July 20, 2011

Interested California Licensed Real Estate Brokers

The State of California (State) Department of General Services (DGS) Asset Management Branch (AMB) invites you to review and respond to this Request for Bid for ***Real Estate Broker Services*** for 2.29± acres of land, with improvements, located at 9476 Oroville-Quincy Highway, Berry Creek, Butte County, California. The real property is the former site of the California Department of Forestry and Fire Protection's (CAL FIRE's) Harts Mill Forest Fire Station.

If you have an interest in submitting a bid, the State will require that you comply with all instructions in this letter. Government Code section 14838.5 allows State agencies to contract with California certified Small Businesses (SB) Enterprises for goods and services for up to $249,999.99 without advertising in the State Contracts Register. The DGS must contact at least two certified SB enterprises and receive at least one competitive cost quote from a certified SB real estate broker before awarding a contract. If more than one certified SB real estate broker submits a bid, the State will use the compensation and marketing plan criteria submitted by the brokers to determine the bid in the best interests of the State. Government Code section 11011.5 provides the DGS with the authority to contract with a private California licensed real estate broker under certain specified circumstances. The DGS has met all conditions for exercising its authority under the Government Code to contract the services of a real estate broker to list and advertise the Berry Creek property and assist the State with negotiations with prospective buyers of the property.

1. To qualify to submit a bid for the ***Real Estate Broker Services*** contract, you must possess the following minimum qualifications: (1) Broker must be certified as a Small Business Enterprise.* (2) Broker must have a valid and active real estate broker's license in good standing in the State of California. Your broker license number must be included in your bid.

   *If you are not currently certified as a SB Enterprise or your SB certification has expired, you may apply and request expedited processing. Please go to DGS' website at http://www.dgs.ca.gov/pd/Programs/OSDS/GetCertified.aspx for information about how to get certified as a small business. To obtain expedited assistance to establish SB certification, you may call (916) 375-4400 or email Advocate@dgs.ca.gov.

2. The enclosed *Scope of Work* describes the services requested by the State. The listing period requested is ninety (90) days (time period negotiable).

3. Compensation* for the services requested shall be through a real estate brokerage commission paid through escrow at close of sale. The bid must indicate the compensation requirement in terms of a commission for the work requested. Broker must agree and acknowledge the real estate brokerage commission is the only compensation (direct or

indirect) that s/he will receive from this transaction. The DGS will require the broker to guarantee the compensation schedule submitted with the bid for the duration of the contract. Failure to submit a compensation requirement in the bid will result in disqualification from the bidding process.

*Any broker's commission shared by DGS' contracted broker and a buyer's broker will be paid by the contracted broker from his/her commission. The DGS will not compensate a buyer's broker and in no event will the State pay more commission for the sale of the property than the commission shown in a Standard Agreement (STD. 213) or Service Order (DGS 1092) contract entered into between State and its selected broker. State's broker is solely responsible for any and all payments of any commission to a buyer's broker. State's selected broker may not assign the listing to another broker.

4. The bid proposal must include a brief marketing plan that includes listing the property in the Multiple Listing Service and advertising the property to obtain the necessary exposure to attract a bona fide buyer. The advertising methods used are at the broker's discretion, but must be sufficient to obtain offers on the property from qualified buyers and must be included as a part of broker's marketing plan.

5. Prior to the expiration of the listing, broker may notify State, in writing (email sufficient), to identify the names of all parties broker contacted regarding the property or all parties broker showed the property to in order to preserve the commission from any subsequent offer made by any of the identified parties for a period of thirty (30) calendar days after the expiration of the listing.

6. **All bids must be postmarked or personally delivered to the DGS AMB no later than 5:00 P.M. on Wednesday, August 3, 2011. Bids may not be submitted by fax.** The DGS is not responsible for the receipt of bids. Please note that no *verbal* information given will be binding upon the State unless such information is issued in writing as an official addendum and posted to the DGS' Internet website at http://www.surplusproperty.dgs.ca.gov/detail.aspx?id=896. This site has additional information about the property.

Please send your bid for ***Real Estate Broker Services*** to the:

Department of General Services
Asset Management Branch
707 3rd Street, 6th Floor
West Sacramento, CA 95605
Attention: Karen M. Patche, Program Manager

Scope of Work
Real Estate Broker Services
Harts Mill Forest Fire Station, SSL 896

The State's objective is for Broker to assist State in securing maximum value for its real estate utilizing professional ethics and standards governing California licensed real estate brokers. Broker will be responsible for providing State with professional real estate broker services and support, as directed by State, in the procurement of a buyer who is financially capable of entering into a fair market value cash sale with State, resulting in a closed escrow.

The service area is 2.29± acres of land, with improvements, identified in the DGS' records as SSL 896, located at 9476 Oroville-Quincy Highway, Berry Creek, CA 95916, Butte County (Exhibit A).

The services State will require Broker to perform will include, but are not limited to, listing the property in the Multiple Listing Service; providing an estimate of current market value for the property, with appropriate justification and supporting evidence (recent sales, etc.); and preparing and executing a marketing plan including, but not limited to, media advertising to attract buyers. The advertising method will be at the discretion of the broker, but must be sufficient to obtain a bona fide offer to purchase the property from a qualified buyer who is able to enter into a cash sale transaction with State. State will direct all negotiation strategy and negotiations of offer price and terms of the agreement with prospective buyers through Broker.

