

PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS

This Purchase and Sale Agreement and Escrow Instructions ("Agreement") is made this _____ day of _____, 2005, by and between the Redevelopment Agency of the City of East Palo Alto ("Agency") a public body, corporate and politic, and the County of San Mateo, a political subdivision of the State of California ("Seller" or "County").

RECITALS

- A. **WHEREAS**, the Seller is the owner of certain real property situated at the northeast corner of University Avenue and Bay Road in the City of East Palo Alto, California, and more particularly described in the legal descriptions attached to and incorporated in this Agreement as Exhibit "A" (the "University and Bay Property"); and
- B. **WHEREAS**, the Agency is authorized by Health and Safety Code Section 33000 and the Ravenswood Industrial Area Redevelopment Plan to exercise the powers conferred to redevelopment agencies pursuant to the California Community Redevelopment Law; and
- C. **WHEREAS**, in order to serve the goals of Redevelopment Plan for the Ravenswood Industrial Area Redevelopment Project, adopted by the City of East Palo Alto by Ordinance No. 121 adopted on July 16, 1990, as amended in 1994, and further amended by Ordinance No. 260 adopted on March 5, 2002 and Ordinance No. 267 adopted November 19, 2002 (collectively the "Redevelopment Plan"), and pursuant to its powers under Health and Safety Code Section 33391 and the Redevelopment Plan, the Agency desires to purchase the University and Bay Property from the Seller; and
- D. **WHEREAS**, pursuant to Health and Safety Code Section 33220, the County desires to cooperate with the Agency in accomplishing its redevelopment purposes by conveying University and Bay Property to the Agency; and
- E. **WHEREAS**, as a condition of the sale of the University and Bay Property to the Agency and for valuable consideration, the parties agree that the powers and duties of the East Palo Alto Drainage Maintenance District and the Ravenswood Highway Lighting District (the "Districts") shall be assumed by the City of East Palo Alto and that all right, title and interest including without limitation certain interests in real property held by the County for the benefit of the East Palo Alto Drainage Maintenance District and more particularly described in the legal descriptions attached to and incorporated in this Agreement as Exhibit "B" ("District Real Property") be transferred to the City of East Palo Alto; and
- F. **WHEREAS**, the Seller desires to sell to the Agency and the Agency desires to purchase from the Seller the University and Bay Property as herein described;

NOW, THEREFORE, in consideration of the mutual covenants contained in this Agreement, the Agency and the Seller (the "Parties") agree as follows:

AGREEMENT

1. Purchase and Sale of the Property.

Subject to the terms and conditions set forth below, Seller agrees to sell, and the Agency agrees to purchase, the University and Bay Property.

2. Purchase Price.

The Purchase Price for the University and Bay Property shall be Two Hundred Fifty Thousand Dollars (\$250,000).

3. Payment of Purchase Price.

The Agency shall pay to the Seller the Purchase Price in cash at the closing.

4. Opening Escrow.

An escrow ("Escrow") has been established with Fidelity National Title Company of Redwood City, California ("Escrow Holder"), and the Agency has received a copy of the preliminary report for the University and Bay Property dated February 25, 2004, which is Escrow Holder's Order No. 1500054 ("Preliminary Title Report").

5. Escrow and Closing.

5.1 Subject to the Conditions Precedent as set forth in Sections 7 and 8 hereof, the Escrow shall close no later than seventy-five (75) days after the later of (a) the date that the Agency Board has approved this Purchase and Sale Agreement or (b) the date the Seller's Board of Supervisors has adopted a resolution authorizing the execution of this Purchase and Sale Agreement.

5.2 Upon execution of this Agreement by the Seller, this Agreement shall constitute not only the agreement of purchase and sale between the Agency and the Seller, but also joint instructions to Escrow Holder for the consummation of the purchase and sale contemplated hereunder through the Escrow. If necessary the parties shall give the Escrow Holder additional instructions consistent with this Agreement.

5.3 Escrow Holder is hereby authorized and instructed to conduct the Escrow in accordance with this Agreement.

5.4 Subject to satisfaction of the contingencies hereinafter described, Escrow Holder shall close this Escrow (the "Closing") by recording the grant deeds and other documents required to be recorded and by disbursing the funds and documents in accordance with this Agreement.

6. Costs of Escrow.

The Agency shall bear all regular costs of Escrow including costs of title insurance, transfer tax (if any), document preparation fees, recording fees and Escrow Holder fees. The costs borne by the Agency pursuant to this Section 6 of this Agreement shall be in

addition to the Purchase Price for the University and Bay Property. Any costs associated with placing title in the condition specified in Section 7.3 below shall be borne by Seller.

7. Conditions Precedent to Agency's Obligation to Purchase the Property.

The Parties understand and agree that the Agency's obligation under this Agreement to purchase the University and Bay Property is contingent on the occurrence of the following conditions at or before the time for close of Escrow set forth in Section 5.1 of this Agreement.

