RESOLUTION NO. OBSARDA2014-001

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE HIGHLAND REDEVELOPMENT AGENCY DIRECTING THE AGENCY FUND THE PURCHASE OF REAL PROPERTY AT 7433 CENTRAL AVENUE (APN 1192-341-04)

RECITALS:

A. Pursuant to Health and Safety Code Section 34175(b) and the California Supreme Court's decision in *California Redevelopment Association, et al. v. Ana Matosantos, et al.* (53 Cal.4th 231(2011)), on February 1, 2012, all assets, properties, contracts, leases, books and records, buildings, and equipment of the former Highland Redevelopment Agency (the "Agency") transferred to the control of the Successor Agency to the Highland Redevelopment Agency (the "Successor Agency") by operation of law.

B. The assets transferred to the Successor Agency to the Highland Redevelopment Agency include proceeds from the former Redevelopment Agency's 2004A Tax Allocation Bond issue reserved for the benefit of low and moderate-income housing.

C. Pursuant to Health and Safety Code Section 34176(b), the City Council of the City of Highland (the "City") adopted Resolution No. 2012-005 electing for the City not to retain the housing functions previously performed by the former Agency, and determining that all of the assets, as allowed by law, and all rights, powers, liabilities, duties, and obligations associated with the housing activities of the former Agency be transferred to the Highland Housing Authority (the "Housing Successor").

D. On January 14, 2014, the Housing Successor entered into an Agreement for Purchase and Sale of Real Property and Joint Escrow Instructions for the purchase of 7433 Central Avenue and concurrently requested the Oversight Board direct the Successor Agency to allocate $300,000 in unencumbered bond proceeds to purchase to the property and further the efforts of the Housing Successor to provide low and moderate-income housing.

E. The Oversight Board desires to direct the allocation of $300,000 in unencumbered bond proceeds from the 2004A Tax Allocation Bond for the purchase of the property by the Housing Authority, heretofore or hereafter approved or deemed approved by DOF.

F. Pursuant to Health and Safety Code Sections 34179(f) and 34181(f), notice of this action was posted on the Successor Agency's website on January 15, 2014.

NOW, THEREFORE, THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE HIGHLAND REDEVELOPMENT AGENCY, HEREBY FINDS, DETERMINES, RESOLVES, AND ORDERS AS FOLLOWS:

Section 1. The above recitals are true and correct and are a substantive part of this Resolution.

Section 2. This Resolution is adopted pursuant to Health and Safety Code Sections 34177(g) and 34181(c).

<u>Section 3.</u> The Successor Agency is hereby authorized and directed: (i) allocate $300,000 in unencumbered bond proceeds from the 2004A Tax Allocation Bond to purchase real property at 7433 Central Avenue (Assessor's Parcel Number 1192-431-04), in accordance with the Agreement for Purchase and Sale of Real Property and Joint Escrow instructions attached as Exhibit "A", heretofore or hereafter approved or deemed approved by DOF pursuant to Health and Safety Code Section 34176(a)(2).

<u>Section 4.</u> The staff of the Successor Agency is hereby directed to provide DOF written notice and information regarding the action taken by the Oversight Board pursuant to this Resolution. Such notice and information shall be provided by electronic means and in a manner of DOF's choosing.

<u>Section 5.</u> The staff and the Board of the Successor Agency are hereby authorized and directed, jointly and severally, to execute and record such documents and instruments and to do any and all other things which they may deem necessary or advisable to effectuate this Resolution.

PASSED, APPROVED AND ADOPTED this 30th day of January, 2014.

Larry McCallon
Chairman

ATTEST:

Betty Hughes, MMC
Secretary

EXHIBIT A

Agreement for Purchase and Sale of Real Property and Joint Escrow Instructions
(see attached)

AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY AND JOINT ESCROW INSTRUCTIONS

THIS AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY AND JOINT ESCROW INSTRUCTIONS ("Agreement") is made and entered into this 14th day of January, 2014 ("Effective Date"), by and between ALAN M. HULL, an individual, and DIANE L. HULL, an individual (collectively, "Seller"), and the HIGHLAND HOUSING AUTHORITY ("Buyer").

RECITALS

(a) Seller owns that certain real property (the "Land") in the County of San Bernardino, State of California, more particularly described in Exhibit "A" attached hereto and any and all improvements thereon (the "Improvements").

(b) All rights (including water and mineral rights), privileges, easements, tenements, rights of way, and appurtenances which benefit or pertain to the Land are hereinafter referred to as the "Appurtenances".

(c) The Land, Improvements (if any) and Appurtenances are collectively referred to herein as the "Property."

