amount
Sb Valley Muni Wtr Dbt Svc	\$202.77
School Bonds	\$99.20
San Bdn Comm College Bond	\$43.67
Co Ventr Control	\$1.30
Total Of Special Assessments	\$495.47

Characteristics

County Land Use:	Vacant Land	Gross Area:	MLS: 12,500
Universal Land Use:	Tax: Residential (NEC) MLS: Vacant Land (NEC)	Water:	Public
Lot Acres:	0.8724	Sewer:	Public Service
Lot Area:	38,000	Year Built:	MLS: 1970

Courtesy of LARA FERNANDEZ, KELLER WILLIAMS REALTY, California Regional MLS

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Property Detail

Generated on 12/26/2017

Page 1 of 3

Estimated Value

RealAVM™ (1):	\$215,763	Confidence Score (2):	78
RealAVM™ Range:	\$187,714 - \$243,812	Forecast Standard Deviation (3):	13
Value As Of:	12/14/2017		

(1) RealAVM™ is a CoreLogic® derived value and should not be used in lieu of an appraisal.

(2) The Confidence Score is a measure of the extent to which sales data, property information, and comparable sales support the property valuation analysis process. The confidence score range is 60 - 100. Clear and consistent quality and quantity of data drive higher confidence scores while lower confidence scores indicate diversity in data, lower quality and quantity of data, and/or limited similarity of the subject property to comparable sales.

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Listing Information

MLS Listing Number:	CC193251	MLS Current List Price:	\$1,095,000
MLS Status:	Canceled	MLS Listing Agent:	Scollau-Laurie Kim Leggio
MLS Area:	274 - SAN BERNARDINO	MLS Listing Broker:	MMDC INC
MLS Status Change Date:	06/22/2013		

MLS Listing #	Cc244468	Cc250210
MLS Status	Expired	Expired
MLS Listing Date	10/04/2004	11/30/2000
MLS Listing Price	\$750,000	\$1,500,000
MLS Listing Cancellation Date	10/04/2004	05/28/2001

Last Market Sale & Sales History

Recording Date:	07/26/2013	Sale Type:	Full
Sale Date:	06/05/2013	Deed Type:	Grant Deed
Sale Price:	\$266,000	Owner Name:	Pensco Trust Company
Multi/Split Sale:	Multiple	Seller:	Harraka R & J Family Trust
Document Number:	329566		

Recording Date	07/26/2013	01/03/2011	10/05/2009	09/22/2009	10/01/2008
Sale Date	06/05/2013	12/20/2010	09/29/2009	09/15/2009	09/22/2008
Sale Price	\$266,000	\$300,000			\$941,700
Nominal			Y	Y	
Buyer Name	Steckler Terry	Harraka Robert & J A Trust	1 Street LLC	Steckler Kevin L	Rpg Ents Inc
Seller Name	Harraka R & J Family Trust	1 Street LLC	Steckler Kevin L	Rpg Ents Inc	Fci Natl Lender Svcs Inc
Document Number	329566	1181	437450	414426	439754
Document Type	Grant Deed	Grant Deed	Grant Deed	Grant Deed	Trustee's Deed

Recording Date	11/13/2007	08/23/2006	07/14/2004
Sale Date	11/08/2007	01/03/2006	07/12/2004
Sale Price	\$43,404	\$850,000	\$600,000
Nominal			
Buyer Name	Dannis Dan & Kathleen	Algroup Inc	Classic Home Loans
Seller Name	Foreclosure Consultants Inc	Classic Home Loans	Landamerica Default Svcs Co C
Document Number	626443	577112	499313
Document Type	Trustee's Deed	Grant Deed	Trustee Deed

Mortgage History

Mortgage Date	01/26/2007	08/23/2006	09/22/1992
Mortgage Amount	\$150,000	\$92,000	\$1,300,000
Mortgage Lender		Private Individual	Golden Pacific Bk
Mortgage Code	Private Party Lender	Private Party Lender	Conventional

Foreclosure History

Document Type	Notice Of Trustee's Sale	Notice Of Trustee's Sale	Notice Of Default	Notice Of Trustee's Sale	Notice Of Trustee's Sale
Default Date			05/17/2007		

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Property Detail

Generated on 12/28/2017

Page 2 of 3

N I St, San Bernardino, CA 92410-1814, San Bernardino County



N/A	N/A	6,500	\$266,000
Beds	Bldg Sq Ft	Lot Sq Ft	Sale Price
N/A	N/A	VCNT LND-NE	06/05/2013
Baths	Yr Built	Type	Sale Date

Owner Information

Owner Name:	Pensco Trust Company	Tax Billing Zip:	92867
Mail Owner Name:	Pensco Trust Company	Tax Billing Zip+4:	5848
Tax Billing Address:	1012 E Adams Ave	Owner Occupied:	No
Tax Billing City & State:	Orange, CA		

Location Information

Zip Code:	91766	Census Tract:	49.00
Carrier Route:	C025	Topography:	Flat/Level
School District:	San Bernardino	Neighborhood Code:	091-091
Comm College District Code:	San Bernardino Vly J		

Tax Information

APN :	0138-231-04-0000	Lot:	1
Tax Area:	7160	Block:	16
Tax Appraisal Area:	12	Water Tax Dist:	San Bernardino Vly J
Legal Description:	R S B W 50 FT E 225 FT S 130 FT LOT 1 BLK 16 AND PTN OF VAC ALLEY ON N		

Assessment & Tax

Assessment Year	2017	2016	2015
Assessed Value - Total	\$22,182	\$21,747	\$21,420
Assessed Value - Land	\$22,182	\$21,747	\$21,420
YOY Assessed Change (\$)	\$435	\$327	
YOY Assessed Change (%)	2%	1.53%	

Tax Year	Total Tax	Change (\$)	Change (%)
2014	\$276		
2015	\$284	\$8	2.85%
2016	\$428	\$143	50.41%

Special Assessment	Tax Amount
Sb Valley Muni Wtr Dbt Svc	\$35.33
School Bonds	\$17.28
San Bdno Comm College Bond	\$7.61
Co Vendor Control	\$1.30
Total Of Special Assessments	\$210.05

Characteristics

County Land Use:	Vacant Land	Lot Area:	6,500
Universal Land Use:	Vacant Land (NEC)	Water:	Public
Lot Acres:	0.1492	Sewer:	Public Service

Last Market Sale & Sales History

Recording Date:	07/26/2013	Sale Type:	Full
Sale Date:	06/05/2013	Deed Type:	Grant Deed
Sale Price:	\$266,000	Owner Name:	Pensco Trust Company

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Property Detail

Generated on 12/28/2017

Page 1 of 12

Multi/Split Sale:
Document Number:

Multi
329566

Seller:

Harraka R & J Family Trust

Recording Date	07/26/2013	01/03/2011	10/05/2009	09/22/2009	10/01/2008
Sale Date	06/05/2013	12/20/2010	09/29/2009	09/15/2009	09/22/2008
Sale Price	\$266,000	\$300,000			\$941,700
Nominal			Y	Y	
Buyer Name	Steckler Terry	Harraka Robert & J A Trust	I Street LLC	Steckler Kevin L	Rpg Ents Inc
Seller Name	Harraka R & J Family Trust	I Street LLC	Steckler Kevin L	Rpg Ents Inc	Fci Natl Lender Svcs Inc
Document Number	329566	1181	437450	414426	439754
Document Type	Grant Deed	Grant Deed	Grant Deed	Grant Deed	Trustee's Deed

