

## AGREEMENT NO. 2640

### **PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS BETWEEN COUNTY OF EL DORADO (“BUYER”) AND URBANA TAHOE TC, LLC (“SELLER”) AS TO PROPERTY LOCATED AT 3368 SANDY WAY, SOUTH LAKE TAHOE, CA**

This Purchase and Sale Agreement and Joint Escrow Instructions ("Agreement") dated March 13, 2018 is made and entered into by and between the **COUNTY OF EL DORADO**, a political subdivision of the State of California ("County" or "Buyer"), and **URBANA TAHOE TC, LLC**, a Delaware limited liability company duly qualified to do business in the State of California ("Seller"). Buyer and Seller together may be referred to collectively hereinafter as the "Parties".

#### **RECITALS**

- A. Seller owns a parcel of real property totaling approximately 32,147 square feet consisting of a commercial building totaling approximately 6,435 square feet, located in the City of South Lake Tahoe in the County of El Dorado, commonly known as 3368 Sandy Way, South Lake Tahoe, California 96150, and also referred to as APN 027-362-08-100, a legal description of which is attached hereto and incorporated herein by reference as Exhibit “A” (the “Property”).
- B. Upon the terms and conditions set forth herein, Seller desires to sell and Buyer desires to acquire the Property, including all of the following development rights applicable to the Property: land coverage (existing and potential), commercial floor area (“CFA”), existing residential units of use (“ERU”), tourist accommodation units (“TAU”), residential development rights (“RDR”), residential allocations, and restoration credits (referred to collectively hereinafter as “Transferable Development Rights” or “TDRs”).
- C. Upon the terms and conditions set forth herein, Seller desires to sell and Buyer desires to acquire the Property, including all of the existing fixtures, equipment, construction material, architectural plans and permits currently within the Premises (referred to collectively hereinafter as “Plans and Equipment”).

NOW THEREFORE in consideration of the mutual covenants and conditions herein contained, the parties hereto agree as follows:

#### **AGREEMENT**

1. **Purchase and Sale.** Upon and subject to the terms and conditions set forth in this Agreement, Seller agrees to sell to Buyer and Buyer agrees to buy from Seller the Property, inclusive of all Transferable Development Rights and Plans and Equipment. In consideration of

Seller's sale of the Property, TDRs, and Plans and Equipment to Buyer, Buyer will (a) pay to Seller the Purchase Price at the Close of Escrow, and (b) perform all of Buyer's other obligations hereunder.

**2. Purchase Price.** The purchase price for the Property inclusive of all TDRs and Plans and Equipment shall be One Million Two Hundred Fifty Thousand Dollars (\$1,250,000.00) (the "Purchase Price").

**3. Payment.** The Purchase Price shall be paid as follows:

3.1 **Deposit.** Within three (3) business days of opening of escrow, County shall deposit into Escrow (as defined below) a check in the amount of Twenty-Five Thousand Dollars (\$25,000.00) (the "Initial Deposit"). Of the Initial Deposit, One Hundred Dollars (\$100.00) shall be deemed earned by Seller upon its deposit into Escrow and is non-refundable to Buyer (the "Earned Amount") but shall be credited to the Purchase Price in the event the purchase of the Property is completed. Upon satisfaction or waiver of all of Buyer's contingencies at the expiration of the Contingency Period, the Initial Deposit shall be increased by Buyer by an additional Twenty-Five Thousand Dollars (the "Additional Deposit" and together, with the Initial Deposit, the "Deposit"). In the event that Buyer, upon written notice to Seller, exercises its discretion, as provided herein, to disapprove the purchase at, or any time prior to, the expiration of the Contingency Period, then the Initial Deposit less the Earned Amount shall be refunded to the Buyer. In the event the Contingency Period has expired, the Additional Deposit has been deposited in Escrow, and Buyer, upon written notice to Seller, exercises its discretion, as provided in (i), (ii) and (iii) of this sentence, to disapprove the purchase prior to the Close of Escrow because (i) the conditions prescribed in Section 7.1(e) and (f) below are not waived or satisfied, (ii) Seller is solely in material default of its obligations under this Agreement, or (iii) the Escrow is terminated because of destruction, damage, loss, or material change pursuant to Section 15 herein, then, and only then, the Deposit less the Earned Amount shall be refunded to Buyer. If after the expiration of the Contingency Period, Buyer terminates this Agreement for any reason other than those set forth in (i), (ii) and (iii) of the preceding sentence, Buyer shall not be entitled to a return of the Deposit. In the event the purchase of the Property is completed, the Deposit shall be applied to the Purchase Price at the Close of Escrow.

