

RESOLUTION NO. 2015-105

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROHNERT PARK AUTHORIZING AND APPROVING AN AGREEMENT OF PURCHASE AND SALE AND JOINT ESCROW INSTRUCTIONS FOR 6230 STATE FARM DRIVE AND 415 CITY CENTER DRIVE WITH ANTHONY LIEU AND ORIANA BIELA-LIEU AND AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT AND TAKE ALL OTHER ACTIONS NECESSARY TO CONSUMMATE THE TRANSACTION CONTEMPLATED BY THIS RESOLUTION

WHEREAS, the California State Legislature enacted Assembly Bills x1 26 and 1484 (together, the “Dissolution Act”) to dissolve and unwind the affairs of redevelopment agencies formed under the Community Redevelopment Law (Health and Safety Code Section 33000 et seq); and

WHEREAS, the Dissolution Act, at Health and Safety Code Section 34173, provides that the city, county, or city and county that authorized the creation of the redevelopment agency may elect to be the successor agency to the former redevelopment agency; and

WHEREAS, The City of Rohnert Park (“City”) did so elect, by adoption of Resolution No. 2012-10 on January 10, 2012, to be the Successor Agency to the former Community Development Commission of the City of Rohnert Park (“CDC”); and

WHEREAS, successor agencies are required, pursuant to Health and Safety Code Section 34191.5(b) to prepare a Long Range Property Management Plan (“LRPMP”) that addresses the disposition and use of the real properties of the former CDC, which are to be submitted to the Oversight Board and the California Department of Finance (“DOF”) for approval; and

WHEREAS, the Successor Agency to the former CDC (“Successor Agency”) approved the LRPMP on August 27, 2013, and was subsequently adopted by the Oversight Board as Resolution No. OSB 2014-03 on September 16, 2013, and approved by the DOF by letter dated June 19, 2014; and

WHEREAS, by Grant Deeds dated March 17, 2015 and recorded on May 4th, 2015 as Instrument Nos. QCD 2015037779 through 2015037782, in the records of the Sonoma County Recorder, the Successor Agency transferred to the City the properties located at 6230 State Farm Drive and 415 City Center Drive (collectively, the “Property”); and

WHEREAS, Anthony Lieu and Oriana Biela-Lieu (“Buyers”) have submitted a proposal to the City to acquire the Property from the City, at fair market value, and the City desires to so dispose of the Property, with the proceeds of the sale to be distributed between the City and other affected taxing entities, pursuant to Health and Safety Code Section 34191.5(c)2; and

WHEREAS, per Government Code Sections 52201-52203, before any city may sell a property transferred to it through a LRPMP, the sale must be approved by resolution of the legislative body, after conducting a public hearing. As part of that public hearing, a report must

be prepared and made available to the public during the two week noticing period. Said report is attached to this resolution as "Exhibit A"; and

WHEREAS, On September 11, 2014, the Planning Commission of the City of Rohnert Park conducted a review pursuant to Government Code Section 65402 and determined that the City's disposition of the Property to Buyer pursuant to the terms hereof is consistent with, and will facilitate implementation of the City of Rohnert Park General Plan; and

WHEREAS, based on the Broker's Opinion of Value, and that the City has received only one offer at the asking price provided, the offer made is not less than the fair market value at its highest and best use; and

NOW, THEREFORE, the City Council of the City of Rohnert Park does hereby resolve, determine, find and order as follows:

Section 1. Recitals. The above referenced recitals are true and correct and are incorporated into and form a material part of this Resolution.

Section 2. Environmental Review. The transfer of ownership of the property from the City to Buyer is exempt from CEQA review under CEQA Guidelines section 15061(b)(3) because there is no possibility for the conveyance to have an effect on the environment.

Section 3. Findings. The City Council hereby makes the finding that the consideration for the purchase of the Property is not less than the fair market value at its highest and best use.

Section 4. Approval of Agreement of Purchase and Sale and Joint Escrow Instructions; Authority of Mayor. The City Council hereby consents to the sale of the Property to North Bay Homes and Land, Inc. for a price of Five Hundred Forty Three Thousand Dollars (\$543,000.00) and approves the Agreement of Purchase and Sale and Joint Escrow Instructions in substantially similar form as provided for in "Exhibit B", attached hereto and incorporated by this reference. The City Council authorizes the Mayor to execute said Agreement on behalf of the City of Rohnert Park subject to minor modifications as approved by the City Attorney.

Section 5. Section 65402 Consistency. Pursuant to Government Code Section 65402, the City Council hereby affirms and accepts the City Planning Commission's recommended finding that the actions described in this Resolution are consistent with the City's General Plan.

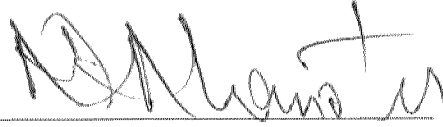
Section 6. Approval of Deed. The Mayor is hereby authorized and directed to execute a Grant Deed for and on behalf of the City of Rohnert Park, subject to the terms stated in the Agreement of Purchase and Sale and Joint Escrow Instructions and to the review and acceptance by the City Attorney.

Section 7. Other Actions Authorized. Subject to review and acceptance by the City Attorney, the Mayor and City Manager, as appropriate, are hereby authorized and directed to take all action necessary or reasonably required to carry out, give effect to, and consummate the transactions contemplated by this Resolution and to take all action necessary in conformity therewith.

Section 8. Severability. If any action, subsection, sentence, clause or phrase of this Resolution shall be held invalid or unconstitutional by a court of competent jurisdiction, such invalidity shall not affect the validity of the remaining portions of this Resolution that can be given effect without the invalid provisions.

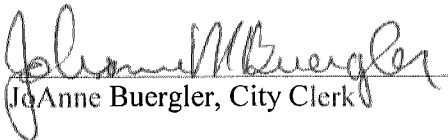
DULY AND REGULARLY ADOPTED this 26th day of May, 2015.

CITY OF ROHNERT PARK



Amy O. Ahanotu, Mayor

ATTEST:


JoAnne Buergler, City Clerk

Attachments:

Exhibit A: Summary Report

Exhibit B: Agreement of Purchase and Sale and Joint Escrow Instructions Between the City of Rohnert Park and Anthony Lieu and Oriana Biela-Lieu

CALLINAN ABSENT MACKENZIE: AYE STAFFORD: AYE BELFORTE AYE AHANOTU: AYE
AYES: (4) NOES: (0) ABSENT: (1) ABSTAIN: (0)

EXHIBIT A

SUMMARY REPORT PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTIONS 52201-52203

FOR AN AGREEMENT TO SELL PROPERTIES AT 6230 STATE FARM DRIVE AND 415 CITY CENTER DRIVE,
ROHNERT PARK, CA 94628

The following Summary Report has been prepared pursuant to California Government Code Sections 52201-52203. The report sets forth certain details of the proposed Agreement to Sell a City-owned commercial building located at 6230 State Farm Drive, Rohnert Park, CA 94928 (APN 143-051-065) ("Parcel 1") and the neighboring vacant lot at 415 City Center Drive, Rohnert Park, CA 94928 (APN 143-051-066) ("Parcel 2") (collectively, the "Properties"). The sales agreement is proposed between the following parties:

1. The City of Rohnert Park ("City"); and
2. Anthony Lieu, D.D.S. and Oriana Biela-Lieu ("Buyers")

INTRODUCTION

The Properties were transferred from the Successor Agency to the Community Development Commission of Rohnert Park ("Successor Agency") to the City on April 14, 2015, pursuant to the Successor Agency's Long Range Property Management Plan ("LRPMP"). Rohnert Park's LRPMP was approved by the California Department of Finance ("DOF") on June 19, 2014. It provided that the goal of the transfer was to create a financial benefit to the City and other taxing entities. To comply with the LRPMP, the City must sell the property to a private commercial interest.

