

**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 \_\_st day of September 2024 (the “Effective Date”), by and between 1707 S. El Camino Real, LLC, a Delaware limited liability company (“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 described as 1711 - 1731 S. El Camino Real, San Mateo, identified as San Mateo County Assessor’s Parcel Numbers 035-219-150, 035-219-140 and 035-219-170, respectively; all as more particularly described on **EXHIBIT A**, attached hereto and incorporated herein by this reference (the “Property”); and
- b) All of Seller’s right, title and interest in and to the fixtures, equipment, if any, existing on the Property, not owned by tenants, and used exclusively in the operation of the Property, shall be delivered by Seller concurrently with the Grant Deed transferring 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 **SEVEN MILLION DOLLARS (\$7,000,000)**.
- b) Upon Seller’s Execution of Agreement, County to publish the Notice of Intent to Purchase and obtain County Board of Supervisor’s approval of sale and ratification of said Agreement (Full Execution). Upon Full 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. Concurrently therewith, Buyer shall pay to Seller the sum of One Hundred Dollars (\$100) as independent consideration for this Agreement, which Seller shall be entitled to retain regardless of whether or not Buyer terminates this

Agreement.

- c) Buyer to complete its investigation of the Property, and to satisfy all conditions described herein (the “Due Diligence Period”) by October 30th, 2024, or such other later date as the parties may agree in writing.
- 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; or
  - ii. Review and investigation of the condition of the Property, which may include but shall not be limited to an Environmental Site Assessment and review of any potential environmental hazards, and a Property Condition Assessment, or any other studies related to the condition of the Property or title to the Property; or
  - iii. On or before August 23rd, 2024, Seller shall deliver to County for County’s review, copies of all material building and Property information in its possession, including but not limited to final environmental reports and notices, final seismic/structural studies, permits and approvals, surveys, floor plans, notices of violation, or any other documents that are of significance to the Property, and 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; or
  - iv. The content of, or inability to timely obtain when required, 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. Receipt of a written appraisal of the Property, which County will cause to be completed, by a licensed or certified appraiser at no less than the purchase price in Paragraph 2a; or
  - vi. Review and approval of all contracts, third-party leases, and service or maintenance contracts or other matters relating to the Property and its intended use, On or before August 23rd, 2024, and subject to Buyer’s review, Seller shall deliver to Buyer copies of all contracts, third-party leases and service or maintenance contracts; or
  - vii. Review of Tenant Disclosures: On or before August 23rd, 2024, Seller shall

deliver to Buyer copies of all complete current lease agreements; or

- viii. Review of Tenant Estoppels: On or before September 9<sup>th</sup>, 2024, and subject to Buyer's review, Seller shall deliver to Buyer all completed Tenant Estoppel Certificates; or
  - ix. Approval of County's Board of Supervisors. This transaction is contingent upon approval by County's Board of Supervisors in its sole and absolute discretion; or
  - x. On or before August 23<sup>rd</sup>, 2024, Seller to provide description of all leased areas and tenant designated parking areas for Buyer's review; or
  - xi. Buyer's inability to timely complete any of the studies or actions set forth above.
- e) If Buyer fails to deliver notice of its election to terminate on or before 5:00 p.m. (PT) on the last day of the Due Diligence Period, then Buyer shall be deemed to have waived this condition. If the last day of the Due Diligence Period falls on a weekend or holiday, the Due Diligence Period shall be extended until 5:00 p.m. (PT) of the following business day.
- f) At least 10 (ten) days before closing, Seller will deliver to the Escrow Holder the Grant Deed which has been duly executed and acknowledged by Seller.
- g) At least one (1) business 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.
- h) Satisfaction of any CEQA requirements for this transaction as determined by Buyer, and final approval of consummation of the purchase and appropriation of funding by the County Board of Supervisors are express conditions precedent to Buyer's duty to purchase. Notwithstanding any other provision in this Agreement, Buyer, at Buyer's option, may extend escrow up to ten (10) days to permit the funding approval and appropriation by County Board of Supervisors. In the event Buyer opts to extend the escrow period pursuant to this section, Buyer shall provide written notice to Seller no later than 5:00 p.m. (PT) on the last day of the Due Diligence Period.

