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HOUSING AUTHORITY AGENDA

CITY HALL COUNCIL CHAMBER
78495 Calle Tampico La Quinta

**REGULAR QUARTERLY MEETING
TUESDAY, JANUARY 17, 2023 AT 4:00 P.M.**

Members of the public **may listen to this meeting by tuning-in live via <http://laquinta.12milesout.com/video/live>**.

CALL TO ORDER

ROLL CALL: Authority Members: Evans, Fitzpatrick, McGarrey, Peña, Chairperson Sanchez

VERBAL ANNOUNCEMENT – AB 23 [AUTHORITY SECRETARY]

PLEDGE OF ALLEGIANCE

PUBLIC COMMENTS – INSTRUCTIONS

Members of the public may address the Housing Authority on any matter listed or not listed on the agenda as follows:

VERBAL PUBLIC COMMENTS can be provided in-person during the meeting upon being recognized by the Chairperson. Members of the public must complete a "Request to Speak" form and submit it to the City Clerk; it is requested that this takes place prior to the beginning of the meeting. Please limit your comments to three (3) minutes (or approximately 350 words).

WRITTEN PUBLIC COMMENTS can be provided either in-person during the meeting by submitting 15 copies to the Authority Secretary, it is requested

that this takes place prior to the beginning of the meeting; or can be emailed in advance to CityClerkMail@LaQuintaCA.gov, no later than 12:00 p.m., on the day of the meeting. Written public comments will be distributed to the Housing Authority, made publicly available, and will be incorporated into the agenda packet and public record of the meeting, but will not be read during the meeting unless, upon the request of the Chairperson, a brief summary of public comment is asked to be reported.

If written public comments are emailed, the email subject line must clearly state "Written Comments" and should include: 1) full name, 2) city of residence, and 3) subject matter.

All writings or documents, including but not limited to emails and attachments to emails, submitted to the City regarding any item(s) listed or not listed on this agenda are public records. All information in such writings and documents is subject to disclosure as being in the public domain and subject to search and review by electronic means, including but not limited to the City's Internet Web site and any other Internet Web-based platform or other Web-based form of communication. All information in such writings and documents similarly is subject to disclosure pursuant to the California Public Records Act [Government Code § 7920 et seq.]

PUBLIC COMMENT ON MATTERS NOT ON THE AGENDA

At this time, members of the public may address the Housing Authority on any matter not listed on the agenda pursuant to the "Public Comments – Instructions" listed above. The Housing Authority values your comments; however, in accordance with State law, no action shall be taken on any item not appearing on the agenda unless it is an emergency item authorized by the Brown Act [Government Code § 54954.2(b)].

CONFIRMATION OF AGENDA

CONSENT CALENDAR

NOTE: Consent Calendar items are routine in nature and can be approved by one motion.

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|---|-------------------------|
| 1. APPROVE HOUSING AUTHORITY SPECIAL MEETING MINUTES OF DECEMBER 20, 2022 | <u>PAGE</u>
5 |
|---|-------------------------|

BUSINESS SESSION

- | | |
|---|-------------------------|
| 1. ADOPT RESOLUTION TO APPROVE AN AGREEMENT FOR PURCHASE AND SALE AND ESCROW INSTRUCTIONS WITH BP DUNE PALMS, LP, BY GENERAL PARTNER BLACKPOINT PROPERTIES, LLC, TO ACQUIRE A | <u>PAGE</u>
7 |
|---|-------------------------|

PORTION OF CERTAIN REAL PROPERTY COMPRISED OF APPROXIMATELY 5.2 ACRES, LOCATED ON THE NORTHEAST CORNER OF HIGHWAY 111 AND DUNE PALMS ROAD (APN: 600-030-018); CEQA: THE PROJECT IS EXEMPT FROM ENVIRONMENTAL REVIEW PURSUANT TO SECTION 15061(b)(3) "COMMON SENSE EXEMPTION [RESOLUTION NO. HA 2023-001]

HOUSING AUTHORITY MEMBERS' ITEMS

ADJOURNMENT

The next regular quarterly meeting of the Housing Authority will be held on April 18, 2023, at 4:00 p.m. in the City Council Chambers, 78495 Calle Tampico, La Quinta, CA 92253.

DECLARATION OF POSTING

I, Monika Radeva, Authority Secretary of the La Quinta Housing Authority, do hereby declare that the foregoing agenda for the La Quinta Housing Authority was posted near the entrance to the Council Chambers at 78495 Calle Tampico and on the bulletin boards at 51321 Avenida Bermudas and 78630 Highway 111, on January 13, 2023.

DATED: January 13, 2023

MONIKA RADEVA, Authority Secretary
La Quinta Housing Authority

Public Notices

- The La Quinta Housing Authority Chamber is handicapped accessible. If special equipment is needed for the hearing impaired, please call the City Clerk's office at (760) 777-7123, twenty-four (24) hours in advance of the meeting and accommodations will be made.
- If background material is to be presented to the Authority Members during a Housing Authority meeting, please be advised that 15 copies of all documents, exhibits, etc., must be supplied to the Authority Secretary for distribution. It is requested that this takes place prior to the beginning of the meeting.

[Click Here to Return to Agenda](#)



LA QUINTA HOUSING AUTHORITY
SPECIAL MEETING
MINUTES
TUESDAY, DECEMBER 20, 2022

CALL TO ORDER

A special meeting of the La Quinta Housing Authority was called to order at 5:28 p.m. by Chairperson Sanchez.

PRESENT: Authority Members: Evans, Fitzpatrick, McGarrey, Peña, and Chairperson Sanchez

ABSENT: None

VERBAL ANNOUNCEMENT – Authority Secretary Radeva made the required AB 23 announcement.

PUBLIC COMMENT ON MATTERS NOT ON THE AGENDA – None

CONFIRMATION OF AGENDA – Confirmed

CONSENT CALENDAR

1. APPROVE HOUSING AUTHORITY MEETING MINUTES OF JULY 19, 2022

MOTION – A motion was made and seconded by Authority Members Evans/Fitzpatrick to approve the Consent Calendar as recommended. Motion passed unanimously.

BUSINESS SESSION

1. RECEIVE AND FILE FISCAL YEAR 2021/22 HOUSING AUTHORITY YEAR-END BUDGET REPORT

Finance Director Martinez presented the staff report, which is on file in the Clerk’s Office.

Authority Members discussed the end date of the Redevelopment Agency loan.

MOTION – A motion was made and seconded by Authority Members Evans/Peña to receive and file 2021/22 Housing Authority Year-End Budget Report as recommended. Motion passed unanimously.

HOUSING AUTHORITY MEMBERS' ITEMS – None

ADJOURNMENT

There being no further business, a motion was made and seconded by Authority Members Evans/Fitzpatrick to adjourn the meeting at 5:36 p.m. Motion passed unanimously.

Respectfully submitted,

MONIKA RADEVA, Authority Secretary
La Quinta Housing Authority

City of La Quinta

HOUSING AUTHORITY MEETING: January 17, 2023

STAFF REPORT

AGENDA TITLE: ADOPT RESOLUTION APPROVING AGREEMENT FOR PURCHASE AND SALE AND ESCROW INSTRUCTIONS WITH BP DUNE PALMS, LP, BY GENERAL PARTNER BLACKPOINT PROPERTIES, LLC, TO ACQUIRE A PORTION OF CERTAIN REAL PROPERTY COMPRISED OF APPROXIMATELY 5.2 ACRES LOCATED ON THE NORTHEAST CORNER OF HIGHWAY 111 AND DUNE PALMS ROAD (APN: 600-030-018); CEQA: THE PROJECT IS EXEMPT FROM ENVIRONMENTAL REVIEW PURSUANT TO SECTION 15061 (b)(3) "COMMON SENSE EXEMPTION"

RECOMMENDATION

Adopt a resolution to (1) find the project exempt from environmental review pursuant to California Environmental Quality Act Section 15061 (b)(3) "Common Sense Exemption" and (2) approve an Agreement for Purchase and Sale and Escrow Instructions with BP Dune Palms, LP, by General Partner Blackpoint Properties, LLC, to acquire a portion of certain vacant real property comprised of approximately 5.2 acres, located on the northeast corner of Highway 111 and Dune Palms Road (APN: 600-030-018); and authorize the Executive Director to execute the agreement substantially in the form attached, allowing for minor and non-substantive changes.

EXECUTIVE SUMMARY

- The Housing Authority (Authority) is looking to purchase approximately 5.2 acres of vacant real property located west of the Home Depot Center on Highway 111, on the northeast corner of Highway 111 and Dune Palms Road ("Property") (Attachment 1), for an affordable housing development.
- Property would be acquired using a mix of Authority funds and Unassigned Reserves funding and will have a future affordable housing development.
- Purchase of Property would further the City's goals of fostering mixed-use development, affordable housing, multi-modal transportation, and development of the Highway 111 Corridor as outlined in General Plan 2035.

FISCAL IMPACT

Total Property acquisition cost is \$3,624,192 (\$16 per square foot for 5.2 acres). An appropriation of funds from Fund 249 – Successor Agency (SA) 2011 Low/Mod Bond Fund is requested in the amount of \$2,237,183 and Unassigned Reserves in the amount of \$1,387,009 to be transferred to the Land Acquisition account (Account No. 249-0000-74010), which will be used for the Property acquisition and all associated closing costs.

BACKGROUND/ANALYSIS

The Property is proposed to be developed as an affordable housing development with a connecting thoroughfare to CV Link. The Property would be acquired using a mix of Authority funds and General Plan Unassigned Reserves funds. Development of the Property would support affordable housing development as part of the Regional Housing Needs Assessment (RHNA) requirement for the City, provide commercial opportunities for businesses, and would further the development of the Highway 111 Corridor Plan, which emphasizes mixed-use development.

Before the Authority can acquire the approximately 5.2 acres, the Property must be subdivided in accordance with State and City laws under the Subdivision Map Act (Gov. Code, § 66410 *et seq.*). Seller DP Dune Palms (Seller) would be responsible for processing the required subdivision map through the ordinary course as for any similarly situated parcel map brought before the City. The proposed Agreement for Purchase and Sale and Escrow Instructions (Agreement) includes as a condition precedent to closing escrow, along with other conditions, the approval and recording of a City-approved parcel map.

Assuming the subdivision of the Property is approved, the Seller will retain the southern portion of the Property along Highway 111 comprised of two (2) new parcels (proposed parcels 2 and 3), and the Authority will buy the northern portion, approximately 5.2 acres (proposed parcel 1) that affronts Dune Palms Road and the All American Flood Control Channel (Channel), as depicted in the exhibits attached to the Agreement.

Seller has requested, as part of the transaction, the Authority be responsible for completing any required undergrounding of electrical and teleconferencing utilities along Dune Palms Road, including the portion of the Seller's retained southern portion that runs from the southern boundary of the Channel to Highway 111. The Seller would be responsible for completing any required undergrounding of such utilities along Highway 111.

Additionally, the Seller anticipates installing a privately owned stormwater outflow line from the Seller's retained portion of the Property, over the Authority's northern portion of the Property, and into the Channel, as depicted in Exhibit F attached to the Agreement. Seller has requested that the Authority reimburse its proportionate costs, based upon the respective land area of the northern Property and the southern Property, attributed to the Authority's use of this outflow line pursuant to a separate reimbursement agreement, including the cost incurred to address the surface stormwater running through the main drive, and the cost of all related facilities in connection to this, that must be approved and signed by the parties as a condition to closing escrow.

Because the stormwater and electric/teleconferencing utility work may not be required or pursued, there are no estimated costs at this time to present to the Authority for consideration. When costs for stormwater and or utility work is known and/or required, Staff will return to the Authority to provide an update and request any additional funding associated with these improvements.

AGENCY REVIEW

The Housing Commission considered this item at the November 9, 2022, special meeting, and recommended Authority approval of the proposed Property acquisition.

The Planning Commission considered this item at the December 13, 2022, regular meeting, and adopted Planning Commission Resolution No. 2022-026 finding the proposed Property acquisition consistent with the La Quinta General Plan and exempt from environmental review pursuant to California Environmental Quality Act Section 15061 (b)(3) "Common Sense Exemption."

ENVIRONMENTAL REVIEW

The La Quinta Design and Development Department has determined that this project is exempt from environmental review pursuant to Section 15061(b)(3) "Common Sense Exemption," in that the action of purchasing this Property would not have a significant effect on the environment.

ALTERNATIVES

The Authority may elect not to proceed with this proposed acquisition.

Prepared by: Gilbert Villalpando, Director, City Manager's Office
Approved by: Jon McMillen, Executive Director

Attachment: 1. Agreement for Purchase and Sale and Escrow Instructions

[Click Here to Return to Agenda](#)

RESOLUTION NO. HA 2023 – XXX

A RESOLUTION OF THE LA QUINTA HOUSING AUTHORITY OF THE CITY OF LA QUINTA, CALIFORNIA, APPROVING AN AGREEMENT FOR PURCHASE AND SALE AND ESCROW INSTRUCTIONS BETWEEN THE LA QUINTA HOUSING AUTHORITY AND BP DUNE PALMS, LP, BY GENERAL PARTNER BLACKPOINT PROPERTIES, LLC, FOR A PORTION OF CERTAIN VACANT REAL PROPERTY COMPRISED OF APPROXIMATELY 5.2 ACRES, LOCATED ON THE NORTHEAST CORNER OF HIGHWAY 111 AND DUNE PALMS ROAD; IDENTIFIED AS ASSESSOR'S PARCEL NUMBER 600-030-018

WHEREAS, the La Quinta Housing Authority (the "Authority") is a public body, corporate and politic, organized, and existing under the California Housing Authorities Law (California Health and Safety Code Section 34200 et seq.); and

WHEREAS, pursuant to California Health and Safety Code Section 34315, the Authority has the power, among other enumerated powers, to purchase, sell, lease, exchange, transfer, assign, pledge, or dispose of any real or personal property or any interest in it; and

WHEREAS, the Authority has been negotiating the acquisition of certain real property from BP Dune Palms, LP, by General Partner Blackpoint Properties, LLC, comprised of approximately 5.2 acres, located on the northeast corner of Highway 111 and Dune Palms Road (APN: 600-030-018) ("Property") as described in the enclosed Exhibit A, using Successor Agency (SA) 2011 Low/Mod Bond Funds and General Fund Unassigned Reserves transferred to the Land Acquisition Fund (Account No. 249-0000-74010); and

WHEREAS, this Property acquisition will further the Authority and City's goals of fostering mixed-use development, affordable housing, multi-modal transportation; will support the Regional Housing Needs Assessment (RHNA) mandate for the City; and potentially provide commercial opportunities for businesses along the Highway 111 Corridor; and

WHEREAS, the proposed purchase is exempt from environmental review pursuant to California Environmental Quality Act (CEQA) Section 15061 (b)(3) "Common Sense Exemption," in that the purchase of this property would not have a significant effect on the environment; and

WHEREAS, all of the prerequisites with respect to the approval of this Resolution have been met.

NOW, THEREFORE, BE IT RESOLVED by the La Quinta Housing Authority, as follows:

SECTION 1. The foregoing recitals are true and correct and are incorporated herein by this reference.

