

PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS

This PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS (the "Agreement") is dated as of August 24, 2023 (the "Execution Date") and is entered into by and between the CITY OF PALM DESERT, a California charter city ("SELLER") and MAUREEN GAGE and STEPHEN P. YINGER, each an individual, jointly and severally (collectively, "BUYER").

RECITALS

A. The SELLER is the owner of the fee simple interest in that certain property referenced as 45-656 Mountain View Avenue in the City of Palm Desert consisting of a single-family residence of approximately 1580 square feet in size located on a parcel of approximately 0.17 acres of land (APN 627-351-024) (the "Property"), as described on Exhibit "A," attached hereto and made a part hereof by this reference.

B. SELLER and BUYER agree that the purchase price is Five Hundred Forty-Nine Thousand and 00/100 Dollars (\$549,000.00) and BUYER agrees to the purchase of the property "**AS-IS**", except as specifically provided in this Agreement.

NOW, THEREFORE, in consideration of the foregoing premises, the mutual covenants and obligations contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the SELLER and BUYER hereto agree as follows:

Section 1. Recitals.

The recitals set forth above are true and correct and incorporated herein by this reference.

Section 2. Purchase and Sale of Property.

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

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

Buyer shall indemnify, defend, and hold harmless City of Palm Desert, and its officers, officials, employees, and agents ("Agency Indemnitees"), from and against any and all causes of action, claims, liabilities, obligations, judgments, or damages, including reasonable attorney's fees and costs of litigation ("Claims"), arising out of Buyer's performance of its obligations under this

agreement or out of Buyer's or its agents' access to the property during the escrow period, including the Agency's active or passive negligence, except for such loss or damage arising from the sole negligence or willful misconduct of the Agency. In the event the Agency Indemnitees are made a party to any action, lawsuit, or other adversarial proceeding arising from Buyer's performance of this agreement or out of Buyer's or its agents' access to the property during the escrow period, the Buyer shall provide a defense to the Agency Indemnitees, or at the Agency's option, reimburse the Agency Indemnitees their costs of defense, including reasonable attorney's fees, incurred in defense of such Claims.

Prior to entering the property during the escrow period, Buyer shall cause each of its agents who intend to enter the property on the Buyer's behalf, to provide evidence of general liability insurance in the minimum amount of \$1,000,000 per occurrence / \$2,000,000 general aggregate. City of Palm Desert and its officials, officers, employees, and agents shall be included as additional insureds. The policy shall be endorsed to be primary as respects Claims arising out this agreement, and any insurance or self-insurance maintained by the Agency shall not be required to contribute.

Section 3. Consideration.

The total consideration to be paid by BUYER for the acquisition of the Property shall be FIVE HUNDRED FORTY-NINE THOUSAND AND 00/100 Dollars (\$549,000.00) (the "Purchase Price").

Contemporaneously with the execution and delivery of this Agreement, Purchaser has delivered to Seller and Seller hereby acknowledges the receipt of One Hundred Dollars (**\$100.00**) (the "**Independent Consideration**"), which amount the parties bargained for and agreed to as adequate and sufficient consideration for Purchaser's exclusive right to inspect and purchase the Property pursuant to this Agreement and for Seller's execution, delivery, and performance of this Agreement. The Independent Consideration is in addition to and independent of any other consideration or payment provided in this Agreement, is nonrefundable, is fully earned and shall be retained by Seller notwithstanding any other provision of this Agreement.

Section 4. Opening of Escrow.

(a) BUYER shall deliver into escrow a deposit in the amount of Sixteen Thousand Five Hundred Dollars and no/cents (\$16,500.00) (the "Deposit") in the form of a cashier's check, or wire transfer, within three (3) business days following the date a copy of this fully executed Agreement is delivered to Escrow.

All expenses incurred in the transfer of title, including but not limited to escrow, Title Policy (as defined in Section 8, below), documentary stamps and recording fees are to be paid by BUYER.