3.2 **Cash Balance.** No later than two (2) business days prior to the Closing Date, or such earlier time as is required by Escrow Holder in order for the Closing to occur by the Closing Date, Buyer will deposit into Escrow the balance of the Purchase Price, plus or minus prorations and other adjustments, if any, as set forth in this Agreement, in cash, by confirmed wire transfer of immediately available funds, or by certified or cashier's check collectible in same day funds.

**4. Opening of Escrow.** Seller shall open escrow (the "Escrow") with Placer Title Company in South Lake Tahoe, California ("Escrow Holder") no later than five (5) business days after both Parties sign this Agreement ("Opening of Escrow"). This Agreement shall, to the extent possible, act as escrow instructions. The Parties shall execute all further escrow instructions required by Escrow Holder. All such further escrow instructions, however, shall be consistent with this Agreement, which shall control.

## **5. Close of Escrow**

5.1 Definition. For purposes of this Agreement, the “Close of Escrow” or the “Closing” is the recordation of the Grant Deed from the Seller to Buyer conveying fee simple title for the Property. Seller and Buyer agree to deposit in escrow all instruments, documents, writings, and monies identified or required to close escrow. Escrow shall close when Escrow Holder is in a position to: (a) record the executed Grant Deed to the Property in favor of Buyer; (b) deliver a California Land Title Association (CLTA”) Owner’s Policy of Title Insurance issued to Buyer; and (c) deliver the Purchase Price to Seller.

5.2 Closing Date. The Close of Escrow shall occur within fifteen (15) days after the expiration of the Contingency Period (the “Closing Date”).

5.3 Cancellation. If the Closing does not occur by the Closing Date due to a default by one of the Parties the Party not then in default under this Agreement may notify the other Party and Escrow Holder in writing that, unless the Closing occurs within five (5) business days following said notice, the Escrow shall be deemed cancelled without further notice or instructions. If both Parties are in default and the Close of Escrow does not occur by the Closing Date, the Escrow shall be cancelled. All escrow costs of cancellation, if any, will be paid by the defaulting party, or split if both Parties are in default.

## **6. Items to be Delivered at Close of Escrow**

6.1 By Seller. Seller shall execute and deliver to Escrow Holder for delivery to Buyer (a) a Grant Deed in recordable form conveying a fee simple title to the Property, including TDRs, oil, mineral and water rights if currently owned by Seller; and (b) a CLTA Owner’s Policy of Title Insurance, paid equally between Seller and Buyer, showing that marketable fee title to the Property is vested in Buyer subject only to the “Permitted Exceptions” (as defined in Section 9.2 below). In addition, at least three (3) business days prior to the Closing, Seller shall deliver affidavit or certification satisfactory to Buyer setting forth Seller’s address, federal tax identification number and other documents necessary for the purpose of the provisions of Sections 1445 and 7701 of the Internal Revenue Code, or successor statutes; and that Seller is exempt from the withholding provisions of the California Revenue and Taxation Code, as amended. If Seller does not provide such affidavit or certification, Escrow Holder shall at the Closing withhold from Seller’s proceeds any amounts as may be required under such federal and state laws.

6.2 By Buyer. Buyer shall deliver to the Escrow Holder for delivery or disbursement at Close of Escrow, funds in an amount equal to those shown in Section 2, plus Buyer’s share of costs, fees and expenses to be borne by Buyer pursuant to this Agreement, together with Buyer’s Certificate of Acceptance to be attached to and recorded with the Grant Deed.

## **7. Contingencies to Close of Escrow**

7.1 Conditions Precedent to Buyer’s Obligations. The Close of Escrow and Buyer’s obligations with respect to the transactions contemplated by this Agreement are subject to the

following contingencies, which must be satisfied (or waived in writing by the Buyer) by the Closing Date or by the expiration of the Contingency Period if so specified below:

a. Title Insurance. The Title Company shall be in a position to provide to Buyer a CLTA Owner's Policy of Title Insurance insuring Buyer in an amount equal to the Purchase Price showing that the marketable fee title to the Property, inclusive of TDRs, is vested in Buyer, subject only to the Permitted Exceptions together with any extended coverage and/or endorsements that the Title Company has agreed to issue in writing prior to the end of the Contingency Period. Seller shall pay the cost of the CLTA Title Policy. If Buyer elects to have an American Land Title Association ("ALTA") Extended Coverage Owner's Policy of Title Insurance, and/or any endorsements to the title policy, then Buyer shall pay for the cost difference between the CLTA and ALTA policy and/or such endorsements.

