

**PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS
BETWEEN COUNTY OF SAN BENITO (“BUYER”) AND GRANITE ROCK
COMPANY (“SELLER”) AS TO PROPERTY LOCATED ON BUENA VISTA ROAD,
HOLLISTER, CALIFORNIA**

This Purchase and Sale Agreement and Joint Escrow Instructions ("Agreement") dated as of October 22, 2019 is made and entered into by and between the **COUNTY OF SAN BENITO**, a political subdivision of the State of California ("County" or "Buyer"), and **GRANITE ROCK COMPANY**, a California corporation duly qualified to do business in the State of California ("Seller"). Buyer and Seller together may be referred to hereinafter each as a Party and collectively as the "Parties".

RECITALS

- A. Seller owns a parcel of real property totaling approximately 6.3 acres comprised of vacant land, located in the County of San Benito, commonly referred to as APN 019-230-002-000, and as more particularly described in the legal description which is attached hereto and incorporated herein by reference as Exhibit “A” (the “Property”).
- B. Upon the terms and conditions set forth herein, Seller desires to sell and Buyer desires to acquire the Property.

NOW THEREFORE in consideration of the mutual covenants and conditions herein contained, the Parties hereto agree as follows:

AGREEMENT

1. **Purchase and Sale.** Upon and subject to the terms and conditions set forth in this Agreement, Seller agrees to sell to Buyer and Buyer agrees to buy from Seller, the Property. In consideration of Seller's sale of the Property to Buyer, Buyer will (a) pay to Seller the Purchase Price at the Close of Escrow, and (b) perform all of Buyer's other obligations hereunder.
2. **Purchase Price.** The purchase price for the Property is Four Hundred Fifty Thousand Dollars (\$450,000.00) (the “Total Purchase Price”), which Buyer and Seller agree is the fair market value of the Property, consisting of the following: (a) Three Hundred Eighty Five Thousand Dollars (\$385,000.00) that Buyer will convey to Seller at Close of Escrow as set forth herein (the “Purchase Price”); plus (b) Sixty Five Thousand Dollars (\$65,000.00) (the "Donation Amount"), which is the difference between the Total Purchase Price and the Purchase Price and for which Seller will seek a tax deduction in the amount of the Donation Amount constituting a donation to Buyer at Close of Escrow. Seller agrees that it will assume full responsibility for any tax implications of reporting the donation to governmental taxing agencies in Seller's sole discretion. Buyer makes no representations or warranties the Donation Amount will receive any favorable treatment from any governmental taxing agencies.

The Parties further agree that should Seller demolish the building existing on the Property pursuant to Paragraph 7.1(h) prior to the Close of Escrow, then the above defined amounts shall

be revised as follows: the "Total Purchase Price" shall be increased to and mean Four Hundred Seventy-Three Thousand Dollars (\$473,000.00), consisting of the following: (a) Three Hundred Ninety-Six Thousand Five Hundred Dollars (\$396,500.00) that Buyer will convey to Seller at Close of Escrow as set forth herein (the "Purchase Price"); plus (b) Seventy-Six Thousand Five Hundred Dollars (\$76,500.00) (the "Donation Amount").

3. Payment. The Purchase Price shall be paid as follows:

3.1 Deposit. Within ten (10) business days of Opening of Escrow, County shall deposit into Escrow (as defined below) a check in the amount of Five Thousand Dollars (\$5,000.00) (the "Deposit"). Of the Deposit, One Hundred Dollars (\$100.00) shall be deemed earned by Seller upon its deposit into Escrow and is non-refundable to Buyer (the "Earned Amount") but shall be credited to the Purchase Price in the event the purchase of the Property is completed. In the event that Buyer exercises its discretion, as provided herein, to disapprove the purchase at, or any time prior to, the expiration of the Contingency Period, as may be extended herein, then the Deposit less the Earned Amount shall be refunded to the Buyer. In the event the Contingency Period, as may be extended herein, has expired, and Buyer exercises its discretion, as provided herein, to disapprove the purchase prior to the Close of Escrow because (i) any of the remaining conditions prescribed in Section 7.1 below are not waived or satisfied, (ii) Seller is in default of its obligations under this Agreement, or (iii) the Escrow is terminated because of destruction, damage, loss, or material change pursuant to Section 15 herein, then the Deposit less the Earned Amount shall be refunded to Buyer. In the event the purchase of the Property is completed, the Deposit including the Earned Amount shall be applied to the Purchase Price at the Close of Escrow.

3.2 Cash Balance. No later than two (2) business days prior to the Closing Date, or such earlier time as is required by Escrow Holder in order for the Closing to occur by the Closing Date, Buyer will deposit into Escrow the balance of the Purchase Price, plus or minus prorations and other adjustments, if any, as set forth in this Agreement, in cash, by confirmed wire transfer of immediately available funds, or by certified or cashier's check collectible in same day funds.

4. Opening of Escrow. Seller shall open escrow (the "Escrow") with First American Title Company ("Escrow Holder") no later than five (5) business days after both Parties sign this Agreement ("Opening of Escrow"). This Agreement shall, to the extent possible, act as escrow instructions. The Parties shall execute all further escrow instructions required by Escrow Holder. All such further escrow instructions, however, shall be consistent with this Agreement, which shall control.