Recording Date	11/13/2007	08/23/2006	07/14/2004
Sale Date	11/06/2007	01/03/2006	07/12/2004
Sale Price	\$43,404	\$850,000	\$600,000
Nominal			
Buyer Name	Dannis Dan & Kathleen	Algroup Inc	Classic Home Loans
Seller Name	Foreclosure Consultants Inc	Classic Home Loans	Landamerica Default Svcs Co C
Document Number	626444	577112	499313
Document Type	Trustee's Deed	Grant Deed	Trustee Deed

Mortgage History

Mortgage Date	01/26/2007	08/23/2006
Mortgage Amount	\$150,000	\$92,000
Mortgage Lender		Private Individual
Mortgage Code	Private Party Lender	Private Party Lender

Foreclosure History

Document Type	Notice Of Trustee's Sale	Notice Of Trustee's Sale	Notice Of Default
Default Date			05/17/2007
Foreclosure Filing Date	02/11/2008	08/22/2007	05/17/2007
Recording Date	02/14/2008	08/30/2007	05/21/2007
Document Number	68132	503047	304114
Default Amount			\$30,141
Final Judgment Amount	\$905,300	\$202,039	
Original Doc Date	11/09/2006	01/26/2007	01/26/2007
Original Document Number	765963	51939	51939

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Property Detail

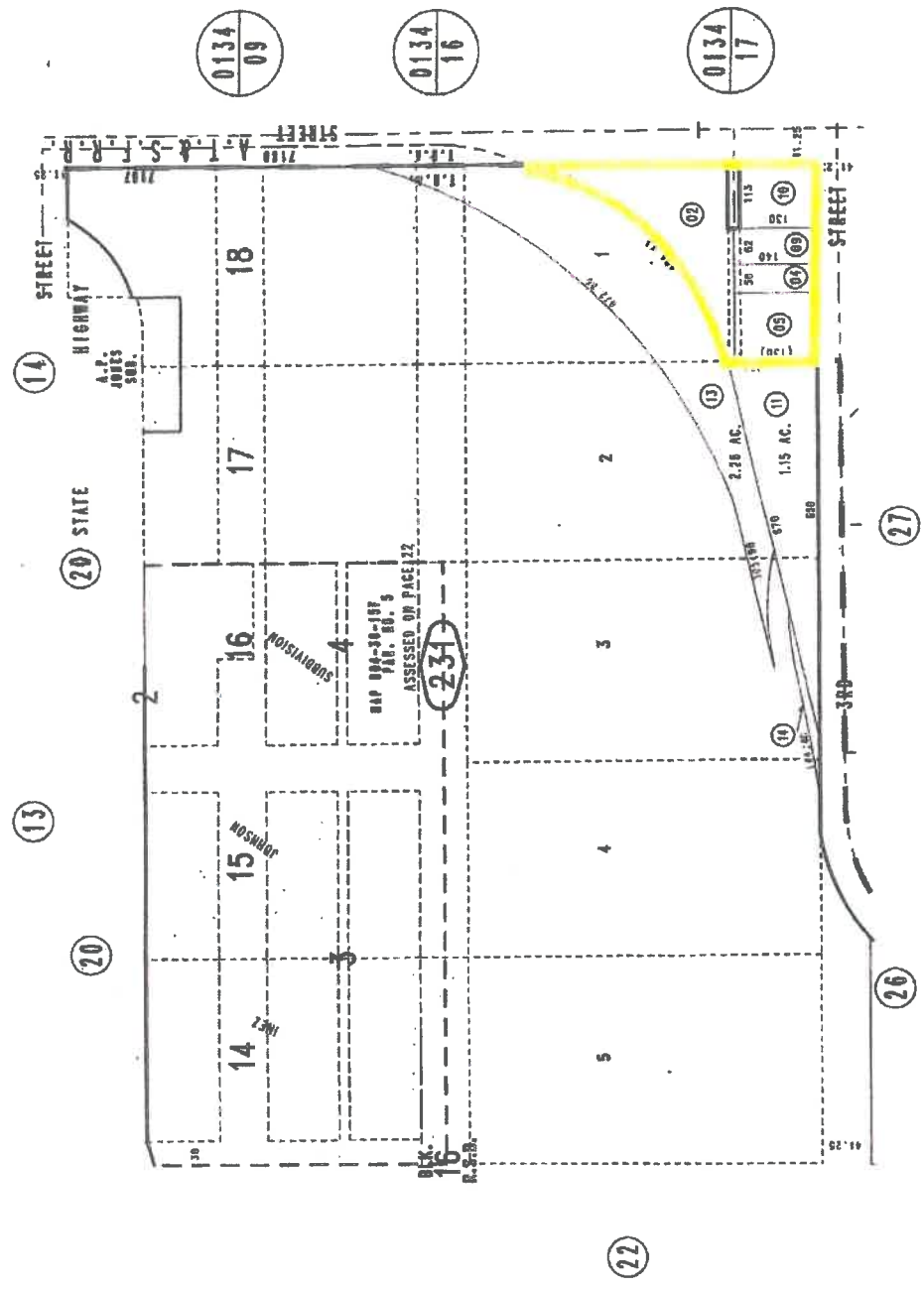
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Page 2 of 12

Ptn. Rancho San Bernardino
M.B. 7/2

City of San Bernardino 0138 - 23
Tax Rate Area
7167,7160

THIS MAP IS FOR THE PURPOSE
OF AD VALOREM TAXATION ONLY.



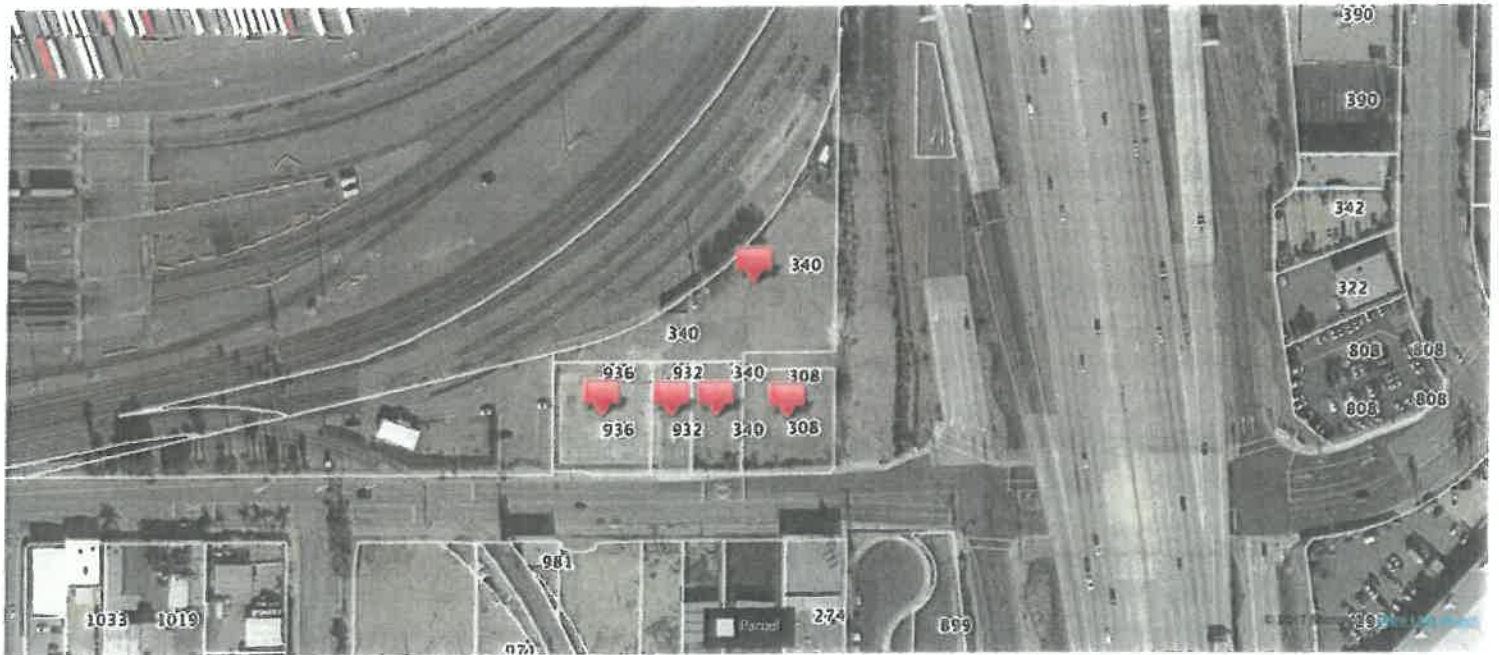
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 08/27/11 BK-HC
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Assessor's Map
 Book 0138 Page 23
 San Bernardino County

