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

By and Between

CORONA-NORCO UNIFIED SCHOOL DISTRICT

and

Robert G. Nelson, trustee of the Robert G. Nelson Trust, the Larry D. Nelson Trust, the Jeffrey A. Nelson Trust, and the Michele M. Johnson Trust, all said Trusts created under the Regina Nelson Residence Term Trust, dated May 10, 1999 and each as to an undivided 12.5% interest; and Robert G. Nelson, trustee of the Robert G. Nelson Trust, the Larry D. Nelson Trust, the Jeffrey A. Nelson Trust, and the Michele M. Johnson Trust, all said Trusts created under the Lawrence Nelson Residence Term Trust, dated May 10, 1999 and each as to an undivided 12.5% interest

Collectively, Sellers

and

Buyer

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

THIS PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS (this “Agreement”), dated this [REDACTED] day of [REDACTED], 2017 for reference purposes, is entered into by and between the CORONA-NORCO UNIFIED SCHOOL DISTRICT, a public school district duly organized and existing under Chapter 1 of Division 3 of Title 2 of the Education Code of the State of California (“District”), Robert G. Nelson, trustee of the Robert G. Nelson Trust, the Larry D. Nelson Trust, the Jeffrey A. Nelson Trust, and the Michele M. Johnson Trust, all said Trusts created under the Regina Nelson Residence Term Trust, dated May 10, 1999 and each as to an undivided 12.5% interest; and Robert G. Nelson, trustee of the Robert G. Nelson Trust, the Larry D. Nelson Trust, the Jeffrey A. Nelson Trust, and the Michele M. Johnson Trust, all said Trusts created under the Lawrence Nelson Residence Term Trust, dated May 10, 1999 and each as to an undivided 12.5% interest (collectively, the “Nelsons”). The District and the Nelsons shall collectively be referred to as “Sellers”, and [REDACTED], a [REDACTED] (“Buyer”). Sellers and Buyer are sometimes hereinafter referred to individually as a “Party” and collectively as the “Parties.”

RECITALS

WHEREAS, District is the owner of the “District Property” (as defined in Section 1.1(a) below); and

WHEREAS, Nelsons are the owner of the “Nelsons' Unimproved Property” (as such term is defined in Section 1.1(b) below) and the approximate One and Fifty-Nine Hundredths (1.59) acres of property which has been improved with a residence located immediately adjacent to and west of the Nelsons Unimproved Property as described in **Exhibit “B-3”** and depicted in **Exhibit “B-4”** attached hereto (the “Nelsons' Residential Property”), and together with the Nelsons' Unimproved Property referred to collectively as the “Nelsons' Property”; and

WHEREAS, the City of Corona (the “City”) on February 18, 2015, initially approved the following entitlements for the District Property and Nelsons' Property (collectively referred to as the “Project Site Entitlements”): (a) Tentative Tract Map Number 36764 for a total of twenty-three (23) residential lots; and (b) Zone Change Application CZ14-001, in accordance with California Government Code sections 66452 through 66455.9, and on May 9, 2016 approved Zone Change Application CZ16-001 to reduce the total residential lots to twenty (20) lots (collectively, the “Revised Project Site Entitlements”); and

WHEREAS, Pursuant to that certain Reimbursement Agreement between the District and the Nelsons dated June 14, 2016 (the “Reimbursement Agreement”) attached hereto at **Exhibit “D”**, the District and the Nelsons have agreed that the twenty (20) residential lots comprising the District Property and the Nelsons' Unimproved Property (collectively referred to as the “Project Site”) shall be sold in whole in one transaction; and

WHEREAS, the District complied with the District Advisory Committee requirements of Education Code sections 17387 through 17390; and

WHEREAS, on June 14, 2016, the Board of Education of the District (“Board”) adopted Resolution 2015-2016 No. 108 declaring its intent to sell the Project Site pursuant to the competitive bidding requirements of Education Code section 17455 et seq., and at the scheduled bid opening on September 6, 2016, no responsive bid was received; and

WHEREAS, the District submitted a Waiver Request to the State Board of Education (“SBE”) pursuant to Education Code section 33050 et seq., requesting that certain provisions of the competitive bidding process be waived, and at the January 10-11, 2017 meeting, the SBE approved the District's waiver and authorized the issuance of a Request for Proposals (“RFP”); and

WHEREAS, following the evaluation of proposals submitted in response to the RFP and a public hearing, the District selected Buyer as the highest responsive bidder for the purchase of the Project Site; and

WHEREAS, Sellers desire to sell to Buyer and Buyer desires to purchase from Sellers, upon the terms and conditions set forth in this Agreement, the Project Site.

NOW, THEREFORE, in consideration of the above recitals and the respective agreements hereinafter set forth, Sellers and Buyer hereby agree as follows:

ARTICLE 1

PURCHASE AND SALE

1.1 Sale and Purchase. Subject to the terms, conditions, and provisions of this Agreement, Sellers hereby agree to sell and convey to Buyer, and Buyer hereby agrees to purchase from Sellers, the following:

(a) that certain undeveloped real property located on the east side of Garretson Avenue between Santana Way and Chase Drive, in the City of Corona, County of Riverside, State of California, more particularly described in **Exhibit “A-1”** and

depicted on **Exhibit “A-2”** attached hereto and consisting of approximately Nine and Thirty-Three Hundredths (9.33) acres (the “District Property”);

(b) that certain undeveloped real property located to the north of the District Property, more particularly described in **Exhibit “B-1”** and depicted on **Exhibit “B-2”** attached hereto and consisting of approximately Three and Eight Hundredths (3.08) acres (the “Nelsons' Unimproved Property”);

(c) all rights, privileges and easements appurtenant to the District Property and Nelsons' Unimproved Property, including, without limitation, the “Grading Easement”, and the “Drainage Easement” when conveyed by the Nelsons to Buyer concurrent with the recordation of Final Map 36764 or issuance of a grading permit on the Project Site, whichever occurs first, as they effect the Nelsons' Residential Property, as more particularly described in this Agreement, and all available and transferable minerals, oil, gas and other hydrocarbon substances, as well as all development rights, governmental approvals, land use entitlements regarding the development of the “Property” (as defined in Section 1.1(d) below), including but not limited to the utilities commitments, air rights, water, water rights, riparian rights and water stock relating to the District Property and Nelsons' Unimproved Property, and any rights-of-way or other appurtenances used in connection with the beneficial use and enjoyment of the District Property and Nelsons' Unimproved Property and all of Sellers' rights, title and interest in and to all roads, easements, rights of way and alleys adjoining or servicing the District Property and Nelsons' Unimproved Property (collectively, the “Appurtenances”); and

(d) all improvements and fixtures located on the District Property and Nelsons' Unimproved Property and Appurtenances (collectively, the “Improvements”, and together with the District Property and Nelsons' Unimproved Property and Appurtenances, the “Property”) as more particularly described in **Exhibit “C-1”** and depicted on **Exhibit “C-2”** (the “Project Site”).

1.2 Purchase Price. The purchase price which Sellers agree to accept and Buyer agrees to pay for the Property is _____ Dollars (\$_____) (the “Purchase Price”).

1.3 Deposit and Releases.

(a) Initial Deposit. Within two (2) business days following the Open Escrow Date (as defined in Section 4.2), Buyer shall deposit with Escrow Holder (as defined in Section 4.1), an amount equal to _____ percent (____%) [not less than 5%] of the Purchase Price (the “Initial Deposit”). The Initial Deposit shall be credited to Buyer towards the Purchase Price.

(b) Additional Deposit. If as provided in Section 1.5(b), Buyer shall timely request and Sellers grant the extension of the “Entitlement Period” (as defined in Section 1.5(a)) for up to an additional Three Hundred Sixty-Five (365) days (the “Entitlement Extension”), immediately following the expiration of the original Entitlement Period, Buyer shall place into Escrow on a non-refundable basis (except as otherwise expressly provided in this Agreement) One Hundred Thousand Dollars (\$100,000) (the “Additional Deposit”). The Initial Deposit and Additional Deposit shall collectively be referred to as the “Deposits”.

(c) Escrow Holder shall invest the Deposits in an interest-bearing account of a federally insured State or national bank with interest accruing for the benefit of the Sellers.

(d) Initial Deposit Releases.

(i) If Buyer approves, waives or is deemed to have approved the conditions set forth in Section 1.5(a) prior to the expiration of the Ninety (90) day “Due Diligence Period” (as defined in Section 1.5(a)), Twenty-Five Percent (25%) of the Initial Deposit shall be unconditionally forfeited and released by Escrow Holder to Sellers immediately and without further authorization (the “Due Diligence Release”). If Buyer disapproves in its sole and absolute discretion any of the conditions set forth in Section 1.5(a) of the Agreement by the expiration of the Due Diligence Period, the Initial Deposit and all earned interest shall be refundable to Buyer.

(ii) At the expiration of the One Hundred Eighty (180) days following the Open Escrow Date, an additional Twenty-Five Percent (25%) of the Initial Deposit shall be unconditionally forfeited and released by Escrow Holder to Sellers immediately and without further authorization.

(iii) At the expiration of Two Hundred Seventy (270) days following the Open Escrow Date, an additional Twenty-Five Percent (25%) of the Initial Deposit shall be unconditionally forfeited and released by Escrow Holder to Sellers immediately and without further authorization.

(iv) At the expiration of the original Entitlement Period (Three Hundred Sixty-Five (365) days following the Open Escrow Date), unless extended pursuant to Section 1.5(b), the remaining Twenty-Five Percent (25%) of the Initial Deposit shall be unconditionally forfeited and released by Escrow Holder to Sellers immediately and without further authorization.

(v) The Due Diligence Release and additional releases of the Initial Deposit described in subparagraphs (i) through (iv) of this Paragraph (d) shall

collectively be referred to as the “Initial Deposit Releases”) and shall be credited against the Purchase Price.

(e) Additional Deposit Releases.

(i) If as provided in Section 1.5(b), Buyer shall timely request and Sellers grant the extension of the Entitlement Period, Escrow Holder shall release to Sellers Twenty-Five Thousand Dollars (\$25,000) of the Additional Deposit on the first day of each ninety (90) day extension period following the commencement of the Entitlement Extension (collectively, the “Additional Deposit Releases”). Each such Additional Deposit Release shall be unconditionally forfeited by Buyer and released by Escrow Holder without further authorization. Additional Deposit Releases shall not be credited against the Purchase Price.

(ii) At the Closing of Escrow, Escrow Holder shall apply any remaining portion of the Additional Deposit not previously released by Escrow Holder to Sellers as a credit against the Purchase Price, excluding any interest earned on said Additional Deposit which shall be retained by Sellers.

The Initial Deposit Releases and Additional Deposit Releases shall together be referred to as the "Releases." The Initial Deposit Releases and any portion of the Additional Deposit Releases not released by Escrow Holder to Sellers as provided in Section 1.5(b) shall be credited against the Purchase Price.

(f) Liquidated Damages and Return of Deposit. Should Escrow fail to “Close” (as defined in Section 4.3) following the expiration of the Due Diligence Period for any reason other than because of a material default under this Agreement solely on the part of the Sellers, that portion of the Deposits released by Escrow Holder to Sellers as provided in Paragraphs (d) and (e) above shall be treated as consideration for Sellers' entering into this Agreement. Notwithstanding any provision to the contrary contained in this Agreement, in the event Escrow fails to Close due to a material default solely on the part of Sellers, Sellers agree that, within five (5) business days following the cancellation of Escrow, Sellers shall reimburse Buyer the amount of the Releases, less the Due Diligence Release and if applicable, the first Additional Deposit Release, which Sellers shall be entitled to retain, by cashier's check or county warrant, without setoff, deduction, or counterclaim, together with interest thereon at the rate earned on Sellers' funds on deposit with the County of Riverside, commencing on the date such amount was deposited with Sellers, and Escrow Holder shall immediately release the remaining amount of the Deposits, together with interest earned thereon while on deposit with Escrow Holder without further instructions.

(g) Closing Amount. On or before the Closing, if this Agreement has not been earlier terminated, Buyer shall deposit into Escrow cash or other immediately available funds in the amount of the balance of the Purchase Price less the Initial Deposit and any portion of the Additional Deposit not previously released to Sellers pursuant to Section 1.3(e)(ii), and adjusted for the prorations and any other adjustments, if any, provided elsewhere in this Agreement (the “Closing Amount”).

1.4 Title to the Property. At the Closing, Nelsons shall convey to District fee simple title to the (1) Nelsons' Unimproved Property, by duly executed and acknowledged Grant Deed and Agreement substantially in the form attached hereto as **Exhibit “E”** (the “Nelsons' Unimproved Property Grant Deed and Agreement”) and concurrent with and immediately thereafter, the Declaration of Covenants, Conditions, Restrictions and Easements substantially in the form attached as **Exhibit “F”** (the “CC&Rs”) shall be recorded followed by District's conveyance to Buyer fee simple title to the District Property and Nelsons' Unimproved Property, by duly executed and acknowledged Grant Deed substantially in the form attached hereto as **Exhibit “G”** (the “Project Site Grant Deed and Agreement”) and then approved Final Map 36764. One of the conditions to Buyer's obligations to Closing under this Agreement shall be the issuance by First American Title Company, located at 1250 Corona Pointe Court, Suite 201, Corona, California 92879 (the “Title Company”) to Buyer of a California Land Title Association owner's policy of title insurance in the amount of the Purchase Price, insuring fee simple title to the Property in Buyer, subject only to (i) the usual printed title company exceptions and exclusions, (ii) such exceptions as Buyer shall have approved pursuant to Section 1.5(a)(1)(iii) below (the “Approved Title Exceptions”), (iii) the CC&Rs, (iv) the Project Site Grant Deed and Agreement, and (v) all exceptions to title caused by the acts or omissions of Buyer (the “Title Policy”). The Title Policy shall contain, to the extent required by Buyer, such special endorsements as Buyer may reasonably require, including, without limitation, any endorsements required as a condition to Buyer's approval of any title exceptions pursuant to Section 1.5(a)(1)(iii) below (the “Endorsements”).

