

RESOLUTION NO. 16038

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDWOOD CITY APPROVING AND AUTHORIZING THE CITY MANAGER TO EXECUTE A PURCHASE AND SALE AGREEMENT BETWEEN THE CITY OF REDWOOD CITY AND IQHQ TRS ELCO YARDS, INC. FOR SHASTA TRIANGLE

WHEREAS, the City of Redwood City (the “City”) owns that certain property identified as APN 053-187-010 and more generally described as the triangular property located at the intersection of Main Street, Shasta Street and Chestnut Street and currently used as landscaped median (the “Shasta Triangle”) in fee; and

WHEREAS, on November 16, 2020, the City Council approved Architectural Permit, Planned Development Permit, Downtown Planned Community Permit, Use Permit, Vesting Tentative Map, Concessions, Bonuses and Parking Ratios under the State Density Bonus Law, and an Affordable Housing Plan for the South Main Mixed-Use Project (the “South Main Project”), which includes 530,000 sq. ft. of office, 540 residential units (including 147 affordable units), 28,000 sq. ft. of retail, 8,400 sq. ft. of childcare and 40,000 sq. ft. of publicly-accessible open space; and

WHEREAS, as part of the Conditions of Approval, it was contemplated that the City would convey the Shasta Triangle to the developer for creation of an expanded publicly-accessible open space as part of the South Main Project; and

WHEREAS, on March 7, 2022, the City Council adopted a resolution finding the Shasta Triangle exempt surplus land pursuant to Government Code Section 54221(f)(1)(B); and

WHEREAS, the City Council has determined that the Purchase and Sale Agreement between the City of Redwood City and IQHQ TRS Elco Yards, Inc. transferring Shasta Triangle to a third party, Benjamin Kopf Holding Co., attached hereto as Exhibit A, would further the purposes of and appropriately implement the City of Redwood City General Plan.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF REDWOOD CITY AS FOLLOWS:

Section 1. Evidentiary Basis: The City Council, having independently heard, considered, and weighed all the evidence in the record, finds that the above recitals are accurate and constitute findings in this matter and, together with the staff report and the Purchase and Sale Agreement have served as an adequate and appropriate evidentiary basis for the findings and actions set forth in this resolution.

Section 2. Purchase and Sale Agreement: The City Council hereby authorizes and directs the City Manager to execute the Purchase and Sale Agreement, subject to any minor, clarifying and conforming changes approved by the City Attorney. The City Council further authorizes the City Manager to take all actions necessary to carry out the Purchase and Sale Agreement.

Section 3. This resolution is effective upon its adoption.

* * *

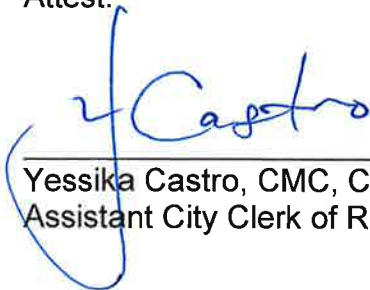
Passed and adopted by the Council of the City of Redwood City at a
Joint City Council/Successor Agency Board/Public Financing Authority Meeting
thereof held on the 25th day of April 2022 by the following votes:

AYES:	Aguirre, Espinoza-Garnica, Howard, Reddy, Smith and Mayor Hale
NOES:	None
ABSENT:	None
ABSTAINED:	None
RECUSED:	Gee



Giselle Hale
Mayor of the City of Redwood City

Attest:



Yessika Castro, CMC, CPMC
Assistant City Clerk of Redwood City

I hereby approve the foregoing resolution this
26th day of April 2022.



