

PARCEL NO.: 009-813-007
PROJECT: City of Paso Robles—Arco River
Road Right Turn Project
OWNER: Arranaga Investment LLC
TITLE REPORT: 4001-7066727

EASEMENT PURCHASE AGREEMENT (WITH ESCROW INSTRUCTIONS)

THIS EASEMENT PURCHASE AGREEMENT (“**Agreement**”) is made and entered into by and between

Arranaga Investment LLC, a California limited liability company (hereinafter called “**Grantor**”),

and the

City of Paso Robles, a municipal corporation of the State of California (hereinafter called “**City**”).

An Easement Deed (“**Easement Deed**”) covering the property rights particularly described therein (the “**Easement**”), has been executed concurrently with this Agreement and delivered to City representatives.

In consideration of which, and other considerations hereinafter set forth, it is mutually agreed as follows:

1. The Parties have herein set forth the whole of their Agreement. The performance of this Agreement constitutes the entire consideration for said Easement Deed and shall relieve the City of all further obligation or claims on this account, or on account of the location, grade or construction of the proposed public improvement project known as the Arco River Road Right Turn Project (the “**Project**”).

2. The City shall:

A. PAYMENT - Pay to the order of the Grantor the sum of **\$54,000**, as consideration in full for the real property interests being conveyed in the referenced Easement Deed, for the loss, replacement and moving of any improvements, and for any and all losses damages or claims on account of the City’s acquisition of the Easement or construction of the Project and for entering into this Agreement. Said sum shall be paid upon the close of escrow, which shall occur when title to said real property interests has vested in City free and clear of all liens, encumbrances, assessments, easements and leases, recorded or unrecorded, except for recorded public utility easements and public rights of way and other encumbrances approved by City in advance of closing.

B. MISCELLANEOUS COSTS - Pay all escrow, title insurance, and recording fees incurred in this transaction.

C. CLEARANCE OF BONDS, ASSESSMENTS, OR DELINQUENT TAXES - Have the authority to deduct and pay from the amount shown in Clause 2.A. above any amount necessary to satisfy any bonds, demands, delinquent taxes due, together with penalties and interest thereon, and/or delinquent and unpaid non-delinquent assessments which have become a lien at the close of escrow.

D. CONSTRUCTION AND PROPERTY RESTORATION - Upon completion of construction of the Project, generally restore the surface of the easement areas described in the referenced Easement Deed to a comparable or better condition than that which existed prior to City's Project construction, to the extent reasonably practical and consistent with the use and purpose of the Project.

E. INDEMNIFICATION - Indemnify and hold harmless Grantor from any and all claims, damages, costs, judgments, or liability caused by City or its officers, employees or agents specifically arising from City's Project construction and restoration work on Grantor's property or as a direct result of City's operation of City facilities on Grantor's property.

F. RECORDATION OF INSTRUMENT - Accept the Easement Deed herein referenced and cause the same to be recorded in the office of the San Luis Obispo County Recorder at such time as when clear title can be conveyed to the City.

3. The Grantor:

A. PAYMENT ON MORTGAGE OR DEED OF TRUST - Agrees that any or all monies payable under this Agreement up to and including the total amount of the unpaid principal and interest on the note(s) secured by mortgage(s) or deed(s) of trust, if any, and all other amounts due and payable in accordance with the terms and conditions of said mortgage(s) or deed(s) of trust, shall upon demand(s) be made payable to the mortgagee(s) or beneficiary(s) entitled thereunder. Grantor shall execute a third-party authorization to allow the Escrow Officer and/or Escrow Coordinator to communicate with creditors on their behalf and obtain subordination agreements and/or consent of lienholder to easement agreements from any and all creditors holding monetary liens against said Grantor's property and the City will pay all costs and fees associated with obtaining and recording any such subordination agreement. The City shall indemnify and hold harmless the Grantor from all claims, damages, costs, judgments, or liability caused by City or its officers, employees or agents specifically arising from City's Project construction and restoration work on Grantor's property or as a direct result of City's operation of City facilities on Grantor's property. City shall not be liable for any principle paydown requests brought by Grantor's creditors.

B. LEASE INDEMNIFICATION - Warrants there are no oral or written leases of all or any portion of the easement areas described in the referenced Easement Deed.

