

PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS
APN 8567-023-900
(11448 Lee Lane, El Monte, California)

This PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS (“PSA”) is dated as of _____, 2024, the date of last execution (the “Effective Date”) by and between the City of El Monte (the “City”) as Successor Agency to the former El Monte Community Redevelopment Agency (“Successor Agency” or “Seller”), and Neighborhood Housing Partners Inc., a California nonprofit corporation (“Purchaser”). Seller and Purchaser are referred to herein individually as a “Party” and collectively as the “Parties.”

RECITALS

A. Seller is the fee owner of approximately 8,663 square feet of vacant land commonly known as **11448 Lee Lane, El Monte, Los Angeles County, California**, described as **Assessor’s Parcel Number 8567-023-900**, and being more particularly described in the Legal Description attached hereto and incorporated herein as Exhibit “A” (the “Property”).

B. In December 2011, a California State Supreme Court ruling on the constitutional validity of two 2011 legislative budget trailer bills, Assembly Bill (“AB”) x1 26 (Chapter 5, Statutes of 2011) and AB x1 27 (Chapter 6, Statutes of 2011), resulted in the elimination of all redevelopment agencies in the State of California. The dissolution procedures under AB x1 26 include a process for the disposition and/or transfer of assets, including property holdings, of former redevelopment agencies. Subsequent legislation, AB 1484 (Chapter 26, Statutes of 2012), which was passed, signed, and enacted on June 28, 2012, made significant changes to the provisions of AB x1 26, including the process for asset management/disposition/transfers. Senate Bill (“SB”) 107, which was signed by the Governor on September 22, 2015, also made changes to the property disposition provisions of AB x1 26 and AB 1484. All three pieces of legislation are herein referred to as the “Dissolution Act”.

C. Under the Dissolution Act, the Property is subject to a certain disposition process. The State Department of Finance (“DOF”) approved the Successor Agency’s Long Range Property Management Plan (“LRPMP”) prepared pursuant to the California Health and Safety Code (“HSC”) Section 34191.5(b) describing the proposed sale of properties owned by the Successor Agency on December 14, 2015. The Property was identified in the LRPMP as Property No. 48 and proposed to be sold. Pursuant to HSC Section 34181, disposition of the Property requires approval by the Los Angeles County First District Consolidated Oversight Board (the “Oversight Board”).

D. The Successor Agency declared the Property to be exempt surplus land on June 1, 2021, by adoption of Resolution No. 10273 pursuant to the California Surplus Land Act (California Government Code Sections 54220 et. seq.) (the “SLA”). The Property was declared exempt under Government Code Section 54221(f)(1)(F)(i).

E. The Property was put out to open, competitive bid by the issuance of a Request for Proposals on June 15, 2021, for disposition and development of the Property with affordable housing that restricts 100% of residential units to low or moderate income households, of which

at least 75% are restricted to lower income households to comply with Government Code Section 54221(f)(1)(F)(i).

F. The Purchaser has proposed to develop the Property with four (4) ownership units of housing affordable to income eligible households earning up to 80% of the Los Angeles County area median income (“**AMI**”) at an affordable housing cost as defined by 24 CFR § 92.2 with a covenant to maintain affordability of such ownership units for a minimum of forty-five (45) years (“**Proposed Development**”).

G. The Purchaser is a community housing development organization (“**CHDO**”) affiliated with San Gabriel Valley Habitat for Humanity and has experience developing safe, decent and affordable housing in Los Angeles County.

H. The Seller has determined that the Proposed Development is important and needed to serve the residents of the City and greater region by providing affordable housing that helps fulfill the City’s Regional Housing Needs Allocation (“**RHNA**”).

I. The Surplus Land Act was amended in 2024 by AB 480 (Stats. 2023, Chapter. 788), which amended and added certain exempt surplus land categories including GC Section 54221(f)(1)(B) as amended, authorizes a local agency to declare property it owns that is less than 0.5 acre in area and is not contiguous to land owned by a state or local agency that is used for open-space or low- and moderate-income housing purposes as “exempt surplus land”.

J. The Property measuring 0.2-acre meets the exemption requirements stated in GC Section 54221(f)(1)(B), as amended, which would provide the Successor Agency increased flexibility in disposing of the Property.

K. The Successor Agency declared the Property exempt surplus land on May 21, 2024, by adoption of Resolution No. _____ pursuant to GC Section 54221(f)(1)(B).

L. In order to fulfill the development plan for the Property, the Purchaser will need to acquire the Property from the Successor Agency and obtain gap financing from various sources. The Purchaser has estimated the total development cost to be approximately \$2,300,000. Given the estimated total development cost of the Proposed Development, and to make the Proposed Development economically feasible, the Purchaser has requested the Property be transferred for the nominal sum of One Dollar (\$1.00).

M. The Purchaser is acquiring the Property from the Seller to create affordable ownership units pursuant to the terms of an Affordable Housing Agreement (as defined in Section 5.2.2) to be entered into with the City.

N. For the reasons recited above, the Seller has agreed to convey the Property to the Purchaser, subject to the following terms and conditions.

TERMS & CONDITIONS

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is acknowledged, Seller and Purchaser agree as follows:

1. **Sale.** On the terms contained herein and subject to the conditions of this PSA, Purchaser hereby agrees to purchase from Seller, and Seller agrees to sell to Purchaser the Property, on the Closing Date (as defined in Section 10).

2. **Oversight Board Approval; Acceptance.**

2.1 Oversight Board. Promptly following approval of this PSA by the Successor Agency, Seller shall request the Oversight Board to consider and approve this PSA. The approval of the PSA shall be evidenced by a resolution of the Oversight Board, which shall contain provisions reasonably satisfactory to Seller. The Oversight Board is not a Party to this Agreement.

