

REAL PROPERTY PURCHASE AND SALE AGREEMENT

This Real Property Purchase and Sale Agreement ("Agreement") is dated October 20, 2020, and is between the COUNTY OF CONTRA COSTA, a political subdivision of the State of California ("County"), and JAYESH DESAI, an individual, TRAVEL INN ASSOCIATES, LP, a California limited partnership, SANTA ROSA MOTEL CO L.P., a California limited partnership, ROHNERT PARK RI L.P., a California limited partnership, and MOHAMMED REZAI, an individual (together, the "Seller").

RECITALS

- A. The Seller owns the real property located at 2101 Loveridge Road, Pittsburg, California, as more particularly described in Exhibit A (the "Property"). The Property is the site of a Motel 6.
- B. Pursuant to a Tenant in Common Agreement dated January 14, 2019, Jayesh Desai, Travel Inn Associates, LP, Santa Rosa Motel Co L.P., Rohnert Park RI L.P., and Mohamed Rezai agreed to operate the Property through OKC of Pittsburg LLC, a limited liability company owned by the Seller ("OKC").
- C. OKC and the County are parties to an Emergency Occupancy Agreement dated as of May 1, 2020, as amended by a first amended dated as of July 1, 2020 (the "First Amendment"), under which the County has hired all 174 rooms available to the public at the Property to provide emergency shelter during the COVID-19 pandemic. Pursuant to the First Amendment, the Seller has granted the County an option to purchase the Property under the terms set forth in this Agreement.
- D. The County intends to acquire the Property using Homekey Program funds made available by the California Department of Housing and Community Development ("Homekey Funds"). The Homekey Funds are being made available to the County as part of a statewide effort to rapidly sustain and expand housing for persons experiencing homelessness and impacted by COVID-19. The closing of the transaction contemplated by this Agreement is conditioned on the County's receipt of Homekey Funds.
- E. The County intends to use the Property for public purposes. The Seller is not selling, and the County is not buying, a franchise or the right to operate any commercial venture on the Property.
- F. The County's acquisition of the Property includes the personal property located on the Property that is described in Exhibit B.

NOW THEREFORE, in consideration of the agreements herein contained and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereby agree as follows:

A G R E E M E N T

1. **Purchase Price.** Subject to the terms and conditions of this Agreement, the Seller agrees to sell, and the County agrees to purchase, the Property for the purchase price of Seventeen Million Four Hundred Thousand Dollars (\$17,400,00) (the "Purchase Price"). As part of the consideration the County is receiving, Seller shall perform the work identified on Exhibit C (together, the "Work").

2. **Due Diligence Period.** The County has a 45-day period, beginning on the date this Agreement is fully executed (the "Due Diligence Period"), to review the condition and suitability, in the County's sole discretion, of the Property for the County's intended use, including but not limited to renovation costs, financial feasibility, hazardous materials, condition of title, and the physical condition of the Property.
 - 2.1. Seller shall timely provide the County with access to the Property and deliver all reports, documents, records, operating statements and other due diligence materials with respect to the Property in Seller's possession to the extent the same are reasonably required to evaluate the Property including, but not limited to, reports concerning the presence of hazardous materials, asbestos, or lead-based paint (collectively, "Documents"). If any Document or access to the Property is not timely delivered to the County, the Due Diligence Period may be extended by the County by written notice to the Seller.

3. **Conditions Precedent to County's Performance.** The County's obligation to perform under this Agreement is subject to the satisfaction of the conditions in Sections 3.1 through 3.6, below.
 - 3.1. On or before the close of Escrow, as defined below, the County's receipt of Homekey Funds in an amount not less than Seventeen Million Four Hundred Thousand Dollars (\$17,400,000).
 - 3.2. The County's satisfaction with the condition and suitability of the Property, in accordance with Section 2.
 - 3.3. Seller's representations and warranties in this Agreement being correct as of the date of this Agreement and as of the close of Escrow.
 - 3.4. At the close of Escrow, fee title to the Property must vest in the County, free and clear of all liens, encumbrances, assessments, leases (recorded and unrecorded), and taxes, except the following "Approved Exceptions," as specified in the Preliminary Report dated August 31, 2020, issued by Chicago Title Company:
 - A. Covenants, conditions, restrictions and reservations of record, if any, that have been approved in writing by the County.
 - B. Easements or rights of way of record over said property, listed as exceptions 5, 6, 7, 8, 9, 10 and 11.
 - 3.5. At the close of Escrow, the Title Company, as defined below, must be prepared to issue a CLTA title insurance policy in the full amount of the Purchase Price, subject

only to the Approved Exceptions.