**3. ESCROW AND OTHER FEES:** Within three (3) days following the Full 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 ("Title Company" or "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 occur on **October 31<sup>th</sup>, 2024**, (the “Closing Date”), 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.

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

- a) 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.
- b) 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.
- c) 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.
- d) Seller and Buyer shall each pay their own Escrow Holder’s fees at the close of escrow.
- e) Seller shall pay all general and special real property taxes and special assessments through date of Closing.
- f) Amounts payable under the approved contracts shall be prorated on an accrual basis.
- g) All tenant deposits to be credited to Buyer at close of escrow.

h) Unreimbursed utilities and rents under leases shall be prorated as of close of escrow. Any proration which must be estimated at close of escrow shall be re-prorated and finally adjusted as soon as practicable. The terms of this paragraph (h) shall survive the Closing.

At Closing, Buyer and Seller shall each execute a counterpart copy of an Assignment of Leases in the form attached hereto as **EXHIBIT C**, relating to the existing leases of the Property.

Escrow Holder shall be obligated as follows:

- a) To provide current preliminary title reports covering the Property, at Buyer's expense if any.
- b) To record concurrently with Closing, the Grant Deed and the Certificate of Acceptance to be recorded concurrently, vesting title to the Property in Buyer.
- c) 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.
- d) To provide Buyer and Seller a final closing statement with certification by the Title Company. At least three (3) business days prior to the Closing Date, the parties shall agree upon all of the prorations to be made and submit a statement to Escrow Holder setting forth the same.

4. **COMMISSION:** County shall not be responsible for the payment of any real estate commissions or fees resulting from this transaction. County represents and warrants that it has had no dealings with any broker or agent in connection with this transaction or the Property and shall not be responsible for the payment of any real estate commissions or fees resulting from this transaction. Seller shall be solely responsible for any fees due Seller's Broker. Seller shall indemnify, defend, reimburse, and hold County harmless from and against any and all claims, demands, liabilities, losses, costs and expenses (including, without limitation, attorney's fees and costs) arising from any broker's commission or finder's fees for any brokers or finders. County represents and warrants that it has not made any promises or agreements with any party for the payment of any broker's commission or finder's fees.

5. **GOOD FAITH DISCLOSURE BY SELLER:** Seller shall make a good faith disclosure to Buyer of any and all material facts, findings, or information on the Property known to Seller (without investigation) and not readily discoverable by Buyer, 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 August 23rd, 2024.

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 its investigations, tests and/or surveys (including without limitation its review of title) 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 fifteen (15) 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. Failure to so correct shall be grounds for termination of this Agreement.

Seller shall provide Buyer, on or before August 23rd, 2024, copies of all as-built drawings, diagrams, specifications, property, fixture and equipment inspections, and equipment warranties in Seller's possession or control (the "Diligence Documents"). Notwithstanding anything to the contrary herein, Seller shall not be required to provide, copy or make available to Buyer (and the Diligence Documents do not include) any internal memoranda, appraisals and valuation reports and similar information or information covered by the attorney-client privilege. Buyer acknowledges that the materials relating to the Property to be furnished by Seller to Buyer contain confidential and proprietary information. No representation or warranty in respect of any documents, reports, studies, information or other materials (including the accuracy or completeness thereof) are or shall be deemed to be made or provided by Seller relating thereto or to the Property or otherwise, and Buyer hereby acknowledges that no representations or warranties, either express or implied, were made by Seller with respect to any of the foregoing. To the extent any person or entity other than Seller, including any surveyors, appraisers, title agents, tenants, escrow agent, attorneys, engineering consultants or environmental consultants, made any representations or warranties or any other statements (verbal or written) to Buyer, or provided any documents, reports, studies, information or other materials, Buyer acknowledges it shall have no claim or right of action against Seller arising therefrom, nor any right to rescind or revoke this Agreement on account thereof. Nothing in this paragraph shall prevent Buyer from introducing into evidence in any action or proceeding any documents, reports, studies, information or other materials relating to Seller's duty of disclosure.

