

## EXCLUSIVE NEGOTIATING AGREEMENT

This Exclusive Negotiating Agreement (“Agreement”) is made as of \_\_\_\_\_, 2022 (the “Agreement Date”), by and between St. John's Retirement Village, a California nonprofit public benefit corporation (“Owner”), and the County of Yolo, a political subdivision of the State of California (“County”).

### RECITALS

A. The Owner is the fee owner of that certain real property identified as 135 Woodland Avenue, Woodland, CA 95695 and consisting of two parcels, Yolo County Assessor Parcel Number (APN) 005-720-027 and APN 005-720-028) in Woodland, California (the “Property”).

B. The Owner currently operates a State-licensed residential care facility for the elderly ("RCFE") on the Property, which is in the process of being closed pursuant to a closure plan approved by the California Department of Social Services ("DSS").

C. The parties are entering into this Agreement to allow the County to determine the feasibility of purchasing the Property consistent with the Letter of Intent (“LOI”) dated March 18, 2022, which is attached hereto as Exhibit A and incorporated herein by reference.

NOW, THEREFORE, for good and valuable consideration, the Owner and County hereby agree as follows:

1. Agreement to Negotiate. The Owner and County agree that for the Term of this Agreement, they shall negotiate diligently and in good faith to determine the feasibility and terms of the County’s acquisition of the Property with the intention of developing a Purchase and Sale Agreement (“PSA”). During the Term, Owner agrees to negotiate exclusively with the County, and not with any other person or entity, regarding the disposition and sale of the Property.

2. Term. The term of this Agreement (“Term”) shall begin on the Agreement Date and shall terminate on the earlier of: (i) the date the Board of Supervisors approves or disapproves a PSA; or (ii) May 15, 2022, or (iii) by mutual agreement of Owner and County. The Term may be extended by mutual written amendment to this Agreement.

3. Advance of Funds. The County acknowledges that the RCFE and the Property is currently operating at a financial loss, which financial loss will increase to Owner as residents move out and monthly fee revenues decline. County further acknowledges that Seller requires continued cash flow to meet its obligations and assure the safe placement and care of all residents of the RCFE, who are elderly residents of Yolo County. Owner requires an advance of funds to complete the orderly closing of the RCFE prior to finalizing a PSA and to protect vulnerable elderly residents in Yolo County. Accordingly, County agrees to advance Four Hundred Thousand Dollars and 00/100 (\$400,000.00) (“Advance”) to Owner on or before April

15, 2022 by wire transfer, which Advance will be secured by a deed of trust on the Property, to assist with winding up of RCFE operations and continued maintenance of the Property while the parties negotiate a PSA with a purchase price and on other terms to be mutually agreed upon by Owner and County.

- a. The Advance by the County shall be subject to the terms of: (a) a promissory note ("Note"), (b) a deed of trust, securing the promissory note, recorded in the official records of the County Recorder of Yolo County, California, and (c) this Agreement, which together with all other related documents and instruments required by the County are collectively referred to as the "Advance Documents." Owner shall be permitted to use the Advance to assist with winding up of RCFE operations and continued maintenance of the Property.
- b. The full amount of the Advance shall be forgiven and the promissory note shall be cancelled if escrow successfully closes on the Property with title vesting free and clear in the County by May 15, 2022 or on such other date as may be mutually agreed upon by Owner and County, in which case County shall forgive any and all amounts otherwise due under the Note, the Note shall be cancelled and returned to Owner, and the Property shall be released from the deed of trust as of the date of such sale to the County in accordance with the terms of the PSA.

4. Owner Responsibility. Owner shall work with the County in good faith to provide records and information requested by the County related to the Property, including the providing County with copies of leases, subleases, licenses, or other occupancy agreements relating to the Property and any other documents or information that may be reasonably requested by Buyer regarding the Property from time to time as set forth in Paragraph 4 of the LOI.

5. Costs and Expenses. Each party shall be responsible for its own costs and expenses in connection with any activities and negotiations undertaken in connection with the performance of its obligations under this Agreement, and agrees that it shall receive no compensation from the other party for any activities performed in connection with this Agreement.

