

**AGREEMENT FOR PURCHASE AND SALE
OF REAL PROPERTY AND JOINT ESCROW INSTRUCTIONS**

THIS AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY AND JOINT ESCROW INSTRUCTIONS (this "Agreement") is made this 29th day of July 2016 by and between the CITY OF CHICO, a California charter city ("Seller"), and TOBY STORNETTA ("Buyer"). Seller and Buyer are at times referred to individually herein as a "Party", and jointly as the "Parties".

TERMS AND CONDITIONS

1. PURCHASE AND SALE OF PROPERTY.

Seller is the owner of that certain real property located in the CITY OF CHICO, County of Butte, State of California, located at 1413 Salem Street, Chico California, 95928 (APN: 005-168-001) as more particularly described in Exhibit "A", attached hereto and by this reference incorporated herein, together with all improvements thereon (the "Property").

Buyer hereby agrees to purchase from Seller, and Seller agrees to sell to Buyer the Property, upon the terms and conditions hereinafter set forth.

2. OPENING OF ESCROW.

Within five (5) business days after the execution of this Agreement the Parties shall open an escrow ("Escrow") with Mid Valley Title & Escrow Company, Attn: Denise Hallgren ("Escrow Holder") by causing an executed copy of this Agreement to be deposited with Escrow Holder. Escrow shall be deemed open on the date that a fully executed copy of this Agreement together with the Earnest Money, as defined below, is delivered to Escrow Holder ("Opening of Escrow").

3. PURCHASE PRICE.

3.1. Amount of Purchase Price

The purchase price for the Property shall be Two Hundred Sixty Thousand Dollars (\$260,000.00) ("Purchase Price") to be paid all cash to the City at closing; provided that nothing precludes Buyer from financing all or a portion of such Purchase Price from a commercial lender.

3.2. Earnest Money

The earnest money shall be in the amount of Five Thousand Dollars (\$5,000.00) dollars ("Earnest Money") and shall be deposited into escrow at Opening of Escrow. Upon the Close of Escrow, the Earnest Money shall be applied to the Purchase Price of the Property.

3.3. Payment of Purchase Price

No later than one (1) day preceding Close of Escrow, Buyer shall deposit the Purchase Price minus the Earnest Money with Escrow Holder in "Good Funds." Good Funds shall mean a wire transfer of funds, cashier's or certified check drawn on or issued by the offices of a financial institution located in the State of California, or cash. Escrow Holder shall disburse the cash amount of the Purchase Price to Seller after recordation of the Grant Deed transferring title to the Property to Buyer.

4. ADDITIONAL FUNDS AND DOCUMENTS REQUIRED FROM BUYER AND SELLER.

4.1. Buyer

Buyer agrees that on or before 12:00 noon one (1) business day prior to the Closing Date, Buyer will deposit with Escrow Holder all additional funds and/or documents (executed and acknowledged, if appropriate) which are necessary to comply with the terms of this Agreement.

4.2. Seller

Seller agrees that on or before 12:00 noon one (1) day prior to the Closing Date, Seller will deposit with Escrow Holder an executed and recordable grant deed ("Grant Deed"), of customary form conveying the Property to Buyer together with such funds and other items and instruments as may be necessary for the Escrow Holder to comply with this Agreement. Escrow Holder will cause the Grant Deed to be recorded when (but in no event after the date specified in Section 5.1 below) Escrow Holder is committed to issue the Title Policy, in the form substantially as described in Section 6 below, and holds for the account of Seller the items described above to be delivered to Seller through Escrow, less costs, expenses and disbursements chargeable to Seller pursuant to the terms hereof.

5. CLOSING DATE; TIME IS OF ESSENCE.

5.1. Closing Date

Provided that Buyer does not terminate this Agreement during the Due Diligence Period and subject to the satisfaction of the closing conditions described below in Section 5.2, the close of escrow ("Closing Date") shall occur twenty (20) days after Buyer delivers written notice of approval of its due diligence investigations. At closing, Seller shall execute and deliver through Escrow the Grant Deed for the Property.

5.2. Conditions Precedent to Buyer's Obligation

Buyer's obligation to purchase the Property is subject to the satisfaction of the following conditions precedent:

- a) The Title Company's irrevocable commitment to issue the Title Policy to Buyer.
- b) The non-occurrence of any material adverse change to the physical status of the Property between the end of the Due Diligence Period and the Closing Date.
- c) Seller's performance of its obligations under this Agreement, and the continued truth and accuracy of Seller's representations and warranties to Buyer in this

Agreement.

- d) The Property shall be delivered vacant, without leases, and free of any contracts, agreements, and parties in possession, subject to those Disapproved Exceptions approved by Buyer in accordance with Section 6.

5.3. Time is of Essence.

Buyer and Seller specifically understand that time is of the essence and Buyer and Seller specifically agree to strictly comply and perform their obligations herein in the time and manner specified and waive any and all rights to claim such compliance by mere substantial compliance with the terms of this Agreement. Unless otherwise expressly provided in this Agreement, any reference in this Agreement to time for performance of obligations or to elapsed time shall mean Pacific Standard Time and time periods shall mean consecutive calendar days, months or years, as applicable. If the date ("Performance Date") on which any action is to be taken, any obligation is to be performed, or any notice is to be given under this Agreement falls on a Saturday, Sunday or federal holiday, such Performance Date shall be automatically extended to the next business day. As used in this Agreement, "business day" means any calendar day that is not a Saturday, Sunday or federal holiday. The time for performance on any Performance Date shall be no later than 5:00 p.m., unless otherwise provided in this Agreement.

5.4. Time Extensions

The City Manager, or his or her authorized designee, shall have the authority, in his or her sole and absolute discretion, on behalf of the City to approve written requests for extending the Close of Escrow by extending time during and/or after the Due Diligence Period, provided that such extensions of time shall not exceed a cumulative total of forty five (45) days.

6. TITLE POLICY.

6.1. Approval of Title

- a. Promptly following execution of this Agreement, but in no event later than five (5) days following Opening of Escrow, Seller shall provide Buyer with a preliminary title report issued through Mid Valley Title and Escrow Company (First American National Title Insurance Company), Attn: Tami Barlow (the "Title Company"), describing the state of title to the Property, together with copies of all exceptions specified therein and a map plotting all easements specified therein (collectively, the "Preliminary Title Report"). Buyer shall notify Seller in writing ("Buyer's Title Notice") of Buyer's approval of all matters contained in the Preliminary Title Report, or of any objections Buyer may have to title exceptions or other matters ("Disapproved Exceptions") contained in the Preliminary Title Report within ten (10) days after Buyer's receipt of the Preliminary Title Report. If Buyer fails to deliver the Buyer Title Notice within the foregoing period of time, Buyer shall be deemed to have approved the Preliminary Title Report. Whether

or not Buyer delivers a Buyer's Title Notice, all deeds of trust, mechanic's and other monetary liens and expired leases, and other occupancy agreements shall be deemed Disapproved Exceptions that Seller agrees to remove from title at or before the Closing Date.