(b) The transfer and sale of the Property shall take place through escrow (the "Escrow"), and such Escrow shall be administered by Timios, 750 Main Street Red Bluff, Red Bluff, California 96080, Attn. Gloria Zamora, Escrow Officer. The Escrow for the Property shall

be deemed open ("Opening of Escrow") upon the receipt by the Escrow Holder of a copy of this Agreement executed by SELLER and BUYER. The date of Opening of Escrow shall be memorialized by Escrow Holder in writing delivered to the parties. Escrow will be opened within three (3) business days after approval and execution of this Agreement by the SELLER's City Council.

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

Section 5. Due Diligence Period.

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

(b) SELLER hereby grants to BUYER for use by BUYER and its officers, directors, employees, agents, representatives, tenants, prospective tenants, contractors, and other persons accessing the Property by, through or with the permission or under the direction or auspices of BUYER, a limited and revocable license to enter upon the Property for purposes of (a) conducting BUYER's due diligence inspection and/or (b) obtaining data and making surveys and tests, determined reasonably necessary by BUYER to permit it to determine the physical condition of the Property and any hazardous substances located thereon and to determine the suitability of the Property for BUYER's purposes, provided that, BUYER shall (i) give the SELLER forty eight (48) hours telephonic, electronic mail or written notice of any intended access which involves work on the Property; and (ii) conduct no Invasive Investigations without the written consent of the SELLER. In this regard, the term "**Invasive Investigations**" means and refers to environmental testing, sampling, invasive testing, or boring into the soils. If BUYER desires to conduct any Invasive Investigations, it will first provide SELLER with a written statement describing the scope of any such Invasive Investigations. SELLER will not unreasonably withhold, condition, or delay its consent to any such Invasive Investigations and will be deemed to have given its consent to the specified scope of such Invasive Investigations if SELLER does not (within three (3) business

days following receipt of the proposed scope of such Invasive Investigations) give BUYER a written statement identifying those items to which SELLER has an objection.

(c) *Prior to entering the Property during the Due Diligence Period, BUYER shall maintain, and cause each of its agents, consultants, contractors and representatives who intend to enter the Property on the BUYER's behalf, to maintain and provide evidence of general liability insurance in the minimum amount of \$1,000,000 per occurrence / \$2,000,000 general aggregate. SELLER and its officials, officers, employees, and agents shall be included as additional insureds. The policy shall be endorsed to be primary as respects claims arising out this agreement, and any insurance or self-insurance maintained by the SELLER shall not be required to contribute.*

Section 6. Close of Escrow.

(a) As used herein, "Close of Escrow" means and refers to the date on which the conditions set forth in this Agreement for the close of Escrow for the transfer of the Property have been satisfied, and the Deed is recorded by the Escrow Holder. The Property shall be transferred to BUYER at the Close of Escrow, provided that within the periods of time set forth in this Agreement provided: (i) BUYER has not terminated this Agreement, (ii) BUYER has accepted the Deed, and (iii) all other conditions of the Close of Escrow set forth in this Agreement have been met and BUYER has paid, or caused to be paid to the Escrow Holder all applicable escrow costs relating to such closing. The Close of Escrow shall occur on a date designated by BUYER (on advance notice to SELLER) no later than one hundred twenty (120) days after the expiration of the due diligence period.

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

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

- (i) The Deed, executed and acknowledged by SELLER.
- (ii) an affidavit of non-foreign status of SELLER under the Foreign Investment in Real Property Tax Act.
- (iii) a settlement statement showing both the SELLER's and the BUYER's credits and debits consistent with this Agreement (the "**Settlement Statement**").
- (iv) any transfer declarations required by applicable law;
- (v) an owner's affidavit in form and substance reasonably acceptable to Escrow Holder to delete the non-survey related standard, pre-printed exceptions.
- (vi) any other customary closing documents in form and substance reasonably satisfactory to SELLER to consummate the Transaction.

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

(3) Title Conditions Satisfied. The Escrow Holder shall be in a position to issue the Title Policy to BUYER in the amount of the Purchase Price with respect to the Property and subject only to the exceptions permitted by Section 8 of this Agreement.

(4) SELLER's Deliveries Complete. SELLER shall have delivered all of the documents and other items required pursuant to Section 6(b)(1) and shall have performed all other material obligations under this Agreement to be performed by SELLER at or prior to the Close of Escrow provided that SELLER shall have a reasonable opportunity to cure any such default after receiving written notice thereof from BUYER.