- 3.6. Seller must perform all of its obligations under this Agreement, including the completion of the Work; provided, however, if any component of the Work is not completed prior to the close of Escrow, the Purchase Price will be reduced by an amount equal to the value ascribed to such component of the Work, as shown on Exhibit C.
4. **Escrow.** By this Agreement, the County and the Seller establish the Escrow with Chicago Title Company, 120 Concord Avenue, Suite 400, Concord, California (the "Title Company") its Escrow Number 3630218-363-LB-KD (the "Escrow"). If, for any reason, the named Title Company is unable to handle this transaction through the close of Escrow, the County's Real Property Agent assigned to oversee this Property acquisition will select an alternate title company to handle the transaction, and notify Seller in writing of the identity and address of the successor title company and the new escrow number. Thereafter, the alternate title company will be the "Title Company" for purposes of this Agreement. Seller hereby authorizes County to prepare escrow instructions and file escrow instructions with the Title Company, on behalf of Seller, in accordance with this Agreement. This includes authorization of the Title Company to withhold pro rata taxes, liens, and assessments on the Property conveyed.
 - 4.1. Fees and Title Insurance. Seller shall pay the escrow fees and closing costs incurred in this transaction. The County will pay all recording fees to record the Grant Deed, and the premium charged for the Title Policy, if the policy is requested by the County.
 - 4.2. Seller's Deposit into Escrow. On or before the close of Escrow, the Seller will deliver into Escrow with the Title Company the following documents:
 - A. A grant deed, in recordable form and properly executed by Seller, in a form approved by the County (the "Grant Deed") conveying to the County the Property in fee simple absolute, subject only to the Approved Exceptions.
 - B. The Seller's affidavit of nonforeign status as contemplated by Section 1445 of the Internal Revenue Code of 1986, as amended [26 USCA §1445] ("FIRPTA Affidavit").
 - C. Seller's affidavit as contemplated by the Revenue and Taxation Code § 18662 ("Withholding Affidavit").
 - 4.3. County's Deposit into Escrow. Prior to the close of Escrow, the County will deposit into Escrow with the Title Company, (i) the Purchase Price, and (ii) a letter addressed to Seller stating that consummation of the purchase and sale of the Property under this Agreement is in lieu of the County acquiring the Property for public purposes through eminent domain.
 - 4.4. Close of Escrow. Escrow shall close upon the conveyance of the Property to the County. On the closing date, the Title Company shall close Escrow as follows:
 - A. Record the Grant Deed, marked for return to the County care of the

Principal Real Property Agent (which shall be deemed delivery to the County).

- B. Issue the Title Policy, if requested to do so by the County.
- D. Prorate taxes, assessments, rents and other charges as provided by this Agreement.
- E. Disburse to the Seller the Purchase Price, as modified by any adjustment required in accordance with Section 3.6, less prorated amounts and charges to be paid by or on behalf of Seller under this Agreement.
- F. Prepare and deliver to the County and to the Seller one signed copy of the Title Company's closing statement showing all receipts and disbursements of the Escrow.

If the Title Company is unable to simultaneously perform all of the instructions set forth above, the Title Company shall notify the County and the Seller and retain all funds and documents pending receipt of further instructions from the County.

4.5. Close of Escrow Date. Escrow shall close no later than November 10, 2020.

5. **Payment of Property Taxes and Assessments.** All ad valorem real property taxes and any penalties and costs thereon, and all installments of any bond or assessment that constitute a lien on the Property shall be cleared and paid by the Seller as of the date title shall vest in the County by the recordation of the deed herein pursuant to Sections 4986, 5082, and 5086 of the Revenue and Taxation Code of the State of California, if unpaid as of the date title vests.

6. **Seller's Representations and Warranties.** The Seller makes the following representations and warranties with the understanding that these representations and warranties are material and are being relied upon by the County:

6.1. Marketable Title. Seller is conveying to the County, marketable and insurable fee simple title to the Property, clear of restrictions, leases, liens and other encumbrances, subject only to the Approved Exceptions. No leases, rental agreements, licenses, or any other agreements allowing any third-party right to use the Property are or will be in force unless prior consent has been given by the County in writing. Commencing with the full execution of this Agreement by both parties, and continuing until the close of Escrow, Seller shall not permit any liens, encumbrances, easements, or assessments to be placed on the Property other than the Approved Exceptions, nor shall Seller enter into any agreement that would affect the Property and that would be binding on the County after the close of Escrow without the prior written consent of the County.

