

PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS

BETWEEN

UNION OIL COMPANY OF CALIFORNIA, A CALIFORNIA CORPORATION

AND

CITY OF SONORA, A MUNICIPAL CORPORATION

City of Sonora, County of Tuolumne, State of California

Effective Date: _____, 2021

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PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS

This **PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS** (the "**Agreement**") dated as of _____, 2021 for reference purposes only, is made by and between **UNION OIL COMPANY OF CALIFORNIA**, a California corporation, with its principal offices at 6001 Bollinger Canyon Road, San Ramon, California ("**Seller**") and **CITY OF SONORA**, a Municipal corporation, with its principal offices at 94 N. Washington Street, Sonora, California 95370 ("**Purchaser**").

RECITALS

- A. Seller desires to sell certain unimproved real property containing approximately 6,706 square feet and located in the City of Sonora, County of Tuolumne ("**County**"), State of California ("**State**"), and Purchaser desires to purchase such real property, on the terms and conditions set out in this Agreement, which real property is referred as the "Property" below.
- B. Purchaser currently leases the Property from Seller, which lease was originally entered into on June 1, 1998 (as amended, the "**Lease**").
- C. In consideration of the mutual promises set out in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, the Parties agree to be bound by this Agreement.

AGREEMENT

1. DEFINITIONS, INTERPRETATION, AND EXHIBITS.

1.1 Definitions. As used in this Agreement, these words or expressions have the following meanings:

"**Adjusted Purchase Price**" means the balance of the Purchase Price required to be paid after application of the Deposit thereto and all prorations, adjustments and credits required to be made under the Agreement.

"**Affiliate**" means any legal entity which controls, is controlled by, or is under common control with, another legal entity. An entity is deemed to "control" another if it owns directly or indirectly at least fifty percent (50%) of either of the following:

- (A) The shares entitled to vote at a general election of directors of such other entity.
- (B) The voting interest in such other entity if such entity does not have either shares or directors.

"**Agreement**" means this Purchase and Sale Agreement, including all attached Exhibits and Schedules, and Transaction Documents, if any.

“Appurtenant Rights” means all easements, hereditaments, appurtenances, development rights, and other benefits, if any, pertaining to or affecting the Property.

“Business Day” means all days, except for any official United States or State holiday, or a Saturday or Sunday.

“Claim” means any claim, suit, proceeding, action, liability, loss, demand, damage, encumbrance, cause of action of any kind, order, subpoena, obligation, cost, royalty, fee, assessment, duty, requirement, charge, penalty, fine, judgment, interest, and award (including recoverable legal counsel fees and cost of litigation of the Person asserting the claim), whether arising by law, contract, tort, voluntary settlement, or in any other manner resulting from or in any way associated with:

- (A) acts or omissions of Purchaser or Purchaser Group with respect to, or occurring on, the Property;
- (B) the ownership, control, use, possession, or operation of the Property;
- (C) the performance or non-performance of any obligation under this Agreement; or
- (D) any condition existing or occurring in, on, under or within the Property after the Closing Date, including but not limited to:
 - (1) the death or injury of any person or persons, including without limitation, any member of the Purchaser Group;
 - (2) the damage or destruction of the Property;
- (E) the violation or alleged violation of any federal, state, local, or municipal law, rule, regulation, order, judgment, decree or other requirement, including without limitation, requirements under permits, licenses, consents and approvals related in any way to the Property;
- (F) the existence, assessment or Remediation of Contamination upon, under, in or emanating from, the Property;
- (G) emissions, discharges, releases or threatened releases, or the presence, generation, manufacturing, processing, distribution, use, treatment, storage, disposal, transport, labeling, advertising, sale, display or handling, of Contamination;
- (H) any special, indirect or consequential damages, including, but not limited to, Claims for Loss of use, rents, anticipated profit or business opportunity, or business interruption, diminution in value, or mental or emotional distress or fear of injury or illness, trespass, nuisance or otherwise relating in any way related to the Property;

- (I) any response costs any member of the Seller Group or the Purchaser Group may incur with respect to the Property under any Environmental Law; or
- (J) any cause of action or theory of any kind as a result of, in connection with or in any way related to, the ownership and operation of the Property.

Claims do not include matters determined by final non-appealable judgment to have been caused by the gross negligence or willful misconduct of a member of the Seller Group.

“Closing” or **“Close of Escrow”** means the consummation of the purchase and sale of the Property.

“Closing Date” means the date which is ten (10) days after expiration of the Due Diligence Period.

“Closing Documents” means all of the documents and instruments described in Section 10.2 (Seller’s Deliverables) and Section 10.3 (Purchaser’s Deliverables) of this Agreement.

“Closing Instructions” means the respective letters of escrow closing instructions executed by Purchaser and Seller (or their respective counsel on behalf of Purchaser and Seller) containing such terms as described in this Agreement, which will supplement the instructions provided to Title Company in this Agreement. Attorneys for each Party shall be authorized to execute Closing Instructions for the respective Party the attorney is representing.

“Contamination” means any Hazardous Material or toxic material, substance, chemical or waste, contaminant, emission, discharge or pollutant or comparable material listed, identified or regulated pursuant to any federal, state or local law, ordinance or regulation which has as a purpose the protection of health, safety or the Environment, including, but not limited to, petroleum or petroleum products or wastes and/or perfluoroalkyl substances (PFAS) resulting from any cause, release, or source.

“County” means the County of Tuolumne as set forth in the Recitals.

“CPR” means the International Institute for Conflict Prevention and Resolution.

“CPR Rules” means the International Institute for Conflict Prevention and Resolution Rules.

“Deed” means a grant deed conveying title of the Property to Purchaser subject only to the Permitted Exceptions, in substantially the form of Exhibit B attached hereto and made a part hereof for all purposes.

“Deposit” means the Deposit as set forth in Section 3.2.1, and all interest earned thereon.

“Dispute” means any claim, disagreement or controversy arising out of this Agreement, including a Claim under this Agreement and any dispute or controversy regarding the existence, construction, validity, interpretation, enforceability, termination or breach of this Agreement, whether based in contract, tort or in any other manner.

“Disputed Claim” means any liability, loss, demand, damage, lien, cause of action of any kind, order, subpoena, obligation, cost, royalty, fee, assessment, duty, requirement, charge, penalty, fine, judgment, interest and award (including recoverable legal counsel fees and cost of litigation of the Person asserting the claim), whether arising by law, contract, tort, voluntary settlement or in any other manner.

“Dollars” “\$” means United States Dollars.

“Due Diligence Period” means a period of time commencing on the Effective Date and expiring at 5:00 p.m., State time, on the thirtieth (30th) day following the Effective Date.

“Effective Date” means the first day on upon which both Purchaser and Seller have signed this Agreement, and the same has been delivered to each Party.

“Environment” means all forms of fauna, flora, soil, natural resources; surface, subsurface, or ground waters; land, ground, surface, or subsurface strata; ambient air; or any other environmental medium, including the indoor environment, contained within or affected by the Property or operations thereon.

“Environmental Condition” means Contamination at, on, under or emanating to or from the Property or a condition or circumstance relating to the Property or operation thereof.

“Environmental Law” means any Applicable Law relating to pollution; the protection of the Environment; the release, emission, discharge or disposal of any material or chemical substance; human health or safety; Hazardous Materials; natural resource damage; product registration; hazard communication, each as from time to time has been or may be amended or adopted before or after the Effective Date, including, without limitation, any of the following:

- (A) The Occupational Safety and Health Act, 29 U.S.C.A. §651, et seq.; the Resource Conservation and Recovery Act, 42 U.S.C.A. §6901, et seq.; the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C.A. §9601, et seq.; the Clean Water Act, 33 U.S.C.A. §1251 et seq.; the Clean Air Act, 42 U.S.C.A. §7401, et seq.; the Safe Drinking Water Act, 42 U.S.C.A. §3001, et seq.; the Toxic Substances Control Act, 15 U.S.C.A. §2601 et seq.; the Oil Pollution Act of 1990, 33 U.S.C.A. §2701 et seq.
- (B) The California Underground Storage of Hazardous Substances Act, H & S C §§ 25280, et seq.; the California Hazardous Substances Account Act, H & S C §§ 25300, et seq.; the California Hazardous Waste Control Act, H & S C §§ 25100, et seq.; the California Safe Drinking Water and

Toxic Enforcement Act, H & S C §§ 24249.5, et seq.; and the Porter-Cologne Water Quality Act, Wat C §§ 13000, et seq.

“Environmental Obligation(s)” means and includes all of the following, regardless of the sole, joint or concurrent negligence, breach of contract, breach of warranty, strict liability, regulatory liability, statutory liability, or other fault or responsibility of any Person and including expenses associated with claims investigation, testing and assessment, and monitoring:

- (A) Claims and Losses incurred relating to any Environmental Condition.
- (B) Claims and Losses incurred relating to Remediation.
- (C) Claims and Losses resulting from injury or death to natural Persons caused by the exposure or alleged exposure to Hazardous Materials.
- (D) Claims relating to the presence, release, emission or discharge of Hazardous Materials, pollution, contaminant or other regulated substances in or into the Environment.

“Exceptions” means, collectively, conditions, easements, encumbrances, restrictions, exceptions, rights-of-way, title defects, deeds of trust, mortgages, liens, taxes, assessments, charges, leases, rights of possession and other matters of record.

“Exhibit” means a document referred to in Section 1.3.1.

“Government Entity” means any department, court, tribunal, exchange, authority, commission, board, instrumentality or agency of any municipal, local, state, federal or other governmental authority (including regulatory authorities and administrative bodies) and any subdivision of the foregoing or any Person owned or controlled by the government.

“Hazardous Materials” means a substance, chemical, product, waste or other material that, because of its physical, chemical, or other characteristics, may pose a risk of endangering human health or safety or of degrading the Environment, or which is, or becomes identified, listed, published, regulated, or defined as, or which shows the characteristics of, a hazardous substance, hazardous waste, hazardous material, toxic substance or other regulatory term, including oil, oil waste, by-products and components, NORM, Hydrocarbons, and Hydrocarbons waste, produced water, by-products and components, polychlorinated biphenyls, and asbestos, or which is otherwise regulated or restricted under any Environmental Law or by any Government Entity, or which may otherwise cause, contribute to or result in an Environmental Condition or Environmental Obligation. “Hazardous Materials” include, but are not limited to, all of the following: (1) a hazardous substance, as defined in Section 25281 or 25316 of the California Health and Safety Code; (2) a hazardous waste, as defined in Section 25117 of the California Health and Safety Code; (3) a waste, as defined in Section 470 of the California Health and Safety Code or as defined in Section 13050 of the California Water Code; and/or (4) any substance or material that is defined or designated as a hazardous waste, material or

substance by any other applicable Environmental Laws, including, without limitation, perfluoroalkyl substances (PFAS).

“Improvements” means any and all improvements located on the Property.

“Independent Contract Consideration” will have the meaning set forth in Section 3.3 of this Agreement.

“Inspections” means physical and environmental inspections of the Property, including, without limitation, any Invasive Testing.

“Invasive Testing” is defined Section 4.2.1(B).

“Law(s)” means laws, regulations, statutes, codes, rules, orders, permits, policies, licenses, certifications, decrees, standards or interpretations imposed by any Government Entity.

“Lease” is defined in the Recitals.

“Loss” means any and all claims, suits, proceedings, actions, demands, liabilities, obligations, damages, penalties, fines, costs and expenses, including without limitation, fees and disbursements, incurred in connection with any Claim, by and for attorneys, experts and consultants.

“Monetary Lien” means and is limited to deeds of trust, mortgages, and tax liens for delinquent Taxes whether the same arise before or after the Due Diligence Period; provided, however, Monetary Liens shall not include non-delinquent taxes and assessments, or monetary liens, encumbrances, or obligations caused by Purchaser or any of Purchaser’s agents, employees, contractors or subcontractors.

“Owner’s Policy of Title Insurance” means an ALTA Owner’s policy of title insurance in the amount of the Purchase Price, issued by Title Insurer to Purchaser at the Closing pursuant to the Title Commitment. The Owner’s Policy of Title Insurance will be dated not earlier than the date of recordation of the Deed from Seller to Purchaser, will name Purchaser as the insured, and will insure Purchaser’s fee simple title to the Property, subject only to standard printed exceptions and the Permitted Exceptions. Notwithstanding the above, in no event will the Owner’s Policy of Title Insurance include survey modification coverage unless Purchaser obtains the Survey and delivers a copy thereof to Seller and Title Insurer before the deadline by which Purchaser must deliver the Title Objection Letter. At its expense, Purchaser may obtain such endorsements to the Owner’s Policy of Title Insurance as Purchaser deems appropriate, but in no event shall the receipt of any such endorsements be deemed to be a condition of Closing for Purchaser’s benefit and/or part of the Owner’s Policy of Title Insurance for such purposes.