SECTION 2. That the proposed purchase is exempt from environmental review pursuant to CEQA Section 15061 (b) (3) "Common Sense Exemption."

SECTION 3. The governing body of the Authority hereby authorizes the Authority's Executive Director to execute the Agreement for Purchase and Sale and Escrow Instruction, and process and execute documentation as may be necessary and proper to accept ownership of the Property. The Authority consents to the Authority's Executive Director and Authority's Legal Counsel making any final modifications to the Agreement that are consistent with the substantive terms of the Agreement approved hereby, and to thereafter sign the Agreement on behalf of the Authority.

SECTION 4. This Resolution shall take effect upon its adoption. The Authority Secretary shall certify to the adoption of this Resolution.

PASSED, APPROVED and ADOPTED at a regular quarterly meeting of the La Quinta Housing Authority held this 17th day of January, 2023, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

STEVE SANCHEZ, Chairperson
La Quinta Housing Authority, California

Resolution No. HA 2023-XXX
Real Property Acquisition - 5.2 Acres (northeast corner of Dune Palms Rd and Highway 111; APN: 600-030-018)
Adopted: January 17, 2023
Page 3 of 3

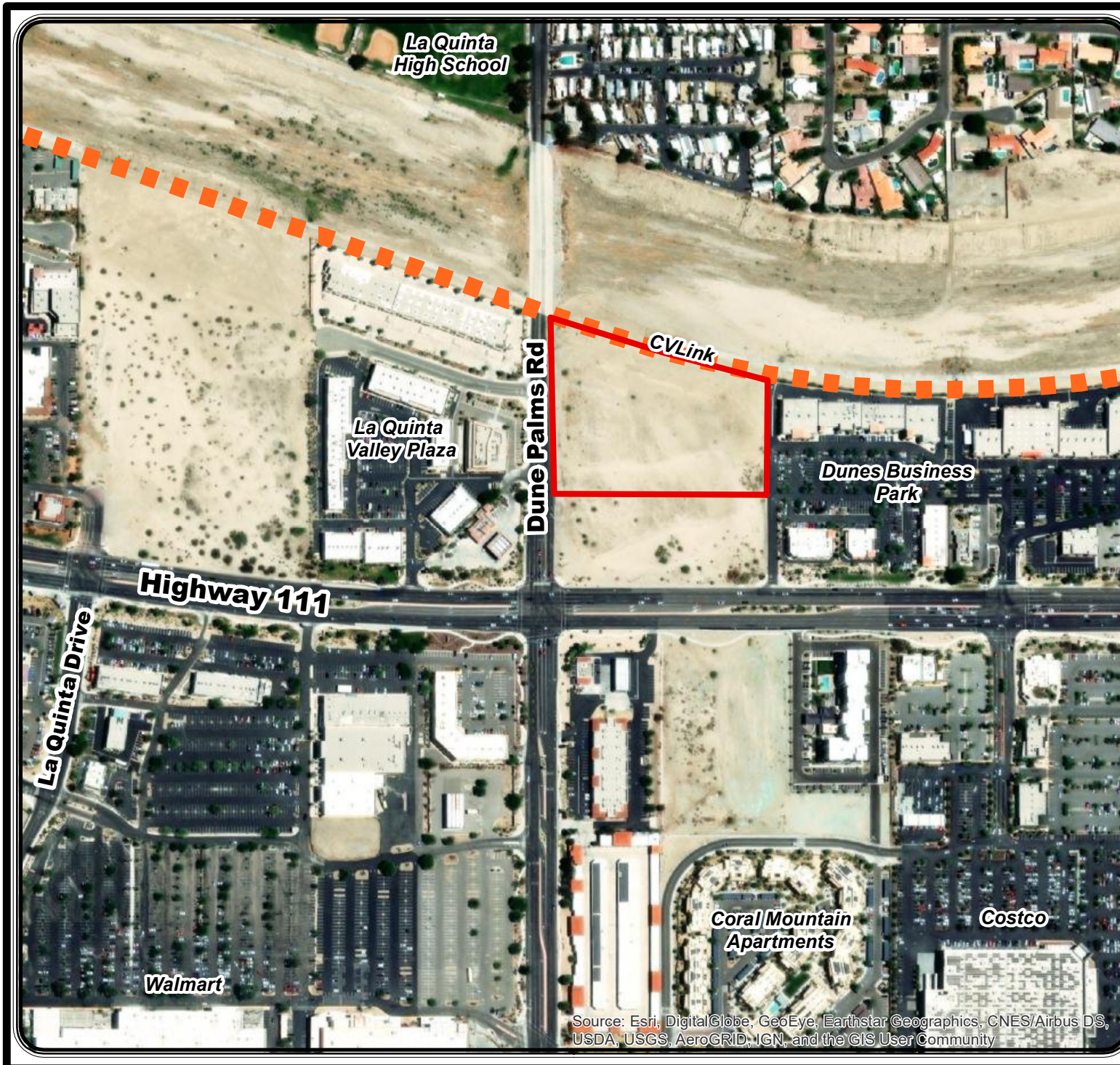
ATTEST:

MONIKA RADEVA, Authority Secretary
La Quinta Housing Authority, California

(AUTHORITY SEAL)

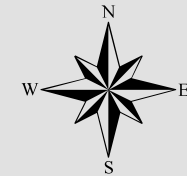
APPROVED AS TO FORM:

WILLIAM H. IHRKE, Authority Counsel
City of La Quinta, California



**PROPERTY
ACQUISITION**

**DUNE PALMS
AND HWY 111**



La Quinta

City of La Quinta

Planning Division
Design and Development Department

December 2022

Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community

ATTACHMENT 1

**AGREEMENT FOR PURCHASE AND SALE
AND ESCROW INSTRUCTIONS**

THIS AGREEMENT FOR PURCHASE AND SALE AND ESCROW INSTRUCTIONS (“Agreement”) is made and entered into as of _____, 2023 (“**Effective Date**”) by and between the LA QUINTA HOUSING AUTHORITY, a public body, a corporate and politic (“**Buyer**”), and BP Dune Palms, LP, a California limited partnership, by General Partner Blackpoint Properties, LLC, a California limited liability company (“**Seller**”). Buyer and Seller are periodically referred to in this Agreement individually as a “Party” and collectively as the “Parties.”

R E C I T A L S:

A. Seller is a party to a contract to purchase that certain real property located in the City of La Quinta (“**City**”), County of Riverside, State of California, with Assessor’s Parcel Number (“**APN**”) 600-030-018, more particularly described in the legal description attached hereto as Exhibit ”A” and incorporated herein by this reference (the “**Unsubdivided Parcel**”). The Unsubdivided Parcel is approximately 8.92 acres.

B. The southern approximately 3.73 acres of the Unsubdivided Parcel is unimproved land located to the northeast of the corner of Highway 111 and Dune Palms Road and abutting Highway 111, anticipated for use as a commercial development with appurtenant parking (the “**Southern Property**”); the Southern Property of the Undivided Parcel is anticipated to be subdivided into two new parcels (“**Proposed Parcel 2**” and “**Proposed Parcel 3**,” respectively). The northern approximately 5.19 acres of the Unsubdivided Parcel is unimproved land located along Dune Palms Road with the northern boundary being at the southern boundary of the American Wash/CVWD stormwater channel and the southern boundary being the Southern Property (the “**Northern Property**”); the Northern Property is anticipated to be subdivided into one new parcel (“**Proposed Parcel 1**”). The Northern Property and Southern Property are depicted in the Unsubdivided Parcel site depiction map attached hereto as Exhibit ”B-1” and incorporated herein by this reference (the “**Site Depiction Map**”), and the proposed parcel lines for the Northern Property (Proposed Parcel 1) and Southern Property (Proposed Parcels 2 and 3) are depicted in the proposed parcel lines map attached hereto as Exhibit ”B-2” and incorporated herein by this reference (the “**Proposed Parcel Lines Map**”).

C. As of the Effective Date, the Unsubdivided Parcel is one legal parcel. The Parties agree that Seller’s application for, and the City’s approval pursuant to its land use and regulatory authority (separate from any contractual obligations in this Agreement) of, the subdivision of the Unsubdivided Parcel into three(3) separate legal parcels comprising the Southern Property as two (2) parcels and Northern Property as one (1) parcel shall be a condition precedent to the Close of Escrow (as defined herein). The subdivision of the Unsubdivided Parcel shall be processed in accordance with the Subdivision Map Act (Gov. Code, § 66410 *et seq.*) (“**Map Act**”) and any and all applicable provisions of the La Quinta Municipal Code (“**LQMC**”), including but not limited to Chapter 13.20 for completion of property survey of the Unsubdivided Parcel and the filing and recording of a parcel map, so as to effectuate a split of the Unsubdivided Parcel resulting in three (3) legal parcels with a new lot line approximately as depicted in the Site Depiction Map (the “**Lot**

Split”). For purposes of this Agreement, the “**City Council Map Approval Date**” shall be the date on which the La Quinta City Council (“**City Council**”) has approved the parcel map creating the Northern Property and Southern Property as three (3) separate legal parcels in accordance with the Map Act and LQMC sections 13.04.060 and 13.20.110. For purposes of this Agreement, the “**Map Recording Date**” shall be the date on which the City Council-approved Parcel Map (defined below) is recorded in the Official Records for Riverside County, California (“**Recorder’s Office**”). The subdivision of the Unsubdivided Parcel may not be waived as a condition precedent to the Close the Escrow (defined below).

D. The anticipated development of the Northern Property will include the appurtenant on-site improvement of the “**main drive**” (depicted and demarked on the Proposed Parcel Lines Map as the “Proposed 26’ Wide Reciprocal Access Easement (Over and Across Parcel 1 For Benefit of Parcels 2 and 3)”) to provide street-way ingress, egress, access, and circulation for vehicular and pedestrian traffic from Dune Palms Road to the eastern boundary of the Northern Property, with said main drive to have a reciprocal easement agreement executed and recorded against Proposed Parcels 1, 2, and 3, to grant said ingress, egress, access, and circulation for vehicular and pedestrian traffic among Proposed Parcels 1, 2, and 3, as a condition to Close of Escrow (defined below), as more particularly set forth in this Agreement.

E. The development of the Northern Property and Southern Property, if and when subdivided by the Parcel Map (defined below), may require the undergrounding of electric, telecommunication, and other utility lines that are currently above-ground (referred to as the Utility Lines as defined in Section 5.8.1 of this Agreement), as well as installation of a private stormwater line (referred to as the “**Stormwater Outflow Line**,” and with the Utility Lines, collectively referred to herein as the “**Utility Improvements**”), all of which are reflected on Exhibit F attached hereto and incorporated herein by this reference as if fully set forth herein (“**Utility Improvements Map**”). If the Undivided Parcel is subdivided and the Escrow Closes (defined below), Buyer and Seller, respectively, shall complete the following if required by the Imperial Irrigation District (and/or other applicable public agency with jurisdiction over the Utility Lines, referred to herein collectively as “**IID**”) and as is further reflected on Exhibit F attached hereto: (i) Buyer shall complete the utility relocation and undergrounding of the power lines along Dune Palms Road, at Buyer’s sole cost, and (ii) Seller shall complete the utility relocation and undergrounding of the power lines abutting State Highway 111, at Seller’s sole cost; furthermore, if the Undivided Parcel is subdivided and the Escrow Closes (defined below), Buyer and Seller, respectively, shall have the following obligations relating to the Stormwater Outflow Line if required by the Coachella Valley Water District (and/or other applicable public agency with jurisdiction over stormwater removal, referred to herein collectively as “**CVWD**”), then Seller shall install or cause to be installed the private stormwater line with an engineered outflow to the CVWD stormwater channel, subject to Buyer’s reimbursement obligations as is further set forth in Section 5.8 below. Each respective Party who installs the foregoing shall be responsible for all related fees, costs, expenses, including the cost of any related permits and approvals, subject to Buyer’s reimbursement obligation with respect to the Stormwater Outflow Line as more specifically described in this Agreement.

F. The Seller acknowledges and agrees that nothing contained in this Agreement shall be construed to oblige, constrain, or otherwise impact any required governmental review for the Lot Split, which may be approved, denied, or conditioned pursuant to the Map Act and LQMC (in

addition to any other applicable federal, state, or City law or regulation) without constituting a breach of this Agreement.

G. Buyer desires to purchase the Northern Property from Seller, and Seller desires to sell the Northern Property to Buyer, on the terms and conditions set forth herein.

A G R E E M E N T:

NOW, THEREFORE, in consideration of the foregoing recitals and mutual covenants herein contained, the parties hereto agree as follows:

1. PROPERTY.

1.1 Legal Description; Lot Split. Seller shall apply for and diligently process the parcel map that will effectuate the Lot Split (the “**Parcel Map**”). Seller shall pay for and complete (or cause to be completed) the property survey required pursuant to LQMC section 13.20.090 (the “**Parcel Map Property Survey**”). Upon the review and approval by the City Council of the Parcel Map, with a completed Parcel Map Property Survey establishing the exact boundaries and total amount of acreage for the Southern Parcel and Northern Parcel, the legal description of the Northern Parcel shall be attached to the Grant Deed (defined herein) and the Purchase Price (defined herein) shall be adjusted accordingly pursuant to Section 2.1 of this Agreement. Upon the City Council Map Approval Date, the legal description for the Northern Property in the Parcel Map shall supersede the identification of the Northern Property as shown in the Site Depiction Map as long as the total acreage attributed to the Northern Property established by the Parcel Map Property Survey is between 5.1 and 5.4 acres. The Seller acknowledges and agrees that nothing contained in this Agreement shall be construed to oblige, constrain, or otherwise impact the City’s required governmental review for the Lot Split, which may be approved, denied, or conditioned by the City pursuant to the Map Act and LQMC (in addition to any other applicable federal, state, or City law or regulation) without constituting a breach of this Agreement.

1.2 Purchase of Property. Subject to all of the terms and conditions of this Agreement, and for the consideration herein set forth, Seller hereby agrees to sell to Buyer, and Buyer agrees to purchase from Seller, the Northern Property.

2. PURCHASE PRICE.

2.1 Amount. The purchase price which Seller agrees to accept, and Buyer agrees to pay, for the Northern Property is the sum of SIXTEEN DOLLARS PER SQUARE FOOT (\$16.00/sq.ft.) (“**Purchase Price**”), with said square footage to be based upon, and the calculation of the final Purchase Price for Close of Escrow (defined herein) to be based upon, the exact acreage resulting from the completion of the Parcel Map Property Survey in the City Council-approved Parcel Map. Based on the approximate acreage of the Northern Property at approximately 5.1 acres, the estimated price as of the Effective Date is Three Million Five Hundred Fifty Four Thousand Four Hundred Ninety Six Dollars and Zero Cents (\$3,554,496.00).

