

| Assessor Parcel No. | Owner | Site Address | Project |
|---------------------|--|---|---|
| 137-011-014 | Cornerstone Properties SA, LLC, a California limited liability company | 1372 North McDowell Boulevard Petaluma, CA 94954 | North McDowell Boulevard Complete Streets Project |

PURCHASE AGREEMENT

This AGREEMENT OF PURCHASE AND SALE (“**Agreement**”) is made and entered into by and between the City of Petaluma (“**BUYER**”), and Cornerstone Properties SA, LLC, a California limited liability company, (“**SELLER**”). BUYER and SELLER are sometimes individually referred to herein as “**Party**” and collectively as “**Parties**.” The Parties hereto have executed this Agreement on the dates set forth below next to their respective signatures.

By this AGREEMENT, SELLER agrees to sell to BUYER, and BUYER desires to purchase from SELLER a non-exclusive easement over that portion of property located at 1372 North McDowell Boulevard, Petaluma, California (the “Property,” more particularly identified as Assessor’s Parcel Number 137-011-014) described in the form of a Highway Easement Deed identified as Exhibit “A” and attached hereto (the “Highway Easement Area”).

In consideration of which, and the other considerations hereinafter set forth, it is mutually agreed as follows:

1. (A) The parties have herein set forth the whole of their agreement. The performance of this agreement constitutes the entire consideration for said document and shall relieve BUYER of all further obligation or claims on this account, or on account of the location, grade or construction of the proposed public improvement.
- (B) BUYER requires said easement described in the attached Highway Easement Deed for the North McDowell Boulevard Complete Streets Project (the “Project”), a public use for which BUYER has the authority to exercise the power of eminent domain. As a result, SELLER is compelled to sell the easement described in the Highway Easement Deed attached as “Exhibit A”.
- (C) Both SELLER and BUYER recognize the expense, time, effort, and risk to both parties in determining the compensation for the easement by eminent domain litigation. The compensation set forth herein for the easement is in compromise and settlement, in lieu of BUYER exercising the power of eminent domain.
- (D) BUYER has reviewed title to the Property, conducted and completed its own due diligence regarding the condition of the Highway Easement Area and its suitability for BUYER’s use (including the environmental condition of the Highway Easement Area). BUYER has determined that the Property is fit for BUYER’s use and

development of the Project. BUYER accepts the condition of the Highway Easement Area As-Is, Where-Is, with all faults of every nature whatsoever.

- (E) The parties to this contract shall, pursuant to Section 21.7(a) of Title 49, Code of Federal Regulations, comply with all elements of Title VI of the Civil Rights Act of 1964. This requirement under Title VI and the Code of Federal Regulations is to complete the USDOT- Non-Discrimination Assurance requiring compliance with Title VI of the Civil Rights Act of 1964, 49 C.F.R Section 50.3.
- (F) No person in the United States shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity that is the subject of this contract.
- (G) A Highway Easement Deed shall be granted in favor of the BUYER by SELLER, identified as a Highway Easement Deed Exhibit "A", and is attached hereto and made a part hereof. The total area of the Highway Easement Area consists of 1,344 ☐SF.
- (H) At the close of escrow, SELLER shall deliver to BUYER, the City of Petaluma, a good and sufficient Highway Easement Deed, properly recorded in the form attached as Exhibit "A."

2. The BUYER shall at the close of escrow:

- (A) Pay the undersigned SELLER the sum of \$45,150.00 (FORTY FIVE THOUSAND ONE HUNDRED AND FIFTY DOLLARS) for the easement conveyed by above documents upon recordation of the Highway Easement Deed. Taxes for the tax year in which this escrow closes shall be cleared and paid in the manner required by Section 5086 of the Revenue and Taxation Code, if unpaid at the close of escrow.
- (B) Pay all escrow and recording fees incurred in this transaction, and if title insurance is desired by City of Petaluma, the premium charged therefore. Said escrow and recording charges shall not, however, include documentary transfer tax. This transaction will be handled through Fidelity Title Company, 8525 Madison Avenue, Suite 110, Fair Oaks, CA 95628, Escrow No. 01006796-010-AM.
- (C) Have the authority to deduct and pay from the amount shown on Clause 2(A) above, any amount necessary to satisfy any delinquent bond demands and delinquent taxes due in any year except the year in which this escrow closes, together with penalties and interest thereon, and/or delinquent and unpaid nondelinquent assessments which have become a lien at the close of escrow.