1.5. Due Diligence/Entitlement Period.

(a) As used herein, the term “Entitlement Period” shall refer to the period of time commencing on the Open Escrow Date and expiring (i) at 4:30 p.m. on the 365th day thereafter, unless extended as provided for in 1.5(b), or (ii) upon the “Final Map Approval Date” (as defined in Section 1.5(a)(2)(i) below), whichever shall occur first. The term “Due Diligence Period” shall refer to a period of time to expire at 4:30 p.m. on the 90th day following the Open Escrow Date. Sellers shall concurrently with the Open Escrow Date make available to Buyer all documents and reports relating to the Property referenced in Section 1.6 below. In the event any of the conditions set forth in this Section 1.5(a) have not been fully satisfied within the time period set forth herein, Buyer shall have the right to terminate this Agreement.

Should Buyer fail to timely disapprove or waive in writing any of the Buyer conditions set forth in this Section 1.5(a), Buyer shall be deemed to have approved said condition(s) and said condition(s) shall be deemed satisfied. The following are conditions to Buyer's obligation to purchase the Project Site (collectively, "Buyer's Conditions"), and Buyer shall have the option to purchase the Project Site in its sole and absolute discretion until all such conditions have been satisfied or waived by Buyer:

(1) Diligence Period. The approval, deemed approval or waiver of the right to approve in Buyer's sole and absolute discretion of, the following conditions prior to the expiration of the Due Diligence Period, unless a shorter period is specified below:

(i) Condition of the Project Site. The condition of the Project Site, the boundaries and dimensions of the Project Site and Improvements, existing entitlements and permits relating to the Project Site, the soils and environmental condition of the Project Site, including, without limitation, the soils conditions and the presence of lead-based paint, asbestos or other hazardous materials on or about the Project Site, compliance of the Project Site with applicable laws, and all other aspects relating to the physical and economic condition of the Project Site, the suitability of the Project Site for Buyer's intended use, all matters disclosed by Sellers during the Pre-Submittal Conference, and any and all other matters relating to the Project Site deemed relevant by Buyer, including without limitation, any investigations, testing, studies and reports Buyer deems appropriate in connection with the Project Site;

(ii) Books and records. The documents, reports and other items described in Section 1.6 below.

(iii) Condition of Title. The approval in Buyer's sole and absolute discretion or waiver of the right to approve of the condition of title to the Project Site. The ALTA Commitment For Title Insurance dated January 30, 2017 for the Project Site, issued by Title Company, including all underlying documents referenced in the report may be accessed through the following link:

<http://ep.firstam.com/ViewOrderDetail/index?id=e71b572a-fb83-4984-8741-0aed00ee6ad4&userID=moc^trevocrekrap~namoeyd>

collectively, the "Commitment For Title Insurance"). Commitment Number **NHSC-4070140** has been assigned to this transaction and Mark Wardle shall be the Title Officer, whose direct telephone number is (951) 256-5830, and email address is MWardle@firstam.com. Buyer may advise Sellers of any objectionable condition disclosed by the Preliminary Report no later than five (5) business days after the Open Escrow Date ("Buyer's Notice"), provided, however, Sellers shall have five (5) business

days after receipt of Buyer's Notice to give Buyer: (i) evidence satisfactory to Buyer of the removal of such objectionable condition or that such objectionable condition will be removed or Buyer's conditions to its acceptance satisfied on or before the Closing; or (ii) notice that Sellers elect not to cause such objectionable condition to be removed or conditions to acceptance satisfied, provided that the failure of Sellers to give notice shall constitute Sellers' election under (ii), above. Sellers agree to cooperate with Buyer (at no cost to Sellers) in removing easements and other title exceptions that Buyer has objected to and Sellers have agreed to remove. If Buyer elects to terminate this Agreement pursuant to this Section 1.5(a)(1)(iii) prior to the end of the Due Diligence Period, the provisions of Section 1.5(c) below shall apply. If Buyer does not terminate this Agreement prior to the end of the Due Diligence Period, then all exceptions and conditions in the Commitment For Title Insurance, except those that Sellers have removed or agreed to remove, shall be deemed to be Approved Title Exceptions. Buyer's failure to provide Buyer's Notice to Sellers within the time period specified above shall be deemed Buyer's approval of the Commitment For Title Insurance. If any supplemental title report is issued, then Buyer shall have five (5) days to review and either approve or disapprove any new exceptions contained therein in the same manner provided above for the original Commitment For Title Insurance.

(iv) Other Due Diligence Review. Buyer may inspect and review any and all other aspects of the Project Site that Buyer deems appropriate in its sole and absolute discretion.

(v) Development Entitlements. Confirmation that the Project Site Entitlements were approved on February 18, 2015 and the Revised Project Site Entitlements approved on May 9, 2016 by the City and all appeal periods, including any time period for a citizens' referendum has expired.

(2) Entitlement Period. The approval, deemed approval or waiver of the right to approve, the following prior to the expiration of the original Entitlement Period, as may be extended pursuant to Section 1.5(b) below:

(i) Final Map Approval Date. The "Final Map Approval Date" shall be the date that is five (5) business days after the date on which the City approves Final Map 36764 for the Project Site consistent with Corona Municipal Code Chapter 16.16, including compliance with Government Code sections 66433 through 66443 and sections 66456 through 66462.5 of the Subdivision Map Act.

(ii) Payment of School Facility Fees. As a condition to the issuance of building permits, Buyer understands and agrees that its proposed development of the Project Site shall be subject to the payment of the greater of (a) the then current school facility fees adopted by the Board of Education of District, pursuant to Education

Code section 17621, or (b) the statutory rates for residential and/or commercial construction, as applicable, then in effect, pursuant to Government Code section 65995(b). This covenant shall be binding upon and enforceable against any successor, assign or nominee of Buyer.

(b) Buyer shall have the option to extend the Entitlement Period for four (4) consecutive additional periods of ninety (90) days each (the "Entitlement Extension"), provided that not less than thirty (30) days prior to the expiration of the original Entitlement Period, Buyer furnishes written notice to Sellers to include the following information deemed reasonably sufficient to Sellers: (i) the status of any Entitlements Approvals received and those outstanding; (ii) the time period in which Buyer reasonably expects to obtain all remaining Entitlements Approvals, which time period may not exceed Three Hundred Sixty-Five (365) days from the expiration of the original Entitlement Period; (iii) that Buyer has used commercially reasonable efforts to receive the Entitlements Approvals; and (iv) Buyer agrees that upon Sellers' acknowledgment in writing of Buyer's satisfaction of items (i) through (iii) of this paragraph, Buyer shall immediately make an One Hundred Thousand Dollars (\$100,000) Additional Deposit into Escrow, which amount shall not be credited against the Purchase Price, except as provided in Section 1.3(e)(ii).

(c) Subject to the deadlines established pursuant to Section 1.5(a), Buyer may elect, by written notice to Sellers at any time prior to the expiration of the Due Diligence Period to terminate this Agreement in the sole and absolute discretion of Buyer. Buyer shall not have the right to terminate this Agreement after the expiration of the Due Diligence Period, unless any of the "Buyer's Conditions" (as defined in Section 4.6(a)) have not been satisfied. Notwithstanding Section 7.18 of this Agreement, in the event Buyer shall fail to deliver timely written notice of its intent to terminate this Agreement, consistent with this Section 1.5(c), Buyer shall be deemed to have waived its right to terminate the Agreement.

(d) In the event of the termination of this Agreement pursuant to this Section 1.5, all Deposits still held by Escrow shall be returned to Buyer without further instructions and none of the Parties shall have any further obligations to the other Parties hereunder (except under provisions of this Agreement which specifically state that they survive termination).

1.6 Sellers' Documents and Reports. Sellers have made all documents, reports and such other non-privileged information in possession of Sellers reasonably related to the Project Site available to Buyer at the Pre-Submittal Conference and/or on the District website (collectively, the "Other Documents").

ARTICLE 2

SELLERS' REPRESENTATIONS AND WARRANTIES

2.1 Sellers' Representations and Warranties. Sellers warrant and represent that the following facts are true and correct as of the date of this Agreement, and that such warranties and representations shall be true and correct as of the Closing Date, and the truth and accuracy of such representations and warranties shall constitute a condition to the Closing. For purposes of this Section 2.1, representations qualified by words “to the best of Sellers' knowledge” or concerning matters known to Sellers or that otherwise refer to notice to Sellers or Sellers' knowledge, are based upon the actual knowledge of Ted E. Rozzi with regards to the District Property and Robert G. Nelson with regards to the Nelsons' Unimproved Property (without any duty of investigation or inquiry). The remedies for breach of the following representations and warranties shall survive the Closing.

(a) Authority. This Agreement and all documents executed by Sellers pursuant to this Agreement are or will be duly authorized, executed and delivered by Sellers, and are or will be legal, valid and binding obligations of Sellers, and do not and will not violate any provisions of any agreement, law, statute, ordinance, or judicial order to which Sellers or the Project Site is subject. There is no consent of any third party which is required to enable the Parties to execute, deliver and perform its obligations under this Agreement. The Parties have satisfied the requirements of all applicable laws, statutes and ordinances necessary to complete this transaction. The Parties shall provide a resolution or other appropriate documentation evidencing its authority to sell/purchase the Property, as appropriate, pursuant to this Agreement.

(b) Pending or Threatened Actions. (i) District has not received written notice of any actions, suits, material claims, legal proceedings, or any other proceedings pending or threatened before any court or governmental agency which may involve or affect the District Property or any portion thereof; and (ii) Nelsons have not received written notice of any actions, suits, material claims, legal proceedings, or any other proceedings pending or threatened before any court or governmental agency which may involve or affect the Nelsons' Unimproved Property.

(c) Governmental Actions. (i) District has received no notice of any condemnation, zoning change, or other proceeding or action by any governmental authority which would in any way affect the District's Property other than the approved Revised Project Site Entitlements, and to the best of District's knowledge, no such action or proceeding is threatened or contemplated; and (ii) Nelsons have received no notice of any condemnation, zoning change, or other proceeding or action by any governmental authority which would in any way affect the Nelsons' Unimproved Property other than the

approved Revised Project Site Entitlements, and to the best of Nelsons' knowledge, no such action or proceeding is threatened or contemplated.

(d) Compliance with Laws. (i) To the best of District's knowledge, the District's Property is in full compliance with all laws, ordinances, rules, regulations, orders, requirements, covenants, conditions, restrictions and other matters of record concerning the District's Property; and (ii) to the best of Nelsons' knowledge, the Nelsons' Unimproved Property is in full compliance with all laws, ordinances, rules, regulations, orders, requirements, covenants, conditions, restrictions and other matters of record concerning the Nelsons' Unimproved Property.

(e) Hazardous Substances. (i) To the best of District's knowledge, the District's Property is not in violation of any law regulating hazardous substances; and (ii) to the best of Nelsons' knowledge, the Nelsons' Unimproved Property is not in violation of any law regulating hazardous substances.

(f) Default. (i) To the best of District's knowledge, District is not in default in respect to any material obligation pertaining to the District's Property, which default would have a material adverse effect upon Buyer's intended development of the Project Site; and (ii) to the best of Nelsons' knowledge, the Nelsons are not in default in respect to any material obligation pertaining to the Nelsons' Unimproved Property, which default would have a material adverse effect upon Buyer's intended development of the Project Site.

(g) Other Transactions. Other than in connection with the transaction contemplated under this Agreement (including, without limitation, Article 5 below), Sellers shall not, without the prior written consent of Buyer (which consent shall not be unreasonably withheld or delayed), enter into any lease, service agreement or other contract affecting the Project Site which by its terms will not terminate prior to the Closing Date.

(h) Exemption from Subdivision Map Act. The District is exempt from real property taxation on the District Property and is also exempt from complying with the California Subdivision Map Act, as amended or recodified from time to time.

(i) Environmental Condition. Other than the Project Site use as a citrus orchard since 1931 as discussed in the Phase 1 Environmental Site Assessment prepared in April 2014, and the reported low levels of pesticides detected at concentrations well below agency action levels, to the best of Sellers' knowledge, i.e. the District as to the District Property and the Nelsons as to the Nelsons' Unimproved Property (x) Sellers have not released, stored, treated, generated or disposed of any Hazardous Substance (as defined below) on or under the Project Site in violation of Hazardous Waste Law (as

defined below), and (y) no Hazardous Substance exists on the Project Site in violation of Hazardous Waste Law.

For purposes of this Agreement, the following terms shall have the following meanings:

(A) “Hazardous Substance” means any substance, waste, matter or material which (i) has been or is at any time determined by any state or federal court in a reported decision to be a waste, pollutant, contaminant, hazardous waste, hazardous material, or hazardous substance (or similar designation), (ii) has been or is determined by an Governmental Authority to be a waste, pollutant, contaminant, hazardous waste, hazardous substance or hazardous material (or similar designation), (iii) is described as, or has been or is determined to be a waste, pollutant, contaminant, hazardous waste, hazardous substance, or hazardous material (or similar designation) under any Hazardous Waste Law, or (iv) is regulated under any Hazardous Waste Law.