2.2 Calculation and Confirmation of Purchase Price. No later than two (2) business days after the City Council Map Approval Date, Seller shall forward to Escrow Holder (defined

herein) the Parcel Map, which shall include the exact acreage for the Northern Property and Southern Property based on the Parcel Map Property Survey. No later than five (5) business days after receipt of the Parcel Map, Escrow Holder shall calculate the Purchase Price pursuant to Sections 1.1 and 2.1 of this Agreement, and upon completion of the calculation of the Purchase Price, Escrow Holder shall deliver to Buyer and Seller the amount of the Purchase Price that Buyer shall pay to Seller on the Close of Escrow, assuming all remaining Buyer's Conditions to Closing and Seller's Conditions to Closing (as defined herein) are met or waived in accordance with this Agreement and the Parties have instructed Escrow Holder to proceed to Closing the Escrow; provided, however, that each Party shall have the right to contest, within five (5) business days of delivery by Escrow Holder to the Party the Purchase Price as calculated by the Escrow Holder, and (if applicable) within five (5) business days of delivery to Buyer of the Post-Subdivision Survey obtained pursuant to Section 4.3 of this Agreement; in either case, when a Party contests the calculation of the Purchase Price, the Party shall timely deliver written notice to the other Party, and the Parties shall meet and confer to resolve any dispute resulting in the Party(ies) contesting the Purchase Price as calculated by the Escrow Holder; if, as a result of said meet and confer the Parties agree to a modification to the Purchase Price, then the Purchase Price to be applied at the Close of Escrow shall be the amount agreed to by the Parties, but if, as a result of said meet and confer the Parties do not agree to a modification to the Purchase Price, then the Purchase Price applied at the Close of Escrow shall be either: (a) as originally calculated by the Escrow Holder, or (b) by calculation of an independent third-party mutually agreed upon by the Parties in writing. Any such meet and confer shall be no longer than one (1) day unless additional time for the meet and confer is mutually agreed upon in writing by the Parties. If neither Party timely contests the calculation of the Purchase Price, the calculation of the Purchase Price by the Escrow Holder shall be deemed accepted by the Parties, and said calculated Purchase Price shall be used for purposes of Closing the Escrow.

2.3 Earnest Money Deposit. Concurrent with its opening of Escrow, Buyer shall deposit into Escrow an earnest money deposit in the amount of FIFTY THOUSAND DOLLARS (\$50,000.00) ("**Earnest Money Deposit**" or "**Deposit**"). The Escrow Holder shall deposit the Earnest Money Deposit into an interest-bearing account. All interest earned on such funds shall be added to the original principal amount of the Earnest Money Deposit and be considered part of the same. The Earnest Money Deposit shall be refundable to Buyer prior to the end of the Due Diligence Period (defined herein) and nonrefundable upon the conclusion of the Due Diligence Period. Upon the Close of Escrow, the Earnest Money Deposit shall be credited toward the Purchase Price and paid to the Seller as part of the Purchase Price. Should Escrow fail to close after the Due Diligence Period because of an uncured default or breach of this Agreement by Seller, because the Lot Split of the Unsubdivided Parcel fails to be completed pursuant to this Agreement or any applicable law (including the Map Act or LQMC), because of Seller's termination of its obligation to sell the Northern Property pursuant to this Agreement, or because of an event of Force Majeure (defined herein) that prevents the Parties from performance indefinitely, the Earnest Money Deposit shall be forfeited by Seller and shall be returned to Buyer upon the cancelation of Escrow in accordance with this Agreement. If Escrow fails to close after the Due Diligence Period because of an uncured default or breach of this Agreement by Buyer, the Earnest Money Deposit shall be disbursed to Seller, and Buyer shall have forfeited any right under this Agreement to a return of the Earnest Money Deposit, upon the cancelation of Escrow in accordance with this Agreement; in explanation of the preceding sentence, it is the expressed intent and agreement of

the Parties that the payment and disbursement of the Earnest Money Deposit to Seller shall be Seller's exclusive remedy in monetary damages available against Buyer for any uncured default or breach of this Agreement.

For purposes of this Agreement, "**Force Majeure**" means any accident, casualty, act of God, war or civil commotion, strike or labor troubles, earthquake, floods, invasion, insurrection, riot, mob violence, sabotage, terrorism (or threat thereof), quarantine, mandatory business closures, failure of transportation, strikes, lockouts, requisition, laws, orders of government or civil or military or naval authorities, or any cause whatsoever beyond the reasonable control of the Parties, including water shortages, energy shortages or governmental preemption in connection with an act of God, a national emergency, a widespread epidemic or pandemic, or a public health emergency.

2.4 Deposit of Purchase Price. Prior to the Close of Escrow (defined herein), the Buyer shall deposit the Purchase Price, less the Earnest Money Deposit, with the Escrow Holder, plus Buyer's closing costs and fees subject to adjustment for prorations and other charges, in "good funds" which is defined to mean a wire transfer of funds, cashier's or certified check drawn on or issued by the offices of a financial institution located in the State of California, or cash.

3. ESCROW.

3.1 Opening of Escrow. Closing of the purchase and sale of the Northern Property shall take place through an escrow ("**Escrow**") to be established within two (2) business days after the execution of this Agreement by the parties hereto, with Stewart Title of California – Tamara Castro ("**Escrow Holder**") at its office located at 73020 El Paseo, Ste, 103, Palm Desert, CA 92260 [(760) 771-4645]. The opening of the Escrow (the "**Opening of Escrow**") shall be deemed to be the date that a fully executed copy of this Agreement is delivered to the Escrow Holder. Escrow Holder is instructed to notify Buyer and Seller in writing of the date of the Opening of Escrow.

3.2 Escrow Instructions. This Agreement, once deposited in Escrow, shall constitute the joint escrow instructions of Buyer and Seller to Escrow Holder. Additionally, if Escrow Holder so requires, Buyer and Seller agree to execute the standard preprinted form of escrow instructions that Escrow Holder customarily requires in real property escrows administered by it. In the event of any conflict or inconsistency between Escrow Holder's standard instructions and the provisions of this Agreement, the provisions of this Agreement shall supersede and be controlling.

3.3 Recording of Parcel Map. In addition to the obligations of the Escrow Holder for the Escrow set forth in this Agreement, and no later than five (5) business days after the delivery from the City to Escrow Holder of the Parcel Map, the Escrow Holder shall record or cause to be recorded in the Recorder's Office the City Council-approve Parcel Map approved unless the Parcel Map has previously been recorded in the Recorder's Office by the La Quinta City Clerk. In the event Escrow Holder receives the Parcel Map for recording, and is unable to record the Parcel Map within said five (5)-day period, Escrow Holder shall continuously attempt until completion the recording in the Recorder's Office of the Parcel Map.

4. TITLE MATTERS AND PRELIMINARY TITLE REVIEW.

4.1 Title Company for Escrow. The Parties agree and hereby designate Stewart Title of California at its office located at 11870 Pierce Street, Ste. 100, Riverside, CA 92505 [(951) 276-2700], as the title insurance company to insure the Northern Property for Seller and serve as the “**Title Company**” for purposes of this Agreement.

4.2 Seller’s Disclosed Preliminary Title Report for Unsubdivided Parcel. Seller obtained and delivered to Buyer a preliminary title report (Order No.: 00386175-001-NS0-JAI), dated as of July 25, 2022, prepared by Fidelity National Title Company, Title Officer Jeff Allen, at its office located at 1300 Dove Street, 3rd Floor, Newport Beach, CA 92660 [949-788-2865] (“**Seller’s PTO Title Company**”) describing the state of title of the Unsubdivided Parcel together with Internet Website hyperlinks to copies of all underlying documents, a copy of which is attached hereto as Exhibit (the “**Seller’s PTO**”). Subject to the terms and conditions set forth in Section 4.3 below and elsewhere in this Agreement, Buyer disapproves of the following exceptions to title insurance in the Seller’s PTO: Exceptions 14, 16, 18, 19, 20, 21, and 22 (collectively, the “**Seller’s PTO Disapproved Exceptions**”). Subject to the terms and conditions of this Agreement, Seller shall make a good faith effort to cause Seller’s PTO Title Company to remove or cause to be removed from the exceptions to title for the Title Policy (defined herein) any and all of the Seller’s PTO Disapproved Exceptions.

4.3 Northern Property Preliminary Title Report; Buyer’s Review and Approval Rights; Seller’s Removal of Exceptions. No later five (5) business days after the Map Recording Date, Seller shall order from the Title Company and, as soon as completed by the Title Company, shall deliver to Buyer, Seller, and Escrow Holder, a preliminary title report for the Northern Property (the “**Preliminary Title Report**”). Buyer may, at its sole cost and expense, obtain a confirmation survey for the boundary of the Northern Property (a “**Post-Subdivision Survey**”). If Buyer does not obtain a Post-Subdivision Survey within five (5) business days of the Seller’s delivery to Buyer of the Preliminary Title Report, Buyer shall be deemed to have waived any right to obtain a Post-Subdivision Survey. Buyer shall notify Seller in writing of any objections Buyer may have to title exceptions contained in the Preliminary Title Report or matters shown on the Post-Subdivision Survey (if Buyer has timely obtained) no later than the date which is the later of: (i) ten (10) days after Buyer’s receipt of the Preliminary Title Report, or (ii) if ordered by Buyer, ten (10) days after Buyer’s receipt of the Post-Subdivision Survey (“**Buyer’s Objection Notice**”). Buyer’s approval or disapproval of the matters set forth in the Preliminary Title Report (and the Post-Subdivision Survey, if applicable) may be granted or withheld in Buyer’s sole and absolute discretion. Buyer’s failure to provide Seller with a Buyer’s Objection Notice within said period shall constitute Buyer’s approval of all exceptions to title shown on the Preliminary Title Report and all matters shown on the Post-Subdivision Survey (if Buyer has timely obtained). Seller shall have a period of ten (10) business days after receipt of Buyer’s Objection Notice in which to deliver written notice to Buyer (“**Seller’s Notice**”) of Seller’s election to either (i) agree to remove the objectionable items on the Preliminary Title Report or Post-Subdivision Survey prior to the Close of Escrow, or (ii) decline to remove any such title exceptions or Post-Subdivision Survey matters and terminate Escrow and the obligations of Buyer and Seller to purchase and sell the Northern Property under this Agreement. Seller’s failure to provide Buyer with Seller’s Notice within said period shall constitute Seller’s election to remove the objectionable items on the Preliminary Title Report. If Seller notifies Buyer of its election to terminate rather than remove the objectionable

items on the Preliminary Title Report or Post-Subdivision Survey, Buyer shall have the right, by written notice delivered to Seller within five (5) business days after Buyer's receipt of Seller's Notice, to agree to accept the Northern Property subject to the objectionable items, in which event Seller's election to terminate shall be of no effect, and Buyer shall take title at the Close of Escrow subject to such objectionable items without any adjustment to or credit against the Purchase Price (as calculated pursuant to, and modified by meet and confer process (if any) as set forth in this Agreement). Subject to Section 4.4 below, all exceptions to title shown on the Preliminary Title Report, other than those which Seller may agree to remove pursuant to this Section 4.3, shall be deemed to have been approved by Buyer unless Seller is notified otherwise in writing. Upon the issuance of any amendment or supplement to the Preliminary Title Report which adds additional exceptions, including any survey exceptions, the foregoing right of review and approval shall also apply to said amendment or supplement. The process set forth above for Buyer's review and Seller's response shall apply to any review and response with respect to any amendment or supplement to the Preliminary Title Report, and the Closing shall be extended for such period as is necessary to allow for that review and response process to be completed but in no event in excess of forty-five (45) days.

4.4 Disapproved Exceptions; Preliminary Title Report. Notwithstanding anything in Section 4.3 above or this Agreement to the contrary, Buyer shall be deemed to have automatically objected to all deeds of trust, mortgages, judgment liens, federal and state income tax liens, delinquent general and special real property taxes and assessments and similar monetary encumbrances affecting the Northern Property. Furthermore, and notwithstanding anything in Section 4.3 above or this Agreement to the contrary, Seller shall be obligated to remove from the Preliminary Title Report for the Northern Property all of the Seller's PTO Disapproved Exceptions and all monetary encumbrances against the Northern Property (excluding non-delinquent real property taxes, except as otherwise provided in Section 9 below).

5. DUE DILIGENCE PERIOD; RIGHT OF ENTRY.

5.1 Right of Entry for Inspections of Condition of Real Property. Beginning on the Effective Date up to and including the Closing Date, Seller grants Buyer, its agents, contractors, employees, and representatives, the right to enter into and upon the Northern Property (or, if prior to the Map Recording Date, the portion of the Undivided Parcel that will be the Northern Property and, for convenience, referred throughout this Section 5.1 as the Northern Property) at reasonable times for the purposes related to Buyer's inspection and proposed acquisition of the Northern Property (the "**Right of Entry**"). Buyer shall not disturb the physical condition of the Northern Property, or do any intrusive testing for environmental review of the condition of the Northern Property without the prior written consent of Seller, which consent shall not be unreasonably withheld or delayed, and shall be granted or denied (and if denied, with written explanation for such denial) no later than 72 hours after delivery from Buyer to Seller of the request to enter onto the Northern Property for testing and environmental review that is consistent with Buyer's rights pursuant to Section 5.4 of this Agreement. If Seller does not timely respond within said 72-hour period, Seller shall be deemed to have approved Buyer's request for the entry onto the Northern Property. Any such testing and environmental review by Buyer shall be within the boundary of the Northern Property. Any costs, expenses, or charges incurred or related to Buyer's activities under this right of entry shall be at the sole cost and expense of Buyer and at no cost and expense to Seller. Buyer shall keep the Northern Property free and clear of any and all liens arising out of

tests or investigations conducted by Buyer, Buyer's activities or conduct on or relating thereto. Buyer shall, at its own cost and expense entirely, repair any damage to the Northern Property resulting from any such entry and shall restore the Northern Property to its condition prior to such entry. Buyer shall obtain and maintain or ensure that its agents, consultants and contractors, as applicable, maintain and obtain, public liability and property damage insurance insuring against any liability arising out of any entry, and/or any tests of or other investigations on the Northern Property pursuant to the provisions hereof. Upon Seller's request in writing, Buyer shall cause Buyer's third party consultants to provide to Seller certificates of insurance evidencing Buyer's or Buyer's agents', consultants' and/or contractors', as applicable, procurement of a commercial general liability insurance policy as required herein prior to or simultaneous with their conducting any physical inspection of the Northern Property. Such insurance maintained by Buyer or Buyer's consultants, agents and contractors (as applicable) shall be in the amount of One Million Dollars (\$1,000,000) combined single limit for injury to or death of one or more persons in an occurrence, and for damage to tangible property (including loss of use) in an occurrence. The policy shall insure the contractual liability of Buyer covering the indemnities herein and shall name Seller an additional insured. Buyer shall provide Seller with evidence of such insurance coverage prior to any entry or the commencement of any tests or other investigations at the Northern Property. The aforementioned insurance coverage may be obtained under a blanket policy carried by Buyer or its agents, consultants or contractors, as the case may be. Buyer agrees to indemnify, defend and hold Seller and its partners, officers, directors, employees, agents, and representatives (collectively the "**Seller Related Parties**") and the Northern Property harmless from any and all claims, liabilities, liens, actions, judgments, costs, expense, or charges (including without limitation attorneys' fees and costs) arising from or connected or related in any way to the (i) Right of Entry granted under this Agreement; and (ii) any liens imposed against the Northern Property arising out of tests or other investigations conducted by Buyer or Buyer's activities relating thereto; and (iii) any material and uncured physical damage to the Northern Property; provided that Buyer shall have no liability and no obligation to indemnify or defend Seller as to, or otherwise have any responsibility for, any pre-existing conditions affecting the Northern Property prior to the Effective Date of this Agreement or Buyer's exercise of its Right of Entry pursuant to this Agreement. Buyer's obligations set forth in this Section 5.1 shall survive the termination of this Agreement for one (1) year from the date of termination, and Buyer's obligations in this Section 5.1 shall not be affected by the provisions of Section 11.2 hereinbelow.