Upon BUYER's deposit of the sum provide in Clause 2(A) to Escrow, BUYER, is authorized to enter the Property and construct the Project within the Easement Area. BUYER shall, at its sole cost and expense, remove and replace the backflow preventer and concrete utility box from the Highway Easement Area and reinstall the same in good working order and condition (and shall restore utility service to SELLER's Property), repair and replace any damaged driveway, repair

and replace any damaged irrigation and landscaping all in accordance with all applicable law and regulations. After completion of such work such improvements shall be considered as SELLER's sole property and SELLER will be responsible for any maintenance and repair. BUYER and SELLER acknowledge and agree that subsequent to construction of the Project the Highway Easement Area shall be kept clear of any type of permanent building or structure, irrigation or domestic water lines, trees or landscaping unless prior written permission is obtained from the city. BUYER or its authorized agent may enter on SELLER's land, where necessary, to complete such work.

3. SELLER covenants to use reasonable business efforts to promptly obtain the written consent of Wells Fargo Bank, NA, which is the beneficiary of that certain Deed of Trust with Absolute Assignment of Leases and Rents, Security Agreement and Fixture Filing recorded on September 26, 2018 as Document 2018067621 in the Official Records of Sonoma County to the transaction contemplated by this Agreement. Escrow shall close within ten (10) business days of SELLER's delivery of such written consent to BUYER.
4. It is understood and agreed by and between the parties hereto that payment as provided in Clause 2(A) includes, but is not limited to, payment for any and all damages, including access rights, and any and all damages which may accrue to SELLER's Property by reason of the easement granted hereby and construction and use of the Project.
5. It is understood and agreed between the parties hereto that payment in Clause 2A above includes, but is not limited to, payment for the following improvements: 1,044 SF of landscaping area, 300 SF of 2" asphalt paving with 2" base and one (1) medium tree, which are considered to part of the Highway Easement Area being acquired by the BUYER in this transaction.
6. It is agreed between the parties hereto that the BUYER in acquiring title subject to unpaid assessments, as set forth herein, is not assuming responsibility for payment or subsequent cancellation of such assessments. The assessments remain the obligation of the SELLER and, as between the BUYER and the SELLER no contractual obligation has been made requiring their payment. Payment for the easement acquired under this transaction is made upon the basis that the SELLER retains their obligation to the levying body respecting said assessments. The easement acquired under this transaction is to be free and clear of any bonds and/or assessments at the close of escrow.
7. It is understood and agreed by and between the parties hereto that this Agreement inures to the benefit of, and is binding on, the parties, their respective heirs, personal representatives, successors, and or assignees.
8. It is agreed and confirmed by the parties hereto that notwithstanding other provisions in this contract, the right to enter and use the Highway Easement Area by the BUYER, including the right to remove and dispose of improvements, shall commence upon the deposit into Escrow of all sums due to Seller pursuant to Clause 2(A).
9. BUYER agrees to indemnify, defend (by counsel satisfactory to SELLER) and hold harmless SELLER from any liability, claims, costs, expenses, causes of action, damages

(including property damage, personal injury and death) arising out of BUYER's operations under this agreement and/or use of the Highway Easement Area. BUYER further agrees to assume responsibility for any damages proximately caused by reason of BUYER's operations under this agreement and BUYER will, at its option, either repair or pay for such damage to return SELLER's Property (and all improvements and landscaping thereon) to like before BUYER's construction activities. This indemnity obligation shall survive the Closing and conveyance of the easement.