- b. In the event Buyer delivers Buyer's Title Notice within said period as provided in subsection (a) above, Seller shall have a period of ten (10) days after receipt of Buyer's Title Notice ("Seller Response Period") in which to notify Buyer of Seller's election to either (i) agree to attempt to remove the Disapproved Exceptions prior to the Closing Date; or (ii) decline to remove any such Disapproved Exceptions ("Seller's Notice"). Seller's failure to deliver the Seller Notice shall be deemed an election by Seller not to remove the Disapproved Exceptions. If Seller notifies Buyer of its election to decline to remove the Disapproved Exceptions, or if Seller is unable to remove the Disapproved Exceptions, Buyer may elect either to terminate this Agreement and the Escrow or to accept title to the Property subject to the Disapproved Exception(s). Buyer shall exercise such election by delivery of written notice to Seller and Escrow Holder within five (5) days following the earlier of (i) expiration of the Seller Response Period, or (ii) the date Seller declines to remove such Disapproved Exception(s). If Buyer fails to so elect, Buyer shall be deemed to have accepted title to the Property subject to the Disapproved Exceptions. If Buyer elects to terminate this Agreement, then the Earnest Money shall be immediately returned to Buyer.
- c. Upon the issuance of any amendment or supplement to the Preliminary Title Report which adds additional exceptions, the foregoing right of review and approval shall also apply to said amendment or supplement, provided, however, that Buyer's initial period of review and approval or disapproval of any such additional exceptions shall be limited to five (5) days following receipt of notice of such additional exceptions. However, the foregoing shall not apply to any new exceptions created by or with the consent of Seller which new exceptions shall be removed by Seller at its cost prior to the Closing Date.
- d. Nothing to the contrary herein withstanding, Buyer shall be deemed to have automatically objected to all deeds of trust, mortgages, judgment liens, federal and state income tax liens, delinquent general and special real property taxes and assessments and similar monetary encumbrances affecting the Property, and Seller shall discharge any such non-permitted title matter of record prior to or concurrently with the Closing Date.

6.2. Title Policy

At the Close of Escrow, the Escrow Holder shall furnish Buyer with an CLTA Policy of Title Insurance (the "Title Policy") for the Buyer's interest, wherein the Title Company shall insure that title to the Property shall be vested in Buyer, containing no exception to such title which has not been approved or waived by Buyer in accordance with this Section 6. The cost of the CLTA Title Policy shall be paid one-half each between the Buyer and Seller and Buyer shall pay the additional cost for the preparation and issuance of any ALTA Owner's Extended form. The Title Policy shall include any available title insurance, extended coverage or endorsements that Buyer has reasonably requested at Buyers sole expense.

6.3. Possession

Possession and occupancy shall be delivered by Seller to Buyer no later than 5:00 p.m. on the Closing Date free of all tenancies and claims of ownership. Seller shall have no obligation to remove any personal property and or debris from the Property prior to relinquishing the Property to Buyer. Any personal property left by Seller shall be deemed abandoned.

7. DUE DILIGENCE.

7.1. Scope of Due Diligence

Buyer, for a period of ten (10) days following the mutual execution of this Agreement (the "Due Diligence Period", and the last day of the Due Diligence Period shall be the "Due Diligence Date"), shall have the right to make an analysis of the Property consisting of such engineering, economic and/or any other type of feasibility studies, soils tests, environmental studies and other investigations as Buyer in its sole discretion may desire, to permit Buyer to determine the suitability of the Property for Buyer's contemplated uses, and to conduct such other review and investigation which Buyer deems appropriate to satisfy itself to acquire the Property. Buyer shall further have the right to make an examination of all licenses, permits, authorizations, approvals and governmental regulations which affect the Property, including zoning and land use issues and conditions imposed upon the Property by governmental agencies. Upon the execution of this Agreement by both Parties, Seller has previously made available to Buyer true, correct and complete copies of all contracts which relate to the Property (together with any amendments or modifications thereto), and all reports in Seller's possession respecting the physical condition of the Property, if any, and any other information in Seller's possession or control reasonably requested by Buyer regarding the Property. The documents that Seller shall make available to Buyer include, but are not limited to, true, correct and complete copies of:

- a. All leases, service contracts, and other agreements pertaining to the use or operation of the Property.
- b. All documents relating to or evidencing the environmental condition of the Property, including any documentation of the use of hazardous or otherwise dangerous materials on the Property.
- c. All surveys, plans, and engineering records or documents.

- d. Any other information in Seller's possession or control reasonably requested by Buyer regarding the Property.

Seller shall make a diligent good faith effort to identify all documents and information, inform Buyer of such the same, and provide copies of said materials to Buyer upon request.

7.2. Entry for Investigation

- a. Seller grants to Buyer, its agents and employees, upon notice to Seller, a limited license to enter upon any portion of the Property for the purpose of conducting engineering surveys, soil tests, investigations or other studies reasonably necessary to evaluate the condition of the Property, which studies, surveys, investigations and tests shall be done at Buyer's sole cost and expense.
- b. As a condition to Buyer's entry, inspection or testing, Buyer shall keep the Property free and clear of all materialmen's liens, lis pendens and other liens arising out of the entry and work performed under this Agreement.

7.3. Approval of Due Diligence Matters

Buyer shall notify Seller in writing ("Buyer's Due Diligence Notice") on or before the expiration of the Due Diligence Date of Buyer's approval of the condition of the Property, which approval may be withheld in Buyer's sole and absolute discretion. Buyer's failure to deliver Buyer's Due Diligence Notice approving the condition of the Property on or before the Due Diligence Date shall be conclusively deemed Buyer's disapproval thereof. Buyer's disapproval of said matters shall automatically terminate this Agreement and the Earnest Money shall be promptly returned to Buyer.

7.4. Waiver and Release

The Purchase Price to be paid by Buyer to Seller is all-inclusive of Seller's interest in the Property and all damages of every kind and nature suffered, or to be suffered as a result of Buyer's acquisition of the Property. By execution of this Agreement, Seller and its successors and assigns shall be deemed to have knowingly and voluntarily waived, released and discharged Buyer from liability and responsibility for or related to any right Seller has, has had or in the future may have to any claim for compensation or damages or liability of any kind, whether known, unknown, foreseen or unforeseen, relating in any way to or arising out of Buyer's acquisition of the Property. In that regard, Seller and its successors and assigns, knowingly and voluntarily waive and release Buyer, its employees, agents and officers from liability as to the following: and any rights or obligations which exist or may arise out of the acquisition of the Property for public purposes including, without limitation, Seller's fee interest in the land, severance damages, relocation expenses or damages, loss of business goodwill and/or lost profits, loss or impairment of any "bonus value" attributable to any lease; damage to or loss of improvements pertaining to realty, costs, interest, attorneys' fees, and any claim whatsoever of Seller which might arise out of or relate to any respect to the acquisition of the Property by Buyer.

