

PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS

This PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS (the “**Agreement**”) is dated as of _____ (the “**Effective Date**”), and is entered into by and between **Aram & Yervand Property Management LLC**, a California limited liability company (“**SELLER**”) and the **City of Rialto**, a California municipal corporation (“**BUYER**”).

RECITALS

A. Seller owns the real property located at 308 North Riverside Avenue in the City of Rialto, County of San Bernardino, State of California, consisting of approximately 0.64 acres (APNs 0130-033-31 and 0130-033-32) (the “**Property**”) as more particularly described in Exhibit A attached hereto and incorporated herein.

B. The SELLER desires to sell to BUYER, and BUYER desires to purchase the Property on the terms set forth in this Agreement.

C. SELLER and BUYER have reached mutual agreement and desire to voluntarily enter into this Agreement to transfer the Property subject to the conditions and requirements set forth herein.

NOW, THEREFORE, in consideration of the foregoing, and the terms and conditions of this Agreement, the SELLER and BUYER hereby agree as follows:

Section 1. Recitals.

The recitals set forth above are true and correct and incorporated herein as a substantive part of this Agreement by this reference.

Section 2. Purchase and Sale of Property.

(a) Subject to all of the terms, conditions and provisions of this Agreement and for the consideration set forth below, SELLER hereby agrees to sell, convey and transfer to BUYER and BUYER hereby agrees to acquire all of the right, title and interest of SELLER in and to the Property (the “**Transaction**”).

(b) The Property will be conveyed to BUYER when the Purchase Price is paid in full in accordance with this Agreement.

Section 3. Consideration.

(a) The purchase price to be paid for the Property (the “**Purchase Price**”) shall be an amount equal to SIX HUNDRED FORTY THOUSAND AND 00/100 DOLLARS (**\$640,000.00**) (“**Purchase Price**”) for the Property. The Purchase Price shall be payable in cash or immediately available funds at the Closing (hereinafter defined) subject to offsets and credits as described in this Agreement. The covenants and obligations of the parties set forth in this Section will survive the Closing.

(b) Contemporaneously with the execution and delivery of this Agreement, BUYER has delivered to SELLER and SELLER hereby acknowledges the receipt of One Hundred Dollars (\$100.00) (the “**Independent Consideration**”), which amount the parties bargained for and agreed to as adequate and

sufficient consideration for BUYER's exclusive right to inspect and purchase the Property pursuant to this Agreement and for SELLER's execution, delivery and performance of this Agreement. The Independent Consideration is in addition to and independent of any other consideration or payment provided in this Agreement, is nonrefundable, is fully earned and shall be retained by SELLER notwithstanding any other provision of this Agreement.

Section 4. Reserved.

Section 5. Opening of Escrow.

(a) The transfer and sale of the Property shall take place through escrow (the "**Escrow**") and such Escrow shall be administered by Fidelity National Title Company, 4400 MacArthur Blvd., Suite 200, Newport Beach, CA, 92660 Attn: Zac Torres, Telephone: (949) 290-6929, Email: zac.torres@fnf.com (the "**Title Company**"). The Escrow shall be deemed open ("**Opening of Escrow**") upon the receipt by the Title Company of a copy of this Agreement executed by SELLER and BUYER. SELLER and BUYER shall each execute this Agreement and open escrow within seven (7) days after approval of this Agreement by the BUYER's City Council. The date of Opening of Escrow shall be memorialized by Title Company in writing delivered to the parties.

(b) If this Agreement is terminated or Escrow is cancelled as a result of a default by the SELLER, then SELLER shall be solely responsible to the Title Company for payment of all customary and reasonable escrow cancellation charges to the Title Company without further or separate instruction to the Title Company. If this Agreement is terminated or Escrow is cancelled for any reason other than the SELLER's default, then BUYER shall be solely responsible to the Title Company for payment of all customary and reasonable escrow cancellation charges to the Title Company without further or separate instruction to the Title Company.

Section 6. Due Diligence Period

(a) As used in this Agreement, the term "**Due Diligence Period**" shall refer to a period of time to expire at 5:00 p.m., Pacific Time, on the date which is thirty (30) days from the Opening of Escrow to allow the BUYER the opportunity to investigate the condition and suitability of the Property for BUYER's intended use. In the event BUYER finds the Property unsatisfactory for any reason, at its sole discretion, BUYER shall notify SELLER and Title Company in writing prior to the expiration of the Due Diligence Period and, thereafter, SELLER and BUYER shall have no further obligation to each other, Escrow shall be cancelled and this Agreement shall automatically terminate on the date of such election and the parties shall each be relieved and discharged from all further responsibility or liability under this Agreement; provided however that SELLER shall retain the Independent Contract Consideration and BUYER shall pay any Escrow cancellation charges. BUYER's failure to give written notice of termination to the SELLER on or before the expiration of the Due Diligence Period shall constitute an election by BUYER to waive the termination right contemplated under this Section 6(a) and proceed with this Agreement, subject to all of the other terms and conditions of this Agreement.

