

**Exhibit B**

**PURCHASE AND SALE AGREEMENT  
AND JOINT ESCROW INSTRUCTIONS**

This Purchase and Sale Agreement and Joint Escrow Instructions (this “**Agreement**”) is made as of <sup>April</sup> 13, 2023 (the “**Effective Date**”), between Guillermo Sanchez, a married man as his sole and separate property (“**Seller**”), and the City of Santa Rosa, a California municipal corporation (“**Buyer**”).

ARTICLE 1. AGREEMENT OF SALE.

Subject to and on the terms and conditions of this Agreement, Seller shall sell to Buyer and Buyer shall purchase from Seller all of the following (collectively, the “**Property**”):

1.1 Land. The real property which is more particularly described in Exhibit A (also known as Assessor’s Parcel Number 125-162-031), together with (a) all privileges, rights, easements and appurtenances belonging to the real property, including without limitation all minerals, oil, gas and other hydrocarbon substances on and under the real property, (b) all development rights, air rights, water, water rights and water stock relating to the real property, and (c) all right, title and interest of Seller in and to any streets, alleys, passages, other easements and other rights-of-way or appurtenances included in, adjacent to or used in connection with such real property, before or after the vacation thereof (collectively, the “**Land**”);

1.2 Improvements. Any and all structures, systems, facilities, fixtures, fences and parking areas located on the Land and any and all machinery, equipment, apparatus and appliances used in connection with the operation or occupancy of the Land (such as heating and air conditioning systems and facilities used to provide utility services, refrigeration, ventilation, garbage disposal or other amenities on the Land) and other improvements located upon the Land, located at 470 Sebastopol Road, Santa Rosa, California, Sonoma County (collectively, the “**Improvements**”).

The Land and the Improvements are sometimes collectively referred to in this Agreement as the “**Property**”;

1.3 Personal Property. All of Seller’s right, title and interest in and to any personal property located within or used in connection with the Property, including, without limitation, that described in the Personal Property Inventory attached hereto as Exhibit B (collectively, the “**Personal Property**”).

1.4 Service Contracts. Those Service Contracts (defined in Section 5.7) which Buyer expressly agrees to assume; and

1.5 Other Assets. To the extent owned by Seller, all tangible and intangible assets of any nature relating to the Property or the Personal Property, including without limitation (a) all warranties upon the Improvements or Personal Property, to the full extent such warranties are assignable, (b) copies of all plans, specifications, engineering drawings and prints relating to the

construction of the Improvements, (c) all license agreements, copyrights, logos, designs, trademarks, trade names, service marks and all goodwill associated with the Property, (d) all other intellectual or intangible property used by Seller in connection with the Property; and (e) all claims and causes of action arising out of or in connection with the Property.

## ARTICLE 2. PURCHASE PRICE.

2.1 Amount. The purchase price (the “**Purchase Price**”) for the Property shall be Two Million Two Hundred Thousand Dollars (\$2,200,000).

2.2 Deposit/Purchase Price. Within 10 business days after the Effective Date, Buyer shall deposit Forty-Four Thousand Dollars (\$44,000) into Escrow (as defined below) (the “**Deposit**”). The deposit shall be refundable to Buyer unless Buyer waives all contingencies by the expiration of the Due Diligence Period. If the Closing of the transaction contemplated by this Agreement occurs, the Deposit shall be disbursed to Seller and applied to the Purchase Price at Closing. The failure of Buyer to make the Deposit within the time frame specified in this Section shall be material breach of this Agreement and Seller may terminate the Agreement. Buyer shall pay the Purchase Price to Seller through escrow at the Closing described in Section 9.1. On or before the Closing Date (as defined below), Buyer shall deposit into Escrow the Purchase Price, subject to adjustment by reason of any applicable prorations and the allocation of closing costs described below. The Deposit and Purchase Price shall be made by wire transfer of federal funds, cashiers check or in another immediately available form. Notwithstanding anything herein to the contrary, One Hundred Dollars (\$100.00) of the Deposit (the “**Independent Consideration**”) shall not be refundable to Buyer, but shall represent consideration for this Agreement and shall be paid to Seller. The Independent Consideration shall be paid to Seller within 10 business days of the Effective Date. The Independent Consideration shall serve as consideration for the granting of the time periods herein contained for Buyer to exercise Buyer’s right to satisfy and approve all of Buyer’s conditions herein contained. If the Deposit is refunded to Buyer for any reason pursuant to this Agreement, the Independent Consideration shall be subtracted from the Deposit pursuant to this Section.

## ARTICLE 3. DUE DILIGENCE.

### 3.1 Due Diligence Period; Inspection and Access.

3.1.1 Due Diligence Period. The “**Due Diligence Period**” means the period beginning the later of (a) the Effective Date or (b) the date on which Buyer has received all of the Due Diligence Documents (defined in Section 3.2) from Seller and ending at 5:00 p.m. on the date which is forty-five (45) days later.

3.1.2 Access to Information and the Property. Buyer shall conduct its investigation of the Property during the Due Diligence Period at no cost to Seller. This investigation (“**Due Diligence Investigation**”) may include, at Buyer’s option: a physical inspection of the Land and all Improvements thereon, including environmental (Phase I and/or Phase II), soil, geological and other tests, engineering evaluations of the mechanical, electrical, HVAC and other systems in the Improvements and review of the Plans; review of all governmental matters affecting the Property, including zoning, environmental and building

permit and occupancy matters; review and verification of all financial and other information previously provided by Seller relating to the operation of the Property; review of the condition of title to the Property, including the building, structural system and roof inspection; and review of such other matters pertaining to an investment in the Property as Buyer deems advisable. In addition to the Preliminary Documents delivered to Buyer pursuant to Section 3.2, Buyer and its representatives shall have the right of access during reasonable business hours to all files, books and records maintained by Seller or its agents (including, without limitation, all of the Additional Documents to be made available to Buyer at the Property pursuant to Section 3.3), wherever located, relating to the Property, including the right to copy the same. Buyer and its representatives shall also have the right of access to the Property during reasonable business hours to conduct its investigation of the physical condition of the Property. Seller agrees that the rights granted to Buyer herein and the results of its Due Diligence Investigation shall not relieve Seller of any obligations Seller may have under any other provisions of this Agreement, or under other documents entered into concurrently herewith, or implied by law, nor shall they constitute a waiver by Buyer of the right to enforce any of the same. Seller shall cooperate with Buyer in its due diligence activities and provide access to the Property, its records, or provide information so long as it is within Seller's control.

3.2 Delivery of Preliminary Documents. Within 5 business days after the Effective Date, except as otherwise noted in Section 3.2.1 below, Seller shall deliver to Buyer, at Seller's expense, all of the documents described in the remaining subsections of this Section 3.2 (collectively, the "**Preliminary Documents**") in Seller's possession or control.

3.2.1 Title Report. Buyer is in possession of a preliminary title report or commitment for title insurance (the "**Preliminary Title Report**"), dated January 27, 2023, covering the Property and issued by First American Title Insurance Company (the "**Title Company**"), together with a legible copy of each document, map and survey referred to in the Preliminary Title Report.

3.2.2 Plans. Copies of all as-built plans and specifications for the Improvements, including without limitation the plans and specifications for and a complete description of all existing renovations and improvements to the Property and all rentable space therein, and as-built drawings for all underground utilities (collectively, the "**Plans**");

3.2.3 Soils Report. Any soils report on the Land prepared at Seller's request or in the possession or control of Seller, including (if available) a report on compliance with any soils work recommended to be done prior to construction of the Improvements;

3.2.4 Engineers' Reports. Any structural, mechanical, environmental or geological reports concerning the Property which have been prepared at Seller's request or which are within Seller's possession or control;

3.2.5 Operating Statements; Tax Bills. Copies of operating statements for the Property certified by Seller including an itemization of income and expenses and copies of all real property tax bills for the Property for such periods;

3.2.6 Licenses, Etc. Copies of any licenses, permits or certificates required by governmental authorities in connection with construction or occupancy of the Improvements, including, without limitation, building permits, certificates of completion, certificates of occupancy and environmental permits and licenses;

3.2.7 Inspection Reports. Copies of all written reports received by Seller within three (3) years prior to the Effective Date from Seller's insurance companies, any governmental agency or any other person or entity, which requires or demands correction of any condition, or requests modification in or termination of any uses of the Property, accompanied by Seller's summary of (a) any oral reports from such insurance companies or governmental agencies, and (b) the present status of any matter noted in any oral or written report.

