

## **PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS**

This PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS ("**Agreement**"), between RED TILE INN, INC., a California corporation, ("**SELLER**"), and San Bernardino County, a public body, corporate and politic ("**BUYER**"), each of them a "**Party**" and jointly the "**Parties**", is entered into as of the date the last of the Parties executes this Agreement ("**Effective Date**").

### **RECITALS**

- A. SELLER is the owner of the fee simple interest in certain real property containing approximately 1.53 acres, improved with two buildings consisting of a total of approximately 41,196 square feet of building area, located at 1311 S. Santo Antonio Drive, Colton, CA 92324 (commonly known as Assessor's Parcel Number 0275-181-50-0000) in the City of Colton, San Bernardino County, and more particularly described in the legal description attached hereto as Exhibit "A" ("**Property**").
- B. SELLER agrees to sell, and BUYER agrees to purchase the Property on the terms and conditions set forth in this Agreement.

### **AGREEMENT**

Based upon the foregoing recitals, which are incorporated herein by this reference, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, SELLER and BUYER agree as follows:

#### **1. PURCHASE AND SALE OF THE PROPERTY.**

1.1 Subject to all of the terms, conditions, and provisions of this Agreement, and for the consideration herein set forth, the SELLER agrees to sell to BUYER, and BUYER agrees to purchase from the SELLER, the Property as described in Exhibit "A" attached hereto.

1.2 Amount of Purchase Price. The purchase price payable by BUYER to SELLER for the Property, including but not limited to all of SELLER's right, title, and interest to the Property, is the total sum of TWELVE MILLION TWO HUNDRED AND FIFTY THOUSAND AND 00/100 Dollars (\$12,250,000.00) ("**Purchase Price**"), which shall be deposited with Escrow Holder in accordance with this Agreement.

1.3 Independent Consideration Payment. Within fifteen (15) Business Days of the Escrow Opening Date (as defined in Section 3.1), BUYER shall deliver to Escrow the sum of One Hundred and 00/100 Dollars (\$100.00) (the "**Independent Consideration Payment**"), as independent consideration for BUYER's right to purchase the Property and to terminate this Agreement on or prior to the expiration of the Due Diligence Period and for SELLER's execution, delivery, and performance of this Agreement. The Independent Consideration Payment is non-refundable, not applicable to the Purchase Price, and shall be retained by SELLER notwithstanding any other provision of this Agreement.

Within ten (10) business days following the Effective Date of this Agreement, BUYER shall deliver to Escrow Officer, to be determined, ("**Escrow Holder**") an executed copy of this Agreement.

#### **2. DUE DILIGENCE REVIEW.**

2.1 Inspections. BUYER and its agents, contractors, consultants, employees,

representatives, engineers, and designees (collectively, "**BUYER's Agents**") shall have reasonable access to the Property at all reasonable times until the expiration of the Due Diligence Period (or earlier termination of this Agreement) for the purpose of conducting tests and inspections of the Property, including (but not limited to) surveys and architectural, engineering, geotechnical and environmental inspections and tests. The "**Due Diligence Period**" shall mean the Ninety (90) Business Days following the opening of Escrow. A "**Business Day**" is any day on which the offices of the San Bernardino County, California Recorder are open to the public for business. All inspections shall be performed by BUYER at BUYER's sole cost and expense. Within five (5) business days after the opening of Escrow, SELLER shall deliver to BUYER copies of all plans, surveys, specifications, studies, reports, test results, and other documents pertaining to the physical, geological, or environmental condition of the Property that is in the possession of or within the control of SELLER ("**Property Documents**"). At any time during the Due Diligence Period, BUYER may, in its sole and absolute discretion: (i) terminate this Agreement by delivering a Due Diligence Termination Notice pursuant to Paragraph 2.3; or (ii) shorten the Due Diligence Period and proceed to Closing by delivering a written notice to the SELLER ("**Proceed to Closing Notice**"); in which case, the Due Diligence Period shall end on the date SELLER receives the Proceed to Closing Notice and, pursuant to Paragraph 3.1, the Closing Date shall be no later than thirty (30) business days thereafter (with each party to acknowledge in writing the resulting Due Diligence Period end date and the Closing Date). The BUYER's Director of the Real Estate Services Department shall have the authority on behalf of BUYER to exercise BUYER's option to shorten the Due Diligence Period and proceed to Closing in accordance with this Paragraph 2.1.

2.2 Entry For Investigation; "As-Is" Purchase; Condition of Property.

2.2.1 Subject to the conditions hereafter stated and the rights of any occupants in possession, SELLER grants to BUYER, its agents and employees a limited license to enter upon any portion of the Property for the purpose of conducting any and all noninvasive inspections, tests, studies and surveys as may be necessary or desirable in BUYER's judgment and discretion reasonably necessary to evaluate the condition of the Property, which studies, surveys, investigations and tests shall be done at BUYER's sole cost and expense. BUYER MAY CONDUCT SUCH NON-INVASIVE INSPECTIONS OF THE PROPERTY DURING REGULAR BUSINESS HOURS (8AM – 5PM) UPON FORTY EIGHT (48) HOURS ADVANCE NOTICE TO SELLER, PROVIDED BUYER AND ITS CONTRACTORS, AGENTS AND EMPLOYEES DO NOT INTERFERE WITH OR DISTURB SELLER'S GUESTS, MANAGER OR EMPLOYEES. BUYER shall by email (a) notify SELLER prior to each entry of the date and purpose of intended entry and provide to Seller the names and affiliations of the persons entering the Property and BUYER and BUYER's employees and agents shall not contact or communicate with any employees or agents of Seller without express written permission from SELLER; (b) conduct all studies in a diligent and expeditious manner and shall not cause any dangerous or hazardous conditions or damage to occur on the Property during or after such investigation; (c) comply with all applicable laws and governmental regulations; (d) keep the Property free and clear of all materialmen's liens, lis pendens and other liens arising out of the entry and due diligence activities performed under this paragraph; (e) maintain or assure maintenance of workers' compensation insurance (or state approved self-insurance) on BUYER or its contractors entering the Property in the amounts required by the State of California; (f) provide to SELLER prior to initial entry a certificate of insurance evidencing that BUYER or its contractors have procured an all-risk public liability insurance policy written on a per occurrence and not claims made basis in a combined single limit of not less than TWO MILLION DOLLARS (\$2,000,000.00) which insurance names SELLER as additional insured entitled to not less than thirty (30) days cancellation notice and is primary and non-contributing with insurance carried by SELLER; and (g) after each entry, leave the Property in as good a condition as existed on BUYER's entry, reasonable wear and tear excluded.