“Party” means each of Seller and Purchaser and **“Parties”** means both of them.

“Permitted Exceptions” means each of the enumerated Exceptions set forth in Section 4.7 and/or any other Exceptions explicitly stated as such elsewhere in the Agreement.

“Person” means an individual, corporation, company, association, partnership, state, statutory corporation, Government Entity or any other legal entity.

“Property Documents” means the Property information materials in the possession of Seller relating to the Property set forth in Exhibit C attached hereto and any other documents provided to Purchaser by Seller prior to Closing.

“Property” means, collectively, land as described in Exhibit A (the **“Land”**), and all Improvements, and Appurtenant Rights.

“Property Taxes” means all real property, personal property, ad valorem taxes, and any other similar taxes imposed on the Property.

“Purchaser” has the meaning given in the introductory paragraph.

“Purchaser Group” means the Purchaser and any Affiliated Government Entities and their respective employees, managers, representatives, independent contractors, consultants, servants and agents, and their respective predecessors and successors in interest and assigns, excluding Seller Group.

“Purchase Price” means the amount payable by Purchaser to Seller under Section 3.1.

“Remediation” or **“Remediate”** means any and all actions required to be taken under the Environmental Law or otherwise to address an Environmental Condition, including investigation, monitoring, removal, remediation, corrective action, response action, mitigation, treatment, decontamination or cleanup of (1) Hazardous Materials, (2) pollution, or (3) Contamination, present or alleged to be present on or emanating from the Property.

“Seller” has the meaning given in the introductory paragraph.

“Seller Group” means Seller, its parent and Affiliates, whether wholly owned, partially owned, direct or indirect, together with their respective directors, officers, managers, members, employees, contractors, representatives and agents.

“Settlement Statement” means a closing settlement statement prepared by the Title Company.

“Survey” means an ALTA survey, if any, obtained by Purchaser and made by a licensed surveyor, bearing a legal description, showing the area, dimensions and location of the Property to the nearest monuments, streets, alleys on all sides, the topography, the location of all available utilities in adjoining streets, alleys or property, the location of all Improvements and encroachments, and the location of all recorded easements against or appurtenant to the Property, and certified to Purchaser and Title Insurer.

“Tax Authority” means any revenue, customs or fiscal governmental, state, community, municipal or regional authority, body or Person authorized to assess, levy, impose, administer or collect any Taxes.

“Taxes” means all income, capital, corporate, franchise, gross receipts, margins, turnover, transfer, occupation, and other excise taxes, Property Taxes, transaction taxes, customs and other import or export duties, stamp duties, fees, assessments, withholdings or charges imposed by any Tax Authority and any penalties, interest and fines or additions attributable to or imposed on or with respect to any such assessments, all to the extent related to the Property.

“Title Commitment” means a commitment for title insurance setting forth the status of title to the Property and all Exceptions which would appear in an Owner’s Policy of Title Insurance.

“Title Company” means Yosemite Title Company, whose principal office is located at 208 S. Washington St., Sonora, California 95370, Attention: Karyn Rapetti [Telephone: (209) 532-8174 / Facsimile: (209) 532-2623 / krapetti@yotitle.com], and who is acting as the escrow agent for this Agreement.

“Title Insurer” means Yosemite Title Company, whose principal office is located at 208 S. Washington St., Sonora, California 95370, Attention: David Marquez [Telephone: (209) 532-8174 / Facsimile No.: (209) 532-2623 / _____]. Title Insurer will issue the Title Commitment and, at Closing, the Owner’s Policy of Title Insurance.

“Title Objection Letter” will have the meaning set forth in Section 4.5.1 of this Agreement.

1.2 Interpretation. Unless the context expressly requires an interpretation to the contrary, all of the following apply to the interpretation of this Agreement:

1.2.1 The plural and singular words each include the other.

1.2.2 The masculine, feminine, and neutral genders each include the others.

1.2.3 The word “or” is not exclusive.

1.2.4 The words “includes” and “including” are not limiting.

1.2.5 References to the Parties include their respective successors and permitted assignees.

1.2.6 References to matters “arising” (or which “arise” or “arises”) “out of this Agreement” include matters which arise in connection with this Agreement or have a causal connection with or which flow from this Agreement or which would not have arisen or occurred but for the entering into this Agreement or the performance of or failure to perform obligations under this Agreement.

1.2.7 The headings in this Agreement are included for convenience and do not affect the construction or interpretation of any provision of, or the rights or obligations of a Party under, this Agreement.

1.2.8 A capitalized derivative or other variation of a defined term has a corresponding meaning and must be construed accordingly.

1.2.9 If a conflict exists between any provisions of this Agreement as they apply to a Party, the provision that imposes the more stringent obligation on that Party prevails to the extent of the conflict.

1.2.10 Where provision is made for agreement or the giving of notice, approval or consent by any Party, unless otherwise specified, such agreement, notice, approval or consent must be in writing.

1.3 Exhibits and Schedules.

1.3.1 All of the Exhibits that are attached to the body of this Agreement are an integral part of, and are incorporated by reference into, this Agreement, and consist of:

- (A) Exhibit A – Property Description
- (B) Exhibit B – Deed
- (C) Exhibit C – Property Documents

1.3.2 If a conflict exists between the body of this Agreement and the Exhibits or Schedule(s), the body prevails to the extent of the conflict.

2. THE PROPERTY.

2.1 Description.

Subject to the terms and conditions of this Agreement, and for the consideration set forth in this Agreement, Seller agrees to sell, assign and convey, and Purchaser agrees to purchase and acquire, all of Seller's right, title and interest, if any, in and to the Property.

2.2 Agreement to Convey.

SELLER AGREES TO SELL AND CONVEY, AND PURCHASER AGREES TO PURCHASE AND ACCEPT, ON THE CLOSING DATE, TITLE TO THE PROPERTY BY WAY OF A DEED, TO BE EXECUTED AND DELIVERED BY SELLER, AND WHICH WILL BE SUBJECT TO THE PERMITTED EXCEPTIONS AFFECTING OR ENCUMBERING THE PROPERTY.

3. PURCHASE PRICE, INDEPENDENT CONSIDERATION AND PAYMENT.

3.1 Purchase Price. The Purchase Price for the Property (the "**Purchase Price**") is the sum of One Hundred Twenty-Six Thousand Nine Hundred Dollars (\$126,900.00).

3.2 Deposit.

3.2.1 Within three (3) Business Days of the Effective Date, upon the execution and delivery of this Agreement by both Seller and Purchaser, Purchaser will, by federal wire transfer, deposit the sum of Thirty Thousand and 00/100 U.S. Dollars (\$30,000.00) (the "**Deposit**") into the escrow account of Title Company. If Purchaser fails to make the Deposit in accordance with the foregoing, on or before the third (3rd) Business Day after the Effective Date, this Agreement will automatically terminate and neither Party will thereafter have any further rights, obligations or liability hereunder, except as otherwise expressly set forth herein.

3.2.2 Unless this Agreement has been previously terminated by Purchaser in accordance with the terms hereof, the Deposit shall become non-refundable upon the expiration of the Due Diligence Period except (i) for a default by Seller which results in a termination of this Agreement or (ii) as otherwise expressly provided herein. If the sale of the Property contemplated herein is consummated in accordance with the terms hereof, the Deposit, including all accrued interest thereon, shall be applied against the Purchase Price; otherwise, the Deposit shall be delivered and released as otherwise specified herein.

3.2.3 Maintenance of Deposit. The Deposit will be held by the Title Company in an interest-bearing account which is issued by the Federal Deposit Insurance Corporation. All interest earned on the Deposit will be added to the principal held in the escrow and will constitute a part of the Deposit. Interest earned on the Deposit will be deemed earned by Purchaser. Provided that Purchaser has not terminated this Agreement pursuant to Section 4.4, or Section 4.5, the Deposit will become non-refundable, subject only to the provisions of Section 12.2 and Section 13.2 hereof.

3.3 Independent Contract Consideration. Contemporaneously with the delivery of the Deposit to the Title Company, Purchaser will deliver to Seller the sum of One Hundred Dollars (\$100.00) (the "**Independent Contract Consideration**"), which Independent Contract Consideration will be retained by Seller in all instances, whether or not Closing occurs. If Closing does occur, the Independent Contract Consideration will be applied against the Purchase Price. The amount of the Independent Contract Consideration has been bargained for and agreed to as consideration for Seller's execution and delivery of this Agreement and for the rights and privileges granted to Purchaser herein, including any and all rights granted to Purchaser to terminate this Agreement during certain periods hereunder.

3.4 Payment. Purchaser will deposit the Adjusted Purchase Price with Title Company, at least one (1) Business Day prior to the Closing Date as specified more fully in Section 10.5. Upon Closing, Title Company shall wire the Purchase Price in immediately available funds to such bank account(s) as Seller may designate. The Deposit will be paid by the Title Company to Seller at Closing and credited against the Purchase Price. The Purchase Price will also be subject to further adjustments for prorations and credits required to be made in accordance with Section 9 below.

4. INSPECTIONS AND APPROVALS.

4.1 Inspections. Purchaser will have the Due Diligence Period in which to conduct the inspections and studies described in this Section 4.

4.2 Access to the Property and Indemnification by Purchaser.

4.2.1 Access.

(A) During the Due Diligence Period, Seller will permit Purchaser and Purchaser's agents and representatives reasonable access to the Property for the purpose of conducting such Inspections as Purchaser will deem necessary to determine the feasibility of the Property for Purchaser's intended use, subject to the conditions set forth in Section 4.2. Purchaser and Seller acknowledge that Purchaser is as of the Effective Date in possession of the Property pursuant to the Lease. Purchaser will be solely responsible for the conduct of Purchaser's representatives on and adjacent to the Property and will assume and pay for all expenses incurred in connection with the Inspections. At all times during the presence of Purchaser or Purchaser's representatives on the Property, Purchaser will not allow, and Purchaser's representatives will not conduct, any Invasive Testing of, on, or under the Property, except as otherwise provided in Sections 4.2.1(B) and (C) below. Purchaser will return the Property to substantially the same condition existing before entry by Purchaser's representatives, including, but not limited to, sealing any subsurface investigations. Purchaser will keep confidential the information resulting from the Inspections and will deliver to Seller copies of all reports, surveys and studies generated by the Inspections promptly after receipt. Purchaser may disclose this confidential information to Purchaser's representatives to the extent each needs to know the confidential information for the sole purpose of evaluating the Property, provided Purchaser takes all reasonable measures to assure that Purchaser's representatives keep such information confidential. Purchaser will not contact any Government Entity regarding the results of any testing performed on the Property unless required by law and only after Purchaser has given Seller not less than seven (7) days' written notice prior to any such contact. At Seller's sole option and to the extent allowed by Environmental Law, if Purchaser does not purchase the Property in accordance with the terms and conditions in this Agreement, Purchaser will either destroy all written reports, surveys, studies, and/or test results generated by the Inspections, including Invasive Testing, or deliver such written reports, surveys, studies, and/or test results to Seller.

(B) Environmental and Other Invasive Testing by Purchaser. Subject to Seller's approval rights as set forth in Section 4.2.1(C), Purchaser, at its sole discretion, may conduct intrusive, destructive, or invasive sampling or chemical analysis of the Property or any portion thereof as part of its due diligence investigation, including, without limitation, any (a) invasive or intrusive geotechnical, environmental or other inspections with respect to the Property or any portion thereof (including, but not limited to, any drilling, boring, cutting, disassembling, or removing of the Property or any portion thereof) and (b) biological sampling or analysis, whether of air quality, soil, or water samples or otherwise (collectively "**Invasive Testing**"). Such Invasive Testing shall be performed in accordance with all terms and conditions of this Section 4. In the event Purchaser conducts any Invasive Testing, Purchaser shall provide Seller with a true and correct copy of any and all Invasive Testing reports or data as well as any amendments or modifications thereto (each an "**Amendment**"), promptly upon receipt by Purchaser at no cost to Seller and without representation, warranty or liability on the part of Purchaser. Seller shall also be entitled to terminate this Agreement in accordance with this Section 4.2.1(B) based on the results of any Invasive Testing undertaken by Purchaser if for any reason such testing causes Seller in its sole and absolute discretion to have any concerns about the environmental condition of the Property or this Agreement. If such occurs, Seller shall be entitled to terminate this Agreement by providing notice of such termination to Purchaser by the later to occur of (a) the last day of the Due Diligence Period or (b) the twentieth (20th) Business Day after Seller's receipt of the applicable Invasive Testing reports or data or

Amendment. In the event Seller fails to timely terminate this Agreement in accordance with this Section 4.2.1(B) after Seller's receipt of an Invasive Testing report or Amendment, Seller shall be irrevocably deemed to have waived its right to so terminate this Agreement based on said reports, data, or Amendment, but no such waiver shall apply to any subsequent reports, data or Amendment received by Seller. Upon any such termination, and notwithstanding any provision herein to the contrary, the Deposit shall be promptly released or returned to Purchaser and neither Party shall have any further duty or obligation hereunder.