b. Inspections and Studies. During the Contingency Period, or as extended: (A) Buyer shall have the right to conduct any and all inspection and evaluations of the Property to Buyer's satisfaction; and (B) Buyer shall have determined that the Property is clean of contamination, toxic and/or hazardous materials, to Buyer's satisfaction. In the event that a Phase II environmental survey is required and finds that remediation is necessary, Buyer may cancel this Agreement at any time prior to the expiration of the Contingency Period (or as it may be extended). In the event of such cancellation, Buyer shall be entitled to a refund of the Deposit. Seller shall not be obligated to perform or bear the financial burden of any remediation work should any such work be required.

c. Environmental Review. Before Buyer can commit to purchase the Property, Buyer must comply with the requirements of the California Environmental Quality Act ("CEQA"). This involves an analysis of the environmental consequences of the purchase of the Property, preparation and circulation of a document certifying the results of the analysis and the certification of the document at a public hearing (if applicable), and expiration of the time period for the filing of a legal challenge. As a condition to the Close of Escrow, Buyer shall have completed its CEQA analysis of the proposed acquisition of the Property on or before the end of the Contingency Period.

d. Board of Supervisors Approval. The Close of Escrow is expressly made contingent upon the County Board of Supervisor's authorization to waive contingencies and approval of the purchase of the Property at an open and public hearing upon proper legal notice, after completion of analysis under CEQA and a report from the appropriate planning agency on consistency of the purchase with the planning agency's general plan. Buyer retains full and sole discretion to approve or disapprove the purchase for any reason, or without reason. Notwithstanding any provisions to the contrary, if the County Board of Supervisors does not complete the above actions within the Contingency Period, it shall be deemed to have disapproved the purchase and Buyer shall terminate this Agreement by delivering written notice thereof to Seller.

e. Representations, Warranties and Covenants of Seller. As of the Close of Escrow, Seller will have duly and materially performed each and every obligation to be performed by Seller hereunder in all material respects; and Seller's express representations and

warranties set forth in this Agreement will be true and correct as of the Closing Date in all material respects.

f. Seller's Deliveries. As of the Close of Escrow, Seller will have delivered all the items described in Section 6.1(a) and (b).

The conditions set forth in this Section 7.1 are solely for the benefit of Buyer and may be waived only by Buyer, with such waiver to be in writing to Seller. In the event any of the foregoing conditions are neither satisfied nor waived by Buyer prior to the prescribed time period, then Buyer shall deliver written notice thereof and of Buyer's election to terminate this Agreement to Seller and Escrow Holder, stating upon which of the above conditions Buyer is basing its election to terminate, on or before the applicable date listed in such condition ("Buyer's Termination Notice"). Upon termination of this Agreement, all rights, obligations, and liabilities of Seller and Buyer under this Agreement shall terminate (except for any provisions that expressly survive the termination of this Agreement pursuant to Section 10.10), and the Initial Deposit (if this Agreement is terminated before the expiration of the Contingency Period) or the Deposit (if this Agreement is terminated before the Close of Escrow solely because of Seller's failure to satisfy conditions 7(e) or 7(f)), less the Earned Amount in either case, shall be returned to Buyer. If Buyer fails to timely deliver Buyer's Termination Notice as provided above, then this Agreement shall continue uncanceled and, in the event of any later termination by Buyer, Buyer shall not be entitled to the return of either its Initial Deposit or Deposit, as the case may be.

7.2 Conditions Precedent to Seller's Obligations. The Close of Escrow and Seller's obligations with respect to this transaction are subject to the following conditions precedent: (a) Buyer's delivery to Escrow Holder, on or before the Closing Date, the Purchase Price and the other items described in Section 6.2; and (b) Buyer having duly performed each and every agreement to be performed by Buyer hereunder, and Buyer's representations, warranties, and covenants set forth in this Agreement, continuing to be true and correct as of the Closing date.

The conditions set forth in this Section 7.2 are solely for the benefit of Seller and may be waived only by Seller, with such waiver to be in writing to Buyer.

## **8. Contingency Period**

8.1 Contingency Period. Buyer shall be entitled to ninety (90) business days from Opening of Escrow ("Contingency Period") to conduct any and all physical, economic and environmental inspections, investigations, tests and studies of the Property. Such evaluations may include, but are not limited to the following: phase I and phase II environmental surveys as needed, physical inspection, soils and groundwater tests, soil compaction tests, other engineering feasibility studies, review of any and all governmental regulations, improvement obligations to Buyer's satisfaction, investigation of the suitability of the Property for Buyer's purposes, completion of analysis under the California Environmental Quality Act, and such other due diligence as Buyer desires.