2.2.2 If BUYER desires to engage in any Phase II Environmental Study or any other invasive testing or sampling of any kind with respect to the Property, whether of the soils or groundwater, or other studies which would require test borings of, or other intrusion into the land, the existing buildings or any other improvements thereon, BUYER shall obtain SELLER's prior written approval thereof, including the company performing such testing and the scope of any such testing, which consent may be withheld in SELLER's sole discretion. SELLER shall have a period of five (5) business days after delivery to it of a request to perform a Phase II Environmental Study or other invasive testing to notify BUYER of its approval or disapproval. If SELLER fails to deliver its approval or effective disapproval in writing to BUYER on or before expiration of the five (5) business day period, SELLER shall be deemed to have disapproved the requested invasive study or testing, and BUYER shall have the option to terminate this Agreement as provided in Section 2.3. BUYER agrees to indemnify and hold SELLER harmless from any and all loss, liability, claims, damages and expenses (excluding attorneys' fees) for injury to persons and damage to property arising from any negligent act or omission of the BUYER in connection with BUYER'S entry onto the Property provided herein; provided, however, this indemnity shall not extend or apply to any existing contamination at the Property not caused by BUYER or BUYER's contractors or agents. Such undertaking of indemnity shall survive Close of Escrow or the termination of this Agreement for any reason. To the extent that BUYER has not exercised its termination option on or before the expiration of the Due Diligence Period, the limited license herein granted for access to the Property shall be co-extensive with the term of this Agreement or any extension thereof to facilitate escrow closing.

2.2.3 Notwithstanding anything to the contrary in this Agreement, BUYER acknowledges that, except as specifically set forth in this Agreement, neither SELLER nor any principal, agent, attorney, employee or representative of SELLER has made, nor is BUYER relying upon, any warranty, representation or covenant, express or implied, with respect to the Property, the suitability of the Property for BUYER's intended use, the condition of the Property, hazardous materials, compliance with any laws, codes or ordinances, access to the Property or any other aspects of this transaction. The Close of Escrow shall be deemed conclusive proof that BUYER's decision to purchase the Property was made not on the basis of any representations or warranties made by SELLER (except as otherwise provided in this Agreement) or by any other person but solely on the basis of and in reliance on BUYER's own investigations and inquiries (including but not limited to its Phase I and Phase II environmental reports, as applicable), and that neither SELLER nor any agent or representative of Seller has made any representation or promise with respect to or affecting the Property or this Agreement to purchase the Property which is not expressly contained herein. Further, except as expressly set forth in this Agreement, BUYER acknowledges that the Property is being sold by SELLER and purchased by BUYER "AS IS" "WHERE IS" and "WITH ALL FAULTS – PATENT AND LATENT" and that in no event shall SELLER be chargeable or liable for any alleged representation or warranty, express or implied, regarding the Property, except as specifically set forth herein.

2.2.4 CONSISTENT WITH THE FOREGOING AND SUBJECT TO SELLER'S COVENANTS, REPRESENTATIONS AND WARRANTIES IN THIS AGREEMENT OR IN THE OTHER DOCUMENTS, EFFECTIVE AS OF THE CLOSING DATE, BUYER, FOR ITSELF AND ITS SUCCESSORS AND ASSIGNS, HEREBY RELEASES AND FOREVER DISCHARGES AND ACQUITS SELLER, AND ALL OF SELLER'S REPRESENTATIVES, AGENTS, MEMBERS, SUBSIDIARIES, PARENT COMPANIES, AFFILIATES, SHAREHOLDERS, DIRECTORS, EMPLOYEES, PRINCIPALS, OR ANY OTHER PERSON OR ENTITY ACTING ON ITS BEHALF OR UNDER SELLER'S DIRECTION OR CONTROL, AND ALL OF ITS AND THEIR RESPECTIVE SUCCESSORS AND ASSIGNS (COLLECTIVELY THE "**RELEASEES**") FROM ANY AND ALL PAST PRESENT AND FUTURE RIGHTS, CLAIMS AND DEMANDS AT LAW OR IN EQUITY, WHETHER KNOWN OR UNKNOWN AT THE TIME OF THIS AGREEMENT, WHICH BUYER HAS OR MAY

HAVE IN THE FUTURE, ARISING OUT OF ANY OF THE FOREGOING MATTERS, WITHOUT LIMITATION, ALL CLAIMS IN TORT OR CONTRACT AND ANY CLAIM FOR INDEMNIFICATION OR CONTRIBUTION ARISING UNDER THE COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION, AND LIABILITY ACT (42 U.S.C. SECTION 9601, ET SEQ.), AND/OR ANY SIMILAR FEDERAL, STATE OR LOCAL STATUTE, RULE OR REGULATION. EXCEPT FOR SELLER'S COVENANTS, REPRESENTATIONS AND WARRANTIES AS EXPRESSLY SET FORTH HEREIN OR IN THE OTHER DOCUMENTS, BUYER, UPON CLOSING, SHALL BE DEEMED TO HAVE WAIVED, RELINQUISHED AND RELEASED SELLER AND ALL OTHER RELEASEES FROM AND AGAINST ANY AND ALL MATTERS CONCERNING THE PHYSICAL CHARACTERISTICS OR EXISTING CONDITIONS ON THE PROPERTY.

SUBJECT TO THE PROVISIONS OF THIS SECTION 2.2.4, BUYER ACKNOWLEDGES THAT IT HAS READ AND IS FAMILIAR WITH THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542 WHICH IS SET FORTH BELOW:

**"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."**

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BUYER INITIALS

NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS SECTION OR AGREEMENT, THE FOREGOING RELEASE SHALL NOT EXCUSE, RELEASE OR APPLY TO: (X) ANY BREACH OF SELLER'S COVENANTS, REPRESENTATIONS, AND WARRANTIES SET FORTH IN THIS AGREEMENT AND IN OTHER DOCUMENTS, SELLER'S OBLIGATIONS TO INDEMNIFY, DEFEND AND HOLD BUYER AND BUYER'S AGENTS HARMLESS, INCLUDING (WITHOUT LIMITATION) THE SELLER'S INDEMNITY OBLIGATIONS IN THIS AGREEMENT, AND ANY SELLER OBLIGATIONS THAT SURVIVE THE TERMINATION OF THIS AGREEMENT OR CLOSE OF ESCROW; (Y) ANY THIRD PARTY PERSONAL INJURY CLAIM RELATED TO THE PERIOD OF SELLER'S OWNERSHIP OF THE PROPERTY, AND (Z) FRAUDULENT ACTS OR OMISSIONS OF SELLER.