5. Close of Escrow

5.1 Definition. For purposes of this Agreement, the "Close of Escrow" or the "Closing" is the recordation of the Grant Deed from the Seller to Buyer conveying fee simple title for the Property, subject only to the "Permitted Exceptions" (as defined in Section 9.2 below). Seller and Buyer agree to deposit in Escrow all instruments, documents, writings, and monies identified or required to close Escrow. Escrow shall close when Escrow Holder is in a position to: (a) record the executed Grant Deed to the Property in favor of Buyer; (b) deliver the Title Policy (as defined below) to Buyer; and (c) deliver the Purchase Price to Seller.

5.2 Closing Date. The Close of Escrow shall occur within fifteen (15) business days after Buyer removes or waives all contingencies (the “Closing Date”) but no later than December 9, 2019 provided all contingencies have been removed by Buyer. If the Closing does not occur by the Closing Date, the Closing Date may be extended by mutual agreement of the Parties.

5.3 Cancellation. If the Closing does not occur by the Closing Date due to a default by one of the Parties and said date is not extended by mutual agreement of the Parties, the Party not then in default under this Agreement may notify the other Party and Escrow Holder in writing that, unless the Closing occurs within five (5) business days following said notice, the Escrow shall be deemed canceled without further notice or instructions. If both Parties are in default and the Closing Date is not extended by mutual agreement of the Parties, the Escrow shall be cancelled. All Escrow costs of cancellation, if any, will be paid by the defaulting Party or Parties.

6. Items to be Delivered at Close of Escrow

6.1 By Seller. Seller shall execute and deliver to Escrow Holder for delivery to Buyer (a) a Grant Deed in recordable form conveying a fee simple title to the Property, including oil, mineral and water rights if currently owned by Seller (subject to the “Permitted Exceptions,” as defined in Section 9.2 below); and (b) a CLTA Owner’s Policy of Title Insurance, paid equally between Seller and Buyer (or in the alternative, if Buyer so elects, an ALTA Owner’s Policy of Title Insurance with Buyer additionally paying for the incremental cost difference between the CLTA and ALTA policy) (as elected, the “Title Policy”), showing that marketable fee title to the Property is vested in Buyer subject only to the “Permitted Exceptions” (as defined in Section 9.2 below). In addition, at least three (3) business days prior to the Closing, Seller shall deliver affidavit or certification satisfactory to Buyer setting forth Seller’s address, federal tax identification number and other documents necessary for the purpose of the provisions of Sections 1445 and 7701 of the Internal Revenue Code, or successor statutes, and that Seller is exempt from the withholding provisions of the California Revenue and Taxation Code, as amended. If Seller does not provide such affidavit or certification, Escrow Holder shall at the Closing withhold from Seller’s proceeds any amounts as may be required under such federal and state laws.

6.2 By Buyer. Buyer shall deliver to the Escrow Holder for delivery or disbursement at Close of Escrow, funds in an amount equal to the Purchase Price, plus Buyer’s share of costs, fees, expenses and prorations to be borne by Buyer pursuant to this Agreement, together with Buyer’s Certificate of Acceptance to be attached to and recorded with the Grant Deed.

7. Contingencies to Close of Escrow

7.1 Conditions Precedent to Buyer’s Obligations. The Close of Escrow and Buyer’s obligations with respect to the transactions contemplated by this Agreement are subject to the following contingencies, which must be satisfied (or waived in writing by the Buyer) by the Closing Date:

a. Title Insurance. The Title Company shall be in a position to provide to Buyer the Title Policy, insuring Buyer in an amount equal to the Purchase Price showing that the

marketable fee title to the Property is vested in Buyer, subject only to the Permitted Exceptions (See Section 9.2 below), together with any extended coverage and/or endorsements that the Title Company has agreed to issue in writing prior to the end of the Contingency Period. The cost of the Title Policy shall be paid by the Parties as set forth above.

b. Inspections and Studies. During the Contingency Period, or as extended:

(1) Buyer shall have the right to conduct any and all inspections and evaluations of the Property to Buyer's satisfaction, including a Phase I and Phase II environmental study of the Property; and

(2) Buyer shall have determined that the Property is clean of contamination, toxic and/or hazardous materials, to Buyer's satisfaction. In the event that a Phase II environmental survey is required and finds that remediation is necessary, Buyer may cancel this Agreement at any time prior to the expiration of the Contingency Period (as it may be extended). In the event of such cancellation, Buyer shall be entitled to a refund of the Deposit less the Earned Amount. Seller shall not be obligated to perform or bear the financial burden of any remediation work should any such work be required; Buyer's only remedy if remediation is required is the right to cancel this Agreement with a refund of the Deposit less the Earned Amount.

c. Board of Supervisors Approval. The Close of Escrow is expressly made contingent upon the County Board of Supervisor's authorization to waive contingencies. Buyer retains full and sole discretion to approve or disapprove the purchase for any reason, or without reason. Notwithstanding any provisions to the contrary, if the County Board of Supervisors takes no action within the Contingency Period (as may be extended), it shall be deemed to have disapproved the purchase of the Property and this Agreement shall terminate; in which event then the Deposit less the Earned Amount shall be refunded to the Buyer, the Parties shall split Escrow costs incurred to date and neither Party shall have any further rights or obligations hereunder, except for those expressly as expressly stated as surviving termination of the Agreement.