3.3 Additional Documents and Information. From the Effective Date through the Closing Date, Seller shall make available to Buyer at the Property in accordance with Section 3.1, the documents and information described in this Section 3.3 (collectively, the "**Additional Documents**"):

3.3.1 Agreements. Copies of written, and written descriptions of oral, easements, covenants, restrictions, agreements, contracts and other documents, whether existing or, to the knowledge of Seller, proposed as of the Effective Date, including without limitation any agreements relating to the insurance, service, operation, repair, supply, advertising, promotion, sale, leasing or management of the Property, which (a) affect the Property, (b) are not disclosed by the Preliminary Title Report, and (c) have not been delivered to Buyer pursuant to Section 3.2. If no such documents exist, Seller shall furnish its certification to that effect;

3.3.2 Warranties/Roof Inspections/HVAC Inspections. Copies of any and all guarantees or warranties and other rights given to Seller in connection with the construction, maintenance, repair or remodeling of the Improvements, periodic inspections, or the purchase of any of the Personal Property. If no such documents exist, Seller shall furnish its certification to that effect;

3.3.3 Insurance Policies. Copies of certificates evidencing the insurance carried by Seller of the Property;

3.3.4 Other Documents. All data, correspondence, documents, agreements, waivers, notices, applications and other records with respect to the Property relating to transactions with taxing authorities, governmental agencies, utilities, vendors and others with whom Buyer may be dealing from and after the Closing Date; and

3.3.5 Requested Information. Such other documents and information concerning the Property as Buyer may reasonably request.

3.4 Tenant Estoppel Certificate. Buyer shall have received and approved the form of an estoppel certificate with respect to each tenant of the Property, which certificate shall be executed by the applicable tenant and dated not more than thirty (30) days prior to the Closing Date (collectively, the "**Tenant Estoppel Certificate**").

3.5 Approval/Disapproval of Due Diligence Investigations. Buyer shall approve or disapprove the results of Buyer's Due Diligence Investigation, in the exercise of Buyer's sole discretion, by written notice delivered to Seller no later than the expiration of the Due Diligence Period. Buyer's disapproval shall terminate this Agreement unless, at the time Buyer gives notice of its disapproval, Buyer also notifies Seller of Buyer's desire to enter into negotiations with Seller for the purpose of reaching an accommodation concerning the disapproval. If Buyer so notifies Seller and the parties have not reached a written agreement satisfactory to both of them regarding the disapproval within 10 days after the date of the disapproval notice, Buyer, at its option, may either (a) elect to terminate this Agreement by so notifying Seller and recover the Deposit, or (b) elect to proceed with the transactions contemplated by this Agreement notwithstanding its earlier disapproval. If Buyer fails to deliver to Seller notice of its approval or disapproval of the results of its Due Diligence Investigation, Buyer shall be deemed to have disapproved such results. If Buyer elects to terminate the Agreement, Buyer shall return to Seller all of the Preliminary Documents and Additional Documents previously delivered by Seller to Buyer within 5 business days of such termination.

### 3.6 Title Review.

3.6.1 Monetary Liens. At its expense, Seller shall remove all liens on the Property at or prior to the Closing (collectively, "**Monetary Liens**"): (i) all delinquent taxes, bonds and assessments and interest and penalties thereon; and (ii) all other monetary liens, including without limitation all those shown on the Preliminary Title Report (including judgment and mechanics' liens, whether or not liquidated, and mortgages and deeds of trust, with Seller being fully responsible for any fees or penalties incurred in connection therewith).

3.6.2 Approval/Disapproval of Title Review. Buyer shall approve or disapprove of the Preliminary Title Report and any exceptions to title shown thereon (other than the Monetary Liens) in the exercise of Buyer's sole discretion, by the expiration of the Due Diligence Period. If Buyer disapproves, Buyer may either (a) terminate this Agreement by giving Seller written notice of termination or (b) give Seller a written notice ("**Disapproval Notice**") identifying the disapproved title matters ("**Disapproved Title Matters**"). With respect to any Disapproved Title Matters, other than the Monetary Liens, Seller shall notify Buyer in writing within 5 days after Seller's receipt of the Disapproval Notice whether Seller will cause the Disapproved Title Matters to be removed or cured at or prior to Closing. If Seller elects not to remove or cure all Disapproved Title Matters, Buyer may, at its option: (i) subject to satisfaction of the other conditions to Closing, close the purchase of the Property and take title subject to the Disapproved Title Matters which Seller elects not to remove or cure; or (ii) terminate this Agreement in accordance with Section 9.6.1.

3.6.3 Buyer's Options. If any Disapproved Title Matters (including the Monetary Liens) have not been removed at least 5 days prior to Closing or provision for their removal at the Closing has not been made to Buyer's satisfaction, Buyer may, at its option: (i) close the purchase of the Property and take title subject to the Disapproved Title Matters which have not been removed; (ii) close the purchase of the Property and cure or remove the Disapproved Title Matters which have not been removed. Buyer may credit the costs of such cure or removal against the Purchase Price by reducing the amount of cash payable by Buyer at the Closing, but only to the extent such costs are expended to remove (A) Monetary Liens

referred to in Section 3.6.1 or (B) Disapproved Title Matters which Seller agreed to remove; or (iii) terminate this Agreement in accordance with Section 9.6.1.

3.6.4 Failure to Disapprove. If Buyer fails to notify Seller of its approval or disapproval of the Preliminary Title Report or the exceptions shown thereon by the end of the Due Diligence Period, then Buyer shall be deemed to have disapproved the same.

#### ARTICLE 4. CONDITIONS PRECEDENT.

4.1 Buyer's Conditions. Buyer's obligations under this Agreement are expressly subject to the timely fulfillment of the conditions set forth in this Section 4.1 on or before the Closing Date, or such earlier date as is set forth below. Each condition may be waived in whole or in part by Buyer by written notice to Seller.

4.1.1 Due Diligence. Buyer having approved of the results of its Due Diligence Investigation pursuant to Section 3.5;

4.1.2 Title Review. Buyer having approved of the results of its review of title pursuant to Section 3.6.

4.1.3 Title Policy. The commitment of Title Company to deliver to Buyer an ALTA Owner's Policy or such lesser policy as may be determined adequate by Buyer in its sole discretion ("**Title Policy**") for the Property, with liability equal to the Purchase Price showing fee title to the Property vested in Buyer and subject only to: (i) the matters and exceptions which were approved by Buyer pursuant to Section 3.6; and (ii) the standard printed exceptions in the form of title policy called for (collectively, "**Conditions of Title**").

4.1.4 Performance of Covenants. Seller performing and complying in all material respects with all of the terms of this Agreement to be performed and complied with by Seller prior to or at the Closing.

4.1.5 Representations and Warranties. The representations and warranties of Seller set forth in Article 5 being true and accurate on the Closing Date, as if made on such date.

4.1.6 Non-Foreign Certification. Seller having executed and delivered to Buyer on or prior to the Closing Date a certification (the "**Non-Foreign Certification**"), substantially in the form of Exhibit C.

4.1.7 California Certification. Seller having furnished the residency certification required pursuant to Sections 18805 and 26131 of the California Revenue and Taxation Code ("**Form 593**") or having authorized Escrow Holder in writing to withhold from the Purchase Price the amounts required to be withheld by such Sections.

4.1.8 Tenant Estoppel Certificate. Buyer has received and approved of the executed Tenant Estoppel Certificate.

4.1.9 Access Easement. Seller has executed and delivered to Buyer a non-exclusive easement for access, utilities and parking for the benefit of the Property over a portion

of Seller's adjacent property (APN 125- 162-024), in a form acceptable to Buyer (the "Access Easement").

4.1.10 City Council Approval. The Santa Rosa City Council ("Council") shall have given its approval for the purchase of the Property, including the acceptance and approval of any environmental review performed on the acquisition of the Property pursuant to and in compliance with the California Environmental Quality Act and said approval shall not be subject to any condition that has not been duly satisfied or waived by Council, or subject to any challenge, threatened or pending, as of the Close of Escrow and shall further be subject to the final review and approval by Council of all financing related to the transactions contemplated by this Agreement.

4.2 Seller's Conditions. Seller's obligations under this Agreement are expressly subject to the timely fulfillment of the conditions set forth in this Section 4.2 on or before the Closing Date, or such earlier date as is set forth below. Each condition may be waived in whole or part by Seller by written notice to Buyer.

4.2.1 Covenants. Buyer performing and complying in all material respects with all of the terms of this Agreement to be performed and complied with by Buyer prior to or at the Closing.

4.2.2 Representations and Warranties. The representations of Buyer set forth in Article 6 being true and accurate on the Closing Date, as if made on such date.

## ARTICLE 5. SELLER'S REPRESENTATIONS AND WARRANTIES.

Seller hereby makes the following representations and warranties to Buyer with the understanding that each such representation and warranty is material and is being relied upon by Buyer:

5.1 Defects. The Improvements and the Personal Property are in good condition and repair and are free of any latent or patent design, construction, physical or mechanical defects and there is no actual or threatened settlement, earth movement, termite infestation or damage affecting the Property.