6.2. Property History. Seller has disclosed to the County all information and records known to and maintained by Seller in connection with the history of the Property. Any information that Seller has delivered to the County is accurate and Seller has disclosed all known facts with respect to the Property's prior use and history.

- 6.3. Property Information. Seller has disclosed to the County all reports and studies conducted by and/or maintained by Seller or Seller's consultants, including, without limitation, the environmental report(s). Seller has provided the County with all reports in Seller's possession, with respect to the Property.
- 6.4. Condition of Property. Seller has disclosed to the County all information, records and studies maintained by Seller in connection with the Property concerning hazardous substances and that Seller is not concealing any knowledge of the presence of contamination or hazardous substances on, from or under the Property. Any information that Seller has delivered to the County either directly or through Seller's agents is accurate and Seller has disclosed all material facts with respect to the Property.
- 6.5. Other Matters Affecting Property. To the best of Seller's knowledge, there are not presently any actions, suits, or proceedings pending or, to the best of Seller's knowledge, threatened against or affecting the Property or the interest of Seller in the Property or its use that would affect Seller's ability to consummate the transaction contemplated by this Agreement. Further, there are not any outstanding and unpaid arbitration awards or judgments affecting title to any portion of the Property. To the best of Seller's knowledge there are not presently any pending or threatened condemnation, eminent domain or similar proceedings affecting the Property. Seller shall promptly notify the County of any of these matters arising in the future.
- 6.6. Seller's Authority. That this Agreement and all other documents delivered prior to or at the Close of Escrow have been authorized, executed, and delivered by Seller; are binding obligations of the Seller; and are collectively sufficient to transfer all of Seller's rights to the Property.
7. **County's Representations and Warranties.** The County warrants that, the County's Board of Supervisors has authorized the County to enter into this Agreement, and upon execution, this Agreement will constitute a binding obligation of the County.
8. **Indemnification.** The County assumes no obligations under any franchise agreement to which Seller is a party, including a franchise agreement in connection with the operation of a Motel 6, or any other business, on the Property. The County is not responsible for any costs associated with the termination of any franchise agreement. Seller shall defend, indemnify and hold the County harmless from any and all claims, costs and liability, including attorneys' fees, that arise as a result of Seller being, or having been, a party to a franchise agreement related to the operation of a commercial venture on the Property.
9. **Loss by Fire or Other Casualty; Condemnation.** In the event that prior to the close of Escrow, the Property or any part thereof is destroyed or materially damaged or if condemnation proceedings are commenced against the Property, the County has the right, exercisable by giving written notice of such decision to Seller within ten business days after receiving Seller's written notice of the damage, destruction or condemnation proceedings, to terminate this Agreement, in which case neither party will have any further rights or obligations hereunder. If the County elects to accept the Property in its then condition, all proceeds of insurance or condemnation awards payable to Seller by reason of such damage, destruction or condemnation are to be paid to the County. In the

event of non-material damage to the Property, which damage Seller is unwilling to repaid or replace, the County will have the right, exercisable by giving written notice within ten business days after receiving Seller's written notice of the damage, to either (i) terminate this Agreement, or (ii) accept the Property in its then condition and proceed with the purchase, in which case the County will be entitled to a reasonable reduction of the Purchase Price to the extent of the cost of repairing or replacing the damage. For purposes of any repairs or replacements under this Section, the closing may be extended, at the County's election, for a reasonable time to allow for such repairs or replacements to be made.