The provisions of this Section 2.2.4 shall survive any closing or termination of this Agreement and shall not be merged into the closing documents.

2.3 Due Diligence Termination Right. If BUYER is not satisfied with the Property for any reason in BUYER's sole and absolute discretion, BUYER may terminate this Agreement by giving written notice of termination to SELLER and Escrow Holder ("**Due Diligence Termination Notice**") on or before the expiration of the Due Diligence Period. In the event that BUYER fails to deliver BUYER's Due Diligence Termination Notice on or before the expiration of the Due Diligence Period, BUYER shall have conclusively been deemed to have waived its right to terminate this Agreement pursuant to this Section 2.3. The BUYER's Director of the Real Estate Services Department shall have the authority on behalf of BUYER to exercise BUYER's termination right and deliver its Due Diligence Termination Notice in accordance with this Paragraph 2.3.

2.4 Review of Title. Following the Effective Date of this Agreement, BUYER shall obtain its own preliminary title report issued by a title company of BUYER's choice ("**Title Company**") and

such Title Company shall provide all underlying title documents (collectively, the “**Preliminary Title Report**”) and BUYER shall have the right to obtain a survey of the Property from a licensed surveyor sufficient to obtain an ALTA title insurance policy (“**Survey**”). The BUYER’s review period for the Preliminary Title Report and the Survey shall mean the period from the Effective Date through the date that is ninety (90) Business Days after the opening of Escrow (“**BUYER’s Title Review Period**”). At any time during BUYER’S Title Review Period, BUYER shall notify SELLER in writing (“**BUYER’s Title Notice**”) of any objections BUYER may have to title exceptions or other matters contained in the Preliminary Title Report or Survey (“**Title Objections**”). If BUYER does not give such notice by the expiration of BUYER’s Title Review Period, then it shall conclusively be deemed that BUYER waives all Title Objections other than any delinquent taxes or assessments that encumber the Property, any deeds of trust, mortgages, or any other instruments that secure the repayment of funds that encumber the Property, or any judgments, liens or other monetary encumbrances that encumber the Property. If BUYER does timely provide BUYER’s Title Notice with Title Objections, SELLER shall have seven (7) Business Days after receipt thereof to notify BUYER that SELLER (a) will endeavor to cause or (b) elects not to cause any or all of the Title Objections disclosed therein to be removed or insured over by the Title Company in a manner reasonably satisfactory to BUYER. SELLER’s failure to notify BUYER within such seven (7) Business Day period as to any Title Objections that SELLER is willing to endeavor to cure or cause to be insured over shall be deemed an election by SELLER not to pursue such endeavor to remove or have the Title Company insure over such Title Objections. If SELLER notifies or is deemed to have notified BUYER that SELLER shall not endeavor to remove nor have the Title Company insure over any or all of the Title Objections, BUYER shall have seven (7) Business Days after the expiration of SELLER’s seven (7) Business Day period to respond to either (a) terminate this Agreement or (b) waive such Title Objections and proceed to Closing. If BUYER does not give notice within the said period, BUYER shall be deemed to have elected to waive the Title Objections pursuant to this Section 2.4. If SELLER elects to cure by removing or insuring over the Title Objections, and such removal or insurance procurement by SELLER will exceed the time for the BUYER’s Title Review Period, then said Title Review Period will automatically be extended in order to accommodate said title curing period (“**Extended BUYER’s Title Review Period**”), but shall not extend past the Closing Date and BUYER shall have the right to terminate this Agreement at any time during the Extended BUYER’s Title Review Period if the Title Objections are not cured in a manner reasonably satisfactory to BUYER.

2.5 BUYER shall have the right to request any supplement to the Preliminary Title Report or the Survey, and if any such supplement discloses any new materially adverse title or survey matters not disclosed to BUYER prior to the expiration of the BUYER’s Title Review Period, the foregoing right of review and approval shall also apply to said new matter; provided, however, the period for BUYER to deliver BUYER’s Title Notice with respect to such new title matter shall be the later of (i) expiration of the BUYER’s Title Review Period, or (ii) three (3) Business Days from receipt of the supplemental title report or survey and the underlying document(s) referenced therein.

### 3. ESCROW.

3.1 Opening of Escrow; Closing Date. Closing of the sale of the Property shall take place through an escrow (“**Escrow**”) to be established with the Escrow Holder referred to in Section 1.3. Escrow shall be deemed open upon the date BUYER delivers a fully executed copy of this Agreement to Escrow Holder (“**Escrow Opening Date**”), which shall occur by no later than five (5) business days after the Effective Date of this Agreement. Upon receipt of a fully executed copy of this Agreement, Escrow Holder shall execute the Escrow Holder’s acceptance attached hereto and notify SELLER and BUYER of the escrow number it assigns to the Escrow. The Close of Escrow shall occur as soon as reasonably practicable following the expiration of the Due Diligence Period,

but in no event later than the date that is sixty (60) calendar days following the expiration of the Due Diligence Period ("**Closing Date**"). The terms "**Close of Escrow**" and/or the "**Closing**" shall mean the consummation of the transactions contemplated by this Agreement to occur through the Escrow including SELLER conveyance of the Property to BUYER.

3.2 Escrow Instructions. This Agreement, together with any standard instructions of Escrow Holder, shall constitute the joint escrow instructions of BUYER and SELLER to Escrow Holder as well as an agreement between BUYER and SELLER. In the event of any conflict between the provisions of this Agreement and Escrow Holder's standard instructions, this Agreement shall prevail.

3.3 Deliveries by SELLER. On or before 12:00 noon Pacific Time on the Business Day preceding the scheduled Closing Date, SELLER shall deliver to Escrow Holder: (i) the Grant Deed for the Property in substantially the form attached hereto as Exhibit "B" ("**Grant Deed**"), duly executed and acknowledged by SELLER; (ii) the escrow costs and prorations for which SELLER is responsible pursuant to this Agreement; (iii) an original of the Closing Statement described in Section 3.5, duly executed by SELLER; , and (iv) all other documents reasonably required by Escrow Holder to carry out and close the Escrow pursuant to this Agreement.

3.4 Deliveries by BUYER. On or before 12:00 noon Pacific Time on the Business Day preceding the scheduled Closing Date, BUYER shall deliver to Escrow Holder: (i) the Purchase Price, (ii) the escrow costs and prorations for which BUYER is responsible pursuant to this Agreement, (iii) an original of the Closing Statement described in Section 3.5, duly executed by BUYER, (iv) the certificate of acceptance affixed to the Grant Deed, duly executed and acknowledged by BUYER, and (v) all other documents reasonably required by Escrow Holder to carry out and close the Escrow pursuant to this Agreement.