- 7.1 The Agency's Governing Board has formally approved this Agreement.
- 7.2 Prior to the Closing, the Seller shall cause title to the University and Bay Property (as set forth in Section 8 hereof) to be in a condition such that it is free and clear of all liens, encumbrances, clouds and conditions, rights of occupancy and possession, except for the following permitted exceptions ("Permitted Exceptions"):
 - (a) the lien of real property taxes and general and special assessments not yet due and payable;
 - (b) the effect of the Redevelopment Plan, as such plan then exists or is thereafter from time to time amended;
 - (c) applicable building and zoning laws and regulations;
 - (d) such other exceptions to title as the Agency may reasonably approve.
- 7.3 The Escrow Holder is prepared to issue its CLTA Owners Policy of title insurance, in the amount of the Purchase Price subject only to exceptions 4, 5, 6, and 7 as shown in the Preliminary Title Report, and the standard printed exceptions or exclusions from coverage as printed in said Policy.
- 7.4 The Agency is satisfied that there are no hazardous materials, toxics, or other physical conditions of the University and Bay Property that violate any law or code, or present any risk of harm, to persons or to the public.
- 7.5 The Agency has received copies of all leases, rental agreements or other agreement regarding the University and Bay Property from the Seller.
- 7.6 Transfer by the County to the East Palo Alto Drainage Maintenance District of the District Real Property, which transfer shall occur prior to the transfer of jurisdiction over such District to the City of East Palo Alto.
- 7.7 Delivery to Escrow of certified copies of resolutions of the City of East Palo Alto requesting that the powers and duties of the Ravenswood Highway Lighting District be transferred to the City of East Palo Alto pursuant to Section 19271 of the State of California Streets and Highways Code, and requesting the San Mateo County Board of Supervisors to transfer jurisdiction over the East Palo Alto Drainage Maintenance District to the City of East Palo Alto as provided by Section 5851 of the State of California Streets and Highways Code.

8. Conditions Precedent to Seller's Obligation to Sell the Property.

The Parties understand and agree that the Seller's obligation under this Agreement to sell the University and Bay Property is contingent on the occurrence of the following conditions at or before the time for close of Escrow set forth in Section 5.1 of this Agreement.

- 8.1 The Seller's Board of Supervisors has adopted a resolution authorizing execution of this Agreement.
- 8.2 Delivery to Escrow of a certified copy of a duly adopted resolution of the City Council of the City of East Palo Alto accepting the transfer of and assuming authority over the Districts, and lapse of any time required for the acceptance by the City of the Districts to become effective.

9. Representations Regarding Toxics.

The County has given notice to the Agency, and the Agency hereby acknowledges, that the University and Bay Property may have once been a gasoline service station. To the best of County's knowledge, there are not now any toxic or hazardous materials or conditions at, on or under the Property. The Agency acknowledges that it will investigate the condition of the University and Bay Property as set forth in Section 12 of the Agreement, and will rely solely on its own investigations in relation to the condition of the University and Bay Property.

10. Conveyance by Deed.

At the Closing, the Seller shall convey title to the University and Bay Property from the Seller to the Agency by grant deed in a form approved by the Agency and deliver possession of the University and Bay Property to Agency.

11. Property Taxes and Assessments.

Property taxes, assessments, utilities, rents and any other income related to the University and Bay Property shall be prorated between the Seller and the Agency as of the date of closing. Such prorations shall be made on the basis of a 365-day year.

12. Agency's Right of Entry Prior to Closing.

- 12.1 Immediately following the Agency's execution of this Agreement, the Seller shall provide access to the Agency's designated consultant for the purpose of conducting inspections and tests of the land or any structures which comprise the Property, including, without limitation, tests for the presence of hazardous materials, and otherwise determine whether the condition of the Property is acceptable to the Agency.
- 12.2 The Agency shall defend, indemnify and hold harmless the Seller from any claim or damage arising from the Agency's entry onto the Property pursuant to this Section 12.

13. Casualty or Condemnation.

If, prior to the Closing, the Seller becomes aware that all or any material portion of the University and Bay Property has been destroyed, substantially damaged, subjected to

or their respective successors in interest. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

15.4 Successors. This Agreement shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of the Parties hereto.

15.5 Time of the Essence. Time is of the essence in this Agreement.

15.6 Cooperation of Parties. The Seller and the Agency shall, during the escrow period, execute any and all documents reasonably necessary or appropriate to close the purchase and sale pursuant to the terms of this Agreement.

15.7 Governing Law. This Agreement shall be governed by the law of the State of California.

IN WITNESS WHEREOF, the Parties have executed this Agreement on or as of the date first above written.

