PURCHASE AND SALES AGREEMENT (1028 Larkin Circle)

This Purchase and Sales Agreement ("Agreement") is dated as of September 12, 2023 ("Effective Date") and is being entered into by and the City of Salinas, a California charter city and municipal corporation hereinafter referred to as "Buyer", and Roselyn K. Varma, Successor Trustee of the HJL Trust UTD 6/16/2016, hereinafter referred to as "Seller", for the acquisition by Buyer of certain real property described below.

RECITALS

A. The Seller is the owner in fee of that certain real property consisting of approximately 9,235 square feet of land generally located at 1028 Larkin Circle (Assessor's Parcel Number [APN] 261-732-019-000) in the City of Salinas, County of Monterey, State of California ("Property") as more particularly described in the attached "Exhibit A".

B. The Property is a was built in 1978 that is in good condition and consists of a single-story family residence with approximately 1,232 square feet of living space.

NOW, THEREFORE, Buyer and Seller agree as follows;

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

2. Purchase Price. The purchase price of the Property is six hundred and ninety thousand dollars (\$690,000) to be paid in cash to the Seller by the Buyer at the Close of Escrow.

3. Opening Escrow. Seller has opened Escrow with Chicago Title CO-5212300659 to complete the transaction (the "Escrow Holder"). The Buyer shall deposit the Purchase Price into escrow within five (5) days after execution of the Agreement, said money shall be refundable until such time as buyer has waived all contingencies. The Buyer and Seller shall execute and deliver written instructions to the Escrow Holder to accomplish the terms hereof, which instructions shall be consistent with this Agreement.

4. Close of Escrow. The Close of Escrow shall occur within five (5) business days after execution of the Purchase and Sales Agreement but not before receipt of appraisal report and after all of the following conditions shall be established, prior to or concurrently with, and as conditions of, the Close of Escrow:

4.1. The Seller shall have executed and delivered to the Buyer or the Escrow Holder all documents and instruments required to be executed and delivered, all in form and substance

satisfactory to both Buyer and the Escrow Holder, and Buyer shall have submitted full payment of the Property 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. The Sale is contingent on the following items:

- The appraised value at a minimum of purchase price
- Review of Seller Documents 5 days after execution of the Agreement
- Review of Preliminary "Title" Report 5 days after execution of the Agreement
- Review of Common Interest Disclosure
- Review of Leased or Liened items

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 (<u>Exhibit B</u>) to Buyer all of Seller's title and interest in and to the Property. Notwithstanding anything to the contrary set forth herein, the Seller makes no representation or warranty regarding title to the Property or the removal of any Exceptions from title to the Property. Further, Seller has no obligation to provide title to the Property 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 Property 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 Company.

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 Title

Company, together with any endorsements and additional coverage reasonably requested by Buyer, showing fee simple title to the Property 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 evenly split by the by the Buyer and Seller.

7. Condition of Property.

7.1. Seller agrees to maintain the Property in its current condition, subject to ordinary wear and tear from the time this Agreement comes into effect until the Closing. 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 All the following items shall be included in the Purchase Price: stove, refrigerator, dishwasher, all existing fixtures (except mirrors in bathrooms) and fittings that are attached to the Property; existing electrical, mechanical, lighting, plumbing and heating fixtures, ceiling fans, fireplace inserts, gas logs and grates, solar power systems, built-in appliances and appliances for which special openings are encasements have been made, window and door screens, awnings, shutters, window coverings (which includes blinds, curtains, drapery, shutters or any other materials that cover any portion of the window) and any associated hardware and rods, attached floor coverings, television antennas, satellite dishes, air coolers/conditioners, garage door openers/remote controls, mailbox, in-ground landscaping, water features and fountains, water softeners, water purifiers, light bulbs (including smart bulbs) and stove, oven, refrigerator, microwave, home control devices. Seller shall remove any personal items which Seller chooses to keep before the close of escrow.

Seller represents that all items included in the purchase price, are owned by the Seller and shall be transferred free and clear of liens and encumbrances and are transferred without Seller warranty regardless of value.

7.3 Buyer specifically acknowledges and agrees that the Seller is selling and the Buyer is buying the Property not relying on any representations or warranties of any kind whatsoever, express or implied, from the Seller as to any matters concerning the Property, including without limitation (1) the quality, nature, adequacy, and physical condition of the Property (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 Property; (4) the development potential of the Property for any particular purpose; (5) the zoning or other legal status of the Property or any other public or private restrictions on the use of the Property; (6) the compliance of the Property 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 Property or the adjoining and neighboring properties; and (8) the condition of title to the Property.

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 Property for any particular purpose, and that the Seller makes no warranty that the Property is 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 Property (including, without limitation, whether the Property is 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 Property 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).

7.4. 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 Property 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 Property. 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.

7.5. 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 Property to the Buyer for the Purchase Price without the disclaimers and other agreements set forth in this section.

7.6. 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 representatives 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 Property, or its

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.

