

DISPOSITION AND DEVELOPMENT AGREEMENT

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

“City”

GAGANPREET BAHAD and NARINDER SANDHU

“Developers”

October 1, 2024

DISPOSITION AND DEVELOPMENT AGREEMENT

THIS DISPOSITION AND DEVELOPMENT AGREEMENT (this “Agreement”), dated as of **October 1, 2024** (the “Effective Date”) is entered into by and between the **City of Manteca, a California municipal corporation** (the “City”), and **Gaganpreet Singh Bahad and Narinder Sandhu**, individuals (the “Developers”). The City and the Developers are hereinafter sometimes individually referred to as a “party” and collectively referred to as the “parties”.

RECITALS

This Agreement is entered into with reference to the following facts:

A. The City owns the fee interest in that certain parcel of real property consisting of approximately 3.37 acres located at 282 North Airport Way, Manteca, California, County of San Joaquin, State of California, as more particularly described in Exhibit “A” attached hereto and incorporated herein by this reference (such real property is referred to herein as the “Property”). The Developers wish to acquire fee title to the Property from the City to enable the Developers to construct the Improvements (as such term is defined in Section 1.1.25) on the Property (the “Project”).

B. The City has determined that the development of the Project pursuant to this Agreement is in the best interests of the City, and the health, safety and welfare of the residents and taxpayers of the City, and is in accord with the public purposes and provisions of applicable state and local laws.

C. A material inducement to the City to enter into this Agreement is the agreement by the Developers to develop the Project by first constructing and/or all relevant infrastructure (as discussed in more detail herein) and constructing the Project within a limited period of time, and the City would be unwilling to enter into this Agreement in the absence of an enforceable commitment by the Developers to develop the Project without completing such infrastructure first (before developing the residential units) and within such period of time.

NOW, THEREFORE, in reliance upon the foregoing Recitals (which are incorporated herein as material terms of this Agreement), and in consideration of the mutual covenants in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE 1 DEFINITIONS

1.1 Definitions. The following terms as used in this Agreement shall have the meanings given unless expressly provided to the contrary:

1.1.1 “Agreement” means this Disposition and Development Agreement.

1.1.2 “Breach Notice” is defined in Section 5.7.

1.1.3 “Certificate of Completion” means a certificate described in Section 3.12, to be provided by the City to the Developers upon satisfactory completion of construction of the Improvements.

1.1.4 “Certificate of Occupancy” means a final certificate of occupancy issued by the City for all of the Improvements.

1.1.5 “City” means the City of Manteca, a California municipal corporation, exercising governmental functions and powers, and organized and existing under the laws of the State of California. The principal office of the City is located at 1001 W. Center St., Manteca, California 95337.

1.1.6 “Close of Escrow” and “Closing” are defined in Section 2.3.2.

1.1.7 “Closing Date” means the date upon which the City by grant deed shall convey title to the Property to the Developers and such grant deed is recorded in the Official Records of the County of San Joaquin.

1.1.8 “Commencement Date” is defined in Section 3.1.1.

1.1.9 “Completion Date” is defined in Section 3.1.1.

1.1.10 “Construction Contract” is defined in Section 3.6.

1.1.11 “Construction Plans” is defined in Section 3.2.

1.1.12 “Deemed Disapproved Exceptions” is defined in Section 2.5.2.

1.1.13 “Default” is defined in Section 6.2.

1.1.14 “Deposit” is defined in Section 2.2.1.

1.1.15 “Developers” means Gaganpreet Singh Bahad and Narinder Sandhu. The principal office of the Developers for purposes of this Agreement – 4192 Chiavari Way, Manteca, CA 95337.

1.1.16 “Disapproved Exceptions” is defined in Section 2.5.3.

1.1.17 “Disapproval Notice” is defined in Section 2.5.2.

1.1.18 “Due Diligence Period” is defined in Section 2.7.1.

1.1.19 “Escrow” is defined in Section 2.3.1.

1.1.20 “Escrow Holder” means Old Republic Title, 1215 W. Center Street, Suite 103, Manteca, CA 95337, Attn: Lori Richardson.

1.1.21 “General Contractor” is defined in Section 3.6.

1.1.22 “Grant Deed” is defined in Section 2.5.2.

1.1.23 “Hazardous Materials” means any chemical, material or substance now or hereafter defined as or included in the definition of “hazardous substances,” “hazardous wastes,” “hazardous materials,” “extremely hazardous waste,” “restricted hazardous waste,” “toxic substances,” “pollutant or contaminant,” “imminently hazardous chemical substance or mixture,” “hazardous air pollutant,” “toxic pollutant,” or words of similar import under any local, state or federal law or under the regulations adopted or publications promulgated pursuant thereto applicable to the Property, including, without limitation: the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9601, et seq. (“CERCLA”); the Hazardous Materials Transportation Act, as amended, 49 U.S.C. § 1801, et seq.; the Federal Water Pollution Control Act, as amended, 33 U.S.C. § 1251, et seq.; and the Resource Conservation and Recovery Act of 1976, 42 U.S.C. § 6901, et seq. The term “Hazardous Materials” shall also include any of the following: any and all toxic or hazardous substances, materials or wastes listed in the United States Department of Transportation Table (49 CFR 172.101) or by the Environmental Protection Agency as hazardous substances (40 CFR Part 302) and in any and all amendments thereto in effect as of the date of the close of any escrow; oil, petroleum, petroleum products (including, without limitation, crude oil or any fraction thereof), natural gas, natural gas liquids, liquefied natural gas or synthetic gas usable for fuel, not otherwise designated as a hazardous substance under CERCLA; any substance which is toxic, explosive, corrosive, reactive, flammable, infectious or radioactive (including any source, special nuclear or by-product material as defined at 42 U.S.C. § 2011, et seq.), carcinogenic, mutagenic, or otherwise hazardous and is or becomes regulated by any governmental authority; asbestos in any form; urea formaldehyde foam insulation; transformers or other equipment which contain dielectric fluid containing levels of polychlorinated biphenyl’s; radon gas; or any other chemical, material or substance (i) which poses a hazard to the Property, to adjacent properties, or to persons on or about the Property, (ii) which causes the Property to be in violation of any of the aforementioned laws or regulations, or (iii) the presence of which on or in the Property requires investigation, reporting or remediation under any such laws or regulations.

1.1.24 “Holder” is defined in Section 4.2.2.

1.1.25 “Improvements” means the improvements described in Section 3.1.1.

1.1.26 “Outside Date” is defined in Section 2.3.2.

1.1.27 “Plans and Specifications” means the plans and specifications approved (or deemed approved) by the City for construction of the Improvements.

1.1.28 “Project” is defined in Recital A.

- 1.1.29 “Property Documents” is defined in Section 2.7.2.
- 1.1.30 “Purchase Price” is defined in Section 2.1.
- 1.1.31 “Released Parties” is defined in Section 2.8.
- 1.1.32 “Review Period” is defined in Section 2.5.2.
- 1.1.33 “Right of Entry Agreement” is defined in Section 2.7.1.
- 1.1.34 "Road Improvements" means construction of roads (including travel lanes, curbs, gutters and sidewalks) along Airport Way, Center Street, and Fishback Road, as more particularly described in Exhibit "D".
- 1.1.35 “Schedule of Performance” means the schedule attached hereto as Exhibit “B” and incorporated herein by this reference.
- 1.1.36 “Survey” is defined in Section 2.5.1.
- 1.1.37 “Title Company” is defined in Section 2.5.3.
- 1.1.38 “Title Policy” is defined in Section 2.5.3.
- 1.1.39 “Title Report” is defined in Section 2.5.1.
- 1.1.40 “Transaction Costs” means all costs incurred by either party in entering into this transaction and closing Escrow, including but not limited to escrow fees and costs, attorneys’ fees, staff time, appraisal costs, broker’s fees, and costs of financial advisors and other consultants.

**ARTICLE 2
PURCHASE AND SALE OF THE PROPERTY**

2.1 Purchase and Sale.

2.1.1 Property. The City agrees to sell the Property to the Developers, and the Developers agree to purchase the Property from the City, for the sum of five hundred and fifty thousand dollars (\$550,000.00) determined by an appraisal of the Property dated September 11, 2023. The Purchase Price shall be paid as set forth in Section 2.2.

2.2 Payment of Purchase Price. The Purchase Price shall be payable by Developers as follows:

2.2.1 Deposit. Developer shall deposit with the Escrow Holder upon the opening of Escrow, the sum of Twenty Thousand Dollars (\$20,000.00) by a certified or bank cashier’s check made payable to Escrow Holder or by a confirmed wire transfer of funds (collectively, the “Deposit”). The Deposit shall be invested by Escrow Holder in an interest-bearing account acceptable to the Developers and the City with all interest accruing thereon to be

credited to the Purchase Price upon the Close of Escrow. Except as otherwise provided herein, the Deposit shall be applicable in full towards the Purchase Price upon Closing. The Deposit shall be refundable to the Developers until the removal of the 120-day due diligence period.

2.2.2 Closing Funds. Prior to the Close of Escrow, Developers shall deposit or cause to be deposited with Escrow Holder, by a certified or bank cashier's check made payable to Escrow Holder or by a confirmed federal wire transfer of funds, the balance of the Purchase Price, plus payment of the Developers' share of the costs of the Escrow.

2.3 Escrow.

2.3.1 Opening of Escrow. Within three (3) business days after the parties' full execution of this Agreement, the Developers and the City shall open an escrow (the "Escrow") with the Escrow Holder for the transfer of the Property to the Developers

2.3.2 . The parties shall deposit with the Escrow Holder a fully executed duplicate original of this Agreement, which shall serve as the escrow instructions (which may be supplemented in writing by mutual agreement of the parties) for the Escrow. The Escrow Holder is authorized to act under this Agreement, and to carry out its duties as the Escrow Holder hereunder.

2.3.3 Close of Escrow. "Close of Escrow" or "Closing" means the date Escrow Holder causes the Grant Deed (as hereinafter defined) to be recorded in the Official Records of the County of San Joaquin and delivers the Purchase Price (less any escrow or other costs payable by the City) to the City. Possession of the Property shall be delivered to the Developers on the Close of Escrow. Close of Escrow shall occur within thirty (30) days following the expiration of the Due Diligence Period (the "Outside Date"). If for any reason other than a default by the City or the Developers the Closing does not occur on or before the Outside Date, this Agreement shall automatically terminate, the Deposit shall be promptly returned to the Developers (including any interest thereon) (and it shall only be refundable if the Due Diligence Period has not expired) all other monies and documents deposited into the Escrow shall be promptly returned to the appropriate party, and each party shall pay its portion of any Escrow charges and fees in connection with such termination.

2.3.4 All related Escrow and title fees shall be split equally between the parties. County and City transfer taxes, if any, will be paid by the City.

2.3.5 Delivery of Closing Documents.

(a) The City and the Developers agree to deliver to Escrow Holder, at least two (2) days prior to the Close of Escrow, the following instruments and documents, the delivery of each of which shall be a condition precedent to the Close of Escrow:

(i) The Grant Deed, duly executed and acknowledged by the City, conveying a fee simple interest in the Property to the Developers, subject only to such exceptions to title as the Developers may have approved or have been deemed to approve pursuant to Section 2.5.2;

(ii) by the City;

(iii) The City's affidavit as contemplated by California Revenue and Taxation Code Section 18662;

(iv) A Certification of Non-Foreign Status signed by the City in accordance with Internal Revenue Code Section 1445; and

(v) Such proof of the City's and the Developers' authority and authorization to enter into this transaction as the Title Company may reasonably require in order to issue the Title Policy.