3.5 Closing Statement. No later than four (4) business days prior to the Closing Date, Escrow Holder shall prepare for approval by BUYER and SELLER a closing statement ("**Closing Statement**") on Escrow Holder's standard form indicating, among other things, Escrow Holder's estimate of all closing costs and prorations made pursuant to this Agreement.

3.6 Closing, Recording and Disbursements. On the Closing Date, and provided all of the SELLER Conditions to Closing and BUYER Conditions to Closing set forth in Sections 3.10.1 and 3.10.2 of this Agreement have been satisfied or waived in writing by the appropriate party, Escrow Holder shall take the following actions:

(a) *Recording.* Escrow Holder shall cause the Grant Deed to be recorded with the Recorder's Office in San Bernardino County, California.

(b) *Delivery of Documents and Funds.* Escrow Holder shall deliver to BUYER all of the items listed in Section 3.3 above which were delivered by SELLER to Escrow, except that Escrow Holder shall be instructed to record the original Grant Deed with the Recorder's Office in San Bernardino County, California upon Close of Escrow. Escrow Holder shall deliver the Purchase Price to SELLER by wire transfer as provided in written instructions to be furnished to Escrow Holder by SELLER prior to the Close of Escrow, together with one duplicate original of all of the items listed in Section 3.4 above on the Close of Escrow.

3.7 Taxes. Real property taxes will not be prorated between SELLER and BUYER in Escrow. Upon recordation of the Grant Deed, BUYER will request cancellation of the real property taxes for the Property pursuant to California Revenue and Taxation Code Section 4986. If current

taxes have not yet been paid as of the Closing Date, then at Closing SELLER shall pay through Escrow or out of SELLER proceeds, the full amount of the installment applicable for the period in which Closing occurs. SELLER shall be entitled to a refund of any excess payment made to the taxing authority on account of the Property, including any taxes paid by SELLER and applicable to any period from and after the Closing Date. The taxing authority will notify SELLER of any refund due SELLER resulting from the subject acquisition after a review and any subsequent proration of the property tax assessment by the County Assessor. SELLER retains the right, following close of escrow, to apply to the County Tax Collector for refund pursuant to Revenue and Taxation Code Section 5096.7.

3.8 Payment of Costs. SELLER shall pay for the premium for the standard coverage owner's Title Policy referred to in Section 3.10.2(b), along with the cost of any endorsements or extended coverage to be as set forth therein. Any recording fees for the documents to be recorded under this Agreement and the escrow fee of Escrow Holder shall be divided equally and other costs and charges will be paid in customary manner; provided, however, that if the Close of Escrow has not occurred by the Closing Date by reason of a default hereunder, the defaulting party shall bear all Escrow cancellation charges. All other costs and expenses of Escrow not specifically allocated in this Agreement shall be allocated between BUYER and SELLER in accordance with customary practice in the county in which the Property is located. BUYER and SELLER shall each be responsible for their respective attorneys' fees and costs for this Agreement.

3.9 Information Report. Escrow Holder shall file and SELLER and BUYER agree to cooperate with Escrow Holder and with each other in completing any report ("Information Report") and/or other information required to be delivered to the Internal Revenue Service pursuant to Internal Revenue Code Section 6045(e) regarding the real estate sales transaction contemplated by this Agreement, including, without limitation, Internal Revenue Service Form 1099-B as such may be hereinafter modified or amended by the Internal Revenue Service, or as may be required pursuant to any regulation now or hereinafter promulgated by the Treasury Department with respect thereto. SELLER and BUYER also agree that SELLER and BUYER, their respective employees and attorneys, and Escrow Holder and its employees may disclose to the Internal Revenue Service, whether pursuant to such Information Report or otherwise, any information regarding this Agreement or the transaction contemplated herein as such party reasonably deems to be required to be disclosed to the Internal Revenue Service by such party pursuant to Internal Revenue Code Section 6045(e), and further agree that neither SELLER nor BUYER shall seek to hold any such party liable for the disclosure to the Internal Revenue Service of any such information.

3.10 Conditions to Close of Escrow.

3.10.1 Conditions to SELLER Obligations. In addition to any other condition set forth in this Agreement in favor of SELLER, SELLER shall have the right to condition its obligation to convey the Property to BUYER and close the Escrow upon the satisfaction, or written waiver by SELLER, of each of the following conditions precedent on the Closing Date or such earlier time as provided for herein (collectively, the "**SELLER Conditions to Closing**");

(a) *Delivery of Document and Funds.* BUYER shall have timely executed and deposited into Escrow all escrow and closing documents required to be submitted by BUYER in order to accomplish the close of Escrow for the Property. BUYER shall have deposited with Escrow Holder the Purchase Price and the escrow and closing costs for which BUYER is responsible to pay and all other sums required of BUYER by this Agreement.

(b) *Representations and Warranties.* All representations and warranties made by BUYER in this Agreement are true and correct in all material respects on the Effective Date and as of the Closing as though made at each time.

(c) *No Default under the Agreement.* BUYER shall not be in material default of any of its obligations under this Agreement (and shall not have received notice of a default hereunder which has not been cured) and no event shall have occurred that would constitute a default with the giving of notice or the passage of time.

3.10.2 Conditions to BUYER's Obligations. In addition to any other condition set forth in this Agreement in favor of BUYER, BUYER shall have the right to condition its obligation to purchase the Property and close the Escrow upon the satisfaction, or written waiver by BUYER, of each of the following conditions precedent on the Closing Date or such earlier time as provided for herein (collectively, the "**BUYER Conditions to Closing**");

(a) *Delivery of Documents and Funds.* SELLER shall have timely executed and deposited into Escrow the Grant Deed, all escrow and closing documents required to be submitted by SELLER in order to accomplish the close of Escrow for the Property. SELLER shall have deposited with Escrow Holder the escrow and closing costs for which SELLER is responsible to pay and all other sums required of SELLER by this Agreement.

