PURCHASE AND SALE AGREEMENT
(1383 Prime Court)

THIS **PURCHASE AND SALE AGREEMENT** (this "**Agreement**") is dated as of November 17, 2022 and is entered into by and between Jacobs Ladder, LLC ("**Purchaser**"), and the SUCCESSOR AGENCY TO THE PASADENA COMMUNITY DEVELOPMENT COMMISSION ("**Seller**").

RECITALS

A. Seller is the owner of the land described on Exhibit "A" attached hereto (the "**Property**").

B. Seller desires to sell the Property to Purchaser, and Purchaser desires to purchase the Property from Seller, in accordance with the terms and conditions contained in this Agreement.

AGREEMENT

NOW, THEREFORE, for and in consideration of the covenants, agreements and promises herein contained, and for other good and valuable consideration, the parties do hereby covenant and agree as follows:

1. **Agreement to Buy and Sell**. Seller agrees to sell the Property to Purchaser, and Purchaser agrees to purchase the Property from Seller, upon the terms and conditions hereafter set forth.

2. **Purchase Price; Deposit**. The purchase price for the Property (the "**Purchase Price**") shall be $650,000.00, which is the appraised value. The Purchase Price shall be paid by Purchaser to Seller in immediately available cash at the Closing (as defined below).

(a) Within five (5) business days after the opening of escrow, Purchaser shall deliver Twenty-Five Thousand and No/100 Dollars ($25,000.00) to the Title Company (defined below) to be deposited in a non interest-bearing account and held as an earnest money deposit hereunder pursuant to the terms and provisions hereof (which earnest money deposit is herein called the "**Deposit**"). The Deposit shall be: (i) applicable to the Purchase Price; (ii) refundable to Purchaser upon termination of this Agreement by Purchaser in accordance with this Agreement; and (iii) subject to the terms of the following:

IF CLOSING FAILS TO OCCUR SOLELY BECAUSE OF PURCHASER'S DEFAULT, SELLER WILL BE DAMAGED AND WILL BE ENTITLED TO COMPENSATION FOR THOSE DAMAGES, BUT SUCH DAMAGES WILL BE EXTREMELY DIFFICULT AND IMPRACTICAL TO ASCERTAIN. BUYER DESIRES TO LIMIT THE AMOUNT OF DAMAGES FOR WHICH PURCHASER MIGHT BE LIABLE SHOULD PURCHASER BREACH THIS AGREEMENT. BOTH PURCHASER AND SELLER WISH TO AVOID THE COSTS AND LENGTHY DELAYS THAT WOULD RESULT IF SELLER FILED A LAWSUIT TO COLLECT ITS DAMAGES FOR A BREACH OF THIS AGREEMENT. IF CLOSING FAILS TO OCCUR BECAUSE OF PURCHASER'S DEFAULT, THEN THE DEPOSIT SHALL BE DEEMED TO

CONSTITUTE A REASONABLE AND FINAL ESTIMATE OF SELLER'S DAMAGES AND SHALL BE RETAINED BY SELLER AS LIQUIDATED DAMAGES AS SELLER'S SOLE AND EXCLUSIVE REMEDY. SELLER AND PURCHASER ACKNOWLEDGE THAT THEY HAVE READ AND UNDERSTAND THE PROVISIONS OF THIS SECTION AND BY THEIR INITIALS IMMEDIATELY BELOW AGREE TO BE BOUND BY ITS TERMS.

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

_____ _____

PURCHASER'S INITIALS **SELLER'S INITIALS**

3. Due Diligence Period; Governmental Approvals.

(a) As soon as practicable after the date hereof, Purchaser shall obtain a preliminary title report (the "PTR") from _____ (the "**Title Company**") for the Property.

(b) On or before the date (the "**Due Diligence Expiration Date**") that is thirty (30) days after the opening of escrow, Purchaser shall investigate the physical condition of the Property, and title to the Property. At any time prior to the Due Diligence Expiration Date, Purchaser may terminate this Agreement by written notice to Seller explaining the title or physical condition items disapproved by Purchaser (the "**Termination Notice**").