8.2 Right of Entry. During the Contingency Period, or as extended, Buyer shall have the right, from time to time, at its own sole cost, expense, risk, and hazard, and in all such

manner as it may reasonably determine, without material damage being imposed upon the Property, to enter upon the Property to make, or cause to be made, engineering findings in respect thereto, including without limitation, surveying, conducting test borings in order to determine subsoil conditions of ledge, peat or other soft materials, and in general, conducting other soil tests, analyses, and studies of the Property necessary to perform the evaluations described in Section 8.1 above. Buyer shall not make nor cause to be made any invasive or destructive testing without the prior written consent of Seller. Buyer will notify Seller, at least two (2) business days in advance of the dates of all tests and investigation and will schedule all test and investigation during normal business hours whenever feasible unless otherwise requested by Seller. Seller shall have the right to be present at any such inspections or testing. Prior to conducting any inspections or testing, Buyer or its consultants shall deliver to Seller a certificate of insurance naming Seller as additional insured (on a primary, non-contributing basis) evidencing commercial general liability and property damage insurance with limits of not less than Two Million Dollars (\$2,000,000.00) in the aggregate for liability coverage (plus Medical Expenses coverage with a limit of not less than Five Thousand Dollars (\$5,000.00) per incident), and not less than Two Million Dollars (\$2,000,000.00) in the aggregate for property damage. Buyer shall restore the Property to its original condition immediately after any and all testing and inspections conducted by or on behalf of Buyer and Buyer will take all steps necessary to ensure that any conditions on the Property created by Buyer's testing will not interfere with the normal operation of the Property or create any dangerous, unhealthy, unsightly, or noisy conditions of the Property. Buyer hereby indemnifies and holds Seller and the Property harmless from any and all costs, loss, damages or expenses of any kind or nature arising out of or resulting from any entry and/or activities upon the Property by Buyer and/or Buyer's agents, employees, contractors or consultants except for liabilities, claims, actions, losses, injuries, damages, or expenses arising out of or related to the negligence, recklessness, or willful misconduct of Seller, Seller's agents, employees, contractors, or representatives. Buyer's indemnification obligation shall not be applicable to the extent of Buyer's discovery of any pre-existing adverse condition at the Property (provided that the foregoing shall not be construed as relieving Buyer of its obligation to indemnify, defend and hold harmless Seller to the extent that any such pre-existing condition is aggravated by the gross negligence or willful misconduct of Buyer and/or Buyer's representatives in connection with any inspection of the Property).

8.3 Seller's Documents. Within five (5) business days from Opening of Escrow, Seller shall deliver to Buyer copies of any architectural drawings, any and all building permits, certificates of occupancy, soil tests, surveys, engineering studies, and other similar documents in Seller's possession relating to the Property in order to assist Buyer in its feasibility study. Buyer specifically acknowledges and agrees that the Seller has made no representation or warranty of any nature concerning the accuracy or completeness of any documents delivered or made available for inspection by Seller to Buyer ("Due Diligence Documents"), and that Buyer has undertaken such inspections of the Property as Buyer deems necessary and appropriate and that Buyer is relying solely upon such investigations and not on any of the Due Diligence Documents or any other information provided to Buyer by or on behalf of Seller. As to the Due Diligence Documents, Buyer specifically acknowledges that they have been prepared by third parties and Buyer acknowledges and agrees that no warranty or representation, express or implied, has been made, nor shall any be deemed to have been made, to Buyer with respect thereto, either by Seller or by any third parties that prepared the same.

## **9. Title Insurance**

9.1 Preliminary Title Report. Seller shall have Title Company deliver to Buyer within five (5) business days of Opening of Escrow, or as may be extended by mutual agreement of the Parties, a current preliminary title report, with copies of all recorded documents that are listed as exceptions as referenced or described therein. All easements are to be color coded and plotted on a plat map. Buyer shall have thirty (30) calendar days following Buyer's receipt of said documents to review and to notify Seller in writing of any title exceptions contained in the preliminary title report that are not satisfactory to Buyer in its sole and absolute discretion ("Title Objections").

9.2 Cure Period. In the event Buyer notifies Seller within the period described above of any Title Objections, Seller may, on or before ten (10) calendar days after receipt of such notice, deliver written notice to Buyer that Seller has agreed to: (a) cause the Title Objections to be deleted from the preliminary title report, or (b) cause the title insurer to expressly waive or insure over such Title Objections at or prior to the Close of Escrow. If Seller fails to deliver such notice or in such notice elects not to cause all of the Title Objections to be removed, waived, or insured over, then Buyer may, within ten (10) calendar days after Buyer's receipt of such notice from Seller (or the expiration of the time period for Seller to give such notice if Seller did not give such notice), by written notice to Seller choose at Buyer's sole discretion to terminate this Agreement or take title subject to any Title Objections that have not been removed, waived, or insured over. If Buyer does not deliver its termination notice to Seller within such time period, then Buyer shall be deemed to have approved all title matters that Buyer previously disapproved in its title objection notice. All title matters approved by Buyer or deemed approved by Buyer under this Section 9.2 together with any other exceptions approved in writing by Buyer shall constitute the "Permitted Exceptions."

