

BOARD ACTION SUMMARY

DEPT: Chief Executive Office

BOARD AGENDA:5.B.11
AGENDA DATE: October 9, 2018

SUBJECT:

Authorize the Chief Operations Officer to Execute a Real Property Purchase Agreement with Civic Partners Modesto Inc., for the Purchase of 28,608 Square Feet of Retail and Office Space, Located on the First Floor of 1010 10thStreet/1025 J Street, in Modesto, California for a Purchase Price of \$4,477,000, and Related Matters

BOARD ACTION AS FOLLOWS:

RESOLUTION NO. 2018-0506

On motion of Supervisor Chiesa Seconded by Supervisor Withrow
and approved by the following vote,
Ayes: Supervisors: Olsen, Chiesa, Withrow, Monteith, and Chairman DeMartini
Noes: Supervisors: None
Excused or Absent: Supervisors: None
Abstaining: Supervisor: None

- 1) Approved as recommended
- 2) Denied
- 3) Approved as amended
- 4) Other:

MOTION:



ATTEST: ELIZABETH A. KING, Clerk of the Board of Supervisors

File No.

**THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
AGENDA ITEM**

DEPT: Chief Executive Office

BOARD AGENDA:5.B.11
AGENDA DATE: October 9, 2018

CONSENT:

CEO CONCURRENCE: YES

4/5 Vote Required: No

SUBJECT:

Authorize the Chief Operations Officer to Execute a Real Property Purchase Agreement with Civic Partners Modesto Inc., for the Purchase of 28,608 Square Feet of Retail and Office Space, Located on the First Floor of 1010 10th Street/1025 J Street, in Modesto, California for a Purchase Price of \$4,477,000, and Related Matters

STAFF RECOMMENDATION:

1. Authorize the Chief Operations Officer to execute a Real Property Purchase Agreement with Civic Partners Modesto Inc., for the purchase of 28,608 square feet of retail and office space, located on the first floor of 1010 10th Street/ 1025 J Street Assessor's Parcel Numbers 105-037-033 and 105-037-034 in Modesto, California for \$4,477,000.
2. Find that (1) the Notice of Intent to purchase Real Property, 28,608 square feet of space on the first floor of 1010 10th Street, Assessor's Parcel Numbers 105-037-033 and 105-037-034, was published by the Clerk of the Board, as per Government Code Section 25350, and (2) pursuant to Government Code Section 65402(b), the City of Modesto Planning Commission confirmed the purchase of this property is consistent with the City's General Plan.
3. Authorize the Chief Operations Officer to execute any agreements and escrow documents needed to complete the purchase of this property.
4. Authorize the Chief Operations Officer to issue a Request for Proposals for a Property Management firm to provide oversight of retail tenants and leases in the 28,608 square feet of purchased space.
5. Authorize the Auditor-Controller to increase the Chief Executive Office – County Facilities budget by \$4,477,000, using an assignment of fund balance in the General Fund to execute escrow instructions to complete the purchase of the Real Property known as Assessor's Parcel Numbers 105-037-033 and 105-037-034.
6. Direct the Auditor-Controller to transmit an initial \$50,000 deposit to the escrow account and transmit the balance of \$4,427,000 after the successful close of

escrow.

7. Authorize the Chief Operations Officer to take any action necessary to execute escrow instructions to complete the purchase of the Real Property known as Assessor's Parcel Numbers 105-037-033 and 105-037-034.

DISCUSSION:

On September 11, 2018 The Board of Supervisors approved setting a date of October 9, 2018 to consider purchasing a portion of the first floor of property, located at 1010 10th Street in Modesto, California (10th Street Place) from Civic Partners Modesto, Inc. Pursuant to California Government Code Sections 6063 and 25350, the Clerk of the Board advertised a Notice of Intent to purchase 28,608 square feet at 1010 10th Street/1025 J Street known as Assessor's Parcel Numbers (APNs) 105-037-033 and 105-037-034, in the local newspaper for three successive weeks. The Notice of Intent was advertised on September 18, 25, and October 2, 2018.

Completed in 1999, the building, commonly known as 10th Street Place, located at 1010 10th Street in Modesto, California, serves as the Government Center for Stanislaus County and the City of Modesto. The building was jointly developed and paid for by a Joint Powers Agency (JPA) consisting of Stanislaus County, the City of Modesto, and the City of Modesto Redevelopment Agency in partnership with a private sector company, Civic Partners Modesto, Inc. (Civic Partners). The building design includes office space for the County and the City, shared Chambers for the Board of Supervisors and the City Council, retail and office space on the first floor and an outdoor public plaza.

The private owner of this portion of the 1st floor, Civic Partners, exercised an option in their contact with the Successor Agency to the City of Modesto Redevelopment Agency in March 2017, to purchase their leasehold interest in 28,608 square feet of retail and office space on the first floor of the 10th Street Place.

In March 2018, Civic Partners approached the County with an offer to sell the 28,608 square feet of retail and office space located on the first floor of 10th Street Place for a price of \$4,477,000. The space that is being offered for sale consists of eight suites that have been owned and operated by Civic Partners. Seven of the eight suites are leased to private users, including the Health Plan of San Joaquin and Aspiranet. One suite is vacant. The aggregate annual rental income is \$387,587 and the remaining lease terms range from one year to five years.

As a function of the subordination, non-disturbance and attornment agreement (SNDA) contained in the existing leases with the tenants, all lease terms are automatically conveyed to the County as buyer of the space. Estoppel Agreements signed by the tenants for this transaction, affirm the existing leases terms. The private retail and

office space leases will continue until such time as the future growth of the Government Center requires the use of the space.

The County approached the City of Modesto to seek joint consideration of the purchase of this space for potential future growth. Although the City of Modesto is not prepared to partner with the County on the purchase at this time, it is possible the City of Modesto may seek such a partnership at some point in the future.

An independent appraisal of the space being offered for sale was performed by a local appraiser for the County through its Outside Legal Counsel Burke, Williams & Sorensen, LLC. The comprehensive appraisal, which compared the retail space to other properties in Modesto, affirmed the seller's asking price.

The seller's asking price of \$4,477,000 is equivalent to \$162 per square foot, which is less than the cost of new construction. Recent construction estimates for new buildings in the area have exceeded \$400 per square foot. Purchase of the first- floor space will allow for flexibility for future growth at the Government Center. Funds for this purchase are available in the County's General Fund and have been assigned for this purpose.

On June 29, 2018, the Chief Operations Officer issued a preliminary Letter of Interest to Civic Partners communicating the County's interest in exploring a potential purchase of the property. The Chief Operations Officer also submitted an application to the City of Modesto Planning Commission to confirm that the proposed purchase of this property is consistent with the City of Modesto General Plan, as required by Government Code Section 65402(b). The City of Modesto Planning Commission met on October 1, 2018 and confirmed the purchase of this property is consistent with the City's General Plan.