Pin: N.W.1/4, Sec. 9
 T.1S., R.4W.



0 Cooley Ave., San Bernardino, CA 92408



KW COMMERCIAL
1473 Ford Street
Redlands, CA 92373

DOUGLAS REYNOLDSON
Commercial Real Estate Investment Advisor
909.478.4517
dreynoldson@kwcommercial.com
BRE #01456022

KENNETH PATTERSON
Agent
909.793.2100
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We obtained the information above from sources we believe to be reliable. However, we have not verified its accuracy and make no guarantee, warranty or representation about it. It is submitted subject to the possibility of errors, omissions, change of price, rental or other conditions, prior sale, lease or financing, or withdrawal without notice. We include projections, opinions, assumptions or estimates for example only, and they may not represent current or future performance of the property. You and your tax and legal advisors should conduct your own investigation of the property and transaction.

www.kwcommercial.com

LEADING BROKER'S RESUME



0 Cooley Ave., San Bernardino, CA 92408
04/17/2017

Resume for Kenneth Patterson:

1975 to late 1979 Mess Management Specialist for USN (primary jobs: Staff Cook, Mess Manager, maintained food supplies and Buyers agent for ships food) I was E4 at time of discharge.

Licensed as a California Real Estate Agent in 1979

Licensed as a California Real Estate Broker in 1989

Licensed as a Security Dealer with the National Association of Security Dealers (FINRA) in 1995. (Series 7 and 63 license, State of California Fixed and Variable life license)

1993-1995 Manager of Neighborhood Mortgage Corp. in Costa Mesa, Ca. (4 offices in Southern Ca.) We did over \$80 million in Originating Residential and Commercial loans yearly.

1995 through 1997 Independent Security Dealer with American Express Financial Advisor.

Since 1998 through 2011 I managed Investment Retirement accounts for clients as an Independent Security Dealer and Small Group Health Benefits; through Lighthouse Capital Corporation out of Monterey, CA.

From 1979 through 1999 I primarily sold and developed land to and for developers as an independent agent/broker.

From 2000 to 2005 I incorporated residential sales into my sales activities because of demand by builders/developers I worked with. At which time I became an associate broker with Coldwell Banker Kivett-Teeters, I averaged 70 closed transactions per-year, until the recent down turn in the market.

Mid-year 2005 to August 2012; Coldwell Banker Commercial Kivett-Teeters became the newest Commercial franchise. I deal in Commercial Sales, Building Leases, Ground Leases, land Sales and development.

2003-2007 I have been awarded the International Presidents Circle from Coldwell Banker International, which places me in the top 5% of Sales Associates Internationally.

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www.kwcommercial.com

LEADING BROKER'S RESUME



0 Cooley Ave., San Bernardino, CA 92408

August 2012 to Current I moved to Keller Williams Commercial as an Associate Broker in Redlands Ca. Doing the same business practices in the commercial arena, plus I now work with Asset Managers for Defaulted Notes and Real Estate, Probate and Bankruptcy Trustees. I'm also currently an Independent Financial Advisor for Colorado Financial Services.

Kenneth Patterson
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**Purchase and Sale Agreement and Joint Escrow Instructions
Between the
Successor Agency to the Redevelopment Agency of the City of San Bernardino
And
HIP SoCal Properties, LLC**

(See Attachment)

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**PURCHASE AND SALE AGREEMENT
AND JOINT ESCROW INSTRUCTIONS**

SELLER: Successor Agency to the Redevelopment Agency of the
City of San Bernardino

BUYER: HIP SoCal Properties LLC, a California limited liability
company

DATED: March 21, 2018

(E. Cooley Avenue, APNs 0281-031-51 and 0281-041-41)

BASIC TERMS

Buyer: HIP SoCal Properties LLC, a California limited liability company

Buyer's Address: HIP SoCal Properties LLC, a California limited liability company
Attention: Timothy J. Howard
1944 N. Tustin Street, Ste. 122
Orange, CA 92865
Tel. (714) 602-7345
Email: Thoward@hipre.net

City: The City of San Bernardino

Closing Contingency Date: June 29, 2018

Closing Date (or Closing) Estimated to occur by April 15, 2018, but not later than the Outside Date

Deed: A grant deed in the form of Exhibit B hereto

Effective Date: March 7, 2018

Escrow Holder: Commonwealth Land Title
A Fidelity National Financial Company
888 S. Figueroa Street, Suite 2100
Los Angeles, CA 90017
Tel: (213) 330-3059

Attention: Crystal Leyvas, Vice President, National Accounts
National Commercial Services
(direct: (213) 330-3059; email: Cleyvas@cltic.com
(or another escrow holder mutually acceptable to Buyer and Seller)

Independent
Consideration Amount: Two Hundred Dollars (\$200.00)

Outside Date: July 24, 2018; provided that such date may be extended by mutual writing agreement by Seller and Buyer

Purchase Price: Six Hundred Twenty-Five Thousand Dollars (\$625,000.00)

Real Property: That property described in Exhibit A hereto; the subject property is sometimes referred to as APNs 0281-031-51 and 0081-041-41

Seller: Successor Agency to the Redevelopment Agency of the City of San Bernardino

Seller's Address: 290 N. "D" Street – Third Floor
San Bernardino, California 92418
Attention: Andrea M. Miller, City Manager
Tel. (909) 384-5122
Fax: (909) 384-5138
Email: Miller_An@sbcity.org

Soil and Title Contingency
Date: May 29, 2018

Title Company: Commonwealth Land Title
A Fidelity National Financial Company
888 S. Figueroa Street, Suite 2100
Los Angeles, CA 90017
Tel: (213) 330-3059

Attention: Crystal Leyvas, Vice President, National Accounts
National Commercial Services
(direct: (213) 330-3059; email: Cleyvas@cltic.com)
(or another title company mutually acceptable to Buyer and Seller)

**PURCHASE AND SALE AGREEMENT
AND
JOINT ESCROW INSTRUCTIONS**

This **PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS** (“Agreement”) is made and entered into as of March 7, 2018 (the “Effective Date”) by and between Seller and Buyer.

RECITALS

A. Seller is the fee owner of the Real Property. The Real Property is improved with a parking lot, lighting, and minimal landscaping.

B. Seller has offered to sell to Buyer the Real Property described herein for the price and subject to the terms set forth below. Buyer has considered the offer by Seller and agrees to buy from Seller the Real Property, as more specifically described below.