The City of Rohnert Park is now considering an Agreement of Purchase and Sale and Joint Escrow Instructions with the Buyers, with the intent of using the property for a professional dental office. Parcel 1 contains a building, which is proposed to be the site of the professional dental office. Parcel 2 comprises a large portion of the parking lot for Parcel 1, as well as vacant land. The Properties are being sold together as a packaged transaction.

REQUIRED PUBLIC NOTICE AND MEETING

According to Section 52201-52203 of the Government Code, before any property that is returned to the City per the LRPMP may be sold for economic development purposes, the sale must first be approved by the City Council by resolution after a public hearing.

Notice is required to be published in the newspaper for two consecutive weeks prior to the hearing. This report is required to be made available to the public along with information on the proposed sale including a summary of:

- The cost of the agreement to the city, including land acquisition costs, clearance costs, relocation costs, plus the interest on an loans or bonds to finance the agreement;
- The estimated value of the interest to be conveyed determined at the highest and best uses permitted under the general plan or zoning.

- An analysis of the sales price compared to the estimated value (at the highest and best use). If the sales price is less, then an explanation of the factor resulting in the difference is required.
- An explanation of why the sale or lease of the property will assist in the creation of economic opportunity.

NEIGHBORHOOD AND REGIONAL CONTEXT

The subject property is within the central Rohnert Park area with a full range of land use types in the vicinity including residential apartments, office buildings, commercial shopping centers and recreation and community facilities. In 2002 the City Council adopted the City Center concept plan which identified strategies for this area to develop as a mixed use environment. Immediately across the street from the site are apartments, townhomes and commercial uses. A dental office would be a good fit for this neighborhood.

The subject property is zoned Mixed Use ("M-U") and also within the General Plan's Mixed Use designation. According to General Plan 2020, the Mixed-Use area is intended to accommodate a variety of compatible businesses, stores, institutions, service organizations, and residences in a pedestrian friendly setting. The M-U Zoning District encourages the siting of compatible businesses, stores, institutions, service organizations, and residences in close proximity to one another so as to create self-sufficient neighborhoods within the city. The district promotes such neighborhood development in order to minimize reliance on the automobile, resulting in a reduction in vehicle miles traveled and traffic congestion. Permitted uses in this District include, but are not limited to, medical and professional offices, service-oriented commercial enterprises, and restaurants. Other uses that may be permitted upon approval include, but are not limited to, religious assemblies, entertainment venues, bars, laboratories, hotels, and other uses.

The intent of planning and zoning efforts undertaken with the City Center areas has been to create pedestrian-oriented environments that provide access to residents' basic everyday requirements, foster an active street life, enhance the vitality of local businesses, and provide employment opportunities close to home for residents of the city. The preferred pattern of development is ground floor commercial uses, with residential and/or office uses located on the upper floor(s). Special urban design amenities (pedestrian facilities, landscaping, public spaces, etc.) have been developed within the City Center area to create recognizable, pedestrian friendly activity centers. On-site parking is generally required for residential and commercial uses constructed in the City Center area. In the future, parking for residential and business could be provided within parking structures or off-site parking lots as development in the area intensifies. Convenient vehicular and pedestrian/bicycle access from surrounding neighborhoods and transit service is also available in this area and facilities related to pedestrian, bicycle and transit access are expected to continue to improve over time.

The City is currently developing the Central Rohnert Park, Priority Development Area (PDA) plan which envision this part of the community as the City Center Subarea - a mixed-use civic center area. Since the City Center plan was adopted in 2002, development in this area has included the City's Public Safety building, a library, a community plaza, residential and professional office uses on State Farm Drive, bike paths along Hinebaugh Creek, and remodels within the existing Padre Town Center shopping center. The City Center site is not completely built out so some additional development could occur that would intensify development in this area.

In 2012, ABAG and MTC released the Bay Area Jobs-Housing Connection Strategy (Strategy), part of the One Bay Area Plan, which presents broad policy-based jobs and housing targets for Bay Area counties, cities, and PDAs. The Strategy estimates growth within the region and Rohnert Park (including the Central Rohnert Park PDA). Rohnert Park is expected to experience moderate employment growth between 2010 and 2040, most of which is anticipated to occur in the two PDAs in the City (Central Rohnert Park and Sonoma Mountain Village). The figures presented in the Strategy project that there will be 1,820 more jobs in the Central Rohnert Park PDA in 2040 than in 2010, increasing employment in the area by 54%. Employment increases in the PDA will require the use of office and retail space.

ESTIMATED VALUE OF THE INTEREST TO BE CONVEYED OR LEASED DETERMINED AT THE HIGHEST AND BEST USE OF THE PROPERTY

Based on the growth expected in the central Rohnert Park area over the next few years and decades, long-term value of properties within the City Center area are expected to be strong. However, the specific properties that are the subject of this report may have some limitation which may result in a more suppressed valuation in the near-term.

The properties were purchased by the former Community Development Commission of the City of Rohnert Park in 2007. The LRPMP indicates a total purchase price of \$1,105,357 for Parcel 1 and \$552,674 for Parcel 2, a combined total of \$1,658,031.

The subject properties consist of a vacant lot with curbing improvement, and an older, small commercial building. This building is in disrepair, and will need work to bring it back into operation. The City commissioned an appraisal of the properties before purchase, and received their valuation reports as of June 14, 2007. The appraisals were \$1,100,000 for Parcel 1 and \$550,000 for Parcel 2. At the time of the appraisal, the market was at or near the height of the economy before the recession. The property condition of the building on Parcel 1 at the time of the appraisal was listed as average-to-good. The building was constructed in 1986. However, the condition of the building has deteriorated since the operations of the veterinary clinic ceased, which has reduced the value.

The City commissioned the City's broker to issue an Opinion of Value for the Properties. As of December 10, 2014, the broker had assigned a value to Parcel 1 of \$264,200, while Parcel 2 was assigned the value of \$278,780, based on a valuation of \$20 per square foot, as well as considering demolition costs for the dilapidated building.

The City has negotiated a sales price of \$543,000 for the Properties, which is indicative of the economy's downturn since the last appraisal, and the dilapidated condition of the building. This purchase price is at fair market value, based upon the broker's Opinion of Value. The fact that the City has only received a single offer at this asking price is strong evidence that the purchase price is at the higher end of the market value for these properties.

CREATION OF ECONOMIC OPPORTUNITY AND PUBLIC PURPOSE

The property has been sitting idle for at least the last five years due to the protracted recession and the dissolution of Redevelopment. The important goals and objectives that are satisfied by the sale of this property are:

1. Diversification of the City's revenue sources so that it may fund the services the community expects.
2. Increased employment through additional jobs created as a result of private sector investment.
3. Enhance and improve the quality of life and promote positive growth in Rohnert Park by allow for the development of this site for medical offices.
4. Restoration or replacement of a blighted building.
5. Other taxing entities that rely on the Rohnert Park's tax base to support their services and programs will receive new property tax revenues. Those taxing entities include, but are not limited to, the Cotati-Rohnert Park Unified School District, the County of Sonoma , the Sonoma County Library, the Sonoma County Water Agency, the Laguna de Santa Rosa District, and Santa Rosa Junior College District.