5.2 Compliance. The Property, and the operation thereof, are in compliance with all applicable laws, ordinances, rules, regulations, judgments, orders, covenants, conditions, restrictions, whether federal, state, local, foreign or private, and Seller has not received any notice of any violation of the same. Seller has not received any request either formal or informal, oral or written, that Seller modify or terminate any use of the Property. The zoning of the Property permits the current Improvements and use of the Property, and, there is no pending or to Seller's knowledge, contemplated rezoning. The Property complies with all applicable subdivision laws and all local ordinances enacted thereunder and no subdivision or parcel map not already obtained is required to transfer the Property to Buyer.

5.3 Documents. All of the Preliminary Documents and the Additional Documents which have been delivered or made available to Buyer pursuant to Article 3, and all other documents delivered to Buyer by or on behalf of Seller (a) are true, correct and complete copies

of what they purport to be, (b) represent truly the factual matters stated therein, (c) are in full force and effect, (d) have not been modified, except as set forth therein and (e) do not omit any information required to make the submission thereof accurate and complete in all material respects.

5.4 Taxes and Condemnation. Except as disclosed on Schedule 5.4, there are no presently pending or contemplated special taxes or assessments which will affect the Property. There are no presently pending or, to Seller's knowledge, contemplated proceedings to condemn or demolish the Property or any part of it.

5.5 Utilities. All water, sewer, gas, electric, telephone and drainage facilities, and all other utilities required by law or by the normal operation of the Property, are (a) installed to the property lines of the Property, (b) connected to the Property, (c) adequate to service the Property in its present use and to permit full compliance with all requirements of law and normal usage by the occupants of the Property and (d) in good working order and repair. All such utilities and storm and sanitary sewers required for the operation of the Property enter the Land through adjoining public streets or through adjoining private land in accordance with valid public or private easements that will inure to the benefit of Buyer.

5.6 Licenses. Seller has all required licenses, permits (including, without limitation, all building permits and occupancy permits), easements and rights-of-way which are required in order to continue the present use of the Property. Seller has no knowledge of any law or regulation of any governmental authority having jurisdiction which might require the Property to be improved beyond its present state or which might restrict the use and enjoyment of the Property in the manner it is presently being used and enjoyed.

5.7 Contracts/Leases/Occupancy Rights. Schedule 5.7 contains a description of all contracts entered into by Seller or its property manager or leasing agent relating to the management, maintenance, leasing or operation of the Property ("**Service Contracts**"). Except for the Service Contracts, there are no agreements or other obligations to which Seller is party or, to Seller's knowledge, by which it or the Property is bound which may affect the current use of the Property, nor are there any current leases, occupancy or operating agreements in force. No party has a right to occupancy, tenancy, or a license to use or enter the Property. Except as set forth in Schedule 5.7, Seller has fully performed all the obligations required to be performed by Seller under the Service Contracts, and to Seller's knowledge, the other parties to the same are not in default thereunder. There are no collective bargaining agreements, other union contracts of any nature, pension plans or other benefit plans of any nature in existence to which Seller is a party and which affect the Property or the operation thereof.

5.8 Litigation. There are no actions, suits, proceedings, judgments, orders, decrees or governmental investigations pending or threatened against the Property or Seller which could affect the Property or the purchase, use or enjoyment thereof by Buyer.

5.9 Agreements with Governmental Authorities. There are no agreements with governmental authorities, agencies, utilities or quasi-governmental entities which affect the Property except those agreements which are identified in the Preliminary Title Report.



5.10 Hazardous Materials.

5.10.1 Definitions. For purposes of this Agreement:

(a) **“Environmental Law(s)”** means the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. Sections 9601, et seq., the Resource Conservation and Recovery Act of 1976, 42 U.S.C. Sections 6901 et seq., the Toxic Substances Control Act, 15 U.S.C. Sections 2601 et seq., the Hazardous Materials Transportation Act, 49 U.S.C. 1801 et seq., the Clean Water Act, 33 U.S.C. Sections 1251 et seq., The Safe Drinking Water and Toxic Enforcement Act of 1986 (Cal. H&S Code Sections 25249.5-25249.13), the Carpenter-Preseley-Tanner Hazardous Substance Account Act (Cal. H&S Code Sections 25300 et seq.), and the California Water Code Sections 1300, et seq., as said laws have been supplemented or amended to date, the regulations promulgated pursuant to said laws and any other federal, state or local law, statute, rule, regulation or ordinance which regulates or proscribes the use, storage, disposal, presence, cleanup, transportation or Release or threatened Release into the environment of Hazardous Material.

(b) **“Hazardous Material”** means any substance which is (i) designated, defined, classified or regulated as a hazardous substance, hazardous material, hazardous waste, pollutant or contaminant under any Environmental Law, as currently in effect or as hereafter amended or enacted, (ii) a petroleum hydrocarbon, including crude oil or any fraction thereof and all petroleum products, (iii) PCBs, (iv) lead, (v) asbestos, (vi) flammable explosives, (vii) infectious materials or (viii) radioactive materials.

(c) **“Release”** means any spilling, leaking, pumping, pouring, emitting, discharging, injecting, escaping, leaching, dumping or disposing into the environment of any Hazardous Material (including the abandonment or discarding of barrels, containers, and other receptacles containing any Hazardous Material).

5.10.2 Representations. Except as otherwise disclosed in Schedule 5.10.2:

(a) The Property and all existing uses and conditions of the Property are in compliance with all Environmental Laws, and Seller has not received any written notice of violation issued pursuant to any Environmental Law with respect to the Property or any use or condition thereof.

(b) Neither Seller nor any other present or former owner of the Property has used, handled, stored, transported, released or disposed of any Hazardous Material on, under or from the Property in violation of any Environmental Law.

(c) There is no Release of any Hazardous Material existing on, beneath or from or in the surface or ground water associated with the Property.

(d) All required permits, licenses and other authorizations required by or issued pursuant to any Environmental Law for the ownership or operation of the Property by Seller have been obtained and are presently maintained in full force and effect.

(e) There exists no writ, injunction, decree, order or judgment outstanding, nor any lawsuit, claim, proceeding, citation, directive, summons or investigation pending or, to Seller's knowledge, threatened pursuant to any Environmental Law relating to (i) the ownership, occupancy or use of any portion of the Property by Seller or occupant or user of any portion of the Property or any former owner of any portion of the Property, (ii) any alleged violation of any Environmental Law by Seller or occupant or user of any portion of the Property or any former owner of any portion of the Property or (iii) the suspected presence, Release or threatened Release of any Hazardous Material on, under, in or from any portion of the Property.

(f) There are no above-ground or underground tanks located on the Property used or formerly used for the purpose of storing any Hazardous Material.

(g) No asbestos abatement or remediation work has been performed on the Property.

(h) There is no PCB-containing equipment or PCB-containing material located on or in the Property.

5.11 Title to the Property. Seller has good and marketable title to the Property, subject to the Conditions of Title. There are no outstanding rights of first refusal or first look, options to purchase, rights of reverter, or claim of right relating to the transfer or sale of the Property or any interest therein. To Seller's knowledge, there are no unrecorded or undisclosed documents or other matters which affect title to the Property. No person holding a security interest in the Property or any part thereof has the right to consent or deny consent to the sale of the Property as contemplated herein, and Seller has the right to pay off such person and to remove all such liens as of the Closing Date. Seller has enjoyed the continuous and uninterrupted quiet possession, use and operation of the Property.

5.12 Seller's Authority. Seller has the requisite power and authority to own and operate the Property and conduct its business where the same is now owned or operated. The execution, delivery and performance of this Agreement by Seller have been duly and validly authorized by all necessary action and proceedings, and no further action or authorization is necessary on the part of Seller (or its board of directors or shareholders) in order to consummate the transactions contemplated herein. This Agreement and the other documents executed by Seller in connection herewith are legal, valid and binding obligations of Seller, enforceable in accordance with their respective terms. Neither the execution and delivery of this Agreement by Seller, nor performance of any of its obligations hereunder, nor consummation of the transactions contemplated hereby, shall conflict with, result in a breach of, or constitute a default under, the terms and conditions of the organizational documents pursuant to which Seller was organized, or any indenture, mortgage, deed of trust, agreement, undertaking, instrument or document to which Seller or any affiliate thereof is a party or is bound, or any order or regulation of any court, regulatory body, administrative agency or governmental body having jurisdiction over Seller.

5.13 Parking. Seller has received no written notice from any governmental agency that the parking spaces on the Property are in violation of law.

5.14 Zoning. Seller has received no written notice from any governmental agency that the Property is not in compliance with zoning requirements and laws.

5.15 Foreign Person. Seller is not a “foreign person” within the meaning of Section 1445(f) of the Internal Revenue Code.