10. It is understood and agreed by and between the parties hereto that this Agreement inures to the benefit of, and is binding on, the parties, their respective heirs, personal representatives, successors, and or assignees.
11. If SELLER sells, transfers, assigns or otherwise conveys SELLER's Property or any interest in the Property, SELLER shall notify the purchaser, successor, assignee or other transferee of the existence and terms of this Agreement, including, without limitation, the Highway Easement Deed and the obligations, liabilities and duties as well as the rights and remedies of the Parties. Neither BUYER nor any other person or entity shall have any obligation, liability or duty to compensate any purchaser, successor, assignee or other transferee for the interests, rights and remedies granted to or obtained by BUYER under or pursuant to this Agreement.
12. SELLER hereby represents, warrants, covenants and agrees to and for the benefit of BUYER that the following statements are true and correct as of the Effective Date, and shall be true and correct as of Closing, and SELLER acknowledges and agrees that the truth and accuracy of such statements shall constitute a condition precedent to all of BUYER's obligations under this Agreement.
 - (A) SELLER owns the Property in fee simple and has full power and authority to sell, transfer and/or otherwise convey the easement and to perform its obligations pursuant to this Agreement.
 - (B) This Agreement and all other documents delivered by SELLER to BUYER under or pursuant to this Agreement, at or prior to the Closing, have been, or will be, duly executed and delivered by SELLER and are, or will be, legal, valid and binding obligations of SELLER, sufficient to convey the Grant Deed to BUYER and are enforceable in accordance with their respective terms.
 - (C) SELLER will not enter into any agreements or undertake any obligations prior to Closing which will in any way burden, encumber or otherwise affect the Highway Easement Area without the prior written consent of BUYER, including, without limitation, any agreements for occupancy or use of the Highway Easement Area.
 - (D) There are no oral or written leases on all or any portion of the Highway Easement Area that conflict with the non-exclusive easement rights granted hereby, and the SELLER agrees to hold the BUYER harmless and reimburse the BUYER for any and all of its losses and expenses occasioned by reason of any lease of said property held by any tenant of SELLER.

13. Representations and Warranties:

- (A) SELLER's Representations and Warranties. SELLER hereby represents, warrants, covenants and agrees to and for the benefit of BUYER that the following statements are true and correct as of the Effective Date, and shall be true and correct as of Closing, and SELLER acknowledges and agrees that the truth and accuracy of such statements shall constitute a condition precedent to all of BUYER's obligations under this Agreement:
- (A1) Litigation. There are no claims, actions, suits or proceedings continuing, pending or, to SELLER's knowledge, threatened (i) against or affecting SELLER or the Highway Easement Area, or (ii) involving the validity or enforceability of this Agreement or of any other documents or instruments to be delivered by SELLER at Closing, in either case, whether at law or in equity, or before or by any federal, state, municipal or other governmental department, board, commission, bureau, BUYER or instrumentality. SELLER is not subject to, or in default under, any notice, order, writ, injunction, decree or demand of any court or any governmental department, board, commission, bureau, BUYER or instrumentality.
- (A2) No Breach. The execution and delivery of this Agreement and the consummation of the transaction(s) contemplated by this Agreement will not violate or result in any breach of or constitute a default under or conflict with, or cause any acceleration of any obligation with respect to any provision or restriction of any lien, lease, agreement, contract, instrument, or, to SELLER's knowledge, any order, judgment, award, decree, statute, regulation or ordinance, or any other restriction of any kind or character to which SELLER is a party or by which SELLER or the Highway Easement Area are bound.
- (A3) No Condemnation or Other Proceedings. Exclusive of any action proposed or contemplated by BUYER, SELLER is not aware of any contemplated condemnation of the Highway Easement Area or any portion thereof by any public BUYER, authority or entity. BUYER has negotiated in good faith to acquire the Highway Easement Area and to pay just compensation for that acquisition. SELLER understands that, if the transaction, including, without limitation, the acquisition, set forth in and/or contemplated by this Agreement had not been (or are not) successful, then staff for BUYER may have recommended (or may recommend) initiation of eminent domain proceedings to acquire the Highway Easement Area.
- (B) Survival of Representations and Warranties. SELLER acknowledges and agrees that the covenants, agreements, representations and warranties of SELLER set forth in this Agreement shall be true and correct on and as of the Effective Date as well as the Closing, and SELLER's liability for any breach, default or failure of the same, including, without limitation, any misrepresentation, shall survive not only the recordation of the Grant Deed, but also the Closing for a period of six (6)

months. SELLER shall protect, indemnify, defend, and hold BUYER free and harmless of, from and against any and all claims, demands, losses, liabilities, obligations, damages, costs and expenses, including, without limitation, reasonable attorneys' fees, court costs and litigation expenses, which BUYER may incur, suffer or sustain by reason of or in connection with any misrepresentation made by SELLER under or pursuant to this Article 14. SELLER's obligations pursuant to this Clause 14(B) shall be terminated and of no further effect six (6) months after the Closing.