2.2 Acceptance. Within ten (10) calendar days after approval of the form, terms, and conditions of this PSA by the Oversight Board, Seller and Purchaser shall accept and execute this PSA (“**Acceptance**”). The PSA shall be deemed accepted by the Parties upon approval by the Oversight Board and full execution by the Seller and Purchaser.

3. **Opening of Escrow.** Within ten (10) calendar days of Acceptance, the Parties shall open an escrow (“**Escrow**”) with Escrow Holder by causing an executed copy of this PSA to be deposited with Premium Escrow, 150 N. Santa Anita Ave. #110, Arcadia, CA, 91006, Attention: Lysette Freeman, Email: Lysette@premiumescrow.com, Phone: (626) 446-8221 (“**Escrow Holder**”). Escrow shall be deemed open on the date that a fully executed copy of this PSA is delivered to Escrow Holder and accepted by Escrow Holder as evidenced by Escrow Holder’s acknowledgement of this PSA (“**Opening of Escrow**”).

4. **Purchase Price.** The purchase price for the Property (“**Purchase Price**”) shall be in the amount of ONE AND 00/100 DOLLARS (\$1.00) payable at Closing. Upon the Escrow Holder’s receipt of all Closing Items (as defined in Section 5), Purchaser shall deposit the Purchase Price with the Escrow Holder, in cash, by certified check, or by wire transfer. The Purchase Price shall be disbursed to Seller by the Escrow Holder upon confirmation of the recordation of the Deed (as defined in Section 5.1.1) in the Official Records of Los Angeles County, California.

5. **Closing Deliveries to Escrow Holder.**

5.1 By Seller. Seller hereby covenants and agrees to deliver or cause to be delivered to Escrow Holder on or before 1:00 pm one (1) Business Day prior to the Closing Date the following instruments and documents, the delivery of each of which shall be a condition precedent to the Closing for the benefit of Purchaser.

5.1.1 Deed. A grant deed in substantially the form attached hereto as Exhibit B (“**Deed**”), duly executed by Seller.

5.1.2 Non-Foreign Certification. Seller shall deliver to Escrow Holder a certification duly executed by Seller under penalty of perjury in the form of, and upon the terms

set forth in, the Transferor's Certification of Non-Foreign Status ("**FIRPTA Certificate**"), setting forth Seller's address and federal tax identification number and certifying that Seller is a "United States Person" and that Seller is not a "foreign person" in accordance with and/or for the purpose of the provisions of Sections 7701 and 1445 of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder.

5.1.3 Closing Statement. An executed settlement statement reflecting the Closing costs to be paid by the parties pursuant to Section 9.

5.1.4 Closing Documents. Any additional tax forms, recordation forms, 1099s or other documents as may be reasonably required by the Escrow Holder or the Title Company to consummate the transaction contemplated by this PSA.

5.1.5 Other Costs. The amount, if any, required of Seller under Section 9.

5.2 By Purchaser. Purchaser hereby covenants and agrees to deliver or cause to be delivered to Escrow Holder on or before 1:00 pm one (1) Business Day prior to the Closing Date the following instruments and documents, the delivery of each of which shall be a condition precedent to the Closing for the benefit of Seller.

5.2.1 Purchase Price. Purchaser shall deliver to Escrow Holder the Purchase Price in accordance with Section 4.

5.2.2 Affordable Housing Agreement. An Affordable Housing Agreement entered into between Purchaser and the City of El Monte that provides the following terms at a minimum: (a) Purchaser to develop the Property with four ownership housing units that will be sold to eligible low income households earning no more than 80% of the Los Angeles County AMI at an affordable housing cost as defined in the 24 CFR § 92.2; (b) qualified purchasers of the affordable units will be required to enter into agreements with City prior to the close of escrow of each unit ensuring the long-term affordability of the unit and subsequent transfer to low income households, as applicable; (c) owner-occupancy and maintenance requirements; and (d) restrictions on the Purchaser's ability to transfer the Property (other than to qualified purchasers of affordable housing units) to ensure development with affordable housing ("**Affordable Housing Agreement**").

5.2.3 Closing Statement. An executed settlement statement reflecting the Closing costs to be paid by the parties pursuant to Section 9.

5.2.4 Closing Documents. Any additional tax forms, recordation forms, 1099s or other documents as may be reasonably required by the Escrow Holder or the Title Company to consummate the transaction contemplated by this PSA.

5.2.5 Other Costs. The amount, if any, required of Purchaser under Section 9.

5.3 Additional Closing Items. Each Party shall also execute and deliver to the Escrow Holder such documents, certificates and instruments as may customarily be required in

transactions of this type. The items required to be submitted to the Escrow Holder pursuant to this Section and Sections 5.1 and 5.2 are referred to herein collectively as the “**Closing Items.**”

6. Title.

6.1 Evidence of Title. As evidence of title, within five (5) Business Days of the Opening of Escrow, or as soon thereafter as is reasonably practical, Seller shall cause to be delivered to the Purchaser a commitment for an owner’s policy of title insurance with standard exceptions (“**Title Insurance Commitment**”) issued by Lawyers Title Insurance Company, 7530 N. Glenoaks Blvd., Burbank, CA 91504, Attention: Michael Chediak, Email: tu07@ltic.com, Phone: (818) 252-6050 (“**Title Company**”), in an amount as required by Purchaser, dated later than the Opening of Escrow, and guaranteeing the title in the condition required for performance of this PSA, together with copies of all documents shown in the commitment as affecting title (“**Title Documents**”). At Closing, Seller shall pay the premium for a California Land Title Association (“**CLTA**”) standard coverage owner’s policy.