7.5. Utilities on the Property

All gas, water, electricity, heat, fuel, sewer, and other utilities accounts under the name of the Seller relating to the Property shall be terminated at the Close of Escrow. Seller shall be responsible for its own reconciliation of utility accounts, including any accounts between Seller and tenant.

8. **CONDITIONS PRECEDENT TO CLOSE OF ESCROW.**

8.1. Buyer's Obligations

The obligations of Buyer under this Agreement shall be subject to the satisfaction or written waiver, in whole or in part, by Buyer of each of the conditions precedent set forth below. If any such condition is not satisfied or waived by Buyer at or prior to the Close of Escrow for any reason other than a default by Buyer, Buyer may, in its sole discretion and without limiting any of Buyer's legal remedies or remedies under this Agreement, terminate this Agreement by written notice to Seller, in which case the Earnest Money shall be immediately refunded Buyer:

- a. Title Company will issue the Title Policy as required by Section 6 of this Agreement insuring title to the Property vested in Buyer.
- b. Buyer has approved in writing the condition to title of the Property on or before the date provided in Section 6. 1 above.
- c. Buyer has approved all Due Diligence matters on or before the Due Diligence Date.
- d. Escrow Holder holds and will deliver to Buyer the instruments and funds, if any, accruing to Buyer pursuant to this Agreement.
- f. Seller is not in material default under this Agreement.

8.2. Condition to Seller's Obligations

The obligations of Seller under this Agreement shall be subject to the satisfaction or written waiver, in whole or in part, by Seller of the following condition precedent: Escrow Holder holding and delivering to Seller the instruments and funds accruing to Seller pursuant to this Agreement.

9. **CONDITION OF THE PROPERTY.**

9.1. Disclaimer of Warranties

Upon the Close of Escrow, Buyer shall acquire the Property in an "AS-IS" condition, and Buyer shall be responsible for any defects in the Property, whether patent or latent, including, without limitation, the physical, environmental and geotechnical condition of the Property, and the existence of any contamination, Hazardous Materials, vaults, debris, pipelines, or other structures located on, under or about the Property, and Seller makes no other representation or

warranty concerning the physical, environmental, geotechnical or other condition of the Property, and Seller specifically disclaims all representations or warranties of any nature concerning the Property made by it. The foregoing disclaimer includes, without limitation, topography, climate, air, water rights, utilities, soil, subsoil, existence of Hazardous Materials or similar substances, the purpose for which the Property is suited, or drainage.

9.2. Hazardous Materials

Buyer understands and agrees that, in the event Buyer incurs any loss or liability concerning Hazardous Materials (as hereinafter defined) and/or underground storage tanks whether attributable to events occurring prior to or following the Closing, then Buyer may look to current or prior owners of the Property, but in no event shall Buyer look to Seller for any liability or indemnification regarding Hazardous Materials and/or underground storage tanks. Buyer, from and after the Closing, hereby waives, releases, remises, acquits and forever discharges Seller, and each of the entities constituting Seller, if any, of and from any and all Environmental Claims, Environmental Cleanup Liability and Environmental Compliance Costs, as those terms are defined below, and from any and all actions, suits, legal or administrative orders or proceedings, demands, actual damages, punitive damages, loss, costs, liabilities and expenses, which concern or in any way relate to the physical or environmental conditions of the Property, the existence of any Hazardous Material thereon, or the release or threatened release of Hazardous Materials there from, whether existing prior to, at or after the Closing. It is the intention of the parties pursuant to this release that any and all responsibilities and obligations of Seller, and any and all rights, claims, rights of action, causes of action, demands or legal rights of any kind of Buyer, its successors, assigns or any affiliated entity of Buyer, against the Seller, arising by virtue of the physical or environmental condition of the Property, the existence of any Hazardous Materials thereon, or any release or threatened release of Hazardous Material there from, whether existing prior to, at or after the Closing, are by this release provision declared null and void and of no present or future force and effect as to the parties; provided, however, that no parties other than the Indemnified Parties (defined below) shall be deemed third party beneficiaries of such release.

In connection therewith, Buyer and each of the entities constituting Buyer, expressly agree to waive any and all rights which said party may have with respect to such released claims under 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 FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR..”

Buyer Initials _____

Seller Initials  _____

Buyer and each of the entities constituting Buyer, shall, from and after the Closing, defend, indemnify and hold harmless Seller and each of the entities constituting Seller (collectively, the “Indemnified Parties”) from and against any and all Environmental Claims, Environmental Cleanup Liability, Environmental Compliance Costs, and any other claims,

warranty concerning the physical, environmental, geotechnical or other condition of the Property, and Seller specifically disclaims all representations or warranties of any nature concerning the Property made by it. The foregoing disclaimer includes, without limitation, topography, climate, air, water rights, utilities, soil, subsoil, existence of Hazardous Materials or similar substances, the purpose for which the Property is suited, or drainage.

9.2. Hazardous Materials

Buyer understands and agrees that, in the event Buyer incurs any loss or liability concerning Hazardous Materials (as hereinafter defined) and/or underground storage tanks whether attributable to events occurring prior to or following the Closing, then Buyer may look to current or prior owners of the Property, but in no event shall Buyer look to Seller for any liability or indemnification regarding Hazardous Materials and/or underground storage tanks. Buyer, from and after the Closing, hereby waives, releases, remises, acquits and forever discharges Seller, and each of the entities constituting Seller, if any, of and from any and all Environmental Claims, Environmental Cleanup Liability and Environmental Compliance Costs, as those terms are defined below, and from any and all actions, suits, legal or administrative orders or proceedings, demands, actual damages, punitive damages, loss, costs, liabilities and expenses, which concern or in any way relate to the physical or environmental conditions of the Property, the existence of any Hazardous Material thereon, or the release or threatened release of Hazardous Materials there from, whether existing prior to, at or after the Closing. It is the intention of the parties pursuant to this release that any and all responsibilities and obligations of Seller, and any and all rights, claims, rights of action, causes of action, demands or legal rights of any kind of Buyer, its successors, assigns or any affiliated entity of Buyer, against the Seller, arising by virtue of the physical or environmental condition of the Property, the existence of any Hazardous Materials thereon, or any release or threatened release of Hazardous Material there from, whether existing prior to, at or after the Closing, are by this release provision declared null and void and of no present or future force and effect as to the parties; provided, however, that no parties other than the Indemnified Parties (defined below) shall be deemed third party beneficiaries of such release.

In connection therewith, Buyer and each of the entities constituting Buyer, expressly agree to waive any and all rights which said party may have with respect to such released claims under 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 FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR..”