14. Notices and Demands.

All notices or other communications required or permitted between the Parties hereunder shall be in writing, and shall be (i) personally delivered, (ii) sent by United States registered or certified mail, postage prepaid, return receipt requested, (iii) sent by facsimile transmission with confirmation of receipt, or (iv) sent by nationally recognized overnight courier service (e.g., Federal Express or United Parcel Service), addressed to the Party to whom the notice is given at the address(es) provided below, subject to the right of any Party to designate a different address for itself by notice similarly given. Any notice so given by registered or certified United States mail shall be deemed to have been given on the third business day after the same is deposited in the United States mail. Any notice not so given by registered or certified mail, such as notices delivered by personal delivery, facsimile transmission or courier service, shall be deemed given upon receipt, rejection or refusal of the same by the Party to whom the notice is given. Rejection or other refusal to accept or the inability to deliver because of changed address of which no notice was given shall be deemed to constitute receipt of the notice or other communication sent.

To BUYER: City of Petaluma
 Attn: Ken Eichstaedt
 202 North McDowell Boulevard
 Petaluma, CA 94954

To SELLER: Cornerstone Properties SA LLC
 1435 N. McDowell Blvd #110
 Petaluma, CA 94954-6548

15. Entire Agreement.

This Agreement constitutes the Entire Agreement between SELLER and BUYER pertaining to the subject matter contained herein and supersedes all prior and contemporaneous agreements, representations and understandings. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by all of the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.

16. Miscellaneous.

- (A) Required Actions of BUYER and SELLER. BUYER and SELLER agree to execute such instruments and documents and to diligently undertake such actions as may be required in order to consummate the purchase and sale herein contemplated and shall use commercially reasonable efforts to accomplish the Closing in accordance with the provisions of this Agreement.
- (B) Time of Essence. Time is of the essence of each and every term, condition, obligation and provision of this Agreement.
- (C) Counterparts; Copies. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which, together, shall constitute one and the same instrument. Except as required for recordation, the parties as well as Escrow Holder and Title Company shall accept copies of signatures, including, without limitation, electronically transmitted (for example, by e-mail, facsimile, PDF or otherwise) signatures.
- (D) Governing Law; Venue. This Agreement shall be construed in accordance with the laws of the State of California. Any and all legal actions brought to enforce or interpret the terms and provisions of this Agreement shall be commenced exclusively in a court of competent jurisdiction in the BUYER of San Joaquin.
- (E) BUYER's Assignment. BUYER shall have the right, in its sole discretion, to assign this Agreement as well as its rights and remedies in, to and under the Grant Deed, and any right or obligation herein and therein, to any party of its choice without the prior consent or approval of SELLER provided that such party has agreed in writing to assume all of BUYER's responsibilities and obligations hereunder.
- (F) Successors and Assigns. This Agreement as well as the Grant Deed shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties.
- (G) Severability. If any term or provision of this Agreement shall be held invalid or unenforceable, the remainder of this Agreement shall not be affected.
- (H) Construction. This Agreement will be liberally construed to effectuate the intention of the Parties with respect to the transaction(s) described herein. In determining the meaning of, or resolving any ambiguity with respect to, any word, phrase or provision of this Agreement, neither this Agreement nor any uncertainty or ambiguity herein will be construed or resolved against either Party (including the Party primarily responsible for drafting and preparation of this Agreement), under any rule of construction or otherwise, it being expressly understood and agreed that the Parties have participated equally or have had equal opportunity to participate in the drafting thereof.
- (I) Legal Fees. In the event of the bringing of any action or proceeding to enforce, interpret or construe any of the provisions of this Agreement, including, without limitation, seeking damages as a result of breach of this Agreement, the prevailing

Party in such action or proceeding as determined by the Court, shall be entitled to have and recover of and from the other Party all costs and expenses of suit, including actual attorneys' fees.

17. Approval of BUYER.

SELLER understands that this Agreement is subject to approval by the City Manager and/or the City Council of the City of Manteca and this Agreement shall have no force or effect unless and until such approval has been obtained.

SIGNATURE PAGE TO FOLLOW

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date(s) set forth below next to their respective signatures.