6.2 Purchaser’s Objections to Title. Purchaser shall have thirty (30) calendar days from receipt of the Title Insurance Commitment and Title Documents to inspect the state of the title and matters affecting title, and to object to the matters shown thereby by giving written notice thereof to Seller. Failure to object in writing within the above period shall constitute a waiver of Purchaser’s objections to title. If Purchaser objects to any matter disclosed by the Title Insurance Commitment or Title Documents, then Seller shall have twenty-one (21) calendar days from the date it is notified in writing of the particular defects claimed, to elect, in its sole discretion, either: (1) to remedy the title defect that is the subject of the Purchaser’s objection, or (2) not remedy the title defect that is the subject of the Purchaser’s objection, at Seller’s option. Seller’s election shall be communicated in writing to Purchaser. If Seller elects not to remedy such title defect, then Purchaser shall have seven (7) calendar days following receipt of Seller’s notification under the preceding sentence to elect to either: (a) waive its title objection and accept title subject to the alleged title defect, or (b) terminate this PSA and receive a refund of the Purchase Price, if any, deposited with Escrow Holder.

Seller may cure any title objection that may be cured by the payment of a sum certain (such as existing mortgages, land contracts and other liens) by paying or depositing that sum at Closing.

6.3 Monetary Liens. Notwithstanding the foregoing, Purchaser hereby objects to all liens evidencing monetary encumbrances (other than liens for non-delinquent general real property taxes to be paid by Purchaser under this PSA) and Seller agrees to cause all such liens to be eliminated at Seller’s sole cost (including all prepayment penalties and charges) prior to the Closing Date.

6.4 Updated Title Commitment. Notwithstanding anything to the contrary contained in this PSA, if, at any time prior to the Closing, any updates to the Title Insurance Commitment are received by Purchaser, Purchaser shall have fourteen (14) calendar days (regardless of the date) following Purchaser’s receipt of such update and legible copies of all underlying documents referenced therein (that were not referenced in the Title Documents previously provided to Purchaser) to notify Seller of objections to items on any such updates

("Title Updates"), in which event the procedure set forth in Section 6.2 shall apply to such Title Updates objections.

6.5 ALTA Survey. Purchaser, at its sole election and additional cost, may hire a land surveyor for the purpose of preparing an ALTA survey for the Property (the "Survey"). The Survey shall (1) be certified to Purchaser and (2) be prepared and sealed by a registered California Property Surveyor. Notwithstanding the foregoing, Purchaser shall have thirty (30) calendar days after receipt of the Survey to object to any matters of survey in writing to Seller, in which event the procedure set forth in Section 6.2 shall apply to such Survey objections.

7. **Conditions to Closing.**

7.1 Seller's Conditions Precedent. Seller's obligation to sell the Property to Purchaser shall be subject to and expressly conditioned upon satisfaction (or waiver) of the following conditions precedent to the Closing set forth below, which shall be exclusively for the sole benefit of Seller.

7.1.1 Purchaser's Representations and Warranties. All of the representations and warranties made by Purchaser to Seller pursuant to this PSA shall be true and correct in all material respects as of the Closing Date, as if made on such date.

7.1.2 Deliveries to Escrow. Purchaser shall have delivered each of the items described in Section 5.2 prior to the Closing Date and shall have performed all of its obligations under this PSA in accordance with the provisions hereof.

7.1.3 Financing of Proposed Development. Purchaser shall have delivered to Seller proof of financing, in form and substance reasonably acceptable to Seller, that Purchaser has obtained or will obtain all financing necessary for the construction of the Proposed Development.

7.1.4 Approvals. Purchaser shall have obtained from City all discretionary planning and zoning land use entitlements, approvals, and building permits required for the construction of the Proposed Development ("**Approvals**").

7.1.5 No Default. Purchaser shall not be in material default of any of its obligations under this PSA following notice and expiration of any applicable cure period.

No waiver shall be binding upon Seller unless made in writing by an authorized representative of Seller.

7.2 Purchaser's Conditions Precedent. Purchaser's obligation to acquire the Property shall be subject to and expressly conditioned upon satisfaction (or waiver) of the following conditions precedent to the Closing set forth below, which shall be exclusively for the sole benefit of Purchaser.

7.2.1 Seller's Representations and Warranties. All of the representations and warranties made by Seller to Purchaser pursuant to this PSA shall be true and correct in all material respects as of the Closing Date, as if made on such date.

7.2.2 Deliveries to Escrow. Seller shall have delivered each of the items described in Section 5.1 prior to the Closing Date, and shall have performed all of its obligations under this PSA in accordance with the provisions hereof.

7.2.3 No Default. Seller shall not be in material default of any of its obligations under this PSA following notice and expiration of any applicable cure period.

7.2.4 Commitment of Financial Assistance from City. Purchaser shall have obtained a binding commitment from the City for financial assistance in the amount of not less than an aggregate \$890,776 in HOME funds (including predevelopment loan funds) or such other source of funds as the City and Purchaser may reasonably determine for the Proposed Development, in a form acceptable to the Parties, which shall include terms regarding the City's agreement to subordinate its deed of trust as to the deed(s) of trust for the following financing: one or more construction loans listed on a preliminary financing plan or final financing plan.

7.2.5 Oversight Board Approval. Seller shall have obtained approval of this PSA from the Oversight Board as evidenced by resolution in accordance with Section 2.1.