POLICY ISSUE:

Government Code Sections 6063 and 25350 require the County to give notice of its intent to purchase real property for three consecutive weeks in the local newspaper and to publicly set a date to consider the purchase of real property. Government Code Section 65402(b) requires the County to obtain a finding of General Plan Consistency from the City of Modesto Planning Commission prior to finalizing the purchase of real property. As part of its action to approve the purchase of real property, the Board of Supervisors must find that the County met its obligations under these California Government Codes.

FISCAL IMPACT:

It is recommended that the Board of Supervisors approve a purchase price of \$4,477,000. Funds for the purchase of this property are available in an assignment of fund balance in the County's General Fund for this purpose. If approved, the Chief Executive Office – County Facilities budget will be increased by \$4,477,000 in order to purchase the property, as detailed in the attached journal.

Upon approval of this action, a \$50,000 deposit will be transferred to an escrow account, the balance of the sale price, \$4,427,000 will be transferred upon the successful close of escrow. The Seller will be responsible for all costs including property taxes until the close of escrow. Once the purchase of the property is complete and ownership is transferred to the County, the property will become exempt from property taxes.

In addition, an estimated \$10,000 in closing costs will be needed. These closing costs will be paid for using previously approved funds in the Fiscal Year 2018-2019 Chief Executive Office – County Facilities budget. These funds will then be used to complete the purchase of real property through the escrow process.

This action also requests authority for the Chief Operations Officer to issue a Request for Proposals for a Property Management firm to interact with the building’s tenants, develop and negotiate leases for future tenants, and serve as the point of contact for building maintenance requests. It is estimated that this cost will comprise of up to five percent of the aggregate rent for the suites.

The 10th Street Place Joint Power’s Agency assesses all users a share of the 10th Street Place facility operating costs which include security, staff salaries and wages, maintenance and annual Capital Reserve Fund assessment.

The current aggregate rental income for the first-floor suites is \$387,587. The Fiscal Year 2018-2019 10th Street Place JPA’s operating costs assessed to these suites is \$103,706.

With the operating cost assessment and a proposed property management fee included, the value of the net revenue, or return on investment from the first-floor suites is projected at \$264,502, annually, as indicated in the chart below:

Category	Amount
Fiscal Year 2018-2019 Rental Revenue	\$387,587
10 th Street Place JPA Assessed Cost	(103,706)
5% Property Management Fee	(19,379)
Total	\$264,502

During the years that the property remains rented for non- governmental uses, the net positive revenue will offset the County’s investment in its purchase.

BOARD OF SUPERVISORS’ PRIORITY:

The recommended actions are consistent with the Boards’ Priority of *Delivering Efficient Public Services and Community Infrastructure* by confirming the County has met its obligations under the California Government Code for the purpose of acquiring property within the Government Center for potential future needs.

STAFFING IMPACT:

This action will be successfully delivered by staff in the Chief Executive Office.

CONTACT PERSON:

Patricia Hill Thomas, Chief Operations Officer, (209) 525-6333

ATTACHMENT(S):

1. Budget Journal
2. TSP Real Property Purchase Agreement

AGREEMENT FOR PURCHASE AND SALE OF REAL ESTATE

AND INITIAL ESCROW INSTRUCTIONS

1010 TENTH STREET, FIRST FLOOR, MODESTO CALIFORNIA

THIS AGREEMENT FOR PURCHASE AND SALE OF REAL ESTATE AND INITIAL ESCROW INSTRUCTIONS (this "**Agreement**"), is entered into as of October 9th, 2018 ("**Effective Date**"), by and between **COUNTY OF STANISLAUS**, a general law county ("**Purchaser**") and **CIVIC PARTNERS MODESTO, INC.**, a California corporation ("**Seller**").

A. Seller owns that certain real property (the "**Property**") comprised of approximately 28,607 rentable square feet of retail and office air space on the first floor of Tenth Street Place located at 1010 Tenth St. and 1025 J Street, Modesto, CA, together with associated non-exclusive easements. The Property is more specifically identified as Assessor's Parcel Nos. 105-037-033 & 034, all as more particularly described on Exhibit "A" attached hereto and made a part hereof.

B. Purchaser desires to purchase from Seller and Seller desires to sell to Purchaser all of Seller's right, title and interest in and to the Property on the terms and conditions set forth in this Agreement, including all amendments thereto ("**Agreement**").

NOW THEREFORE, in consideration of the mutual covenants hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

**ARTICLE 1
AGREEMENT TO PURCHASE AND SELL**

Purchaser agrees to purchase, and Seller agrees to sell, the Property at the Purchase Price and on the terms set forth herein. In furtherance thereof, Seller agrees to convey to Purchaser title to the Property together with all existing privileges, rights (including mineral rights to the extent they are transferable by Seller), easements, hereditaments, and appurtenances thereto belonging; and all right, title and interest of Seller in and to any streets, alleys, passages and other rights-of-way included therein or adjacent thereto (before or after the vacation thereof) by a recordable Grant Deed substantially in form as set forth in Exhibit "B" attached hereto ("**Grant Deed**").

**ARTICLE 2
ESCROW**

2.1. Purchase Price. The purchase price (the "**Purchase Price**") to be paid by Purchaser to Seller for the Property shall be Four Million Four Hundred Seventy Seven Dollars (\$4,477,000.00).

2.2. Earnest Money Deposit: Upon full execution of the Agreement, Seller and Purchaser shall open an Escrow (as hereinafter defined) by depositing with Chicago Title Company (Pamela Shaw, Escrow Officer), 1700 Standiford Ave, Modesto, CA, 95350 ("**Escrow Holder**") a fully executed original of the Agreement, together with an **Earnest Money Deposit** of Fifty Thousand (\$50,000) Dollars. The "**Opening of Escrow**" shall occur on that date when Escrow Holder receives a fully executed copy or executed counterparts of this Agreement. Escrow Holder will notify Seller and Purchaser of such date as well as the other dates described herein that are based on the date of Opening of Escrow. Except for a termination caused by a material breach of this Agreement by Seller, any interest earned on the Earnest Money Deposit shall be paid to and retained by Seller. Such interest shall not apply towards the Purchase Price. If this Agreement is terminated because of a material breach of this Agreement by Seller, then the Earnest Money Deposit and any interest earned thereon shall be returned to Purchaser by Seller or Escrow Holder, as appropriate. Except as provided in the immediately preceding sentence, the Earnest Money Deposit shall become non-refundable to Purchaser upon expiration of the Review Period

described in Paragraph 2.5 below. The Earnest Money Deposit shall be applied to the Purchase Price at the Closing.