C. In addition to the Purchase Price, material considerations to Seller in agreeing to enter into this Agreement, Buyer has agreed to pay to Seller the Independent Consideration Amount;

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

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

(a) The fee interest in the Real Property to be conveyed by a grant deed in the form of the Deed; and

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

2. Payment of Consideration. As consideration for the sale of the Real Property from Seller to Buyer, Buyer shall, at the Closing (as defined below), pay to Seller the Purchase Price for the Real Property. Upon payment of the Purchase Price (less any adjustments made to clear liens and to defray Seller’s costs of sale including, but not limited to, the preparation of legal documents and validation of the purchase price incurred by the City of San Bernardino and the Seller’s share of closing costs), the use of sales proceeds by Seller is a matter with which Buyer is not concerned.

3. Escrow and Independent Consideration.

(a) Opening of Escrow. For the purposes of this Agreement, the escrow (“Escrow”) shall be deemed opened (“Opening of Escrow”) on the date that Escrow Holder receives a copy of this Agreement fully executed by Buyer and Seller. Buyer and Seller shall use their best efforts to cause the Opening of Escrow to occur on or before five (5) business days after the Effective Date. Escrow Holder shall promptly notify Buyer and Seller in writing of the date of the Opening of Escrow. Buyer and Seller agree to execute, deliver and be bound by any reasonable or

customary supplemental escrow instructions or other instruments reasonably required by Escrow Holder to consummate the transaction contemplated by this Agreement; provided, however, that no such instruments shall be inconsistent or in conflict with, amend or supersede any portion of this Agreement. If there is any conflict or inconsistency between the terms of such instruments and the terms of this Agreement, then the terms of this Agreement shall control. Without limiting the generality of the foregoing, no such instruments shall extinguish any obligations imposed by this Agreement or any other agreement between Seller and Buyer.

(b) Independent Consideration. Within two (2) days after the Effective Date, Buyer shall pay to Seller the Independent Consideration Amount to be retained by Seller as non-refundable independent consideration. The Independent Consideration Amount has been bargained for and agreed to as consideration for Seller's execution and delivery of this Agreement and Seller holding the Real Property off the market for a period commencing as of the Effective Date and continuing until the Outside Date and for the rights and privileges granted to Buyer herein, including any and all rights granted to Buyer to terminate this Agreement under the circumstances provided for herein. Notwithstanding anything to the contrary contained in this Agreement, the Independent Consideration Amount shall be non-refundable in all events, except for (i) Seller's default hereunder, (ii) the failure of the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of San Bernardino (the "Oversight Board") to approve the sale of the Real Property as provided under this Agreement, and (iii) actions by the California Department of Finance ("DOF") which prevent the disposition of the Real Property to Buyer as provided under this Agreement. If the Closing occurs, a credit shall be applied to the Purchase Price based upon payment of the Independent Consideration Amount.

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

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

(a) Such proof of Sellers' authority and authorization to enter into this Agreement and to consummate this transaction as may be reasonably requested by Buyer and the Title Company consistent with the terms of this Agreement, including without limitation approval of the Oversight Board of the sale of the Real Property by Seller to Buyer.

In addition, Seller shall cause Escrow Holder to obtain and deliver to Buyer a Natural Hazard Report as provided for under Sections 1102 and 1103 of the California Civil Code (the "Natural Hazard Report") on or before the Soil and Title Contingency Date.

5. Buyer's Right of Entry. From and after the Opening of Escrow through the earlier to occur of the termination of this Agreement or the Soil and Title Contingency Date, or as otherwise agreed in writing by Seller prior to entry is effected, Buyer and Buyer's employees, agents, consultants and contractors shall have the right to enter upon the Real Property during normal business hours, provided reasonable prior notice has been given to Seller.

(a) Investigation of the Real Property. In addition to the foregoing, the Buyer shall have the right, at its sole cost and expense, prior to the Soil and Title Contingency Date, to engage its own environmental consultant (the "Environmental Consultant") to make such investigations as Buyer deems necessary or appropriate, including any "Phase 1" or "Phase 2" investigations of the Real Property. If, based upon such evaluation, inspections, tests or investigation, Buyer determines that it, in its discretion, does not wish to proceed with purchase of the Real Property based upon the condition of the Real Property, Buyer may cancel this Agreement by giving written notice of termination to Seller on or before the Soil and Title Contingency Date which specifically references this Section 5. If Buyer does not cancel this Agreement by the time allowed under this Section 5, Buyer shall be deemed to have approved the evaluation, inspections and tests as provided herein and to have elected to proceed with this transaction on the terms and conditions of this Agreement. Buyer shall provide a copy to the Seller of all reports and test results provided by Buyer's Environmental Consultant promptly after receipt by the Buyer of any such reports and test results without any representation or warranty as to their accuracy or completeness.

Buyer shall bear all costs, if any, associated with restoring the Real Property to substantially the same condition prior to its testing by or on behalf of Buyer if requested to so do by Seller but excluding any latent defects or Hazardous Materials (as defined below) discovered by Buyer during its investigation of the Real Property. Buyer agrees to indemnify, protect, defend (with counsel satisfactory to Seller) and hold Seller and the Real Property free and harmless from and against all costs, claims, losses, liabilities, damages, judgments, actions, demands, attorneys' fees or mechanic's liens arising out of or resulting from any entry or activities on the Real Property by Buyer, Buyer's agents, contractors or subcontractors and the contractors and subcontractors of such agents, but in no event shall the indemnity of this Section include the discovery of pre-existing conditions by Buyer or any such liabilities, costs, etc. arising from the negligence or willful misconduct of Seller and/or its consultants. The indemnity obligations of Buyer set forth in this Section 5(a) shall survive any termination of this Agreement or the Close of Escrow.

"Hazardous Materials" means any substance, material, or waste which is or becomes regulated by any local governmental authority, the County, the State of California, regional governmental authority, or the United States Government, including, but not limited to, any material or substance which is (i) 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, Division 20, Chapter 6.5 (Hazardous Waste Control Law), (ii) defined as a "hazardous substance" under Section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8 (Carpenter-Presley-Tanner Hazardous Substance Account Act), (iii) defined as a "hazardous material," "hazardous substance," or "hazardous waste" under Section 25501 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory), (iv) defined as a "hazardous substance" under Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances), (v) petroleum, (vi) friable asbestos, (vii) polychlorinated biphenyls, (viii) listed under Article 9 or defined as "hazardous" or "extremely hazardous" pursuant to Article 11 of Title 22 of the California Administrative Code, Division 4,

Chapter 20, (ix) designated as “hazardous substances” pursuant to Section 311 of the Clean Water Act (33 U.S.C. §1317), (x) defined as a “hazardous waste” pursuant to Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. §6901 et seq. (42 U.S.C. §6903) or (xi) defined as “hazardous substances” pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. §9601 et seq.

(b) No Warranties as to the Real Property. The physical condition and possession of the Real Property, is and shall be delivered from Seller to Buyer in an “as is” condition, with no warranty expressed or implied by Seller, including without limitation, the presence of Hazardous Materials or the condition of the soil, its geology, the presence of known or unknown seismic faults, or the suitability of the Real Property for development purposes. In addition, Seller makes no representations, warranties or assurances concerning the Real Property, its suitability for any particular use or with regard to the approval process for entitlements as to the Real Property.

(c) Buyer Precautions after Closing. Upon and after the Closing, Buyer shall take all necessary precautions to prevent the release into the environment of any Hazardous Materials which are located in, on or under the Real Property. Such precautions shall include compliance with all laws, ordinances, statutes, codes, rules, regulations, orders, and decrees of the United States, the state, the County, the City, or any other political subdivision in which the Real Property is located, and of any other political subdivision, agency, or instrumentality exercising jurisdiction over the Real Property (“Governmental Requirements”) with respect to Hazardous Materials.