7.2.6 Due Diligence Investigation. Purchaser shall have completed its due diligence review within the Contingency Period and delivered written notice to Seller that all aspects of the Property are acceptable to Purchaser. No waiver shall be binding upon Seller unless made in writing by an authorized representative of Seller.

8. **Contingency Period, As-Is Sale, Disclaimer and Waiver and Release.** For a period of three hundred thirty days (330) days following the Opening of Escrow (the "**Contingency Period**"), Purchaser shall have the right to perform and to seek any and all necessary investigations, inspections and approvals necessary to develop the Proposed Development at the Property, as described in Sections 8.1, 8.2, and 8.3:

8.1 Review and Approval of Documents and Materials. Within fourteen (14) calendar days of the Opening of Escrow, Seller shall deliver (or caused to be delivered) to Purchaser any and all documents, reports, surveys, environmental assessments, engineering reports, building plans and blueprints for the Property and other materials in Seller's possession or under its control or that of its agents, respecting the Property, including any Hazardous Substance Conditions Report concerning the Property and relevant adjoining properties, and any Natural Hazard Zone Disclosure Report, as required by State law, listing of any current litigation, actions, or proceedings involving the Property, and any lease agreements relating to any tenant or occupant then occupying the Property (collectively, "**Materials**"). During the Contingency Period, Purchaser may review and evaluate the Materials to determine whether the Property is appropriate for Purchaser's proposed use, in its sole discretion.

8.2 Purchaser's Due Diligence.

8.2.1 Inspection and Investigation. During the Contingency Period, the Purchaser and its agents shall, at the Purchaser's sole expense, review, inspect and investigate the Property, either independently or through agents of Purchaser's choosing, including, but not limited to, conducting tests and physical inspections of the Property, such as building inspections and environmental site assessments desired by the Purchaser. Purchaser shall also conduct such

investigations with regard to zoning, building codes, and availability of permits and approvals for its intended construction and use of the Property, as it deems prudent in its sole discretion. Purchaser shall use commercially reasonable efforts to restore the Property to the condition that it was substantially in prior to those tests and inspections. Purchaser shall notify Seller in advance of its desire to conduct any inspections at the Property. Upon termination of the PSA by Purchaser, copies of any final non-privileged, non-attorney-client work product reports and/or surveys prepared pursuant to this PSA shall be delivered to Seller. Such reports and survey will be provided to the Seller for reference purposes only, except as otherwise agreed to in writing by the Parties.

8.2.2. Indemnification; Survival. Purchaser shall indemnify, defend and hold Seller harmless from all damages, costs, loss, expense (including attorney fees) and liability resulting from Purchaser's activities, acts and omissions arising from any entry onto the Property. The foregoing provisions shall survive the Closing or any termination of this PSA.

8.3 Purchaser's Objections; Notice.

8.3.1. Purchaser's Right to Terminate. Purchaser shall have the right at any time on or before the expiration of the Contingency Period to terminate this PSA if, during the course of Purchaser's due diligence investigations of the Property and in connection with its obtaining of the Approvals, Purchaser determines that the Property is not acceptable to Purchaser.

8.3.2. Notice of Purchaser's Election to Close or Terminate. Prior to expiration of the Contingency Period, Purchaser shall provide written notice to Seller that (i) Purchaser has approved the physical, legal, economic and environmental condition and aspects of the Property, and all other matters concerning the legal status, condition, use, sale or development of the Property as set forth above in its sole and absolute discretion and intends to move forward with the Closing of the purchase of the Property ("**Election to Close**"); or (ii) Purchaser desires to terminate this PSA. If Purchaser fails to notify Seller on or before the last day of the Contingency Period that Purchaser has approved the Property as provided above and has elected to move forward with the Closing, Purchaser shall be deemed to have made an Election to Close.

8.3.3. Termination Notice. Upon either the timely delivery of Purchaser's notice to Seller electing to terminate this PSA, as provided in Section 8.3.2 above, (i) Escrow Holder shall immediately return Purchaser's funds, if any, deposited with Escrow Holder to Purchaser without the need for further instruction or approval of the parties, and (ii) this PSA shall automatically terminate and be of no further force or effect and neither party shall have any further rights or obligations hereunder.

Without limiting the foregoing, Purchaser acknowledges and agrees that Seller shall have no obligation, in law or at equity, to reimburse Purchaser for any expenses incurred by Purchaser in connection with its proposed purchase of the Property upon the termination of this PSA during the Contingency Period.

8.4 As-Is Transfer. Purchaser specifically acknowledges and agrees that Seller is transferring and Purchaser is acquiring the Property in its "**AS IS AND WHERE AS**" basis, "**WITH ALL FAULTS**" condition and state of repair ("**As-Is Condition**"), inclusive of all faults and defaults, whether known or unknown, as may exist as of the Closing Date, and that Purchaser

is not relying on any representations or warranties from Seller or any of Seller's officials, officers, agents, employees, representatives, or attorneys ("Seller Parties") as to any matter concerning the Property. Purchaser shall be responsible for any and all defects in the Property, whether patent or latent, including, without limitation, the physical, environmental, and geotechnical condition of the Property, and the existence of any contamination, hazardous materials, vaults, debris, pipelines, wells, or other structures located on, under or about the Property.

8.5 Disclaimer of Warranties. Purchaser acknowledges and agrees that except as expressly set forth in this PSA: (i) neither Seller, nor any of the Seller Parties, has made any representations, warranties, or promises to Purchaser, or to anyone acting for or on behalf of Purchaser, concerning the condition of the Property or any other aspect of the Property; (ii) the condition of the Property has been independently evaluated by Purchaser prior to the Closing; and (iii) any information, including Materials, which Purchaser has received or may hereafter receive from Seller or any Seller Party were and are furnished without warranty of any kind and on the express condition that Purchaser has made its own independent verification of the accuracy, reliability and completeness of such information and that Purchaser will not rely on any of the foregoing.