NOW, THEREFORE, in consideration of one dollar ($1.00) paid by Buyer to Seller, and the foregoing recitals, and other consideration, the sufficiency of which is hereby acknowledged, Buyer and Seller agree that the terms and conditions of this Agreement and the instructions to First American Title Insurance Company ("Title Company" and "Escrow Holder") with regard to the escrow ("Escrow") contemplated hereby are as follows:

1. CONDITIONAL SALE OF PROPERTY; CONDITIONS PRECEDENT.

Seller agrees to sell the Property to Buyer, and Buyer agrees to purchase the Property from Seller, upon the terms and conditions herein after set forth. The effectiveness of this Agreement is conditioned upon the approval of this Agreement and the obligations of Buyer hereunder by the City of Highland acting as successor to the Highland Redevelopment Agency, the Oversight Board of the Highland Redevelopment Agency ("OB") and the California Department of Finance ("DOF") and the Buyer's obtaining legal access to existing bond funds (with the approval of the City as successor to the Highland Redevelopment Agency) in order to pay the purchase price, on or before the date that is six (6) calendar months after the date hereof. If any such condition is not obtained on or before such date, then either party may terminate this agreement by written notice to the other. Additionally, in the event that the sale does not close by July 31, 2014 for any reason other than a default by Buyer, then Buyer may terminate this Agreement by written notice to Seller. In the event of any such termination, the Deposit shall be returned to the Buyer.

2. PURCHASE PRICE; DEPOSIT.

The purchase price to be paid by Buyer to Seller for the Property is Three Hundred Thousand and No/100 Dollars ($300,000.00). Upon the satisfaction of the conditions precedent and opening of escrow, Buyer shall deliver $5,000.00 to Escrow Holder (the "Deposit") which will be credited to the Purchase Price at the closing, retained to Buyer if this Agreement is terminated for any reason other than a default by Buyer, or retained by Seller as liquidated damages in the events of a termination of this Agreement by Seller as a result of a default by Buyer under this Agreement that is not cured within ten (10) business days' after Seller gives Buyer written notice of the default.

IF CLOSING FAILS TO OCCUR SOLELY BECAUSE OF BUYER'S UNCURED DEFAULT, SELLER WILL BE DAMAGED AND WILL BE ENTITLED TO COMPENSATION FOR THOSE DAMAGES, BUT SUCH DAMAGES WILL BE EXTREMELY DIFFICULT AND IMPRACTICAL TO ASCERTAIN. BUYER DESIRES TO LIMIT THE AMOUNT OF DAMAGES FOR WHICH BUYER MIGHT BE LIABLE SHOULD BUYER BREACH THIS AGREEMENT. BOTH BUYER AND SELLER WISH TO AVOID THE COSTS AND LENGTHY DELAYS THAT WOULD RESULT IF SELLER FILED A LAWSUIT TO COLLECT ITS DAMAGES FOR A BREACH OF THIS AGREEMENT. IF CLOSING FAILS TO OCCUR BECAUSE OF BUYER'S UNCURED DEFAULT, THEN THE DEPOSIT SHALL BE DEEMED TO CONSTITUTE A REASONABLE ESTIMATE OF SELLER'S DAMAGES AND SHALL BE RETAINED BY SELLER AS LIQUIDATED DAMAGES. SELLER AND BUYER ACKNOWLEDGE THAT THEY HAVE READ AND UNDERSTAND THE PROVISIONS OF THIS SECTION AND BY THEIR INITIALS IMMEDIATELY BELOW AGREE TO BE BOUND BY ITS TERMS.

THE PARTIES ACKNOWLEDGE THAT THE PAYMENT OF SUCH LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY WITHIN THE MEANING OF CALIFORNIA CIVIL CODE SECTIONS 3275 OR 3369, BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLER PURSUANT TO CALIFORNIA CIVIL CODE SECTIONS 1671, 1676 AND 1677. THIS SECTION SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.

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BUYER'S INITIALS	**SELLER'S INITIALS**

3. ESCROW.

3.1 Opening of Escrow.

Within three (3) business days following the satisfaction of the conditions in Section 1 (and Buyer shall promptly notify Seller of such satisfaction), Buyer and Seller shall open Escrow with Escrow Holder and shall deliver a copy of this executed Agreement to Escrow Holder. In addition, Buyer and Seller agree to execute, deliver, and be bound by any reasonable or customary supplemental escrow instructions of Escrow Holder or other instruments as may reasonably be required by Escrow Holder in order to consummate the transaction contemplated by this Agreement. Any such supplemental instructions shall not conflict with, amend or supersede any portions of this Agreement. If there is any inconsistency between such supplemental instructions and this Agreement, this Agreement shall control.

