

REAL ESTATE PURCHASE AND SALE AGREEMENT

AND ESCROW INSTRUCTIONS

THIS REAL ESTATE PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS (“Agreement”) is made and entered into as of the 19th day of May 2023 (the “Effective Date”), by and between Francisco Chavez & Anita N. Chavez (“Seller”), and the County of San Mateo, a political subdivision of the State of California (“Buyer” or “County”).

WITNESSETH:

In consideration of the mutual covenants and conditions contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **AGREEMENT TO PURCHASE AND SELL.** Seller hereby agrees to sell to Buyer and Buyer hereby agrees to purchase from Seller the following described property in accordance with the terms and conditions of this Agreement:

a. The real property and improvements located at 401 2nd Avenue, Redwood City (San Mateo County), identified as San Mateo County Assessor’s Parcel Number 060-053-060, all as more particularly described on **EXHIBIT A**, attached hereto and incorporated herein by this reference (the “Property”); and

b. Property shall be delivered by Seller unoccupied, with fixtures, furniture and equipment existing on the Property concurrently with the Grant Deed transferring title to the Property. Buyer shall execute and deliver a Certificate of Acceptance to be recorded with the Grant Deed, accepting title to the Property.

2. **SALE AND PURCHASE PRICE.** Subject to the terms and conditions contained in this Agreement, Buyer agrees to purchase from Seller, and Seller agrees to sell to Buyer, fee ownership of the Property, subject to the following:

a. The total purchase price for the Property shall be **NINE HUNDRED FIFTY THOUSAND DOLLARS (\$950,000.00)**.

b. Upon final execution by Buyer, Buyer shall return a duplicate original of this Agreement to Seller, and shall open escrow pursuant to Section 3 hereof, and shall deliver to the Escrow Holder a copy of this Agreement.

c. Escrow shall be open for a period of **SIXTY (60)** days to allow Buyer to complete its investigation of the Property, and to satisfy all conditions described herein (the “Due Diligence Period”).

d. During the Due Diligence Period, Buyer may, in its sole and absolute discretion, elect to terminate this Agreement based upon any of the following:

- i. Review of Title Matters. County's review and approval of a final title report of the condition of title to the Property, including copies of all documents referred to therein and any and all other documents relating to title. County shall identify in writing any exceptions to title that must be removed prior to closing.
- ii. Review of Physical Condition, Due Diligence. Seller shall deliver to County for County's review, all material building information in its possession, including but not limited to, environmental reports and notices, seismic/structural studies, permits and approvals, surveys, floor plans, property condition assessments and other building reports, notices of violation, or any other documents that are of significance to the Property, or that the County may reasonably request. County and its agents shall have reasonable access to the Property to conduct tests and perform due diligence investigations. County shall hold Seller harmless for any damage caused by County's entry. County shall not perform any invasive testing without Seller's prior written consent, which shall not be unreasonably withheld.
- iii. Review of Contracts and Other Matters. County's review and approval of all contracts or other matters relating to the Property and its intended use, including any third-party leases and service or maintenance contracts, shall be completed within sixty (60) days.
- iv. The content of a report of the conformity of County's acquisition of the Property with the applicable general plan pursuant to California Government Code Section 65402 or a California Environmental Quality Act (CEQA) analysis, as may be required; or
- v. Buyer's inability timely to complete any of the studies or actions set forth above.

e. Within ten days of the opening of escrow, Seller will deliver to the Escrow Holder the Grant Deed which has been duly executed and acknowledged by Seller, in a form approved by Buyer.

f. At least one (1) day prior to the close of escrow, Buyer shall deposit with the Escrow Holder a Certificate of Acceptance for the Property which has been executed by Buyer, in substantially the same form shown on **EXHIBIT B**, attached hereto and incorporated herein by reference, and the purchase price plus costs of pro-rations, fees, and expenses pursuant to this Agreement.

g. Satisfaction of any CEQA requirements for this transaction as determined by Buyer, and final approval of this Agreement by the County Board of Supervisors in a noticed public meeting and appropriation of funding by the County Board of Supervisors are express conditions precedent to Buyer's duty to purchase.

3. ESCROW AND OTHER FEES: Within three (3) days following the execution of this Agreement by Seller and Buyer, Buyer shall open escrow at Old Republic Title Company, in Los Altos, California, or at such other escrow company as may be agreed to by Seller and Buyer (“Escrow Holder”); with escrow instructions to be based upon the terms and conditions set forth herein, and Buyer shall deliver a copy of this Agreement to the Escrow Holder. On behalf of Buyer, the San Mateo County Executive, or designee, shall execute the necessary escrow instructions and/or additional documents which may be required to complete the closing of this real property transaction. This Agreement shall become part of the escrow and shall constitute the basic instructions and documents as are reasonably required to complete the closing of the transaction contemplated herein, in accordance with the terms and conditions of this Agreement. In case of conflict between this Agreement and any related escrow documents, the terms of this Agreement shall control.