5.2 Due Diligence Period Defined. For purposes of this Agreement, the "**Due Diligence Period**" shall mean the period commencing on the Effective Date and ending at 5:00 p.m. PST on the date that is ninety (90) days after the Effective Date.

5.3 Delivery of Due Diligence Materials. Within five (5) days of the Effective Date or as otherwise provided below, if not previously delivered to Buyer by Seller, Seller shall deliver to Buyer copies of all documents, reports, agreements, or other items in its possession or control relating to the Properties, including without limitation the following (collectively, the "**Due Diligence Materials**"):

(a) Environmental Reports. All environmental reports (including any Phase 1 or Phase 2 report), soils reports, engineering data, and other information and data in the possession of Seller pertaining to the environmental condition of the Unsubdivided Parcel (or any portion thereof).

(b) Rental and Service Agreements: (i) All current licenses, rental agreements, leases, subleases, rights of first refusal, and other agreements pertaining to the right of use, possession and/or occupancy of the Unsubdivided Parcel (or any portion thereof) by any person or entity, if any (collectively referred to herein as the “**Leases**”); and (ii) All service contracts, property management contracts, property maintenance contracts, and other agreements pertaining to the maintenance or operation of the Undivided Parcel (or any portion thereof) by any person, if any (collectively referred to herein as the “**Property Maintenance Contracts**”). Seller represents and warrants to Buyer that there are no Leases that apply to or touch and concern the Unsubdivided Parcel (or any portion thereof), and Seller further represents and warrants to Buyer that there are no Property Maintenance Contracts that apply, or will continue to apply, to the Unsubdivided Parcel (or any portion thereof) on or after the Closed of Escrow. Seller’s representations and warranties in this Section 5.3(b) shall have the same materiality and be subject to the same covenants to Buyer as the representations and warranties made by Seller to Buyer set forth elsewhere in this Agreement, including Section 18 of this Agreement.

(c) [Intentionally Omitted.]

(d) Surveys, Plans and Engineering Documents: In addition the Parcel Map Property Survey, copies, if any, of other surveys, plans, specifications and engineering documents, in Seller’s possession or control.

(e) Permits: If in Seller’s possession, copies of all permits and approvals concerning the Unsubdivided Parcel, obtained from any governmental entity, including, but not limited to, certificates of occupancy, conditional use permits, development plans, and licenses and permits pertaining to the operation of the Unsubdivided Parcel.

(f) Violation Notices: Any notice of violations of any law filed or issued against the Unsubdivided Parcel and known to Seller.

(g) Litigation Documents. Seller’s Litigation Documents as provided for in Section 5.5 of this Agreement.

(h) Miscellaneous Items: Any of the following, if known to Seller: (i) Any unsatisfied mechanic’s or materialman’s lien(s) affecting the Unsubdivided Parcel; (ii) Any notice or notices relating to bankruptcy or receivership that touch and concern Seller or the Unsubdivided Parcel; and (iii) any other documents that Buyer may reasonably request based on mutual agreement of the Parties that said documents are material to the Buyer’s review and inspection of the Unsubdivided Parcel and Northern Property.

5.4 Inspection of Real Property. Buyer and its representatives, agents, engineers, consultants, contractors, and designees shall have the right at Buyer’s sole cost and expense to exercise the Right of Entry pursuant to Section 5.1 of this Agreement for, among other inspections consistent with this Agreement, the inspection of the site, soil, subsurface soils, drainage, seismic and other geological and topographical matters, location of toxic substances, hazardous materials or wastes, if any, and, at Buyer’s sole and absolute discretion, determining whether the Northern Property (once subdivided by completion of the Lot Split) is acceptable to Buyer, including to

confirm availability and suitability of utilities to the Northern Property and to verify zoning and intended uses of the Northern Property.

5.5 Litigation Documents. Within five (5) days of the Effective Date, if not previously delivered to Buyer by Seller, Seller shall deliver to Buyer's designated legal counsel any and all documents and materials that are not protected by any applicable privilege that relate to pending or threatened litigation, or litigation that was pending or threatened within the last eighteen (18) months (except Buyer has no obligation to deliver any documents or material relating to that certain litigation relating to eminent domain for public right-of-way acquisition, entitled *City of La Quinta v. DWCG1, LLC et al.*, Riverside Superior Court Case No. PC1909315), involving the Unsubdivided Parcel (or any portion thereof) and/or Seller's ownership thereof, including but not limited to correspondence that is not privileged, complaints, court orders, settlements, and judgments (the "**Seller's Litigation Documents**"). To the best of Seller's knowledge, there are no Seller's Litigation Documents. Seller shall have the obligation until the Close of Escrow to have the Northern Property free and clear, unencumbered or otherwise subject to any matter that would subject the Northern Property to litigation and thereby fall within Seller's Litigation Documents. In the event that Seller becomes aware of any Seller's Litigation Documents, Buyer shall complete or cause to be completed the review of said litigation documents no later than the expiration of the Due Diligence Period, and Buyer shall have the right to terminate the Escrow and this Agreement if after review of the Seller's Litigation Documents the Buyer determines, in its sole and absolute discretion, that Buyer cannot or should not be obligated to assume a risk of litigation that may currently be or was pending or threatened against Seller or the Unsubdivided Parcel (or any portion thereof prior to the Map Recording Date, and thereafter for the Northern Property). For any Seller's Litigation Documents delivered to Buyer no later than ten (10) days prior to the expiration of the Due Diligence Period, Buyer's failure to deliver to Seller written notice of its approval or disapproval on or before the expiration of the Due Diligence Period shall be conclusively deemed Buyer's approval of the assumption of the risk of litigation as evidenced by the Seller's Litigation Documents. For any Seller's Litigation Documents delivered to Buyer within ten (10) days prior to the expiration of the Due Diligence Period or after the end of the Due Diligence Period, Buyer shall have the right to cancel the escrow after the conclusion of the Due Diligence Period until the anticipated Closing Date; provided, however, that if Buyer, in its sole and absolute discretion, instructs the Escrow Holder to proceed to close the Escrow, notwithstanding the Seller's Litigation Documents delivered to Seller within ten (10) days of the end of the Due Diligence Period or after the end of the Due Diligence Period, then Buyers shall be deemed to have approved the assumption of the risk of litigation as evidenced by said Seller's Litigation Documents.

5.6 Buyer's Disapproval During Due Diligence; Right to Termination. Buyer shall notify Seller and Escrow Holder in writing ("**Buyer's Due Diligence Notice**") on or before the expiration of the Due Diligence Period of Buyer's approval or disapproval of the Due Diligence Materials, the condition of the Unsubdivided Parcel (or any portion thereof prior to the Map Recording Date, and thereafter the Northern Property), and Buyer's investigations with respect thereto. Except as otherwise provided in this Agreement, Buyer's disapproval of any of the Due Diligence Materials shall constitute Buyer's election to terminate this Agreement and cancel the Escrow. Buyer's failure to deliver Buyer's Due Diligence Notice before the expiration of the Due Diligence Period shall be deemed Buyer's approval thereof. If Buyer does elect to terminate under

this Section, Escrow shall refund to Buyer the Earnest Money Deposit, together with interest earned thereon within five (5) business days of receipt of Buyer's termination notice without the necessity of further instructions from Seller and this Agreement shall terminate, and Escrow Holder shall cancel the Escrow and return any and all documents and materials received by Escrow Holder to the Party that had submitted said documents and materials. If no election to terminate the Escrow is made by Buyer by the end of the Due Diligence Period, Buyer's due diligence investigations will be deemed complete and the Escrow Holder may proceed to Closing of the Escrow.

5.7 Reciprocal Easement Agreement. Prior to the Close of Escrow, the parties shall agree upon the form of a reciprocal easement agreement ("REA"), which among other terms and conditions, shall encumber Proposed Parcel 1, Proposed Parcel 2, and Proposed Parcel 3, and provide for cross access easements on the main drive as described in Recital D and as depicted in the Proposed Parcel Lines Map (Exhibit "B-2"). The REA shall provide for, among other mutually agreed upon terms and conditions, terms and conditions setting forth the following: (a) The main drive shall connect Dune Palms Road to the eastern boundary of the Northern Property; (b) The main drive shall separate the Southern Property from the Northern Property; (c) While the location of the main drive will be located exclusively on the Northern Property, Seller shall have the obligation to construct (or cause the completion of the construction) of the main drive; (d) Upon completion of the construction of the main drive, and the acceptance by the City of the completion of construction in accordance with all applicable laws and regulations, Buyer shall be solely responsible for the maintenance and repair (or overseeing and causing the maintenance and repair) of the main drive and related driveways for ingress and egress off of the main drive; (e) Restrictive covenants for the benefit the Southern Property (*i.e.*, both Proposed Parcel 2 and Proposed Parcel 3) that would burden the Northern Property (Proposed Parcel 1), under which the Northern Property covenants not to have a competing commercial use on the Northern Property that would be for the same proposed initial commercial uses on the Southern Property (*i.e.*, on either Proposed Parcel 2 or Proposed Parcel 3); for example, if Proposed Parcel 2 has an initial commercial use of a restaurant specializing in chicken and/or Proposed Parcel 3 has an initial commercial use as a car wash, the covenants in the REA shall prohibit as a use on the Northern Property either a restaurant specializing in chicken or a car wash for as long as those uses are be operating on Proposed Parcel 2 or Proposed Parcel 3, respectively, subject to closures due to condemnation, casualty, alterations or repairs or as is otherwise set forth in the REA.

5.8 Utilities.

5.8.1 The development of the Northern Property and Southern Property, if subdivided by the Parcel Map as part of the Lot Split process, may require as a condition of approval the undergrounding of electric, telecommunication, and other utility lines that are currently above-ground along Highway 111 and Dune Palms Road (collectively, the "**Utility Lines**"). If the Undivided Parcel is subdivided and the Escrow Closes, Seller anticipates that, as part of the Lot Split approval process, the Utility Lines will be required to be placed underground as a condition of approval. In the event that there is such condition of approval attached to the Lot Split process and City-approved Parcel Map, then Buyer and Seller, respectively, shall complete the following if required by IID and as is further reflected on the Utility Improvements Map: (i) Buyer shall complete the utility relocation and undergrounding of the Utility Lines abutting Dune

Palms Road, at Buyer's sole cost, and (ii) Seller shall complete the utility relocation and undergrounding of the Utility Lines abutting State Highway 111, at Seller's sole cost.

5.8.2 With respect to the Stormwater Outflow Line, Seller shall have the right and obligation to apply for and obtain any and all permits and approvals for the installation and operation thereof from CVWD, and Seller, upon receiving appropriate permits and approvals, shall have the right and obligation to install or cause the installation of the Stormwater Outflow Line as reflected on the Utility Improvements Map. Buyer shall reimburse Seller for Buyer's proportionate share based upon the respective land area of the Northern Property and the Southern Property of all costs and expenses incurred by Seller at the time of the completion of the Stormwater Outflow Line pursuant to a stormwater outflow reimbursement agreement or similar agreement by and between Seller and Buyer (referred to as the "**Stormwater Outflow Reimbursement Agreement**"), in which (among other terms and conditions) the Seller would covenant to complete the stormwater outflow undergrounding work, and Buyer shall reimburse Seller for Buyer's share of all costs, fees expenses, and the cost any related permits and approvals incurred by Seller for the following: (i) construction of the Stormwater Outflow Line that would be constructed with sufficient initial capacity to accommodate the anticipated uses for the Northern Property (*i.e.*, Proposed Parcel 1) and the Southern Property (*i.e.*, both Proposed Parcel 2 and Proposed Parcel 3); (ii) the additional cost, if any, of pipe resizing required to accommodate any alterations of Buyer's ultimate development of the Northern Property in excess of the cost that Seller would have incurred for the development of the Southern Property and Northern Property at the time of execution of the Stormwater Outflow Reimbursement Agreement; (iii) the cost incurred to address the surface stormwater running through main drive (as defined herein) and the treatment of the same, together with the cost of all related facilities in connection therewith before it flows further into the CVWD stormwater channel; and (iv) the cost of the outlet facility required to accommodate the drainage of the stormwater line into the CVWD stormwater channel. The Stormwater Outflow Reimbursement Agreement, and completion of the Stormwater Outflow Line work, shall be governed and effectuated in accordance with any and all CVWD rules and regulations applicable to such private stormwater line work.

5.8.3 The purchase and sale of the Northern Property and Close of Escrow, pursuant to the terms and conditions of this Agreement, shall be conditioned upon the execution of the Stormwater Outflow Reimbursement Agreement. However, the Close of Escrow shall not be conditioned upon the receipt of any approval required by any public agency, including CVWD, for such Stormwater Outflow Line work, as the process for applying for and obtaining approval for such work may not be possible by the anticipated Close of Escrow agreed upon by the Parties. It is also the expressed understanding and agreement between Buyer and Seller that the approval by IID and completion of any relocation and undergrounding of the Utility Lines by either Buyer or Seller may commence and be implemented, in good faith, only after the Close of Escrow and Buyer taking fee title to the Northern Property pursuant to the terms and conditions of this Agreement.

5.8.4 Notwithstanding the foregoing provisions in Section 5.8.1 and 5.8.3, in the event that, in connection with Seller's development of the Southern Property, Seller, without the involvement of Buyer, is obligated to or voluntarily does coordinate with IID to complete or cause the completion of the placing the Utility Lines underground on the Northern Property along Dune Palms Road, and Seller completes or causes the completion of said undergrounding work, and

Seller pays the costs and expenses for said undergrounding work, without involvement by Buyer, then Buyer shall reimburse Seller for the cost of such work along Dune Palms Road, including all related fees, costs and expenses for any related permits or other required approvals. Prior to commencing any work on the Northern Property for the relocation and undergrounding of the Utility Lines, however, Seller shall notify Buyer in writing, and Buyer shall have the right to require Buyer, Seller, and IID to enter into a utility relocation and reimbursement agreement or other similar form of agreement that would, among other terms and conditions, govern the relocation and undergrounding of the Utility Lines in accordance with standard terms and conditions required by IID for property owners with such relocation and undergrounding work to be completed.

5.8.5 The location of Utility Lines is reflected on Proposed Parcel Lines Map and Utility Improvements Map, attached hereto and incorporated herein by this reference.