2.3 PURCHASER'S DEFAULT AND LIQUIDATED DAMAGES: PURCHASER AND SELLER AGREE THAT SHOULD PURCHASER DEFAULT IN PURCHASER'S OBLIGATION TO PURCHASE THE PROPERTY WITHIN THE TIME AND IN THE MANNER SPECIFIED IN THIS AGREEMENT, SELLER SHALL BE RELEASED FROM ALL OBLIGATIONS AT LAW OR IN EQUITY TO CONVEY THE PROPERTY TO PURCHASER. PURCHASER AND SELLER AGREE THAT IT WOULD BE IMPRACTICAL OR EXTREMELY DIFFICULT TO FIX THE ACTUAL DAMAGES SUFFERED BY SELLER BECAUSE OF SUCH DEFAULT, THAT THE EARNEST MONEY DEPOSIT AND ANY INTEREST EARNED THEREON SHALL CONSTITUTE A REASONABLE ESTIMATE AND AGREED STIPULATION OF DAMAGES IN THE EVENT OF SUCH DEFAULT BY PURCHASER AND THAT SELLER SHALL HAVE NO OTHER RIGHT OR CAUSE OF ACTION AGAINST PURCHASER FOR DAMAGES OR OTHERWISE ARISING FROM SAID DEFAULT.

Seller's Initials: ES Purchaser's Initials: pht

2.4 Closing Costs. Costs of Escrow shall be paid as follows:

2.4.1 By Seller. Seller will pay one-half (1/2) of customary escrow fees, the cost of any documentary transfer tax, and one-half (1/2) of the costs of a standard coverage CLTA title insurance policy ("**Title Policy**") from Chicago Title Company ("**Title Insurer**").

2.4.2 By Purchaser. Purchaser will pay one-half (1/2) of customary escrow fees, the cost of any escrow fees attributable to any ancillary money lender's agreement, one-half (1/2) of the costs of a CLTA Title Policy and all of the additional costs of any additional title coverage (such as an ALTA Policy) or endorsements which Purchaser may desire and any document preparation costs.

No recording fees will be payable with respect to the recording of the Grant Deed, pursuant to Government Code Section 27383. Each party will be responsible for payment of its own attorneys' fees with respect to the negotiation, preparation and performance of this Agreement.

2.5 Definition: Time.

The performance by Seller and Purchaser of their respective obligations under this Agreement, delivery of the Purchase Price to Seller by Escrow Holder after recording of the Grant Deed (upon the Title Insurer's commitment to issue the Title Policy to Purchaser) and delivery of possession of the Property to Purchaser shall constitute the closing of the sale (the "**Closing**" or "**Close of Escrow**"). The date of the Closing (the "**Closing Date**") shall be on or before October 18, 2018, unless extended in writing at the sole discretion of Seller.

2.6 Real Property Taxes; Closing Prorations and Adjustments. The parties acknowledge that because of Purchaser's status as a public entity, the Property will not be subject to real property taxation during Purchaser's period of ownership. All such taxes and assessments relating to the Property prior to Close of Escrow shall be prorated according to prevailing local custom in Stanislaus County, California. Except that Seller shall remain liable for all taxes and assessments attributable to pre-Closing periods, all prorations are final. All Property rentals, utilities, and operating expenses (if any) shall be prorated as of the Closing Date. The parties agree to promptly adjust between themselves outside of Escrow any rents received after the Closing. All security deposits held by Seller shall be transferred to Purchaser as a credit to the cash required of Purchaser at Closing.

2.7 Payment of Purchase Price. The Purchase Price, less the Earnest Money Deposit and plus or minus any adjustments, credits or prorations provided for herein, shall be paid at the Closing, at Seller's option by cashier's or certified check or by wire transfer of current funds.

2.8 Possession. Possession of the Property (subject to existing Tenants (as defined below)) shall be delivered to Purchaser at the Closing.

2.9 Escrow. This sale shall be closed through Escrow Holder. This Agreement shall constitute the instructions of the parties to Escrow Holder. Payment of the Purchase Price (after giving Purchaser credit for the Earnest Money Deposit) and delivery of the Grant Deed and other closing documents shall be made through the Escrow. Each party shall have the right to inspect all documents prior to or at the time of deposit in the Escrow.

2.10 Documents To Be Delivered By Seller At Closing. At the Closing, Seller shall deliver or cause to be delivered to Purchaser through the Escrow, the following, each of which shall be in form reasonably satisfactory to Purchaser:

2.10.1 A duly executed and acknowledged Grant Deed;

2.10.1 A duly completed Assignment of Leases substantially in the form attached hereto as Exhibit "C" ("**Assignment of Leases**"), executed by Seller;

2.10.3 All other documents (if any) required to be executed and delivered by Seller; and

2.10.4 Such other instruments and documents as may be reasonably required in order to carry out the purposes of this Agreement.

2.11 Documents To Be Delivered By Purchaser At Closing. At the Closing Purchaser shall deliver through the Escrow, the following, each of which shall be in form reasonably satisfactory to Seller:

2.11.1 The Purchase Price, plus or minus adjustments, credits and prorations provided for herein;

2.11.2 A completed, Preliminary Change of Ownership Report ("**PCOR**") form, in customary form;

2.11.3 A duly completed and executed Assignment of Leases, executed by Purchaser; and

2.11.4 Such other instruments and documents as may be reasonably required in order to carry out the purpose of this Agreement.

2.12 Conditions to Seller's Obligations. The Closing and Seller's obligations to consummate the transaction contemplated by this Agreement are subject to the satisfaction of the following conditions (or Seller's waiver thereof) which are for Seller's sole benefit, on or prior to the dates designated below for the satisfaction of such conditions, or the Closing in absence of a specified date:

2.12.1 Purchaser's Obligations. As of the Closing, Purchaser shall have timely performed all of the obligations required by the terms of this Agreement to be performed by Purchaser; and

2.12.2 Purchaser's Representations. As of the Closing, all representations and warranties made by Purchaser to Seller in this Agreement and the Offer shall be true and correct as of the Closing.

2.13 Conditions to Purchaser's Obligations. The Closing and Purchaser's obligations to consummate the transaction contemplated by this Agreement are subject to the satisfaction of the following conditions (or Purchaser's waiver thereof) which are for Purchaser's sole benefit, on or prior to the dates designated below for the satisfaction of such conditions, or the Closing in absence of a specified date:

2.13.1 Seller's Obligations. As of the Closing, Seller shall have timely performed all of the obligations required by the terms of this Agreement to be performed by Seller; and

2.13.2 Seller's Representations. As of the Closing, all representations and warranties made by Seller to Purchaser in this Agreement shall be true and correct as of the Closing.

2.14 Electronic Signatures. Escrow Holder is authorized to accept electronically signed documents; provided, however, that any documents recorded (such as the Grant Deed) must bear original signatures and notarizations. Escrow Holder will notify Seller and Purchaser regarding any other documents as to which it may require original signatures.