JOB CREATION

The project is expected to create permanent jobs. Once the project is complete, the Buyers are anticipating both moving their current six full time and two part time positions, as well as adding up to an additional four full time positions.

EXHIBIT B

**AGREEMENT OF PURCHASE AND SALE
AND JOINT ESCROW INSTRUCTIONS**

This Agreement of Purchase and Sale and Joint Escrow Instructions ("**Agreement**"), dated as of _____, 2015, ("**Effective Date**"), is between the CITY OF ROHNERT PARK, a California municipal corporation ("**Seller**"), and ANTHONY LIEU, D.D.S. and ORIANA BIELA-LIEU, a California Sole Proprietorship ("**Buyer**").

R E C I T A L S

A. The California state legislature enacted Assembly Bills x1 26 and 1484 (together, the "**Dissolution Act**") to dissolve and unwind the affairs of redevelopment agencies formed under the Community Redevelopment Law (Health and Safety Code Section 33000 *et seq*).

B. The Dissolution Act, at Health and Safety Code Section 34176, provides that the city, county, or city and county that authorized the creation of the redevelopment agency may elect to be the Successor Agency of the former redevelopment agency.

C. Seller did so elect, by adoption of Resolution No. 2012-10 on January 10, 2012, to be the Successor Agency to the Community Development Commission of the City of Rohnert Park, a separate legal entity, and by Grant Deeds dated March 17, 2015 and recorded on _____ as Instrument Nos. _____

in the records of the Sonoma County Recorder, the Successor Agency to the Community Development Commission of the City of Rohnert Park transferred to Seller the properties located at 6230 State Farm Drive, more particularly described on Exhibit A-1, and 415 City Center Drive, more particularly described and depicted on Exhibit A-2, attached hereto and incorporated herein by this reference (collectively, the "**Property**").

D. Buyer has submitted a proposal to Seller to acquire the Property from Seller, at fair market value, and Seller desires to so dispose of the Property, with the proceeds of the sale to be distributed as required pursuant to the Tax Revenue Sharing Agreement prescribed by Health and Safety Code Section 34191.5(c)(2)(B).

E. On September 11, 2014, the Planning Commission of the City of Rohnert Park conducted a review pursuant to Government Code Section 65402 and determined that Seller's disposition of the Property to Buyer pursuant to the terms hereof is consistent with, and will facilitate implementation of the City of Rohnert Park General Plan.

F. On _____, 2015, the City Council of the City of Rohnert Park ("**City Council**") considered and by Resolution No. _____ approved Seller entering into this Agreement.

AGREEMENT

ARTICLE I PURCHASE AND SALE OF PROPERTY

Section 1.1. Incorporation of Recitals. Each of the recitals in Paragraphs A through F, inclusive, set forth above is incorporated herein by this reference.

Section 1.2. Sale. Seller agrees to sell to Buyer, and Buyer agrees to purchase from Seller, on the terms and conditions set forth herein, the Property together with any and all rights, privileges and easements appurtenant thereto owned by Seller.

Section 1.3. Purchase Price. The purchase price for the Property is Five Hundred Forty-Three Thousand Dollars (\$543,000.00) (“**Purchase Price**”). The Purchase Price shall be paid to Seller at Closing, as defined in Section 6.2(a), in immediately available funds. The Purchase Price was determined based on a survey of comparable parcels and an evaluation of potential uses of the Property. Following Closing, as required by Health and Safety Code Section 34191.5(c)(2)(B), the net proceeds of the sale will be distributed among the other taxing entities pursuant to a ratified revenue sharing agreement.

Section 1.4. Good Faith Deposit. Within five (5) days of the Effective Date, Buyer shall deliver into escrow a good faith deposit in the amount of Ten Thousand Dollars (\$10,000.00) (“**Good Faith Deposit**”). The Good Faith Deposit shall serve as security for the performance of Buyer’s obligations under this Agreement and shall be applied towards the Purchase Price at Closing, retained by Seller as liquidated damages or returned to Buyer, as provided below. Interest earned on the Good Faith Deposit, if any, shall be deemed to be a part of the Good Faith Deposit for all purposes hereunder.

Such Good Faith Deposit shall be increased by Buyer in the amount of Six Thousand Two Hundred Ninety Dollars (\$6,290.00), upon the removal of all conditions. This will result in a total Good Faith Deposit amount of Sixteen Thousand Two Hundred Ninety Dollars (\$16,290.00).

The Good Faith Deposit shall be returned to Buyer upon occurrence of any of the following: (i) prior to expiration of Buyer’s Due Diligence Period and Buyer’s acceptance of the condition of the Property, as set forth in Section 3.3, Buyer elects not to proceed with purchase of the Property; (ii) prior to Closing, all Buyer’s Conditions Precedent to Conveyance, as set forth in Section 2.1 have not been satisfied or waived by Buyer; or (iii) Seller is in default under this Agreement following notice and expiration of applicable cure periods.

IN THE EVENT BUYER DEFAULTS IN BUYER’S OBLIGATION TO PURCHASE THE PROPERTY WITHIN THE TIME AND IN THE MANNER SPECIFIED IN THIS AGREEMENT, AND SELLER IS READY, WILLING AND ABLE TO CLOSE THIS TRANSACTION, SELLER SHALL BE RELEASED FROM ALL OBLIGATIONS AT LAW OR IN EQUITY TO CONVEY THE PROPERTY TO BUYER. BUYER AND SELLER AGREE THAT IT WOULD BE IMPRACTICAL AND EXTREMELY DIFFICULT TO

ESTIMATE THE AMOUNT OF DAMAGES SUFFERED BY SELLER BECAUSE OF SUCH DEFAULT; THAT THE GOOD FAITH DEPOSIT CONSTITUTES A REASONABLE ESTIMATE AND AGREED STIPULATION OF SUCH DAMAGES; THAT SELLER SHALL RETAIN SUCH SUM AS LIQUIDATED DAMAGES AS ITS SOLE AND EXCLUSIVE REMEDY IN THE EVENT OF BUYER'S DEFAULT, WAIVING ANY RIGHT TO SPECIFIC PERFORMANCE OR ANY OTHER REMEDY AT LAW OR IN EQUITY.

Seller's Initials

^{DS}
[AW] [AL] ^{DS}
[OB]

Buyer's Initials

If this Agreement shall not have been theretofore cancelled or terminated, or the Good Faith Deposit shall not have been returned to Buyer or retained by Seller as liquidated damages, the Good Faith Deposit shall be credited against the Purchase Price at Closing.

ARTICLE II CONDITIONS

Section 2.1. Buyer's Conditions Precedent to Conveyance.

Buyer's obligation to purchase the Property is conditioned upon the following:

(a) All of the representations and warranties made by Seller to Buyer pursuant to this Agreement shall be true and correct in all material respects as of the Closing date, as if made on such date.

(b) Pursuant to Section 3.3, Buyer shall have completed its due diligence within the Due Diligence Period and provided written notice to Successor Agency that all aspects of the Property are acceptable to Buyer.

(c) Seller shall have delivered each of the documents described in Section 6.3(a), prior to the Closing date.

(d) Title Company (as defined in Section 6.1) shall have issued an irrevocable and unconditional commitment to issue the Title Policy (as defined in Section 4.3) upon recordation of the Grant Deed (as defined in Section 4.1).

(e) Seller shall not be in material default of any of its obligations under this Agreement following notice and expiration of any applicable cure period.