6. CLOSE OF ESCROW.

6.1 Close of Escrow; Closing Date. Provided that all of the conditions of this Agreement precedent to the “**Close of Escrow**” (as hereinafter defined) as set forth in Section 10 below have been satisfied (or, if permitted by this Agreement, waived by the appropriate Party) prior to or on the Closing Date, the Closing of this transaction for the purchase and sale of the Northern Property shall take place on the later to occur of: (a) thirty (30) days after the end of the Due Diligence Period, or (b) ten (10) days after the satisfaction of all of Buyer’s Conditions to Closing and Seller’s Conditions to Closing set forth in Section 10 of this Agreement (the later date being the “**Outside Closing Date**”). Notwithstanding the foregoing, if Buyer and Seller agree to advance the Closing, and as long as all of Buyer’s Conditions to Closing and all of Seller’s Conditions to Closing (as those terms are defined in Section 10) have been satisfied (or, if permitted, waived by the appropriate Party), Seller and Buyer may elect to authorize the Closing before the Outside Closing Date. The terms “**Close of Escrow**”, “**Closing Date**” and the “**Closing**” are used herein to mean the time Seller’s grant deed conveying fee title to the Northern Property to Buyer is recorded in the Recorder’s Office.

6.2 Recordation; Release of Funds and Documents.

6.2.1 Escrow Holder is directed, on the Closing Date, to record in the Recorder’s Office, the following documents in the order listed: (i) the grant deed (in the form attached hereto as Exhibit ”C”) transferring title to the Northern Property to Buyer (“**Grant Deed**”); and (ii) such other and further documents as may be directed jointly by Buyer and Seller. Prior to the deposit into Escrow, the legal description of the Northern Property shall be added to the Grant Deed.

6.2.2 Upon the Closing, Escrow Holder shall deliver (i) the Purchase Price to Seller, less any amount of Closing costs, including property taxes and/or assessments allocable to Seller pursuant to Section 9 below, and (ii) conformed copies of all recorded documents to both Buyer and Seller.

6.2.3 Following the later to occur of either (a) the Map Recording Date, or (b) end of the Due Diligence Period, Escrow Holder is authorized to request from Seller a fully executed copy of the Grant Deed at any time prior to the Close of Escrow, for submission to Buyer for the

sole purpose of Buyer's acceptance of same, in order to place such Grant Deed in a form ready for recording at the Close of Escrow. If Buyer receives such an executed Grant Deed prior to Close of Escrow, Buyer is authorized only to affix its acceptance thereon, or perform such other acts as are required to place the Grant Deed in a recordable form, but may not record the Grant Deed at any time prior to the Close of Escrow.

6.3 Contingency for Seller's Acquisition of the Property. Seller represents and warrants to Buyer that, as of the Effective Date of this Agreement, Seller's affiliated entity is a party to a purchase and sale agreement to acquire the Unsubdivided Parcel to which Buyer is not a party and has not reviewed or commented upon. If Seller's affiliate fails to acquire, or fails to be in a position to irrevocably acquire, the Unsubdivided Parcel prior to the Closing Date, Seller reserves the right to terminate this Agreement and upon such termination, the Escrow Holder is instructed to return the Earnest Money Deposit to Buyer and return to the delivering Party all documents placed into Escrow, and the Parties shall be relieved of all duties and obligations set forth in this Agreement, except for: (a) Seller's obligation to reimburse Buyer for Buyer's out of pocket costs incurred to date in connection with this transaction in a sum not to exceed Fifty Thousand Dollars (\$50,000.00), and (b) those duties and obligations which expressly survive the termination of this Agreement.

7. DELIVERY OF DOCUMENTS REQUIRED FROM BUYER AND SELLER.

7.1 Buyer's Obligations. Buyer agrees that on or before 5:00 p.m. of the last business day immediately preceding the Closing Date, Buyer shall deposit or cause to be deposited with Escrow Holder the following:

- (a) The Purchase Price, less the Earnest Money Deposit;
 - (b) The Certificate of Acceptance substantially in the form attached to the Grant Deed ("**Certificate of Acceptance**");
 - (c) Any and all additional funds, instruments or other documents required from Buyer (executed and acknowledged where appropriate) as may be reasonably necessary in order for the Escrow Holder to comply with the terms of this Agreement and consummate the transaction;
 - (d) Assignment of Intangible Property, the form of which is attached hereto as Exhibit "E";
 - (e) The executed and acknowledged REA, as provided in Section 5.7 above;
- and
- (f) The Stormwater Outflow Reimbursement Agreement, as is provided for in Section 5.8.2 above.

7.2 Seller's Obligations. Seller agrees that on or before 5:00 p.m. of the last business day immediately preceding the Closing Date, Seller shall deposit or cause to be deposited with Escrow Holder each of the following:

(a) The executed and acknowledged Grant Deed, subject only to the Permitted Exceptions (defined hereafter), and approved by Buyer for acceptance of the Grant Deed, as provided in Section 6.2.3 above;

(b) A Certificate of Non-Foreign Status (the “**Non-Foreign Affidavit**”) executed and acknowledged by Seller in the form attached hereto as Exhibit ”D”;

(c) All applicable state and federal tax documents as required by law;

(d) All other funds, items, and instruments required from Seller, Escrow Holder, or Title Company (executed and acknowledged where appropriate) as may be reasonably necessary in order for the Escrow Holder to comply with the provisions of this Agreement and consummate the transaction;

(e) Assignment of Intangible Property, the form of which is attached hereto as Exhibit ”E”;

(f) The executed and acknowledged REA, as provided in Section 5.7 above;
and

(g) The Stormwater Outflow Reimbursement Agreement, as is provided for in Section 5.8.2 above.

8. TITLE INSURANCE POLICY.

8.1 Title Policy. At the Closing Date, the Title Company, as insurer, shall issue a CLTA owner’s standard coverage policy of title insurance (“**Title Policy**”), in favor of Buyer, as insured, for the Northern Property, with liability in the amount of the Purchase Price, subject only to the following (the “**Permitted Exceptions**”):

(a) non-delinquent real property taxes, subject to Seller’s obligations to pay certain taxes pursuant to Section 9 below;

(b) covenants, conditions, restrictions and reservations of record that do not interfere with the Buyer’s proposed use of the Northern Property, as determined in the sole and absolute discretion of Buyer;

(c) easements or rights-of-way over the Northern Property for public or quasi-public utility or public street purposes;

(d) title exceptions approved or deemed approved by Buyer pursuant to this Agreement, including Sections 4.2, 4.3, and 4.4 above;

(e) the standard printed conditions and exceptions contained in the CLTA standard owner’s policy of title insurance regularly issued by the Title Company; and

(f) the REA.

8.2 Payment for Title Policy. Buyer shall be responsible for all charges for the Title Policy, including any endorsements to said policy. In addition, Buyer shall be responsible for all charges relating to a Post-Subdivision Survey if elected by Buyer.

9. REAL PROPERTY TAXES AND ASSESSMENTS. Upon Buyer's acquisition of fee title to the Northern Property, the Northern Property will be exempt from the payment of property taxes due to Buyer's status as a public agency. Seller shall be responsible for paying (through Escrow at Closing) all real and personal property taxes and assessments which are of record as of the Closing Date and/or have accrued against the Northern Property prior to (and including) the Closing Date (notwithstanding whether such taxes and/or assessments are due and payable as of the Closing Date). Seller shall be responsible for paying for all real or personal property taxes or assessments assessed against the Northern Property after the Closing for any period prior to the Closing, and, in the event Buyer receives after the Closing Date a supplemental property tax bill or supplemental assessment notice for taxes or assessments accrued prior to the Closing Date, then Buyer shall deliver to Seller said supplemental bill or notice, and Seller shall have the obligation to pay said supplemental taxes or assessments within ten (10) days of receipt. This Section shall survive the Close of Escrow for a period of two (2) years.

10. CONDITIONS PRECEDENT TO CLOSING.

10.1 Conditions Precedent to Buyer's Obligations. The obligations of Buyer under this Agreement to purchase the Northern Property and close the Escrow shall be subject to the satisfaction, or (except for condition (b) below regarding the completion of the Lot Split and implementation thereof) signed written waiver, by Buyer of each and all of the following conditions precedent (collectively, "**Buyer's Conditions to Closing**"):

(a) Buyer has not terminated this Agreement prior to the end of the Due Diligence Period;

(b) The Lot Split shall have been perfected by the City Council-approved Parcel Map being recorded in the Recorder's Office;

(c) The Purchase Price has been finally determined pursuant to this Agreement, including (if applicable) as a result of any meet and confer set forth herein;

(d) On the Closing Date, the Title Company shall be irrevocably committed to issue the Title Policy pursuant to Section 8.1 above insuring fee title to the Northern Property as being vested in Buyer, subject only to the Permitted Exceptions;

(e) Escrow Holder holds all instruments, including the fully executed and acknowledged Grant Deed and REA, as well as the fully executed Stormwater Outflow Reimbursement Agreement and has all funds required for the Closing and will deliver to Buyer the instruments and funds, if any, accruing to Buyer pursuant to this Agreement;

(f) All representations and warranties by the Seller in this Agreement shall be true on and as of the Closing Date as though made at that time and all covenants of Seller pursuant to this Agreement shall have been fulfilled by the Closing Date;

(g) The La Quinta City Council has approved the use of City funds, and/or the La Quinta Housing Authority has approved the use of affordable housing funds under the control of the La Quinta Housing Authority, as appropriate, to purchase the Northern Property; in this regard, it is expressly agreed and understood that the Northern Property is intended to be used for the development of low-income housing, as that term is defined under applicable federal and state laws; it is further agreed and understood that the City of La Quinta and the La Quinta Housing Authority will be responsible for and shall keep accurate records of the source of funds ultimately used for the acquisition of the Northern Property; and

(h) Seller is not in material default of any term or condition of this Agreement.

In the event that any of Buyer's Conditions to Closing are not satisfied, deemed satisfied, or (if permitted) waived in a writing signed by Buyer prior to the expiration of the applicable period for satisfaction or waiver, Buyer may terminate this Agreement so long as the failure to satisfy any such conditions is not caused by Buyer.

10.2 Conditions Precedent to Seller's Obligations. The obligations of Seller under this Agreement shall be subject to the satisfaction, or (except for condition (b) below regarding the completion of the Lot Split and implementation thereof) signed written waiver, by Seller of each and all of the following conditions precedent ("**Seller's Conditions to Closing**"):

(a) Escrow Holder holds the Purchase Price and all other instruments and funds required for the Closing and will deliver to Seller the instruments and funds, including but not limited to the Purchase Price (less any offsets against Seller specifically provided for hereunder) accruing to Seller pursuant to this Agreement;

(b) The Lot Split shall have been perfected by the City Council-approved Parcel Map being recorded in the Recorder's Office;

(c) Escrow Holder holds all instruments, including the fully executed and acknowledged REA, as well as the fully executed Stormwater Outflow Reimbursement Agreement;

(d) Except as otherwise permitted by this Agreement, all representations and warranties by the Buyer in this Agreement shall be true on and as of the Closing Date as though made at that time and all covenants of Buyer pursuant to this Agreement shall have been fulfilled by the Closing Date; and

(e) Buyer is not in material default of any term or condition of this Agreement.

In the event that any of Seller's Conditions to Closing are not satisfied, deemed satisfied, or waived in a writing signed by Seller prior to the expiration of the applicable period for satisfaction or waiver, Seller may terminate this Agreement so long as the failure to satisfy any such conditions is not caused by Seller.

11. DEFAULT.

11.1 Notice of Default. Upon a default by either Seller or Buyer under this Agreement, the non-defaulting Party shall notify the defaulting Party and Escrow Holder in writing of such default. If the non-defaulting Party gives such notice, the notice shall set forth with specificity the alleged default and the defaulting Party shall have ten (10) days to cure the default. If the defaulting Party does not cure the default within ten (10) days of the receipt of such notice, the non-defaulting Party may elect to terminate this Agreement and pursue the remedies set forth in this Section 11.

11.2 Buyer's Default, Liquidated Damages. If the sale of the Northern Property fails to close as a result of a default by Buyer, Seller's sole remedy at law and in equity shall be to declare a default, terminate the Agreement by delivery of written notice to Buyer, and retain the Earnest Money Deposit and all interest earned thereon pursuant to Section 2.2 herein as liquidated damages. BUYER RECOGNIZES THAT SELLER'S INTEREST IN THE NORTHERN PROPERTY WILL BE UNAVAILABLE FOR SALE DURING THE EXISTENCE OF THIS AGREEMENT. WITH THE FLUCTUATION IN LAND VALUES, THE UNPREDICTABLE STATE OF THE ECONOMY AND OF GOVERNMENTAL REGULATIONS, THE FLUCTUATING MONEY MARKET FOR REAL ESTATE LOANS OF ALL TYPES AND OTHER FACTORS WHICH DIRECTLY AFFECT THE VALUE AND MARKETABILITY OF THE NORTHERN PROPERTY, IT IS REALIZED BY THE PARTIES THAT IT IS EXTREMELY DIFFICULT AND IMPRACTICABLE TO ASCERTAIN WITH ANY DEGREE OF CERTAINTY THE AMOUNT OF DAMAGES WHICH WOULD BE SUFFERED BY SELLER IN THE EVENT BUYER DEFAULTS IN ITS OBLIGATION TO CLOSE ESCROW FOR THE NORTHERN PROPERTY, AS REQUIRED HEREIN. THE PARTIES, HAVING UNSUCCESSFUL ATTEMPTS TO ASCERTAIN THE ACTUAL DAMAGES SELLER WOULD SUFFER IN SUCH EVENT, HAVE DETERMINED THAT THE AMOUNT OF THE EARNEST MONEY DEPOSIT SHALL BE DISBURSED TO SELLER BY ESCROW HOLDER AND SHALL BE DEEMED FULLY EARNED AS LIQUIDATED DAMAGES, AND THIS AGREEMENT SHALL AUTOMATICALLY TERMINATE. BY INITIALING BELOW, THE PARTIES AGREE TO THE PROVISIONS OF THIS SECTION AND ACKNOWLEDGE THAT SUCH REMEDY OF SELLER AS SET FORTH HEREIN SHALL BE THE EXCLUSIVE REMEDY OF SELLER, AT LAW AND IN EQUITY, BY REASON OF SUCH DEFAULT OF BUYER, EXCEPT ANY RIGHTS OF SELLER THAT BY THEIR TERMS SPECIFICALLY SURVIVE THE TERMINATION OF THIS AGREEMENT, AND EXCEPT FOR ALL RIGHTS AND REMEDIES WHICH SELLER MAY HAVE AT LAW OR EQUITY OR UNDER THIS AGREEMENT IN CONNECTION WITH SELLER'S ENFORCEMENT OF THIS SECTION 11.2 INCLUDING, WITHOUT LIMITATION, SELLER'S RIGHT TO RECOVER ATTORNEYS' FEES AND COSTS INCURRED IN CONNECTION THEREWITH.

Seller's Initials

Buyer's Initials

11.3 Seller's Default. In the event of a default by Seller under this Agreement, which is not timely cured as set forth in Section 11.1 above, Buyer shall have the right, as Buyer's

exclusive remedies, to either (i) enforce specific performance of this Agreement against Seller consistent with the terms of this Agreement, or (ii) terminate this Agreement by written notice to Seller prior to or on the Closing, at which time the Earnest Money Deposit, including any interest earned thereon, shall be returned to Buyer, and Seller shall reimburse Buyer for all reasonable costs and expenses incurred by Buyer in connection with this Agreement and the investigation of the Property, including, without limitation, reasonable attorneys' fees and expenses in a sum not to exceed Fifty Thousand Dollars (\$50,000.00). Except as specifically provided in this Agreement, Buyer hereby waives any claim for damages or any other remedy against Seller.