(b) *Title Policy.* The Title Company is unconditionally and irrevocably committed to issue to BUYER at Closing a CLTA standard coverage owner's title policy, or, upon BUYER's request, an ALTA extended coverage owner's policy of title insurance (provided BUYER shall be responsible for any survey costs associated therewith and BUYER must deliver an ALTA survey acceptable to the Title Company for the issuance of such extended coverage at least ten (10) business days prior to the Closing Date and BUYER shall be responsible for the additional cost of the extended coverage), insuring BUYER's title to the Property in the amount of the Purchase Price, subject only to the following (collectively, the "**Approved Title Exceptions**"): (i) the standard exceptions and exclusions from coverage contained in such form of the policy; (ii) real estate taxes not yet due and payable; (iii) matters created by, through or under BUYER; (iv) items disclosed by the Survey and Preliminary Title Report (including any supplements) and approved or deemed waived by BUYER pursuant to the title review provisions in Section 2.4, or, if BUYER fails to obtain the Survey, items which would be disclosed by an accurate, updated survey of the Property or a physical inspection of the Property; and (v) any Title Objections that neither SELLER nor the Title Company has agreed to remove from title or insure over ("**Title Policy**"). Notwithstanding anything to the contrary herein, if endorsements are required to cure defects in title and SELLER has agreed to provide such endorsements as a means of curing such title defects, then SELLER shall pay for such endorsements.

(c) *Condition and Possession.* At least ten (10) Business Days before the Closing Date, SELLER shall remove from the Property any and all of the personal property of SELLER and of all tenants, occupants, users, trespassers, and other third parties along with any and all debris, and trash from the Property. The physical condition of the Property, including without limitation, any improvements thereon, shall be substantially the same on the Closing Date as on the Effective Date. SELLER shall deliver full possession of the Property to BUYER on the Closing Date free from any tenants, occupants, users, and trespassers.

(d) *CEQA.* The requirements under the California Environmental Quality Act, as

amended (CEQA) shall have been complied with. If on or before the Closing Date, an environmental review determines that a conveyance of the Property from SELLER to BUYER is not permissible under the CEQA Guidelines, then escrow shall be terminated.

(e) *Non-Foreign Affidavit.* SELLER shall have executed and deposited into escrow a Non-Foreign Affidavit as required by federal law.

(f) *Representations and Warranties.* All representations and warranties made by SELLER in this Agreement are true and correct in all material respects on the Effective Date and as of the Closing as though made at each time.

(g) *No Default under Agreement.* SELLER shall not be in material default of any of its obligations under this Agreement (and shall not have received notice of a default hereunder which has not been cured)

(h) *Encumbrances.* There are no encumbrances on the Property except for Approved Title Exceptions.

(i) *Contract Termination.* SELLER shall have canceled and terminated all agreements, contracts, leases, licenses, and use agreements relating to the Property with service providers, tenants, and other third parties, or as otherwise required pursuant to this Agreement, and provided BUYER with written evidence of same.

(j) BUYER's compliance with any and all applicable funding requirements and/or State of California Housing and Community Development requirements, including grant funding requirements, that are applicable to BUYER's purchase of the Property.

(k) BUYER's compliance with any and all applicable laws, including, but not limited to Government Code section 65402.

3.10.3 Satisfaction of Conditions. Where satisfaction of any of the foregoing conditions requires action by BUYER or SELLER, each party shall use its diligent efforts, in good faith, and at its own cost, to satisfy such condition.

3.10.4 Waiver. Each party may at any time or times, waive any of their respective Conditions to Closing in this Section 3.10, as set forth above, to their respective obligations hereunder, but any such waiver shall be effective only if contained in writing, signed, and delivered to the other party.

3.10.5 Escrow Termination. In the event each of the Conditions to Closing in this Section 3.10, as set forth above, is not fulfilled on the Closing Date or such earlier time period as provided for herein or waived, either party may at its option terminate this Agreement and the Escrow(s) opened hereunder, provided that party is not in default of this Agreement beyond any applicable notice and cure periods. No termination under this Agreement shall release any party then in default from liability for such default. In the event this Agreement is terminated, all documents and funds delivered to Escrow Holder shall be returned immediately to the respective parties.

#### 4. REPRESENTATIONS AND WARRANTIES.

4.1 SELLER Representations and Warranties. Seller hereby makes the following limited

warranties and representations to BUYER as of the date hereof and shall be deemed to have re-made each such warranty and representation to BUYER on the Closing Date, provided that any of which if limited by the phrase "to Seller's knowledge" or "Seller has no knowledge" shall mean limited to the actual (and not imputed or constructive) knowledge of Divyesh P. Bhakta, without any independent investigation, inquiry or verification or any duty to do so. Such representations and warranties shall survive the Closing Date for a period of twenty-four (24) months.

(a) SELLER's execution, delivery, and performance of its obligations under this Agreement does not constitute a default or a breach under any contract, agreement or order to which SELLER is a party or by which it is bound.

(b) SELLER owns the Property in fee simple, without leases or other use agreements (oral or in writing) or leasehold interests and SELLER has the full right, power, and lawful authority to sell the Property and undertake all obligations as provided herein. The execution, performance, and delivery of this Agreement by SELLER has been fully authorized by all requisite actions on the part of SELLER.

(c) There are no pending or threatened actions, suits, writs, injunctions, decrees, legal proceedings or governmental investigations against the Property, whether criminal, civil, or administrative and SELLER has not received any notices thereof.

(d) SELLER has not received any notices and has no knowledge of any violation of any laws, ordinances, rules, regulations, or requirements of any governmental agency, body or subdivision affecting or relating to the Property.

(e) SELLER is not the subject of a current or pending bankruptcy proceeding.

(f) To SELLER's knowledge, there are no hazardous or toxic materials or substances (as defined by California Health and Safety Code Section 25100, et. seq., and/or 42 U.S.C. §9601, et. seq.) that exist on or beneath the Property.

(g) SELLER has not received any notices and has no knowledge of any hazardous materials or waste (as defined by California Health and Safety Code Section 25100, et. seq., and/or 42 U.S.C. §9601, et. seq.) that exists at the Property or a violation of any environmental laws that exists at the Property.

4.2 BUYER's Representations and Warranties. BUYER hereby makes the following representations and warranties to SELLER, each of which is material and relied upon by SELLER in making its determination to enter into this Agreement and each of which is re-made as of the Closing Date and shall survive the Closing Date:

(a) Except as otherwise provided in Section 3.10.2, BUYER has the full right, power, and lawful authority to purchase and accept the Property and undertake all obligations as provided herein and the execution, performance, and delivery of this Agreement by BUYER have been fully authorized by all requisite actions on the part of BUYER.

5. RESERVED.

6. DEFAULTS.

6.1 Institution of Legal Actions. Any legal action must be instituted in the Superior Court of San Bernardino County, State of California.