(b) SELLER hereby grants to BUYER for use by BUYER and its officers, directors, employees, agents, representatives, tenants, prospective tenants, contractors, and other persons accessing the Property by, through or with the permission or under the direction or auspices of BUYER, a limited and revocable license to enter upon the Property for purposes of (a) conducting BUYER's due diligence inspection and/or (b) obtaining data and making surveys and tests, including, without limitation, soil and groundwater testing, determined reasonably necessary by BUYER to permit it to determine the physical condition of the Property and any hazardous substances located thereon and to determine the suitability of the Property for development in accordance with BUYER's development plans, provided that, BUYER

shall (i) give the SELLER forty eight (48) hours telephonic, electronic mail or written notice of any intended access which involves work on the Property; and (ii) conduct no Invasive Investigations without the written consent of the SELLER. In this regard, the term “**Invasive Investigations**” means and refers to environmental testing, sampling, invasive testing, or boring into the soils. If BUYER desires to conduct any Invasive Investigations it will first provide SELLER with a written statement describing the scope of any such Invasive Investigations. SELLER will not unreasonably withhold, condition or delay its consent to any such Invasive Investigations and will be deemed to have given its consent to the specified scope of such Invasive Investigations if SELLER does not (within three (3) business days following receipt of the proposed scope of such Invasive Investigations) give BUYER a written statement identifying those items to which SELLER has an objection.

(c) SELLER shall, within five (5) calendar days of the Opening of Escrow, provide BUYER with copies of all plans, reports, studies, investigations and other materials SELLER may have in its possession or control that are pertinent to the Property and its use, condition or development, provided that to the extent that SELLER has provided BUYER with information relating to the condition of the Property, SELLER makes no representation or warranty with respect to the accuracy, completeness or methodology or content of such reports or information.

(d) BUYER shall exercise its diligent and good faith efforts to cause the Title Company to issue and deliver to SELLER and BUYER a Preliminary Title Report (“**Title Report**”) within ten (10) business days following the Effective Date and BUYER shall have twenty (20) days following receipt thereof, but in all events not later than the date that is five (5) business days prior to the Contingency Date (the “**Title Review Period**”), within which to notify SELLER of any exceptions to title as shown in the Title Report which BUYER disapproves; provided, however, BUYER hereby approves the following exceptions: (a) the lien of any non-delinquent property taxes and assessments (which, if any exist, shall be prorated by the Title Company at Closing); (b) this Agreement, and (c) the covenants, conditions and restrictions set forth in the Grant Deed, (collectively, the “**Permitted Exceptions**”). Any exceptions, other than the Permitted Exceptions, which are timely disapproved by BUYER in writing pursuant to this Section 6(d) shall be referred to collectively as the “**Title Objections**”. If BUYER fails to notify SELLER of its disapproval of any matters shown in the Title Report within the Title Review Period, BUYER shall conclusively be deemed to have approved such matters. Any such matter not disapproved in writing by BUYER within the Title Review Period shall also constitute a Permitted Exception hereunder.

(e) If BUYER notifies SELLER of any Title Objections within the Title Review Period then, at SELLER's sole discretion, SELLER may elect (but shall not be obligated) to remove or cause to be removed any of the Title Objections at SELLER's expense, which removal shall be subject to BUYER's reasonable approval. SELLER may notify BUYER in writing (“**SELLER's Title Notice**”) within three (3) business days after receipt of BUYER's notice of Title Objections (“**SELLER's Cure Notice Period**”) whether SELLER elects to remove the same, and, by the Closing, SELLER shall remove those Title Objections elected to be removed by SELLER in SELLER's Title Notice. SELLER's failure to deliver SELLER's Title Notice to BUYER shall constitute SELLER's election not to cure such Title Objections. Notwithstanding the foregoing, SELLER agrees to remove as exceptions to title to the Property the following prior to the Closing Date (i) all delinquent taxes and assessments and interest and penalties thereon affecting the Property, if any, (ii) all Mortgages and deeds of trust created by, under or through SELLER, if any, (iii) all mechanic's liens, if any, not created by BUYER or resulting from BUYER's Inspections, and (iv) any exceptions or encumbrances to title which are created by SELLER after the Effective Date without the written consent of BUYER. If SELLER elects or is deemed to have elected not to cause any Title Objections to be removed prior to the Closing, BUYER may elect, by Notice to SELLER on or before the Contingency Date, to terminate this Agreement, in which event each party shall promptly execute and deliver to Title Company such documents as Title Company may reasonably require to evidence such termination and the respective obligations of BUYER and SELLER under this Agreement

shall terminate, except as to matters which expressly survive termination. BUYER's failure to give such Notice of termination on or before such date shall constitute BUYER's waiver of any Title Objections which SELLER is unwilling to cure, in which event such Title Objections shall be deemed to be Permitted Exceptions and the Close of Escrow shall occur as herein provided.