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

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

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

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

(ii) The Settlement Statement.

(iii) any transfer declarations required by applicable law;

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

(2) BUYER's Deliveries Complete. BUYER shall have delivered all of the documents and other items required pursuant to Section 6(c)(1) and shall have performed all other material obligations to be performed by BUYER at or prior to the Close of Escrow provided that BUYER shall have a reasonable opportunity to cure any such default after receiving written notice thereof from SELLER.

(3) BUYER's Restoration Plans Submittal. BUYER shall have delivered to SELLER preliminary restoration plans for the Property for review and comment.

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

(d) City Purchase Option Agreement. Following the Close of Escrow, the City shall have the right to purchase the Property from BUYER if BUYER fails to meet the following post-closing obligations:

(1) Within the time specified, BUYER fails to submit an application to obtain National Historic Registration for the Property.

(e) City Purchase Option Price. In the event BUYER fails to meet its obligations outlined in Section 6(d) and City elects to exercise its Purchase Option, the price of the Property shall be Five Hundred Forty-Nine Thousand Dollars (\$549,000.00).

(f) Section 6(d) and 6(e) shall survive the Close of Escrow and shall not merge with any deed upon its recording. At the election of the City, a Memorandum of the option set forth in Section (d) and (e) hereof in the form attached hereto as Exhibit C shall be executed by each of the parties hereto and recorded by the City in the official records of Riverside County, California.

Section 7. Escrow Instructions.

SELLER and BUYER each agree to execute and deliver to the Escrow Holder the customary supplemental written escrow instructions (consistent with the terms of this Agreement) of the Escrow Holder. In the event of a conflict between the additional terms of such customary supplemental escrow instructions of the Escrow Holder and the provisions of this Agreement, this Agreement shall supersede and be controlling. Upon any termination of this Agreement or cancellation of the Escrow, except as results from the default of SELLER, BUYER shall be solely responsible for the payment of the escrow cancellation costs of the Escrow Holder.

Section 8. Conveyance of Title.

(a) On or before the Close of Escrow, SELLER shall deliver to the Escrow Holder the Grant Deed, in form attached hereto as Exhibit "B" (the "Deed") duly executed and acknowledged by SELLER. The Deed shall grant fee simple marketable title to the Property to BUYER. The Escrow Holder shall be instructed to record the Deed in the Official Records of Riverside County, California, if and when the Escrow Holder holds the funds for the SELLER as set forth herein.

(b) Within five (5) days following the Execution Date, BUYER may order a current preliminary report from a title company of BUYER's choice (the "Title Company") covering the Property, together with full and legible copies of all supporting documents (collectively, "Preliminary Report"), and may further order a survey of the Property from a licensed surveyor sufficient to obtain an ALTA title insurance policy ("Survey"). The Title Company shall issue an ALTA Owner's policy ("Title Policy") at the Close of Escrow insuring fee title in BUYER, subject only to the following matters:

(1) a lien for real property taxes, bond, or assessments not then delinquent;

(2) matters of the Property's title not disapproved by BUYER in writing;

(3) all matters that affect title to the Property that would be revealed by an accurate and complete survey of the Property as of the end of the Inspection Period;

(4) dedication of all streets abutting the Property;

(5) customary utility rights-of-way and easements that do not materially interfere with the existing use of the Property;

(6) zoning and other governmental restrictions;

(7) matters common to any general area or subdivision in which the Property is located;

(8) matters affecting the condition of the Property's title created by or with the consent of the BUYER or BUYER's officers, employees or agents.

(9) such other title exceptions, if any, resulting from documents being recorded or delivered through Escrow.

Section 9. Inspections and Review.