6.2 Rights and Remedies are Cumulative. Except as otherwise expressly provided in this Agreement, the rights and remedies of the parties are cumulative, and the exercise by either party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other party.

6.3 Inaction Not a Waiver of Default. Any failures or delays by either party in asserting any of its rights and remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies, or deprive either such party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

## 7. MISCELLANEOUS.

7.1 Notices. All notices, requests, demands, and other communications required or permitted under this Agreement shall be in writing and shall be delivered by either (a) personal delivery, (b) a reliable overnight courier service that provides a receipt showing the date and time of delivery, including (but not limited to) federal express, or (c) registered or certified U.S. Mail, postage prepaid, return receipt requested. Copies are requested via email as identified below. A courtesy copy of any notices delivered in accordance with this subsection shall be concurrently sent via e-mail to the e-mail address identified below, provided that such courtesy e-mail is not intended, nor shall it be deemed to substitute as the effective means of notice delivery or alter the effective date of such notice. Notices shall be addressed to the respective parties as set forth below or to such other address and to such other persons as the parties may hereafter designate by written notice to the other party hereto:

To SELLER:

Red Tile Inn, Inc.  
Attn: Divyesh P. Bhakta  
1311 S. Santo Antonio Drive  
Colton, CA 92324  
Courtesy copy via email to  
divyeshbhakta2011@gmail.com

To BUYER:

San Bernardino County  
c/o Real Estate Services Department  
Attention: Brandon Ocasio, Manager of Acquisitions  
385 North Arrowhead Avenue, 3<sup>rd</sup> Floor  
San Bernardino, CA 92415-0180  
Courtesy copy via email to  
brandon.ocasio@res.sbcounty.gov

Each notice shall be deemed delivered on the date received or the date the recipient refuses to accept receipt if delivered by personal delivery or by overnight courier service, or on the date of receipt or the date the recipient refuses to accept receipt as disclosed on the return receipt if by mail in accordance with this Section 7.1. The parties to this Agreement and their respective successors and assigns shall have the right from time to time, and at any time during the term of this Agreement,

to change their respective notice addresses.

7.2 Relationship Between SELLER and BUYER. It is hereby acknowledged that the relationship between SELLER and BUYER is not that of a partnership or joint venture and that SELLER and BUYER shall not be deemed or construed for any purpose to be the agent of the other.

7.3 Attorneys' Fees. If any legal action is instituted to enforce or declare any party's rights hereunder, each party, including the prevailing party, must bear its own costs and attorneys' fees. This subsection shall not apply to those costs and attorneys' fees directly arising from any third-party legal action against a party hereto and payable under Section 7.12 ("Real Estate Brokerage Commission").

7.4 Successors and Assigns; Assignment. This Agreement shall bind and inure to the benefit of SELLER and BUYER and their respective successors and permitted assigns. This Agreement shall not be assigned or otherwise transferred without the prior written consent of BUYER. Any change in control or ownership of SELLER shall be deemed an assignment requiring BUYER's consent for purposes of this Agreement.

7.5 Entire Agreement, Waivers, and Amendments. This Agreement incorporates all of the terms and conditions mentioned herein, or incidental hereto, and supersedes all negotiations and previous agreements between the parties with respect to all or part of the subject matter hereof. All waivers of the provisions of this Agreement must be in writing and signed by the appropriate authorities of the party to be charged. Any amendment or modification to this Agreement must be in writing and executed by SELLER and BUYER.

7.6 Prohibited Persons and Transactions. SELLER represents to BUYER that it is not a person or entity with whom U.S. persons or entities are restricted from doing business under regulations of the Office of Foreign Asset Control ("OFAC") of the Department of the Treasury (including those named on OFAC's Specially Designated and Blocked Persons List) or under any statute, executive order (including September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism), or other governmental action and is not and will not engage in any dealings or transactions or be otherwise associated with such persons or entities.

7.7 Executive Order N-6-22 Russia Sanctions. On March 4, 2022, Governor Gavin Newsom issued Executive Order N-6-22 (the "EO") regarding Economic Sanctions against Russia and Russian entities and individuals. "Economic Sanctions" refers to sanctions imposed by the U.S. government in response to Russia's actions in Ukraine (<https://home.treasury.gov/policy-issues/financial-sanctions/sanctions-programs-and-country-information/ukraine-russia-related-sanctions>), as well as any sanctions imposed under state law (<https://www.dgs.ca.gov/OLS/Ukraine-Russia>). The EO directs state agencies and their contractors (including by agreement or receipt of a grant) to terminate agreements with, and to refrain from entering any new agreements with, individuals or entities that are determined to be a target of Economic Sanctions. Accordingly, should it be determined by the County or the State that SELLER is a target of Economic Sanctions or is conducting prohibited transactions with sanctioned individuals or entities, that shall be grounds for termination of this Agreement. SELLER shall be provided advance written notice of such termination, allowing SELLER at least 30 calendar days to provide a written response. Termination shall be at the sole discretion of

BUYER.

7.8 Levine Act Campaign Contribution Disclosure (formerly referred to as Senate Bill 1439). SELLER has disclosed to the BUYER using Exhibit C – Levine Act Campaign Contribution Disclosure (formerly known as Senate Bill 1439), whether it has made any campaign contributions of more than \$500 to any member of the BUYER's Board of Supervisors of San Bernardino County ("County") or other County elected officer [Sheriff, Assessor-Recorder-Clerk, Auditor-Controller/Treasurer/Tax Collector and the District Attorney] within the earlier of: (1) the date of the submission of SELLER's proposal to the BUYER, or (2) 12 months before the date this Agreement was approved by the BUYER's Board of Supervisors. SELLER acknowledges that under Government Code section 84308, SELLER is prohibited from making campaign contributions of more than \$500 to any member of the BUYER's Board of Supervisors, the County's Board of Supervisors or other County elected officer for 12 months after the BUYER's consideration of the contract. In the event of a proposed amendment of this Agreement, the SELLER will provide the BUYER a written statement disclosing any campaign contribution(s) of more than \$500 to any member of the BUYER's County's Board of Supervisors or other County elected officer within the preceding 12 months of the date of the proposed amendment. Campaign contributions include those made by any agent/person/entity on behalf of the SELLER or by a parent, subsidiary or otherwise related business entity of SELLER.

7.9 Computation of Time. In the event that the day on which a party is required to take any action under the terms of this Agreement is a holiday, Saturday or Sunday, such action shall be taken on the next succeeding County business day. The term "holiday" shall mean all holidays as recognized by the BUYER.