The City and the Developers further agree to execute such reasonable and customary additional documents, and such additional escrow instructions, as may be reasonably required to close the transaction which is the subject of this Agreement pursuant to the terms hereof.

2.4 Conditions to Close of Escrow. The obligations of the City and the Developers to close the transaction which is the subject of this Agreement shall be subject to the satisfaction, or waiver in writing by the party benefited thereby, of each of the following conditions:

2.4.1 For the benefit of the City, the Developers shall have deposited the balance of the Purchase Price, together with such funds as are necessary to pay for costs and expenses payable by the Developer hereunder.

2.4.2 For the benefit of the City, all actions and deliveries to be undertaken or made by the Developer on or prior to the Closing Date as set forth in the Schedule of Performance shall have occurred, as reasonably determined by the City.

2.4.3 For the benefit of the Developers, all actions and deliveries to be undertaken or made by the City on or prior to the Closing Date shall have occurred, as reasonably determined by the Developers.

2.4.4 For the benefit of the City, all City approvals required by the Schedule of Performance to be obtained prior to the Closing Date shall have been so obtained.

2.4.5 For the benefit of the City, the Developers shall have executed and delivered to Escrow Holder all documents and funds required to be delivered to Escrow Holder under the terms of this Agreement and the Developers shall otherwise have satisfactorily complied with its obligations hereunder.

2.4.6 For the benefit of the Developers, the City shall have executed and delivered to Escrow Holder all documents and funds required to be delivered to Escrow Holder under the terms of this Agreement and the City shall otherwise have satisfactorily complied with its obligations hereunder.

2.4.7 For the benefit of the City, the representations and warranties of the Developers contained in this Agreement shall be true and correct in all material respects as of the

Closing Date.

2.4.8 For the benefit of the Developers, the representations and warranties of the City contained in this Agreement shall be true and correct in all material respects as of the Closing Date.

2.4.9 For the benefit of the Developers, Title Company shall be irrevocably committed to issuing in favor of the Developers the Title Policy, in form and substance, and with endorsements reasonably required by the Developers, as provided in Section 2.5.2.

2.5 Condition of Title; Survey; Title Insurance.

2.5.1 Within fifteen (15) working days after the Effective Date, the City shall deliver to the Developers for the Developers' review and approval, (i) a current preliminary title report covering the Property (the "Title Report") and legible copies of any instruments noted as exceptions thereon, and (ii) any survey of the Property in the City's possession. The Developers at their sole expense may obtain a current or updated ALTA survey of the Property in connection with the issuance of the Title Policy and the City shall cooperate with the same. Any current or updated survey of the Property undertaken by the Developers shall be prepared by a registered surveyor and shall be completed within thirty (30) days following the Developers' receipt of the Title Report. Any survey provided by the City or obtained by the Developers are each a "Survey" hereunder.

2.5.2 The Developers shall have thirty (30) days after the date of the Developers' receipt of the Title Report and the Survey (if the City provides a Survey or the Developer obtains a Survey as described in Section 2.5.1) (the "Review Period") to disapprove any exceptions to title shown on the Title Report or reflected on the Survey (collectively, "Disapproved Exceptions") and to provide the City with notice thereof describing the defect with reasonable particularity (the "Disapproval Notice"). Any exceptions to title not disapproved within the Review Period shall be deemed approved. Within ten (10) days after the City's receipt of the Disapproval Notice, the City shall notify the Developers whether or not the City intends to remove the Disapproved Exceptions. The City shall be under no obligation to remove any Disapproved Exception, and the City is not obligated to pay any sum or assume any liability in connection with the elimination of any such Disapproved Exception. If the City notifies the Developers that the City intends to eliminate any Disapproved Exception, the City shall do so at least five (5) days prior to the Close of Escrow. If the City notifies the Developers that the City does not intend to eliminate any Disapproved Exception(s), the Developers, by notifying the City within five (5) days after its receipt of such notice, may elect to terminate this Agreement and receive a refund of the Deposit or take the Property subject to the Disapproved Exception(s). Notwithstanding the foregoing, the City covenants to pay in full all loans secured by deeds of trust, any mechanics' and materialmen's liens, and any other monetary liens (other than liens for charges, assessments, taxes, and impositions subject to proration as provided in Section 2.6.2) (collectively, the "Deemed Disapproved Exceptions") prior to, or concurrently with, the Close of Escrow, and Escrow Holder is hereby directed to cause the same to be paid from the Purchase Price. The Title Policy shall include such endorsements as the Developers shall reasonably request. Any endorsements to the Title Policy are to be paid for by the Developers. Notwithstanding the foregoing, the Developers may notify the City of its disapproval of an exception to title (including exceptions reflected on the Survey) first raised by Title Company or the surveyor after the Review Period, or otherwise first

disclosed to the Developers after the Review Period, by the earlier of (a) within ten (10) days after the same was first raised or disclosed to the Developers in writing, and (b) fifteen (15) days prior to the Close of Escrow. With respect to any exceptions disapproved by the Developers in such notice, the City shall have the same option to eliminate such exceptions that applies to Disapproved Exceptions, and the Developers shall have the same option to accept title subject to such exceptions or to terminate this Agreement and receive a refund of the Deposit. At the Close of Escrow, the Developers shall receive title to the Property by grant deed substantially in the form attached hereto as Exhibit "C" and incorporated herein by this reference (the "Grant Deed").

2.5.3 At Closing, the Developers shall receive a CLTA Owner's Coverage Policy of Title Insurance (the "Title Policy"), together with all endorsements requested by the Developers, issued by Old Republic Title Company ("Title Company") in the amount of the Purchase Price, insuring that title to the Property is free and clear of all Disapproved Exceptions, all Deemed Disapproved Exceptions and all liens, easements, covenants, conditions, restrictions, and other encumbrances of record except (a) current taxes and assessments of record, but not any overdue or delinquent taxes or assessments, (b) the matters set forth or referenced in the Grant Deed, and (c) such other encumbrances as the Developers approves in writing including those reflected in the Title Report for the Property approved by the Developers, or as are deemed approved by the Developers as provided in Section 2.5.2. The Developers may obtain an extended coverage policy of title insurance at its own costs.

2.6 Escrow and Title Charges; Prorations.

2.6.1 The Developers and the City shall each pay one-half (1/2) each of any and all other usually and customary costs, expense and charges relating to the escrow and conveyance of title to the Property, including without limitation, recording fees, document preparation charges and escrow fees. Each party shall be responsible for its own Transaction Costs. Any County or City transfer taxes shall be paid by the City.

2.6.2 All non-delinquent and current installments of real estate and personal property taxes and any other governmental charges, regular assessments, or impositions against the Property on the basis of the current fiscal year or calendar year shall be pro-rated as of the Close of Escrow based on the actual current tax bill. If the Close of Escrow shall occur before the tax rate is fixed, the apportionment of taxes on the Close of Escrow shall be based on the tax rate for the next preceding year applied to the latest assessed valuation after the tax rate is fixed, which assessed valuation shall be based on the Property's assessed value prior to the Close of Escrow and the City and the Developers shall, when the tax rate is fixed, make any necessary adjustment. All prorations shall be determined on the basis of a 365 day year. The provisions of this Section 2.6.2 shall survive the Close of Escrow and the recordation of the Grant Deed and shall not be deemed merged into the Grant Deed upon its recordation.

2.7 Due Diligence Period; Access.

2.7.1 Due Diligence. During the period (the "Due Diligence Period") commencing on the Effective Date and ending at 5:00 p.m. on the date which is one-hundred and twenty (120) days after the Effective Date, the Developers may inspect the Property as necessary to (i) approve all zoning and land use matters relating to the Property, (ii) approve the physical

condition of the Property, and (iii) satisfy any due diligence requirements of the Developers' lender, if any. Developers and its agents shall have the right to enter upon the Property during the Due Diligence Period to make inspections and other examinations of the Property and the improvements thereon, including without limitation, the right to perform surveys, soil and geological tests of the Property and the right to perform environmental site assessments and studies of the Property. The City shall reasonably cooperate with the Developers in its conduct of the due diligence review during the Due Diligence Period. Any Phase II invasive testing shall be first approved by the City in its reasonable discretion. In the event the Developers do not approve of the condition of the Property by written notice to the City prior to the expiration of the Due Diligence Period, this Agreement shall terminate, the Deposit shall be returned to Developers (including any interest earned thereon) and, except as otherwise expressly stated in this Agreement, neither party shall have any further rights or obligations to the other party.

2.7.2 In the event the Developers do not remove the Due Diligence contingency within 120 days after Acceptance, City, after first giving Buyer a written Notice to Buyer to Perform, shall have the right to cancel this Agreement. In this event, the Earnest Money Deposit shall be returned to the Buyer (including any interest earned thereon) and, except as otherwise expressly stated in this Agreement, neither party shall have any further rights or obligations to the other party. Alternatively, both parties may mutually agree in writing to extend the Due Diligence time period. As such, Buyer must notify City no less than twenty-one (21) days prior in writing to the expiration of the Due Diligence Contingency of the Buyer's desire to extend the Due Diligence time in order to allow both Buyer and City adequate time to execute an extension of the Due Diligence Period according to the terms of this Agreement.

2.7.3 Access. Access to the Property, from the Effective Date through the earlier of Close of Escrow or termination of this Agreement, shall be given to Developers, its agents, employees, consultants, or contractors during normal business hours at reasonable times upon at least one (1) business days' notice to the City¹, at Developers' own cost and risk, for the purpose of conducting its due diligence investigation of the Property as set forth in Section 2.7.1. Developers shall restore the Property as a result of such investigations and return the affected portions of the Property to their condition immediately prior to such investigation. Developers shall repair any damage to the Property caused by any of its inspections. Developers shall indemnify and defend the City against and hold the City harmless from all losses, costs, damages, liabilities, and expenses arising out of negligent or willful acts by Developers or its agents, employees, consultants, or contractors on the Property in connection with Developers' entry onto the Property or any activity thereon prior to the Close of Escrow except to the extent any such losses, costs, damages, liabilities, and expenses arise out of any negligent or willful act of the City or the City's agents, employees or contractors; provided however, Developers' discovery of or impact on an adverse condition or defect on or affecting the Property shall not trigger Developers' indemnification obligations. Developers' obligation to indemnify and defend the City shall survive closing or any other termination of this Agreement.

2.7.4 Insurance. Prior to its first entry onto the Property and at all times thereafter until Close of Escrow or earlier termination of this Agreement, Developers shall maintain

¹ The parties acknowledge and agree the regular business hours for the City are Monday – Thursday, 8:30am – 5:30pm, excluding any holidays.

commercial general liability insurance covering the activities of Developers on the Property. Such insurance shall have a per occurrence limit of at least One Million Dollars (\$1,000,000) and an aggregate limit of at least Two Million Dollars (\$2,000,000), shall name the City as additional insured, shall be primary and noncontributing with any other insurance available to Developers, and shall be issued on an occurrence basis. Prior to any entry onto the Property by Developers or its agents, employees, consultants, or contractors, Developers shall furnish the City with a certificate of such insurance in form and substance reasonably acceptable to the City.