(f) Buyer shall have obtained a loan of Four Hundred Twenty Eight Thousand Dollars (\$428,000) upon terms and conditions acceptable to Buyer, as set forth in Section 3.3.

(g) The conveyance to Buyer of good and marketable title to the Property, as evidenced by a California Land Title Association standard coverage title insurance policy issued by the Title Company in the full amount of the purchase price, insuring that title to the Property is vested in Buyer free and clear of all title defects, liens, encumbrances, conditions, covenants,

restrictions, and other adverse interests of record or known to Seller, subject only to those exceptions approved by Buyers in writing and the following: a lien for current real property taxes.

The conditions precedent to conveyance set forth in this Section 2.1 (“**Buyer’s Conditions Precedent to Conveyance**”) are solely for the benefit of Buyer and may be waived only by Buyer. No such waiver shall be binding upon Buyer unless made in writing by an authorized representative of Buyer.

Section 2.2. Seller’s Conditions Precedent to Conveyance.

Seller’s obligation to sell the Property is conditioned upon the following:

(a) All of the representations and warranties made by Buyer to Seller pursuant to this Agreement shall be true and correct in all material respects as of the Closing date, as if made on such date.

(b) Buyer shall have delivered each of the items described in Section 6.3(b) prior to the Closing date, and shall have performed all of its obligations under this Agreement in accordance with the provisions hereof.

(c) Buyer shall not be in material default of any of its obligations under this Agreement following notice and expiration of any applicable cure period.

The conditions precedent to conveyance set forth in this Section 2.2 (“**Seller’s Conditions Precedent to Conveyance**”) are solely for the benefit of Seller and may be waived only by Seller. No such waiver shall be binding upon Seller unless made in writing by an authorized representative of Seller.

ARTICLE III REPRESENTATIONS AND WARRANTIES, BUYER’S DUE DILIGENCE, AND DISCLAIMERS AND RELEASES

Section 3.1. Representations and Warranties of Seller.

Seller hereby makes the following representations and warranties.

(a) Seller, as of the Effective Date, owns fee simple title to the Property.

(b) There is no litigation, action, suit, arbitration, claims proceeding or governmental investigation in law or equity pending or, to Seller’s actual knowledge, threatened, with respect to the Property or against Seller which would prevent Seller from performing its obligations hereunder, or which would have a material adverse effect on the Property or Buyer.

(c) To the best of Seller’s knowledge, Seller’s execution, delivery and performance of its obligations under this Agreement will not constitute a default or a breach under any contract, agreement or order to which Seller is a party or by which it is bound.

(d) To the best of Seller's knowledge, the governmental reports, notices, soils tests, environmental reports, plans, surveys, engineering reports, and other documents, information and data relative to the Property delivered or made available by Seller to Buyer pursuant to Section 3.3 below, represent all Seller Materials, as defined in Section 3.3 below, that are in Seller's possession or under Seller's control.

(e) Each of the representations and warranties of Seller contained in this Section 3.1 is true as of the Effective Date, and shall be deemed remade by Seller and shall be true as of the Closing date.

(f) To the best of Seller's knowledge, there is no aspect or condition of the Property which violates applicable laws, rules, regulations, codes, or covenants, conditions or restrictions, including, without limitation, applicable Environmental Laws (as defined below), nor have there been improvements or alterations made to the Property without a permit where one was required, nor is there any unfilled order or directive of any applicable governmental agency, or of any casualty insurance company that requires any work of investigation remediation, repair, maintenance or improvement to be performed on, at or to the Property, nor has any notice been given by any governmental entity of any violation of law or regulation that relates to the Property or of any proceeding which may result in the issuance of such notice and Seller is not aware of any such notice or proceedings, whether pending or threatened. As used herein, "Environmental Laws" means any laws, statutes, ordinances or regulations pertaining to health, industrial hygiene or the environment including, without limitation, CERCLA (Comprehensive Environmental Response, Compensation and Liability Act of 1980) and RCRA (Resources Conservation and Recovery Act of 1976).

(g) Seller shall maintain the Property until Closing in a manner generally consistent with the manner in which Seller has maintained the Property prior to the date of this Agreement.

(h) Prior to Closing, Seller will not violate or modify, orally or in writing, any lease, contract, understanding or any other agreements, or create any new leases or other agreements affecting the Property, without Buyer's written approval.

(i) To the best of Seller's knowledge, no person, except as disclosed by this Agreement or otherwise in writing to Buyer, has any right to possession of the Property. There exist no oral or written leases or rental agreements affecting all or any portion of the Property.

(j) To the best of Seller's knowledge, there are no sums due, owing or unpaid for labor and materials furnished to the Property which might give rise to a mechanic's or materialman's lien.

(k) Seller warrants herein that to the best of Seller's knowledge all copies of documents furnished to Buyer by Seller or Seller's representatives in connection with this transaction are true, correct and complete copies of the originals.

(l) Except as set forth in any documents furnished to Buyer following the execution of this Agreement or otherwise actually discovered by Buyer during its investigation during the Due Diligence Period, to the best of Seller's knowledge, no Hazardous Materials (as

defined in Section 3.3(f) below) have been released into the environment, or have been deposited, spilled, discharged, placed or disposed of at, on, near or under the Property, and the Property has not been used at any time by any person as a landfill or disposal site for Hazardous Materials or for garbage, waste or refuse of any kind.

(m) Seller will convey fee simple title to Buyer subject only to the Permitted Exceptions, as defined in Section 4.2 below. Seller agrees not to create any new title exceptions following the Effective Date unless Buyer's written approval of such new exception(s) is first obtained.

(n) From and after the date of this Agreement, and until the Closing or earlier termination of this Agreement, Seller shall not sell, assign or create any right, title or interest whatsoever in or to the Property or create or permit to exist any lien, encumbrance or charge thereon, other than the Permitted Exceptions, without promptly discharging the same prior to Closing, and Seller has no knowledge that there are any public improvements required or planned by any governmental agency having jurisdiction over the Property which will result in any charge being levied or assessed against the Property.

(o) All references herein to "Seller's knowledge" means the current, actual knowledge of Darrin Jenkins ("Seller's Representative"), without any obligation of inquiry, and such term shall not include the knowledge of any other person or firm, it being understood by Buyer that (a) Seller's Representative was not involved in the operation of the Property before Seller's acquisition of the Property, (b) Seller's Representative is not charged with knowledge of any of the acts or omissions of predecessors in title to the Property or the management of the Property before Seller's acquisition of the Property, and (c) Seller's current actual knowledge shall not apply to, or be construed to include, information or material which may be in the possession of Seller generally or incidentally, but of which Seller's Representative is not actually aware.

Section 3.2. Representations and Warranties of Buyer.

Buyer represents and warrants to Seller as follows:

(a) Buyer is a Sole Proprietorship. Buyer has full right, power and lawful authority to undertake all obligations of Buyer as provided herein and the execution, performance and delivery of this Agreement by Buyer has been fully authorized by all requisite company actions on the part of Buyer.

(b) To the best of Buyer's knowledge, Buyer's execution, delivery and performance of its obligations under this Agreement will not constitute a default or a breach under any contract, agreement or order to which Buyer is a party or by which it is bound.

(c) Buyer is not the subject of any bankruptcy proceeding.

(d) There are no actions, suits, material claims, legal proceedings, or any other proceedings affecting the Buyer that would affect Buyer's authority to enter into and undertake all obligations under this Agreement.

Each of the representations and warranties of Buyer contained in this Section 3.2 is true as of the Effective Date, and shall be deemed remade by Buyer and shall be true as of the date of Closing.