State will require Broker to provide periodic updates about Broker's progress in completing the scope of work. The timing for reasonable update notifications will be agreed to by State and Broker.

Broker must agree to use the state-approved "*Offer Form*" (Exhibit B) to submit offers to State from prospective buyers; and the state-approved *"Purchase and Sale Agreement"*, (Exhibit C), which State will prepare and provide to prospective buyer through Broker.

Broker acknowledges if the sale of the listed property does not close escrow for any reason, s/he will not be entitled to compensation. State will not incur any responsibility for expenses or services rendered by Broker in the performance of the contract. Broker shall bear all costs for developing their bid, attending meetings/interviews, soliciting buyers, showing properties to prospective buyers, and completing all paperwork required to submit an offer or to respond to requests or negotiations by State.

A recent preliminary report and other facts about the property are available on the DGS website at http://www.surplusproperty.dgs.ca.gov/detail.aspx?id=896.

EXHIBIT B

DGS
GENERAL SERVICES

OFFER FORM
CASH SALE

DATE

DEPARTMENT OF GENERAL SERVICES
Asset Management Branch
707 3rd Street, 6th Floor
West Sacramento, CA 95605
Attn: KAREN M. PATCHE, Project Manager

Subject: **HARTS MILL FIRE STATION (OLD), SSL# 896, 2.29 acres**

The undersigned buyer ("BUYER") offers to purchase the old Harts Mill Fire Station located at 9476 Oroville-Quincy Highway, Berry Creek, CA, Butte County, A.P.N. 071-450-001 (hereinafter referred to as "Property") listed on the Department of General Services' (STATE'S) Internet website and identified as **HARTS MILL FIRE STATION, SSL# 896"** for a total purchase price of Insert Purchase Price AND NO/100 ($XXX,XXX.00).

BUYER has reviewed STATE'S standard Purchase and Sales Agreement ("Agreement") and the Preliminary Report ("Report") for the Property, issued by the Mid Valley Title & Escrow Company, 2295 Feather River Blvd., Suite A, Oroville, CA 95965, Order No. 0403-3632715, dated October 7, 2010, and will accept title to the Property subject to the exceptions listed in the Report. BUYER agrees to execute the Agreement substantially in the form posted on DGS' website at http://www.surplusproperty.dgs.ca.gov/detail.aspx?id=896. STATE will present a completed Agreement to BUYER for signature shortly after BUYER'S selection by STATE.

Attached to this offer is a deposit in the form of a Cashiers Check or Money Order in an amount equal to ten percent (10%) of the Purchase Price or Insert Deposit Amount AND NO/100 ($XX,XXX.00), and made payable to the "STATE OF CALIFORNIA". If the STATE accepts BUYER'S offer, STATE will deposit BUYER'S deposit of $XX,XXX.00 in a suspense account to be held by STATE until the close of escrow. Within five (5) business days after BUYER'S acceptance of the Property, as outlined in the Agreement, BUYER must deposit the balance of the purchase price with Escrow Holder. BUYER further agrees that should BUYER fail to complete the purchase of the Property in accordance with the terms and conditions of the Agreement, the entire deposit will be retained by STATE as liquidated damages and BUYER shall forfeit all rights to purchase the Property. BUYER and STATE agree that damages, in the event of failure to complete the purchase, would be difficult to ascertain and this sum represents a reasonable assumption of what such damages should be.

STATE will not accept offers with a financing contingency. This is a cash sale. A statement of intended sale financing (Statement & Support of Sale Financing) shall accompany the OFFER FORM and address BUYER'S ability to consummate the sale as per the STATE'S objective of receiving the highest and most certain return for the Property from a responsible BUYER within

the time period prescribed in the Agreement. BUYER must include any information that will assist STATE in determining that BUYER has secured the necessary financing to facilitate an all-cash transaction on the sale of the Property at close of escrow.

BUYER acknowledges this offer will be valid and subject to review by STATE for a period of TEN (10) business days from receipt of BUYER'S offer. STATE will contact BUYER in writing regarding acceptance or rejection of the offer. BUYER also acknowledges that STATE reserves the right to reject any and all offers. STATE is not responsible for receipt of BUYER'S offer.

_____	_____
BUYER* (Type or Print)	BUYER* (Type or Print)
_____	_____
Mailing Address and Email Address	Mailing Address and Email Address
_____	_____
Phone	Phone
_____	_____
Authorized Signature	Authorized Signature
_____	_____
Date	Date

*An offer made by a corporation, LLC, or business entity must provide, with the OFFER FORM, evidence of authority to sign on behalf of the corporation, LLC, or business entity.

EXHIBIT C DRAFT

PURCHASE AND SALES AGREEMENT

CALIFORNIA DEPARTMENT OF FORESTRY AND FIRE PROTECTION (CAL FIRE)
HARTS MILL FOREST FIRE STATION (FORMER SITE)
STATE SURPLUS PARCEL NO. SSL 896

This Purchase and Sales Agreement (**Agreement**) is made and entered into on this XXth day of MONTH, 2011 (Effective Date), by and between the STATE OF CALIFORNIA, acting by and through the Department of General Services (**STATE**) and the VESTING NAME OF BUYER (**BUYER**), collectively "**PARTIES**".