C. PERMISSION TO ENTER - Hereby grants to the City, its agents and contractors, permission to enter upon the Easement described in the referenced Easement Deed prior to the close of escrow for the purposes of preparation for construction of the City's facilities, subject to all applicable terms and conditions contained in this Agreement and the associated Easement Deed. The rights granted herein include authorization to conduct pre-construction surveys and soil sampling and testing, as well as the right to commence Project construction. If at any time prior to the installation of City's waterline and related facilities within the easement areas described in the referenced Easement Deed, and prior to the close of escrow, City discovers any

physical condition of the Easement, including but not limited to evidence of contamination by hazardous materials, which City deems unacceptable, City may unilaterally terminate this Agreement and cancel the escrow, by giving written notice to Grantor and escrow holder, without any further obligations or liabilities related hereto other than to restore the Easement to a comparable condition as that which existed prior to City's entry.

D. GRANTOR'S KNOWLEDGE OF THE ENVIRONMENTAL CONDITIONS OF THE PROPERTY - To the best of Grantor's knowledge and belief, there has been no spill, discharge, release, or contamination of any hazardous or toxic waste on or the Easement area.

4. The Parties agree:

A. ESCROW - At City's sole discretion, to open an escrow in accordance with this Agreement at an escrow company of City's choice. If City chooses to utilize an escrow to process this transaction, this Agreement constitutes the joint escrow instructions of City and Grantor, and Escrow Agent to whom these instructions are delivered is hereby empowered to act under this Agreement. The parties hereto agree to do all acts necessary to close this transaction in the shortest possible time.

As soon as possible after opening of escrow, City will deposit the executed Deed by Grantor, with Certificate of Acceptance attached, with Escrow Agent on Grantor's behalf. City agrees to deposit the purchase price upon demand of Escrow Agent. City and Grantor agree to deposit with Escrow Agent all additional instruments as may be necessary to complete this transaction. All funds received in this escrow shall be deposited with other escrow funds in a general escrow fund account(s) and may be transferred to any other such escrow trust account in any State or National Bank doing business in the State of California. All disbursements shall be made by check from such account.

Any taxes which have been paid by Grantor for the Easement, prior to opening of this escrow, shall be pro-rated between City and Grantor. Grantor shall have the sole right after close of escrow, to apply to the County Tax Collector of said County for any refund of such taxes which may be due Grantor for the period after the waterline easement conveyance is completed.

i) ESCROW AGENT DIRECTIVES - Escrow Agent is authorized to, and shall:

- a) Pay and charge Grantor for any unpaid delinquent taxes and/or any penalties and interest thereon, and for any delinquent assessments or bonds against that portion of Grantor's Land which were incurred prior to the closing of escrow, subject to this transaction as required to convey clear title.
- b) Pay and charge City for any escrow fees, charges and costs payable under paragraph 2.B. of this Agreement.
- c) Disburse funds and deliver Deed when conditions of this escrow have been fulfilled by City and Grantor.
- d) Following recording of Deed from Grantor, provide City with a CLTA Standard Coverage Policy of Title Insurance in the amount of \$54,000 issued by First American Title Company, showing that title to the herein referenced

easement(s) is vested in City, subject only to the following exceptions, and the printed exceptions and stipulations in said policy:

- 1) Real Property Taxes for the fiscal year in which escrow closes;
- 2) Public utility easements and public rights of way;
- 3) Other items that may be approved by City in writing in advance of the close of escrow.

- ii) **CLOSE OF ESCROW** - The term "close of escrow," if and where written in these instructions, shall mean the date necessary instruments of conveyance are recorded in the office of the County Recorder. Recordation of instruments delivered through this escrow is hereby authorized.

TIME IS OF THE ESSENCE IN THESE INSTRUCTIONS AND ESCROW IS TO CLOSE AS SOON AS POSSIBLE. If (except for deposit of money by City, which shall be made by City upon demand of Escrow Agent before close of escrow) this escrow is not in condition to close within 120 days of the date this Agreement is fully executed by the parties hereto, any party who then shall have fully complied with his instructions may, in writing, demand the return of his money or property; but if none have complied no demand for return thereof shall be recognized until five (5) days after Escrow Agent shall have mailed copies of such demand to all other parties at their respective addresses shown in these escrow instructions, and if any objections are raised within said five (5) day period, Escrow Agent is authorized to hold all papers or documents until instructed by a court of competent jurisdiction or mutual instructions. If no demands are made, proceed with closing this escrow as soon as possible.

