

### THIRD AMENDMENT TO PURCHASE AND SALE AGREEMENT

This THIRD AMENDMENT TO PURCHASE AND SALE AGREEMENT (the “**Amendment**”) is made and entered into on October \_\_, 2020 (the “**Effective Date**”) by and between the CITY OF MERCED, a California Charter Municipal Corporation (“**Seller**”) and VALLEY CHILDREN’S HOSPITAL, a California non-profit public benefit corporation (“**Buyer**,” and together with Seller, the “**Parties**,” and each a “**Party**”).

#### RECITALS

A. Valley Children’s Hospital and Seller are parties to that certain Purchase and Sale Agreement dated as of April 18, 2019 (the “**Original Agreement**”), as amended by that certain letter Amendment dated as of February 12, 2020 (“**First Amendment**”), as amended by that certain letter Amendment dated as of March 16, 2020 (“**Second Amendment**”). The Original Agreement, as amended by the First Amendment, the Second Amendment and this Amendment, is referred to herein as the “**Agreement**.” On or about May 21, 2019, all right, title and interest to purchase the subject property pursuant to the Agreement was assigned by Valley Children’s Hospital to the Buyer.

B. The Parties now mutually desire to modify the terms of the Original Agreement as provided herein.

#### AGREEMENT

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements contained in this Amendment and the Agreement, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Buyer and Seller hereby agree as follows:

1. **Recitals; Defined Terms.** The foregoing recitals are true and correct and are incorporated herein by reference. Capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in the Original Agreement, as amended.

2. **Construction Obligation.** The Parties agree that certain timeframes within the Original Agreement should be changed to accommodate the effects of the pandemic, Covid 19. The Parties hereby amend Section 10 of the Original Agreement to change the date by which Buyer agrees to obtain all necessary building permits and commence construction of the Project as described in Attachment “C” to the Original Agreement from “within twelve (12) months of the close of escrow” to “within twenty four (24) months of the close of escrow.” The Parties also hereby amend Section 10 of the Original Agreement to agree that the time period by which the failure of Buyer to commence construction of the Project gives Seller the right and option to repurchase the Subject Property shall be changed from “within said twelve (12) month period” to “within said twenty (24) month period.”

3. **Close of Escrow.** The Parties hereby amend the date for the close of escrow set forth in Section 3 of the Original Agreement to on or before October 30, 2020.

4. **No Additional Easements or Restrictions.** Section 4(g) of the Agreement requires that Buyer and Seller agree upon the location and scope of any additional easements or restrictions to be placed on the Property. Buyer and Seller hereby agree that no additional easements or restrictions are required to be placed on the Property pursuant to the Agreement.

5. **Repurchase Rights.** Sections 5 and 10 of the Agreement provide the Seller a right to repurchase the Property for the Purchase Price minus broker's commission in the event that Buyer does not commence construction of Buyer's project on the Property within twelve (12) months, now amended herein to twenty four (24) months, of the Close of Escrow ("Repurchase Right"). Section 8 of the Agreement requires that the Grant Deed conveying the Property to Buyer shall contain the Repurchase Right. The Parties agree that Section 8 of the Agreement shall be amended to add to the end of Section 8 the following sentence: "The Parties agree that the form of Grant Deed shall be in the form attached hereto as **Attachment D** and incorporated herein." The Parties agree that the following sentence shall be added to the end of Section 10 of the Agreement: "Upon Buyer's fulfillment of its obligation to: (i) commence construction pursuant to Sections 5 and 10 of this Agreement (as such covenant is defined as the "Covenant to Construct" in the Grant Deed); and separately, (ii) not transfer title prior to the completion of the main building on the Property (as such covenant is defined as the "Covenant Not to Convey" in the Grant Deed), Seller will execute and record a Notice of Satisfaction of Certain Obligation and Release and Quitclaim of Covenant against the Property, in the form attached hereto as **Attachment E** and incorporated herein, pursuant to the terms set forth in the Grant Deed and provide all other documentation required by the Title Company in order to clear title of the Covenant to Construct and the Covenant Not to Convey (as defined in the Grant Deed) to the satisfaction of Buyer and the Title Company."