5.16 No Employees. There are no on-site employees of Seller at the Property. Buyer shall have no obligation to employ any individual employed by Seller or its affiliates in connection with the Property.

5.17 Inspections. Schedule 5.17 accurately describes (a) all inspections of the Property by any governmental agency or insurance company occurring within three (3) years prior to the Effective Date, (b) all matters which were noted by such governmental agency or insurance company as requiring correction, requesting or recommending modifications or termination of uses of the Property and (c) the present status of each such noted matter.

5.18 Misstatements and Omissions. Neither the representations and warranties made by Seller in this Article 5 nor elsewhere in this Agreement contain any untrue statement or any omission of a material fact. Seller has no documents in its possession, nor has any knowledge, that omits material facts related to the property or which would contradict or negate any of its representations contained in this Agreement.

5.19 Disclaimer of Warranties; “AS IS” Purchase. Buyer acknowledges that it will have had an opportunity to conduct its Due Diligence Investigation of the Property and will acquire the Property in its current condition based thereon. Buyer acknowledges and agrees that the Property is to be conveyed by Seller to Buyer “as is, with all faults,” and substantially in its current condition. Buyer further acknowledges and agrees that, except for the representations and warranties by Seller set forth in this Section 5, the sale of the Property to Buyer is made without any warranty or representation of any kind by Seller, either express or implied or arising by operation of law, and Seller shall have no liability with respect to the nature, value, uses, habitability, merchantability, suitability, condition, design, operation, rents, financial condition or prospects, fitness for purpose or use, or the manner, construction, condition or state of repair or lack of repair of the improvements of the Property (or any part thereof), or any other aspect, portion or component of the Property whatsoever, it being specifically understood and agreed that Buyer shall have full opportunity, during the Due Diligence Investigation, to determine for itself the condition of the Property.

Buyer’s Initials: MS

ARTICLE 6. BUYER’S REPRESENTATIONS AND WARRANTIES.

Buyer makes the following representation and warranties to Seller with the understanding that each such representation and warranty is material and is being relied upon by Seller:

6.1 Buyer’s Authority. The execution, delivery and performance of this Agreement by Buyer have been duly and validly authorized by all necessary action and proceedings, and no

further action or authorization is necessary on the part of Buyer in order to consummate the transactions contemplated herein.

6.2 No Conflict. Neither the execution nor delivery of this Agreement by Buyer, nor performance of any of its obligations hereunder, nor consummation of the transactions contemplated hereby, shall conflict with, result in a breach of, or constitute a default under, the terms and conditions of the organizational documents pursuant to which Buyer was organized, or any agreement to which Buyer is a party or is bound, or any order or regulation of any court, regulatory body, administrative agency or governmental body having jurisdiction over Buyer.

#### ARTICLE 7. SURVIVAL OF REPRESENTATIONS AND WARRANTIES.

7.1 Survival of Warranties. Buyer and Seller agree that each representation and warranty, covenant by the respective parties contained herein or made in writing pursuant to this Agreement are intended to and shall be deemed made as of the date of this Agreement or such writing and again at the Closing, shall be deemed to be material, and unless expressly provided to the contrary shall survive the execution and delivery of this Agreement, the Deed and the Closing.

7.2 Notice of Changed Circumstances. If either party becomes aware of any fact or circumstances which would render false or misleading a representation or warranty made by such party, then it shall immediately give notice of such fact or circumstance to the other party, but such notice shall not relieve any party of any liabilities or obligations with respect to any representation or warranty.

#### ARTICLE 8. SELLER'S PRECLOSING COVENANTS.

Seller shall comply with the covenants contained in this Article 8 from the Effective Date through the Closing Date unless Buyer consents otherwise in writing. Buyer may grant or withhold any such consent requested by Seller in Buyer's sole discretion.

8.1 Contracts and Documents. Seller shall not, without Buyer's approval, not to be unreasonably withheld or delayed, (a) amend or waive any right under any Service Contract, Preliminary Document or Additional Document, or (b) enter into any material agreement of any type affecting the Property that would survive the Closing Date.

8.2 Insurance. Seller shall maintain or cause to be maintained in full force and effect its present insurance policies for the Property.

8.3 Compliance with Obligations. Seller shall fully and timely comply with all obligations to be performed by it under the Service Contracts, the other Preliminary Documents, the Conditions of Title and all permits, licenses, approvals and laws, regulations and orders applicable to the Property.

8.4 No Transfers. Seller shall not sell, encumber or otherwise transfer any interest in all or any portion of the Property, or agree to do so.

8.5 Termination of Contracts. Seller at its sole cost and expense shall terminate all of the Service Contracts described in Schedule 5.7 at or before the Closing Date, except for those contracts which Buyer expressly agrees to assume and which are actually assumed by Buyer pursuant to Section 9.3.3.

8.6 Maintenance. At its sole cost and expense, Seller shall operate and maintain the Property such that on the Closing Date the Property shall be in at least as good a condition and repair as on the Effective Date, reasonable wear and tear excepted. Without limiting the generality of the foregoing, Seller shall, at a minimum, spend such amounts for repair and maintenance as are consistent with its prior practice. Seller shall promptly advise Buyer of any significant repair or improvement required to keep the Property in such condition. Seller shall not make any material alterations to the Property, or remove any of the Personal Property therefrom, without Buyer's prior consent, unless such Personal Property so removed is simultaneously replaced with new Personal Property of similar quality and utility.

8.7 Best Efforts. Seller shall use its best efforts to cause the conditions set forth in Section 4.1 to be satisfied by the Closing Date, and Seller shall not take or permit any action that would result in any of the representations and warranties set forth in Article 5 becoming false or incorrect.

## ARTICLE 9. CLOSING.

9.1 Time. Provided all conditions set forth in Article 4 have been either satisfied or waived, the parties shall close this transaction (the "**Closing**"), on the date which is 45 days after the expiration of the Due Diligence Period (the "**Closing Date**"), as such date may be extended by the provisions of Article 10.

9.2 Escrow. This Article 9, together with such additional instructions as First American Title Company, Attention: Kelly Myles, 627 College Avenue, Santa Rosa, California 95404 ("**Escrow Holder**"), shall reasonably request and the parties shall agree to, shall constitute the escrow instructions to Escrow Holder. If there is any inconsistency between this Agreement and the Escrow Holder's additional escrow instructions, this Agreement shall control unless the intent to amend this Agreement is clearly stated in said additional instructions. Buyer and Seller shall cause Escrow Holder to execute and deliver a counterpart of this Agreement to each of them. If the Title Company does not serve as the Escrow Holder, the Title Company shall provide a letter to Buyer, in form and content acceptable to Buyer, pursuant to which the Title Company accepts responsibility and liability for the acts and omissions of Escrow Holder in discharging Escrow Holder's obligations hereunder, including, without limitation, any acts or omissions of Escrow Holder relating to the Title Company's commitment to issue the Title Policy, the receipt, recordation or delivery of any documents placed into escrow, and the receipt and disbursement of any funds placed into escrow.

9.3 Seller's Deposit of Documents and Funds Into Escrow. Seller shall deposit into escrow on or before Closing the following documents:

9.3.1 A duly executed and acknowledged grant deed, in the form acceptable to Buyer, conveying fee title to the Property to Buyer (“**Grant Deed**”) in the form attached as Exhibit F;

9.3.2 A duly executed bill of sale, in the form of Exhibit D, conveying the Personal Property to Buyer free and clear of liens, encumbrances and restrictions (“**Bill of Sale**”);

9.3.3 A duly executed assignment, in the form of Exhibit E, assigning to Buyer all of Seller’s interest (a) in the Plans, (b) in all warranties of which Seller is the beneficiary with respect to the Property, (c) in all intangible assets of the Property, and (d) in the Service Contracts which Buyer has elected to assume (the “**General Assignment**”);

9.3.4 A duly executed counterpart from the Seller of the assignment and assumption of lease, in the form of Exhibit G, with respect to the lease referenced in Schedule 5.7, and providing for Seller’s assignment of such lease and Buyer’s assumption of such lease from and as of the Closing (the “**Assignment and Assumption of Lease**”);

9.3.5 A duly executed Access Easement;

9.3.6 The originals (or copies if originals are unavailable) of the Service Contracts Buyer has elected to assume, if any, and estoppel certificates from the other parties to such Service Contracts in form and substance satisfactory to Buyer;

9.3.7 In connection with the Closing, Buyer shall pay the premium cost of the Title Policy, Escrow Holder’s fees and recording fees. Seller shall pay all transfer taxes. All other costs related to the transaction shall be paid by the parties in the manner consistent with common practice in the County of Sonoma;

9.3.8 Seller’s Non-foreign Certification;

9.3.9 All records and files relating to the management or operation of the Property, including, without limitation, property tax bills, insurance, and property taxes; and

9.3.10 Such additional documents, including written escrow instructions consistent with this Agreement, as may be necessary or desirable for conveyance of the Property in accordance with this Agreement.