2.7.5 Property Documents. Within fifteen (15) business days after the Effective Date, the City shall provide Developers copies of all documents relating to the Property that are in its possession or under its control, including, without limitation, the following: (i) relevant studies, documents, land surveys, soils reports, licenses, permits, maintenance contracts, utility contracts, management contracts, service contracts, warranties, approvals, and other documents and/or contracts pertaining to the Property; (ii) any and all information that the City has regarding environmental matters affecting the Property and regarding the condition of the Property; (iii) copies of leases; (iv) copies of all building permits, licenses and inspections issued by governmental agencies; and (v) any other documents materially relative to the condition of the Property and the Parties' rights and duties under the Agreement (collectively, "Property Documents"). Notwithstanding the foregoing, the Seller shall have no obligation to cause any of the Property Documents to be created or produced if such document does not already exist. The City does not expressly or impliedly represent or warrant that the contents of the Property Documents are accurate.

2.8 Condition of the Property. The Property shall be conveyed from the City to the Developers on an "AS IS" condition and basis with all faults and the Developers agree that the City has no obligation to make modifications, replacements or improvements thereto. Except as expressly and specifically provided in this Agreement, the Developers and anyone claiming by, through or under the Developers hereby waives its right to recover from and fully and irrevocably releases the City, and its respective officers, council members, employees, representatives, agents, advisors, servants, attorneys, successors and assigns, and all persons, firms, corporations and organizations acting on the City's behalf (collectively, the "Released Parties") from any and all claims, responsibility and/or liability that the Developers may now have or hereafter acquire against any of the Released Parties for any costs, loss, liability, damage, expenses, demand, action or cause of action arising from or related to the matters pertaining to the Property described in this Section 2.8. This release includes claims of which the Developers is presently unaware or which the Developers do not presently suspect to exist which, if known by the Developers, would materially affect the Developers' release of the Released Parties. If the Property is not in a condition suitable for the intended use or uses, then it is the sole responsibility and obligation of the Developers to take such action as may be necessary to place the Property in a condition suitable for development of the Project thereon. The Developers will be responsible with conducting remediation services, if any contamination is confirmed, the Developers will handle remediation implementation consistent with local, state, and federal law. Developers will also apply all necessary steps in order to remove contamination and communication with Department of Toxic Substance Controls (DTSC) regulatory oversight. Except as specifically provided in this Agreement and without limiting the generality of the foregoing, THE CITY MAKES NO REPRESENTATION OR WARRANTY AS TO (i) THE VALUE OF THE PROPERTY; (ii) THE INCOME TO BE

DERIVED FROM THE PROPERTY; (iii) THE HABITABILITY, MARKETABILITY, PROFITABILITY, MERCHANTABILITY OR FITNESS FOR PARTICULAR USE OF THE PROPERTY; (iv) THE MANNER, QUALITY, STATE OF REPAIR OR CONDITION OF THE PROPERTY; (v) THE COMPLIANCE OF OR BY THE PROPERTY OR ITS OPERATION WITH ANY LAWS, RULES, ORDINANCES OR REGULATIONS OF ANY APPLICABLE GOVERNMENTAL AUTHORITY OR BODY; (vi) COMPLIANCE WITH ANY ENVIRONMENTAL PROTECTION OR POLLUTION LAWS, RULES, REGULATIONS, ORDERS OR REQUIREMENTS; (vii) THE PRESENCE OR ABSENCE OF HAZARDOUS MATERIALS AT, ON, UNDER OR ADJACENT TO THE PROPERTY; (viii) THE FACT THAT ALL OR A PORTION OF THE PROPERTY MAY BE LOCATED ON OR NEAR AN EARTHQUAKE FAULT LINE; OR (ix) WITH RESPECT TO ANY OTHER MATTER, THE DEVELOPERS FURTHER ACKNOWLEDGES AND AGREES THAT HAVING BEEN GIVEN THE OPPORTUNITY TO INSPECT THE PROPERTY AND REVIEW INFORMATION AND DOCUMENTATION AFFECTING THE PROPERTY, THE DEVELOPERS ARE RELYING SOLELY ON ITS OWN INVESTIGATION OF THE PROPERTY AND REVIEW OF SUCH INFORMATION AND DOCUMENTATION AND NOT ON ANY INFORMATION PROVIDED OR TO BE PROVIDED BY THE CITY.

THE DEVELOPERS HEREBY ACKNOWLEDGE THAT THEY HAVE READ AND ARE FAMILIAR WITH THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542, WHICH IS SET FORTH BELOW:

“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH 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, MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.”

BY INITIALING BELOW, DEVELOPERS HEREBY WAIVES THE PROVISIONS OF SECTION 1542 SOLELY IN CONNECTION WITH THE MATTERS WHICH ARE THE SUBJECT OF THE FOREGOING WAIVERS AND RELEASES.

Developers' Initials

The waivers and releases by the Developers herein contained shall survive the Close of Escrow and the recordation of the Grant Deed and shall not be deemed merged into the Grant Deed upon its recordation.

2.9 Escrow Holder.

2.9.1 Escrow Holder is authorized and instructed to:

(a) Pay and charge the Developers for any fees, charges and costs payable by the Developers under this Article 2. Before such payments are made, the Escrow Holder

shall notify the City and the Developers of the fees, charges, and costs necessary to close the Escrow;

(b) Pay and charge the City for any fees, charges and costs payable by the City under this Article. Before such payments are made, the Escrow Holder shall notify the City and the Developers of the fees, charges, and costs necessary to close the Escrow;

(c) Disburse funds and deliver the Grant Deed and other documents to the parties entitled thereto when the conditions of the Escrow and this Agreement have been fulfilled by the City and the Developers; and

(d) Record the Grant Deed and Parking Agreement, and any other instruments delivered through the Escrow, if necessary or proper, to vest title in the Developers in accordance with the terms and provisions of this Agreement.

2.9.2 Any amendment of or supplement to these escrow instructions shall be in writing and signed by both the City and the Developers, or their respective counsel.

2.9.3 All communications from the Escrow Holder to the City or the Developers shall be directed to the addresses and in the manner established in Section 7.3 of this Agreement for notices, demands and communications between the City and the Developers.

2.9.4 The responsibility of the Escrow Holder under this Agreement is limited to performance of the obligations imposed upon it under this Article, and any amendments hereto.

ARTICLE 3 DEVELOPMENT OF THE PROPERTY

3.1 Scope of Development.

3.1.1 The “Improvements” to be completed by the Developers shall be those described on Exhibit “D” attached hereto and incorporated herein by this reference. The Developers shall, subject to extension for force majeure delays as provided in Section 7.9 below, commence construction of the Project no later than the date set forth in the Schedule of Performance (“Commencement Date”). Subject to force majeure delays as provided in Section 7.9 below, the Project shall be completed no later than the date set forth in the Schedule of Performance (“Completion Date”). The Developers shall not unreasonably postpone the construction or completion of the Project. The Improvements shall be designed for the residential uses noted herein and shall comply with all zoning and general plan requirements applicable to the Property. To the extent of any inconsistency between the Schedule of Performance and this Section 3.1.1, this Section 3.1.1 shall control.

3.1.2 Construction of Improvements.

THE DEVELOPERS SHALL CONSTRUCT THE IMPROVEMENTS,
AND ALL ASSOCIATED PUBLIC INFRASTRUCTURE
IMPROVEMENTS REQUIRED BY THE CITY PURSUANT TO ITS

CONDITIONS OF APPROVAL, IF ANY, AND ALL PARKING AREAS AND LANDSCAPING, IN ACCORDANCE WITH AND WITHIN THE LIMITATIONS ESTABLISHED THEREFOR IN THIS AGREEMENT AND AS REQUIRED BY THE CITY. THE DEVELOPERS SHALL ALSO COMPLY WITH ANY AND ALL APPLICABLE FEDERAL, STATE AND LOCAL LAWS, RULES AND REGULATIONS, AND ANY APPLICABLE MITIGATION MEASURES ADOPTED PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT. THE CITY SHALL COOPERATE IN ALL REASONABLE RESPECTS, AT NO OUT-OF-POCKET COST TO THE CITY, WITH THE DEVELOPERS' PURSUIT AND ACQUISITION OF PERMITS AND APPROVALS FOR THE PROJECT FROM ALL APPLICABLE GOVERNMENTAL AND QUASI-GOVERNMENTAL AGENCIES AND PUBLIC UTILITIES. MOREOVER, THE PARTIES AGREE AND ACKNOWLEDGE, AS A MATERIAL CONDITION OF THIS AGREEMENT AND CONDITION OF APPROVAL, DEVELOPERS WILL BE RESPONSIBLE FOR THE COMPLETION OF THE ROAD IMPROVEMENTS **PRIOR TO** ISSUANCE OF A BUILDING PERMIT FOR ANY RESIDENTIAL DEVELOPMENT OF THE PROJECT. IN ADDITION, DEVELOPERS WILL ALSO BE SOLELY RESPONSIBLE FOR ANY RELATED SEWER, WATER, ELECTRICAL, AND/OR OTHER RELATED UTILITY INFRASTRUCTURE STEMMING FROM THE PROJECT.

Developers' Initials

3.2 City's Right to Review Plans and Specifications. In connection with design of the Improvements, the Developers have submitted its concept drawings, preliminary plans, and final Plans and Specifications (collectively, the "Construction Plans") to the City for the City's review and approval, which the City approved on _____. The Developers shall comply with all Design and Building Review requirements throughout construction, and shall construct the Improvements in substantial compliance with the final Plans and Specifications approved by the City pursuant to the procedures in this Section 3.

3.3 Offsite Landscaping Plans. By the date set forth in the Schedule of Performance, Developers shall submit, for City approval, landscaping plans for the relocation of the irrigation mainline currently located on the Property to a location outside the footprint of the Property ("Landscaping Plans"). The City shall reasonably approve or disapprove the Landscaping Plans within the time periods provided in the Schedule of Performance. Any disapproval shall state in writing the reasons for disapproval. The Developers, upon receipt of a disapproval, shall revise such portion of the plans, drawings or related documents in a manner that satisfies the reasons for disapproval and shall resubmit such revised portions to the City within a commercially reasonable period after receipt of the notice of disapproval. The City shall approve or disapprove such revised

portions in the same manner and within the same time limits as provided in the Schedule of Performance for approval or disapproval of the Landscaping Plans. All approvals or disapprovals to be made by the City pursuant to this Article 3 shall be made by the City Manager of the City or the City Manager's designated staff members and such approvals or disapprovals are separate and apart from any other review and approval required by other City departments through the entitlement and permit process. Upon approval of the Landscaping Plans and Close of Escrow, Developers shall be responsible for relocating the irrigation pipeline as part of its Project.

3.4 Changes in Construction Plans. If the Developers desires to make any material change to any of the Construction Plans after their approval by the City, the Developers shall submit the proposed changes to the City for its approval, which approval shall not be unreasonably withheld, conditioned or delayed so long as the revisions are consistent in all material respects with the terms of this Agreement and any conditions of Project approval. The City shall approve or disapprove such revised portions in the same manner and within the same time limits as provided in Section 3.3 of this Agreement.