RECITAL

A. The **STATE** owns that certain real property located at 9476 Oroville-Quincy Highway in the community of Berry Creek, County of Butte, California, and more particularly described in EXHIBIT A, which is incorporated herein as if fully set forth, ("Property"), which the California Legislature authorized for disposal pursuant to Chapter 166 of the Statutes of 2009. The Property includes all land and all buildings, appurtenances, improvements, easements, rights-of-way, and all associated water rights located on or related to the land.

B. **BUYER** has submitted the offer to purchase the Property, deemed most acceptable to the **STATE**, from multiple offers received in response to **STATE'S** invitation to bid.

AGREEMENT

In consideration of the foregoing Recitals which are incorporated herein as if fully set forth and for other good and valuable consideration, the **PARTIES** agree as follows:

1. **PROPERTY**
   1.1. **Property. STATE** agrees to sell and convey to **BUYER**, and **BUYER** agrees to purchase from **STATE**, the Property subject to the terms and conditions set forth in this Agreement.

2. **PURCHASE PRICE**
   2.1. **Purchase Price**. The total purchase price to be paid by **BUYER** to **STATE** for Property shall be PURCHASE PRICE AND NO/100 DOLLARS ($X,000,000.00).

   2.2. **Deposit**. **BUYER** has made a deposit of DEPOSIT AMOUNT DOLLARS ($XX,000.00) which shall be held by **STATE** in a suspense account. If **STATE** fails to execute this Agreement, the aforementioned funds shall be refunded to **BUYER**. Upon **STATE'S** execution of the Agreement, the **BUYER'S** total deposit shall be non-refundable except upon the **STATE'S** breach of this Agreement or **BUYER'S** right to terminate as described in

paragraph 6.4. The total deposit of $DOLLAR AMOUNT will be applied to the purchase price of the Property at close of escrow.

If escrow should fail to close for any reason, **BUYER'S** deposit shall not be released to **BUYER** until **STATE** and Escrow Holder have received valid *lien releases* or *STOP NOTICE WAIVERS* from all contractors who worked on the Property at **BUYER'S** request in accordance with paragraph 6.2.

2.3. **Terms of Payment**. Within five (5) business days of **BUYER'S** acceptance of the property, as defined in paragraph 6.4, **BUYER** shall deposit the balance of the purchase price identified in paragraph 2.1, in cash or its equivalent, less the amount on deposit with **STATE** identified in paragraph 2.2, with Escrow holder.

3. CONDITIONS OF SALE

3.1. **State's Review Period and Acceptance of Buyer's Offer**. The offer will be subject to review by **STATE** for a period of five (5) business days from the opening of the bids prior to recommendation for approval and acceptance of the offer by the Director of the Department of General Services (Director).

3.2. **State Public Works Board (SPWB) Approval and Acceptance**. **BUYER** acknowledges the legislation authorizing the sale of the Property does not require the approval of the State Public Works Board (SPWB). The acceptance and approval of the Purchase and Sale Agreement (Agreement) by the Director of the Department of General Services (Director) or his authorized representative will constitute formal acceptance of **BUYER'S** offer.

3.2.1. **BUYER** further acknowledges that neither the preparation nor presentation of this offer, nor the negotiations leading up to this offer, creates any obligation or commitment on the part of **STATE** to accept **BUYER'S** offer, unless and until the Director or his authorized representative approves the transaction by signing the Agreement and **STATE** communicates such approval and acceptance to **BUYER** in writing. **STATE'S** written communication of the acceptance and approval of **BUYER'S** offer by the Director shall constitute **STATE'S** formal acceptance of the offer and shall thereafter obligate **STATE** to sell the Property to **BUYER** unless **BUYER** fails to perform or otherwise breaches the terms of the Agreement.

3.2.2. In the event the Director does not approve the sale of the Property to **BUYER**, this Agreement shall terminate without any liability or obligation of either the **STATE** or **BUYER**. Upon such termination, **BUYER** shall be entitled to a refund of its entire Deposit, less any amounts used for reimbursement obligations for Hazardous Material remediation work.

3.3. **Rejection of Offers**. **STATE** reserves the right to reject any or all offers and to waive any informality or irregularity in any offer, and/or to accept any offer deemed to be in the best interest of **STATE**.

3.4. **Title and Escrow**. Within five (5) business days of **BUYER'S** acceptance of the Property as defined in paragraph 6.4, **BUYER** must deposit the balance of the purchase price identified in paragraph 2.1, less the deposit retained by **STATE** identified in paragraph 2.2, with Escrow Holder. Title to said Property shall pass immediately upon close of escrow. The issuance of any escrow instructions shall be the sole responsibility of the **STATE**.

An escrow account has been opened with NAME OF ESCROW COMPANY, ADDRESS, PHONE. The escrow account established for this transaction is Escrow No.XXXXXXX. The Mid Valley Title & Escrow Company, 2295 Feather River Blvd., Suite A, Oroville, CA 95965 has issued a Preliminary Report, dated October 7, 2010, prepared under Order No. 0403-3632715, for the Property indicating exceptions to title, which is attached hereto as EXHIBIT B and by this reference incorporated herein.

