



October 5, 2022

Cornerstone Properties SA, LLC
Attn: Alon Adani
135 N. McDowell Boulevard, Suite 110
Petaluma, California 94954

E-Mail: alon@cornerstone-prop.com

Re: Request for Extension of Certain Post-Closing Deadlines in the Agreement of Purchase and Sale by and between City of Santa Rosa and Cornerstone Properties SA, LLC dated June 8, 2021

Dear Mr. Adani,

I am in receipt of your request for extension of the deadlines for certain post-closing deadlines set forth in Sections 23(a)(i) and 23(a)(iii) in the Agreement of Purchase and Sale for Future Infill Development and Joint Escrow Instructions (“Agreement”) by and between the City of Santa Rosa (“City”) and Cornerstone Properties SA, LLC (“Cornerstone”). After reviewing your request, I am hereby granting extensions to the following deadlines pursuant to Section 23(d)(i) of the Agreement:

1. The deadline under Section 23(a)(i) for submission to the City of building plans and applications sufficient for a full plan check for the first phase of Cornerstone’s mixed-use project at 34 6th Street (the “SMART Site First Phase”) is hereby extended by eighteen (18) months. The original deadline for this obligation was within six (6) months of the Close of Escrow, which occurred on August 27, 2021 (the “Close of Escrow”). Therefore, the extended deadline is August 27, 2023, or twenty-four (24) months after the Close of Escrow.

2. The deadline under Section 23(a)(iii) for Cornerstone to file all required applications for City planning and zoning entitlements to develop the Property and Cornerstone’s Adjacent Property with a mixed-use project as described in the agreement (the “Project”) that is consistent with the Existing Land Use Regulations is also hereby extended by eighteen months. As part of this extension, the City will also extend the period for which “Existing Land Use Regulations” are defined as the City’s General Plan, the Downtown Station Area Specific Plan, Municipal Code Chapters 19, 20 & 21 and the City’s written planning and zoning regulations as officially adopted as of the Effective Date of the Agreement. The original deadlines for both the submission of the required applications for planning and zoning entitlements, and the date for the change in the

definition of “Existing Land Use Regulations” was eighteen (18) months from the Close of Escrow. Therefore, the extended deadline for both of these provisions is August 27, 2024, or thirty-six (36) months after the Close of Escrow.

The subsequent deadlines in the Agreement are set based on the actual submission of the building plans and applications and planning and zoning applications respectively, or other subsequent actions, so no other deadlines need to be extended.

To be clear, I am granting this extension based on the progress you have made on the Ross Street Project and the SMART Site First Phase to date as well as our shared desire to see the Project be successful. I do not, however, believe that the reasons for the extension in your letter (escalating construction costs, lack of resources in the region and the uncertainty in the financial markets, and the continuing COVID pandemic) constitute good cause for an extension in and of themselves. These are all circumstances that existed at the time the parties entered into this Agreement, and you should not assume that these would constitute grounds for a future extension. We are encouraged by your statement that you do not anticipate the need for the full extension and look forward to the SMART Site First Phase and the Project moving forward in the very near future.

If you have any questions regarding this extension letter, please contact Jill Scott at (707) 543-4246 or jscott@srcity.org.

Sincerely,



Maraskeshia Smith (Oct 5, 2022 18:21 PDT)

Maraskeshia Smith
City Manager
City of Santa Rosa

Cornerstone Properties extension letter

Final Audit Report

2022-10-06

Created:	2022-10-06
By:	Jill Scott (jscott@srcity.org)
Status:	Signed
Transaction ID:	CBJCHBCAABAANGd7gLIG8V_5CAOMeVoz8a0jD673Atbl

"Cornerstone Properties extension letter" History

-  Document created by Jill Scott (jscott@srcity.org)
2022-10-06 - 1:14:43 AM GMT
-  Document emailed to Maraskeshia Smith (msmith@srcity.org) for signature
2022-10-06 - 1:15:53 AM GMT
-  Email viewed by Maraskeshia Smith (msmith@srcity.org)
2022-10-06 - 1:16:17 AM GMT
-  Document e-signed by Maraskeshia Smith (msmith@srcity.org)
Signature Date: 2022-10-06 - 1:21:27 AM GMT - Time Source: server
-  Agreement completed.
2022-10-06 - 1:21:27 AM GMT