Buyer Initials TS

Seller Initials _____

Buyer and each of the entities constituting Buyer, shall, from and after the Closing, defend, indemnify and hold harmless Seller and each of the entities constituting Seller (collectively, the “Indemnified Parties”) from and against any and all Environmental Claims, Environmental Cleanup Liability, Environmental Compliance Costs, and any other claims,

actions, suits, legal or administrative orders or proceedings, demands or other liabilities resulting at any time from the physical and/or environmental conditions of the Property whether before or after the Closing or from the existence of any Hazardous Materials or the release or threatened release of any Hazardous Materials of any kind whatsoever, in, on or under the Property occurring at any time whether before or after the Closing, including, but not limited to, all foreseeable and unforeseeable damages, fees, costs, losses and expenses, including any and all attorneys' fees and environmental consultant fees and investigation costs and expenses, directly or indirectly arising there from, and including fines and penalties of any nature whatsoever, assessed, levied or asserted against any Indemnified Parties to the extent that the fines and/or penalties are the result of a violation or an alleged violation of any Environmental Law. Buyer further agrees that in the event Buyer obtains, from former or present owners of the Property or any other persons or entities, releases from liability, indemnities, or other forms of hold harmless relating to the subject matter of this Section, Buyer shall use its diligent efforts to obtain for Seller the same releases, indemnities and other comparable provisions.

For purposes of this Agreement, the following terms shall have the following meanings:

“Environmental Claim” means any claim for personal injury, death and/or property damage made, asserted or prosecuted by or on behalf of any third party, including, without limitation, any governmental entity, relating to the Property or its operations and arising or alleged to arise under any Environmental Law.

“Environmental Cleanup Liability” means any cost or expense of any nature whatsoever incurred to contain, remove, remedy, clean up, or abate any contamination or any Hazardous Materials on or under all or any part of the Property, including the ground water hereunder, including, without limitation, (i) any direct costs or expenses for investigation, study, assessment, legal representation, cost recovery by governmental agencies, or ongoing monitoring in connection therewith and (ii) any cost, expense, loss or damage incurred with respect to the Property or its operation as a result of actions or measures necessary to implement or effectuate any such containment, removal, remediation, treatment, cleanup or abatement.

“Environmental Compliance Cost” means any cost or expense of any nature whatsoever necessary to enable the Property to comply with all applicable Environmental Laws in effect. “Environmental Compliance Cost” shall include all costs necessary to demonstrate that the Property is capable of such compliance.

“Environmental Law” means any federal, state or local statute, ordinance, rule, regulation, order, consent decree, judgment or common-law doctrine, and provisions and conditions of permits, licenses and other operating authorizations relating to (i) pollution or protection of the environment, including natural resources, (ii) exposure of persons, including employees, to Hazardous Materials or other products, raw materials, chemicals or other substances, (iii) protection of the public health or welfare from the effects of by-products, wastes, emissions, discharges or releases of chemical substances from industrial or commercial activities, or (iv) regulation of the manufacture, use or introduction into commerce of chemical substances, including, without limitation, their manufacture, formulation, labeling, distribution, transportation, handling, storage and disposal.

“Hazardous Material” is defined to include any hazardous or toxic substance, material or waste which is or becomes regulated by any local governmental authority, the State of California, or the United States Government. The term “Hazardous Material” includes, without limitation, any material or substance which is: (i) petroleum or oil or gas or any direct or derivate product or byproduct thereof; (ii) defined as a “hazardous waste,” “extremely hazardous waste” or “restricted hazardous waste” under Sections 25115, 25117 or 25122.7, or listed pursuant to Section 25140, of the California Health and Safety Code; (iii) defined as a “hazardous substance” under Section 25316 of the California Health and Safety Code; (iv) defined as a “hazardous material,” “hazardous substance,” or “hazardous waste” under Sections 25501(o) and (p) and 25501.1 of the California Health and Safety Code (Hazardous Materials Release Response Plans and Inventory); (v) defined as a “hazardous substance” under Section 25281 of the California Health and Safety Code (Underground Storage of Hazardous Substances); (vi) “used oil” as defined under Section 25250.1 of the California Health and Safety Code; (vii) asbestos; (viii) listed under Article 9 or defined as hazardous or extremely hazardous pursuant to Article 1 of Title 22 of the California Code of Regulations, Division 4, Chapter 30; (ix) defined as “waste” or a “hazardous substance” pursuant to the Porter-Cologne Act, Section 13050 of the California Water Code; (x) designated as a “toxic pollutant” pursuant to the Federal Water Pollution Control Act, 33 U.S.C. § 1317; (xi) defined as a “hazardous waste” pursuant to the Federal Resource Conservation and Recovery Act, 42 U.S.C. § 6901, et seq. (42 U.S.C. § 6903); (xii) defined as a “hazardous substance” pursuant to the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601, et seq. (42 App. U.S.C. § 9601); (xiii) defined as “Hazardous Material” or a “Hazardous Substance” pursuant to the Hazardous Materials Transportation Act, 49 U.S.C. § 1801, et seq.; or (xiv) defined as such or regulated by any “Superfund” or “Superlien” law, or any other federal, state or local law, statute, ordinance, code, rule, regulation, order or decree regulating, relating to, or imposing liability or standards of conduct concerning Hazardous Materials, oil wells, underground storage tanks, and/or pipelines, as now, or at any time hereafter, in effect.

Notwithstanding any other provision of this Agreement, Buyer’s release and indemnification as set forth in the provisions of this Section, as well as all other provisions of this Section, shall survive the termination of this Agreement and shall continue in perpetuity.

Notwithstanding anything to the contrary in this Section, Buyer’s release and indemnification of the Indemnified Parties from liability pursuant to this Section shall not extend to Hazardous Materials brought onto the Property by Seller or their respective contractors, agents or employees.

10. REPRESENTATIONS AND WARRANTIES.

10.1. Representations and Warranties

Seller hereby makes the following representations and warranties to Buyer, each of which is true in all respects as of the date hereof and shall be true in all respects on the date of Close of Escrow on the Property:

- a. Seller has received no notice and/or has no knowledge that any governmental authority or any employee or agent thereof considers the

present or proposed operation, use or ownership of the Property to violate or have violated any ordinance, rule, law, regulation or order of any government or agency, body or subdivision thereof, or that any investigation has been commenced or is contemplated respecting such possible violations.

