

PURCHASE AND SALE AGREEMENT
(342 Front Street and 323 California Street)

This Purchase and Sale Agreement (“Agreement”) is dated as of September 23, 2025 (“Effective Date”), and is being entered into by and between the City of Salinas, a California charter City and municipal corporation, hereinafter referred to as “Seller”, and Monterey County Office of Education, a local educational agency, hereinafter referred to as “Buyer”, for the acquisition by Buyer of certain real property described below. The Seller and Buyer may sometimes individually be referred to herein as a “party” and may collectively be referred to herein as the “parties.”

RECITALS

A. The Seller is the owner in fee of that certain real property consisting of approximately 46,625 square feet of land (inclusive of a building consisting of approximately 12,786 square feet) generally located at 342 Front Street (Assessor’s Parcel Number [APN] 002-213-028-000) and that other certain real property consisting of approximately 6,500 square feet of land (consisting of an improved parking lot) generally located at 323 California Street (Assessor’s Parcel Number [APN] 002-213-017-000) in the City of Salinas, County of Monterey, State of California (collectively, the “Properties”) as more particularly described and shown in the attached “Exhibit A”.

B. The Properties are in good condition and have been continuously used by the Buyer as a child development center pursuant to a lease agreement entered into on February 11, 2003, by and between the Seller and the Buyer (“Lease Agreement”).

C. Seller has authority to convey the Properties to the Buyer pursuant to the Salinas Charter section 1.1, Article 2 of Chapter 12 of the Salinas Municipal Code, and Resolution No. _____ (N.C.S.) approved by the Salinas City Council on September 23, 2025.

D. The Salinas City Council, in approving this Agreement, finds and determines, among other things, that

1. the Properties are no longer necessary for municipal purposes;
2. Buyer is a governmental agency and, consequently, the Properties may be directly sold by Seller to Buyer pursuant to Salinas Municipal Code section 12-11; and
3. the Properties are “exempt surplus land” under the Surplus Land Act (Government Code section 54221(f)(1)(D)) because the Properties are being transferred by Seller to a state agency for the Buyer’s agency use. The Salinas City Council took formal action during a regular public meeting held on September 23, 2025, through the approval of Resolution No. ____ (N.C.S.), declaring that the Properties are surplus and no longer necessary for the Seller’s use or municipal purposes.

E. The Salinas City Council finds and determines that the sale of the Properties, as set forth in this Agreement, is in the best interests of the City and will promote the health, safety, and welfare of the City and its residents by allowing for the continued use of the Properties by Buyer to support its educational purposes.

NOW, THEREFORE, Seller and Buyer agree as follows;

1. Agreement to Sell and to Purchase. Buyer agrees to buy the Properties from Seller and Seller agrees to sell the Properties to Buyer upon the terms and for the consideration set forth in this Agreement.

2. Purchase Price. The purchase price of the Properties is two million five hundred thousand dollars (\$2,500,000) to be paid in cash to the Seller by the Buyer at the Close of Escrow (the "Purchase Price").

3. Opening Escrow. To accomplish the purchase and the transfer of the Properties from the Seller to the Buyer, the Seller has established escrow numbers _#7315137 for 342 Front St. and escrow #7315130 for 323 California St. with the Salinas, California escrow office of First American Title Company (the "Escrow Holder"). The Buyer and the Seller shall execute and deliver written instructions to the Escrow Holder to accomplish the terms hereof, which instructions may be joint and shall be consistent with this Agreement.

4. Close of Escrow. The Close of Escrow shall occur no later than the date fifteen (15) days after all of the following conditions shall be established, prior to or concurrently with, and as conditions of, the Close of Escrow:

4.1. Seller and Buyer shall have executed and delivered to the Escrow Holder all documents and instruments required to be executed and delivered, all in form and substance satisfactory to Seller, Buyer, and the Escrow Holder, and Buyer shall have submitted full payment of the Purchase Price.

4.2. There shall exist no condition, event or act which would constitute a breach or default under this Agreement which upon the giving of notice or the passage of time, or both, would constitute such a breach or default.

