



For Sale by

The State of California  
Department of General Services



Deadline for submittal of  
sealed written offers is  
4:00 P.M. PDT, August 1, 2014

Request for Written Offers  
Former National Guard Armory  
900 Powell Avenue  
Healdsburg, CA  
June 13, 2014



Contact: *Gerald McLaughlin*  
[Gerald.McLaughlin@dgs.ca.gov](mailto:Gerald.McLaughlin@dgs.ca.gov)  
(916) 375-4009

## Table of Contents



Introduction	2
Property Description	3
Photos	4
Aerial View	5
Assessor's Map	6
Plat Map	7
Floor Plan	8
Disclosures	9
Conditions of Sale	10
Sale Process	11-13
Miscellaneous	14

### INTRODUCTION:

The State of California, Department of General Service (referred to herein as “**State**” or “**DGS**”) is selling the land and improvements located at 900 Powell Avenue, City of Healdsburg, County of Sonoma (the “**Property**”). The Property consists of a two (2) acre, irregular-shaped piece of land located on the south side of Powell Avenue and west of Revel Road. There is a one (1) story building structure located on the Property that has a building footprint of approximately ±10,664 square feet. The building was formerly used as an armory for the California National Guard and is comprised of a large open area (assembly area) that is generally located in the center of the building, areas formerly used for offices, storage rooms, a kitchen, and a classroom located on the northern and western sides of the building.

### OPEN HOUSE DATES:

State will conduct two (2) open houses on the dates and times listed below to allow interested parties an opportunity to inspect the Property, including the building structure located thereon. These two (2) open houses will be the only opportunities offered by the State for interested parties to inspect the Property prior to the opening of sealed written offers.

1. Thursday, July 10, 2014 from 11:00 A.M. to 1:00 P.M, PDT.
2. Friday, July 11, 2014 from 9:00 AM to 11:00 AM, PDT

### DEADLINE FOR SEALED WRITTEN OFFERS:

All sealed written offers must be received by DGS no later than 4:00 P.M., PDT on August 1, 2014 (the “**Offer Deadline**”). DGS will not accept any sealed written offers after the Offer Deadline.

### FOR ADDITIONAL INFORMATION CONTACT:

Gerald G. McLaughlin  
Department of General Services  
707 3rd Street, 5th Floor  
W. Sacramento, CA 95605  
Phone: (916) 375-4009  
Email: gerald.mclaughlin@dgs.ca.gov

## PROPERTY DESCRIPTION:

### **Property Owner :**

State of California

### **Property Location:**

The Property is located at 900 Powell Avenue on the south side of Powell Avenue, west of Revel Road and is adjacent to the Healdsburg Golf Club at Tayman Park in the City of Healdsburg, County of Sonoma. Ingress and egress to the Property is from Powell Avenue.

### **Assessor's Parcel Number:**

002-361-001

### **Land Area:**

Per the Sonoma County Assessor's Map, the Property consists of an approximately  $\pm 2.0$  acre, irregular-shaped piece of land.

### **Improvements:**

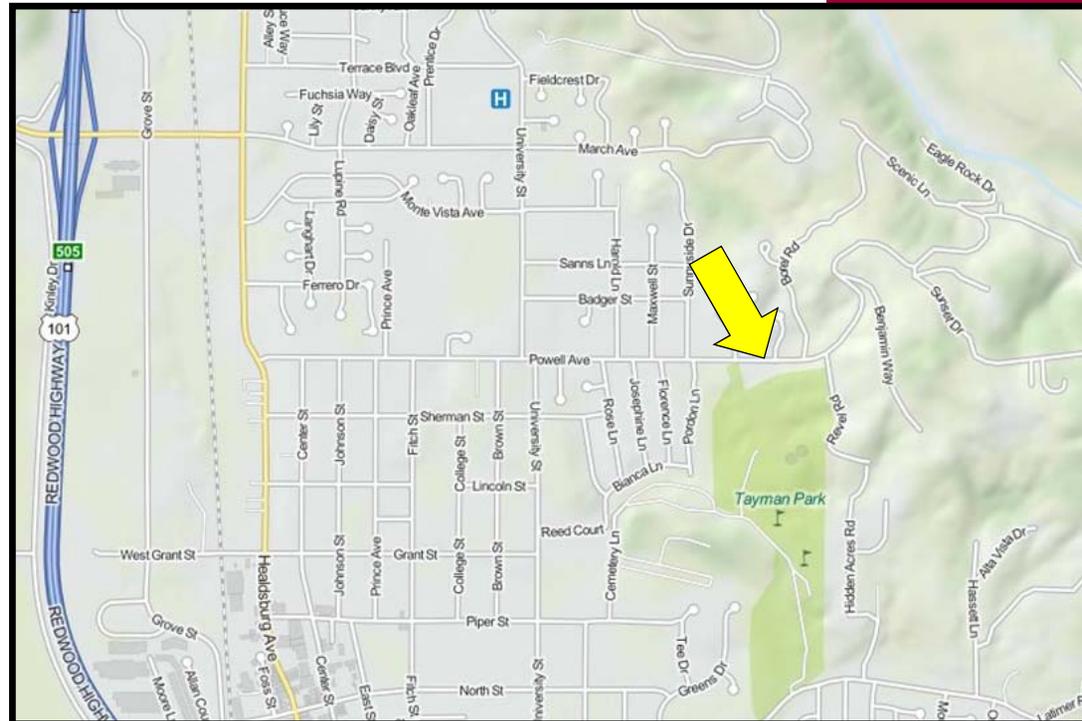
A one (1) story building structure with a footprint of about  $\pm 10,664$  square feet is located on the Property.

### **Zoning:**

The Property has a zoning designation of P-Public. For additional information regarding zoning, contact the city of Healdsburg.

### **Utilities:**

Electric, water, drainage and wastewater are provided by the City of Healdsburg. Natural gas service is provided by PG&E.





Photos

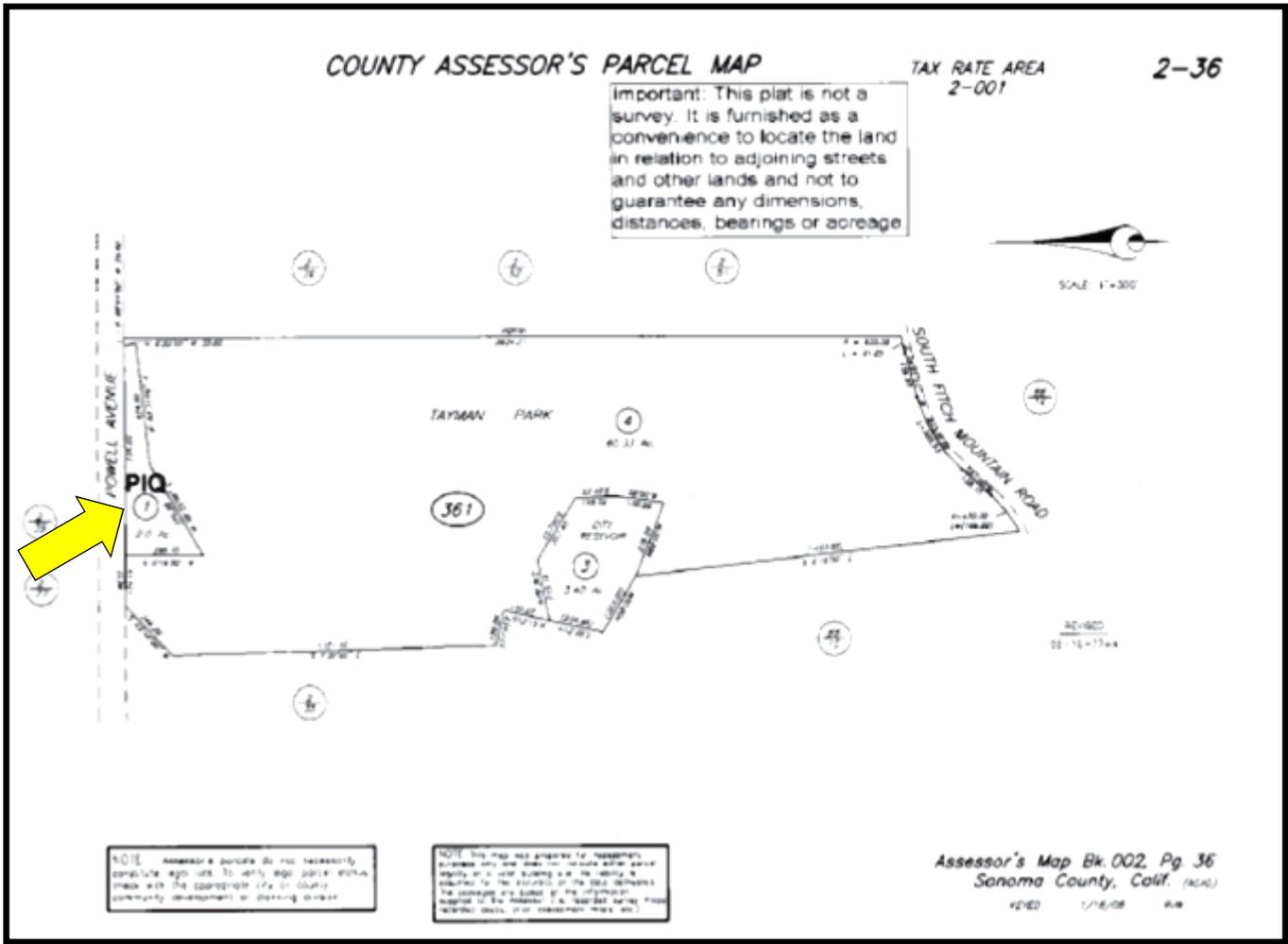


The Property address is 900 Powell Ave., Healdsburg, California.