(B) “Hazardous Waste Law” means any law, statute, ordinance, code, rule, regulation, decree, resolution or requirement promulgated by any Governmental Authority with respect to Hazardous Substances, including, without limitation, the following: (i) the Resource Conservation and Recovery Act of 1976, as amended by the Hazardous and Solid Waste Amendments of 1984, 42 U.S.C. Section 6901 et seq.; (ii) the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C. Section 9601 et seq.; (iii) the Clean Water Act, 33 U.S.C. Section 1251 et seq.; (iv) the Safe Drinking Water Act, 42 U.S.C. Section 300f et seq.; (v) the Toxic Substances Control Act, 15 U.S.C. Section 2601 et seq.; (vi) the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801 et seq.; (vii) the Clean Air Act, 42 U.S.C. Section 7401 et seq.; (viii) the Federal Insecticide, Fungicide, and Rodenticide Act, 7 U.S.C. Section 136 et seq.; (ix) the Occupational Safety and Health Act of 1970, 29 U.S.C. Section 651 et seq.; (x) the California Hazardous Waste Control Law, California Health and Safety Code Section 25100 et seq.; (xi) the Hazardous Substance Account Act, California Health and Safety Code Section 25300 et seq.; (xii) the Safe Drinking Water and Toxic Enforcement Act of 1986, California Health and Safety Code Section 25249.5 et seq.; (xiii) the Porter-Cologne Water Quality Control Act, California Water Code Section 13000 et seq.; and (xiv) the California Air Resources Law, California Health and Safety Code Section 39000 et seq.

(C) “Governmental Authority” shall mean any local, regional, state or federal governmental entity, agency, court, judicial or quasi-judicial body, or legislative or quasi-legislative body.

ARTICLE 3

BUYER'S REPRESENTATIONS AND WARRANTIES

3.1 Buyer's Representations and Warranties. Except as expressly provided in Section 3.1(c) below, Buyer warrants and represents that the following facts are true and correct as of the date of this Agreement, and that such warranties and representations shall be true and correct as of the Closing Date, and the truth and accuracy of such representations and warranties shall constitute a condition to the Closing. The remedies for breach of the following representations and warranties shall survive the Closing.

(a) Neither this Agreement, nor anything provided to be done hereunder, violates or shall violate any contract, agreement or instrument to which Buyer is a party. The execution, consent or acknowledgment of no person or entity is necessary in order to validate the execution of this Agreement by Buyer or permit the consummation of the transactions contemplated herein.

(b) Buyer has the full right and authority to enter into this Agreement and consummate the transactions contemplated herein, and each of the persons signing this Agreement on behalf of Buyer is authorized to do so.

(c) Upon approval of Buyer's Conditions set forth in Section 1.5(a) above, Buyer has inspected and is familiar with all matters that it believes pertinent to its ownership, development, and use of the Project Site. Buyer has made such independent investigations, inspections, analyses and research as Buyer has deemed necessary or appropriate (or, in the alternative, Buyer has elected at its risk not to make such investigations, inspections, analyses and research), concerning the ownership, use, development, and sale of the Project Site consistent with the approved Revised Project Site Entitlements.

(d) Subject to the representations and warranties of Sellers set forth in Article 2 above and the approved Revised Project Site Entitlements, Buyer is relying solely upon its own inspections, investigations, research and analyses of the foregoing matters in entering into this Agreement and is not relying in any way upon any representations, warranties, statements, plans, specifications, cost estimates, studies, reports, descriptions, guidelines or other information or material furnished by Sellers or its representatives to Buyer or its representatives, whether oral or written, including, without limitation, any information, documents, reports or other non-privileged information related to the Property included on the District's website or made available to Buyer at the Pre-Submittal Conference. Sellers shall have no liability with respect to the accuracy or completeness of any such information, all of which Buyer shall verify to its own satisfaction and all of which Buyer shall use and rely on solely at its own risk.

(e) (i) Subject to Buyer's timely approval of Buyer's Condition set forth in Section 1.5(a) above, and except for those representations and warranties of Sellers contained in Article 2, as of the Closing, Buyer accepts the Property in its present state and condition and **"AS-IS WITH ALL FAULTS;"** (ii) Buyer accepts the Project Site subject to the Revised Project Site Entitlements and any and all regulations which may hereafter be imposed on or against the Project Site by any governmental authority; (iii) Sellers are not obligated to do any grading, restoration, repairs or other work of any kind or nature whatsoever on the Project Site and, specifically, but without derogating from the generality of the foregoing, other than the "Temporary Construction Easement(s)" to be conveyed by the Nelsons to Buyer pursuant to Sections 5.2 (a), Sellers are not responsible for any work on or improvement of the Project Site necessary to cause the Project Site to be suitable for Buyer's intended residential development of the Project Site; (iv) Buyer accepts the Project Site in its existing condition with respect to (A) such matters as disclosed in Buyer's inspections, research, investigations and analyses, if any, and (B) the compliance of the Project Site with all Hazardous Waste Law; and (v) no patent or latent condition affecting the Project Site in any way, whether or not known or discoverable or hereafter discovered, shall affect Buyer's obligation to purchase the Project Site or to perform any other act otherwise to be performed by Buyer under this Agreement, nor shall any such condition give rise to any action, proceeding, claim or right of damage or rescission against Sellers. Without limiting the generality of the foregoing, Buyer acknowledges and agrees that Sellers specifically disclaims any responsibility for:

(i) Any opinions or conclusions of any soils engineer retained to perform geotechnical and soils studies or to oversee the soils engineering aspects of developing the Project Site;

(ii) Any opinions or conclusions of any civil engineer retained in connection with developing the Project Site;

(iii) Any opinions or conclusions of any market research consultant for the Project Site;

(iv) Any opinions or conclusions of any environmental engineer or consultant retained to perform environmental or Hazardous Substance studies or to oversee any environmental related aspects of developing the Project Site;

(v) The availability of sewer, water or building permits for the Project Site; and

(vi) The existence of any pre-historical, historical, paleontological, or archeological deposits on the Project Site.

(f) Prior to the Closing Date, Buyer shall timely secure, execute and deliver to the City any performance bond, Subdivision Agreement and/or any other document reasonably required by the City for the planned development of the Project Site, and shall assume any and all obligations and expenses associated therewith.

ARTICLE 4

ESCROW

4.1 Escrow and Escrow Holder. The escrow for the transaction contemplated by this Agreement (the "Escrow") will be opened with First American Title Company, located at 18500 Von Karman Avenue, Suite 600, Irvine, California 92612 (the "Escrow Holder"). The Escrow number assigned to this transaction is [REDACTED]. The Escrow officer shall be Brenna Ryan, whose direct telephone number is (949) 885-2404, and email address is BRyan@firstam.com.

4.2 Opening Date of Escrow.

(a) Within ten (10) days following Sellers' acceptance of Buyer's Bid Proposal to purchase the Project Site, Escrow shall be opened with Escrow Holder in connection herewith and shall be deemed opened upon the date in which the Parties have deposited with Escrow Holder four (4) fully executed originals of the Agreement (the "Open Escrow Date"). The Escrow Holder shall (a) endorse all four (4) Agreements upon receipt and return one original to Buyer and one original to each of the Sellers, and (b) confirm the Open Escrow Date by written notice to Buyer and Sellers. Buyer shall, within two (2) business days following the Open Escrow Date, deliver to Escrow Holder the Initial Deposit. In the event either Party fails to timely comply with the requirements of this Section 4.2(a), Escrow shall automatically terminate and the Parties shall thereafter have no further obligations under this Agreement.

(b) Escrow Instructions. This Agreement shall constitute escrow instructions to Escrow Holder. Sellers and Buyer shall execute such supplemental Escrow instructions as may be appropriate to enable Escrow Holder to comply with the terms of this Agreement, provided such supplemental Escrow instructions that are not in conflict with this Agreement as it may be amended in writing from time to time. In the event of any conflict between the provisions of this Agreement and any supplementary Escrow instructions signed by Buyer and Sellers, the terms of this Agreement shall control.

4.3 Closing Date of Escrow. Subject to the provisions of this Agreement, the Parties shall close Escrow for the sale and purchase of the Project Site on the earlier to occur of a date mutually reasonably agreed upon by the Parties within fifteen (15) days following (i) the expiration of the Entitlement Period, or Entitlement Extension, as

applicable, or (ii) the Final Map Approval Date. The date on which the Closing occurs is herein referred to as the "Closing Date". The conveyance of fee title to the Project Site as contemplated by this Agreement (the "Closing") shall occur, provided that all of the conditions of Closing referred to in this Article have been satisfied.

4.4 Certain Obligations of Buyer. In addition to fulfilling any obligations of Buyer contained in this Agreement, on or before one (1) business day prior to the Closing Date, Buyer shall have deposited into Escrow:

(a) The Purchase Price, less the Initial Deposit and any portion of the Additional Deposit not previously released to Sellers, pursuant to Section 1.3;

(b) All other sums and documents reasonably required of Buyer by Escrow Holder to carry out the Closing;

(c) An Assignment and Bill of Sale for the Project Site in the form set forth on **Exhibit "H"** attached hereto ("District Assignment");

(d) The Closing Statement form prepared by Escrow Holder with content satisfactory to Buyer and Sellers (the "Closing Statement") duly executed by Buyer;

(e) The approved Final Map 36764;

(f) Any other instruments, records or correspondence called for hereunder to be delivered by Buyer that has not previously been delivered.

Sellers may waive compliance on Buyer's part under any of the foregoing items only by an instrument in writing.

4.5 Certain Obligations of Sellers. In addition to fulfilling any obligations of Sellers contained in this Agreement, on or before one (1) business day prior to the Closing Date, Sellers shall have deposited into Escrow:

(a) Nelsons' Unimproved Property Grant Deed substantially in the form attached as **Exhibit "E"**, properly executed and acknowledged by the Nelsons to the District;

(b) Declaration of Covenants, Conditions, Restrictions and Easements in the form attached as **Exhibit "F"**, properly executed and acknowledged by the Nelsons and the District;

(c) All other sums and documents reasonably required of Sellers by Escrow Holder to carry out the Closing;

(d) Project Site Grant Deed and Agreement substantially in the form attached as **Exhibit “G”**, properly executed and acknowledged by the District to the Buyer;

(e) An Assignment and Bill of Sale for the Project Site in the form set forth on **Exhibit “H”** attached hereto (“District Assignment”);

(f) A duly executed affidavit that neither the District nor the Nelsons is a “foreign person” within the meaning of Section 1445(e)(3) of the Internal Revenue Code of 1986 in the form attached hereto as **Exhibits “I-1” and “I-2”** respectively (the “Transferor's Certification of Non-Foreign Status”) together with such other a duly executed documents as may be required to indicate that no withholding is required;

(g) A Closing Statement form prepared by Escrow Holder with content satisfactory to Buyer and Sellers duly executed by Sellers;

(h) Any other documents or agreements required by the Title Company to issue the Title Policy in the form required by this Agreement; and

(i) Any other instruments, records or correspondence called for hereunder to be delivered by Sellers that have not previously been delivered.

Buyer may waive compliance on Sellers' part under any of the foregoing items only by an instrument in writing.

4.6 Conditions to Closing.

(a) Buyer's Conditions. The following are conditions precedent to Buyer's obligations under this Agreement (the “Buyer's Conditions”). The Buyer's Conditions are intended solely for the benefit of Buyer and may be waived only by Buyer in writing. In the event any of Buyer's Conditions is not satisfied, Buyer may, in its sole and absolute discretion, terminate this Agreement, and, subject to the provisions of Section 7.1, all obligations of Buyer and Sellers hereunder (except provisions of this Agreement which recite that they survive termination) shall terminate and be of no further force or effect.

(i) Buyer's inspection, review and approval in Buyer's sole and absolute discretion, at Buyer's expense and within the Due Diligence Period, of all aspects of the Project Site.

(ii) Sellers shall have deposited with Escrow Holder all sums and documents required to be deposited pursuant to Section 4.5.

(iii) The commitment of Title Company to issue to Buyer upon Closing the Title Policy subject only to the Approved Title Exceptions including the Endorsements and all other items described in Section 1.4.

(iv) Sellers shall not be in default under this Agreement and the representations and warranties of Sellers under Article 2 are true and correct as of the date of this Agreement and shall be true and correct as of the Closing Date (Escrow Holder shall not be concerned with these conditions unless Escrow Holder receives written notice from Buyer that it believes a representation or warranty of Sellers is untrue and incorrect).

(v) Sellers shall have fully complied with all of Sellers' duties and obligations contained in this Agreement.

(vi) As of the Closing Date, there shall be no litigation or administrative agency or other governmental proceeding pending or threatened, which after Closing would, in Buyer's reasonable discretion, materially adversely affect the value of the Project Site or the ability of Buyer to develop the Project Site in the manner contemplated by Buyer consistent with the approved Revised Project Site Entitlements and Final Map 36764.

(vii) In Buyer's reasonable determination, there shall have been no material adverse change in or addition to the information or items reviewed and approved by Buyer during the Due Diligence Period.

(b) Sellers' Conditions. The following are conditions precedent to Seller's obligations under this Agreement (the "Sellers' Conditions"). The Sellers' Conditions are intended solely for the benefit of Sellers and may be waived only by Sellers in writing. In the event any of Sellers' Conditions are not satisfied, Sellers may, in their sole and absolute discretion, terminate this Agreement, and, subject to the provisions of Section 7.1, all obligations of Buyer and Sellers hereunder (except provisions of this Agreement which recite that they survive termination) shall terminate and be of no further force or effect.