(f) BUYER shall have until 5:00 p.m. (Pacific Time) on the day that is thirty (30) calendar days after the Effective Date (the "**Contingency Date**") in which to approve or disapprove, in BUYER's sole and absolute discretion, any and all inspections, investigations, tests and studies set forth in this Section 6 by providing written notice to SELLER ("**BUYER's Approval Notice**"). In the event BUYER determines the Property is not acceptable to BUYER for any reason or no reason, BUYER shall have the right to terminate this Agreement by delivering written Notice to SELLER of its election to terminate pursuant to this Section 6 on or before the Contingency Date ("**BUYER's Disapproval Notice**"). In the event BUYER has not provided SELLER, by the Contingency Date, with BUYER's Approval Notice or BUYER's Disapproval Notice, this Agreement shall automatically be deemed to have been terminated effective as of the Contingency Date, and thereafter neither party shall have any further rights or obligations hereunder except for those obligations which by their express terms survive the termination of this Agreement. If BUYER timely provides BUYER's Disapproval Notice or if this Agreement is deemed to have been terminated as provided above, upon such termination, each party shall promptly execute and deliver to Title Company such documents as Title Company may reasonably require to evidence such termination.

Section 7. Close of Escrow.

(a) As used herein, "**Close of Escrow**" means and refers to the close of Escrow for the Property and the transfer of fee title to the Property by the SELLER to the BUYER pursuant to grant deed in the form of Exhibit "B" attached hereto (the "**Deed**"). The Close of Escrow shall take place on the Closing Date. The "**Closing Date**" shall mean the date on which the conditions set forth in this Agreement for the Close of Escrow and for the transfer of the Property have been satisfied, and the Deed is recorded by the Title Company; provided that in no event shall BUYER be obligated to close unless it has received at least ten (10) days' advance notice from the SELLER of the anticipated date for satisfaction of such conditions to Close of Escrow. The Property shall be transferred to BUYER at the Close of Escrow; provided that, within the periods of time set forth in this Agreement: (i) BUYER has not terminated this Agreement, (ii) BUYER has accepted the Deed, and (iii) all other conditions of the Close of Escrow set forth in this Agreement, including without limitation as set forth in Sections 7(b) and 7(c) below, have been met and BUYER has paid, or caused to be paid to the Title Company all applicable Escrow costs relating to such closing for which BUYER is responsible pursuant to this Agreement.

(b) Conditions to BUYER's Obligations. BUYER's obligation to consummate the Close of Escrow is conditioned on all of the following:

(1) SELLER's Closing Deliveries. At Close of Escrow, SELLER shall deliver the following to the Title Company:

- (i) The Deed, executed and acknowledged by SELLER.
- (ii) Documentation to establish to the Title Company's reasonable satisfaction the due authorization of the person(s) executing the instruments contemplated under this Section 7(b)(1) on behalf of SELLER.
- (iii) an affidavit of non-foreign status of SELLER under the Foreign Investment in Real Property Tax Act.

(iv) a settlement statement showing both the SELLER's and the BUYER's credits and debits consistent with this Agreement (the "**Settlement Statement**").

(v) any transfer declarations required by applicable law;

(vi) a bring down certificate remaking the representations and warranties of SELLER under the Section 14(a), below.

(vii) a State of California Form 593 C.

(viii) any other customary closing documents in form and substance reasonably satisfactory to SELLER to consummate the Transaction.

(2) Pre-Existing Obligations. There shall exist no leases, licenses, contracts or rights of occupancy or other agreements or contracts with respect to the Property entered into by SELLER that shall survive the Close of Escrow.

(3) Title Conditions Satisfied. The Title Company shall be in a position to issue the Title Policy to BUYER in the amount of the Purchase Price with respect to the Property subject only to the exceptions permitted by Section 11 of this Agreement.

(4) SELLER's Deliveries Complete. SELLER shall have delivered all of the documents and other items required pursuant to Section 7(b)(1) and shall have performed all other material obligations under this Agreement to be performed by SELLER at or prior to the Close of Escrow provided that SELLER shall have a reasonable opportunity to cure any such default after receiving written notice thereof from BUYER.

(5) Representations True. All representations and warranties made by SELLER in this Agreement shall be true and correct in all material respects on and as of the Closing Date, as if made on and as of such date.

(c) Conditions to SELLER's Obligations. SELLER's obligation to consummate the Close of Escrow is conditioned on all of the following:

(1) BUYER's Closing Deliveries. At the Close of Escrow, BUYER shall deliver the following:

(i) The Purchase Price as adjusted for apportionments and other adjustments required under this Agreement, plus any other amounts required to be paid by BUYER at the Close of Escrow.

(ii) Documentation to establish to the Title Company's reasonable satisfaction the due authorization of the person(s) executing the instruments contemplated under this Section 7(c)(1) on behalf of BUYER.

(iii) The Settlement Statement.

(iv) any transfer declarations required by applicable law;

(v) any other customary closing documents in form and substance reasonably satisfactory to BUYER to consummate the Transaction.

(2) BUYER's Deliveries Complete. BUYER shall have delivered all of the documents and other items required pursuant to Section 7(c)(1) and shall have performed all other material obligations to be performed by BUYER at or prior to the Close of Escrow provided that BUYER shall have a reasonable opportunity to cure any such default after receiving written notice thereof from SELLER.