The representations and warranties of Seller and Buyer contained herein shall survive for a period of two (2) years after the Closing (the “**Survival Period**”). Any claim which Buyer or Seller may have at any time against the other for a breach of any such representation or warranty, whether known or unknown, which is not asserted by written notice to the other within two months following the expiration of the Survival Period, and as to which a legal action has not been filed within five (5) months following the Survival Period, shall be deemed waived, unless otherwise agreed in writing by the parties.

Section 3.3. Buyer’s Due Diligence.

Within thirty (30) days following the Effective Date (“**Due Diligence Period**”), Buyer shall have reviewed, inspected and investigated, at its expense, the Property, either independently or through agents of Buyer’s choosing, including the following:

- (a) The size and dimensions of the Property.
- (b) The availability and adequacy of water, sewage, fire protection, and any utilities serving the Property.
- (c) All matters relating to title, including extent and conditions of title to the Property, taxes, assessments, and liens.
- (d) All legal and governmental laws, statutes, rules, regulations, ordinances, and restrictions or requirements concerning the use and development of the Property including zoning, use permit requirements and building codes.
- (e) Natural hazards, including flood plain issues, currently or potentially concerning or affecting the Property.
- (f) The physical, legal, economic and environmental condition and aspects of the Property, and all other matters concerning the conditions, use, sale or development of the Property, including any permits, licenses, engineers’ reports and studies and similar information relating to the Property. Such examination of the condition of the Property may include examinations for the presence or absence of Hazardous Materials, as defined below, as Buyer deems necessary or desirable. The term “**Hazardous Materials**” means any and all substances, contaminants, chemicals, wastes, sewage, materials or emissions which are now or hereafter regulated, controlled, prohibited or otherwise affected by any present or future local, state or federal statute, ordinance, code, rule, regulation, order, decree, permit or other law now or hereafter in effect, including but not limited to (i) asbestos (including asbestos-containing materials); (ii) flammable, explosive, infectious, carcinogenic, mutagenic, or radioactive materials; (iii) petroleum or any substance containing or consisting of petroleum hydrocarbons (including gasoline, diesel fuel, motor oil, waste oil, grease or any other fraction of crude oil); (iv) paints and solvents; (v) lead; (vi) cyanide; (vii) DDT; (viii) printing inks; (ix) acids;

(x) pesticides; (xi) ammonium compounds; (xii) polychlorinated biphenyls; (xiii) radon and radon gas; and (xiv) electromagnetic or magnetic materials, substances or emissions.

- (g) Any easements and/or access rights affecting the Property.
- (h) Any contracts and other documents or agreements affecting the Property.
- (i) All other matters of material significance affecting the Property.

Within ten (10) business days of the Effective Date, Seller shall deliver or make available to Buyer copies of all governmental reports, notices, soils tests, environmental reports, plans, surveys, engineering reports, and any other material documents, information and data relative to the Property that are in Seller's possession or under Seller's control ("**Seller Materials**").

Prior to expiration of the Due Diligence Period Buyer shall provide written notice to Seller that it has approved or disapproved the physical, legal, economic and environmental condition and aspects of the Property, and all other matters concerning the legal status, condition, use, sale or development of the Property as set forth above in its sole and absolute discretion. If Buyer fails to notify Seller on or before the last day of the Due Diligence Period, that Buyer has approved the Property as provided above, Buyer shall be deemed to have elected to terminate this Agreement.

Prior to the expiration of the Due Diligence Period, Buyer shall provide a written commitment to Seller from their lender evidencing a commitment to loan Buyer funds on acceptable terms and conditions to Buyer. As part of the Buyer's approval of the Property, they shall include a release of any financing contingency.

Section 3.4. As-Is Conveyance. BUYER SPECIFICALLY ACKNOWLEDGES AND AGREES THAT SELLER IS SELLING AND BUYER IS PURCHASING THE PROPERTY ON AN "AS IS WITH ALL FAULTS" BASIS, CONDITION AND STATE OF REPAIR INCLUSIVE OF ALL FAULTS AND DEFECTS, WHETHER KNOWN OR UNKNOWN, AS MAY EXIST AS OF THE CLOSING, INCLUDING THE ENVIRONMENTAL CONDITIONS DESCRIBED ABOVE ("AS IS CONDITION") AND THAT, EXCEPT AS EXPRESSLY SET FORTH IN SECTION 3.1, ABOVE, BUYER IS NOT RELYING ON ANY REPRESENTATIONS OR WARRANTIES FROM SELLER OR ANY OF SELLER'S ELECTED OFFICIALS, OFFICERS, AGENTS, EMPLOYEES, REPRESENTATIVES, ATTORNEYS OR BROKERS (COLLECTIVELY, "**SELLER PARTIES**") AS TO ANY MATTERS CONCERNING THE PROPERTY.

Section 3.5. Disclaimers.

Buyer acknowledges and agrees that except as expressly set forth in this Agreement: (i) neither Seller, nor any Seller Party, has made any representations, warranties, or promises to Buyer, or to anyone acting for or on behalf of Buyer, concerning the condition of the Property or any other aspect of the Property; (ii) the condition of the Property has been independently evaluated by Buyer prior to the Closing; and (iii) any information, including Seller Materials, which Buyer has received or may hereafter receive from Seller or any Seller Party were and are furnished without warranty of any kind and on the express condition that Buyer has made its own

independent verification of the accuracy, reliability and completeness of such information and that Buyer will not rely on any of the foregoing.

Section 3.6. Waivers and Releases. Buyer hereby releases Seller from any and all manner of rights, liabilities, claims, actions, causes of action, suits, proceedings, demands, damages, costs, expenses (including attorney's fees and costs) or other compensation whatsoever, in law or equity, of whatever kind or nature, whether known or unknown, direct or indirect, foreseeable or unforeseeable, absolute or contingent that Buyer now has or may have or which may arise in the future arising out of, directly or indirectly, or in any way connected with (i) all warranties of whatever type or kind with respect to the physical or environmental condition of the Property, whether express, implied or otherwise, including those of fitness for a particular purpose or use; (ii) use, management, ownership or operation of the Property; (iii) the physical, environmental or other condition of the Property; (iii) the application of, compliance with or failure to comply with any Applicable Laws; (iv) Hazardous Materials; and (v) the As Is Condition (the foregoing are collectively referred to as "**Claims**"). By releasing and forever discharging the Claims, Buyer expressly waives any rights under California Civil Code Section 1542, which provides:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

INITIALS: Buyer AL OB OS

Notwithstanding the foregoing, the release and waiver of Claims set forth in this Section 3.5 shall not apply to any Claims arising from the sole active negligence or willful misconduct of Seller or from breaches by Seller of this Agreement (including but not limited to breaches of representations and warranties of Seller expressly set forth herein). The provisions of this Section 3.5 are a material portion of the consideration given by each party to the other in exchange for such party's performance under this Agreement and shall survive the Closing.

ARTICLE IV CONVEYANCE AND TITLE

Section 4.1. Conveyance.

At the Closing, Seller shall convey title to the Property to Buyer by grant deed in a form substantially similar to that attached hereto as Exhibit B ("**Grant Deed**"), free of any possession or right of possession by any person except that of Buyer and subject only to those exceptions approved by Buyer pursuant to Section 4.2 below.