5. Waiver and Release:

A. Except with regard to the City's indemnification obligations set forth in Section E above, by executing this Agreement, the Grantor, on its own behalf and on behalf of its owners, affiliates, heirs, executors, administrators, successors and assigns hereby expressly and unconditionally waives and releases the City, its successors, agents, representatives (including attorneys) and all other affiliated persons and associations, known or unknown, from any claims or damages of any kind, including but not limited to the value of the Easement being acquired, severance damages¹ to the remainder of the property, lost business or claims for loss of goodwill, furniture fixtures or equipment, permit fees, testing or inspection costs, or claims for inverse condemnation or pre-condemnation conduct that could have been raised in connection with the City's acquisition of the Easement or construction of the Project, it being understood that this is a complete and full settlement of all claims, liabilities, or benefits of any type or nature whatsoever relating to or in connection with the acquisition of the Easements or construction of the Project.

B. The Grantor acknowledges that it is aware of the provisions of California Civil Code section 1542, which provides as follows:

¹ Severance Damages are calculated as the loss of value to the remainder (portion of property left after the taking) above and beyond the value of the land and structures taken under Code of Civil Procedures sections 1263.410, et seq.

A general release does not extend to claims which the Creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

C. The Grantor acknowledges that it may have sustained damage, loss, costs or expenses that are presently unknown and unsuspected, and such damage, loss, costs or expenses which may have been sustained may give rise to additional damage, loss, costs or expenses in the future. The Grantor hereby acknowledges that this Agreement has been negotiated and agreed upon in contemplation of Section 1542, and hereby expressly waives any and all rights which it may have under California Civil Code section 1542, or under any statute or common law or equitable principle of similar effect.

D. This Stipulation is a settlement of claims in order to avoid future litigation and is not in any manner to be construed as an admission of value for the property, entitlement to damages, lost profits, loss of goodwill damages, or an acknowledgment of liability by any Party to this Agreement.

6. Miscellaneous:

A. ARTICLE HEADINGS - Article headings in this Agreement are for convenience only and are not intended to be used in interpreting or construing the terms, covenants and conditions of this Agreement.

B. SUCCESSORS AND ASSIGNS - This Agreement shall apply to and bind the heirs, executors, administrators, assigns and successors of the parties hereto.

C. COUNTERPARTS - This Agreement may be executed in counterparts, each of which so executed shall irrespective of the date of its execution and delivery be deemed an original, and all such counterparts together shall constitute one and the same document.

D. ELECTRONIC AND FACSIMILE SIGNATURES - In the event that the parties hereto utilize electronic or facsimile documents which include signatures, such documents shall be accepted as if they bore original signatures deemed wholly binding in full force and effect the same as original signatures. Documents for recordation by the Clerk Recorder must contain original signatures.

E. COMPLETE UNDERSTANDING - This Agreement constitutes the entire understanding between the parties with respect to the subject matter hereof, superseding all negotiations, prior discussions, and preliminary agreements or understandings, written or oral. This Agreement may not be amended except in writing by the parties hereto or their successors or assigns.

F. CITY COUNCIL APPROVAL - This Agreement is subject to and conditioned upon approval by the City Council. This Agreement is not binding upon the City until executed by the appropriate City official(s) acting in their authorized capacity.

No Obligation Other Than Those Set Forth Herein Will Be Recognized.

Exhibit B

GRANTOR:

Arranaga Investment LLC, a California limited liability company

By: _____

Gabriela Arranaga
Manager

Dated: _____

9-05-24

MAILING ADDRESS OF GRANTOR:

Arranaga Investment LLC
24928 Hearth Court
Valencia, CA 91354

CITY OF PASO ROBLES

By: _____

Name:
Title:

Dated: _____

MAILING ADDRESS OF CITY:

City of Paso Robles
Freda Berman
Public Works Director
1000 Spring Street
Paso Robles, CA 93446