6. Buyer’s Conditions Precedent and Termination Right.

(a) Conditions Precedent. The Closing and Buyer’s obligation to consummate the purchase of the Real Property under this Agreement are subject to the timely satisfaction or written waiver of the following conditions precedent (collectively, “Buyer’s Contingencies”), which are for Buyer’s benefit only.

(i) Title Review. Within twenty (20) calendar days after the Opening of Escrow, Seller shall cause the Title Company to deliver to Buyer a preliminary title report (the “Report”) describing the title to the Real Property, together with copies of the plotted easements and the exceptions (the “Exceptions”) set forth in the Report; provided that the cost of the Report shall be borne by Seller. Seller acknowledges that the Buyer’s Title Policy shall include an endorsement against the effect of any mechanics’ liens; Seller will provide such indemnity or other assurances as necessary to induce the Title Company to provide such endorsement. On or before the Soil and Title Contingency Date, Buyer shall have approved in writing, in Buyer’s sole discretion, any matters of title disclosed by the following (collectively, the “Title Documents”): (i) the Report; (ii) the Exceptions; (iii) the legal description of the Real Property and (iv) any survey Buyer desires to obtain at Buyer’s sole cost and expense. Buyer shall have the same rights to approve or disapprove any exceptions to title that are not created by Buyer and that come into existence after issuance of the Report but prior to Closing. Seller shall, on or before the Closing, remove all deeds of trust, mortgages, and delinquent taxes (but not the lien for any real property taxes or assessments not yet delinquent).

(ii) Buyer’s Title Policy. On or before the Closing, the Title Company shall, upon payment (by Buyer) of the Title Company’s premium, have agreed to issue to Buyer, a

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

In the event Buyer enters into a loan agreement to generate moneys to purchase the Real Property from Seller under this Agreement, Buyer and not Seller shall be responsible for the title insurance, closing costs and any other costs, fees or expenses in relation to Buyer obtaining such loaned moneys. The sale shall be all cash to Seller.

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

(iv) Natural Hazard Report. Seller shall cause the Escrow Holder to provide to Buyer prior to the Soil and Title Contingency Date the Natural Hazard Report described at Section 8(a)(iii) of this Agreement; provided that Seller shall bear the cost to prepare such Natural Hazard Report.

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

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

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

(viii) Title Company Confirmation. The Title Company shall have confirmed that it is prepared to issue the Buyer's Title Policy consistent with the provisions of this Agreement.

(ix) Oversight Board and DOF Approval. The Oversight Board and, if required as a condition of the issuance of title insurance or by either party hereto, approval by DOF,

shall have been given as to the disposition of the Real Property by Seller to Buyer under this Agreement.

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

(b) Termination Right. Each of (i), (ii) and (iii) shall operate independently and each shall entitle Seller to terminate this Agreement, as follows:

(i) If the Independent Consideration Amount is not paid by Buyer to Seller by the time set forth therefor in Section 3(b)(i) of this Agreement, then this Agreement shall terminate upon Seller giving notice thereof to Buyer;

(ii) If any of Buyer's Contingencies are not met by the Closing Contingency Date, and Seller so informs Buyer, Buyer may, by written notice to Seller, terminate this Agreement.

If this Agreement is so terminated, then (except to the extent expressly allocated to one party hereto by this Agreement) any escrow, title or other cancellation fees shall be paid by Buyer, unless Seller is in default hereunder, in which case Seller shall pay all such fees. If the Agreement has not been terminated pursuant to (i) or (ii) of this Section 6(b) and Buyer has not terminated this Agreement in writing ("Termination Notice") on or before 5:00 p.m. on the Monday preceding the scheduled Closing ("Termination Notice Deadline"), then all such Buyer's Contingencies shall be deemed to have been satisfied and this Agreement shall continue pursuant to its terms. If Buyer has not delivered a Termination Notice as the items set forth in Sections 6(a)(i)-(xi) inclusive, prior to the Termination Notice Deadline, such Buyer's Contingencies shall be deemed to have been satisfied.

If this Agreement is terminated, then (except to the extent expressly allocated to one party hereto by this Agreement) any escrow, title or other cancellation fees shall be paid by Buyer, unless Seller is in default hereunder, in which case Seller shall pay all such fees.

(c) Seller's Cure Right. Buyer shall notify Seller, in Buyer's Termination Notice, of Buyer's disapproval or conditional approval of any Title Documents. Seller shall then have the right, but not the obligation, to (i) remove from title any disapproved or conditionally approved Exception(s) (or cure such other title matters that are the basis of Buyer's disapproval or conditional approval of the Title Documents) within five (5) business days after Seller's receipt of Buyer's Termination Notice, or (ii) provide assurances reasonably satisfactory to Buyer that such Exception(s) will be removed (or other matters cured) on or before the Closing. With respect to any such Exception, it shall be sufficient for purposes hereof for Seller to commit in writing, within the applicable period, to remove such Exception at or before the Closing. Seller's failure to remove such Exception after committing to do so shall be a default hereunder. An Exception shall be deemed removed or cured if Seller furnishes Buyer with evidence that the Title Company will issue the Buyer's Title Policy, as defined herein, at the Closing deleting such Exception or providing an endorsement (at Seller's expense) reasonably satisfactory to Buyer concerning such Exception. If Seller cannot or does not remove or agree to remove any of the disapproved Exception(s) (or cure other matters) within such five (5) business day period, Buyer shall have three (3) business days after the expiration of such five (5) business day period to give Seller written notice that Buyer

elects to proceed with the purchase of the Real Property subject to the disapproved Title Document(s), it being understood that Buyer shall have no further recourse against Seller for such disapproved Title Exception(s).

7. **Seller's Conditions Precedent and Termination Right.** The Closing and Seller's obligations with respect to the transaction contemplated by this Agreement are subject to the timely satisfaction or written waiver of the following condition precedent ("Seller's Contingencies"), which are for Seller's benefit only:

(a) **Completion of Title Review.** Seller shall have received written confirmation from Buyer on or before the Soil and Title Contingency Date that Buyer has completed its review of title and that the condition of title satisfactory.

(b) **Confirmation Concerning Site.** Seller shall have received written confirmation from Buyer on or before the Soil and Title Contingency Date that Buyer has reviewed the condition of the Real Property, including without limitation concerning Hazardous Materials, zoning and suitability, and approves the condition of the Real Property.

(c) **Confirmation Regarding Buyer's Title Policy.** Seller shall have received written confirmation from Buyer on or before the Soil and Title Contingency Date that Buyer has approved a pro forma title policy.

(d) **Liens.** Seller shall have obtained the consent of any lien holder to the release of such liens prior to or concurrent with closing.

(e) **Oversight Board and DOF Approval.** The approval by the Oversight Board and DOF shall have been given as to the disposition of the Real Property by Seller to Buyer under this Agreement.

(f) **Delivery of Documents.** Buyer's delivery of all documents described in Section 9(a), below.

Should any of Buyer's Contingencies not be met by the respective times set forth for the satisfaction for such contingency (and without regard to whether all such contingencies have been removed or satisfied) and Buyer has so informed Seller, Seller may, by written notice to Buyer, terminate this Agreement; such termination rights shall be in addition to those termination rights of Seller as set forth in Section 6. If this Agreement is so terminated, then (except to the extent expressly allocated to one party hereto by this Agreement) any escrow, title or other cancellation fees shall be paid by Buyer.