3.2 Close of Escrow.

For purposes of this Agreement, the "Close of Escrow" or "Closing" shall be deemed to occur upon, and the "Closing Date" shall be the date of, the recordation of the Grant Deed conveying the Property to Buyer in the Official Records of San Bernardino County, California. The Close of Escrow, Closing and Closing Date must occur no later than the later of forty-five (45) days following the end of the Contingency Period described in Section 4.4 below or ten (10) business days after the satisfaction of all conditions precedent in Section 1. Possession is to be delivered to Buyer at 2:00 p.m. on the date of "Close of Escrow", in all events vacant and free from all claims to possession or title by third parties.

4. BUYER INVESTIGATIONS.

4.1 Title Report.

Buyer has received a preliminary title report dated November 27, 2013, Order No. NCS-642941-LA2 for a Standard Form CLTA Owner's Policy of Title Insurance for the Property ("Preliminary Report"), together with copies of (or access to) all documents relating to title exceptions referred to in the Preliminary Report ("Title Exceptions"). Buyer hereby approves the Preliminary Report and Title Exceptions, subject to Section 4.2 below.

4.2 Monetary Title Exceptions.

It is understood and agreed that, notwithstanding Section 4.1, any encumbrances, security interests, liens, deeds of trust, and/or mortgages which secure, in whole or in part, any monetary indebtedness not arising by, through or under Buyer shall be deemed to be disapproved, and shall be paid off, satisfied, released, and/or discharged by Seller (or insured over by the Title Company) at or prior to Closing, except for liens for property taxes and assessments not yet due and payable.

4.3 Title Policy.

Seller shall cause the Title Company to issue its Standard CTLA Owner's form Policy of Title Insurance ("Title Policy") in the amount of $300,000.00 showing good and marketable title to the Property vested in Buyer subject only to the exceptions to title approved in Section 3.1 but with no exceptions to title for any liens (as required by Section 4.2).

4.4 Seller Delivery of Documents.

Seller shall deliver to Buyer, within fifteen (15) days after the Effective Date, copies of all material documents in Seller's possession or control that relate to the Property.

4.5 Determination of Suitability and Approval of Environmental and Other Conditions.

It is a condition precedent to the Close of Escrow for Buyer's benefit that Buyer has determined, on or before the forty-fifth (45th) day after the later of: (i) an Effective Date or (ii) the date on which Seller delivers to Buyer copies of all material documents in Seller's possession or control that relate to the Property (such date herein referred to as the "**Contingency Date**" and the period from the Effective Date to the Contingency Date herein referred to as the "**Contingency Period**"), that the Property is suitable for Buyer's intended use, as determined by Buyer in its sole discretion. In the event Buyer determines the Property is not suitable, then Buyer may terminate this Agreement by written notice to Seller.

4.6 Inspections, Testing and Right of Entry.

During the Contingency Period, Buyer may conduct, at Buyer's sole expense, such inspections and testing of the Property, including the improvements thereon, as Buyer may desire or deem appropriate, in Buyer's sole discretion, to determine the suitability of the Property for Buyer's intended use. In conducting such inspections and testing, the Buyer shall endeavor to minimize damage to the Property, and any improvements thereon, and shall, in the event escrow fails to close, return the Property, including the improvements thereon, to its condition prior to the inspections and testing; reasonable wear and tear excepted. Seller hereby grants to Buyer and its authorized employees, representatives, agents and contractors, permission and a license to enter upon the Property during the Contingency Period for the purpose of conducting such inspections and testing. In the event the Property is occupied by any person(s) other than Seller, Seller shall make arrangements with such person(s) to ensure access by Seller its authorized employees, representatives, agents and contractors in order to conduct the inspections and testing pursuant to this section. Buyer shall indemnify, protect, defend (with legal counsel reasonably acceptable to Seller) and hold Seller harmless from and against any and all claims, liabilities, damages, costs and expenses arising from, related to or caused by, related to or arising from Buyer's entry upon the Property or the performance of any inspection or test.

5. SELLER'S DELIVERIES.

Prior to the Close of Escrow, Seller shall deposit or cause to be deposited into Escrow for delivery to Buyer at Closing the following:

(a) A duly executed and acknowledged Grant Deed;

(b) A Certification of Non Foreign Status (FIRPTA Affidavit);

(c) A California form 593 or 590, as applicable; and

(d) Any other document provided for herein, or reasonably required by Escrow Holder.

6. BUYER'S DELIVERIES.

Prior to the Close of Escrow, Buyer shall deposit or cause to be deposited into Escrow, to be delivered to Seller upon the Closing, the following:

(a) The remainder of the Purchase Price;

(b) Certificate of Acceptance for the Grant Deed; and

(c) Any other document provided for herein or reasonably required by Escrow Holder.