(i) Buyer shall have deposited with Escrow Holder all sums and documents required to be deposited pursuant to Section 4.4.

(ii) Buyer shall not be in default under this Agreement and the representations and warranties of Buyer under Article 3 are true and correct as of the date of this Agreement, except as expressly provided in Section 3.1(c), and shall be true and

correct as of the Closing Date (Escrow shall not be concerned with these conditions unless Escrow Holder receives written notice from Sellers that they believe a representation or warranty is untrue and incorrect).

(iii) Buyer shall have fully complied with all of Buyer's duties and obligations contained in this Agreement.

4.7 Duties of Escrow Holder. The duties of Escrow Holder shall be as follows:

(a) Retain and safely keep all funds, documents and instruments deposited with it pursuant to this Agreement;

(b) Upon the Closing, deliver to the Parties entitled thereto all funds, documents and instruments to be delivered through Escrow pursuant to this Agreement including Paragraph 3 of the Reimbursement Agreement attached as **Exhibit "D"**;

(c) Upon the Closing, cause the recordation of the documents as provided in Section 4.8;

(d) Comply with the terms of this Agreement which specifically apply to Escrow Holder and comply with the terms of any additional instructions jointly executed by Buyer and Sellers;

(e) Handle the Deposit and all other funds deposited with Escrow Agent according to the terms of this Agreement;

(f) Upon the Closing, cause the Title Company to issue the Title Policy to Buyer; and

(g) Prior to the Closing, prepare and provide to Buyer and Sellers the Closing Statement for their consent and execution.

4.8 Recordation of Documents and Delivery of Funds. Upon receipt of the funds and instruments described in this Article, and upon the satisfaction of the conditions to Closing referred to in this Article, Escrow Holder shall, consistent with Government Code Section 66428(a)(2), cause the Nelsons' Unimproved Property Grant Deed and Agreement, CC&Rs, the Project Site Grant Deed and Agreement, and approved Final Map 36764 to be recorded (in that order) in the office of the County Recorder of the County of Riverside, California. Upon the Closing, Escrow Holder shall deliver the Purchase Price (less the Releases), to Sellers based upon the following allocation: Seventy-Five Percent (75%) to the District plus One Hundred Thirty-Two Thousand Five Hundred Dollars (\$132,500) from the Nelsons' remaining Twenty-Five Percent (25%),

consistent with Paragraphs 3 and 4.4 of the Reimbursement Agreement. Escrow Holder is instructed to request that the amount of the documentary transfer tax due be shown on the face of the Project Site Grant Deed and Agreement by the County Recorder after the permanent record thereof is made.

4.9 Prorations. Since the District is a public agency for which real property taxes do not apply, no proration of real property taxes shall be made through Escrow with regards to the District Property. The Nelsons shall timely pay all real property taxes and assessments allocable to the Nelsons' Unimproved Property accruing prior to the Close of Escrow. Buyer shall be responsible for any real property taxes and assessments payable with regard to the Project Site after the Closing of Escrow.

4.10 Closing Costs. Sellers shall pay for the cost of obtaining a standard California Land Title Association title insurance policy in the amount of the Purchase Price pursuant to Section 1.4, any transfer taxes applicable to the sale and recording fees for recording of the CC&Rs, Nelsons' Unimproved Property Grant Deed and Agreement and Project Site Grant Deed and Agreement. All such costs and charges to be paid by Sellers shall be allocated in the same ratio as set forth in Paragraph 4.4 of the Reimbursement Agreement; namely, 25.00% by the Nelsons and 75.00% by the District. Buyer shall pay any additional premium necessary for an ALTA extended coverage owner's policy, if requested, the cost of any Endorsements, the cost of any survey of the Project Site, the chain of title search, any sales taxes, and the cost of Buyer's inspection of the Project Site. Any Escrow fees shall be borne equally by Sellers and Buyer. All other costs and charges of the Escrow not otherwise provided for in this Agreement shall be allocated in accordance with the closing customs for Riverside County. Buyer and Sellers shall each be responsible for their respective legal fees to negotiate and execute this Agreement.

4.11 Reporting Requirements. The Escrow Holder shall comply with all applicable federal, state and local reporting and withholding requirements relating to the close of the transactions contemplated herein. Without limiting the generality of the foregoing, to the extent the transactions contemplated by this Agreement involve a real estate transaction within the purview of Section 6045 of the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code"), Escrow Holder shall have sole responsibility to comply with the requirements of Section 6045 of the Internal Revenue Code (and any similar requirements imposed by state or local law). For purposes hereof, the District's tax identification is 33-0277305 and the Nelsons' tax identification and social security number are 47-7368378 and 547-54-6966. Escrow Holder shall hold Buyer, Sellers and their counsel free and harmless from and against any and all liability, claims, demands, damages and costs, including reasonable attorney's fees and other litigation expenses, arising or resulting from the failure or refusal of Escrow Holder to comply with such reporting requirements.

4.12 Default. Time is of the essence in this Agreement. If Buyer or Sellers (the “Defaulting Party”) fails to deposit any of the amounts due pursuant to this Agreement, or fails to perform any other act when due prior to the Closing of the Escrow, then the Defaulting Party shall be deemed in default unless such failure is cured within fifteen (15) days after written notice from the Non-Defaulting Party specifying the breach.

4.13 Escrow Cancellation Charges. In the event that Escrow shall fail to close by reason of the default by either of the Parties, the Defaulting Party shall be liable for all Escrow cancellation charges.

ARTICLE 5

DEVELOPMENT MATTERS

5.1 Final Map. Consistent with the approved Revised Project Site Entitlements and Final Map 36764, following the Close of Escrow, Buyer shall diligently take such actions as may be necessary for the Nelsons' Residential Property to constitute a separate legal parcel.

5.2 Formation of Homeowners Association. Upon recordation of Final Map 36764, Buyer shall be required to create a homeowners association (“H.O.A.”) in compliance with the Davis-Stirling Common Interest Development Act, commencing with California Civil Code Section 4000, for the purpose of maintaining the common areas within the Project Site, including, but not limited to:

(a) Garretson Avenue Improvements. Buyer shall be responsible for constructing the utility and landscape improvements along Garretson Avenue (the “Garretson Avenue Improvements”) pursuant to the Conditions of Approval for Project TTM 36764 imposed by the City (collectively, the “Conditions of Approval”), including without limitation, Areas 1-5 affecting the Nelsons' Residential Property containing approximately 0.12 acres as depicted in the Site Plan attached as **Exhibit “J-1”** (“Garretson Avenue Improvements Site Plan”). Concurrently with the construction of the Garretson Avenue Improvements, Buyer shall be required to remove the existing palm trees adjacent to the Nelsons' Residential Property, and install the approved parkway landscaping (Areas 1-5), consistent with the Planting Guide attached as **Exhibit “J-2”** (“Garretson Avenue Planting Guide”). Buyer shall be responsible for maintaining the Garretson Avenue Improvements consistent with the Garretson Avenue Planting Guide for a period of ninety (90) days following completion of the Garretson Avenue Improvements. Upon the expiration of the ninety (90) day maintenance period by Buyer, Buyer or H.O.A. shall thereafter be responsible for permanently maintaining Area 1 adjacent to the Nelsons Residential Property and the Nelsons shall be responsible for permanently maintaining Areas 2-5 of the Garretson Avenue Improvements located on the

Nelsons' Residential Property. The Nelsons shall grant a Temporary Construction Easement to Buyer or H.O.A. for the purpose of constructing and maintaining Areas 2-5 of the Garretson Avenue Improvements until the expiration of the aforementioned 90-day maintenance period.

(b) Grading Easement. Concurrently with the recordation of Final Map 36764 or issuance of the first grading permit for the Project Site, whichever occurs first, the Nelsons shall grant a Grading Easement (as defined below) to the Buyer or H.O.A. for the purpose of performing corrective and remedial grading associated with the development of the Project Site in favor of the Buyer as generally depicted in **Exhibit "L"** (the "Grading Easement"). The Grading Easement shall authorize and require Buyer to install a new six foot (6') high block wall along the northerly and most westerly edge of Lot C entirely upon the Nelsons' Residential Property.

(c) Drainage Easement. Concurrently with the recordation of Final Map 36764 or issuance of the first grading permit for the Property, whichever occurs first, the Buyer or H.O.A. shall be required to construct and maintain a permanent water quality basin to the east of Lot 20 and south of the Nelsons' Residential Property to serve the water quality for the lots shown on TTM 36764 as depicted on **Exhibit "L"**. Concurrent with the construction of the water quality basin, the Nelsons shall grant an easement in favor of the Buyer or H.O.A. for the purpose of constructing and maintaining a drainage line under the existing driveway (as depicted in **Exhibit "L"** (the " Drainage Easement"). The driveway shall be saw-cut and the trench, once backfilled shall be paved with decorative paving to replace the disturbed concrete. The Drainage Easement shall exist until the close of escrow on the sale of the Nelsons' Residential Property if the Nelsons' Residential Property is to be used for purposes other than to utilize and maintain the current residential improvements, in which event the Drainage Easement shall continue until the completion of an alternative water quality facility by the purchaser of the Nelsons' Residential Property which accepts and treats runoff from the Project Site at which time the Drainage Easement shall automatically be revoked and terminated.

(d) Pump and Sewer Connection. Prior to the commencement of any construction activities following the recordation of Final Map 36764, Buyer or H.O.A. shall be responsible for constructing a pump and sewer connection (collectively, the "Sewer Connection") on the Project Site and/or the Nelsons' Residential Property which accepts and transports the sewage generated from the Nelsons' Residential Property. If Buyer or H.O.A. determines to construct any portion of the Sewer Connection on the Nelsons' Residential Property, the Nelsons shall grant a blanket Temporary Construction Easement to Buyer or H.O.A. for the purpose of constructing the Sewer Connection. Buyer or H.O.A. shall exercise reasonable diligence to affect the placement of the Sewer Connection to cause the least interference and/or damage as possible to the existing improvements on the Nelsons' Residential Property.

5.3 Construction Improvements/Conveyance of Entry Property. Prior to the commencement of any construction activities following the recordation of Final Map 36764, Buyer shall, at its sole cost and expense, construct or cause the construction of a six foot (6') high concrete block perimeter wall along the entry edge of the approximate 0.16 acre triangular piece of property adjacent to the Nelsons' Residential Property which is depicted on the Site Map attached as **Exhibit "K"** (the "Entry Property"), including related grading and landscaping (collectively the "Entry Property Improvements"). Buyer shall be responsible for maintaining all such landscaping for a period of ninety (90) days following completion of the Entry Property Improvements. Upon the satisfactory completion by Buyer, including the 90-day landscaping maintenance period, and acceptance by the Nelsons of the Entry Property Improvements, the Buyer, at no cost or expense to Sellers, shall convey fee title of the Entry Property to the Nelsons, free from any monetary encumbrances, mechanics', Materialmen's, contractors' or subcontractors' liens, in its then present state and condition and **"AS-IS WITH ALL FAULTS."**

ARTICLE 6

RELEASE

6.1 Release. Excepting therefrom any obligations and liabilities of the Parties under this Agreement, or the breach by Sellers or Buyer of any representations and warranties under Article 2 or Article 3 above, as appropriate, or the fraud or willful misconduct of either Party, effective upon the Closing Date, the Parties release and discharge each other, and each party's representatives, agents, attorneys, contractors, professional consultants, successors and assigns, and their respective partners, shareholders, members, directors, officers, employees, agents, representatives, parents, affiliates, subsidiaries, predecessors, successors and assigns (collectively, "Parties' Affiliates") from any and all claims, demands, suits, actions, debts, liabilities, obligations, damages, losses, costs, expenses, attorneys' fees, and rights of contribution of every nature, character and description which the Parties have, or may have in the future, whether known or unknown, arising out of, related to, or in any way connected with, the Project Site.

The Parties agree that this release is fully effective regardless of any present lack of knowledge on the part of any party as to any possible claim or any facts or circumstances pertaining to this matter. In connection therewith, the Parties expressly waive the benefits and provisions of Section 1542 of the California Civil Code, and any similar laws of any state or territory of the Unified States or other jurisdiction. Section 1542 of the California Civil Code provides as follows:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release,

which if known by him must have materially affected his settlement with the debtor.

Buyer's Initials

Sellers' Initials

ARTICLE 7

MISCELLANEOUS PROVISIONS

7.1 Remedies.

(a) IN THE EVENT THE SALE OF THE PROJECT SITE IS NOT CONSUMMATED BECAUSE OF THE FAILURE OF ANY CONDITION OR ANY OTHER REASON EXCEPT A DEFAULT UNDER THIS AGREEMENT SOLELY ON THE PART OF BUYER, THE INITIAL DEPOSIT, LESS THE DUE DILIGENCE RELEASE AND ADDITIONAL DEPOSIT, IF APPLICABLE, WHICH SHALL BE RETAINED BY SELLERS IN ACCORDANCE WITH SECTION 1.3, PARAGRAPHS (d) AND (e), SHALL IMMEDIATELY BE RETURNED TO BUYER WITHOUT FURTHER INSTRUCTIONS. IF SAID SALE IS NOT CONSUMMATED SOLELY BECAUSE OF A MATERIAL DEFAULT UNDER THIS AGREEMENT ON THE PART OF BUYER, THE DEPOSITS, LESS THE RELEASES ALREADY RETAINED BY SELLERS, SHALL BE PAID TO AND RETAINED BY SELLERS AS LIQUIDATED DAMAGES. THE PARTIES HAVE AGREED THAT SELLERS' ACTUAL DAMAGES, IN THE EVENT OF A DEFAULT BY BUYER, WOULD BE EXTREMELY DIFFICULT OR IMPRACTICABLE TO DETERMINE. THEREFORE, BY PLACING THEIR INITIALS BELOW, THE PARTIES ACKNOWLEDGE THAT THE DEPOSITS HAVE BEEN AGREED UPON, AFTER NEGOTIATION, AS THE PARTIES' REASONABLE ESTIMATE OF SELLERS' DAMAGES AND AS SELLERS' SOLE AND EXCLUSIVE REMEDY AGAINST BUYER, AT LAW OR IN EQUITY, IN THE EVENT OF A DEFAULT UNDER THIS AGREEMENT ON THE PART OF BUYER.