8. **Seller's Deliveries to Escrow Holder.**

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

(i) **Deed.** The Deed.

(ii) **FIRPTA/Tax Exemption Forms.** The Transferor's Certification of Non-Foreign Status in the form attached hereto as Exhibit C (the "FIRPTA Certificate"), together

with any necessary tax withholding forms, and a duly executed California Form 593-C, as applicable (the "California Exemption Certificate").

(iii) Hazard Disclosure Report. Unless earlier delivered to Buyer, Seller shall cause Escrow Holder to obtain and deliver to Buyer, at Seller's cost, a Natural Hazard Report as provided for under Sections 1102 and 1103 of the California Civil Code (the "Natural Hazard Report") before the Closing.

(iv) Possession of Real Property. Possession of the Real Property free of any tenancies or occupancy.

(v) Authority. Such evidence of Seller's authority and authorization to enter into this Agreement and to consummate this transaction as may be reasonably requested by Buyer and the Title Company which are consistent with the terms of this Agreement.

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

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

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

(a) Purchase Price. The Purchase Price, less amounts which Seller confirms in writing to Escrow Holder were theretofore paid to Seller as the Independent Consideration Amount, together with additional funds as are necessary to pay Buyer's closing costs set forth in Section 10(b) herein. In the event Seller does not qualify for an exemption from California withholding tax under Section 18662 of the California Revenue and Taxation Code, as evidenced by the delivery at Closing of the California Exemption Certificate duly executed by Seller, Title Company shall withhold three and one-third percent (3-1/3%) of the Purchase Price on behalf of Buyer for payment to the California Franchise Tax Board in accordance with Section 11(b) hereof. In the event Seller is not exempt from such withholding or does not otherwise deliver the California Exemption Certificate at Closing, Buyer shall execute and deliver three (3) originals of California Form 593 to Title Company at or immediately after Closing.

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

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

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

(e) Moneys for Buyer's Real Estate Broker. Buyer shall deposit any moneys due and payable to Buyer's Real Estate Broker in connection with the sale of the Real Property.

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

10. Costs and Expenses.

(a) Seller's Costs. If the transaction contemplated by this Agreement is consummated, then Seller shall be debited for and bear the following costs: (i) costs and charges associated with the removal of encumbrances; (ii) Seller's share of prorations; (iii) the premium for a Standard Buyer's Title Policy with coverage in the amount of the Purchase Price; (iv) documentary recording fees, if any; (v) documentary transfer tax, if any; (vi) The Seller's Real Estate Broker's Commission of Sixty-Two Thousand Five Hundred Dollars (\$62,500.00) which the parties acknowledge and agree that at Close of Escrow, Seller shall pay Seller's Real Estate Broker's Commission for sale of the Property in accordance with Seller's listing agreement with Seller's Real Estate Broker and that the broker's commission shall be divided equally between Buyer's Real Estate Broker and Seller's Real Estate Broker; (vii) one half of the escrow charges; and (viii) costs, if any, allocable to Seller under this Agreement and costs for such services as Seller may additionally request that Escrow perform on its behalf (which foregoing items collectively constitute "Seller's Costs and Debited Amounts").

(b) Buyer's Costs. If the transaction contemplated by this Agreement is consummated, then Buyer shall bear the following costs and expenses: (i) the Escrow Holder's fee; (ii) Buyer's share of prorations, (iii) the premium for title insurance other than or in excess of a Standard Buyer's Title Policy based on the Purchase Price, and, if applicable, the cost for any survey required in connection with the delivery of an ALTA owner's extended coverage policy of title insurance; (iv) one half of escrow charges; (v) recording and other costs of closing; (vi) costs, if any, for such services as Buyer may additionally request that Escrow perform on its behalf; and (vii) any costs associated with Buyer borrowing money in order to pay to Seller the Purchase Price (collectively, "Buyer's Costs and Debited Amounts").

(c) Generally. Each party shall bear the costs of its own attorneys, consultants, and real estate brokers, other than broker's commission, in connection with the negotiation and preparation of this Agreement and the consummation of the transaction contemplated hereby. The parties acknowledge and agree that at Close of Escrow, Seller shall pay Seller's Real Estate Broker's Commission for sale of the Property in accordance with Seller's listing agreement with Seller's Real Estate Broker and that the broker's commission shall be divided equally between Buyer's Real Estate Broker and Seller's Real Estate Broker.

11. Prorations; Withholding.

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

(b) In the event Seller does not qualify for an exemption from California withholding tax under Section 18662 of the California Revenue and Taxation Code (the "Tax Code") as evidenced by the delivery to Buyer at Closing of the California Exemption Certificate duly executed by Seller, (i) Title Company shall withhold three and one-third percent (3-1/3%) of the Purchase Price on behalf of Buyer at Closing for payment to the California Franchise Tax Board in accordance with the Tax Code, (ii) Buyer shall deliver three (3) duly executed copies of California Form 593 to Title Company at or immediately after Closing, (iii) two (2) copies of California Form 593 shall be delivered by Title Company to Seller, and (iv) on or before the 20th day of the month following the month title to the Real Property is transferred to Buyer (as evidenced by the recording of the Grant Deed), Title Company shall remit such funds withheld from the Purchase Price, together with one (1) copy of California Form 593 to the California Franchise Tax Board on behalf of Buyer. Buyer and Seller hereby appoint Title Company as a reporting entity under the Tax Code, authorized to withhold and remit the withholding tax contemplated under the Tax Code, together with such other documents required by the Tax Code (including, without limitation, California Form 593), to the California Franchise Tax Board.

12. Closing Procedure. When the Title Company is unconditionally prepared (subject to payment of the premium therefor) to issue the Buyer's Title Policy and all required documents and funds have been deposited with Escrow Holder, Escrow Holder shall immediately close Escrow in the manner and order provided below.

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

(b) Disburse Funds. Escrow Holder shall debit or credit (as provided herein) all Buyer's Costs and Debited Amounts, Seller's Costs and Debited Amounts and General Expenses, prorate matters and withhold funds as provided herein. The Purchase Price, less any applicable debits or credits (including any liens as to which such liens and the amount to satisfy such liens shall have been confirmed in writing by Seller to Escrow Holder) shall be distributed by check payable to Seller unless Escrow Holder is instructed otherwise in writing signed by Seller (and, in such event, in accordance with such instructions). Seller authorizes Escrow Holder to request demands for payment and to make such payments from the Purchase Price (or such other funds, if any, as are advanced by Seller) to defray the cost of removing deeds of trust, liens and other encumbrances (but not for obligations of Buyer). Escrow Holder shall disburse on behalf of Buyer such moneys as are deposited by Buyer (in addition to the Purchase Price and Buyer's share of closing costs) as the

commission for Buyer's Real Estate Broker (unless Buyer's Real Estate Broker shall deliver a written statement to Escrow Holder which indicates that Buyer has arranged to pay Buyer's Real Estate Broker outside escrow and that payment of such remuneration is a matter with respect to which Escrow Holder and Seller need not be concerned).

(c) Documents to Seller. Escrow Holder shall deliver to Seller a conformed copy of the Deed, and documents, if any, recorded on behalf of any lender, as duly recorded among the official land records of the County of San Bernardino, and a copy of each other document (or copies thereof) deposited into Escrow by Buyer pursuant hereto.