6. **Effect of Amendment.** Except as expressly modified by this Amendment, the Agreement shall continue in full force and effect according to its terms, and the Parties hereby ratify and affirm all their respective rights and obligations under the Agreement. In the event of any conflict between this Amendment and the Agreement, this Amendment shall govern.

7. **Entire Agreement; Amendment.** The Agreement contains all of the agreements of the Parties with respect to the matters contained herein and no prior or contemporaneous agreement or understanding, oral or written, pertaining to any such matters shall be effective for any purpose. No provision of the Agreement may be modified, waived, amended or added to except as set forth in Section 17 of the Original Agreement.

8. **Governing Law.** This Amendment and each and every related document are to be governed by, and construed in accordance with, the laws of the State of California.

9. **Execution in Counterparts.** This Amendment may be executed in multiple counterparts, including the transmission of counterparts by facsimile or electronic mail, each of which shall constitute an original, but all of which shall collectively constitute one agreement.

IN WITNESS WHEREOF, the Parties have executed this Amendment as of the dates set forth below.

**“BUYER”**

Date: October 14, 2020

**VALLEY CHILDREN’S HOSPITAL**  
a non-profit public benefit corporation

By: Valley Children’s Healthcare ,  
a California nonprofit public benefit  
corporation  
Member

By: \_\_\_\_\_

Name: Todd A. Suntrapak

Title: President and Chief Executive Officer

**“SELLER”**

Date: October \_\_, 2020

**CITY OF MERCED,**  
a California Charter Municipal Corporation

\_\_\_\_\_  
City Manager


ATTEST  
CITY CLERK

Date: October \_\_, 2020

\_\_\_\_\_  
Assistant/Deputy City Clerk

APPROVED AS TO FORM:

Date: October 15, 2020

\_\_\_\_\_  
City Attorney

ACCOUNT DATA:

Date: October \_\_, 2020

\_\_\_\_\_  
Finance Officer

**ATTACHMENT D**

FORM OF GRANT DEED

**RECORDING REQUESTED BY:**

City of Merced  
City Clerk's Office  
678 W. 18<sup>th</sup> Street  
Merced, CA 95340

**AND WHEN RECORDED MAIL TO:**

Valley Children's Hospital  
9300 Valley Children's Place  
Madera, California 93636  
Attn: William E. Chaltraw

**MAIL TAX STATEMENTS TO:**

(Same as above)

---

APN: 231-040-021

(Above Space for Recorder's Use Only)

**The undersigned declares exemption under the following:**

Pursuant to Revenue and Taxation Code section 11929 no transfer tax is due. Grantor is a governmental agency and Grantee is a nonprofit corporation.

The undersigned grantor(s) declare(s):

Documentary Transfer Tax is \$ 0

- ☐ Computed on full value of property conveyed, or
- ☐ Computed on full value less value of liens and encumbrances remaining at time of sale.
- ☐ Unincorporated area / ☐ Grantor of Merced

**GRANT DEED**

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, City of Merced, a California Charter Municipal Corporation ("**Grantor**"), does hereby grant to Valley Children's Hospital, a California nonprofit public benefit corporation ("**Grantee**"), the real property in the County of Merced, State of California, described on Exhibit "A" attached hereto and by this reference incorporated herein (the "**Property**").

Grantor and Grantee entered into that certain Purchase and Sale Agreement dated as of April 18, 2019 (as amended and assigned, the "**Purchase Agreement**") pursuant to which certain covenants of Grantee survive closing.