(a) BUYER acknowledges and agrees that the Property is being conveyed in an "AS IS," "WHERE IS" condition and "WITH ALL FAULTS" as of the date of this Agreement and the date of Close of Escrow. Except as expressly set forth in this Agreement, no representations or warranties have been made or are made and no responsibility has been or is assumed by SELLER or by any officer, person, firm, agent or representative acting or purporting to act on behalf of SELLER as to the condition or repair of the Property or the value, expense of operation, or income potential thereof, or as to any other fact or condition which has or might affect the Property or the condition, repair, value, expense of operation or income potential of the Property or any portion thereof. BUYER further acknowledges and agrees that it has relied solely upon its own investigations of the Property and its own review of such information and documentation as it has deemed appropriate and is satisfied with the opportunity afforded for investigation. BUYER is not relying upon any statement or representation by SELLER or by any officer, person, firm, agent or representative acting or purporting to act on behalf of SELLER unless such statement or representation is specifically embodied in this Agreement, or the Exhibits attached hereto. Except as expressly set forth herein, SELLER makes no representations or warranties as to whether the Property contains any Hazardous Materials or pertaining to the extent, location or nature of the same. Further, to the extent that SELLER has provided to BUYER information from any inspection, engineering or environmental reports concerning any Hazardous Materials, SELLER makes no representations or warranties with respect to the accuracy, completeness, methodology of preparation or otherwise concerning the contents of such reports.

(b) BUYER expressly waives any rights or benefits available to it with respect to the foregoing release under any provision of applicable law which generally provides that a general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time the release is agreed to, which, if known to such creditor, would materially affect a settlement. By execution of this Agreement, BUYER acknowledges that it fully understands the foregoing, and with this understanding, nonetheless elects to and does assume all risk for claims known or unknown, described in this Section 9 without limiting the generality of the foregoing:

The undersigned acknowledges that it has been advised by legal counsel and is familiar with the provisions of California Civil Code Section 1542, which provides as follows:

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

The undersigned, being aware of this Code section, hereby expressly waives any rights it may have thereunder, as well as under any other statutes or Common law principles of similar effect.

Initials of BUYER: 

(c) The provisions of this Section 9 shall survive the Close of Escrow and shall be binding upon BUYER.

(d) SELLER shall assist and cooperate with BUYER in endeavoring to remove title exceptions unacceptable to BUYER, but SELLER shall have no obligation to cause such objections to be removed or to expend any sums in such endeavor, except that SELLER shall remove all monetary liens and encumbrances created by or as a result of SELLER's activities.

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

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

Section 10. Closing Costs, Possession.

(a) BUYER shall pay the premium for any requested ALTA extended coverage title policy, cost of the Survey and all requested ALTA survey policy endorsements, the cost of

recording the Deed and any documentary or other transfer taxes payable on account of the conveyance of the Property to BUYER.

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

Section 11. Representations and Warranties.

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

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

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

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

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

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

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

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

All representations and warranties contained in this Section 11(a) are true and correct on the date hereof and on the date of the Close of Escrow and shall survive the Close of Escrow.

(b) Warranties and Representations by BUYER. BUYER hereby makes the following representations, covenants and warranties and acknowledges that the execution of this Agreement by SELLER has been made in material reliance by SELLER on such covenants, representations, and warranties:

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

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

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

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

All representations and warranties contained in this Section 11(b) are true and correct on the date hereof and on the date of the Close of Escrow and shall survive the Close of Escrow.

Section 12. Post-Closing Obligations.

(a) Promptly upon Close of Escrow, BUYER shall diligently make commercially reasonable efforts to obtain, and if so obtained, to maintain, National Historic Registration (NHR) for the Property from the California Historical Preservation Office (CHPO) and from the National Park Service. BUYER shall apply for historic designation status with NHR and CHPO within eighteen (18) months of Close of Escrow.

(b) BUYER will submit to the City applications for permits for the renovation of the property within one hundred and eighty (180) days of close of escrow and begin construction within two-hundred and seventy days (270)

(c) Sections 12(a) and 12(b) shall survive the Close of Escrow and shall not merge with any deed upon its recording.

Section 13. Conflict of Interest.

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

Section 14. Nonliability of Officials and Employees.

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

Section 15. Indemnification.