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

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

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

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

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

13. Representations and Warranties.

(a) Seller's Representations and Warranties. In consideration of Buyer entering into this Agreement and as an inducement to Buyer to purchase the Real Property, Seller makes the following representations and warranties as of the Effective Date and as of the Closing, each of which is material and is being relied upon by Buyer (and the truth and accuracy of which shall constitute a condition precedent to Buyer's obligations hereunder), and all of which are material inducements to Buyer to enter into this Agreement (and but for which Buyer would not have entered into this Agreement) and shall survive Closing; provided that each of the representations and warranties of Seller is based upon the information and belief of the Executive Director of the Successor Agency:

(i) Seller believes that it has the legal power, right and authority to enter into this Agreement and the instruments referenced herein, and to consummate the transaction contemplated subject to the approval of the Oversight Board and, as may be applicable, DOF.

(ii) Subject to the approval of the Oversight Board and, as may be applicable, DOF, Seller believes that all requisite action (corporate, trust, partnership or otherwise) has been taken by Seller in connection with entering into this Agreement and the instruments

referenced herein; and, by the Closing, all such necessary action will have been taken to authorize the consummation of the transaction contemplated hereby.

(iii) Subject to the approval of the Oversight Board and, as may be applicable, DOF, the individual executing this Agreement and the instruments referenced herein on behalf of Seller has the legal power, right and actual authority to bind Seller to the terms and conditions hereof and thereof.

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

(v) There is no pending litigation nor, to the best of Seller's knowledge, threatened litigation, which does or will adversely affect the right of Seller to convey the Real Property. There are no claims which have been received by Seller that have not been disclosed to Buyer.

(vi) Seller has made no written or oral commitments to or agreements with any governmental authority or agency materially and adversely affecting the Real Property, or any part hereof, or any interest therein, which will survive the Closing.

(vii) There are no leases or rental agreements in effect as to the Real Property.

(viii) Seller is not in default of its obligations under any contract, agreement or instrument to which Seller is a party pertaining to the Real Property.

(ix) There are no mechanics', materialmen's or similar claims or liens presently claimed or which will be claimed against the Real Property for work performed or commenced for Seller or on Seller's behalf prior to the date of this Agreement.

(x) There are no undisclosed contracts, licenses, commitments, undertakings or other written or oral agreements for services, supplies or materials concerning the use, operation, maintenance, or management of the Real Property that will be binding upon Buyer or the Real Property after the Closing. There are no oral contracts or other oral agreements for services, supplies or materials, affecting the use, operation, maintenance or management of the Real Property.

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

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

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

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

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

(ii) All requisite action has been taken by Buyer in connection with entering into this Agreement and the instruments referenced herein; and, by the Closing, all such necessary action will have been taken to authorize the consummation of the transaction contemplated hereby.

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

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

(d) Subsequent Changes to Buyer's Representations and Warranties. If, prior to the Closing, Seller or Buyer should learn, discover or become aware of any existing or new item, fact or circumstance which renders a representation or warranty of Buyer set forth herein incorrect or untrue in any respect (collectively, the "Buyer's Representation Matter"), then the party who has learned, discovered or become aware of such Buyer's Representation Matter shall promptly give

written notice thereof to the other party and Buyer's representations and warranties shall be automatically limited to account for the Buyer's Representation Matter. Seller shall have the right to approve or disapprove any such change and to terminate this Agreement by written notice to Buyer if Seller reasonably disapproves any such change. If Seller does not elect to terminate this Agreement, Buyer's representation shall be qualified by such Buyer's Representation Matter and Buyer shall have no obligation to Seller for such Buyer's Representation Matter.

14. Fair Value Price. Each of Buyer and Seller believe that the Purchase Price represents a fair value price for the Real Property. At such time as Buyer makes improvements to the Real Property, the costs for planning, designing, and constructing such improvements shall be borne exclusively by the Buyer and the Buyer shall construct or cause to be constructed such improvements in compliance with all the zoning, planning and design review requirements of the San Bernardino Municipal Code, and all nondiscrimination, labor standard, and wage rate requirements to the extent such labor and wage requirements are applicable.

Buyer, including but not limited to its contractors and subcontractors, shall be responsible to comply with Labor Code Section 1720, et seq., if applicable, and its implementing regulations, regarding the payment of prevailing wages (the "State Prevailing Wage Law"), if applicable, and, if applicable, federal prevailing wage law ("Federal Prevailing Wage Law" and, together with State Prevailing Wage Law, "Prevailing Wage Laws") with regard to the construction of improvements to the Real Property, but only if and to the extent such sections are applicable to the development of the Real Property. Insofar as the parties understand that Buyer is paying a fair market price for the Real Property, the parties believe that the payment of prevailing wages will not be required. In any event, Buyer shall be solely responsible for determining and effectuating compliance with the Prevailing Wage Laws, neither the Seller nor the City makes any final representation as to the applicability or non-applicability of the Prevailing Wage Laws to improvements to the Real Property, or any part thereof. Buyer hereby releases from liability, and agrees to indemnify, defend, assume all responsibility for and hold each of the Seller and the City, and their respective officers, employees, agents and representatives, harmless from any and all claims, demands, actions, suits, proceedings, fines, penalties, damages, expenses resulting from, arising out of, or based upon Buyer's acts or omissions pertaining to the compliance with the Prevailing Wage Laws as to the Real Property. This Section 14 shall survive Closing.

15. General Provisions.

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

(b) Notices. All notices, demands, requests or other communications required or permitted hereunder (collectively, "Notices") shall be in writing, shall be addressed to the receiving party as provided in the Basic Terms section above, and shall be personally delivered, sent by overnight mail (Federal Express or another carrier that provides receipts for all deliveries), sent by certified mail, postage prepaid, return receipt requested, or sent by facsimile transmission (provided that a successful transmission report is received). All Notices shall be effective upon receipt at the appropriate address. Notice of change of address shall be given by written notice in the manner detailed in this Section. Rejection or other refusal to accept or the inability to deliver because of changed address of which no Notice in accordance with this Section was given shall be deemed to

constitute receipt of such Notice. The providing of copies of Notices to the parties' respective counsels is for information only, is not required for valid Notice and does not alone constitute Notice hereunder.

(c) Brokers. Seller assumes sole responsibility for any consultants or brokers ("Seller's Agents") it may have retained in connection with the sale of the Real Property (and Buyer shall have no responsibility in connection with such matters). Seller represents that it has engaged Keller Williams Realty as "Seller's Real Estate Broker" and that Seller shall be solely responsible for any commission, cost, fee or compensation of any kind due to Seller's Real Estate Broker. Seller represents to Buyer that Seller has not engaged any consultants, finders or real estate brokers other than Seller's Real Estate Broker in connection with the sale of the Real Property to the Buyer, and there are no brokerage commission, finder's fee or other compensation of any kind due or owing to any person or entity in connection with this Agreement other than Seller's costs with respect to the Seller's Real Estate Broker Commission. Seller agrees to and does hereby indemnify and hold the Buyer free and harmless from and against any and all costs, liabilities or causes of action or proceedings which may be instituted by any broker, agent or finder, licensed or otherwise, claiming through, under or by reason of the conduct of the Seller in connection with this Agreement. Buyer assumes sole responsibility for any consultants or brokers ("Buyer's Agents") it may have retained in connection with the purchase of the Real Property. Buyer represents that it has engaged Lee and Associates Commercial Real Estate Services as "Buyer's Real Estate Broker" and other than the portion of the Seller's Real Estate Broker's Commission that is payable to the Buyer's Real Estate Broker per Section 10(a) of this Agreement, Buyer shall be solely responsible for any other cost, fee or compensation of any kind due to Buyer's Real Estate Broker, if any. Buyer represents to Seller that Buyer has not engaged any consultants, finders or real estate brokers other than Buyer's Real Estate Broker in connection with the sale of the Real Property to the Buyer, and there are no brokerage commission, finder's fee or other compensation of any kind due or owing to any person or entity in connection with this Agreement. Buyer agrees to and does hereby indemnify and hold the Seller free and harmless from and against any and all costs, liabilities or causes of action or proceedings which may be instituted by any broker, agent or finder, licensed or otherwise, claiming through, under or by reason of the conduct of the Buyer in connection with this Agreement. The Parties acknowledge and agree that Buyer has been represented in this transaction by Lee and Associates Commercial Real Estate Services as "Buyer's Real Estate Broker." At Close of Escrow, Seller shall pay Seller's Real Estate Broker's Commission for sale of the Property in accordance with Seller's listing agreement with Seller's Real Estate Broker. The broker's commission shall be divided equally between Buyer's Real Estate Broker and Seller's Real Estate Broker.