4.3. All representations and warranties of the parties contained herein shall be true and correct as of the Close of Escrow.

4.4. Any and all expenses incurred relating to inspecting the Property by Buyer shall be borne by Buyer.

4.5. Ad valorem taxes, if any, shall be prorated as of the date of conveyance of the Property from the Seller to the Buyer. Seller and the Buyer shall each pay half of the cost of title

insurance, transfer tax, Escrow Holder document preparation, recordation fees, premiums of owners and lenders title insurance and the escrow fees of the Escrow Holder, if any, and any additional costs to close the escrow. The costs borne by Buyer are in addition to the Purchase Price for the Property.

5. Conveyance of Title and Possession. Seller agrees to convey by Grant Deed (in substantially the form shown on the attached (Exhibit B) to Buyer all of Seller's title and interest in and to the Properties. Notwithstanding anything to the contrary set forth herein, the Seller makes no representation or warranty regarding title to the Properties or the removal of any Exceptions from title to the Property. Further, Seller has no obligation to provide title to the Properties clear of encumbrances and shall not incur any liability for title defects unless Seller expressly agrees to remove one or more encumbrances pursuant to this Section; however, Buyer shall not be obligated to accept title to the Properties unless it is conveyed free and clear of all recorded and unrecorded liens, encumbrances, assessments, easements, leases, taxes and other title or survey matters ("Exceptions") except such matters which are acceptable to the Buyer, in Buyer's sole discretion, following Buyer's review of a title report to be provided by the Seller or Escrow Holder.

6. Title Insurance Policy. Escrow Holder shall, following recording of the Deed, provide Buyer with a standard owner's CLTA (or extended coverage ALTA, at the request of Buyer) policy of title insurance in the amount of the Purchase Price, issued by the Escrow Holder, together with any endorsements and additional coverage reasonably requested by Buyer, showing fee simple title to the Properties vested in Buyer, subject only to the Exceptions set forth in Section 5 approved by Buyer and the printed exceptions and stipulations in the policy. Title charges shall be paid by the Buyer.

7. Condition of Property.

7.1. Buyer recognizes that Seller, along with any licensed real estate agent(s) involved in this transaction, make no claims as to the validity of any property disclosure information. Buyer is required to perform their own inspections, tests, and investigations to verify information provided by the Seller.

7.2 Buyer specifically acknowledges and agrees that the Seller is selling and the Buyer is buying the Properties on an "AS IS WITH ALL FAULTS" basis and that the Buyer is not relying on any representations or warranties of any kind whatsoever, express or implied, from the Seller as to any matters concerning the Properties, including without limitation (1) the quality, nature, adequacy, and physical condition of the Properties (including, without limitation, topography, climate, air, water rights, water, gas electricity, utility services, grading, drainage, sewers, access to public roads and related conditions); (2) the quality, nature, adequacy, and physical condition of soils, geology, and groundwater; (3) the existence, quality, nature, adequacy, and physical condition of utilities serving the Properties; (4) the development potential of the Properties, and its use, habitability, merchantability, or fitness, suitability, value or adequacy of the Properties for

any particular purpose; (5) the zoning or other legal status of the Properties or any other public or private restrictions on the use of the Properties; (6) the compliance of the Properties or its operation with any applicable codes, laws, regulations, statutes, ordinances, covenants, conditions, and restrictions of any governmental or quasi-governmental entity or of any other person or entity; (7) the presence or absence of hazardous materials on, under or about the Properties or the adjoining and neighboring properties; and (8) the condition of title to the Properties.

The Buyer affirms that it has not relied on the skill or the judgment of the Seller or any of its respective agents, employees or contractors to select or furnish the Properties for any particular purpose, and that the Seller makes no warranty that the Properties are fit for any particular purpose. The Buyer acknowledges that it shall use its independent judgment and make its own determination as to the scope and the breadth of its due diligence investigation which investigation of the physical, environmental, economic, and legal condition of the Properties (including, without limitation, whether the Properties are located in an area which is designated as a special flood hazard area, dam failure inundation area, earthquake fault zone, seismic hazard zone, high fire severity area or wildland fire area, by any federal, state or local entity). The Buyer undertakes and assumes all risks associated with all matters pertaining to the Properties location in any area designated as a special flood hazard area, dam inundation area, earthquake fault zone, seismic hazard zone, high fire severity area or wildland fire area, by any federal, state or local entity.