(C) Specific Entry Terms and Conditions. Notwithstanding anything to the contrary contained herein, Seller shall have the right to approve (which approval may be withheld or granted by Seller in its sole and absolute discretion) any Invasive Testing, including, without limitation, any physical testing, sampling, or drilling, before such occurs at, on or under the Property. Any such approval must be granted, if at all, by Seller in writing. Seller's failure to provide express written approval of any proposed Invasive Testing shall be deemed disapproval thereof. The above notwithstanding, Seller will consent to Purchaser conducting geotechnical inspections of the Property, including borings, that does not involve the analysis for Hazardous Materials, but the exact method of collection, scope and location of such testing and the disposal of any resulting drill cuttings, spoils or other abstracted material, shall be subject to Seller's prior written reasonable approval. No Invasive Testing consented to by Seller, including geotechnical testing, will occur without Purchaser providing Seller with at least five (5) Business Days' advance notice thereof. All activities undertaken by Purchaser or its agents, consultants, contractors or subcontractors pursuant to this Section 4.2.1(C) shall comply with the following additional criteria:

(1) The Persons performing such tests and investigations shall be properly licensed and qualified and shall have obtained all appropriate permits to conduct such tests, and shall provide to Seller evidence of the existence of the insurance coverage enumerated in Section 4.2.3, and any required permits, prior to commencement of any activities on the Property. Purchaser shall comply with all applicable Laws relating to its inspection of the Property. Subject to applicable Laws, including, without limitation any Environmental Laws, Seller reserves the right to deny entry to the Property to any person if, in Seller's reasonable discretion, that Person may have a conflict of interest related to the transaction or the Property; may not be qualified to make the particular inspection requested; or may be in a position to make improper use of any information obtained in the course of the inspection.

(2) All tests and investigations associated with the Property shall be at Purchaser's sole cost and expense. Purchaser shall (a) advise Seller at least two (2) Business Days in advance of dates of all tests and investigations, or seven (7) days in advance for any Invasive Testing (to the extent approved by Seller), as applicable and (b) schedule all tests and investigations during Seller's business hours whenever feasible, unless otherwise requested by Seller.

(3) Seller shall have the right to have a representative of Seller accompany Purchaser or its agents, consultants, contractors or subcontractors while they are on the Property. Seller shall have the right, at Seller's expense, to obtain split samples of any environmental testing conducted by Purchaser or its agents, consultants, contractors or subcontractors.

(4) If Purchaser's inspections occur at times other than Seller's regular business hours, or the business hours of Seller's consultants that may be necessary to participate in such inspections, then Seller shall so notify Purchaser of any special overtime

costs which will be incurred by Seller on account thereof. If Purchaser elects to proceed with its inspections at such times, Purchaser shall reimburse Seller for any special overtime costs that are actually incurred by Seller with respect thereto.

(5) Purchaser, at no cost to Seller, shall provide Seller with copies of all test data and the latest or most recent drafts or final interpretive reports that are created by or for Purchaser prior to the Closing in connection with the physical or environmental condition of the Property, which reports shall be provided to Seller without any representation or warranty, express or implied, as to the accuracy or completeness of any information contained therein or any liability on the part of Purchaser. The results of any and all of Purchaser's environmental review and inspection of the Property will be kept strictly confidential by Purchaser, and will not be disclosed to any third party except (A) for Purchaser's lender or prospective lenders, equity investors, capital partners, or prospective equity investors, insurance and reinsurance firms, attorneys, contractors and consultants to the extent they have a specific need-to-know in connection with the consummation of the transaction contemplated hereunder or the development of the Property after the Closing and provided that such Persons are notified that such materials are subject to the confidentiality and non-disclosure obligations as imposed herein and agree to keep such information confidential in accordance with the provisions set forth in Section 16.11, or (B) to the extent disclosure is required under Applicable Law, in which case Purchaser shall notify Seller before disclosing the information to any third party. If for any reason Purchaser does not complete the purchase of the Property, at Seller's sole option and to the extent not prohibited by Environmental Law, Purchaser shall either destroy the test data and reports, or deliver all copies of the test data and reports to Seller.

4.2.2 Purchaser will indemnify, defend and hold Seller harmless from any loss, injury, liability, damage or expense, including reasonable attorneys' fees and costs which Seller may incur as a result of (a) any act or omission of Purchaser or its agents or representatives arising in connection with any tests or inspections conducted by Purchaser or its agents or representatives (provided, however, that the indemnity in this Section shall not cover any expense, loss, damage or claim which arises out of the mere discovery of, or the locating or identifying of, any Hazardous Materials on, under, or about the Property or any other pre-existing condition), or (b) the failure of Purchaser to restore the Property in accordance with this Section 4.2.

4.2.3 During the Due Diligence Period, Purchaser, before entering the Property to conduct any Inspections **[TO BE DISCUSSED RE EXISTING LEASE]**, will procure and maintain, at its own expense, during the performance of the Inspections, policies of insurance provided by insurance companies admitted to do business in the State of California with A.M. Best & Company ratings of at least A- / VIII and which are reasonably acceptable to Seller, which policies are primary as to any other existing, valid and collectible insurance insuring Purchaser against loss or liability caused by or in connection with the performance of this Agreement by Purchaser, or its agents, consultants, contractors or subcontractors, in amounts not less than:

- (a) Commercial General Liability Insurance with a minimum combined single limit of liability of at least One Million Dollars (\$1,000,000) and a general aggregate limit of at least Two Million Dollars (\$2,000,000).
- (b) Comprehensive Automobile Liability Insurance or Business Auto Policy covering all owned, hired or otherwise operated non-owned vehicles, with a minimum combined single limit of at least One Million Dollars (\$1,000,000) each occurrence for Bodily Injury and Property Damage.

- (c) Workers' Compensation Insurance as required by Applicable Law, and Employers' Liability Insurance with a minimum limit of at least One Million Dollars (\$1,000,000) per employee and at least One Million Dollars (\$1,000,000) each occurrence.

The insurance coverage required herein may be provided by one or more policies of insurance issued to Purchaser or its agents, consultants, contractors or subcontractors, provided, however, that in order for such insurance to be acceptable, Purchaser will contractually require such agents, consultants, contractors or subcontractors to indemnify, defend and hold harmless Seller from Claims to the extent of Purchaser's obligations provided for in this Agreement, with Seller named as an additional insured to such agreements, and such insurance policies will otherwise meet the terms and conditions of this Section.

The policies of insurance set forth above will name Seller Group as an additional insured and will not exclude or restrict coverage based upon alleged or actual negligence of an additional insured. Such insurance will provide coverage for Claims and Losses arising out of the actions of Purchaser or its agents, consultants, contractors or subcontractors on or about the Property while the policy is in force, regardless of whether the Claim or Loss arises after the policy is expired. Prior to its entry on the Property during the Due Diligence Period, Purchaser will deliver to Seller a certificate of insurance and additional insured endorsements evidencing the existence of the policies and further evidencing that coverage will not be canceled or materially changed prior to thirty (30) days' advance written notice to Seller. Subrogation against Seller and the Seller Group will be waived as respects all of the insurance policies set forth above (including without limitation policies of any subcontractor). The insurance required hereunder in no way limits or restricts any indemnity by Purchaser or its agents, consultants, contractors or subcontractors under this Agreement nor by any limitation placed on the indemnity as a matter of law.

4.2.4 Subject to the Lease, Seller, in its sole discretion, has the right to suspend or terminate any Purchaser's or Purchaser Group member's access at any time for any violation of this Section or any action or omission by Purchaser personnel that may create a risk of harm of any type.

4.2.5 The provisions of this Section 4.2 will survive termination of this Agreement or the Closing, as applicable.

4.3 Inspection of Documents. Within seven (7) Business Days after the Effective Date, if such has not already occurred, Seller will deliver or otherwise make available the Property Documents to Purchaser or its representative for inspection and copying. Purchaser acknowledges, understands and agrees that the Property Documents may have been prepared by parties other than Seller and that Seller makes no representation or warranty whatsoever, express or implied, as to the completeness, content or accuracy of the Property Documents. The provisions of this Section 4.3 will survive Closing, or the early termination of this Agreement. All Property Documents will be kept confidential in accordance with, and subject to the provisions of Section 16.11.

4.4 Title Review.

4.4.1 Within the time periods set forth below, Purchaser shall have approved or disapproved of the Title Commitment and the Survey (if any). Promptly after the Effective Date, unless Purchaser elects not to obtain the Survey, Purchaser shall order the Survey at its cost.

Promptly upon completion of the Survey, Purchaser shall provide a true and correct copy thereof to Seller and Title Insurer. Immediately following the Effective Date, Title Company shall order the Title Commitment with legible copies of all Exceptions to title set forth on such commitment, which Title Commitment and Exceptions, Title Company shall deliver to Purchaser with a copy to Seller. The Survey, Title Commitment and copies of all Exceptions to title set forth on the Title Commitment are collectively referred to below as the "**Title Documents**". On or before the date that is ten (10) days after the date that Purchaser receives the Title Documents, but in no event later than fifteen (15) days before the end of the Due Diligence Period, should Purchaser have objections to any Exceptions matters shown on the Title Documents, Purchaser will deliver to Seller, in writing, a letter (the "**Title Objection Letter**") setting forth the objections to any matters shown on the Title Documents. Purchaser's failure to timely object to any such Exceptions will be deemed to constitute Purchaser's approval thereof. Within five (5) calendar days after its receipt of the Title Objection Letter (the "**Seller's Response Period**"), with respect to each objection set forth in the Title Objection Letter, Seller shall notify Purchaser whether Seller is (i) willing to cure or eliminate from title on or prior to Closing said Exception(s) or (ii) unwilling or unable to cure or have eliminated from title to the Property on or prior to Closing said Exception(s); provided in no event shall Seller's Response Period extend beyond the Due Diligence Period hereunder. Seller's failure to respond to the Title Objection Letter or any objections referenced therein shall be deemed Seller's unwillingness to cure or eliminate said Exception(s) from title to the Property. Seller shall under no circumstances have any obligation to remove any Exception to title from the Property, except for such Exception, if any, as Seller in its sole and absolute discretion agrees in writing to remove. If Seller is unable or unwilling to remove an objection to an Exception set forth in the Title Objection Letter, then Purchaser shall have until the date that is five (5) days following expiration of Seller's Response Period (the "**Purchaser's Response Period**"), but in no event beyond the Due Diligence Period, to notify Seller that either (A) Purchaser is willing to purchase the Property subject to such Exception or Exceptions, as applicable, upon the satisfaction of the remaining conditions to the Closing or (B) Purchaser elects to terminate this Agreement pursuant to this Section 4.4.1. Further, if Seller elects to cure any objection(s) set forth in the Title Objection Letter, but fails to do so on or before the Closing Date, Purchaser shall have the right to terminate this Agreement by giving written notice thereof to Seller, in which case, this Agreement shall be terminated, which termination shall have the same effect as a termination pursuant to Section 4.5. Failure of Purchaser to deliver written notice to Seller, prior to expiration of the Purchaser's Response Period, of Purchaser's election to take either one of the actions described in clause (A) or (B) above shall be deemed to be Purchaser's election to take the action described in clause (A). Any Exception that Purchaser has elected, or deemed to have elected, to take title to the Property subject to, shall constitute a Permitted Exception. Notwithstanding the above, all Monetary Liens recorded against the Property shall be deemed to be included in the Title Objection Letter regardless of whether the same arise before or after the Due Diligence Period, and Seller shall remove the same from title to the Property prior to Closing.