9.3.11 Form 593;

9.3.12 Notice letter to tenants regarding new owner and addresses for payment of rent payment (“**Tenant Notice Letter**”).

9.4 Deliveries Outside of Escrow. Notwithstanding Section 9.3, Seller and Buyer may elect to deliver the documents described in Section 9.3 outside of escrow (other than documents which are to be recorded) by giving Escrow Holder a joint written notice of such election, specifying the documents which will be so delivered outside of escrow. Upon receipt

of such notice, Escrow Holder shall have no further obligation concerning such specified documents.

9.5 Buyer's Deposit of Documents and Funds. Buyer shall deposit into escrow:

9.5.1 Buyer's acceptance of the Grant Deed, as necessary to record same;

9.5.2 Buyer's duly executed counterpart of the Assignment and Assumption of Lease;

9.5.3 The Purchase Price (less the Deposit) in accordance with the provisions of Article 2, plus closing costs as provided in Section 9.3.6, plus or minus prorations as provided in Section 9.8 below, by electronic transfer of federal funds to Escrow Holder, on or before the Closing Date; and

9.5.4 Such additional documents, including written escrow instructions consistent with this Agreement, as may be necessary or desirable for conveyance of the Property in accordance with this Agreement.

9.6 Default, Termination and Remedies.

9.6.1 Buyer's Termination. This Agreement shall automatically terminate without further notice or action by Buyer upon the occurrence of any of the following events, provided that Buyer is not then in material breach of this Agreement: (a) any condition to Closing contained in Section 4.1 has not been satisfied or waived by Buyer by the Closing Date; or (b) Buyer having exercised its right to terminate this Agreement pursuant to Section 3.5 (disapproval of Due Diligence Investigation), Section 3.6 (disapproval of title) or Article 10 (damage or condemnation). In such event, the parties shall have no further obligation to each other except for those obligations that specifically survive the termination of this Agreement. If this Agreement terminates as a result of Seller's material breach of this Agreement, Buyer shall have all remedies it may have hereunder or at law as a result of such occurrence, including the remedy of specific performance.

9.6.2 Seller's Termination. Provided that Seller is not then in material breach of this Agreement, this Agreement shall automatically terminate without further notice or action by Seller if any condition to Closing contained in Section 4.2 has not been satisfied or waived by Seller by the Closing Date.

9.6.3 Release from Escrow. Upon termination of this Agreement pursuant to Section 9.6.1 or 9.6.2, Escrow Holder shall promptly return to Buyer and Seller, respectively, all documents and monies deposited by them into escrow without prejudice to their rights and remedies hereunder.

9.6.4 Remedies.

(a) Buyer's Remedies. If Seller breaches this Agreement, Buyer shall be entitled to pursue all remedies permitted herein and by law, including the remedy of specific

performance. No termination of the escrow by Buyer following a breach by Seller shall be deemed to waive such breach or any remedy otherwise available to Buyer.

(b) Seller's Remedies/Liquidated Damages. IF BEFORE THE CLOSE OF ESCROW BUYER FAILS TO COMPLY WITH OR PERFORM BUYER'S OBLIGATIONS UNDER THIS AGREEMENT AND (EXCEPT AS OTHERWISE PROVIDED IN PARAGRAPH 9.6) DOES NOT CURE SUCH FAILURE WITHIN TEN BUSINESS DAYS AFTER SELLER'S WRITTEN NOTICE OF SUCH FAILURE, THEN SELLER MAY THEREAFTER: (I) TERMINATE THIS AGREEMENT; (II) RECEIVE AND RETAIN THE DEPOSIT AS LIQUIDATED DAMAGES IF SUCH DEFAULT OCCURS AFTER BUYER'S APPROVAL PERIOD; AND (III) EXERCISE THE OTHER RIGHTS AND REMEDIES RESERVED BY SELLER AS PROVIDED IN THIS PARAGRAPH. IN THE EVENT SELLER TERMINATES THIS AGREEMENT BY REASON OF BUYER'S DEFAULT, BUYER AND SELLER SHALL BE RELIEVED OF ANY FURTHER OBLIGATION TO EACH OTHER WITH RESPECT TO THIS AGREEMENT AND THE PROPERTY EXCEPT FOR ANY OBLIGATIONS WHICH EXPRESSLY SURVIVE. IT IS EXPRESSLY UNDERSTOOD AND AGREED BY BUYER AND SELLER: THAT SELLER WILL INCUR SUBSTANTIAL DAMAGES AS A RESULT OF ANY FAILURE BY BUYER TO COMPLY WITH OR PERFORM BUYER'S OBLIGATIONS UNDER THIS AGREEMENT; THAT IT IS EXTREMELY DIFFICULT AND IMPRACTICAL TO CALCULATE AND ASCERTAIN AS OF THE EFFECTIVE DATE OF THIS AGREEMENT THE ACTUAL DAMAGES WHICH WOULD BE SUFFERED IN SUCH EVENT BY SELLER; AND THAT THE DEPOSIT IS A REASONABLE ESTIMATE OF THE EXTENT TO WHICH SELLER MAY BE DAMAGED BY BUYER'S DEFAULT IN LIGHT OF THE DIFFICULTY THE PARTIES WOULD HAVE IN DETERMINING SELLER'S ACTUAL DAMAGES AS A RESULT OF SUCH DEFAULT BY BUYER.



SELLER'S INITIALS



BUYER'S INITIALS

(c) Waiver of Specific Performance. SELLER HEREBY WAIVES THE RIGHT TO MAINTAIN AN ACTION FOR SPECIFIC PERFORMANCE OF BUYER'S OBLIGATION TO PURCHASE THE PROPERTY AND SELLER AGREES THAT SELLER CAN BE ADEQUATELY COMPENSATED IN MONEY DAMAGES IF BUYER FAILS TO PURCHASE THE PROPERTY IN BREACH OF THIS AGREEMENT. SELLER ACKNOWLEDGES THAT THE PROVISIONS OF THIS PARAGRAPH ARE A MATERIAL PART OF THE CONSIDERATION BEING GIVEN TO BUYER FOR ENTERING INTO THIS AGREEMENT AND THAT BUYER WOULD BE UNWILLING TO ENTER INTO THIS AGREEMENT IN THE ABSENCE OF THE PROVISIONS OF THIS PARAGRAPH.



SELLER'S INITIALS



BUYER'S INITIALS

9.7 Closing. When Escrow Holder has received all documents and funds identified in Sections 9.3 and 9.5, has received notification from Buyer and Seller that all conditions to Closing to be satisfied outside of escrow have been satisfied or waived and Title Company is irrevocably committed to issue the Title Policy, then, and only then, Escrow Holder shall:



9.7.1 Record the Grant Deed and the Access Easement;

9.7.2 Cause the Title Company to issue the Title Policy to Buyer;


9.7.3 To the extent not otherwise delivered to Buyer outside of escrow, deliver to Buyer: (a) a conformed copy (showing all recording information thereon) of the Grant Deed; (b) fully executed original counterparts of the Bill of Sale, the General Assignment, Assignment and Assumption of Leases; and (c) the Seller’s Certificate, the Service Contracts referred to in Section 9.3.6, the Non-foreign Certification;

9.7.4 Deliver the Purchase Price (as adjusted pursuant to Section 9.8) to Seller;

9.7.5 Deliver or mail Tenant Notice Letter to tenants for each Lease.

Escrow Holder shall prepare and sign closing statements showing all receipts and disbursements and deliver copies to Buyer and Seller and, if applicable, shall file with the Internal Revenue Service (with copies to Buyer and Seller) the reporting statement required under Section 6045(e) of the Internal Revenue Code.

9.8 Prorations. Subject to the other provisions of this Section 9.8, all receipts and disbursements of the Property will be prorated as of 11:59 p.m. on the day immediately preceding the Closing Date. Not less than five business days prior to the Closing, Seller shall submit to Buyer for its approval a tentative prorations schedule showing the categories and amounts of all prorations proposed, including all rents and operating expenses. Security deposits shall be credited to Buyer from Seller proceeds. The parties shall agree on a final prorations schedule prior to the Closing and shall deliver the same to Escrow Holder. If following the Closing either party discovers an error in the prorations statement, it shall notify the other party and the parties shall promptly make any adjustment required. The parties agree that any trailing bills that pertain to the Property operations before the Closing Date, which are not available as of Closing, may be presented to Buyer for proration and reimbursement up to forty five (45) days after Closing. Failure to provide any bills by such date shall be a waiver by Seller of such reimbursement and Buyer shall have no further obligation for any such bills and Property expenses. This section 9.8 shall survive closing.

