



## EXECUTIVE SUMMARY

### HOUSING COMMISSION EXECUTIVE SUMMARY SHEET

MEETING DATE: July 8, 2022

HCR22-096

SUBJECT: Ramada Inn – Purchase and Sale Agreement

COUNCIL DISTRICT(S): 2

ORIGINATING DEPARTMENT: Real Estate

CONTACT/PHONE NUMBER: Emily S. Jacobs/ 619-578-7423

**REQUESTED ACTION:**

Approve the execution of a Purchase and Sale Agreement (PSA) for the property at 3737-3747 Midway Dr., San Diego, CA 92110, in an amount not to exceed \$11,623,000 and under the terms and conditions described in this report.

**EXECUTIVE SUMMARY OF KEY FACTORS:**

- The Community Action Plan on Homelessness for the City of San Diego, which the City Council accepted in October 2019, identified the need for an additional 2,659 Permanent Supportive Housing units in the next 10 years for individuals experiencing homelessness in the City of San Diego, with the need for 60 percent of those units (1,595) to be developed within the first four years.
- The City Council on February 7, 2022, renewed its declaration of a Shelter Crisis pursuant to Government Code Section 8698, et seq., which is currently operative (Resolution No. R-313888).
- As the current situation represents a state of emergency, the Housing Commission has worked to identify hotel sites to potentially create affordable housing units to address the shelter crisis.
- Executing a PSA is necessary before the Housing Commission can obtain site control to perform required due diligence, with a proposed budget of \$250,000. The Housing Commission will also obtain appraisals (including peer review appraisal) and market studies for this site during the due diligence process.
- This due diligence process will enable the Housing Commission to identify potential risks, if any, associated with purchasing the property and converting it to permanent affordable rental housing.
- Ramada Inn is a 64-unit building located on an approximately 36,154-square-foot site at 3737-3747 Midway Dr. in the Midway District.
- The due diligence period will commence upon mutual execution of the PSA and end 120 days following the date the PSA is executed.
- The purchase price for Ramada Inn is not to exceed \$11,623,000. This not-to-exceed price is based on comparable sales.
- A refundable deposit of \$50,000 will be deposited into escrow within five days of PSA execution. If the Housing Commission elects not to proceed with the transaction at the end of the due diligence period, the \$50,000 deposit will be refunded to the Housing Commission. If the Housing Commission elects to proceed with the transaction at the end of the due diligence period, an additional \$50,000 will be added to the initial deposit, and the combined deposit totaling \$100,000 will become non-refundable and credited against the purchase price.



## REPORT

**DATE ISSUED:** July 1, 2022

**REPORT NO:** HCR22-096

**ATTENTION:** Chair and Members of the San Diego Housing Commission  
For the Agenda of July 8, 2022

**SUBJECT:** Ramada Inn – Purchase and Sale Agreement

**COUNCIL DISTRICT:** 2

*Advance notice of San Diego Housing Commission Hearing of the following matter has been provided to the Housing Authority Members pursuant to the provisions of San Diego Municipal Code Section 98.0301(e)(4)(a)(b).*

**REQUESTED ACTION:**

Approve the execution of a Purchase and Sale Agreement (PSA) for the property at 3737-3747 Midway Dr., San Diego, CA 92110, in an amount not to exceed \$11,623,000 and under the terms and conditions described in this report.

**STAFF RECOMMENDATION**

That the San Diego Housing Commission (Housing Commission) Board of Commissioners (Board) take the following actions:

- 1) Authorize the Housing Commission's President and Chief Executive Officer (President & CEO), or designee, to execute a Purchase and Sale Agreement (PSA) by and between the Housing Commission and Anjali Enterprises, LLC (Seller), with a purchase price not to exceed \$11,623,000 for the property located at 3737-3747 Midway Dr., San Diego, CA 92110.
- 2) Authorize an Earnest Money Deposit not to exceed \$100,000 as detailed in the staff report.
- 3) Authorize the commencement of Due Diligence and a Due Diligence budget not to exceed \$250,000 as set forth in the staff report.
- 4) Authorize the Housing Commission's President & CEO, or designee, to substitute approved funding sources with any other available funds as deemed appropriate, contingent upon budget availability.
- 5) Authorize the Housing Commission's President & CEO, or designee, to execute all documents and instruments that are necessary and/or appropriate to implement these approvals, in a form approved by General Counsel, and to take such actions as are necessary and/or appropriate to implement these approvals upon the advice of General Counsel, provided that a copy of the documents, signed as to form by General Counsel, is submitted to each Housing Commissioner.

## **BACKGROUND**

The Community Action Plan on Homelessness for the City of San Diego, which the City Council accepted in October 2019, identified the need for an additional 2,659 Permanent Supportive Housing units in the next 10 years for individuals experiencing homelessness in the City of San Diego, with the need for 60 percent of those units (1,595) to be developed within the first four years.

In addition, the City Council on February 7, 2022, renewed its declaration of a Shelter Crisis pursuant to Government Code Section 8698, et seq., which is currently operative (Resolution No. R-313888). The Shelter Crisis resolution was enacted to help provide shelter and mitigate the effects of the ongoing housing emergency in the City.

As the current situation represents a state of emergency, the Housing Commission has worked to identify hotel sites to potentially create affordable housing units to address the shelter crisis. Executing a PSA is necessary before the Housing Commission can obtain site control to perform required due diligence. Obtaining site control will allow the Housing Commission to initiate extensive due diligence activities to assess items such as zoning, presence of potential environmental hazards, potential hazardous materials, immediate capital needs, pest control, and any immediate needs, including accessibility of the site. The Housing Commission will also obtain appraisals (including peer review appraisal) and market studies for this site during the due diligence process.

This due diligence process will enable the Housing Commission to identify potential risks, if any, associated with purchasing the property and converting it to permanent affordable rental housing.

## **SUMMARY**

A development summary is included as Attachment 1.

**Table 1 – Development Details**

Address	3737-3747, San Diego, CA 92110
Council District	Council District 2
Community Plan Area	Midway-Pacific Highway
Development Type	Acquisition and Rehabilitation
Construction Type	Type V, 2-story building
Parking Type	Approximately 55 parking spaces (surface parked)
Transit Information	Bus service route 35
Housing Type	Permanent Supportive Housing
Lot Size	.83 Acres
Units	64 (63 affordable plus one unrestricted manager's unit)
Density	77.10 units/acre (64 units ÷ .83 acres)
Unit Mix	63 studio, 1 two-bedroom manager's unit
Gross Building Area	21,912 square feet
Affordable Units in Service by Council District	Council District 2 includes 1,087 affordable rental housing units currently in service, which represents 4 percent of the 24,603 affordable rental housing units in service citywide.

Ramada Inn is a 64-unit building located on an approximately 36,154-square-foot site at 3737-3747 Midway Dr. in the Midway District of Central San Diego (Attachment 1 – Location Maps).

The property was built in 1958 and is “U” shaped, with a central courtyard area used for parking. It is currently used for short-term rentals.

The building is contained within one, two-story structure that consists of 64 rooms equipped with private bathrooms; the rooms currently do not have cooking facilities. One unit is designated as the manager’s unit.

The property includes a main office, lobby, and a common laundry room.

### **Deal Terms**

The Housing Commission intends to execute a PSA with the Seller to enable staff to investigate the property during the due diligence period, which will commence upon mutual execution of the PSA and end 120 days following the date the PSA is executed.

The purchase of the property is explicitly contingent upon the approval by the Housing Commission Board of Commissioners and the Housing Authority of the City of San Diego.

The key PSA deal terms are as follows:

Purchase Price:	The purchase price for Ramada Inn is not to exceed \$11,623,000. This not-to-exceed price is based on comparable sales, as shown in Table 2.
Due Diligence Period:	The due diligence period begins upon mutual execution of the PSA, and expires 120 days after PSA execution.
Earnest Money Deposit:	A refundable deposit of \$50,000 will be deposited into escrow with Chicago Title Company within 5 days of PSA execution. If the Housing Commission elects not to proceed with the transaction at the end of the due diligence period, the \$50,000 deposit will be refunded to the Housing Commission. If the Housing Commission elects to proceed with the transaction at the end of the due diligence period, an additional \$50,000 will be added to the initial deposit, and the combined deposit totaling \$100,000 will become non-refundable and credited against the purchase price.
Broker’s Commission:	Not Applicable*
Close of Escrow:	The PSA provides for the close of escrow within 12 months of execution of the PSA unless extended by an additional six-month period, at the Housing Commission’s sole discretion.

### ***Broker Disclosure\****

In December 2021, the Housing Commission contracted with Marcus & Millichap for on-call real estate broker services pursuant to the Housing Commission Board’s approval on November 12, 2021 (Report No. HCR21-106). The contract includes key provisions regarding the payment of commissions and

conflict of interest. In transactions of this type, the Seller would typically pay the commission to the broker. The Housing Commission, as the potential buyer, would not pay the commission. As a result, the broker executed a commission agreement with the Seller. However, Housing Commission staff recently learned through the Letter of Intent process that language in the broker's commission agreement with the Seller created an impermissible dual agency arrangement and was inconsistent with allowable commission. Once noted, the broker was required to formally rescind its agreement with the Seller and forgo any commission for this potential purchase transaction. This enables the Housing Commission to work directly with the Seller for this transaction, in accordance with the terms of the Broker Retention Policy approved by the Housing Authority of the City of San Diego.

### **Project Comparison Chart**

Multiple factors and variables influence the cost of developing multifamily affordable rental housing, including but not limited to project location, site conditions, site improvements needed, environmental factors, land use approval process, community involvement, construction type, design requirements/constraints, economies of scale, City of San Diego impact fees, developer experience and capacity, and amenities necessary to gain tax credit approval.

Table 2 shows a comparison of the subject property and other recent developments of the same construction type.

**Table 2 – Comparable Market Acquisitions**

Project Name	Year	Construction Type	Units	Total Acquisition Cost	Acquisition Cost Per Unit
Ramada Inn	1959	V	64	\$11,623,000	\$181,609
La Pension Hotel	1991	V	68	\$17,960,000	\$264,118
Howard Johnson SDSU	1966	V	50	\$11,000,000	\$220,000
Fairfield Inn & Suites (Old Town)	1988	V	115	\$27,836,000	\$240,803

### **Due Diligence**

As a public agency, and in compliance with the Housing Commission's Policy for Acquisition and/or Purchase of Real Estate, the Housing Commission performs rigorous due diligence inspections on a property prior to initiating acquisition activities. These due diligence activities are summarized below.

Pursuant to the Policy for Acquisition and/or Purchase of Real Estate, Housing Commission staff will engage third-party consultants to prepare the following due diligence reports, including, but not limited to:

- Preliminary Title Report
- Physical Needs Assessment
- Utility Load Assessment
- Zoning Conformance

- Review of Entitlements
- Termite/Pest Inspections
- Sewer Line and Supply Line Inspections
- Phase 1 & II Environmental Report
- Appraisal
- Peer Review of Appraisal
- Market Study
- American Land Title Association (ALTA) Survey
- Soils / Geotechnical Testing
- Hazardous Materials testing (microbial growth, lead and asbestos, etc.)
- Construction Cost Assumptions Review
- Financial Feasibility Review
- Feasibility Review
- Confirm compliance with the California Environmental Quality Act and the National Environmental Policy Act
- Fraud Guard Review
- Other reports or studies deemed necessary to analyze the property

#### **AFFORDABLE HOUSING IMPACT**

If the Housing Commission elects to proceed with the potential acquisition of the property, subject to the approval of the Housing Commission Board and the Housing Authority at future dates, the acquisition of the property will ultimately result in the addition of 63 units of permanent affordable rental housing with access to supportive services for individuals experiencing homelessness.

After financing is secured, the project will be subject to covenants and restrictions for the applicable lending agreements, which will restrict affordability for a minimum of 55 years. The rent and occupancy restrictions required by all potential lenders and investors will apply. The more stringent of the funding sources' affordability/rent restrictions will take precedence during the term of their applicability.

#### **EQUAL OPPORTUNITY CONTRACTING AND EQUITY ASSURANCE**

The Housing Commission's Strategic Plan for Fiscal Year (FY) 2022-2024 includes the following statement regarding the Housing Commission's commitment to equity and inclusivity:

“At SDHC, we are about people. SDHC embraces diverse approaches and points of view to improve our programs, projects and policies.

- We believe in delivering programs and services in innovative and inclusive ways.
- We are committed to advancing equity and inclusion both internally and externally.”

#### **HOUSING COMMISSION STRATEGIC PLAN**

This item relates to Strategic Priority Area No. 1 in the Housing Commission Strategic Plan for Fiscal Year (FY) 2022-2024: Increasing and Preserving Housing Solutions.

#### **FISCAL CONSIDERATIONS**

The proposed funding sources and uses approved by this action were included in the Fiscal Year 2023 Housing Commission budget, which the Housing Authority of the City of San Diego approved on June 13, 2022. Approving this action will result in the due diligence for the potential acquisition of a 64-unit property.

Funding sources and uses will be as follows:

<b>FY 23 Funding Sources</b>	
Local Funds	\$237,431
Federal/Moving to Work	\$112,569
<b>TOTAL</b>	<b>\$350,000</b>
<b>FY 23 Funding Uses</b>	
Acquisition Cost (Deposit)	\$100,000
Due Diligence	\$250,000
<b>TOTAL</b>	<b>\$350,000</b>

**PREVIOUS COUNCIL and/or COMMITTEE ACTION**

The Housing Commission's Policy for Acquisition and/or Purchase of Real Estate was unanimously approved by the Housing Authority on November 15, 2016 (Resolution No. HA-1705).

On November 12, 2021, the Housing Commission Board approved a partial-year contract with Marcus & Millichap to provide on-call real estate broker services to the Housing Commission (Report No. HCR21-106), with direction to staff to return to the Housing Commission Board with an action that makes the practices set forth within the Marcus & Millichap agreement a requirement for all future Housing Commission real estate acquisition transactions.

On February 4, 2022, the Housing Commission Board approved recommending that the Housing Authority approve an Administrative Regulation Regarding Retention of Real Estate Brokers and Operating Procedures for Brokers (Report No. HCR22-013) with the following exceptions:

- There will be no dual agency.
- The Housing Commission will seek recommendations from other governmental entities that have worked with the broker, three if possible.
- There will be a desk review/peer review of the appraisal the Housing Commission obtains independently for any property acquisition.

On March 15, 2022, the Housing Authority approved a Housing Commission Administrative Regulation Regarding Retention of Real Estate Brokers, Operating Procedures for Brokers, and Peer or Desk Review of Appraisals, as amended (Resolution No. HA-1938).

On May 5, 2022, by a vote of 4-0, the Housing Commission Board gave direction to real estate negotiators concerning proceeding with a potential acquisition of the real estate in question.

**KEY STAKEHOLDERS and PROJECTED IMPACTS**

Key stakeholders for this potential acquisition include the Seller, the Housing Commission, the Midway District Community, City of San Diego and individuals/households experiencing homelessness.

**ENVIRONMENTAL REVIEW**

The proposed activities are categorically exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Section 15301 (Existing Facilities) of the State CEQA Guidelines because Ramada Inn is an existing facility and the proposed activities do not involve expansion of the existing use(s). Federal funds constitute a portion of the funding for these activities. The parties agree that the provision of any federal funds as the result of this action is conditioned on the City of San Diego's final NEPA review and approval.

Respectfully submitted,

*Robert Bohrer*

Robert Bohrer  
Vice President of Real Estate Finance & Acquisitions  
Real Estate Division

Approved by,

*Jeff Davis*

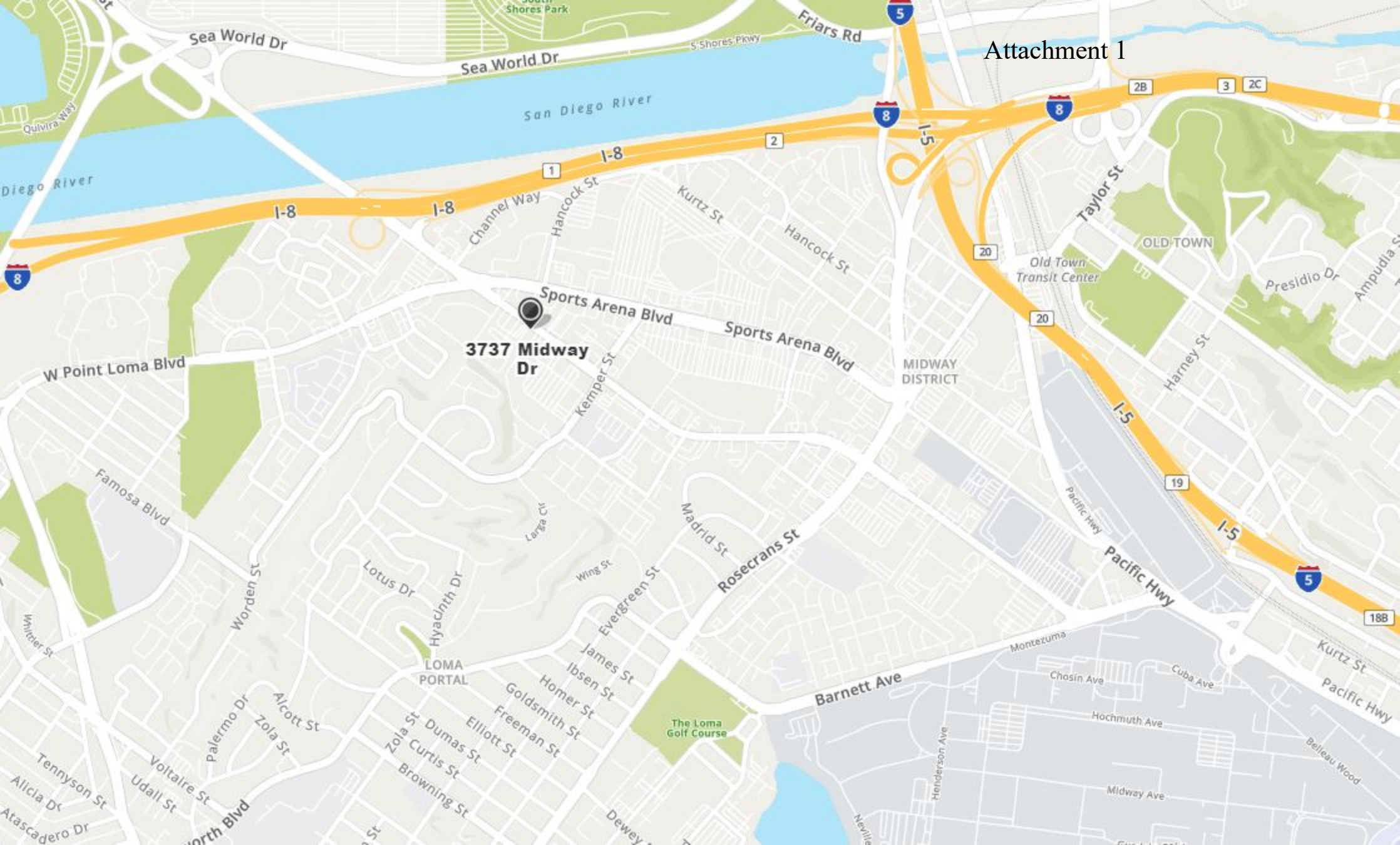
Jeff Davis  
Interim President and CEO  
San Diego Housing Commission

Attachments:

- 1) Location Maps
- 2) Preliminary Title Report
- 3) LOI – Signed
- 4) Draft Purchase and Sale Agreement

Docket materials are available in the “Governance & Legislative Affairs” section of the San Diego Housing Commission website at [www.sdhc.org](http://www.sdhc.org).