Giselle Hale
Mayor of the City of Redwood City

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

THIS PURCHASE AND SALE AGREEMENT (this "Agreement") is entered into as of _____, 2022 (the "Effective Date"), by and between CITY OF REDWOOD CITY, a charter city and municipal corporation ("Seller"), and IQHQ TRS ELCO YARDS, INC., a Delaware corporation ("Buyer"). In consideration of the mutual covenants and agreements contained in this Agreement, Buyer and Seller agree as follows:

1. PURCHASE AND SALE

1.1 Agreement to Buy and Sell. Subject to all of the terms and conditions of this Agreement, Seller hereby agrees to sell and convey to Buyer and Buyer hereby agrees to acquire and purchase from Seller the following (collectively, the "Property"): All of Seller's right, title and interest in and to the following: the real property described on Exhibit A attached hereto and all easements, privileges and other rights appurtenant thereto (collectively, the "Land"); all improvements, structures, equipment and fixtures located on or under the Land; and all rights, privileges, easements, entitlements, hereditaments and appurtenances now or hereafter belonging or appertaining to the Land.

1.2 Purchase Price. Buyer agrees to pay to Seller Three Hundred Forty Thousand Dollars (\$340,000.00) (the "Purchase Price") for the Property. At least one (1) business day prior to the Closing Date, Buyer shall deposit the Purchase Price into an escrow established for this transaction at Fidelity National Title Company (the "Escrow"), by wire transfer of federal funds, subject to adjustment by reason of any applicable prorations and the allocation of closing costs described below.

1.3 Ground Lease. Buyer has notified Seller that, prior to the closing of this transaction (the "Closing"), Buyer entered into a Ground Lease of certain adjacent property pursuant to a Ground Lease (the "Ground Lease") between Buyer as tenant and Towne Motor Company, a California corporation, Towne Lease Co. Inc., a California corporation, Benjamin Kopf Holding Co., a California corporation, and Kopf & Kopf, LLC, a California limited liability company (collectively, the "Ground Lessor"), as landlord. Pursuant to an agreement between Buyer and the Ground Lessor, the Property that is the subject of this Agreement will be transferred by Buyer to the Ground Lessor, and Ground Lessor will include such Property in the premises being leased to Buyer pursuant to the Ground Lease. Accordingly, Buyer hereby designates Benjamin Kopf Holding Co., a California corporation (the "Designated Grantee"), as the party to be named as the "grantee" under the "Deed" (as defined below), and Seller agrees to name such corporation as the "grantee" under the Deed. Notwithstanding the designation of such corporation as the "grantee" under the Deed, Buyer agrees that it is not being released from any obligations under this Agreement and that it remains solely responsible for performing all obligations to be performed by Buyer under this Agreement. By signing in the space below, the Designated Grantee consents to the conveyance of the Property to the Designated Grantee as provided herein, and shall be bound by the provisions of Sections 2.3 and 2.4 of this Agreement.

1.4 Closing Date. It is contemplated that this sale will close on _____, 2022, or such other date that Buyer and Seller may agree upon in writing (the “Closing Date”).

2. BUYER’S INSPECTIONS; AS IS PURCHASE

2.1 Buyer’s Review of Title. Prior to the execution of this Agreement, Buyer has reviewed title reports, commitments and pro formas as it deems necessary or appropriate, and Buyer has arranged for Old Republic Title Company and Fidelity National Title Company, as co-insurers (collectively, the “Title Company”) to issue to Buyer an Owner’s Policy of Title Insurance (the “Title Policy”) issued by the Title Company showing the condition of title to the Property, accompanied by copies of the documents referred to therein (the “Preliminary Title Report”). By execution of this Agreement, Buyer hereby approves the condition of title.

2.2 Buyer’s Review of the Property; Agreements. Prior to the execution of this Agreement, Buyer has prepared, obtained, reviewed (or chosen not to have prepared, obtained or reviewed) and approved, among other things, all reports of investigations of the Property, including such soil, geological, engineering and environmental tests and reports, and other inspections of the Property as Buyer deems necessary in order to determine whether the Property is suitable for Buyer’s intended use, as well as investigated (or chosen not to have investigated) all zoning requirements, federal, state and local laws, ordinances, rules, regulations, permits, licenses, approvals and orders applicable to the Property. By execution of this Agreement, Buyer hereby approves the foregoing items and the condition of the Property.