d. Representations, Warranties and Covenants of Seller. As of the Close of Escrow, Seller will have duly and materially performed each and every obligation to be performed by Seller hereunder in all material respects; and Seller's express representations and warranties set forth in this Agreement will be true and correct as of the Closing Date in all material respects.

e. Seller's Deliveries. As of the Close of Escrow, Seller will have delivered all the items described in Section 6.1.

f. Expiration of CEQA Statute of Limitation. As a condition to the Close of Escrow, the statute of limitation period under the California Environmental Quality Act, as set forth at California Public Resources Code section 21000, et seq. ("CEQA"), shall have expired.

g. Relocation of Existing Well Easement. As a condition to the Close of Escrow, the relocation of the alleged/asserted existing well "easement" on the Property, which

neither Party concedes by this paragraph to exist as a matter of law, shall have been accomplished to the satisfaction of the County. County will coordinate with the beneficiaries/neighboring owners to attempt to satisfy this condition.

h. The existing structure on the Property shall be relocated or completely demolished within thirty (30) days of the Opening of Escrow. If not removed within said thirty (30) day period, the Contingency period shall be extended day for day for the additional time to remove the structure. The Property after the relocation or demolition shall be left in a clean, usable state, with no residual debris or hazardous materials. The County's Phase I and/or Phase II inspection of the Property shall commence after the relocation or demolition of the existing structure. Seller shall be responsible for all costs of relocation or demolition, including prevailing wages, if required by law. Should Seller choose to demolish the structure rather than relocate it, the Total Purchase Price, the Purchase Price and the Donation Amount shall be increased as set forth in Paragraph 2.

i. Condition of the Property. As a condition to the Close of Escrow, Buyer shall have approved the condition of the Property, including Buyer's satisfaction of the Property being free of trash and trespassers.

The conditions set forth in this Section 7.1 are solely for the benefit of Buyer and may be waived only by Buyer, with such waiver to be in writing to Seller. In the event any of the foregoing conditions are neither satisfied nor waived by Buyer prior to the prescribed time period, and Buyer terminates this Agreement by delivering written notice thereof to Seller on or before the applicable date listed in such condition, then all rights, obligations, and liabilities of Seller and Buyer under this Agreement shall terminate (except for any provisions that expressly survive the termination of this Agreement), and the Deposit less the Earned Amount shall be returned to Buyer.

7.2 Conditions Precedent to Seller's Obligations. The Close of Escrow and Seller's obligations with respect to this transaction are subject to the following conditions precedent: (a) Buyer's delivery to Escrow Holder, on or before the Closing Date, the Purchase Price and the other items described in Section 6.2; and (b) Buyer having duly performed each and every agreement to be performed by Buyer hereunder, and Buyer's representations, warranties, and covenants set forth in this Agreement, continuing to be true and correct as of the Closing date.

The conditions set forth in this Section 7.2 are solely for the benefit of Seller and may be waived only by Seller, with such waiver to be in writing to Buyer.

8. Contingency Period

8.1 Contingency Period. Buyer shall be entitled to ninety (90) days from Opening of Escrow ("Contingency Period"), or as extended as provided in Section 8.4 below, to conduct any and all physical, economic and environmental inspections, investigations, tests and studies of the Property. Such evaluations may include, but are not limited to the following: phase I and phase II environmental surveys as needed, physical inspection, soils and groundwater tests, soil compaction tests, other engineering feasibility studies, review of any and all governmental

regulations, improvement obligations to Buyer's satisfaction, investigation of the suitability of the Property for Buyer's purposes, and such other due diligence as Buyer desires. In the event Buyer needs additional time for the completion of a Phase II environmental survey, the Contingency Period shall be extended as provided in Section 8.4 below.

8.2 Right of Entry. During the Contingency Period, or as extended, Buyer shall have the right, from time to time, at its own sole cost, expense, risk, and hazard, and in all such manner as it may reasonably determine, without material damage being imposed upon the Property, to enter upon the Property to make, or cause to be made, engineering findings in respect thereto, including without limitation, surveying, conducting test borings in order to determine subsoil conditions, and in general, conducting other soil tests, analyses, and studies of the Property necessary to perform the evaluations described in Section 8.1 above. Buyer shall not make nor cause to be made any invasive or destructive testing without the prior written consent of Seller. Buyer will notify Seller, at least two (2) business days in advance of the dates of all tests and investigation and will schedule all test and investigation during normal business hours whenever feasible unless otherwise requested by Seller. Seller shall have the right to be present at any such inspections or testings. Prior to conducting any inspections or testing, Buyer or its consultants shall deliver to Seller a certificate of insurance naming Seller as additional insured (on a primary, non-contributing basis) evidencing commercial general liability and property damage insurance with limits of not less than One Million Dollars (\$1,000,000.00) in the aggregate for liability coverage (plus Medical Expenses coverage with a limit of not less than Five Thousand Dollars (\$5,000.00) per incident), and not less than One Million Dollars (\$1,000,000.00) in the aggregate for property damage. Buyer shall restore the Property to its original condition immediately after any and all testing and inspections conducted by or on behalf of Buyer and Buyer will take all steps necessary to ensure that any conditions on the Property created by Buyer's testing will not interfere with the normal operation of the Property or create any dangerous, unhealthy, unsightly, or noisy conditions of the Property. Buyer hereby indemnifies and holds Seller and the Property harmless from any and all costs, loss, damages or expenses of any kind or nature arising out of or resulting from any entry and/or activities upon the Property by Buyer and/or Buyer's agents, employees, contractors or consultants; provided, however, such indemnification obligation shall not be applicable to the extent of, or relating to, Buyer's discovery of any pre-existing adverse condition at the Property (provided that the foregoing shall not be construed as relieving Buyer of its obligation to indemnify, defend and hold harmless Seller to the extent that any such pre-existing condition is aggravated by the gross negligence or willful misconduct of Buyer and/or Buyer's representatives in connection with any inspection of the Property).