(3) Representations True. All representations and warranties made by BUYER in this Agreement shall be true and correct in all material respects on and as of the Closing Date, as if made on and as of such date.

(d) Waiver or Failure of Conditions Precedent. At any time on or before the date specified for the satisfaction of any condition, SELLER or BUYER may elect in writing to waive the benefit of any such condition to its obligations hereunder. By closing the Transaction, SELLER and BUYER shall be conclusively deemed to have waived the benefit of any remaining unfulfilled conditions set forth in this Section 7.

Section 8. Reserved.

Section 9. Reserved.

Section 10. Escrow Instructions.

SELLER and BUYER each agree to execute and deliver to the Title Company the customary supplemental written escrow instructions (consistent with the terms of this Agreement) of the Title Company. In the event of a conflict between the additional terms of such customary supplemental escrow instructions of the Title Company and the provisions of this Agreement, this Agreement shall supersede and be controlling.

Section 11. Conveyance of Title.

The Title Company shall be instructed to record the Deed in the Official Records of San Bernardino, California, if and when the parties have (i) confirmed that the conditions to Close of Escrow have been satisfied, (ii) Title Company holds the funds for the SELLER as set forth on the Settlement Statement and as contemplated herein, (iii) Title Company is prepared to issue to BUYER an ALTA owner's extended coverage policy of title insurance ("**Title Policy**") with liability in an amount equal to the Purchase Price with respect to the Property and such other endorsements to the policy as may be reasonably requested by BUYER, insuring that fee title to the Property is vested in BUYER, free and clear of options, rights of first refusal or other purchase rights, leases or other possessory interests, lis pendens and monetary liens and/or encumbrances and subject only to:

- (a) non-delinquent real property taxes;
- (b) dedication of streets abutting the Property;
- (c) zoning ordinances;
- (d) utility easements common to any subdivision of which the Property is a part that are approved by BUYER; and
- (e) such other title exceptions, if any, resulting from documents being recorded or delivered through Escrow in accordance with the provisions of this Agreement.

Section 12. Conveyance AS IS, WHERE IS and SUBJECT TO ALL FAULTS.

(a) BUYER shall accept the delivery of possession of the Property (including but not limited to, subterranean structures and soil conditions), in an "**AS IS,**" "**WHERE IS**" and "**SUBJECT TO**

ALL FAULTS” condition. BUYER hereby acknowledges that it has relied solely upon its own investigation of the Property and its own review of such information and documentation as it deems appropriate. BUYER is not relying on any statement or representation by SELLER, any employee, official or consultant of SELLER relating to the condition of the Property. SELLER makes no representations or warranties as to whether the Property presently complies with environmental laws or whether the Property contains any hazardous substance.

(b) From and after the Close of Escrow, BUYER, on behalf of itself and its successors, waives and releases SELLER and its successors and assigns from any and all costs or expenses whatsoever (including, without limitation, attorneys’ fees and costs), whether direct or indirect, known or unknown, foreseen or unforeseen, arising from or relating to any of the following matters and conditions relating to the Property which exist as of the date of the Close of Escrow: (i) the physical condition of the Property or any above ground or underground improvements thereon, (ii) the condition of the soils, (iii) the suitability of the soils for the improvement of any proposed project, or (iv) any law or regulation applicable thereto; provided that the foregoing release shall not extend to (1) any breach by SELLER of any of the representations or warranties of the SELLER set forth in Section 14(a) of this Agreement, (2) any breach by SELLER of any of the covenants or obligations set forth in this Agreement or in any other instrument or document executed pursuant to this Agreement, (3) any claim that is the result of the negligence or willful misconduct of SELLER or (4) any actions of SELLER which occur following the Close of Escrow.

(c) The provisions of this Section 12 shall survive the Close of Escrow, and shall be binding upon BUYER.

(d) SELLER shall assist and cooperate with BUYER in endeavoring to remove title exceptions unacceptable to BUYER, but SELLER shall have no obligation to cause such objections to be removed or to expend any sums in such endeavor, except that SELLER shall remove all monetary liens and encumbrances created by or as a result of SELLER’s activities, including, without limitation, any liens or encumbrances associated with (i) any delinquent tax or assessment applicable to the Property; (ii) any indebtedness secured by a deed of trust, assignment of rents or other similar encumbrance; and (iii) any labor or materials supplied to the Property that are not the result of any act or neglect of BUYER or anyone acting for or on behalf of BUYER.

(e) SELLER covenants not to further encumber and not to place any further liens or encumbrances on the Property, including, but not limited to, covenants, conditions, restrictions, easements, liens, options to purchase, rights of first offer options to lease, leases, tenancies, or other possessory interests.

(f) SELLER also covenants not to authorize or permit others to take any action that adversely affects the physical condition of the Property or its soils.

Section 13. Closing Costs, Prorations, Possession.