(Approximate Property Boundaries)

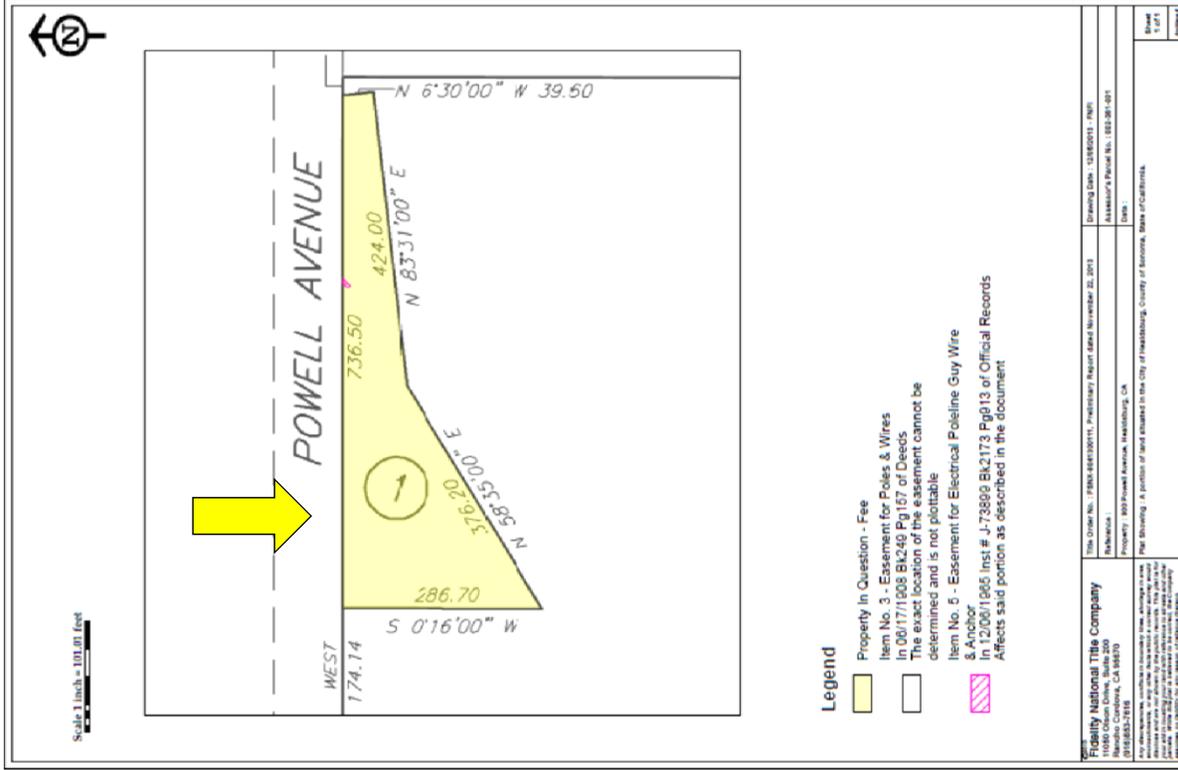
**Aerial View and Plat Map**



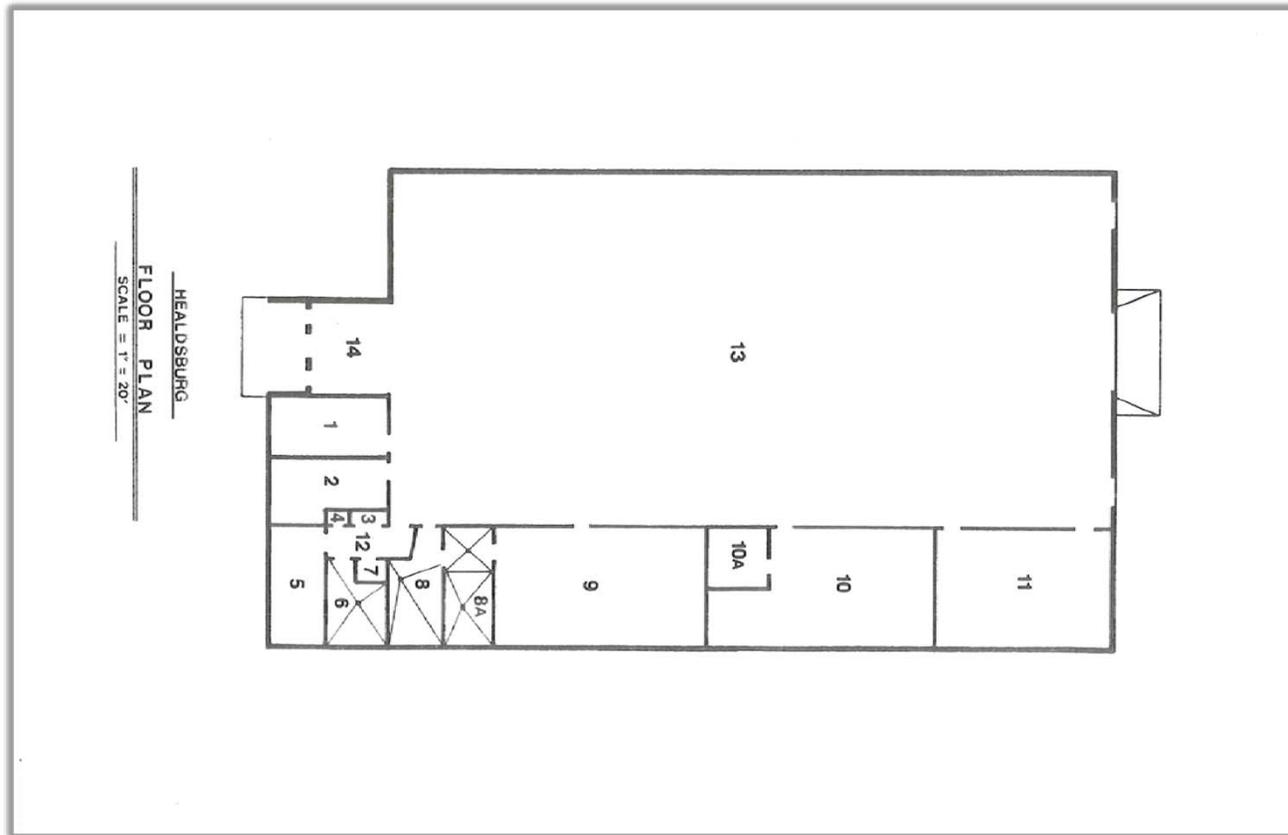
(Not to Scale)

County Assessor's Map

(Not to Scale)



Plat Map



Room	Previous Use	Room	Previous Use
1	Administrative	8A	Shower
2	Custodian	9	Locker Room
3	Electrical Cabinet	10	Supply Room
4	Custodian Storage	10A	Vault
5	Kitchen	11	Classroom
6	Women's Restroom	12	Corridor
7	Water Heater	13	Assembly
8	Men's Restroom	14	Vestibule

(Not to Scale)

**Floor Plan**



## DISCLOSURES, REPRESENTATIONS, AND WARRANTIES:

Interested parties may review the listed reports which are posted online on the Property Web Page at the following URL:

<http://www.dgs.ca.gov/resd/Home/SurplusPropertyForSaleHomepage/healdsburgarmory.aspx>

1. **Preliminary Report**, Order No. FSNX-9041300111, issued by Fidelity National Title Company, 11050 Olson Drive, Suite 200, Rancho Cordova, CA 95670, dated November 22, 2013.
2. **Phase I Environmental Site Assessment**, prepared by Fugro Consultants, Inc., dated March 2014.