INITIALS: Sellers _____ Buyer _____

(b) In the event the sale of the Project Site is not consummated due solely to either of the Sellers' material default under this Agreement, (i) Sellers shall return all disbursed Releases to Buyer other than the Due Diligence Release and the first Additional Release, if applicable, which Sellers shall be entitled to retain, (ii) the balance of the Deposits shall be immediately paid by Escrow Holder to Buyer, and (iii) Buyer may, in its

sole and absolute discretion, avail itself of any and all other legal and equitable remedies available under California law to a buyer of real property upon a default by a seller.

7.2 Continuation and Survival. All representations, warranties and covenants by the respective Parties contained herein or made in writing pursuant to this Agreement are intended to and shall be deemed made as of the date of this Agreement or such writing and again at the Closing, shall be deemed to be material, and unless expressly provided to the contrary shall survive the execution and delivery of this Agreement, the Project Site Grant Deed and Agreement and the Closing.

7.3 Possession. Possession of the Project Site shall be delivered by Sellers to Buyer on the Closing Date, provided, however, that prior to the Closing Date Sellers shall afford authorized representatives of Buyer access to the Project Site for purposes of conducting such tests, inspections and reviews as Buyer deems necessary or appropriate, including without limitation environmental and subsurface soil investigations. If Buyer desires to undertake any investigation or testing of the Property, Buyer or Buyer's consultant shall maintain a minimum of One Million Dollars (\$1,000,000.00) of commercial general liability insurance. Such insurance shall name Sellers as an additional insured and Buyer or Buyer's consultant shall provide Sellers with proof of such insurance coverage prior to conducting any such tests, inspections or reviews of the Project Site. Buyer hereby agrees to indemnify, defend and hold Sellers harmless from any damage or injury to persons or property caused by Buyer or its authorized representatives during their entry and investigations prior to Closing.

7.4 No New Contracts; Termination of Existing Contracts. During the term of this Agreement, Sellers shall not enter into any lease, service agreement or other contract affecting the Project Site, in whole or in part, which by its terms will not terminate prior to the Closing of Escrow. Sellers shall terminate prior to the Closing, at no cost or expense to Buyer, any and all service agreements and other contracts affecting any portion of the Project Site.

7.5 Insurance. Through the Closing Date, Sellers shall either self-insure or maintain or cause to be maintained, at Sellers' sole cost and expense, and each in the amount and form maintained by Sellers prior to the date of this Agreement, a policy or policies of commercial general liability insurance.

7.6 Brokers and Finders. Sellers have not had any contact or dealings regarding the Project Site, or any communication in connection with the subject matter of this transaction, through any real estate broker or other person who can claim a right to a commission or finder's fee in connection with the sale contemplated herein. In the event that any broker or finder claims a commission or finder's fee based upon any contact, dealings or communication, the party through whom the broker or finder makes its claim

shall be responsible for said commission or fee and all costs and expenses (including, without limitation, reasonable attorneys' fees) incurred by the other party in defending against the same. The party through whom any other broker or finder makes a claim shall hold harmless, indemnify and defend the other party hereto, its successors and assigns, agents, employees, officers and directors, and the Project Site from and against any and all obligations, liabilities, claims, demands, liens, encumbrances and losses (including, without limitation, attorneys' fees), whether direct, contingent or consequential, arising out of, based on, or incurred as a result of such claim. The provisions of this Section shall survive the termination of this Agreement.

7.7 Default and Termination.

(a) Default. The occurrence of the following, after the giving of the notice required by Section 7.7(c), shall constitute a material default (“Default”) under this Agreement by the non-performing Party: the failure to observe and perform each and every condition, restriction, covenant or obligation in this Agreement applicable to the non-performing Party or the breach of any representation by that Party, except as expressly excused as provided in Section 7.7(b).

(b) Right to Cure Default. The Party whose acts or omissions to act give rise to a Default as defined in Section 7.7(a) shall be entitled to cure, correct, or remedy such Default, if (i) such defaulting party commences curing said Default within five (5) days of receipt of the “Notice of Default”, as defined in Section 7.7(c), and (ii) such defaulting Party thereafter diligently and continuously pursues the curing of the Default, and (iii) such defaulting Party fully completes such cure, correction or remedy within fifteen (15) days of receipt of said Notice of Default. If the Default is not cured within the applicable period provided above, the non-breaching Party shall have the option, at its sole election, to extend the cure period as may be reasonably necessary to cure the Default, or terminate this Agreement by giving written notice of such election to the breaching Party. In the event the non-breaching Party determines to terminate this Agreement due to an uncured Default, the non-breaching Party's remedy shall be as provided in Section 7.1.

(c) Notice of Default. The non-breaching Party shall give written notice of default (“Notice of Default”) to the non-performing Party in the manner provided for in Section 7.9, specifying the breach of this Agreement complained of by the non-breaching Party. Failure or delay in giving such notice shall not constitute a waiver of any breach of this Agreement.

7.8 Marketing. Sellers agree not to market or show the Property to, or solicit offers from, any other prospective purchasers during the term of this Agreement.

7.9 Notices. Any notice, consent or approval required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been given upon (i) delivery by hand, (ii) one business day after being deposited with Federal Express or another reliable overnight courier service for next day delivery, or (iii) if given by facsimile followed the same day with Federal Express or another reliable overnight courier service for next day delivery, when sent, or (iv) the date of receipt or refusal of delivery if deposited in the United States mail, registered or certified mail, postage prepaid, return receipt required, and addressed as follows:

If to District (Seller): Corona-Norco Unified School District
2820 Clark Avenue
Norco, California 92860
Attn: Ted E. Rozzi
Assistant Superintendent, Facilities
(951) 736-5045
(951) 736-5047 (fax)

With a copy to: Parker & Covert LLP
17862 East Seventeenth Street, Suite 204
Tustin, California 92780-2164
Attn: Douglas N. Yeoman, Esq.
(714) 573-0900
(714) 573-0998 (fax)

If to Nelsons (Seller): Robert G. Nelson
1454 Valley Drive
Norco, California 92860

With a copy to: Clayson, Mann, Yaeger & Hansen
601 South Main Street
Corona, California 92882
Attn: David R. Saunders, Esq.

If to Buyer:

Attn: _____
() - _____
() - _____ (fax)

With a copy to:

[REDACTED]
[REDACTED]
[REDACTED]
Attn: [REDACTED]
([REDACTED]) [REDACTED] - [REDACTED]
([REDACTED]) [REDACTED] - [REDACTED] (fax)

If to Escrow:

First American Title Company
18500 Von Karman Avenue, Suite 600
Irvine, California 92612
Attn: Brenna Ryan
Escrow Officer
(949) 885-2404

or such other address as either party may from time to time specify in writing to the other.

7.10 Successors, Assigns and Nominees. Buyer shall not have the right to assign this Agreement without the consent or approval of Sellers. This Agreement shall be binding upon, and inure to the benefit of, the Parties hereto and their respective successors, heirs, administrators and assigns. Notwithstanding the foregoing, Buyer may designate a California limited liability company (“LLC”) as nominee in which title to the Project Site will vest at the Close of Escrow, provided that the LLC is formed by Buyer as an asset specific entity for the development of the Project Site as contemplated in this Agreement, and provided further that Buyer shall furnish to Sellers written evidence of the creation of any such LLC. No such nominee however shall release Buyer from its obligations under the Agreement.

7.11 Amendments. Except as otherwise provided herein, this Agreement may be amended or modified only by a written instrument executed by Sellers and Buyer.

7.12 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

7.13 Merger of Prior Agreements. This Agreement and the exhibits hereto constitute the entire agreement between the Parties and supersede all prior agreements and understandings between the Parties relating to the subject matter hereof.

7.14 Day or Days. Whenever reference is made to “day” or “days” in this Agreement, all such references shall refer to calendar days unless otherwise specifically stated.

7.15 Timing. For purposes of this Agreement “business day” shall mean any day other than a Saturday, Sunday, California or national holiday or other day on which commercial bankers in California are generally not open for business. Unless otherwise specified, in computing any period of time described in this Agreement, the day of the act or event after which the designated period of time begins to run is not to be included and the last day of the period so computed is to be included, unless such last day is not a business day, in which event the period shall run to and include the next day which is a business day.

7.16 Severability. If any provision of this Agreement, or the application thereof to any person, place, or circumstance, shall be held by a court of competent jurisdiction to be invalid, unenforceable or void, the remainder of this Agreement and such provisions as applied to other persons, places and circumstances shall remain in full force and effect.

7.17 Counterparts. This Agreement, and any document executed in connection with this Agreement, may be executed in any number of counterparts each of which shall be deemed an original and all of which shall constitute one and the same agreement with the same effect as if all Parties had signed the same signature page. It shall not be necessary that the signatures of, or on behalf of, each Party, or that the signatures of all persons required to bind any Party, appear on a single counterpart, but it shall be sufficient that the signature of, or on behalf of, each Party, appear on one or more of the counterparts. Any signature page of this Agreement, and any document executed in connection with this Agreement, may be detached from any counterpart of this Agreement or such other document and reattached to any other counterpart of this Agreement or such other document identical in form hereto or thereto but having attached to it one or more additional signature pages. This Agreement, and any document executed in connection with this Agreement (except for the CC&Rs, the Nelsons' Undeveloped Property Grant Deed and Agreement, the Project Site Grant Deed and Agreement or any other document to be recorded), shall be deemed executed and delivered upon each Party's delivery of executed signature pages of this Agreement or such other document, which signature pages may be delivered by facsimile with the same effect as delivery of the originals.

7.18 No Waiver. Except as specifically provided for in this Agreement, no delay or failure on the part of any Party hereto in exercising any right, power or privilege under this Agreement or under any other instrument or document given in connection with or pursuant to this Agreement shall impair any such right, power or privilege or be construed as a waiver of any default or any acquiescence therein. No single or partial exercise of any such right, power or privilege shall preclude the further exercise of such right, power or privilege. No waiver shall be valid against any party hereto unless made in writing and signed by the Party against whom enforcement of such waiver is sought and then only to the extent expressly specified herein.

7.19 Legal Representation. Each Party has been represented by legal counsel in connection with the negotiation of the transactions herein contemplated and the drafting and negotiation of this Agreement. Each Party and its counsel have had an opportunity to review and suggest revisions to the language of this Agreement. Accordingly, no provision of this Agreement shall be construed for or against or interpreted to the benefit or disadvantage of any party by reason of any party having or being deemed to have structured or drafted such provision.

7.20 Exhibits. All exhibits attached hereto are incorporated herein as though fully set forth herein.

7.21 Signer's Warranty. Each individual executing this Agreement on behalf of an entity hereby represents and warrants to the other Party or Parties to this Agreement that (i) such individual has been duly and validly authorized to execute and deliver this Agreement and any and all other documents contemplated by this Agreement on behalf of such entity; and (ii) this Agreement and all documents executed by such individual on behalf of such entity pursuant to this Agreement are and will be duly authorized, executed and delivered by such entity and are and will be legal, valid and binding obligations of such entity.

7.22 Enforced Delay; Extension of Times for Performance. In the event that either of the Parties are prevented from proceeding with any of their obligations under this Agreement by reason of events beyond that Party's control, such as supernatural causes, strikes, lockouts, earthquake, war, insurrection, riots, floods, acts of God, acts of the public enemy, epidemics, quarantine restrictions, freight embargoes, unusually severe weather, delays or inaction of independent contractors, litigation brought against the Property or a Party without the Party's consent, including a challenge, remediation of hazardous materials located upon the Property, or similar events which are beyond that Party's control, then that Party shall be entitled to an additional grace period or extension of time in which to perform the obligations whose performance is precluded by such event, equal to the period of delay caused by such event beyond that Party's control, which period shall commence to run from the time of the commencement of the cause for delay and shall terminate upon termination of that cause. A Party wishing to invoke this subparagraph shall notify in writing the other Party to this Agreement of that intention within thirty (30) days of commencement of any such cause for delay and shall, at that time, specify the reasons therefor, the provisions of this Agreement that will be delayed as a result, and the period of such extension, if known, or, if not known, the Party's best estimate thereof. The failure to so notify the other Party within that period as to the cause for delay shall result in the grace period commencing to run from the date of notice rather than from the commencement of the cause for delay.

7.23 Attorneys' Fees. In the event of any litigation instituted between the Parties or Escrow Holder in connection with this Agreement, then as between Buyer and Sellers, the prevailing Party shall be entitled to recover all of its costs and expenses, including reasonable attorneys' fees and court costs.