9.3 Title Insurance. Upon the Close of Escrow, Seller and Buyer shall direct the Title Company to provide Buyer with a CLTA standard owner's policy of title insurance insuring that title to the Property is vested in Buyer subject only to the Permitted Exceptions.

**10. Seller's Representations and Warranties.** Seller represents and warrants that:

10.1. Seller owns the Property, free and clear of all liens, licenses, claims, encumbrances, easements, and encroachments on the Property from adjacent properties, encroachments by improvements on the Property onto adjacent properties, and is not aware of rights of way of any nature, not disclosed by the public record, and, at Close of Escrow, will have the power to sell, transfer and convey all right, title and interest in the Property.

10.2. Seller has no knowledge of any pending litigation involving the Property.

10.3. Seller has no knowledge of any violations of, or notices concerning defects or noncompliance with, any applicable code, statute, regulation, or judicial order (including, but not limited to, fire protection and Americans with Disability Act requirements) pertaining to the Property, except for recent notices from TRPA, the subject matter of which are currently being addressed and will be remediated by the Close of Escrow.

10.4. As of the date Seller has executed this Agreement, and throughout the escrow period and at closing, Seller has no intention of filing for protection under the bankruptcy laws of the United States, and Seller shall not have made an assignment for the benefit of creditors or admitted in writing its inability to pay its debts as they mature or have been adjudicated bankrupt or have filed a petition in voluntary bankruptcy or a petition or answer seeking reorganization or an arrangement with creditors under federal bankruptcy law or any other similar law or statute of the United States or any state and no such petition shall have been filed against it.

10.5. To the best of Seller's knowledge, the Property is not in violation of any federal, state or local law, ordinance or regulation relating to the environmental conditions on, under, or about the Property, including, but not limited to, soil and groundwater contamination. Further, Seller knows of no fact or circumstance that may give rise to any future civil, criminal, or administrative proceedings against the Property or Seller relating to environmental matters.

10.6 Except as otherwise disclosed herein and/or in Seller's Documents and/or in the following sentence, to the best of Seller's knowledge, there are no Hazardous Materials on the Property and Seller has not caused any release, use, generation, discharge, storage or disposal of any Hazardous Materials on, in, under, or otherwise affecting all or any portion of the Property in violation of applicable law.

As used herein, the term "Hazardous Materials" shall mean any hazardous or toxic substance, material, sewage, or waste which is regulated, controlled or prohibited by statute, rule, regulation, decree or order of any governmental authority, the State of California, or the United States government currently in effect. The term "Hazardous Material" includes, without limitation, any material or substance which is (a) defined as "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, sections 25100 et seq., (hazardous waste Control Law); (b) defined as a "hazardous substance" under Section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8 ("CPTHSA Act"); (c) defined as "hazardous material," "hazardous substance," or "hazardous waste" under Section 25501 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Material release Response Plans and Inventory Act); (d) defined as "hazardous substance" under Section 25821 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances); (e) petroleum; (f) asbestos; (g) listed under Article 9 or defined as hazardous or extremely hazardous pursuant to Article 11, of Title 22 of the California Administrative Code, Division 4, Chapter 20; (h) designated as a "hazardous substance" pursuant to Section 311 of the Federal Water Pollution Act, 33 U.S.C. Section 1251 et seq. (33 U.S.C. 1321); (i) defined as a "hazardous waste" pursuant to Section 1004 of the Federal Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq. (42 U.S.C. Section 6903); (j) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization act of 1986, 42 U.S.S. Section 9601 et seq. (42 U.S.C. Section 9601) ("CERCLA"); or (k) defined as a "waste" under the California Porter-Cologne Water Quality Control Act, section 13050 of the California Water Code.



10.7 Except as to the matter disclosed in Section 10.3 herein, Seller is maintaining all current Tahoe Regional Planning Agency (“TRPA”) Best Management Practices, and that the practices will continue to be effective prior to Close of Escrow. Within ten (10) business days of opening of Escrow, Seller shall provide Buyer with any known current and/or future TRPA Best Management Practices requirements applicable to the Property.