**6. INSPECTION BY BUYER:** Buyer, upon not less than one (1) business day 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.
- 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, and with no substantial disturbance of or interference with the businesses being conducted on the Property. Buyer shall complete such inspections and testing 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.

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, losses, 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 (collectively, "Buyer's Agents"). The foregoing indemnification covenant shall survive the Closing and any termination of this Agreement.

Should Buyer decide, for whatever reason, to terminate this Agreement prior to Closing, at Seller's request, any and all reports, including title documents and surveys, inspection reports and government entity responses acquired by the County during its Due Diligence Period shall be passed on to the Seller.

**7. TITLE AND DEED:** Title to the Property is to be free of all exceptions to title except those expressly approved by Buyer, and free of all leases except those written leases disclosed to Buyer as part of the Diligence Documents.

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 fifteen (15) 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”); and
- 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 has offered the Property in an “As-Is, Where Is” condition. 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; and
- 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.

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.

The Property is being sold, and Buyer is accepting possession of the Property on the Closing Date, "as is, with all faults," with no right of setoff or reduction in the purchase price, except for Seller's representations and warranties set forth in this agreement that expressly survive the closing and instruments executed by Seller at closing (the "Seller's Warranties"). Except for Seller's Warranties and any express representations made in writing by Seller, neither Seller, its counsel or brokers, nor any partner, officer, director, employee, affiliate, agent or attorney of Seller, its counsel or brokers nor any other party related in any way to any of the foregoing (each a "Seller Party" and collectively the "Seller Parties") have or shall be deemed to have made any verbal or written representations, warranties, promises or guarantees (whether express, implied, statutory or otherwise) to Buyer with respect to the Property, any matter set forth, contained or addressed in the diligence documents (including, but not limited to, the accuracy and completeness thereof) or the results of the investigations.

As of closing, Buyer shall have had the opportunity to conduct testing and inspections to confirm independently all information that Buyer considers material to its purchase of the Property or the transaction contemplated by this agreement. Except for Seller's Warranties and any express representations made in writing by Seller, Buyer is relying on its own investigations as to: (i) the operation of the Property or the income potential, uses, or merchantability or fitness of any portion of the Property for a particular purpose; (ii) the physical condition whether visible or not, of the Property or the condition or safety of the Property or any improvements thereon, including, but not limited to, plumbing, sewer, heating, ventilating and air conditioning, life safety, building management, vertical transportation, and electrical systems, roofing, foundations, soils and geology, including hazardous materials, lot size, or suitability of the Property or any improvements thereon for a particular purpose; (iii) the presence or absence, location or scope of any hazardous materials in, at, or under the Property; (iv) whether the appliances, if any, plumbing or utilities are in working order; (v) the habitability or suitability for occupancy of any structure and the quality of its construction; (vi) whether the improvements are structurally sound, in good condition, or in

compliance with applicable municipal, county, state or federal statutes, codes or ordinances; (vii) the accuracy of any statements, calculations or conditions stated or set forth in Seller's books and records concerning the Property or set forth in the diligence documents or any of Seller's offering materials with respect to the Property; (viii) the dimensions of the Property or the accuracy of any floor plans, square footage, lease abstracts, sketches, revenue or expense projections related to the Property; (ix) the operating performance, the income and expenses of the Property or the economic status of the Property; (x) the ability of Buyer to obtain any and all necessary governmental approvals or permits for Buyer's intended use and development of the Property; (xi) the leasing status of the Property or the intentions of any parties with respect to the negotiation and/or execution of any lease for any portion of the Property, or the prospect of termination of any existing lease of the Property; and (xii) Seller's ownership of any portion of the Property.

Except to the extent set forth in the Seller's Warranties, neither Seller nor any Seller Party is under any duty (and Buyer hereby renounces any duty of Seller or any Seller Party) to make any affirmative disclosures or inquiry regarding any matter relating to the Property that may or may not be known to Seller or any Seller Party.