3.5 Cost of Construction. The cost of constructing all Improvements and all public infrastructure improvements relating to the Project or required by the City in connection with the Project, if any, shall be borne by the Developers.

3.6 Construction Financing; Construction Contract. Prior to the date set forth in the Schedule of Performance, the Developers shall provide to the City (i) evidence reasonably acceptable to the City as to form and substance that the Developers have obtained a commitment to provide construction financing (or otherwise has sufficient funds committed) for the construction of the Improvements, and (ii) a copy of the fully executed construction contract (the "Construction Contract"), which Construction Contract shall obligate a reputable and financially responsible general contractor (the "General Contractor"), licensed in California and experienced in completing the type of improvements contemplated by this Agreement, to commence and complete the development of the Project in accordance with this Agreement, and all applicable laws, with the funds available for the Project. Such Construction Contract shall set forth a cost of construction, including fees to the General Contractor, consistent with the funding available to and obtained by the Developers to pay the cost of constructing the Improvements. The City shall also have the right to confirm that the Construction Contract will conform to the budget and cost breakdown approved by the Developers' construction lender.

3.7 Construction Schedule. Subject to force majeure delays as provided in Section 7.9, the Developers shall begin and complete all construction within the times specified in the Schedule of Performance.

3.8 Progress of Construction. During construction of the Improvements on the Property, the Developers shall submit to the City within ten (10) days following each request of the City therefore (which requests shall be submitted no more frequently than monthly), a written report of the progress to date of the construction. The report shall be in such form and detail as to reasonably inform the City of the status of construction to date, and shall include a reasonable number of photographs (if so requested by the City) taken since the last report by the Developers.

3.9 Rights of Access. In addition to those rights of access to and across the Property to

which the City may be entitled by law, members of the staff of the City shall have a reasonable right of access to the Property, without charge or fee, at any reasonable time, to inspect the work being performed at the Property.

3.10 Local, State and Federal Laws. The Developers shall carry out the construction of the Improvements in material conformity with all applicable laws, including all applicable federal, state and local occupation, safety and health laws, rules, regulations and standards. Because the Developers are purchasing the Property at fair market value and will not otherwise be receiving any direct or indirect financial assistance from the City, it is currently the understanding of both the City and the Developers that the Developers should not be required under current prevailing wage laws of the State of California to pay prevailing wages. Notwithstanding the foregoing, the Developers shall construct or cause the Improvements to be constructed in full compliance with all applicable provisions of state, federal and local prevailing wage laws and all rules and regulations promulgated pursuant thereto, including, without limitation, the prevailing wage laws of the State of California set forth in the California Labor Code, Division 2, Part 7 and California Code of Regulations, Title 8. The Developers agree to indemnify, defend and hold the City harmless from and against any cost, expense, claim, charge or liability relating to or arising directly or indirectly from any breach by or failure of the Developers or their contractor(s) or agents to comply with such laws, rules or regulations. The indemnification obligations described in this Section 3.10 shall survive the termination of this Agreement and the recordation of the Grant Deed and shall not be deemed merged into the Grant Deed upon its recordation.

3.11 Nondiscrimination During Construction. The Developers, for itself and its successors and assigns, agrees that it shall not discriminate against any employee or applicant for employment because of age, sex, marital status, race, handicap, color, religion, creed, ancestry, or national origin in the construction of the Improvements.

3.12 Certificate of Completion. After (i) completion of construction by the Developers of all of the Improvements, (ii) the Developers have obtained a Certificate of Occupancy, and (iii) the Developers have caused a notice of completion (as described in California Civil Code Section 8182) with respect to the Improvements to be recorded in the Official Records of San Joaquin County, California, the City shall, following written request by the Developers, furnish the Developers with a Certificate of Completion for the Improvements within ten (10) business days of such request. The Certificate of Completion shall be in the form attached hereto as Exhibit "E" and incorporated herein by this reference. The City shall not unreasonably withhold, condition or delay the issuance of the Certificate of Completion. The Certificate of Completion shall be, and shall so state that it is, a conclusive determination of satisfactory completion by the Developers of all of its construction obligations under this Agreement as to the Improvements.

The Certificate of Completion shall not constitute evidence of compliance with or satisfaction of any obligation of the Developers to any holder of a mortgage, trust deed or other security instrument. Such Certificate of Completion shall not be construed as a notice of completion as described in California Civil Code Section 8182.

ARTICLE 4

LIMITATIONS ON TRANSFERS AND SECURITY INTERESTS

4.1 Limitation As To Transfer of the Property and Assignment of Agreement. Prior to the City's issuance of the Certificate of Completion, the Developers shall not transfer its rights and obligations under this Agreement, or sell, assign, transfer, encumber, pledge or lease the Property, without the City's prior written consent, which consent may be granted or withheld in the sole and absolute discretion of the City; provided, however, that Developers may, without the prior consent of the City, assign, lease, or transfer the Property or this Agreement to a business entity now or hereafter organized in which Developers own a controlling or equity interest of not less than fifty-one percent (51%). The Developers acknowledges that the identity of the Developers are of particular concern to the City, and it is because of the Developers' identity that the City has entered into this Agreement with the Developers. In the event of a transfer, the transferee shall assume in writing all of the transferor's obligations hereunder in a form approved by the City. No voluntary or involuntary successor in interest of the Developers shall acquire any rights or powers under this Agreement in violation of the terms hereof. Notwithstanding any provision contained herein to the contrary, this prohibition shall not be deemed to prevent the granting of easements or permits to facilitate the development of the Project, or any mortgage or deed of trust permitted by this Agreement. Upon the City's issuance of a Certificate of Completion, the Developers may transfer the Property to a transferee without restriction so long as the transferee agrees to all of the applicable covenants and conditions set forth in Article 5 of this Agreement.

4.2 Security Financing; Right of Holders.

4.2.1 No Encumbrances Except Mortgages, Deeds of Trust, Conveyances or Other Conveyance for Financing For Development.

(a) Notwithstanding Section 4.1 or any other provision herein to the contrary, only mortgages, deeds of trust, sales and leasebacks, or any other form of encumbrance, conveyance, security interest or assignment required for any reasonable method of construction and permanent financing are permitted prior to the issuance of a Certificate of Completion for the Property, but only for the purpose of securing loans of funds to be used for the purchase of the Property or financing the direct and indirect costs of the development of the Project (including reasonable and customary developer fees, loan fees and costs, and other normal and customary project costs), and each such loan secured by the Property shall expressly allow for its prepayment or assumption (upon payment of a market standard prepayment or assumption fee) by and at the option of the City upon the exercise of its rights of repurchase provided in Section 5.7.

(b) The words "mortgage" and "deed of trust" as used herein include all other appropriate modes of financing commonly used in real estate acquisition, construction and land development. Any reference herein to the "holder" of a mortgage or deed of trust shall be deemed also to refer to a lessor under a sale and leaseback.

4.2.2 Notice of Default to Mortgage, Deed of Trust or Other Security Interest Holders; Right to Cure. Whenever the City shall deliver a notice or demand to the Developers with respect to any Default by the Developers in completion of development of the Project or otherwise, the City shall at the same time deliver a copy of such notice or demand to each holder of record of any first mortgage, deed of trust or other security interest authorized by this Agreement who has previously made a written request to the City for special notice hereunder (a "Holder"). No notice of Default to the Developers shall be effective against any such Holder unless given to such Holder

as aforesaid. Such Holder shall (insofar as the rights of the City are concerned) have the right, at such Holder's option, within sixty (60) days after receipt of the notice, to cure or remedy any such Default and to add the cost thereof to the security interest debt and the lien of its security interest; provided, however, that if longer than sixty (60) days is required to cure such Default, such longer period shall be granted to Holder, provided that Holder diligently pursues such cure during such longer period. If such Default shall be a default which can only be remedied or cured by such Holder upon obtaining possession of the Property, such Holder shall seek to obtain possession of the Property with diligence and continuity through a receiver or otherwise, and shall remedy or cure such Default within a reasonable period of time as necessary to remedy or cure such Default of the Developers. If such Default shall be a default as to or by Developers which cannot be cured, the City shall not seek to enforce the same against Holder and Holder shall not be subject thereto.

4.2.3 Noninterference with Holders. The provisions of this Agreement do not limit the right of Holders to foreclose or otherwise enforce any mortgage, deed of trust, or other security instrument encumbering the Property and the improvements thereon, or the right of Holders to pursue any remedies for the enforcement of any pledge or lien encumbering the Property; provided, however, that in the event of a foreclosure sale under any such mortgage, deed of trust or other lien or encumbrance, or sale pursuant to any power of sale contained in any such mortgage or deed of trust, the purchaser or purchasers and their successors and assigns, and the Property, shall be, and shall continue to be, subject to all of the conditions, restrictions and covenants of this Agreement and all documents and instruments recorded pursuant hereto.

ARTICLE 5 USE OF THE PROPERTY

5.1 Use. The Developers covenant and agree for themselves, and their successors and their assigns, that the Developers, such successors, and such assignees shall use the Property, and every part thereof, only for the construction of the Improvements thereon, and thereafter for any use allowed under applicable law. The foregoing covenant to use the Property for any use allowed under applicable law shall run with the land for the benefit of the City and the Project Area for the purpose of protecting the interest of the community, and shall be binding on the Developers and all successors in interest of the Developers. Notwithstanding the foregoing, if and when the Developers conveys the Property to a third party after completion of the Improvements thereon in accordance with this Agreement, the Developers shall be relieved of any further responsibility under this Section 5.1 as to the Property so conveyed. To be clear, consistent with law and this Agreement, any changes in ownership regarding and/or concerning the Property, shall by no means whatsoever extinguish, alter, and/or amend any and all conditions and terms found in this Agreement, including, but not limited to any and all conditions of approval, which shall run with the land, regardless of ownership of the Property or any sales, assignments, transfers, or other legal ownership and/or interest changes related to or concerning the Property.

5.2 Maintenance of the Property. After completion of the Project, Developers or the Developers' transferees or successors and assigns, shall maintain the Property and the Project (including, but not limited to landscaping, roadways, and sewer lines) in a reasonable condition and repair to the extent practicable and in accordance with industry health and safety standards. Notwithstanding the foregoing, if and when the Developers conveys the Property to a third party after completion of the Improvements thereon in accordance with this Agreement, the Developers

shall be relieved of any further responsibility under this Section 5.2 as to the Property so conveyed.

5.3 Obligation to Refrain from Discrimination. The Developers covenant and agree for themselves, their successors and assigns, and for every successor in interest to the Property or any part thereof, that there shall be no discrimination against or segregation of any person, or group of persons, on account of sex, marital status, age, handicap, race, color, religion, creed, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property, and the Developers (itself or any person claiming under or through the Developers) shall not establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees of the Property or any portion thereof.

5.4 Restrictive Covenants. In order to ensure the Developers' compliance with the covenants set forth in Sections 5.1, 5.2, and 5.3 hereof, such covenants shall be set forth in the Grant Deed. Such covenants shall run with the Property for the benefit of the City without regard to whether the City has been, remains, or is an owner or holder of any lien or interest in the Project Area, and the City shall have the right to assign all of its rights and benefits therein.