ARTICLE 3 [OMITTED]

ARTICLE 4 REPRESENTATIONS AND WARRANTIES

4.1 Seller's Representations and Warranties. Seller is selling the Property "**AS-IS**" with all faults, but represents and warrants to Purchaser as follows:

4.1.1 Authority. Seller has full power and authority to sell, convey and transfer the Property as provided for in this Agreement and this Agreement is binding and enforceable against Seller.

4.1.2 Hazardous Materials. Except as expressly set forth in the documentation that accompanied Seller's Request for Offers, to Seller's actual knowledge, Seller has not caused any Hazardous Materials to be placed or disposed of on or at the Property or any part thereof in any manner or quantity that would constitute a violation of any Environmental Law, nor has Seller received any written notices that the Property is in violation of any Environmental Law. As used herein, (a) the term "**Hazardous Materials**" shall mean any hazardous, toxic or dangerous substance, material, waste, gas or particulate matter which is defined as such for purposes of regulation by any local government authority, the State of California, or the United States Government, including, but not limited to, any material or substance which is (i) defined as a "hazardous waste," "hazardous material," "hazardous substance," "extremely hazardous waste," or "restricted hazardous waste" under any provision of California law, (ii) petroleum, (iii) asbestos, (iv) polychlorinated biphenyl, (v) radioactive material, (vi) designated as a "hazardous substance" pursuant to Section 311 of the Clean Water Act, 33 U.S.C. Sec. 1251 et seq. (33 U.S.C. Sec. 1317), (vii) defined as a "hazardous waste" pursuant to Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. Sec. 6901 et seq. (42 U.S.C. Sec. 6903), or (viii) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. Sec. 9601 et seq. (42 U.S.C. Sec. 9601); and (b) the term "**Environmental Laws**" shall mean all statutes specifically described in the definition of "**Hazardous Materials**" and all other federal, state or local laws, regulations or orders relating to or imposing liability or standards of conduct concerning any Hazardous Material.

4.1.3 Transmittal of Agreements. Seller has transmitted to Purchaser (i) true, correct and complete copies of each and every written agreement, and (ii) true, accurate and complete summaries of each and every oral agreement, between (or among) Seller and any other party pertaining to the Property, including but not limited to: (i) all Leases (as defined below); (ii) all agreements between Seller and the 10th Street Place Joint Powers Agency or any other (current or prior) owner of the building of which the Property is a part ("**Building Owner**"); and (iii) any agreement with any third-party which will bind or otherwise be enforceable against Purchaser following the Closing (collectively, "**Agreements**"). Except as expressly provide below, or in a Purchaser-approved Estoppel Agreement (as defined below): (a) Seller is in full compliance under all of the Agreements; (b) to Seller's knowledge, no other party is in default under any of the Agreements; and (c) Seller has not received any notice of default from any other party to any Agreement (except which has been cured). None

4.1.4 Transmittal of Estoppel Agreements. Seller has notified each of its Property tenants of this Purchase and Sale transaction. At least five business days before the Closing Date, Seller will provide Purchaser with an executed Estoppel Agreement from each and every Tenant, in form previously provided to Seller and in form and substance acceptable to the Purchaser in Purchaser's sole discretion.

4.1.5 Transmittal of Rent Roll. Seller has transmitted to Purchaser a document entitled "2018 Rent Roll" setting forth the details of each and every rental, lease or other agreement (together, "**Leases**") between Seller and every other person or entity with any right to possess, occupy or use the Property or any portion thereof ("**Tenants**"). Seller represents and warrants that the 2018 Rent Roll is complete, all of the information contained on the 2018 Rent Roll is true and correct, no person or entity other than the Tenants has any lawful right to possess, occupy or use the Property or any portion thereof, and to Seller's knowledge no person or entity other than the Tenants is possessing, occupying or using the Property or any portion thereto. (For purposes of the last sentence of Section 4.15, the term "Tenants" include Tenants, their employees, and their licensees.)

4.1.6 Assignment of Leases. Seller represents and warrants to Purchaser that upon the execution and delivery by both parties of the Assignment of Leases, each and every Lease shall be fully transferred to Purchaser, without the consent of any Tenant.

4.2 Purchaser's Representations and Warranties. Purchaser represents and warrants to Seller as follows:

4.2.1. No Breach or Violation. Neither the execution and delivery of this Agreement by Purchaser nor the consummation of the transactions contemplated hereby will result in any breach or violation of or default under any judgment, decree, order, mortgage, lease, agreement, indenture or other instrument to which Purchaser is a party.

4.2.2 Authority. Purchaser has full power and authority to execute this Agreement and purchase the Property as provided for in this Agreement and this Agreement is binding and enforceable against Purchaser.

4.2.3 Zoning. Purchaser acknowledges that Seller has advised Purchaser that current zoning for the Property is "CD" – Central Downtown and Purchaser has independently verified such zoning designation to be true. Purchaser has obtained a finding of General Plan Consistency of this Purchase and Sale transaction from the City of Modesto Planning Commission.

4.2.4 As-Is Acquisition. PURCHASER ACKNOWLEDGES AND AGREES THAT, EXCEPT AS OTHERWISE SPECIFICALLY PROVIDED HEREIN, SELLER HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY NEGATES AND DISCLAIMS ANY REPRESENTATIONS, WARRANTIES, PROMISES, COVENANTS, AGREEMENTS OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, OF, AS TO, CONCERNING OR WITH RESPECT TO (I) VALUE; (II) THE INCOME TO BE DERIVED FROM THE PROPERTY; (III) THE NATURE, QUALITY OR CONDITION OF THE PROPERTY, INCLUDING, WITHOUT LIMITATION, THE WATER, SOIL AND GEOLOGY; (IV) THE COMPLIANCE OF OR BY THE PROPERTY OR ITS OPERATION WITH ANY LAWS, RULES, ORDINANCES OR REGULATIONS OF ANY APPLICABLE GOVERNMENTAL AUTHORITY OR BODY; (V) COMPLIANCE WITH ANY ENVIRONMENTAL PROTECTION, POLLUTION OR LAND USE LAWS, RULES, REGULATION, ORDERS OR REQUIREMENTS, INCLUDING BUT NOT LIMITED TO, TITLE III OF THE AMERICANS WITH DISABILITIES ACT OF 1990, CALIFORNIA HEALTH & SAFETY CODE, THE FEDERAL WATER POLLUTION CONTROL ACT, THE FEDERAL RESOURCE CONSERVATION AND RECOVERY ACT, THE U.S. ENVIRONMENTAL PROTECTION AGENCY REGULATIONS AT 40 C.F.R., PART 261, THE COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION AND LIABILITY ACT OF 1980, AS AMENDED, THE RESOURCE CONSERVATION AND RECOVERY ACT OF 1976, THE CLEAN WATER ACT, THE SAFE DRINKING WATER ACT, THE HAZARDOUS