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

BUYER:

By: _____

Its: _____

DISTRICT (SELLER):

CORONA-NORCO UNIFIED
SCHOOL DISTRICT

By: _____

Michael H. Lin, E.D.
Superintendent

NELSONS (SELLER):

By: _____

Robert G. Nelson

Its: Trustee of the Robert G. Nelson Trust, the Larry D. Nelson Trust, the Jeffrey A. Nelson Trust, and the Michele M. Johnson Trust, all said Trusts created under the Regina Nelson Residence Term Trust, dated May 10, 1999 and each as to an undivided 12.5% interest

By: _____

Robert G. Nelson

Its: Trustee of the Robert G. Nelson Trust, the Larry D. Nelson Trust, the Jeffrey A. Nelson Trust, and the Michele M. Johnson Trust, all said Trusts created under the Lawrence Nelson Residence Term Trust, dated May 10, 1999, and each as to an undivided 12.5% interest

DRAFT

EXHIBIT "A-1"

LEGAL DESCRIPTION OF DISTRICT PROPERTY

DRAFT

EXHIBIT "A-2"

MAP OF DISTRICT PROPERTY

DRAFT

EXHIBIT "B-1"

LEGAL DESCRIPTION OF NELSONS' UNIMPROVED PROPERTY

DRAFT

EXHIBIT "B-2"

MAP OF NELSONS' UNIMPROVED PROPERTY

DRAFT

EXHIBIT "B-3"

LEGAL DESCRIPTION OF NELSONS' RESIDENTIAL PROPERTY

DRAFT

EXHIBIT "B-4"

MAP OF NELSONS' RESIDENTIAL PROPERTY

DRAFT

EXHIBIT "C-1"

LEGAL DESCRIPTION OF PROJECT SITE

DRAFT

EXHIBIT "C-2"

SITE MAP OF PROJECT SITE

DRAFT

EXHIBIT "D"

REIMBURSEMENT AGREEMENT

REIMBURSEMENT AGREEMENT

This REIMBURSEMENT AGREEMENT (the "Agreement"), is made and entered into as of June 14, 2016 (the "Effective Date"), by and between Robert G. Nelson, trustee of the Robert G. Nelson Trust, the Larry D. Nelson Trust, the Jeffrey A. Nelson Trust, and the Michele M. Johnson Trust, all said Trusts created under the Regina Nelson Residence Term Trust, dated May 10, 1999 and each as to an undivided 12.5% interest; and Robert G. Nelson, trustee of the Robert G. Nelson Trust, the Larry D. Nelson Trust, the Jeffrey A. Nelson Trust, and the Michele M. Johnson Trust, all said Trusts created under the Lawrence Nelson Residence Term Trust, dated May 10, 1999 and each as to an undivided 12.5% interest (collectively, the "Nelsons") and the Corona-Norco Unified School District, a public school district (the "District"). The Nelsons and the District are at times referred to herein individually as "Party" and collectively as "Parties."

RECITALS

A. The District is the legal owner of approximately nine and thirty-three hundredths (9.33) acres of unimproved property located on the east side of Garretson Avenue between Santana Way and Chase Drive, in the City of Corona, County of Riverside, State of California, and legally described in **Exhibit "A-1"** and depicted in **Exhibit "A-2"** which when acquired, the District intended to construct and operate a new elementary school known as Roosevelt Elementary School (the "Roosevelt Site").

B. Consistent with the recommendations of the District Advisory Committee, the District's governing board has determined that the Roosevelt Site is not needed for school facilities purposes and has declared its intent to sell the Roosevelt Site.

C. The Nelsons own the approximate four and sixty-seven hundredths (4.67) acres of adjacent property located to the north of the Roosevelt Site, comprised of approximately one and fifty-nine hundredths (1.59) acres of property which has been improved with a residence located on the westerly portion of their property (the "Nelsons' Residential Property") and legally described in **Exhibit "B-1"** and depicted in **Exhibit "B-2"** and approximately three and eight hundredths (3.08) acres of unimproved property located on the easterly portion of their property (the "Nelsons' Unimproved Property") and legally described in **Exhibit "B-3"** and depicted in **Exhibit "B-4"**, and together with the Nelsons' Residential Site shall be collectively be referred to hereinafter as the "Nelsons' Site").

D. The Nelsons desire to retain the Nelsons Residential Property for their continued use, but have determined that the Nelsons' Unimproved Property is no longer needed and desires to sell the property.

E. The Nelsons have authorized the District on their behalf to apply to the City of Corona (the "City") for the purpose of entitling the Roosevelt Site and the Nelsons' Unimproved Property (the "Project Site"), thereby enabling the Parties to sell twenty (20) single family residential lots of the Project Site, excluding the single lot comprising the Nelsons' Residential Property, which will be subject to sale by the Nelsons' or their heirs at a later date.

F. In consideration of the expenses already incurred and anticipated to be incurred by the District and its consultants to entitle the properties comprising the Project Site, and selling the Project Site properties, the Parties agree as set forth below.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the District and the Nelsons mutually agree as follows:

AGREEMENT

1. Duration of Agreement. This Agreement shall be made effective upon execution by both Parties and shall remain in effect until completion of the sale of the Project Site, and complete payment by the Nelsons to the District as specified herein.

2. Preparation and Approval of Project Site Entitlements.

2.1 TRG Expenses. The District has engaged the services of TRG Land, Inc. ("TRG") to prepare and process through the City the following entitlements for the Project Site which were approved by the City Council at their February 18, 2015 meeting: (a) Tentative Tract Map Number 36764 for a total of twenty-three (23) residential lots; and (b) Zone Change Application CZ14-001, in accordance with California Government Code sections 66452 through 66455.9, and on May 9, 2016 approved Zone Change Application CZ16-001 to reduce the total residential lots to twenty (20) lots (collectively, the "Revised Project Site Entitlements").

2.1.1 Garretson Avenue Improvements. The Nelsons understand and agree that the City has required as a condition to its approval of the Revised Project Site Entitlements that certain street improvements within the existing right-of-way along Garretson Avenue be constructed as part of the Project Site (the "Garretson Improvements"). The Site Map attached as **Exhibit "C"** and incorporated herein by this reference depicts those areas affecting the Nelsons' Site, including but not limited to the Garretson Improvements. As part of the Garretson Improvements reflected in Areas 1-5 of **Exhibit "C"**, the successful purchaser/developer or Homeowners Association ("H.O.A.") when created by said purchaser/developer of the Project Site, shall be required as part of the City's approved parkway landscaping, pavement, curb and gutter, to remove the existing palm trees adjacent to the Nelsons' Residential Property, install

the approved parkway landscaping (Areas 1-5 approximately 0.12 acres) along Garretson Avenue, consistent with the Planting Guide attached hereto as **Exhibit "C-1"** and incorporated herein by this reference, and permanently maintain the Area 1 Garretson Improvements located adjacent to the Nelsons' Residential Property, and temporarily maintain the Areas 2-5 Garretson Improvements located on the Nelsons' Residential Property for a period of ninety (90) days following completion of the Garretson Improvements which thereafter will be maintained by the Nelsons.

2.2 P&C Legal Expenses. The District' legal counsel, Parker & Covert LLP ("P&C"), has been engaged to provide legal advice and assistance to effectuate the approval of the Revised Project Site Entitlements and sale of the Project Site, consistent with the requirements of Education Code section 17455 et seq.

2.3 Entry Property. In consideration of the Nelsons granting the easements described in paragraphs 2.4, 2.5 and 2.6 below, the Purchase and Sale Agreement (defined in paragraph 4.3 below) shall require the purchaser/developer, at no cost or expense to either the District or the Nelsons, following the close of escrow for the Project Site and prior to the commencement of any construction activities following the recordation of Final Map 36764 to complete the grading and landscape improvements described below, and upon acceptance of said improvements by the Nelsons and expiration of the 90-day maintenance period, to convey fee title to the Nelsons of the triangular piece of property (the "Entry Property") measuring approximately 0.16 acres as depicted in Area 1 on **Exhibit "D"** attached hereto and incorporated herein by reference. The Parties agree that the Purchase and Sale Agreement for the Project Site shall include the requirement that the successful purchaser/developer construct a six foot (6') high concrete block perimeter wall along the entry edge of the Entry Property including related grading and landscaping to obfuscate the Nelsons' Residential Property, and maintain all such landscaping for a period of ninety (90) days following completion of the Entry Property improvements.

2.4 Grading Easement. Concurrent with the recordation of Final Map 36764 or issuance of the first grading permit for the Project Site, whichever occurs first, the Nelsons shall grant a Grading Easement (as defined below) to the purchaser/developer or H.O.A. for the purpose of performing corrective and remedial grading associated with the development of the Project Site in favor of the successful purchaser/developer as generally depicted on **Exhibit "E"** (the "Grading Easement"). The Grading Easement shall authorize and require the purchaser/developer to install a new six foot (6') high block wall along the northerly and most westerly easterly edge of Lot C entirely upon the Nelsons' Residential Property.

2.5 Drainage Easement. Concurrent with the recordation of Final Map 36764 or issuance of a grading permit, whichever occurs first, the purchaser/developer shall be required to construct and maintain a permanent water

quality basin to the east of Lot 20 and south of the Nelsons' Residential Property to serve the water quality for the lots shown on TTM 36764 as depicted on **Exhibit "E"**. Concurrent with the construction of the water quality basin, the Nelsons shall grant an easement in favor of the successful purchaser/developer or H.O.A. for the purpose of constructing and maintaining a drainage line under the existing driveway as depicted in **Exhibit "E"** (the "Drainage Easement"). The driveway shall be saw-cut and the trench, once backfilled shall be paved with decorative paving to replace the disturbed concrete. The Drainage Easement shall exist until the close of escrow on the sale of the Nelsons' Residential Property if the Nelsons' Residential Property is to be used for purposes other than to utilize and maintain the current residential improvements, in which event the Drainage Easement shall continue until the completion of an alternative water quality facility by the owner of the Nelsons' Residential Property which accepts and treats runoff from the Project Site at which time the Drainage Easement shall automatically be revoked and terminated.

2.6 Pump and Sewer Connection. Prior to the commencement of any construction activities following the recordation of Final Map 36764, the purchaser/developer or H.O.A. shall be responsible for constructing a pump and sewer connection (collectively, the "Sewer Connection") on the Project Site and/or the Nelsons' Residential Property which accepts and transports the sewage generated from the Nelsons' Residential Property. If the purchaser/developer or H.O.A. determines to construct any portion of the Sewer Connection on the Nelsons' Residential Property, the Nelsons shall grant a blanket Temporary Construction Easement to the purchaser/developer or H.O.A. for the purpose of constructing the Sewer Connection. The purchaser/developer or H.O.A. shall exercise reasonable diligence to affect the placement of the Sewer Connection to cause the least interference and/or damage as possible to the existing improvements on the Nelsons' Residential Property.

2.7 H.O.A. Maintenance Responsibilities. Pursuant to the terms of the Purchase and Sale Agreement (as defined in paragraph 4.3 below), following the close of escrow on the Project Site and upon recordation of Final Map 36764, the successful purchaser/developer of the Project Site shall be required to create a H.O.A. to (a) permanently maintain the Garretson Landscape Improvements along Garretson Avenue depicted in Areas 2-5 of **Exhibit "C"**, and (b) temporarily maintain Drainage Easement Area depicted in Areas 1 and 2 on **Exhibit "E"**, and the approximate .07 acres along Garretson Avenue depicted in Area 5 of **Exhibit "C"** until the close of escrow on the sale of the Nelsons' Residential Property at which time said maintenance responsibilities shall automatically be revoked and terminated.

3. Cost Reimbursement. The Nelsons shall reimburse the District twenty-five percent (25.00%) of the total cost of obtaining approval of the Revised Project Site Entitlements and sale of the Project Site (the "Reimbursement Amount"), consistent with the terms of this Agreement. The Parties agree that for purposes of

calculating the Reimbursement Amount, the sum of Five Hundred Thirty Thousand Dollars (\$530,000.00) in "Consultant Costs" has been expended by the District, which equals a Reimbursement Amount of One Hundred Thirty-Two Thousand Five Hundred Dollars (\$132,500.00). Upon the close of escrow on the sale of the Project Site, the Reimbursement Amount shall be paid to the District through escrow, from the net proceeds due the Nelsons from the sale of the Nelsons' Unimproved Property. The Reimbursement Amount includes the costs expended by the District for P&C's services and the services of TRG, including additional costs associated with consulting services provided by TRG's subconsultants and others incurred in connection with securing the Revised Project Site Entitlements and sale of the Project Site (collectively, "Consultant Costs").

4. Sale of Project Site.

4.1 The District and the Nelsons agree that the minimum purchase price set forth in the Resolution of Intent to be adopted by the District's governing board to sell the Project Site shall be Four Million Dollars (\$4,000,000), consistent with the requirements of California Education Code section 17466.

4.2 Consistent with Government Code section 66428(a)(2) of the California Subdivision Map Act, Escrow Holder shall be directed to record the following documents simultaneous at the close of escrow in the following order:

4.2.1 Grant Deed of the Nelsons' Unimproved Property by the Nelsons to the District;

4.2.2 Declaration of Covenants, Conditions, Restrictions and Easements between the Nelsons and the District;

4.2.3 Grant Deed of combined Roosevelt Site and the Nelsons' Unimproved Property by the District to the successful purchaser/developer of the Project Site;

4.3 The District agrees to use its best efforts to sell the Project Site as entitled by the City for the fair market value, but in no event less than the minimum purchase price agreed to in Paragraph 4.1, in accordance with the provisions of California Education Code commencing with section 17455. The Parties agree to cooperatively work with each other to coordinate the sale of the Project Site, including but not limited to entering into a mutually acceptable Purchase and Sale Agreement for the Project Site (the "Purchase and Sale Agreement") wherein the District and the Nelsons shall collectively be referred to as the "Sellers" and the successful buyer/developer of the Project Site shall be referred to as the "Buyer."