5.5 Effect and Duration of Covenants. The covenants described in Sections 5.1, 5.2, and 5.3 hereof shall be binding upon the Property and the Developers and its successors and assigns and shall remain in effect in perpetuity.

5.6 City Right to Repurchase for Failure to Commence or Complete Construction. If the Developers shall fail to commence construction of the Improvements on or prior to the Commencement Date or complete the construction of the Improvements on or prior to the Completion Date, both subject to force majeure delays as provided in Section 7.9, the City may give written notice (a "Breach Notice") of such breach to the Developers and, if applicable, to any Holder. The Developers shall have a period of sixty (60) days after the date of the Breach Notice to cure said breach, or if a cure is not possible within such sixty (60) day period, to commence such cure within such 60-day period and diligently prosecute the same to completion, which shall in any event not exceed one hundred twenty (120) days from the date of the Breach Notice. In the event that the Developers shall fail to cure such breach within such period, the City shall have the right, at its option, to repurchase, reenter and take possession of the Property with all improvements thereon. To exercise its rights to repurchase, reenter and take possession of the Property, the City shall pay to the Developers, in cash, an amount equal to:

5.6.1 the Purchase Price paid to the City for the Property; plus

5.6.2 any and all sums outstanding under any Holder's mortgage or deed of trust encumbering the Property or the Improvements and any prepayment premium and expenses related thereto, not including sums used toward the Purchase Price; plus

5.6.3 Any increase in the appraised value of the Property from any Improvements thereon.

5.6.3.1 The Property shall be appraised from the date of the written Breach Notice. Should the Property appraise at a lower value than the Purchase Price paid to the

City for the Property, the City will pay the amounts outlined in Paragraphs 5.6.1 and 5.6.2.

5.6.3.2 The City shall also have the right to receive any and all building plans, engineering plans, landscape plans, architecture plans, and design plans, including any intellectual property of the Developers or the Developers' employees, assignees, independent contractors, or consultants so the City may, in its discretion, complete the Project. City shall have no right to receive the logo, trademarks, copyrights, or trade dress of Developers. City shall not have the right to operate the Project under Developers' name, image, or likeness.

The City's right to repurchase, reenter and take possession of the Property pursuant to this Section 5.6 must be exercised, if at all, by giving sixty (60) days written notice to the Developers within six (6) months after the act or failure to act giving rise to such right. The City shall repurchase, reenter and take possession of the Property by closing escrow within six (6) months after giving such notice.

5.7 Right of First Refusal to Purchase. The Developers shall not sell the Property or Improvements without first giving written notice thereof to the City, which notice is hereinafter referred to as the "Notice of Sale". The Notice of Sale shall include the exact and complete terms of the proposed sale and shall have attached thereto a photocopy of any bona fide offer and counteroffer duly executed by the Developers and a prospective purchaser. For a period of twenty (20) business days after receipt by the City of the Notice of Sale, the City shall have the right to give written notice to the Developers of the City's exercise of its right to purchase the Property and/or Improvements (as applicable), on the same terms, price and conditions as set forth in the Notice of Sale. In the event the Developers do not receive written notice of the City's exercise of the right to purchase herein granted within such twenty (20) business days, there shall be a conclusive presumption that the City has elected not to exercise its right to purchase and the Developers may sell the Property and/or Improvements on the same terms set forth in the Notice of Sale. Notwithstanding any other terms of the proposed sale, if the City elects to exercise its right of purchase, escrow shall not be required to close in less than thirty (30) days after the Developers' receipt of the City's notice of election to purchase. If the consideration to be provided by a prospective purchaser is other than cash or deferred payment, such as an exchange, then the fair market value of the consideration shall be determined by agreement of the Developers and the City, or if the parties cannot agree, by an appraisal to be prepared by an appraiser mutually and reasonably acceptable to the Developers and the City. In the event that the City declines to exercise its right of first refusal to purchase after receipt of the Notice of Sale, and, thereafter, the Developers and the prospective purchaser modify by more than five percent (5%), (i) the sales price, (ii) the amount of down payment, (iii) the aggregate of the interest payable on a deferred purchase price, or (iv) the sale to the prospective purchaser is not consummated within thirty (30) days of the date of the Notice of Sale, then the City's right of first refusal shall be reinstated on the same terms and conditions as hereinabove set forth in this Section 5.7.

ARTICLE 6 EVENTS OF DEFAULT, REMEDIES AND TERMINATION

6.1 Developers Events of Defaults. Occurrence of any or all of the following, if uncured after the expiration of any applicable cure period, shall constitute a default ("Developers Event of Default") under this Agreement:

6.1.1 The Developers' failure to commence construction of the Improvements or to complete construction of the Improvements as provided herein and the Developers' failure to cure such breach as provided in Section 5.6, provided that such failure is not due to causes beyond the Developers' control as provided in Section 7.9; or

6.1.2 The Developers' sale, lease, or other transfer, or the occurrence of any involuntary transfer, of the Property or any part thereof or interest therein in violation of this Agreement; or

6.1.3 The Developers' neglect, failure or refusal to keep in force and effect any permit or approval with respect to development of the Project (and the City shall reasonably cooperate with the Developers as to the same), unless such failure is due to causes beyond the Developers' reasonable control as provided in Section 7.9, or any policy of insurance required hereunder, and, so long as such failure is not caused by any wrongful act of the City, the Developers' failure to cure such breach within thirty (30) days after receipt of written notice from the City of the Developers' breach; or

6.1.4 Filing of a petition in bankruptcy by or against the Developers or appointment of a receiver or trustee of any property of the Developers, or an assignment by the Developers for the benefit of creditors, or adjudication that the Developers are insolvent by a court, and the failure of the Developers to cause such petition, appointment, or assignment to be removed or discharged within ninety (90) days; or

6.1.5 The Developers' failure to perform any requirement or obligation of Developers set forth herein or in the Schedule of Performance, other than as described in Section 5.7 above, on or prior to the date for such performance set forth herein or in the Schedule of Performance (subject to delays pursuant to Section 7.9), and, so long as such failure is not caused by any wrongful act of the City, the Developers' failure to cure such breach within thirty (30) days after receipt of written notice from the City of the Developers' breach; or

6.1.6 The Developers' failure to deposit with Escrow Holder the Deposit or the balance of the Purchase Price as required by Section 2.2.

6.2 City Events of Default. Occurrence of any or all of the following, if uncured after the expiration of the applicable cure period, shall constitute a default ("City Event of Default", and together with the Developers Event of Default, a "Default") under this Agreement:

6.2.1 The City, in violation of the applicable provision of this Agreement, fails to convey the Property to the Developers at the Close of Escrow; or

6.2.2 The City breaches any other material provision of this Agreement.

Upon the occurrence of any of the above-described events in Section 6.2, the Developers shall first notify the City in writing of its purported breach or failure, giving the City thirty (30) days from receipt of such notice to cure such breach or failure (other than a failure by the City to convey the Property at the Close of Escrow, for which there shall be no cure period) or if a cure is

not possible within the thirty (30) day period, to begin such cure and diligently prosecute the same to completion, which shall, in any event, not exceed one hundred eighty (180) days from the date of receipt of the notice to cure.

6.3 Remedies in the Event of Default.

6.3.1 Remedies General. In the event of a breach or a default under this Agreement by either the Developers or the City, prior to the Close of Escrow, the non-defaulting party shall have the right to terminate this Agreement by providing ten (10) days written notice thereof to the defaulting party. If such breach or default is not cured within such ten (10) day period (other than a failure by the City to convey the Property at the Close of Escrow, for which there shall be no cure period), this Agreement and the Escrow for the purchase and sale of the Property shall terminate, and if the Developers are the non-defaulting party, the Developers shall thereupon promptly receive a refund of the Deposit and all interest accrued thereon. Except as herein otherwise expressly provided, such termination of the Escrow by a non-defaulting party shall be without prejudice to the non-defaulting party's rights and remedies against the defaulting party at law or equity.

In the event of a Default under this Agreement after the Close of Escrow, the non-defaulting party may seek against the defaulting party any available remedies at law or equity, including but not limited to the right to receive reimbursement for its documented out-of-pocket costs relating to this purchase transaction or to pursue an action for specific performance, but in no event shall such non-defaulting party be entitled to receive any consequential or special damages. In addition, the City shall have the right to repurchase and reenter the Property as set forth in Section 5.6.

IF THE DEVELOPERS FAILS TO COMPLETE THE ACQUISITION OF THE PROPERTY AS HEREIN PROVIDED BY REASON OF ANY DEFAULT OF THE DEVELOPERS, IT IS AGREED THAT THE DEPOSIT SHALL BE NON-REFUNDABLE AND THE CITY SHALL BE ENTITLED TO SUCH DEPOSIT, WHICH AMOUNT SHALL BE ACCEPTED BY THE CITY AS LIQUIDATED DAMAGES AND NOT AS A PENALTY AND AS THE CITY'S SOLE AND EXCLUSIVE REMEDY. IT IS AGREED THAT SAID AMOUNT CONSTITUTES A REASONABLE ESTIMATE OF THE DAMAGES TO THE CITY PURSUANT TO CALIFORNIA CIVIL CODE SECTION 1671 ET SEQ. THE CITY AND THE DEVELOPERS AGREE THAT IT WOULD BE IMPRACTICAL OR IMPOSSIBLE TO PRESENTLY PREDICT WHAT MONETARY DAMAGES THE CITY WOULD SUFFER UPON THE DEVELOPERS' FAILURE TO COMPLETE ITS ACQUISITION OF THE PROPERTY. THE DEVELOPERS DESIRE TO LIMIT THE MONETARY DAMAGES FOR WHICH IT MIGHT BE LIABLE HEREUNDER AND THE DEVELOPERS AND THE CITY DESIRE TO AVOID THE COSTS AND DELAYS THEY WOULD INCUR IF A LAWSUIT WERE COMMENCED TO RECOVER DAMAGES OR OTHERWISE ENFORCE THE CITY'S RIGHTS. IF FURTHER INSTRUCTIONS ARE REQUIRED BY ESCROW HOLDER TO EFFECTUATE THE TERMS OF THIS PARAGRAPH, THE DEVELOPERS AND THE CITY AGREE TO EXECUTE THE SAME. THE PARTIES ACKNOWLEDGE THIS PROVISION BY PLACING THEIR INITIALS BELOW:

City

Developers

6.3.2 Liberal Construction. The rights established in this Agreement are to be interpreted in light of the fact that the City will convey the Property to the Developers for development and operation of the Project thereon and not for speculation in undeveloped land or for construction of different improvements. The Developers acknowledge that it is of the essence of this Agreement that the Developers are obligated to complete all Improvements comprising the Project.

6.4 No Personal Liability. Except as specifically provided herein to the contrary, no representative, employee, attorney, agent or consultant of the City shall personally be liable to the Developers, or any successor in interest of the Developers, in the event of any Default or breach by the City, or for any amount which may become due to the Developers, or any successor in interest, on any obligation under the terms of this Agreement.

6.5 Legal Actions.

6.5.1 Institution of Legal Actions. Any legal actions brought pursuant to this Agreement must be instituted in either the Superior Court of the County of San Joaquin, State of California, or in the federal Eastern District of California.