8.6 Waivers and Releases. Purchaser hereby releases Seller and the Oversight Board from any and all manner of rights, liabilities, claims, actions, causes of action, suits, proceedings, demands, damages, costs, expenses (including attorney's fees and costs) or other compensation whatsoever, in law or equity, of whatever kind or nature, whether known or unknown, direct or indirect, foreseeable or unforeseeable, absolute or contingent that Purchaser now has or may have or which may arise in the future arising out of, directly or indirectly, or in any way connected with (i) all warranties of whatever type or kind with respect to the physical or environmental condition of the Property, whether express, implied or otherwise, including those of fitness for a particular purpose or use; (ii) use, management, ownership or operation of the Property; (iii) the physical, environmental or other condition of the Property; (iv) the application of, compliance with or failure to comply with any federal, state or local law or regulation as to the Property; (v) hazardous materials as to the Property; and (vi) the As-Is Condition (the foregoing are collectively referred to as "Claims"). By releasing and forever discharging the Claims, Purchaser expressly waives any rights under California Civil Code Section 1542, which provides:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

INITIALS: PURCHASER _____ SELLER _____

9. **Closing Costs.**

9.1 Property Taxes. Seller is a public agency and therefore exempt from the payment of property taxes. Purchaser shall be responsible for all applicable prorated or supplemental taxes once Purchaser obtains title to the Property.

9.2 Other Costs. Seller shall pay all water, sewer, telephone, and all other applicable utility charges, if any, incurred on or before the Closing Date with respect to the Property. After the Closing, Purchaser shall pay all such charges. Seller shall pay the applicable transfer taxes, the cost of recording any curative instruments and the cost of a CLTA standard coverage owner's title policy. Purchaser shall pay the cost of recording the Deed conveying title to the Property, the cost of any extended coverage or ALTA owner's title policy and the cost of any title endorsements. Escrow fees shall be shared equally by the Parties. Each Party shall pay its own legal fees.

10. **Closing.**

10.1 Closing Date. Consummation of this sale and purchase ("**Closing**") shall take place within thirty (30) calendar days following (i) delivery by Purchaser of its Election to Close and (ii) satisfaction by Purchaser and Seller of the conditions to Closing set forth in Sections 7.1 and 7.2 ("**Closing Date**"), unless this PSA has been duly and timely terminated pursuant to the provisions of this PSA. Closing shall take place at the offices of the Escrow Holder and coordinated through their affiliate offices. As used herein, "**Closing Date**" means the date and time on which the Deed is recorded in the Official Records of the County.

10.2 Schedule of Performance. The Schedule of Performance governing the dates of performance hereunder by Seller and Purchaser is set forth in Exhibit C, attached hereto and incorporated herein by reference.

10.3 Outside Closing Date. Notwithstanding any provision of this PSA to the contrary, in no event shall the Closing occur later than sixty (60) calendar days following the expiration of the Contingency Period. (the "**Outside Closing Date**") subject to extension for force majeure delays.

11. **Pre-Closing Covenants.** Seller shall between the date hereof and the Closing Date, unless otherwise consented to in writing by Purchaser:

11.1 Maintenance. Maintain the Property in compliance with all applicable laws and in its present condition, reasonable wear and use excepted.

11.2 Liens and Encumbrances. Not suffer or permit any new easements, encumbrances, liens or security interests to attach to the Property, or transfer or convey the Property or any portion or portions of the Property.

11.3 No Contracts. Not enter into or amend any contracts or agreements pertaining to the Property, which would survive the Closing and be binding upon Purchaser.

12. **Risk of Loss.**

12.1 Condemnation. If before the Closing Date any action or proceeding is commenced for the condemnation or exercise of the rights of eminent domain with respect to the Property or any portion of the Property, or if Seller is notified by the duly authorized officer of a duly empowered condemning authority of the intent to commence such action or proceeding (“**Condemnation**”) and if such Condemnation would materially and adversely affect the use or operation of the Property, have the effect of decreasing the square footage of the buildable area at the Property, or reduce or eliminate access to the Property, then Purchaser may either (a) terminate this PSA, or (b) proceed with the Closing without modifying the terms of this PSA. Seller must notify Purchaser of any notice of Condemnation of all or any portion of the Property within five (5) days after the receipt of such notice, and Purchaser must exercise its option(s) as provided in this Section within fifteen (15) days after receipt of such notice. If necessary, the Closing Date will be extended to give Purchaser the full 15-day period to make such election.

12.2 Damage and Destruction. If before the Closing Date any damage or destruction of the Property, or any portion of it, occurs, then within three (3) days after notice from Seller, Purchaser may elect to terminate this PSA.

13. **Representations and Warranties of Seller.** Seller represents and warrants to Purchaser that, to Seller’s current actual knowledge without any duty of investigation, except as set forth or otherwise disclosed in this PSA:

13.1 Duly Authorized and Binding Agreement. This PSA has been duly authorized and executed on behalf of Seller. As of the Opening of Escrow, this PSA constitutes a valid and binding agreement, enforceable in accordance with its terms. As of the Opening of Escrow, Seller has obtained all consents, releases and permissions and has given all required notifications related to the transaction herein contemplated and required under any covenant, agreement, encumbrance, law or regulation to which Seller is a party or by which Seller is bound.