7.10 Interpretation; Governing Law. This Agreement shall be construed according to its fair meaning and as if prepared by both parties hereto. This Agreement shall be construed in accordance with the laws of the State of California, without regard to conflict-of-interest principles.

7.11 Severability. If any term, provision, covenant, or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of this Agreement shall not be affected thereby to the extent such remaining provisions are not rendered impractical to perform taking into consideration the purposes of this Agreement.

7.12 Real Estate Brokerage Commission. BUYER and SELLER respectively represent and warrant that no real estate broker or agent is or will be involved in this transaction on behalf of BUYER or SELLER, respectively. Each Party agrees to indemnify and hold the other harmless from and against all liabilities, costs, damages, and expenses, including, without limitation, reasonable attorneys' fees, resulting from any claims for fees, payment, or commissions due to a broker of third-party resulting from a breach of each party's respective representations and warranties in this Section 7.12.

7.13 Execution in Counterpart. This Agreement may be executed in several counterparts, and all so executed shall constitute one agreement binding on both parties hereto, notwithstanding that both parties are not signatories to the original or the same counterpart. If authorized by law, the parties shall be entitled to manually sign and transmit this Agreement by electronic means (whether by facsimile, PDF or email transmission) and are entitled to electronically sign and transmit this Agreement via DocuSign, Adobe Sign, or other similar digital signature software, which signature shall be binding on the party whose name is contained therein. Each party providing an electronic signature agrees to promptly execute and deliver to the other party an original signed Agreement upon request.

7.14 Exhibits. Exhibits "A", "B" and "C" are attached to this Agreement and are incorporated hereinby this reference and made a part hereof.

7.15 No Withholding as Foreign Seller. SELLER represents and warrants to BUYER that SELLER is not, and as of the Close of Escrow will not be, a foreign person within the meaning of Internal Revenue Code section 1445 and that it will deliver to BUYER on or before the Close of Escrow a non-foreign affidavit on Escrow Holder's standard form pursuant to Internal Revenue Code section 1445(b)(2) and the Regulations promulgated thereunder and a California Form 590-RE.

7.16 Risk of Loss. If, after the Effective Date but on or before the Closing Date, the Property, or any part thereof, shall suffer damage by fire or any other casualty (i) the estimated cost of which to complete repairs of such damage is equal to or less than Fifty Thousand and 00/100 Dollars (\$50,000.00) as determined by a licensed and qualified appraiser or contractor mutually acceptable to BUYER and SELLER, (ii) the insurance proceeds are sufficient to cover the entire cost of restoration and the insurance carrier has admitted liability for the payment of such costs, (iii) all of SELLER's right, title, and interest to the insurance proceeds are assigned to BUYER in writing at the Closing, then neither party shall have the right to terminate this Agreement and the parties must still consummate the transaction in accordance with this Agreement, without any abatement of the Purchase Price or any liability or obligation on the part of SELLER by reason of such destruction or damage except as set forth in this Section 7.16. BUYER shall receive a credit against the cash due at Closing for the amount of the deductible on such casualty insurance policy less any amounts reasonably and actually expended by SELLER to remedy any unsafe conditions at the Property, in no event to exceed the amount of the deductible. SELLER shall be entitled to receive any rental loss proceeds attributable to the period prior to the Closing and BUYER shall have the right to receive rental loss proceeds attributable to the period after the Closing. Notwithstanding anything to the contrary in this Section 7.16, if all of the conditions clauses (i) through (iv) hereinabove have not been satisfied on or before Closing, BUYER shall have the right to terminate this Agreement, which termination shall not be deemed a BUYER default. If the estimated cost to complete the repair of such damage is in excess of One Hundred Thousand and 00/100 Dollars (\$100,000.00) as determined by a licensed and qualified appraiser or contractor mutually acceptable to BUYER and SELLER, BUYER in its sole and absolute discretion, will have the right, at its option, to terminate this Agreement within ten (10) business days after BUYER's receipt of the estimated cost of such repair from the mutually agreed licensed and qualified appraiser or contractor.

7.17 Specific Performance. If (i) BUYER does not terminate this Agreement during the Due Diligence Period, and (ii) BUYER or SELLER for any reason does not close Escrow in a timely manner in accordance with this Agreement, SELLER or BUYER, as applicable, shall be entitled to the remedy of specific performance as a remedy pursuant to Paragraph 6.

8. BOARD OF SUPERVISORS APPROVAL: This Agreement is subject to and shall have no force or effect until and unless first approved by Board of Supervisors for BUYER and executed by an authorized signatory for BUYER.

[Signatures on next page]

IN WITNESS WHEREOF, SELLER and BUYER have entered into this Agreement as of the date first set forth above.

**BUYER:**  
**SAN BERNARDINO COUNTY**

**SELLER:**  
RED TILE INN, INC., a California corporation

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

By: \_\_\_\_\_  
DIVYESH P. BHAKTA

Title: \_\_\_\_\_  
Chief Executive Officer

Date: \_\_\_\_\_

Date: \_\_\_\_\_

SIGNED AND CERTIFIED THAT  
A COPY OF THIS DOCUMENT  
HAS BEEN DELIVERED TO THE  
CHAIR OF THE BOARD

LYNNA MONELL, Clerk of the Board of  
Supervisors

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

Date: \_\_\_\_\_

Approved as to Legal Form:

TOM BUNTON, County Counsel  
San Bernardino County, California

By: \_\_\_\_\_  
Agnes Cheng  
Deputy County Counsel

Date: \_\_\_\_\_

**ACCEPTANCE BY ESCROW HOLDER**

The undersigned hereby acknowledges that it has received a fully executed copy of the foregoing Purchase and Sale Agreement and Joint Escrow Instructions and agrees to act as Escrow Holder thereunder and to be bound by and perform the terms thereof as such terms apply to Escrow Holder.