The Closing shall be 60 days from the date of execution of this Agreement, or such other date as the parties hereto shall mutually agree in writing. The “Closing” is defined as the satisfaction of all conditions herein stated, except those conditions that may be, and in fact are waived by an express written waiver duly executed by the waiving party; and the recordation of a Grant Deed and Certificate of Acceptance which shall vest title to the Property in Buyer, and the deposit of the Purchase Price by Buyer into escrow. The close of escrow shall occur on or before September 12, 2023.

Escrow, title and other fees shall be paid as follows:

- i. Buyer shall pay all County Documentary Transfer Tax (“Transfer Tax”), and all recording costs.
- ii. A Standard California Land Title Association owner’s policy of title insurance covering the Property shall be paid for by Buyer, in favor of Buyer in the amount of the Purchase Price subject to all of the title exceptions that may be permitted by Buyer.
- iii. Buyer shall pay for any additional title insurance coverage that may be required by Buyer, including any extended or ALTA coverage or endorsements to such policy requested by Buyer (to the extent available) together with the cost of any survey obtained by Buyer.
- iv. Insurance premiums (if any) shall not be prorated. All existing insurance policies (if any) shall be canceled at time of Closing and Buyer acknowledges and agrees that Seller cannot endorse any such existing insurance policies to Buyer.
- v. Seller and Buyer shall each pay their own Escrow Holder’s fees at the close of escrow.
- vi. Unless otherwise agreed, the following items shall be paid current and

prorated between Buyer and Seller as of Close of Escrow: real property taxes and assessments, interest, all general and special real property taxes, transfer occupancy taxes, and special assessments ("Taxes") in totality prior to closing.

Escrow Holder shall be obligated as follows:

- i. To provide current preliminary title reports covering the Property, at Buyer's expense.
- ii. To record prior to Closing, the Grant Deed and the Certificate of Acceptance to be recorded concurrently, vesting title to the Property in Buyer.
- iii. To issue or have issued to Buyer the California Land Title Association policy of title insurance required herein, and any alternative or extended coverage desired by Buyer.
- iv. Provide Buyer a final closing statement with certification by the title company.

4. **COMMISSION:** County shall not be responsible for the payment of any real estate commissions or fees resulting from this transaction. County will have no responsibility for payment of any such commission, and Seller shall indemnify, defend, and hold County harmless from any and all claims, liabilities, costs and expenses arising from any broker's commission or finder's fees. Cornish & Carey Commercial dba Newmark, or assignee ("Purchaser's Agent"), represents the Purchaser and the instructions to the Escrow Holder shall provide that Purchaser's Agent shall be paid by the Seller from escrow proceeds a Commission in the amount of two and a half percent (2.5%) of the purchase price at close of escrow.

5. **GOOD FAITH DISCLOSURE BY SELLER:** Seller shall make a good faith disclosure to Buyer of any and all facts, findings, or information on the Property, including without limitation those relating to: historical uses; prior permitted uses; current uses including, but not limited to, express or implied contracts, leases and/or permits; geological conditions; biological conditions; archaeological sites; flood hazard area(s); special studies zones; zoning reports; environmentally hazardous material such as dioxins, oils, solvents, waste disposal, gasoline tank leakage, pesticide use and spills, herbicide use or spills or any other substances and/or products of environmental contamination. Any and all facts or information known by Seller concerning the condition of the Property shall be delivered to Buyer no later than five (5) days following Buyer's execution of this Agreement.

If such facts or information provided by Seller disclose conditions that adversely affect the continued or contemplated use of the Property, and that Buyer reasonably deems unacceptable, or if Buyer otherwise discovers such facts or information through tests and/or surveys which disclose such conditions, and Seller is unwilling or unable to correct such conditions to the reasonable satisfaction of Buyer or any governmental body having jurisdiction, then Buyer may, at its sole

option, terminate this Agreement. Within ten (10) business days of actual receipt of said disclosure information, Buyer shall notify Seller of the conditions it deems unacceptable and the corrections desired and request Seller, at Seller's expense, to correct the condition(s) affected thereby to the reasonable satisfaction of Buyer and/or any governmental body having jurisdiction. Failure to so correct shall be grounds for termination of this Agreement.