13.2 Fee Owner. Seller is the fee simple owner of the Property. Seller is not a party to any contract, agreement or commitment to sell, convey, assign, transfer or otherwise dispose of any portion or portions of the Property.

13.3 No Notice of Violation. Seller has not received notice of violation of any applicable law, ordinance, regulation, order or requirement relating to the Property.

13.4 Pending Litigation. There is no litigation pending or to the current actual knowledge of Seller without any duty of investigation, threatened, against or by Seller or the Property which relates to, or if decided adversely, could have a material adverse effect upon, the Property (including condemnation or similar proceedings).

13.5 Occupancy or Use of Property. To the Seller’s current actual knowledge, there are no leases, licenses or other occupancy or use agreements, written or oral, in effect in which Seller has granted any party rights to possession or use of the Property or any portion thereof, nor has Seller given any party an option or right of first refusal to purchase any portion of the Property.

13.6 Bonds or Assessments. To Seller's current actual knowledge without any duty of investigation and except for matters of record as of the date hereof, there are no bonds or assessments or charges for any public improvements or utilities made against the Property which remain unpaid (or which will remain unpaid by Seller as of the Closing Date).

13.7 Changed Circumstances. All representations and warranties contained in this Section 13.1 shall be deemed remade as of the Closing Date, except in the event of a change in circumstances not within the control of Seller affecting any representations or warranties set forth herein, in which case Seller shall provide written notice to Purchaser regarding such change circumstances within a reasonable time following the date the City Manager of the City of El Monte obtains actual knowledge of the changed circumstances but prior to the Closing.

As used in this Section 13, "current actual knowledge without duty of investigation" of Seller refers to the current actual knowledge of the City Manager of the City of El Monte.

14. **Representations and Warranties of Purchaser.** Purchaser represents and warrants to Seller that, to Purchaser's current actual knowledge without any duty of investigation, except as set forth or otherwise disclosed in this PSA.

14.1 Due Formation. Purchaser is a nonprofit public benefit corporation duly organized, validly existing and in good standing under the laws of the State of California.

14.2 Due Authorization; Consents. This PSA has been duly authorized and executed on behalf of Purchaser and constitutes a valid and binding agreement, enforceable in accordance with its terms. As of the Opening of Escrow, Purchaser has obtained all consents, releases and permissions and has given all required notifications related to the transaction herein contemplated and required under any covenant, agreement, encumbrance, law, regulation or bylaws to which Purchaser is a party or by which Purchaser is bound.

15. **Default.** Except as otherwise provided in this PSA failure or delay by either Party to perform in any material respect, or refrain from performing in any materials respect, any material act or provision of this PSA shall constitute a default under this PSA; provided, however, that if the Party who is otherwise claimed to be in default by the other Party cures, corrects or remedies the alleged default within ten (10) Business Days after receipt of written notice specifying such default, such Party shall not be deemed to be in default hereunder. In the event of a default by either Party, the non-defaulting Party may exercise all remedies available both at law and in equity.

16. **Waiver of Damages.** Notwithstanding any provision in this PSA to the contrary, in no event shall Seller, Purchaser or any of their respective affiliates, managers, members, shareholders or representatives, be liable under this PSA to the other Party, or its respective affiliates, managers, members, shareholders or representatives, for consequential, indirect, special or punitive losses or damages.

17. **No Assignment.** Purchaser shall have no right to sell, transfer or assign any of its right, title and interest in and to this PSA to any person or entity without the express prior written consent of Seller, and any attempted sale, transfer or assignment (except as permitted hereinabove) without Seller's express prior written consent shall be null and void *ab initio*.

18. **Business Days.** As used herein, the term “Business Days” refers to Monday through Friday, excluding holidays and Fridays on which the City of El Monte or Seller are closed for business.

19. **Binding Effect.** The covenants herein shall bind and inure to the benefit of the executors, administrators, successors and assigns of the respective parties.

20. **Brokers.** Purchaser and Seller each represents and warrants to the other that it has not done any act nor made any statement, promise or undertaking, which would result in the imposition of liability for the payment of any real estate brokerage commission, finder’s fee or otherwise in connection with the transaction described in this PSA. In the event that any person or entity perfects a claim for a brokerage commission, finder’s fee or otherwise, based upon any agreement, statement or act, the Party through whom such person or entity makes such a claim shall be responsible therefor and shall defend, indemnify and hold the other Party and the Property harmless from and against such claim and all loss, costs and expense associated therewith, including attorneys’ fees.

21. **Integration; Merger; Amendment; Survival of Representations.** Seller and Purchaser have not made any covenants, warranties or representations not set forth in this PSA. This PSA constitutes the entire agreement between the parties. Except as otherwise provided herein, all representations, warranties and covenants set forth in this PSA shall survive the Closing. This instrument shall as to all prior drafts or forms exchanged between the parties or executed by the parties, be the sole effective instrument between them as to the provisions set forth in this PSA. None of the terms and provisions hereof shall be altered or amended unless in writing and signed by the parties.