2.3 As Is. Prior to the execution of this Agreement, Buyer has conducted any and all inspections of the Property that it deems necessary to determine whether the Property is suitable for Buyer’s use, and upon Closing, Buyer shall be fully aware (or shall have elected not to conduct the necessary investigations to become fully aware) of the structural, mechanical, environmental, soils, engineering and all other conditions of the Property, as well as all zoning requirements, federal, state and local laws, ordinances, rules, regulations, permits, licenses, approvals and orders applicable to the Property. In connection therewith, Buyer agrees as follows:

(a) There are no representations or warranties of any kind whatsoever, express or implied, made by Seller in connection with this Agreement, the purchase of the Property by Buyer, the suitability of the Property for Buyer’s intended use, the physical condition of the Property, the potential financial performance of the Property, zoning regulations, other governmental requirements, the ability of Buyer to obtain permits or entitlements for any proposed use or redevelopment of the Property, the existence or nonexistence of hazardous materials on the Property, the condition of title to the Property, geologic or soils conditions, location of property lines, size/square footage of the Property and improvements, water/utility use restrictions, or whether the Property complies with applicable laws or otherwise is appropriate for Buyer’s intended use;

(b) Buyer is not relying on any statement or representation of Seller, its employees, elected officials, consultants, agents or its representatives nor on any information supplied by Seller, its employees, elected officials, consultants, agents or its representatives;

(c) Buyer, in entering into this Agreement and in completing its purchase of the Property, is relying entirely on its own knowledge of and familiarity with the Property;

(d) Buyer is aware of the physical condition of the Property, the potential financial performance of the Property, zoning regulations, other governmental requirements, the ability of Buyer to obtain permits or entitlements for any proposed use or development of the Property, the existence or nonexistence of hazardous materials on the Property, the condition of title to the Property, geologic or soils conditions, location of property lines, size/square footage of the Property and improvements, water/utility use restrictions, whether the Property complies with applicable laws or otherwise is appropriate for Buyer's intended use, and other matters affecting the use and condition of the Property; and

(e) Buyer shall purchase the Property in its "as is" condition as of the date of Closing.

2.4 Buyer hereby specifically and irrevocably releases Seller, its council members, its officers, its employees (collectively, the "Released Parties") from any and all claims relating to the presence of Hazardous Materials existing on or under the Property, or the escape, seepage, leakage, spillage, discharge, emission or release of any Hazardous Materials from the Property, if any, including without limitation, any residual contamination, in, on, under or about the Property or affecting natural resources, whether prior to or following Closing, and also including, without limitation, any liability due to asbestos-containing materials at the Property. BUYER'S CLOSING HEREUNDER SHALL BE DEEMED TO CONSTITUTE AN EXPRESS WAIVER OF BUYER'S AND ITS SUCCESSORS' AND ASSIGNS' RIGHTS TO SUE SELLER WITH RESPECT TO ANY CLAIM EXPRESSLY RELEASED BY BUYER UNDER THIS SECTION 2.4 UNDER ANY FEDERAL, STATE OR LOCAL LAW, RULE, ACT, OR REGULATION NOW EXISTING OR HEREAFTER ENACTED OR AMENDED WHICH PROHIBITS OR REGULATES THE USE, HANDLING, STORAGE, TRANSPORTATION OR DISPOSAL OF HAZARDOUS MATERIALS OR WHICH REQUIRES REMOVAL OR REMEDIAL ACTION WITH RESPECT TO SUCH HAZARDOUS MATERIALS, SPECIFICALLY INCLUDING BUT NOT LIMITED TO FEDERAL "**CERCLA**", "**RCRA**", AND "**SARA**" ACTS. The acknowledgments of Buyer and the release contained in this Section of this Agreement shall survive Closing or termination of this Agreement.

