

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

This PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS (“**Agreement**”), between Colton Health & Fitness LLC., a California Limited Liability Company (“**SELLER**”), and San Bernardino County, a body corporate and politic of the State of California (“**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 1.16 acres, improved with a two-story office building, totaling approximately 20,881 square feet (“**Building**”), located at 1550 E. Washington Street, Colton, CA 91730 (commonly known as Assessor’s Parcel Number 0276-542-26-0000), 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 made a part hereof, the mutual covenants and agreements herein, 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, all of SELLER’s right, title, and interest to 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 all of SELLER’s right, title, and interest to the Property, is the total sum of **FOUR MILLION AND 00/100 Dollars (\$4,000,000)** (“**Purchase Price**”), which shall be deposited with Escrow Holder in accordance with this Agreement.

1.3 The consummation of this transaction shall occur through escrow, which will be handled by Raincross Escrow, 3230 E Imperial Highway, Ste 200, Brea, CA 92821 (“**Escrow Holder**”).

1.4 Independent Consideration Payment. Within fifteen (15) Business Days of the Escrow Opening Date (as defined in Section 3.1), BUYER shall deliver to SELLER, through escrow, the sum of One Hundred and 00/100 U.S. 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 and not applicable to the Purchase Price and shall be retained by SELLER notwithstanding any other provision 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 from eight o'clock A.M. (8:00 A.M.) to 6 o'clock P.M. (6:00 P.M.) Pacific Standard Time, Monday through Friday during the Due Diligence Period (or earlier termination of this Agreement) for the purpose of conducting due diligence tests inspections of the Property, including (but not limited to) surveys and architectural, engineering, geotechnical and environmental inspections and tests, it deems necessary. The "**Due Diligence Period**" shall mean the ninety (90) Day period following the Effective Date. A "**Business Day**" is any day on which the offices of the San Bernardino County, California Recorder are open to the public for business. A "**Calendar Day**" or "**calendar day**" shall mean each day shown on the calendar beginning at midnight, including all weekends and San Bernardino County, California Recorder holidays. All inspections shall be performed by BUYER at BUYER's sole cost and expense. Within five (5) Business Days after the Effective Date, 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 reasonable control of SELLER ("**Property Documents**").

SELLER shall not be obligated to provide or procure any documents not in its possession or within its control as of the Effective Date of this Agreement.

2.2 Hazardous Materials; Indemnification. If 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.) are present on the Property and known by SELLER on the date BUYER takes possession of the Property on the Closing Date (as defined in Section 3.1), SELLER shall be responsible for and bear the entire cost of all removal, disposal, cleanup, decontamination, investigation, abatement, remediation, restoration, monitoring, and compliance with all laws which are required because of these known hazardous materials. SELLER agrees to indemnify, defend (with counsel reasonably approved by BUYER) and hold harmless BUYER and its authorized officers, employees, agents and volunteers from any and all claims, actions, losses, damages and/or liability arising out of this Agreement from any cause whatsoever, including: 1) the acts, errors or omissions of any person and for any costs or expenses incurred by BUYER on account of any claim except where such indemnification is prohibited by law; and/or 2) all responsibility, liability, claims, costs and expenses and for damages to persons or property resulting from the existence or use of hazardous materials which are present on the Property and known by SELLER on the date BUYER takes possession under this Agreement on the Closing Date. This indemnification provision shall apply regardless of the existence or degree of fault of indemnities. SELLER's indemnification obligation applies to BUYER's "active" as well as "passive" negligence but does not apply to BUYER's "sole negligence" or "willful misconduct" within the meaning of Civil Code section 2782. This Section 2.2 shall survive the termination of this Agreement, provided that, with respect to hazardous materials, the foregoing indemnity shall only apply to the extent hazardous materials are present on the Property and known by SELLER on the date BUYER takes possession of the Property on the Closing Date.

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, provided that, notwithstanding anything to the

contrary in this Agreement and to the extent the Agreement is not earlier terminated, BUYER may continue to conduct its due diligence with respect to hazardous materials through the Closing Date. Unless the Agreement is earlier terminated and subject to prior coordination with SELLER, BUYER may request access to the Property after the Due Diligence Period to facilitate BUYER's due diligence with respect to hazardous materials at the Property and the Close of Escrow. 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, except with respect to BUYER's due diligence related to hazardous materials at the Property. In the event BUYER desires to shorten the Due Diligence Period and proceed to Closing, BUYER may, in its sole and absolute discretion, deliver a written notice to the SELLER at any time on or before the expiration of the Due Diligence Period ("**Proceed to Closing Notice**"); in which case, except with respect to BUYER's due diligence related to hazardous materials at the Property, the Due Diligence Period shall end on the date SELLER receives the Proceed to Closing Notice and each party shall 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 rights in this Section 2.3 and deliver the Due Diligence Termination Notice or the Proceed to Closing Notice, as applicable. In the event that BUYER is not satisfied with the Property due to its due diligence related to hazardous materials thereon, BUYER shall have the right to deliver a notice to SELLER at any time on or prior to the Closing Date to terminate this Agreement without liability to SELLER ("Hazardous Materials Termination Notice").