  
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SELLER INITIALS

9.8.1 Capital Expenditures and Accounts Payable. All capital and other improvements (including labor and material) which have been performed or contracted for, by or on behalf of Seller prior to the Closing Date, and all sums due for accounts payable which have been incurred with respect to the Property prior to the Closing Date shall be paid by Seller. Buyer shall furnish to Seller for payment any bills for such period received after the Closing Date, and Buyer shall have no further obligation with respect thereto. Seller at its sole cost and expense hereby agrees to indemnify, defend (with counsel acceptable to Buyer), protect and hold harmless Buyer, from and against any and all claims, demands, losses, damages, liabilities, fines, penalties, charges, administrative and judicial proceedings and orders, judgments, remedial action and compliance requirements, enforcement and clean-up actions of any kind, and all costs

and expenses incurred in connection therewith, including, without limitation, actual attorneys' fees and costs of defense and costs and expenses of all experts and consultants (collectively, the "**Losses**"), arising directly or indirectly, in whole or in part, out of any operation of the Property prior to the Closing Date. Seller's obligations pursuant to this Section 9.8.1 shall survive the Closing.

9.8.2 Property Taxes. General real estate taxes, water or sewer rates and charges (if not metered), personal property taxes, or any other governmental tax or charge levied or assessed against the Property (collectively, the "**Taxes**"), relating to the Property and payable during the year in which Closing occurs shall not be prorated between Seller and Buyer in Escrow. Upon recordation of the Grant Deed, Buyer will request cancellation of the real property taxes for the Property pursuant to California Revenue and Taxation Code Section 4986. If current taxes have not yet been paid as of the Closing Date, then at Closing Seller shall pay through Escrow or out of Seller's proceeds, the full amount of the installment applicable for the period in which Closing occurs. Seller shall be entitled to a refund of any excess payment made to the taxing authority on account of the Property, including any taxes paid by Seller and applicable to any period from and after the Closing Date. The taxing authority will notify Seller of any refund due Seller resulting from the subject acquisition after a review and any subsequent proration of the property tax assessment by the county assessor. Seller retains the right, following close of escrow, to apply to the appropriate governmental authority/ies for refund of real property taxes pursuant to Revenue and Taxation Code Section 5096.7 (or such other applicable law), and Buyer shall reasonably cooperate with Seller's efforts to obtain said refund.

9.8.3 Utility Charges. All utility charges shall be prorated as of the Closing Date and Seller shall obtain a final billing therefor. All utility security deposits, if any, shall be retained by Seller.

9.9 Possession. Seller shall deliver exclusive right of possession of the Property to Buyer on the Closing Date, subject only to the Conditions of Title.

#### ARTICLE 10. DAMAGE, DESTRUCTION AND CONDEMNATION.

This Agreement shall be governed by the Uniform Vendor and Purchaser Risk Act as set forth in Section 1662 of the California Civil Code as supplemented and modified by this Article 10. Seller shall promptly notify Buyer in writing of any material damage to the Property and of any taking or threatened taking of all or any portion of the Property. Within a reasonable period of time after receipt of such notice, Buyer shall determine whether a material part of the Property has been damaged or whether such taking or threatened taking has affected or will affect a material part of the Property. As used herein, (a) the destruction of a "**material part**" of the Property shall be deemed to mean an insured or uninsured casualty to the Property having an estimated cost of repair which in the reasonable judgment of Buyer equals or exceeds \$200,000 and (b) a taking by eminent domain of a portion of the Property shall be deemed to affect a "**material part**" of the Property if in the reasonable judgment of Buyer the estimated value of the portion of the Property taken exceeds \$200,000. Upon making its determination, Buyer shall notify Seller in writing of the results of such determination. Buyer may elect, by written notice delivered to Seller within 30 days after giving Seller notice of such determination, to terminate this Agreement in accordance with Section 9.6.1 if a material part of the Property

has been damaged or if such taking has affected or will affect a material part of the Property. If Buyer does not so terminate, (i) in the case of damage to a material part of the Property, Seller shall assign to Buyer at the Closing its right to recover under any insurance policies covering such damage and shall pay Buyer at the Closing the amount of the deductible, if any, and (ii) in the case of a threatened or actual taking of a material part of the Property, Seller shall assign to Buyer at the Closing Seller's entire right, title and interest in the proceeds thereof. If between the Effective Date and the Closing Date the Property suffers damage which is not material, Seller shall repair such damage at its expense prior to the Closing, and the Closing Date shall be extended for a reasonable period of time not to exceed 30 days to allow for completion of such repairs. The Closing Date shall be extended as necessary to permit Buyer to exercise its rights under this Article 10.

#### ARTICLE 11. GENERAL.

11.1 Notices. All notices, demands, approvals, and other communications provided for in this Agreement shall be in writing and shall be effective (a) when personally delivered to the recipient at the recipient's address set forth below; (b) five business days after deposit in a sealed envelope in the United States mail, postage prepaid, by registered or certified mail, return receipt requested, addressed to the recipient as set forth below; or (c) one business day after deposit with a recognized overnight courier or delivery service, addressed to the recipient as set forth below, whichever is earlier. If the date on which any notice to be given hereunder falls on a Saturday, Sunday or legal holiday, then such date shall automatically be extended to the next business day immediately following such Saturday, Sunday or legal holiday. Email notices may be used for convenience only, unless otherwise agreed by the parties in writing, and shall be deemed delivered one (1) business day after delivery if sent after 5 pm, or received the same day if sent on a business day between 8 am and 5 pm, and a duplicate shall be sent via USPS on the same day as the email.

The addresses for notice are:

SELLER:                      Guillermo Sanchez  
                                    El Tepa  
                                    249 North Orchard.  
                                    Ukiah, CA 95482  
                                    Phone: 707-696-0625  
                                    Email: mexcoin@att.net

BUYER:

City of Santa Rosa  
Attn: Real Estate Manager  
69 Stony Circle  
Santa Rosa, CA 95401  
Phone: 707-543-4246  
Email: REServices@srcity.org

Either party may change its address by written notice to the other given in the manner set forth above.

11.2 Entire Agreement. This Agreement and the Schedules and Exhibits hereto contain the entire agreement and understanding between Buyer and Seller concerning the subject matter of this Agreement and supersede all prior agreements, including any previous letter of intent or terms, understandings, conditions, representations and warranties, whether written or oral, made by Buyer or Seller concerning the Property or the other matters which are the subject of this Agreement.

11.3 Amendments and Waivers. No addition to or modification of this Agreement shall be effective unless set forth in writing and signed by the party against whom the addition or modification is sought to be enforced. The party benefited by any condition or obligation may waive the same, but such waiver shall not be enforceable by another party unless made in writing and signed by the waiving party.

11.4 Invalidity of Provision. If any provision of this Agreement as applied to either party or to any circumstance shall be adjudged by a court of competent jurisdiction to be void or unenforceable for any reason, the same shall in no way affect (to the maximum extent permissible by law) any other provision of this Agreement, the application of any such provision under circumstances different from those adjudicated by the court, or the validity or enforceability of this Agreement as a whole.

11.5 References. Unless otherwise indicated, (a) all Article, Section, Schedule and Exhibit references are to the articles, sections, schedules and exhibits of this Agreement, and (b) all references to days are to calendar days. All the Schedules and Exhibits attached hereto are incorporated herein by this reference. Whenever under the terms of this Agreement the time for performance of a covenant or condition falls upon a Saturday, Sunday or California state holiday, such time for performance shall be extended to the next business day. The headings used in this Agreement are provided for convenience only and this Agreement shall be interpreted without reference to any headings. The masculine, feminine or neuter gender and the singular or plural number shall be deemed to include the others whenever the context so indicates or requires.

11.6 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California applicable to contracts made and to be performed in California.

11.7 Confidentiality and Publicity. Buyer is a public entity and as such, this Agreement, upon its presentation for approval at Buyer's City council at a duly called and agenda'd public meeting, shall be subject to the Public Records Act and the Freedom of Information Act. No press release or other public disclosure may be made by Seller or any of its agents regarding Buyer's intent for this Property this transaction without the prior consent of Buyer.

11.8 Time. Time is of the essence in the performance of the parties' respective obligations under this Agreement.

11.9 Attorneys' Fees. In the event of any legal or equitable proceeding to enforce any of the terms or conditions of this Agreement, or any alleged disputes, breaches, defaults or misrepresentations in connection with any provision of this Agreement, the prevailing party in such proceeding shall be entitled to recover its reasonable costs and expenses, including, without limitation, reasonable attorneys' fees and costs of defense paid or incurred in good faith.

11.10 Assignment. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns. However, Seller shall not have the right to assign all or any portion of its interest in this Agreement without Buyer's prior written consent. Buyer shall have the right to assign all or any portion of its interest in this Agreement, or substitute for itself a nominee, upon notice to Seller not later than three days prior to the Closing Date.