7. TAX WITHHOLDING; AUTHORIZATION TO RECORD DOCUMENTS AND DISBURSE FUNDS.

Escrow Holder is hereby authorized and directed to record and/or deliver the documents, subject to the above withholding and payment of costs and expenses as provided for herein and otherwise pursuant to the written closing instructions, if any, of Buyer and Seller delivered prior to Closing, provided each of the following conditions have been or will concurrently with the Close of Escrow be fulfilled:

(a) Title Company has irrevocably committed to issue the Title Policy to Buyer in accordance with Section 4.3 above;

(b) Seller shall have deposited in Escrow the documents required of it under Section 5;

(c) Buyer shall have deposited into Escrow the documents and funds required of it under Section 6;

(d) Escrow Holder has received any other documents necessary or proper for the issuance of the Title Policy referred to above or reasonably required by Escrow Holder to close this transaction.

8. COSTS AND EXPENSES.

The Seller shall pay one half of the Escrow Holder's Escrow fee, the premium for the owner's title policy and all other usual fees, charges, and costs which arise from Escrow. The Buyer shall pay the other half of the escrow fee and the charges for any title policy endorsements.

9. PRORATION.

The following prorations shall be made between Buyer and Seller by Escrow Holder at the Close of Escrow, computed as of the closing date:

9.1 Taxes.

Seller shall pay all property taxes for the tax bill period in which the Closing occurs (i.e., January 1 through June 30, or July 1 through December 31, as applicable), and Seller acknowledges that since Buyer is exempt from property taxes, Seller may secure a refund of the property taxes paid by Seller for the portion of such "tax bill period" during which Buyer will own the Property, but there shall be no increase in the funds required to be deposited by Buyer into escrow due to property taxes. Assessments shall be prorated as of the Close of Escrow based upon the latest available tax information. Seller shall be responsible for all assessments accrued against the Property to and including the day prior to the Close of Escrow based upon payment of such assessments in installments to the greatest extent permitted. Unless any assessment payment or installment specifies the time period for which such payment is owed, it shall be presumed that such payment is for the full year immediately preceding the day upon which such payment is due.

10. WAIVER BY SELLER.

SELLER KNOWINGLY AND VOLUNTARILY WAIVES THE FOLLOWING RIGHTS: THE RIGHT TO SEEK ANY COMPENSATION FOR THE ACQUISITION OF THE PROPERTY IN ANY AMOUNT GREATER THAN THAT SET FORTH IN SECTION 2 HEREIN; THE RIGHT TO CLAIM RELOCATION BENEFITS OR ASSISTANCE; THE RIGHT TO CLAIM DAMAGE OR INJURY TO BUSINESS GOODWILL; THE RIGHT TO CLAIM LOSS OF RENT; THE RIGHT TO CLAIM SEVERANCE DAMAGES; THE RIGHT TO CLAIM FIXTURES AND EQUIPMENT; OR ANY SIMILAR RIGHT OR CLAIM ARISING OUT OF THE ACQUISITION OF THE PROPERTY.

11. SELLER'S REPRESENTATIONS AND WARRANTIES.

In consideration of Buyer entering into this Agreement and as an inducement to Buyer to purchase the Property, Seller makes the following representations and warranties, each of which (i) is a condition to Close of Escrow, (ii) is true as of the Effective Date and will be true as of the Closing, and (iii) is material and is being relied upon by Buyer.

11.1 Authority.

Seller has full power and authority to enter into this Agreement and to consummate the transactions contemplated herein without obtaining the consent or approval of any other person, entity, or governmental authority. The persons whose names are set forth below hereby personally represent and warrant that they have full power and authority to sign the name of Seller to this Agreement and to cause this Agreement to be a binding obligation of Seller.

11.2 Litigation.

There is no litigation, bankruptcy, or receivership proceeding or any other proceeding pending, or, to Seller's knowledge, threatened against, relating to, or involving Seller's interest in the Property, nor does Seller know or have any reasonable ground to know of any basis for any such action. No consents or waivers of or by any third party are necessary to permit the consummation by Seller of the transactions contemplated pursuant to this Agreement.

11.3 Compliance With Laws.

Seller has received no notice and has no actual knowledge of any violation of any applicable law, ordinance, rule, regulation or requirement of any governmental agency, body or subdivision affecting or relating to the Property, including, without limitation, any subdivision, building, use or environmental law, ordinance, rule, requirement, or regulation.

Seller agrees to disclose any potential violations of applicable City building codes on any properties that abut the Property that is a part of this transaction.