3. CONDITIONS TO CLOSING. In addition to the requirements set forth in Section 4 below, Seller's obligation to render performance under this Agreement is subject to the following conditions precedent (and conditions concurrent, with respect to deliveries to be made by the parties at Closing), which conditions may be waived, or the time for satisfaction thereof extended by the Seller only in a writing executed by Seller:

3.1 The Final Map for the South Main Mixed-Use Project located at 1601 El Camino Real (the "Final Map") shall have been approved by the City of Redwood City, which map shall include a public access easement over the Property and Buyer shall have consented to the recordation of any other documents deemed necessary by the Seller to perfect the public access easement. Notwithstanding the foregoing, Seller agrees that the Closing may occur, and the

Deed may be recorded, prior to the recordation of the Final Map, as long as the following conditions are satisfied:

3.1.1 The City Council of the City has approved the Final Map;

3.1.2 The Deed and the Final Map (among other documents including Landscape Maintenance Agreements, Stormwater Treatment Measures Maintenance Agreements, Improvements in Right-of-way, Waiver, Release and Hold Harmless Agreements, Subdivision Improvement Agreements, and Regulatory Agreement and Declaration of Restrictive Covenants) will be recorded concurrently as part of a single closing, with the Deed being recorded first and the Final Map being recorded after the Deed but on the same day; and

3.1.3 Escrow instructions relating to the recording of the Deed and the Final Map have been approved by City, and require the Escrow Holder to cause the Deed and the Final Map to be recorded in the order described above.

3.2 The Buyer or its assignee shall have consented to the recordation of a landscape maintenance agreement on the Property requiring that the Buyer or its successors in interest comply with certain maintenance obligations in perpetuity.

4. CLOSING

4.1 Deposits Into Escrow.

4.1.1 At least one (1) business day prior to the Closing Date, Seller shall deposit into Escrow:

(a) A quitclaim deed conveying the Property to the Designated Grantee in the form attached hereto as Exhibit B (the “Deed”); and

(b) Such other closing documents or instrument as reasonably required by the Title Company or otherwise required to close Escrow and consummate the sale of the Property in accordance with this Agreement.

4.1.2 At least one (1) business day prior to the Closing Date, Buyer shall deposit into Escrow:

(a) The Final Map fully executed including any required tax certificate necessary for recordation of the Final Map;

(b) Funds in accordance with the provisions of Section 2.2;

(c) Executed originals of the Landscape Maintenance Agreement and any public access easement documents; and

(d) Such other closing documents or instrument as reasonably required by the Title Company or otherwise required to close Escrow and consummate the sale of the Property in accordance with this Agreement;

4.2 Prorations and Closing Costs.

4.2.1 Real estate taxes shall be prorated as of the Closing on the basis of the most recent tax statement for the Property. If prorations are not made on the basis of the current tax year or if supplemental taxes are assessed after the Closing for the period prior to the Closing, the parties shall make any necessary adjustment after Closing by cash payment upon demand to the party entitled thereto so that Seller shall have borne all taxes allocable to the period prior to the Closing (including all supplemental taxes which are allocable to the period prior to Closing) and Buyer shall bear all taxes allocable to the period after the Closing (including all supplemental taxes which are allocable to the period after the Closing).

4.3 Payment of Closing Costs. Buyer shall pay (a) Escrow's fees, (b) all premiums and other fees required by the Title Company to issue the Title Policy; (c) all recording fees and transfer taxes, and (d) any additional costs and charges customarily charged to buyers in accordance with common escrow practices in San Mateo County, California. Each party shall be responsible for paying its own costs of entering into this Agreement and consummating the transactions contemplated hereby.

4.4 Closing of Escrow.

4.4.1 Escrow Holder shall hold the Closing on the Closing Date if: (i) it has received in a timely manner all the funds and materials required to be delivered into Escrow by Buyer and Seller; and (ii) it has confirmed that the Title Company will issue the Title Policy to Buyer. Pursuant to Section 6045 of the Internal Revenue and Taxation Code, Escrow Holder shall be designated the "closing agent" hereunder and shall be solely responsible for complying with the tax reform act of 1986 with regard to reporting all settlement information to the Internal Revenue Service.