22. **Notices.** All notices shall be in writing and delivered personally, by overnight air courier service, by email, or by U.S. certified or registered mail, return receipt requested, postage prepaid, to the parties at their respective addresses set forth below, and the same shall be effective upon receipt if delivered personally, one (1) Business Day after depositing with an overnight air courier, or five (5) Business Days after depositing in the mail immediately, upon transmission (as confirmed by electronic confirmation of transmission) for any notice given by email:

If to Seller: Successor Agency to the El Monte Redevelopment Agency
11333 Valley Boulevard
El Monte, CA 91731
Attn: Betty Donovanik, Director of Community & Economic
Development
Phone: (626) 580-2056
Email: bdonavanik@elmonteca.gov

with a copy to: Olivarez Madruga Law Organization, LLP
500 South Grand Avenue – 12th Floor
Los Angeles, CA 90071
Attn: Lloyd Pilchen, City Attorney
Phone: (213)744-0099
Email: lpilchen@omlola.com

If to Purchaser: Neighborhood Housing Partners Inc.
724 E. Huntington Drive
Monrovia, CA 91016
Attn: Bryan Wong, President
Email: bwong@sgvhabitat.org
Attn: Grant Power
Email: gpower@sgvhabitat.org

with a copy to: Nixon Peabody LLP
300 South Grand Avenue, Suite 4100
Los Angeles, CA 90071
Attn: Garth Bostic
Email: gbostic@nixonpeabody.com

Escrow Holder: Premium Escrow
150 North Santa Anita Avenue, Suite 110
Arcadia, CA 91006
Attn: Lysette Freeman
Email: Lysette@premiumescrow.com

23. **Governing Law.** This PSA shall be construed according to the laws of the State of California, without reference to its choice of laws principles.

24. **Expenses.** Seller and Purchaser shall pay their respective expenses and costs in connection with the preparation of this PSA and other agreements and documents related to this PSA and the transactions contemplated herein.

25. **Severability.** If any term of this PSA is held by a court of competent jurisdiction to be invalid or unenforceable, then this PSA, including all of the remaining terms, will remain in full force and effect as if such invalid or unenforceable term had never been included.

26. **Construction.** In determining the meaning of, or resolving any ambiguity with respect to, any word, phrase or provision of this PSA, no uncertainty or ambiguity shall be construed or resolved against a party under any rule of construction, including the party primarily responsible for the drafting and preparation of this PSA. Headings used in this PSA are provided for convenience only and shall not be used to construe meaning or intent. As used in this PSA, masculine, feminine or neutral gender and the singular or plural number shall each be deemed to include the others wherever and whenever the context so dictates.

27. **Qualification; Authority.** Each individual executing this PSA on behalf of a party which is an entity, represents, warrants and covenants to the other party that (a) such person is duly authorized to execute and deliver this PSA on behalf of such entity in accordance with authority granted under the organizational documents of such entity, and (b) such entity is bound under the terms of this PSA.

28. **Counterparts.** This PSA may be executed in any number of counterparts, each of which shall be deemed an original but all of which shall be deemed but one and the same instrument, and an e-mailed PDF copy of such execution shall be deemed an original.

29. **Miscellaneous.**

29.1 Execution of Documents. The parties agree to execute such instructions to Title Company and such other instruments and to do such further acts as may be reasonably necessary to carry out the provisions of this PSA.

29.2 Inducement. The making, execution and delivery of this PSA by the parties hereto have been induced by no representations, statements, warranties or agreements other than those expressly set forth herein.

29.3 Incorporation of Exhibits. The exhibits attached hereto are incorporated herein by reference.

29.4 Relationship of Parties. Notwithstanding anything to the contrary contained herein, this PSA shall not be deemed or construed to make the parties hereto partners or joint venturers, or to render either party liable for any of the debts or obligations of the other, it being the intention of the parties to merely create the relationship of Seller and Purchaser with respect to the Property to be conveyed as contemplated hereby.

29.5 Limitation of Liability. The parties agree that neither the holders of beneficial interests nor the trustees, officers, members, employees or agents of either party or any assignee or affiliate of either party shall be personally liable under the PSA and all parties hereto shall look solely to the assets of the entity for the payment of any claim or the performance of any obligation of either under this PSA.

29.6 Force Majeure. If either Party is delayed or prevented from performing any act required in this PSA by reason of any event beyond the reasonable control of either Party, including without limitation, by labor disputes, fire, unusual delay in deliveries, weather or acts of God, acts of terrorism, pandemics, epidemics, delay in the issuance of permits or approvals, acts of governmental entities, unavoidable casualties or any other such causes beyond such Party's control, then the time herein fixed for completion of such obligation(s) shall be extended by the number of days that such Party has been delayed.

29.7 Attorneys' Fees. In the event of any legal proceeding initiated by either Party to enforce or interpret this PSA, the prevailing party shall be entitled to recover its reasonable attorneys' fees and costs.

30. **Independent Review.** The Parties have had the opportunity to obtain, and have obtained, independent legal or other professional advice with regard to this PSA. The Parties acknowledge that the terms of this PSA have been read and fully explained and that those terms are fully understood and voluntarily accepted.

31. **Voluntary Agreement.** The Seller and Purchaser represent that they have read this PSA in full and understand and voluntarily agree to all of its provisions. Both the Seller and

Purchaser further declare that, prior to signing this PSA, they availed themselves of relevant data, through sources of their own selection, including a legal representative, in deciding whether to execute this PSA.

32. **Entire Agreement.** This PSA constitutes the final agreement between the Parties. It is the complete and exclusive expression of the Parties' agreement on the matters contained in this PSA. All prior and contemporaneous negotiations and agreements between the Parties on the matters contained in this PSA are expressly merged into and superseded by this PSA. In entering into this PSA, neither Party has relied upon any statement, representation, warranty, nor agreement of the other Party except for those expressly contained in this PSA. There are no conditions precedent to the effectiveness of this PSA other than those expressly stated in this PSA.

33. **Amendments.** This PSA may not be amended or modified except in writing signed by each of the Parties to the PSA.

34. **Third Parties.** This PSA does not and is not intended to confer any rights or remedies upon any party other than the Parties.