Buyer, for Buyer and Buyer's successors and assigns, hereby releases Seller and Seller Parties, and their successors and assigns from, and waives all claims and liability, including environmental liability (defined below), against Seller and Seller Parties, and their successors and assigns for or attributable to the following:

(i) any and all statements or opinions heretofore or hereafter made, or information furnished, by them to Buyer or its agents or representatives relating to the Property, except for Seller's Warranties and any express representations made in writing by Seller; and

(ii) any structural, physical or environmental condition at the Property, including, claims or liabilities relating to the presence, discovery or removal of any hazardous materials in, at, about or under the Property, or for, connected with or arising out of any and all claims or causes of action based upon Environmental Law (defined below).

After closing, as between Buyer and Seller, the risk of liability or expense for environmental liabilities, even if arising from events before closing, will be the sole responsibility of Buyer, regardless of whether the environmental liabilities were known or unknown at closing. Once closing has occurred, Buyer indemnifies, holds harmless and releases Seller from liability for any latent defects with respect to the Property and from any liability for environmental liabilities affecting the Property, including liability under the Comprehensive Environmental Response, Compensation, and Liability Act, the Resource Conservation and Recovery Act, and any other Environmental Laws. Buyer holds harmless and releases Seller from any liability for environmental liabilities affecting the Property arising as the result of theories of products liability and strict liability, or under new laws or changes to existing laws enacted after the date of the Agreement that would otherwise impose on sellers in this type of transaction new liabilities for environmental liabilities affecting the Property.

Notwithstanding anything to the contrary herein, Buyer is not waiving any rights that are not waivable under applicable California law.

As used herein "**Environmental Law**" means any international, federal, state, local or foreign statute, law, ordinance, regulation, rule, code, order, consent decree or judgment, in each

case in existence as of the Closing Date, relating to or regulating human health or safety, or industrial hygiene or environmental conditions or protection of the environment, or pollution or contamination of the air, soil, surface water or groundwater, and includes the Comprehensive Environmental Response Compensation and Liability Act of 1980, the Resource Conservation and Recovery Act of 1976, the Toxic Substances Control Act, the Federal Water Pollution Control Act, the Safe Drinking Water Act, the Hazardous Materials Transportation Act, the Oil Pollution Act of 1990 and any state laws implementing the foregoing federal laws. As used herein "**Environmental Liability**" means any claim, demand, order, suit, obligation, liability, cost (including, the cost of any investigation, testing, compliance or remedial action), consequential damages, loss or expense (including attorneys' and consultants' fees and expenses) arising out of, relating to or resulting from any Environmental Law or environmental, health or safety matter or condition, including natural resources, and related in any way to the Property or to this Agreement or its subject matter, in each case, whether arising or incurred before, on or after the Closing Date. As used herein "**Hazardous Materials**" means (i) any petroleum, petroleum products, by-products or breakdown products, radioactive materials, asbestos-containing materials or polychlorinated biphenyls, (ii) any chemical, material or substance defined or regulated as toxic or hazardous or as a pollutant, contaminant or waste under any Environmental Law or any Mold or Mold Condition. As used herein "**Release**" means any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping or disposing into the environment, including continuing migration, of Hazardous Materials into or through soil, surface water or groundwater. As used herein "**Mold**" means mold, mildew, fungus or other potentially dangerous organisms. As used herein "**Mold Condition**" means the presence of Mold or any condition(s) that reasonably can be expected to indicate the presence of Mold, including observed discoloration of walls, ceilings or floors, complaints received within the last six (6) months of respiratory ailment or eye irritation by tenants, employees or any other occupants or invitees in the Property or any notice from a governmental agency of complaints regarding the indoor air quality at the Property.

This paragraph 9 shall survive the close of escrow.