1. Covenant to Construct. A material consideration to Grantor's conveyance of the Property to Grantee is Grantee's development of the Property with a medical clinic ("**Project**"). Grantee expressly covenants and agrees for itself, its successors and assigns and all persons

claiming under or through it, that as to the Property, the Commencement of Construction on the Project ("**Covenant to Construct**") shall occur no later than twenty-four (24) months after the Effective Date, defined below ("**Pre-Construction Period**"). The term "**Commencement of Construction**" shall mean the date upon which the written Notice to Proceed has been issued for construction to the design builder for the Project. In the event that Commencement of Construction of the Project does not occur on or before the expiration of the Pre-Construction Period, the Grantor shall have, as its sole and exclusive remedy (in accordance with the terms and conditions set forth in the Purchase Agreement), the right and option to repurchase the Property as set forth herein ("**Repurchase Option**").

(a) Term of Covenant to Construct. The term of this Covenant to Construct shall commence on the recordation date of this Grant Deed ("**Effective Date**") and shall expire upon: (i) the Commencement of Construction; (ii) if construction is not commenced on or before the Pre-Construction Period, and the Grantor elects to exercise the Repurchase Option, then upon the Grantor's exercise of the Repurchase Option; or (iii) if construction is not commenced on or before the Pre-Construction Period, then upon the expiration of the Option Period if the Repurchase Option is not exercised. Upon the expiration of the Repurchase Option under subsection (i) and (iii), Grantor shall deliver to Grantee for recordation within five (5) days after receipt of a written request therefor, the Notice of Satisfaction of Certain Obligations and Release and Quitclaim of Covenant, in the form attached hereto as **Exhibit B** and incorporated herein, executed and in recordable form releasing Grantee from the Covenant to Construct and terminating the Covenant to Construct with respect to the Property and releasing and quitclaiming all rights, interest and title in the Repurchase Option.

(b) Exercise of Repurchase Option. In the event that Commencement of Construction fails to occur by the expiration of the Pre-Construction Period, Grantor shall have seven (7) days after the expiration of the Pre-Construction Period to exercise its Repurchase Option with respect to the Property ("**Option Period**") by delivering written notice of exercise to Grantee within such seven (7) day period ("**Notice of Exercise**"). If Grantor fails or elects not to exercise its Repurchase Option as to the Property on or before the expiration of the Option Period, then the Repurchase Option shall automatically expire and Grantor shall not be entitled to exercise its Repurchase Option as to the Property thereafter.

(c) Repurchase Price. The price ("**Repurchase Price**") at which Grantor shall be entitled to repurchase the Property shall be the Purchase Price as defined under the Purchase Agreement minus the Broker's commission paid under the Purchase Agreement. The Repurchase Price shall not include: (i) any interest on the Purchase Price paid by Grantee under the Purchase Agreement; (ii) any compensation for appreciation in the Property, reimbursement for any improvements installed by Grantee on the Property; (iii) any costs incurred by Grantee in the development of the Property; or (iv) City, County or other taxes or assessments levied or assessed against the Property.

2. Covenant Not to Convey. The Grantor desires that Grantee shall not convey the Property prior to the completion of construction of the first main building of the Project without the Grantor's consent. For the purposes of this Covenant Not to Convey: (i) the defined term "**Completion of Construction**" shall mean the date upon which a Certificate of Occupancy has been issued for at least one main building in the Project; and (ii) the term "convey" or

“conveyance” shall mean and refer to any conveyance, transfer or assignment of fee title to the Property, or any portion thereof, whether by agreement (such as a deed, contract of sale, or otherwise) or by operation of law; provided, however, that notwithstanding the foregoing, the term “convey” or “conveyance” shall not include or refer to any assignment or transfer by Grantee of any interest in the Property, or any portion thereof to any party with whom there is a common ownership interest with Grantee and/or any party with fifty percent (50%) or more control in or by Grantee or Valley Children’s Medical Group and shall not preclude Grantee’s right to encumber the Property, or any portion thereof, by loan(s) secured by deeds of trust (“**Permitted Transferee(s)**”). Grantee expressly covenants and agrees for itself, its successors and assigns and all persons claiming under or through it, that during the Non-Conveyance Period (defined below), Grantee shall not convey all or any portion of the Property to any party without Grantor’s prior written approval, which approval may be withheld in Grantor’s sole and absolute discretion (“**Covenant Not to Convey**”).