BUYER shall indemnify, defend, and hold harmless SELLER and its officers, officials, employees, and agents ("Seller Indemnitees"), from and against any and all causes of action, claims, liabilities, obligations, judgments, or damages, including reasonable attorney's fees and costs of litigation ("Claims"), arising out of BUYER's performance of its obligations under this agreement or out of BUYER's or its agents', consultants', contractors' and representatives' access to the Property during the Due Diligence Period, including the SELLER's active or passive negligence, except for such loss or damage arising from the sole negligence or willful misconduct of the SELLER. In the event the Seller Indemnitees are made a party to any action, lawsuit, or other adversarial proceeding arising from BUYER's performance of this agreement or out of BUYER's or its agents', consultants', contractors' and representatives' access to the Property during the Due Diligence Period, the BUYER shall provide a defense to the Seller Indemnitees, or at the SELLER's option, reimburse the Seller Indemnitees their costs of defense, including reasonable attorney's fees, incurred in defense of such Claims.

Section 16. Default.

(a) Default by Buyer; Limitation on Liability; Liquidated Damages. **IF BUYER REFUSES OR FAILS TO CONSUMMATE THE CLOSE OF ESCROW UNDER THIS AGREEMENT FOR ANY REASON OTHER THAN: (I) THE FAILURE OF AN EXPRESS CONDITION PRECEDENT TO BUYER'S OBLIGATION TO CLOSE, OR (II) ANY OTHER EXPRESS RIGHT OF BUYER SET FORTH IN THIS AGREEMENT TO TERMINATE THIS AGREEMENT, AND IF BUYER FAILS TO CURE ANY SUCH FAILURE TO COMPLETE THE CLOSE OF ESCROW WITHIN TEN (10) DAYS FOLLOWING RECEIPT OF A WRITTEN NOTICE FROM SELLER INDICATING THE NATURE OF ANY DEFAULT ON THE PART OF BUYER, THE SELLER SHALL RETAIN THE DEPOSIT, PLUS ANY INTEREST ACCRUED THEREON, AS SELLER'S SOLE REMEDY FOR BUYER'S FAILURE TO CLOSE OR FOR ANY**

DEFAULT ON THE PART OF BUYER UNDER THIS AGREEMENT, AND IN SUCH A CASE, BOTH PARTIES SHALL BE RELIEVED OF AND RELEASED FROM ANY FURTHER LIABILITY HEREUNDER. THE PARTIES HAVE AGREED THAT SELLER'S ACTUAL DAMAGES, IN THE EVENT OF A DEFAULT BY BUYER, WOULD BE EXTREMELY DIFFICULT OR IMPRACTICABLE TO DETERMINE. SELLER AND BUYER AGREE THAT THE DEPOSIT, PLUS ANY INTEREST ACCRUED THEREON, IS A FAIR AND REASONABLE AMOUNT TO BE RETAINED BY SELLER AS AGREED AS LIQUIDATED DAMAGES IN LIGHT OF SELLER'S REMOVAL OF THE PROPERTY FROM THE MARKET AND THE COSTS INCURRED BY SELLER AND SHALL NOT CONSTITUTE A PENALTY OR A FORFEITURE.

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

INITIALS: SELLER: ^{DS}
LTH BUYER: ^{DS} ^{DS}
MG SPY

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

INITIALS: SELLER: ^{DS}
LTH BUYER: ^{DS} ^{DS}
MG SPY

Section 17. Time of the Essence.

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

Section 18. Miscellaneous.

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

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

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

Section 19. Entire Agreement

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

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

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

REMAINDER OF THIS PAGE LEFT BLANK INTENTIONALLY

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

SELLER:

CITY OF PALM DESERT,
a California charter city

DocuSigned by:
L. Todd Hileman
By: CE3F366233F0405...
L. Todd Hileman, City Manager

Date: August 24, 2023

ATTEST:

APPROVED AS TO LEGAL FORM:

DocuSigned by:
Anthony J. Mejia
By: 8063A189723D437...
Anthony J. Mejia, City Clerk

DocuSigned by:
Isra Shale
By: 3820DDE2EAC84B0...
Best Best & Krieger, City Attorney

Date: August 24, 2023

Date: August 24, 2023

BUYER:

Maureen Gage and Stephen P. Yinger

DocuSigned by:
Maureen Gage
By: D6CD6279D991429... Date: 10/12/2023
Maureen Gage

DocuSigned by:
Stephen P. Yinger
By: D6CD6279D991429... Date: 10/12/2023
Stephen P. Yinger

EXHIBIT "A"

Legal Description

All of that PROPERTY situated in the County of Riverside, State of California, and commonly known as Lot 18 MB 028/018, CA; which property is bounded and described as: Lot 18, Unit #1 Shadow Mountain Park Estates as shown on Map on file in Book 28, pages 18 and 19 of Maps, Records of Riverside County.