MATERIALS TRANSPORTATION ACT, THE TOXIC SUBSTANCE CONTROL ACT, AND REGULATIONS PROMULGATED UNDER ANY OF THE FOREGOING; (VI) THE PRESENCE OR ABSENCE OF HAZARDOUS MATERIALS AT, ON, UNDER, OR ADJACENT TO THE PROPERTY; (VII) THE CONTENT, COMPLETENESS OR ACCURACY OF ANY DUE DILIGENCE MATERIALS DELIVERED BY SELLER TO PURCHASER OR PRELIMINARY REPORT REGARDING TITLE; (VIII) DEFICIENCY OF ANY UNDERSHORING; (IX) DEFICIENCY OF ANY DRAINAGE; (X) THE FACT THAT ALL OR A PORTION OF THE PROPERTY MAY BE LOCATED ON OR NEAR AN EARTHQUAKE FAULT LINE OR A FLOOD ZONE; OR (XI) WITH RESPECT TO ANY OTHER MATTER. PURCHASER FURTHER ACKNOWLEDGES AND AGREES THAT IT HAS OR WILL HAVE BEEN GIVEN THE OPPORTUNITY TO INSPECT THE PROPERTY AND REVIEW INFORMATION AND DOCUMENTATION AFFECTING THE PROPERTY, AND THAT, EXCEPT FOR SELLER'S EXPRESS REPRESENTATIONS AND WARRANTIES CONTAINED HEREIN, PURCHASER IS RELYING SOLELY ON ITS OWN INVESTIGATION OF THE PROPERTY AND REVIEW OF SUCH INFORMATION AND DOCUMENTATION, AND NOT ON ANY INFORMATION PROVIDED OR TO BE PROVIDED BY SELLER. PURCHASER FURTHER ACKNOWLEDGES AND AGREES THAT ANY INFORMATION MADE AVAILABLE TO PURCHASER OR PROVIDED OR TO BE PROVIDED BY OR ON BEHALF OF SELLER WITH RESPECT TO THE PROPERTY WAS OBTAINED FROM A VARIETY OF SOURCES AND THAT SELLER HAS NOT MADE ANY INDEPENDENT INVESTIGATION OR VERIFICATION OF SUCH INFORMATION AND MAKES NO REPRESENTATIONS AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION. PURCHASER AGREES TO FULLY AND IRREVOCABLY RELEASE ALL SUCH SOURCES OF INFORMATION AND PREPARERS OF INFORMATION AND DOCUMENTATION AFFECTING THE PROPERTY WHICH WERE RETAINED BY SELLER FROM ANY AND ALL CLAIMS THAT THEY MAY NOW HAVE OR HEREAFTER ACQUIRE AGAINST SUCH SOURCES AND PREPARERS OF INFORMATION FOR ANY COSTS, LOSS, LIABILITY, DAMAGE, EXPENSE, DEMAND, ACTION OR CAUSE OF ACTION ARISING FROM SUCH INFORMATION OR DOCUMENTATION. EXCEPT FOR SELLER'S EXPRESS REPRESENTATIONS AND WARRANTIES CONTAINED IN SECTION 4.1 ABOVE, SELLER IS NOT LIABLE OR BOUND IN ANY MANNER BY ANY ORAL OR WRITTEN STATEMENTS, REPRESENTATIONS OR INFORMATION PERTAINING TO THE PROPERTY, OR THE OPERATION THEREOF, FURNISHED BY ANY REAL ESTATE BROKER, AGENT, EMPLOYEE, SERVANT OR OTHER PERSON. PURCHASER FURTHER ACKNOWLEDGES AND AGREES THAT TO THE MAXIMUM EXTENT PERMITTED BY LAW, EXCEPT FOR SELLER'S EXPRESS REPRESENTATIONS AND WARRANTIES CONTAINED IN SECTION 4.1 ABOVE, THE SALE OF THE PROPERTY AS PROVIDED FOR HEREIN IS MADE ON AN "AS IS" CONDITION AND BASIS WITH ALL FAULTS, AND THAT SELLER HAS NO OBLIGATIONS TO MAKE REPAIRS, REPLACEMENTS OR IMPROVEMENTS EXCEPT AS MAY OTHERWISE BE EXPRESSLY STATED HEREIN. PURCHASER REPRESENTS, WARRANTS AND COVENANTS TO SELLER THAT, EXCEPT FOR SELLER'S EXPRESS REPRESENTATIONS AND WARRANTIES SPECIFIED IN THIS AGREEMENT, PURCHASER IS RELYING SOLELY UPON PURCHASER'S OWN INVESTIGATION OF THE PROPERTY.

4.2.4 General Waiver. With respect to the waivers and releases set forth in Section 4.2.4, above, Purchaser expressly waives any of its rights granted under California Civil Code Section 1542, which provides 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 the debtor."


Purchaser's Initials

4.3 Seller's Representations and Warranties. In addition to its other representations and warranties herein, Seller represents and warrants to Purchaser as follows:

4.3.1. No Breach or Violation. Neither the execution and delivery of this Agreement by Seller nor the consummation of the transactions contemplated hereby will result in any breach or violation

of or default under any judgment, decree, order, mortgage, lease, agreement, indenture or other instrument to which Seller is a party.

4.3.2 Authority. Seller has full power and authority to execute this Agreement and sell the Property as provided for in this Agreement and this Agreement is binding and enforceable against Seller.

4.2.3 Zoning. Current zoning for the Property is "CD" – Central Downtown.

ARTICLE 5 DEFAULTS; REMEDIES

5.1 Purchaser's Default. If the transaction contemplated hereby does not close by reason of a default by Purchaser in any of the terms hereof, then Seller may, as its sole option and in lieu of any and all other legal and equitable remedies which Seller may have hereunder for failure by Purchaser to timely close the transaction contemplated hereby, receive all Earnest Money Deposit, including any interest earned thereon, deposited to the date of such default, as liquidated damages, pursuant to Section 2.3. hereof.

5.2 Seller's Default. If the transaction contemplated hereby does not close by reason of a default by Seller in any of the terms hereof, then Purchaser may terminate this Agreement and pursue against Seller an action to compel Seller's specific performance of this Agreement. In no event shall Seller be liable to Purchaser for indirect or consequential damages, including, without limitation, any loss or damage suffered by Purchaser in connection with any lost profit or other agreement or understanding with any third party for the use, lease or purchase of the Property.