7.3. Survival. The terms and the conditions of this section 7 shall expressly survive the Close of Escrow, shall not merge with the provisions of the Grant Deed, or any other closing documents and shall be deemed to be incorporated by reference into the Grant Deed. The Seller is not liable or bound in any manner by any oral or written statements, representations or information pertaining to the Properties furnished by any contractor, agent, employee, servant or other person. The Buyer acknowledges that the Purchase Price reflects the “as is” nature of this sale and any faults, liabilities, defects or other adverse matters that may be associated with the Properties. The Buyer has fully reviewed the disclaimers and waivers set forth in this Agreement with the Buyer’s counsel and understands the significance and effect thereof.

7.4. Acknowledgement. The Buyer acknowledges and agrees that (i) to the extent required to be operative, the disclaimers of warranties contained in this section are “conspicuous” disclaimers for purposes of all applicable laws and other legal requirements, and (ii) the disclaimers and other agreements set forth in such sections are an integral part of this Agreement, that the Purchase Price has been adjusted to reflect the same and that the Seller would not have agreed to sell the Properties to the Buyer for the Purchase Price without the disclaimers and other agreements set forth in this section.

7.5. Buyer’s Release of the Seller. The Buyer, on behalf of itself and anyone claiming by, through or under the Buyer, hereby waives its right to recover from and fully and irrevocably releases the Seller and its City Council members, officers, employees, representatives, legal

counsel, and agents ("Released Parties") from any and all claims, responsibility and/or liability that the Buyer may have or hereafter acquire against any of the Released Parties for any costs, loss, liability, damage, expenses, demand, action or cause of action arising from or related to (i) the condition (including any construction defects, errors, omissions or other conditions, latent or otherwise), valuation, salability or utility of the Properties, or their suitability for any purpose whatsoever, (ii) any presence of Hazardous Materials (as hereinafter defined), and (iii) any information furnished by the Released Parties under or in connection with this Agreement.

7.6. Scope of Release. The release set forth in section 7.6 hereof includes claims of which the Buyer is presently unaware or which the Buyer does not presently suspect to exist which, if known by the Buyer, would materially affect the Buyer's release of the Released Parties. The Buyer specifically waives the provision of any statute or principle of law that provides otherwise. In this connection and to the extent permitted by law, the Buyer agrees, represents and warrants that the Buyer realizes and acknowledges that factual matters now unknown to the Buyer may have given or may hereafter give rise to causes of action, claims, demands, debts, controversies, damages, costs, losses, and expenses which are presently unknown, unanticipated and unsuspected, and the Buyer further agrees, represents, and warrants that the waivers and releases herein have been negotiated and agreed upon in light of that realization and that the Buyer nevertheless hereby intends to release, discharge, and acquit the Sellers from any such unknown causes of action, claims, demands, debts, controversies, damages, costs, losses, and expenses. Accordingly, the Buyer, on behalf of itself and anyone claiming by, through or under the Buyer, hereby assumes the above-mentioned risks and hereby expressly waives any right the Buyer or anyone claiming by, through or under the Buyer, may have under Section 1542 of the California Civil Code, which reads as follows:

"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 debtor."

Notwithstanding the foregoing, this release shall not apply to, nor shall the Seller be released from, the Seller's actual fraud or misrepresentation.