3.5. **Close of Escrow**. The date upon which **BUYER** accepts the condition of the property, in accordance with the provisions of paragraph 6.4, shall constitute the commencement of the TEN (10) day timeframe within which **BUYER** shall complete the purchase of the Property by closing escrow.

3.6. **Buyer's Costs**. **BUYER** shall pay all recording fees, documentary transfer taxes, escrow fees, policies of title insurance, and any other costs connected with the closing of this transaction.

3.7. **As-Is Purchase**. **BUYER** acknowledges that **BUYER** is purchasing the Property solely in reliance on **BUYER'S** own investigations. Except as provided in paragraph 4.4, **BUYER** specifically acknowledges and agrees that **STATE** will sell and **BUYER** will purchase the Property on an "as-is" with all faults basis, and that **BUYER**, having been given the opportunity to inspect the Property and review information and documentation affecting the Property, including any investigations, studies or documents identified under paragraph 6.5 below. **BUYER** will not rely on any representations or warranty of any kind whatsoever, express or implied, from **STATE** or its agents as to any matters concerning the Property, including without limitation: (*i.*) the quality, nature, adequacy, and physical condition of the Property including soils, geology, and any groundwater; (*ii.*) the existence, quality, nature, adequacy, and physical condition of utilities serving the Property; (*iii.*) the development potential of the Property and the Property's use, merchantability, fitness, suitability, value, or adequacy of the Property for any particular purpose; (*iv.*) the zoning or other legal status of the Property or any other public or private restrictions on use of the property; (*v.*) the compliance of the property or its operation with any applicable codes, laws, regulations, statutes, ordinances,

covenants, conditions, and restrictions of any governmental or quasi-governmental entity or of any other person or entity; (*vi.*) the presence of Hazardous Materials (as defined in paragraph (3.7.2) on, under, or about the property or the adjoining or neighboring property; (*vii.*) the condition of title to the Property; and (*viii.*) the economics of the operation of the Property. **BUYER** agrees to purchase the Property in the condition that it is in at close of escrow. **BUYER** shall be responsible at **BUYER'S** sole expense for all demolition and any Hazardous Materials remediation required to make Property usable for **BUYER'S** intended purpose and **BUYER** releases the **STATE**, their employees or agents from any claims, damages, costs or damages related to any Hazardous Materials, on, under or in the Property or releases of any Hazardous Materials, on, under or in the Property or releases of any Hazardous Materials from the Property.

3.7.1. **Land Use Entitlements & CEQA Requirements**. Pursuant to Government Code section 11011(k)(1), the disposition of a parcel of surplus state real property, pursuant to Section 11011.1, made on an "as-is" basis shall be exempt from Chapter 3 (commencing with Section 21100) to Chapter 6 (commencing with Section 21165), inclusive, of Division 13 of the Public Resources Code. Upon title to the parcel vesting in a purchaser or transferee of the property, the purchaser or transferee shall be subject to any local governmental land use entitlement approval requirements and to Chapter 3 (commencing with Section 21100) to Chapter 6 (commencing with Section 21165), inclusive, of Division 13 of the Public Resources Code.

3.7.2. **Hazardous Materials**. As used herein, the term "Hazardous Materials" includes, without limitation, any flammable explosives, radioactive materials, hazardous materials, hazardous wastes, hazardous or toxic substances, or related materials defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. §9601 et seq.), the Hazardous Materials Transportation Act, as amended (49 U.S.C. §18901 et seq.), the Resource Conservation and Recovery Act of 1976, as amended (42 U.S.C. §6901 et seq.), Section 25117 of the California Health and Safety Code, Section 25316 of the California Health and Safety Code, and in the regulations adopted and publications promulgated pursuant to them, or any other Federal, State, or local environmental laws, ordinances, rules, or regulations concerning the environment, industrial hygiene or public health or safety now in effect or enacted after this date.

3.8. **Title Conditions**. **BUYER** has reviewed the Preliminary Report referred to in paragraph 3.4 above.

3.8.1. **No Buyer Exceptions**. **BUYER** agrees that if a CLTA title policy will be issued by the title company in accordance with the title exceptions identified in the Preliminary Report, that there are no conditions or contingencies related to title.

3.9. **Further Documents and Assurances**. **BUYER** and **STATE** shall each, diligently and in good faith, undertake all actions and procedures reasonably required to place the escrow in condition for closing as and when required by this Agreement. **BUYER** and **STATE** agree to execute and deliver all further documents and instruments reasonably required by Title Company. **STATE** shall deliver or cause to be delivered to Escrow Holder in time for delivery to **BUYER** at the closing an original ink-signed and notarized Quitclaim Deed, conveying fee title to the Property to **BUYER**, in the form attached hereto as EXHIBIT C.

3.10. **Applicable Law**. These provisions shall in all respects be governed by the laws of the State of California and any action to enforce the terms of these provisions shall be commenced and maintained in the Superior Court of the County of Sacramento.