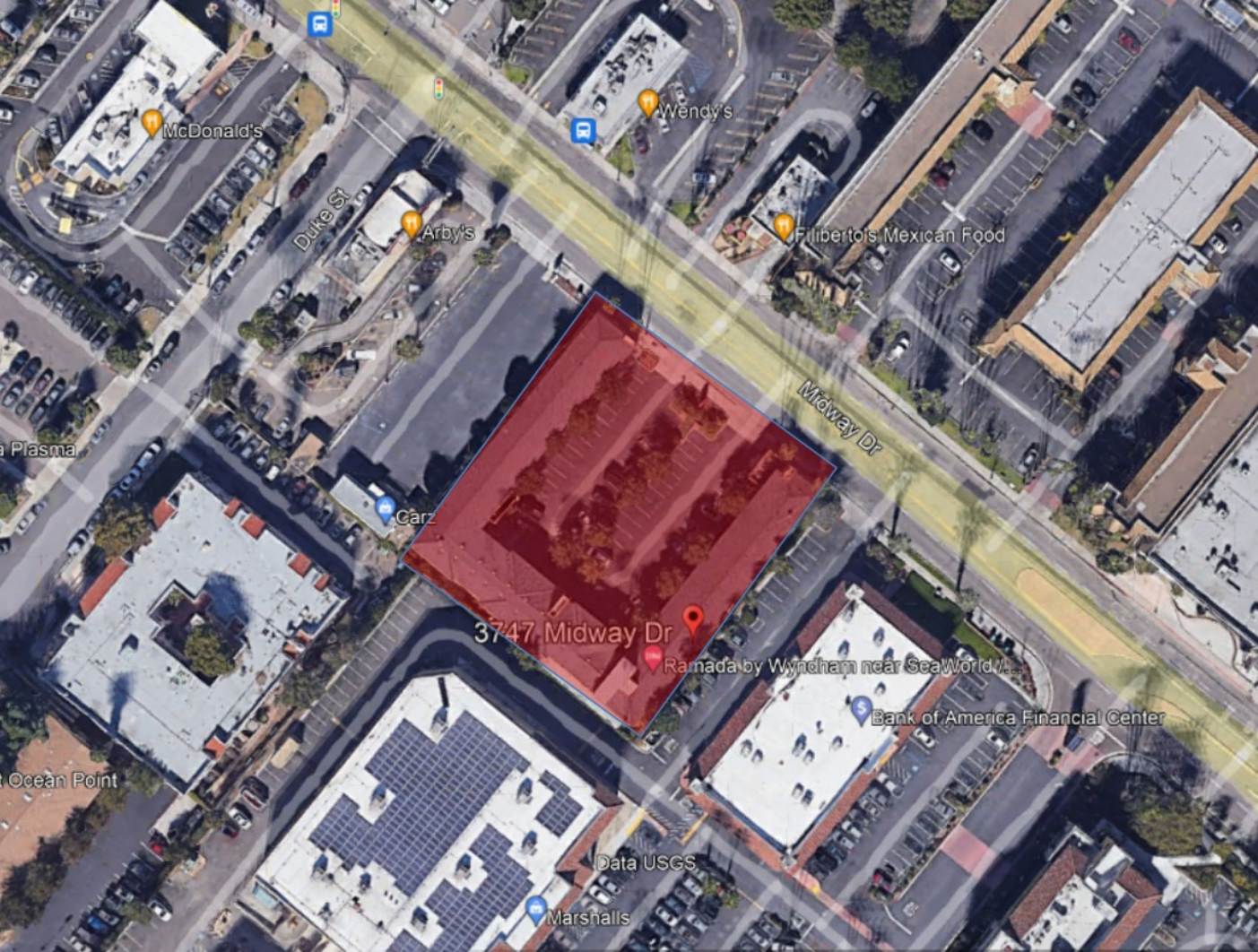




Attachment 1

**3737 Midway Dr**





McDonald's

Wendy's

Arby's

Filiberto's Mexican Food

Duke St

Midway Dr

3747 Midway Dr

Ramada by Wyndham near SeaWorld

Bank of America Financial Center

Data USGS

Marshalls

Plasma

Ocean Point





Mission Valley

8

8

SPORTS ARENA VILLAGE

Grocery Outlet

Pechanga Arena San Diego

W Point Loma Blvd

McDonald's

Chick-fil-A

3747 Midway Dr

Midway Dr

Sports Arena Blvd

The Home Depot

Vons

Data USGS

Moway Dr

Target

Google Earth

1985

32°45'35.34" N 117°13'38.88" W elev 20 ft eye alt 5614 ft



2365 Northside Drive, Suite 600, San Diego, CA 92108  
Phone: (619) 521-3500 • Fax: (619) 521-3608

Issuing Policies of Chicago Title Insurance Company

ORDER NO.: **00178063-993-SD2-CFU**

Main Office Line: **(619) 521-3500**

San Diego Housing Commission  
1122 Broadway, Suite 300  
San Diego, CA 92101  
ATTN: Buddy Bohrer  
Email: buddyb@sdhc.org  
REF:

Title Officer: Ken Cyr & Mark Franklin  
Title Officer Phone: (619) 521-3673  
Title Officer Fax: (619) 521-3608  
Title Officer Email: TeamCyrFranklin@ctt.com

PROPERTY: **3737-3747 MIDWAY DRIVE, SAN DIEGO, CA**

**PRELIMINARY REPORT**

*In response to the application for a policy of title insurance referenced herein, **Chicago Title Company** hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a policy or policies of title insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an exception herein or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations or Conditions of said policy forms.*

*The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said policy or policies are set forth in Attachment One. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Attachment One. Copies of the policy forms should be read. They are available from the office which issued this report.*

*This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.*

*The policy(s) of title insurance to be issued hereunder will be policy(s) of Chicago Title Insurance Company, a Florida corporation.*

***Please read the exceptions shown or referred to herein and the exceptions and exclusions set forth in Attachment One of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.***

***It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects and encumbrances affecting title to the land.***

Chicago Title Company

By: 

Authorized Signature



By:

  
Michael J. Nolan  
President

ATTEST:

  
Marjorie Nemzura  
Secretary



## **PRELIMINARY REPORT**

---

**EFFECTIVE DATE:**                    **May 27, 2022 at 7:30 a.m.**

**ORDER NO.: 00178063-993-SD2-CFU**

The form of policy or policies of title insurance contemplated by this report is:

**ALTA Standard Owner's Policy (6-17-06)**  
**ALTA Extended Loan Policy (6-17-06)**  
**ALTA Standard Loan Policy (6-17-06)**

1. THE ESTATE OR INTEREST IN THE LAND HEREINAFTER DESCRIBED OR REFERRED TO COVERED BY THIS REPORT IS:

**A Fee as to Parcel(s) 1 and 2**  
**Easement(s) more fully described below as to Parcel(s) 3**

2. TITLE TO SAID ESTATE OR INTEREST AT THE DATE HEREOF IS [VESTED IN:](#)

**K & A MOTELS, a Washington general partnership, as to an undivided 45% interest and ANJALI ENTERPRISE LLC., a Washington limited liability company, as to an undivided 45% interest and NOBLE 1031, LLC, a California limited liability company, as to an undivided 10% interest, subject to Item No. 8**

3. THE LAND REFERRED TO IN THIS REPORT IS DESCRIBED AS FOLLOWS:

**See Exhibit A attached hereto and made a part hereof.**



## EXHIBIT "A"

### LEGAL DESCRIPTION

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

#### PARCEL 1:

ALL THOSE PORTIONS OF PUEBLO LOT 220, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP OF PUEBLO LANDS OF SAN DIEGO BY JAMES PASCOE IN 1870 DEFINED AS FOLLOWS:

BEGINNING AT THE MOST EASTERLY CORNER OF SAID PUEBLO LOT 220; THENCE SOUTHWESTERLY ALONG THE SOUTHEASTERLY LINE OF SAID PUEBLO LOT, 35.00 FEET; THENCE NORTH 53°49'30" WEST ALONG A LINE PARALLEL WITH AND DISTANT 35.00 FEET SOUTHWESTERLY FROM THE NORTHEASTERLY LINE OF SAID PUEBLO LOT, 860.00 FEET TO THE TRUE POINT OF BEGINNING; THENCE SOUTH 36°15'35" WEST ALONG A LINE PARALLEL WITH THE SOUTHEASTERLY LINE OF SAID PUEBLO LOT, 200.00 FEET; THENCE NORTH 53°49'30" WEST ALONG A LINE PARALLEL WITH AND DISTANT 235.00 FEET SOUTHWESTERLY FROM THE NORTHEASTERLY LINE OF SAID PUEBLO LOT, 85.00 FEET; THENCE NORTH 36°15'35" EAST ALONG A LINE PARALLEL WITH THE SOUTHEASTERLY LINE OF SAID PUEBLO LOT, 200.00 FEET TO A POINT ON A LINE THAT IS PARALLEL WITH AND DISTANT 35.00 FEET SOUTHWESTERLY FROM THE NORTHEASTERLY LINE OF SAID PUEBLO LOT; THENCE SOUTH 53°49'30" EAST ALONG SAID PARALLEL LINE, 85.00 FEET TO THE TRUE POINT OF BEGINNING.

#### PARCEL 2:

ALL THOSE PORTIONS OF PUEBLO LOT 220, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF OF PUEBLO LANDS OF SAN DIEGO BY JAMES PASCOE IN 1870, DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST EASTERLY CORNER OF SAID PUEBLO LOT 220; THENCE SOUTHWESTERLY ALONG THE SOUTHEASTERLY LINE OF SAID PUEBLO LOT, 35.00 FEET; THENCE NORTH 53°49'30" WEST ALONG A LINE PARALLEL WITH AND DISTANT 35.00 FEET SOUTHWESTERLY FROM THE NORTHEASTERLY LINE OF SAID PUEBLO LOT, 760.00 FEET TO THE TRUE POINT OF BEGINNING; THENCE SOUTH 36°15'35" WEST ALONG A LINE PARALLEL WITH THE SOUTHEASTERLY LINE OF SAID PUEBLO LOT, 200.00 FEET; THENCE NORTH 53°49'30" WEST ALONG A LINE PARALLEL WITH AND DISTANT 235.00 FEET SOUTHEASTERLY FROM THE NORTHEASTERLY LINE OF SAID PUEBLO LOT, 100.00 FEET; THENCE NORTH 36°15'35" EAST, ALONG A LINE PARALLEL WITH THE SOUTHEASTERLY LINE OF SAID PUEBLO LOT, 200.00 FEET TO A POINT ON THE LINE THAT IS PARALLEL WITH AND DISTANT 35.00 FEET SOUTHWESTERLY FROM THE NORTHEASTERLY LINE OF SAID PUEBLO LOT; THENCE SOUTH 35°49'30" EAST ALONG SAID PARALLEL LINE, 100.00 FEET TO THE TRUE POINT OF BEGINNING.

#### PARCEL 3:

AN EASEMENT AND RIGHT OF WAY FOR SEWER PIPE LINES AND APPURTENANCES THERETO OVER THAT PORTION OF LOT 1 OF BAYVIEW DRIVE IN THEATRE TRACT, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO [MAP NO. 3465](#), FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, LYING WITHIN THE FOLLOWING DESCRIBED PARCEL OF LAND.

BEGINNING AT THE POINT OF INTERSECTION OF THE CENTER LINE OF THE 10.00 FOOT SEWER EASEMENT WITH THE NORTHEASTERLY LINE OF SAID LOT 1, AS SHOWN ON SAID [MAP NO. 3465](#); THENCE NORTH 53°51'40" WEST, 16.78 FEET TO AN ANGLE POINT IN SAID BOUNDARY LINE OF SAID LOT 1; THENCE ALONG SAID BOUNDARY LINE, SOUTH 36°14' WEST 200.00 FEET TO ANGLE POINT

**EXHIBIT A**  
**(Continued)**

THEREIN; THENCE SOUTH 53°51'40" EAST 30.00 FEET, MORE OR LESS, TO A POINT IN SAID CENTER LINE OF THE 10.00 FOOT SEWER EASEMENT AS SHOWN ON SAID [MAP NO. 3465](#); THENCE NORTH 32°20'30" EAST ALONG SAID CENTER LINE TO THE POINT OF BEGINNING.

APN: **441-250-22-00**

## EXCEPTIONS

**AT THE DATE HEREOF, ITEMS TO BE CONSIDERED AND EXCEPTIONS TO COVERAGE IN ADDITION TO THE PRINTED EXCEPTIONS AND EXCLUSIONS IN SAID POLICY FORM WOULD BE AS FOLLOWS:**

- A. Property taxes, which are a lien not yet due and payable, including any assessments collected with taxes to be levied for the fiscal year 2022-2023.
- B. The lien of supplemental or escaped assessments of property taxes, if any, made pursuant to the provisions of Chapter 3.5 (commencing with Section 75) or Part 2, Chapter 3, Articles 3 and 4, respectively, of the Revenue and Taxation Code of the State of California as a result of the transfer of title to the vestee named in Schedule A or as a result of changes in ownership or new construction occurring prior to Date of Policy.
1. Easement(s) or right(s) of way for the purpose(s) shown below and rights incidental thereto, as granted and/or reserved in various deeds of record:
- Purpose: Ingress and egress, pipelines, drainage and/or public utilities and incidental purposes thereto over, under, along and across the easement parcel(s) herein described
- Affects: Parcel 3
2. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:
- Granted to: City of San Diego
- Purpose: public sewer
- Recording Date: March 26, 1954
- Recording No: in [Book 5185, Page 333](#) Official Records
- Affects: A portion of the Land described herein.
- Affects: Parcel 2
3. Matters contained in that certain document
- Entitled: Memorandum of Instrument
- Recording Date: March 29, 1988
- Recording No: as [Instrument No. 1988-141921 Official Records](#)
- Reference is hereby made to said document for full particulars.
4. Matters contained in that certain document
- Entitled: Resolution R-279245
- Recording Date: January 13, 1992
- Recording No: as [Instrument No. 1992-0018016 Official Records](#)
- Reference is hereby made to said document for full particulars.
5. Matters contained in that certain document
- Entitled: Encroachment Removal Agreement
- Recording Date: April 27, 1992
- Recording No: as [Instrument No. 1992-0244616 Official Records](#)
- Reference is hereby made to said document for full particulars.



**EXCEPTIONS  
(Continued)**

6. A deed of trust to secure an indebtedness in the amount shown below,

Amount: \$3,200,000.00  
Dated: February 12, 2018  
Trustor/Grantor: Shiva J Holding LLC, a California limited liability company  
Trustee: Chicago Title Insurance Company, a Florida corporation  
Beneficiary: Standard Insurance Company, an Oregon corporation  
Recording Date: April 02, 2018  
Recording No: as [Instrument No. 2018-0127455 Official Records](#)

A partial assignment of the beneficial interest under said trust deed

From: Standard Insurance Company, an Oregon corporation  
To: Liberty Life Assurance Company of Boston, a New Hampshire stock life insurance company (9.6%), Pacific Guardian Life Insurance Company, LTD, a Hawaii corporation (20%), PL Mortgage Fund, LLC, a Delaware limited liability company (22.6%)  
Recording Date: June 22, 2018  
Recording No: as [Instrument No. 2018-0255946 Official Records](#)

An agreement to modify the terms and provisions of said deed of trust as therein provided

Executed by: Shiva J Holding LLC, a California limited liability company, Amit Patel, individually and Anup Patel, individually, Noble 1031, LLC, a California limited liability company, Anjali Enterprise LLC, a Washington limited liability company, K & A Motels, a Washington general partnership, Kishor V. Mungra, individually, Anjana K. Mungra, individually, Standard Insurance Company, an Oregon corporation, Liberty Life Assurance Company of Boston, a New Hampshire stock life insurance company, Pacific Guardian Life Insurance Company, Ltd, a Hawaii corporation and PL Mortgage Fund, LLC, a Delaware limited liability company  
Recording Date: August 26, 2019  
Recording No: as [Instrument No. 2019-0364091 Official Records](#)

7. An assignment of all the moneys due, or to become due as rental, as additional security for the obligations secured by deed of trust shown as item no. 6

Assigned to: Standard Insurance Company, an Oregon corporation  
Recording Date: April 02, 2018  
Recording No: as [Instrument No. 2018-0127456 Official Records](#)

## **EXCEPTIONS (Continued)**

8. The Company will require the following documents for review prior to the issuance of any title insurance assurance predicated upon a conveyance or encumbrance by the suspended corporation or LLC named below:

Name of Corporation or LLC: Noble 1031, LLC, a California limited liability company

- a) A Certificate of Revivor
- b) A Certificate of Relief from Voidability
- c) Confirmation that there is no court order voiding the contract upon which the conveyance is based.