Interested parties should check with the local Planning Department regarding permitted land uses, building restrictions, local building codes and ordinances, code compliance, zoning and development requirements applicable to the Property. The Property has not been tested for asbestos, mold, lead-based paint, radon, or methane gas. No building, roof, termite, structural or code compliance inspections have been undertaken by the State. The Property may be situated within a Special Studies Zone as designated under the Alquist-Priolo Special Studies Zones Act. Interested parties are solely responsible for making any and all inspections, investigations, tests and studies with respect to the Property as buyer may elect to make or maintain including, without limitation, investigations with regard to zoning, building codes and other governmental regulations, architectural inspections, engineering tests, economic feasibility studies and soils, seismic and geologic reports, environmental testing and investigations to determine if all needed entitlements can be procured in an acceptable form for buyer's intended use and/or development.

State obtained the information included in this brochure and located on the above referenced Property Web Page from sources deemed reliable; however, State makes no guarantees, warranties, or representations nor expresses or implies any opinion concerning the accuracy or completeness of the information provided. Interested parties are responsible for undertaking all necessary on-site and off-site investigations of this Property.

The Property will be assessed for real estate taxes and assessments upon transfer into private ownership.



## CONDITIONS OF SALE:

**THIS PROPERTY IS BEING SOLD IN AS-IS, WHERE-IS CONDITION, WITH ALL FAULTS NOW EXISTING ON THE PROPERTY, WHETHER KNOWN OR UNKNOWN, INCLUDING ANY HAZARDOUS MATERIALS THAT MAY BE LOCATED ON, UNDER, OR AROUND THE PROPERTY, AND THERE IS NO WARRANTY AS TO THE ENVIRONMENTAL, GEOLOGICAL OR OTHER CONDITIONS OF THE PROPERTY, EXPRESS OR IMPLIED.** The term "**Hazardous Materials**" shall mean any flammable explosives, radioactive materials, hazardous wastes or substances, toxic wastes or substances and other related materials including, without limitation, any substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," or "toxic substances" under any applicable federal, state or local laws or regulations.

The sale of this Property is subject to all matters of public record and any easements, claim of easements or reservations not of record. The right, title and interest in the property to be sold shall not exceed that vested in the State of California. No warranty or representation is made by the State relative to the Property boundaries or size of the parcel or improvements located thereon. Should the buyer desire a survey of the Property, this may be accomplished by an independent survey at the buyer's expense. At the close of escrow, the Property will be transferred by State's form of quitclaim deed. The State will reserve all mineral rights, as defined in Section 6407 of the Public Resources Code, below a depth of 500 feet. The State's form of purchase and sale agreement ("**PSA**") will be used.

### **Closing Costs:**

All transfer taxes, title insurance premiums and recording and escrow fees shall be paid by buyer. In no event shall the State be responsible for any real estate brokerage commissions or fees.



## SALE PROCESS:

### **A. SUBMISSION OF SEALED WRITTEN OFFERS**

Sealed written offers submitted by interested parties must be received on or before the Offer Deadline and must include all of the following items contained within a sealed envelope (the “Offer Package”):

#### 1. Cover Letter

The interested party's cover letter must include: a.) legal name of the entity submitting the Offer Package; b.) primary point of contact and contact information (i.e. contact name, address, phone, fax, and email address); c.) a detailed outline of all due diligence investigations and/or studies proposed to be conducted by the interested party prior to the close of escrow (the “**Proposed Due Diligence**”); and, d.) any proposed conditions to closing.

In the event a buyer is selected for negotiations by the State (the “**Selected Buyer**”), the Proposed Due Diligence will be negotiated and, at the State's sole and absolute discretion, included within the PSA with the Selected Buyer. Notwithstanding, the time period for Selected Buyer to complete all of its due diligence investigations under the PSA shall not exceed sixty (60) days. All due diligence investigations and/or studies will only be permitted upon execution of the PSA or a separate Right of Entry Agreement and will be at the Selected Buyer's sole cost and expense.

#### 2. Offer Form

Interested parties shall submit written offers utilizing the State's authorized offer form included in this brochure (the “**State Offer Form**”). The State Offer Form must be completed in its entirety and signed by the interested party. If the interested party is a corporation, partnership or limited liability company, the State Offer Form must be signed by a duly authorized representative and the interested party's Offer Package must include evidence of the signer's authority to sign on behalf of the entity. The proposed purchase price (the “**Offered Price**”) shall be expressed in US Dollars and in an amount that is net to the State. Only offers submitted on the State Offer Form will be accepted.

#### 3. Deposit Check

The State Offer Form must be accompanied by a deposit in the form of a certified check, cashier's check or money order made payable to “State of California, Department of General Services” (the “**Deposit Check**”) in the amount of Twenty Five Thousand and No/100 US Dollars (\$25,000.00).



#### 4. Financial Information

Subject to verification by DGS, interested parties must provide sufficient financial information (i.e. bank statements, certified financial statement, letters of credit, loan commitments, etc.) with their completed State Offer Form that demonstrates that the interested party has the necessary funds and/or has secured or can secure the requisite financing to facilitate an all cash transaction at the interested party's Offered Price, payable in full at the close of escrow.

All Offer Packages must be received by DGS on or before the Offer Deadline (i.e. **4:00 PM, PDT on August 1, 2014**), with a return address and addressed as follows:

**Sealed Written Offer - Healdsburg Armory SSL# 928**  
**State of California**  
**Department of General Services**  
**Asset Management Branch**  
**Attn: Gerald McLaughlin, Project Manager**  
**707 3<sup>rd</sup> Street, 5<sup>th</sup> Floor, MS-501**  
**West Sacramento, CA 95605**

Hand delivered packages must be delivered to and signed for by the receptionist on the 5<sup>th</sup> Floor on or before the Offer Deadline. Offer Packages not signed for by the receptionist will not be accepted. Offer Packages received after the Offer Deadline will not be accepted. The State will not accept any Offer Packages by facsimile or email.

#### **B. OFFER PACKAGE OPENING**

Within ten (10) business days after the Offer Deadline, all Offer Packages received in accordance with the requirements set forth above, will be opened and recorded (the "**Offer Opening**"). Within five (5) business days of the Offer Opening, the State will either (i) select a buyer that has submitted an Offer Package that DGS, in its sole and absolute discretion, has determined to be in the best interests of the State, or (ii) reject any or all Offer Packages. The State will return the Deposit Checks, without interest, to all interested parties that are not selected.



#### **State's Reserved Rights:**

- a. To reject any or all Offer Packages;
- b. To waive any informality or irregularity in the Offer Packages;
- c. To accept any Offer Package deemed to be in the best interest of the State;
- d. To amend or withdraw this Request for Written Offers at any time; and
- e. To negotiate terms and conditions with the Selected Buyer.

In the event of cancellation of sale, and/or rejection of all Offer Packages, the Deposit Checks shall be returned, without interest, to all interested parties.

#### **C. EXECUTION OF PSA AND DUE DILIGENCE**

After State's selection of the Selected Buyer for negotiations, State will prepare and deliver to the Selected Buyer a formal PSA for the Property. The Selected Buyer will have ten (10) business days from the date they receive the State's PSA to execute and deliver the PSA to the State. Upon execution of the PSA, the deposit shall be increased to ten (10%) percent of the purchase price (the "**Additional Deposit Amount**"). Selected Buyer shall deliver the Additional Deposit Amount in accordance with the terms of the PSA. After execution of the PSA by the State, the Selected Buyer shall have no more than sixty (60) calendar days in which to complete all due diligence investigations and/or studies and thirty (30) calendar days thereafter to close escrow.



## QUESTIONS:

The State will only respond to written questions regarding this Request for Written Offers or the Property. Questions must be submitted in writing by email to **Gerald.McLaughlin@dgs.ca.gov** prior to **July 15, 2014**. The State will post answers to all questions from interested parties without attribution to the interested party posing the question(s) on the Property Web Page at the following URL:

<http://www.dgs.ca.gov/resd/Home/SurplusPropertyForSaleHomepage/healdsburgarmory.aspx>

## UPDATES:

From time to time on an as-needed basis, the State may update this Request for Written Offers. Interested parties are encouraged to check the Property Web Page for any updates. Failure to periodically check the Property Web Page will be at the interested party's sole risk.

**OFFER FORM**

Sealed Written Offer - Healdsburg Armory SSL# 928  
State of California  
Department of General Services  
Asset Management Branch  
Attn: Gerald McLaughlin, Project Manager  
707 3rd Street, 5th Floor, MS-501  
West Sacramento, CA 95605

RE: Former National Guard Armory, 900 Powell Avenue, Healdsburg, CA

The undersigned ("Offeror") hereby offers a total of:

\_\_\_\_\_ Dollars (\$\_\_\_\_\_.00)

for the purchase of the property described in this brochure and referenced above. Attached is a  Certified Check  Cashier's Check  Money Order payable to the "State of California, Department of General Services" in the amount of Twenty Five Thousand and No/100 US Dollars (\$25,000.00).

