

August 15, 2023

Maraskeshia Smith, City Manager
City of Santa Rosa
100 Santa Rosa Ave, Ste 10
Santa Rosa, California 95404

Delivered via email to City Manager Maraskeshia Smith at msmith@srcity.org
CC: Jill Scott jscott@srcity.org

Re: June 8, 2021 Agreement of Purchase and Sale for Future Infill Development and Joint Escrow Instructions (“PSA”) by and between the City of Santa Rosa as Seller (“Seller”) and Cornerstone Properties SA, LLC as Buyer (“Buyer”)

Dear Ms. Smith:

Cornerstone Properties (CP) closed its acquisition of the City owned parking lot at 521 Fifth Street (the “Property”) in accordance with the PSA on August 25, 2021. Pursuant to the Section 23 of the PSA, CP undertook certain post-Closing covenants pertaining to the development of the 556 Ross Street Project (the “Ross Street Project”), and the 34 6th Street phase one development (“SMART Site First Phase”).

CP has diligently performed its obligations pursuant to Section 23(a)(i) with respect to the Ross Street Project, and continues the good faith performance in accordance with the Parking Easement Agreement for the Property. The Ross Street Project is fully entitled. We submitted Ross Street to third party plan checkers for building permits, received plan check comments, and are in the process of updating plans for the building’s structural system based on additional soils testing and geological investigation. When this is completed, we will be resubmitting Ross Street for plan check. CP has designed and entitled the SMART Site First Phase project, and are currently studying potential revisions to the building’s structural system based on additional soils testing and geological investigation. Similar soil and geotechnical investigation has been conducted for 410 B Street. Accordingly, CP’s performance of its obligations pursuant to Section 23(a)(i) with respect to filing building permit applications for SMART Site First Phase project and pursuant to 23(a)(iii) with respect to filing planning applications for the Project has been delayed.

CP reaffirms its obligations under the Continuing Development Covenant Agreement which was recorded against the Property at the Close of Escrow, and submits this request for the City’s approval of an extension of time for the performance of remaining obligations pursuant to Section 23 of the PSA.

Section 23(d)(i) of the PSA provides that the City Manager may, in its reasonable discretion and for good cause shown, extend the time for the performance of any Buyer’s obligations under Section 23(a), (b) or (c) of the PSA. Good cause having been shown, we request your approval of this letter agreement to memorialize your approval, pursuant to Section 23(d)(i) of the PSA, of an 12-month extension of time from the date of this letter agreement for (i) the performance of Buyer’s obligations pursuant to Section 23(a)(i) with respect to filing building permit applications for the SMART Site First Phase project; (ii) the performance of Buyer’s obligations pursuant to 23(a)(iii) with respect to filing planning applications for the Project; and (iii) all dependent dates for Buyer’s and Seller’s rights and obligations pursuant to Section 23 of the PSA. Although we do not anticipate the need for the entire 12 months we feel that it is a reasonable request considering the current market volatility.

Very truly yours,

DocuSigned by:



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Alon Adani

CITY OF SANTA ROSA

Approved this ²⁴ day of August, 2023



[Maraskeshia Smith \(Aug 24, 2023 10:18 PDT\)](#)

By Maraskeshia Smith, City Manager

Second Cornerstone Lot 2 Extension Agreement

Final Audit Report

2023-08-24

Created:	2023-08-24
By:	Jill Scott (jscott@srcity.org)
Status:	Signed
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"Second Cornerstone Lot 2 Extension Agreement" History

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 Agreement completed.

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