4.4 The Parties agree that the proceeds from the highest responsive bid for the Project Site shall be paid to the Nelsons and the District based on the following formula: The Nelsons shall receive twenty-five percent (25.00%) of all sale proceeds (5 lots ÷ 20 lots = 25.00%), less the Reimbursement Amount as provided in paragraph 3 above, and the District shall receive seventy-five percent (75.00%) of the sale proceeds.

4.5 In the event the Parties fail to receive a responsive bid for the Project Site which is equal to or higher than the established minimum purchase price, within thirty (30) days following the date in which no responsive bid has been received, the Parties agree to meet in good faith to identify mutually acceptable option(s) to sell the Project Site, including, but not limited to requesting a waiver of the competitive bidding requirements from the State Board of Education consistent with Education Code section 33050 et seq..

5. Term. This Agreement shall commence on the Effective Date and remain in effect until the actions contemplated herein have been fully consummated. Notwithstanding, the Parties agree that in the event of a force majeure event beyond the reasonable control of the Parties, either Party may terminate this Agreement upon providing written notice to the other Party. In the event this Agreement is terminated pursuant to this paragraph 5, the Nelsons shall be released from their reimbursement obligation set forth in paragraph 3.

6. Binding Effect. This Agreement is binding on the Parties in accordance with its terms. The Parties signing below represent and warrant that they have the legal authority to bind the Party for whom they are signing.

7. Indemnity. Each Party agrees to indemnify, defend, and hold harmless the other Party, its officers, agents and employees from any and all liabilities, claims, or losses of any nature, including reasonable attorneys' fees and costs of suit, to the extent caused by, arising out of, or in connection with, the indemnifying Party's negligent or wrongful acts or omissions arising from its respective activities pursuant to this Agreement.

8. Notices. All notices permitted or required under this Agreement shall be given to the respective parties at the following address, or at such other address as the respective parties may provide in writing for this purpose:

To Nelsons:

Robert G. Nelson
1454 Valley Drive
Norco, CA 92860

To District:

Corona-Norco Unified School District
2820 Clark Avenue
Norco, CA 92860
Attn: Ted E. Rozzi
Assistant Superintendent, Facilities

Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in U.S. Mail, first class postage prepaid and addressed to the Party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

9. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of California. Any lawsuit brought in connection with this Agreement shall be brought in the appropriate court in the County of Riverside, California.

10. Time of the Essence. Time is of the essence in this Agreement, and the Parties agree to execute all documents and proceed with due diligence to complete all covenants and conditions.

11. Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

12. Exhibits. All exhibits referred to in this Agreement and attached hereto are incorporated herein by reference.

13. Entire Agreement. This Agreement contains the entire agreement between the Parties and supersedes any prior oral or written statements or agreements between the Parties. This Agreement may be amended at any time by the mutual consent of the Parties by an instrument in writing.

14. Authority. The signatories hereto represent that they have been appropriately authorized to execute this Agreement on behalf of the Party for whom they sign.

15. Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original and which collectively shall constitute one instrument.

16. Attorney Fees. In the event of litigation to interpret or enforce this Agreement, the prevailing Party shall be entitled to its reasonable attorney fees and costs.

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

[Signature Page Follows]

DISTRICT:

CORONA-NORCO UNIFIED
SCHOOL DISTRICT

By: _____

Michael H. Lin, E.D.

Its: Superintendent

NELSONS:

By: _____

Robert G. Nelson

Its: Trustee of the Robert G. Nelson Trust,
the Larry D. Nelson Trust, the Jeffrey A.
Nelson Trust, and the Michele M. Johnson
Trust, all said Trusts created under the Regina
Nelson Residence Term Trust, dated May 10,
1999 and each as to an undivided 12.5% interest

By: _____

Robert G. Nelson

Its: Trustee of the Robert G. Nelson Trust,
the Larry D. Nelson Trust, the Jeffrey A.
Nelson Trust, and the Michele M. Johnson
Trust, all said Trusts created under the
Lawrence Nelson Residence Term Trust,
dated May 10, 1999, and each as to an
undivided 12.5% interest

DRAFT

EXHIBIT "A-1"

LEGAL DESCRIPTION OF ROOSEVELT SITE

DRAFT

EXHIBIT "A-2"

MAP OF ROOSEVELT SITE

DRAFT

EXHIBIT "B-1"

LEGAL DESCRIPTION OF NELSONS' RESIDENTIAL PROPERTY

DRAFT

EXHIBIT "B-2"

MAP OF NELSONS' RESIDENTIAL PROPERTY

DRAFT

EXHIBIT "B-3"

LEGAL DESCRIPTION OF NELSONS' UNIMPROVED PROPERTY

DRAFT

EXHIBIT "B-4"

MAP OF NELSONS' UNIMPROVED PROPERTY

DRAFT

EXHIBIT "C"

SITE MAP OF GARRETSON AVENUE IMPROVEMENTS

DRAFT

EXHIBIT "C-1"

GARRETSON AVENUE PLANTING GUIDE

DRAFT

EXHIBIT "D"

MAP OF ENTRY PROPERTY

DRAFT

EXHIBIT "E"

MAP OF GRADING EASEMENT AND DRAINAGE EASEMENT

DRAFT

EXHIBIT "E"
NELSONS' UNIMPROVED PROPERTY GRANT DEED AND AGREEMENT

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

Attention: _____

MAIL TAX STATEMENT TO:
SAME AS ABOVE

(Space above Line for Recorder's Use Only)

NELSONS' UNIMPROVED PROPERTY GRANT DEED AND AGREEMENT

THIS NELSONS' UNIMPROVED PROPERTY GRANT DEED AND AGREEMENT ("Agreement") is made and entered into as of the _____ day of _____, 201_, by and between Robert G. Nelson, trustee of the Robert G. Nelson Trust, the Larry D. Nelson Trust, the Jeffrey A. Nelson Trust, and the Michele M. Johnson Trust, all said Trusts created under the Regina Nelson Residence Term Trust, dated May 10, 1999 and each as to an undivided 12.5% interest; and Robert G. Nelson, trustee of the Robert G. Nelson Trust, the Larry D. Nelson Trust, the Jeffrey A. Nelson Trust, and the Michele M. Johnson Trust, all said Trusts created under the Lawrence Nelson Residence Term Trust, dated May 10, 1999 and each as to an undivided 12.5% interest ("Grantor"), and CORONA-NORCO UNIFIED SCHOOL DISTRICT ("Grantee").

In consideration of the mutual promises contained in this Agreement, the parties hereto agree as follows:

1. Grant. For a valuable consideration, receipt of which is hereby acknowledged, Grantor hereby grants to Grantee that certain unimproved real property situated in the City of Corona, County of Riverside, State of California, described on Schedule 1 and depicted on Schedule 2 attached hereto and by this reference incorporated herein consisting of approximately Three and Eight Hundredths (3.08) acres (the "Property"), subject to:

a. Non-delinquent general, special and supplemental real property taxes and assessments; and

b. All other covenants, conditions, restrictions, reservations, dedications, easements, encumbrances, rights-of-way of record.

2. Exemption from Subdivision Map Act. The Grantee is authorized to accept the Property pursuant to Government Code section 66428(a)(2) of the California Subdivision Map Act.

3. Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the heirs, executors, administrators, successors and assigns of the parties hereto.

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

5. Provisions Severable. In the event any portion of this Agreement shall be declared by any court of competent jurisdiction to be invalid, illegal or unenforceable, such portion shall be deemed severed from this Agreement, and the remaining parts hereof shall remain in full force and effect, as fully as though such invalid, illegal, or unenforceable portion had never been part of this Agreement.

6. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original and all of which shall constitute one and the same instrument.

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

Nelsons

Corona-Norco Unified School District

By: _____

By: _____

Robert G. Nelson

Its: Trustee of the Robert G. Nelson Trust, the Larry D. Nelson Trust, the Jeffrey A. Nelson Trust, and the Michele M. Johnson Trust, all said Trusts created under the Regina Nelson Residence Term Trust, dated May 10, 1999 and each as to an undivided 12.5% interest

Its: _____

"Grantee"

By: _____

Robert G. Nelson

Its: Trustee of the Robert G. Nelson Trust, the Larry D. Nelson Trust, the Jeffrey A. Nelson Trust, and the Michele M. Johnson Trust, all said Trusts created under the Lawrence Nelson Residence Term Trust, dated May 10, 1999, and each as to an undivided 12.5% interest

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SCHEDULE 1

LEGAL DESCRIPTION OF PROPERTY

DRAFT

SCHEDULE 2

SITE MAP OF PROPERTY

DRAFT

EXHIBIT "F"

**DECLARATION OF COVENANTS, CONDITIONS,
RESTRICTIONS AND EASEMENTS**

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

Attention: _____

MAIL TAX STATEMENT TO:
SAME AS ABOVE

(Space above Line for Recorder's Use Only)

**DECLARATION OF COVENANTS, CONDITIONS,
RESTRICTIONS AND EASEMENTS**

This Declaration of Covenants, Conditions, Restrictions and Easements (the "Agreement") is made on _____, 201█ by the Corona-Norco Unified School District ("District") and Robert G. Nelson, trustee of the Robert G. Nelson Trust, the Larry D. Nelson Trust, the Jeffrey A. Nelson Trust, and the Michele M. Johnson Trust, all said Trusts created under the Regina Nelson Residence Term Trust, dated May 10, 1999 and each as to an undivided 12.5% interest; and Robert G. Nelson, trustee of the Robert G. Nelson Trust, the Larry D. Nelson Trust, the Jeffrey A. Nelson Trust, and the Michele M. Johnson Trust, all said Trusts created under the Lawrence Nelson Residence Term Trust, dated May 10, 1999 and each as to an undivided 12.5% interest (collectively, "Nelsons"). The District and Nelsons are referred to jointly herein as the "Parties".

WHEREAS, the District is the owner of certain undeveloped real property located on the east side of Garretson Avenue between Santana Way and Chase Drive, in the City of Corona, County of Riverside, as more particularly described in **Exhibit "A"** attached hereto and consisting of approximately Twelve and Forty-One Hundredths (12.41) acres (the "District Property"); and

WHEREAS, the Nelsons are the owner of approximately One and Fifty-Nine Hundredths (1.59) acres of property located to the north of the District Property which has been improved with a residence as more particularly described in **Exhibit "B"** attached hereto (the "Nelsons' Property"); and

WHEREAS, it is the desire of the Parties to this Agreement to restrict the District Property and the Nelsons' Property according to a common plan as to use and development so all of such property will be benefited and each successive owner of all or any part of such real property will be benefited by the prevention of the value and character of the lands.

NOW, THEREFORE, in consideration of the mutual promises of the Parties, each to the other as covenantors and covenantees, and expressly for the benefit of, and to bind, their successors in interest, the Parties agree as follows:

1. **Garretson Avenue Improvements.** District shall be responsible for constructing the utility and landscape improvements along Garretson Avenue (the "Garretson Avenue Improvements") pursuant to the Conditions of Approval for Project TTM 36764 imposed by the City (collectively, the "Conditions of Approval"), including without limitation, Areas 1-5 affecting the Nelsons' Property containing approximately 0.12 acres as depicted in the Site Plan attached as **Exhibit "C-1"** ("Site Map of Garretson Avenue Improvements"). Concurrently with the construction of the Garretson Avenue Improvements, District shall be required to remove the existing palm trees adjacent to the Nelsons' Property, and install the approved parkway landscaping (Areas 1-5), consistent with the Planting Guide attached as **Exhibit "C-2"** ("Garretson Avenue Planting Guide"). District shall be responsible for maintaining the Garretson Avenue Improvements consistent with the Garretson Avenue Planting Guide for a period of ninety (90) following completion of the Garretson Avenue Improvements located on the Nelsons' Property. The Nelsons shall grant a Temporary Construction Easement to District or a homeowner's association established on the District Property (H.O.A.) for the purpose of constructing and maintaining Areas 2-5 of the Garretson Avenue Improvements until the expiration of the aforementioned 90-day maintenance period.

2. **Grading Easement.** Concurrently with the recordation of Final Map 36764 or issuance of the first grading permit for the District Property, whichever occurs first, the Nelsons shall grant a Grading Easement (as defined below) to District or H.O.A. for the purpose of performing corrective and remedial grading associated with the development of the District Property in favor of the District as generally depicted in **Exhibit "D"** (the "Grading Easement"). The Grading Easement shall authorize and require District to install a new six foot (6') high block wall along the northerly and most westerly edge of Lot C entirely upon the Nelsons' Property.

3. **Drainage Easement.** Concurrently with the recordation of Final Map 36764 or issuance of the first grading permit for the District Property, whichever occurs first, the District or H.O.A. shall be required to construct and maintain a permanent water quality basin to the east of Lot 20 and south of the Nelsons' Property to serve the water quality for the lots shown on TTM 36764 as depicted on **Exhibit "D"**. Concurrent with the construction of the water quality basin, Nelsons shall grant an easement in favor of the District or H.O.A. for the purpose of constructing and maintaining a drainage line under the existing driveway as depicted in **Exhibit "D"** (the "Drainage Easement"). The driveway shall be saw-cut and the trench, once backfilled shall be paved with decorative paving to replace the disturbed concrete. The Drainage Easement shall exist until the close of escrow on the sale of the Nelsons' Property if the Nelsons' Property is to be used for purposes other than to utilize and maintain the current

residential improvements, in which event the Drainage Easement shall continue until the completion of an alternative water quality facility by the owner of the Nelsons' Property which accepts and treats runoff from the District Property at which time the Drainage Easement shall automatically be revoked and terminated.