(a) BUYER shall pay the premium for the ALTA extended coverage Title Policy, cost of procuring a survey and all requested ALTA survey policy endorsements, and the cost of recording the Deed.

(b) SELLER shall pay 100% of any documentary or other transfer taxes payable on account of the conveyance of the Property to BUYER, CLTA Title fees, and the Title Company’s charges and fees which may be charged by the Title Company in connection with the Close of Escrow.

(c) BUYER shall be entitled to exclusive possession of the Property immediately upon the Close of Escrow.

(d) All prorations shall be made in accordance with customary practice in San Bernardino County, except as otherwise expressly provided in this Agreement. All prorations shall be on an "actual day" basis and a three hundred sixty-five (365) day year.

Section 14. Representations and Warranties.

(a) SELLER hereby makes the following representations, covenants and warranties:

(1) Power and Authority. SELLER has the legal power, right and authority to enter into this Agreement and to execute the instruments and documents referenced herein, and to consummate the Transaction contemplated hereby.

(2) Requisite Action. SELLER has taken all requisite action and obtained all requisite consents in connection with entering into this Agreement and the instruments and documents referenced herein and the consummation of the Transaction contemplated hereby, and no consent of any other party is required.

(3) Enforceability of Agreement. The persons executing this Agreement and any instrument or document referenced herein for or on behalf of SELLER have been duly authorized to so act on behalf of SELLER and this Agreement and any such instrument or document is valid and legally binding on SELLER and enforceable against SELLER in accordance with their respective terms.

(4) No Litigation. There is no pending or, to the best of SELLER's knowledge, threatened claims, action, allegations or lawsuit of any kind, whether for personal injury, property damage, property taxes, or otherwise, that could affect the Property.

(5) No Violation. Neither the execution of this Agreement or the other instruments and documents referenced herein nor the performance by SELLER of its obligations hereunder and thereunder shall result in a breach or constitute a default under any agreement, document, instrument or other obligation to which SELLER is a party or by which SELLER may be bound or a breach or violation under law, statute, ordinance, rule, governmental regulation, state constitution, or any writ, injunction, order or decree of any court or governmental body applicable to SELLER, the Property, or the transaction contemplated hereby.

(6) Operation and Condition Pending Closing. Between the date of this Agreement and the Close of Escrow hereunder, SELLER will continue to manage, operate and maintain the Property in the same manner as existed prior to the execution of this Agreement.

(7) Contracts. There are no contracts or agreements to which SELLER is a party or rights of third parties relating to the operation, maintenance, development, improvement, lease, possession or ownership of the Property which will survive the Close of Escrow.

All representations and warranties contained in this Section 14(a) are true and correct on the date hereof and on the Closing Date and shall survive the Close of Escrow.

(b) Warranties and Representations by BUYER. BUYER hereby makes the following representations, covenants and warranties and acknowledges that the execution of this Agreement by

SELLER has been made in material reliance by SELLER on such covenants, representations and warranties:

(1) BUYER has the legal right, power and authority to enter into this Agreement and the instruments and documents referenced herein and to consummate the Transaction contemplated hereby. The persons executing this Agreement and such other instruments as may be referenced herein on behalf of BUYER hereby represent and warrant that such persons have the power, right and authority to bind BUYER.

(2) BUYER has taken all requisite action and obtained all requisite consents in connection with entering into this Agreement and the instruments and documents referenced herein and the consummation of the Transaction contemplated hereby, and no consent of any other party is required.

(3) This Agreement is, and all instruments and documents to be executed by BUYER pursuant to this Agreement shall be, duly executed by and are or shall be valid and legally binding upon BUYER and enforceable in accordance with their respective terms.

(4) Neither the execution of this Agreement nor the consummation of the Transaction contemplated hereby shall result in a breach of or constitute a default under any other agreement, document, instrument or other obligation to which BUYER is a party or by which BUYER may be bound, or a breach or violation under law, statute, ordinance, rule governmental regulation or any writ, injunction, order or decree of any court or governmental body applicable to BUYER.

All representations and warranties contained in this Section 14(b) are true and correct on the date hereof and on the Closing Date and shall survive the Close of Escrow.

Section 15. Conflict of Interest.

No member, official or employee of either party having any conflict of interest, direct or indirect, related to this Agreement and the use and development of the Property shall participate in any decision relating to the Agreement. The parties represent and warrant that they do not have knowledge of any such conflict of interest.

Section 16. Nonliability of Officials and Employees.

No officer, official or employee of SELLER shall be personally liable to BUYER, or any successor in interest of such other party, in the event of any default or breach or for any amount which may become due hereunder, or on any obligations under the terms of this Agreement.

Section 17. Indemnification.