And more commonly known as :45-656 Mountain View Ave., Palm Desert, CA 92260

TAX PARCEL NUMBER: 627-351-024-8

SUBJECT TO the Restrictions, Conditions, Covenants, Rights, Rights of Way, and Easements now of record, if any.

EXHIBIT B

Form of Deed

[See attached]

**RECORDING REQUESTED BY AND
AFTER RECORDATION MAIL TO:**

City of Palm Desert
73510 Fred Waring Drive
Palm Desert, California 92260
Attn: Director of Economic Development

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

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

GRANT DEED

For valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the City of Palm Desert, a charter city (“**Grantor**”), hereby grants to [ENTITY NAME AND FORM OF ORGANIZATION] (“**Grantee**”), the real property (the “**Property**”) located in the City of Palm Desert, County of Riverside, California, known as [PROPERTY ADDRESS] and more particularly described in Attachment No. 1 attached hereto and incorporated in this grant deed (“**Grant Deed**”) by reference.

- Covenants. Grantee expressly covenants and agrees for itself, its successors and assigns and all persons claiming under or through it, that Grantee and all such successors and assigns and all persons claiming under or through it, that in the event the Property is developed or redeveloped, the Property shall be subject to the covenant set forth in Section 2 of this Grant Deed.

- Residential Development Covenant. If ten (10) or more residential units are developed on the Property, not less than 15 percent of the total number of residential units developed on the Property shall be sold or rented at affordable housing cost, as defined in Section 50052.5 of the California Health and Safety Code, or affordable rent, as defined in Section 50053 of the California Health and Safety Code, to lower income households, as defined in Section 50079.5 of the California Health and Safety Code. Rental units shall remain affordable to and occupied by lower income households for a period of 55 years for rental housing and 45 years for ownership housing. The initial occupants of all ownership units shall be lower income households, and the units shall be subject to an equity sharing agreement consistent with the provisions of paragraph (2) of subdivision (c) of 65915 of the California Government Code. These requirements shall be covenants or restrictions running with the land and shall be

enforceable against any owner who violates a covenant or restriction and each successor-in-interest who continues the violation by any of the entities described in subdivisions (a) to (f), inclusive, of Section 54222.5 of the California Government Code.

- Grantee's Acknowledgment. By its execution of this Grant Deed, Grantee has acknowledged and accepted the provisions hereof.
- Counterparts. This Grant Deed may be executed in counterparts, each of which shall be deemed an original and all of which taken together shall constitute one and the same instrument.

GRANTOR:

City of Palm Desert, a California charter city

Date: _____, 20__

By: [form document – do not execute]
_____, Agency Manager
[SIGNATURE MUST BE NOTARIZED]

ATTEST:

_____, City Clerk

APPROVED AS TO FORM:

_____, City Attorney

GRANTEE:

_____, a

Date: _____, 20__

By: *[[form document – do not execute]]*

Name: _____
 [[SIGNATURE MUST BE NOTARIZED]]

Title: _____

Date: _____, 20__

By: *[[form document – do not execute]]*

Name: _____
 [[SIGNATURE MUST BE NOTARIZED]]

Title: _____

ACKNOWLEDGMENTS

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

State of California)
County of San Bernardino)

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

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

WITNESS my hand and official seal.

Signature _____

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

State of California)
County of San Bernardino)

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

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WITNESS my hand and official seal.

Signature _____

ATTACHMENT NO. 1

LEGAL DESCRIPTION – PROPERTY

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And more commonly known as :45-656 Mountain View Ave., Palm Desert, CA 92260

TAX PARCEL NUMBER: 627-351-024-8

SUBJECT TO the Restrictions, Conditions, Covenants, Rights, Rights of Way, and Easements now of record, if any.