6.5.2 Applicable Law. The laws of the State of California shall govern the interpretation and enforcement of this Agreement.

6.5.3 Acceptance of Service of Process. If any legal action is commenced by the Developers against the City, service of process on the City shall be made by personal service upon the City Clerk of the City, or in such other manner as may be provided by law. If any legal action is commenced by the City against the Developers, service of process on the Developers shall be made by personal service upon the Developers, or in such other manner as may be provided by law, including upon the Developers' Agent for Service of Process, whether made within or without the State of California.

6.6 Rights and Remedies are Cumulative. Except as otherwise expressly stated in this Agreement, the rights and remedies of the parties are cumulative, and the exercise by either party of one or more of such rights or remedies shall not preclude the exercise by it, at the same time or different times, of any other rights or remedies for the same Default or any other Default by the other party.

6.7 Inaction Not a Waiver of Default. Except as expressly provided in this Agreement to the contrary, any failure or delay by either party in asserting any of its rights and remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies, or deprive either such party of its rights to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

ARTICLE 7 GENERAL PROVISIONS

7.1 Insurance.

7.1.1 Prior to commencement of any demolition or construction work on the Property by the Developers, the Developers shall obtain (or cause the Developers' general constructor to obtain), at the Developers' sole cost and expense, and shall maintain in force until completion of construction of the Improvements, with a reputable and financially responsible insurance company reasonably acceptable to the City, broad form commercial general public liability insurance, insuring the Developers and the City against claims and liability for bodily injury, death, or property damage arising from the use, occupancy, condition, or operation of the Property and the Improvements thereon, which insurance shall provide combined single limit protection of at least Two Million Dollars (\$2,000,000), and include contractual liability endorsement. Such insurance shall name the City and its respective council members, officers, agents, employees, consultants, independent contractors, and attorneys as additional insureds.

7.1.2 Prior to commencement of any demolition or construction work on the Property by the Developers, the Developers shall also obtain, or cause to be obtained, at the Developers' sole cost and expense, and shall maintain in force until completion of the construction of the Improvements, with a reputable and financially responsible insurance company reasonably acceptable to the City (i) "all risk" builder's risk insurance, including coverage for vandalism and malicious mischief, in a form and amount and with a reputable and financially responsible insurance company reasonably acceptable to the City, and (ii) workers' compensation insurance covering all persons employed in connection with work. The builder's risk insurance shall cover improvements in place and all material and equipment at the job site furnished under contract, but shall exclude contractors', subcontractors', and construction managers' tools and equipment and property owned by contractors' and subcontractors' employees.

7.1.3 Prior to the commencement of any demolition or construction work on the Property by the Developers, the Developers shall also furnish or cause to be furnished to the City evidence satisfactory to the City that any contractor with whom it has contracted for the performance of work on the Property carries workers' compensation insurance as required by law.

7.1.4 With respect to each policy of insurance required above, the Developers shall furnish a certificate of insurance countersigned by an authorized agent of the insurance carrier on the insurance carrier's form setting forth the general provisions of the insurance coverage. The required certificate shall be furnished by the Developers prior to commencement of any demolition or construction work on the Property.

7.1.5 All such policies required by this Section shall be nonassessable and shall contain language to the effect that (i) the policies cannot be canceled or materially changed except after thirty (30) days' written notice by the insurer to the City, and (ii) the City shall not be liable for any premiums or assessments. All such insurance shall have deductibility limits reasonably satisfactory to the City. The provisions of this Section shall survive the Close of Escrow and the recordation of the Grant Deed and shall not be deemed merged into the Grant Deed upon its recordation.

7.2 Indemnity.

7.2.1 Except for the gross negligence or willful misconduct of the City, the

Developers shall indemnify, defend, protect, and hold harmless the City and any and all agents, employees, council members, attorneys and representatives of the City, from and against all losses, liabilities, claims, damages (including consequential damages), penalties, fines, forfeitures, costs and expenses (including all reasonable out-of-pocket litigation costs and reasonable attorneys' fees) and demands of any nature whatsoever, related directly or indirectly to, or arising out of or in connection with:

- (a) the Developers' use, ownership, management, occupancy, or possession of the Property;
- (b) the validity of this Agreement;
- (c) any breach or Default of the Developers hereunder;
- (d) any of the Developers' activities on the Property (or the activities of the Developers' agents, employees, lessees, representatives, licensees, guests, invitees, contractors, subcontractors, or independent contractors on the Property), including without limitation the construction of any Improvements on the Property;
- (e) the presence or clean-up of Hazardous Substances on, in or under the Property to the extent the same was caused by the Developers or the Developers' affiliates, agents or employees; or,
- (f) any other fact, circumstance or event related to the Developers' performance hereunder, or which may otherwise arise from the Developers' ownership, use, possession, improvement, operation or disposition of the Property, regardless of whether such damages, losses and liabilities shall accrue or are discovered before or after termination or expiration of this Agreement, or before or after the conveyance of the Property.

The Developers' indemnity obligations set forth in this Section 7.2 shall not extend to any damages, losses, or liabilities incurred by the City to the extent such losses or liabilities are caused by or contributed to by the gross negligence or willful misconduct of the City, as finally determined by a court of competent jurisdiction.

7.2.2 The indemnity obligations described in this Section 7.2 shall survive for a period of four (4) years from the earlier of (i) the termination of this Agreement, or (ii) the completion of the Improvements, and shall not be deemed merged into the Grant Deed upon the recordation.

7.3 Notices. All notices and demands shall be given in writing by certified mail, postage prepaid, and return receipt requested, by nationally recognized overnight courier, by personal delivery, or by legible facsimile transmission. Notices shall be considered given upon the earlier of (a) personal delivery, (b) three (3) business days following deposit in the United States mail, postage prepaid, certified or registered, return receipt requested, (c) the next business day after deposit with a nationally reorganized overnight courier, or (d) in the case of facsimile transmission, as of the date of the facsimile transmission provided that an original of such facsimile is also sent to the intended addressee by means described in clauses (a), (b) or (c) above, in each

instance addressed to the recipient as set forth below. Notices shall be addressed as provided below for the respective party; provided that if any party gives notice in writing of a change of name or address, notices to such party shall thereafter be given as demanded in that notice:

City: City of Manteca
1001 West Center Street
Manteca, California 95337
Attention: Toni Lundgren, City Manager
Telephone: (209) 456-8000
Email: tlundgren@manteca.gov

With a copy to: City of Manteca, City Attorney's Office
1001 West Center Street
Manteca, California 95337
Attention: City Attorney
(209) 456-8000
Email: cityattorney@manteca.gov

Developers: Gaganpreet Singh Bahad

With a copy to:

7.4 Construction. The parties agree that each party and its counsel have reviewed and revised this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement or any amendments or exhibits thereto.

7.5 Developers' Warranties. The Developers warrant and represent to the City as follows:

7.5.1 The Developers has full power and authority to execute and enter into this Agreement and to consummate the transactions contemplated hereunder. This Agreement constitutes the valid and binding agreement of the Developers, enforceable in accordance with its terms subject to bankruptcy, insolvency of other creditors' rights laws of general application. Neither the execution nor delivery of this Agreement, nor the consummation of the transactions covered hereby, nor compliance with the terms and provisions hereof, shall conflict with, or result

in a breach of, the terms, conditions or provisions of, or constitute a default under, any agreement or instrument to which the Developers are a party.

7.5.2 As of the Close of Escrow, the Developers will have inspected the Property and will be familiar with all aspects of the Property and its condition, and will accept such condition.

7.5.3 The Developers have not paid or given, and will not pay or give, to any third person, any money or other consideration for obtaining this Agreement, other than normal costs of conducting business and costs of professional services such as architects, engineers and attorneys.

7.5.4 The Developers have not authorized any broker or finder to act on its behalf in connection with the sale and purchase hereunder other than Navroop S. Judge of JK Brokers. Developers agree to pay any brokers fees, and agrees to save and hold the City and its City Council members, directors, officers, employees, agents, successors and assigns, free, clear and harmless from any claim, cost or expense, including reasonable attorneys' fees, for or in connection with any claim for commissions or compensation claimed or asserted by or through the Developers in connection with the transaction contemplated herein. The provisions of this Section 7.5.4 shall survive Close of Escrow or any termination of this Agreement.

7.5.5 Developers are currently in compliance with and shall at all times during the term of this Agreement remain in compliance with the regulations of the OFAC (including those named on OFAC's Specially Designated and Blocked Persons List) and any statute, executive order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism), or other governmental action relating thereto.

7.6 Interpretation. In this Agreement the neuter gender includes the feminine and masculine, and singular number includes the plural, and the words "person" and "party" include corporation, partnership, firm, trust, or association where ever the context so requires.

7.7 Time of the Essence. Time is of the essence of this Agreement.

7.8 Attorneys' Fees. If any party brings an action to enforce the terms hereof or declare its rights hereunder, the prevailing party in any such action shall be entitled to its reasonable attorneys' fees to be paid by the losing party as fixed by the court. If the City, or the Developers, without fault, is made a party to any litigation instituted by or against the other party, such other party shall defend it against and save it harmless from all costs and expenses including reasonable attorneys' fees incurred in connection with such litigation.

7.9 Enforced Delay: Extension of Times of Performance. Notwithstanding anything to the contrary in this Agreement, unexcused failure to commence construction of the Improvements on or prior to the Commencement Date or to complete construction of the Improvements on or prior to the Completion Date shall constitute a Default hereunder as herein set forth; provided, however, nonperformance of such obligations or any other obligations to be performed hereunder shall be excused when performance is prevented or delayed by reason of any of the following forces reasonably beyond the control of the party responsible for such performance: (i) war, insurrection, riot, flood, severe weather, earthquake, fire, casualty, acts of public enemy, governmental

restriction, litigation, acts or failures to act of any governmental or quasi-governmental agency or entity, including the City, or public utility, or any declarant under any applicable conditions, covenants, and restrictions affecting the Property, or (ii) inability to secure necessary labor, materials or tools, strikes, lockouts, delays of any contractor, subcontractor or supplier or (iii) other matters generally constituting a force majeure event in circumstances similar to those contemplated by this Agreement (but which shall not in any event include the availability of financing to construct the Improvements). Developers shall give the City written notice within thirty (30) days of the commencement of any force majeure events, explaining the nature or cause of the delay and stating the period of time the delay is expected to continue. Developers shall use commercially reasonable efforts to minimize the effects of any force majeure events. In the event of an occurrence described in clauses (i), (ii) or (iii) above, such nonperformance shall be excused and the time of performance shall be extended by the number of days the matters described in clauses (i), (ii) or (iii) above materially prevent or delay performance.

7.10 Approvals by the City and the Developers. Unless otherwise specifically provided herein, wherever this Agreement requires the City or the Developers to approve any contract, document, plan, proposal, specification, drawing or other matter, such approval shall not unreasonably be withheld, conditioned or delayed.

7.11 Developers' Private Undertaking. The development covered by this Agreement is a private undertaking, and the Developers shall have full power over and exclusive control of the Property while the Developers holds title to the Property; subject only to the limitations and obligations of the Developers under this Agreement.