Section 4.2. Review and Approval of Condition of Title. Within ten (10) days after the Date of Agreement, Buyer shall cause First American Title Company to deliver to Buyer and to Seller a standard preliminary title report for the Property, together with legible copies of the documents underlying the exceptions set forth in the preliminary title report. Buyer shall have the right to reasonably approve or disapprove all exceptions. Buyer hereby approves the

following exceptions which shall be referred to herein as the **"Pre-Approved Exceptions"**: (a) the lien of any non-delinquent property taxes and assessments (which, if any exist, shall be prorated by the Title Company at Closing).

Within fifteen (15) days after the Effective Date, Buyer shall give written notice to Seller of Buyer's approval or disapproval of any of the title exceptions, except the Pre-Approved Exceptions. Buyer's failure to give written disapproval of the exceptions within such time period shall be deemed Buyer's disapproval of the exceptions. If Buyer delivers notice of disapproval of any exceptions, Seller shall have the right, but not the obligation, to cause any disapproved exceptions to be removed within thirty (30) days after receiving such notice of disapproval (or until five (5) business days prior to Closing, if earlier than the expiration of such thirty (30) day period) or provide assurances satisfactory to Buyer, in its sole discretion, that such exceptions will be removed on or before the Closing. Failure to notify Buyer within such thirty (30) day (or shorter) period shall be deemed Seller's election not to remove the disapproved exceptions. Seller's election or deemed election not to remove any disapproved exceptions shall not be a default under this Agreement. If Seller cannot or does not elect to remove any of the disapproved exceptions within such thirty (30) day (or shorter) period, Buyer shall have five (5) business days after the expiration of such thirty (30) day (or shorter) period to either give Seller notice that Buyer elects, in its sole discretion, to proceed with the Closing, subject to the disapproved exceptions, or to give Seller notice that Buyer elects to terminate this Agreement, in which case neither party will have any further rights or obligations under this Agreement other than those obligations which survive termination hereof. The Pre-Approved Exceptions and other exceptions to title approved by Buyer as provided herein are hereinafter referred to as the **"Permitted Exceptions."** Subject to the Seller's representation and warranty in Section 3.1(m) not to create any new title exceptions following the Effective Date without Buyer's written approval, if any exceptions other than the Permitted Exceptions are reported by the Title Company after Buyer has approved the condition of title for the Property pursuant to the foregoing procedures, then any such new exception shall be subject to the same procedures for review and approval set forth above for the Permitted Exceptions.

Section 4.3. Title Insurance. Concurrently with recordation of the Grant Deed, the Title Company shall issue to Buyer such policy of title insurance for the Property which at Buyer's option may be an ALTA extended coverage owner's policy (**"Title Policy"**) as may be required by Buyer, and/or Buyer's lenders or other institutions that may be providing financing for the Project, together with such endorsements as are reasonably requested by Buyer and/or Buyer's lenders or other institutions, insuring that Buyer has a valid fee ownership interest in the Property, subject only to the Permitted Exceptions and other encumbrances expressly contemplated by this Agreement to be recorded at Closing. The premium for the Title Policy, plus any additional costs, including the cost of surveys, and any endorsements requested by Buyer shall be paid by Buyer.

ARTICLE V BROKERS AND EXPENSES

Section 5.1. Brokers.

Under separate agreements, Seller must pay Commercial Investment Real Estate, Inc., Doing Business As North Bay Property Advisors ("**Seller's Broker**") for its services as Seller's broker in this transaction. If any person other than Seller's Broker or Buyer's Broker brings a claim for a commission or finder's fee based upon any contact, dealings or communication with Buyer or Seller, then the party through whom such person makes his or her claim shall defend the other party ("**Indemnified Party**") from such claim, and shall indemnify the Indemnified Party and hold the Indemnified Party harmless from any and all costs, damages, claims, liabilities or expenses (including without limitation, reasonable attorneys' fees and disbursements) incurred by the Indemnified Party in defending against the claim. The provisions of this Section 5.1 shall survive the Closing or other termination of this Agreement.

ARTICLE VI CLOSING AND ESCROW

Section 6.1. Escrow Instructions.

Within ten (10) days following execution of this Agreement, the parties shall open escrow and deposit an executed counterpart of this Agreement with First American Title Company, 400 "E" Street, Santa Rosa, CA 95404 ("**Title Company**"), and this instrument shall serve as the instructions to the Title Company as the escrow holder for consummation of the purchase and sale contemplated hereby. Seller and Buyer agree to execute such reasonable additional and supplementary escrow instructions as may be appropriate to enable the Title Company to comply with the terms of this Agreement; provided, however, that in the event of any conflict between the provisions of this Agreement and any supplementary escrow instructions, the terms of this Agreement shall control.

Section 6.2. Closing.

(a) "**Closing**" means the consummation of the purchase and sale of the Property as described herein as evidenced by the performance by each party of its obligations hereunder, including the Title Company's recordation and delivery of the Grant Deed, delivery of the documents as set forth in this Agreement, Title Company's irrevocable and unconditional commitment to issue the Title Policy upon recordation of the Grant Deed, and the payment of the Purchase Price by Buyer.

(b) The Closing hereunder shall be held and delivery of all items to be made at the Closing under the terms of this Agreement shall be made at the offices of the Title Company on the date which is within thirty (30) days of completion of all conditions precedent to conveyance as set forth in Article II, but in no event later than July 15, 2015 ("**Outside Closing Date**"). Except as expressly provided above, the Outside Closing Date may not be extended without the prior written approval of both parties.

Section 6.3. Deposit of Documents.

(a) At or before the Closing, Seller shall deposit into escrow the following items:

(1) Documentary transfer taxes, if required and Seller's customary share of the normal prorations;

(2) Documentation of a credit towards the Purchase Price in the amount of the Good Faith Deposit;

(3) the duly executed and acknowledged Grant Deed conveying the Property to Buyer;

(4) an executed affidavit pursuant to Section 1445(b)(2) of the Internal Revenue Code, and on which Buyer is entitled to rely, that Seller is not a "foreign person" within the meaning of Section 1445(f)(3) of the Internal Revenue Code; and

(5) an executed California 597-W Certificate.

(b) At or before Closing, Buyer shall deposit into escrow the following items:

(1) an executed Preliminary Change of Ownership Report; and

(2) funds necessary to close this transaction, including the Purchase Price, adjusted by a credit towards the Purchase Price in the amount of the Good Faith Deposit, any normal prorations, the Title Policy premium, all escrow fees and recording charges, and all other closing costs.

Seller and Buyer shall each deposit such other instruments as are reasonably required by the Title Company or otherwise required to close the escrow and consummate the purchase and sale transaction in accordance with the terms hereof. Seller and Buyer hereby designate Title Company as the "Reporting Person" for the transaction pursuant to Section 6045(e) of the Internal Revenue Code and the regulations promulgated thereunder and agree to execute such documentation as is reasonably necessary to effectuate such designation.

(c) Buyer shall be solely responsible for paying the following costs associated with the transfer of the Property: (i) the premium for the Title Policy, including any endorsements; (ii) all escrow fees and recording charges, (iii) Buyer's customary share of other normal prorations; (iv) all other closing costs; and (v) all of Buyer's due diligence expenses. Seller shall be solely responsible for paying the following costs associated with the transfer of the Property: (i) documentary transfer taxes, if required, and (ii) Seller's customary share of normal prorations.

(d) Ad valorem taxes and assessments levied, assessed or imposed on the Property for any period prior to the Closing, if any, shall be paid by Seller. Ad valorem taxes and assessments levied, assessed or imposed on the Property for the period after the Closing shall be paid by Buyer.

- (e) The provisions of this Section 6.3 shall survive the Closing.

ARTICLE VII MISCELLANEOUS

Section 7.1. Notices.