**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:

Via regular mail:  
1707 S. El Camino Real, LLC,

A Delaware limited liability company  
520 S. El Camino Real, BSMT A  
San Mateo, CA 94402  
Attn: Lino Campanile  
650.353.5648  
Email:lino@westlake-realty.com

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

ESCROW HOLDER: Old Republic Title Company  
Attn: Angie Civjan  
167 South San Antonio Rd. Ste. 5  
Los Altos, CA 94022  
(650) 941-5700  
[ACivjan@ortc.com](mailto:ACivjan@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 in Seller's sole discretion. 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 San Mateo County Recorder's Office until such documents bearing original signatures are received by Buyer.

26. **ATTORNEYS FEES.** If there is any legal action or proceeding between Seller and Buyer arising from or based on this Agreement, the unsuccessful party to such action or proceeding shall pay to the prevailing party all costs and expenses, including reasonable attorneys' fees and expenses, incurred by such prevailing party in such action or proceeding and in any appeal in connection therewith. If such prevailing party recovers a judgment in any such action, proceeding or appeal, such costs, expenses and attorneys' fees and expenses shall be included in and as a part of such judgment.

**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: President, County Board of Supervisors

**SELLER:**

1707 S. EL CAMINO REAL, LLC,  
A Delaware limited liability company

By WESTLAKE SHOREWAY, LLC, a  
Delaware limited liability company, its Sole  
Member

By WESTLAKE DEVELOPMENT  
GROUP, LLC, CHANG INCOME  
PROPERTY PARTNERSHIP, LP  
SERIES (P103), a Delaware limited  
liability company, its Manager

By CHANG MANAGEMENT,  
LLC, a Delaware limited liability  
company, its Manager

By   
F89295806ECD4D7  
Its President & CFO

## Exhibit A

### LEGAL DESCRIPTION

The land referred to is situated in the (See Below) State of California, and is described as follows:

APN: 035-219-150 and 035-219-140:

PARCEL ONE:

THE NORTHWESTERLY ONE-HALF(1/2), FRONT AND REAR MEASUREMENTS OF LOT NUMBERED ONE HUNDRED TWENTY-FIVE (125) AS SHOWN ON THAT CERTAIN MAP ENTITLED "LOTS OF THE SAN MATEO CITY HOMESTEAD ASSOCIATION", WHICH MAP FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN MATEO COUNTY ON FEBRUARY 20, 1872 IN BOOK "A" OF ORIGINAL MAPS AT PAGE 43 AND COPIED INTO [BOOK 1 OF MAPS AT PAGE 46](#).

EXCEPTING THEREFROM THE SOUTHWESTERLY 12.50 FEET AS GRANTED TO THE STATE OF CALIFORNIA BY DEED RECORDED MAY 17, 1957 IN [BOOK 3220, PAGE 341](#) OF OFFICIAL RECORDS.

PARCEL TWO:

A PORTION OF LOT 125 AS SHOWN ON THAT CERTAIN MAP ENTITLED "LOTS OF THE SAN MATEO CITY HOMESTEAD ASSOCIATION", FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN MATEO COUNTY ON FEBRUARY 20, 1872 IN BOOK "A" OF ORIGINAL MAPS AT PAGE 43 AND COPIED INTO [BOOK 1 OF MAPS AT PAGE 46](#), DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE NORTHEASTERLY LINE OF SAID LOT 125, DISTANT THEREON 50 FEET NORTHWESTERLY FROM THE MOST EASTERLY CORNER OF SAID LOT, THENCE NORTHWESTERLY ALONG SAID NORTHEASTERLY LINE OF SAID LOT, 50 FEET, THENCE SOUTHWESTERLY PARALLEL WITH THE SOUTHEASTERLY LINE OF SAID LOT, 87.50 FEET TO THE NORTHEASTERLY LINE OF A STRIP OF LAND 12.5 FEET WIDE CONVEYED TO THE STATE OF CALIFORNIA FOR HIGHWAY WIDENING, THENCE SOUTHEASTERLY ALONG SAID LINE OF SAID 12.5 FOOT STRIP 50 FEET, THENCE NORTHEASTERLY PARALLEL WITH THE SOUTHEASTERLY LINE OF SAID LOT, 87.50 FEET TO THE POINT OF BEGINNING.