12. POSSESSION. Possession of the Northern Property, free from all tenancies, parties in possession and occupants unless otherwise approved by Buyer prior to the end of the Due Diligence Period, shall be delivered by Seller to Buyer on the Closing Date, subject only to the Permitted Exceptions.

13. ALLOCATION OF COSTS.

13.1 Buyer's Costs. Buyer shall pay 50% of escrow fees or similar charges of Escrow Holder, as well as 50% of any recording fees and Buyer shall pay all charges for the Title Policy and fees or similar charges of the Title Company, including all of costs for the Post-Subdivision Survey, if any, shall be paid by Buyer pursuant to this Agreement. As a governmental entity, Buyer is exempt from recording fees for the Grant Deed.

13.2 Seller's Costs. Seller shall pay 50% of escrow fees or similar charges of Escrow Holder as well as 50% of any recording fees. Seller shall pay 100% of costs for the Parcel Map Property Survey and any and all costs for the processing and recording of the Parcel Map and effectuating the Lot Split. Seller shall pay any transfer taxes if any, relating to this transaction.

13.3 Miscellaneous Costs. Except to the extent otherwise specifically provided herein, all other expenses incurred by Seller and Buyer with respect to the negotiation, documentation and closing of this transaction, including, without limitation, attorneys' fees, shall be borne and paid by the Party incurring same.

14. CONDEMNATION. In the event that, prior to the Close of Escrow, any governmental entity (other than the La Quinta Housing Authority or City of La Quinta) shall commence any proceedings of or leading to eminent domain or similar type proceedings to take all or any portion of the Northern Property, Buyer or Seller shall promptly meet and confer in good faith to evaluate the effect of such action on the purposes of this Agreement.

15. DAMAGE. Risk of physical loss to the Northern Property shall be borne by Seller prior to the Close of Escrow and by Buyer thereafter. If the Northern Property is damaged or destroyed by any casualty (a "**Casualty**") after the Effective Date, but prior to the Closing, and the costs to repair or restore same shall exceed One Hundred Fifty Thousand Dollars (\$150,000.00) (as reasonably determined by Seller and Buyer), then Buyer shall have the option to terminate this Agreement by delivery of a Termination Notice to Seller prior to the Closing. In the alternative, if a Casualty shall occur prior to the Closing, and if Buyer does not so exercise its right to terminate, then Buyer shall proceed with the Closing and upon consummation of the transaction herein provided, Seller shall assign to Buyer all claims of Seller under or pursuant to any applicable

casualty insurance coverage and all proceeds from any such casualty insurance received by Seller on account of any such Casualty, the damage from which shall not have been repaired by Seller prior to the Closing, and provide Buyer with a credit against the Purchase Price in an amount equal to the deductible under such casualty insurance coverage. Seller agrees to execute any documents reasonably necessary to effectuate the provisions of this Section 15.

16. “AS-IS” CONDITION. Buyer expressly acknowledges and agrees that Buyer and Buyer’s agents have reviewed or will review pursuant to the terms of this Agreement all materials regarding the condition of the Northern Property which it deems necessary. Subject only to the representations and warranties set forth herein, Buyer further acknowledges and agrees that it is buying the Northern Property on an “AS IS” “WHERE IS,” and “WITH ALL FAULTS” basis. Buyer is, or after completion of such inspections pursuant to the terms of this Agreement will be, in all respects satisfied with the Northern Property, including the physical condition thereof, and, except for the representations and warranties set forth herein, Buyer has not relied upon any representation or warranty made by either Seller or Seller’s agent(s) or representative(s) of Seller in connection with the Northern Property, including specifically, without limitation, any warranty or representation as to the condition of the planning status, topography, grading, climate, air, flood or mudslide hazards, water rights, water, utilities, present and future zoning, governmental entitlements and restrictions, soil, subsoil, paint or contamination of soil or water, access to public roads or the presence or absence of any hazardous waste. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, SELLER HAS NO OBLIGATION TO REPAIR ANY DAMAGE TO OR DEFECT IN THE NORTHERN PROPERTY, OR OTHERWISE REMEDY ANY MATTER AFFECTING THE CONDITION OF THE NORTHERN PROPERTY. EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES SET FORTH HEREIN, SELLER HEREBY DISCLAIMS ANY AND ALL WARRANTIES WITH RESPECT TO THE LAND, INCLUDING WITHOUT LIMITATION, WARRANTIES AS TO QUALITY OF DEVELOPMENT, FITNESS OF USE, OR SUITABILITY FOR ANY PURPOSE. BUYER ACKNOWLEDGES THAT THE PURCHASE PRICE REFLECTS THE “AS IS” NATURE OF THIS SALE AND ANY FAULTS, LIABILITIES, DEFECTS OR OTHER ADVERSE MATTERS THAT MAY BE ASSOCIATED WITH THE NORTHERN PROPERTY. BUYER HAS FULLY REVIEWED THE DISCLAIMERS AND WAIVERS SET FORTH IN THIS AGREEMENT WITH ITS COUNSEL AND UNDERSTANDS THE SIGNIFICANCE AND EFFECT THEREOF. WITHOUT LIMITATION TO THE FOREGOING, BUYER UNDERSTANDS, ACKNOWLEDGES AND AGREES THAT, EXCEPT AS SPECIFICALLY ADDRESSED HEREIN, SELLER’S REPRESENTATIONS AND WARRANTIES DO NOT APPLY TO ANY ENVIRONMENTAL, HEALTH OR SAFETY MATTERS, INCLUDING WITHOUT LIMITATION ANY MATTERS UNDER ENVIRONMENTAL LAWS. BUYER ACKNOWLEDGES AND AGREES THAT THE DISCLAIMERS AND OTHER AGREEMENTS SET FORTH IN THIS SECTION 16 ARE AN INTEGRAL PART OF THIS AGREEMENT AND THAT SELLER WOULD NOT HAVE AGREED TO SELL THE NORTHERN PROPERTY TO BUYER FOR THE PURCHASE PRICE WITHOUT THE DISCLAIMERS AND OTHER AGREEMENTS SET FORTH IN THIS SECTION 16.

17. HAZARDOUS MATERIALS. To the best of the individual knowledge of Seller (without any obligation of Seller to further investigate), and except as is disclosed in any environmental audits or reports delivered by Seller to Buyer, the Unsubdivided Parcel has not at any time been

used for the purposes of storing, manufacturing, releasing or dumping Hazardous Materials. For purposes of this Agreement, the term “Hazardous Materials” shall mean (1) hazardous wastes, hazardous materials, hazardous substances, hazardous constituents, toxic substances or related materials, whether solids, liquids or gases, including, but not limited to, substances deemed as “hazardous wastes,” “hazardous materials,” “hazardous substances,” “toxic substances,” “pollutants,” “contaminants,” “radioactive materials,” or other similar designations in, or otherwise subject to regulation under, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (“CERCLA”), 42 U.S.C. § 9601 et seq.; the Toxic Substance Control Act (“TSCA”), 15 U.S.C. § 2601 et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. § 1802; the Resource Conservation and Recovery Act (“RCRA”), 42 U.S.C. § 9601, et seq.; the Clean Water Act (“CWA”), 33 U.S.C. § 1251 et seq.; the Safe Drinking Water Act, 42 U.S.C. § 300 et seq.; the Clean Air Act (“CAA”), 42 U.S.C. § 7401 et seq.; the Hazardous Waste Control Law, California Health and Safety Code § 25025 et seq., the Carpenter-Presley-Tanner Hazardous Substance Account Act, California Health and Safety Code, Division 20, Chapter 6.8, the Hazardous Materials Release Response Plans and Inventory Act, California Health and Safety Code, Division 20, Chapter 6.95, The Underground Storage of Hazardous Substances Act, California Health and Safety Code, Division 20, Chapter 6.7, the Porter-Cologne Act, California Water Code § 13050 et seq. and in any permits, licenses, approvals, plans, rules, regulations or ordinances adopted, or other criteria and guidelines promulgated pursuant to the preceding laws or other similar federal, state or local laws, regulations, rules or ordinances now or hereafter in effect relating to environmental matters (collectively the “Environmental Laws”); and (ii) any other substances, constituents or wastes subject to any applicable federal, state or local law, regulation, ordinance or common law doctrine, including any Environmental Law, now or hereafter in effect, including, but not limited to, (A) petroleum, (B) refined petroleum products, (C) waste oil, (D) waste aviation or motor vehicle fuel, (E) asbestos, (F) lead in water, paint or elsewhere, (G) radon, (H) polychlorinated biphenyls (PCB’s) and (I) ureaformaldehyde.

18. REPRESENTATIONS, WARRANTIES, AND COVENANTS OF SELLER. Seller represents, warrants, and covenants to Buyer, each of which is true in all respects as of the Effective Date and shall be true in all respects on the date of Close of Escrow on the Northern Property:

(a) Seller shall maintain the Unsubdivided Parcel (or any portion thereof prior to the Map Recording Date, and thereafter for the Northern Property) in not less than the state of repair as that existing on the Effective Date (excepting ordinary wear and tear, events of Casualty, or condemnation);

(b) Except as disclosed in the Due Diligence Materials, Seller has not and shall not convey, grant, lease, assign, mortgage, hypothecate, encumber, or otherwise transfer (on or off record) the Northern Property (or, if prior to the Map Recording Date, the portion of the Undivided Parcel that will be the Northern Property) or any interest therein;

(c) Until the Closing, Seller shall maintain Seller’s existing insurance on the Unsubdivided Parcel (or any portion thereof prior to the Map Recording Date, and thereafter for the Northern Property); and until the Closing, Seller shall not alter the physical condition of the Unsubdivided Parcel (or any portion thereof prior to the Map Recording Date, and thereafter for the Northern Property) or introduce or release, or permit the introduction or release, of any

Hazardous Materials in, from, under, or on the Unsubdivided Parcel (or any portion thereof prior to the Map Recording Date, and thereafter for the Northern Property);

(d) Except as disclosed in the Due Diligence Materials, there are no contracts, leases, claims or rights affecting the Unsubdivided Parcel (or any portion thereof prior to the Map Recording Date, and thereafter for the Northern Property) and no agreements entered into by or under Seller that shall survive the Close of Escrow;

(e) Except as disclosed in the Due Diligence Materials, Seller has received no written notice that the present or proposed operation, use or ownership of the Unsubdivided Parcel (or any portion thereof prior to the Map Recording Date, and thereafter for the Northern Property) violates any ordinance, rule, law, regulation or order of any government or agency, body or subdivision thereof; and

(f) Except as disclosed in the Due Diligence Materials, Seller has no knowledge of any prior, pending, or threatened lawsuits or claims which would affect the Unsubdivided Parcel (or any portion thereof prior to the Map Recording Date, and thereafter for the Northern Property).

Until the Closing, if Seller learns of any fact or condition which would cause any of the warranties and representations in this Section not to be true as of the Closing, Seller shall immediately give written notice of such fact or condition to Buyer.

In addition to any other indemnification obligations set forth in this Agreement, Seller agrees to indemnify, defend with counsel selected by Buyer, protect and hold harmless Buyer, its officers, employees and agents from and against all claims, damages, costs, liabilities and expenses of any kind whatsoever paid, incurred or suffered by or asserted against the Unsubdivided Parcel (or any portion thereof prior to the Map Recording Date, and thereafter for the Northern Property), or any indemnified party directly or indirectly arising from or attributable to any breach by Seller of any of its warranties or representations set forth in this Agreement. This provision shall survive Close of Escrow or any termination of this Agreement.

19. MISCELLANEOUS.

19.1 Assignment. This Agreement shall be binding upon and shall inure to the benefit of Buyer and Seller and their respective heirs, personal representatives, successors, and assigns. Neither Party to this Agreement may assign this Agreement or any interest or right hereunder or under the Escrow without the prior written consent and approval of the other Party, which consent and approval shall not be unreasonably withheld. No provision of this Agreement is intended nor shall in any way be construed to benefit any party not a signatory hereto or to create a third party beneficiary relationship.

19.2 Notices. All notices under this Agreement shall be effective upon personal delivery, upon delivery by reputable overnight courier service that provides a receipt with the date and time of delivery, upon two (2) business days after deposit in the United States mail with postage certified and fully prepaid and addressed to the respective parties as set forth below, or the next business day upon delivery by e-mail with confirmation of receipt by the Party intended for receipt, or as to such other address as the parties may from time to time designate in writing:

To Seller: BP Dune Palms LP
c/o Blackpoint Properties, LLC
1129 Industrial Avenue, Ste 205
Petaluma, CA 94592
Attn: Jeff Halbert, Manager
e-mail: jeff@blackpoint.com

With a copy to,
which copy shall not constitute notice
Leland, Parachini, Steinberg, Matzger & Melnick, LLP
199 Fremont Street, 21st Floor
San Francisco, CA 94105
Attention: Andrew R. Cohen
PH: (415) 957-1800
Email: acohen@lpslaw.com

To Buyer: La Quinta Housing Authority
78495 Calle Tampico
La Quinta, CA 92253
Attn: Executive Director
e-mail: jmcmillen@laquintaca.gov
e-mail copy to: gvillalpando@laquintaca.gov

with copy to,
which copy shall not constitute notice:
Rutan & Tucker, LLP
18575 Jamboree Rd, 9th Floor
Irvine, California 92612
Attn: William H. Ihrke
e-mail: bihrke@rutan.com

19.3 Fair Meaning. This Agreement shall be construed according to its fair meaning and as if prepared by both Parties hereto.

19.4 Headings. The headings at the beginning of each numbered Section of this Agreement are solely for the convenience of the parties hereto and are not a part of this Agreement.

19.5 Choice of Laws; Litigation Matters. This Agreement shall be governed by the internal laws of the State of California and any question arising hereunder shall be construed or determined according to such law, without regard to conflict of laws principles. The Superior Court of the State of California in and for the County of Riverside, or such other appropriate court in such county, shall have exclusive jurisdiction of any litigation between the parties concerning this Agreement. Service of process on Buyer shall be made in accordance with California law. Service of process on Seller shall be made in any manner permitted by California law and shall be effective whether served inside or outside California.

19.6 Nonliability of Buyer and Seller Officials. No officer, official, member, employee, agent, or representative of Buyer or Seller shall be liable for any amounts due hereunder, and no judgment or execution thereon entered in any action hereon shall be personally enforced against any such officer, official, member, employee, agent, or representative.

19.7 Gender; Number. As used in this Agreement, masculine, feminine, and neuter gender and the singular or plural number shall be deemed to include the others wherever and whenever the context so dictates.

19.8 Survival. This Agreement and all covenants to be performed after the Closing, and, except as otherwise set forth herein, all representations and warranties contained herein, shall survive the Closing Date and shall remain a binding contract between the parties hereto. Notwithstanding any other provision of this Agreement, any representations, warranties and agreements of Seller and Buyer shall lapse and be of no further force and effect one (1) year after the Closing.