8. Hazardous Materials. As used in this Agreement, the term "Hazardous Materials" shall mean any chemical, compound, material, mixture, or substance that is now or may in the future be defined or listed in, or otherwise classified pursuant to any environmental law as a "hazardous substance," "hazardous material," "hazardous waste," "extremely hazardous waste," "infectious waste," "toxic substance," "toxic pollutant," or any other formulation intended to define, list, or classify substances by reason of deleterious properties such as ignitability, corrosivity, reactivity, carcinogenicity, or toxicity, under: the California Hazardous Waste Control Law (California Health and Safety Code, Division 20, Chapter 6.5); the Safe Drinking Water and Toxic Enforcement Act of 1986 (California Health and Safety Code, Division 20, Chapter 6.6); Underground Storage of Hazardous Substances (California Health and Safety

Code Division 20, Chapter 6.7); Hazardous Substance Account Act (California Health and Safety Code, Division 45); the Hazardous Release Response Plans and Inventory (California Health and Safety Code, Division 20, Chapter 6.95); the Clean Water Act (33 U.S.C. 1251, et. seq.); the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. 9601, et. seq.); the Emergency Planning and Community Right to Know Act of 1986 (42 U.S.C. 1100, et. seq.); Control of Radioactive Contamination of the Environment (California Health and Safety Code, Division 104, Part 9, Chapter 5); the Clean Air Act (42 U.S.C. 7401, et. seq.); 40 Code of Federal Regulations Section 302.4; or any federal, state, or local statute, ordinance, regulation, administrative order or decision, or judicial decision interpreting or applying any of these provisions, as well as any amendments of any of these provisions, or any subsequently enacted statutes, ordinances, regulations, or orders, which refer to or relate to "Hazardous Substances" as used in this Agreement ("Environmental Laws"); provided, however, that specifically included under this Agreement as asbestos, PCBs, mercury, sulphur, dioxide, vinyl chloride, urea formaldehyde, natural gas, or synthetic gas useable for fuel (or mixtures of natural gas and such synthetics gas), all petroleum products or byproducts, hydrocarbons, and any components or derivatives thereof, any per- and polyfluoroalkyl substances known as "PFAS."

The term "hazardous materials" shall not include: (i) construction materials, gardening materials, household products, office supply products, or janitorial supply products customarily used in the construction, maintenance, or management of commercial properties, or typically used in office activities, or (ii) certain substances which may contain chemicals listed by the State of California pursuant to Health and Safety Code section 25249.8, et. seq., which substances are commonly used by a significant portion of the population living within the region of the Properties, including, but not limited to, alcoholic beverages, aspirin, tobacco products, nutrasweet, and saccharine.

The term "hazardous materials laws" means all federal, state, and local laws, ordinances, regulations, orders, and directives pertaining to Hazardous Materials in, on, or under the Properties or any portion thereof.

8.1. Compliance with Laws. The Buyer hereby covenants and agrees to comply with all Hazardous Materials laws applicable to it.

8.2. Indemnity. Without limiting the generality of the indemnification set forth elsewhere in this Agreement, the Buyer hereby agrees to indemnify, protect, and hold harmless the Seller and its City Council, officers, employees, legal counsel, representatives, and agents from and against any and all claims, losses, damages, liabilities, fines, penalties, charges, administrative and judicial proceedings and orders, judgments, remedial action requirements, enforcement actions of any kind, and all costs and expenses incurred in connection therewith (including, but not limited to, reasonable attorney fees and expenses), arising directly or indirectly, in whole or in part, out of the failure of Buyer or any other person or entity to comply with the Hazardous Materials laws. The foregoing indemnity shall further apply to any residual contamination on or under the Properties, including but not limited to the presence of lead-based

paint or asbestos, or affecting any natural resources, and to any contamination of any property or natural resources arising in connection with the generation, use, handling, treatment, storage, transport or disposal or any such Hazardous Materials, and irrespective of whether any of such activities were or will be undertaken in accordance with Hazardous Materials laws. The provisions of this subsection shall survive expiration or termination of this Agreement and shall remain in full force and effect.

8.3. No Limitation. The Buyer hereby acknowledges and agrees that the Buyer's duties, obligations, and liabilities under this Agreement, including, without limitation, under sections 8.1 and 8.2 above, are in no way limited or otherwise affected by any information the Seller may have concerning the Properties and/or the presence within the Properties of any Hazardous Materials, whether the Seller obtained such information from the Buyer or from its own investigations.

9. Provision Not Merged with Deeds. Unless otherwise specifically set forth herein, none of the provisions of this Agreement are intended to or shall be merged by any grant deed transferring title to any real property which is the subject of this Agreement from Seller to Buyer or any successor in interest, and any such grant deed shall not be deemed to affect or to impair the provisions and the covenants of this Agreement.