- b. There are no pending or threatened allegations, lawsuits or claims which would affect the Property.
- c. To the best of Seller's knowledge, the Property is not in violation of any federal, state or local law, ordinance or regulation relating to industrial hygiene or to the environmental conditions on, under or about the Property including, but not limited to, soil and ground water conditions. Seller has received no written notice from any third parties, prior owners of the Property, or any federal, state or local governmental agency indicating that any hazardous waste remedial or clean-up work will be required on the Property.
- d. There are no contracts, leases, claims or rights affecting the development or use of Property and no agreements entered into by or under Seller that shall survive the Close of Escrow that would adversely affect Buyer's rights with respect to the Property except as heretofore disclosed in writing by Seller to Buyer.
- e. Until the Closing, Seller shall not do anything which would impair Seller's title to any of the Property.
- f. Seller is not a foreign person as defined in Internal Revenue Code Section 1445(f)(3).
- g. Until the Closing Date, if Seller learns of any fact or condition which would cause any of the warranties and representations in this Section not to be true as of the Closing, Seller shall immediately give written notice of such fact or condition to Buyer.
- h. Seller has the unimpeded power and authority to execute, deliver and perform Seller's obligations under this Agreement and the documents executed and delivered by Seller pursuant hereto.

11. **ESCROW PROVISIONS.**

11.1. **Escrow Instructions**

This Agreement, when signed by Buyer and Seller, shall also constitute escrow instructions to Escrow Holder. If required by Escrow Holder, Buyer and Seller agree to execute Escrow Holder's standard escrow instructions, provided that the same are consistent with and do not conflict with the provisions of this Agreement, and this Agreement shall be deemed

incorporated fully in said Escrow Holder's standard escrow instructions. In the event of any such conflict, the provisions of this Agreement shall prevail.

11.2. General Escrow Provisions

Escrow Holder shall deliver the Title Policy to the Buyer and instruct the Butte County Recorder to mail the Grant Deed after recordation to Buyer at an address to be provided by Buyer to Escrow Holder. All funds received in this Escrow shall be deposited in one or more general escrow accounts of the Escrow Holder with any bank doing business in Butte County, California, and may be disbursed to any other general escrow account or accounts. All disbursements shall be according to that Party's instructions. This Agreement and any modifications, amendments, or supplements thereto may be executed in counterparts and shall be valid and binding as if all of the Parties' signatures were on one document.

11.3. Proration of Real Property Taxes

Any nondelinquent general and special real property taxes shall be prorated to the Closing Date on the basis of a thirty (30) day month and a three hundred sixty (360) day year. The Property will be reassessed upon change of ownership. This will affect the taxes to be paid. Supplemental tax bills will be issued and paid as follows: by Seller for periods prior to close of escrow; and by Buyer for periods after close of escrow. Tax bills issued after close of escrow shall be handled directly between Buyer and Seller.

11.4 Payment of Costs

Buyer shall pay one-half of the cost of a CLTA standard coverage Title Policy and all premium charges for any ALTA Seller's Extended Title Policy (in excess of the standard coverage Title Policy premium) if required by Buyer and any non-standard coverage requested by Buyer, the charges for drawing and recording the Grant Deed, and one-half of the Escrow fee. Seller shall pay one-half the cost of a CLTA standard coverage Title Policy; documentary transfer tax any fees and costs charged by any lender or other entity to obtain reconveyances or otherwise put title in the condition described in Section 6. All other costs of Escrow not otherwise specifically allocated by this Agreement shall be apportioned between the Parties in a manner consistent with the custom and usage of Escrow Holder. At least three (3) business days prior to the Closing Date, Escrow Holder shall furnish Buyer and Seller with a preliminary Escrow closing statement which shall include each Party's respective shares of costs. The preliminary closing statement shall be approved in writing by Buyer and Seller. As soon as reasonably possible following the Closing Date, Escrow Holder shall deliver a copy of the final Escrow closing statement to Buyer and Seller. Parties shall bear their own costs (including attorney's fees) associated with drafting and reviewing this Agreement.

11.4. Termination and Cancellation of Escrow

If Escrow fails to close as provided above, Escrow shall terminate automatically without further action by Escrow Holder or any party, and Escrow Holder is instructed to return all funds and documents then in Escrow to the respective depositor of the same, subject to the provisions of this Agreement.

11.5. Information Report

Escrow Holder shall file, and Buyer and Seller agree to cooperate with Escrow Holder and with each other, in completing any report ("Information Report") and/or other information required to be delivered to the Internal Revenue Service pursuant to Internal Revenue Code Section 6045(e) regarding the real estate sales transaction contemplated by this Agreement, including without limitation, Internal Revenue Service Form 1099-B as such may be hereinafter modified or amended by the Internal Revenue Service, or as may be required pursuant to any regulation now or hereinafter promulgated by the Treasury Department with respect thereto. Buyer and Seller also agree that Buyer and Seller, their respective employees and attorneys, and escrow Holder and its employees, may disclose to the Internal Revenue Service, whether pursuant to such Information Report or otherwise, any information regarding this Agreement or the transactions contemplated herein as such party reasonably deems to be required to be disclosed to the Internal Revenue Service by such party pursuant to Internal Revenue Code Section 6045(e), and further agree that neither Buyer nor Seller shall seek to hold any such party liable for the disclosure to the Internal Revenue Service of any such information.

11.6. Brokerage Commissions

Buyer and Seller each represent and warrant to the other that no third party other than Mark Reaman (C-21 Jeffries Lydon) is entitled to a broker's commission and/or finder's fee with respect to the transaction contemplated by this Agreement subject to a separate written agreement between Buyer and Mark Reaman (C-21 Jeffries Lydon). To the extent that any broker's commission and/or finder's fee with respect to the transaction contemplated by this Agreement is payable, such shall commission or fee shall be paid solely and exclusively by Buyer, and shall in no way reduce the Purchase Price paid to Seller. Buyer and Seller each agree to indemnify and hold the other Party harmless from and against all liabilities, costs, damages and expenses, including, without limitation, attorneys' fees, resulting from any claims or fees or commissions, based upon agreements by it, if any, to pay a broker's commission and/or finder's fee.

12. LIQUIDATED DAMAGES

12.1. Buyer Default

IF ESCROW FAILS TO CLOSE SOLELY DUE TO A DEFAULT OR BREACH OF THIS AGREEMENT BY BUYER, SELLER WILL BE DAMAGED AND WILL BE ENTITLED TO COMPENSATION FOR THOSE DAMAGES, BUT SUCH DAMAGES WILL BE EXTREMELY DIFFICULT AND IMPRACTICAL TO ASCERTAIN FOR THE FOLLOWING REASONS: (1) THE DAMAGES TO WHICH SELLER WOULD BE ENTITLED IN A COURT OF LAW WILL BE BASED IN PART ON THE DIFFERENCE BETWEEN THE ACTUAL VALUE OF THE PROPERTY AT THE TIME SET FOR THE CLOSE OF ESCROW AND THE PURCHASE PRICE FOR THE PROPERTY AS SET FORTH IN THIS AGREEMENT; PROOF OF THE AMOUNT OF SUCH DAMAGES WILL BE BASED ON OPINIONS OF VALUE OF THE PROPERTY, WHICH CAN VARY IN SIGNIFICANT AMOUNTS; AND (2) IT IS IMPOSSIBLE TO PREDICT AS OF THE EFFECTIVE DATE WHETHER THE VALUE OF THE PROPERTY WILL INCREASE OR