11.4 Governmental Notices.

Seller shall deliver to Buyer each and every notice or communication Seller receives from any governmental body relating to the Property or any portion thereof upon Seller's receipt of the same.

11.5 Leases.

Seller acknowledges that there are no leases or other agreements (either oral or written) affecting or relating to the right of any party with respect to the possession of the Property, or any portion thereof.

11.6 Future Action.

From and after the date hereof, without the prior written consent of Buyer, Seller shall not execute nor consent to the execution of any lease of any portion of the Property or any other instrument which may result in an alteration of the condition of title.

11.7 Hazardous Materials.

To the best of Seller's actual knowledge, there are no Hazardous Materials in existence on or below the surface of the Property, including, without limitation, contamination of the soil, subsoil or ground water, which constitute a violation or any law, rule, or regulation of any government entity having jurisdiction thereof or which expose Buyer to liability to third parties, and Seller has not used, nor permitted use of, the Property for the generation, treatment, storage, or disposal of Hazardous Materials, or other condition or use that could result in or cause a discharge of any Hazardous Materials on or below the Property. "Hazardous Materials" as used herein means hazardous, toxic, or radioactive substances or materials, as the same are defined or described by applicable federal laws or regulations (including, without limitation, the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq., and the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601 et seq., and any regulations adopted and publications promulgated pursuant to said laws), California laws or regulations (including, without limitation, those substances defined as "Hazardous Substances" in Section 25316 of the California Health & Safety Code, and any regulations adopted and publications promulgated pursuant to said laws).

Further, Seller has received no notification, warning or citation within the last five (5) years regarding any violation, or potential or pending violation, of any Hazardous Materials regulations or laws or any other law, statutory provision or regulation regarding the use, condition or status of the Property and Seller has no knowledge of any condition or activity on the Property which, if un-remedied prior to the Close of Escrow, will or could, upon passage of time, constitute a violation.

11.8 Environmental Violations.

Seller has no knowledge of any condition or use of the Property that constitutes, or if un-remedied prior to the Close of Escrow, with the passage of time would constitute, a violation of (i) Section 404 of the Federal Clean Water Act (33 U.S.C. Section 2344); (ii) the Federal Clean Air Act (33 U.S.C. Section 7401, et seq.); (iii) the Federal Water Pollution Control Act (33 U.S.C. Section 1251, et seq.); (iv) any State of California law of similar substance or nature controlling or regulating the use or condition of land, water or air (including the California Environmental Quality Act) or (v) any federal or California laws or regulations relating to use of or conservation of wetlands or other natural topographical conditions. Further, Seller has received no notification, warning or citation within the last five (5) years regarding any violation or potential or pending violation, of any of such laws or regulations.

11.9 Work and Materials Furnished.

Bills for work done and materials furnished with respect to the Property have been paid in full by Seller or will be discharged and paid in full by Seller by the date of Closing.

11.10 Tax Withholding for Foreign Person.

Sellers are citizens of the United States, and are not a "foreign persons" under IRC Section 1445.

11.11 Declaration, Covenants, Restrictions.

Other than as identified in the Title Report, there are no declarations or covenants affecting the use of the Property; and there is no association which has been formed for the purpose of managing any portion of the Property.

11.12 Contracts.

Except as may be disclosed by the Title Documents, there are no contracts or agreements relating to the operation, development, management, or ownership of the Property or any portion thereof.

11.13 Truthfulness at Closing.

Except as expressly herein otherwise provided, the representations and warranties of Seller set forth in this Agreement shall be true on and as of the Close of Escrow as if those representations and warranties were made on and as of such time.

12. BUYER'S REPRESENTATIONS.

In consideration of Seller entering into this Agreement and as an inducement to Seller to sell the Property to Buyer, Buyer makes the following representations, each of which is material and is being relied upon by Seller:

12.1 Authority.

Buyer has full power and authority to enter into this Agreement and to consummate the transactions contemplated herein without obtaining the consent or approval of any other person, entity or governmental authority. The person(s) whose name(s) are set forth below hereby personally represent and warrant that they have full power and authority to sign the name of Buyer to this Agreement and to cause this Agreement to be a binding obligation of Buyer.

12.2 Truthfulness at Closing.

The representations of Buyer set forth in this Agreement shall be true on and as of the Close of Escrow as if those representations and warranties were made on and as of such time.

13. SELLER'S DEFAULT.

In the event that Seller shall fail to perform Seller's obligations hereunder, Buyer shall have the option to: (i) extend the Closing for such time as Buyer chooses to allow Seller to remedy such default, (ii) waive such default in writing, "or" (iii) pursue all legal or equitable remedies available to it, including, without limitation, terminating this Agreement by written notice to Seller prior to cure of the default.