10. Brokers. Seller and Buyer each represent to the other that no brokerage commission, finder's fee or other compensation of any kind is due or owing to any person or entity in connection with this Agreement. Each party agrees to and does hereby indemnify and hold the other free and harmless from any against any and all costs, liabilities or causes of action or proceedings which may be instituted by any broker, agent or finder, licensed or otherwise, claiming through, under or by reason of the conduct of the indemnifying party in connection with this Agreement.

11. Waiver, Consent, and Remedies. Each provision of this Agreement to be performed by Buyer and Seller shall be deemed both a covenant and a condition and shall be a material consideration for Seller's and Buyer's performance hereunder, as appropriate, and any breach thereof by Buyer or Seller shall be deemed a material default hereunder by such breaching party. Either party may specifically and expressly waive in writing any portion of this Agreement or any breach thereof, but no such waiver shall constitute a further or continuing waiver of a preceding or succeeding breach of the same or any other provision. A waiving party may at any time thereafter require further compliance by the other party with any breach or provision so waived. The consent by one party to any act by the other for which such consent was required shall not be deemed to imply consent or waiver of the necessity of obtaining such consent for the same or any similar acts in the future. No waiver or consent shall be implied from silence or any failure of a party to act, except as otherwise specified in this Agreement. All rights, remedies, undertakings, obligations, options, covenants, conditions and agreements contained in this Agreement shall be cumulative and no one of them shall be exclusive of any other.

12. Attorney's Fees. In the event any declaratory or other legal or equitable action is instituted between Seller, Buyer and/or Escrow Holder in connection with this Agreement then, as between Buyer and Seller, the prevailing party shall be entitled to recover from the losing party all of its costs and expenses, including court costs, reasonable attorneys' fees, expert witness fees, and all fees, costs and expenses incurred on any appeal or in collection of any judgment.

13. Notices. Any notice, request, demand, consent, approval or other communication required or permitted hereunder or by law shall be validly given or made only if in writing and delivered in person to an officer or duly authorized representative of the other party, or deposited in the United States mail, duly certified or registered (return receipt requested), postage prepaid, or delivered through another reasonably acceptable method, and addressed to the party for whom intended, as follows:

If to Buyer:

With a Copy to:

If to Seller: City of Salinas
Attn: Assistant City Manager
200 Lincoln Avenue
Salinas, California 93901

With a Copy to: City of Salinas
Attn: City Attorney
200 Lincoln Avenue
Salinas, California 93901

14. Gender and Number. In this Agreement (unless the context requires otherwise), the masculine, feminine and neuter genders and the singular and the plural shall be deemed to include one another, as appropriate.

15. Entire Agreement. This Agreement and its attachments constitute the entire agreement between the parties hereto pertaining to the subject matter hereof, and the final, complete and exclusive expression of the terms and conditions thereof. All prior agreements, representations, negotiations and understanding of the parties hereto, oral or written, express or implied, are hereby superseded and merged herein.

16. Captions. The captions used herein are for convenience only and are not a part of this Agreement and do not in any way limit or amplify the terms and provisions hereof.

17. Governing Law. This Agreement and the exhibits attached hereto have been negotiated and executed in the State of California and shall be governed by and construed under the laws of the State of California. Jurisdiction of any disputes hereunder shall be had in Monterey County or in the appropriate federal court with jurisdiction over the matter.

18. Counterparts. This Agreement may be executed in counterparts, each of which when executed shall, regardless of the date of its execution and delivery, be deemed an original, and all counterparts together shall constitute one and the same instrument.

19. Conflict of Interest.

19.1. Except for approved eligible administrative costs, no person described in section 19.2, below, who exercised or has exercised any functions or responsibilities with respect to this Agreement or who is in a position to participate in a decision-making process or gain inside information, including confidential closed session or privileged information, with regard to such Agreement, may obtain a personal or financial interest or benefit, or have any interest in any contract, subcontract, or agreement, or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during, or at any time after, such person's tenure.