3.11. **Professional Fees and Costs**. **STATE** shall be entitled to recover from **BUYER** all its fees and costs for all attorneys, auditors, accountants, and any other professional services needed to enforce the provisions in this Agreement if **STATE** is the prevailing party in such action.

3.12. **Continuing Obligations**. All terms and conditions in this Agreement which represent continuing obligations and duties of the parties that have not been satisfied prior to close of escrow shall survive close of escrow and transfer of title to **BUYER** and shall continue to be binding on the respective obligated party in accordance with their terms.

3.13. **Failure of Condition**. Notwithstanding anything to the contrary in this Agreement, in the event that a material condition to closing for **BUYER'S** benefit fails, **BUYER** shall have the right to terminate this Agreement and receive a refund of the entire deposit. In such an event, neither party shall have any further obligations to each other, except for the **PARTIES**' obligations to return funds and documents, any indemnification obligations contained herein, and any rights or obligations relating to a default hereunder.

3.14. **Liquidated Damages**. PROVIDED **BUYER** HAS NOT ELECTED TO TERMINATE THIS AGREEMENT PURSUANT TO ANY OF **BUYER'S** RIGHTS TO DO SO CONTAINED HEREIN, IF **BUYER** COMMITS A DEFAULT UNDER THIS AGREEMENT AND THE CLOSE OF ESCROW FAILS TO OCCUR SOLELY BY REASON OF SUCH DEFAULT, THEN ESCROW HOLDER MAY BE INSTRUCTED BY **STATE** TO CANCEL THE ESCROW AND **STATE** SHALL THEREUPON BE RELEASED FROM ITS OBLIGATIONS HEREUNDER. **BUYER** AND **STATE** AGREE THAT BASED UPON THE CIRCUMSTANCES NOW EXISTING, KNOWN AND UNKNOWN, IT WOULD BE IMPRACTICAL OR EXTREMELY DIFFICULT TO ESTABLISH **STATE'S** DAMAGE BY REASON OF **BUYER'S** DEFAULT. ACCORDINGLY, **BUYER** AND **STATE** AGREE THAT IT WOULD BE REASONABLE AT SUCH TIME TO AWARD **STATE** "LIQUIDATED DAMAGES" EQUAL TO THE AMOUNT OF THE DEPOSIT OF AMOUNT, WHICH HAS BEEN DEPOSITED WITH **STATE** BY **BUYER** PURSUANT TO THIS AGREEMENT.

STATE AND **BUYER** ACKNOWLEDGE AND AGREE THAT THE FOREGOING AMOUNT IS REASONABLE AS LIQUIDATED DAMAGES AND SHALL BE, EXCEPT AS PROVIDED BELOW, **STATE'S** SOLE AND EXCLUSIVE REMEDY IN LIEU OF ANY OTHER RELIEF, RIGHT OR REMEDY, AT LAW OR IN EQUITY, TO WHICH **STATE** MIGHT OTHERWISE BE ENTITLED BY REASON OF **BUYER'S** DEFAULT UNDER THIS AGREEMENT. ACCORDINGLY, IF **BUYER** COMMITS A DEFAULT UNDER THIS AGREEMENT AND THE CLOSE OF ESCROW FAILS TO OCCUR SOLELY BY REASON OF SUCH DEFAULT, **STATE** MAY INSTRUCT THE ESCROW HOLDER TO CANCEL THE ESCROW, WHEREUPON **STATE** SHALL BE RELIEVED FROM ALL LIABILITY HEREUNDER, AND, PROMPTLY FOLLOWING ESCROW HOLDER'S RECEIPT OF SUCH INSTRUCTION, ESCROW HOLDER SHALL (*i.*) CANCEL THE ESCROW, AND (*ii.*) STATE SHALL DISBURSE THE AMOUNT OF $XX,000 BEING HELD BY **STATE** AS THE DEPOSIT FROM **BUYER** IN THE MANNER PRESCRIBED BY THE LAW DECLARING THE PROPERTY SURPLUS (SEE CHAPTER 166 OF THE STATUTES OF 2009.)

_____ _____

STATE'S INITIALS **BUYER'S INITIALS**

4. STATE'S REPRESENTATIONS, WARRANTIES, AND DISCLOSURES

In addition to any express agreements of **STATE** contained herein, the following constitute representations and warranties of **STATE** to **BUYER**, of this Agreement.

4.1. **Reliability of Information**. **STATE** obtained the information contained in this Agreement from sources deemed reliable; however, **STATE** makes no representations, warranties or guarantees as to the accuracy of the information provided. **STATE** provides the information solely as an aid to **BUYER** and **BUYER** should conduct its own investigations of the Property.

4.2. **Authority of State**. **STATE** is a government entity, duly organized and validly existing under the laws of the State of California. **STATE** has full power and authority to sell, and convey the Property to **BUYER** and to enter into and perform its obligations pursuant to this Agreement.

4.3. **Taxes**. The State of California is exempt from income taxes and property taxes and assessments and none are or will be owing at close of escrow.

4.4. **Disclosures**. **BUYER** acknowledges that **BUYER** is purchasing the Property solely in reliance on **BUYER'S** own investigations and except as otherwise expressly set forth herein, no representations or warranties of any kind whatsoever, expressed or implied, have been made by **STATE**, **STATE'S** agents, or brokers (if any), including any investigations, studies, or documents identified under paragraph 6.5 below.