4.4.2 Purchaser may, at or prior to Closing, notify Seller in writing (the "**Gap Notice**") of any objections it may have to any Exceptions to title that Purchaser reasonably determines will adversely and materially affect Purchaser's intended use or development of the Property and which were (a) raised by the Title Insurer between the expiration of the Due Diligence Period and the Closing and (b) not disclosed by the Title Insurer or otherwise actually disclosed in writing to Purchaser prior to the expiration of the Due Diligence Period (each, an "**Intervening Lien**"). Purchaser must notify Seller of such objection to title within ten (10) days after Purchaser's receipt of written notice of such Intervening Lien. If Purchaser sends a Gap Notice to Seller regarding any Intervening Lien, then Purchaser and Seller shall have the same

rights and obligations with respect to such notice as apply to an objection under Section 4.4.1 above (except that the references to the Due Diligence Period as an outside date for a response or decision shall not be applicable). Any termination of this Agreement as a result of any Intervening Lien shall have the same effect as a termination of this Agreement pursuant to Section 4.4.1.

4.4.3 Notwithstanding anything set forth herein to the contrary, Purchaser will accept title to the Property at Closing, subject to the following Permitted Exceptions:

(1) Those Exceptions for the Property: (a) which are of record on the date of the Title Commitment or as shown on the Survey, and which were not included in a Title Objection Letter timely delivered by Purchaser pursuant to the above; (b) which were included in a Title Objection Letter, but for which (i) Seller has completed the cure thereof; or (ii) Purchaser has waived or been deemed to have waived the cure thereof or (iii) Seller has elected to cure and will be cured by the payment of money at Closing; or (c) which Purchaser has otherwise approved in writing or which was caused by Purchaser or any employee, agent or contractor thereof.

(2) The lien of non-delinquent Taxes and other usual and customary charges assessed against the owners of real property in the state in which the Property is located.

(3) All matters disclosed by the Property Documents not prohibited hereunder.

(4) All building and zoning laws, codes and regulations affecting the Property, including all proffers, special exceptions, conditions, site plan approvals, and other similar matters, if any, relating to the zoning of the Property.

4.5 Purchaser's Acceptance or Rejection prior to the Expiration of the Due Diligence Period. On or before the expiration of the Due Diligence Period, if Purchaser, after conducting its Inspections as described in Section 4, does not desire to purchase the Property, Purchaser will give Seller written notice of its termination of this Agreement. If the Due Diligence Period expires without a notice of termination being received by Seller, then Purchaser will be deemed to have approved and accepted the Property and to have agreed to complete the transaction contemplated by this Agreement, and the Deposit will be nonrefundable, subject only to the provisions of Section 11, Section 12.1 and Section 12.2 hereof. If Purchaser gives Seller a notice of termination on or before the expiration of the Due Diligence Period, then this Agreement will automatically terminate, subject to the immediate return of all copies of all Property Documents to Seller, the Deposit will be delivered to Purchaser, and thereupon neither Party will have any further obligation or liability to the other Party hereunder, except as otherwise expressly provided herein.

4.6 Natural Hazard Disclosure/Disclosure Statement. Subject to the remainder of this Section 4.6, on or prior to the thirtieth (30th) day after the Effective Date, Seller shall provide to Purchaser a disclosure statement (paid for by Seller) pursuant to Natural Hazard Disclosure Act, California Government Code Sections 8589.3, 8589.4, and 51183.5, California Public Resources Code Sections 2621.9, 2694, and 4136, and California Civil Code Section 1102.6c(d) and any successor statutes or laws (the "**Disclosure Statements**"). Seller makes no representation or warranty, express or implied, as to the accuracy or completeness of any Disclosure Statements provided pursuant to the above, which Purchaser understands will be

prepared by third parties. Purchaser hereby knowingly, voluntarily and intentionally waives its right to terminate this Agreement as a result of the Disclosure Statements, or any one of them, after the expiration of the Due Diligence Period. This waiver is a material inducement to Seller's decision to enter into this Agreement and the calculation of the Purchase Price, and Purchaser acknowledges that Seller would not have entered in this Agreement but for this waiver.

5. SELLER'S OBLIGATIONS PRIOR TO CLOSING.

Until Closing, Seller and/or Seller's agents or representatives will:

5.1 Intentionally Omitted.

5.2 Notices. Provide to Purchaser, promptly upon the receipt thereof, copies of any and all written notices relating to the Property received by Seller or its agents or representatives from any governmental or quasi-governmental instrumentality, insurance company or vendor, which notices are of a type not normally received in the ordinary course of Seller's business, or which may have a material effect upon the Property or result in a material change in a representation or warranty made by Seller hereunder.

6. REPRESENTATIONS AND WARRANTIES.

6.1 Seller Representations and Warranties. Seller represents and warrants to Purchaser that as of the Effective Date and continuing through Closing, the following statements are accurate:

6.1.1 Formation. Seller is a corporation or company (as the case may be) duly organized, validly existing, and in good standing under the laws of the jurisdiction of its organization, and is duly qualified to do business in California.

6.1.2 Authorization. Seller (1) has full corporate or company power and authority to enter into and perform this Agreement and consummate the transaction contemplated by this Agreement, and (2) has taken all actions necessary to authorize execution, delivery, and performance of this Agreement and the transaction contemplated by this Agreement.

6.1.3 Valid and Binding Obligation. This Agreement constitutes Seller's legal, valid, and binding obligation enforceable in accordance with its terms.

6.1.4 No Conflict with Articles of Incorporation and Other Governing Documents of Seller. Neither this Agreement nor the performance of this Agreement constitutes a default, violation or conflict with the articles of incorporation, by-laws or governing documents of Seller.

6.1.5 No Litigation or Arbitration Proceedings. Seller is not a party to any litigation, arbitration or administrative proceedings in relation to the Property that might reasonably be expected to delay, prevent or materially hinder the consummation of the transaction contemplated by this Agreement or materially adversely affect the title to or value of any of the Property.

6.1.6 FIRPTA. Seller is not an entity named on the List of Specially Designated Nationals and Blocked Persons maintained by the U.S. Department of Treasury, as last updated

prior to the date of this Agreement. Seller is in compliance with the terms of the USA Patriot Act of 2001, as amended, the regulations promulgated under the foregoing law, Executive Order No. 13224 on Terrorist Financing, all sanctions programs administered by the U.S. Department of Treasury's Office of Foreign Asset Control or Financial Crimes Enforcement Network, and all other laws, regulations, executive orders or government programs designed to combat terrorism or money laundering, or the effect of any of the foregoing laws, regulations, orders or programs, if applicable, on the transaction contemplated by this Agreement.

6.2 Non-survival of Representations. All representations and warranties of Seller set forth in Section 6.1 and of Purchaser in Section 6.3 are made as of the Effective Date and as of the Closing Date, but shall not survive the Closing notwithstanding any provision herein to the contrary.

6.3 Purchaser Representations and Warranties. Purchaser represents, warrants and covenants to Seller that, as of the Effective Date and continuing through Closing, the following statements are accurate:

6.3.1 Authorization. Purchaser (1) has the full power and authority to enter into and perform this Agreement, and (2) has taken all actions necessary to authorize execution, delivery and performance of this Agreement and the transaction contemplated by this Agreement.

6.3.2 Valid and Binding Obligation. This Agreement constitutes Purchaser's legal, valid, and binding obligation enforceable in accordance with its terms.

6.3.3 No Conflict with Articles of Incorporation and Other Governing Documents of Purchaser. Neither Purchaser's execution of this Agreement nor the performance of this Agreement by Purchaser violates or conflicts with any applicable Laws.

6.3.4 No Litigation or Arbitration Proceedings. Purchaser is not a party to any litigation, arbitration or administrative proceedings that might reasonably be expected to delay, prevent or materially hinder the consummation of the transaction contemplated by this Agreement.

6.3.5 Consents. Purchaser has taken all requisite action and obtained all requisite consents, releases and permissions in connection with entering into this Agreement and the instruments and documents referenced herein or required under any covenant, agreement, encumbrance, law or regulation with respect to the obligations required hereunder, and no consent of any other party is required for the performance by Purchaser of its obligations hereunder.

6.3.6 Breach. Neither the execution of this Agreement nor the consummation of the transactions contemplated by this Agreement does now constitute or will result in a breach of, or a default under, any agreement, document, instrument or other obligation to which Purchaser is a party or by which Purchaser may be bound, or any law, statute, ordinance, rule, governmental regulation or any writ, injunction, order or decree of any court or governmental body, applicable to Purchaser or to the Property.

6.3.7 Bankruptcy. No petition in bankruptcy (voluntary or otherwise), assignment for the benefit of creditors, or petition seeking reorganization or arrangement or

other action under Federal or state bankruptcy law is pending against or, to the best of Purchaser's knowledge, contemplated by Purchaser.

6.3.8 FIRPTA. Purchaser is not an entity named on the List of Specially Designated Nationals and Blocked Persons maintained by the U.S. Department of Treasury, as last updated prior to the date of this Agreement. Purchaser is in compliance with the terms of the USA Patriot Act of 2001, as amended, the regulations promulgated under the foregoing law, Executive Order No. 13224 on Terrorist Financing, all sanctions programs administered by the U.S. Department of Treasury's Office of Foreign Asset Control or Financial Crimes Enforcement Network, and all other laws, regulations, executive orders or government programs designed to combat terrorism or money laundering, or the effect of any of the foregoing laws, regulations, orders or programs, if applicable, on the transactions contemplated by this Agreement.

6.3.9 Conflict of Interest. No event has occurred prior to the Effective Date which, had it occurred after the Effective Date, would constitute a violation of Section 18.1.

6.3.10 Funding. Purchaser has and will have at Closing sufficient funds to effect the payments due by Purchaser at Closing and to fulfill all of its other obligations under this Agreement.

6.3.11 Purchaser's Experience. Purchaser represents all of the following concerning its experience:

6.3.12.1 Purchaser has knowledge and experience in financial and business matters that enable it to evaluate the merits and risks of the transaction contemplated by this Agreement.

6.3.12.2 Purchaser is not in a significantly disparate bargaining position.

6.3.12 Evidence of Capacity. Purchaser is not undergoing any insolvency or receivership proceedings, and no material events have occurred since Purchaser's last financial statements that would adversely affect Purchaser's financial ability to perform Purchaser's obligations under this Agreement.

6.4 Broker. Seller and Purchaser each represents to the other that it has had no dealings, negotiations, or consultations with any broker, representative, employee, agent or other intermediary in connection with the sale of the Property. Seller and Purchaser agree that each will indemnify, defend and hold the other free and harmless from the claims of any broker(s), representative(s), employee(s), agent(s) or other intermediary(ies) claiming to have represented Seller or Purchaser, respectively, or otherwise to be entitled to compensation in connection with this Agreement or in connection with the sale of the Property. This mutual indemnity will survive Closing and any termination of this Agreement.

6.5 Property Condition; As-Is Purchase.

6.5.1 Environmental Responsibility. Purchaser acknowledges that it is purchasing the Property without any environmental indemnity of any kind from Seller for any Environmental Condition or Environmental Obligation at or relating to the Property, including, but not limited to, those related to past uses of the Property. Purchaser further acknowledges and agrees that it will be solely responsible for the Environmental Condition of the Property, and

for the Environmental Obligations, upon the Close of Escrow, as further detailed in this Agreement.

6.5.2 "AS IS" PURCHASE.

(A) Disclaimer. Purchaser acknowledges and agrees that the Property is to be sold to and accepted by Purchaser "as is" and "where is," with all faults, if any, including, without limitation, the Environmental Condition of the Property, and Seller does hereby disclaim any and all warranties, and makes no representations or warranties, express or implied of any kind to Purchaser including, without limitation, warranties relating to (a) the physical condition of the Land, Improvements, if any, and any personal property; (b) the suitability, habitability, merchantability, or design of the Property for any particular purpose; (c) the Environmental Condition of the Property, including, without limitation, the presence or absence of or Contamination by Hazardous Materials; (d) the compliance of the Property with laws and regulations, including without limitation, Environmental Law; and (e) the soil conditions, drainage, flooding characteristics, utilities or other conditions existing in, on, or under the Property.

(B) Acknowledgment of Inspection. Purchaser covenants, represents and warrants to Seller that: (i) Purchaser has inspected or will inspect the Property, and Improvements on the Property, if any, and all matters relating thereto which Purchaser desires; (ii) neither Seller nor anyone on Seller's behalf has made, or is making, any warranties or representations respecting the Property other than those expressly set forth in this Agreement; and (iii) in evaluating the transaction contemplated by this Agreement, Purchaser is relying solely on Purchaser's own investigation of the Property and all matters pertaining thereto, including, but not limited to, the Environmental Condition of the Property.