11.11 Further Assurances. Seller, at any time before or after Closing, shall, at its own expense, execute, acknowledge and deliver any further deeds, assignments, conveyances and other assurances, documents and instruments of transfer reasonably requested by Buyer and shall take any other action consistent with the terms of this Agreement that may reasonably be requested by Buyer for the purpose of transferring and confirming to Buyer, or reducing to Buyer's possession, any or all of the Property or otherwise carrying out the terms of this Agreement.

11.12 Cooperation With Exchange. Buyer agrees to cooperate with the other if Seller intends to accomplish a tax-deferred exchange pursuant to Section 1031 of the Internal Revenue Code of 1986. Buyer and/or Seller may assign this Agreement to an exchange intermediary for the purpose of facilitating such an exchange by the assigning party. Buyer's duty to cooperate shall be limited to the transfer of money to Seller or Seller's designee in exchange for the Property, and in no event shall Buyer act as purchaser or acquirer of any exchange property. Seller shall indemnify and defend and hold Buyer harmless from any claims, loss, damages or liability arising out of participation in an exchange.

11.13 No Third Party Beneficiaries. Nothing in this Agreement, express or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any person other than the parties to it and their respective permitted successors and assigns, nor is anything in this Agreement intended to relieve or discharge any obligation of any third person to any party hereto or give any third person any right of subrogation or action over against any party to this Agreement.

11.14 Remedies Cumulative. The remedies set forth in this Agreement are cumulative and not exclusive to any other legal or equitable remedy available to a party.

11.15 Commissions, Indemnity, Disclosure. Each party represents to the other party that there is no broker representing such party in the current transaction, and that the representing party has incurred no liability for any brokerage commission or finder's fee arising from or relating to the transactions contemplated by this Agreement, except for North Bay Commercial Real Estate representing the Seller ("Seller's Broker"). Seller shall be responsible for any broker commission associated with this purchase, including any commission due to Seller's Broker. Each party hereby indemnifies and agrees to protect, defend and hold harmless the other party from and against all liability, cost, damage or expense (including without limitation attorneys' fees and costs incurred in connection therewith) on account of any brokerage commission or finder's fee which the indemnifying party has agreed to pay or which is claimed to be due as a result of the actions of the indemnifying party. This Section 11.15 is intended to be solely for the benefit of the parties hereto and is not intended to benefit, nor may it be relied upon by, any person or entity not a party to this Agreement.

11.16 Counterparts/Facsimile/PDF Signatures. This Agreement may be executed in counterparts and when so executed by the parties, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument that shall be binding upon the parties, notwithstanding that the parties may not be signatories to the same counterpart or counterparts. The parties may integrate their respective counterparts by attaching the signature pages of each separate counterpart to a single counterpart. In order to expedite the transaction contemplated herein, facsimile or .pdf signatures may be used in place of original signatures on this Agreement. Seller and Buyer intend to be bound by the signatures on the facsimile or .pdf document, are aware that the other party will rely on the facsimile or .pdf signatures, and hereby waive any defenses to the enforcement of the terms of this Agreement based on the form of signature.

[signatures on following page]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

BUYER:

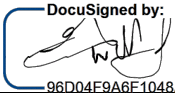
City of Santa Rosa, a California municipal corporation

By:   
Maraskeshia Smith (Apr 13, 2023 15:45 PDT)  
\_\_\_\_\_  
Maraskeshia Smith, City Manager

APPROVED AS TO FORM:  
BEST BEST & KRIEGER LLP

By: Ethan Walsh  
Ethan Walsh (Apr 12, 2023 15:47 PDT)  
\_\_\_\_\_  
Ethan Walsh

SELLER:

By:   
\_\_\_\_\_  
Guillermo Sanchez

Acceptance by Escrow Holder

Escrow Holder acknowledges receipt of the foregoing Agreement and accepts the instructions contained therein.


Dated: \_\_\_\_\_, 2023

By: \_\_\_\_\_  
Name: Kelly Myles  
Title: Escrow Officer

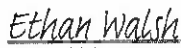
IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

BUYER:

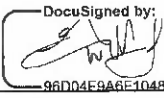
City of Santa Rosa, a California municipal corporation

By:   
Maraskeshia Smith (Apr 13, 2023 15:45 PDT)  
Maraskeshia Smith, City Manager

APPROVED AS TO FORM:  
BEST BEST & KRIEGER LLP

By:   
Ethan Walsh (Apr 12, 2023 15:47 PDT)  
Ethan Walsh

SELLER:

By:   
Guillermo Sanchez

Acceptance by Escrow Holder

Escrow Holder acknowledges receipt of the foregoing Agreement and accepts the instructions contained therein.

Dated: April 14, 2023


By:   
Name: Kelly Myles  
Title: Escrow Officer



EXHIBIT A  
LAND DESCRIPTION

Real property in the City of Santa Rosa, County of Sonoma, State of California, described as follows:

COMMENCING IN THE CENTER OF ROSELAND AVENUE (WHICH IS ALSO KNOWN AS THE SANTA ROSA AND SEBASTOPOL ROAD) AT A POINT 80 FEET EASTERLY FROM THE NORTHWESTERLY CORNER OF LOT 1 IN BLOCK D, AS NUMBERED AND DESIGNATED UPON THE MAP ENTITLED, "PLAN OF ROSELAND, THE PROPERTY OF WARREN DUTTON NEAR SANTA ROSA, CALIFORNIA", FILED IN THE OFFICE OF THE COUNTY RECORDER OF SONOMA COUNTY, CALIFORNIA, ON MAY 15, 1885 IN [BOOK 6 OF MAPS, PAGE 24](#), RUNNING THENCE SOUTHERLY PARALLEL WITH THE WESTERLY LINE OF SAID LOT 1, 276 FEET; THENCE EASTERLY PARALLEL WITH THE CENTER LINE OF ROSELAND AVENUE 80 FEET; THENCE NORTHERLY PARALLEL WITH THE WESTERLY LINE OF SAID LOT 1, 276 FEET TO THE CENTER OF SAID ROSELAND AVENUE; AND THENCE WESTERLY ALONG THE CENTER OF SAID ROSELAND AVENUE, 80 FEET TO THE PLACE OF COMMENCEMENT. BEING A PORTION OF LOT 1 IN BLOCK B, AS PER THE MAP OF ROSELAND ABOVE REFERRED TO.

EXCEPTING THEREFROM THAT PORTION CONVEYED TO THE COUNTY OF SONOMA BY DEED RECORDED MAY 22, 1979 IN [BOOK 3569 OF OFFICIAL RECORDS, PAGE 76](#), SERIAL NO. T-95737, SONOMA COUNTY RECORDS.

EXCEPTING THEREFROM THAT PORTION CONVEYED TO THE CITY OF SANTA ROSA, A MUNICIPAL CORPORATION BY GRANT DEED RECORDED OCTOBER 01, 2020 AS INSTRUMENT NO. [2020-88807](#), SONOMA COUNTY RECORDS.

APN: 125-162-031-000

EXHIBIT B

PERSONAL PROPERTY INVENTORY

Not applicable

Exhibit "B"

EXHIBIT C

TRANSFEROR'S CERTIFICATION OF NON-FOREIGN STATUS

Section 1445 of the Internal Revenue Code of 1986, as amended (the "Code"), provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a foreign person. To inform the CITY OF SANTA ROSA, a California municipal corporation (the "Transferee"), that withholding of tax under Section 1445 of the Code will not be required upon the transfer of a U.S. real property interest to the Transferee by Guillermo Sanchez (the "Transferor"), the undersigned hereby certifies the following on behalf of the Transferor:

1. The Transferor is not a foreign corporation, foreign partnership, foreign trust or foreign estate (as those terms are defined in the Code and the Income Tax Regulations promulgated thereunder);
2. The Transferor's U.S. employer identification number is \_\_\_\_\_; and
3. The Transferor's office address is \_\_\_\_\_.

The Transferor understands that this Certificate may be disclosed to the Internal Revenue Service by the Transferee 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 the Transferor.

DATED: \_\_\_\_\_, 20\_\_.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

EXHIBIT D

BILL OF SALE

This Bill of Sale (the "Bill of Sale") is made as of \_\_\_\_\_, 2023, by Guillermo Sanchez ("Transferor").

FOR VALUABLE CONSIDERATION, as set forth in that certain Purchase and Sale Agreement dated \_\_\_\_\_, 2023 (the "Agreement"), Transferor hereby sells, transfers, assigns and delivers to the CITY OF SANTA ROSA, a California municipal corporation ("Transferee"), any and all personal property (the "Personal Property") located within or used in connection with that certain improved real property commonly known as 470 Sebastopol Road, Santa Rosa, CA (the "Real Property"). The Personal Property shall include, without limitation, the items described in the Personal Property Inventory attached hereto as Schedule 1.