ARTICLE 6 MISCELLANEOUS

6.1 Notices. All notices and other communications which are required to be, or which may be given under this Agreement shall be in writing, and shall be delivered at the addresses set out hereinbelow. Notice may be given by personal delivery, recognized overnight courier, by United States mail or by facsimile transmission in the manner set forth below. Notice shall be deemed to have been duly given (a) if by personal delivery, on the first to occur of the date of actual receipt or refusal of delivery by any person at the intended address, (b) if by overnight courier, on the first (1st) Business Day after being delivered to a recognized overnight courier, (c) if by mail, on the third (3rd) Business Day after being deposited in the United States mail, certified or registered mail, return receipt requested, postage prepaid, or (d) by facsimile transmission shall be deemed to have been given on the next business day after being transmitted, as evidenced by the confirmation slip generated by the sender's facsimile machine addressed as follows:

If to Purchaser: County of Stanislaus
1010 Tenth Street, Suite 6800
Modesto, CA 95353
Attn: Patricia Hill Thomas
Telephone: (209) 609-4334

With a copy to: Burke, Williams & Sorensen, LLP
1901 Harrison Street, 9th Floor
Oakland, CA 94612
Attn: Deirdre Joan Cox, Esq.
Telephone: (510) 273-8780

If to Seller: Civic Partners
7777 Center Ave Suite 230
Huntington Beach, Ca 92647

Attn: Steve Semingson
Telephone: (714) 230-8000

or to such other address as either party may from time to time specify as its address for the receipt of notices hereunder, in a notice to the other party. Notices given by an attorney shall be deemed to constitute notice from that party.

6.2 Assignment. Purchaser may not assign or pledge any of its rights hereunder without the prior written consent of Seller, which shall not unreasonably withheld, provided that no consent will be required for Purchaser to assign this Agreement to any current Building Owner. Subject to the foregoing, this Agreement shall be binding upon the parties hereto and each of their successors and assigns.

6.3 Survival. Seller's warranties and representations shall survive the Closing and delivery of the Grant Deed for a period of four years.

6.4 Joint and Several Liability. If Purchaser is more than one person or entity, then all obligations and/or liabilities of Purchaser set forth herein or arising hereunder shall be the joint and several obligations and/or liabilities of each party constituting Purchaser.

6.5 Entire Agreement. This Agreement and Purchaser's Offer collectively embody the entire understanding of the parties and there are no further or other agreements or understandings, written or oral, in effect between the parties relating to the subject matter hereof except as may be set forth in writing executed by both parties contemporaneously with or subsequent to this Agreement.

6.6 Severability. If any term or provision of this Agreement or any application thereof shall be invalid or unenforceable, the remainder of this Agreement and other applications thereof shall not be affected thereby.

6.7 Captions; Number. The captions contained in this Agreement are for the convenience of reference only, and shall not affect the meaning, interpretation or construction of this Agreement. As used in this Agreement, the singular form shall include the plural and the plural shall include the singular, to the extent that the context renders it appropriate.

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

6.9 Governing Law. This Agreement has been executed and delivered, and is to be performed, in the State of California, and this Agreement and all rights, obligations and liabilities hereunder shall be governed by, and construed in accordance with, the internal laws of the State of California. Purchaser hereby irrevocably waives any objection that it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement brought in any federal or state court sitting in Stanislaus County, California.

6.10 Time of the Essence. Time is of the essence of this Agreement.

6.11 Modification. The provisions of this Agreement may not be amended, changed or modified orally, but only by an agreement in writing signed by the party against whom any amendment, change or modification is sought.

6.12 Waiver. Except as otherwise expressly provided in this Agreement, no waiver by a party of any breach of this Agreement or of any warranty or representation hereunder by the other party shall be deemed to be a waiver of any other breach by such other party (whether preceding or succeeding and whether or not of the same or similar nature) and no acceptance of payment or performance by a party after any breach by the other party shall be deemed to be a waiver of any breach of this Agreement or of

any representation or warranty hereunder by such other party whether or not the first party knows such breach at the time it accepts such payment or performance. Except as otherwise expressly provided in this Agreement, no failure or delay by a party to exercise any right it may have by reason of the default of the other party shall operate as a waiver of default or modification of this Agreement or shall prevent the exercise of any right by the first party while the other party continues to be so in default.

6.13 Business Days. Except as otherwise provided in this Agreement, if any date specified in this Agreement for the Closing Date or for commencement or expiration of time periods for termination or approvals or for notice occurs on a day other than a Business Day, then any such date shall be postponed to the following Business Day. As used herein, "Business Day" shall mean any day other than a Saturday, Sunday, a holiday observed by national banks or a day that is a non-working day for Seller.

6.14 Attorney Fees. In the event of any dispute arising out of the enforcement or interpretation of this Agreement, the prevailing party shall be entitled to reasonable attorney fees and costs.

6.15 Broker. Purchaser and Seller each represent to the other that it has had no dealings with any real estate broker or agent in connection with the negotiations of this Purchase and Sale Agreement, except for Brekke Real Estate, Inc. (Randy Brekke) and that they know of no other real estate broker or agent who is entitled to a commission of finder's fee in connection with this purchase and sale transaction. Seller shall pay Brekke Real Estate, Inc. ("Brokker") a sales commission upon close of escrow pursuant to a separate agreement by and between Seller and Broker. Each party shall indemnify, protect, defend and hold harmless the other party against all claims, demands, losses, liabilities, lawsuits, judgments, and cost and expenses (including reasonable attorneys' fees) for any sales commission, finder's fee or equivalent compensation alleged to be owing on account of the indemnifying party's dealings with any real estate broker or agent other than Broker. The terms of this section shall survive the Close of Escrow.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

PURCHASER:

COUNTY OF STANISLAUS

Approved as to Form:

By: 

Patricia Hill Thomas
Chief Operations Officer

By: 

John P. Doering
County Counsel

SELLER: CIVIC PARTNERS MODESTO, INC.

By: _____

(Name)

(Title)

any representation or warranty hereunder by such other party whether or not the first party knows such breach at the time it accepts such payment or performance. Except as otherwise expressly provided in this Agreement, no failure or delay by a party to exercise any right it may have by reason of the default of the other party shall operate as a waiver of default or modification of this Agreement or shall prevent the exercise of any right by the first party while the other party continues to be so in default.

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IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

PURCHASER:

COUNTY OF STANISLAUS

Approved as to Form:

By: _____
Patricia Hill Thomas
Chief Operations Officer

By: _____
John P. Doering
County Counsel

SELLER: CIVIC PARTNERS MODESTO, INC.


By:  _____
Steven Semington (Name)
President (Title)

EXHIBIT "A"
Legal Description of the Property

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

Parcel One:

Parcels A-1 and A-2 as shown on Record of Survey filed August 26, 2001, in Book 26 of Surveys, at Page 29, Stanislaus County Records.
APN(s): 105-037-033 and 105-037-034

Parcel Two:

Non-exclusive easements, appurtenant to Parcel One hereinabove, as set forth and more particularly described in that certain Reciprocal Easement, Operation and Maintenance Agreement with Restrictions and Covenants, dated June 12, 2000, and recorded June 15, 2000, as Instrument 2000-0048248-00, of Official Records of Stanislaus County, subject to the terms, conditions, and restrictions set forth in such agreement (2000-0048248-00) pertaining to the use or exercise of such easements.