The Company reserves the right to add additional items or make further requirements after review of the requested documentation.

9. Water rights, claims or title to water, whether or not disclosed by the public records.
10. Matters which may be disclosed by an inspection and/or by a correct ALTA/NSPS Land Title Survey of said Land that is satisfactory to the Company, and/or by inquiry of the parties in possession thereof.
11. Any rights of the parties in possession of a portion of, or all of, said Land, which rights are not disclosed by the public records.

The Company will require, for review, a full and complete copy of any unrecorded agreement, contract, license and/or lease, together with all supplements, assignments and amendments thereto, before issuing any policy of title insurance without excepting this item from coverage.

The Company reserves the right to except additional items and/or make additional requirements after reviewing said documents.

**PLEASE REFER TO THE "INFORMATIONAL NOTES" AND "REQUIREMENTS" SECTIONS WHICH  
FOLLOW FOR INFORMATION NECESSARY TO COMPLETE THIS TRANSACTION.**

---

**END OF EXCEPTIONS**

---

## REQUIREMENTS SECTION

1. Before issuing its policy of title insurance, the Company will require, for recording, a certified copy of the Statement of Partnership Authority (GP-1) filed with the California Secretary of State containing the following elements in accordance with Corporations Code Section 16105:
  - a. The name of the partnership
  - b. The street address of its chief executive office and one office located in the State of California, if any
  - c. The names and mailing addresses of all of the partners or of an agent appointed and maintained by the partnership
  - d. The names of the partners authorized to execute an instrument transferring real property held in the name of the partnership
  - e. The document must be signed by at least two of the partners and accompanied by a declaration under penalty of perjury that the contents are accurate

The Company reserves the right to add additional items or make further requirements after review of the requested documentation.

2. The Company will require the following documents for review prior to the issuance of any title insurance predicated upon a conveyance or encumbrance from the entity named below:

Limited Liability Company: Anjali Enterprise LLC., a Washington limited liability company

- a) A copy of its operating agreement, if any, and all amendments, supplements and/or modifications thereto, certified by the appropriate manager or member.
- b) If a domestic Limited Liability Company, a copy of its Articles of Organization and all amendments thereto with the appropriate filing stamps.
- c) If the Limited Liability Company is member-managed, a full and complete current list of members certified by the appropriate manager or member.
- d) A current dated certificate of good standing from the proper governmental authority of the state in which the entity is currently domiciled.
- e) If less than all members, or managers, as appropriate, will be executing the closing documents, furnish evidence of the authority of those signing.
- f) If Limited Liability Company is a Single Member Entity, a Statement of Information for the Single Member will be required.
- g) Each member and manager of the LLC without an Operating Agreement must execute in the presence of a notary public the Certificate of California LLC (Without an Operating Agreement) Status and Authority form.

## **REQUIREMENTS (Continued)**

3. The Company will require the following documents for review prior to the issuance of any title insurance predicated upon a conveyance or encumbrance from the entity named below:

Limited Liability Company:        Noble 1031, LLC, a California limited liability company

- a)        A copy of its operating agreement, if any, and all amendments, supplements and/or modifications thereto, certified by the appropriate manager or member.
- b)        If a domestic Limited Liability Company, a copy of its Articles of Organization and all amendments thereto with the appropriate filing stamps.
- c)        If the Limited Liability Company is member-managed, a full and complete current list of members certified by the appropriate manager or member.
- d)        A current dated certificate of good standing from the proper governmental authority of the state in which the entity is currently domiciled.
- e)        If less than all members, or managers, as appropriate, will be executing the closing documents, furnish evidence of the authority of those signing.
- f)        If Limited Liability Company is a Single Member Entity, a Statement of Information for the Single Member will be required.
- g)        Each member and manager of the LLC without an Operating Agreement must execute in the presence of a notary public the Certificate of California LLC (Without an Operating Agreement) Status and Authority form.

---

**END OF REQUIREMENTS**

---

## INFORMATIONAL NOTES SECTION

1. Note: Property taxes, including any personal property taxes and any assessments collected with taxes, are paid. For proration purposes the amounts were:  
  
Tax Identification No.: 441-250-22-00  
Fiscal Year: 2021-2022  
1st Installment: \$38,350.45  
2nd Installment: \$38,350.45  
Exemption: \$0.00  
Code Area: 08001
2. None of the items shown in this report will cause the Company to decline to attach ALTA Endorsement Form 9 to an Extended Coverage Loan Policy, when issued.
3. The Company is not aware of any matters which would cause it to decline to attach CLTA Endorsement Form 116 indicating that there is located on said Land Commercial properties, known as 3737-3747 Midway Drive, located within the city of San Diego, California, , to an Extended Coverage Loan Policy.
4. Note: The policy of title insurance will include an arbitration provision. The Company or the insured may demand arbitration. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the insured arising out of or relating to this policy, any service of the Company in connection with its issuance or the breach of a policy provision or other obligation. Please ask your escrow or title officer for a sample copy of the policy to be issued if you wish to review the arbitration provisions and any other provisions pertaining to your Title Insurance coverage.
5. Notice: Please be aware that due to the conflict between federal and state laws concerning the cultivation, distribution, manufacture or sale of marijuana, the Company is not able to close or insure any transaction involving Land that is associated with these activities.
6. Pursuant to Government Code Section 27388.1, as amended and effective as of 1-1-2018, a Documentary Transfer Tax (DTT) Affidavit may be required to be completed and submitted with each document when DTT is being paid or when an exemption is being claimed from paying the tax. If a governmental agency is a party to the document, the form will not be required. DTT Affidavits may be available at a Tax Assessor-County Clerk-Recorder.
7. The following Exclusion(s) are added to preliminary reports, commitments and will be included as an endorsement in the following policies:
  - A. 2006 ALTA Owner's Policy (06-17-06).
    6. Defects, liens, encumbrances, adverse claims, notices, or other matters not appearing in the Public Records but that would be disclosed by an examination of any records maintained by or on behalf of a Tribe or on behalf of its members.
  - B. 2006 ALTA Loan Policy (06-17-06).
    8. Defects, liens, encumbrances, adverse claims, notices, or other matters not appearing in the Public Records but that would be disclosed by an examination of any records maintained by or on behalf of a Tribe or on behalf of its members.
    9. Any claim of invalidity, unenforceability, or lack of priority of the lien of the Insured Mortgage based on the application of a Tribe's law resulting from the failure of the Insured Mortgage to specify State law as the governing law with respect to the lien of the Insured Mortgage.
  - C. ALTA Homeowner's Policy of Title Insurance (12-02-13) and CLTA Homeowner's Policy of Title Insurance (12-02-13).

**INFORMATIONAL NOTES  
(Continued)**

- 10. Defects, liens, encumbrances, adverse claims, notices, or other matters not appearing in the Public Records but that would be disclosed by an examination of any records maintained by or on behalf of a Tribe or on behalf of its members.
- D. ALTA Expanded Coverage Residential Loan Policy - Assessments Priority (04-02-15).
  - 12. Defects, liens, encumbrances, adverse claims, notices, or other matters not appearing in the Public Records but that would be disclosed by an examination of any records maintained by or on behalf of a Tribe or on behalf of its members.
  - 13. Any claim of invalidity, unenforceability, or lack of priority of the lien of the Insured Mortgage based on the application of a Tribe's law resulting from the failure of the Insured Mortgage to specify State law as the governing law with respect to the lien of the Insured Mortgage.
- E. CLTA Standard Coverage Policy 1990 (11-09-18).
  - 7. Defects, liens, encumbrances, adverse claims, notices, or other matters not appearing in the public records but that would be disclosed by an examination of any records maintained by or on behalf of a tribe or on behalf of its members.
  - 8. Any claim of invalidity, unenforceability, or lack of priority of the lien of the insured mortgage based on the application of a tribe's law resulting from the failure of the insured mortgage to specify state law as the governing law with respect to the lien of the insured mortgage.

---

**END OF INFORMATIONAL NOTES**

---

Ken Cyr & Mark Franklin/aag

## Wire Fraud Alert

This Notice is not intended to provide legal or professional advice. If you have any questions, please consult with a lawyer.

All parties to a real estate transaction are targets for wire fraud and many have lost hundreds of thousands of dollars because they simply relied on the wire instructions received via email, without further verification. **If funds are to be wired in conjunction with this real estate transaction, we strongly recommend verbal verification of wire instructions through a known, trusted phone number prior to sending funds.**

In addition, the following non-exclusive self-protection strategies are recommended to minimize exposure to possible wire fraud.

- **NEVER RELY** on emails purporting to change wire instructions. Parties to a transaction rarely change wire instructions in the course of a transaction.
- **ALWAYS VERIFY** wire instructions, specifically the ABA routing number and account number, by calling the party who sent the instructions to you. DO NOT use the phone number provided in the email containing the instructions, use phone numbers you have called before or can otherwise verify. **Obtain the phone number of relevant parties to the transaction as soon as an escrow account is opened.** DO NOT send an email to verify as the email address may be incorrect or the email may be intercepted by the fraudster.
- **USE COMPLEX EMAIL PASSWORDS** that employ a combination of mixed case, numbers, and symbols. Make your passwords greater than eight (8) characters. Also, change your password often and do NOT reuse the same password for other online accounts.
- **USE MULTI-FACTOR AUTHENTICATION** for email accounts. Your email provider or IT staff may have specific instructions on how to implement this feature.

For more information on wire-fraud scams or to report an incident, please refer to the following links:

**Federal Bureau of Investigation:**  
<http://www.fbi.gov>

**Internet Crime Complaint Center:**  
<http://www.ic3.gov>



## Notice of Available Discounts

Pursuant to Section 2355.3 in Title 10 of the California Code of Regulations Fidelity National Financial, Inc. and its subsidiaries ("FNF") must deliver a notice of each discount available under our current rate filing along with the delivery of escrow instructions, a preliminary report or commitment. Please be aware that the provision of this notice does not constitute a waiver of the consumer's right to be charged the filed rate. As such, your transaction may not qualify for the below discounts.

You are encouraged to discuss the applicability of one or more of the below discounts with a Company representative. These discounts are generally described below; consult the rate manual for a full description of the terms, conditions and requirements for such discount. These discounts only apply to transactions involving services rendered by the FNF Family of Companies. This notice only applies to transactions involving property improved with a one-to-four family residential dwelling.

Not all discounts are offered by every FNF Company. The discount will only be applicable to the FNF Company as indicated by the named discount.

### **FNF Underwritten Title Company**

CTC – Chicago Title company  
CLTC – Commonwealth Land Title Company  
FNTC – Fidelity National Title Company of California  
FNTCCA - Fidelity National Title Company of California  
TICOR – Ticor Title Company of California  
LTC – Lawyer's Title Company  
SLTC – ServiceLink Title Company

### **Underwritten by FNF Underwriters**

CTIC – Chicago Title Insurance Company  
CLTIC - Commonwealth Land Title Insurance Company  
FNTIC – Fidelity National Title Insurance Company  
FNTIC - Fidelity National Title Insurance Company  
CTIC – Chicago Title Insurance Company  
CLTIC – Commonwealth Land Title Insurance Company  
CTIC – Chicago Title Insurance Company

### **Available Discounts**

#### **DISASTER LOANS (CTIC, CLTIC, FNTIC)**

The charge for a Lender's Policy (Standard or Extended coverage) covering the financing or refinancing by an owner of record, within twenty-four (24) months of the date of a declaration of a disaster area by the government of the United States or the State of California on any land located in said area, which was partially or totally destroyed in the disaster, will be fifty percent (50%) of the appropriate title insurance rate.

#### **CHURCHES OR CHARITABLE NON-PROFIT ORGANIZATIONS (CTIC, FNTIC)**

On properties used as a church or for charitable purposes within the scope of the normal activities of such entities, provided said charge is normally the church's obligation the charge for an owner's policy shall be fifty percent (50%) to seventy percent (70%) of the appropriate title insurance rate, depending on the type of coverage selected. The charge for a lender's policy shall be forty (40%) to fifty percent (50%) of the appropriate title insurance rate, depending on the type of coverage selected.



# FIDELITY NATIONAL FINANCIAL, INC. PRIVACY NOTICE

Effective August 1, 2021

Fidelity National Financial, Inc. and its majority-owned subsidiary companies (collectively, "FNF," "our," or "we") respect and are committed to protecting your privacy. This Privacy Notice explains how we collect, use, and protect personal information, when and to whom we disclose such information, and the choices you have about the use and disclosure of that information.

A limited number of FNF subsidiaries have their own privacy notices. If a subsidiary has its own privacy notice, the privacy notice will be available on the subsidiary's website and this Privacy Notice does not apply.

## **Collection of Personal Information**

FNF may collect the following categories of Personal Information:

- contact information (e.g., name, address, phone number, email address);
- demographic information (e.g., date of birth, gender, marital status);
- identity information (e.g. Social Security Number, driver's license, passport, or other government ID number);
- financial account information (e.g. loan or bank account information); and
- other personal information necessary to provide products or services to you.

We may collect Personal Information about you from:

- information we receive from you or your agent;
- information about your transactions with FNF, our affiliates, or others; and
- information we receive from consumer reporting agencies and/or governmental entities, either directly from these entities or through others.

## **Collection of Browsing Information**

FNF automatically collects the following types of Browsing Information when you access an FNF website, online service, or application (each an "FNF Website") from your Internet browser, computer, and/or device:

- Internet Protocol (IP) address and operating system;
- browser version, language, and type;
- domain name system requests; and
- browsing history on the FNF Website, such as date and time of your visit to the FNF Website and visits to the pages within the FNF Website.

Like most websites, our servers automatically log each visitor to the FNF Website and may collect the Browsing Information described above. We use Browsing Information for system administration, troubleshooting, fraud investigation, and to improve our websites. Browsing Information generally does not reveal anything personal about you, though if you have created a user account for an FNF Website and are logged into that account, the FNF Website may be able to link certain browsing activity to your user account.

## **Other Online Specifics**

**Cookies.** When you visit an FNF Website, a "cookie" may be sent to your computer. A cookie is a small piece of data that is sent to your Internet browser from a web server and stored on your computer's hard drive. Information gathered using cookies helps us improve your user experience. For example, a cookie can help the website load properly or can customize the display page based on your browser type and user preferences. You can choose whether or not to accept cookies by changing your Internet browser settings. Be aware that doing so may impair or limit some functionality of the FNF Website.

**Web Beacons.** We use web beacons to determine when and how many times a page has been viewed. This information is used to improve our websites.

**Do Not Track.** Currently our FNF Websites do not respond to "Do Not Track" features enabled through your browser.

**Links to Other Sites.** FNF Websites may contain links to unaffiliated third-party websites. FNF is not responsible for the privacy practices or content of those websites. We recommend that you read the privacy policy of every website you visit.

## **Use of Personal Information**

FNF uses Personal Information for three main purposes:

- To provide products and services to you or in connection with a transaction involving you.
- To improve our products and services.
- To communicate with you about our, our affiliates', and others' products and services, jointly or independently.

## **When Information Is Disclosed**

We may disclose your Personal Information and Browsing Information in the following circumstances:

- to enable us to detect or prevent criminal activity, fraud, material misrepresentation, or nondisclosure;
- to nonaffiliated service providers who provide or perform services or functions on our behalf and who agree to use the information only to provide such services or functions;

- to nonaffiliated third party service providers with whom we perform joint marketing, pursuant to an agreement with them to jointly market financial products or services to you;
- to law enforcement or authorities in connection with an investigation, or in response to a subpoena or court order; or
- in the good-faith belief that such disclosure is necessary to comply with legal process or applicable laws, or to protect the rights, property, or safety of FNF, its customers, or the public.

The law does not require your prior authorization and does not allow you to restrict the disclosures described above. Additionally, we may disclose your information to third parties for whom you have given us authorization or consent to make such disclosure. We do not otherwise share your Personal Information or Browsing Information with nonaffiliated third parties, except as required or permitted by law. We may share your Personal Information with affiliates (other companies owned by FNF) to directly market to you. Please see "Choices with Your Information" to learn how to restrict that sharing.

We reserve the right to transfer your Personal Information, Browsing Information, and any other information, in connection with the sale or other disposition of all or part of the FNF business and/or assets, or in the event of bankruptcy, reorganization, insolvency, receivership, or an assignment for the benefit of creditors. By submitting Personal Information and/or Browsing Information to FNF, you expressly agree and consent to the use and/or transfer of the foregoing information in connection with any of the above described proceedings.

### **Security of Your Information**

We maintain physical, electronic, and procedural safeguards to protect your Personal Information.

### **Choices With Your Information**

If you do not want FNF to share your information among our affiliates to directly market to you, you may send an "opt out" request as directed at the end of this Privacy Notice. We do not share your Personal Information with nonaffiliates for their use to direct market to you without your consent.

Whether you submit Personal Information or Browsing Information to FNF is entirely up to you. If you decide not to submit Personal Information or Browsing Information, FNF may not be able to provide certain services or products to you.