8.3 Seller's Documents. Within five (5) business days from Opening of Escrow, Seller shall deliver to Buyer copies of any architectural drawings, any and all building permits, certificates of occupancy, soil tests, surveys, engineering studies, and other similar documents, if any, that are actually in Seller's possession relating to the Property in order to assist Buyer in its feasibility study (for Buyer's information, Seller is informed and believes it does not possess any such documents other than surveys and diagrams related to the lot line adjustment of the Property that was completed on or about March 2019). Buyer specifically acknowledges and agrees that the Seller has made no representation or warranty of any nature concerning the accuracy or completeness of any documents delivered or made available for inspection by Seller to Buyer ("Due Diligence Documents"), and that Buyer has undertaken such inspections of the

Property as Buyer deems necessary and appropriate and that Buyer is relying solely upon such investigations and not on any of the Due Diligence Documents or any other information provided to Buyer by or on behalf of Seller. As to the Due Diligence Documents, Buyer specifically acknowledges that they have been prepared by third parties and Buyer acknowledges and agrees that no warranty or representation, express or implied, has been made, nor shall any be deemed to have been made, to Buyer with respect thereto, either by Seller or by any third parties that prepared the same.

8.4 Extension of Contingency Period. In the event Buyer needs additional time for the completion of a Phase II environmental survey, the Contingency Period shall be extended to reasonably accommodate its completion, not to exceed an additional two months, unless otherwise agreed to by the Parties.

9. Title Insurance

9.1 Preliminary Title Report. Seller shall endeavor to have Title Company deliver to Buyer within five (5) business days of Opening of Escrow a current preliminary title report, with copies of all recorded documents that are listed as exceptions as referenced or described therein. All easements are to be color coded and plotted on a plat map. Buyer shall have sixty (60) calendar days following Buyer's receipt of said documents to review and to notify Seller in writing of any title exceptions contained in the preliminary title report that are not satisfactory to Buyer in its sole and absolute discretion ("Title Objections").

9.2 Cure Period. In the event Buyer notifies Seller within the period described above of any Title Objections, Seller may, on or before ten (10) calendar days after receipt of such notice, deliver written notice to Buyer that Seller has agreed to: (a) cause the Title Objections to be deleted from the preliminary title report, or (b) cause the title insurer to expressly waive or insure over such Title Objections at or prior to the Close of Escrow. If Seller fails to deliver such notice or in such notice elects not to cause all of the Title Objections to be removed, waived, or insured over, then Buyer may, within ten (10) calendar days after Buyer's receipt of such notice from Seller (or after the expiration of the time period for Seller to give such notice if Seller did not give such notice), by written notice to Seller choose in Buyer's sole discretion to terminate this Agreement or take title subject to any Title Objections that have not been removed, waived, or insured over ("Buyer's Decision"). If Buyer does not deliver its Buyer's Decision to Seller within such ten (10) calendar day time period, then Buyer shall be deemed to have disapproved all title matters that Buyer previously disapproved in its title objection notice and this Agreement shall terminate; in which event, then the Deposit less the Earned Amount shall be refunded to the Buyer, the Parties shall split Escrow costs incurred to date and neither Party shall have any further rights or obligations hereunder, except for those expressly stated as surviving termination of the Agreement. All title matters approved by Buyer or deemed approved by Buyer under this Section 9.2 together with any other exceptions approved in writing by Buyer shall constitute the "Permitted Exceptions."

9.3 Title Insurance. Upon the Close of Escrow, Seller and Buyer shall direct the Title Company to provide Buyer with the Title Policy insuring that title to the Property is vested in Buyer subject only to the Permitted Exceptions.

10. Seller's Representations and Warranties. Seller represents and warrants that:

10.1. Seller owns the Property, free and clear of all liens, claims, and encumbrances not disclosed by the public record, and, at Close of Escrow, will have the power to sell, transfer and convey all right, title and interest in the Property, subject only to the Permitted Exceptions. Seller makes no representation or warranty that the Property is free and clear of easements, encroachments on the Property from adjacent properties, or encroachments by improvements on the Property or onto adjacent properties.

10.2. Seller has no knowledge of any pending litigation involving the Property.

10.3. Seller makes no representation or warranty whatsoever whether or not there are any violations of, or notices concerning defects or noncompliance with, any applicable code, statute, regulation, or judicial order (including, but not limited to, fire protection and Americans with Disability Act requirements pertaining to the Property. Buyer acknowledges there is a dilapidated house on the Property that to Seller's knowledge is unoccupied as of the Effective Date.

