

**FIRST AMENDMENT TO PURCHASE
AND SALE OF REAL PROPERTY AGREEMENT**

THIS FIRST AMENDMENT TO PURCHASE AND SALE OF REAL PROPERTY (Amendment) made and entered into as of this ____ day of _____, 2026 (Effective Date), amends the Purchase and Sale of Real Property (Agreement) between the CITY OF FRESNO, a California municipal corporation (Seller or City), and LAKHJIT S. SANDHU, MD (Buyer).

RECITALS

WHEREAS, the City and Buyer entered into that Purchase and Sale Agreement dated October 5, 2022 (Agreement), located on the southwest corner of Brawley and Herndon Avenue more particularly described as Assessor Parcel Number (APN) 507-030-48ST (Subject Property); and

WHEREAS, the Buyer purchased the Subject Property as-is for the development of a 50,000 square feet Class A medical office building; and

WHEREAS, Buyer has been unsuccessful in developing the Subject Property due to a decreased demand for medical offices in the vicinity; and

WHEREAS, Buyer has received a bona fide inquiry from a grocery store chain expressing interest in locating on the Subject Project; and

WHEREAS, access to healthy food is a priority for the City of Fresno who has consistently been ranked among the top US metro areas with high levels of food insecurity; and

WHEREAS, the City and Buyer desire to amend the Agreement to modify the permitted use, adjust the purchase price and revise certain development timeline and reverter rights.

AGREEMENT

NOW, THEREFORE, in consideration of the above recitals, which recitals are contractual in nature, the mutual promises herein contained, and for other good and valuable consideration hereby acknowledged, the parties agree that the Agreement be amended as follows:

1. **Scope of Development.** The Agreement is hereby amended to replace all references to the development of a 50,000 square foot class A medical office building with the development of a grocery store (retail) project, together with related improvements, parking, and customary ancillary uses (the Project).
2. **Purchase Price.** Section 3 of the Agreement is hereby amended in its entirety to provide: Buyer shall pay Seller Two Million One Hundred Thousand Dollars (\$2,100,000) (the Purchase Price) for the Subject Property.
3. **Escrow Instructions.** Escrow shall be opened at Fidelity National Title Company (Attn: Valerie Budzik). Said escrow shall be opened upon the following terms and conditions and the Seller and Buyer by their signature to this Agreement make this paragraph their escrow instructions:
 - a. **Balance of Purchase Price.** The Buyer shall deposit the additional amount of Two Hundred Fifty Thousand Dollars (\$250,000) (Price Increase Amount)

and closing costs in escrow upon receipt of a demand and statement from said title company no later than the close of business on the day before the close of escrow. Escrow must close within 30 days of opening. Failure to timely remit the Price Increase Amount shall constitute a material default under the Agreement, as amended, entitling the City to exercise any and all rights and remedies available under the Agreement. Escrow Holder will forward to both Buyer and Seller a separate accounting of all funds received and disbursed for each party, and copies of all signed and recorded documents deposited into Escrow, with the recording and filing date and information endorsed thereon.