Proposed Due Diligence: (Attach extra sheets if necessary)

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_

Conditions to Closing: (Attach extra sheets if necessary)

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_

Acceptance of the Offeror's proposed Offer by State shall be contingent upon State executing and delivering to Offeror a fully executed purchase and sale agreement containing terms and conditions acceptable to State. If the State is unable to negotiate a formal purchase and sale agreement containing terms and conditions acceptable to State within the timeframes outlined within the brochure referenced above, the proposed Offer shall be deemed rejected by the State and the State and Offeror shall have no further obligations or rights to one another.

OFFEROR:

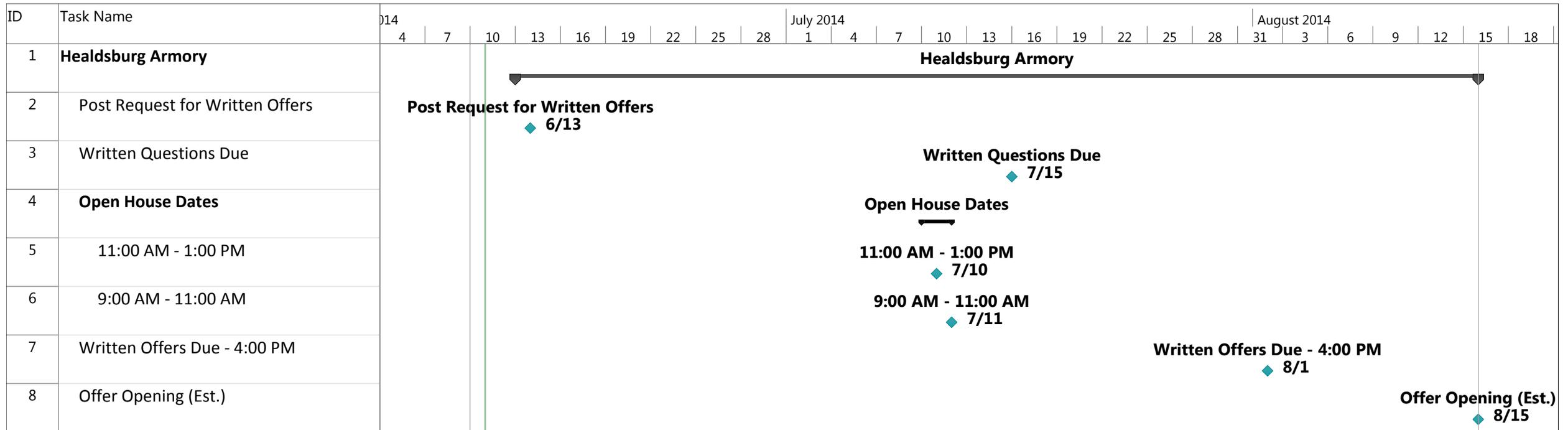
\_\_\_\_\_  
NAME OF PROPOSED BUYER

\_\_\_\_\_  
DATE

\_\_\_\_\_  
STREET ADDRESS

\_\_\_\_\_  
CITY STATE ZIP CODE

\_\_\_\_\_  
AUTHORIZED SIGNATURE



Project: Healdsburg Armory Sch Date: Wed 6/11/14	Task		Inactive Task		Manual Summary Rollup		External Milestone	
	Split		Inactive Milestone		Manual Summary		Deadline	
	Milestone		Inactive Summary		Start-only		Progress	
	Summary		Manual Task		Finish-only		Manual Progress	
	Project Summary		Duration-only		External Tasks			

**AGREEMENT OF PURCHASE AND SALE  
AND INITIAL ESCROW INSTRUCTIONS**

STATE OF CALIFORNIA  
DEPARTMENT OF GENERAL SERVICES  
[Healdsburg Armory]

This Agreement of Purchase and Sale and Initial Escrow Instructions ("**Agreement**"), dated for reference purposes only as \_\_\_\_\_, 2014, is entered into by and between \_\_\_\_\_, a \_\_\_\_\_ ("**Buyer**"), and THE STATE OF CALIFORNIA, acting by and through its DEPARTMENT OF GENERAL SERVICES (the "**State**"). State and Buyer are each referred to as a "**Party**" and collectively as the "**Parties**".

**Recitals**

A. State is the owner of certain property consisting of approximately \_\_\_ acres, together with the improvements located thereon, including, without limitation, \_\_\_ (\_\_) vacant \_\_\_\_\_ building containing approximately \_\_\_\_\_ square feet, and related improvements, located at \_\_\_\_\_ City of \_\_\_\_\_ ("**City**"), County of \_\_\_\_\_ ("**County**"), State of California, with Assessor's Parcel Number \_\_\_\_\_ and is legally described in **Exhibit A** attached hereto and made a part hereof (collectively the "**Property**").

B. As used herein, the term "**Property**" shall mean, collectively: (a) that certain parcel of land consisting of approximately \_\_\_ ± acres of land and more particularly described on **Exhibit A** attached hereto (the "**Land**"), and (b) all of State's right, title and interest (if any) in all improvements located on the Land (the "**Improvements**") or in any other real or personal property, tangible or intangible, located on the Land, subject to the terms and conditions set forth herein.

C. The Agreement contemplates that the Property is being sold by the Seller pursuant to the provisions of Chapter 798 of the Statutes of 2012, and in accordance with Military and Veterans Code Section 435 et seq.

D. Buyer desires to purchase the Property from State and State desires to sell the Property to Buyer upon the terms, conditions and provisions set forth in this Agreement

NOW THEREFORE, in consideration of the above recitals, all of which are expressly incorporated into this Agreement, and the mutual promises and covenants contained in this Agreement, the Parties agree as follows:

**Agreement**

1. **Purchase and Sale**. State agrees to sell and convey to Buyer, and Buyer agrees to purchase from State, the Property on the terms and subject to the conditions set forth in this Agreement. For the purpose of this Agreement, the date on which Escrow Holder acknowledges

in writing receiving a fully executed copy of this Agreement shall be hereinafter referred to as the "**Effective Date.**"

2. Purchase Price. The purchase price ("**Purchase Price**") for the Property shall be \_\_\_\_\_ AND NO/100THS DOLLARS (\$\_\_\_\_\_).

3. Payment of Purchase Price. The Purchase Price shall be payable by Buyer to State as follows:

(a) Deposit; Release of Deposit; Non-Refundability. No later than two (2) business days after Buyer executes the Agreement, Buyer shall deposit with \_\_\_\_\_ located at \_\_\_\_\_, Attention: \_\_\_\_\_ (Escrow No. \_\_\_\_\_) ("**Escrow Holder**") the sum of ten percent (10%) of the Purchase Price ("**Deposit**"). If this Agreement has not been previously terminated by Buyer in accordance with the terms and conditions set forth herein by the end of the Contingency Period (as defined in Section 7(a)(ii), below), then upon the expiration of the Contingency Period (i) the entire Deposit shall be non-refundable to Buyer unless this transaction is not consummated solely as a result of State's default or a failure of a condition to Closing for the benefit of Buyer as set forth in Section 7(a), below, or as otherwise provided for in this Agreement. If Buyer fails to deliver the Deposit within the two (2) business day period, then such failure shall be deemed a Buyer default and this Agreement shall terminate and, except as otherwise provided in this Agreement, State and Buyer will have no further obligations or rights to one another under this Agreement.

(b) Balance of Purchase Price. On or before the Close of Escrow, Buyer shall deposit with Escrow Holder the balance of the Purchase Price, in immediately available funds, which shall be paid to State at Close of Escrow.

(c) Time of the Essence. Time shall be of the essence with respect to Buyer's obligations to pay the Deposit and all other funds under this Agreement.

4. Escrow.

(a) Opening of Escrow. Escrow has been opened with Escrow Holder by State ("**Escrow**"). Buyer and State agree to execute and deliver to Escrow Holder, in a timely manner, all escrow instructions necessary to consummate the transaction contemplated by this Agreement. Any such supplemental instructions shall not conflict with, amend or supersede any portion of this Agreement. If there is any inconsistency between such supplemental instructions and this Agreement, this Agreement shall control. Escrow Holder shall, upon receipt of a fully executed copy of this Agreement, sign and date the Receipt by Escrow Holder attached hereto, and distribute it to all parties listed in the "Notices" sections of the Agreement.

(b) Close of Escrow. For the purpose of this Agreement, the "**Close of Escrow**" shall be defined as the date that the Quitclaim Deed (as defined in Section 5, below)

is recorded in the Official Records of the County. The Close of Escrow shall occur no later than \_\_\_\_\_, 2014.