4.5. **Broker**. **STATE** has retained the services of a broker in regard to the transaction contemplated under this Agreement. STATE shall pay broker a commission for services provided in the amount of X% or $X,XXX.00 at close of escrow from the proceeds of the sale.

4.6. **Absence of Fraud and Misleading Statements**. To the best of **STATE'S** knowledge, no statement of **STATE** in this Agreement or in any document, certificate, or schedule furnished or to be furnished to **BUYER** pursuant hereto or in connection with the transaction contemplated hereby contains any untrue statement of material fact.

5. BUYER'S REPRESENTATIONS AND WARRANTIES

In addition to any express agreements of **BUYER** contained herein, the following constitute representations and warranties of **BUYER** to **STATE**, of this Agreement.

5.1. **Representations Regarding Buyer's Authority**.

5.1.1. **BUYER** has the legal power, right and authority to enter into this Agreement and the instruments referenced herein, and to consummate the transactions contemplated in this Agreement.

5.1.2. The individuals executing this Agreement and the instruments referenced herein on behalf of **BUYER** have the legal power, right, and actual authority to bind **BUYER** to the terms and conditions hereof and thereof.

5.1.3. This Agreement is, and all other instruments, documents and agreements required to be executed and delivered by **BUYER** in connection with this Agreement are and shall be, duly authorized, executed and delivered by **BUYER** and shall be valid, legally binding obligations of and enforceable against **BUYER** in accordance with their terms.

5.1.4. No further approvals or actions are required for **BUYER** to consummate the transactions contemplated in this Agreement and **BUYER** has the funds necessary to consummate the transactions contemplated in this Agreement.

5.2. **Regulatory Authority**. **BUYER** further acknowledges, represents and warrants that as of the close of escrow **BUYER** is aware of all zoning regulations, other governmental requirements, site and physical conditions, including the presence of Hazardous Materials or other adverse environmental conditions, if any, and other matters affecting the use and condition of the Property.

5.3. **Broker**. **BUYER** (has or has not) retained the services of any broker in regard to the transactions contemplated under this Agreement.

5.4. **Buyer's Broker Fee**. **BUYER** acknowledges that any brokers' fees shared by **STATE'S** contracted broker INSERT NAME OF BROKER and **BUYER'S** broker INSERT NAME OF BROKER will be paid from **STATE'S** contracted broker's commission. In no event will the State pay more commission for the sale of the property than the commission agreed to between STATE and INSERT NAME OF BROKER.

5.5. **General Representation**. No representation, warranty or statement of **BUYER** in this Agreement or in any document, certificate or schedule furnished or to be furnished to **STATE** pursuant hereto contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact necessary to make statements or facts contained therein not misleading. **BUYER'S** representations and warranties made in this Agreement shall be continuing and shall be true and correct as of the date of the close of escrow with the same force and effect as if remade by **BUYER** in a separate certificate at that time. The truth and accuracy of **BUYER'S** representations and warranties made herein shall constitute a condition for the benefit of **STATE** to the close of escrow (as elsewhere provided herein) and shall not merge into the close of escrow or the recordation of the quitclaim deed in the Official Records, and shall survive the close of escrow.

6. DUE DILIGENCE

6.1. **Buyer's Investigation of Property Condition**. Real property often contains defects and conditions which are not readily apparent and which may affect the value or desirability of the Property. Therefore, it is the affirmative duty of **BUYER** to exercise reasonable care to discover those facts which are unknown to **BUYER** or within the diligent attention and observation of **BUYER**. **BUYER** acknowledges that **BUYER** has been given the opportunity to complete an investigation of the Property prior to the execution of this Agreement, and that **BUYER** accepts the condition of the Property "as-is" at the end of the **BUYER'S** due diligence period, unless **BUYER** elects to terminate the agreement in accordance with the conditions stated in paragraph 6.4.

6.2. **Buyer's Acceptance of Property Condition and Inspections**. **BUYER'S** acceptance of the condition of the Property is a condition to performance under this Agreement. Accordingly, **BUYER** shall have the right to conduct inspections, investigations, tests, surveys, and other studies at **BUYER'S** expense upon execution of a Right of Entry (ROE) by **STATE** in the form attached as EXHIBIT D. **BUYER** agrees to provide to **STATE**, at no cost, upon request of **STATE**, complete copies of all inspection reports and findings obtained by **BUYER** concerning the property.

BUYER shall provide to **STATE** in writing the identity (name), license, and telephone number, of the contractor(s) or entity(ies) conducting the inspections and the nature and scope of the inspections for inclusion in the ROE. **STATE PROHIBITS ENTRY ONTO THE PROPERTY WITHOUT AN EXECUTED ROE**. Subject to the terms of the ROE, the **BUYER**, its representatives, authorized agents, or contractors may enter on the Property to make such inspections of the Property provided that **BUYER** keeps the Property free of liens and repairs all damage to the Property resulting from such inspections(s). BUYER intends to conduct the following investigations or studies of the property:
LIST CONTRACTORS AND STUDIES

6.3. **Buyer's Inspection Period.** The Due Diligence Period shall continue for a period of no more than NUMBER (X) calendar days, commencing on the Effective Date of this Agreement and ending on DATE. **BUYER** may conduct those investigations and/or studies identified in paragraph 6.2 of this Agreement. **BUYER** may waive all or any portion of the Due Diligence period by informing **STATE** of such waiver IN WRITING.