6. Notices. All notices or other communications required or permitted hereunder shall be in writing, and shall be personally delivered or sent by registered or certified mail, postage prepaid, return receipt requested, or electronic mail, shall be deemed received upon (i) if personally delivered, the date of delivery to the address of the person to receive such notice, (ii) if mailed, three (3) business days after the date of posting by the United States post office, (iii) if given by electronic mail, when sent, or (d) if delivered by overnight delivery, one (1) business day after mailing. Any notice, request, demand, direction or other communication sent by

electronic mail must be confirmed by letter mailed or delivered within two (2) business days of such electronic mail notice in accordance with subsection (i) or (ii).

To Owner: St. John's Retirement Village  
135 Woodland Avenue  
Woodland, CA 95695  
Attn: Bill Scharbach, David Reimer, Scot Sinclair and Marilyn Mitchell  
Email: [BScharbach@sjrv.org](mailto:BScharbach@sjrv.org); [david@peerservicesinc.com](mailto:david@peerservicesinc.com); [scot@peerservicesinc.com](mailto:scot@peerservicesinc.com); and [Mmitchell.woodland@gmail.com](mailto:Mmitchell.woodland@gmail.com)

To County: County of Yolo  
County Administrator's Office  
625 Court Street Woodland, CA 95695  
Attn: Chad Rinde and Mindi Nunes  
Email: [Chad.Rinde@yolocounty.org](mailto:Chad.Rinde@yolocounty.org); [Mindi.Nunes@yolocounty.org](mailto:Mindi.Nunes@yolocounty.org), and [Philip.Pogledich@yolocounty.org](mailto:Philip.Pogledich@yolocounty.org)

7. Default. Failure by either party to negotiate in good faith or to perform any other of its duties as provided in this Agreement shall constitute an event of default under this Agreement. The non-defaulting party shall give written notice of a default to the defaulting party, specifying the nature of the default and the action required to cure the default. If the default remains uncured thirty (30) days after the date of such notice, then the sole remedy of the non-defaulting party shall be to terminate this Agreement upon thirty (30) days' prior notice to the defaulting party; provided that if the nature of such default is such that the same cannot reasonably be cured within such thirty (30) day period, a party shall not be deemed to be in default if it diligently commences such cure within such period and thereafter diligently proceeds to rectify and cure such default. Following such termination, neither party shall have any further rights, remedies or obligations under this Agreement. Neither party shall have any liability to the other for monetary damages or specific performance for the breach of this Agreement, and each party hereby waives and releases any such rights or claims it may otherwise have at law or at equity.

8. Limitations of this Agreement. By its execution of this Agreement and advance of funds provided herein, the County is not committing itself to: (i) acquiring the Property, or (ii) any other acts or activities requiring the independent exercise of discretion by the County, its Board of Supervisors, or any other commission, agency, or department thereof. This Agreement does not constitute an exercise of control over the Property by the County. Execution of this Agreement is merely an agreement to enter into a period of exclusive negotiations according to the terms of this Agreement, the LOI, and the related Advance Documents while reserving final discretion and approval by the Board of Supervisors as to approval of a PSA or other appropriate agreement and all proceedings and decisions in connection with the County's potential acquisition of the Property.

9. Authorization. Owner and County each has full power and authority to execute and deliver this Agreement and all related documents. This Agreement is valid, binding and enforceable against Owner and County in accordance with its terms, except as such enforceability may be limited by creditors' rights laws or general principals of equity.
10. Time of Essence. Time is of the essence in the performance of this Agreement.
11. Attorneys' Fees. In the event any dispute between Owner and County results in litigation, the prevailing party shall be reimbursed for all reasonable costs, including, but not limited to, reasonable attorneys' fees and consultants' fees and reimbursable costs and expenses, whether at trial, upon appeal or otherwise.
12. Severability. If any term or provision of this Agreement shall to any extent be held invalid or unenforceable, the remaining terms and provisions of this Agreement shall not be affected thereby, but each term and provision shall be valid and be enforced to the fullest extent permitted by law.
13. Counterparts. This Agreement may be executed in counterparts and delivered by facsimile or electronic mail with the same effect as if all parties had executed the same document. All such counterparts shall be construed together and shall constitute one instrument.