2.4 Review of Title. Following the Effective Date of this Agreement, BUYER will obtain a 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 forty-five (45) Days after the Effective Date ("**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 ten (10) 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 ten (10) 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 five (5) Business Days after the expiration of SELLER's ten (10) 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.

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**") with a courtesy notice to SELLER in writing of such delivery, which shall occur by no later than fifteen (15) 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, deliver copies to SELLER and BUYER, and notify SELLER and BUYER of the Escrow Open Date and 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 thirty (30) 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 Reserved.

3.4 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 proration for which SELLER is responsible pursuant to this Agreement; (iii) an original of the Closing Statement described in Section 3.6, 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.

3.5 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 proration for which BUYER is responsible pursuant to this Agreement, (iii) an original of the Closing Statement described in Section 3.6, 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.

3.6 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.

3.7 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 3.11.1 and 3.11.2 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 3.4 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.

3.8 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

3.9 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.

3.10 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.

### 3.11 Conditions to Close of Escrow.

3.11.1 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 Independent Consideration Payment, 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 as of the Closing as though made at that 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.

3.11.2 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 and 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) Reserved.

(d) *Condition and Possession.* The physical condition of the Property, including without limitation, the Building and any other 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 vacant and free from any tenants, occupants, or users and trespassers and free of any trash and debris.

(e) *CEQA.* The requirements under the California Environmental Quality Act, as amended (CEQA), shall have been complied.

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

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

(h) *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)

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

(j) *Service 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, effective as of the Closing Date, and provided BUYER with written evidence of same.

(k) BUYER has not delivered a Hazardous Materials Termination Notice pursuant to Section 2.3.

3.11.3 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.

3.11.4 Waiver. Each party may at any time or times, waive any of their respective Conditions to Closing in this Section 3.11, 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.

3.11.5 Escrow Termination. In the event each of the Conditions to Closing in this Section 3.11, as set forth above, is not fulfilled on the Closing Date or such earlier time period as provided for herein or waived, any party hereto 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 representations and warranties to BUYER, each of which is material and relied upon by BUYER in making its determination

4.2

4.3 to enter into this Agreement and each of which is re-made as of the Closing Date and shall survive the Closing Date:

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 or other property or use interests, which shall be terminated in its entirety as of the Closing Date, 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 or threatened violations of any laws, ordinances, rules, regulations, or requirements of any governmental agency, body or subdivision affecting or relating to the Property whether criminal, civil, or administrative.

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

f) 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 are



present (either on or beneath) at the Property that are known by SELLER.

g) SELLER has not received any notices or communications regarding and has no knowledge of any hazardous materials (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.

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

## 5 SELLER COVENANTS.

5.1 SELLER hereby covenants with BUYER, as follows:

a) Operation of Property. Subject to Sections 5(c) and 5(d) below, from the Effective Date until the Close of Escrow, SELLER shall operate and maintain the Property in a manner generally consistent with the manner in which SELLER has operated and maintained the Property prior to the Effective Date.

b) Provide Copies of Notices. SELLER shall, from the Effective Date until the Close of Escrow, furnish BUYER with a copy of all notices received by SELLER from any governmental authority or other person or entity of any alleged violation of any law, statute, ordinance, regulation or order of any governmental or public authority relating to the Property within two (2) business days following SELLER's receipt thereof.

c) Leases. From the Effective Date until the Close of Escrow, SELLER shall not, without BUYER's prior written consent, which consent shall be granted or denied in BUYER's sole discretion execute any new leases, licenses, or other use and occupancy agreements at the Property.

d) Service Contracts. The parties agree that SELLER (i) shall not assign any service contracts to Buyer upon the Close of Escrow, and (ii) shall terminate all service contracts with respect to the Property effective as of the Closing Date. SELLER shall not execute any new service contracts or renew any service contracts for the Property from and after the Effective Date until the Close of Escrow.

## 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. 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: Colton Health & Fitness LLC.,  
1550 E. Washington Blvd., Suite 101  
Colton, CA 92324  
Courtesy copy via email to:  
[izrealestatebroker@gmail.com](mailto:izrealestatebroker@gmail.com) and [tkadar@gmail.com](mailto:tkadar@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](mailto: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 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 any indemnification obligation of the SELLER in this Agreement.