6.4. **Buyer's Removal or Waiver of Contingencies.** **BUYER** shall, within NUMBER (X) business day(s) after the end of BUYER'S Due Diligence Period, described in paragraph 6.3, identify to **STATE** IN WRITING any conditions related to the Property that **BUYER** desires **STATE** to resolve before close of escrow. **STATE** will notify **BUYER** IN WRITING within NUMBER (X) business days after receipt of notice from **BUYER** what conditions related to the Property identified by **BUYER** the **STATE** is willing and able to resolve.

6.4.1. If **STATE** is unwilling or unable to resolve some or all of the conditions identified by **BUYER**, then **BUYER** must either remove or waive any and all of **BUYER'S** contingencies based on such conditions, if any, IN WRITING and submit such written notification to **STATE**, within NUMBER (X) business days after receipt of **STATE'S** notification of unwillingness or inability to resolve some or all of the conditions identified by **BUYER** or elect to terminate this Agreement.

6.4.2. If **BUYER** has elected to terminate this Agreement, then **BUYER** shall deliver to **STATE** a WRITTEN TERMINATION NOTICE no later than FIVE (5) business days, after **STATE** notifies **BUYER** of **STATE'S** unwillingness and/or inability to resolve **BUYER'S** identified conditions. Upon termination, **BUYER** and **STATE** shall be released from any obligation to proceed with the terms of this Agreement and neither party shall have a right to enforce this Agreement or pursue any claims related to this Agreement against the other party.

6.4.3. If **BUYER** does not provide **STATE** with a WRITTEN NOTICE of conditions related to the Property as provided for in 6.4.2., then **BUYER** shall have been deemed to have waived any contingency related to the condition of the Property and **BUYER'S** failure to so notify **STATE** shall conclusively be considered **BUYER'S** approval of the condition of the Property for **BUYER'S** intended use.

6.5. **Scope of Buyer's Investigations**. **BUYER** agrees and warrants, or by the failure to do so shall have waived any rights to do so hereunder, that at close of escrow **BUYER** shall have investigated the condition and suitability of all aspects of the Property and all matters affecting the value or desirability of the Property, including but not limited to the following:

6.5.1. **Condition of systems and components**. Building foundations, improvements, plumbing, siding, electrical, heating, mechanical, roof, air conditioning, built-in appliances, security, and any other structural or nonstructural systems and components, and the energy efficiency of the Property.

6.5.2. **Size and age of improvements**. Structure count, room count, room dimensions, square footage in improvements, lot size, and age of the improvements.

6.5.3. **Lines and boundaries**. Property lines and boundaries.

6.5.4. **Waste disposal**. Type, size, adequacy, and condition of sewer and/or septic systems and components.

6.5.5. **Governmental requirements and limitations**. Availability of required governmental permits, inspections, certificates, or other determinations affecting the Property, including historical significance. Any limitations, restrictions, zoning, building size requirements, or other requirements effecting the current or future use or development of the Property.

6.5.6. **Rent and occupancy controls**. Any restrictions that may limit the amount of rent that can legally be charged and the maximum number of persons who can lawfully occupy the Property.

6.5.7. **Water and utilities; well systems and components**. Availability, adequacy, and condition of public or private systems.

6.5.8. **Environmental hazards**. The presence of asbestos, formaldehyde, radon, methane, other gases, lead based paint, other lead contamination, fuel or chemical storage tanks, waste disposal sites, electromagnetic fields, and other substances, materials, products, or conditions.

6.5.9. **Geologic conditions**. Geologic/seismic conditions soil stability/suitability, and drainage.

6.5.10. **Neighborhood, area, subdivision requirements**. Neighborhood or area conditions including schools; proximity and adequacy of law enforcement; proximity to commercial, industrial, or agricultural activities; crime statistics; fire protection; other governmental services; existing and proposed transportation;

construction and development which may affect noise, view or traffic; airport noise; and noise or odor from any source, wild or domestic.

6.5.11. **Matters of record**. Covenants, conditions, and restrictions; deed restrictions; easements; and other title encumbrances of record.

6.5.12. **Other matters**. Any and all other matters such as leases and licenses affecting the Property and the availability of suitable public infrastructure, assessment, other special service districts, and soil or other conditions on the Property, not herein listed, which are or may be pertinent to **BUYER'S** purpose for acquiring the Property.

6.6. **Risk of Loss**. During the period prior to close of escrow, the risk of loss for any and all improvements on the Property, including but not limited to any dwellings, plumbing and electrical systems, shall be on **BUYER**. **STATE** shall be under no obligation to repair, replace, or maintain in good working order the improvements on the Property. **BUYER** may, at its sole cost, acquire insurance to cover the risk of loss or damage.