APN: 035-219-170:

PARCEL ONE:

PORTION OF LOT 127, AS DESIGNATED ON THE MAP ENTITLED "LOTS OF THE SAN MATEO CITY HOMESTEAD ASSOCIATION", WHICH MAP WAS FILED IN THE OFFICE OF THE RECORDER OF THE COUNTY OF SAN MATEO, STATE OF CALIFORNIA, ON FEBRUARY 20, 1872 IN BOOK "A" OF ORIGINAL MAPS AT PAGE 43, AND COPIED INTO [BOOK 1 OF MAPS AT PAGE 46](#), MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT ON THE NORTHEASTERLY LINE OF THE COUNTY ROAD RUNNING BETWEEN SAN FRANCISCO AND SAN JOSE, DISTANT NORTHWESTERLY THEREON, 150 FEET FROM THE POINT OF



INTERSECTION THEREWITH OF THE DIVIDING LINE BETWEEN LOTS 127 AND 129, AS SAID ROAD AND LOTS APPEAR ON THE MAP ABOVE MENTIONED; THENCE NORTHEASTERLY, PARALLEL WITH THE SOUTHEASTERLY LINE OF SAID LOT 127, 100 FEET TO THE NORTHEASTERLY LINE OF SAID LOT; THENCE NORTHWESTERLY, ON AND ALONG SAID NORTHEASTERLY LINE 50 FEET TO THE DIVIDING LINE BETWEEN LOTS 125 AND 127; THENCE SOUTHWESTERLY, ON AND ALONG THE SAID DIVIDING LINE, 100 FEET TO THE AFORESAID NORTHEASTERLY LINE OF THE COUNTY ROAD; THENCE SOUTHEASTERLY, ON AND ALONG SAID NORTHEASTERLY LINE OF SAID COUNTY ROAD, 50 FEET TO THE POINT OF COMMENCEMENT.

EXCEPTING THEREFROM THE SOUTHWESTERLY 12.5 FEET THEREOF, AS CONVEYED TO THE STATE OF CALIFORNIA BY DEED, DATE JUNE 29, 1935 AND RECORDED JULY 30, 1935 IN [BOOK 656 OF OFFICIAL RECORDS AT PAGE 417](#), RECORDS OF SAN MATEO COUNTY.

PARCEL TWO:

PORTION OF LOT 125, AS DESIGNATED ON THE MAP ENTITLED "LOTS OF THE SAN MATEO CITY HOMESTEAD ASSOCIATION", WHICH MAP WAS FILED IN THE OFFICE OF THE RECORDER OF THE COUNTY OF SAN MATEO, STATE OF CALIFORNIA, ON FEBRUARY 20, 1872 IN BOOK "A' OF ORIGINAL MAPS AT PAGE 43, AND COPIED INTO [BOOK 1 OF MAPS AT PAGE 46](#), MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SOUTHEASTERLY LINE OF SAID LOT, DISTANT THEREON NORTH 49°00' EAST 12.50 FEET FROM THE SOUTHWESTERLY CORNER OF SAID LOT, SAID POINT OF BEGINNING BEING IN THE NORTHEASTERLY LINE OF A STRIP OF LAND 12.5 FEET WIDE DEEDED TO THE STATE OF CALIFORNIA FOR HIGHWAY WIDENING; THENCE ALONG SAID SOUTHEASTERLY LINE IN A NORTHEASTERLY DIRECTION 87.50 FEET TO THE CORNER COMMON TO LOTS 124, 125, 126 AND 127; THENCE NORTHWESTERLY ALONG A LINE DIVIDING LOTS 124 AND 125, A DISTANCE OF 50 FEET; THENCE LEAVING SAID DIVIDING LINE AT RIGHT ANGLES IN A SOUTHWESTERLY DIRECTION 87.50 FEET TO A POINT DISTANT NORTH 49°00' EAST 12.5 FEET FROM THE SOUTHWESTERLY LINE OF SAID LOT; THENCE SOUTHEASTERLY IN A DIRECT LINE 50 FEET TO THE POINT OF BEGINNING.