10. **Tax-Deferred Exchange.** Seller may use the proceeds from the sale of the Property to effect one (or more) tax-deferred exchange(s) under Internal Revenue Code section 1033. Seller will have the right, expressly reserved here, to elect such tax-deferred exchange. Seller and the County agree, however, that consummation of the purchase and sale of the Property under this Agreement is not conditioned on such exchange. If Seller elects to make a tax-deferred exchange, the County agrees to execute such additional escrow instructions, if necessary, to effect this exchange, provided that the County must incur no additional costs, expenses, or liabilities in this transaction as a result of or in connection with this exchange. Seller agrees to hold the County harmless of any liability, damages, or costs, including reasonable attorneys' fees, that may arise from the County's participation in such exchange.
11. **Survival.** All of the terms, provisions, representations, warranties, covenants and indemnifications of the parties under this Agreement shall survive the assignment, expiration or termination of this Agreement and shall not merge in the deed or other documents following the delivery and recordation of said deed or other documents.
12. **Right of Entry.** From and after the Effective Date of this Agreement and at all times until this Agreement is terminated or title vests in the County, County and County's designated persons shall have the right at all reasonable times to enter on the Property for the purposes of the County, including but not limited to conducting soil and environmental tests, and other examinations and investigations of the Property, as well as implementing the rehabilitation of the Property to better serve public purposes. County will defend, indemnify and hold Seller harmless against any damages, loss or liability or costs' arising from County's or County's designated persons' entry onto the Property, including but not limited to attorney's fees and costs.
13. **Possession of the Property.** Possession of the Property shall be delivered to the County at the close of Escrow.
14. **Notices.** All notices (including requests, demands, approvals or other communications) under this Agreement shall be in writing and delivered in person, by overnight carrier, or by First Class U.S. Mail. The place for delivery of all notices given under this Agreement shall be as follows:

County: Principal Real Property Agent
Contra Costa County
40 Muir Road, 2nd Floor
Martinez, CA 94553

Seller: OKC of Pittsburg LLC
2101 Loveridge Road
Pittsburg, CA 94565

Copy to: Steve Simontacchi
55 Shaver Street, Suite 330
San Rafael, CA 94901

or to such other addresses as Seller or County may respectively designate by written notice to the other. Delivery will be deemed effective: on the same day if delivery is made in person; on the next day after the date of mailing if delivery is made by overnight carrier; or on the fifth day following the date of mailing, if delivery is made by First Class U.S. Mail.

15. **Entire Agreement.** This Agreement contains the entire agreement between the parties and supersedes any and all other prior agreements and all negotiations leading up to the execution of this Agreement, whether oral or in writing, between the parties with respect to the County's purchase of the Property from Seller. The parties acknowledge that no representations, inducements, promises, or statements, oral or otherwise, have been made by any of the parties or by anyone acting on behalf of the parties that are not embodied or incorporated by reference herein. The parties further agree that no other covenant, representation, inducement, promise, or statement not set forth in this Agreement is valid or binding.
16. **Construction.** The section headings and captions of this Agreement are, and the arrangement of this instrument is, for the sole convenience of the parties to this Agreement. The section headings, captions and arrangement of this instrument do not in any way affect, limit, amplify or modify the terms and provisions of this Agreement. This Agreement shall not be construed as if it had been prepared by one of the parties, but rather as if both parties had prepared it. The parties to this Agreement and their counsel have read and reviewed this Agreement and agree that any rule of construction to the effect that ambiguities are to be resolved against the drafting party do not apply to the interpretation of this Agreement. The recitals to this Agreement, and all exhibits referred to in this Agreement, are deemed incorporated in this Agreement whether or not such exhibits are actually attached.
17. **Further Assurances.** Whenever requested to do so by the other party, each party shall execute, acknowledge and deliver all further conveyances, assignments, confirmations, satisfactions, releases, powers of attorney, instruments of further assurance, approvals, consents and all further instruments and documents as may be necessary, expedient, or proper in order to complete all conveyances, transfers, sales, and assignments under this Agreement, and do all other acts and to execute, acknowledge, and deliver all documents as requested in order to carry out the intent and purpose of this Agreement.
18. **Waiver.** A waiver or breach of any covenant or provision in this Agreement is not a waiver of any other covenant or provision in this Agreement and no waiver is valid unless in writing and executed by the waiving party.
19. **Severability.** If any term or provision of this Agreement is, to any extent, held to be invalid or unenforceable, the remainder of this Agreement will not be affected.

20. **Governing Law.** This Agreement is governed by the laws of the State of California.

CONTRA COSTA COUNTY

SELLER

Jayesh Desai, an Individual

By _____
Brian M. Balbas
Director of Public Works

By _____
Jayesh Desai

RECOMMENDED FOR APPROVAL:

Travel Inn Associates, LP, a California limited partnership

By _____
Jessica Dillingham
Principal Real Property Agent

By _____
Jayesh Desai, General Partner

APPROVED AS TO FORM:
Sharon L. Anderson, County Counsel

Santa Rosa Motel Co L.P., a California limited partnership

By _____
Kathleen M. Andrus
Deputy County Counsel

By _____
Hitesh Desai, General Partner

Rohnert Park Roadway Inn L.P., a California Limited partnership

By _____
Jayesh Desai, General Partner

Mohammad Rezai, an Individual

By _____
Mohammad Rezai

Exhibit A - Legal Description of Real Property
Exhibit B - Personal Property
Exhibit C - Work to be Performed by Seller

EXHIBIT A
LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF PITTSBURG, IN THE COUNTY OF CONTRA COSTA, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL ONE:

PARCEL A, AS SHOWN ON THE PARCEL MAP FILED JUNE 10, 1979, IN [BOOK 78 OF PARCEL MAPS, PAGE 36](#), CONTRA COSTA COUNTY RECORDS.