14. MISCELLANEOUS.

14.1 Risk of Loss.

The risk of loss or damage to the Property until the Closing is assumed by Seller. If any damage occurs to the Property prior to Closing, Seller shall promptly give Buyer written notice of the occurrence thereof and of the amount of any insurance proceeds available for the repair of such damage. Buyer at its sole option may terminate this Agreement by written notice given to Seller within thirty (30) days of Buyer's receipt of such notice, in which case the funds and documents deposited with Escrow Holder shall be returned to Buyer and this Agreement shall be null and void. If Buyer does not give such notice, or gives notice that it will nonetheless proceed with the Closing, then this Agreement will remain in full force and effect and Seller shall assign any available insurance proceeds to Buyer at or before the Closing.

14.2 Notices.

All notice or other communications required or permitted hereunder shall be in writing, and shall be personally delivered; sent by certified mail, postage prepaid, return receipt requested; or delivered or sent by overnight courier and shall be deemed received upon the earlier of (i) if mailed by certified mail, three (3) business days after the date of posting by the United States Post Office, or (ii) if sent by overnight courier, when delivered to the specified address.

To Buyer:	Highland Housing Authority 27215 Base Line Highland, CA 92346 Attn: Joseph A. Hughes, Executive Director
To Seller:	Alan and Diane Hull 510 W. Olive Ave Redlands, CA 92373
To Escrow Holder:	First American Title Insurance Company ____________________ ____________________ Attn: ________________

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 was given shall be deemed to constitute receipt of the notice, demand, request, or communication sent.

14.3 Assignment.

Buyer may not assign, transfer, or convey its rights or obligations under this Agreement without the prior written consent of Seller. However, that Buyer shall in no event be released from its obligations hereunder by reason of any assignment. No assignment or transfer, if permitted, shall be effective unless each assignee or transferee expressly agrees in writing to be bound by the terms and conditions of this Agreement. Any purported assignment, transfer, or encumbrance in violation of the foregoing may, at the option of Seller, be deemed null and void or be a default hereunder.

14.4 Seller's Use of Property.

From and after the date of Seller's execution hereof, Seller shall maintain the Property in the same condition and state of repair as on the Effective Date, and Seller shall not grant or convey any easement, lease, license, permit, encumbrance, lien, or any other legal or beneficial interest in or to the Property, improvements thereon, mineral or water rights appurtenant thereto, or any other property rights whatsoever without the prior written consent of Buyer, nor shall Seller violate, or allow the violation of any law, ordinance, rule, or regulation affecting the Property. Seller shall do or cause to be done all things reasonably within its control to preserve intact and unimpaired any and all easements, grants, appurtenances, privileges, and licenses in favor of or constituting any portion of the Property.

14.5 Delivery of Materials.

Seller shall deliver to Buyer, at no expense to Buyer, within ten (10) days of Seller's execution hereof, copies of any and all contracts affecting the Property (including service and materials contracts), soils investigations and reports, water and sewer studies, topographic maps, photographs, mapping, platting, and other materials, if any, concerning the Property, which are owned by Seller or are in Seller's possession (collectively, the "Materials").

14.6 Survival of Representations.

Agreements, representations, covenants, and warranties contained in this Agreement or any amendment or supplement hereto shall survive Closing and delivery of deed hereunder and shall not be merged thereby, and, in addition to any effect any of the same have in law or in equity, all of the same will be deemed to be conditions precedent to the Buyer's obligations hereunder, whether so expressed or not.

15. GENERAL PROVISIONS.

15.1 Required Actions of Buyer and Seller.

Buyer and Seller agree to execute such further instruments and documents and to consummate the purchase and sale herein contemplated, and to effectuate the intent of this Agreement.

15.2 Time of Essence.

Time is of the essence of each and every term, condition, obligation, and provision hereof.

15.3 Counterparts.

This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which, together, shall constitute one and the same instrument. Faxed copies of signed documents may be considered as originals if agreed to by each of the parties hereto.

15.4 Captions.

Any captions to, or headings of, the paragraph or subparagraphs 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.

15.5 No Obligations to Third Parties.

Except as otherwise expressly provided herein, the execution and delivery of this Agreement shall not be deemed to confer any rights upon, nor obligate any of the parties hereto, to any person or entity other than the parties hereto.

15.6 Exhibits.

The Exhibits attached hereto are hereby incorporated herein by this reference.

15.7 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.

15.8 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.

15.9 Applicable Law.

This Agreement shall be governed by and construed in accordance with the laws of the State of California, excluding California's choice of law rules.