7. INDEMNIFICATION

BUYER shall defend, indemnify, and hold **STATE** harmless from and against any and all claims, liabilities, obligations, losses, damages, costs, and expenses, including, but not limited to, attorney's fees, court costs, and litigation expenses that **STATE** may incur or sustain by reason of or in connection with any misrepresentation made by **BUYER** pursuant to this Agreement or by **BUYER'S** representatives, authorized agents, or contractors exercise of rights under Section 6 of this Agreement.

8. MINERAL RESERVATIONS

As to any surplus state real property sold and or exchanged pursuant to Government Code section 11011.1, the Director shall except and reserve to **STATE** all mineral deposits, as defined in Section 6407 of the Public Resources Code, together with the right to prospect for, mine, and remove deposits. If however, the Director determines that there is little or no potential for mineral deposits, the reservation may be without surface right of entry above a depth of 500 feet, or the rights to prospect for, mine, and remove the deposits shall be limited to those areas of the surplus state real property conveyed that the Director determines to be reasonably necessary for the removal of the deposits.

9. PRIOR AGREEMENTS

This Agreement, in effect as of the Effective Date, supersedes any and all prior agreements between **STATE** and **BUYER** regarding the Property.

10. NOTICES

Any notice, tender, delivery, or other communication pursuant to this Agreement shall be in writing and shall be deemed to be properly given if delivered, mailed, or sent by wire or other telegraphic communication in the manner provided in this Agreement, to the following persons:

TO STATE: **DEPARTMENT OF GENERAL SERVICES**
ASSET MANAGEMENT BRANCH
707 3RD STREET, 6TH FLOOR
WEST SACRAMENTO, CA 95605
ATTN: KAREN M. PATCHE

TO BUYER: **NAME OF BUYER**
STREET ADDRESS
CITY, STATE ZIP CODE
ATTN: CONTACT NAME

11. CALCULATION OF TIME

Under this Agreement, when the day upon which performance would otherwise be required or permitted is a Saturday, Sunday, or holiday, then the time for performance shall be extended to the next day which is not a Saturday, Sunday, or holiday. The term "holiday" shall mean all and only those State holidays specified in Sections 6700 and 7701 of the Government Code.

12. TIME OF ESSENCE

Time is of the essence of this Agreement and each and every provision hereof.

13. ENTIRE AGREEMENT

This Agreement, together with any ROE executed by the **PARTIES** shall constitute the entire understanding and agreement of the **PARTIES** hereto regarding the purchase and sale of the Property and all prior agreements, understandings, representations or negotiations are hereby superseded, terminated, and canceled in their entirety and are of no further force or effect.

14. AMENDMENTS

This Agreement may not be modified or amended except in writing by the **PARTIES**.

15. APPLICABLE 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 in all respects be governed by the laws of the State of California and any action to enforce the terms of this Agreement shall be commenced and maintained in the Superior Court of the County of Sacramento.

16. SEVERABILITY

Nothing contained herein shall be construed as to require the commission of any act contrary to law, and wherever there is any conflict between any provision contained herein and any present statute, law, ordinance or regulation as to which the **PARTIES** have no legal right to contract, the latter shall prevail, but the affected provisions of this Agreement shall be limited only to the extent necessary to bring them within the requirements of such law.

17. SEPARATE COUNTERPARTS

This Agreement may be executed in separate counterparts, each of which when so executed shall be deemed to be an original. Such counterparts shall, together, constitute and be one and the same instrument.

18. EXHIBITS

The following Exhibits are attached to this Agreement and incorporated by reference herein.

EXHIBIT A	Property Description
EXHIBIT B	Preliminary Report
EXHIBIT C	Quitclaim Deed
EXHIBIT D	Right of Entry

19. SURVIVAL

All terms and conditions in this Agreement, which represent continuing obligations and duties of the **PARTIES**, that have not been satisfied prior to close of escrow shall survive close of escrow and transfer of title to **BUYER** and shall continue to be binding on the respective obligated party in accordance with their terms. All representations and warranties and statements made by the respective parties contained herein or made in writing pursuant to this Agreement are intended to be, and shall remain, true and correct as of the close of escrow, shall be deemed to be material, and, together with all conditions, covenants and indemnities made by the respective parties contained herein or made in writing pursuant to this Agreement (except as otherwise expressly limited or expanded by the terms of this Agreement), shall survive the execution and delivery of this Agreement and the close of escrow, or, to the extent the context requires, beyond any termination of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

BUYER

VESTING

By:_____
NAME OF BUYER
Address

Date:_____

By:_____
NAME OF BUYER
Address

Date:_____

STATE

DIRECTOR
STATE OF CALIFORNIA
DEPARTMENT OF GENERAL SERVICES
REAL ESTATE SERVICES DIVISION

BY:_____
JOE MUGARTEGUI, Branch Chief
ASSET MANAGEMENT BRANCH

Date:_____

EXHIBIT A

DRAW TOGGLE CLEAR

ParcelQuest

ID	Co / APN ▲	Owner	Address
1 ☑	BUT 071-450-001-000	STATE OF CALIFORNIA (DIV OF FORESTRY)	9476 OROVILLE QUINCY HWY BERRY CREEK CA 95916-9604

select: all none

**The information provided here is deemed reliable, but is not guaranteed.