EXCEPTING THEREFROM THAT PORTION THEREOF DESCRIBED IN THE DEED FROM CALIFORNIA NORTH S9 LLC, A DELAWARE LIMITED LIABILITY COMPANY TO THE STATE OF CALIFORNIA RECORDED AUGUST 21, 2009, [INSTRUMENT NO. 2009-0202373](#), CONTRA COSTA COUNTY RECORDS.

PARCEL TWO:

A NON-EXCLUSIVE EASEMENT FOR SEWER, WATER AND UTILITY PURPOSES, APPURTENANT TO PARCEL ONE, OVER THE FOLLOWING DESCRIBED REAL PROPERTY: A STRIP OF LAND 10 FEET IN WIDTH, THE EAST LINE OF WHICH IS PARALLEL WITH AND 10 FEET EASTERLY FROM THE WEST LINE THEREOF, SAID WEST LINE BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT BEARING SOUTH 00° 00' 47" EAST, A DISTANCE OF 280 FEET FROM THE NORTHEAST CORNER OF THAT PARCEL OF LAND DESCRIBED IN THE DEED TO LOVERIDGE SHOPPING CENTER, RECORDED AUGUST 10, 1973, IN [BOOK 7018 OF OFFICIAL RECORDS, AT PAGE 701](#), IN THE OFFICE OF THE COUNTY RECORDER OF CONTRA COSTA COUNTY, THENCE NORTH 00° 00' 47" WEST 280 FEET TO THE NORTHEAST CORNER OF SAID LOVERIDGE SHOPPING CENTER PARCEL (7018 OR 701); THENCE CONTINUING NORTH 00° 00' 47" WEST 343.64 FEET TO THE SOUTH LINE OF THAT PARCEL OF LAND DESCRIBED IN THE DEED TO THE STATE OF CALIFORNIA, RECORDED JUNE 21, 1971, IN [BOOK 6412 OF OFFICIAL RECORDS AT PAGE 849](#), IN THE OFFICE OF THE COUNTY RECORDER OF CONTRA COSTA COUNTY.

[APN: 088-152-039](#)

EXHIBIT B

Personal Property Included in Sale

- Office furniture: 1 Phone console, 1 cordless phone, 7 walkie-talkie radios, 1 key machine, 2 printers, 1 desk, 3 file cabinets, and Surveillance system 32 cameras.
- Laundry Room Equipment and accessories: 2 washers and 4 dryers.
- Bedroom furniture and accessories: 260 Queen/ Double bed sets, 260 bed headboards, 175 nightstands, 174 desks, 174 chairs, 174 mirrors, 174 microwaves, and 174 fridges.
- 259 Linens sets: 18 dozen pillow cases, 16 blankets, 15 dozen full size sheets, 6 dozen queen size sheets, 13 dozen big towels, 15 dozen medium towels, 93 dozen face towels, 9 pieces cover sheet queen size, and 9 boxes of soaps.
- Miscellaneous maintenance tools and Linen inventory.

EXHIBIT C

WORK TO BE PERFORMED BY SELLER

<u>Task</u>	<u>Value</u>
1. Eliminate swimming pool; replace with landscaping	\$30,000
2. Replace roof of all five buildings	\$231,800
Scope of Work – Pyramic Plus LO Roof Restoration:	
<ul style="list-style-type: none">• Clean and prep the existing roof membrane.• Perform various roof repairs.• Reseal all roof penetrations.• Install Garla-Block Primer at a rate of 1/2 gallon per square.• Install Liquitec System in the drain valley ways. Reinforce cap sheet seams with polyester reinforcement.• Install base coat of Pyramic Plus LO at a rate of 1.5 gallons per square.• Install top coat of Pyramic Plus LO at a rate of 1.5 gallons per square.• Install new wood blocking under pipe runs and conduits• Manufacturer’s 15-year warranty included.	
3. Remove Motel 6 signage	\$5,000
4. Replace all window screens	\$7,500