5. Conditions of Title. The Property shall be conveyed to Buyer by State by a quitclaim deed, in the form as set forth in **Exhibit C ("Quitclaim Deed")**, subject only to (a) a lien to secure payment of real estate taxes and assessments, not delinquent; (b) the lien of current supplemental taxes, not delinquent; (c) such other title matters affecting the Property created by or with the written consent of Buyer; (d) all applicable laws, ordinances, rules and governmental regulations (including, but not limited to, those relative to building, zoning and land use, and Chapter 798 of the Statutes of 2012, and in accordance with Military and Veterans Code Section 435 et seq.) affecting the development, use, occupancy or enjoyment of the Property; (e) all matters which would be apparent from an inspection of the Property; (f) all matters which would be disclosed by a survey of the Property; and (g) exceptions which are approved and/or accepted by Buyer in accordance with Section 7(a)(i) of this Agreement (collectively, "**Approved Conditions of Title**").

6. Title Policy. Title shall be evidenced by Escrow Holder's title insurance underwriter ("**Title Company**") issuing its standard California Land Title Association ("**CLTA**") Owner's Policy of Title Insurance to Buyer in an amount equal to the Purchase Price, showing title to the Property vested in Buyer, subject only to the Approved Conditions of Title ("**Title Policy**"). Buyer shall pay the expense of issuing the Title Policy. If Buyer elects to have Escrow Holder issue its American Land Title Association ("**ALTA**") Extended Coverage Owner's Policy of Title Insurance, Buyer shall pay for the expense of such ALTA premium increment and any survey costs associated with such ALTA policy. In addition, Buyer shall pay for any endorsements to the Title Policy. Buyer's ability to obtain an ALTA policy shall not be a condition to the Close of Escrow.

7. Conditions to Close of Escrow.

(a.) Conditions to Buyer's Obligations. The Close of Escrow and Buyer's obligation to consummate the transactions contemplated by this Agreement are subject to the satisfaction of the following conditions (or Buyer's waiver in writing thereof) for Buyer's benefit on or prior to the dates designated below for the satisfaction of such conditions, or the Close of Escrow in the absence of a specified date:

(i) Title. Pursuant to the terms and conditions of this subsection, Buyer shall have the right to approve any and all matters of and exceptions to title of the Property, as disclosed by the following documents and instruments (collectively, "**Title Documents**"): (A) a Preliminary Report issued by Escrow Holder with respect to the Property; and (B) legible copies of all documents, whether recorded or unrecorded, referred to in such Preliminary Report. State shall cause Escrow Holder to deliver the Title Documents to Buyer within five (5) calendar days following the Effective Date. Buyer shall have ten (10) calendar days following the Effective Date to give State and Escrow Holder written notice ("**Buyer's Title Notice**") of Buyer's approval or disapproval of the Title Documents. The failure of Buyer to give Buyer's Title Notice to State within the specified time period shall be deemed Buyer's approval of the Title Documents. In the event that Buyer's Title Notice disapproves of any matter

of title shown in the Title Documents, State shall, within seven (7) business days after Buyer's Title Notice is received by State, give Buyer written notice ("**State's Title Notice**") of those disapproved title matters, if any, which State is unwilling or unable after reasonable and good faith efforts to have eliminated from title to the Property by the Close of Escrow. If State's Title Notice refuses to remove any items disapproved by Buyer, or fails to deliver State's Title Notice, Buyer's sole remedy shall be to (i) proceed with the transaction contemplated hereby despite such objections, which shall thereupon irrevocably be deemed to have been withdrawn, or (ii) terminate this Agreement. Failure of Buyer to take either one of the actions described in clause (i) or (ii) in the previous sentence shall be deemed to be Buyer's election to take the action described in clause (i). If this Agreement is terminated pursuant to this Section 7(a)(i), the Deposit shall be returned to Buyer (provided that Buyer has complied with the terms of Section 22(n), and, except as otherwise provided in this Agreement, State and Buyer will have no further obligations or rights to one another under this Agreement;

(ii) Inspections and Studies/Costs. For the period of time commencing on the Effective Date and ending at 5:00 p.m. (PST) on the \_\_\_\_\_ (\_\_\_\_) calendar day thereafter ("**Contingency Period**"), Buyer shall have the right to conduct any and all non-destructive inspections, investigations, tests and studies (including, without limitation, investigations with regard to zoning, building codes and other governmental regulations, architectural inspections, engineering tests, economic feasibility studies and soils, seismic and geologic reports, environmental testing and investigations to determine if all needed entitlements can be procured in an acceptable form to develop Buyer's intended development) with respect to the Property as Buyer may elect to make or maintain. Nothing herein shall authorize any subsurface testing or drilling on the Property by Buyer or its environmental consultants unless specifically approved in writing by State, which State may condition or deny in its sole and absolute discretion. The cost of any such inspections, tests and/or studies shall be borne by Buyer.

(iii) Right of Entry; Indemnification. Between the Effective Date and the Close of Escrow (provided that Buyer approves the Property prior to the expiration of the Contingency Period), Buyer and Buyer's employees, agents, contractors, subcontractors and consultants (collectively, "**Buyer's Representatives**") shall have the right to enter upon the Property, at reasonable times during ordinary business hours, upon notice to State at least one (1) business day prior to entry, to perform such inspections, investigations, tests and studies. Buyer, in performing its inspections, investigations, tests and studies hereunder shall not unreasonably interfere with the operation of the Property, and agrees to coordinate its activities on the Property with State in advance to avoid any such interference. Following any such tests or inspections, Buyer agrees to promptly return any portions of the Property damaged or altered by Buyer during such tests or inspections to substantially the same condition which existed prior to such test or inspection. Buyer shall indemnify, defend and hold State and the Property harmless from any and all claims, damages or liabilities arising out of or resulting from the entry onto or activities upon the Property by Buyer or Buyer's Representatives or liens arising from Buyer's due diligence review of the Property. Prior to entry onto the Property by Buyer or Buyer's Representatives, Buyer shall furnish State with a copy of Buyer's or Buyer's Representatives, as applicable, policy of commercial general liability insurance issued by a financially responsible insurance company (at least an A VIII rating in the most recent edition of *Best's Insurance*

*Guide*), in form and substance acceptable to State and having limits of no less than \$2 million and naming State as an additional insured, covering Buyer's entry on the Property, and Buyer's obligations under this Section 7(a)(iii).

(iv) Contingency Period Notice. Prior to the expiration of the Contingency Period, Buyer shall deliver to State and Escrow Holder written notice ("**Contingency Period Notice**") of its approval or disapproval of the Property and the Documents and Materials (as defined in Section 7(a)(viii) below). The failure of Buyer to timely deliver the Contingency Period Notice shall be deemed to constitute Buyer's approval of the Property and the Documents and Materials. In the event Buyer timely delivers the Contingency Period Notice to State disapproving the Property then the Deposit shall be returned to Buyer (provided that Buyer has complied with the terms of Section 22(n) below), and, except as otherwise provided in this Agreement, State and Buyer will have no further obligations or rights to one another under this Agreement. If this Agreement is terminated pursuant to this subsection, Buyer shall deliver to State (i) the Documents and Materials delivered to Buyer by State, and (ii) at no cost and without warranty as to correctness, copies of all reports, studies, maps and engineering studies that were generated by third parties for Buyer with respect to the Property, including, but not limited to, all environmental reports, surveys, marketing reports, geotechnical reports, lot studies and improvement plans.

(v) Title Insurance. As of the Close of Escrow, Title Company shall have committed to issue the Title Policy to Buyer;

(vi) State's Representations. All representations and warranties made by State to Buyer in this Agreement shall be true and correct on the date hereof and shall be true and correct in all material respects as of the Close of Escrow;

(vii) State's Obligations. As of the Close of Escrow, State shall have performed all of the obligations required to be performed by State under this Agreement; and

(viii) Documents and Materials. To assist Buyer in Buyer's due diligence, on or before \_\_\_\_\_ State delivered to Buyer all of the documents and materials described on **Exhibit B** attached hereto, to the extent within State's possession or control ("**Documents and Materials**"). By executing this Agreement, Buyer acknowledges receipt of the Documents and Materials on or before \_\_\_\_\_. State makes no representation concerning the adequacy or accuracy of any of the Documents and Materials. These materials have been furnished solely for the purpose of assisting Buyer in its due diligence, a part of which is Buyer's independent determination as to the reliability and completeness of the information contained therein. If this Agreement is terminated for any reason, Buyer shall deliver to State (1) the Documents and Materials delivered to Buyer by State, and (2) at no cost and without warranty as to correctness, copies of all inspections, investigations, tests and studies that were generated by Buyer and/or by third parties for Buyer with respect to the Property, including, but not limited to, all environmental reports, surveys, marketing reports, geotechnical reports, studies, maps and engineering studies, lot studies and improvement plans.