4.4.2 To Close the Escrow, Escrow Holder shall cause the Deed to be recorded and thereafter mailed to Buyer.

4.5 Failure to Close; Cancellation. If the Escrow Holder is not in a position to Close the Escrow on the Closing Date, then this Agreement shall terminate and Escrow Holder shall return to the depositor thereof any funds or other materials previously placed in Escrow and remaining in Escrow. Neither party shall have any further obligations pursuant to this Agreement, except that no such termination shall relieve either party of liability for any failure to comply with the terms of this Agreement.

4.6 Possession. Possession of the Property shall be delivered to the Designated Grantee upon Closing, free of any other rights of possession or occupancy except those in established by the Ground Lease.

5. GENERAL PROVISIONS

5.1 Counterparts; Electronic Signatures. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which, taken together, shall constitute one and the same instrument. If all parties agree, this Agreement may be signed electronically or digitally, and delivery by electronic means of pdf signatures or digital signatures

(such as signatures by DocuSign or other similar methods) shall be deemed to be delivery of originals. Each party intends to be bound by the signatures on the electronic document, is aware that the other parties will rely on the electronic signatures, and hereby waives any defenses to the enforcement of the terms of this Agreement based on the use of an electronic signature. After all parties agree to the use of electronic signatures, all parties must sign the document electronically.

5.2 Entire Agreement. This Agreement contains the entire integrated agreement between the parties respecting the subject matter of this Agreement and supersedes all prior and contemporaneous understandings and agreements, whether oral or in writing, between the parties respecting the subject matter of this Agreement.

5.3 Legal Advice; Neutral Interpretation; Headings. Each party has received independent legal advice from its attorneys with respect to the advisability of executing this Agreement and the meaning of the provisions hereof. The provisions of this Agreement shall be construed as to their fair meaning, and not for or against any party based upon any attribution to such party as the source of the language in question.

5.4 Choice of Law. This Agreement shall be governed by the laws of the State of California. Any action brought to interpret or enforce this Agreement shall be brought in the courts in the County of San Mateo.

5.5 Severability. If any term, covenant, condition or provision of this Agreement, or the application thereof to any person or circumstance, shall to any extent be held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, covenants, conditions or provisions of this Agreement, or the application thereof to any person or circumstance, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

5.6 Waivers. The waiver by one party of the performance of any covenant, condition or promise under this Agreement shall not invalidate this Agreement nor shall it be considered a waiver by it of any other covenant, condition or promise under this Agreement.

5.7 Amendment. This Agreement may be amended at any time, but only by the written agreement of Buyer and Seller.

5.8 Relationship of Parties. The parties agree that their relationship is that of seller and buyer, and that nothing contained herein shall constitute either party the agent or legal representative of the other for any purpose whatsoever, nor shall this Agreement be deemed to create any form of business organization between the parties hereto.

5.9 Time of the Essence. Time shall be of the essence as to all dates and times of performance, whether contained herein or contained in any escrow instructions to be executed pursuant to this Agreement.

5.10 Further Acts. Each party agrees to perform any further acts and to execute, acknowledge and deliver any documents, which may be reasonably necessary to carry out the provisions of this Agreement.

5.11 Brokers. Buyer and Seller each represent and warrant to the other that, except as stated in the preceding sentence, (a) they have not dealt with any brokers or finders in connection with the purchase and sale of the Property, and (b) insofar as such party knows, no broker or other person is entitled to any commission or finder's fee in connection with the purchase and sale of the Property. Seller and Buyer each agree to indemnify and hold harmless the other against any loss, liability, damage, cost, claim or expense incurred by reason of any brokerage fee, commission or finder's fee payable or alleged to be payable to any broker or finder because of any agreement, act, omission or statement of the indemnifying party.