10.8 There are no oral or written leases, rental agreements, service contracts or other related agreements, licenses, and permits affecting all or any portion of the Property.

10.9 In the event Seller, prior to Close of Escrow, becomes aware of adverse conditions materially affecting the Property, any material inaccuracy in disclosures, information or representations previously provided to Buyer of which Buyer is otherwise unaware, Seller shall promptly provide a subsequent or amended disclosure or notice, in writing, covering those items.

10.10 All representations, warranties, covenants, and other obligations described in this Agreement shall survive the delivery of the Grant Deed or the termination of this Agreement, as applicable, for a period of nine (9) months.

10.11 Notwithstanding the foregoing, Buyer acknowledges that the entire Property including all improvements is being accepted “as is” in its existing condition and with all faults, including without limitation, any faults and conditions specifically referenced in this Agreement.

11. **Seller’s Pre-Closing Covenants.** So long as this Agreement remains in full force and effect:

11.1 Without the prior written consent of Buyer, Seller will not convey any interest in the Property and will not subject the Property to any additional liens, encumbrances, covenants, conditions, easements, rights of way or similar matters after the Effective Date which will not be eliminated prior to the Close of Escrow, other than as may be required by any applicable government or quasi-governmental authority or by a provider of utility services and except as may be otherwise provided for in this Agreement.

11.2 Seller will not make any material alterations to the Property without Buyer’s consent, which consent will not be unreasonably withheld or delayed. Seller will maintain the Property in substantially the same condition as of the Effective Date.

11.3 Seller will keep and perform all of the obligations to be performed by Seller under any contracts entered into by Seller providing for the provision of good or services to or with respect to the Property or the operation thereof. After the Effective Date, Seller will not enter into any contract or agreement providing for the provision of goods or services to or with respect to the Property or the operation thereof unless such contracts or agreements can be terminated by the Closing Date, without the prior written consent of Buyer, which consent will not be unreasonably withheld or delayed. Seller will not enter into any leases for any portion of the Property without Buyer’s written consent, which consent will not be unreasonably withheld or delayed.

**12. Expenses and Fees**

12.1 Seller will pay:

- a. 1/2 of the premium for the CLTA title insurance policy;
- b. 1/2 of all escrow fees and other recording charges;
- c. All city, county and state documentary transfer taxes;
- d. Any delinquent real estate taxes;
- e. Real estate brokerage fee equal to 5% of the Purchase Price to be divided as follows: 2.5% to NAI Tahoe Sierra and 2.5% to Turton Commercial Real Estate;
- f. Seller's share of prorations.

12.2 Buyer will pay:

- a. 1/2 of the premium for the CLTA title insurance policy;
- b. 1/2 of all escrow fees and other recording charges;
- c. All costs and requirements for any extended coverage and/or endorsements to the title policy arranged by Buyer; and
- d. Buyer's share of prorations.

12.3 Except as otherwise set forth herein, Buyer and Seller will each pay all legal and professional fees and fees of other consultants incurred by Buyer and Seller respectively. All other normal costs and expense of the Escrow will be allocated between Buyer and Seller in accordance with the customary practice in the county in which the Property is located.

**13. Prorations**

13.1 Taxes and Assessments. All non-delinquent real estate taxes and assessments on the Property will be prorated as of the Close of Escrow based on the actual current tax bill. If the Close of Escrow occurs before the real estate taxes are fixed for the tax year in which the Close of Escrow occurs, the apportionment of real estate taxes will be made on the basis of the real estate taxes for the immediately preceding tax year applied to the latest assessed valuation. All delinquent taxes and all delinquent assessments, if any, on the Property will be paid at the Close of Escrow from funds accruing to Seller. All supplemental taxes billed after the close of Escrow for periods prior to the Close of Escrow will be paid promptly by Seller. Seller expressly reserves: (a) the right (but shall have no obligation) to commence, prosecute and complete any and all contests and appeals that may be available with respect to real estate taxes and

assessments pertaining to the Property which are allocable to the period prior to the Close of Escrow; and (b) any and all refunds and proceeds that may be payable as a result of any such contests or appeals of real estate taxes and assessments, and such refunds and proceeds shall not constitute a portion of the Property to be conveyed hereunder. Any tax refunds received by Buyer which are allocable to the period prior to the Close of Escrow will be paid by Buyer to Seller. Pursuant to California Revenue and Taxation Code section 4986(a)(6), as of Close of Escrow, property taxes shall be cancelled prospectively.