For California Residents: We will not share your Personal Information or Browsing Information with nonaffiliated third parties, except as permitted by California law. For additional information about your California privacy rights, please visit the "California Privacy" link on our website (<https://fnf.com/pages/californiaprivacy.aspx>) or call (888) 413-1748.

For Nevada Residents: You may be placed on our internal Do Not Call List by calling (888) 714-2710 or by contacting us via the information set forth at the end of this Privacy Notice. Nevada law requires that we also provide you with the following contact information: Bureau of Consumer Protection, Office of the Nevada Attorney General, 555 E. Washington St., Suite 3900, Las Vegas, NV 89101; Phone number: (702) 486-3132; email: BCPINFO@ag.state.nv.us.

For Oregon Residents: We will not share your Personal Information or Browsing Information with nonaffiliated third parties for marketing purposes, except after you have been informed by us of such sharing and had an opportunity to indicate that you do not want a disclosure made for marketing purposes.

For Vermont Residents: We will not disclose information about your creditworthiness to our affiliates and will not disclose your personal information, financial information, credit report, or health information to nonaffiliated third parties to market to you, other than as permitted by Vermont law, unless you authorize us to make those disclosures.

### **Information From Children**

The FNF Websites are not intended or designed to attract persons under the age of eighteen (18). We do not collect Personal Information from any person that we know to be under the age of thirteen (13) without permission from a parent or guardian.

### **International Users**

FNF's headquarters is located within the United States. If you reside outside the United States and choose to provide Personal Information or Browsing Information to us, please note that we may transfer that information outside of your country of residence. By providing FNF with your Personal Information and/or Browsing Information, you consent to our collection, transfer, and use of such information in accordance with this Privacy Notice.

### **FNF Website Services for Mortgage Loans**

Certain FNF companies provide services to mortgage loan servicers, including hosting websites that collect customer information on behalf of mortgage loan servicers (the "Service Websites"). The Service Websites may contain links to both this Privacy Notice and the mortgage loan servicer or lender's privacy notice. The sections of this Privacy Notice titled When Information is Disclosed, Choices with Your Information, and Accessing and Correcting Information do not apply to the Service Websites. The mortgage loan servicer or lender's privacy notice governs use, disclosure, and access to your Personal Information. FNF does not share Personal Information collected through the Service Websites, except as required or authorized by contract with the mortgage loan servicer or lender, or as required by law or in the good-faith belief that such disclosure is necessary: to comply with a legal process or applicable law, to enforce this Privacy Notice, or to protect the rights, property, or safety of FNF or the public.

**Your Consent To This Privacy Notice; Notice Changes**

By submitting Personal Information and/or Browsing Information to FNF, you consent to the collection and use of the information in accordance with this Privacy Notice. We may change this Privacy Notice at any time. The Privacy Notice's effective date will show the last date changes were made. If you provide information to us following any change of the Privacy Notice, that signifies your assent to and acceptance of the changes to the Privacy Notice.

**Accessing and Correcting Information; Contact Us**

If you have questions, would like to correct your Personal Information, or want to opt-out of information sharing for affiliate marketing, visit FNF's [Opt Out Page](#) or contact us by phone at (888) 714-2710 or by mail to:

Fidelity National Financial, Inc.  
601 Riverside Avenue,  
Jacksonville, Florida 32204  
Attn: Chief Privacy Officer

## ATTACHMENT ONE (Revised 05-06-16)

### CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE POLICY – 1990

#### EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building or zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien, or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
  - (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
  - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
  - (c) resulting in no loss or damage to the insured claimant;
  - (d) attaching or created subsequent to Date of Policy; or
  - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate of interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

#### EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART I

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.  
Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

### CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE (12-02-13)

### ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE

#### EXCLUSIONS

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of those portions of any law or government regulation concerning:
  - a. building;
  - b. zoning;
  - c. land use;
  - d. improvements on the Land;
  - e. land division; and
  - f. environmental protection.This Exclusion does not limit the coverage described in Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23 or 27.
2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.
3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.
4. Risks:
  - a. that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records;
  - b. that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date;

- c. that result in no loss to You; or
- d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.e., 25, 26, 27 or 28.
- 5. Failure to pay value for Your Title.
- 6. Lack of a right:
  - a. to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
  - b. in streets, alleys, or waterways that touch the Land.
 This Exclusion does not limit the coverage described in Covered Risk 11 or 21.
- 7. The transfer of the Title to You is invalid as a preferential transfer or as a fraudulent transfer or conveyance under federal bankruptcy, state insolvency, or similar creditors' rights laws.
- 8. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
- 9. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

### **LIMITATIONS ON COVERED RISKS**

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

- For Covered Risk 16, 18, 19, and 21 Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.
- The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

	<b>Your Deductible Amount</b>	<b>Our Maximum Dollar Limit of Liability</b>
Covered Risk 16:	1.00% of Policy Amount Shown in Schedule A or \$2,500.00 (whichever is less)	\$ 10,000.00
Covered Risk 18:	1.00% of Policy Amount Shown in Schedule A or \$5,000.00 (whichever is less)	\$ 25,000.00
Covered Risk 19:	1.00% of Policy Amount Shown in Schedule A or \$5,000.00 (whichever is less)	\$ 25,000.00
Covered Risk 21:	1.00% of Policy Amount Shown in Schedule A or \$2,500.00 (whichever is less)	\$ 5,000.00

### **2006 ALTA LOAN POLICY (06-17-06)**

#### **EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
  - (i) the occupancy, use, or enjoyment of the Land;
  - (ii) the character, dimensions, or location of any improvement erected on the Land;
  - (iii) the subdivision of land; or
  - (iv) environmental protection;
 or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
  - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
  - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
  - (c) resulting in no loss or damage to the Insured Claimant;
  - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13 or 14); or
  - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
  - (a) a fraudulent conveyance or fraudulent transfer, or
  - (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

#### **EXCEPTIONS FROM COVERAGE**

{Except as provided in Schedule B - Part II, {t{or T}his policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees or expenses, that arise by reason of:

## **{PART I**

{The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.}

## **PART II**

In addition to the matters set forth in Part I of this Schedule, the Title is subject to the following matters, and the Company insures against loss or damage sustained in the event that they are not subordinate to the lien of the Insured Mortgage:}

### **2006 ALTA OWNER'S POLICY (06-17-06)**

#### **EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
  - (i) the occupancy, use, or enjoyment of the Land;
  - (ii) the character, dimensions, or location of any improvement erected on the Land;
  - (iii) the subdivision of land; or
  - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
  - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
  - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
  - (c) resulting in no loss or damage to the Insured Claimant;
  - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
  - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
  - (a) a fraudulent conveyance or fraudulent transfer; or
  - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

#### **EXCEPTIONS FROM COVERAGE**

This policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees or expenses, that arise by reason of:

{The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown in the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and that are not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records. }
7. {Variable exceptions such as taxes, easements, CC&R's, etc. shown here.}

## ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY – ASSESSMENTS PRIORITY (04-02-15)

### EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
  - (i) the occupancy, use, or enjoyment of the Land;
  - (ii) the character, dimensions, or location of any improvement erected on the Land;
  - (iii) the subdivision of land; or
  - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
  - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
  - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
  - (c) resulting in no loss or damage to the Insured Claimant;
  - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); or
  - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, or any consumer credit protection or truth-in-lending law. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.
6. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to Advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.
8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.
9. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
  - (a) a fraudulent conveyance or fraudulent transfer, or
  - (b) a preferential transfer for any reason not stated in Covered Risk 27(b) of this policy.
10. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
11. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

$$\frac{Z}{1^2=100} \oplus$$

CHANGES		BLK OLD NEW YR CUT	
250	10	37 wtd	10 1775
		22	22
144	05	22	30 1934
		16	37 wtd 21 4728
22		22	22 wtd 32 4865
		21	35 wtd 23 4694
3		37 wtd	03 4682

MAP 5438 - BULLARD SQUARE  
MAP 5191 - POINT LOMA CONVALESCENT TRACT  
MAP 4271 - POINT LOMA ESTATES UNIT NO. 3  
MM 36 - PUEBLO LANDS  
ROS 813.880

THIS MAP WAS PREPARED FOR ASSESSMENT PURPOSES ONLY. NO LIABILITY IS ASSUMED FOR THE ACCURACY OF THE DATA SHOWN. ASSESSOR'S PARCELS MAY NOT COMPLY WITH LOCAL SUBDIVISION OR BUILDING ORDINANCES.

SAN DIEGO COUNTY  
ASSESSOR'S MAP  
BOOK 441 PAGE 25

This map/plot is being furnished as an aid in locating the herein described Land in relation to adjoining streets, natural boundaries and other land, and is not a survey of the land depicted. Except to the extent a policy of title insurance is expressly modified by endorsement, if any, the Company does not insure dimensions, distances, location of easements, acreage or other matters shown thereon.





Real Estate Department

June 27, 2022

Mr. Kishor Mungra  
Anjali Enterprises, LLC.  
3747 Midway Drive  
San Diego, CA 92110

**Re: Letter of Intent  
Ramada - 3737-3747 Midway Drive, San Diego**

The purpose of this non-binding letter of intent is to set forth the general terms and conditions under which the San Diego Housing Commission and its successors and assigns ("Buyer") is interested in purchasing the Property, as defined below, from Anjali Enterprises, LLC. ("Seller").

**1. Property Defined.** The 64-unit Ramada generally located at 3737-3747 Midway Drive, San Diego, California 92110 (APN: 441-250-22-00) ("Property").

**2. Purchase Price.** The Buyer will purchase the Property, together with all contracts, insurance policies, warranties, plans and drawings related to the Property, for the total purchase price of Eleven Million Four Hundred Sixty Six Thousand and No/100 Dollars (\$11,466,000.00). *11,623,000.00*

*Eleven million Six hundred twenty Three Thousand and No/100 Dollars*  
**3. As-Is Purchase.** Buyer shall purchase the Property "AS IS", "WHERE IS" and "WITH ALL FAULTS", without any representations, warranties or guaranties of any nature, express or implied, oral or written, past, present or future, regarding the Property. Provided, however, the Seller shall cause the hotel franchise agreement to be terminated prior to closing.

**4. Deposit.** Buyer will make the deposit in the amount of Fifty Thousand and No/100 Dollars (\$50,000.00) within five (5) business days after the mutual execution of the Purchase and Sale Agreement as an earnest money deposit (the "Initial Deposit"). Upon the expiration of the Due Diligence Period (as herein defined) if Buyer elects in writing to proceed with the purchase of the Property in accordance with the terms of the Purchase and Sale Agreement, Buyer will deposit in escrow with the Escrow Agent an additional sum of Fifty Thousand and No/100 Dollars (\$50,000.00) as an earnest money deposit (the "Additional Deposit" and together with the Initial Deposit, the total deposit shall be the sum of One Hundred Thousand and No/100 Dollars (\$100,000.00) the "Deposit"). The Deposit will be fully refundable to the Buyer until the expiration of the Due Diligence Period. The Deposit shall be deemed nonrefundable to Buyer after expiration of the Due Diligence Period.

**5. Due Diligence.** Buyer shall have one hundred twenty (120) days from the date the Purchase and Sale Agreement is executed to complete due diligence on the Property ("Due Diligence

Period"). During the Due Diligence period, if the Buyer determines in its sole discretion for any reason, or for no reason at all, not to proceed with acquisition of the Property, Buyer may terminate the Purchase and Sale Agreement and receive a full refund of all deposits into escrow (including any interest thereon), less any fees charged by the Escrow Holder. During the Due Diligence Period the Buyer and its representatives, consultants and attorneys shall have access to the Property to observe and perform any and all due diligence.

**6. Seller Approval Conditions.** The Seller acknowledges that in order to bind the Buyer to the terms and conditions of the Purchase and Sale Agreement: (i) the Purchase and Sale Agreement must be approved by the Buyer's board; (ii) must also be approved by the Housing Authority of the City of San Diego, in the event the Housing Authority of the City of San Diego elects to hear the matter; and (iii) the Housing Authority of the City of San Diego needs to appropriate funds for the Buyer's acquisition of the Property. After expiration of the Due Diligence Period, the Buyer's right to terminate the Purchase and Sale Agreement for any reason, or for no reason at all, shall expire; provided, however, if the Purchase and Sale Agreement is not formally approved by Buyer's board, and if necessary the Housing Authority of the City of San Diego, or the Housing Authority of the City of San Diego does not appropriate funds for the Buyer's acquisition of the Property, on or before expiration of the Due Diligence Period, then the Purchase and Sale Agreement shall automatically terminate and the Buyer shall receive a full refund of all deposits into escrow (including any interest thereon), less any fees charged by the Escrow Holder.

**7. Homekey Funds.** The Purchase and Sale Agreement shall provide that Buyer's obligation to close shall be conditioned on, among other things, the State of California Department of Housing and Community Development awarding HomeKey funds to the Buyer for Buyer's acquisition of the Property.

**8. Liquidated Damages.** If Buyer defaults under the Purchase and Sale Agreement and fails to close as set forth in the Purchase and Sale Agreement, the Seller's sole remedy shall be to terminate the Purchase and Sale Agreement and retain all deposits into escrow and all interest thereon as liquidated damages.

**9. Title, Escrow & Closing.** Buyer shall clear all title issues with respect to vesting of ownership prior to the parties entering into a Purchase and Sale Agreement. Title insurance shall be insured by and the sale of the Property shall be carried out through an escrow with Chicago Title Company ("Escrow Holder"). Escrow Holder shall be responsible for all prorations (i.e., rents, taxes, insurance, etc.) between Seller and Buyer.

**10. Closing Deadline.** Closing of the transaction shall take place not later than one (1) year from the date the Purchase and Sale Agreement is executed. Notwithstanding the foregoing, if prior to such deadline, the Buyer provides written notice to the Seller of the Buyer's extension of the closing deadline, then the closing deadline shall be extended to the date that is not later than eighteen (18) months from the date the Purchase and Sale Agreement is executed.

**11. Purchase Agreement.** Within ten (10) business days of Seller's acceptance of the terms and conditions contained herein, Buyer shall prepare and deliver to Seller, a purchase and sale agreement ("Purchase and Sale Agreement") incorporating the terms and conditions of this letter of intent. Buyer and Seller agree to use their best efforts and to act in good faith to enter into a Purchase and Sale Agreement based on the terms set forth in this letter of intent, provided that the

**PURCHASE AND SALE AGREEMENT  
(Ramada - 3737-3747 Midway Drive, San Diego)**

THIS PURCHASE AND SALE AGREEMENT ("Agreement") is dated as of the \_\_ day of \_\_\_\_\_, 2022 ("Effective Date"), by and between Anjali Enterprises, LLC, a California limited liability company ("Seller"), and the San Diego Housing Commission ("Purchaser").

**RECITALS**

A. The Seller owns that certain 64-unit Ramada generally located at 3737-3747 Midway Drive, San Diego, California 92110, which is legally described on Exhibit A attached hereto and made a part hereof ("Real Property").

B. Provided the various conditions to Closing (as defined below) set forth in this Agreement are timely satisfied, the Seller agrees to sell the Property (as defined below) to the Purchaser and the Purchaser agrees to purchase the Property from the Seller as set forth in this Agreement.

**AGREEMENT**

FOR GOOD AND VALUABLE CONSIDERATION, the receipt and adequacy of which are acknowledged, the Seller and the Purchaser hereby agree as follows:

1. Purchase and Sale. In consideration of the mutual covenants set forth in this Agreement, the Purchaser will acquire all of the Property, on the terms and conditions set forth herein, provided the various conditions to Closing set forth in this Agreement are satisfied or waived as provided herein.

(a) Sale. The Seller agrees to sell the Property to the Purchaser, and the Purchaser agrees to purchase the Property from Seller, on the terms and conditions set forth herein. At Closing, the Seller shall convey the fee interest in the Real Property to the Purchaser by recordation of the Grant Deed (as defined below). The Escrow Agent shall issue the Title Policy (as defined below) to the Purchaser at Closing.

(b) Possession. The Seller shall deliver possession of the Property to Purchaser at Closing. Possession of the Property shall be delivered to Purchaser subject only to the Property Documents (except for the Franchise Agreement) and the Permitted Exceptions.

2. Definitions. As used in this Agreement, the following terms shall have the following meanings:

"Agreement" means this Purchase and Sale Agreement between the Seller and the Purchaser.

"Appurtenant Rights and Interests" means collectively: (i) all rights, privileges and easements appurtenant to the Real Property, including, without limitation, all minerals, oil, gas

and other hydrocarbon substances on and under the Real Property, if any; (ii) all development rights, air rights, and water rights relating to the Real Property, if any; and (iii) all easements, rights-of-way or appurtenances which run with the Real Property, if any; and (iv) all of the Seller's right, title and interest in and to any agreements, maps, permits, certificates, approvals, awards, deposits, licenses, utilities, government entitlements and other rights and privileges relating to or appurtenant to the Property, if any.

"Assignment" means the Assignment of Personal Property and Assignment and Assumption of Contracts duly executed and acknowledged by the Seller and Purchaser, in the form attached hereto as Exhibit B and made a part hereof.

"Business Day" means any day other than a Saturday, Sunday or any other day on which Purchaser or Escrow Agent is not open for business. In the event any date, deadline or due date set forth in this Agreement falls on a day that is not a Business Day, then such deadline or due date shall automatically be extended to the next Business Day.

"Close" or "Closing" means recordation of the Grant Deed.

"Closing Date" means one (1) Business Day after the later of: (i) the date all of the Conditions Precedent for the Benefit of the Seller have been satisfied; and (ii) the date all of the Conditions Precedent for the Benefit of the Purchaser have been satisfied. The Closing shall occur on or before \_\_\_\_\_, 2023 (*one year from the effective date*). Notwithstanding the foregoing, if prior to such deadline, the Purchaser provides written notice to the Seller of the Purchaser's extension of the closing deadline, then the Closing deadline shall be extended to \_\_\_\_\_, 2023 (*18 months from the effective date*).