5.12 Manner of Giving Notice. All notices and demands which either party is required or desires to give to the other shall be given in writing by personal delivery, certified U.S. mail return receipt requested, or express courier service to the address set forth below for the respective party, provided that if any party gives notice of a change of name or address, notices to that party shall thereafter be given as demanded in that notice. All notices and demands so given shall be effective upon receipt by the party to whom notice or a demand is being given.

To Seller:	City of Redwood City 1017 Middlefield Road Redwood City, CA 94063 Attn: City Manager
With a copy to:	City of Redwood City 1017 Middlefield Road Redwood City, California 94063 Attn: City Attorney
To Buyer:	c/o IQHQ, Inc. 674 Via de la Valle, Suite 206 Solana Beach, CA 92075 Attn: Legal Department Email: legal@iqhqreit.com
With a copy to:	Holland & Knight LLP 400 South Hope Street, 8th Floor Los Angeles, California 90071 Attn: Douglas Praw Email: doug.praw@hkllaw.com

[Signatures appear on the following page.]

IN WITNESS WHEREOF, the parties have duly executed this Agreement effective as of the Effective Date.

SELLER:

CITY OF REDWOOD CITY,
a charter city and municipal corporation

By: _____
Name: _____
Title: _____
Date of Execution: _____

ATTEST:

Pamela Aguilar, City Clerk

BUYER:

IQHQ TRS ELCO YARDS, INC.,
a Delaware corporation

By: _____
Name: _____
Title: _____
Date of Execution: _____

DESIGNATED GRANTEE HEREBY SIGNS THIS AGREEMENT FOR THE SOLE PURPOSE OF INDICATING ITS AGREEMENT TO ACCEPT THE CONVEYANCE OF THE PROPERTY AND ITS AGREEMENTS STATED IN SECTION 1.3 OF THIS AGREEMENT.

BENJAMIN KOPF HOLDING CO.,
a California corporation

By: _____
Name: _____
Title: _____
Date of Execution: _____

EXHIBIT A

PROPERTY DESCRIPTION

All that Fractional Block 58 as shown on the map entitled "Eastern Addition to Redwood City", filed in the office of the Recorder of the County of San Mateo, State of California on November 3, 1862 in Book 2 of Miscellaneous Records, Page 85 and a copy entered in Book 1 of Maps, page 81 and also in [Book 18 of Maps, Page 6](#).

Together With the Southwesterly one-half of Shasta Street formerly Cooper Street, as said street is shown on said map of Eastern Addition to Redwood City.

APN: 053-187-010
JPN: 053-018-187-01 A

EXHIBIT B

FORM OF QUITCLAIM DEED

RECORDING REQUESTED BY:)
)
 Holland & Knight LLP)
 400 South Hope Street, 8th Floor)
 Los Angeles, California 90071)
 Attn: Douglas Praw, Esq.)
)
 WHEN RECORDED, MAIL DOCUMENT)
 AND TAX STATEMENTS TO:)
)
 IQHQ Elco Yards, LP)
 674 Via de la Valle, Suite 206)
 Solana Beach, CA 92075)
 Attn: Legal Department)
)

APN: 053-187-010

(Space Above For Recorder's Use)

The undersigned Grantor declares:

Documentary Transfer Tax is: \$ _____
City Tax is: \$ _____

- Computed on the consideration or value of property conveyed; OR
- Computed on the consideration or value less liens or encumbrances remaining at time of sale.
- Unincorporated Area City of _____

QUITCLAIM DEED

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

CITY OF REDWOOD CITY,
a charter city and municipal corporation

hereby **REMISES, RELEASES AND FOREVER QUITCLAIMS** to

BENJAMIN KOPF HOLDING CO.,
a California corporation

all right, title and interest in and to that certain real property, situated in the City of Redwood City, County of San Mateo, State of California, described more particularly in Exhibit A attached hereto.

Dated: _____, 2022

CITY OF REDWOOD CITY,
a charter city and municipal corporation

By: _____
Name: _____
Title: _____
Date of Execution: _____

EXHIBIT A
LEGAL DESCRIPTION

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