

**PURCHASE AGREEMENT AND ESCROW INSTRUCTIONS**

THIS PURCHASE AGREEMENT AND ESCROW INSTRUCTIONS ("**Agreement**") is made and entered into as of \_\_\_\_\_, 2017, by and between Nature Quality, a California limited partnership ("**Seller**"), and Santa Clara Valley Water District ("**Buyer**"), with reference to the following:

A. Seller wishes to sell to Buyer, and Buyer wishes to purchase from Seller the following:

(i) fee simple title to that certain real property located in the City of San Martin ("**City**"), County of Santa Clara ("**County**"), State of California ("**State**"), comprising approximately 21 acres, identified as assessor's parcel numbers 825-03-001 and 825-04-010, and more particularly described in Exhibit "A" attached hereto (collectively, the "**Land**");

(ii) the structures, fixtures, equipment and improvements affixed to or located on the Land which are owned by Seller as of the Closing as set forth in the Delivery Condition attached hereto as Exhibit "E" (collectively, the "**Improvements**");

(iii) any and all of Seller's right, title and interest in and to all rights of way, easements, privileges, tenements, hereditaments and all other appurtenances, in any way belonging or pertaining to the Land and the Improvements, and any and all of Seller's right, title and interest, if any, in and to all adjoining streets, alleys, private roads, parking areas, curbs, curb cuts, sidewalks, landscaping, sewers and public ways, if not part of the Land or the Improvements (collectively, the "**Appurtenant Rights**"); and

(iv) The Land, Improvements and Appurtenant Rights are sometimes referred to collectively herein as the "**Real Property or Property.**"

B. This Agreement shall also constitute escrow instructions of Buyer and Seller to Old Republic Title Company Escrow No. 016001742-RR, 224 Airport Parkway Suite 17 San Jose, CA 95110 ("**Escrow Holder**").

NOW, THEREFORE, Buyer and Seller agree, and Escrow Holder is instructed, as follows:

1. Incorporation of Recitals. The above Recitals to this Agreement are hereby incorporated by reference into this Agreement.

2. Purchase and Sale. Upon all of the terms and conditions contained in this Agreement, Buyer agrees to purchase from Seller, and Seller agrees to sell to Buyer, the Property.

3. Purchase Price. The purchase price for the Property ("**Purchase Price**") shall be Six Million Three Hundred And Thirteen Thousand Four Hundred And Thirty Nine Dollars (\$6,313,439.00)

3.1 Deposit. Within two (2) business days after the Effective Date (as defined in Section 19.17 below), Buyer shall deposit into Escrow the sum of One Million Dollars (\$1,000,000.00) in cash or other immediately available funds ("**Deposit**"). Upon Buyer's delivery of the Acceptance Notice (defined in Section 6 below) the Deposit shall be released to Seller and shall be nonrefundable to Buyer except in the event of a failure of a condition to Close of Escrow set forth in Section 7 below or a default by Seller resulting in a failure of escrow to close or as otherwise specifically provided in this Agreement. The Deposit shall be credited against the Purchase Price at the Closing.

3.2 Payment of Balance of Purchase Price. The balance of the Purchase Price shall be deposited in Escrow by Buyer in cash or other immediately available funds at least one (1) business day before the Closing Date.

3.3 Independent Contract Consideration. Contemporaneously with the execution and delivery of this Agreement, Buyer shall deliver to Seller the amount of One Hundred Dollars (\$100.00) ("**Independent Contract Consideration**"). The parties have bargained for and expressly agree that the rights and obligations of each party contained in this Agreement, including, without limitation, Buyer's obligations to deliver the Independent Contract Consideration to Seller and the First Deposit to Escrow Holder, constitute sufficient consideration for the other party's execution, delivery and obligations under this Agreement, including without limitation, Buyer's right to inspect and purchase the Property pursuant to this Agreement and all contingencies and conditions of Closing for the benefit of Buyer set forth in this Agreement.