19.9 Time of Essence. Time is of the essence of this Agreement and of each and every term and provision hereof, it being understood that the parties hereto have specifically negotiated the dates for the completion of each obligation herein.

19.10 Time Period Computations. All periods of time referred to in this Agreement shall include all Saturdays, Sundays and California state or national holidays unless the reference is to “**business days**,” in which event such weekends and holidays shall be excluded in the computation of time and provide that if the last date to perform any act or give any notice with respect to this Agreement shall fall on a Saturday, Sunday or California state or national holiday, such act or notice shall be deemed to have been timely performed or given on the next succeeding day which is not a Saturday, Sunday or California state or national holiday.

19.11 Waiver or Modification. A waiver of a provision hereof, or modification of any provision herein contained, shall be effective only if said waiver or modification is in writing, and signed by the Party to be charged. No waiver of any breach or default by any Party hereto shall be considered to be a waiver of any breach or default unless expressly provided herein or in the waiver.

19.12 Broker's Fees. Seller and Buyer represent and warrant to the other that neither Buyer nor Seller has employed any broker and/or finder to represent its interest in this transaction. Each Party agrees to indemnify and hold the other free and harmless from and against any and all liability, loss, cost, or expense (including court costs and reasonable attorney's fees) in any manner connected with a claim asserted by any individual or entity for any commission or finder's fee in connection with the conveyance of the Northern Property arising out of agreements by the indemnifying Party to pay any commission or finder's fee.

19.13 Duplicate Originals. This Agreement may be executed in any number of duplicate originals or counterparts, all of which shall be of equal legal force and effect. This Agreement may also be executed by delivery by electronic mail of an executed counterpart original of this Agreement, including DocuSign. The Parties hereto agree that the signature of any Party transmitted by electronic mail with confirmation of transmission shall have binding effect as though such

signature were delivered as an original, and the Parties hereby waive any defenses to the enforcement of this Agreement based upon the form of the signature.

19.14 Severability. If any term, covenant or condition of this Agreement or the application thereof to any person, entity, or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term, covenant, or condition to persons, entities, or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term, covenant or condition of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

19.15 Recitals. The Recitals to this Agreement are incorporated by this reference as though fully set forth herein.

19.16 Exhibits. The following exhibits are attached hereto and incorporated herein by this reference:

- Exhibit "A" Legal Description of Unsubdivided Parcel
- Exhibit "B-1" Site Depiction Map
- Exhibit "B-2" Proposed Parcel Lines Map
- Exhibit "C" Grant Deed
- Exhibit "D" Non-Foreign Affidavit
- Exhibit "E" Form of Assignment of Intangible Property
- Exhibit "F" Utility Improvements Map

19.17 Authority. The person(s) executing this Agreement on behalf of each of the Parties hereto represent and warrant that (i) such Party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said Party, (iii) by so executing this Agreement such Party is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other agreement to which such Party is bound.

19.18 Entire Agreement; Amendment. Except as set forth above, this Agreement and the exhibits incorporated herein contain the entire agreement of Buyer and Seller with respect to the matters contained herein, and no prior agreement or understanding pertaining to any such matter shall be effective for any purpose. No provisions of this Agreement may be amended or modified in any manner whatsoever except by an agreement in writing signed by duly authorized officers or representatives of each of the parties hereto.

19.19 Section 1031 Exchange; Seller Obligations and Buyer Rights. Seller shall have the right to secure a simultaneous or delayed trade or exchange of properties of "like kind" of the Seller's choice (pursuant to Section 1031 of the Internal Revenue Code, as amended), and the Seller shall execute, acknowledge and deliver or cause to be executed, acknowledged and delivered such further instruments and documents as may be reasonably necessary to effectuate such exchange, as long as the obligations imposed on the exchanging party shall not be greater or less than the terms and conditions of this Agreement. Buyer and Seller agree that Seller may assign this Agreement to a nominee to act in place of Seller as the "Seller" of the Northern Property, provided that such assignment shall be made in writing (in a form approved by Buyer and Seller,

in their respective reasonable discretion). Upon assignment of this Agreement to a nominee, and that nominee's written assumption of Seller's obligations, the nominee shall be substituted in the escrow as the "Seller" of the Northern Property. The Parties agree to accept the consideration and all other required performance under this Agreement, and any reasonable escrow instructions from a nominee to render its performance of all of its obligations as Seller of the Northern Property. Performance by a nominee will be treated as performance to Seller. In the event that Seller designates a nominee, Seller shall unconditionally guarantee the full and timely performance by Seller's nominee of each and every one of the representations, warranties, indemnities, obligations and undertaking of Seller's nominee pursuant to this Agreement and any escrow instructions (or amendments). As guarantor, Seller shall be treated as a primary obligor with respect to these representations, warranties, indemnities, obligations and undertakings, and, in the event of breach, Buyer may proceed directly against Seller on this guarantee without the need to join the nominee as a party to the action against Seller. The Seller unconditionally waives any defense that Seller might have as a guarantor. The Seller further agrees that any representations, warranties (whether explicit or implied), indemnities, obligations and undertakings that are made to Buyer in connection with this transaction shall be treated as if made directly to Buyer and shall be fully enforceable by Buyer, notwithstanding the assignment by Seller to a nominee.

[END -- SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Buyer and Seller each hereby represents that it has read this Agreement, understands it, and hereby executes this Agreement to be effective as of the day and year first written above.

BUYER:

LA QUINTA HOUSING AUTHORITY, a public body, a corporate and politic

By: _____
Jon McMillen, Executive Director

ATTEST:

Monika Radeva, Authority Secretary

APPROVED AS TO FORM:

William H. Ihrke, General Counsel

SELLER:

BP Dune Palms, LP, a California limited partnership,

By: General Partner Blackpoint Properties, LLC, a California limited liability company

By: _____
Jeff Halbert, Manager

Stewart Title of California – Tamara Castro, at its office located at 73020 El Paseo, Ste, 103, Palm Desert, CA 92260 [(760) 771-4645], agrees to act as “Escrow Holder” in accordance with the terms of this Agreement that are applicable to it.

Stewart Title of California

By: _____

Name: Tamara Castro

Its: Escrow Officer

EXHIBIT "A"

LEGAL DESCRIPTION OF UNSUBDIVIDED PARCEL

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF LA QUINTA, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

THAT PORTION OF THE WEST HALF OF THE WEST HALF OF THE NORTHEAST QUARTER OF SECTION 29, TOWNSHIP 5 SOUTH, RANGE 7 EAST, SAN BERNARDINO BASE AND MERIDIAN, LYING SOUTHERLY OF THE SOUTHERLY LINE OF THE COACHELLA VALLEY STORM WATER CHANNEL, AS DESCRIBED IN DEED TO THE COACHELLA VALLEY WATER DISTRICT, RECORDED OCTOBER 6, 1923 IN BOOK 591 PAGE 223, OF DEEDS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

EXCEPTING THEREFROM THAT PORTION AS DESCRIBED IN DEED TO THE STATE OF CALIFORNIA, RECORDED FEBRUARY 13, 1936 IN BOOK 268 PAGE 24, OF DEEDS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

ALSO EXCEPTING THEREFROM THAT PORTION AS DESCRIBED IN DEED TO THE COACHELLA VALLEY WATER DISTRICT, RECORDED MARCH 6, 1962 IN BOOK 3091, PAGE 227, AS INSTRUMENT NO. 20717, OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

ALSO EXCEPTING THEREFROM THAT PORTION CONVEYED IN THE GRANT DEED TO THE CITY OF LA QUINTA, A CALIFORNIA MUNICIPAL CORPORATION, RECORDED FEBRUARY 26, 2007 AS INSTRUMENT NO. 2007-0130621, OF OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM THAT PORTION COVEY ED IN THE GRANT DEED TO THE CITY OF LA QUINTA, A CALIFORNIA MUNICIPAL CORPORATION, RECORDED FEBRUARY 26, 2007 AS INSTRUMENT NO. 2007-0130622, OF OFFICIAL RECORDS.

PLOTTED EASEMENTS [ATTACHED]

APN: **600-030-018-6**

EXHIBIT "A"
(continued)

PLOTTED EASEMENTS FOR UNSUBDIVIDED PARCEL
(attached)

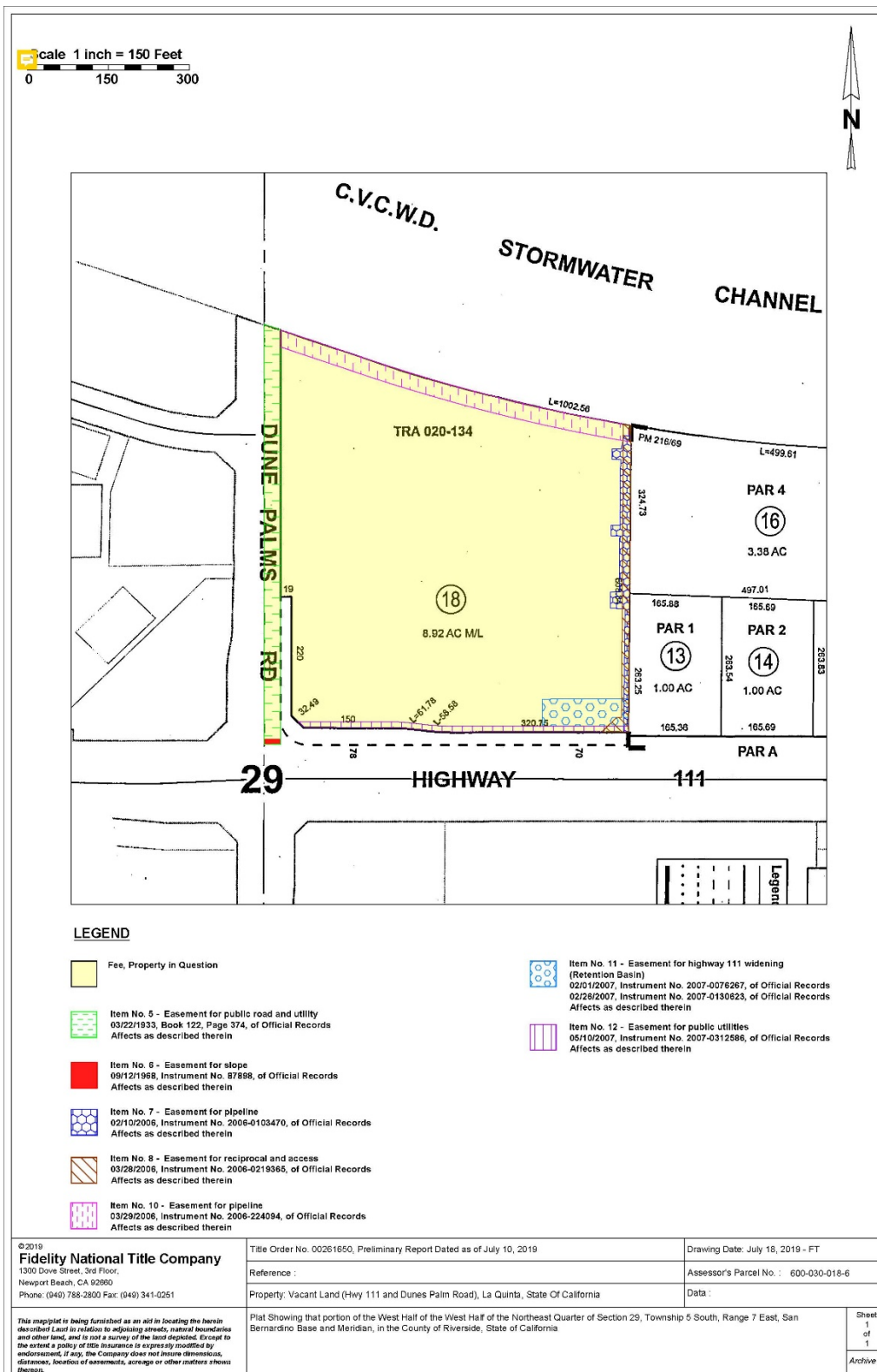


EXHIBIT “B-1”

SITE DEPICTION MAP



EXHIBIT “B-2”

PROPOSED PARCEL LINES MAP

[see attached]

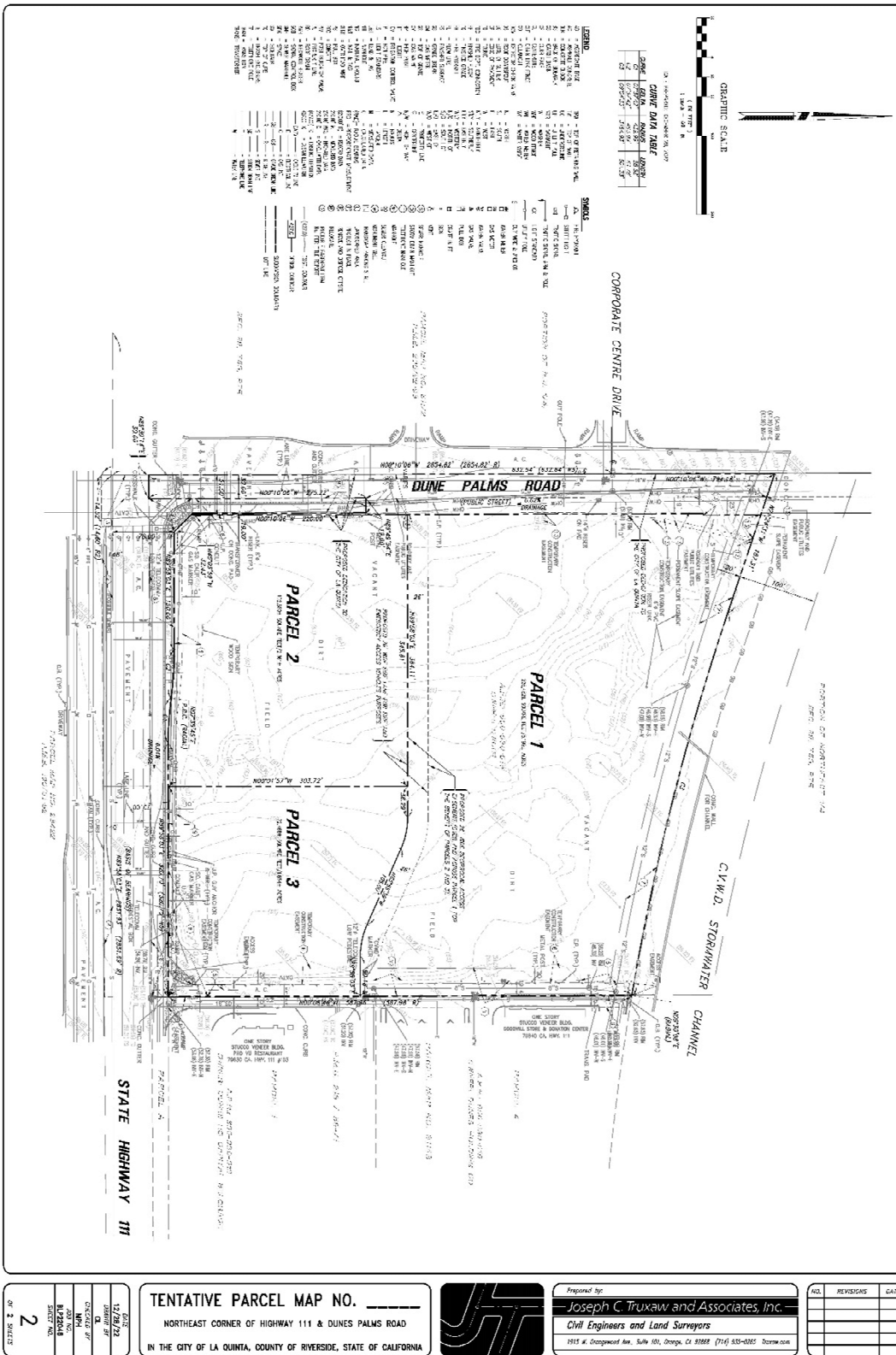


EXHIBIT "C"
FORM OF GRANT DEED

[SEE ATTACHED]

RECORDING REQUESTED BY AND:
WHEN RECORDED MAIL TO:

La Quinta Housing Authority
78495 Calle Tampico
La Quinta, CA 92253
Attn: Executive Director

Space above this line for Recorder's Use
Exempt from Recordation Fee per Gov. Code § 27383

MAIL TAX STATEMENTS TO:

La Quinta Housing Authority
78495 Calle Tampico
La Quinta, CA 92253
Attn: Executive Director

The undersigned declares exemption under the following:
Exempt from recording fee pursuant to Government Code
Section 27383; recorded by a municipality
Exempt from documentary transfer tax pursuant to Revenue
and Taxation Code Section 11922; government agency
acquiring title

Order No. _____
Escrow No. _____

GRANT DEED

FOR A VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged BP Dune Palms, LP, a California limited partnership, by General Partner Blackpoint Properties, LLC, a California limited liability company (“Grantor”), grants to the LA QUINTA HOUSING AUTHORITY, a public body (“Grantee”), all right, title and interest in that certain real property in the City of La Quinta, County of Riverside, State of California, legally described as set forth on Exhibit ”A” attached hereto and incorporated herein by reference (“Property”).