(a) Term of Covenant Not to Convey. The term of this Covenant Not to Convey (“**Non-Conveyance Period**”) shall commence on the Effective Date and shall expire upon the Completion of Construction (“**Expiration Date**”).

(b) Grantor Approval of Transfers. During the Non-Conveyance Period, if Grantee desires to convey the Property to any party other than a Permitted Transferee (“**Transferee**”) prior to any proposed conveyance of the Property or any portion thereof, Grantee shall deliver to Grantor prior written notice (“**Notice of Intent to Convey**”) setting forth: (a) the date that Grantee intends to convey the Property (“**Proposed Conveyance Date**”); (b) a legal description of the Property or portion thereof which Grantee proposes to convey (the “**Proposed Conveyance Property**”); and (c) the identity of the proposed Transferee. The Notice of Intent to Convey shall be delivered to Grantor at least thirty (30) days prior to the Proposed Conveyance Date. Grantor shall, within fifteen (15) days after receipt of Grantee’s Notice of Intent to Convey, deliver to Grantee a notice of approval or disapproval of the proposed Transferee (“**Notice of Determination**”). If the Grantor disapproves of the proposed Transferee, Grantee shall have fifteen (15) days from the date of delivery of the Notice of Determination to terminate all contracts and/or agreements, if any, to convey the Property to the proposed Transferee and deliver to Grantor evidence of such termination (“**Notice of Termination of Negotiations**”).

(c) Termination of Covenant Not to Convey. Upon the Completion of Construction, this Covenant Not to Convey shall automatically terminate and the Grantor shall deliver to Grantee within five (5) days thereafter, an executed Notice of Satisfaction of Certain Obligations and Release and Quitclaim of Covenant in recordable form releasing Grantee from the Covenant to Not to Convey and terminating the Covenant Not to Convey with respect to the Property.

3. Non-Discrimination. Grantee shall not restrict the rental, sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property, or any portion thereof, on the basis of race, color, religion, creed, sex, sexual orientation, disability, marital status, ancestry, or national origin of any person. Grantee covenants for itself and all persons claiming under or through it, and this Grant Deed is made and accepted upon and subject to the condition that there shall be no discrimination against or segregation of any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are

defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property or part thereof, nor shall Grantee or any person claiming under or through Grantee establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in, of, or for the Property or part thereof.

All deeds or leases made or entered into by Grantee, its successors or assigns, as to any portion of the Property or the improvements constructed as part of the Project shall contain the following language:

(a) In Deeds, the following language shall appear:

“(1) Grantee herein covenants by and for itself, its successors and assigns, and all persons claiming under or through it, that there shall be no discrimination against or segregation of a person or of a group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the property herein conveyed nor shall the grantee or any person claiming under or through the grantee establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the property herein conveyed. The foregoing covenant shall run with the land.

(2) Notwithstanding paragraph (1), with respect to familial status, paragraph (1) shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in paragraph (1) shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11 and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to paragraph (1).”

(b) In Leases, the following language shall appear:

“(1) The lessee herein covenants by and for the lessee and lessee’s heirs, personal representatives and assigns, and all persons claiming under the lessee or through the lessee, that this lease is made subject to the condition that there shall be no discrimination against or segregation of any person or of a group of persons on account of race, color, creed, religion, sex, sexual orientation, marital status, national origin, ancestry or disability in the leasing, subleasing, transferring, use, occupancy, tenure or enjoyment

of the property herein leased nor shall the lessee or any person claiming under or through the lessee establish or permit any such practice or practices of discrimination of segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, sublessees, subtenants, or vendees in the property herein leased.

(2) Notwithstanding paragraph (1), with respect to familial status, paragraph (1) shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in paragraph (1) shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11 and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to paragraph (1).”