"Conditions Precedent for the Benefit of the Seller" shall have the meaning set forth in Section 5 of this Agreement.

"Conditions Precedent for the Benefit of the Purchaser" shall have the meaning set forth in Section 6 of this Agreement.

"Contracts" shall have the meaning set forth in Section 14 of this Agreement.

"Deposit" shall have the meaning set forth in Section 3 of this Agreement.

"Due Diligence Period" means the period of time commencing on the Effective Date and ending at 5:00 p.m. Pacific time on \_\_\_\_\_, 2022 (*120 days after the Effective Date*).

"Escrow" means the escrow depository and disbursement services to be performed by Escrow Agent pursuant to the provisions of this Agreement.

"Escrow Agent" means Chicago Title Company whose mailing address is 2365 Northside Drive, 6<sup>th</sup> Floor, San Diego, CA 92108, Attention: Renee Marshall, in its capacity as escrow agent. Use of the term "Escrow Agent" does not create a general agency and does not confer on Escrow

Agent any right or authority to act for Purchaser or Seller without express instructions, whether as set forth in this Agreement or otherwise.

“Excluded Property” excluding (i) property of guests, (ii) items, equipment, computers, computer software, websites, URLs or information owned by or proprietary to Franchisor, (iii) items or information owned by or proprietary to Franchisor, (iv) Seller’s accounts receivable, (v) any property that is subject to any of the Contracts or Equipment Leases unless the applicable Contract or Equipment Lease is assumed by Purchaser at Closing, (vi) any and all deposits, cash and other accounts owned or held by Seller or their respective affiliates, and (vii) any property tax refunds for the period prior to the Closing.

“Franchise Agreement” shall mean that certain Franchise Agreement between the Seller and Franchisor, as amended from time to time.

“Franchisor” shall mean Ramada Inn.

“Grant Deed” means a duly executed and acknowledged grant deed conveying fee simple title to the Real Property from the Seller to the Purchaser.

“Hazardous Materials” means any hazardous or toxic substance, material or waste which is or becomes regulated by any local governmental authority, the State of California or the United States Government. Provided, however, the term “Hazardous Materials” shall not include substances typically used in the ordinary course of developing, operating and maintaining hotels in California or small amounts of chemicals, cleaning agents and the like commonly employed in routine household uses in a manner typical of occupants in other similar properties, provided that such substances are used in compliance with applicable laws.

“Immediately Available Funds” means a bank wire transfer.

“Improvements” means collectively any and all buildings, structures and improvements, of any kinds whatsoever, located at or affixed to the Real Property.

“Permitted Exceptions” means (i) the printed exceptions and exclusions in the Title Policy; (ii) the exceptions to title set forth in the Title Report which are approved by Purchaser in writing, or deemed approved by Purchaser, as provided in Section 4(d) below; (iii) real property taxes and assessments which are a lien but not yet delinquent; and (iv) any title exceptions caused, consented to or preapproved by Purchaser.

“Personal Property” means all tangible personal property owned by the Seller and located at and used in connection with, the Real Property and the Improvements, including, without limitation and all furniture fixtures and equipment at the Real Property, but specifically excluding the Excluded Property.

“Property” means collectively, the Real Property, the Improvements, the Appurtenant Rights and Interests and the Personal Property, but specifically excluding the Excluded Property.

“Property Documents” means the documents and agreements listed on Exhibit C attached hereto and made a part hereof.

“Purchase Price” shall have the meaning set forth in Section 3(a) of this Agreement.

“Purchaser” means the San Diego Housing Commission, a public agency; provided, however, if the San Diego Housing Commission assigns its interest in this Agreement pursuant to Section 10 of this Agreement, then the term “Purchaser” shall mean such assignee.

“Real Property” is defined in Recital A.

“Seller” means Anjali Enterprises, LLC, a California limited liability company.

“Title Policy” means a CLTA Owner’s Policy of Title Insurance in the amount of the Purchase Price, insuring that title to the fee interest in the Real Property is vested in the Purchaser, subject only to the Permitted Exceptions, which Title Policy shall be obtained through the Escrow Agent. Seller shall pay the cost of the CLTA Owner’s Policy of Title Insurance. Purchaser shall pay the cost of any endorsements it desires. Purchaser may obtain an ALTA Owner’s Policy of Title Insurance in which event Purchaser shall pay the difference between the cost of the ALTA Owner’s Policy of Title Insurance and the cost of a CLTA Owner’s Policy of Title Insurance.

“Title Report” means Preliminary Report Order No. 00178063-993-SD2-CFU dated as of May 27, 2022, issued by Chicago Title Insurance Company.

3. Purchase Price.

(a) Purchase Price and Payment of the Purchase Price. The total purchase price to be paid by the Purchaser for all of the Property shall be Eleven Million Six Hundred Twenty-Three Thousand and No/100 Dollars (\$11,623,000.00) (“Purchase Price”). The Purchase Price shall be paid by the Purchaser to the Seller with Immediately Available Funds.

(b) Deposit; Liquidated Damages.

(1) Deposit. Purchaser shall make an initial deposit into Escrow of Immediately Available Funds equal to the sum of Fifty Thousand and No/100 Dollars (\$50,000.00) within five (5) Business Days of the Effective Date. Upon the expiration of the Due Diligence Period, if Purchaser elects in writing to proceed with the purchase of the Property, Purchaser shall make an additional deposit into Escrow of Immediately Available Funds equal to the sum of Fifty Thousand and No/100 Dollars (\$50,000.00) as an earnest money deposit, for a total deposit of One Hundred Thousand and No/100 Dollars (\$100,000.00). The foregoing deposits shall be referred to individually or collectively as the (“Deposit”). The Deposit shall be invested by the Escrow Agent in an interest-bearing account reasonably acceptable to the Purchaser and the Seller. All interest earned on the Deposit shall be paid over to the party entitled to the receipt of the Deposit. The Deposit shall be credited against the Purchase Price and shall be nonrefundable (i.e., constitute liquidated damages in the event of Purchaser’s breach, as provided in Section 3(b)(2)) upon the expiration of the Due Diligence Period. If the Purchaser elects to terminate this Agreement prior

to expiration of the Due Diligence Period, as set forth in Section 4 below, then the Deposit shall be immediately returned by Escrow Agent to the Purchaser. At Closing, the Deposit shall be released by Escrow Agent to the Seller and any interest earned on the Deposit, shall be credited in favor of the Seller against the Purchase Price as set forth in Section 3(c), below. Notwithstanding anything to the contrary set forth herein, the Deposit and any other deposits made by the Purchaser shall be fully refundable to the Purchaser until such time as this Agreement has been approved by (collectively, the "Approvals"): (i) Purchaser's board and (ii) if the Housing Authority of the City of San Diego elects to hear the matter, then also by resolution of the Housing Authority of the City of San Diego, in its sole discretion. The Seller hereby acknowledges that the Purchaser is prohibited by San Diego Municipal Code Section 98.0301(d)(8)(A) from purchasing the Property, without the approval of the Purchaser's board and if the Housing Authority of the City of San Diego elects to hear the matter, then also by the Housing Authority of the City of San Diego. If the Approvals are not received before the expiration of the Due Diligence Period, this Agreement shall automatically terminate and the Deposit shall be immediately returned by the Escrow Agent to the Purchaser.

(2) LIQUIDATED DAMAGES. THE DEPOSIT SHALL BE REFUNDABLE TO THE PURCHASER AS MAY BE EXPRESSLY PROVIDED FOR IN THIS AGREEMENT. IF ESCROW FAILS TO CLOSE AS A RESULT OF PURCHASER'S DEFAULT HEREUNDER THE SOLE REMEDY OF THE SELLER SHALL BE TO TERMINATE THIS AGREEMENT BY GIVING WRITTEN NOTICE THEREOF TO PURCHASER AND ESCROW AGENT, WHEREUPON THE SELLER SHALL RETAIN THE DEPOSIT AS LIQUIDATED DAMAGES (AND THE SELLER WAIVES ANY RIGHT TO SPECIFICALLY ENFORCE THIS AGREEMENT SET FORTH IN CALIFORNIA CIVIL CODE SECTION 1680 OR 3389). THEREAFTER, NO PARTY HERETO SHALL HAVE ANY FURTHER LIABILITY OR OBLIGATION TO ANY OTHER PARTY HERETO EXCEPT FOR: (i) THE SELLER'S RIGHT TO RECEIVE AND RETAIN SUCH LIQUIDATED DAMAGES; (ii) THE OBLIGATION OF THE PARTIES TO PAY AMOUNTS INTO ESCROW TO PAY A PORTION OF THE FEES AND COSTS OF ESCROW AS SET FORTH IN SECTIONS 5 AND 6 BELOW; (iii) THE OBLIGATIONS SET FORTH IN SECTIONS 4(a) AND 9, BELOW; AND (iv) ATTORNEYS' FEE AS SET FORTH IN SECTION 15(k), BELOW. THE PARTIES HERETO ACKNOWLEDGE AND AGREE THAT THE SELLER'S ACTUAL DAMAGES IN THE EVENT OF PURCHASER'S DEFAULT HEREUNDER ARE UNCERTAIN IN AMOUNT AND DIFFICULT TO ASCERTAIN, AND THAT SUCH AMOUNT OF LIQUIDATED DAMAGES IS REASONABLE UNDER THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1671 ET SEQ., CONSIDERING ALL OF THE CIRCUMSTANCES EXISTING ON THE DATE HEREOF INCLUDING, WITHOUT LIMITATION, THE RELATIONSHIP OF SUCH AMOUNT TO THE RANGE OF POTENTIAL HARM TO THE SELLER THAT CAN REASONABLY BE ANTICIPATED AND THE ANTICIPATION THAT PROOF OF ACTUAL DAMAGES RESULTING FROM SUCH DEFAULT WOULD BE COSTLY AND INCONVENIENT. IN PLACING ITS INITIALS IN THE SPACE BELOW, EACH PARTY HERETO SPECIFICALLY CONFIRMS THE ACCURACY OF THE FOREGOING AND THE FACT THAT SUCH PARTY HAS BEEN REPRESENTED BY COUNSEL WHO EXPLAINED THE CONSEQUENCES OF THIS LIQUIDATED DAMAGES PROVISION. THE PROVISIONS OF THIS SECTION 3(b)(2) SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.

\_\_\_\_\_  
Seller's Initials

\_\_\_\_\_  
Purchaser's Initials

(c) Delivery of Remainder of Purchase Price into Escrow. Not less than one (1) Business Day prior to the Closing Date, the Purchaser shall cause Immediately Available Funds to be delivered to the Escrow Agent in an amount equal to the Purchase Price, minus the Deposit, and plus or minus any adjustments for prorations and expenses required under this Agreement.

(d) Disbursement to the Seller. Immediately after the Closing, the Escrow Agent shall disburse to the Seller the funds that the Seller is entitled to receive under this Agreement.

4. Due Diligence Period. During the Due Diligence Period the Purchaser may determine in the Purchaser's sole and absolute discretion, whether to proceed with the purchase of the Property. During the Due Diligence Period, the Purchaser may terminate this Agreement for any reason or for no reason at all by delivering written notice of such termination to Seller and Escrow Agent. After expiration of the Due Diligence Period, the Purchaser's right to terminate this Agreement for any reason, or for no reason at all, shall expire and the Deposit shall become nonrefundable. If this Agreement is terminated during the Due Diligence Period, then: (i) all rights and liabilities of the Purchaser and the Seller with respect to this Agreement shall immediately terminate, except for rights and liabilities that specifically survive such termination; (ii) Escrow Agent shall return to the Purchaser all funds or other things deposited in Escrow by the Purchaser, less any fees and costs charged by the Escrow Agent; and (iii) Escrow Agent shall return to the Seller all funds or other things deposited in Escrow by the Seller.

(a) Access and Cooperation. During the Due Diligence Period, the Purchaser and its representatives, consultants and attorneys shall have access to the Real Property and the Improvements, subject to the rights of occupants. Purchaser and Seller shall cooperate in order to allow for and ensure the minimum disturbance to occupants. All inspections shall be consistent with all applicable laws, rules and regulations regarding coronavirus risks, including, without limitation, social distancing, the maximum number of Purchaser representatives in any unit at any time, the wearing of face masks and the appropriate evaluation of the health of those conducting inspections. Seller shall make commercially reasonable efforts to provide Purchaser with access to all units subject to the consent of each occupant and the compliance by Purchaser and its representatives of all laws, rules and regulations regarding coronavirus risks, however Seller's inability to provide such access shall not be a default hereunder and shall not provide Purchaser with additional rights not otherwise expressed in this Agreement. Purchaser shall indemnify and defend the Seller, and shall hold the Seller, the Seller's agents and employees and the Real Property harmless from, any actions, losses, costs, damages, claims and/or liabilities, including but not limited to, mechanics' and materialmen's liens and attorney fees, proximately caused by the actions of Purchaser and/or its contractors or agents (including Purchaser's Consultants) upon the Property. The Purchaser shall not permit any mechanic's, materialman's, contractor's, subcontractor's or other lien arising from any work done by the Purchaser or its agents pursuant to this Agreement to stand against the Property. If any such lien shall be filed against the Property, the Purchaser shall cause the same to be discharged or bonded by payment, deposit, bond or otherwise within thirty (30) days after actual notice of such filing. The Purchaser's obligations under this Section 4(a) shall survive the termination or expiration of this Agreement. If Purchaser



desires to do any invasive testing at the Property, the Purchaser may do so only after obtaining Seller's prior written consent to the same, which consent may be withheld or granted on conditions in Seller's sole discretion. The Purchaser shall promptly restore the Property to the condition the Property was in immediately prior to any tests or inspections conducted pursuant to this Section 4(a), at the Purchaser's sole cost and expense. The Purchaser shall provide the Seller with a complete set of plans, drawings and specifications ("Invasive Testing Plans") that define to the sole satisfaction of the Seller the invasive testing to be performed on the Property and the names of all environmental and other consultants, contractors and subcontractors who will be performing such invasive testing (collectively "Purchaser's Consultants"). The Purchaser shall deliver the names of the Purchaser's Consultants and the Invasive Testing Plans to the Seller concurrently with its request to the Seller that the Purchaser desires to perform invasive testing (unless the names of Purchaser's Consultants have previously been provided to the Seller). Before any of Purchaser's Consultants or other contractors, consultants or agents acting for or on behalf of Purchaser enter onto the Property, Purchaser shall furnish to Seller evidence that the Purchaser's Consultant or other contractor, consultant or agent of Purchaser has procured commercial general liability insurance from an insurer authorized to do business in the State of California, which is reasonably acceptable to Seller, insuring against claims for bodily injury, death or damage to property in a single limit amount of not less than \$1,000,000.00, endorsed to name Seller as an additional insured.

(b) Due Diligence Deliveries. Not later than five (5) Business Days after execution and delivery of this Agreement to the Escrow Agent, the Seller shall provide, to the extent in Seller's possession or control, the Purchaser with physical copies or digital copies (e.g. a pdf, tif or jpg file) of all documents evidencing Property Documents by physical delivery, "dropbox" or similar on-line data site, email or on a memory medium. If this Agreement is terminated before Closing, the Purchaser shall return all copies to the Seller; however, if any such information was delivered or made available to the Purchaser in electronic form, the Purchaser shall (i) delete all copies thereof so that the same cannot be retrieved; and (ii) certify to the Seller in writing under penalty of perjury that such deletion has been effected.

(c) Occupant Noticing and Relocation Costs. Certain State and Federal relocation laws may be applicable to the Purchaser, as a public agency, which would require the Purchaser to provide certain notices to the occupants of the Property. Within five (5) Business Days after the Effective Date, the Seller shall provide the names and addresses of all occupants of the Property, if any, to the Purchaser. The Seller agrees to allow the Purchaser to provide any and all notices to occupants of the Property that are required in order for the Purchaser to comply with any applicable laws; provided, however, prior to delivering notices to any occupants of the Property, the Purchaser shall submit a sample of the notice to the Seller for the Seller's review and approval, which approval shall not be unreasonably withheld, conditioned or delayed. Purchaser shall bear all responsibility for complying with such notice requirements and shall bear all relocation costs and expenses payable to occupants under applicable laws.

(d) Title. Purchaser's obligation to Close is contingent upon Purchaser's approval of all matters affecting title to or use of the Real Property (collectively, "Title Matters"). The intent of this Section 4(d) is to allow the parties to have certainty regarding the condition of title and the Title Matters which are acceptable to the Purchaser. The procedure set forth in this Section 4(d)

shall not affect or otherwise limit the Purchaser's right to terminate this Agreement for any reason or no reason at all as set forth in Section 4, above. Purchaser shall have until \_\_\_\_\_, 2022 (*sixty (60) days after the Effective Date*), to approve or object to any items disclosed by the Title Report. If Purchaser does not give written notice to Seller of Purchaser's approval or disapproval of any items disclosed by the Title Report within said time period, then Purchaser shall be deemed to have approved the items disclosed by the Title Report. If Purchaser gives written notice to Seller of Purchaser's disapproval of any items disclosed by the Title Report within said time period and Seller does not give written notice to Purchaser within five (5) calendar days thereafter of either: (i) Seller's elimination of or agreement to eliminate those disapproved matters prior to the Closing; or (ii) Seller's agreement to provide at Seller's sole expense such title insurance endorsements relating thereto as are acceptable to Purchaser in Purchaser's sole discretion prior to the Closing (each, a "Cure Notice"), then this Agreement shall terminate immediately, unless Purchaser affirmatively agrees in writing within five (5) calendar days thereafter that this Agreement will remain in full force and effect and that the previously disapproved items disclosed by the Title Report are approved by Purchaser. If Title Company issues a supplemental title report prior to the Closing showing additional exceptions to title (a "Title Supplement"), Purchaser shall have five (5) Business Days from the date of receipt of the Title Supplement and a copy of each document referred to in the Title Supplement in which to give Seller written notice of disapproval as to any additional exceptions; provided, however, Purchaser may not disapprove any exceptions that were contained in the original Title Report or are otherwise Permitted Exceptions. Purchaser's failure to deliver any such written notice of disapproval within such five (5) Business Day period shall be deemed to mean that Purchaser has approved all such additional exceptions. If Purchaser disapproves any additional exception shown in the Title Supplement, then Purchaser and Seller will have the same rights and obligations set forth above in this Section regarding Purchaser's original review and approval of the Title Report. Notwithstanding the foregoing, Seller shall cause all Title Matters which are mechanics' liens or deeds of trust to be eliminated as exceptions to title on the Title Policy at Seller's sole expense prior to the Closing, and shall not record any documents against the Real Property from and after the Effective Date without Purchaser's prior written consent.