7.12 Entire Agreement, Waivers and Amendments. This Agreement is executed in duplicate originals, each of which is deemed to be an original. This Agreement, together with all attachments and exhibits hereto, constitutes the entire understanding and agreement of the parties. This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the parties with respect to the subject matter hereof. No subsequent agreement, representation or promise made by either party hereto, or by or to any employee, officer, agent or representative of either party, shall be of any effect unless it is in writing and executed by the party to be bound thereby. No person is authorized to make, and by execution hereof the Developers and the City acknowledge that no person has made, any representation, warranty, guaranty or promise except as set forth herein; and no agreement, statement, representation or promise made by any such person which is not contained herein shall be valid or binding on the Developers or the City.

7.13 Counterparts. This Agreement may be executed simultaneously in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

7.14 Severability. Each and every provision of this Agreement is, and shall be construed to be, a separate and independent covenant and agreement. If any term or provision of this Agreement or the application thereof shall to any extent be held to be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to circumstances other than those to which it is invalid or unenforceable, shall not be affected hereby, and each term and provision of this Agreement shall be valid and shall be enforced to the extent permitted by law.

7.15 Survival. The provisions hereof shall not terminate but rather shall survive any conveyance hereunder and the delivery of all consideration.

7.16 Law, Venue, and Jurisdiction. This Agreement shall be governed by the laws of the State of California. The exclusive venue to resolve any and all disputes concerning this Agreement shall be the Superior Court for the County of San Joaquin, California.

7.17 Representations of the City. The City represents to the Developers as follows:

7.17.1 The City has full power and authority to execute and enter into this Agreement and to consummate the transactions contemplated hereunder. This Agreement constitutes the valid and binding agreement of the City, enforceable in accordance with its terms subject to bankruptcy, insolvency and other creditors' rights laws of general application. Neither the execution nor delivery of this Agreement, nor the consummation of the transactions covered hereby, nor compliance with the terms and provisions hereof, shall conflict with, or result in a breach of, the terms, conditions or provisions of, or constitute a default under, any agreement or instrument to which the City is a party.

7.17.2 As of the Effective Date and the Close of Escrow, the Property is not presently the subject of any condemnation or similar proceeding, and to the City's knowledge, no such condemnation or similar proceeding is currently threatened or pending.

7.17.3 There are no management, service, supply or maintenance contracts affecting the Property which shall affect the Property on or following the Close of Escrow.

7.17.4 The City has not authorized any broker or finder to act on its behalf in connection with the sale and purchase hereunder and the City has not dealt with any broker or finder purporting to act on behalf of the City or otherwise.

7.17.5 There are no leases or other occupancy agreements affecting the Property which shall affect the Property on or following the Close of Escrow.

7.17.6 The City has not received any written notice from any governmental entity regarding the violation of any law or governmental regulation with respect to the Property.

(Signatures on Next Page)

IN WITNESS WHEREOF, the parties hereto have entered into this agreement as of the day and year first above written.

“Developers”

By: _____
Name: Gaganpreet Singh Bahad

By: _____
Name: Narinder Sandhu

“City”

City of Manteca,
a California municipal corporation

By: _____
Name: Gary Singh
Title: Mayor

By: _____
Name: Toni Lundgren
Title: City Manager

ATTEST:

By: _____
Cassandra Candini-Tilton, City Clerk

APPROVED AS TO FORM:

CITY ATTORNEY’S OFFICE

By: _____
L. David Nefouse, City
Attorney

LIST OF EXHIBITS

- Exhibit “A” Legal Description of the Property
- Exhibit “B” Schedule of Performance
- Exhibit “C” Form of Grant Deed
- Exhibit “D” Improvements
- Exhibit “E” Form of Certificate of Completion
- Exhibit “F” Form

EXHIBIT "A"

LEGAL DESCRIPTION OF THE PROPERTY

EXHIBIT A

Legal Description
282 North Airport Way Purchase

The land referred to is situated in the County of San Joaquin, City of Manteca, State of California, and is described as follows:

The North 150 feet of the following, as measured along the Easterly and Westerly lines:

A portion of Lots 8, 9, 10 and 11, as shown upon Map entitled, Roos Tract, filed for record August 2, 1911 in Vol. 5 of Maps and Plats, Page 37, San Joaquin County Records, described as follows:

COMMENCING at a point on the West line of Section 31, Township 1 South, Range 7 East, Mount Diablo Base and Meridian, bearing North 3° 03' West 790.4 feet from the Southwest corner of said Section, said point of beginning also bears North 3° 03' West, 128.4 feet from the Southwest corner of Lot 8, Roos Tract, and run thence North 3° 03' West along Westerly line of Lot 8, being also the Westerly line of said Section 31, a distance of 354.6 feet to a point; thence South 85° 39' East, crossing Lots 8, 9, 10 and a portion of Lot 11, a distance of 1152.0 feet to a point; thence South 3° 03' East, 381.98 feet to a point in the Southerly line of Lot 11, which point bears North 89° 19' 25" East, 156.38 feet from the Southwest corner of said Lot 11; thence South 89° 19' 25" West along Southerly line of Lots 11 and 10, a distance of 485.38 feet to the Southwest corner of said Lot 10; thence North 3° 03' West along Westerly line of said Lot 10, a distance of 128.4 feet to a point; thence South 89° 19' 25" West, parallel to South line of Lots 9 and 8, a distance of 658.0 feet to the point of beginning.

EXCEPT that certain portion described in Deed to Walter Frank Farley, recorded January 19, 1983, Instrument No. 83001526, San Joaquin County Records.

APN: 200-140-020-000

END OF DESCRIPTION

Dated: September 19, 2024

EXHIBIT “B”

SCHEDULE OF PERFORMANCE

<u>Activity</u>	<u>Time Frame</u>
<u>Developers reviews and approves or disapproves the title report</u>	Within thirty (30) days after the Developers’ receipt of the Title Report and the Survey, if any
<u>Developers review and approve or disapprove physical condition of the Property</u>	On or prior to the end of the Due Diligence Period
<u>Submission - Preliminary Plans and Specifications required for Planning Department Approval.</u> Developers shall submit for City review.	Completed
<u>City Approval of Preliminary Plans and Specifications</u>	Completed
<u>Submission - Final Plans and Specifications.</u> Developers shall submit for City review.	Completed
<u>City Approves Final Construction Plans and Specifications</u>	Completed
<u>Land Use Approvals.</u> Developers receive all required land use approvals from City and other governmental entities (if any)	Prior to Close of Escrow
<u>Developers submit evidence of construction financing and executed Construction Contract for Improvements to City</u>	Prior to Close of Escrow
<u>Developers enter into parking agreement</u>	At close of escrow.
<u>Close of Escrow</u>	Within thirty (30) days following the expiration of the Due Diligence Period
<u>Developers Submission of Landscaping Plans</u>	<i>Completed or As soon as practicable</i>
<u>City Approval of Offsite Landscaping Plans</u>	<i>Completed or As soon as practicable</i>

<u>Activity</u>	<u>Time Frame</u>
Completion of Road Improvements.	Prior to Issuance of Building Permit for residential construction
<u>Building Permit Application Submittal.</u> Developers shall submit residential Building Permit application	No later than 180 days following Close of Escrow
<u>Issuance of Certificate of Completion.</u> Upon completion of construction in conformance with Agreement, the City Manager or designee shall issue a Certificate of Completion for the Improvements.	Promptly after City receives written request from Developers if all requirements of the Agreement have been satisfied

EXHIBIT "C"

FORM OF GRANT DEED

RECORDING REQUESTED BY:

AND WHEN RECORDED RETURN TO:

City of Manteca
1001 W. Center Street
Manteca, CA 95337
Attention: _____

SPACE ABOVE THIS LINE FOR RECORDER'S USE

This Document is recorded for the benefit of the City of Manteca and is exempt from recording fees pursuant to Sections 6103, 27383 and 27388.1 of the California Government Code.

GRANT DEED

DOCUMENTARY TRANSFER TAX \$

SPACE ABOVE THIS LINE FOR RECORDER'S USE

...Computed on the consideration or value of property conveyed; OR
...Computed on the consideration or value less liens or encumbrances remaining at time of sale.

Signature of Declarant or Agent determining tax - Firm Name

THE UNDERSIGNED GRANTOR DECLARES:

FOR VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged, the CITY OF MANTECA, a California municipal corporation (the "Grantor"), hereby grants to Gaganpreet Singh Bahad (the "Grantee"), that certain real property described in Exhibit A attached hereto (the "Site") and incorporated herein by this reference, together with all of Grantor's right title and interest in and to all easements, privileges and rights appurtenant to the Site.

This Grant Deed of the Site is subject to the provisions of a Disposition and Development Agreement (the "Agreement") entered into by and between the Grantor and Grantee dated as of _____, 2024, the terms of which are incorporated herein by reference. A copy of the Agreement is available for public inspection at the offices of the Grantor located at 1001 W. Center St., Manteca, CA 95337. The Site is conveyed further subject to all easements, rights of way, covenants, conditions, restrictions, reservations and all other matters of record, and the following conditions, covenants and agreements.

1. The Site as described in Exhibit A is conveyed subject to the condition that the Grantee covenants and agrees for itself, and its successors and its assigns, that the Grantee, such successors, and such assignees shall in perpetuity:

(a) use the Site, and every part thereof, only for the construction of certain improvements thereon as described in the Agreement, described generally as 96 units of multi-family apartment homes including 24 units reserved for and affordable to Lower Income households and 8 units reserved for and affordable to Moderate Income household, as defined in the Agreement, and thereafter for any use allowed under applicable law, and

(b) following the date of completion of construction of the Project (as defined in the Agreement), maintain the Site and the Project (including landscaping) in a commercially reasonable condition and repair to the extent practicable and in accordance with industry health and safety standards.

As provided in Section 5.7 of the Agreement, upon the violation or failure of the foregoing covenants, the Grantor shall have the right to reenter and repurchase the Site from the Grantee or its successors and assigns; provided, however, that the Grantor's right to reenter and repurchase shall not arise unless and until the Grantor gives the Grantee written notice thereof specifying the particular failure or violation in the manner and time period provided in Section 5.7 of the Agreement and, at the expiration of the cure period specified in Section 5.7 of the Agreement, the failure has not been remedied or the violation has not ceased.

In addition, the city has a right of first refusal with respect to the Site as set forth in Sections 5.6 and 5.7 of the Agreement.

2. The Site is also conveyed subject to the condition that Grantee, in perpetuity, shall not discriminate against or segregation of any person, or group of persons, on account of sex, marital status, age, handicap, race, color, religion, creed, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Site, and the Grantee (itself or any person claiming under or through the Grantee) shall not establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees of the Site or any portion thereof. Notwithstanding the foregoing, if and when the Grantee conveys the Site to a third party after completion of the Improvements thereon in accordance with the Agreement, the Grantee shall be relieved of any further responsibility under this Section as to the Site so conveyed.

3. All covenants and agreements contained in this Grant Deed shall run with the land and shall be binding for the benefit of Grantor and its successors and assigns and such covenants shall run in favor of the Grantor and its successors and for the entire period during which the covenants shall be in force and effect as provided herein. The Grantor, in the event of any breach of any such covenants, shall have the right to exercise all of the rights and remedies provided herein or otherwise available, and to maintain any actions at law or suits in equity or other property proceedings to enforce the curing of such breach. The covenants contained in this Grant Deed shall be for the benefit of and shall be enforceable only by the Grantor and its successors and assigns.