13.2 Utilities. Seller will notify all utility companies servicing the Property if any, of the sale of the Property to Buyer and will request that such companies send Seller a final bill for the period ending on the last day before the Close of Escrow. Buyer will notify the utility companies that all utility bills for the period commencing on the Close of Escrow are to be sent to Buyer. In addition to the final Purchase Price, Buyer will pay to Seller an amount equal to the total of all utility deposits held by utility companies and Seller will assign to Buyer all of Seller's right, title and interest in any such utility deposits; provided, however, Seller reserves the right to receive a return of such utility deposits and in such event, Buyer will arrange for substitute deposits with the utility companies as may be required. If following the Close of Escrow either Buyer or Seller receives a bill for utilities, or other services approved in writing or ordered by such party and provided to the Property for the period in which the Close of Escrow occurred, Buyer and Seller will equitably prorate the bill as of the Close of Escrow.

13.3 Method of Proration; Survival. All prorations will be made as of the date of Close of Escrow based on 365-day year or a 30-day month, as applicable. The obligations of Seller and Buyer to prorate and adjust revenues and expenses of the Property shall survive the Close of Escrow.

**14. Disbursements and Other Actions by Escrow Holder.** At the Close of Escrow, Escrow Holder will promptly undertake all of the following:

14.1 Funds. Disburse all funds deposited with Escrow Holder by Buyer in payment of the final Purchase Price for the Property as follows:

- a. Deliver to Seller the final Purchase Price, less the amount of all items, costs, and prorations chargeable to the account of Seller; and
- b. Disburse the remaining balance, if any, of the funds deposited by Buyer to Buyer, less amounts chargeable to Buyer.

14.2 Recording. Cause the Grant Deed (with documentary transfer tax information to be affixed) and Buyer's Certificate of Acceptance to be recorded with the County Recorder for the county in which the Property is located and obtain conformed copies therefor for distribution to Buyer and Seller.

14.3 Title Policy. Direct the Title Company to issue Title Policy to Buyer.

14.4 Delivery of Documents to Buyer or Seller. Deliver to Buyer documents (or copies thereof) deposited into Escrow by Seller. Deliver to Seller any other documents (or copies thereof) deposited into Escrow by Buyer.

**15. Possession and Occupancy; Risk of Loss; Casualty or Condemnation.** Buyer shall be entitled to the possession of the Property immediately following the Close of Escrow. All risk of loss or damage to the Property shall pass from Seller to Buyer at Closing. In the event of a casualty that causes material damage to the Property costing more than \$10,000 or more to repair or cure or a condemnation proceeding commenced prior to Closing, Buyer shall deliver to Seller within five (5) business days after Buyer's receipt of notice of such casualty or condemnation, written notice of Buyer's election to either: (a) terminate this Agreement, in which event the parties shall split escrow costs incurred to date and neither party shall have any further rights or obligations hereunder, except for those expressly stated as surviving termination of the Agreement pursuant to Section 10.10, and Seller shall be entitled to all insurance proceeds, compensation, awards and other payments or relief resulting from such casualty or condemnation proceedings; or (b) continue to proceed under this Agreement to close Escrow without adjustment to the Purchase Price or any of the other provisions of this Agreement, in which event upon the Closing, Seller shall assign to Buyer any insurance proceeds, compensation, award, or other payments or relief resulting from such casualty or condemnation proceedings to the extent allocable to the Property. If Buyer fails to deliver such election in writing within said five (5) day period, it shall be deemed to have elected to proceed under clause (b) immediately preceding.

**16. Real Estate Broker.** Seller shall be responsible for payment of the brokers' fee or commission to NAI Tahoe Sierra in the amount of 2.5% of the Purchase Price and to Turton Commercial Real Estate in the amount of 2.5% of the Purchase Price, to be paid at the Close of Escrow. Other than the referenced Brokers, neither party has incurred any obligations for real estate commissions, finder's fees or any similar fees in connection with the transaction contemplated herein. If any other person asserts a claim for commission or finder's fees in connection with this transaction, the party through whom that person makes its claim will indemnify, hold harmless, and defend the other party from such claim and all expenses, including reasonable attorney's fees, incurred by the other party in defending the claim. The execution of this Agreement shall not be deemed to confer any rights upon, nor obligate either of the parties to any person or entity not a party to this Agreement.

**17. Time is of the Essence.** Time is of the essence of this Agreement. This Agreement may not be extended, modified, altered, or changed except in writing signed by Buyer and Seller. In the event that any date specified in this Agreement falls on Saturday, Sunday or a Holiday (as defined in Section 6700 of the California Government Code) (each a "Non-Business Day"), such date shall be deemed to occur on the next business day. For purposes of this Agreement, a "business day" shall mean a day other than a Non-Business Day.