5. Conditions Precedent for the Benefit of the Seller. The Seller's obligation to Close shall be conditioned upon the satisfaction or emailed or written waiver by the Seller of all of the conditions precedent ("Conditions Precedent for the Benefit of the Seller") set forth in this Section 5. Any of the Conditions Precedent for the Benefit of the Seller may be waived by the Seller unilaterally; and if so waived, such conditions shall be of no further effect hereunder. Any such waiver shall be effective only if the same is expressly waived (i) by email from the Seller to the Purchaser and Escrow Agent; or (ii) in a writing signed by the Seller and delivered to the Purchaser and Escrow Agent. If the Conditions Precedent for the Benefit of the Seller are not satisfied by the deadlines set forth in this Section 5 or expressly waived, the Seller (provided the Seller is not in default hereunder) may provide emailed or written notice of the Seller's conditional termination of this Agreement to the Purchaser and Escrow Agent. After receipt of such notice of conditional termination, the Purchaser shall have ten (10) Business Days to cure any non-satisfaction of a condition or other default specified in the notice of conditional termination. If such matter remains unsatisfied or the default remains uncured after the expiration of such ten (10) Business Day period, then this Agreement shall terminate at the close of business on such tenth (10<sup>th</sup>) Business Day. In the event of termination of this Agreement (and by operation of law the Escrow) pursuant

to this Section 5, then: (x) as set forth in the liquidated damages provision of Section 3(b)(2), above, all rights and liabilities of the Purchaser and the Seller with respect to this Agreement shall immediately terminate except those which specifically survive such termination; (y) Escrow Agent shall deliver the Deposit and all interest thereon to the Seller and shall return to the Seller all funds or other things deposited in Escrow by the Seller; and (z) Escrow Agent shall return to the Purchaser all funds or other things deposited in Escrow by the Purchaser, less the Deposit and all interest thereon, and less all fees and costs charged by the Escrow Agent. Notwithstanding the preceding clause (x) of this Section 5, in the event of termination of this Agreement pursuant to this Section 5, the Seller and the Purchaser shall cooperate with one another, execute all documents reasonably necessary and take all reasonable steps as may be required by Escrow Agent in order to accomplish the purposes of this Section 5. The Conditions Precedent for the Benefit of the Seller are:

- (a) Purchaser making the Deposit into Escrow, as set forth in Section 3(b)(1), above.
- (b) The delivery by the Purchaser into Escrow at least one (1) Business Day prior to Closing of Immediately Available Funds equal to the Purchase Price (less the Deposit and plus or minus expenses and prorations) as required by Section 3(c) above.
- (c) The delivery by the Purchaser into Escrow at least one (1) Business Day prior to Closing of all other documents and instruments required by this Agreement or reasonably required by Escrow to complete the Closing.
- (d) As of the Closing Date, Purchaser is not in default of any of its representations or warranties or covenants under this Agreement, or any other material terms or conditions related to Purchaser, and all of the Purchaser's representations and warranties under this Agreement are true and correct as of the Closing Date.
- (e) As of the Closing Date, the Purchaser has not made an assignment for the benefit of creditors, filed a bankruptcy petition, been adjudicated insolvent or bankrupt, petitioned a court for the appointment of any receiver of, or trustee for, the Purchaser, or commenced any proceeding relating to the Purchaser under any reorganization, arrangement, readjustment of debt, dissolution, or liquidation law or statute of any jurisdiction, whether now or later in effect.

6. Conditions Precedent for the Benefit of the Purchaser. The Purchaser's obligation to Close shall be conditioned upon the satisfaction or emailed or written waiver by the Purchaser of all of the conditions precedent ("Conditions Precedent for the Benefit of the Purchaser") set forth in this Section 6. Any of the Conditions Precedent for the Benefit of the Purchaser may be waived by the Purchaser unilaterally; and if so waived, such conditions shall be of no further effect hereunder. Any such waiver shall be effective only if the same is (i) expressly waived by email from the Purchaser to the Seller and Escrow Agent; or (ii) or in writing signed by the Purchaser and delivered to the Seller and Escrow Agent. If the Conditions Precedent for the Benefit of the Purchaser are not satisfied by the deadlines set forth in this Section 6 or expressly waived, the Purchaser (provided the Purchaser is not in default hereunder) may provide emailed or written notice of the Purchaser's conditional termination of this Agreement to the Seller and Escrow Agent. After receipt of such notice of conditional termination, the Seller shall have ten (10) Business Days to cure any non-satisfaction of a condition or other default specified in the notice

of conditional termination. If such matter remains unsatisfied or the default remains uncured after the expiration of such ten (10) Business Day period, then this Agreement shall terminate at the close of business on such tenth (10<sup>th</sup>) Business Day. In the event of termination of this Agreement (and by operation of law the Escrow) pursuant to this Section 6, then: (w) the same shall be a default by the Seller; (x) Escrow Agent shall return to the Seller all funds or other things deposited in Escrow by the Seller; (y) Escrow Agent shall upon receipt of unilateral notice from the Purchaser, return to the Purchaser all funds or other things deposited in Escrow by the Purchaser, including, without limitation, the Deposit and all interest thereon; and (z) all fees and costs charged by the Escrow Agent shall be paid by the Seller. Purchaser is not waiving any default by the Seller and nothing contained in this Section 6, including, without limitation, the immediately foregoing sentence shall be a waiver of any right of Purchaser to recover damages from the Seller for any default by Seller hereunder. Notwithstanding the foregoing clause (w) of this Section 6, in the event of termination of this Agreement pursuant to this Section 6, the Purchaser and the Seller shall cooperate with one another, execute all documents reasonably necessary and take all reasonable steps as may be required by Escrow Agent in order to accomplish the purposes of this Section 6. The Conditions Precedent for the Benefit of Purchaser are:

(a) The deposit by the Seller into Escrow at least one (1) Business Day prior to Closing of the Grant Deed duly executed and acknowledged by the Seller, conveying fee simple title to the Property to the Purchaser.

(b) The deposit by the Seller into Escrow at least one (1) Business Day prior to Closing of the Assignment, duly executed, conveying title to the Personal Property to the Purchaser.

(c) The deposit by the Seller into Escrow at least one (1) Business Day prior to Closing of a duly executed affidavit in the form prescribed by federal regulations that Seller is not a foreign person and is a "United States Person" as such term is defined in Section 7761(a)(30) of the Internal Revenue Code of 1986, as amended.

(d) The deposit by the Seller into Escrow at least one (1) Business Day prior to Closing of a duly executed California Form 593(c) or other evidence that withholding of any portion of the Purchase Price is not required by the Revenue and Taxation Code of California.

(e) The deposit by the Seller into Escrow at least one (1) Business Day prior to Closing of all additional documents and instruments as are reasonably required by the Escrow Agent to complete the Closing.

(f) As of the Closing Date, no lease, tenancy or occupancy agreement exists which affects the Property, except for the, Property Documents (except that the Franchise Agreement shall have terminated) and the Permitted Exceptions.

(g) Except as described in Recital B, as of the Closing Date, there is no pending, or threatened to be pending, any action or proceeding by any person or before any government authority, the outcome of which could prohibit the use of the Property as intended by the Purchaser.

(h) The Escrow Agent is prepared and obligated to issue the Title Policy in Purchaser's favor, upon the recordation of the Grant Deed and there are no exceptions to the Title Policy, except for the Permitted Exceptions.

(i) As of the Closing Date, Seller is not in default of any of its representations or warranties under this Agreement, or any other material terms or conditions related to Seller, and all of Seller's representations and warranties under this Agreement are true and correct as of the Closing Date.

(j) The Franchise Agreement affecting the Property has been terminated.

(k) The State of California Department of Housing and Community Development has awarded HomeKey funds to the Purchaser for Purchaser's acquisition of the Property.

7. Representations, Warranties and Covenants; Waivers and Releases; Seller Default. When making the representations and warranties set forth in this Section 7, each party making a representation and/or warranty represents that the same are true, correct and complete as of the date hereof and shall be and are true, correct and complete as of the Closing Date. The representations and warranties shall survive the Closing.

(a) Representations and Warranties Regarding Authority. The Seller and the Purchaser each hereby represents and warrants to the other that this Agreement and all documents or instruments executed by them which are to be delivered at or prior to the Closing are, or on the Closing Date will be, duly authorized, executed and delivered by the Seller or the Purchaser, as applicable.

(b) Representations and Warranties Regarding Enforceability of Agreement. The Seller and the Purchaser each hereby represents and warrants to the other that this Agreement and all documents required hereby to be executed by them shall be valid, legally binding obligations of, and enforceable against, the Seller or the Purchaser, as applicable, in accordance with their terms.

(c) Seller Representations and Warranties Pertaining to Legal Matters. The Seller hereby represents and warrants to the Purchaser that:

(1) The Seller is the sole owner of title to the Property; and

(2) There is no pending or threatened proceeding in eminent domain or otherwise, which would affect the Property, or any portions thereof, nor any facts which might give rise to such action or proceeding.

(d) Seller Representations and Warranties Pertaining to Options. As of the Effective Date, the Seller hereby represents and warrants to the Purchaser that no person has any option or right of first refusal to purchase the Property or any parts thereof.

(e) Seller Representation and Warranty Pertaining to Occupancy. The Seller hereby represents and warrants to the Purchaser that to the current actual knowledge of Seller, there will

be no occupancy or leasing agreements by which the Purchaser would be bound following the Closing.

(f) Seller Representation and Warranty Regarding Operation of the Property. The Seller hereby represents and warrants to the Purchaser that to the current actual knowledge of Seller, the Property Documents (except for the Franchise Agreement) and the Permitted Exceptions constitute all of the oral and written agreements or understandings concerning the Property by which the Purchaser would be bound following the Closing.

(g) Seller Representations and Warranties Regarding Discovery of New Information. The Seller hereby represents and warrants to the Purchaser that if the Seller discovers any information or facts prior to Closing that would materially change any of the foregoing representations and warranties or cause any of the foregoing representations and warranties to be untrue or misleading in any respect, the Seller will promptly give the Purchaser notice of those facts and information.

(h) AS-IS CONDITION. PURCHASER HEREBY ACKNOWLEDGES, REPRESENTS, WARRANTS, COVENANTS AND AGREES THAT AS A MATERIAL INDUCEMENT TO SELLER TO EXECUTE AND ACCEPT THIS AGREEMENT AND IN CONSIDERATION OF THE PERFORMANCE BY SELLER OF ITS DUTIES AND OBLIGATIONS UNDER THIS AGREEMENT THAT, EXCEPT AS SPECIFICALLY PROVIDED IN THIS AGREEMENT, AND SUBJECT TO SELLER'S EXPRESS REPRESENTATIONS AND WARRANTIES SET FORTH IN SECTION 7 OF THIS AGREEMENT, THE SALE OF THE PROPERTY HEREUNDER IS AND WILL BE MADE ON AN "AS-IS, WHERE-IS" BASIS, AND SELLER HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY NEGATES AND DISCLAIMS ANY REPRESENTATIONS, WARRANTIES OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT, FUTURE OR OTHERWISE, OF, AS TO, CONCERNING OR WITH RESPECT TO: (1) THE EXISTENCE OF HAZARDOUS MATERIALS OR MOLD UPON THE PROPERTY OR ANY PORTION THEREOF; (2) GEOLOGICAL CONDITIONS, INCLUDING, WITHOUT LIMITATION, SUBSIDENCE, SUBSURFACE CONDITIONS, WATER TABLE, UNDERGROUND WATER RESERVOIRS, LIMITATIONS REGARDING THE WITHDRAWAL OF WATER AND FAULTING; (3) WHETHER OR NOT AND TO THE EXTENT TO WHICH THE PROPERTY OR ANY PORTION THEREOF IS AFFECTED BY ANY STREAM (SURFACE OR UNDERGROUND), BODY OF WATER, FLOOD PRONE AREA, FLOOD PLAIN, FLOODWAY OR SPECIAL FLOOD HAZARD; (4) DRAINAGE; (5) SOIL CONDITIONS, INCLUDING THE EXISTENCE OF INSTABILITY, PAST SOIL REPAIRS, SOIL ADDITIONS OR CONDITIONS OF SOIL FILL, OR SUSCEPTIBILITY TO LANDSLIDES, OR THE SUFFICIENCY OF ANY UNDERSHORE; (6) USES OF ADJOINING PROPERTIES; (7) THE VALUE, COMPLIANCE WITH THE PLANS AND SPECIFICATIONS, SIZE, LOCATION, AGE, USE, DESIGN, QUALITY, DESCRIPTION, DURABILITY, STRUCTURAL INTEGRITY, OPERATION, TITLE TO, OR PHYSICAL OR FINANCIAL CONDITION OF THE PROPERTY OR ANY PORTION THEREOF, OR ANY RIGHTS OR CLAIMS ON OR AFFECTING OR PERTAINING TO THE PROPERTY OR ANY PART THEREOF, INCLUDING, WITHOUT LIMITATION, WHETHER OR NOT THE

IMPROVEMENTS COMPLY WITH THE REQUIREMENTS OF TITLE III OF THE AMERICANS WITH DISABILITIES ACT OF 1990, 42 U.S.C. §§ 12181-12183, 12186(B) - 12189 AND RELATED REGULATIONS; (8) THE PRESENCE OF HAZARDOUS MATERIALS IN, ON, UNDER OR IN THE VICINITY OF THE PROPERTY; (9) THE SQUARE FOOTAGE OF THE PROPERTY; (10) IMPROVEMENTS AND INFRASTRUCTURE, INCLUDING, WITHOUT LIMITATION, THE CONDITION OF THE ROOF, FOUNDATION, FIXTURES, AND PERSONAL PROPERTY; (11) DEVELOPMENT RIGHTS, ENTITLEMENTS, EXACTIONS AND EXTRACTIONS; (12) WATER OR WATER RIGHTS; (13) THE DEVELOPMENT POTENTIAL FOR THE PROPERTY; (14) THE ABILITY OF PURCHASER TO REZONE THE REAL PROPERTY OR CHANGE THE USE OF THE PROPERTY; (15) THE ABILITY OF PURCHASER TO ACQUIRE ADJACENT PROPERTIES; (16) THE EXISTENCE AND POSSIBLE LOCATION OF ANY UNDERGROUND UTILITIES; (17) THE EXISTENCE AND POSSIBLE LOCATION OF ANY ENCROACHMENTS; (18) WHETHER THE IMPROVEMENTS WERE BUILT, IN WHOLE OR IN PART, IN COMPLIANCE WITH APPLICABLE BUILDING CODES; (19) THE STATUS OF ANY LIFE-SAFETY SYSTEMS IN THE IMPROVEMENTS; (20) THE CHARACTER OF THE NEIGHBORHOOD IN WHICH THE PROPERTY IS SITUATED; (21) THE CONDITION OR USE OF THE PROPERTY OR COMPLIANCE OF THE PROPERTY WITH ANY OR ALL PAST, PRESENT OR FUTURE FEDERAL, STATE OR LOCAL ORDINANCES, RULES, REGULATIONS OR LAWS, BUILDING, FIRE OR ZONING ORDINANCES, CODES OR OTHER SIMILAR LAWS, INCLUDING ANY APPLICABLE PLUMBING RETROFIT REQUIREMENTS AND ANY APPLICABLE ENERGY-RELATED REQUIREMENTS; (22) THE MERCHANTABILITY OF THE PROPERTY OR FITNESS OF THE PROPERTY FOR ANY PARTICULAR PURPOSE (PURCHASER AFFIRMING THAT PURCHASER HAS NOT RELIED ON SELLER'S SKILL OR JUDGMENT TO SELECT THE PROPERTY FOR ANY PARTICULAR PURPOSE, AND THAT SELLER MAKES NO WARRANTY THAT THE PROPERTY IS FIT FOR ANY PARTICULAR PURPOSE); AND/OR (23) THE SUITABILITY OF THE PROPERTY FOR CONDOMINIUM CONVERSION. NOTWITHSTANDING THE FOREGOING OR ANYTHING TO THE CONTRARY SET FORTH IN THIS AGREEMENT, SELLER IS NOT RELEASED FROM ANY LIABILITY TO PURCHASER FOR FRAUD OR BREACH OF ANY COVENANT, REPRESENTATION OR WARRANTY EXPRESSLY SET FORTH IN THIS AGREEMENT. NOTWITHSTANDING ANYTHING TO THE CONTRARY SET FORTH IN THIS AGREEMENT, INCLUDING, WITHOUT LIMITATION, THIS SECTION 7(H), ANY RIGHT WAIVED BY PURCHASER AND ANY RELEASE BY PURCHASER, SHALL ONLY RELEASE OR WAIVE THE PURCHASER'S RIGHTS TO ENFORCE ANY JUDGMENT PERSONALLY AGAINST THE SELLER AND SELLER'S SUCCESSORS, ASSIGNS, OFFICERS, DIRECTORS, SHAREHOLDERS, PARTICIPANTS, PARTNERS, MEMBERS, MANAGERS, AFFILIATES, EMPLOYEES, REPRESENTATIVES, INVITEES, CONTRACTORS, CONSULTANTS AND AGENTS (COLLECTIVELY, THE "SELLER PARTIES") OR ANY OF THEM. PURCHASER IS NOT WAIVING ANY RIGHT TO BRING ANY ACTION AGAINST ANY OF THE "NON-RELEASED PARTIES" (DEFINED BELOW) (I) BASED ON A THEN-EXISTING WARRANTY OF A NON-RELEASED PARTY FOR WORK PERFORMED AT THE REAL PROPERTY BEFORE THE CLOSING OR MATERIALS OR EQUIPMENT SUPPLIED TO THE REAL PROPERTY BEFORE THE CLOSING, INCLUDING RECOVERY AGAINST ANY INSURANCE POLICY OF THE NON-RELEASED PARTY; OR (II) IF THE NON-

RELEASED PARTY IS AN OCCUPANT, BASED ON A PRE-CLOSING BREACH OF THE OCCUPANT'S OCCUPANCY AGREEMENT. **"NON-RELEASED PARTIES"** MEANS PERSONS PERFORMING WORK AT THE REAL PROPERTY BEFORE THE CLOSING (OTHER THAN SELLER OR ANY OF THE SELLER PARTIES) AND/OR ANY INSURANCE POLICIES HELD BY ANY OR ALL SUCH PERSONS AND THE OCCUPANTS.