BUYER:

**REDEVELOPMENT AGENCY OF THE
CITY OF EAST PALO ALTO**

ATTEST:

By _____

By: _____
Agency Secretary

Its: _____

SELLER:

COUNTY OF SAN MATEO

ATTEST:

By _____

By: _____
Clerk of the Board of Supervisors

Its: _____

EXHIBIT A

Legal Description of the University and Bay Property

Parcel I:

Portion of Lot 20, Block 1, as shown on that certain Map entitled "Tract No. 644 Resubdivision of Block No. 1 of Tract 637 University Village Subdivision No. 1 in unincorporated Territory, San Mateo County, California", which map was filed in the office of the recorder of the County of San Mateo, State of California, on December 06, 1951 in Book 34 of Maps at page(s) 5 and 6, and more particularly described as follows:

Beginning at the Southwesterly corner of said Lot 20, as shown on said map, marked by a 1 inch iron pipe monument; thence along the Westerly line of said Lot 20, North 1° 04' West 100.00 feet to a 1 inch iron pipe on said Westerly line; thence leaving said line, North 88° 52' 40" East 100.00 feet to a 1 inch iron pipe monument; thence South 1° 04' East 100.00 feet to a 1 inch iron pipe monument on the Southerly line of said Lot 20; thence along said Southerly line South 88° 52' 40" West 100.00 feet to the point of beginning.

Parcel II:

A Non-exclusive easement for the purposes of ingress and egress over the following described property;

Beginning at the Southwesterly corner of said Lot 20, as shown on said map, marked by a 1 inch iron pipe monument; thence along the Southerly line of said Lot 20, North 88° 52' 40" East 100.00 feet to a 1' iron pipe monument on said Southerly line, the true point of beginning, thence North 1° 04' West 100.00 feet to a 1 inch iron pipe monument; thence North 88° 52' 40" East 25.00 feet to a point; thence South 1° 04' East 100.00 feet to a point; thence South 88° 52' 40" West 25.00 feet to the true point of beginning.

Assessor's Parcel No: 063-111-230

EXHIBIT B

Legal Description of the District Real Property

All of that certain real property described as follows:

Parcel I:

BEGINNING at a point on the Easterly prolongation of the Northerly line of the Subdivision, a map of which is entitled, "TRACT NO. 589 PALO ALTO GARDENS" and filed in Book 28 of Maps at Pages 26, 27 and 28, San Mateo County Records, distant along said prolongation North 88° 27' East 887.79 feet from the Easterly line of said subdivision; thence along said prolongation North 88° 27' East 96 feet to the Easterly line of Pulgas Rancho; thence along said Easterly line South 18° 15' East 1803 feet; thence North 24° 43' 43" West 1000 feet; thence North 6° 08' 45" West 849 feet to the point of beginning.

Parcel II:

An easement for ingress and egress over a strip of land 30 feet in width lying 15 feet on either side of the following described centerline: BEGINNING at a point on the Easterly termination of O'Connor Street, said point lying North 1° 24' West 10 feet from the intersection of the centerline of said O'Connor Street with the Easterly line of that certain subdivision entitled, "TRACT NO. 643 PALO ALTO GARDENS MAP NO. 2, SAN MATEO COUNTY, CALIFORNIA", a copy of which is filed in Book 32 of Maps at Page 50, San Mateo County Records; thence from said point of beginning North 88° 36' East 697.20 feet; thence South 54° 30' East 136.24 feet; thence South 64° 00' East 95.00 feet; thence South 82° 30' East 71.08 feet, more or less, to the Easterly line of the Pulgas Rancho.

Parcel III:

An easement for the construction, operation, maintenance and reconstruction of an underground storm drain, together with a right of ingress and egress thereto, over that certain parcel of land conveyed to Elsie M. Finley and Jay M. Finley by Deed recorded January 25, 1955, Book 2732 of Official Records at Page 77, Records of San Mateo County, California, more particularly described as follows: BEGINNING at the Northeast corner of Lot 18, in Block 31, as said Lot and Block are shown on that certain map entitled, "TRACT NO. 805, PALO ALTO GARDENS MAP NO. 7, SAN MATEO COUNTY, CALIFORNIA", filed in the office of the Recorder of the County of San Mateo, State of California on August 16, 1962 in Book 56 of Maps at Page 38; thence from said point of beginning, along the Easterly line of said "Tract No. 805" South 06° 08' 45" East 223.73 feet; thence South 24° 43' 43" East 349.13 feet, more or less, to its intersection with a line parallel with and 19.50 feet Northerly from the Easterly prolongation of the centerline of O'Connor Street, the true point of beginning; thence from said true point of beginning, along said parallel line, North 87° 30' 00" East 65.34 feet to the Easterly line of said lands of Finley; thence along said Easterly line, South 24° 43' 43" East 30.00 feet; thence leaving said Easterly line 72° 06' 00" West

60.43 feet to a point in the Easterly line of said Tract No. 805; thence along said Easterly line of Tract 805, North 24° 43' 43" West 48.67 feet to the point of beginning.

Joint Plant No:063-058-580-04a
Assessor's Parcel No: 063-580-040

Together with all right, title and interest conveyed by the City of Palo Alto to the County of San Mateo by the Grant of Easement recorded in San Mateo County Official Records March 18, 1982 as Document 82021863 and re-recorded to correct errors in the description on May 24, 1982 as Document 82042897.

Together with all right, title and interest conveyed by the City of Palo Alto to the County of San Mateo by the Grant of Easement recorded October 9, 1950 in San Mateo County Official Records Volume 1955, Page 215 as Document Number 91734I.