DECREASE AS OF THE CLOSE OF ESCROW. BUYER DESIRES TO LIMIT THE AMOUNT OF DAMAGES FOR WHICH BUYER MIGHT BE LIABLE SHOULD BUYER BREACH THIS AGREEMENT. BUYER AND SELLER WISH TO AVOID THE COSTS AND LENGTHY DELAYS WHICH WOULD RESULT IF SELLER FILED A LAWSUIT TO COLLECT ITS DAMAGES FOR A BREACH OF THIS AGREEMENT. IF ESCROW FAILS TO CLOSE DUE TO A DEFAULT OR BREACH OF THIS AGREEMENT BY BUYER, THEN BUYER'S EARNEST MONEY ACTUALLY DELIVERED INTO ESCROW BY BUYER SHALL BE DEEMED TO CONSTITUTE A REASONABLE ESTIMATE OF SELLER'S DAMAGES UNDER THE PROVISIONS OF SECTION 1671 OF THE CALIFORNIA CIVIL CODE. SELLER'S SOLE AND EXCLUSIVE REMEDY IN THE EVENT OF THE FAILURE OF ESCROW TO CLOSE AS A RESULTING OF BUYER'S DEFAULT SHALL BE LIMITED TO COLLECTION OF SUCH LIQUIDATED DAMAGES AND ATTORNEYS' FEES AND COSTS OF COLLECTION IN CONNECTION THEREWITH, IF ANY. THE LIQUIDATED DAMAGES ARE NOT INTENDED AS A PENALTY OR A FORFEITURE UNDER CALIFORNIA CIVIL CODE SECTIONS 3275 OR 3369. EXCEPT AS PROVIDED IN THE FOLLOWING SENTENCE SELLER HEREBY WAIVES ALL OTHER CLAIMS, DAMAGES AND OTHER REMEDIES INCLUDING THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTIONS 3384, 3387 AND 3389. THE FOREGOING LIQUIDATED DAMAGES CLAUSE APPLIES ONLY IN CONNECTION WITH THE BUYER'S DEFAULT IN ITS OBLIGATION TO CLOSE ESCROW AND SHALL NOT APPLY TO (A) BUYER'S LIABILITY TO SELLER UNDER THE INDEMNIFICATION PROVISIONS OF THIS AGREEMENT AND (B) SELLER'S ATTORNEYS' FEES INCURRED IN ENFORCING ITS RIGHTS UNDER THIS AGREEMENT.

Buyer Initials _____

Seller Initials

12.2. Buyer Cure Right

Buyer shall be deemed to be in default under this Agreement if Buyer fails, for any reason other than Seller's default under this Agreement, to meet, comply with, or perform any material covenant, agreement, or obligation required on its part, including the deposit or delivery of any funds, within the time limits and in the manner required in this Agreement; provided that no such default (other than a default in Buyer's obligation to deposit funds and documents just prior to the Close of Escrow) shall be deemed to have occurred unless and until Seller has given Buyer written notice describing the nature of the default, and Buyer has failed to cure such default within five (5) business days after the receipt of such notice (unless the curing of such default cannot reasonably be accomplished within such five (5) business day period in which case the default shall be deemed cured if Buyer commences to cure such default within such five (5) business day period and diligently pursues same to completion) but not later than the Closing Date.

13. RISK OF PHYSICAL LOSS

Risk of physical loss to the Property shall be borne by Seller prior to the Close of Escrow and by Buyer thereafter. In the event that the Property shall be damaged by fire, flood, earthquake or other casualty, Buyer shall have the option to terminate this Agreement, provided

DECREASE AS OF THE CLOSE OF ESCROW. BUYER DESIRES TO LIMIT THE AMOUNT OF DAMAGES FOR WHICH BUYER MIGHT BE LIABLE SHOULD BUYER BREACH THIS AGREEMENT. BUYER AND SELLER WISH TO AVOID THE COSTS AND LENGTHY DELAYS WHICH WOULD RESULT IF SELLER FILED A LAWSUIT TO COLLECT ITS DAMAGES FOR A BREACH OF THIS AGREEMENT. IF ESCROW FAILS TO CLOSE DUE TO A DEFAULT OR BREACH OF THIS AGREEMENT BY BUYER, THEN BUYER'S EARNEST MONEY ACTUALLY DELIVERED INTO ESCROW BY BUYER SHALL BE DEEMED TO CONSTITUTE A REASONABLE ESTIMATE OF SELLER'S DAMAGES UNDER THE PROVISIONS OF SECTION 1671 OF THE CALIFORNIA CIVIL CODE. SELLER'S SOLE AND EXCLUSIVE REMEDY IN THE EVENT OF THE FAILURE OF ESCROW TO CLOSE AS A RESULTING OF BUYER'S DEFAULT SHALL BE LIMITED TO COLLECTION OF SUCH LIQUIDATED DAMAGES AND ATTORNEYS' FEES AND COSTS OF COLLECTION IN CONNECTION THEREWITH, IF ANY. THE LIQUIDATED DAMAGES ARE NOT INTENDED AS A PENALTY OR A FORFEITURE UNDER CALIFORNIA CIVIL CODE SECTIONS 3275 OR 3369. EXCEPT AS PROVIDED IN THE FOLLOWING SENTENCE SELLER HEREBY WAIVES ALL OTHER CLAIMS, DAMAGES AND OTHER REMEDIES INCLUDING THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTIONS 3384, 3387 AND 3389. THE FOREGOING LIQUIDATED DAMAGES CLAUSE APPLIES ONLY IN CONNECTION WITH THE BUYER'S DEFAULT IN ITS OBLIGATION TO CLOSE ESCROW AND SHALL NOT APPLY TO (A) BUYER'S LIABILITY TO SELLER UNDER THE INDEMNIFICATION PROVISIONS OF THIS AGREEMENT AND (B) SELLER'S ATTORNEYS' FEES INCURRED IN ENFORCING ITS RIGHTS UNDER THIS AGREEMENT.

Buyer Initials TS

Seller Initials _____

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Risk of physical loss to the Property shall be borne by Seller prior to the Close of Escrow and by Buyer thereafter. In the event that the Property shall be damaged by fire, flood, earthquake or other casualty, Buyer shall have the option to terminate this Agreement, provided

notice of such termination is delivered to Seller within five (5) days following the date Buyer learns of the occurrence of such casualty. If Buyer fails to terminate this Agreement pursuant to the foregoing sentence within said five (5) day period, Buyer shall complete the acquisition of the Property, in which case Seller shall assign to Buyer the interest of Seller in all insurance proceeds relating to such damage. Seller shall consult with Buyer regarding any proposed settlement with the insurer and Buyer shall have the reasonable right of approval thereof. Seller shall hold such proceeds until the Close of Escrow. In the event this Agreement is terminated for any reason, Buyer shall have no right to any insurance proceeds.