10.4. As of the date Seller has executed this Agreement, and throughout the Escrow period and at Closing, Seller has no intention of filing for protection under the bankruptcy laws of the United States, and Seller shall not have made an assignment for the benefit of creditors or admitted in writing its inability to pay its debts as they mature or have been adjudicated bankrupt or have filed a petition in voluntary bankruptcy or a petition or answer seeking reorganization or an arrangement with creditors under federal bankruptcy law or any other similar law or statute of the United States or any state and no such petition shall have been filed against it.

10.5. To Seller's knowledge, the Property is not in violation of any federal, state or local law, ordinance or regulation relating to the environmental conditions on, under, or about the Property, including, but not limited to, soil and groundwater contamination. Further, Seller knows of no fact or circumstance that may give rise to any future civil, criminal, or administrative proceedings against the Property or Seller relating to environmental matters.

10.6 Except as otherwise disclosed herein and/or in Seller's Documents, to Seller's knowledge, there are no Hazardous Materials on the Property and Seller has not caused any release, use, generation, discharge, storage or disposal of any Hazardous Materials on, in, under, or otherwise affecting all or any portion of the Property in violation of applicable law.

As used herein, the term "Hazardous Materials" shall mean any hazardous or toxic substance, material, sewage, or waste which is regulated, controlled or prohibited by statute, rule, regulation, decree or order of any governmental authority, the State of California, or the United States government currently in effect. The term "Hazardous Material" includes, without limitation, any material or substance which is (a) defined as "hazardous waste," "extremely hazardous waste," or "restricted hazardous waste" under Sections 25115, 25117, or 25122.7, or listed pursuant to Section 25140 of the California Health and Safety Code, Division 20, Chapter 6.5, sections 25100 et seq., (hazardous waste Control Law); (b) defined as a "hazardous substance" under Section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8 ("CPTHSAA Act"); (c) defined as "hazardous material," "hazardous substance,"

or “hazardous waste” under Section 25501 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Material release Response Plans and Inventory Act); (d) defined as “hazardous substance” under Section 25821 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances); (e) petroleum; (f) asbestos; (g) listed under Article 9 or defined as hazardous or extremely hazardous pursuant to Article 11, of Title 22 of the California Administrative Code, Division 4, Chapter 20; (h) designated as a “hazardous substance” pursuant to Section 311 of the Federal Water Pollution Act, 33 U.S.C. Section 1251 et seq. (33 U.S.C. 1321); (i) defined as a “hazardous waste” pursuant to Section 1004 of the Federal Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq. (42 U.S.C. Section 6903); (j) defined as a “hazardous substance” pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization act of 1986, 42 U.S.S. Section 9601 et seq. (42 U.S.C. Section 9601) (“CERCLA”); or (k) defined as a “waste” under the California Porter-Cologne Water Quality Control Act, section 13050 of the California Water Code.

10.7 To Seller's knowledge, there are no oral or written leases, rental agreements, service contracts or other related agreements, licenses, and permits affecting all or any portion of the Property, except that: Seller possesses a copy of an agreement dated April 18, 1930, regarding a pumping plant (involving a well, motors, pumps, casing, pipeline, and pumping equipment), which agreement Seller will provide to Buyer as part of the Due Diligence Documents.

10.8 In the event Seller, prior to Close of Escrow, becomes aware of adverse conditions materially affecting the Property, any material inaccuracy in disclosures, information or representations previously provided to Buyer of which Buyer is otherwise unaware, Seller shall promptly provide a subsequent or amended disclosure or notice, in writing, covering those items.

10.9 All representations, warranties, covenants, and other obligations described in this Agreement shall survive the delivery of the Grant Deed or the termination of this Agreement, as applicable, for a period of one (1) year.

10.10 Seller acknowledges that it has a duty to disclose to Buyer, and has disclosed to Buyer, all conditions known to Seller materially affecting the Property.

11. **Seller's Pre-Closing Covenants.** So long as this Agreement remains in full force and effect:

11.1 Without the prior written consent of Buyer, Seller will not convey any interest in the Property and will not subject the Property to any additional liens, encumbrances, covenants, conditions, easements, rights of way or similar matters after the Effective Date which will not be eliminated prior to the Close of Escrow, other than as may be required by any applicable government or quasi-governmental authority or by a provider of utility services and except as may be otherwise provided for in this Agreement.

11.2 Seller will not make any material alterations to the Property without Buyer's consent, which consent will not be unreasonably withheld or delayed. Seller will maintain the Property in substantially the same condition as of the Effective Date.

11.3 Seller represents that there are no existing contracts relating to the provision of goods or services to the Property. Seller agrees that, without the prior written consent of Buyer, which consent will not be unreasonably withheld or delayed, Seller will not enter into any contract or agreement providing for the provision of goods or services to or with respect to the Property or the operation thereof unless such contracts or agreements can be terminated by the Closing Date. Seller will not enter into any leases for any portion of the Property without Buyer's written consent, which consent will not be unreasonably withheld or delayed.