Parcel Three:

A non-exclusive right to use and occupy available parking spaces, appurtenant to Parcel One hereinabove, as set forth and more particularly described in that certain Parking Agreement, dated June 12, 2000, and recorded June 15, 2000, as Instrument 2000-0048258-00, of Official Records of Stanislaus County, subject to the terms, conditions, and restrictions set forth in such agreement (2000-0048258-00) pertaining to the use or exercise of such right.

Parcel Four:

Non-exclusive easements, appurtenant to Parcel One hereinabove, as set forth and more particularly described in that certain Reciprocal Easement, Operation and Maintenance Agreement with Restrictions and Covenants, dated August 17, 2001, and recorded August 24, 2001 as Instrument 2001-0099731-00, of Official Records of Stanislaus County, subject to the terms, conditions, and restrictions set forth in such agreement (2001-0099731-00) pertaining to the use or exercise of such easements.

RECORDING REQUESTED BY:

Chicago Title Co - Escrow #5111802124-PS

WHEN RECORDED MAIL TO:

County of Stanislaus
1010 10th Street, Suite 6800
Modesto, CA 95353



Stanislaus, County Recorder
Lee Lundrigan Co Recorder Office
DOC- 2018-0072966-00

Acct .403-Mail Documents

Friday, OCT 19, 2018 12:40:13

Ttl Pd \$4,924.70 Rcpt # 0004190294

LLC/R3/1-5

THIS SPACE FOR RECORDER'S USE ONLY

TITLE OF DOCUMENT

GRANT DEED

The undersigned declares that the document to which this page is affixed and made a part of is exempt from the fee imposed by GC 27388.1 [SB2]

Reason for exemption:

- Not related to real property - GC 27388.1(a)(1)
- Transfer of real property subject to the imposition of Documentary Transfer Tax - GC 27388.1(a)(2)
- Recorded concurrently and in connection with a transfer subject to the imposition of Documentary Transfer Tax - GC 27388.1(a)(2)
- Transfer of real property that is a residential dwelling to an owner-occupier - GC 27388.1(a)(2)
- Recorded concurrently and in connection with a transfer of real property that is a residential dwelling to an owner-occupier - GC 27388.1(a)(2)
- Maximum \$225.00 fee per transaction reached - GC 27388.1(a)(1)

Signature

10/19/2018

Date

THIS PAGE IS ADDED TO PROVIDE DECLARATION OF GC 27388.1 FEE EXEMPTION

ADDITIONAL PAGE RECORDING FEE APPLIES FOR THIS PAGE

500

RECORDING REQUESTED BY:
Chicago Title Company

**When Recorded Mail Document
and Tax Statement To:**
County of Stanislaus
1010 10th Street, Suite 6800
Modesto, CA 95353

SPACE ABOVE THIS LINE FOR RECORDER'S USE

Escrow Order No.: FSST-5111802124

EXEMPT FORM RECORDING FEES PER GOVT. CODE 27383

Property Address: 1010 10th Street, First Floor
and 1025 J Street,
Modesto, CA 95354
APN/Parcel ID(s): 105-037-033
105-037-034

GRANT DEED

The undersigned grantor(s) declare(s)

- This transfer is exempt from the documentary transfer tax.
 The documentary transfer tax is \$4,924.70 and is computed on:
 the full value of the interest or property conveyed.
 the full value less the liens or encumbrances remaining thereon at the time of sale.
The property is located in the **City of Modesto**.

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, Civic Partners Modesto, Inc., a California Corporation

hereby GRANT(S) to County of Stanislaus, a political subdivision of the State of California
the following described real property in the City of Modesto, County of Stanislaus, State of California:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

MAIL TAX STATEMENTS AS DIRECTED ABOVE

GRANT DEED
(continued)

APN/Parcel ID(s): 105-037-033
105-037-034

Dated: October 15, 2018

IN WITNESS WHEREOF, the undersigned have executed this document on the date(s) set forth below.

Civic Partners Modesto, Inc.

BY: [Signature]
Steve P. Semingson, President.

BY: _____

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

State of California
County of Orange

On 10-16-2018 before me, Josh Stittsworth, Notary Public,
(here insert name and title of the officer)

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

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

WITNESS my hand and official seal.
[Signature]
Signature

(Seal)

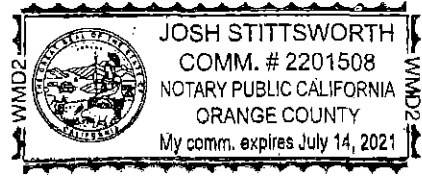


EXHIBIT "A"
Legal Description

For APN/Parcel ID(s): 105-037-033 and 105-037-034

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

PARCEL ONE:

PARCELS A-1 AND A-2 AS SHOWN ON RECORD OF SURVEY FILED AUGUST 26, 2001, IN BOOK 26 OF SURVEYS, AT PAGE 29, STANISLAUS COUNTY RECORDS.

APN(S): 105-037-033 AND 105-037-034

PARCEL TWO:

NON-EXCLUSIVE EASEMENTS, APPURTENANT TO PARCEL ONE HEREINABOVE, AS SET FORTH AND MORE PARTICULARLY DESCRIBED IN THAT CERTAIN RECIPROCAL EASEMENT, OPERATION AND MAINTENANCE AGREEMENT WITH RESTRICTIONS AND COVENANTS, DATED JUNE 12, 2000, AND RECORDED JUNE 15, 2000, AS INSTRUMENT 2000-0048248-00, OF OFFICIAL RECORDS OF STANISLAUS COUNTY, SUBJECT TO THE TERMS, CONDITIONS, AND RESTRICTIONS SET FORTH IN SUCH AGREEMENT (2000-0048248-00) PERTAINING TO THE USE OR EXERCISE OF SUCH EASEMENTS.

PARCEL THREE:

A NON-EXCLUSIVE RIGHT TO USE AND OCCUPY AVAILABLE PARKING SPACES, APPURTENANT TO PARCEL ONE HEREINABOVE, AS SET FORTH AND MORE PARTICULARLY DESCRIBED IN THAT CERTAIN PARKING AGREEMENT, DATED JUNE 12, 2000, AND RECORDED JUNE 15, 2000, AS INSTRUMENT 2000-0048258-00, OF OFFICIAL RECORDS OF STANISLAUS COUNTY, SUBJECT TO THE TERMS, CONDITIONS, AND RESTRICTIONS SET FORTH IN SUCH AGREEMENT (2000-0048258-00) PERTAINING TO THE USE OR EXERCISE OF SUCH RIGHT.