14. NON COLLUSION

No official, officer, or employee of the Buyer has any financial interest, direct or indirect, in this Agreement, nor shall any official, officer, or employee of the Buyer participate in any decision relating to this Agreement which may affect his/her financial interest or the financial interest of any corporation, partnership, or association in which (s)he is directly or indirectly interested, or in violation of any interest of any corporation, partnership, or association in which (s)he is directly or indirectly interested, or in violation of any State or municipal statute or regulation. The determination of "financial interest" shall be consistent with State law and shall not include interest found to be "remote" or "non interest" pursuant to California Government Code Sections 1091 and 1091.5. Buyer warrants and represents that (s)he/it has not paid or given, and will not pay or give, any money, consideration, or other thing of value as a result or consequence of obtaining or being awarded this Agreement. Buyer further warrants and represents that (s)he/it has not engaged in any act(s), omission(s), or other conduct or collusion that would result in the payment of any money, consideration, or other thing of value to any third party including, but not limited to, any Buyer official, officer, or employee, as a result or consequence of obtaining or being awarded any agreement. Buyer is aware of and understands that any such act(s), omission(s) or other conduct resulting in the payment of money, consideration, or other thing of value will render this Agreement void and of no force or effect.

Buyer Initials _____

Seller Initials *g*

15. CONFLICT OF INTEREST

No member, official or employee of the Seller shall have any personal interest, direct or indirect, in this Agreement, nor shall any member, official or employee participate in any decision relating to the Agreement which affects their personal interests or the interests of any corporation, partnership or association in which they are directly or indirectly interested.

16. ASSIGNMENT

Neither Party shall have the right to assign this Agreement or any interest or right hereunder or under the Escrow without the prior written consent of the other Party, considering that Buyer may wish to assign its rights and obligations under this Agreement; consent shall not be unreasonably withheld if Buyer wishes to assign this Agreement to an entity: (a) which is a partnership of which Buyer or an affiliate entity is the general partner or a limited liability company of which Buyer or an affiliate entity is the managing member; (b) in which Buyer or

notice of such termination is delivered to Seller within five (5) days following the date Buyer learns of the occurrence of such casualty. If Buyer fails to terminate this Agreement pursuant to the foregoing sentence within said five (5) day period, Buyer shall complete the acquisition of the Property, in which case Seller shall assign to Buyer the interest of Seller in all insurance proceeds relating to such damage. Seller shall consult with Buyer regarding any proposed settlement with the insurer and Buyer shall have the reasonable right of approval thereof. Seller shall hold such proceeds until the Close of Escrow. In the event this Agreement is terminated for any reason, Buyer shall have no right to any insurance proceeds.

14. NON COLLUSION

No official, officer, or employee of the Buyer has any financial interest, direct or indirect, in this Agreement, nor shall any official, officer, or employee of the Buyer participate in any decision relating to this Agreement which may affect his/her financial interest or the financial interest of any corporation, partnership, or association in which (s)he is directly or indirectly interested, or in violation of any interest of any corporation, partnership, or association in which (s)he is directly or indirectly interested, or in violation of any State or municipal statute or regulation. The determination of "financial interest" shall be consistent with State law and shall not include interest found to be "remote" or "non interest" pursuant to California Government Code Sections 1091 and 1091.5. Buyer warrants and represents that (s)he/it has not paid or given, and will not pay or give, any money, consideration, or other thing of value as a result or consequence of obtaining or being awarded this Agreement. Buyer further warrants and represents that (s)he/it has not engaged in any act(s), omission(s), or other conduct or collusion that would result in the payment of any money, consideration, or other thing of value to any third party including, but not limited to, any Buyer official, officer, or employee, as a result or consequence of obtaining or being awarded any agreement. Buyer is aware of and understands that any such act(s), omission(s) or other conduct resulting in the payment of money, consideration, or other thing of value will render this Agreement void and of no force or effect.

Buyer Initials TS

Seller Initials _____

15. CONFLICT OF INTEREST

No member, official or employee of the Seller shall have any personal interest, direct or indirect, in this Agreement, nor shall any member, official or employee participate in any decision relating to the Agreement which affects their personal interests or the interests of any corporation, partnership or association in which they are directly or indirectly interested.

16. ASSIGNMENT

Neither Party shall have the right to assign this Agreement or any interest or right hereunder or under the Escrow without the prior written consent of the other Party, considering that Buyer may wish to assign its rights and obligations under this Agreement; consent shall not be unreasonably withheld if Buyer wishes to assign this Agreement to an entity: (a) which is a partnership of which Buyer or an affiliate entity is the general partner or a limited liability company of which Buyer or an affiliate entity is the managing member; (b) in which Buyer or

any affiliate of Buyer holds an voting, profits and loss ownership interest; and (c) in which Buyer or an affiliate of Buyer is responsible for managing the day to day activities of such entity. Subject to the foregoing, this Agreement shall be binding upon and shall inure to the benefit of Buyer and Seller and their respective heirs, personal representatives, successors and assigns.

The Parties agree and acknowledge that Buyer is not purchasing the Property for purpose of speculation or to otherwise transfer, sell or assign the Property to a third party. In the event that Buyer attempts to transfer, sell or assign the Property in a manner in violation with the prohibitions contained herein such circumstances shall be deemed a "Buyer's Default" as set forth in Section 13.1 and Seller shall be entitled to all remedies set forth therein.

17. ATTORNEYS' FEES

In any action between the Parties hereto seeking enforcement of any of the terms and provisions of this Agreement or the Escrow, or otherwise in connection with the Property, the prevailing party in such action shall be entitled, to have and to recover from the other party its reasonable attorneys' fees and other reasonable expenses (including but not limited to the cost of experts) in connection with such action or proceeding, in addition to its recoverable court costs.

18. NOTICES

Any notice which either party may desire to give to the other Party or to the Escrow Holder must be in writing and may be given by (i) personal delivery, (ii) by mailing the same by registered or certified mail, return receipt requested, (iii) sent via Federal Express or other reputable overnight delivery carrier providing tracking service, (iv) sent via email, or (v) via facsimile with electronic confirmation, and in the case of notice given via email or facsimile, with a duplicate copy of the notice also being promptly given by first class or certified mail or overnight delivery to the Party to whom the notice is directed at the address of such Party hereinafter set forth, or such other address and to such other persons as the Parties may hereafter designate:

To Seller: CITY OF CHICO
P. O. Box 3420
Chico, CA 95927
Attention: City Manager/Housing
Telephone:530-897-6303
Facsimile: 530-895-4726
Email: marie.demers@chicoca.gov

Copy To: Timothy D. Ferris
Law Offices of Ferris & Selby
2607 Forest Avenue, Suite 130
Chico, CA 95928
Telephone: 530-343-0100
Facsimile: 530-343-0122
Email: ferrislaw@yahoo.com

To Buyer: Toby Stornetta
10636 S. Miller Avenue
Chico, CA 95928
Attn: Toby Stornetta
Telephone: 530-521-2324

Copy To: Mark Reaman C-21 Jeffries Lydon
1101 El Monte
Chico, CA 95928
Telephone: 530-899-5962
Facsimile: 530-592-4862
Email: Mark.Reaman@c21jeffrieslydon.com

19. INTERPRETATION; GOVERNING LAW; VENUE

This Agreement shall be construed according to its fair meaning and as if prepared by both Parties hereto. This Agreement shall be construed in accordance with the laws of the State of California in effect at the time of the execution of this Agreement. Titles and captions are for convenience only and shall not constitute a portion of this Agreement. As used in this Agreement, masculine, feminine or neuter gender and the singular or plural number shall each be deemed to include the others wherever and whenever the context so dictates. Any lawsuit arising in connection with this Agreement shall be filed in the County of Butte, California.