BUYER agrees to indemnify and hold SELLER and its officers, employees and agents harmless from and against all damages, judgments, costs, expenses and attorney's fees arising from or related to any act or omission of BUYER in performing its due diligence investigations under Section 6(a) and (b), above; provided that the foregoing indemnity shall not apply to the extent of (a) the negligence or willful misconduct of SELLER; or (b) the existence of any hazardous materials which were at, in, under, over or upon the Property as of the Opening of Escrow, unless the condition of any such hazardous materials was exacerbated in a negligent manner by an affirmative act of BUYER. SELLER shall give BUYER written notice of the occurrence of a claim, litigation or other matters for which SELLER seeks indemnity under this Section as promptly as practicable following SELLER'S knowledge of the occurrence of such matter

and SELLER shall reasonably cooperate with BUYER in the defense of any such claim or matter and shall not take any action that would adversely affect BUYER's defense of such matter.

Section 17. Default.

(a) Default by Buyer. IF BUYER REFUSES OR FAILS TO CONSUMMATE THE CLOSE OF ESCROW UNDER THIS AGREEMENT FOR ANY REASON OTHER THAN: (I) THE FAILURE OF AN EXPRESS CONDITION PRECEDENT TO BUYER'S OBLIGATION TO CLOSE, OR (II) ANY OTHER EXPRESS RIGHT OF BUYER SET FORTH IN THIS AGREEMENT TO TERMINATE THIS AGREEMENT, AND IF BUYER FAILS TO CURE ANY SUCH FAILURE TO COMPLETE THE CLOSE OF ESCROW WITHIN TEN (10) DAYS FOLLOWING RECEIPT OF A WRITTEN NOTICE FROM SELLER INDICATING THE NATURE OF ANY DEFAULT ON THE PART OF BUYER, THE SELLER SHALL HAVE THE RIGHT TO CANCEL THIS AGREEMENT, AS SELLER'S SOLE REMEDY FOR BUYER'S FAILURE TO CLOSE OR FOR ANY DEFAULT ON THE PART OF BUYER UNDER THIS AGREEMENT, AND IN SUCH A CASE, BOTH PARTIES SHALL BE RELIEVED OF AND RELEASED FROM ANY FURTHER LIABILITY HEREUNDER.

BY PLACING ITS INITIALS BELOW, EACH PARTY SPECIFICALLY CONFIRMS THE ACCURACY OF THE STATEMENTS MADE ABOVE AND THE FACT THAT EACH PARTY WAS REPRESENTED BY COUNSEL WHO EXPLAINED, AT THE TIME THIS AGREEMENT WAS MADE, THE CONSEQUENCES OF THIS DEFAULT PROVISION.

INITIALS: SELLER: _____ BUYER: _____

(b) Default By Seller; Other Failure To Consummate Agreement. IN THE EVENT OF ANY DEFAULT ON THE PART OF SELLER UNDER THIS AGREEMENT, WHICH SELLER FAILS TO CURE WITHIN TEN (10) DAYS FOLLOWING RECEIPT OF A WRITTEN NOTICE, BUYER SHALL HAVE THE RIGHT, IN BUYER'S SOLE DISCRETION AND AS ITS SOLE AND ONLY REMEDIES HEREUNDER TO THE EXCLUSION OF ALL OTHER POTENTIAL REMEDIES, TO EITHER (I) TERMINATE THIS AGREEMENT, IN WHICH EVENT THIS AGREEMENT SHALL TERMINATE AND BE OF NO FURTHER FORCE OR EFFECT AND NEITHER PARTY SHALL HAVE ANY FURTHER RIGHTS OR OBLIGATIONS HEREUNDER, OTHER THAN PURSUANT TO ANY PROVISION HEREOF WHICH EXPRESSLY SURVIVES THE TERMINATION OF THIS AGREEMENT; or (II) BRING AN ACTION FOR SPECIFIC PERFORMANCE.

INITIALS: SELLER: _____ BUYER: _____

Section 18. Assignment/Binding Contract.

BUYER shall not assign this Agreement to any party without the prior written consent of SELLER, provided that BUYER may assign this Agreement to a wholly owned subsidiary of BUYER or to an entity that is majority owned and/or managed by BUYER and SELLER shall not unreasonably withhold consent to BUYER's assignment to an entity that is partially owned by BUYER. This Agreement may be not assigned by SELLER without the prior written consent of BUYER which consent BUYER shall not unreasonably withhold. No assignment of this Agreement shall release the assignor from its obligations hereunder.

Section 19. Notices, Demands and Communications Between the Parties.

Any approval, disapproval, demand, document or other notice (“**Notice**”) which either party may desire or be required to give to the other party under this Agreement must be in writing and shall be given by certified mail, return receipt requested and postage prepaid, personal delivery, or reputable overnight courier (but not by facsimile or email), to the party to whom the Notice is directed at the address of the party as set forth below, or at any other address as that party may later designate by Notice.

To SELLER: Aram & Yervand Property Management LLC
 19523 East Cypress Street
 Covina, CA 91722
 Attn: Aram Arakelyan

To BUYER: City of Rialto
 150 S. Palm Drive
 Rialto, CA 92376
 Attn: Colby Cataldi
 Director of Community Development

Section 20. Reserved.

Section 21. Time of the Essence.

Time is of the essence with respect to the Close of Escrow and all of the provisions of this Agreement.

Section 22. Miscellaneous.