(b.) Conditions to State's Obligations. The Close of Escrow and State's obligation to consummate the transactions contemplated in this Agreement are subject to the satisfaction of the following conditions (or State's waiver thereof) for State's benefit on or prior to the dates designated below for the satisfaction of such conditions, or the Close of Escrow in absence of a specified date:

(i) Buyer's Obligations. Buyer shall have timely performed all of the obligations required to be performed by Buyer under this Agreement;

(ii) Buyer's Representations. All representations and warranties made by Buyer to State in this Agreement shall be true and correct on the date hereof and shall be true and correct in all material respects as of the Close of Escrow;

(iii) Purchase Price. Buyer shall have timely delivered the Purchase Price and other sums owing under this Agreement in good funds to Escrow Holder and fully, faithfully and timely performed all of its other obligations under this Agreement;

(iv) Truthfulness at Close of Escrow. The representations and warranties of Buyer set forth in this Agreement shall be true and correct, on and as of the Close of Escrow as if those representations and warranties were made on and as of such time;

(c.) Failure of Condition to Close of Escrow. If the conditions set forth in Section 7(a) or Section 7(b) are not timely satisfied or waived by the appropriate benefited party for a reason other than the default of Buyer or State which shall be handled in accordance with Section 17, below, this Agreement shall terminate and, except as otherwise provided herein, the parties shall have no further obligations hereunder.

8. Deposits by State. At least one (1) business day prior to the Close of Escrow, State shall deposit with Escrow Holder the following documents:

(a.) Quitclaim Deed. The Quitclaim Deed, duly executed and acknowledged in recordable form by State, conveying fee simple title to the Property to Buyer, subject only to the Approved Conditions of Title.

(b.) California Franchise Tax Withholding. A certification, acceptable to Escrow Holder, that State is exempt from the withholding provisions of the California Revenue and Taxation Code, as may be amended from time to time, and that neither Buyer nor Escrow Holder is required to withhold any amount from the Purchase Price pursuant to such provisions.

(c.) Miscellaneous. Such other documents and instructions as may be reasonably required by the Escrow Holder or Buyer in order to close Escrow in accordance with the terms of this Agreement.

9. Deposits By Buyer. At least one (1) business day prior to the Close of Escrow, Buyer shall deposit or cause to be deposited with Escrow Holder the following:

(a.) Purchase Price. The balance of the Purchase Price (as adjusted by the Deposit and prorations provided for herein), in cash or immediately available funds.

(b.) Miscellaneous. Such other documents and instructions as may be reasonably required by the Escrow Holder or State in order to close Escrow in accordance with the terms of this Agreement.

10. Costs and Expenses. All transfer taxes, title insurance premiums and recording and escrow fees shall be paid by Buyer.

11. Prorations.

(a.) Taxes/Assessments. State is exempt from property taxes and none are or will be owing at Close of Escrow.

(b.) Other Expenses. All other expenses for the Property, if any, shall be prorated as of 12:01 a.m. on the day of the Close of Escrow between the Parties based upon the latest available information.

(c.) Corrections. If any errors or omissions are made regarding adjustments and prorations as set forth herein, the Parties shall make the appropriate corrections promptly upon discovery thereof. If any estimates are made at the Close of Escrow regarding adjustments or prorations, the Party shall make the appropriate correction promptly when accurate information becomes available. Any corrected adjustment or proration shall be paid in cash to the Party entitled thereto.

12. Condition and Inspection of Property. Notwithstanding any other provision of this Agreement to the contrary, State makes no representation or warranty (except as expressly set forth in Section 14, below) whatsoever regarding the Property, the physical condition of the Property, its past use, its compliance with laws (including, without limitation, laws governing environmental matters, zoning, and land use), or its suitability for Buyer's intended use. The Property is sold AS-IS, WHERE-IS, WITH ALL FAULTS, AND THERE IS NO WARRANTY, EXPRESS OR IMPLIED, REGARDING THE CONDITION OF THE PROPERTY. Buyer hereby represents and warrants that Buyer is relying solely upon Buyer's Due Diligence, and prior to end of the Contingency Period will have conducted its own independent inspection, investigation, and analysis of the Property as it deems necessary or appropriate in so acquiring the Property from State, including, without limitation, any and all matters concerning the condition, use, sale, development or suitability for development of the Property. State would not sell the Property to Buyer without the foregoing provision and the waiver and release contained in Section 13 hereof.

13. Property Condition Waiver. Following the Close of Escrow, Buyer waives its right to recover from State, and its directors, officers, employees and agents (collectively, "**State's Representatives**"), and hereby releases State and State's Representatives from, any and all damages, losses, liabilities, costs or expenses whatsoever (including attorneys' fees and costs) and claims therefor, whether direct or indirect, known or unknown, foreseen or unforeseen,

which may arise on account of or in any way arising out of or connected with (i) the physical condition of the Property, (ii) the failure of the Property to comply with any law or regulation applicable thereto, and (iii) the environmental condition of the Property. The foregoing waiver and release shall exclude only those losses, liabilities, damages, costs or expenses, and claims therefor, arising from or attributable to (i) a material matter actually known to State (excluding constructive notice) and (1) not disclosed to Buyer and (2) not discovered by Buyer prior to the Close of Escrow, and (ii) any breach by State of its express representations or warranties under this Agreement. In connection with foregoing waiver and release, Buyer expressly waives the benefits of Section 1542 of the California Civil Code, which provides as follows:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

---

Buyer's Initials

14. State's Representations and Warranties. In consideration of Buyer entering into this Agreement, State makes the representations and warranties set forth in this Section 14. For the purpose of this Agreement, without creating any personal liability on behalf of such individual, usage of "**to State's actual knowledge**," or words to such effect, shall mean the present, actual knowledge of \_\_\_\_\_, Department of General Services, Real Estate Services Division, Asset Management Branch, excluding constructive knowledge or duty of inquiry, existing as of the Effective Date. In the event that Buyer, prior to Close of Escrow, becomes aware, from State or otherwise, of any inaccuracy or omission in the disclosures, information, or representations previously provided to Buyer by State or its consultants or agents, which will have a material, adverse impact on Buyer, the Property or the intended use of the Property, Buyer, as its sole option and remedy, may either (i) terminate this transaction and receive a refund of its Deposit made by Buyer, thereby waiving any claims or actions that Buyer may have against State as a result of such inaccuracy or omission, or (ii) proceed with the Close of Escrow hereunder, thereby waiving any rights that Buyer may have against State as a result of such inaccuracy or omission. Buyer agrees that, under no circumstances, shall Buyer be entitled to purchase the Property hereunder and then bring any claim or action against State for damages as a result of such inaccuracy or omission, except if such inaccuracy or omission is based on fraud or intentional misrepresentation by State. The representations and warranties of State set forth in this Section 14 shall survive the Close of Escrow for a period of six (6) months.

(a.) State's Authority. State is the sole owner of fee title to the Property and has the legal power, right and authority to enter into this Agreement and the instruments referenced herein, and to consummate the transactions contemplated hereby in the execution, delivery and performance of this Agreement. Furthermore, the execution and delivery of this Agreement has been duly authorized and no other action by State is required in order to make it a valid and binding contractual obligation of State.

(b.) No Prior Transfers. Except as disclosed in the Documents and Materials, Title Documents and this Agreement, State has not previously sold, transferred or conveyed the Property, or granted to any other person or entity any right or interest in all or any part of the Property and State has not entered into any executory contracts for the sale of all or any part of the Property (other than this Agreement), nor do there exist any rights of first refusal or options to purchase the Property, other than this Agreement.

(c.) Hazardous Materials. Except as disclosed in the Documents and Materials and Title Documents, to the actual knowledge of State, the Property is not, as of the date of the Effective Date of this Agreement, in violation of any federal, state or local law, ordinance or regulation relating to Hazardous Materials (as defined herein), industrial hygiene or the environmental conditions on, under or about the Property including, but not limited to, soil and ground water condition. The term "**Hazardous Materials**" shall mean any flammable explosives, radioactive materials, hazardous wastes or substances, toxic wastes or substances and other related materials including, without limitation, any substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," or "toxic substances" under any applicable federal, state or local laws or regulations.

(d.) Legal Actions. There is no pending lawsuit or, to the actual knowledge of State, threatened suit, action, arbitration, legal, administrative or other proceeding or governmental investigation, which affects the Property.

(e.) Surplus Property Sale. The Property is being sold by State pursuant to the provisions of Chapter 798 of the Statutes of 2012, and in accordance with Military and Veterans Code Section 435 et seq.

## 15. State's Disclosures

(a.) Existing Office Building and Infrastructure. There is an existing office building and infrastructure located on the Property, consisting of a ± \_\_\_\_\_ square foot, \_\_\_\_\_ story commercial office building constructed in or around \_\_\_\_\_, which was previously occupied by the \_\_\_\_\_. Buyer shall be solely responsible for all costs and expenses associated with all of the following: (i) demolition and removal of the existing office building and infrastructure located on and beneath the Property (ii) all Hazardous Material that may exist now or be discovered in the future, including any environmental cleanup, remediation and mitigation measures that may be required on the Property by any governmental agency (iii) all Hazardous Material that may exist now or be discovered in the future, including any environmental cleanup, remediation and mitigation measures that may be required by any governmental agency in relation to or arising out of Buyer's demolition and removal of the existing office building and infrastructure located on and beneath the Property, and (iv) all Hazardous Material that may exist now or be discovered in the future, including any environmental cleanup, remediation and mitigation measures that may be required by any governmental agency in relation to or arising out of Buyer's intended use and development of the Property.