4. Force Majeure. Any deadline with respect to Grantee’s obligations with respect to the Covenants shall be extended for the period of time its performance is prevented or delayed by Force Majeure (“**Force Majeure Period**”). “**Force Majeure**” shall mean delay caused by (i) an earthquake, hurricane, tsunami, tornado, storm, flood or other similar natural catastrophe, other natural forces or acts of God; (ii) strikes, lock outs, labor unrest, work stoppage, boycott and other labor difficulties, or inability to obtain materials; (iii) any moratorium on the availability of utilities or permits for the Property or delays in obtaining any government approvals (or responses in connection with requesting approvals) required for the Development Project beyond normal time periods for obtaining such responses or approvals; (iv) public enemy, terrorism, war, riot, or other similar civil disturbance; (v) any litigation pertaining to the Property, including but not limited to appeals or litigation of any government denials or approvals, referenda or initiatives, or anything which legally prevents Grantee from obtaining all necessary discretionary and ministerial entitlements or other permits or approvals in a final, non-appealable form, including without limitation any mediation, arbitration, litigation or other administrative or judicial proceeding pending involving the entitlements or other Project permits or approvals; (vi) vandalism or property destruction to the Property or infrastructure serving the Property causing a delay to the development of the Property; or (vii) pandemic, quarantine, shelter in place orders or other similar executive orders, state directives or county requirements prohibiting or impeding entitlement, design or construction of the Project. Grantee shall give Grantor prompt written notice if it is delayed by an event of Force Majeure. In addition, to the extent that Grantee’s obligations cannot be effectuated because of a Force Majeure event during a Force Majeure Period, Grantee shall be excused from such obligation for that time period (i.e., a government taking shall be excused as a Force Majeure event during the Non-Conveyance Period, but Grantee’s sale of the Property during the Non-Conveyance Period due to a pandemic would not be excused under the terms of this Section 4).

5. Encumbrances. Grantee shall have the right to encumber the Property, or any portion thereof, by loan(s) secured by deeds of trust for the construction of the Project. Grantor agrees that it shall execute an agreement subordinating Grantor’s interest in this Deed to the lien of any such deed of trust for the construction of the Project; provided that, during the term of the Covenant to Construct and Covenant Not to Convey, the following conditions precedent shall be satisfied:



(i) Grantee is not in material default under the Covenant to Construct or Covenant Not to Convey; and

(ii) The deed of trust is in favor of an institutional lender or lenders, which, for purposes of this Agreement, shall mean a state or national bank, a state or federal savings and loan association, a life insurance company or mortgage correspondent thereof. **"Institutional lender"** shall also include any other lender approved by Grantor in writing, which approval will not be unreasonably withheld, delayed or conditioned.

The conditions precedent in Section 5(i) and (ii) only apply during the term of the Covenant to Construct and the Covenant Not to Convey and shall be terminated upon the recordation of Notice of Satisfaction of Certain Obligations and Release and Quitclaim of Covenant for the Covenant Not to Convey.

6. Mortgagee Protection. No violation or breach of the covenants, conditions, restrictions, provisions or limitations contained in this Grant Deed shall defeat or render invalid or in any way impair the lien or charge of any mortgage, deed of trust or other financing or security instrument encumbering the Property for the construction of the Project; provided, however, that any successor of Grantee to the Property (other than the Grantor in the event Grantor acquires title to the Property, or any part thereof, pursuant to a foreclosure, deed in lieu of foreclosure, or trustee's sale under the deed of trust recorded for the benefit of Grantor) shall be bound by such covenants, conditions, restrictions, limitations and provisions, whether such successor's title was acquired by foreclosure, deed in lieu of foreclosure, trustee's sale or otherwise.