4. Escrow. Within three (3) business days after the execution of this Agreement by the parties, Buyer and Seller shall open an escrow ("**Escrow**") with Escrow Holder. Escrow Holder shall notify both parties in writing of the date of Opening of Escrow. As used in this Agreement, the term "**Opening of Escrow**" shall mean the date on which a copy of this Agreement signed by both Buyer and Seller is delivered to Escrow Holder. Upon receipt of such items, Escrow Holder is hereby instructed to open the Escrow, to insert the date of the Opening of Escrow on the last page of each copy of this Agreement, to sign the Joinder of Escrow Holder attached to this Agreement, and to deliver one (1) complete copy of this Agreement to Seller, one (1) complete copy of this Agreement to Buyer, and one (1) complete copy of this Agreement to the Escrow Agent. This Agreement shall also constitute instructions to Escrow Holder. Escrow Holder's general provisions are attached hereto as Exhibit "B" and incorporated by reference herein. If there is any conflict between the provisions of this Agreement and the provisions of Exhibit "B," the provisions of this Agreement shall control.

5. Close of Escrow. Subject to the satisfaction or waiver of all conditions to the closing, the close of Escrow for the purchase and sale of the Property shall take place through Escrow on or before June 30, 2017, provided however, Seller may extend the Closing up to Three (3) periods of Sixty (60) days each by at least ten (10) days written notice to Buyer so that Seller can meet the Closing Conditions and deliver the Property in the Delivery Condition (as

defined herein). Buyer may extend the Closing up to One (1) period of Sixty (60) days by at least ten (10) days written notice to Seller. As used in this Agreement, the terms "**Closing**," "**Close of Escrow**" and "**Closing Date**" shall refer to the date on which Seller's Grant Deed conveying the Real Property to Buyer, in the form attached hereto as Exhibit "C," is recorded through Escrow in the Official Records of the County.

6. Buyer's Investigation and Other Matters. Buyer has had an opportunity to thoroughly inspect the Property and review the "Property Documents" as described in Section 6.3 prior to the Effective Date. On or prior to 5:00 p.m. Pacific Time on the date ("**Decision Date**") which is ten (10) business days after the Opening of Escrow, Buyer shall conduct the investigations of the Property described in Sections 6.1, 6.2 and 6.3 below. Such period of time is referred to as the "**Feasibility Period**."

6.1 Approval of Title Report. At or before the Opening of Escrow, Old Republic Title Company ("**Title Company**") shall provide Buyer with a preliminary title report ("**Title Report**") covering the Real Property together with copies of all documents referred to therein. Buyer shall approve or disapprove the Title Report in writing on or before the date ("**Title Approval Date**") that is ten (10) business days after receipt of the Title Report. Buyer's approval or disapproval shall be subject to the pure judgment and personal satisfaction of Buyer in its sole discretion and shall not be controlled by any standard of reasonableness. Buyer's failure to disapprove any portion of the Title Report by delivery of written notice thereof to Seller and Escrow Holder on or before the Title Approval Date shall be deemed Buyer's approval of all such matters set forth in the Title Report and shall be deemed Permitted Exceptions. If Buyer delivers written notice of disapproval, Seller shall have until 5:00 p.m. Pacific Time on the date that is five (5) business days after its receipt of Buyer's written notice of disapproval ("**Seller's Response Date**"), within which to notify Buyer in writing of its intention to attempt to remove or otherwise cure prior to the Close of Escrow the disapproved exceptions (or portions thereof) as exceptions to title. If for any reason, by the Seller's Response Date, Seller does not provide Buyer with such notice, Seller shall be deemed to have elected to not remove or otherwise cure such disapproved exceptions. If Seller does not agree, or is deemed not to have agreed, to so attempt to remove or otherwise cure any disapproved exceptions, then Buyer shall have the right within five (5) business days thereafter ("**Title Decision Date**") to either (a) waive such disapproved items and proceed with this Agreement by delivering written notice to Seller and Escrow Holder ("**Title Approval Notice**"), or (b) terminate this Agreement in accordance with Section 6.4. Buyer's failure to deliver the Title Approval Notice to Seller and Escrow Holder on or before the Title Decision Date shall be conclusively deemed Buyer's election of remedy (a).