Seller shall provide Buyer, within five days of the opening of escrow, copies of all as-built drawings, diagrams, specifications, etc., in Seller's possession or obtainable by Seller. Seller shall also provide Buyer with copies of all property, fixture and equipment inspections, equipment warranties, and any other information in the possession of Seller or obtainable by Seller that would assist Buyer in determining the condition of the Property, premises, fixtures or equipment.

6. **INSPECTION BY BUYER:** Buyer, upon not less than 24-hour notice to the Seller, shall have the right of entry onto the Property to conduct such non-invasive and non-intrusive inspections and testing thereon as are, in Buyer's sole discretion, necessary to reasonably determine the condition of the Property. The scope of any such testing or inspection which requires physical sampling of all or any part of the Property shall be subject to:

- a. The prior written approval of Seller, which Seller may withhold or condition in its sole and absolute discretion.
- b. Seller's receipt of a certificate of insurance evidencing any insurance coverage reasonably required by Seller pursuant to this Section.
- c. The requirement that Buyer conduct all such inspections and testing, including the disposal of samples taken, in accordance with applicable law and at no cost or liability to Seller. Buyer shall complete such inspections and testing either before or within the Due Diligence Period and shall restore all areas of the Property to its pre-test and pre-inspection condition as near as is practicable, except that County may elect in lieu of such restoration to close on the Property and acquire the Property subject to damage caused by such inspection. Nothing in this paragraph shall operate to compel the County to close on the Property or assume the cost of damage to the Property caused by forces other than the inspections and testing performed pursuant to this paragraph.

If any toxins or contaminants are discovered on the Property, Buyer shall notify Seller immediately, and Seller shall have the right, but not the responsibility to take any actions in response to such notifications that it deems necessary in its sole and absolute discretion. If Seller elects not to take actions in response to such notifications, then, notwithstanding other provisions contained herein, Seller and/or Buyer shall have the right (prior to the expiration of the Due Diligence Period) to terminate this Agreement with no further liability.

Buyer shall give Seller written notice prior to the commencement of any testing or inspections in, on or about the Property, and Seller shall have the right to post Notices of Testing, and/or Notices of Non-responsibility as provided by law. All testing on the Property shall keep the Property free and clear of claims, charges and/or liens for labor and materials, and Buyer shall defend, indemnify and save harmless Seller, its agents and employees from and against any and

all claims, demands, damages, costs, expenses (including attorney's fees), judgments or liabilities arising out of, related to, or in connection with any such testing, inspection or entry by Buyer, its partners, officers, directors, members, shareholders, independent contractors, agents or employees.

7. **TITLE AND DEED:** Title to the Property is to be free of liens, encumbrances, restrictions, conditions, rights to possession or claims thereto (recorded and/or unrecorded) known to Seller, except:

- a. All covenants, conditions, restrictions, and reservations of record approved by Buyer.
- b. All easements or rights-of-way over the Property for public or quasi-public utility or public street purposes, if any, approved by Buyer.
- c. All exceptions contained in the preliminary title report as may be approved by Buyer.

Buyer shall have the right to review the preliminary title report and disapprove in writing any items disclosed in said report prior to the close of escrow. Seller shall have five (5) days from receipt of Buyer's notice of disapproval to correct the condition(s) that adversely affect the Property. Failure to correct shall be grounds for termination of this Agreement by Buyer.

Seller may request escrow to be extended for ten (10) days where there is a need for Seller to correct an adverse condition unless Seller refuses to correct such condition or unless correction requires more than ten (10) days in which case escrow shall be extended to the date of refusal or date of correction respectively.

8. **REPRESENTATIONS AND WARRANTIES OF BUYER:** Buyer represents and warrants to Seller that the following statements are true and correct and shall be true and correct as if originally made on and as of the Closing:

- a. Buyer has full power and authority to enter into and perform this Agreement and all documents and instruments to be executed by Buyer pursuant to this Agreement (collectively, "Buyer's Documents");
- b. This Agreement has been, and Buyer's Documents will be, duly executed and delivered by Buyer, or by duly authorized officers or representatives of Buyer; and
- c. No consent, authorization, order or approval of, or filing or registration with, any governmental authority or other person is required for the execution and delivery by Buyer of this Agreement and Buyer's Documents or the consummation by Buyer of the transactions contemplated by this Agreement and Buyer's Documents.