**18. Notices.** All communications and notices required or permitted by this Agreement shall be given in writing in the manner set forth below, addressed to the party to be served at the addresses written below, or at such other address for which that party may have given notice under the provisions of this Section. Any notice or communication given by (a) mail shall be deemed to have been given four business days after it is deposited in the United States mail with

proof of mailing, first class and postage prepaid; (b) overnight common carrier courier service shall be deemed to be given on the business day (not including Saturday) immediately following the date it was deposited with such common carrier; (c) delivery in person or by messenger shall be deemed to have been given upon delivery in person or by messenger; or (d) electronic facsimile or email shall be deemed to have been given on the date of transmission of the entire communication, provided that (i) such transmission occurs during 8:00 a.m. and 5:00 p.m., California time, on business days, and (ii) the sending party sends a hard copy of the original transmitted document(s) following the electronic transmission, by one of the methods described in subsections (a), (b) or (c) above.

SELLER: Urbana Tahoe TC, LLC  
c/o Acropolis Capital Limited  
100 Wigmore Street  
London W1U 3RN  
Attn: Cameron Chartouni

with a copy to:

Feldman McLaughlin Thiel LLP  
178 U.S. Highway 50, Suite B  
Post Office Box 1309  
Zephyr Cove, NV 89448  
Attn: Lewis S. Feldman, Esq.

BUYER: County of El Dorado  
Board of Supervisors  
Attn: Clerk of the Board  
330 Fair Lane  
Placerville, CA 95667

Copy to: County of El Dorado  
Chief Administrative Office  
Attn: Russ Fackrell  
330 Fair Lane  
Placerville, CA 95667

**19. Binding Effect.** This Agreement shall be binding on and inure to the benefit of the Parties to this Agreement, their heirs, personal representatives, successors, and assigns, except as otherwise provided in this Agreement.

**20. Governing Law; Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of California. Any action brought to enforce the provisions of this Agreement shall be brought in the Superior Court of the County of El Dorado.

21. **Headings.** The headings of the articles and sections of this Agreement are inserted for convenience only. They do not constitute part of this Agreement and shall not be used in its construction.
22. **Waiver.** The waiver by any party to this Agreement of a breach of any provision of this Agreement shall not be deemed a continuing waiver or a waiver of any subsequent breach of that or any other provision of this Agreement.
23. **Attorney's Fees.** In any action or proceeding at law or in equity brought to enforce any provision of this Agreement, the prevailing party shall be entitled to all reasonable attorney's fees, costs, and expenses incurred in said action or proceeding.
24. **Severability.** In the event that any provision of this Agreement shall be adjudicated void, illegal, invalid, or unenforceable, the remaining terms and provisions of this Agreement shall remain in full force and effect.
25. **Entire Agreement.** This Agreement constitutes the entire agreement between the Parties pertaining to the subject matter hereof. No amendment, supplement, modification, or waiver of this Agreement shall be binding unless executed in writing by the party to be bound thereby. This Agreement shall not be strictly construed for or against any party.
26. **Warranty of Authority.** The Parties to this Agreement warrant and represent that the undersigned individuals executing this Agreement on their respective behalf are fully authorized to do so by law or other appropriate instrument and to bind upon said parties the obligations set forth herein.
27. **County Contract Administrator.** The County officer or employee with responsibility for administering this Agreement is Russell Fackrell, Facilities Manager, Chief Administrative Office, or successor.
28. **Third Party Beneficiaries.** This Agreement is made and entered into for the sole benefit and protection of the parties hereto. No condition, covenant, waiver or release contained herein made or given by Seller or Buyer is intended to run to the benefit of any person not a party to this Agreement unless otherwise expressly set forth herein.
29. **Successors and Assigns.** Buyer shall have full and sole discretion to assign this Agreement without Seller's consent. This Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective heirs, executors, assigns and successors in interest.
30. **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original, including copies sent to a party by facsimile transmission or in portable document format (pdf), but which together shall constitute one and the same instrument.

IN WITNESS HEREOF, the Parties hereto have signed this Agreement as of the date last written below (“Effective Date”).

**BUYER:**

**COUNTY OF EL DORADO,**  
**a political subdivision of the State of California**

By: \_\_\_\_\_  
Chair, Board of Supervisors

Date: \_\_\_\_\_, 2018

ATTEST:  
James S. Mitrisin  
Clerk of the Board

By: \_\_\_\_\_  
Deputy Clerk

**SELLER:**

**URBANA TAHOE TC, LLC,**  
**a Delaware limited liability corporation**

By: \_\_\_\_\_  
Cameron Chartouni,  
President

Date: \_\_\_\_\_, 2018