EXHIBIT C

MEMORANDUM OF OPTION

[See attached]

Recording Requested By and
Upon Recordation Return To:

City of Palm Desert
73510 Fred Waring Drive
Palm Desert, California 92260
Attn: Director of Economic Development

MEMORANDUM OF OPTION

THIS MEMORANDUM OF OPTION ("**Memorandum**") is made and entered into as of October __, 2023, by and between MAUREEN GAGE and STEPHEN P. YINGER (collectively, "**Optionor**"), and CITY OF PALM DESERT ("**Optionee**").

RECITALS

A. Optionor and Optionee previously entered into that certain Purchase and Sale Agreement and Escrow Instructions dated as of October __, 2023 (the "**Agreement**"), pursuant to which Optionor acquired from Optionee that certain real property described on Exhibit "A" attached hereto and made a part hereof (the "**Property**").

B. Pursuant to the terms of the Agreement, Optionor granted to Optionee the option to repurchase the Property from Optionor in the event Optionor failed to meet certain obligations as set forth in the Agreement.

B. Optionor and Optionee desire to enter into and record this Memorandum so that third parties may have notice of the existence of the Agreement'

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Optionor and Optionee hereby agree as follows:

1. Grant of Option. Optionor hereby grants to Optionee, and Optionee hereby accepts from Optionor, the right and option to purchase the Property for the price, the duration, and upon the terms and conditions set forth in the Agreement.

2. Interpretation. The purpose of this Memorandum is to give notice of the existence of the Agreement and the need for all interested parties to inquire further about the terms and conditions of the Agreement. Except as otherwise defined herein, the terms used in this Memorandum shall have the same meaning as set forth for those terms in the Agreement. If there is any inconsistency between any provisions of this Memorandum and any provisions of the Agreement, the provisions of the Agreement shall control.

3. Cancellation of Memorandum. Upon the recordation of a grant deed which is executed and acknowledged by Optionor and which conveys the Property to Optionee, or upon the recordation of a quitclaim deed which is executed and acknowledged by Optionee and which quitclaims Optionee's interest in the Property to Optionor, this Memorandum shall no longer serve any purpose and it will no longer be necessary for third parties to have notice of the existence of the Agreement and/or this Memorandum. Upon either such recordation, this Memorandum shall be nullified and of no further force or effect and this Memorandum and the Agreement shall not be matters of record with respect to the Property. Optionor and Optionee hereby authorize and direct any and all issuers of title insurance with respect to all or any portion of the Property not to indicate the Memorandum or the Agreement as matters affecting the condition of title to all or any portion of the Property following the recordation of the grant deed or the quitclaim deed described above.

4. Counterparts. This Memorandum may be executed in any number of counterparts, each of which shall be an original, but all of which shall constitute one and the same instrument.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, Optionor and Optionee have executed this Memorandum of Option as of the date first set forth above.

OPTIONOR:

_____ Date: _____
Maureen Gage

_____ Date: _____
Stephen P. Yinger

OPTIONEE:

CITY OF PALM DESERT,
a California charter city

By: _____ Date: _____
L. Todd Hileman, City Manager

ATTEST:

APPROVED AS TO LEGAL FORM:

By: _____
Anthony Mejia, MMC, City Clerk

By: _____
City Attorney,
Best Best & Krieger LLP

Date: _____

Date: _____

ACKNOWLEDGMENT

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

State of California)
) ss.
County of _____)

On _____, 20__, before me,
_____ (insert name and title of the officer) personally
appeared _____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s)
is/are subscribed to the within instrument and acknowledged to me that he/she/they
executed the same in his/her/their authorized capacity(ies), and that by his/her/their
signature(s) on the instrument the person(s), or the entity upon behalf of which the
person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature _____ (S e a l)

ACKNOWLEDGMENT

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State of California)
) ss.
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WITNESS my hand and official seal.

Signature _____ (S e a l)

ACKNOWLEDGMENT

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the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (S e a l)

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

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