(C) Purchaser acknowledges and agrees that Seller makes no, and expressly disclaims any, warranties or representations concerning the accuracy or completeness of any of the Property Documents.

(D) Further, Purchaser acknowledges and agrees that, notwithstanding anything in this Agreement to the contrary, in no event shall Seller be liable for any special, indirect or consequential damages, including, but not limited to, Claims for loss of use, rents, anticipated profit or business opportunity, or business interruption, construction or business delays, diminution in value, loss of goodwill, any claims by Purchaser or any third party attributable to or arising from construction on the Property following the Closing Date that involves subsurface excavation, soil movement, and/or handling, treatment or disposal of soil or groundwater or mental or emotional distress or fear of injury or disease by Purchaser or any third party.

(E) Obligation to Make Repairs. Purchaser acknowledges and agrees that (i) any reports, repairs or work required by Purchaser are the sole responsibility of Purchaser, (ii) Seller has no obligation to make any changes, alterations or repairs to the Property, or to cure any violations of law or to comply with the requirements of any insurer, and (iii) Purchaser is solely responsible for obtaining any certificate of occupancy or any other approval or permit necessary for transfer or occupancy of the Property and for any repairs or alterations necessary to obtain the same, all at Purchaser's sole cost and expense.

6.5.3 Survival. The acknowledgements and agreements of Purchaser set forth in this Section 6 will survive the Closing.

7. PURCHASER'S RELEASE AND INDEMNIFICATION.

7.1 Intent of Indemnity and Release Provisions. The Parties have allocated between them certain risks and responsibility for Claims related to the Property and this Agreement as set out below. If Closing occurs, the indemnities set out below are the exclusive remedy for any Claim based upon or relating to this Agreement or the transaction contemplated thereby, regardless of the manner in which any Claim is characterized or pleaded; provided, however, this does not affect a Party's rights to non-monetary equitable relief under Section 15 [Dispute Resolution].

7.2 Purchaser's Release. Subject to Seller's representations and warranties, by accepting title to the Property, Purchaser, for itself and all members of the Purchaser Group, releases all members of the Seller Group from any Claim or any Loss (including reasonable outside attorneys' fees), whether known or unknown, liquidated or contingent, asserted against or incurred by any member of the Purchaser Group, and that arises from, is in any way associated with, or is related in any manner to the following (collectively, the "**Released Matters**"):

7.2.1 Acts or omissions of Purchaser or Purchaser Group and/or Seller or Seller Group with respect to, or occurring on, the Property;

7.2.2 Any condition existing or occurring in, on, under or within the Property, including, but not limited to:

(A) the death or injury of any Person or Persons, including, without limitation, any member of the Purchaser Group;

(B) the damage or destruction of the Property;

(C) the violation or alleged violation of any federal, state, local, or municipal law, rule, regulation, order, judgment, decree or other requirement, including, without limitation, requirements under permits, licenses, consents and approvals;

(D) the existence, assessment or Remediation of Contamination, if any so exists, upon, under, in or emanating to or from the Property;

(E) emissions, discharges, releases or threatened releases, or the presence, generation, manufacturing, processing, distribution, use, treatment, storage, disposal, transport, labeling, advertising, sale, display or handling, of Contamination, if any so exists;

(F) any response costs any member of the Seller Group or the Purchaser Group may incur with respect to the Property, under any Environmental Law;

(G) any cause of action or theory of any kind as a result of, in connection with or in any way related to, the ownership and operation of the Property;

(H) Environmental Conditions, whether such Environmental Conditions existed before or after the Closing;

(I) Any Claims under the Lease;

(J) Any historical or other uses at, on or in the vicinity of the Property as well as any other historical uses of the Property or any adjacent land; and/or

(K) any special, indirect or consequential damages, including, but not limited to, Claims for loss of use, rents, anticipated profit or business opportunity, or business interruption, construction delays, diminution in value, loss of goodwill by Purchaser, or mental or emotional distress or fear of injury or illness, trespass, nuisance or otherwise;

7.2.3 Purchaser's or its agent's, contractor's or employee's activities and inspections regarding the Property;

7.2.4 Purchaser or Purchaser Group's construction or development activities on the Property;

7.2.5 Purchaser's performance or failure to perform any due diligence reviews and surveys of the Property such as human health risk assessments or similar studies;

7.2.6 any environmental investigations, environmental claims, cleanup costs, or any Claims or action attributable or arising from subsurface excavation, soil movement, and/or special handling, treatment, or disposal of soil and/or groundwater, vapor intrusion protections, or engineered controls; and/or

7.2.7 the information contained in, or that should have been contained in, the Property Documents.

Released Matters do not extend to matters determined by final non-appealable judgment to have been caused by the gross negligence or willful misconduct of a member of the Seller Group, except that negligence of any type occurring prior to Closing with respect to matters described in Sections 7.2.2(D) and 7.2.2(E) of Purchaser's release are not excluded from the definition of Released Matters.

Purchaser recognizes that there is a risk that, after Closing, Purchaser may suffer a Loss or Claim that is in some way caused by the Released Matters, and Purchaser agrees that all members of Purchaser Group assume this risk and that this release shall apply to any and all such unknown or unanticipated Loss or Claim. In the event this release is judicially determined to exceed that permitted by Applicable Law, then such release shall be construed so as to preserve the maximum release permitted thereby.

Purchaser specifically acknowledges that it has read, understands, and knowingly waives any rights it (or any member of the Purchaser Group) may have pursuant to the provisions of Section 1542 of the California Civil Code, which states:

“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.”

Purchaser's Initials: _____

7.3 No Actions or Proceedings. In no event will Purchaser or any Person that is part of the Purchaser Group file or pursue any legal action, proceeding or arbitration against Seller or any other member of the Seller Group with respect to any of the Released Matters.

7.4 Purchaser's Indemnification. Purchaser shall indemnify, defend (with counsel reasonably acceptable to Seller), save and hold harmless all members of the Seller Group from any Claim or any Loss, including, without limitation, all Released Matters. Such Claim or Loss shall include, but is not limited to, any Claims or any Losses as to strict liability Claims, including those under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA); and any regulatory obligations that would require Remediation activities without regard to the point in time that the Contamination occurred. In the event this indemnity is judicially determined to exceed that permitted by Applicable Law, then such indemnity shall be construed as to preserve the maximum indemnity permitted thereby. With regard to any regulatory obligations that would require Remediation activities in connection with the Property, nothing herein precludes Purchaser from recovering its costs from parties who caused the Contamination, if any so exists, that are not members of the Seller Group.

7.5 Binding on Successors. The release and indemnity provisions set forth in this Section 7 shall, to the extent legally permissible, be covenants running with the land and shall be binding on all future owners of the Property. Purchaser further agrees to cause the release and indemnity provisions of this section to be included in all subsequent sales or transfers of any interest in the Property, and to cause all purchasers or transferees of the Property to expressly acknowledge and assume all such obligations.

8. CONDITIONS PRECEDENT TO CLOSING.

8.1 Conditions Precedent to Seller's Obligation to Sell. The following are the Conditions Precedent to Seller's obligation to sell the Property to Purchaser pursuant to this Agreement, any of which may be waived (in whole or in part) by Seller:

8.1.1 Purchaser has performed and complied in all material respects with the terms and conditions of this Agreement required to be performed or complied with by Purchaser at or prior to Closing.

8.1.2 Purchaser representations and warranties set forth in Section 6.3 are true and correct in all material respects on the Effective Date and Closing Date.

8.2 Conditions Precedent to Purchaser's Obligation to Purchase. The following are the Conditions Precedent to Purchaser's obligation to purchase the Property from Seller pursuant to this Agreement, unless waived by Purchaser:

8.2.1 Seller has performed and complied in all material respects with the terms and conditions of this Agreement required to be performed or complied with by it at or prior to Closing.

8.2.2 Seller's representations and warranties set forth in Section 6.1 are true and correct in all material respects on the Closing Date.

8.2.3 Title Insurer shall issue to Purchaser or be irrevocably committed to issue to Purchaser the Owner's Policy of Title Insurance.

8.3 Fulfillment of Conditions Precedent.

8.3.1 Each Party will, and will require that its Affiliates will, use reasonable efforts to satisfy the Conditions Precedent to its obligation to consummate the Closing, including the execution of all documents, acts and things as may be reasonably required in order to satisfy the Conditions Precedent.

8.3.2 Each Party will promptly provide to the other Party all such information and documentation concerning such Party as may be necessary to enable the other Party to prepare and submit all necessary filings required by any Government Entity in connection with the transaction contemplated by this Agreement and otherwise to satisfy the Conditions Precedent.

8.4 Right to Terminate for Failure to Satisfy Conditions Precedent.

8.4.1 If Purchaser has not satisfied all of the Conditions Precedent set forth in Section 8.1 by the Closing Date and said failure continues for two (2) Business Days thereafter, and Seller has not waived such unsatisfied Conditions Precedent, then Seller may terminate this Agreement. In the event of such a termination, the Deposit shall be delivered to Seller without any further authorization of Purchaser, except as follows: If such a termination results from the failure of the condition set forth in Section 8.1.2, then the Deposit shall be delivered to Purchaser with no further authorization of Seller. Notwithstanding anything to the contrary contained herein, in the event of a failure of any condition precedent specified in Section 8.1 that is caused by a breach or default hereunder on the part of Purchaser, then in lieu of terminating this Agreement and escrow pursuant to this Section 8.5.1, Seller shall be entitled to exercise its rights pursuant to the provisions of Section 13.1.

8.4.2 If Seller has not satisfied all of the Conditions Precedent set forth in Section 8.2 by the Closing Date and said failure continues for two (2) Business Days thereafter, Purchaser has not waived such unsatisfied Conditions Precedent, and Purchaser has not breached any representation, warranty, covenant or agreement under this Agreement, then Purchaser may terminate this Agreement. In the event of such a termination, the Deposit shall immediately be delivered to Purchaser without any further authorization of Seller. In addition, and notwithstanding anything set forth above, if such condition fails due to a breach or default of Seller hereunder following the expiration of all applicable notice and cure periods set forth in Section 13.2, Purchaser may also exercise such rights and remedies set forth in Section 13.2.

A Party may terminate this Agreement under this Section 8.5 by giving notice to the other Party.

9. COSTS AND PRORATIONS.

9.1 Closing Costs. Seller shall pay the following costs and expenses: (i) all documentary stamp taxes and other transfer taxes payable in connection with the recording of the Deed and the conveyance of the Property to Purchaser, if applicable, (ii) fifty percent (50%) of the portion of the premium for Owner's Policy of Title Insurance equal to the costs of a CLTA owner's title insurance policy in the amount of the Purchase Price, (iii) fifty percent (50%) of the Title Company's fees and costs, and (iv) all expenses and charges incurred in connection with the discharge of any Monetary Lien or other Exception objected to by Purchaser which Seller elects to remove or cure as provided for herein. Purchaser shall pay the following costs and expenses: (w) fifty percent (50%) of the Title Company's fees and all recording costs, (x) fifty

percent (50%) of the portion of the premium for Owner's Policy of Title Insurance equal to the costs of a CLTA owner's title insurance policy in the amount of the Purchase Price and the costs of any coverage in excess of that provided by a CLTA owner's title insurance policy and of any endorsements, and (y) the cost of the Survey, if obtained by Purchaser. Unless specified elsewhere in this Agreement, any and all other closing costs related to the transaction shall be paid by the Parties in the manner consistent with customary practice for the County in which the Property is located as reasonably determined by Title Company. Each Party shall pay for its own attorneys' fees and costs incurred in connection with the preparation of this Agreement. Title Company shall notify Purchaser and Seller in writing of their respective shares of such costs at least three (3) Business Days prior to the Closing Date.

9.2 Taxes. Property Taxes and special assessments relating to the Property payable during the year in which Closing occurs will be prorated with respect to the Property as of the Closing Date, with Seller being responsible for Property Taxes accruing prior to Closing and Purchaser being responsible for Property Taxes attributable to the period from and after the Closing Date. In no event will Seller be responsible for any Property Taxes relating to any period in which Seller did not own the Property. If Closing will occur before the actual Property Taxes and special assessments payable during such year are known, the apportionment of Property Taxes will be upon the basis of Property Taxes for the Property payable during the immediately preceding year. If, as the result of an appeal of the assessed valuation of the Property for any Property Tax year prior to (or including) the Closing, there is issued after Closing an administrative ruling, judicial decision or settlement by which the assessed value of the Property for such Property Tax year is reduced, and a Property Tax refund or credit issued, Seller will be entitled to all such Property Tax refunds relating to the period prior to Closing. No post-closing re-prorations will occur. Notwithstanding any contrary provision of this Agreement, Purchaser will pay when due all assessments and/or Property Taxes for the change in the use of the Property (including, without limitation, any rollback Property Taxes), regardless of the period for which they were assessed, and will further indemnify, defend and hold harmless Seller from any Claim made or any Loss incurred relating to or arising out of any change in use of the Property. The provisions of this Section 9.2 will expressly survive the Closing.