(a) This Agreement may be executed in multiple counterparts, each of which shall be deemed an original and together shall constitute one and the same agreement, with one counterpart being delivered to each party hereto.

(b) All periods of time referred to in this Agreement shall include all Saturdays, Sundays and state or national holidays, provided that if the date or last date to perform any act or give any notice with respect to this Agreement shall fall on a Saturday, Sunday or state or national holiday, such act or notice may be timely performed or given on the next succeeding day which is not a Saturday, Sunday or state or national holiday.

(c) The unenforceability, invalidity, or illegality of any provision of this Agreement shall not render the other provisions hereof unenforceable, invalid or illegal.

(d) SELLER and BUYER each represents to the other that it has not engaged the services of any finder or broker and that it is not liable for any real estate commissions, broker’s fees, or finder’s fees which may accrue by means of the conveyance of the Property as described in this Agreement, or the negotiation and execution of this Agreement. Each party shall indemnify, defend, protect and hold the other party harmless from any and all Claims based upon any assertion that such commissions or fees are allegedly due from the party making such representations.

Section 23. Additional Agreements; Further Assurances.

Each of the parties hereto shall execute and deliver such documents as the other party shall reasonably request in order to consummate and make effective the Transaction; provided, however, the execution and delivery of such documents shall not result in any additional liability or cost to the executing party.

Section 24. Entire Agreement.

(a) This Agreement and the exhibits attached hereto constitute the entire understanding and Agreement of the parties.

(b) This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto with respect to the Property.

(c) The headings to the sections and paragraphs of this Agreement are for convenience of reference only, do not form a part of this Agreement and shall not in any way affect its interpretation.

(d) Unless otherwise indicated, references in this Agreement to Sections, paragraphs, clauses and exhibits are to the same contained in or attached to this Agreement and all attachments referenced in this Agreement are incorporated in this Agreement by this reference as though fully set forth in this Section.

Section 25. Approval.

(a) City Council. This Agreement is subject to and will have no force or effect until and unless first approved by the City Council of the City of Rialto. All amendments of this Agreement shall be in writing and shall require the approval of the City Council on behalf of BUYER and the approval of SELLER.

(b) Administrative Approvals. Following its approval by the City Council, this Agreement shall be administered by the City Manager or his or her designee. Except where the terms of this Agreement expressly require the approval of a matter or the taking of any action by the City Council, any matter to be approved by the SELLER shall be deemed approved, and any action to be taken by the SELLER shall be deemed taken, upon the written approval by the City Manager (or designee). The City Manager or designee shall have the authority to issue interpretations with respect to this Agreement and to determine whether any action requires the approval of the City Council.

[Signatures on following pages]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the dates set forth below.

BUYER Signatory Page

BUYER:

CITY OF RIALTO, a municipal corporation

By: _____
Michael Milhiser, Interim City Manager

Date: _____

Attest:

By: _____
Barbara A. McGee, City Clerk

Date: _____

Approved as to form:

By: _____
Eric S. Vail, City Attorney

Date: _____

[Signatures Continued on Following Page]

SELLER Signatory Page

SELLER:

ARAM & YERVAND PROPERTY MANAGEMENT LLC,
a California limited liability company

By: _____

Printed Name: _____

Title: _____

Date: _____

EXHIBIT "A"

LEGAL DESCRIPTION OF THE PROPERTY

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

The South 40 feet of Lot 7 and all of Lot 8, BUXTON & LANE'S SUBDIVISION, in the City of Rialto, County of San Bernardino, State of California, as per Plat recorded in Book 15, Page(s) 81 of Maps, Records of said County.

Except all oil, gas, petroleum and other hydrocarbon substances, without the right of ingress and egress above 500 feet from the present natural surface elevation, reserved by Van Nuys Savings and Loan Association, in Deed recorded August 8, 1969 in Book 7282, Page 960 of Official Records.

APN: 0130-033-32-0-000 (AFFECTS LOT 8)

APN: 0130-033-31-0-000 (AFFECTS PORTION OF LOT 7)

EXHIBIT "A-1"