Any notices required or permitted to be given hereunder shall be given in writing and shall be delivered (a) by certified mail, postage prepaid, return receipt requested, or (b) by a commercial overnight courier that guarantees next day delivery and provides a receipt, and such notices shall be addressed as follows:

To Seller: City of Rohnert Park
130 Avram Avenue
Rohnert Park, California 94608-3517
Attention: City Manager

With a copy to: Burke Williams & Sorensen, LLP
1901 Harrison Street, 9th Floor
Oakland, California 94612
Attention: Michelle Marchetta Kenyon

To Buyer: Dr. Anthony Lieu and Oriana Biela-Lieu
1535 Maria Place
Rohnert Park, CA 94928

or to such other address as either party may from time to time specify in writing to the other party. Any notice shall be effective only upon delivery or refusal to accept delivery by the intended recipient.

Section 7.2. Assignments; Successors and Assigns.

Neither party may assign its rights or obligations under this Agreement without the prior written consent of the other party. Subject to the provisions of this Section 7.2, this Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns. No assignment shall release the assigning party from its obligations or liabilities hereunder accruing prior to the date of such assignment.

Section 7.3. Right of Entry.

Prior to the Effective Date, Seller has provided, and after the Effective Date shall continue to provide, Buyer with reasonable access to the Property and the records of Seller relating thereto. Without limiting the foregoing, prior to any entry to perform any invasive on-site testing, Buyer shall give Seller written notice thereof, including the identity of the company or persons who will perform such testing and the proposed scope of the testing. Seller or its representative may be present to observe any testing (whether or not invasive) or other inspection performed on the Property. Buyer shall maintain, and shall assure that its contractors maintain

public liability and property damage insurance in amounts and in form and substance adequate to insure against all liability of Buyer and its agents, employees or contractors, arising out of any entry or inspections of the Property pursuant to the provisions hereof, and Buyer shall provide Seller with evidence of such insurance coverage upon request by Seller, and shall carry a minimum General Liability Coverage of Two Million Dollars (\$2,000,000.00) Buyer shall indemnify and hold Seller harmless from and against any costs, damages, liabilities, losses, expenses, liens or claims (including, without limitation, reasonable attorney's fees), arising out of or relating to any entry on the Property by Buyer, its agents, employees or contractors in the course of performing the inspections, testings or inquiries provided for in this Agreement. Buyer agrees to keep the Property free from any liens arising out of any work performed, materials furnished or obligations incurred by or on behalf of Buyer or Buyer's agents, employees or contractors with respect to any inspection or investigation of the Property. If any such lien at any time shall be filed, Buyer shall cause the same to be discharged of record within ten (10) days thereafter by satisfying the same or, if Buyer, in its discretion and in good faith determines that such lien should be contested, by recording a bond or providing title insurance insuring over such lien. Seller shall have the right to post a Notice of Non-Responsibility on the premises. Failure by Buyer to discharge or bond over or provide title insurance over such lien shall be a material breach of this Agreement and Seller may terminate this Agreement and pursue such other rights and remedies against Buyer as may be available at law or in equity. Buyer's indemnity obligations under this Section 7.3 shall survive the Closing or other termination of this Agreement.

Section 7.4. Default; Remedies

The failure by any party to perform any obligation under this Agreement, if the failure has continued for a period of thirty (30) days after the other party demands in writing that the defaulting party cure the failure, shall be deemed a default hereunder. If, however, by its nature the failure cannot be cured within thirty (30) days, the defaulting party may have a longer period as is necessary to cure the failure, in any event not to exceed sixty (60) days, provided, however, such extended cure period shall be conditioned upon the defaulting party promptly commencing to cure within the thirty (30) day period and thereafter diligently completing the cure.

Upon the occurrence of an event of default by Buyer, Seller, subject to the terms of Section 1.4, shall be entitled to retain the Good Faith Deposit as liquidated damages. Upon the occurrence of an event of default by Seller, Buyer may either institute an action for specific performance or other equitable relief to compel sale of the Property to Buyer on the terms set forth herein or Buyer may opt to terminate this Agreement by written notice to Seller in which case the Good Faith Deposit shall be immediately returned to Buyer upon unilateral demand to the Title Company. Except as provided in Section 1.4, neither party shall be entitled to any monetary damages, and each party hereby waives any and all rights to recover consequential or special damages arising directly or indirectly from a breach of this Agreement by the other party.

Section 7.5. Governing Law.

This Agreement shall be governed by and construed in accordance with the laws of the State of California without regard to its choice of laws rules.

Section 7.6. Interpretation of Agreement.

Each party has received independent legal advice from its attorneys with respect to the advisability of executing this Agreement and the meaning of the provisions hereof. The provisions of this Agreement shall be construed as to their fair meaning, and not for or against any party based upon any attribution to such party as the source of the language in question. The article, section and other headings of this Agreement are for convenience of reference only and shall not be construed to affect the meaning of any provision contained herein. Where the context so requires, the use of the singular shall include the plural and vice versa and the use of the masculine shall include the feminine and the neuter. The term "person" shall include any individual, partnership, joint venture, corporation, trust, unincorporated association, any other entity and any government or any department or agency thereof, whether acting in an individual, fiduciary or other capacity. The words "include" and "including" shall in all instances be interpreted as though followed by the words "without limitation."

Section 7.7. Amendments.

This Agreement may be amended or modified only by a written instrument signed by Buyer and Seller and duly authorized by the City Council.

Section 7.8. No Partnership.

The relationship of the parties hereto is solely that of Seller and Buyer with respect to the Property and no joint venture, other partnership or agency relationship exists between the parties hereto. Neither party has any fiduciary relationship hereunder to the other.

Section 7.9. No Third Party Beneficiary.

The provisions of this Agreement are not intended to benefit any third parties.

Section 7.10. Joint and Several Liability.

If Buyer consists of more than one person or entity the liability of such persons and entities shall be joint and several.

Section 7.11. Limitation of Liability.

Buyer acknowledges and agrees that no member, official or employee of Seller shall be personally liable to Buyer, or any successor in interest, in the event of any default or breach by City, or for any amount which may become due to Buyer or its successors, or on any obligations under the terms of this Agreement.

Section 7.12. Recordation; Actions to Clear Title.

Prior to Closing Buyer shall not record this Agreement, any memorandum of this Agreement, any assignment of this Agreement or any other document which would cause a cloud on the title to the Property. If Buyer fails to complete its purchase of the Property for any reason, or if this Agreement shall terminate for any reason not solely due to Seller's default hereunder,

then Buyer, at no cost to Seller, shall promptly execute, acknowledge and deliver to Seller, all within thirty (30) days after written request from Seller, a quitclaim deed, in recordable form, in favor of Seller, and any other documents requested by Seller to remove any cloud on title to the Property that may exist as the result of the existence of this Agreement or any escrow relating to this Agreement. In the event Buyer fails to so execute and deliver any such document, Buyer shall pay all losses, damages, costs and expenses, including, but not limited to, Seller's reasonable attorneys' fees, incurred in connection with Buyer's breach of its obligations under this Section 7.12, including interest, carrying costs associated with the Property from the date of Buyer's failure to comply with this Section 7.12 and costs of clearing any such cloud on title.

Section 7.13. Severability.

If any term, covenant, condition or provision of this Agreement, or the application thereof to any person or circumstance, to any extent shall be held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, covenants, conditions or provisions of this Agreement, or the application thereof to any person or circumstance, shall remain in full force and effect and in no way shall be affected, impaired or invalidated thereby; except that if the court which determines the provision to be invalid also determines such provision to be of such materiality as to make enforcement of the remaining terms inequitable, then this Agreement shall terminate.