BUYER:

CITY OF PETALUMA

ATTEST:

By: _____
Kendall Rose
City Clerk

By: _____
Peggy Flynn
City Manager

Date: _____

SELLER: Cornerstone Properties SA, LLC, a
California limited liability company

By: _____

Name: _____

Its: _____

EXHIBIT "A"

RECORDED FOR THE BENEFIT OF
CITY OF PETALUMA

WHEN RECORDED RETURN TO:

Bender Rosenthal, Inc.

Attn: Rebekah Green

2825 Watt Avenue, Suite 200

Sacramento, CA 95821

No Fee Document - per Government code
27383

No Document Transfer Tax- per R&T Code
11922

A portion of APN 137-011-014

SPACE ABOVE THE LINE FOR RECORDER'S USE

HIGHWAY EASEMENT DEED

The undersigned Grantor (s) declare (s): Documentary Transfer Tax is: \$0.00 (County Tax): and \$0.00 (City Tax).

☒ City of Petaluma, County of Sonoma

☐ computed on full value of easement conveyed, or

☐ computed on full value less liens or encumbrances remaining at time of sale

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, Cornerstone Properties SA, LLC, a California limited liability company, hereby grant to the City of Petaluma, a municipal, a non-exclusive easement for road purposes and incidentals thereto, including subsurface utility rights across all that real property situated in the County of Sonoma, State of California and more particularly described as follows:

SEE EXHIBITS "A" AND "B" ATTACHED HERETO AND MADE A PART HEREOF

Reserving therefrom to Grantor all rights of ingress and egress to and from North MacDowell Boulevard to Grantor's Property.

IN WITNESS WHEREOF, the undersigned Grantor has executed this Grant Deed as of this day of, 2022.

Grantor: Cornerstone Properties SA, LLC, a California limited liability company

By: _____

Name: _____

Its: _____

ACKNOWLEDGEMENT

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 _____, 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)

Exhibit "A"



EXHIBIT 'A'

**Legal Description
Public Access Easement
Over the lands of
Cornerstone Properties SA, LLC**

All that real property situated in the City of Petaluma, lying within the County of Sonoma, State of California and being a portion of the lands of Cornerstone Properties SA, LLC, a California limited liability company as described in that Grant Deed filed for record May 9, 2011 under Document No. 2011-040734, Official Records of the County of Sonoma, and being more particularly described as follows:

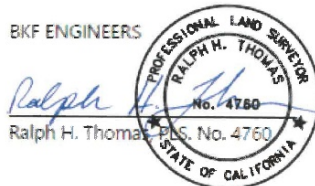
Commencing at a found 2" brass disk and punch mark in a standard City monument well at the intersection of N. McDowell Blvd. and Redwood Way as designated and delineated on that Record of Survey of the lands of SARM Enterprises, filed for record April 16, 1996 in Book 551 of Maps, at Pages 10-11, Sonoma County Records; thence from said Point of Commencement, along the monument line delineated on said Record of Survey, South 53°38'23" East, for a distance of 60.07 feet; thence, North 36°21'37" East, for a distance of 40.35 feet to the northeasterly right of way of N. McDowell Blvd., and the Point of Beginning of the parcel to be herein described; thence, from said POINT OF BEGINNING, leaving said northeasterly right of way of N. McDowell Blvd., North 36°32'31" East, for a distance of 6.00 feet; thence, South 53°27'29" East, for a distance of 223.94 feet to the southeasterly boundary of said lands of Cornerstone Properties SA, LLC; thence, along said southeasterly boundary, South 36°43'31" West, for a distance of 6.00 feet to said northeasterly right of way of N. McDowell Blvd.; thence, along said northeasterly right of way, North 53°27'29" West, for a distance of 223.92 feet to the Point of Beginning of the hereinabove described parcel of land.

Containing 1,344 square feet, more or less.