19.2. The conflict of interest provisions of Section 19.1, above, apply to any person who is an employee, agent, consultant, officer, or any immediate family member of such person, or any elected or appointed official of the Seller.

19.3. In accordance with the Political Reform Act, California Government Code Section 87100 et seq., no person who is a director, officer, partner, trustee or employee or consultant of the Seller or Buyer, or immediate family member of any of the preceding, shall make or participate in a decision, if it is reasonably foreseeable that the decision will have a material effect on any source of income, investment or interest in real property of that person. Interpretation of this Section shall be governed by the definitions and provisions used in the Political Reform Act, California Government Code Section 87100 et seq., its implementing regulations, manual, and codes.

19.4. In accordance with the Levine Act, Government Code section 84308, et. seq., no person who is a director, officer, partner, trustee, or employee or consultant of the Buyer has contributed over five hundred dollars (\$500), as that amount may be amended, over the past twelve (12) months, and any such person will not contribute for twelve (12) months following a final decision on this Agreement, to any public official of the Seller.

20. Invalidity of Provision. If any provision of this Agreement as applied to any party or to any circumstance shall be adjudged by a court of competent jurisdiction to be void or unenforceable for any reason, the same shall in no way affect (to the maximum extent permissible by law) any other provision of this Agreement, the application of any such provision under circumstances different from those adjudicated by the court, or the validity or enforceability of this Agreement as a whole.

21. Amendments. No addition to or modification of any provision contained in this Agreement shall be effective unless fully set forth in writing by Buyer and Seller.

22. Time of Essence. Time is of the essence of each provision of this Agreement.

23. Survival. All agreements, representations and warranties contained herein shall survive the Closing.

24. Binding Upon Successors. The terms and conditions, covenants, and agreements set forth herein shall apply to and bind the heirs, executors, administrators, assigns and successors of the parties hereof.

25. Parties no Co-Venturers. Nothing in this Agreement is intended to or does establish the parties as partners, co-venturers or principal and agent with one another.

26. Action by the Seller. Except as may be otherwise specifically provided in this Agreement, whenever any approval, notice, direction, finding, consent, request, waiver or other action by the Seller is required or permitted under this Agreement, such action may be given, made or taken by the City Manager or by any person who shall have been designated in writing to the Buyer by the City Manager without further approval by the City Council. Any such action shall be in writing.

27. Lease Agreement. The Lease Agreement entered into by and between Seller and Buyer dated February 2, 2021, shall be terminated and no longer of any force or effect as of the Close of Escrow, defined herein.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date set forth above.

SELLER
City of Salinas

Dennis Donohue, Mayor

APPROVED AS TO FORM:

Christopher A. Callihan, City Attorney

BUYER
Monterey County Office of Education

DRAFT

EXHIBIT A

Legal Description

To Be Included

Real property in the City of Salinas, County of Monterey, State of California, described as follows:

...

APN: 002-213-028-000

Real property in the City of Salinas, County of Monterey, State of California, described as follows:

...

APN: 002-213-017-000

EXHIBIT B

RECORDING REQUESTED BY AND WHEN
RECORDED MAIL TO:

City of Salinas
200 Lincoln Avenue
Salinas, California 93901
Attn: Assistant City Manager

(ABOVE SPACE FOR RECORDER'S USE ONLY)

EXEMPT FROM RECORDER'S FEES pursuant to Government Code section 27383

This instrument is exempt from payment of Documentary Transfer Tax pursuant to Section 11922 of the Revenue and Taxation Code, as amended.

GRANT DEED

For valuable consideration, the receipt and adequacy of which are hereby acknowledged, **City of Salinas, a California charter city and municipal corporation ("Grantor")** does hereby grant and convey to **Monterey County Office of Education**, a local education agency, ("Grantee") all of the right, title and interest of Grantor in and to that certain real property situated in the City of Salinas, County of Monterey, State of California, more particularly described on Attachment No. 1, attached hereto and incorporated herein by this reference.

Dated this ____ day of _____, 2025

CITY OF SALINAS,
A California charter city and municipal corporation

Dennis Donohue, Mayor

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