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 BUYER 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 and absolute 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 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 or other BUYER 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 Supervisor. 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 or other BUYER 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 Board of Supervisors or other BUYER 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 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 Business Day. The term "holiday" shall mean all holidays as recognized by the San Bernardino County, California Recorder.

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 represents and warrants that no real estate broker or agent is or will be involved in this transaction on behalf of BUYER. SELLER represents and warrants that it is represented by KW Legacy and no other agents or brokers in this transaction. Any commissions, finders' fees, and/or payments payable to SELLER's real estate broker or agent as a result of this sale of the Property shall be solely payable by SELLER pursuant to a separate agreement between SELLER and SELLER's brokers. 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 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 herein by 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 Reserved.

8 BUYER'S BOARD OF SUPERVISORS APPROVAL: This Agreement is subject to and shall have no force or effect on BUYER until and unless first approved by the 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,**  
**a body corporate and politic of the State of**  
**California**

**SELLER:**  
**Colton Health & Fitness LLC., a California**  
**Limited Liability Company**

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

By: \_\_\_\_\_  
Ancel j Rogers

Title: managing partner

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

(See next page)



**EXHIBIT "A"**

Legal Description of the Property

Parcel No.1 of Parcel Map No. 2538, being a division of Lots 5 and 6 of the Poole Tract, in the City of Colton, County of San Bernardino, State of California, as per plat recorded in Book 22 of Parcel Maps, page 74, records of said county.

APN: 0276-542-26-0000

**EXHIBIT "B"**

FORM OF GRANT DEED  
(conveyance document)

Follows this page

RECORDING REQUESTED BY:  
San Bernardino County  
c/o 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 San Bernardino County and is entitled to be recorded without fee subject to Govt. Code 27383 and 6103

A.P.N: 0276-542-26-0000

**GRANT DEED**

Dept. Code: 11200

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 of Rancho Cucamonga

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

Colton Health & Fitness LLC., a California Limited Liability Company

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 Rancho Cucamonga, San Bernardino County, State of California, as described as follows:

Parcel No.1 of Parcel Map No. 2538, being a division of Lots 5 and 6 of the Poole Tract, in the City of Colton, County of San Bernardino, State of California, as per plat recorded in Book 22 of Parcel Maps, page 74, records of said county.

**GRANTOR:**

Colton Health & Fitness LLC  
a California Limited Liability Company

BY: \_\_\_\_\_

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

\_\_\_\_\_  
Print Name/Title:

MAIL TAX STATEMENTS TO PARTY AS SHOWN ABOVE

ACKNOWLEDGEMENT

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

STATE OF CALIFORNIA            )

COUNTY OF \_\_\_\_\_)

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

I certify under penalty of perjury under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_

(Seal)



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

APN: 0276-542-26-0000

This is to certify that the interest in real property conveyed by the within instrument to San Bernardino County, a body corporate and politic of the State of California, is hereby accepted by the undersigned officer/agent of Grantee pursuant to the authority conferred by Resolution #2012-45 adopted on March 27, 2012 by the Grantee's Board of Supervisors 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 referred to as SENATE BILL 1439)**

**SELLER INFORMATION REPORT**

The following is a list of items that are not covered by the Levine Act. A Campaign Contribution Disclosure Form will not be required for the following:

- Contracts that are competitively bid and awarded as required by law or County policy
- Contracts with labor unions regarding employee salaries and benefits
- Personal employment contracts
- Contracts under \$50,000
- Contracts where no party receives financial compensation
- Contracts between two or more public agencies
- The review or renewal of development agreements unless there is a material modification or amendment to the agreement
- The review or renewal of competitively bid contracts unless there is a material modification or amendment to the agreement that is worth more than 10% of the value of the contract or \$50,000, whichever is less
- Any modification or amendment to a matter listed above, except for competitively bid contracts.

**DEFINITIONS**

Actively supporting the matter: (a) Communicate directly with a member of the Buyer's Board of Directors, 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 District's Board of Directors or 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: Colton Health & Fitness LLC., a California Limited Liability Company

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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

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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:  
 Name of CEO: Ance1 Rogers

---

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):

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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:

Company Name	Agent(s)	Date Agent Retained (if less than 12 months prior)
Keller-Williams	James Zhou	

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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, County 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
Colton Health & Fitness	Albert Simpkins, MD, partner

9. Was a campaign contribution, of more than \$500, made to any member of the San Bernardino County Fire Protection District Board of Directors, 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: \_\_\_\_\_

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

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

Please add an additional sheet(s) to identify additional San Bernardino County Fire Protection District Board of Directors, County 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.

DocuSigned by:  
  
 Signature  
 Ance1 J Rogers  
 \_\_\_\_\_  
 Print Name

5/1/2025 | 13:18 CDT  
 \_\_\_\_\_  
 Date  
 managing partner  
 \_\_\_\_\_  
 Colton Health & Fitness, LLC