Basis of Bearings: Record of Survey of the lands of SARM Enterprises, filed for record April 16, 1996 in Book 551 of Maps, at Pages 10-11, Sonoma County Records

Prepared by:

BKF ENGINEERS

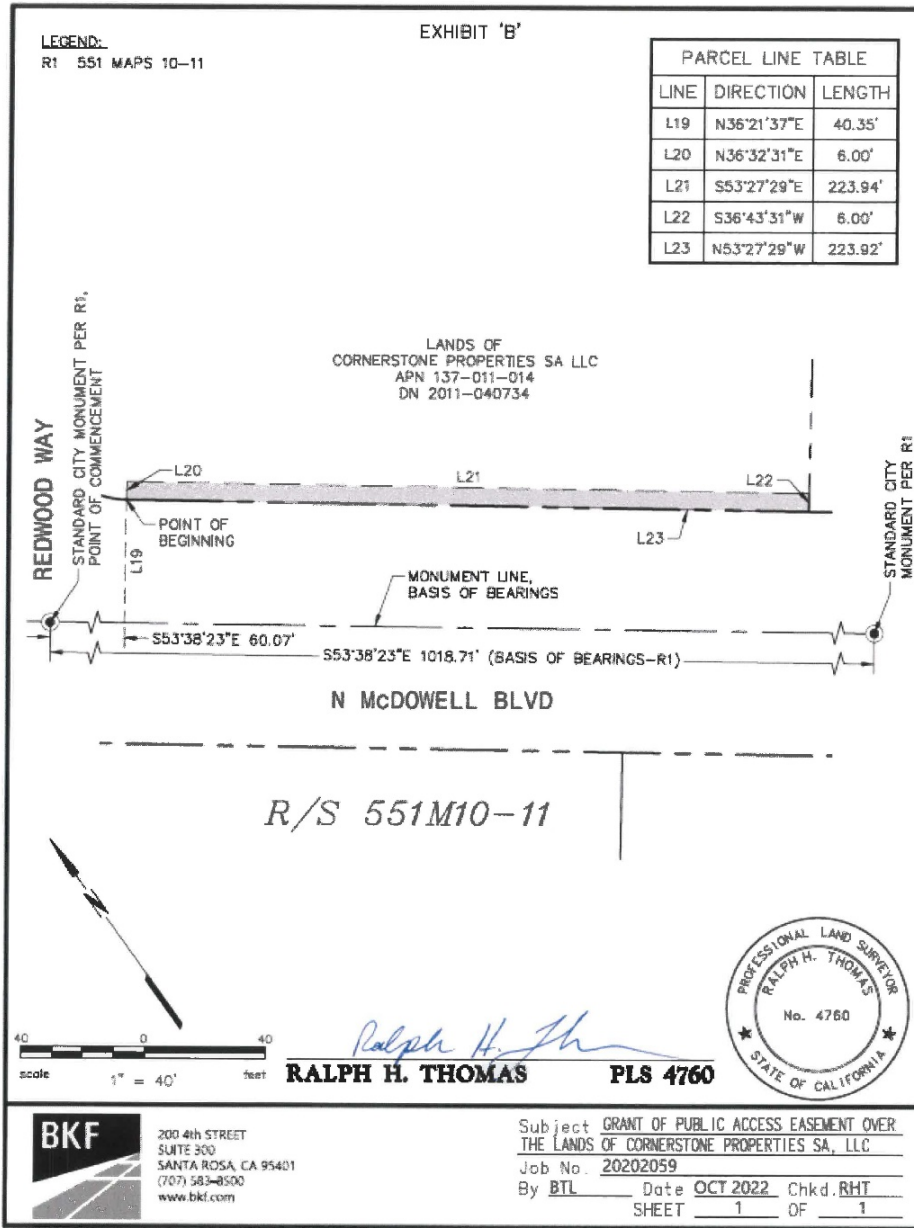


Dated: 9/26/2022

Ralph H. Thomas

200 Fourth Street, Suite 300, Santa Rosa, CA 95401 | 707.583.8500

Exhibit "B"



CERTIFICATE OF ACCEPTANCE

This is to certify that the easement in real property conveyed by the Highway Easement Deed, dated from Cornerstone Properties SA, LLC, a California limited liability company, to the City of Petaluma, a municipal corporation and California Charter City ("CITY"), GRANTEE, relating to the real property commonly known as 1372 North McDowell Boulevard (APN: 137-011-014) is hereby accepted on behalf of the CITY by its City Manager pursuant to authority conferred by Resolution No. 4201 (N.C.S.), adopted by the CITY on January 15, 1965, and that Grantee consents to recordation of the Highway Easement Deed by its duly authorized officer.

Dated: _____

By: _____
City Manager
Peggy Flynn

ATTEST:

By: _____
City Clerk

APPROVED AS TO FORM:

By: _____
City Attorney
Eric Danly