20. NO WAIVER

No delay or omission by either Party in exercising any right or power accruing upon the compliance or failure of performance by the other Party under the provisions of this Agreement shall impair any such right or power or be construed to be a waiver thereof. A waiver by either Party of a breach of any of the covenants, conditions or agreements hereof to be performed by the other Party shall not be construed as a waiver of any succeeding breach of the same or other covenants, agreements, restrictions or conditions hereof.

21. MODIFICATIONS

Any alteration, change or modification of or to this Agreement, in order to become effective, shall be made by written instrument or endorsement thereon and in each such instance executed on behalf of each Party hereto.

22. SEVERABILITY

If any term, provision, condition or covenant of this Agreement or the application thereof to any party or circumstances shall, to any extent, be held invalid or unenforceable, the remainder of this instrument, or the application of such term, provisions, condition or covenant to persons or circumstances other than those as to whom or which it is held invalid or

unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

23. MERGER OF PRIOR AGREEMENTS AND UNDERSTANDINGS

This Agreement and other documents incorporated herein by reference contain the entire understanding between the Parties relating to the transaction contemplated hereby and all prior to contemporaneous agreements, understandings, representations and statements, oral or written, are merged herein and shall be of no further force or effect.

24. NO WITHHOLDING BECAUSE NON-FOREIGN SELLER

Seller represents and warrants to Buyer that Seller is not, and as of the Close of Escrow will not be, a foreign person within the meaning of Internal Revenue Code Section 1445 or an out-of-state seller under California Revenue and Tax Code Section 18805 and that it will deliver to Buyer on or before the Close of Escrow a non-foreign affidavit on Escrow Holder's standard form pursuant to Internal Revenue Code Section 1445(b)(2) and the Regulations promulgated thereunder and a California Form 590-RE.

25. GAS AND HAZARDOUS LIQUID TRANSMISSION PIPELINES

This notice is being provided simply to inform you (Buyer) that information about the general location of gas and hazardous liquid transmission pipelines is available to the public via the National Pipeline Mapping System (NPMS) Internet Web site maintained by the United States Department of Transportation at <http://www.npms.phmsa.dot.gov/>. To seek further information about possible transmission pipelines near the Property, you may contact your local gas utility or other pipeline operators in the area. Contact information for pipeline operators is searchable by ZIP Code and county on the NPMS Internet Web site.

26. MEGAN'S LAW DISCLOSURE

Notice: Pursuant to Section 290.46 of the Penal Code, information about specified sex offenders is made available to the public via an Internet Web site maintained by the Department of Justice at www.meganslaw.ca.gov. Depending on an offender's criminal history, this information will include either the address at which the offender resides or the community of residence and ZIP Code in which he or she resides. (Cal. Civ. Code Section 2079.10a(a)(3).)

27. EXECUTION IN COUNTERPARTS

This Agreement may be executed in several counterparts, and all so executed shall constitute one agreement binding on all parties hereto, notwithstanding that all parties are not signatories to the original or the same counterpart.

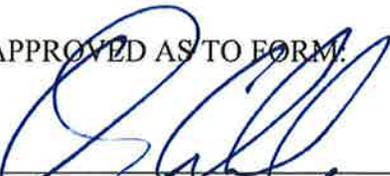
IN WITNESS WHEREOF, the parties hereto have executed this Agreement for Purchase and Sale of Real Property and Escrow Instructions as of the date set forth above.

“SELLER”

CITY OF CHICO, a California charter city

Dated: 7/26/16

By: 
Chris Constantin, Assistant City Manager
for Mark Orme, City Manager

APPROVED AS TO FORM.

Vincent C. Ewing, City Attorney*

*Approved pursuant to The Charter of the City of Chico §906(D)

“BUYER”

Date: _____

Toby Stornetta

IN WITNESS WHEREOF, the parties hereto have executed this Agreement for Purchase and Sale of Real Property and Escrow Instructions as of the date set forth above.

“SELLER”

CITY OF CHICO, a California charter city

Dated: _____

By: _____
Chris Constantin, Assistant City Manager
for Mark Orme, City Manager

APPROVED AS TO FORM:

Vincent C. Ewing, City Attorney*

*Approved pursuant to The Charter of the City of Chico §906(D)

“BUYER”

Date: 7/29/16



Toby Stornetta

EXHIBIT "A"

LEGAL DESCRIPTION OF PROPERTY

Real property in the City of Chico, County of Butte, State of California, described as follows:

LOT 12 AND THE NORTHWESTERLY 40 FEET OF LOT 11 IN BLOCK 2, ACCORDING TO THE MAP ENTITLED, "BARBER FIRST ADDITION TO THE CITY OF CHICO, BUTTE COUNTY, CALIFORNIA", WHICH MAP WAS FILED IN THE OFFICE OF THE RECORDER OF THE COUNTY OF BUTTE, STATE OF CALIFORNIA, SEPTEMBER 8, 1903, IN BOOK 4 OF MAPS, AT PAGE 56, SAID NORTHWESTERLY 40 FEET OF SAID LOT 11 BEING PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHEASTERLY LINE OF SALEM STREET WITH THE LINE BETWEEN SAID LOTS 11 AND 12, RUNNING THENCE NORTHEASTERLY ALONG SAID LINE BETWEEN LOTS 11 AND 12, 140 FEET TO THE SOUTHWESTERLY LINE OF THE ALLEY RUNNING THROUGH SAID BLOCK; THENCE AT A RIGHT ANGLE SOUTHEASTERLY ALONG SAID LINE OF SAID ALLEY 40 FEET; THENCE SOUTHWESTERLY AND PARALLEL WITH SAID LINE BETWEEN SAID LOTS 11 AND 12, 140 FEET TO THE NORTHEASTERLY LINE OF SALEM STREET; THENCE NORTHWESTERLY ALONG SAID LINE, 40 FEET TO THE POINT OF BEGINNING.

APN: 005-168-001

4837-9072-0821, v. 1