*[Signatures on Following Page]*

In witness whereof, the parties have executed this Agreement as of the Agreement Date.

COUNTY OF YOLO, a political subdivision of  
the State of California

ST. JOHN'S RETIREMENT VILLAGE, a  
California nonprofit public benefit corporation

By: \_\_\_\_\_  
Angel Barajas, Chair  
Board of Supervisors

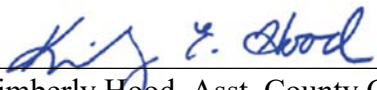
By: \_\_\_\_\_  
Marilyn Mitchell, President of the Board

ATTEST: Clerk of the Board  
Julie Dachtler, Senior Deputy Clerk  
Yolo County Board of Supervisors

By: \_\_\_\_\_  
David Reimer, Interim Executive Director

By: \_\_\_\_\_  
Deputy (Seal)

APPROVED AS TO FORM:  
Philip J. Pogledich, County Counsel

By:   
Kimberly Hood, Asst. County Counsel

# **EXHIBIT A**



135 Woodland Ave. • Woodland, CA 95695 • www.sjrv.org

March 18, 2022

Chad Rinde  
Interim County Administrator  
County of Yolo  
625 Court Street, Suite 202  
Woodland, CA 95695

**Re: Letter of Intent to Sell APN 005-720-027 and APN 005-720-028 (135 Woodland Ave., Woodland, CA 95695)**

Dear Mr. Rinde:

This Letter of Intent ("LOI") outlines the key terms and conditions under which St. John's Retirement Village, a California nonprofit public benefit corporation ("Seller"), is prepared to negotiate a mutually acceptable agreement ("Agreement") for the sale of real property to the County of Yolo, a California public agency ("Buyer").

**1. Property.** The "Property" consists of the improved real property and fixtures and equipment and other contents (excluding personal property owned by third parties) comprising St. John's Retirement Village and located at 135 Woodland Ave., Woodland, CA 95695 (APN 005-720-027 and APN 005-720-028). The Property includes the structures identified on the attached map (Exhibit 1).

**2. Purchase Price; Escrow.** Buyer will pay Seller a purchase price (the "Purchase Price") of \$2,500,000, irrespective of the fair market value in recognition of the other consideration provided by County herein and public benefits of County's future use of the Property. Subject to Section 12 below, the full Purchase Price will be payable by wire transfer at the Closing, defined below. A good faith deposit equal to Fifty thousand dollars (\$50,000) shall be deposited in escrow within three (3) days after signing the Agreement. The good faith deposit shall be applied to the Purchase Price at the Closing (defined below). The deposit shall be refundable until the expiration of the Feasibility Period (defined below).

**3. Sale Agreement.** Within twenty (20) days after full execution of this LOI, Buyer shall provide an initial draft of the Agreement reflecting the terms contained herein, for review by Seller. The Agreement shall contain customary representations, warranties, conditions, and indemnifications. Buyer will prepare the form of the Agreement and submit for Buyer's review. Buyer and Seller shall cooperate to negotiate a mutually acceptable Agreement and will use their best efforts to have such an Agreement approved by the Board of Supervisors not later than April 12, 2022.

**4. Due Diligence.**

(a) Buyer shall complete any due diligence regarding the Property within forty-five (45) days after full execution of this LOI (the "Feasibility Period"). All reports and tests shall be obtained at Buyer's expense, and Buyer shall be responsible for any damage that it or its agents cause to the Property. Subject to the Section 5, Buyer shall be entitled to enter the Property at reasonable times and upon reasonable notice to Seller to conduct such

**St. John's Retirement Village, Inc.**

Phone: 530.662.1290  
Fax: 530.662.4639

**A Non-Profit Charitable Organization**

RCFE #570300654  
SNF #100000099

examinations, inspections or tests as Buyer deems appropriate, including without limitation environmental assessments, surveys, and other physical investigations of the Property.