9.3 In General. Any other costs or charges of Closing this transaction not specifically mentioned in this Agreement will be paid and adjusted in accordance with local custom or ordinance in the jurisdiction in which the Property is located.

9.4 Purpose and Intent. Except as expressly provided herein, the purpose and intent as to the provisions of prorations and apportionments set forth in this Section 9 and elsewhere in this Agreement is that Seller will bear all expenses of ownership and operation of the Property during its period of ownership and will receive all income therefrom accruing through midnight of the day preceding the Closing and Purchaser will bear all such expenses and receive all such income accruing thereafter.

10. CLOSING AND ESCROW.

10.1 Closing. The purchase and sale of the Property will be consummated through an escrow with Title Company. Closing will occur on the Closing Date on or before 10:00 a.m., local time or as soon thereafter as possible on the Closing Date as set forth in Section 10.5 at the offices of the Title Company, or at such other time and place as may be agreed to in writing by Seller and Purchaser.

10.2 Seller's Deliverables. Seller will deliver at the Closing the following original documents, each executed and, if required, acknowledged:

10.2.1 The Deed;

10.2.2 An affidavit pursuant to the Foreign Investment and Real Property Tax Act;

10.2.3 Appropriate evidence of authority, capacity and status of Seller as reasonably required by Title Company;

10.2.4 An "owner's affidavit", in form reasonably acceptable to Seller and the Title Company and sufficient for the Title Company to delete any exceptions for (a) mechanics' or materialmen's liens arising from work at the Property, which is the responsibility of Seller hereunder, (b) parties in possession, other than tenants as tenants only, and (c) matters not shown in the public records;

10.2.5 The Settlement Statement; and

10.2.6 Such other documents, certificates and other instruments as may be reasonably required to consummate the transaction contemplated by this Agreement.

10.3 Purchaser's Deliverables. At the Closing, Purchaser will (a) pay Seller the Purchase Price as required by, and in the manner described in, Section 3 hereof, and (b) execute and deliver the following original documents, each executed and, if required, acknowledged:

10.3.1 The Deed;

10.3.2 Evidence of Purchaser's authority, and the authority of the person executing any documents at Closing on behalf of Purchaser, acceptable to Seller and the Title Company, to enter into the transactions contemplated by this Agreement;

10.3.3 The Settlement Statement;

10.3.4 One (1) preliminary change of ownership report ("PCOR");

10.3.5 Such other documents, certificates and other instruments as may be reasonably required to consummate the transaction contemplated by this Agreement.

10.4 Possession. Purchaser will be entitled to possession of the Property at the conclusion of the Closing.

10.5 Escrow Closing. Purchaser and Seller (or their respective counsel on behalf of Purchaser and Seller) will execute Closing Instructions consistent herewith which will provide that, on the Closing Date: (a) Seller and Purchaser will each deposit the Closing Documents with the Title Company; and (b) Purchaser will deposit with the Title Company the Adjusted Purchase Price by at least 3:00 p.m. on the day before the Closing Date, which will be determined as set forth herein and set forth on a Settlement Statement executed by both Purchaser and Seller at Closing. Upon receipt of the Adjusted Purchase Price, and the satisfaction of all other conditions set forth in the Closing Instructions, the Title Company will be

authorized and directed to disburse the Adjusted Purchase Price to Seller or its designee(s), record the Deed in the official records of the County, and release the remaining Closing Documents to the appropriate parties, all in strict accordance with the Closing Instructions and this Agreement. In the event of any conflict between the Closing Instructions and this Agreement, this Agreement will control.

11. INTENTIONALLY OMITTED.

12. DAMAGE, DESTRUCTION AND CONDEMNATION.

12.1 Casualty. Except as provided herein, Purchaser assumes all risk of loss or damage to the Property by a casualty until Closing has occurred.

12.2 Condemnation. In the event, at any time on or prior to the Closing Date, any action or proceeding is filed, under which the Property, or any portion thereof, may be taken pursuant to any law, ordinance or regulation or by condemnation or the right of eminent domain, Seller will promptly give written notice thereof (which notice will describe the type of action being taken against the Property, and which portions of the Property will be affected thereby) to Purchaser. Purchaser will have the right to terminate this Agreement by written notice to Seller within ten (10) days following the date upon which Purchaser receives Seller's written notice of such action or proceeding. If Purchaser does not elect to so terminate this Agreement within said ten (10) day period, this Agreement will remain in full force and effect and the Parties will proceed to closing without any reduction or adjustment in the Purchase Price, except that all condemnation proceeds will be assigned to Purchaser. In the event of a termination pursuant to this Section, the Deposit shall be returned to Purchaser.

13. DEFAULT AND REMEDIES.

13.1 Purchaser Default.

13.1.1 If Purchaser is in default of one or more of Purchaser's obligations under this Agreement other than a failure to timely close (for which there will be no notice and cure period), then Seller may give notice to Purchaser (with a copy to Title Company) specifying the nature of the default. Purchaser will have five (5) days after receiving that notice, but in no event beyond the Closing Date, within which to cure that default. If Purchaser fails to cure that default within that period, then Seller's sole remedy for such default will be to terminate this Agreement by giving notice of such termination to Purchaser (with a copy to Title Company) and receive the Deposit as liquidated damages. If Seller does so terminate this Agreement, then Title Company will immediately release and pay the Deposit to Seller.

WITH RESPECT TO THE ABOVE, PURCHASER AND SELLER AGREE THAT THE RELEASE AND PAYMENT OF THE DEPOSIT TO SELLER REPRESENTS A REASONABLE ESTIMATION AS OF THE EFFECTIVE DATE OF SELLER'S DAMAGES IN THE EVENT OF PURCHASER'S DEFAULT HEREUNDER, THAT ACTUAL DAMAGES WOULD BE IMPRACTICABLE OR EXTREMELY DIFFICULT TO ASCERTAIN, AND THAT THE PROVISION FOR LIQUIDATED DAMAGES HEREUNDER DOES NOT CONSTITUTE A FORFEITURE OR PENALTY WITHIN THE MEANING OF CALIFORNIA CIVIL CODE SECTIONS 3275 OR 3369, BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLER UNDER CALIFORNIA CIVIL CODE SECTIONS 1671, 1676 AND 1677. THE PARTIES ACKNOWLEDGE THAT THESE DAMAGES HAVE BEEN SPECIFICALLY NEGOTIATED BETWEEN THEMSELVES AND ARE INTENDED, AMONG OTHER THINGS, TO

COMPENSATE SELLER FOR TAKING THE PROPERTY OFF THE MARKET, FOR SELLER'S COSTS AND EXPENSES ASSOCIATED WITH THIS AGREEMENT AND FOR SELLER'S LOST OPPORTUNITY COSTS. PURCHASER HEREBY WAIVES THE RIGHTS AND BENEFITS OF ANY LAW, RULE, REGULATION, OR ORDER NOW OR HEREAFTER EXISTING THAT WOULD ALLOW PURCHASER TO CLAIM A REFUND OF THE DEPOSIT AS UNEARNED EARNEST MONEY, A PENALTY, OR FOR ANY OTHER REASON.

BY PLACING THEIR INITIALS BELOW, EACH PARTY SPECIFICALLY CONFIRMS THE ACCURACY OF THE STATEMENTS MADE ABOVE AND THEIR FULL UNDERSTANDING THEREOF. NOTWITHSTANDING ANYTHING TO THE CONTRARY SET FORTH IN THIS AGREEMENT, THE PARTIES AGREE THAT, IN NO EVENT, SHALL THIS LIQUIDATED DAMAGES PROVISION LIMIT SELLER'S RIGHTS OR RECOURSE WITH RESPECT TO (A) ANY INDEMNITY PROVISIONS OF THIS AGREEMENT; (B) ANY DEFAULT BY PURCHASER FOLLOWING THE CLOSE OF ESCROW; AND (C) ANY ATTORNEYS' FEES INCURRED BY SELLER IN ENFORCING THIS AGREEMENT OR ANY OTHER AGREEMENTS AND THE PARTIES FURTHER AGREE, IN THE EVENT SELLER MAKES A CLAIM FOR ANY OF THE MATTERS DESCRIBED IN SUBSECTION (A) THROUGH (C) ABOVE, ALL OF SELLER'S RIGHTS, OPTIONS AND REMEDIES SHALL BE CUMULATIVE AND NOT ONE OF THEM SHALL BE EXCLUSIVE OF THE OTHER AND SELLER SHALL HAVE, WITH RESPECT TO THE MATTERS SET FORTH IN SUBSECTION (A) THROUGH (C) ABOVE, THE RIGHT TO PURSUE ANY OR ALL OF SUCH REMEDIES OR TO SEEK DAMAGES IN CONNECTION WITH THE MATTERS DESCRIBED IN (A) THROUGH (C) ABOVE AS IN THE EVENT OF ANY BREACH OF THE TERMS HEREOF BY PURCHASER OR TO PURSUE ANY OTHER REMEDY OR RELIEF WHICH MAY BE PROVIDED BY LAW OR EQUITY, WHETHER OR NOT STATED IN THIS AGREEMENT.

Initials: Seller _____ Purchaser _____

13.2 Seller Default.

13.2.1 In the event Seller does any of the following: (a) fail to sell, transfer and assign the Property to Purchaser in violation of the terms of this Agreement or fail to perform any other material obligation of Seller hereunder after Seller has been given five (5) days' notice and opportunity to cure, (b) intentionally breach any warranty made or granted by Seller under this Agreement, which breach is not cured by the Closing Date or (c) intentionally misrepresent any fact, or if any of the representations of Seller contained herein are not true, accurate or complete in any material respect, Purchaser will as its sole and exclusive remedy, be entitled to terminate this Agreement and demand and receive the return of the Deposit, whereupon, neither Party will have any further rights, duties or obligations hereunder except as otherwise expressly provided herein to the contrary.

13.2.2 OTHER THAN PURCHASER'S RIGHTS TO THE RECEIPT OF THE DEPOSIT, PURCHASER HEREBY WAIVES AND RELEASES ANY RIGHT PURCHASER OTHERWISE POSSESSES TO RECOVER OR SEEK TO RECOVER ANY DAMAGES ARISING OUT OF THIS AGREEMENT AND/OR ESCROW, INCLUDING, WITHOUT LIMITATION, ANY CONSEQUENTIAL (INCLUDING LOST PROFITS), SPECIAL OR GENERAL DAMAGES OF ANY NATURE OR KIND (EVEN IF SELLER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES), OR FOR ANY PUNITIVE DAMAGES UNDER ANY CIRCUMSTANCES, AND ALL SUCH DAMAGES CLAIMS ARE HEREBY WAIVED BY PURCHASER TO THE FULLEST EXTENT PERMITTED BY LAW. PURCHASER ALSO

HEREBY WAIVES ANY AND ALL RIGHT (I) TO FILE OR RECORD ANY LIEN OR ENCUMBRANCE AGAINST THE PROPERTY, INCLUDING, WITHOUT LIMITATION, ANY LIS PENDENS AND (II) TO SEEK SPECIFIC PERFORMANCE OF THIS AGREEMENT AND/OR ANY INCIDENTAL DAMAGES WITH RESPECT THERETO.

13.2.3 Waiver of Default. If Purchaser does not duly notify Seller of Seller's default, or does not give Seller a notice of termination hereunder, then (i) the default will be treated as waived by Purchaser and (ii) at Closing, Purchaser will accept the Property subject to the default without any reduction in the Purchase Price and without any Claims against Seller on account of the default.

13.3 Survival. This Section 13 shall survive the termination or expiration of this Agreement.

13.4 Termination. Upon any termination of this Agreement pursuant to any right of a Party to terminate set forth in this Agreement, but subject to Section 3.2.2, the Deposit will be paid over to the Party entitled to the same, (b) all documents deposited by Purchaser and Seller into escrow will be returned by the escrow agent to the Party depositing the same, and (c) all copies of all Property Documents provided to Purchaser by Seller and all third party reports relating to the Inspections obtained by Purchaser will be delivered to Seller, whereupon the Parties will have no continuing liability to each other unless otherwise expressly stated in any provision of this Agreement.