12. Expenses and Fees

12.1 Seller will pay:

- a. 1/2 of the premium for the CLTA title insurance policy;
- b. The cost of any title policy endorsements or other curative measures to remove and/or cure Buyer's Title Objections to the satisfaction of Buyer;
- b. 1/2 of all Escrow fees and other recording charges;
- c. All city, county and state documentary transfer taxes, if any (which should not be due or payable under the documentary transfer tax exemption set forth in California Revenue and Taxation Code Section 11922 because Buyer is a political subdivision of the State of California and is a Party to this transaction acquiring title to the Property);
- d. Any delinquent real estate taxes;
- e. Any real estate brokerage fees or commissions owed in connection with the sale of the Property, if any, per Section 16 of this Agreement;
- f. Seller's share of prorations.

12.2 Buyer will pay:

- a. 1/2 of the premium for the CLTA title insurance policy;
- b. The incremental cost of an ALTA policy, if Buyer elects to have an ALTA policy.
- c. 1/2 of all Escrow fees and other recording charges; and
- d. Buyer's share of prorations.

12.3 Except as otherwise set forth herein, Buyer and Seller will each pay all legal and professional fees and fees of other consultants incurred by Buyer and Seller, respectively. All other normal costs and expense of the Escrow will be allocated between Buyer and Seller in accordance with the customary practice in the county in which the Property is located.

13. Prorations

13.1 Taxes and Assessments. All non-delinquent real estate taxes and assessments on the Property will be prorated as of the Close of Escrow based on the actual current tax bill. If the Close of Escrow occurs before the real estate taxes are fixed for the tax year in which the Close of Escrow occurs, the apportionment of real estate taxes will be made on the basis of the real estate taxes for the immediately preceding tax year applied to the latest assessed valuation. All delinquent taxes and all delinquent assessments, if any, on the Property will be paid at the Close of Escrow from funds accruing to Seller. All supplemental taxes billed after the close of Escrow for periods prior to the Close of Escrow will be paid promptly by Seller. Seller expressly reserves: (a) the right (but shall have no obligation) to commence, prosecute and complete any and all contests and appeals that may be available with respect to real estate taxes and assessments pertaining to the Property which are allocable to the period prior to the Close of Escrow; and (b) any and all refunds and proceeds that may be payable as a result of any such contests or appeals of real estate taxes and assessments, and such refunds and proceeds shall not constitute a portion of the Property to be conveyed hereunder. Any tax refunds received by Buyer which are allocable to the period prior to the Close of Escrow will be paid by Buyer to Seller. Pursuant to California Revenue and Taxation Code section 4986(a)(6), as of Close of Escrow, property taxes for the period after the Close of Escrow shall be cancelled prospectively to the extent as may be allowed by law.

13.2 Utilities. Seller will notify all utility companies servicing the Property if any, of the sale of the Property to Buyer and will request that such companies send Seller a final bill for the period ending on the last day before the Close of Escrow. Buyer will notify the utility companies that all utility bills for the period commencing on the Close of Escrow are to be sent to Buyer. In addition to the final Purchase Price, Buyer will pay to Seller an amount equal to the total of all utility deposits held by utility companies and Seller will assign to Buyer all of Seller's right, title and interest in any such utility deposits; provided, however, Seller reserves the right to receive a return of such utility deposits and in such event, Buyer will arrange for substitute deposits with the utility companies as may be required. If following the Close of Escrow either Buyer or Seller receives a bill for utilities, or other services approved in writing or ordered by such Party and provided to the Property for the period in which the Close of Escrow occurred, Buyer and Seller will equitably prorate the bill as of the Close of Escrow.

13.3 Method of Proration; Survival. All prorations will be made as of the date of Close of Escrow based on 365-day year or a 30-day month, as applicable. The obligations of Seller and Buyer to prorate and adjust revenues and expenses of the Property shall survive the Close of Escrow.

14. Disbursements and Other Actions by Escrow Holder. At the Close of Escrow, Escrow Holder will promptly undertake all of the following:

14.1 Funds. Disburse all funds deposited with Escrow Holder by Buyer in payment of the final Purchase Price for the Property as follows:

- a. Deliver to Seller the final Purchase Price, less the amount of all items, costs, and prorations chargeable to the account of Seller; and
- b. Disburse the remaining balance, if any, of the funds deposited by Buyer to Buyer, less amounts chargeable to Buyer.

14.2 Recording. Cause the Grant Deed (with documentary transfer tax information affixed) and Buyer's Certificate of Acceptance to be recorded with the County Recorder for the San Benito County and obtain conformed copies therefor for distribution to Buyer and Seller.

14.3 Title Policy. Direct the Title Company to issue Title Policy to Buyer.

14.4 Delivery of Documents to Buyer or Seller. Deliver to Buyer documents (or copies thereof) deposited into Escrow by Seller. Deliver to Seller any other documents (or copies thereof) deposited into Escrow by Buyer.