15.10 Fees and Other Expenses.

Except as otherwise provided herein, each of the parties shall pay its own attorneys', consultants' and other fees and expenses in connection with this Agreement.

15.11 Entire Agreement.

This Agreement supersedes any prior agreements, negotiations and communications, oral or written, and contains the entire agreement between Buyer and Seller as to the subject matter hereof. No subsequent agreement, representation, or promise made by ether party hereto, or by or to an employee, officer, agent, or representative of either party shall be of any effect unless it is in writing and executed by the party to be bound thereby.

15.12 Successors and Assigns.

Subject to any limitations on assignment contained herein, this Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the parties hereto.

15.13 No Presumption.

Each provision of this Agreement has been independently and freely negotiated by both parties as if this Agreement were drafted by both parties. In the event of any ambiguity in this Agreement, the parties waive any presumption or rule requiring or permitting interpretation of said ambiguity against or in favor of either party.

15.14 Attorneys' Fees.

In the event that either party is required to commence any action or proceedings against the other in order to enforce the provisions hereof, or in order to obtain damages for the alleged breach of any of the provisions hereof, the parties agree that both parties shall bear their own costs in connection with said action or proceedings and that no award of costs or attorney's fees shall arise out of any such action or proceedings.

15.15 Brokerage Fees.

Each party represents to the other that it has not engaged any broker, finder or salesperson in connection with this matter.

15.16 Survival.

Except as otherwise provided herein, all covenants, agreements, representations, and warranties set forth in this Agreement or in any certificate or instrument executed or delivered pursuant to this Agreement shall survive the Closing and shall not merge into any deed, assignment, or other instrument executed or delivered pursuant hereto.

15.17 IRS Real Estate Sales Reporting.

Buyer and Seller hereby appoint Escrow Agent as, and Escrow Agent agrees to act as "the person responsible for closing" the transactions which are the subject of this Agreement, pursuant to Internal Revenue Code of 1986 Section 6045(e). Escrow Agent shall prepare and file the informational return (IRS Form 1099-S) required by and otherwise comply with the terms of IRS Section 6045(e).

15.18 Authority of Executive Director.

The Executive Director of Buyer shall have the authority to make all determinations and give all consents and approvals hereunder on behalf of Buyer provided they are in writing. The Executive Director of Buyer may also waive provisions hereof and make non-substantial amendments to this Agreement on behalf of Buyer provided the waiver(s) and amendment(s) are in writing.

15.19 Jurisdiction and Venue.

Seller hereby agrees that for purposes of disputes in connection with this Agreement, Seller shall be subject to the jurisdiction of the courts of the State of California in Los Angeles County, and that the venue for any dispute arising between the parties hereto shall be such courts in Los Angeles County. No actions, proceedings or lawsuits regarding this Agreement shall be commenced or maintained in the courts of Taiwan.

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

EXHIBIT "A"

LEGAL DESCRIPTION

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

ALL THAT PORTION OF THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 OF SECTION 5, TOWNSHIP 1 SOUTH, RANGE 3 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF HIGHLAND, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, ACCORDING TO GOVERNMENT SURVEY, DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT IN THE WEST LINE OF THE NORTHEAST 1/4 OF SECTION 5, WHICH IS SOUTH 0° 05' WEST 116.1 FEET FROM THE NORTHWEST CORNER OF THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 OF SAID SECTION 5;

THENCE SOUTH 0° 05' WEST ALONG THE WEST LINE OF SAID NORTHEAST 1/4 OF SAID SECTION, 120 FEET;

THENCE SOUTH 89° 59' 30" EAST 660.5 FEET; MORE OR LESS, TO THE EAST LINE OF THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 OF SAID SECTION;

THENCE NORTH 0° 02' 30" EAST ALONG THE EAST LINE OF THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 OF SAID SECTION 120 FEET TO A POINT WHICH IS SOUTH 89° 59' 30" EAST FROM THE POINT OF BEGINNING;

THENCE NORTH 89° 59' 30" WEST 660.5 FEET, MORE OR LESS, TO THE POINT OF BEGINNING.

SAVING AND EXCEPTING THEREFROM THE WEST 1 1/2 RODS THEREOF INCLUDED IN CENTRAL AVENUE.

APN: 1192-431-04-0-000

EXHIBIT "B"

FORM OF GRANT DEED

(Attached.)

This Agreement creates certain legal rights and responsibilities as described herein and all parties should consider obtaining legal advice prior to execution of it.