4. **Pump and Sewer Connection.** Prior to the commencement of any construction activities on the District Property following the recordation of Final Map 36764, District or H.O.A. shall be responsible for constructing a pump and sewer connection (collectively, the "Sewer Connection") on the District Property and/or the Nelsons' Property. If District or H.O.A. determines to construct any portion of the Sewer Connection on the Nelsons' Property, the Nelsons shall grant a blanket Temporary Construction Easement to District or H.O.A. for the purpose of construction the Sewer Connection. District or H.O.A. shall exercise reasonable diligence to affect the placement of the Sewer Connection to cause the least interference and/or damage as possible to the existing improvements on the Nelsons' Property.

5. **Construction Improvements/Conveyance of Entry Property.** Prior to the commencement of any construction activities on the District Property following the recordation of Final Map 36764, District shall, at its sole cost and expense, construct or cause the construction of a six foot (6') high concrete block perimeter wall along the entry edge of the approximate 0.16 acre triangular piece of property adjacent to the Nelsons' Property which is depicted on the Site Map attached as **Exhibit "E"** (the "Entry Property"), including related grading and landscaping (collectively the "Entry Property Improvements"). District shall be responsible for maintaining all such landscaping for a period of ninety (90) days following completion of the Entry Property Improvements. Upon the satisfactory completion by District, including the 90-day landscaping maintenance period, and acceptance by the Nelsons of the Entry Property Improvements, the District, at no cost or expense to the Nelsons, shall convey fee title of the Entry Property to the Nelsons, free from any monetary encumbrances, mechanics', Materialmen's, contractors' or subcontractors' liens, in its then present state and condition and **"AS-IS WITH ALL FAULTS."**

6. **Payment of School Facility Fees.** As a condition to the issuance of building permits, District understands and agrees that its proposed development of the District Property shall be subject to the payment of the greater of (a) the then current school facility fees adopted by the Board of Education of District, pursuant to Education Code section 17621, or (b) the statutory rates for residential and/or commercial construction, as applicable, then in effect, pursuant to Government Code section 65995(b). This covenant shall be binding upon and enforceable against any successor, assign or nominee of District.

7. **Enforcement.** The Parties or their respective successors and assigns shall be the only parties to have the right to enforce (by proceedings at law or in equity) the restrictions, conditions and covenants imposed by the provisions of this Agreement, including the right to prevent the violation of any such restrictions, conditions and covenants and the right to recover damages for such violation.

8. **Successors and Assigns.** This Agreement shall be binding upon and shall inure to the benefit of the heirs, executors, administrators, successors and assigns of the parties hereto.

9. **Attorney Fees.** In the event of litigation to interpret or enforce this Agreement, the prevailing party shall be entitled to its reasonable fees and costs.

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

11. **Provisions Severable.** In the event any portion of this Agreement shall be declared by any court of competent jurisdiction to be invalid, illegal or unenforceable, such portion shall be deemed severed from this Agreement, and the remaining parts hereof shall remain in full force and effect, as fully as though such invalid, illegal, or unenforceable portion had never been part of this Agreement.

12. **Counterparts.** This Agreement may be executed in several counterparts, each of which shall be deemed an original and all of which shall constitute one and the same instrument.

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

[Signature Page Follows]

Corona-Norco Unified School District

By: _____

Its: _____
"District"

By: _____

Robert G. Nelson
Its: Trustee of the Robert G. Nelson Trust,
the Larry D. Nelson Trust, the Jeffrey A.
Nelson Trust, and the Michele M. Johnson
Trust, all said Trusts created under the Regina
Nelson Residence Term Trust, dated May 10,
1999 and each as to an undivided 12.5% interest

By: _____

Robert G. Nelson
Its: Trustee of the Robert G. Nelson Trust,
the Larry D. Nelson Trust, the Jeffrey A.
Nelson Trust, and the Michele M. Johnson
Trust, all said Trusts created under the
Lawrence Nelson Residence Term Trust,
dated May 10, 1999, and each as to an
undivided 12.5% interest
"Nelsons"

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EXHIBIT "A"

LEGAL DESCRIPTION OF DISTRICT PROPERTY

DRAFT

EXHIBIT "B"

LEGAL DESCRIPTION OF NELSONS' PROPERTY

DRAFT

EXHIBIT "C-1"

SITE MAP OF GARRETSON AVENUE IMPROVEMENTS

DRAFT

EXHIBIT "C-2"

GARRETSON AVENUE PLANTING GUIDE

DRAFT

EXHIBIT "D"

MAP OF GRADING EASEMENT AND DRAINAGE EASEMENT

DRAFT

EXHIBIT "E"

MAP OF ENTRY PROPERTY

DRAFT

EXHIBIT "G"

PROJECT SITE GRANT DEED AND AGREEMENT

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

Attention: _____

MAIL TAX STATEMENT TO:
SAME AS ABOVE

(Space above Line for Recorder's Use Only)

PROJECT SITE GRANT DEED AND AGREEMENT

THIS PROJECT SITE GRANT DEED AND AGREEMENT ("Agreement") is made and entered into as of the [redacted] day of [redacted], 201[redacted], by and between CORONA-NORCO UNIFIED SCHOOL DISTRICT ("Grantor"), and [redacted] ("Grantee").

In consideration of the mutual promises contained in this Agreement, the parties hereto agree as follows:

1. Grant. For a valuable consideration, receipt of which is hereby acknowledged, Grantor hereby grants to Grantee that certain unimproved real property situated in the City of Corona, County of Riverside, State of California, described on Schedule 1 and depicted on Schedule 2 attached hereto and by this reference incorporated herein consisting of approximately Twelve and Forty-One Hundredths (12.41) acres (the "Property").

SUBJECT TO:

2. Non-delinquent general and special real property taxes and assessments for the current fiscal year, and supplemental assessments accruing after the recordation of this Agreement;

3. Covenants, conditions, restrictions, easements, reservations, rights and rights-of-way, dedications and offers of dedication, and all other matters of record;

4. Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the heirs, executors, administrators, successors and assigns of the parties hereto.

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

6. Provisions Severable. In the event any portion of this Agreement shall be declared by any court of competent jurisdiction to be invalid, illegal or unenforceable, such portion shall be deemed severed from this Agreement, and the remaining parts hereof shall remain in full force and effect, as fully as though such invalid, illegal, or unenforceable portion had never been part of this Agreement.

7. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original and all of which shall constitute one and the same instrument.

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

Corona-Norco Unified School District

By: _____

Its: _____

"Grantor"

By: _____

Its: _____

By: _____

Its: _____

"Grantee"

DRAFT

SCHEDULE 1

LEGAL DESCRIPTION OF PROPERTY

DRAFT

SCHEDULE 2

SITE MAP OF PROPERTY

DRAFT

EXHIBIT "H"

ASSIGNMENT OF BILL OF SALE FOR PROJECT SITE

**GENERAL ASSIGNMENT
GENERAL ASSIGNMENT OF CONTRACTS, AGREEMENTS,
PLANS, PERMITS, LICENSES, AND APPROVALS**

THIS GENERAL ASSIGNMENT OF CONTRACTS, AGREEMENTS, PLANS, PERMITS, LICENSES, AND APPROVALS ("Assignment") is made and entered into as of [REDACTED], 20[REDACTED], by and between CORONA-NORCO UNIFIED SCHOOL DISTRICT ("Assignor"), and [REDACTED] ("Assignee").

RECITALS

A. Pursuant to that certain Agreement for Purchase and Sale of Real Property and Escrow Instructions dated [REDACTED], 2017, ("Purchase Agreement"), Assignor has concurrently with the Effective Date conveyed to Assignee, fee simple title to certain real property (the "Property") in the City of Corona, County of Riverside, California, legally described on the attached Exhibit "A".

B. In accordance with the terms set forth in the Purchase Agreement, Assignor has agreed in connection with the conveyance of the Property to assign its interest in any and all contracts, agreements, warranties, guaranties, indemnities, entitlements, plans, permits, licenses, operating contracts, surveys, plans and specifications, governmental approvals, entitlements, authorizations, trade names, trademarks and other intangible rights, agreements with any utility companies, and all management, service, supply and maintenance contracts and agreements, contract rights and benefits, documents, and any other agreements, permits or other contractual arrangements of any nature whatsoever, with respect to the development, entitlement, ownership, operation, maintenance or administration of the Property.

C. Assignor desires to assign to Assignee all of its right, title and interest in and to the Contract Rights. Any initially capitalized terms not separately defined herein shall have the meaning set forth in the Purchase Agreement.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the parties agree as follows:

1. Assignment. Assignor hereby assigns to Assignee all of Assignor's right, title and interest in and to the Contract Rights relating to the Property which Assignor may hold. Assignee and Assignor shall reasonably cooperate to attempt to obtain any consents necessary to transfer and/or assign the contracts, agreements, plans, permits, entitlements, licenses and approvals described in this Assignment.

2. Effective Date. The "Effective Date" of this Assignment shall be the date of recordation of a grant deed conveying to Assignee fee simple interest in and to the Property described in Exhibit "A".

3. Attorneys' Fees. In any action or proceeding between the parties hereto concerning or arising out of this Agreement, the prevailing party in such action shall be entitled to have and to recover from the other party its reasonable attorneys' fees, expert witness fees, consultant fees and other reasonable expenses incurred in connection with such action or proceeding, in addition to its recoverable court costs, at trial and on any appeal.

4. Inurement. This Assignment shall inure to the benefit of Assignor and Assignee and their respective heirs, assigns and successors in interest.

5. Governing Law. This Assignment shall be governed by and construed in accordance with the laws of the State of California.

6. Counterparts. This Assignment and any documents required to be executed by the parties hereunder may be executed in several counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

7. Inconsistencies. In the event of any inconsistencies between this Assignment and the Purchase Agreement, the terms of this Assignment shall control.

IN WITNESS WHEREOF, the parties hereto have executed this Assignment as of the date first above written.

CORONA-NORCO UNIFIED SCHOOL DISTRICT

By: _____
"Assignor"

By: _____

Its: _____
"Assignee"

By: _____

Its: _____
"Assignee"

DRAFT

EXHIBIT "A"

LEGAL DESCRIPTION OF PROJECT SITE

DRAFT

EXHIBIT "I-1"

TRANSFEROR'S CERTIFICATION OF NON-FOREIGN STATUS BY DISTRICT

TRANSFEROR'S CERTIFICATION OF NON-FOREIGN STATUS

To inform [redacted] ("Transferee"), that withholding of tax under Section 1445 of the Internal Revenue Code of 1986, as amended ("Code"), will not be required upon the transfer of certain real property to the Transferee by Corona-Norco Unified School District ("Transferor"), the undersigned hereby certifies the following on behalf of the Transferor:

1. The Transferor is not a foreign corporation, foreign partnership, foreign trust, foreign estate or foreign person (as those terms are defined in the Code and the Income Tax Regulations promulgated thereunder);
2. The Transferor's U.S. employer or tax (social security) identification number is 33-0277305.

The Transferor understands that this Certification may be disclosed to the Internal Revenue Service by the Transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

The Transferor understands that the Transferee is relying on this Certification in determining whether withholding is required upon said transfer.

The Transferor hereby agrees to indemnify, defend and hold the Transferee harmless from and against any and all obligations, liabilities, claims, losses, actions, causes of action, rights, demands, damages, costs and expenses of every kind, nature or character whatsoever (including, without limitation, reasonable attorneys' fees and court costs) incurred by the Transferee as a result of: (i) the Transferor's failure to pay U.S. Federal income tax which the Transferor is required to pay under applicable U.S. law; or (ii) any false or misleading statement contained herein.

Under penalty of perjury I declare that I have examined this Certification and to the best of my knowledge and belief it is true and correct and complete, and I further declare that I have authority to sign this document on behalf of the Transferor.

Date: [redacted], 201[redacted]

TRANSFEROR:

By: [redacted]
Its: [redacted]

DRAFT

EXHIBIT "I-2"

TRANSFEROR'S CERTIFICATION OF NON-FOREIGN STATUS BY NELSONS

TRANSFEROR:

By: _____

Robert G. Nelson

Its: Trustee of the Robert G. Nelson Trust, the Larry D. Nelson Trust, the Jeffrey A. Nelson Trust, and the Michele M. Johnson Trust, all said Trusts created under the Regina Nelson Residence Term Trust, dated May 10, 1999 and each as to an undivided 12.5% interest

By: _____

Robert G. Nelson

Its: Trustee of the Robert G. Nelson Trust, the Larry D. Nelson Trust, the Jeffrey A. Nelson Trust, and the Michele M. Johnson Trust, all said Trusts created under the Lawrence Nelson Residence Term Trust, dated May 10, 1999, and each as to an undivided 12.5% interest

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EXHIBIT “J-1”

SITE MAP OF GARRETSON AVENUE IMPROVEMENTS

DRAFT

EXHIBIT “J-2”

GARRETSON AVENUE PLANTING GUIDE

DRAFT

EXHIBIT "K"

MAP OF ENTRY PROPERTY

DRAFT

EXHIBIT "L"

MAP OF GRADING EASEMENT AND DRAINAGE EASEMENT