(b) Within twenty (20) days after full execution of this LOI, Seller shall deliver to Buyer copies of all leases, subleases, licenses, or other occupancy agreements relating to the Property and any amendments thereto (excluding any agreements with RCFE residents), copy of any easement agreements or other recorded or unrecorded agreements governing the Property, copies of all current management contracts, maintenance and repair contracts and equipment warranties related to the Property, architectural, engineering, construction, pay off information concerning any mortgages or deeds of trusts on the Property, and any other documents or information that may be reasonably requested by Buyer regarding the Property from time to time.

(c) At any time during the Feasibility Period, Buyer may, in its sole discretion and without penalty, terminate the transaction by written notice to Seller and be refunded its \$50,000 good faith deposit.

**5. RCFE Closure; Entry.** Buyer recognizes that the State-licensed residential care facility for the elderly ("RCFE") on the Property is in the process of being closed pursuant to a closure plan approved by the California Department of Social Services ("DSS"). Buyer understands that until approximately late April, Seller will continue to operate the Property to care for older persons. Buyer agrees that its entry on the Property, including inspections, will be conducted with this fact in mind and Buyer will not attempt to enter any resident-occupied area without Seller's prior consent or otherwise disrupt RCFE operations.

**6. Assumption of Lease.** Buyer will assume that lease agreement dated as of July 28, 2021 between Seller and Dignity Health for use of the Stollwood building on the Property as an adult day health center.

**7. Leaseback or License of Portions of Property.** For a period of up to six months after the Closing, Seller shall be permitted to use the accounting office space and two cottages at the Property to wind up the operations of the RCFE on the Property. For a period of twelve months after the Closing, Seller shall be permitted to use three existing storage locations on the Property, as identified on the attached map (Exhibit 2) for records storage.

**8. No Financing Contingency.** There shall be no financing contingency.

**9. Board Approvals.** The Agreement and the consummation of the transactions described therein shall be subject to approval by the Board of Directors of Seller and the Board of Supervisors of Buyer.

**10. Closing.** Unless extended by mutual written agreement, and provided that Buyer has furnished written notice of satisfaction or waiver of all contingencies set forth in the Agreement, the closing of the sale of the Property (the "Closing") shall occur within thirty (30) days after completion of the Feasibility Period or by May 15, 2022, whichever occurs first, provided that all residents of the RCFE have been relocated before the Closing. The Closing will be conditioned on Seller being able to deliver the Property vacant with no remaining RCFE residents.

**11. Secured Loan.** Buyer acknowledges that the RCFE on the Property is currently operating at a financial loss, which loss will increase as residents move out and monthly fee

revenues decline. Buyer acknowledges that Seller requires continued cash flow to meet its obligations and assure the safe placement and care of all residents of the RCFE, who are elderly residents of Yolo County. Accordingly, and subject to approval by Buyer and Seller's governing boards (as provided in Section 9 above), Buyer agrees to loan to Seller the sum of \$400,000 as an interest-free loan (the "Loan"), with Loan proceeds to be funded to Seller by April 15, 2022. The Loan shall be evidenced by a promissory note secured by a deed of trust on the Property. The Loan shall be forgiven by the County with the Closing. Payments on the Loan will be deferred until the sale or transfer of the Property. If, for any reason, Buyer does not purchase the Property, payments shall continue to be deferred; payment on the unpaid principal balance of the Loan shall be due and payable when the Property is sold or transferred. The parties acknowledge and agree that the Loan serves the public purpose of protecting vulnerable elders in Yolo County.

**12. Costs; Taxes; Fees.** The parties shall bear their own legal, accounting, administrative, and other fees and costs in connection with this LOI, the Agreement, due diligence, and the transactions contemplated by this LOI or the Agreement. Any property taxes, in-lieu taxes, or assessments shall be prorated between Buyer and Seller as of the Closing. Seller shall pay all transfer taxes. Buyer and Seller shall each pay one-half of title insurance premiums and escrow fees.

**13. Assignment.** Buyer shall, with Seller's written approval, have the right to assign its rights and obligations under this LOI and the Agreement to another legal entity.