(c) Seller shall use good faith efforts to obtain all governmental approvals required by all regulatory bodies having jurisdiction over Seller to authorize the transactions contemplated by this Agreement (including, without limitation, approval of this Agreement by the Oversight Board of Seller, which shall be delivered to the California Department of Finance for review). All such required regulatory approvals are referred to herein collectively as the "**Governmental Approvals**". It shall be a condition precedent to the obligations of Purchaser and Seller to close this transaction that all such Governmental Approvals shall have been obtained by December 31, 2022.

4. Conveyance of Title; Closing Deliveries.

(a) At the Closing, Seller shall convey title to the Property by grant deed in the form of Exhibit "B" attached hereto (the "**Deed**"). Seller covenants and agrees not to cause or permit any other defects in or encumbrances or limitations upon Seller's title to the Property to arise from and after the date of this Agreement without the prior written consent of Purchaser.

(b) Prior to the Closing, Seller shall deliver to the Title Company in escrow:

(i) a duly executed and acknowledged original of the Deed;

(ii) a duly executed counterpart of a closing statement prepared by the Title Company and approved by Seller and Purchaser, which shall conform to the proration and other relevant provisions of this Agreement (the "**Closing Statement**");

(iii) documents reasonably required by the Title Company to (a) establish the authority of Seller to enter into and close the transactions contemplated hereby, and (b) delete from Purchaser's title policy or affirmatively insure over any monetary encumbrances placed against the Property by Seller;

(iv) a duly executed owner's affidavit to the extent required by the Title Company; and

(v) any other documents required to comply with applicable laws, rules or regulations.

(c) Prior to the Closing, Purchaser shall deliver to the Title Company in escrow:

(i) immediately available funds in the amount of the balance of the Purchase Price, plus any other sums required for costs to be paid by Purchaser pursuant to the terms of this Agreement, less any credits against the Purchase Price provided for herein;

(ii) a duly executed counterpart of the Closing Statement; and

(iii) such documents reasonably required by the Title Company to establish the authority of Purchaser to enter into and close the transactions contemplated hereby.

(d) The parties shall also deliver at the Closing any other documents reasonably requested by the other party to complete and evidence the acquisition of the Property contemplated hereby.

5. Closing. Escrow shall be opened by Buyer and Seller promptly after the execution and delivery of this Agreement (and Purchaser and Seller shall promptly deliver a copy of this executed Agreement to the Title Company for such purpose). The closing of the acquisition of the Property (the "**Closing**") shall occur on or before the date (the "**Closing Date**") that is ninety (90) days after opening of escrow.

6. Allocation of Costs and Expenses. Each party shall pay its own attorneys' fees associated with the negotiation of this Agreement. Buyer shall pay for all documentary transfer taxes and the escrow fees. Seller shall pay for the cost of the CLTA owner's title insurance premium (without endorsements or extended coverage). Purchaser shall pay for all other title insurance premiums, including without limitation, the cost of any extended coverage ALTA policy premium and all endorsements, and the costs of the lender's title insurance policy, if any.

7. **Prorations**. The Title Company acting as escrow holder shall prorate between the parties as of 11:59 p.m. on the date prior to the Closing Date all assessments, it being understood that Seller is exempt from property taxes (so property taxes will not be prorated). All prorations shall be based on a thirty (30) day month.

8. **No Brokers**. Seller and Purchaser hereby represent to the other that neither has discussed this Agreement or the subject matter thereof with any broker or salesman so as to create any legal right in any such broker or salesman to claim a commission or similar fee with respect to the purchase or sale of the Property contemplated by this Agreement. Purchaser and Seller hereby indemnify each other against and agree to defend and hold harmless the other from any and all claims for any commission or similar fees arising out of or in any way connected with any claimed agency relationship with the indemnitor and relating to the purchase and sale of the Property contemplated by this Agreement. The representations and indemnity obligations in this Section 8 shall survive the Closing.

9. **Risk of Condemnation Pending the Closing**. If, prior to the Closing, any condemnation or eminent domain proceeding shall be threatened or commenced by any public authority, or any agency thereof, against the Property, or any part thereof, the Closing shall nonetheless occur as scheduled, without any reduction in the Purchase Price, and any awards shall be paid to Purchaser, unless Purchaser notifies Seller in writing within ten (10) days following receipt of written notice of such condemnation or eminent domain proceeding that it elects to terminate this Agreement. Seller shall not compromise or settle any claims to such awards without Purchaser's prior written consent. Seller agrees to give Purchaser prompt notice of any taking or proposed taking of the Property.