Section 7.14. Waiver of Covenants, Conditions or Remedies.

The waiver by one party of the performance of any covenant, condition or promise under this Agreement shall not invalidate this Agreement, nor shall it be considered a waiver by it of any other covenant, condition or promise under this Agreement. The waiver by either or both parties of the time for performing any act under this Agreement shall not constitute a waiver of the time for performing any other act or an identical act required to be performed at a later time. The exercise of any remedy provided in this Agreement shall not be a waiver of any consistent remedy provided by law, and the provision in this Agreement for any remedy shall not exclude other consistent remedies unless they are expressly excluded.

Section 7.15. Termination.

This Agreement may be terminated: (i) by Buyer, if prior to expiration of Buyer's Due Diligence Period, Buyer elects not to proceed with purchase of the Property; (ii) by Buyer, if prior to Closing Buyer's Conditions Precedent to Conveyance have not been satisfied or waived; (iii) by Seller, if prior to Closing Seller's Conditions Precedent to Conveyance have not been satisfied or waived; (iv) if there is an uncured default, by written notice from the party not in default pursuant to Section 7.4; (v) if there is a failure of an express condition (which is not waived by the party whom the condition benefits) by written notice from the party whom the condition benefits; or (vi) by either party if escrow fails to close by the Outside Closing Date set forth in Section 6.2(b). The party wishing to terminate the Agreement must provide the other party with written notice of termination.

Section 7.16. Cooperation in the Event of Third-Party Legal Challenge.

Seller and Buyer shall cooperate in the event of any legal action instituted by a third party or other governmental entity or official challenging the validity of this Agreement. To the extent that Buyer determines to contest such litigation challenges, Buyer shall reimburse Seller, within ten (10) days following Seller's written demand therefor which may be made from time to time during the course of such litigation, all costs incurred by Seller in connection with the litigation challenge, including Seller's administrative, legal and court costs, provided that Seller shall either: (a) elect to joint representation by Buyer's counsel; or (b) retain an experienced litigation attorney, require such attorney to prepare and comply with a litigation budget, and present such litigation budget to Buyer prior to incurring obligations to pay legal fees in excess of \$10,000. Buyer further agrees to indemnify and hold Seller harmless from and against any and all claims for recovery of the third party's litigation expenses, including attorney's fees. If Buyer elects, in its sole and absolute discretion, not to contest such litigation challenges, then Seller shall have no obligation to contest such challenges. Buyer's obligations under this Section 7.16 shall survive the Closing or other termination of this Agreement.

Section 7.17. Time.

Time is of the essence in the performance of each of the parties' respective obligations contained herein.

Section 7.18. Entire Agreement.

This Agreement, including the Exhibits hereto, contains all representations, warranties and covenants made by Buyer and Seller and constitutes the entire understanding between the parties hereto with respect to the subject matter hereof. Any prior correspondence, memoranda or agreements are replaced in total by this Agreement together with the Exhibits hereto.

Section 7.19. Counterparts.

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

Section 7.20. Exhibits.

All exhibits to which reference is made in this Agreement are deemed incorporated in this Agreement.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.

SELLER:

City of Rohnert Park

Dated: _____, 2015

By: _____
Amy O. Ahanotu, Mayor

ATTEST:

By: _____
JoAnne Buerger, City Clerk

APPROVED AS TO FORM:

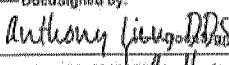
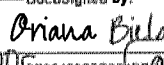
By: _____
City Attorney

Dated: 4/26/2015, 2015

BUYER:

Anthony Lieu, DDS

Oriana Biela *Lieu*

By:		
Name:	Anthony Lieu, DDS	Oriana Biela
Its:		



 

EXHIBIT A-1

LEGAL DESCRIPTION OF THE PROPERTY

6230 State Farm Drive

Real property in the City of Rohnert Park, County of Sonoma, State of California, described as follows:

PARCEL ONE:

PARCEL 1, AS SHOWN ON THE MAP ENTITLED CITY OF ROHNERT PARK PARCEL MAP NO. 106, FILED IN THE OFFICE OF THE COUNTY RECORDER ON APRIL 1, 1986 IN BOOK 383 OF MAPS, PAGES 27 AND 28, SONOMA COUNTY RECORDS.

PARCEL TWO:

A NON-EXCLUSIVE EASEMENT FOR ACCESS, INGRESS AND EGRESS OF VEHICULAR AND PEDESTRIAN TRAFFIC OVER THE NORTHERLY PORTION OF ROHNERT PARK PARCEL MAP NO. 60, AS SET FORTH IN THE EASEMENT AGREEMENT RECORDED JANUARY 15, 1979 IN BOOK 3509 OF OFFICIAL RECORDS, PAGE 710, UNDER RECORDER'S SERIAL NO. T-64294, SONOMA COUNTY RECORDS.

APN: 143-051-065

EXHIBIT A-2

LEGAL DESCRIPTION OF THE PROPERTY

415 City Center Drive

**Real property in the City of Rohnert Park, County of Sonoma, State of California,
described as follows:**

PARCEL ONE:

**PARCEL 2, AS SHOWN UPON THAT CERTAIN MAP ENTITLED, "CITY OF
ROHNERT PARK PARCEL MAP NO. 106", FILED APRIL 1, 1986 IN BOOK 383 OF
MAPS, PAGES 27 AND 28, SONOMA COUNTY RECORDS.**

PARCEL TWO:

**A NON-EXCLUSIVE EASEMENT FOR ACCESS, INGRESS AND EGRESS FOR
VEHICULAR AND PEDESTRIAN TRAFFIC AND FOR INSTALLATION,
CONSTRUCTION, USE, MAINTENANCE, REPAIR, REPLACEMENT AND
REMOVAL OF A PAVED ROADWAY AS SET FORTH IN THAT CERTAIN
EASEMENT AGREEMENT, RECORDED JANUARY 15, 1979 IN BOOK 3509 OF
OFFICIAL RECORDS, PAGE 710, SONOMA COUNTY RECORDS.**

APN: 143-051-066

EXHIBIT B

FORM OF GRANT DEED

RECORDING REQUESTED BY
_____ Title Insurance Company

AND WHEN RECORDED MAIL TO:

Attention: _____

(Space Above This Line for Recorder's Use Only)
[Exempt from recording fee per Gov. Code § 27383]

GRANT DEED

For valuable consideration, the receipt of which is hereby acknowledged,

The CITY OF ROHNERT PARK, a California municipal corporation ("**Grantor**"), hereby grants to _____, a _____ ("**Grantee**"), all of Grantor's right, title, and interest in the real property described in Attachment 1 attached hereto and incorporated herein ("**Property**").

GRANTOR:

City of Rohnert Park

Dated: _____, 201_

By: _____
_____, Mayor
[signature must be notarized]

ATTEST:

By: _____
_____, City Clerk

APPROVED AS TO FORM:

By: _____
_____, City Attorney

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
) ss
County of _____)

On _____, before me, _____,
(Name of Notary)

notary public, personally appeared _____
 who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
 subscribed to the within instrument and acknowledged to me that he/she/they executed the same
 in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument
 the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

(Notary Signature)

ACKNOWLEDGMENT

ATTACHMENT 1 - EXHIBIT B

PROPERTY DESCRIPTION

[to be inserted]

ATTACHMENT 1 - EXHIBIT B