1. Transferor hereby assigns all warranties, guarantees and indemnities, whether those warranties are express or implied, and all similar rights which Transferor may have against any other manufacturer or supplier of the Personal property or any portion thereof or against any seller, engineer, contractor or builder, in respect of the Personal Property.

2. Transferor warrants that each item of the Personal Property is in good condition, order and repair and suitable for its intended purpose on the date of this Bill of Sale.

3. Transferor at any time at or after the date of this Bill of Sale shall execute, acknowledge and deliver any further deeds, assignments, conveyances and other assurances, documents and instruments of transfer reasonably requested by Transferee, and shall take any other action consistent with the terms of this Bill of Sale that may reasonably be requested by Transferee for the purpose of granting and confirming to Transferee, or reducing to Transferee's possession, any or all of the Personal Property. If requested by Transferee, Transferor further agrees to prosecute or otherwise enforce in its own name for the benefit of Transferee any claims, rights or benefits included in the Personal Property that require prosecution or enforcement in Transferor's name. Transferor also hereby appoints Transferee as its agent to act in Transferor's name and on Transferor's behalf to take any action necessary to effect the transfer of any of the Personal Property to Transferee, or prosecute or otherwise enforce any claims, rights or benefits included in the Personal Property in Transferor's name, including bringing suit in Transferor's name.

4. This Bill of Sale shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and assigns.

DATED: \_\_\_\_\_, 20\_\_.

TRANSFEROR:

By \_\_\_\_\_  
Guillermo Sanchez

SCHEDULE 1

PERSONAL PROPERTY INVENTORY

Not applicable

EXHIBIT E

GENERAL ASSIGNMENT

This Assignment (the “Assignment”) is dated for reference purposes only as of \_\_\_\_\_, by Guillermo Sanchez (“Assignor”).

FOR VALUABLE CONSIDERATION, as set forth in that certain Agreement of Purchase and Sale and Joint Escrow Instructions dated \_\_\_\_\_, 2023 (the “Agreement”), Assignor hereby assigns and transfers to the CITY OF SANTA ROSA, a California municipal corporation (“Assignee”), following:

A. All equipment leases, service and/or maintenance agreements and contracts relating to the Real Property (collectively, the “Contracts”)[, as more particularly described in Schedule 1 attached hereto];

B. All permits, licenses, consents, registrations and other similar approvals applicable to the Real Property (collectively, the “Approvals”)[, which Approvals are more particularly described in Schedule 2 attached hereto];

C. All as-built plans and specifications for: (1) the Real Property; (2) any and all improvements used in connection with the operation or occupancy of the Real Property or located upon the Real Property (the “Improvements”); and (3) any and all personal property owned by Assignor located within or used in connection with the operation of the Real Property and Improvements (the “Personal Property”) (collectively, the “Plans”); and

D. All warranties of which Assignor is the beneficiary (the “Warranties”) with respect to the Improvements or Personal Property.

This Assignment shall not supersede the Agreement and, in the event of conflict between this Assignment and the Agreement, the Agreement shall control.

This Assignment shall be binding upon and inure to the benefit of Assignor and Assignee and their respective heirs, executors, administrators, successors and assigns.

This Assignment shall take effect the last to occur of the following: (i) full execution by all parties and Lessor’s consent, as shown by the last date entered below the parties’ signatures and (ii) upon the consummation of the transaction between Assignee and Assignor

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

ASSIGNOR:

\_\_\_\_\_  
Guillermo Sanchez

Date: \_\_\_\_\_

SCHEDULE 1

[to be attached]



SCHEDULE 2

[to be attached]

EXHIBIT F  
GRANT DEED

RECORDING REQUESTED BY  
AND WHEN RECORDED MAIL TO

City of Santa Rosa  
Department of Planning & Economic Development  
Engineering Development Services  
100 Santa Rosa Ave, Room 5  
Santa Rosa, CA 95404

EXEMPT FROM RECORDING FEES PURSUANT  
TO GOVERNMENT CODE SECTION 27383

SPACE ABOVE THIS LINE FOR RECORDER'S USE

APN: 125-162-031

# Grant Deed

The undersigned Grantor(s) declare(s): City of Santa Rosa is exempt from property taxes  
Documentary transfer tax is \$0.

- Computed on full value of property conveyed, or
- Computed on full value less value of liens and encumbrances remaining at time of sale.
- Unincorporated area  City of Santa Rosa and

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,  
GUILLERMO SANCHEZ

hereby GRANT(S) to  
CITY OF SANTA ROSA, A MUNICIPAL CORPORATION

the following described real property in the City of Santa Rosa\_  
County of Sonoma  
State of California:

SEE ATTACHED EXHIBIT A

Dated: \_\_\_\_\_, 20\_\_

By: \_\_\_\_\_  
Guillermo Sanchez

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA )  
COUNTY OF \_\_\_\_\_ )

On \_\_\_\_\_, 20\_\_ before me, \_\_\_\_\_, Notary Public, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(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)

CERTIFICATE OF ACCEPTANCE

Pursuant to Section 27281 of the  
California Government Code

This is to certify that the interest in real property conveyed by the Grant Deed dated \_\_\_\_\_, 2023, from Guillermo Sanchez, to the **City of Santa Rosa**, a municipal corporation, is hereby accepted by the undersigned officer on behalf of the City of Santa Rosa, pursuant to the authority conferred by Resolution No. \_\_\_\_\_, adopted by the City Council of the City of Santa Rosa on \_\_\_\_\_, and the Grantee consents to recordation thereof by its duly authorized officer.

Dated: \_\_\_\_\_, 2023

CITY OF SANTA ROSA

By \_\_\_\_\_

## EXHIBIT G

### ASSIGNMENT AND ASSUMPTION OF LEASES

This ASSIGNMENT OF LEASES (the “**Assignment**”), dated \_\_\_\_\_, 202\_ for reference purposes only, is by and between Guillermo Sanchez (“**Assignor**”), and City of Santa Rosa, a municipal corporation (“**Assignee**”) who, in consideration of the promises and covenants set forth herein, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, agree as follows:

1. Background. Pursuant to those leases listed in **Exhibit 1** hereto, as such may have been amended (the “**Leases**”), the improved real property located at 470 Sebastopol Road, Santa Rosa, CA\_ (the “**Property**”) is occupied by the tenants as more particularly described in the Leases. Concurrently herewith, Assignee has acquired the Property from Assignor. In connection with the acquisition by Assignee of title in and to the Property, Assignor desires to assign its interest in the Leases to Assignee, and Assignee desires to accept assignment thereof on the terms and conditions set forth herein.

2. Assignment. Effective as of the Assignment Date, Assignor hereby assigns to Assignee all of its right, title and interest in and to the Leases and any guaranties and warranties related thereto. Assignor hereby agrees to indemnify Assignee against and hold Assignee harmless from any and all cost, liability, loss, damage or expense including without limitation reasonable attorneys’ and experts’ fees and costs, arising out of facts or circumstances occurring at the Property prior to the Assignment Date and relating to claims of personal injury and/or property damage.

3. Assumption. Assignee hereby accepts the assignment set forth in Section 1 above, and hereby assumes all of Assignor’s obligations under the Leases arising or accruing on and after the Assignment Date. Assignee hereby agrees to indemnify Assignor against and hold Assignor harmless from any and all cost, liability, loss, damage or expense, including without limitation reasonable attorneys’ and experts’ fees and costs, arising out of facts or circumstances occurring at the Property on and after the Assignment Date and relating to claims of personal injury and/or property damage occurring during Assignee’s ownership of the Property.

4. Effective Date. This Assignment shall be conditioned and effective upon the conveyance to Assignee of record fee title to the Property (the “**Effective Date**”).

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

6. Further Assurances. Each of the parties shall execute and deliver any and all additional papers, documents and other assurances and shall do any and all acts and things reasonably necessary in connection with the performance of their obligations under this Agreement and to carry out the intent of the parties.

7. Counterparts. This Assignment may be executed in two (2) or more counterparts, each of which shall be deemed an original (including copies sent to a party by electronic transmission as against the party signing such counterpart), but which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Assignment the day and year last written below.

**ASSIGNOR**

By: \_\_\_\_\_  
Guillermo Sanchez  
Date: \_\_\_\_\_

**ASSIGNEE**

City of Santa Rosa  
  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

EXHIBIT 1 TO ASSIGNMENT OF LEASES  
LEASES TO BE ASSIGNED

Standard Industrial/Commercial Single- Tenant Lease- Net dated May 19, 2019 by and between  
Guillermo Sanchez and Sonoma County Library

SCHEDULE 5.7

Standard Industrial/Commercial Single- Tenant Lease- Net dated May 19, 2019 by and between  
Guillermo Sanchez and Sonoma County Library