"**BUYER**":

HIGHLAND HOUSING AUTHORITY

By:______________________________
Joseph A. Hughes, Executive Director

ATTEST:

____
Betty Hughes,
City Clerk

APPROVED AS TO FORM:

____
Craig Steele, of Richards, Watson & Gershon

"**SELLER**":

Alan M. Hull
Alan M. Hull

Diane L. Hull
Diane L. Hull

RECORDING REQUESTED BY, AND WHEN RECORDED RETURN TO (AND MAIL TAX STATEMENTS TO):

Highland Housing Authority
[27215 Base Line
Highland, CA 92346
Attn: ____________]

APN: 1192-431-04

[SPACE ABOVE FOR RECORDER'S USE ONLY]

This document is exempt from the payment of a recording fee
pursuant to Government Code Section 27383

Exempt from Documentary Transfer Tax; conveyance to a public entity.

GRANT DEED

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, ALAN M. HULL and DIANE L. HULL (collectively, the "Grantor") hereby grants to the HIGHLAND HOUSING AUTHORITY ("Grantee") the land in the City of Highland, County of San Bernardino, State of California, more particularly described on **Exhibit A** attached hereto and all improvements thereon (the "Property").

IN WITNESS WHEREOF, Grantor has executed this Grant Deed as of the date set forth below.

Dated: 12/17/13, 2014

Alan M. Hull
Alan M. Hull

D. L. Hull
Diane L. Hull

State of California)
County of ~~Los Angeles~~ San Bernardino)

On 12/17/13, before me, Jodi Castenada, notary public,
(insert name and title of the officer)
Notary Public, personally appeared Alan M. Hull and Diane L. Hull,
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____________________ (Seal)

JODI CASTENADA
COMM. # 2045661
NOTARY PUBLIC-CALIFORNIA
SAN BERNARDINO COUNTY
MY COMM. EXP. NOV. 12, 2017

State of California)
County of Los Angeles)

On ____________________, before me, ____________________,
(insert name and title of the officer)
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____________________ (Seal)

EXHIBIT "A" TO GRANT DEED

Legal Description of the Land

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

ALL THAT PORTION OF THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 OF SECTION 5, TOWNSHIP 1 SOUTH, RANGE 3 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF HIGHLAND, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, ACCORDING TO GOVERNMENT SURVEY, DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT IN THE WEST LINE OF THE NORTHEAST 1/4 OF SECTION 5, WHICH IS SOUTH 0° 05' WEST 116.1 FEET FROM THE NORTHWEST CORNER OF THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 OF SAID SECTION 5;

THENCE SOUTH 0° 05' WEST ALONG THE WEST LINE OF SAID NORTHEAST 1/4 OF SAID SECTION, 120 FEET;

THENCE SOUTH 89° 59' 30" EAST 660.5 FEET; MORE OR LESS, TO THE EAST LINE OF THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 OF SAID SECTION;

THENCE NORTH 0° 02' 30" EAST ALONG THE EAST LINE OF THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 OF SAID SECTION 120 FEET TO A POINT WHICH IS SOUTH 89° 59' 30" EAST FROM THE POINT OF BEGINNING;

THENCE NORTH 89° 59' 30" WEST 660.5 FEET, MORE OR LESS, TO THE POINT OF BEGINNING.

SAVING AND EXCEPTING THEREFROM THE WEST 1 1/2 RODS THEREOF INCLUDED IN CENTRAL AVENUE.

APN: 1192-431-04-0-000

CERTIFICATE OF ACCEPTANCE
(California Government Code Section 27281)

This is to certify that the interest in real property conveyed by that certain Grant Deed dated in ______________, 2014, from Alan M. Hull and Diane L. Hull, to the Highland Housing Authority, which is a political corporation, is hereby accepted by the undersigned officer on behalf of the Highland Housing Authority pursuant to the authority conferred by action of the City Council of the Highland Housing Authority on_______, 201__, and the grantee consents to recordation thereof by its duly authorized officer.

Dated: ____________, 2014

____

___________________,
Executive Director

STATE OF CALIFORNIA)

COUNTY OF SAN BERNARDINO)

CITY OF HIGHLAND)

I, BETTY HUGHES, Secretary of the Oversight Board of the Successor Agency to the Highland Redevelopment Agency of the City of Highland, California, do hereby certify Oversight Board of the Successor Agency to the Redevelopment Agency Resolution No. OBSARDA2014-001 was duly and regularly adopted by the Oversight Board of the Successor Agency to the Highland Redevelopment Agency, Highland, California, at a special meeting thereof held on the 30th day of January, 2014, by the following vote:

AYES: Huff, Jaquess, McCallon, Saks

NOES: None

ABSTAIN: None

ABSENT: Haller, Peukert, Sutorus

Betty Hughes

BETTY HUGHES, MMC
SECRETARY