35. **Interpretation.** This PSA shall be construed as to its fair meaning and not strictly for or against either Party. The headings hereof are descriptive only and not to be construed in interpreting the provisions hereof.

36. **Time.** Time is of the essence to the performance of each and every obligation under this PSA.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties have executed this PSA on the date and year first-above written.

SELLER:

CITY OF EL MONTE AS THE SUCCESSOR
AGENCY TO THE FORMER EL MONTE
COMMUNITY REDEVELOPMENT AGENCY

By: _____
Alma K. Martinez, City Manager

ATTEST:

Gabriel Ramirez, City Clerk

APPROVED AS TO FORM:

Lloyd Pilchen, City Attorney

PURCHASER:

NEIGHBORHOOD HOUSING PARTNERS INC.

By: Bryan Wong, President

EXHIBIT A

DESCRIPTION OF PROPERTY

[Insert legal description from title report]

APN: 8567-023-900

EXHIBIT B

Deed

FREE RECORDING REQUESTED
BY
AND WHEN RECORDED MAIL TO:

Griselda Contreras, Chief Deputy City
Clerk
City of El Monte
11333 Valley Boulevard
El Monte, CA 91731

SPACE ABOVE THIS LINE FOR RECORDER'S USE
EXEMPT FROM RECORDING FEE PER GOV. CODE § 27383

GRANT DEED

FOR VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged, THE CITY OF EL MONTE, AS SUCCESSOR AGENCY TO THE FORMER EL MONTE COMMUNITY REDEVELOPMENT AGENCY (“**Grantor**”), hereby grants to NEIGHBORHOOD HOUSING PARTNERS INC., a California nonprofit public benefit corporation (“**Grantee**”), all of Grantor’s rights, title, and interest in the real property located at 11448 Lee Lane, City of El Monte, County of Los Angeles, State of California, (the “**Property**”) as more particularly described in Attachment 1 attached hereto and incorporated herein by this reference, and subject to the following:

A. The Property is conveyed in accordance with and subject to that certain Affordable Housing Agreement, dated as of _____, 20__, by and between the City of El Monte and Grantee (the “**Agreement**”). The provisions of the Agreement, including but not limited the City of El Monte’s power of termination, are incorporated into this Grant Deed by this reference and are deemed to be part of this Grant Deed, as though fully set forth in this Grant Deed.

B. (1) The Grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall the Grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land.”

(2) Notwithstanding paragraph (1), with respect to familial status, paragraph (1) shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in paragraph (1) shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens.

Subdivision (d) of Section 51, Section 4760, and Section 6714 of the Civil Code, and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to paragraph (1).

IN WITNESS WHEREOF, Grantor has caused this instrument to be executed on its behalf as of the date written below.

SELLER:

THE CITY OF EL MONTE
AS SUCCESSOR AGENCY TO THE
FORMER EL MONTE COMMUNITY
REDEVELOPMENT AGENCY

By: _____
Alma K. Martinez, City Manager

Attachment 1 to Grant Deed

Legal Description of the Property

[Insert legal description from title report]

APN: 8567-023-900

EXHIBIT C

ESCROW SCHEDULE

	<u>Item To Be Performed</u>	<u>Time For Performance</u>	<u>Agreement Reference</u>
1.	Acceptance and Execution	Within 10 calendar days after approval of the form, terms, and conditions of this PSA by the Oversight Board	2
2.	Parties Open Escrow	Within 10 calendar days of Acceptance	3
3.	Seller delivers to Purchaser Preliminary Title Report	Within 5 business days of Opening of Escrow	6
4.	Purchaser approves or disapproves title exceptions	Within 30 calendar days after delivery to Purchaser of Title Insurance Commitment, all documents listed in the Title Insurance Commitment	6
5.	Seller delivers notice to Purchaser as to whether it will cure disapproved exceptions	Within 21 calendar days after receipt of Purchaser's notice	6
6.	Purchaser to notify Seller of objections to items in any updates to the Title Insurance Commitment	Within 14 calendar days of receiving any updates to the Title Insurance Commitment	6
7.	If Purchaser elects to hire a land surveyor to prepare an ALTA survey, Purchaser sends written objections to Seller to any matters of survey	Within 30 calendar days after receipt of Survey	6
8.	Seller delivers to Purchaser all relevant reports, plans, documents and other materials	Within 14 calendar days of the Opening of Escrow	8

	<u>Item To Be Performed</u>	<u>Time For Performance</u>	<u>Agreement Reference</u>
9.	Purchaser approves or disapproves the environmental and physical condition of the Property, waives condition, or extends contingency period	Within 330 calendar days after Opening of Escrow (Contingency Period)	8
10.	Deposits into escrow by Seller	On or before 1:00 p.m. on the business day preceding the Closing Date	5.1
11.	Deposits into escrow by Purchaser	On or before 1:00 p.m. on the business day preceding the Closing Date	5.2
12.	Close of escrow; recordation and delivery of documents	Within 30 calendar days following expiration of the Contingency Period (Outside Closing Date no later than 60 calendar days following expiration of the Contingency Period)	10

It is understood that the foregoing Schedule of Performance is subject to all of the terms and conditions set forth in the text of the PSA. The summary of the items of performance in this Schedule of Performance is not intended to supersede or modify the more complete description in the text; in the event of any conflict or inconsistency between this Schedule of Performance and the text of the PSA, the text shall govern.

The time periods set forth in this Schedule of Performance may be altered or amended only by written agreement signed by both Purchaser and Seller. A failure by either party to enforce a breach of any particular time provision shall not be construed as a waiver of any other time provision.