PROPERTY DEPICTION

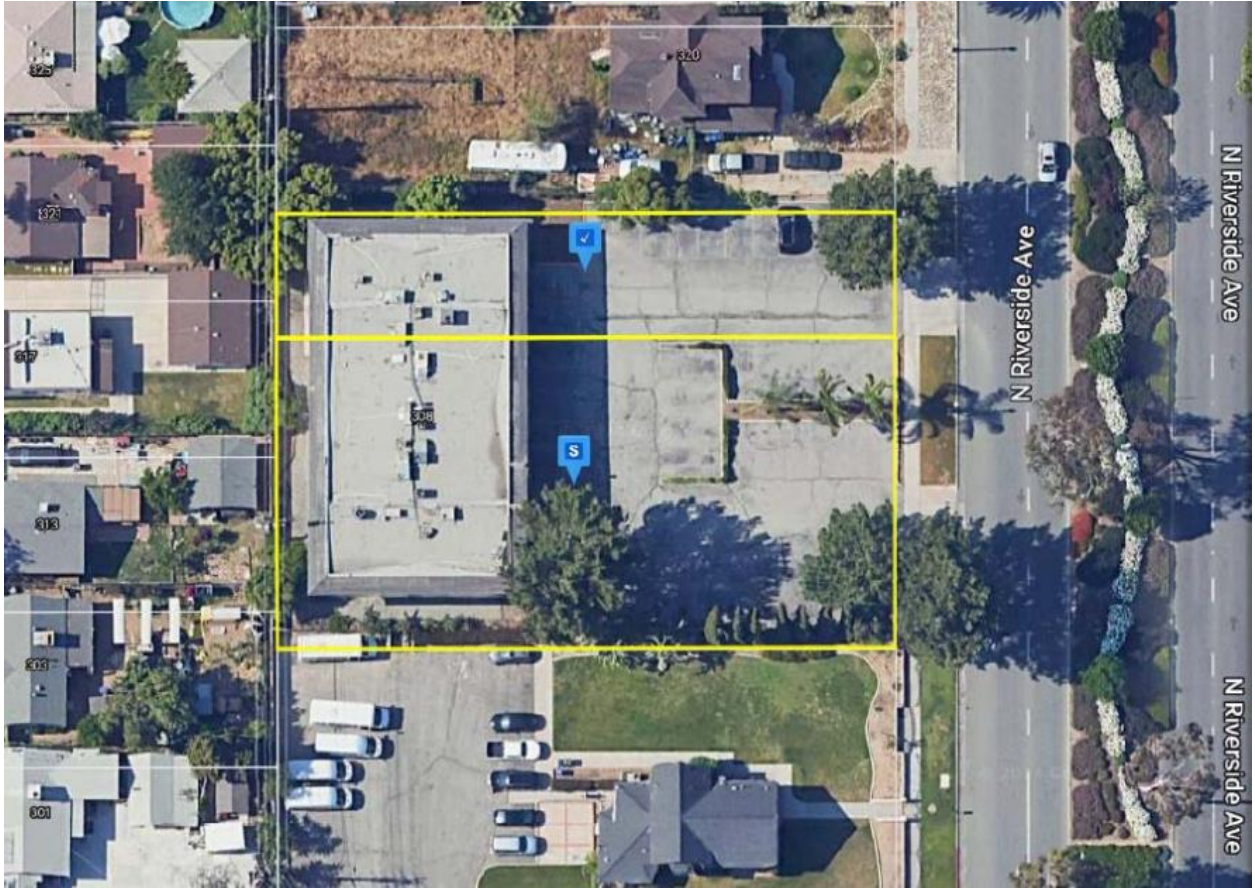


EXHIBIT "B"

FORM OF DEED

GRANT DEED

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

City of Rialto
Attn: City Clerk
150 S. Palm Avenue
Rialto, California 92376

*This document is exempt from the payment of a recording fee
pursuant to Government Code §§ 6103, 27383*

(Space Above This Line for Recorder's Use Only)

GRANT DEED

For valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Aram & Yervand Property Management LLC, a California limited liability company ("**Grantor**"), hereby grants to the City of Rialto, a municipal corporation ("**Grantee**"), the real property (the "**Property**") located in the City of Rialto, County of San Bernardino, State of California, more particularly described as follows:

**SEE LEGAL DESCRIPTION ATTACHED HERETO AS
EXHIBIT A AND INCORPORATED HEREIN.**

GRANTOR:

Aram & Yervand Property Management LLC, a
California limited liability company

Date: _____

By _____

Name:

Title:

ACKNOWLEDGMENTS

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)
County of San Bernardino)

On _____, before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person(s), or the entity upon behalf of which the person 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 _____

EXHIBIT "A"

LEGAL DESCRIPTION OF THE PROPERTY

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

The South 40 feet of Lot 7 and all of Lot 8, BUXTON & LANE'S SUBDIVISION, in the City of Rialto, County of San Bernardino, State of California, as per Plat recorded in Book 15, Page(s) 81 of Maps, Records of said County.

Except all oil, gas, petroleum and other hydrocarbon substances, without the right of ingress and egress above 500 feet from the present natural surface elevation, reserved by Van Nuys Savings and Loan Association, in Deed recorded August 8, 1969 in Book 7282, Page 960 of Official Records.

APN: 0130-033-32-0-000 (AFFECTS LOT 8)

APN: 0130-033-31-0-000 (AFFECTS PORTION OF LOT 7)

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the Grant Deed, dated _____, 2024, to which this Certificate of Acceptance is attached,

from: **Aram & Yervand Property Management LLC, a California limited liability company (“Grantor”)**

to: **City of Rialto, a California municipal corporation (“Grantee”)**

is hereby accepted by the undersigned officer on behalf of Grantee pursuant to authority conferred by Resolution No. 3555 of the City Council of the City of Rialto adopted on May 15, 1990, and the Grantee consents to recordation thereof by its duly authorized officer.

Dated: _____

**CITY OF RIALTO,
a California municipal corporation**

By: _____

Name: Michael Milhiser

Title: Interim City Manager