15. Possession and Occupancy; Risk of Loss; Casualty or Condemnation. Buyer shall be entitled to the possession of the Property immediately following the Close of Escrow. All risk of loss or damage to the Property shall pass from Seller to Buyer at Closing. In the event of a casualty that causes material damage to the Property costing more than \$10,000 or more to repair or cure or a condemnation proceeding commenced prior to Closing, Buyer shall deliver to Seller within five (5) business days after Buyer's receipt of notice of such casualty or condemnation, written notice of Buyer's election to either: (a) terminate this Agreement, in which event the Deposit less the Earned Amount shall be refunded to the Buyer, the Parties shall split Escrow costs incurred to date and neither Party shall have any further rights or obligations hereunder, except for those expressly stated as surviving termination of the Agreement, and Seller shall be entitled to all insurance proceeds, compensation, awards and other payments or relief resulting from such casualty or condemnation proceedings; or (b) continue to proceed under this Agreement to close Escrow without adjustment to the Purchase Price or any of the other provisions of this Agreement, in which event upon the Closing, Seller shall assign to Buyer any insurance proceeds, compensation, award, or other payments or relief resulting from such casualty or condemnation proceedings to the extent allocable to the Property. If Buyer fails to deliver such election in writing within said five (5) day period, it shall be deemed to have elected to proceed under clause (b) immediately preceding.

16. Real Estate Broker. Seller shall be responsible for payment of any brokers' fees or commissions owed in connection with the sale of the Property. Buyer has not incurred any obligations for real estate commissions, finder's fees or any similar fees in connection with the transaction contemplated herein. If any person asserts a claim for commission or finder's fees in connection with this transaction, the Party through whom that person makes its claim will indemnify, hold harmless, and defend the other Party from such claim and all expenses, including reasonable attorney's fees, incurred by the other Party in defending the claim. The execution of this Agreement shall not be deemed to confer any rights upon, nor obligate either of the Parties to any person or entity not a party to this Agreement.

17. Time is of the Essence. Time is of the essence of this Agreement. This Agreement may not be extended, modified, altered, or changed except in writing signed by Buyer and Seller. In the event that any date specified in this Agreement falls on Saturday, Sunday or a Holiday (as defined in Section 6700 of the California Government Code) (each a “Non-Business Day”), such date shall be deemed to occur on the next business day. For purposes of this Agreement, a “business day” shall mean a day other than a Non-Business Day.

18. Notices. All communications and notices required or permitted by this Agreement shall be given in writing in the manner set forth below, addressed to the Party to be served at the addresses written below, or at such other address for which that Party may have given notice under the provisions of this Section. Any notice or communication given by (a) mail shall be deemed to have been given four business days after it is deposited in the United States mail with proof of mailing, first class and postage prepaid; (b) overnight common carrier courier service shall be deemed to be given on the business day (not including Saturday) immediately following the date it was deposited with such common carrier; (c) delivery in person or by messenger shall be deemed to have been given upon delivery in person or by messenger; or (d) electronic facsimile or email shall be deemed to have been given on the date of transmission of the entire communication, provided that (i) such transmission occurs during 8:00 a.m. and 5:00 p.m., California time, on business days, and (ii) the sending Party sends a hard copy of the original transmitted document(s) following the electronic transmission, by one of the methods described in subsections (a), (b) or (c) above.

SELLER: Granite Rock Company
Attn: Kevin Jeffery, Secretary and General Counsel
P.O. Box 50001
Watsonville, CA 95077

BUYER: County of San Benito
Board of Supervisors
Attn: Clerk of the Board
481 Fourth Street, First Floor
Hollister, CA 95023

with a copy to: County of San Benito
Chief Administrative Officer
Attn: Ray Espinosa
481 Fourth Street, First Floor
Hollister, CA 95023

19. Binding Effect. This Agreement shall be binding on and inure to the benefit of the Parties to this Agreement, their heirs, personal representatives, successors, and assigns, except as otherwise provided in this Agreement.

20. Governing Law; Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of California. Any action brought to enforce the provisions of this Agreement shall be brought in the Superior Court of the County of San Benito.

21. **Headings.** The headings of the articles and sections of this Agreement are inserted for convenience only. They do not constitute part of this Agreement and shall not be used in its construction.
22. **Waiver.** The waiver by any Party to this Agreement of a breach of any provision of this Agreement shall not be deemed a continuing waiver or a waiver of any subsequent breach of that or any other provision of this Agreement.
23. **Attorney's Fees.** In any action or proceeding at law or in equity brought to enforce any provision of this Agreement, the prevailing Party shall be entitled to all reasonable attorney's fees, costs, and expenses incurred in said action or proceeding.
24. **Severability.** In the event that any provision of this Agreement shall be adjudicated void, illegal, invalid, or unenforceable, the remaining terms and provisions of this Agreement shall remain in full force and effect.
25. **Entire Agreement.** This Agreement constitutes the entire agreement between the Parties pertaining to the subject matter hereof. No amendment, supplement, modification, or waiver of this Agreement shall be binding unless executed in writing by the Party to be bound thereby. This Agreement shall not be strictly construed for or against any Party.
26. **Warranty of Authority.** The Parties to this Agreement warrant and represent that the undersigned individuals executing this Agreement on their respective behalf are fully authorized to do so by law or other appropriate instrument and to bind upon said Parties the obligations set forth herein.
27. **County Contract Administrator.** The County officer or employee with responsibility for administering this Agreement is the Chief Administrative Officer, or his successor or designee.
28. **Third Party Beneficiaries.** This Agreement is made and entered into for the sole benefit and protection of the Parties hereto. No condition, covenant, waiver or release contained herein made or given by Seller or Buyer is intended to run to the benefit of any person not a party to this Agreement unless otherwise expressly set forth herein.
29. **Successors and Assigns.** Buyer shall have full and sole discretion to assign this Agreement without Seller's consent. This Agreement shall be binding upon, and inure to the benefit of, the Parties hereto and their respective heirs, executors, assigns and successors in interest.
30. **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original, including copies sent to a Party by facsimile transmission or in portable document format (pdf), but which together shall constitute one and the same instrument.
31. **Seller's 1031 Tax-Deferred Exchange.** Seller may decide to have this transaction qualify as part of an Internal Revenue Code Section 1031 tax deferred exchange in connection

