

**FIRST AMENDMENT TO PURCHASE AND SALE AGREEMENT
AND ESCROW INSTRUCTIONS**
(5550 Harbor Street)

THIS FIRST AMENDMENT TO PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS ("First Amendment") is entered into as of November __, 2020 ("First Amendment Effective Date"), by and between the CITY OF COMMERCE, a municipal corporation ("Seller"), and CITY VENTURES HOMEBUILDING, LLC, a Delaware limited liability company ("Buyer"), with reference to the following facts:

RECITALS

A. WHEREAS, Buyer and Seller entered into that certain Purchase and Sale Agreement and Escrow Instructions dated July 16, 2019 ("Original Agreement"), whereby Buyer desires to purchase, and Seller desires to sell, certain real property located in the City of Commerce, State of California, as more particularly described in the Original Agreement. The Original Agreement, as amended hereby, is the "Amended Agreement."

B. WHEREAS, Buyer and Seller desire to amend the Original Agreement as more particularly set forth below. Capitalized terms not defined herein shall have the meaning given to them in the Original Agreement.

NOW THEREFORE, in consideration of the foregoing and for good and valuable consideration the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

AGREEMENT

1. Personal Property and Data Storage Vault Removal; Condition Precedent to Buyer's Obligations. In lieu of Buyer's removal of any and all personal property located on the Property at Close of Escrow pursuant to the terms of Section 6.1(vii) of the Original Agreement, Seller hereby acknowledges and agrees that on or before March 15, 2021, Seller shall, at Seller's sole cost and expense, remove any and all personal property located on or under the Property, including, without limitation, the data storage vault, which shall be a Closing condition in favor of Buyer under Section 3.1 of the Original Agreement.

2. Gas Line Relocation; Purchase Price Credit or Reimbursement. Notwithstanding anything to the contrary in the Original Agreement, Buyer shall, at Buyer's sole cost and expense, use commercially reasonable efforts to cause the relocation of the gas line located under the Property into Harbor Street ("Work"). Buyer shall receive a credit against the Purchase Price at the Close of Escrow for its reasonable costs and expenses incurred in connection with the Work ("Work Costs"); provided, however, if the Closing fails to occur for any reason other than due to a default of Buyer, Seller shall promptly reimburse Buyer for the Work Costs. Buyer, in its sole and absolute discretion, shall control the means and methods regarding how and when the Work is completed.

3. Environmental Holdback Notice. Notwithstanding anything to the contrary in the Original Agreement, including, without limitation, Section 2.2.C thereof, a copy of that certain Environmental Holdback Notice dated November 20, 2019 by Buyer and acknowledged and accepted by Seller (the "Holdback Notice") is attached to this First Amendment as **Exhibit A**. Pursuant to and in accordance with Section 2.2.C(ii) of the Original Agreement, at the Close of Escrow there shall be a Holdback from funds due Seller in the amount of \$250,000 to be distributed in accordance with the Holdback Notice. **Exhibit A**, as attached to this First Amendment, is incorporated by this reference in the Amended Agreement.

4. Outside Closing Date. The Outside Closing Date of December 15, 2020 in Section 4.1 of the Original Agreement is hereby changed to June 15, 2021.

5. Continuing Obligations. Buyer and Seller hereby acknowledge and agree that, except as provided in this First Amendment, the rights and obligations of Buyer and Seller under the Original Agreement shall remain in full force and effect and all of the terms and conditions of the Original Agreement not in conflict with the terms and conditions of this First Amendment shall remain the same, and the Amended Agreement is hereby ratified and confirmed by the parties in all respects. All references in the Original Agreement to the "Agreement" shall be deemed to mean the Amended Agreement.

6. Successors. This First Amendment shall extend to and be binding upon the heirs, devisees, executors, administrators, successors in interest and assigns of both Buyer and Seller.

7. Governing Law. This First Amendment shall be governed by and construed in accordance with the laws of the State of California without regard to conflict of laws principles.

8. Entire Amendment; Binding. This First Amendment contains all the agreements of the parties with respect to the subject matter hereof and supersedes all prior dealings between the parties with respect to such subject matter.

9. Counterparts. This First Amendment may be executed in one or more counterparts, including the transmission of counterparts via electronic means, each of which shall be deemed an original and, taken together, shall constitute one and the same instrument.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment as of the First Amendment Effective Date.

"BUYER"

CITY VENTURES HOMEBUILDING, LLC,
a Delaware limited liability company

By: _____
Name: Ryan D. Aeh
Title: Vice President of Acquisition

"SELLER"

CITY OF COMMERCE,
a municipal corporation

By: _____
Name: _____
Title: _____

EXHIBIT A

ENVIRONMENTAL HOLDBACK NOTICE



City Ventures

November 20, 2019

Mr. Edgar Cisneros
City Manager
City of Commerce
2535 Commerce Way
Commerce, CA 90040

Re: Harbor Site - Environmental Holdback Notice

Dear Edgar:

Pursuant to Section 2.2(c) of the Purchase and Sale Agreement and Escrow Instruction ("Agreement") by and between City Ventures Homebuilding, LLC, a Delaware limited liability company ("Developer") and the City of Commerce, a California municipal corporation ("City"), Developer has completed its due diligence work and has found that there are potential adverse environmental conditions at the Property. Therefore, Developer elects to establish the holdback in the amount of Two Hundred Fifty Thousand Dollars (\$250,000) (the "Holdback Funds"). The Holdback Funds will be retained by the Escrow Agent at the Close of Escrow and placed in a separate account (the "Holdback Account"). Developer shall obtain disbursements from the Holdback Account by providing evidence to the Escrow Agent that Developer has expended funds towards the environmental remediation of the Property which shall include, but not be limited to removals, testing, consultant costs, and the installation of vapor barriers (the "Remediation Work"). Once the Developer has completed all Remediation Work the remaining funds in the Holdback Account shall be disbursed to the City.

Sincerely,

City Ventures Homebuilding, LLC

Ryan D. Aeh
Vice President of Acquisition

Acknowledged and Accepted:

Edgar Cisneros, City Manager