**14. Governing Law.** This LOI shall be governed by California law.

**15. No Broker.** The parties agree that no broker was involved in this transaction.

**16. Notices.** If to Buyer:

County of Yolo  
Attention: Chad Rinde, Interim County Administrator  
625 Court Street, Suite 202  
Woodland, CA 95695  
Telephone: (530) 666-8150  
Email: [Chad.Rinde@yolocounty.org](mailto:Chad.Rinde@yolocounty.org);  
[Philip.Pogledich@yolocounty.org](mailto:Philip.Pogledich@yolocounty.org)

If to Seller:

St. John's Retirement Village  
Attention: \_\_\_\_\_  
135 Woodland Ave.  
Woodland, CA 95695  
Telephone: \_\_\_\_\_  
Email: \_\_\_\_\_

**17. Confidentiality.** The parties shall maintain the confidentiality of the terms and conditions of the proposed transactions, this LOI, and the transaction documents; *provided, however,* that either party may disclose the terms hereof to its agents, attorneys, or advisors as it deems reasonably necessary to complete the sale described herein or as required by law (including requirements of the Ralph M. Brown Act and the California Public Records Act).

**18. Legal Effect.**

(a) Buyer and Seller acknowledge that the transaction contemplated hereby involves terms and conditions which have not yet been agreed upon and that this LOI is not intended to be a complete or definitive statement of all terms and conditions of the proposed transaction, but that it contemplates and is subject to the negotiation and execution of the Agreement. Except as provided in Sections 12, 13, 14, 15, or 17 above, neither Buyer nor Seller shall be legally bound in any manner or have any obligation to the other unless and until the Agreement has been approved by Buyer and Seller's governing boards (as provided in Section 9 above) and executed and delivered by all parties. The provisions of Sections 12, 13, 14, 15, and 17 above are intended to be and shall be legally binding on all the parties.

(b) Prior to execution and delivery of the Agreement, this LOI constitutes the entire understanding between the parties with respect to the proposed transaction. This LOI shall not be modified, revised, or voided except by an express written instrument executed by both parties. Upon execution and delivery of the Agreement, this LOI shall automatically terminate.


(c) This LOI shall terminate one hundred eighty (180) days after the date of this LOI if Buyer and Seller have not entered into a binding Agreement.

If the foregoing accurately describes your present intention concerning this transaction, please sign the enclosed counterpart of this LOI and return it to the undersigned on or before March 23, 2022, by 5:00 p.m. Pacific Time.

Thank you for your kind consideration.


Sincerely,

SELLER: St. John's Retirement Village, a California nonprofit public benefit corporation

By:   
Chair, [title]

Accepted and agreed to by Buyer on March \_\_\_\_, 2022.

BUYER: County of Yolo, a California public agency

By: 

Its: INTERIM COUNTY ADMINISTRATOR

**Board of Directors Resolution  
Adoption of Letter of Intent**

The Board of Directors of St. John's Retirement Village hereby adopts the following Resolution on **16 March 2022**.

St. John's Retirement Village desires to enter into an agreement with the County of Yolo, a California public agency, for the sale of properties identified as APN 005-720-027 and APN 005-720-028 (135 Woodland Ave., Woodland, CA 95695)

BE IT RESOLVED, that St. John's Retirement Village hereby adopts the Letter of Intent (LOI) dated **16 March 2022** which outlines the chief terms of the prospective sale of above referenced property.

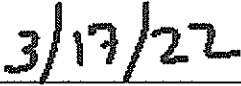
BE IT FURTHER RESOLVED, that the Interim Executive Director and the Board Chairperson of St. John's Retirement Village are hereby authorized and directed to execute such documents as are necessary to carry out the purpose of this resolution.

BE IT FURTHER RESOLVED, that the Board Chairperson is hereby authorized to appoint individuals authorized to act on behalf of St. John's Retirement Village for the purpose of carrying out this resolution.

Certification

It is hereby certified by the undersigned that the foregoing resolution was duly passed by the Board of Directors of St. John's Retirement Village on **16 March 2022**, in accordance with the Bylaws of the organization and that the said resolution has been duly recorded in the minutes of such meeting.

  
\_\_\_\_\_  
Jenee Rawlings, Board Secretary

  
\_\_\_\_\_  
Date