PARCEL FOUR:

NON-EXCLUSIVE EASEMENTS, APPURTENANT TO PARCEL ONE HEREINABOVE, AS SET FORTH AND MORE PARTICULARLY DESCRIBED IN THAT CERTAIN RECIPROCAL EASEMENT, OPERATION AND MAINTENANCE AGREEMENT WITH RESTRICTIONS AND COVENANTS, DATED AUGUST 17, 2001, AND RECORDED AUGUST 24, 2001 AS INSTRUMENT 2001-0099731-00, OF OFFICIAL RECORDS OF STANISLAUS COUNTY, SUBJECT TO THE TERMS, CONDITIONS, AND RESTRICTIONS SET FORTH IN SUCH AGREEMENT (2001-0099731-00) PERTAINING TO THE USE OR EXERCISE OF SUCH EASEMENTS.

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the Grant Deed dated October 15 2018, from CIVIC PARTNERS MODESTO, INC., a California corporation to the COUNTY OF STANISLAUS, a general law county, is hereby accepted on behalf of the Board of Supervisors of the County of Stanislaus pursuant to authority conferred by Resolution No. NA, dated _____, 20____, and the Grantee consents to the recordation thereof by its duly authorized officer.

Date: Oct. 18 2018, 2018

"Grantee"

THE COUNTY OF STANISLAUS

By: Patricia Hill Thomas
Patricia Hill Thomas
Chief Operations Officer

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

State of California)
County of STANISLAUS) ss

On 10-18-2018, before me, Joel R. Martinez
(Name of Notary)

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

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

WITNESS my hand and official seal.
[Signature]
(Notary Signature)

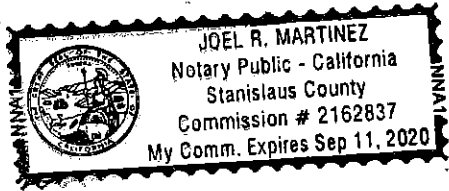


EXHIBIT C

Assignment of Leases

THIS ASSIGNMENT OF LEASES ("**Assignment**") is made this 19th day of October 2018, entered into by and between CIVIC PARTNERS MODESTO, INC., a California corporation ("**Assignor**"), and COUNTY OF STANISLAUS, a general law county ("**Assignee**").

RECITALS:

A. Assignor and Assignee entered into that certain Agreement for Purchase and Sale of Real Estate and Initial Escrow Instructions dated as of October 9, 2018 ("**Agreement**"), whereby Assignor has agreed to sell to Assignee, and Assignee has agreed to purchase from Assignor, approximately 28,607 rentable square feet of office air space on the first floor of Tenth Street Place located at 1010 Tenth St. and 1025 J Street, Modesto, CA, together with associated non-exclusive easements (the "**Property**"), all as more fully described in the Agreement. Capitalized terms not otherwise defined in this Assignment shall have the same meaning in the Agreement.

B. The Agreement obligates Assignor to assign, to the extent assignable, to Assignee tenant leases and security deposits related to the Property.

C. By Grant Deed dated as of the date hereof, to be recorded in the Official Records of Stanislaus County, California, with the delivery hereof, Assignor conveyed the Property, with all improvements thereon, to the Assignee.

AGREEMENT:

NOW, THEREFORE, in consideration of the Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor and Assignee hereby agree as follows:

1. **Assignment of Leases.** Assignor hereby sells, assigns, transfers and conveys unto Assignee, and its successors and assigns, all of Assignor's right, title and interest in and to the Leases on the schedule attached hereto and incorporated herein as Schedule 1. By execution hereof, Assignee agrees to assume and be bound by Assignor's obligations accruing on or after the date hereof under the Leases.

2. **Assignment of Deposits.** Assignor hereby sells, assigns, transfers and conveys unto Assignee, and its successors and assigns, all of Assignor's right, title and interest in and to the refundable security, cleaning and all other refundable deposits, including but not limited to those on the attached Schedule 1 ("**Deposits**"), together with all earned interest thereon to the date hereof which may be required by law or by the Leases to be accrued for the benefit of the tenants and the rights and obligations of Assignor thereunder.

3. **Disclaimer of Lease Terms.** ASSIGNEE ACKNOWLEDGES AND AGREES, BY ITS ACCEPTANCE HEREOF, THAT, EXCEPT AS EXPRESSLY PROVIDED IN THE AGREEMENT, ASSIGNOR HAS NOT MADE AND SPECIFICALLY DISCLAIMS ANY REPRESENTATIONS, WARRANTIES, OR COVENANTS OF ANY KIND, WHETHER EXPRESS OR IMPLIED, CONCERNING THE LEASES, THE INCOME TO BE DERIVED THEREFROM, OR THE ENFORCEABILITY THEREOF. However, nothing in this Section 3 alters, limits or modifies any Assignor representation or warranty in the Agreement.

4. **Governing Law.** This Assignment and all other instruments referred to herein shall be governed by, and shall be construed in accordance with, the laws of the State of California.

5. **Successors and Assigns.** This Assignment and the terms and provisions hereof shall inure to the benefit of, and shall be binding upon, the respective successors and assigns of Assignor and Assignee.

6. **Survival.** The terms and conditions of this Assignment shall survive the Close of Escrow.

7. **Indemnification.** Assignee shall indemnify, defend and hold Assignor, its officers, directors, employees and agents harmless from and against any and all litigation, loss cost, damage, claim, demand, expense or liability whatsoever (including without limitation, reasonable attorneys' fees, charges and costs) (collectively, "Damages") arising out of any Lease which occur or arise on or after the effective date of this Assignment. Assignor shall indemnify, defend and hold Assignee, its public officials, officers, directors, employees and agents harmless from and against any and all Damages arising out of any Lease which occur or arise before the effective date of this Assignment

8. **Counterparts.** This Assignment may be executed in as many counterparts as may be required. It shall not be necessary that the signatures on behalf of all parties appear on each counterpart hereof. All counterparts hereof shall collectively constitute a single agreement.

9. **Covenants of Further Assurances.** Assignor and Assignee each agree to execute such other documents and perform such other acts as may be necessary or desirable to effectuate this Assignment.

IN WITNESS WHEREOF, Assignor and Assignee have executed and delivered this Assignment as of the dates set forth below.


ASSIGNEE:

COUNTY OF STANISLAUS

By: 
Patricia Hill Thomas
Chief Operations Officer

ASSIGNOR:

CIVIC PARTNERS MODESTO, INC

By: 
Name: Steve Semington
Its: President

Leases

Suite #	Tenant	Deposit
1, 2 & 2A	Health Plan of San Joaquin	\$10,915.00
2B	Central CA Art League	\$1,342.00
2C	George & Jacqueline Ismail, dba Taqueria Cardenas	\$1,190.00
4	Aspiranet	\$3,154.00
5	Rodin Ranch	\$1,411.00
6	Linda Abeldt, dba Graffiti Dogs	\$2,139.00
7B & 7C	Aspiranet	N/A
8	Health Plan of San Joaquin	\$4,349.00