PURCHASER ACKNOWLEDGES THAT AS OF THE EXPIRATION OF THE DUE DILIGENCE PERIOD, PURCHASER SHALL HAVE COMPLETED ALL PHYSICAL AND FINANCIAL EXAMINATIONS RELATING TO THE ACQUISITION OF THE PROPERTY HEREUNDER (IT BEING ACKNOWLEDGED AND AGREED THAT PURCHASER SHALL BE DEEMED TO HAVE INSPECTED EACH UNIT WITHIN THE PROPERTY) AND WILL ACQUIRE THE SAME SOLELY ON THE BASIS OF SUCH EXAMINATIONS AND THE TITLE INSURANCE PROTECTION FOR THE PROPERTY AFFORDED BY THE TITLE POLICY, EXCEPT AS SPECIFICALLY PROVIDED IN THIS AGREEMENT, AND SUBJECT TO SELLER'S EXPRESS REPRESENTATIONS AND WARRANTIES SET FORTH IN SECTION 7 OF THIS AGREEMENT. PURCHASER FURTHER ACKNOWLEDGES AND AGREES THAT ANY INFORMATION PROVIDED OR TO BE PROVIDED WITH RESPECT TO THE PROPERTY WAS OBTAINED FROM A VARIETY OF SOURCES AND THAT THE 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, EXCEPT AS SPECIFICALLY PROVIDED IN THIS AGREEMENT, AND SUBJECT TO THE SELLER'S EXPRESS REPRESENTATIONS AND WARRANTIES SET FORTH IN THIS AGREEMENT. SELLER SHALL NOT BE LIABLE FOR ANY NEGLIGENT MISREPRESENTATION OR FAILURE TO INVESTIGATE THE PROPERTY NOR SHALL SELLER BE BOUND IN ANY MANNER BY ANY VERBAL OR WRITTEN STATEMENTS, REPRESENTATIONS, APPRAISALS, ENVIRONMENTAL ASSESSMENT REPORTS, OR OTHER INFORMATION PERTAINING TO THE PROPERTY OR THE OPERATION THEREOF, FURNISHED BY SELLER, OR ANY REAL ESTATE BROKER, AGENT, REPRESENTATIVE, EMPLOYEE, SERVANT OR OTHER PERSON ACTING ON SELLER'S BEHALF. IT IS ACKNOWLEDGED AND AGREED THAT THE PROPERTY IS SOLD BY SELLER AND PURCHASED BY PURCHASER SUBJECT TO THE FOREGOING. NOTWITHSTANDING THE FOREGOING OR ANYTHING TO THE CONTRARY SET FORTH IN THIS AGREEMENT, SELLER IS NOT RELEASED FROM ANY LIABILITY TO PURCHASER FOR FRAUD OR BREACH OF ANY COVENANT, REPRESENTATION OR WARRANTY SET FORTH IN THIS AGREEMENT.

PURCHASER HEREBY ACKNOWLEDGES AND AGREES THAT PURCHASER IS FULLY AWARE OF THE AGE OF THE PROPERTY, THAT OVER TIME VARIOUS EVENTS MAY HAVE OCCURRED ON THE PROPERTY WHICH EVENTS MAY BE TYPICAL AND/OR ATYPICAL OF EVENTS OCCURRING TO OTHER PROPERTIES OF SIMILAR AGE TO THE PROPERTY AND SIMILARLY LOCATED IN THE CITY OF SAN DIEGO AND/OR THE COUNTY OF SAN DIEGO, CALIFORNIA, AND THAT SUCH EVENTS MAY INCLUDE, WITHOUT LIMITATION, SLAB LEAKS, MOLD, FIRE, SHIFTING, AND VIOLATIONS OF LAWS, ORDINANCES, RULES, REGULATIONS,



PERMITS, APPROVALS, LICENSES AND/OR ORDERS OF GOVERNMENTAL AGENCIES WITH JURISDICTION OVER THE PROPERTY.

THE CLOSING OF THE PURCHASE OF THE PROPERTY BY PURCHASER HEREUNDER SHALL BE CONCLUSIVE EVIDENCE THAT: (A) PURCHASER HAS FULLY AND COMPLETELY INSPECTED (OR HAS CAUSED TO BE FULLY AND COMPLETELY INSPECTED) THE PROPERTY; AND (B) PURCHASER ACCEPTS THE PROPERTY AS BEING IN GOOD AND SATISFACTORY CONDITION AND SUITABLE FOR PURCHASER'S PURPOSES.

WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, EXCEPT FOR RELIANCE ON THE REPRESENTATIONS AND WARRANTIES SET FORTH IN THIS AGREEMENT, PURCHASER SHALL PERFORM AND RELY SOLELY UPON ITS OWN INVESTIGATION CONCERNING ITS INTENDED USE OF THE PROPERTY, AND THE PROPERTY'S FITNESS THEREFOR. PURCHASER FURTHER ACKNOWLEDGES AND AGREES THAT SELLER'S COOPERATION WITH PURCHASER WHETHER BY PROVIDING DOCUMENTS RELATING TO THE PROPERTY OR PERMITTING INSPECTION OF THE PROPERTY, SHALL NOT BE CONSTRUED AS ANY WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, OF ANY KIND WITH RESPECT TO THE PROPERTY, OR WITH RESPECT TO THE ACCURACY, COMPLETENESS, OR RELEVANCE OF THE DOCUMENTS PROVIDED TO PURCHASER BY SELLER IN RELATION TO THE PROPERTY, PROVIDED THAT THE FOREGOING SHALL NOT BE A LIMITATION OR MODIFICATION OF THE REPRESENTATIONS AND WARRANTIES SET FORTH IN THIS AGREEMENT.

\_\_\_\_\_  
SELLER'S INITIALS

\_\_\_\_\_  
PURCHASER'S INITIALS

(i) Indemnity and Release.

(1) Indemnity. For the purposes of this Section 7(i), the term "Claims" shall mean any and all claims, obligations, liabilities, causes of action, suits, debts, liens, damages, judgments, losses, demands, orders, penalties, settlements, costs and expenses (including, without limitation, attorneys' fees and costs and any and all costs and expenses related to, whether directly or indirectly, any and all clean-up, remediation, investigations, monitoring, abatement, mitigation measures, fines or removal with respect to Hazardous Materials) of any kind or nature whatsoever. The definition of "Claims" shall include, without limitation, Claims under contract law or tort law. Each and every provision of this Section 7(i) shall survive the Closing. Purchaser acknowledges that but for Purchaser's agreement to each and every provision of this Section 7(i), Seller would not have entered into this Agreement. Purchaser, on behalf of itself, its successors, assigns and successors-in-interest ("Successors"), hereby agrees to indemnify, defend and hold Seller and each and all of the Seller Parties (defined in Section 7(h)) harmless from any and all Claims resulting from, related to, or based upon, whether directly or indirectly: (i) the breach by Purchaser of any representation, warranty, covenant or obligation contained in this Agreement, or in any other agreement, document, exhibit or instrument related hereto or referenced herein; (ii) any Claim or Claims, if the basis of such Claim or Claims arose on or after the Closing, and if the basis of such

Claim or Claims arose from, is based upon, relates to or pertains to, whether directly or indirectly, the ownership, operation, management and use of the Property; (iii) any Claim or Claims which Claim or Claims (or the basis for which) arose from, is based upon, relates to or pertains to, whether directly or indirectly, any act or omission of Purchaser; (iv) (A) any Claim or Claims that relate to the condition of the Property on or after the Closing, including any judgment, order or settlement under or otherwise pursuant to a lawsuit, and (B) any Claim or Claims that relate to defects in the Property (including, without limitation, patent and latent construction defects), regardless of whether said defects or the cause of the same arose either before or after the Closing, including any judgment, order or settlement under or otherwise pursuant to a lawsuit; and (v) any express or implied indemnity including equitable comparative indemnity arising out of any condominium conversion of the Property including any Claims arising out of alleged construction defects made by unit purchasers, the homeowners association or Purchaser. Any defense of any or all of the Seller Parties referenced in this Section 7(i)(1), shall be at the Purchaser's sole cost and expense and by counsel selected by the Purchaser, subject to the reasonable approval of the indemnified person, which counsel may, without limiting the rights of any of the Seller Parties pursuant to the next succeeding sentence of this Section 7(i)(1), also represent the Purchaser in such investigation, action or proceeding. If Seller or any of the Seller Parties that is being indemnified determines reasonably and in good faith that its defense by the Purchaser is reasonably likely to cause a conflict of interest or is being conducted in a manner which is prejudicial to Seller's or the Seller Party's interests, such indemnified person may elect to conduct its own defense through counsel of its own choosing, subject to the reasonable approval of the Purchaser, and at the expense of the Purchaser. Purchaser hereby waives any right of subrogation as to Seller or the Seller Parties. Each and every provision of this Section 7 shall survive the Closing and but for Purchaser's agreement to each and every provision of this Section 7, Seller would not have entered into this Agreement.

(2) Release. Notwithstanding the following or anything to the contrary set forth in this Agreement, the Seller is not released from any liability to the Purchaser for fraud or breach of any covenant or warranty set forth in this Agreement. Subject to the immediately preceding sentence and the Purchaser's right to rely on the Seller's representations and warranties, Purchaser for itself and on behalf of each of its successors (collectively, the "Releasers") by this general release of known and unknown claims (this "Release") hereby irrevocably and unconditionally release and forever discharge Seller and each of the Seller Parties (collectively, the "Releasees") or any of them, from and against any and all Claims of any kind or nature whatsoever, **WHETHER KNOWN OR UNKNOWN**, suspected or unsuspected, fixed or contingent, liquidated or unliquidated which any of the Releasers now have, own, hold, or claim to have had, owned, or held, against any of the Releasees arising from, based upon or related to, whether directly or indirectly any facts, matters, circumstances, conditions or defects (whether patent or latent) of all or any kinds, related to, arising from, or based upon, whether directly or indirectly, the Property, including, without limitation, (i) the physical condition, quality and state of repair of the Property; (ii) any latent or patent defect affecting the Property, (iii) the presence of Hazardous Materials in, on, about or under the Real Property or which have migrated from adjacent lands to the Real Property or from the Real Property to adjacent lands, and (iv) any express or implied indemnity including equitable comparative indemnity arising out of any condominium conversion of the Property including any Claims arising out of alleged construction defects made by unit purchasers, the homeowners association or Purchaser.

(3) Section 1542 Waiver. Except for Claims for Seller's fraud or the breach of any covenants, representations and warranties of the Seller provided in this Agreement, Releasors hereby further agree as follows:

(A) Releasors acknowledge that there is a risk that subsequent to the execution of this Agreement, Releasors may discover, incur, or suffer from Claims which were unknown or unanticipated at the time this Release is executed, including, without limitation, unknown or unanticipated Claims which, if known by Releasors on the date this Release is being executed, may have materially affected Releasors' decision to execute this Agreement. Releasors acknowledge that Releasors are assuming the risk of such unknown and unanticipated Claims and agree that this Release applies thereto. Releasors expressly waive the benefits of Section 1542 of the California Civil Code, which reads as follows:

**“A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.”**

(B) Releasors represent and warrant that Releasors have been represented by independent counsel of Releasors' own choosing in connection with the preparation and review of the Release set forth herein, that Releasors have specifically discussed with such counsel the meaning and effect of this Release and that Releasors have carefully read and understand the scope and effect of each provision contained herein. Releasors further represent and warrant that Releasors do not rely and have not relied upon any representation or statement made by any of the Releasees or any of their representatives, agents, employees, attorneys or officers with regard to the subject matter, basis or effect of this Release.

(C) Releasors represent and warrant to Releasees that Releasors have not and shall not assign or transfer or purport to assign or transfer any Claim or Claims or any portion thereof or any interest therein, and shall indemnify, defend, and hold the Releasees harmless from and against any Claim or Claims based on or arising out of, whether directly or indirectly, any such assignment or transfer, or purported assignment or transfer.

\_\_\_\_\_  
SELLER'S INITIALS

\_\_\_\_\_  
PURCHASER'S INITIALS

It is specifically intended that each of the Seller Parties shall be third party beneficiaries of Section 7(h) and Section 7(i).

8. Condemnation.

(a) Condemnation. If between the Effective Date and the Closing Date, any condemnation or eminent domain proceeding is commenced by any party other than the Purchaser that will result in the taking of the entire Property or any part of the Property, Purchaser may, at Purchaser's election, either:

(1) Terminate this Agreement by giving written or emailed notice to the Seller and the Escrow Agent, in which event all remaining funds or other things deposited in Escrow by Purchaser, including, without limitation, the Deposit, shall be returned to the Purchaser immediately from Escrow, together with any interest earned thereon and all fees and costs charged by the Escrow Agent shall be paid one-half (1/2) by the Purchaser and one-half (1/2) by the Seller; or

(2) Give written or emailed notice to the Seller and the Escrow Agent that Purchaser will proceed with the Closing, in which event the Seller shall assign to the Purchaser all of the Seller's rights, titles and interests to any award made for the condemnation or eminent domain action.

(b) Notice. If the Seller obtains notice of the commencement of or the threatened commencement of eminent domain or condemnation proceedings with respect to all of any portion of the Property, the Seller shall notify the Purchaser in writing.

9. Broker's Commission. The Purchaser and the Seller each represents to the other that it does not have any contact or binding agreement with respect to any real estate broker or other person who can claim a right to a commission or finder's fee. The Purchaser and the Seller each agree that to the extent any real estate commission, brokerage commission or finder's fee shall be earned or claimed in connection with this Agreement or the Closing, the payment of such fee or commission, and the defense of any action in connection therewith, shall be the sole and exclusive obligation of the party who requested (or is alleged to have requested) the services of the broker or finder. In the event that any claim, demand or cause of action for any such commission or finder's fee is asserted against the party to this Agreement who did not request such services (or is not alleged to have requested such services), the party through whom the broker or finder is making the claim shall indemnify, defend (with an attorney of the indemnitee's choice) and hold harmless the other from and against any and all such claims, demands and causes of action and expenses related thereto, including, without limitation, attorneys' fees and costs. The provisions of this Section 9 shall survive the Closing or termination of this Agreement.

10. Assignment. The Purchaser may assign this Agreement to an entity in which the Purchaser has a controlling or majority interest without the prior written consent of the Seller. Except as set forth in the immediately preceding sentence, no party shall assign any of its rights or delegate any of its duties under this Agreement without the prior written consent of the other party hereto. Any attempted assignment or delegation of this Agreement by the Purchaser or the Seller in violation of this Section 10 shall be void.

11. Notices. All notices under this Agreement shall be in writing and sent (a) overnight by a nationally recognized overnight courier such as UPS Overnight, or FedEx, in which case notice shall be deemed delivered one (1) Business Day after deposit with that courier, (b) by personal delivery, in which case notice shall be deemed delivered upon the actual date of delivery, or (c) by email, in which case notice shall be deemed delivered upon the actual date of delivery. All notices shall be delivered to the following addresses:

If to Seller: Anjali Enterprises, LLC  
\_\_\_\_\_  
\_\_\_\_\_

If to Purchaser: San Diego Housing Commission  
Attn: Buddy Bohrer  
1122 Broadway, Suite 300  
San Diego, CA 92101  
Email: [buddyb@sdhc.org](mailto:buddyb@sdhc.org)

Copy to: Christensen & Spath LLP  
Attn: Walter F. Spath III, Esq.  
401 West Z Street, Suite 2250  
San Diego, CA 92101  
Email: [wfs@candslaw.net](mailto:wfs@candslaw.net)

If to Escrow Agent: Chicago Title Company  
Attn: \_\_\_\_\_  
2365 Northside Drive  
San Diego, CA 92108  
Email:

The addresses above may be changed by written notice to the other party given in accordance with this Section 11.

12. Risk of Loss.

(a) Subject to the provisions of this Section 12(a), the risk of loss or damage to the Property until the Closing will be borne by Seller. Upon the occurrence of any damage to or destruction of the Property, Seller shall within five (5) days after the occurrence of such damage or destruction give written notice to Purchaser (“Damage Notice”) specifying the estimated cost to repair or restore the Property and an estimate of the insurance proceeds, if any, that will be available with respect to such damage or destruction. The Closing shall be appropriately delayed to provide adequate time for Seller to give the Damage Notice and Purchaser to make its election provided for below.