\_\_\_\_\_, 2025

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

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

Title: \_\_\_\_\_

Escrow No. \_\_\_\_\_

**EXHIBIT "A"**

Legal Description of the Property

APN: 0275-181-50-0000

PARCEL NO. 1, PARCEL MAP. NO. 5440, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 51 OF PARCEL MAPS, PAGES 36 AND 37, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

**EXHIBIT “B”**

FORM OF GRANT DEED  
(conveyance document)

Follows this page

RECORDING REQUESTED BY:  
San Bernardino County  
Real Estate Services Department  
385 N. Arrowhead Ave., 3<sup>rd</sup> Floor  
San Bernardino, CA 92415-0180

WHEN RECORDED MAIL TO:  
Same as above

RECORDER: EXEMPT:  
This instrument is for the benefit of the  
San Bernardino County and is entitled to  
be recorded without fee subject to Govt.  
Code 27383 and 6103, and Rev. & Tax  
Code 11922

A.P.N: 0275-181-50-0000

**GRANT DEED**

Dept. Code:

The undersigned grantor(s) declare(s):  
DOCUMENTARY TRANSFER TAX \$0.00 Conveyance to Government Entity.  
R&T 11922

- ☐ computed on full value of property conveyed, or  
☐ computed on full value less liens and encumbrances remaining at the time of  
sale  
☐ Unincorporated Area ☒ City

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

RED TILE INN, INC., a California corporation

hereby GRANT(S) to **SAN BERNARDINO COUNTY, a body corporate and politic of the State of California**, the following real property in the City of Colton, San Bernardino County, State of California:

SEE EXHIBIT "A", LEGAL DESCRIPTION

**GRANTOR:**

RED TILE INN, INC., a California corporation

By: Divyesh P. Bhakta, Its Chief Executive Officer

Dated: \_\_\_\_\_



**SAN BERNARDINO COUNTY**  
**CERTIFICATE OF ACCEPTANCE**

APN: 0275-181-50-0000

This is to certify that the interest in real property conveyed by the within the instrument to San Bernardino County, a body corporate and politic of the State of California, is hereby accepted by the undersigned officer/agent on behalf of the Board of Supervisors pursuant to authority conferred by resolution of the Board of Supervisors adopted on March 27, 2012, and the Grantee consents to recordation thereof by its duly authorized officer/agent.

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
Terry W. Thompson, Director  
Real Estate Services Department

## EXHIBIT “C”



# Levine Act Campaign Contribution Disclosure (formerly known as Senate Bill 1439)

## **DEFINITIONS**

**Actively supporting the matter:** (a) Communicate directly with a member of the County's Board of Supervisors or other County elected officer [Sheriff, Assessor-Recorder-Clerk, District Attorney, Auditor-Controller/Treasurer/Tax Collector] for the purpose of influencing the decision on the matter; or (b) testifies or makes an oral statement before the Buyer or County in a proceeding on the matter for the purpose of influencing the Buyer's decision on the matter; or (c) communicates with Buyer or County employees, for the purpose of influencing the Buyer's decision on the matter; or (d) when the person/company's agent lobbies in person, testifies in person or otherwise communicates with the Buyer or County Board or Buyer or County employees for purposes of influencing the Buyer's decision in a matter.

**Agent:** A third-party individual or firm who, for compensation, is representing a party or a participant in the matter submitted to the County's Board of Supervisors. If an agent is an employee or member of a third-party law, architectural, engineering or consulting firm, or a similar entity, both the entity and the individual are considered agents.

**Otherwise related entity:** An otherwise related entity is any for-profit organization/company which does not have a parent-subsidary relationship but meets one of the following criteria:

- (1) One business entity has a controlling ownership interest in the other business entity;
- (2) there is shared management and control between the entities; or
- (3) a controlling owner (50% or greater interest as a shareholder or as a general partner) in one entity also is a controlling owner in the other entity.

For purposes of (2), "shared management and control" can be found when the same person or substantially the same persons own and manage the two entities; there are common or commingled funds or assets; the business entities share the use of the same offices or employees, or otherwise share activities, resources, or personnel on a regular basis; or there is otherwise a regular and close working relationship between the entities.

**Parent-Subsidiary Relationship:** A parent-subsidiary relationship exists when one corporation has more than 50 percent of the voting power of another corporation.

**Seller must respond to the questions on the following page. If a question does not apply respond N/A or Not Applicable.**

1. Name of Seller: RED TILE INN, INC., a California corporation

2. Is the entity listed in Question No. 1 a non-profit organization under Internal Revenue Code section 501(c)(3)?

Yes ☐ If yes, skip Question Nos. 3 - 4 and go to Question No. 5.

No ☒

3. Name of Principal (i.e., CEO/President) of entity listed in Question No. 1, if the individual actively supports the matter and has a financial interest in the decision: Divyesh P. Bhakta, CEO

4. If the entity identified in Question No.1 is a corporation held by 35 or less shareholders, and not publicly traded ("closed corporation"), identify the major shareholder(s): Divyesh P. Bhakta; Bina D. Bhakta

5. Name of any parent, subsidiary, or otherwise related entity for the entity listed in Question No. 1 (see definitions above): N/A

| Company Name | Relationship |
|--------------|--------------|
| N/A          |              |
|              |              |

6. Name of agent(s) of Seller: N/A

| Company Name | Agent(s) | Date Agent Retained<br>(if less than 12 months prior) |
|--------------|----------|---|
| N/A          |          |   |
|              |          |   |

7. Name of Subcontractor(s) (including Principal and Agent(s)) that will be providing services/work under the awarded contract if the subcontractor (1) actively supports the matter and (2) has a financial interest in the decision and (3) will be possibly identified in the contract with the Buyer or board governed special district:

| Company Name | Subcontractor(s): | Principal and/or Agent(s): |
|--------------|-------------------|----------------------------|
| N/A          |                   |                            |
|              |                   |                            |

8. Name of any known individuals/companies who are not listed in Questions 1-7, but who may (1) actively support or oppose the matter submitted to the Board and (2) have a financial interest in the outcome of the decision:

| Company Name | Individual(s) Name |
|--------------|--------------------|
| N/A          |                    |
|              |                    |

9. Was a campaign contribution, of more than \$500, made to any member of the San Bernardino County Board of Supervisors or other County elected officer within the prior 12 months, by any of the individuals or entities listed in Question Nos. 1-8?

No ☒ If **no**, please skip Question No. 10.

Yes ☐ If **yes**, please continue to complete this form.

10. Name of Board of Supervisor Member or other County elected officer: \_\_\_\_\_

Name of Contributor: N/A

Date(s) of Contribution(s): \_\_\_\_\_

Amount(s): \_\_\_\_\_

Please add an additional sheet(s) to identify additional Board Members or other County elected officers to whom anyone listed made campaign contributions.

By signing below, Seller certifies that the statements made herein are true and correct. Seller understands that the individuals and entities listed in Question Nos. 1-8 are prohibited from making campaign contributions of more than \$500 to any member of the Board of Supervisors or other County elected officer while this matter is pending and for 12 months after a final decision is made by the County.

  
Signature

4-15-2025  
Date

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

DIVYESH P. BHAKTA, CEO

RED TILE INN, INC. \_\_\_\_\_

Print Entity Name, if applicable