13.5 Attorneys' Fees. If any legal action or proceeding, including but not limited to arbitration, is brought for the enforcement of, or for a declaration of, any rights and duties under, this Agreement, or because of an alleged dispute, breach or default in connection with any of the provisions of this Agreement, any and all arbitration fees and/or court costs will be paid equally, and each Party will bear its own costs of legal representation and witness expenses.

14. NOTICES.

14.1 Any notice required or permitted to be given hereunder may be served by a Party or its attorney and must be in writing and will be deemed to be given when (a) hand delivered, or (b) one (1) Business Day after pickup by Emery Air Freight, United Parcel Service (Overnight) or Federal Express, or another similar overnight express service, (c) transmitted by email with a counterpart of such notice is also delivered pursuant to one of the two manners specified in Sections 14.1(a) or 14.2(b), above, in any case addressed to the Parties at their respective addresses set forth below:

If to Seller: Union Oil Company of California
c/o Chevron Business and Real Estate Services
6001 Bollinger Canyon Road
San Ramon, CA 94583
Attn: Kelly Duran
Email: kaduran@chevron.com

**with a copy to:

Miller Starr Regalia
1331 N. California Blvd., Fifth Floor
Walnut Creek, CA 94596

Attn: Michael Di Geronimo and Amer Lakhani
Email: michael.digeronimo@msrlegal.com; amer.lakhani@msrlegal.com

**Notice is only required to be given to MSR if sent on or before the Closing

If to Purchaser: City of Sonora
94 N. Washington Street
Sonora, CA 95370
Attn: City Manager
email: _____

With a copy to: Name: _____
Address: _____
Attn: _____
email: _____

or in each case to such other address as either Party may from time to time designate by giving notice in writing pursuant to this Section 14 to the other Party. Telephone numbers and e-mail addresses are for informational purposes only. Effective notice will be deemed given only as provided above, except as otherwise expressly provided in this Agreement.

14.2 Each Party may change its representative or contact information by giving notice to the other Party. The new representative or contact information set out in the notice replaces the representative or contact information in the signature page of this Agreement.

14.3 Notices which do not comply with the requirements of this Agreement are ineffective, and do not impart actual or any other kind of notice.

15. DISPUTE RESOLUTION.

15.1 Resolution of Disputes. The Parties will exclusively and finally resolve any Dispute between them using direct negotiations, mediation and arbitration as set out in this Section 15, except as permitted in Section 15.7.

15.2 Direct Negotiations. If a Dispute arises, a Party will initiate the resolution process by giving notice to the other Party setting out, in writing and in detail, the issues in Dispute and the value of the Disputed Claim. A meeting between the Parties, attended by individuals with decision-making authority, must take place within thirty days from the date the notice was sent in an attempt to resolve the Dispute through direct negotiations.

15.3 Mediation. If the Dispute cannot be resolved by direct negotiations within thirty (30) days of initiation of the resolution process, either Party may initiate mediation by giving notice to the other Party. Mediation must be attended by an individual(s) representing each Party with decision-making authority and the proceeding must take place in the County.

15.4 Arbitration. If the Dispute is not resolved by mediation within sixty (60) days from the date of the notice requiring mediation, then the Dispute must be finally resolved by binding arbitration, and either Party may initiate arbitration by giving notice to the other Party. The arbitration must be conducted in accordance with the CPR Rules. To the extent of any conflicts between the Federal Arbitration Act or the CPR Rules and the provisions of this

Agreement, the provisions of this Agreement will prevail. The CPR will be the appointing authority. The place of arbitration will be in either Contra Costa County or San Francisco, California.

15.5 Arbitration Proceedings. The following provisions apply to any arbitration proceedings commenced pursuant to Section 15.4:

15.5.1 The number of arbitrators must be one if the monetary value of the Dispute is \$5,000,000 (or its currency equivalent) or less. The number of arbitrators must be three if the monetary value is greater than \$5,000,000 or its currency equivalent. If there is a Dispute as to whether the monetary value exceeds the \$5,000,000 then the number of arbitrators must be three.

15.5.2 The arbitrator(s) must be and remain neutral, impartial and independent regarding the Dispute and the Parties. If the number of arbitrators to be selected is one, that arbitrator must be a lawyer experienced in the resolution of disputes with experience relating to the issues in Dispute.

15.5.3 The Parties will submit true copies of all documents considered relevant with their respective statement of the Disputed Claim or defense, and any counterclaim or reply. Neither Party may compel the other to produce additional documents. However, the arbitrator(s) may require the submission of additional documents limited to specific, narrow and well-defined classes of documents that the arbitrator(s) considers necessary for resolution of the Dispute. The maximum number of witnesses each Party may call to give evidence on its behalf, including by oral testimony, declaration or witness statement, is three witnesses of fact and one expert witness.

(A) The arbitrator(s) has no authority to appoint or retain expert witnesses for any purpose unless agreed to by the Parties to the Dispute. The arbitrator(s) may not act as *amiable compositeur* (act as a mediator or conciliator) or *ex aequo et bono* (according to what is just and good).

15.5.4 The arbitrator(s) has the power to rule on objections concerning jurisdiction, including the existence or validity of this arbitration provision and existence or the validity of this Agreement.

15.5.5 The Parties waive any Disputed Claim for, and the arbitrator(s) has no power to award, the damages waived and released under Sections 6.5.2(E), 7.2.4 and/or 13.2.2.

15.5.6 The arbitrator(s) is authorized to take any interim measures the arbitrator considers necessary, including the making of interim orders or awards, or partial or final awards. An interim order or award may be enforced in the same manner as a final award using the procedures specified in Section 15.7.

15.5.7 Regardless of which Party prevails, all arbitration fees and costs must be paid equally, and each Party will bear its own costs of legal representation and witness expenses.

15.6 Arbitral Award.

15.6.1 The arbitrator(s) must render a reasoned award in writing. The award is final and binding, and the Parties waive any right to appeal under any Applicable Law.

15.6.2 Proceedings to enforce judgment entered on an award may be brought in any court having jurisdiction over the Person or Property of the non-prevailing Party. The prevailing Party may seek, in any court having jurisdiction, judicial recognition of the award, or order of enforcement or any other order or decree that is necessary to give full effect to the award.

15.7 Judicial Proceedings.

15.7.1 Except for proceedings under Section 15.7.2, the Parties waive irrevocably their right to any form of appeal, review or recourse to any court or other judicial authority, to the extent that such waiver may be validly made.

15.7.2 The Parties may apply to a court for any of the following:

- (A) Interim measures as necessary until appointment of the arbitrator(s) or pending determination by the arbitrator(s).
- (B) Preserving property pending determination by the arbitrator(s).
- (C) Enforcing judgment entered on an award.
- (D) Enforcing Section 15.8 and preventing any information, documents or materials used in those proceedings from being used or disclosed by that Party for any purpose other than enforcement of Section 15.7.

15.7.3 Except for proceedings to preserve Property pending determination by the arbitrator(s) or to enforce an award, the mandatory exclusive venue for any judicial proceeding permitted in this Agreement is the court of competent jurisdiction in the County. The Parties consent to the jurisdiction of these courts and waive any defenses they have regarding jurisdiction or venue.

15.8 Confidentiality as to Disputes.

15.8.1 The existence of any Dispute and any negotiations, mediation and arbitration proceedings under this Agreement are confidential subject to Section 16.11, and the Parties will not make any disclosure thereof to any third party.

15.8.2 Any information, documents or materials created or produced for the purposes of, or used in, negotiations, mediation or arbitration of any Dispute are confidential and subject to Section 16.11, and the Parties will not disclose them to any third party.

15.8.3 Without prejudice to the foregoing, disclosure of the information set forth in Section 15.8.1 and Section 15.8.2 may be made under the following circumstances:

(A) With prior written notice to the other party, in order to enforce any of the provisions of this Agreement, including the Parties' agreement to arbitrate, any arbitration order or award, and any court judgment.

(B) With prior written notice to the other Party, to the auditors, legal advisers, insurers and Affiliates of that Party to whom the confidentiality obligations set out in this Agreement extend.

(C) With prior written notice to the other Party, where that Party is under a legal or regulatory obligation to make such disclosure, but limited to the extent of that legal obligation.

(D) With the prior written consent of the other Party.

16. MISCELLANEOUS.

16.1 Governing Law. This Agreement is governed by and interpreted under the laws of the State, without regard to its choice of law except that the substantive and procedural rules of the Federal Arbitration Act, 9 U.S.C. §§ 1-16 govern Section 15.

16.2 Successors Bound. This Agreement will be binding upon and inure to the benefit of Purchaser and Seller and their respective successors and permitted assigns.

16.3 No Public Disclosure. Purchaser will not issue any public announcement or statement concerning this Agreement or make any use of Seller Group's names, image, logos, or trademarks without obtaining Seller's prior written consent.

16.4 Captions; Interpretation. The captions in this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of this Agreement or the scope or content of any of its provisions. Whenever the context may require, words used in this Agreement will include the corresponding feminine, masculine, or neuter forms, and the singular will include the plural and vice versa. Unless the context expressly indicates otherwise, all references to "Section" are to sections of this Agreement.

16.5 No Partnership. Nothing contained in this Agreement will be construed to create a partnership or joint venture between the Parties or their successors in interest or permitted assigns.

16.6 Time of Essence. Time is of the essence with respect to each and every term, condition, obligation and provision of this Agreement, and the failure to timely perform any of the terms, conditions, obligations or provisions herein by either Party will constitute a breach of and a default under this Agreement by the Party so failing to perform. In calculating any period of time provided for in this Agreement, the number of days allowed will refer to calendar and not Business Days, unless otherwise specified.

16.7 Recordation. Purchaser and Seller agree not to record this Agreement.

16.8 Proper Authority and Execution. Each of the Parties and their officers represent and warrant that they are authorized to enter into this Agreement and execute the same without further authority. This Agreement will have no binding force and effect on either

Party unless and until both Purchaser and Seller will have executed and delivered this Agreement.

16.9 Waiver. No waiver of any breach of any agreement or provision contained herein will be deemed a waiver of any preceding or succeeding breach of any other agreement or provision herein contained. No extension of time for the performance of any obligation or act will be deemed an extension of time for the performance of any other obligation or act.

16.10 Business Days. If any date herein set forth for the performance of any obligations by Seller or Purchaser or for the delivery of any instrument or notice as herein provided should fall on a Saturday, Sunday or other day that is not a Business Day, then compliance with such obligations or delivery will be deemed acceptable on the next Business Day following such Saturday, Sunday or other non-Business Day..

16.11 Confidentiality. Until Closing, Purchaser and its partners, attorneys, agents, employees and consultants will treat the information disclosed to it by Seller as confidential, giving it the same care as Purchaser's own confidential information, and make no use of any such disclosed information not independently known to Purchaser except in connection with the transactions contemplated by this Agreement. In the event of termination of this Agreement, Purchaser will promptly return copies of all such confidential information to Seller.

16.12 Further Assurance. Whenever requested to do so by the other Party, each Party shall execute, acknowledge, and deliver any further conveyances, assignments, confirmations, satisfactions, releases, powers of attorney, instruments of further assurance, approvals, consents, and any further instruments or documents that are necessary, expedient, or proper to complete any conveyances, grants, transfers, sales, and other agreements expressly contemplated by this Agreement.

17. ESCROW AGREEMENT. By its acknowledgment hereof, Title Company agrees to deposit the Deposit in an interest bearing account, subject to the receipt from the Purchaser of a form W-9 for the purposes of investing said funds and to hold and disburse said funds, and any interest earned thereon, as hereinafter provided, and to otherwise be bound by and perform the terms hereof as and to the extent the same apply to Title Company. Upon written notification from Seller or Purchaser in accordance with the terms of this Agreement, Title Company will release the funds in accordance with and pursuant to the written instructions. In the event of a dispute between any of the Parties hereto sufficient in the sole discretion of Title Company to justify its doing so, Title Company will be entitled to tender unto the registry or custody of any court of competent jurisdiction all money or property in its hands held under the terms of this Agreement, together with such legal pleading as it deems appropriate, and thereupon be discharged. For purposes of complying with Internal Revenue Code Section 6045(e), as amended effective January 1, 1991, Title Company is hereby designated as the "person responsible for closing the transaction" and also as the "reporting person," for purposes of filing any information returns with the Internal Revenue Service concerning this transaction, as required by law.