10. **Notices**.

(a) All notices or other communications to be given hereunder shall be in writing and addressed as set forth below and shall be deemed received (i) on the date shown on the return receipt as the date of delivery or attempted delivery (if sent by certified mail); or (ii) one (1) day after sending by Federal Express or other overnight courier:

to Purchaser: Jacobs Ladder, LLC.
1192 N. Lake Ave
Pasadena CA 91104
Attn: Gagik Buickians

to Seller: Successor Agency to the Pasadena
Community Development Commission
Pasadena City Hall, Room 228
City Manager's Department
100 N. Garfield Ave.
Pasadena, CA 91109
Attention: David A. Klug

(b) Each party hereto may change its address and addressee for notice, elections and other communications from time to time by notifying the other parties hereto of the new address and addressee in the manner provided for giving notice herein.

11. AS-IS/WHERE-IS, WAIVERS AND RELEASES. Seller is not making any representations or warranties with respect to the Property, express or implied, and the Property is being sold "AS-IS, WHERE-IS WITH NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, AND WITH ALL FAULTS" in accordance with the provisions of this Section, it being understood and agreed that the Purchase Price has been adjusted by prior negotiation to reflect that the Property is being sold by Seller and purchased by Purchaser to the foregoing. Purchaser has or shall perform its own due diligence in determining whether to purchase the Property and, Purchaser is not relying on any representations or warranties of Seller, express or implied, in determining whether to purchase the Property and will rely solely on title insurance in lieu of any implied warranties in the Grant Deed. Purchaser acknowledges and agrees that Seller has not made, does not make and specifically negates and disclaims any representations, warranties, promises, covenants, agreements or guaranties of any kind or character whatsoever, whether express or implied, oral or written, past, present or future of, as to, concerning or with respect to: (a) the value of the Property; (b) the income to be derived from the Property; (c) the suitability of the Property for any and all activities and uses which Purchaser may conduct thereon; (d) the habitability, merchantability, marketability, profitability or fitness for a particular purpose of the Property; (e) the compliance of or by the Property or its operation with any laws, rules, ordinances or regulations of any applicable governmental authority or body; (f) the existence of vested land use, zoning or building entitlements affecting the Property; (g) with respect to any other matter concerning the Property, including any and all such matters referenced, discussed or disclosed in any documents delivered by Seller to Purchaser or in any public records of any governmental agency or entity; or (h) title to the Property.

Upon Close of Escrow, Purchaser hereby waives, to the maximum legal extent, any and all claims, remedies and causes of action for damages, liabilities, losses or injuries related to the condition of or title to the Property. Purchaser, on behalf of itself and its successors and assigns, hereby fully releases Seller, its successors, agents, representatives and assigns from all claims and causes of action by reason of any damage which has been sustained, or may be sustained, as a result of the condition of or title to the Property.

Purchaser hereby acknowledges that it has either consulted with legal counsel, or had an opportunity to consult with legal counsel regarding, and represents and warrants that it is familiar with the provisions of, California Civil Code Section 1542, which provides,

> "A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor."

Purchaser acknowledges that with respect to the sale of the Property to Purchaser, Purchaser may have sustained damage, loss, costs or expenses which are presently unknown and unsuspected, and such damage, loss, costs or expenses which may have been sustained, may give rise to additional damage, loss, costs or expenses in the future. Nevertheless, Purchaser hereby acknowledges,

represents and warrants that this Agreement has been negotiated and agreed upon in light of that situation, and hereby waives, to the maximum legal extent, any rights accruing to it under Section 1542 or other statute or judicial decision of similar effect to the extent they apply to the waivers and releases above.

Purchaser's Initials

This acknowledgment and release shall survive the Close of Escrow.

12. Time of Essence. Time is of the essence as to all dates and times of performance pursuant to this Agreement. Notwithstanding the foregoing, in the event the date for the performance of an action or the giving of a notice falls on a Saturday, Sunday or holiday, then the date for the performance of such action or giving of such notice shall be automatically extended to the next succeeding business day.