7. Effect, Duration and Enforcement of Covenants.

(a) General Covenants. The covenants and agreements set forth in Section 3 are referred to herein as **"General Covenants"**. It is intended and agreed that the General Covenants shall be covenants running with the land and that they shall be, in any event and without regard to technical classification or designation, legal or otherwise, to the fullest extent permitted by law and equity, (i) binding for the benefit and in favor of Grantor, as beneficiary; and (ii) binding against Grantee, its successors and assigns to or of the Property and any improvements thereon or any part thereof or any interest therein, and any party in possession or occupancy of the Property or the improvements thereon or any part thereof. It is further intended and agreed that the General Covenants shall remain in effect without limitation as to time; provided, however, that such General covenants shall be binding on Grantee itself, each successor in interest or assign, and each party in possession or occupancy, respectively, only for such period as it shall have title to or an interest in or possession or occupancy of the Property or part thereof.

(b) Covenant to Construct and Covenant Not to Convey. It is intended and agreed that the Covenant to Construct and the Covenant Not to Convey set forth in this Grant Deed shall be not be General Covenants and not subject to Section 7(a) above, but shall be covenants running with the land until terminated or expired as set forth herein. It is further intended and agreed that the Covenant to Construct and the Covenant Not to Convey shall remain in effect only during the time period specified herein; provided, however, that such Covenant to Construct and the Covenant Not to Convey shall be binding on Grantee itself, each successor in interest or assign,

and each party in possession or occupancy, respectively, only for such period as it shall have title to or an interest in or possession or occupancy of the Property or part thereof. The Covenant to Construct and the Covenant Not to Convey and the General Covenants shall be referred to herein as "Covenants".

(c) Enforcement. Grantor shall have the right, in the event of any and all of such Covenants (excluding the Covenant to Construct, which sole remedy is set forth in Section 1 above) of which it is stated to be the beneficiary, to institute an action for injunction and/or specific enforcement to cure an alleged breach or violation of such Covenants, subject to Section 7(d) below. Grantee shall not be liable to Grantor or any beneficiaries for any damages caused by any breach or violation of a Covenant by Grantee under any circumstances, including but not limited to expenditure of money to cure a breach or violation by Grantee, nor shall Grantor have the right to void or rescind the conveyance of the Property to Grantee pursuant to this Grant Deed as a result of any breach or violation of a Covenant by Grantee under any circumstances except as otherwise provided herein.

(d) Grantee shall be entitled to written notice from Grantor and have the right to cure any alleged breach or violation of the Covenant Not to Convey and all or any of the General Covenants set forth in this Grant Deed; provided that Grantee shall cure such breach or violation within thirty (30) days following the date of written notice from Grantor, or in the case of a breach or violation not reasonably susceptible of cure within thirty (30) days, Grantee shall commence to cure such breach or violation within such thirty (30) day period and thereafter diligently to prosecute such cure to completion within a reasonable time.

8. Amendments. Only the Grantor and its successors and assigns, and the Grantee and its successors and assigns in and to all or any part of the fee title to the Property shall have the right to consent and agree to changes or to eliminate in whole or in part any of the covenants contained in this Grant Deed. For purposes of this Section, successors and assigns of the Grantee shall be defined to include only those parties who hold all or any part of the Property in fee title, and shall not include a tenant, lessee, easement holder, licensee, mortgagee, trustee, beneficiary under deed of trust, or any other person or entity having an interest less than a fee in the Property and the Project.

9. Grantee's Acknowledgment. By its execution of this Grant Deed, Grantee has acknowledged and accepted the provisions hereof.

10. Counterparts. This Grant Deed may be executed in counterparts, each of which shall be deemed an original and all of which taken together shall constitute one and the same instrument.

11. Inconsistent Provisions. If any provision, term or conditions of the Grant Deed are inconsistent with the provision, term or conditions of the Purchase Agreement, the provision, term or conditions of this Grant Deed shall prevail.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the undersigned has executed this Grant Deed as of \_\_\_\_\_, 2020.