with Seller's sale of the Property which will neither unreasonably delay the Closing nor cause additional expense or liability to the Buyer. Buyer will reasonably cooperate with Seller 's exchange, and Seller shall hold Buyer harmless from all costs, claims, and liabilities related to the exchange. Seller shall have the right to assign this Agreement to Seller's qualified exchange intermediary. Buyer makes no representations or warranties that a 1031 tax deferred exchange will be possible or that any tax benefits will accrue to Seller.

IN WITNESS WHEREOF, the Parties hereto have signed this Agreement as of the date last written below (“Effective Date”).

[signatures appear on following page]

SELLER:

**GRANITE ROCK COMPANY,
a California corporation**

By: _____
Name: _____
Its: _____

Date: October ____, 2019

BUYER:

**COUNTY OF SAN BENITO,
a political subdivision of the State of California**

By: _____
Ray Espinosa
CAO

Date: October ____, 2019

ATTEST:

Janet Slibsager
Clerk of the Board

By: _____

APPROVED AS TO LEGAL FORM:

County Counsel of San Benito County

By: _____
Barbara Thompson, County Counsel

Exhibit A

Legal Description

BEING ALL OF that certain Lot 13 of Riverside Farm according to the map thereof, recorded July 28, 1892, in Book 1 of Maps, page 56, San Benito County Records, and being a portion of that certain Parcel One described in the Grant Deed and conveyed by Carmel C. Martin Jr., to Bushmont Company, a California Corporation, recorded August 2, 1970, in Volume 359 of Official Records, page 196, San Benito County Records, and shown on that certain Record of Survey map for Ray Dassell, recorded March 31, 1952, in Book 5 of Maps, page 24, San Benito County Records, bounded by a line more particularly described as follows:

BEGINNING AT the southeasterly corner of the above said Parcel One, said corner being common to the southwesterly corner of the above said Lot 13 and running along the southerly line thereof South 87°00'00" East, 330.00 feet to the southeasterly corner thereof; thence along the easterly line of said Lot 13 North 01°18'00" East, 660.00 feet to the northeasterly corner thereof; thence along the northerly line of said Lot 13 North 87°00'00" West, 330.00 feet, to the northeasterly corner of the above said Parcel One; thence along the northerly line thereof North 87°00'00" West, 17.50 feet to the corner common to Homestead Lots 18, 19, and 30 of the San Justo Rancho according to the map thereof, recorded July 21, 1876, in Volume 1 of Maps, page 64, San Benito County Records; thence along the northerly line of said Homestead Lot 30 and the above said Parcel One North 86°57'30" West, 84.84 feet to the northeasterly corner of that certain parcel of land conveyed to Willis G. Pack and wife, by Deed, from Ray L. Dassell and wife, dated November 15, 1957 and recorded January 17, 1958 in Volume 237 of Official Records, at page 355, San Benito County Records; thence along the easterly line thereof South 01°55'00" West, 169.51 feet; thence South 13°49'00" West, 178.69 feet to the southeasterly corner of said parcel conveyed to Pack; thence leaving the boundary line of the said parcel conveyed to Pack South 22°49'23" East, 349.58 feet to the **POINT OF BEGINNING**.

EXCEPTING THEREFROM that parcel of land described in the Deed from Mary A. Chapman to James A. Cushman et al, dated June 11, 1913 and recorded September 22, 1913, in Volume 49 of Deeds, at Page 368, San Benito County Records.

RESERVING AN EASEMENT, 30 feet wide, for access and utility purposes, the northerly and westerly lines of which are described as follows:

Beginning at a point in the westerly line of Buena Vista Road, 40 feet wide as shown on that certain Record of Survey map for Ray Dassell, recorded March 31, 1952, in Book 5 of Maps, page 24, San Benito

County Records, at the intersection thereof with the northerly line of Lot 14 of Riverside Farms, according to the map thereof recorded July 28, 1892, in Volume 1 of Maps, page 56, San Benito County Records; thence along the said northerly line of Lot 14 North 86°57'30" West, 64.84 feet to a point in the easterly line of the above said parcel of land conveyed to Willis G. Pack; thence along the said easterly line South 1°55'00" West, 169.69 feet; thence South 13°49'00" West, 178.69 feet to the southeasterly corner of said parcel conveyed to Pack.

The southerly line of the above described strip is to be extended or shortened to terminate on the westerly line of Buena Vista Road, and the easterly line of which is to be extended to terminate on the southerly line of the above described Parcel 2.

[The Property is depicted, and designated as the "6.3 ACRES AFTER" PARCEL 2, in the map included in the Lot Line Adjustment – attached on next page]