9. **REPRESENTATIONS AND WARRANTIES OF SELLER:** Seller represents and warrants to Buyer that the following statements are true and correct and shall be true and correct as if originally made on and as of the Closing:

- a. Seller has full power and authority to enter into and perform this Agreement and all documents and instruments to be executed by Seller pursuant to this Agreement (collectively "Seller's Documents");

- b. This Agreement has been, and Seller's Documents will be, duly executed and delivered by duly authorized officers or representatives of Seller;
- c. No consent, authorization, order or approval of, or filing or registration with, any governmental authority or other person is required for the execution and delivery by Seller of this Agreement and Seller's Documents, or the consummation by Seller of the transactions contemplated by this Agreement and Seller's Documents;
- d. To Seller's actual knowledge, there is no litigation pending against Seller which, if determined adversely, would have a material adverse effect on the Property or Seller's right to transfer title to the Property;
- e. Seller has not granted any option or right of first refusal or first opportunity to any party other than Buyer to acquire fee interest in the Property;
- f. To Seller's actual knowledge, the Property is not in violation of any federal, state, local or administrative environmental laws or requirements relating to industrial hygiene, environmental conditions or hazardous materials;
- g. To Seller's actual knowledge, the Property does not consist of any landfill or contain any underground storage tanks; and
- h. To Seller's actual knowledge, the improvements do not consist of any asbestos-containing materials or building materials that contain any other hazardous material or lead-based paints; there has been and is no release of any hazardous material in the Improvements or in, on, under or about the Property; and the Property is not subject to any claim by any governmental regulatory agency or third party related to the release of any hazardous material, and there is no inquiry by any governmental agency (including, without limitation, the California Department of Toxic Substances Control or the Regional Water Quality Control Board) with respect to the presence of hazardous material in the improvements or in, on, under or about the Property, or the migration of hazardous material from or to other real property, that has not been disclosed to Buyer.

Seller's representations and warranties set forth in this Section 9 shall survive the Closing. As used in this Agreement, "Seller's actual knowledge" means the current, actual knowledge of Seller, without duty to investigate and shall not include constructive knowledge or knowledge that Seller could have obtained through investigation or inquiry. No broker, agent, or party other than Seller is authorized to make any representation or warranty for or on behalf of Seller.

From and after the Effective Date, Buyer and Seller shall each immediately advise the other in writing of any information it receives which indicates that a representation or warranty made by Seller in this Section 9 is, or has become, untrue in any material respect. Seller shall have five (5) days from receipt of Buyer's written notice or from delivery of Seller's written notice to attempt to remedy the breach or inaccuracy in such representation or warranty. In the event Seller is unwilling or unable to remedy such inaccuracy within such period, Buyer shall have the right, as its sole and exclusive remedy, exercisable by giving written notice to Seller and Escrow Holder within five (5) days after the expiration of Seller's five (5) day cure period, either (i) to terminate this Agreement, or (ii) to consummate the transaction contemplated by this Agreement. If the Closing is scheduled to occur prior to said notice and curing periods, the Closing shall be delayed to provide for the expiration of both periods at least 5 days prior to the Closing. If Buyer elects to proceed with the Closing after Buyer has received Seller's written notice of any actual or alleged inaccuracy or breach of Seller's representations and warranties or after Buyer has discovered any such change in circumstances, then (a) Seller's representations and warranties shall be deemed

revised in accordance with the change in circumstances as disclosed or discovered, (b) Buyer shall have waived any right or remedy concerning such change in circumstances, and (c) Seller shall be fully and forever released and discharged from any liability or obligation with respect to such change in circumstances.

10. **TIME OF ESSENCE**: Time is of the essence in the performance by the parties in respect to this Agreement.

11. **NOTICES**: All notices, documents, correspondence, and communications concerning this transaction shall be addressed as set forth below or as either party may hereafter designate by written notice and shall be sent through the United States mail duly registered or certified with postage prepaid. Notwithstanding the above, Buyer may also provide notices, documents, correspondence or such other communications to Seller by personal delivery or by first class mail postage prepaid and any such notices, documents, correspondence and communications so given shall be deemed to have been given upon actual receipt.

IF TO SELLER: Francisco Chavez & Anita N. Chavez
3055 Olin Ave. Suite 2200
San Jose, CA 95128

C/O RE/MAX STAR Properties
Arnoldo Arreola
282 Redwood Shores Parkway
Redwood City, CA 94065
Ph: (650) 207-1777

IF TO BUYER: San Mateo County Real Property Division
Attn: Caroline Shaker, Manager
555 County Center, 4th Floor
Redwood City, CA 94063
650-363-4047
cshaker@smcgov.org

ESCROW HOLDER: Old Republic Title Company
Attn: Susan Goulet
167 S. San Antonio Road, Suite 5
Los Altos, CA 94022
(650) 941-5700
sgoulet@ortc.com

12. **SUCCESSORS**: This Agreement shall bind and inure to the benefit of the respective heirs, personal representatives, successors and assignees of the parties to this

Agreement.