(d) Waiver, Consent and Remedies. Each provision of this Agreement to be performed by Buyer and Seller shall be deemed both a covenant and a condition and shall be a material consideration for Seller's and Buyer's performance hereunder, as appropriate, and any breach thereof by Buyer or Seller shall be deemed a material default hereunder. Either party may specifically and expressly waive in writing any portion of this Agreement or any breach thereof, but no such waiver shall constitute a further or continuing waiver of a preceding or succeeding breach of the same or any other provision. A waiving party may at any time thereafter require further compliance by the other party with any breach or provision so waived. The consent by one party to any act by the other for which such consent was required shall not be deemed to imply consent or waiver of the necessity of obtaining such consent for the same or any similar acts in the future. No waiver or consent shall be implied from silence or any failure of a party to act, except as otherwise specified in this Agreement. All rights, remedies, undertakings, obligations, options, covenants,

conditions and agreements contained in this Agreement shall be cumulative and no one of them shall be exclusive of any other. Except as otherwise specified herein, either party hereto may pursue any one or more of its rights, options or remedies hereunder or may seek damages or specific performance in the event of the other party's breach hereunder, or may pursue any other remedy at law or equity, whether or not stated in this Agreement.

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

(f) Remedies. Without limitation as to the availability of other remedies, this Agreement may be enforced by an action for specific enforcement.

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

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

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

(j) Obligations to Third Parties. City shall be deemed to be a third party beneficiary of this Agreement. Excepting only for the City, the execution and delivery of this Agreement shall not be deemed to confer any rights upon, nor obligate any of the parties to this Agreement to, any person or entity other than the parties hereto.

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

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

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

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

(o) Entire Agreement. This Agreement supersedes any prior agreements, negotiations and communications, oral or written, including, without limitation, that certain Standard Offer, Agreement and Escrow Instructions for Purchase of Real Estate dated December 22, 2017, and contains the entire agreement between, and the final expression of, Buyer and Seller with respect to the subject matter hereof. The parties hereto expressly agree and confirm that this Agreement is executed without reliance on any oral or written statements, representations or promises of any kind which are not expressly contained in this Agreement. No subsequent agreement, representation or promise made by either party hereto, or by or to an employee, officer, agent or representative of either party hereto shall be of any effect unless it is in writing and executed by the party to be bound thereby.

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

(q) Assignment. Neither party may assign its rights under this Agreement without the prior consent of the other party.

[signatures begin on the following page]

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

“SELLER”

**SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY
OF SAN BERNARDINO**, a public entity, corporate
and politic

By: _____
Andrea M. Miller
Executive Director

Approved as to form:
Gary D. Saenz, City Attorney

By: _____

“BUYER”

HIP SOCIAL PROPERTIES LLC, a California
limited liability company

By: _____
Name: _____
Its: Managing Member

Acceptance by Escrow Holder:

Commonwealth Land and Title Company hereby acknowledges that it has received a fully executed copy of the foregoing Purchase and Sale Agreement and Joint Escrow Instructions by and between the Successor Agency to the Redevelopment Agency of the City of San Bernardino, a public entity, corporate and politic (“Seller”), and HIP SoCal Properties LLC, a California limited liability company (“Buyer”) and agrees to act as Escrow Holder thereunder and to be bound by and strictly perform the terms thereof as such terms apply to Escrow Holder.

Dated: _____, 2018

COMMONWEALTH LAND AND TITLE
COMPANY

By: _____
Name: _____
Its: _____

EXHIBIT A

LEGAL DESCRIPTION

Address: Cooley Avenue
APNs: 0281-031-51
0281-041-41

That certain parcel of land in the City of San Bernardino, County of San Bernardino, State of California, described as follows:

Parcel No. 6 of Parcel Map No. 4781, in the City of San Bernardino, County of San Bernardino, State of California, as per plat recorded in Book 48 of Parcel Maps, Page 87, records of said County.

EXHIBIT B

DEED

**RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:**

HIP SoCal Properties LLC, a California
limited liability company
1944 N. Tustin Street, Ste. 122
Orange, CA 92865
Attn: Tim Howard

APNs: 0281-031-51 and 0281-041-41

[Space above for recorder.]

DOCUMENTARY TRANSFER TAX

\$ _____
_____ computed on the consideration or value
of property conveyed; OR
_____ computed on the consideration or value
less liens or encumbrances remaining at time of
sale.

Signature of Declarant or Agent determining tax
- Firm Name

GRANT DEED

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the
Successor Agency to the Redevelopment Agency of the City of San Bernardino, a public entity,
corporate and politic (“Grantor”), hereby grants to HIP So Cal Properties LLC, a California limited
liability company (“Grantee”), that certain real property located in the County of San Bernardino,
State of California, more particularly described on **Attachment No. 1** attached hereto and
incorporated herein by this reference (the “Property”), subject to existing easements, restrictions and
covenants of record.

IN WITNESS WHEREOF, Grantor has executed this Grant Deed as of _____, 2018.

**SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY
OF SAN BERNARDINO**

By: _____
Andrea M. Miller
Executive Director

ATTACHMENT NO. 1 TO GRANT DEED

LEGAL DESCRIPTION

Address: Cooley Avenue
APNs: 0281-031-51
0281-041-41

That certain parcel of land in the City of San Bernardino, County of San Bernardino, State of California, described as follows:

Parcel No. 6 of Parcel Map No. 4781, in the City of San Bernardino, County of San Bernardino, State of California, as per plat recorded in Book 48 of Parcel Maps, Page 87, records of said County.

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

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

personally appeared _____

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

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public

OPTIONAL

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

CAPACITY CLAIMED BY SIGNER

DESCRIPTION OF ATTACHED DOCUMENT

- Individual
- Corporate Officer

Title(s)

- Partner(s) Limited General
- Attorney-In-Fact
- Trustee(s)
- Guardian/Conservator
- Other: _____

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

Title Or Type Of Document

Number Of Pages

Date Of Documents

Signer(s) Other Than Named Above

EXHIBIT C

FIRPTA CERTIFICATE

TRANSFEROR'S CERTIFICATE OF NON-FOREIGN STATUS

To inform HIP SoCal Properties LLC, a California limited liability company (the "Transferee"), that withholding of tax under Section 1445 of the Internal Revenue Code of 1986, as amended ("Code") will not be required upon the transfer of certain real property to the Transferee by the Successor Agency to the Redevelopment Agency of the City of San Bernardino (the "Transferor"), the undersigned hereby certifies the following:

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

2. The Transferor's social security number or U.S. employer identification number is as follows: _____.

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

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

Successor Agency to the Redevelopment
Agency of the City of San Bernardino