16. Buyer's Representations and Warranties. In consideration of State entering into this Agreement and as an inducement to State to sell the Property to Buyer, Buyer makes the following representations and warranties, each of which is material and is being relied upon by State (the continued truth and accuracy of which constitutes a condition precedent to State's obligations hereunder):

(a.) Buyer's Authority. Buyer has the legal right, power and authority to enter into this Agreement and to consummate the transactions contemplated hereby, and the execution, delivery and performance of this Agreement and no other action by Buyer is requisite to the valid and binding execution, delivery and performance of this Agreement.

(b.) Enforceability. This Agreement and all documents required hereby to be executed by Buyer are and shall be valid, legally binding obligations of and enforceable against Buyer in accordance with their terms.

(c.) Conflicting Documents. Neither the execution and delivery of this Agreement and the documents and instruments referenced herein, nor the occurrence of the obligations set forth herein, nor the consummation of the transaction contemplated herein, nor compliance with the terms of this Agreement and the documents and instruments referenced herein conflict with or result in the material breach of any terms, conditions or provisions of, or constitute a default under, any bond, note, or other evidence of indebtedness or any contract, indenture, mortgage, deed of trust, loan, partnership agreement, lease or other agreement or instrument to which Buyer is a party.

(d.) No Side Agreements or Representations. Buyer represents, warrants and covenants to State that Buyer has entered into this Agreement based upon its rights and intentions to independently inspect the Property. Except as specifically provided in Section 14 of this Agreement, State makes no representation or warranty regarding the condition of the Property, its past use, or its suitability for Buyer's intended use. Buyer will be relying solely upon its own independent inspection, investigation, and analysis of the Property as it deems necessary or appropriate in so acquiring the Property from State, including, without limitation, any and all matters concerning the condition, use, sale, development or suitability of the Property.

(e.) No Attachments. There are no attachments, executions or assignments for the benefit of creditors, or voluntary or involuntary proceedings in bankruptcy or under any other debtor-relief laws pending or, to the best of Buyer's knowledge, threatened against Buyer.

(f.) Experienced Developer. Buyer is an experienced developer of real property and specifically \_\_\_\_\_, and is familiar with the kinds of land use and development issues that typically impact the developability of property to \_\_\_\_\_ uses.

17. Default; Termination.

(a.) Liquidated Damages. BUYER RECOGNIZES THAT THE PROPERTY WILL BE REMOVED BY THE STATE FROM THE MARKET DURING THE EXISTENCE OF THIS AGREEMENT, AND THAT IF THIS TRANSACTION CONCERNING THE PROPERTY IS NOT CONSUMMATED BECAUSE OF BUYER'S DEFAULT, IT WOULD BE EXTREMELY DIFFICULT AND IMPRACTICAL TO ASCERTAIN THE EXTENT OF THE DETRIMENT TO STATE. THE PARTIES HAVE DETERMINED AND AGREED THAT THE ACTUAL AMOUNT OF DAMAGES THAT WOULD BE SUFFERED BY STATE AS A RESULT OF ANY SUCH DEFAULT IS DIFFICULT OR IMPRACTICABLE TO DETERMINE AS OF THE DATE OF THIS AGREEMENT AND THAT THE AMOUNT OF THE DEPOSIT IS A REASONABLE ESTIMATE OF THE AMOUNT OF SUCH DAMAGES. FOR THESE REASONS, THE PARTIES AGREE THAT IF THE PURCHASE AND SALE IS NOT CONSUMMATED BECAUSE OF BUYER'S DEFAULT, THE DEPOSIT PREVIOUSLY MADE BY BUYER SHALL BE FORFEITED TO STATE AS LIQUIDATED DAMAGES. NOTHING CONTAINED HEREIN SHALL IN ANY MANNER LIMIT THE AMOUNT OF DAMAGES OBTAINABLE PURSUANT TO AN ACTION UNDER ANY HOLD HARMLESS, DEFENSE OR INDEMNIFICATION PROVISION SET FORTH IN THIS AGREEMENT OR REASONABLE ATTORNEYS' FEES RECOVERABLE PURSUANT TO ANY ACTION UNDER A HOLD HARMLESS, DEFENSE OR INDEMNIFICATION SET FORTH IN THIS AGREEMENT.

State \_\_\_\_\_ Buyer \_\_\_\_\_

(b.) State's Default. In the event the Close of Escrow does not occur due to a breach of this Agreement by State where such default or breach is not cured by State within ten (10) business days commencing after State's receipt from Buyer of written notice of such default or breach, subject to the limitations set forth in this Section, Buyer's sole and exclusive remedy shall be a return of the Deposit.

18. Damage or Condemnation Prior To Closing. State shall promptly notify Buyer of any casualty to the Property or any condemnation proceeding considered or commenced prior to the Close of Escrow. If any such damage or proceeding relates to or may result in the loss of any "material portion" (as defined herein) of the Property, State or Buyer may, each at its option, elect either to (i) terminate this Agreement, in which event the Deposit shall be returned to Buyer and neither party shall have any further rights or obligations hereunder, or (ii) continue the Agreement in effect, in which event upon the Close of Escrow, Buyer shall be entitled to any compensation, award, or other payments or relief, if any, resulting from such casualty or condemnation proceedings. The term "**material portion**" shall mean damages greater than - \_\_\_\_\_ (\$\_\_\_\_\_). The return of the Deposit under this Section 18 shall be paid to Buyer out of any compensation, award, or other payments or relief resulting from such casualty or condemnation proceedings.

19. Notices. All notices, demands, consents, requests or other communications required to or permitted to be given pursuant to this Agreement shall be in writing, shall be given

only in accordance with the provisions of this Section, shall be addressed to the parties in the manner set forth below, and shall be conclusively deemed to have been properly delivered: (a) upon receipt when hand delivered during normal business hours (provided that, notices which are hand delivered shall not be effective unless the sending party obtains a signature of a person at such address that the notice has been received); (b) upon receipt when sent by facsimile to the number set forth below (provided that, notices given by facsimile shall not be effective unless the sending party delivers the notice also by one other method permitted under this Section); (c) upon the day of delivery if the notice has been deposited in an authorized receptacle of the United States Postal Service as first-class, registered or certified mail, postage prepaid, with a return receipt requested (provided that, the sender has in its possession the return receipt to prove actual delivery); or (d) one (1) business day after the notice has been deposited with either Golden State Overnight, FedEx or United Parcel Service to be delivered by overnight delivery (provided that, the sending party receives a confirmation of actual delivery from the courier). The addresses of the parties to receive notices are as follows:

**TO STATE:**

Robert McKinnon  
Assistant Chief  
Asset Management Branch  
Department of General Services  
State of California  
707 Third Street, 5<sup>th</sup> Floor MS-501  
West Sacramento, CA 95605  
Fax (916) 376-1833

**WITH A COPY TO:**

Gerald McLaughlin  
Asset Management Branch  
Department of General Services  
State of California  
707 Third Street, 5<sup>th</sup> Floor MS-501  
West Sacramento, CA 95605  
Facsimile: (916) 375-4009

Alex Holtz, Esq.  
Office of Legal Services  
Department of General Services  
State of California  
707 Third Street, 7<sup>th</sup> Floor  
West Sacramento, CA 95605  
Facsimile: (916) 376-5088

**TO BUYER:**

**WITH A COPY TO:**

**TO ESCROW HOLDER:**

Each party shall make an ordinary, good faith effort to ensure that it will accept or receive notices that are given in accordance with this Section 19, and that any person to be given notice actually receives such notice. Any notice to a party which is required to be given to multiple addresses shall only be deemed to have been delivered when all of the notices to that party have been delivered pursuant to this Section. If any notice is refused, the notice shall be deemed to have been delivered upon such refusal. Any notice delivered after 5:00 p.m. (recipient's time) or on a non-business day shall be deemed delivered on the next business day. A party may change or supplement the addresses given above, or designate additional addressees, for purposes of this Section by delivering to the other party written notice in the manner set forth above.

20. Brokers. State represents and warrants to Buyer, and Buyer represents and warrants to State, that no broker or finder has been engaged by them in connection with any of the transactions contemplated by this Agreement, or to its knowledge is in any way connected with any of such transactions. Buyer shall indemnify, protect, save harmless and defend State from any liability, cost, or expense connected with any claim for any commission or compensation made by any person or entity claiming to have been retained or contacted by Buyer in connection with this transaction. State shall indemnify, save harmless and defend Buyer from any liability, cost, or expense arising out of or connected with any claim for any commission or compensation made by any person or entity claiming to have been retained or contacted by State in connection with this transaction. This indemnity provision shall survive the Closing or any earlier termination of this Agreement.