7.7. Scope of Release. The release set forth in section 7.4 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 substance, material, or waste which is or becomes, regulated by any local governmental authority, the County of Monterey, the State of California, any regional governmental authority, or the United States Government, including, but not limited to, any material or substance which is (i) defined as a "hazardous waste," "extremely hazardous waste," or "restricted hazardous waste" under Sections 25115, 25117 or 25122.7, or listed pursuant to Section 25140 of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law), (ii) defined as a "hazardous substance" under Section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8 (Carpenter-Presley-Tanner Hazardous Substance Account Act), (iii) defined as a "hazardous material," "hazardous substance," or "hazardous waste" under Section 25501 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory), (iv) defined as a "hazardous substance" under Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances), (v) petroleum, (vi) friable

asbestos, (vii) polychlorinated biphenyls, (viii) methyl tertiary butyl ether, (ix) designated as "hazardous substances" pursuant to Section 311 of the Clean Water Act (33 U.S.C. §1317), (x) defined as a "hazardous waste" pursuant to Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. §§6901, *et seq*. (42 U.S.C. §6903) or (xi) defined as "hazardous substances" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. §§9601, *et seq*.

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 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 Property, 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 Property and/or the presence within the Property 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 has hired Steinbeck Real Estate, Broker Department of Real Estate License #01934055 to perform representation on their behalf, they shall be entitled to payment for their services as outlined in their separate written agreement. Buyer is representing itself and shall receive credit of 2% of the Purchase Price in escrow. No other 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: City of Salinas 200 Lincoln Avenue Salinas, California 93901 Attn: City Manager
- With a Copy to: City of Salinas 200 Lincoln Avenue Salinas, California 93901 Attn: City Attorney

If to Seller:	Roselyn K. Varma
	12 West Gabilan St
	Salinas, CA 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.

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. 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.

20. 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.

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

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

23. 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.

24. 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.

25. Action by the City. Except as may be otherwise specifically provided in this Agreement, whenever any approval, notice, direction, finding, consent, request, waiver or other action by the City 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.

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

CITY OF SALINAS

Kimbley Craig, Mayor

APPROVED AS TO FORM:

Christopher A. Callihan, City Attorney

SELLER

Roselyn K. Varma Successor Trustee

EXHIBIT A

Legal Description

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

APN: 261-732-019-000

Lot 53, in Block 3, as shown on that certain map entitled, "Tract No. 830, Unit No. 3, Laurel West", filed June 14, 1978 in Volume 13, Maps of "Cities and Towns", at Page 79, in the Office of the County Recorder of the County of Monterey, State of California.

EXCEPTING THEREFROM any and all water, but without the right of entry or to make any withdrawal of water which will result in damage to any building or structure, as granted in the Deed to California Water Service Company, a California Corporation, recorded June 19, 1978 in Reel 1252, Page 457, of Official Records

ALSO EXCEPTING THEREFROM all minerals, coals, oils, petroleum, gas and kindred substances under and in said land, but without the right of entry of the surface thereof, but with the right however, to drill in through or under said land or to explore, develop or take all minerals, coals, petroleum, gas and other kindred substances in and from said land, all such operations to be conducted only below a depth of five hundred feet below the surface thereof, also excepting all adjacent dedicated streets, as excepted in the Deed from Muster Corporation, a California Corporation, recorded September 20, 1979 in Reel 1359, Page 1169, of Official Records.

EXHIBIT B

RECORDING REQUESTED BY

City Clerk City of Salinas 200 Lincoln Avenue Salinas, California 93901

WHEN RECORDED MAIL TO AND MAIL TAX STATEMENTS TO: <u>City of Salinas</u> 65. W Alisal St Salinas, CA 93901

EXEMPT FROM RECORDER'S FEES Pursuant to Government Code §6103

(ABOVE SPACE FOR RECORDER'S USE ONLY)

* This Instrument is exempt from payment of Documentary Transfer Tax pursuant to Section 27383.2 (Transfer to government entity) of the Revenue and Taxation Code, as amended. **Transfer Tax \$0.00**

GRANT DEED

For valuable consideration, **ROSELYN K. VARMA, SUCCESSOR TRUSTEE OF THE HJL TRUST UTD 6/16/2016**,

Hereby GRANT(S) to **City of Salinas, a California charter city and municipal corporation**, does hereby **REMISE, RELEASE AND FOREVER QUITCLAIM**, 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 ______, 2023.

Roselyn K. Varma Successor Trustee

Attachment No. 1

Legal Description

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

Lot 53, in Block 3, as shown on that certain map entitled, "Tract No. 830, Unit No. 3, Laurel West", filed June 14, 1978 in Volume 13, Maps of "Cities and Towns", at Page 79, in the Office of the County Recorder of the County of Monterey, State of California.

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CERTIFICATE OF ACCEPTANCE

City Resolution No.: _____

THIS IS TO CERTIFY THAT the interest in real property conveyed by the deed or grant dated ______, 2023 from

ROSELYN K. VARMA, SUCCESSOR TRUSTEE OF THE HJL TRUST UTD 6/16/2016

to

CITY OF SALINAS, A CALIFORNIA CHARTER CITY AND MUNICIPAL CORPORATION

is hereby accepted by order of the Salinas City Council on September12, 2023, (or by the undersigned officer or agent on behalf of the City of Salinas pursuant to authority conferred by Resolution 5849 of the Salinas City Council adopted on November 22, 1965), and the grantee consents to recordation thereof by its duly authorized officer.

DATE:_____

Kimbley Craig, Mayor