4. **Costs.** The parties shall each pay one half of the escrow and title fees, including the cost of a CLTA policy of title insurance. Not to exceed \$6,000.
5. **Reverter Right.** Section 11 of the Agreement is hereby amended in its entirety to prove: The parties acknowledge and agree that a material part of the consideration for Seller's agreeing to sell the Property on the terms and conditions set forth herein is that Buyer will proceed to develop the Property and construct a Grocery Store ("Project") approximately 12,500 square feet in size; provided, however, that the Reverter Right described below shall be Seller's sole, exclusive recourse or remedy in the event Buyer elects not to develop the Subject Property for the stated purpose, and nothing in this Agreement shall be construed to require Buyer to develop the Subject Property in any particular way or at all, or allow Seller to pursue any action for damages or specific performance in connection with the transactions contemplated by this Agreement. In order to ensure that Seller and the citizens of Fresno receive the benefit of such development, Seller shall have the right (the "Reverter Right") to require Buyer to reconvey to Seller the Subject Property in accordance with the provisions of this paragraph. The Reverter Right shall be incorporated into the Grant Deed for the Property, and the conveyance of the Property shall be specifically subject to the Reverter Right. The Reverter Right shall be subject to the following terms and conditions:
 - a. Following the Effective Date of this Amendment, Buyer shall develop and construct on the Subject Property a Grocery Store approximately 12,500 square feet in size, together with related improvements, parking, and customary ancillary uses. Construction of the Project to commence within 12 months of the Effective Date of this Amendment (the "Construction Commencement Deadline"), all development and construction activity relating thereto to be completed within 36 months of the Effective Date of this Amendment (the "Completion Deadline"), as evidenced by a Certificate of Occupancy or the issuance by the project architect of a Certificate of Substantial Completion. Notwithstanding the foregoing, the Construction Commencement Deadline and the Completion Deadline, respectively, shall be extended to the extent that Buyer's failure to meet such deadlines is due to war, insurrection, strike, walk-out, riot, flood, earthquake, declared state of emergency, the discovery and remediation of hazardous waste or significant geologic, hydrologic, archaeologic or paleontologic problems on the Subject Property, fires, casualties, acts of God, shortages of labor or material, governmental restrictions, enactment of conflicting state or federal statutes or regulations, judicial decisions, litigation not commenced by a Party to this Agreement claiming the enforced delay, or any other basis for excused

performance which is not within the reasonable control of the Buyer (each, a "Force Majeure Event"), provided that (i) the extension of time shall continue only so long as Buyer is working in good faith to eliminate or resolve such Force Majeure Event and undertaking such actions as may be reasonably necessary for that purpose. Notice must be provided by Buyer to Seller within a reasonable time of the cause of any such delay.

b. In the event that Buyer:

- i. Fails to commence construction of the Project on or before Construction Commencement Deadline; or
- ii. Fails to complete development and construction of the Project on or before Completion Deadline,

then in any such event, Seller may exercise the Reverter Right by delivering written notice thereof to Buyer in the manner set forth below. The Reverter Right will terminate if Seller has not delivered written notice of its exercise thereof to Buyer on or before the date that is five (5) years following the Effective Date of this Agreement or until construction of the Project has been completed, whichever is later.

c. In the event that Seller is entitled to and desires to exercise the Reverter Right, Seller shall deliver to Buyer a notice (the "Reverter Notice") stating the Seller's intent to exercise the Reverter Right. Upon receipt of a valid Reverter Notice, Buyer shall proceed with reasonable diligence to reconvey the Property to Seller for a purchase price of \$2,100,000, subject to the following terms and conditions:

- i. Buyer shall pay all costs of title, escrow, transfers taxes and any other similar charges in connection with such reconveyance.

6. Except as expressly modified by the First Amendment, all terms, covenants, and conditions of the Agreement shall remain unchanged and in full force and effect. In the event of any conflict between the First Amendment and the Agreement, this First Amendment shall control.

[Signatures follow on the next page.]

IN WITNESS WHEREOF, the parties have executed this Amendment at Fresno, California, the day and year first above written.

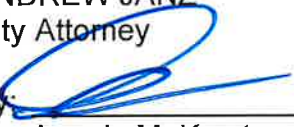
CITY OF FRESNO,
A California municipal corporation

Lakhjit S. Sandhu, MD

By: _____
Georgeanne A. White
City Manager

By: Lakhjit S. Sandhu 4/28/26
Lakhjit S. Sandhu, MD Date

APPROVED AS TO FORM:
ANDREW JANZ
City Attorney

By:  4/29/20
Angela M. Karst Date
Senior Deputy City Attorney

ATTEST:
AMY K. ALLER
Interim City Clerk

By: _____
Deputy Date

Address:
CITY:
City of Fresno
Attention: Cliff Long
Director
Economic Development Department
2600 Fresno Street Room 2156
Fresno, CA 93721
Telephone No. 559-621-8350