**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 Grant Deed dated \_\_\_\_\_, 2024, from 1707 S. El Camino Real, LLC, a Delaware limited liability company, as Grantor, to 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 \_\_\_\_\_, 2024, pursuant to authority conferred by resolution of the Board of Supervisors of the County of San Mateo adopted on \_\_\_\_\_ 2024, and the County of San Mateo consents to recordation thereof by its duly authorized officer.

WITNESS my hand and official seal.

this \_\_\_\_\_ day of \_\_\_\_\_, 2024

COUNTY OF SAN MATEO

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

Michael P. Callagy  
County Executive Officer

## EXHIBIT C

### ASSIGNMENT OF LEASES

THIS ASSIGNMENT OF LEASES, dated \_\_\_\_\_, 2024, is made by and between 1707 S. El Camino Real, LLC, a Delaware limited liability company (“Assignor”), and the County of San Mateo, a political subdivision of the State of California (“Assignee”).

WHEREAS, Assignor and Assignee entered into that certain Real Estate Purchase and Sale Agreement and Escrow Instructions (“Agreement”) dated \_\_\_\_\_, 2024 for the purchase and sale of that certain “Property” (as more particularly described in the Agreement); and

WHEREAS, Assignor desires to quitclaim unto Assignee all of Assignor’s right, title and interest, if any, in and to the leases of the Property (the "Leases"); and

WHEREAS, Assignee desires to assume the duties and obligations of Assignor with respect to the Leases.

NOW, THEREFORE, in accordance with the Agreement and in consideration of the sum of Ten Dollars (\$10.00) and other consideration, the sufficiency and receipt of which are hereby acknowledged, the parties do hereby covenant and agree as follows and take the following actions:

1. Assignor does hereby assign to Assignee all of the Assignor’s right, title and interest, if any, in and to the Leases.
2. ASSIGNOR SPECIFICALLY DISCLAIMS ANY WARRANTY, GUARANTY OR REPRESENTATION, ORAL OR WRITTEN, PAST OR PRESENT, EXPRESS OR IMPLIED, CONCERNING THE LEASE AND SECURITY DEPOSITS OR ASSIGNOR’S TITLE THERETO, EXCEPT AS SET FORTH IN THE AGREEMENT. ASSIGNEE IS HEREBY THUS ACQUIRING SAME BASED SOLELY UPON ASSIGNEE'S OWN INDEPENDENT INVESTIGATIONS AND INSPECTIONS AND NOT IN RELIANCE UPON ANY INFORMATION PROVIDED BY ASSIGNOR OR ASSIGNOR'S AGENTS OR CONTRACTORS.
3. Assignee hereby accepts the foregoing assignment and hereby assumes all duties and obligations of Assignor with respect to the Leases for the period on and after the date of this Assignment of Leases.
4. This Assignment of Leases shall be (a) binding upon, and inure to the benefit of, the parties to this Assignment of Leases and their respective heirs, legal representatives, successors and assigns, and (b) construed in accordance with the laws of the jurisdiction in which the Property is located, without regard to the application of choice of law principles, except to the extent such laws are superseded by federal law.

IN WITNESS WHEREOF, this Assignment of Leases has been signed and delivered by the parties hereto as of the date first above written.

ASSIGNOR:

1707 S. EL CAMINO REAL, LLC,  
A Delaware limited liability company

By WESTLAKE SHOREWAY, LLC, a Delaware limited liability company, its Sole Member

By WESTLAKE DEVELOPMENT GROUP, LLC,  
CHANG INCOME PROPERTY PARTNERSHIP,  
LP SERIES (P103), a Delaware limited liability company, its Manager

By CHANG MANAGEMENT, LLC, a Delaware limited liability company, its Manager

By \_\_\_\_\_  
Its \_\_\_\_\_

ASSIGNEE:

COUNTY OF SAN MATEO  
A political subdivision of the State of California

By:

Name:

Title: President, County Board of Supervisors