**GRANTOR:**

GRANTOR OF MERCED,  
a California Charter Municipal Corporation

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**ATTEST:**  
CITY CLERK

By: \_\_\_\_\_  
Assistant/Deputy Clerk

**APPROVED AS TO FORM:**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Grantor Attorney

**GRANTEE:**

VALLEY CHILDREN'S HOSPITAL,  
a California Non Profit Public Benefit Corporation

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

STATE OF CALIFORNIA )  
 ) ss:  
County of \_\_\_\_\_)

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Signature of Notary Public

083060\11858844v7

STATE OF CALIFORNIA )  
 ) ss:  
County of \_\_\_\_\_)

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Signature of Notary Public

## EXHIBIT "A" TO GRANT DEED

### LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED MERCED, IN THE COUNTY OF MERCED, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

A parcel of land situated in the South West Quarter (SW ¼) of Section 8, Township 7 South Range 14 East, M.D.B. & M., City of Merced, County of Merced, State of California, said parcel of land being a portion of Remainder D, as Remainder D is delineated on that certain map entitled, "FINAL MAP OF MANSIONETTE ESTATES UNIT 2", recorded in Volume 55, of Official Plats, at Pages 12-14, Merced County Records, said parcel of land also being portion of that certain real property described in Grant Deed to the City of Merced, recorded on April 22, 2010 as Document Number 2010-015020, Merced County Records, said parcel of land being more particularly described as follows:

COMMENCING at the Northwest corner of said Remainder D, thence S00°42'36" W, for 283.54 feet along the West line of said Remainder D to TRUE POINT OF BEGINNING; thence N89° 56' 09" E, for 612.97 feet parallel with the North line of said Remainder D to the East line of said Remainder D; thence S00°42'17" W, for 352.11 feet along the said East line of Remainder D; thence along a curve concave to the Northwest through a central angle of 89°13'31", having a radius of 15.00 feet, and whose long chord bears S45°19'03"W, for 21.07 feet to the South line of said Remainder D; thence S89°55'48"W, for 583.00 feet along said South line of Remainder D; thence N44°40'48"W, for 21.36 feet along the Southwest line of said Remainder D; thence N00°42'36"E for 351.77 feet along the West line of Remainder D to the TRUE POINT OF BEGINNING.

EXCEPTING THEREFROM the Road Dedication Grant Deed to the City of Merced, recorded on April 22, 2010 as Document Number 2010-015019, Merced County Records.

ALSO EXCEPTING THEREFROM the Road Dedication Grant Deed to the City of Merced, recorded on January 29, 2019 as Document Number 2019-002867, Merced County Records.

The above-described parcel of land is delineated on Exhibit B, attached hereto, and made a part thereof. The above-described parcel of land contains 4.54 Acres, more or less, and is subject to any liens, encumbrances, covenants, restriction, and rights-of-way or easements of record or legally acquired.

APN: 231-040-021

EXHIBIT B TO GRANT DEED

FORM OF NOTICE OF SATISFACTION  
OF CERTAIN OBLIGATIONS AND RELEASE AND QUITCLAIM OF COVENANT

[To Be Attached in the Form as Attached in the Third Amendment to Purchase and Sale  
Agreement Prior to Closing]

**ATTACHMENT E**

FORM OF NOTICE OF SATISFACTION  
OF CERTAIN OBLIGATIONS AND RELEASE AND QUITCLAIM OF COVENANT

RECORDING REQUESTED BY:

City of Merced, a charter city of the State of  
California

WHEN RECORDED MAIL TO:

City of Merced  
678 West 18th Street  
Merced, California 45340

**Exempt Recording Per  
Gov't Code Section 6103**

(Above for Recorder's Use Only)

---

**MERCED, CALIFORNIA**

**NOTICE OF SATISFACTION OF CERTAIN OBLIGATIONS AND  
RELEASE AND QUITCLAIM OF COVENANT**

THIS NOTICE OF SATISFACTION OF CERTAIN OBLIGATIONS AND RELEASE AND QUITCLAIM OF COVENANT (this "**Notice and Release**") is made and entered into as of this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, by and between City of Merced, a California Charter Municipal Corporation ("**Grantor**"), and Valley Children's Hospital, a California nonprofit public benefit corporation ("**Grantee**").