18. ADDITIONAL OBLIGATIONS

18.1 Conflict of Interest.

18.1.1 Prohibition. No director, employee or agent of Purchaser may engage in any of the following activities:

(A) Give to or receive from any director, employee or agent of Seller or its Affiliates in connection with this Agreement, either of the following:

- (1) Any gift, entertainment or other benefit of significant cost or value.
- (2) Any commission, fee or rebate.

(B) Enter into any business arrangement with any director, employee or agent of Seller or any Affiliate of Seller (other than as a representative of Seller or any Affiliate of Seller) without Seller's prior consent.

18.1.2 Reporting Violations. Purchaser will immediately notify the Seller of any violation of Section 18.1.1 or of the occurrence of any event prior to the Effective Date which, if it had occurred after the Effective Date, would constitute a violation of Section 18.1.1.

18.1.3 Termination. Prior to Closing, Seller may, at its sole option, terminate this Agreement with immediate effect for any violation of Section 18.1.1 or 18.1.2 or breach of the warranty set out in Section 6.3.10.

18.2 Records Retention and Audit Rights. Purchaser will maintain and retain, and ensure that other Purchaser Parties maintain and retain true and correct records in connection with all matters relating to this Agreement for at least twenty-four (24) months from the Closing Date or the end of the calendar year in which this Agreement is terminated, whichever first occurs. Seller (or its representative) may inspect all records at any time during this retention period to determine Purchaser's compliance with the terms of this Agreement.

19. GENERAL PROVISIONS.

19.1 Entire Agreement. THIS AGREEMENT COMPRISE THE COMPLETE AND EXCLUSIVE AGREEMENT BETWEEN THE PARTIES REGARDING THE SUBJECT MATTER OF THIS AGREEMENT, AND SUPERSEDE(S) ALL ORAL AND WRITTEN COMMUNICATIONS, NEGOTIATIONS, REPRESENTATIONS OR AGREEMENTS IN RELATION TO THAT SUBJECT MATTER MADE OR ENTERED INTO BEFORE THE EFFECTIVE DATE. SELLER AND PURCHASER EACH ACKNOWLEDGE THAT THEY HAVE READ THIS AGREEMENT IN ITS ENTIRETY AND AGREE TO BE BOUND BY THE TERMS AND PROVISIONS HEREOF, AND THAT EACH HAVE HAD THE OPPORTUNITY TO BE REPRESENTED BY LEGAL COUNSEL OF ITS CHOICE IN THE NEGOTIATION OF THIS AGREEMENT.

19.2 Amendment. No amendment to this Agreement is effective unless made in writing, expressly identified as an amendment to this Agreement, signed by authorized representatives of both Parties, and delivered to both Parties.

19.3 Assignments.

19.3.1 This Agreement is binding on and inures for the benefit of the rightful successors and permitted assigns of the Parties, but the rights, duties, and obligations of Purchaser under this Agreement may not be assigned, in whole or in part, without Seller's prior consent to the assignment, which consent, in the event of an assignment by Purchaser to an Affiliate, will not be unreasonably delayed or withheld provided that if such Affiliate ceases to be an Affiliate of Purchaser, it will without delay assign this Agreement back to Purchaser.

Notwithstanding any contrary provision of this Agreement, Purchaser will remain responsible to Seller for all obligations, indemnities and liabilities due to Seller under this Agreement, unless and until expressly released in writing by Seller in Seller's sole discretion.

19.3.2 Purchaser will cause all subsequent purchasers or transferees of the Property, and all of its successors or assigns to expressly acknowledge and assume all surviving obligations of Purchaser under this Agreement. Any conveyance, transfer or assignment of all or part of the Property by Purchaser, its successors or assigns, in which the grantee, transferee or assignee fails to expressly assume all of Purchaser's surviving obligations under this Agreement, will be deemed null and void ab initio.

19.4 Third Party Rights. Except as otherwise stated in this Agreement, no third party has any rights under this Agreement or may enforce any provision in this Agreement.

19.5 Waiver. No waiver by either Party of this Agreement's terms, provisions or conditions is effective unless specifically evidenced in writing and signed by or on behalf of the Party granting such waiver. A Party's failure to pursue remedies for breach of this Agreement does not constitute a waiver by such Party of any breach of this Agreement or raise any defense against Claims against a Party for breach of this Agreement. The waiver or failure to require the performance of any covenant or obligation contained in this Agreement or to pursue remedies for breach of this Agreement does not waive a later breach of that covenant or obligation.

19.6 Severability. Each provision of this Agreement is severable and if any provision is determined to be invalid, unenforceable or illegal under any existing or future law by a court or arbitrator of competent jurisdiction or by operation of any Applicable Law, this invalidity, unenforceability or illegality does not impair the operation of or affect those portions of this Agreement that are valid, enforceable and legal.

19.7 Survival of Certain Obligations. Despite termination of this Agreement for any reason, all provisions in this Agreement containing waivers, disclaimers, releases, defense obligations and indemnities, and all provisions relating to remedies, audit, records retention, confidentiality, taxes, conflicts of interest, improper payment, insurance, limitations of liability, ownership or use or return of information subject to confidentiality obligations under this Agreement, Dispute resolution and governing Law, and all causes of action survive indefinitely until, by their respective terms, they are no longer operative or are otherwise limited by an applicable statute of limitations. Each of the obligations and undertakings of Purchaser set out in this Agreement which is not fully performed at Closing continues in force after Closing.

19.8 Drafting. Each Party has participated in the drafting of this Agreement and has had the opportunity to consult with legal counsel and any other advisors of its choice to its satisfaction regarding the terms and provisions of this Agreement. As a result, the rule of construction that an agreement be construed against the drafter does not apply to this Agreement.

19.9 Costs and Expenses. Each Party will pay its own costs and expenses in relation to the preparation, negotiation, and execution of this Agreement and the documents contemplated or executed pursuant to this Agreement.

19.10 Counterparts. This Agreement may be executed in any number of counterparts, each of which will be deemed an original of this Agreement, and which together will constitute one and the same instrument; provided that neither Party is bound to this Agreement unless and

until both Parties have executed a counterpart. For purposes of assembling all counterparts into one document, Seller is authorized to detach the signature page from one or more counterparts and, after signature by the respective Party, attach each signed signature page to a counterpart. The exchange of signature pages by facsimile, email, and/or DocuSign to all Parties constitutes execution and delivery of this Agreement.

19.11 Facsimile/PDF Signatures. In order to expedite the transaction contemplated herein, facsimile or .pdf signatures (including via DocuSign) may be used in place of original signatures on this Agreement. Seller and Purchaser intend to be bound by the signatures on the facsimile or .pdf document, are aware that the other party will rely on the facsimile or .pdf signatures, and hereby waive any defenses to the enforcement of the terms of this Agreement based on the form of signature.

19.12 Lease Termination. If and when the Closing occurs, the Parties agree that the Lease shall terminate thereon.

The remainder of this page is intentionally left blank.

IMPORTANT NOTICE: THIS AGREEMENT CONTAINS PROVISIONS REGARDING INDEMNITIES AND WARRANTIES THAT EXPRESS THE AGREEMENT OF THE PARTIES CONCERNING CLAIMS ARISING OUT OF THIS AGREEMENT.

The Parties have executed this Agreement in duplicate as evidenced by the following signatures of authorized representatives of the Parties:

“PURCHASER”

CITY OF SONORA, a Municipal corporation

By: _____

Name: _____

Dated: _____, 2021

“SELLER”

UNION OIL COMPANY OF CALIFORNIA, a California corporation

By: _____

Name: _____

Its: _____

Dated: _____, 2021

ACKNOWLEDGMENT OF TITLE COMPANY

The undersigned hereby acknowledges receipt of the Deposit referred to in this Agreement and agrees to perform the obligations of the Title Company with respect to the Deposit as provided therein as well as to be bound by and perform all other terms thereof as and to the extent such terms apply to Title Company.

Date: _____

Yosemite Title Company

By: _____

Name: _____

Title: _____

EXHIBIT A

LEGAL DESCRIPTION OF THE LAND

All that certain real property in the City of Sonora in the County of Tuolumne, State of California, described as follows:

Commencing at an iron pin, being the point of intersection of the Easterly line of Washington Street with the Southerly line of Church Street, as the name has been established by the trustees of the City of Sonora, and from which point of intersection the Southwest corner of Block 9 of the City of Sonora, as the same is designated upon the Official Map and Field Notes of Survey of said City of Sonora, made by A. B. Beauvais and J. P. Dart in the year 1872, bears North 32° 20' East, 73.81 feet distant, and the Northwesterly corner of Lot 4 in Block 8 of said City of Sonora, as the same is designated upon the Official Map and Field Notes of Survey thereof, as aforesaid, bears North 59° 30' East, 16.00 feet distant, running thence (variation 17° East) North 84° 30' East along the Southerly line of Church Street 65.00 feet;

Thence South 3° 21' East, 93.90 feet;

Thence South 88° West 63.20 feet more or less to the Easterly line of Washington Street;

Thence North 4° 30' West along the Easterly line of Washington Street, as the same has been established by the trustees of the City of Sonora, 90.00 feet to the point of commencement.

Assessor's Parcel Number: 002-151-010

EXHIBIT B

FORM OF GRANT DEED

Recording Requested By
And When Recorded Mail To:

Mail tax statements to:

Assessor's Parcel No. 002-151-010

(Space Above for Recorder's Use)

**Exempt from fee per GC 27388.1(a)(2); recorded in connection
with a transfer subject to the imposition of documentary transfer
tax**

The Undersigned Grantor(s) Declare(s):

CITY TRANSFER TAX \$0

DOCUMENTARY TRANSFER TAX

SURVEY MONUMENT FEE \$ N/A

computed on the consideration or full value of property conveyed, OR

computed on the consideration or full value less value of liens and/or encumbrances remaining at time of sale

GRANT DEED

The undersigned Grantor declares the DOCUMENTARY TRANSFER TAX is
\$ _____ computed on full value of property conveyed.

FOR VALUABLE CONSIDERATION, receipt of which is acknowledged, UNION OIL COMPANY OF CALIFORNIA, a California corporation ("**Grantor**") hereby grants to THE CITY OF SONORA, a Municipal corporation ("**Grantee**") all of that certain real property in the City of Sonora, County of Tuolumne, State of California, as more particularly described in Schedule 1 attached hereto and by this reference incorporated herein, together with all improvements and appurtenances thereto (the "**Property**"), subject to a restrictive covenant running with the Property and binding on Grantee and its successors and/or assigns that the groundwater located on or beneath the Property shall not be used or extracted. THIS PROPERTY IS CONVEYED TO GRANTEE SUBJECT TO ALL MATTERS OR RECORD AND ANY MATTERS THAT WOULD BE REVEALED BY A SURVEY OF THE PROPERTY.

Dated: _____, 202__

GRANTOR:

UNION OIL COMPANY OF CALIFORNIA,
a California corporation

By: _____

Name: _____

Its: _____

ACKNOWLEDGMENT FORMS

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)
County of _____)

On _____, before me, _____, a 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 _____

SCHEDULE 1 TO GRANT DEED

Legal Description

All that certain real property in the City of Sonora in the County of Tuolumne, State of California, described as follows:

Commencing at an iron pin, being the point of intersection of the Easterly line of Washington Street with the Southerly line of Church Street, as the name has been established by the trustees of the City of Sonora, and from which point of intersection the Southwest corner of Block 9 of the City of Sonora, as the same is designated upon the Official Map and Field Notes of Survey of said City of Sonora, made by A. B. Beauvais and J. P. Dart in the year 1872, bears North 32° 20' East, 73.81 feet distant, and the Northwesterly corner of Lot 4 in Block 8 of said City of Sonora, as the same is designated upon the Official Map and Field Notes of Survey thereof, as aforesaid, bears North 59° 30' East, 16.00 feet distant, running thence (variation 17° East) North 84° 30' East along the Southerly line of Church Street 65.00 feet;

Thence South 3° 21' East, 93.90 feet;

Thence South 88° West 63.20 feet more or less to the Easterly line of Washington Street;

Thence North 4° 30' West along the Easterly line of Washington Street, as the same has been established by the trustees of the City of Sonora, 90.00 feet to the point of commencement.

Assessor's Parcel Number: 002-151-010

EXHIBIT C

PROPERTY DOCUMENTS

[DRAFT NOTE → TO BE ATTACHED PRIOR TO EXECUTION]