IN WITNESS WHEREOF, Grantor has caused this Grant Deed to be executed of the date specified below.

GRANTOR:

BP Dune Palms, LP, a California limited partnership

By: General Partner Blackpoint Properties, LLC, a California limited liability company

By: _____
Jeff Halbert, Manager

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by BP Dune Palms, LP, a California limited partnership, by General Partner Blackpoint Properties, LLC, a California limited liability company (“**Grantor**”), by Grant Deed to the LA QUINTA HOUSING AUTHORITY, a public body (“**Grantee**”), is hereby accepted by the undersigned officer and agent of Grantee and the Grantee consents to the recording of the Grant Deed.

Signed and dated at _____, California on **[INSERT DATE]**.

GRANTEE:

LA QUINTA HOUSING AUTHORITY, a public body, a corporate and politic

By: _____
Jon McMillen, Executive Director

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 Riverside)

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)

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 Riverside)

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"

LEGAL DESCRIPTION OF PROPERTY

[The legal description of the Northern Property following the Lot Split shall be attached]

EXHIBIT "D"

AFFIDAVIT OF NON-FOREIGN ENTITY

TO: LA QUINTA HOUSING AUTHORITY (“**Buyer**”)

The Internal Revenue Code of 1954 (“**Code**”) (26 U.S.C. Sections 1445, 7701) provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a foreign person. To inform the transferee that withholding of tax is not required upon transfer of that certain U.S. real property interest described on Exhibit "A" hereto, and incorporated herein by reference (“**Property**”), that the undersigned (“**Seller**”) hereby certifies the following:

1. Seller is not a foreign corporation, foreign partnership, foreign trust or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations); and
2. The U.S. taxpayer identification number for Seller is _____; and
3. The address for mailing purposes of Seller is: _____;
and
4. Seller understands that this certification may be disclosed to the Internal Revenue Service by Buyer and that any false statement contained herein could be punished by fine, imprisonment, or both.

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

SELLER:

BP Dune Palms, LP, a California limited partnership, by General Partner Blackpoint Properties, LLC, a California limited liability company

By: _____
Jeff Halbert, Manager

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 Riverside)

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"

LEGAL DESCRIPTION OF PROPERTY

[The legal description of the Northern Property following the Lot Split shall be attached]

EXHIBIT E

ASSIGNMENT OF INTANGIBLE PROPERTY

THIS ASSIGNMENT OF INTANGIBLE PROPERTY (“Assignment”) is made this _____ day of _____, 20____, by and between BP Dune Palms, LP, a California limited partnership, by General Partner Blackpoint Properties, LLC, a California limited liability company (“Assignor”) and LA QUINTA HOUSING AUTHORITY, a public body, a corporate and politic (“Assignee”).

FOR GOOD AND VALUABLE CONSIDERATION, including without limitation the terms and conditions of that certain Agreement for Purchase and Sale and Escrow Instructions, dated _____, 202-, between Assignor and Assignee (and as may be amended, the “Purchase Agreement”), the receipt of which is hereby acknowledged, effective as of the Effective Date (as defined below), Assignor hereby assigns and transfers unto Assignee all of its right, title, claim and interest in and under:

(A) all (i) development rights and entitlements and other intangible property owned by Assignor and used in connection with the that certain real property described in Exhibit A attached hereto and/or improvements located thereon (collectively, the “Property” and, for reference, defined as the “Northern Property” in the Purchase Agreement); (ii) guaranties and warranties issued to Assignor with respect to improvements on the Property, if any; and (iii) any reports, studies, surveys and other comparable analysis, depictions or examinations of the Property.

(B) any other intangible property related to the Property, to the extent assignable by Assignor and accepted by Assignee pursuant to the Purchase Agreement (including without limitation any and all licenses, permits, entitlements, development rights, other governmental approvals, utility deposits, other deposits, contract rights and all other general intangibles of any kind or nature), and accepted by Assignee pursuant to the Purchase Agreement. Notwithstanding any provisions in this Assignment to the contrary, Assignee does not assume, and does accept any transfer, from Assignor of any Leases or Property Maintenance Contracts (as defined in the Purchase Agreement).

All of the rights and matters described in the foregoing subsections (A) and (B) are hereafter collectively referred to as the “Intangibles”.

ASSIGNOR AND ASSIGNEE FURTHER HEREBY AGREE AS FOLLOWS:

1. Assumption. On and after the Effective Date of this Assignment, Assignee hereby assumes and agrees to perform all of the Assignor’s obligations, if any, under each contract, agreement, or instrument governing or concerning the Intangibles, which were accepted by Buyer prior to the Closing Date as defined in the Purchase Agreement.

2. Successors and Assigns. This Assignment shall be binding on and inure to the benefit of the parties hereto, their heirs, executors, administrators, successors in interest and assigns.

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

4. Effective Date. For purposes of this Assignment, the “Effective Date” shall be the date of the Closing (as defined in the Purchase Agreement).

5. Counterparts. This Assignment may be executed in one or more counterparts. All such counterparts, when taken together, shall comprise the fully executed Assignment. This Assignment may also be executed by delivery by electronic mail of an executed counterpart of this Assignment. The parties hereto agree that the signature of any party transmitted by electronic mail with confirmation of transmission shall have binding effect as though such signature were delivered as an original.

[Signatures appear on the following pages]

IN WITNESS WHEREOF, this Assignment has been executed as of the date first above written.

ASSIGNEE:

LA QUINTA HOUSING AUTHORITY, a public body, a corporate and politic

By: _____
Jon McMillen, Executive Director

ATTEST:

Monika Radeva, Authority Secretary

APPROVED AS TO FORM:

William H. Ihrke, General Counsel

ASSIGNOR:

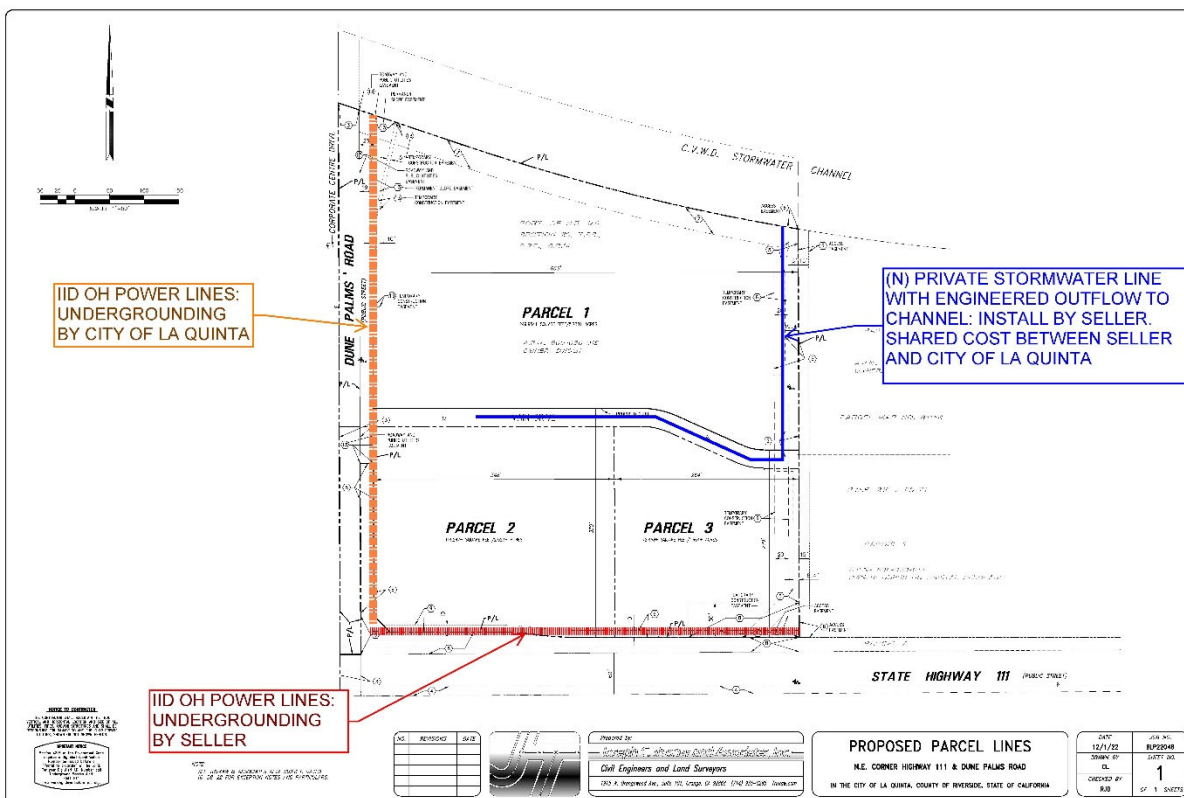
BP Dune Palms, LP, a California limited partnership,

By: General Partner Blackpoint Properties, LLC, a California limited liability company

By: _____
Jeff Halbert, Manager

EXHIBIT "F"

UTILITY IMPROVEMENTS MAP



**AGREEMENT FOR PURCHASE AND SALE AND
ESCROW INSTRUCTIONS
BY AND BETWEEN**

**BP DUNE PALMS, LP, A CALIFORNIA LIMITED PARTNERSHIP, BY GENERAL
PARTNER BLACKPOINT PROPERTIES, LLC, A CALIFORNIA LIMITED
LIABILITY COMPANY**

(“SELLER”)

AND

LA QUINTA HOUSING AUTHORITY

(“BUYER”)

TABLE OF CONTENTS

	<u>Page</u>
1. PROPERTY	3
1.1 Legal Description; Lot Split.....	3
1.2 Purchase of Property	3
2. PURCHASE PRICE	3
2.1 Amount	3
2.2 Calculation and Confirmation of Purchase Price.....	3
2.3 Earnest Money Deposit.....	4
2.4 Deposit of Purchase Price	5
3. ESCROW	5
3.1 Opening of Escrow	5
3.2 Escrow Instructions.....	5
3.3 Recording of Parcel Map	5
4. TITLE MATTERS AND PRELIMINARY TITLE REVIEW	6
4.1 Title Company for Escrow.....	6
4.2 Seller’s Disclosed Preliminary Title Report for Unsubdivided Parcel	6
4.3 Northern Property Preliminary Title Report; Buyer’s Review and Approval Rights; Seller’s Removal of Exceptions	6
4.4 Disapproved Exceptions; Preliminary Title Report.....	7
5. DUE DILIGENCE PERIOD; RIGHT OF ENTRY	7
5.1 Right of Entry for Inspections of Condition of Real Property.....	7
5.2 Due Diligence Period Defined.....	8
5.3 Delivery of Due Diligence Materials.....	8
5.4 Inspection of Real Property	9
5.5 Litigation Documents.....	10
5.6 Buyer’s Disapproval During Due Diligence; Right to Termination.....	10
5.7 Reciprocal Easement Agreement.....	11
5.8 Utilities.....	11
6. CLOSE OF ESCROW	13
6.1 Close of Escrow; Closing Date.....	13
6.2 Recordation; Release of Funds and Documents	13
6.3 Contingency for Seller’s Acquisition of the Property.....	14
7. DELIVERY OF DOCUMENTS REQUIRED FROM BUYER AND SELLER.....	14
7.1 Buyer’s Obligations	14
7.2 Seller’s Obligations.....	14

	<u>Page</u>
8. TITLE INSURANCE POLICY	15
8.1 Title Policy.....	15
8.2 Payment for Title Policy.....	15
9. REAL PROPERTY TAXES AND ASSESSMENTS	16
10. CONDITIONS PRECEDENT TO CLOSING	16
10.1 Conditions Precedent to Buyer’s Obligations.....	16
10.2 Conditions Precedent to Seller’s Obligations	17
11. DEFAULT	17
11.1 Notice of Default.....	17
11.2 Buyer’s Default, Liquidated Damages.....	18
11.3 Seller’s Default	18
12. POSSESSION	19
13. ALLOCATION OF COSTS	19
13.1 Buyer’s Costs	19
13.2 Seller’s Costs	19
13.3 Miscellaneous Costs.....	19
14. CONDEMNATION.....	19
15. DAMAGE.....	19
16. “AS-IS”	20
17. HAZARDOUS MATERIALS	20
18. REPRESENTATIONS, WARRANTIES, AND COVENANTS OF SELLER.....	21
19. MISCELLANEOUS	22
19.1 Assignment	22
19.2 Notices	22
19.3 Fair Meaning.....	23
19.4 Headings	23
19.5 Choice of Laws; Litigation Matters	23
19.6 Nonliability of Buyer and Seller Officials	24
19.7 Gender; Number.....	24
19.8 Survival	24
19.9 Time of Essence.....	24
19.10 Time Period Computations	24
19.11 Waiver or Modification.....	24

	<u>Page</u>
19.12 Broker's Fees	24
19.13 Duplicate Originals	24
19.14 Severability	25
19.15 Recitals.....	25
19.16 Exhibits	25
19.17 Authority.....	25
19.18 Entire Agreement; Amendment	25
19.19 Section 1031 Exchange; Seller Obligations and Buyer Rights.....	25