13. Entire Agreement. This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof and may not be amended except by written instrument executed by all the parties hereto.

14. Headings; Defined Terms; Interpretation. The paragraph and section headings are inserted for convenience only and are in no way intended to describe, interpret, define or limit the scope or content of this Agreement or any provision hereof. As used herein, a "business day" shall mean a day other than Saturday, Sunday or any day on which banking institutions in Los Angeles, California, are authorized by law or other governmental action to close. Wherever possible, each provision of this Agreement shall be interpreted in such a manner as to be valid under applicable law, but, if any provision of this Agreement shall be invalid or prohibited thereunder, such invalidity or prohibition shall be construed as if such invalid or prohibited provision had not been inserted herein and shall not affect the remainder of such provision or the remaining provisions of this Agreement. The language in all parts of this Agreement shall be in all cases construed simply according to its fair meaning and not strictly against the party that drafted such language.

15. Applicable Law. This Agreement shall be construed and interpreted in accordance with the laws of the State of California.

16. Attorneys' Fees. If either party commences an action against the other to interpret or enforce any of the terms of this Agreement or because of the breach by the other party of any of the terms hereof, the losing party shall pay to the prevailing party reasonable attorneys' fees, costs and expenses incurred in connection with the prosecution or defense of such action, whether or not the action is prosecuted to a final judgment.

17. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of Seller and Purchaser, and their respective successors and assigns, if any. It is specifically agreed that Purchaser may nominate another party to take title to the Property at Closing, but no such nomination shall relieve Purchaser of any liability hereunder.

18. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which, when taken together, shall constitute one and the same instrument. Executed copies hereof may be delivered by email and upon receipt will be deemed originals and binding upon the parties hereto, regardless of whether originals are delivered thereafter.

19. Submission Not An Offer. Submission of this Agreement to Purchaser does not constitute an option or offer to sell the property and this Agreement shall not be effective unless and until execution and delivery occurs by both Purchaser and Seller.

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

PURCHASER:

JACOBS LADDER, LLC

By: _____

SELLER:

SUCCESSOR AGENCY TO THE PASADENA COMMUNITY DEVELOPMENT COMMISSION

By: _____
Name: _____
Title: _____

EXHIBIT "A"

Legal Description

All that certain real property situated in the County of Los Angeles, State of California, described as follows:

Lot 6 of Tract No. 609, in the City of Pasadena, County of Los Angeles, State of California, as per map recorded in Book 15, Page 164, of Maps, in the Office of the County Recorder of said County.

Assessor's Parcel Number: **5848-028-900**

EXHIBIT "B"

Form of Deed

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

Jacobs Ladder, LLC.
1192 N. Lake Ave.
Pasadena CA 91104

APN: 5848-028-900

(Above Space For Recorder's Use Only)

Exempt from recording fees under Government Code 6103.

GRANT DEED

Documentary Transfer Tax is $616.00

Property is located in the
City of PASADENA
County of LOS ANGELES

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the SUCCESSOR AGENCY TO THE PASADENA COMMUNITY DEVELOPMENT COMMISSION, hereby GRANTS to JACOBS LADDER, LLC., a California Limited Liability Company ("Grantee"), that certain real property which is more particularly described on Exhibit "A" attached hereto, subject to all covenants, conditions, restrictions, rights of way, and other exceptions to title of record or visible from an inspection of the real property.

In no event shall Grantee, its successors or successors-in-interest sell or permit the sale of alcoholic beverages on the real property (or any improvements now or hereafter located thereon).

Dated: _____, 2022

SUCCESSOR AGENCY TO THE PASADENA COMMUNITY DEVELOPMENT COMMISSION

By: _____
Name: _____
Title: _____

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 Los Angeles)

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

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

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

WITNESS my hand and official seal.

Signature_____ (Seal)

EXHIBIT A TO GRANT DEED

Legal Description

All that certain real property situated in the County of Los Angeles, State of California, described as follows:

Lot 6 of Tract No. 609, in the City of Pasadena, County of Los Angeles, State of California, as per map recorded in Book 15, Page 164, of Maps, in the Office of the County Recorder of said County.

Assessor's Parcel Number: **5848-028-900**