21. Assignment. Buyer shall not assign its right, title, or interest in this Agreement to any other party without the prior written consent of State, which determination may be withheld in State's sole and absolute discretion.

22. Miscellaneous.

(a.) Partial Invalidity. If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each such term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

(b.) Waivers. No waiver of any breach of any covenant or provision herein contained shall be deemed a waiver of any preceding or succeeding breach thereof, or of any other covenant or provision herein contained. No extension of time for performance of any obligation or act shall be deemed an extension of the time for performance of any other obligation or act except those of the waiving party, which shall be extended by a period of time equal to the period of the delay.

(c.) Survival. All of the Buyer's and State's warranties, indemnities, representations, covenants, obligations, undertakings and agreements contained in this Agreement shall survive the Close of Escrow of the Property, and the execution and delivery of this Agreement and of any and all documents or instruments delivered in connection herewith; and no warranty, indemnity, covenant, obligation, undertaking or agreement herein shall be deemed to merge with the Quitclaim Deed for the Property.

(d.) Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the grantees, transferees, successors and permitted assigns of the Parties hereto.

(e.) Entire Agreement. This Agreement (including all Recitals and Exhibits attached hereto), is the final expression of, and contains the entire agreement between, the Parties with respect to the subject matter hereof and supersedes all prior understandings with respect thereto. This Agreement may not be modified, changed, supplemented, superseded, canceled or terminated, nor may any obligations hereunder be waived, except by written instrument signed by the party to be charged or by its agent duly authorized in writing or as otherwise expressly permitted herein. The Parties do not intend to confer any benefit hereunder on any person, firm or corporation other than the parties hereto.

(f.) Time of Essence. State and Buyer hereby acknowledge and agree that time is strictly of the essence with respect to each and every term, condition, obligation and provision hereof and that failure to timely perform any of the terms, conditions, obligations or provisions hereof by either party shall constitute a material breach of and a non-curable (but waivable) default under this Agreement by the party so failing to perform.

(g.) Relationship of Parties. Nothing contained in this Agreement shall be deemed or construed by the Parties to create the relationship of principal and agent, a partnership, joint venture or any other association between Buyer and State.

(h.) Construction/Exhibits. Headings at the beginning of each paragraph and subparagraph are solely for the convenience of the Parties and are not a part of the Agreement. Whenever required by the context of this Agreement, the singular shall include the plural and the masculine shall include the feminine and vice versa. This Agreement shall not be construed as if it had been prepared by one of the Parties, but rather as if both Parties had prepared the same. Unless otherwise indicated, all references to paragraphs, Sections, subparagraphs and subsections are to this Agreement. All exhibits referred to in this Agreement are attached and incorporated herein by this reference.

(i.) Governing Law. The Parties hereto acknowledge that this Agreement has been negotiated and entered into in the State of California. The Parties hereto expressly agree that this Agreement shall be governed by, interpreted under, and construed and enforced in accordance with the laws of the State of California.

(j.) Days of Week. A "**business day**," as used herein, shall mean any day other than a Saturday, Sunday or holiday, as defined in Section 6700 of the California Government Code. If any date for performance herein falls on a day other than a business day, the time for such performance shall be extended to 5:00 p.m. on the next business day.

(k.) Possession of Property. Except as disclosed in the Title Documents and this Agreement, Buyer shall be entitled to the possession of the Property immediately following the Close of Escrow.

(l.) Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which, together, shall constitute one and the same instrument.

(m.) Facsimile Signatures. In order to expedite the transaction contemplated herein, telecopied signatures may be used in place of original signatures on this Agreement. State and Buyer intend to be bound by the signatures on the telecopied document, are aware that the other party will rely on the telecopied signatures, and hereby waive any defenses to the enforcement of the terms of this Agreement based on the use of a facsimile signature.

(n.) Termination Documents. If this Agreement is terminated prior to the Close of Escrow for any reason, Buyer shall deliver to State the following documents and materials (collectively hereinafter referred to as the "**Termination Documents**"): (i) the Documents and Materials delivered to Buyer by State, and (ii) at no cost and without warranty as to correctness, copies of all inspections, investigations, tests and studies that were generated by Buyer and/or by third parties for Buyer with respect to the Property, including, but not limited to, all environmental reports, surveys, marketing reports, geotechnical reports, studies, maps and engineering studies, lot studies and improvement plans. It is understood and agreed that, with respect to any provision of this Agreement which refers to the termination of this Agreement and the return of the Deposit to Buyer, such Deposit shall not be returned to Buyer unless and until Buyer has fulfilled its obligation to return to State the Termination Documents.

**[SIGNATURES TO FOLLOW ON NEXT PAGE]**

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the dates set forth below.

**“State”**  
STATE OF CALIFORNIA  
Department of General Services  
Real Estate Services Division

By: \_\_\_\_\_  
Jim Martone, Chief  
Asset Management Branch  
Department of General Services

Date: \_\_\_\_\_

Approved as to Form:

By: \_\_\_\_\_  
Alex Holtz  
Attorney III  
Department of General Services

Date: \_\_\_\_\_

**“Buyer”**

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

Date: \_\_\_\_\_

**RECEIPT BY ESCROW HOLDER**

The undersigned Escrow Holder hereby acknowledges that on \_\_\_\_\_, 2014, which, pursuant to Section 1 is the "**Effective Date**," the undersigned received a fully executed duplicate original (with all appropriate Sections initialed by both parties) of the foregoing Agreement of Purchase and Sale and Initial Escrow Instructions by and between \_\_\_\_\_, a \_\_\_\_\_, as Buyer, and THE STATE OF CALIFORNIA, acting by and through its DEPARTMENT OF GENERAL SERVICES, as State.

Subject to Escrow Holder's receipt of acceptable escrow instructions, Escrow Holder agrees to act as the Escrow Holder under this Agreement and to comply with these instructions.

Escrow Holder:

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

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

Date: \_\_\_\_\_, 2014

**EXHIBIT A**

**Legal Description of Property**

**EXHIBIT B**

**List of Documents and Materials**

**EXHIBIT C**

**Form of Quitclaim Deed**

**RECORDING REQUESTED BY**

**State of California – Official Business  
Department of General Services**

**Document entitled to free recordation  
Pursuant to Gov’t. Code Sec. 6103**

**WHEN RECORDED MAIL TO:**

**WITH A COPY TO:**

**State of California – Official Business  
Department of General Services  
707 3<sup>rd</sup> Street, MS-501  
West Sacramento, CA 95605  
Attention: Robert McKinnon**

(Above Space for Recorder's Use Only)

**QUITCLAIM DEED**

The State of California, acting by and through the Department of General Services (the “State”), does hereby relinquish, abandon, abrogate, transfer, release, remise and quitclaim to \_\_\_\_\_, a \_\_\_\_\_ (the “Grantee”), all of the State’s right, title and interest in and to that certain real property situated in the City of \_\_\_\_\_, County of \_\_\_\_\_, State of California, described on Exhibit A attached hereto and by this reference incorporated herein (collectively, the “Property”).

**EXCEPTING AND RESERVING TO** the State, in all lands described herein, all minerals and mineral deposits, as defined in California Public Resources Code Section 6407, including, but not limited to, oil and gas, other gases including, but not limited to, non-hydrocarbon and geothermal gases, oil shale, coal, phosphate, alumina, silica, fossils of all geological ages, sodium, gold, silver, metals and their compounds, alkali, alkali earth, sand, clay, gravel, salts and mineral waters, uranium, trona, and geothermal resources, together with the right of the State or persons authorized by the State to prospect for, drill for, extract, mine and remove such deposits or resources, except that the State or persons authorized by the State shall not have the right to prospect for, drill for, extract, mine or remove such deposits above a plane located 500 feet below the surface of the Property nor a right to occupy and use the surface of such Property for said purposes.

**SAID PROPERTY IS CONVEYED SUBJECT TO** all liens, encumbrances, easements, covenants, conditions and restrictions of record.

**IN WITNESS WHEREOF**, State has caused this instrument to be executed as of the date

hereinafter written.

DATED: \_\_\_\_\_, 2014

**State:**

The State of California,  
Department of General Services

By: \_\_\_\_\_  
JIM MARTONE, Chief  
Asset Management Branch  
Department of General Services

**EXHIBIT "A"**

**LEGAL DESCRIPTION**

**ACKNOWLEDGMENT**

STATE OF CALIFORNIA :  
 : ss.  
COUNTY OF \_\_\_\_\_:

On \_\_\_\_\_, \_\_\_\_\_, before me, \_\_\_\_\_, a Notary Public for the State of California, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument, the person, or the entity upon behalf of which the person 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.

\_\_\_\_\_  
Notary Public

[Seal]