WHEREAS, Grantor and Grantee entered into that certain Purchase and Sale Agreement dated as of April 18, 2019 (as amended and assigned, the "**Purchase Agreement**") pursuant to which certain covenants of Grantee survive closing.

WHEREAS, Grantor conveyed the Property to Grantee pursuant to that certain Grand Deed dated as of \_\_\_\_\_, 2020 and recorded in the Official Records of Merced County on \_\_\_\_\_, 2020 as Document No. \_\_\_\_\_ against certain real property set forth on Exhibit A attached hereto and incorporated herein ("**Property**"), which Grant Deed contained terms and conditions concerning Grantee's Covenant to Construct and Covenant Not to Convey.

WHEREAS, the [**Covenant to Construct or Covenant Not to Convey**] has expired or terminated pursuant to the terms and conditions set forth in the Purchase Agreement and Grant Deed; and,



WHEREAS, pursuant to [Section 1 or 2] of the Grant Deed, promptly after the expiration or termination of the term of [Covenant to Construct or Covenant Not to Convey], the City shall record a Notice and Release upon written request therefore by the Grantee; and,

WHEREAS, The City has conclusively determined that the Developer has satisfactorily completed the [Covenant to Construct or Covenant Not to Convey] as required by the Purchase Agreement and Grant Deed.

**NOW, THEREFORE:**

1. Satisfaction. As provided in the Purchase Agreement and Grant Deed, the City does hereby certify that: (i) the [Covenant to Construct or Covenant Not to Convey] has **[been fully and satisfactorily performed and completed or has expired/terminated]**, (ii) the Project is in full compliance with the Agreement Purchase Agreement and Grant Deed as of the date of this Notice and Release; and (iii) [Covenant to Construct or Covenant Not to Convey] is hereby terminated.

2. Release. Grantor hereby remises, releases, and forever quitclaims all of the rights and obligations of the parties under [Section 1 or 2] of the Grant Deed, including the conditions precedent in Section 5(i) and (ii), with respect to the [Covenant to Construct or Covenant Not to Convey].

3. Financing. This Notice of Satisfaction of Certain Obligations shall not constitute evidence of compliance with or satisfaction of any obligation of the Developer to any holder of a mortgage, or any insurer of a mortgage, securing money loaned to finance the work of rehabilitation, construction, and development of the improvements, or any part thereof.

4. Notice of Completion. This Notice of Satisfaction of Certain Obligations is not a Notice of Completion as referred to in Section 3093 of the California Civil Code.

5. Ratification. This Notice and Releases is intended only to terminate and release Grantor's rights under the [Covenant to Construct or Covenant Not to Convey]. Unless otherwise previously terminated by another recorded Notice Of Satisfaction Of Certain Obligations And Release And Quitclaim Of Covenant, all other provisions of the Agreement **[including, but not limited to, Section 2 of the Grant Deed,]** remain in full force and effect.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the City has executed this Certificate as of the date first above written.

**GRANTOR:**

GRANTOR OF MERCED,  
a California Charter Municipal Corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**ATTEST:**  
CITY CLERK/SECRETARY

By: \_\_\_\_\_  
Assistant/Deputy Clerk

**APPROVED AS TO FORM:**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Grantor Attorney

**GRANTEE:**

VALLEY CHILDREN'S HOSPITAL,  
a California Non Profit Public Benefit  
Corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

STATE OF CALIFORNIA )  
 ) ss:  
County of \_\_\_\_\_)

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Signature of Notary Public

083060\11828864v4

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

STATE OF CALIFORNIA )  
 ) ss:  
County of \_\_\_\_\_)

On \_\_\_\_\_, 20\_\_ before me, \_\_\_\_\_ (here insert name of the officer), Notary Public, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public