5. This Grant Deed may be executed simultaneously in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, Grantor and Grantees have caused this Grant Deed to be executed and notarized as of this ____ day of _____, 2024.

GRANTOR:

CITY OF MANTECA,
a California municipal corporation

By: _____
Name: Toni Lundgren
Title: City Manager

ATTEST:

By: _____
Cassandra Candini-Tilton, City Clerk

GRANTEES:

By: _____
Name: Gaganpreet Singh Bahad

By: _____
Name: Narinder Sandhu

CALIFORNIA ALL-PURPOSE 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

COUNTY OF SAN JOAQUIN

On _____ before me, _____ 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, and that by his/her/their signature(s) on the instrument the person(s), or the entity(ies) 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 of Notary Public

Place Notary Seal Above

CALIFORNIA ALL-PURPOSE 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

COUNTY OF SAN JOAQUIN

On _____ before me, _____ 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, and that by his/her/their signature(s) on the instrument the person(s), or the entity(ies) 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 of Notary Public

Place Notary Seal Above

CALIFORNIA ALL-PURPOSE 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

COUNTY OF SAN JOAQUIN

On _____ before me, _____ 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, and that by his/her/their signature(s) on the instrument the person(s), or the entity(ies) 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 of Notary Public

Place Notary Seal Above

CALIFORNIA ALL-PURPOSE 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

COUNTY OF SAN JOAQUIN

On _____ before me, _____ 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, and that by his/her/their signature(s) on the instrument the person(s), or the entity(ies) 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 of Notary Public

Place Notary Seal Above

EXHIBIT “D”

IMPROVEMENTS

The Improvements are shown on the attached schematic and shall consist of the attached documents.

This Exhibit “D” shall be deemed controlling with respect to any conflict regarding the description of the Improvements as contained in this Exhibit “D” and the attached schematic.

Further, pursuant to Paragraph 3.1.2 of this Agreement, the Developers shall construct the Improvements, and all associated public infrastructure improvements required by the City pursuant to its conditions of approval, (including roads), and all parking areas and landscaping, in accordance with and within the limitations established therefor in this Agreement and as required by the City. The Developers shall also comply with any and all applicable federal, state and local laws, rules and regulations, and any applicable mitigation measures adopted pursuant to the California Environmental Quality Act. The City shall cooperate in all reasonable respects, at no out-of-pocket cost to the City, with the Developers’ pursuit and acquisition of permits and approvals for the Project from all applicable governmental and quasi-governmental agencies and public utilities. Moreover, the parties agree and acknowledge, as a material condition of this Agreement and condition of approval, Developers will be responsible for the completion of the Road Improvements prior to issuance of a building permit for any residential development of the Project. In addition, Developers will also be solely responsible for any related sewer, water, electrical, and/or other related utility infrastructure stemming from the Project.

Manteca Apartment Project

Gagan Bahad / Armando Cornelio

Road Work Tentative Schedule

Tentative Start Date	Sewage	Storm Drain	Electrical	Low Voltage	Gas	Domestic Water	Fire Water? some cities have seprate line. Check in with city
09/15/2025							
Site inspection							
Layout							
Trenching							
Service Lines & Panel conversions to individual site							
Mandrill							
Closing up Trenches							
Layout for street lights and trenches							
Storm drain installation							
Utility Poles and street lights footing							
Sidewalks							
Roadwork							
Tentative Finish Date	4/15/2026						

Manteca Apartment Project

Gagan Bahad / Armando Cornelio

Building Schedule

Tenative Start Date 4/15/2026

Building 1	Building 2	Building 3	Building 4	Single Family Phase 1	Single Family Phase 2
------------	------------	------------	------------	-----------------------	-----------------------

inspect pad conditions					
layout and set perimeter forms (sides and back) Order windows					
Layout plumbing trenches/order lumber and floors					
trench plumbing					
install underground plumbing					
underground plumbing inspection/electric riser & underslab electric					
backfill trenches and saturate					
moisture inspection					
lay gravel and plastic					
Complete forms QC1/Pre-construction					
install cables					
double up and add hardware					
Preslab inspection/3rd party insp/QC2					
pour slab/3rd party insp/order cabinets					
Strip concrete forms					
Set Electric panels					
Dig underground Utilities					
Install underground Utilities					
Inspect Underground Utilities					
Backfill Underground Utilities					
Rough Grade lot					
Lay Fabric / Plate and detail					
Drop Lumber					
Frame week 1					
Frame Week 2					
Frame Week 3					
Frame Week 4					
Frame Week 5					
Frame Week 6					
Complete Frame/straight edge/pre-insulate/deliver ext doors					
Exterior doors/Shear/Roof insp/quick flash					
Start Plumbing top out/temp power/water proofing insp					
complete rough plumbing/install fireplace/load felt & batt					
dry in roof/Install Rough Electric/exterior flashing					
load sheetrock/complete rough electric/load roof					
set scaffolding/fire sprinklers/install rough gas					
start lath/ install low volt					
complete lath/QC 5/frame sweep					
Frame Inspection/ frame walk/water intrusion 2					
Electical and Mechanical room Equipment installation					
Electrical rough in					
Fire Alarm Rough in					
Plumbing rough in					
HVAC rough in					
insulate walls					
insulation inspection					
hang sheetrock					
Hang sheetrock day 2					
Sheetrock nail inspection/gas test/scrap out drywall					
tape and top/start stucco/schedule gas meter					
skim drywall week 1					
skim drywall week 2					
skim drywall week 3					
skim drywall week 4					
texture sheetrock/ QC6					
install garage door/deliver doors and trim/sand drywall/install mantle					
install doors and trim					
paint prep					
paint interior					
deliver cabinets/paint exterior					
install cabinets/lay roof tiles/measure window coverings/gutters					
cabinets day 2/ install roof					

shower & tub lath/HVAC trim/sprinkler trim/template counter tops/roof day 2						
electric trim/blow in attic/template counter tops/exterior stone/int lath insp.						
shower & tub tile/install gas and electric meter						
complete bath tile/grade driveways and walkways						
start floor tile/form driveway and flatwork						
Floor tile day 2/pour driveway and flatwork						
grout floor tile/strip forms/install fences						
install kitchen tops/install marble						
install backsplashes/final grade						
complete backsplashes/start landscaping/set HVAC						
wood flooring/measure bath accessories						
Wood flooring day 2/install decorative iron						
base over and door hardware/plumbing trim						
install appliances/construction clean/start HVAC						
connect hood pipe/window coverings/window screens & adj/precarpet punch						
Electrical, plumbing, HVAC, frame, tile, punch day						
drywall punch, door and trim punch, cabinet punch, cabinet hardware						
final paint						
Pre carpet clean						
Pre-carpet walk						
install carpet						
door and trim carpet punch/city final/Electrical, plumbing, HVAC, Frame, tile punch						
final punch drywall, tile, door and trim punch						
final paint						
final clean/CT						
Orientation	04/2027	04/2027	09/2027	09/2027	09/2027	09/2027

EXHIBIT "E"

FORM OF CERTIFICATE OF COMPLETION

RECORDING REQUESTED BY:

AND WHEN RECORDED RETURN TO:

City of Manteca
1001 W. Center Street
Manteca, CA 95337
Attention: Toni Lundgren

SPACE ABOVE THIS LINE FOR RECORDER'S USE

This Document is recorded for the benefit of the City of Manteca and is exempt from recording fees pursuant to Sections 6103, 27383 and 27388.1 of the California Government Code.

CERTIFICATE OF COMPLETION

This Certificate of Completion is given this ____ day of _____, 202__, with reference to the following matters:

A. The CITY OF MANTECA, a California municipal corporation (the "City") and Gaganpreet Singh Bahad (the "Developers") entered into a certain Disposition and Development Agreement dated as of _____, 202__ (the "Agreement"), which Agreement provides, in Section 3.12 thereof, that the City shall furnish the Developers with a Certificate of Completion upon satisfactory completion of the Improvements (as described in the Agreement) on the real property described therein as the Property (the "Site"), which certificate shall be in such form as to permit it to be recorded in the Recorder's Office of San Joaquin County; and

B. The Certificate of Completion shall be conclusive determination of satisfactory completion of the construction of Improvements required with respect to the Site; and

C. The City has determined that the construction of the Improvements has been satisfactorily performed; and

NOW, THEREFORE, the parties to this instrument hereby provide as follows:

1. As provided in the Agreement, the City does hereby certify that the construction of the Improvements on the Site has been satisfactorily performed and completed.

2. This Certificate shall not constitute evidence of compliance with or satisfaction of any obligation of the Developers to any holder of a mortgage, or deed of trust or any insurer of a mortgage, or deed of trust securing money loaned to finance the improvements or any part thereof, nor does it constitute evidence of payment of any promissory note or performance of any deed of trust provided by the Developers to the City under the Agreement or otherwise.

CITY OF MANTECA,
a California municipal corporation

By: _____
Name: Toni Lundgren
Title: City Manager

ATTEST:

By: _____
Cassandra Candini-Tilton, City Clerk

CALIFORNIA ALL-PURPOSE 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

COUNTY OF SAN JOAQUIN

On _____ before me, _____ 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, and that by his/her/their signature(s) on the instrument the person(s), or the entity(ies) 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 of Notary Public

Place Notary Seal Above

EXHIBIT “F”

FORM OF NOTICE OF AFFORDABILITY

[next pages]

RECORDING REQUESTED BY, AND
WHEN RECORDED MAIL TO:

Attn: City Clerk

APN(s): _____

SPACE ABOVE THIS LINE FOR RECORDER'S USE

This Document is recorded for the benefit of the City of Manteca and is exempt from California recording fees pursuant to Sections 6103, 27383 and 27388.1 of the California Government Code.

COVENANTS AND RESTRICTIONS FOR REAL PROPERTY
(per Government Code Section 54233)

This COVENANTS AND RESTRICTIONS FOR REAL PROPERTY is executed as of _____, 2024, by the City of Manteca ("Owner").

RECITALS

WHEREAS, Owner is the owner of certain real property located in the City of Manteca, County of San Joaquin, California, which is legally described in the attached and incorporated Exhibit "A" (the "Property");

WHEREAS, Assembly Bill 1486 amended the Surplus Land Act (Government Code Section 54220 et. seq.) and created certain obligations before a local agency may dispose of surplus land; and

WHEREAS, certain affordability covenants and restrictions are required to be recorded against surplus land pursuant to Government Code Section 54233.

NOW, THEREFORE, in consideration of the foregoing, the Owner declares as follows:

A. If ten (10) or more residential units are developed on the Property, then not less than 15 percent of the total number of residential units developed on the Property shall be sold or rented at an 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.

B. These requirements shall be covenants and 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.

IN WITNESS WHEREOF, the undersigned has caused this Covenants and Restrictions for Real Property to be signed by its duly authorized representatives, as of the day and year first above written.

OWNER:

CITY OF MANTECA,
a California municipal corporation

By: _____

Name: Toni Lundgren

Title: City Manager

ATTEST:

By: _____

Cassandra Candini-Tilton, City Clerk

APPROVED AS TO FORM:

_____, City Attorney