(b) If prior to the Closing there is damage to or destruction of the Property that will cost in excess of One Hundred Thousand Dollars (\$100,000.00) to repair or restore, Purchaser shall have the right by written notice given to Seller within ten (10) days of Purchaser receiving the Damage Notice, to elect to: (i) close Escrow in such damaged condition, in which event the Purchase Price shall not be reduced and Seller shall not be obligated to repair or restore the Property and all insurance proceeds shall be assigned and payable to Purchaser, and if Seller receives any such insurance proceeds, they shall be immediately remitted by Seller to Purchaser at Closing or, if received by Seller after Closing, promptly after receipt; or (ii) terminate this Agreement, in which event the Deposit and all interest accrued thereon shall be immediately returned to Purchaser, and neither party shall have any further rights or obligations to the other

party, except neither party shall be relieved of any obligations provided for in this Agreement which expressly survives its termination.

(c) If prior to the Closing there is damage to or destruction of the Property that will cost One Hundred Thousand Dollars (\$100,000.00), or less, to repair or restore, Purchaser shall nevertheless close Escrow with the Property in such damaged condition, the Purchase Price shall be reduced by a commensurate amount and Seller shall not be obligated to repair or restore the Property, and all insurance proceeds shall be assigned and payable to Purchaser, and if Seller should receive any such insurance proceeds, they shall be immediately remitted to Purchaser.

13. Water Heaters. Seller hereby certifies and warrants that all water heaters in or on the Property are braced, anchored or strapped to prevent falling or horizontal displacement due to earthquake motions as required by State and applicable local codes.

14. Prorations.

(a) Real property taxes and assessments, utility costs, rents, security deposits, service and maintenance contract payments for contracts that are being assumed by the Purchaser (which assumption shall be of all service and maintenance and similar type contracts with regard to the Property to the extent same are assignable) ("Contracts") and other expenses of operating the Property (provided, however, no proration shall be made with regard to any capital improvements, as determined in accordance with generally accepted accounting principles) shall be prorated as of the Closing. Seller shall pay all real property taxes and assessments applicable to the period prior to the Closing, and if any such taxes are unpaid after the Closing, then Seller shall pay them promptly and in any event within ten (10) days after Purchaser's written request (which shall include a copy of the relevant tax bill). Seller shall have the right, but not the obligation, to pursue after the Closing collection from tenants of any rents due at the Closing which are unpaid.

15. Franchise De-Identification. The parties acknowledge that Seller shall terminate the Franchise Agreement at Closing but that additional time may be needed for Seller to fulfill all of its de-identification obligations under such terminated Franchise Agreement, all at Seller's sole cost and expense (the "De-Identification Obligations"). Therefore, Purchaser will allow Seller and its affiliates and agents reasonable access to the Property for thirty (30) days after the Closing in order for Seller to fulfill the De-Identification Obligations.

16. General Provisions.

(a) Governing Law. This Agreement shall be interpreted and construed in accordance with California law, without regard to any choice of law principles.

(b) Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

(c) Captions. The captions in this Agreement are inserted for convenience of reference and in no way define, describe or limit the scope or intent of this Agreement or any of the provisions of this Agreement.

(d) Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties and their respective legal representatives, successors, heirs and permitted assigns.

(e) Modifications; Waiver. No waiver, modification, amendment, discharge or change of this Agreement shall be valid unless it is in writing and signed by the party against which the enforcement of the modification, waiver, amendment, discharge or change is sought.

(f) Entire Agreement. This Agreement contains the entire agreement between the parties relating to Purchaser's acquisition of the Property from the Seller and all prior or contemporaneous agreements, understandings, representations or statements, oral or written, are superseded.

(g) Partial Invalidity. Any provision of this Agreement which is unenforceable, invalid, or the inclusion of which would adversely affect the validity, legality, or enforcement of this Agreement shall have no effect, but all the remaining provisions of this Agreement shall remain in full effect.

(h) Survival; No Merger. This Agreement, including, without limitation, all representations, warranties, covenants, agreements, indemnities and other obligations of the Purchaser and the Seller in this Agreement, shall survive the Closing as provided for in this Agreement and will not be merged into the Grant Deed or any other document.

(i) No Third-Party Rights. Nothing in this Agreement, express or implied, is intended to confer upon any person, other than the parties to this Agreement and their respective successors and assigns, any rights or remedies.

(j) Time of Essence. Time is of the essence in this Agreement.

(k) Attorneys' Fees. The parties agree that the prevailing party in litigation for the breach and/or interpretation and/or enforcement of the terms of this Agreement shall be entitled to their expert witness fees, if any, as part of their costs of suit, and attorneys' fees as may be awarded by the court, pursuant to California Code of Civil Procedure ("CCP") Section 1033.5 and any other applicable provisions of California law, including, without limitation, the provisions of CCP Section 998. All claims, disputes, causes of action or controversies shall be subject solely to the jurisdiction of the San Diego Superior Court, Downtown Branch.

(l) Relationship. Nothing contained in this Agreement shall be deemed or construed by the parties or by any third person to create a relationship of principal and agent or partnership or a joint venture between the Purchaser and the Seller or between any of them and any third party.

(m) Recording. This Agreement shall not be recorded.

(n) Purchaser Approval. Where this Agreement refers to an action or approval of the Purchaser, it shall mean the approval of the President and CEO of the Purchaser, or designee, unless otherwise provided.

(o) Exhibits and Recitals Incorporated. All exhibits referred to in this Agreement are hereby incorporated in this Agreement by this reference, regardless of whether or not the exhibits are actually attached to this Agreement. The Recitals to this Agreement are hereby incorporated in this Agreement by this reference.

(p) Independent Counsel. Seller and Purchaser each acknowledge that: (a) they have been given the opportunity to be represented by independent counsel in connection with this Agreement; (b) they have executed this Agreement with the advice of such counsel, if such counsel was retained; and (c) this Agreement is the result of negotiations between the parties hereto and the advice and assistance of their respective counsel, if such counsel was retained. The fact that this Agreement was prepared or negotiated by Purchaser's or Seller's counsel as a matter of convenience shall have no import or significance. Any uncertainty or ambiguity in this Agreement shall not be construed against either party due to the fact that Purchaser's or Seller's counsel prepared or negotiated this Agreement in its final form.

(q) Capacity and Authority. All individuals signing this Agreement for a party which is a corporation, limited liability company, partnership or other legal entity, or signing under a power of attorney, or as a trustee, guardian, conservator, or in any other legal capacity, represent and warrant to one another party that they have the necessary capacity and authority to act for, sign and bind the respective entity or principal on whose behalf they are signing.

(r) Closing Costs. The Seller and the Purchaser shall pay the costs of the Title Policy in accordance with Section 2, above. The Purchaser and the Seller shall each pay one-half (1/2) of the costs of the City transfer taxes and County transfer taxes to be paid with reference to the Grant Deed, if any, and all other stamps, intangible, documentary, recording and surtax imposed by law with reference to any other documents delivered in connection with this Agreement, if any. The Purchaser and the Seller shall equally share the Escrow Agent's escrow fees. All other closing costs shall be allocated in accordance with custom in San Diego County, California.

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

**SELLER:**

Anjali Enterprises, LLC, a California limited liability company

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Its: \_\_\_\_\_

**[SIGNATURES CONTINUED ON FOLLOWING PAGE]**



**PURCHASER:**

San Diego Housing Commission

By: \_\_\_\_\_  
Jeff Davis, Interim President & CEO

Approved as to Form:  
Christensen & Spath LLP

By: \_\_\_\_\_  
Walter F. Spath III, Esq.  
Purchaser General Counsel

## **Exhibit A**

### **Real Property Legal Description**

Real property in the City of San Diego, County of San Diego, State of California, described as follows:

#### PARCEL 1:

ALL THOSE PORTIONS OF PUEBLO LOT 220, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP OF PUEBLO LANDS OF SAN DIEGO BY JAMES PASCOE IN 1870 DEFINED AS FOLLOWS:

BEGINNING AT THE MOST EASTERLY CORNER OF SAID PUEBLO LOT 220; THENCE SOUTHWESTERLY ALONG THE SOUTHEASTERLY LINE OF SAID PUEBLO LOT, 35.00 FEET; THENCE NORTH 53°49'30" WEST ALONG A LINE PARALLEL WITH AND DISTANT 35.00 FEET SOUTHWESTERLY FROM THE NORTHEASTERLY LINE OF SAID PUEBLO LOT, 860.00 FEET TO THE TRUE POINT OF BEGINNING; THENCE SOUTH 36°15'35" WEST ALONG A LINE PARALLEL WITH THE SOUTHEASTERLY LINE OF SAID PUEBLO LOT, 200.00 FEET; THENCE NORTH 53°49'30" WEST ALONG A LINE PARALLEL WITH AND DISTANT 235.00 FEET SOUTHWESTERLY FROM THE NORTHEASTERLY LINE OF SAID PUEBLO LOT, 85.00 FEET; THENCE NORTH 36°15'35" EAST ALONG A LINE PARALLEL WITH THE SOUTHEASTERLY LINE OF SAID PUEBLO LOT, 200.00 FEET TO A POINT ON A LINE THAT IS PARALLEL WITH AND DISTANT 35.00 FEET SOUTHWESTERLY FROM THE NORTHEASTERLY LINE OF SAID PUEBLO LOT; THENCE SOUTH 53°49'30" EAST ALONG SAID PARALLEL LINE, 85.00 FEET TO THE TRUE POINT OF BEGINNING.

#### PARCEL 2:

ALL THOSE PORTIONS OF PUEBLO LOT 220, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF OF PUEBLO LANDS OF SAN DIEGO BY JAMES PASCOE IN 1870, DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST EASTERLY CORNER OF SAID PUEBLO LOT 220; THENCE SOUTHWESTERLY ALONG THE SOUTHEASTERLY LINE OF SAID PUEBLO LOT, 35.00 FEET; THENCE NORTH 53°49'30" WEST ALONG A LINE PARALLEL WITH AND DISTANT 35.00 FEET SOUTHWESTERLY FROM THE NORTHEASTERLY LINE OF SAID PUEBLO LOT, 760.00 FEET TO THE TRUE POINT OF BEGINNING; THENCE SOUTH 36°15'35" WEST ALONG A LINE PARALLEL WITH THE SOUTHEASTERLY LINE OF SAID PUEBLO LOT, 200.00 FEET; THENCE NORTH 53°49'30" WEST ALONG A LINE PARALLEL WITH AND DISTANT 235.00 FEET SOUTHEASTERLY FROM THE NORTHEASTERLY LINE OF SAID PUEBLO LOT, 100.00 FEET; THENCE NORTH 36°15'35" EAST, ALONG A LINE PARALLEL WITH THE SOUTHEASTERLY LINE OF SAID PUEBLO LOT, 200.00 FEET TO A POINT ON THE LINE THAT IS PARALLEL WITH AND DISTANT 35.00 FEET SOUTHWESTERLY FROM THE NORTHEASTERLY LINE OF SAID PUEBLO LOT; THENCE SOUTH 35°49'30" EAST ALONG SAID PARALLEL LINE, 100.00 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL 3:

AN EASEMENT AND RIGHT OF WAY FOR SEWER PIPE LINES AND APPURTENANCES THERETO OVER THAT PORTION OF LOT 1 OF BAYVIEW DRIVE IN THEATRE TRACT, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP NO. 3465, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, LYING WITHIN THE FOLLOWING DESCRIBED PARCEL OF LAND.

BEGINNING AT THE POINT OF INTERSECTION OF THE CENTER LINE OF THE 10.00 FOOT SEWER EASEMENT WITH THE NORTHEASTERLY LINE OF SAID LOT 1, AS SHOWN ON SAID MAP NO. 3465; THENCE NORTH  $53^{\circ}51'40''$  WEST, 16.78 FEET TO AN ANGLE POINT IN SAID BOUNDARY LINE OF SAID LOT 1; THENCE ALONG SAID BOUNDARY LINE, SOUTH  $36^{\circ}14'$  WEST 200.00 FEET TO ANGLE POINT THEREIN; THENCE SOUTH  $53^{\circ}51'40'$  EAST 30.00 FEET, MORE OR LESS, TO A POINT IN SAID CENTER LINE OF THE 10.00 FOOT SEWER EASEMENT AS SHOWN ON SAID MAP NO. 3465; THENCE NORTH  $32^{\circ}20'30''$  EAST ALONG SAID CENTER LINE TO THE POINT OF BEGINNING.

APN: 441-250-22-00

## **Exhibit B**

### **ASSIGNMENT OF PERSONAL PROPERTY AND ASSIGNMENT AND ASSUMPTION OF CONTRACTS**

FOR VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby expressly acknowledged, Anjali Enterprises, LLC, a California limited liability company (“Assignor”), hereby grants, conveys, transfers and assigns to the San Diego Housing Commission (“Assignee”), all of Assignor’s right, title and interest in and to:

(a) all occupancy agreements, if any, of space in the real property more particularly described in Exhibit “1” attached hereto and by this reference made a part hereof (“Real Property”);

(b) the Contracts, as defined in that certain Purchase and Sale Agreement between the parties dated as of \_\_\_\_\_, 2022 (the “PSA”), attached hereto as Exhibit D to the PSA; and

(c) the Personal Property, as defined in the PSA.

The Personal Property is being transferred to Assignee without any representation or warranty of any kind or nature whatsoever, including, without limitation, as to any representations or warranties as to merchantability or fitness for a particular purpose.

Assignee agrees to perform or cause to be performed Assignor’s obligations, if any, under the Contracts from and after the date of this instrument.

Each of Assignor and Assignee hereby covenants that they will, at any time and from time to time upon written request therefor, execute and deliver to the other, its nominees, successors and/or assigns, any new or confirmatory instruments and do and perform any other acts which the other, its successors and/or assigns, may reasonably request in order to fully assign and transfer to and vest in Assignee, its nominees, successors and/or assigns, and protect its and/or their rights, title and interest in and enjoyment of, all of the assets of Assignor intended to be transferred and assigned hereby, or to enable Assignee, its successors and/or assigns, to realize upon or otherwise enjoy any such assets, or to effect the allocation of responsibility for performance under the Contracts.

The provisions of this Assignment of Personal Property and Assignment and Assumption of Contracts shall be binding upon and inure to the benefit of Assignor, Assignee and their successors and assigns.

IN WITNESS WHEREOF, the undersigned have executed this Assignment of Personal Property and Assignment and Assumption of Contracts as of the \_\_\_\_\_ day of \_\_\_\_\_, 2023.

**ASSIGNOR:**

Anjali Enterprises, LLC, a California limited liability company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

**ASSIGNEE:**

San Diego Housing Commission

By: \_\_\_\_\_

Jeff Davis, Interim President & CEO

Approved as to Form:

Christensen & Spath LLP

By: \_\_\_\_\_

Walter F. Spath III, Esq.

Assignee General Counsel

## **Exhibit C**

### **Property Documents**

Seller makes no representation that any of the following exist; and Seller has no obligation to create or obtain any of the following that do not exist on the Effective Date of the Agreement.

#### Operating Statements:

- Year Ending 2021
- Year Ending 2020
- Year Ending 2019

#### Year-to-Date Operating Statements

#### Disclosure Reports

- Natural Hazard Zone

Property Tax Bill History (2019-Present)

Major Capital Contracts (2019-Present)

Site Map and Floorplans

HVAC Count

Insurance Loss Reports

Current Salary Schedule (Monthly)

Business License and Permits

Certificate of Occupancy

All active Contracts, including Service Contracts, management contracts, franchise contracts, and all contracts for which payments are owed, will be owed at or after the Closing.

Gas and Electric Utility History (2019-Present)

Utility Bills (2019-Present)

Capital Expenditures (2019-Present) – General Ledger Detail

Drawings, Plans and Specifications, including as-builts

**Exhibit D**

**Contracts**

<b>PROVIDER</b>	<b>SERVICE</b>

form, terms and conditions of the Purchase and Sale Agreement shall be subject to the approval of Buyer and Seller in their sole discretions. If issues arise during preparation of a Purchase and Sale Agreement which are not resolved to the satisfaction of Buyer and Seller, this letter shall become null and void.

**12. Broker Commission.** Each party represents to the other that it does not have any contact or binding agreement with respect to any real estate broker or other person who can claim a right to a commission or finder's fee. If any other broker or finder makes a claim for a commission or finder's fee based upon a contact, dealings or communications with a party, then such party shall indemnify, protect, defend and hold the other party harmless from and against all claims, damages, losses, liabilities, costs and expenses, including attorneys' fees, arising out of the broker's or finder's claim.

**13. Confidentiality.** Seller acknowledges that Buyer is a public agency and that the terms and conditions of this Letter of Intent and the Purchase and Sale Agreement will be disclosed in at least a public meeting of the Buyer's board, and that the Buyer is required by applicable laws to disclose certain documents, writings and other information, including without limitation, this Letter of Intent and the Purchase and Sale Agreement.

This letter is not a binding contract. This letter does not bind Buyer to purchase the Property, and this letter does not bind Seller to sell the Property to Buyer. This letter merely sets forth certain of the key terms and conditions on which Buyer and Seller may be willing to proceed with respect to a purchase and sale transaction. Neither Buyer nor Seller shall be bound in any respect unless and until a binding Purchase and Sale Agreement mutually acceptable to Buyer and Seller is signed and entered into by both Buyer and Seller.

If the foregoing is acceptable to you, contingent upon the parties' execution of a mutually acceptable Purchase and Sale Agreement, please execute this letter and return it to the undersigned on or before the close of business on June 30, 2022.

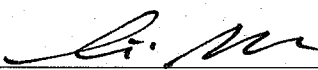
**BUYER:**

San Diego Housing Commission

By: \_\_\_\_\_  
Jeff Davis, Interim President & CEO

**SELLER:**

Anjali Enterprises, LLC.

By:   
Print Name: KESHAV MUNGRA  
Its: Member