13. **ASSIGNMENT PROHIBITION:** Buyer shall not assign its rights or delegate its duties under this Agreement without the prior written consent of Seller, which consent may be withheld. Any sale, assignment, or other transfer in violation of this Section 13 shall be null and void.

14. **WAIVERS:** No waiver of any breach of any covenant or provision in this Agreement shall be deemed a waiver of any other covenant or provision, and no waiver shall be valid unless in writing and executed by the waiving party.

15. **CONSTRUCTION:** Section headings are solely for the convenience of the parties and are not a part and shall not be used to interpret this Agreement. The singular form shall include the plural and vice-versa. This Agreement shall not be construed as if it had been prepared by one of the parties, but rather as if both parties have prepared it. Unless otherwise indicated, all references to sections are to this Agreement.

16. **FURTHER ASSURANCES:** Whenever requested by the other party, each party shall execute, acknowledge and deliver all further conveyances, agreements, confirmations, satisfactions, releases, powers of attorney, instruments of further assurances, approvals, consents and all further instruments and documents as may be necessary, expedient or proper to complete any conveyances, transfers, sales, and agreements covered by this Agreement, and to do all other acts and to execute, acknowledge, and deliver all requested documents to carry out the intent and purpose of this Agreement.

17. **THIRD PARTY RIGHTS:** Nothing in this Agreement, express or implied, is intended to confer on any person, other than the parties to this Agreement and their respective successors and assigns, any rights or remedies under or by reason of this Agreement.

18. **INTEGRATION:** This Agreement contains the entire agreement between the parties, and expressly supersedes all previous or contemporaneous agreements, understandings, representations, or statements between the parties respecting the purchase of the Property.

19. **COUNTERPARTS:** This Agreement may be executed in one or more counterparts, each of which taken together shall constitute one and the same instrument.

20. **AMENDMENT:** This Agreement may not be amended or altered except by a written instrument executed by Buyer and Seller.

21. **PARTIAL INVALIDITY:** Any provision of this Agreement that is unenforceable or invalid or the inclusion of which would adversely affect the validity, legality, or enforceability of this Agreement shall be of no effect, but all remaining provisions of this Agreement shall remain in full force and effect.

22. **EXHIBITS:** All attached exhibits are incorporated in this Agreement by reference.

23. **AUTHORITY OF PARTIES:** All persons executing this Agreement on behalf of any party to this Agreement warrant that they have the authority to execute this Agreement on behalf of that party.

24. **GOVERNING LAW:** The validity, meaning, and effect of this Agreement shall be determined in accordance with California laws.

25. **FACSIMILE/ELECTRONICALLY TRANSMITTED SIGNATURES:** In the event that the parties hereto utilize facsimile transmitted documents or electronically transmitted documents which include signatures, such documents shall be accepted as if they bore original signatures provided that documents bearing original signatures are provided within seventy-two (72) hours of transmission; however, funds shall not be released nor shall documents be accepted for recordation by the Santa Mateo County Recorder's Office until such documents bearing original signatures are received by Buyer.

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IN WITNESS WHEREOF, Buyer and Seller have executed this Purchase and Sale Agreement and Escrow Instructions by the respective authorized officers as set forth below to be effective as of the date executed by Buyer.

BUYER:

County of San Mateo
a political subdivision of the State of California

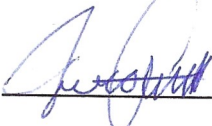
By: _____

Name: _____

Title: _____


SELLER:

Francisco Chaves & Anita N. Chavez

By:  _____

Name: Francisco Chavez

Title: Owner

By:  _____

Name: Anita Chavez

Title: owner

EXHIBIT A
LEGAL DESCRIPTION

EXHIBIT B
CERTIFICATE of ACCEPTANCE

CERTIFICATE OF ACCEPTANCE

STATE OF CALIFORNIA, COUNTY OF SAN MATEO: SS.

THIS IS TO CERTIFY that the interest in real property conveyed by the _____ DEED dated _____, 2023, from Francisco Chavez, and Anita N. Chavez, as Grantor, to the COUNTY OF SAN MATEO, a political subdivision of the State of California, as Grantee, is hereby accepted by order of the Board of Supervisors of the County of San Mateo on _____, 2023, pursuant to authority conferred by resolution of the Board of Supervisors of the County of San Mateo adopted on _____, 2023, and the County of San Mateo consents to recordation thereof by its duly authorized officer.

WITNESS my hand and official seal

this _____ day of _____, 2023

COUNTY OF SAN MATEO

By: _____
Michael P. Callagy
County Executive