6.2 Feasibility Studies. Buyer shall approve on or before the Decision Date, the condition, use, development or suitability of the Property for Buyer's intended purposes, including, but not limited to, financial and market feasibility and the physical condition of the Property. Buyer's failure to approve or disapprove such investigations by delivery of a written Acceptance Notice in hard copy or by email to Seller and Escrow Holder on or before the Decision Date shall be deemed Buyer's disapproval. Seller hereby grants to Buyer and its agents and employees a license to enter upon the Property at all reasonable times during normal business hours for the purpose of conducting feasibility studies and physical examinations of the Property. Buyer shall notify Bill Chiala verbally or in writing of its intention or the intention of

its authorized agents or representatives to enter upon the Property at least forty-eight (48) hours prior to such intended entry and to obtain Seller's prior consent, which shall not be unreasonably withheld or delayed, to such inspections, tests and studies to be conducted. At Seller's option, Seller may be present for any inspections, tests or studies. Buyer shall bear the cost of all such inspections, tests and studies. In conducting any inspections, tests or studies, Buyer and its authorized agents and representatives shall (a) comply with all terms of the Lease (as defined in Section 7.1(d) below) regarding entry rights and obligations of Seller to Tenant (as defined in Section 7.1(d) below), (b) not unreasonably interfere with the operation, use and maintenance of the Property, (c) not damage any part of the Property or any personal property owned or held by Tenant or any third party, (d) not injure or otherwise cause bodily harm to Seller or any of its agents, contractors and employees or Tenant or other third party, (e) not permit any liens to attach to the Property by reason of the exercise of the rights under this Section, (f) fully restore the Property to the condition in which the same was found before any such inspections, tests or studies were undertaken to the extent that that change in condition was caused by Buyer's inspection activities, (g) not reveal or disclose any information obtained as a result of such tests, inspections and studies concerning the Property except as may otherwise be permitted in this Agreement or as may be required by law, including but not limited to the California Public Records Act or a valid and effective subpoena or order issued by either a court of competent jurisdiction or a governmental body, and (h) not conduct any invasive testing without the prior consent of Seller, which consent may be withheld in Seller's sole and absolute discretion. However, withholding of consent by Seller prior to expiration of the Feasibility Period shall be a justified reason for termination of this agreement by Buyer. Prior to any such entry by Buyer on the Real Property, Buyer is self-insured and can meet the following required insurance coverage obligations through self-insurance: (i) workers' compensation insurance as required by law; and (ii) commercial general liability insurance written on an occurrence basis, with aggregate limits and per occurrence limits of at least Two Million Dollars (\$2,000,000.00). In addition, Buyer hereby agrees to indemnify, protect, defend and hold Seller and the Property free and harmless from and against any and all damages, claims, losses, liabilities, causes of action, proceedings, costs and expenses of any kind whatsoever (including, without limitation, attorneys' fees and fees of expert witnesses) arising from any negligent activities of Buyer, its agents and employees on the Property; provided, however, the foregoing indemnity shall not extend to liability arising from (1) the acts or omissions of Seller or its agents, or (2) any preexisting physical conditions on the Real Property (including Buyer's discovery or communication of same).

6.3 Property Documents. Buyer shall acknowledge in writing, on or before the Decision Date, the receipt of the Lease, all toxic or hazardous waste reports, engineering plans, improvement plans, surveys, maps, entitlements, licenses and permits, studies, drawings, as-built drawings, books and records, and all other similar documents or materials, if any, in the possession of, or under the control of, Seller, issued or prepared in connection with the ownership, operation, use, management and maintenance of the Property (collectively, "**Property Documents**"). Seller has delivered to Buyer or has made available to Buyer for inspection the Property Documents prior to the Effective Date. Buyer's failure to approve or disapprove the Property Documents by delivery of the Acceptance Notice to Seller and Escrow Holder on or before the Decision Date shall be deemed Buyer's disapproval. Upon the Close of Escrow and subject to any required third party consents which Seller shall use commercially reasonable efforts to obtain prior to Closing, Seller shall assign to Buyer all of its right, title and

interest in and to the Property Documents by executing a General Assignment and Bill of Sale in the form attached hereto as Exhibit "F."

Buyer acknowledges that the Property Documents may not include any documents or materials ("**Excluded Documents**") involving either (a) Seller's financing or refinancing of the Property, (b) any purchase and escrow agreements and correspondence pertaining to Seller's acquisition or leasing of the Property, (c) any documents or materials pertaining to the potential acquisition of the Property by any past or prospective buyer(s), (d) any third-party purchase inquiries and correspondence, appraisals of the Property, internal budgets or financial projections of Seller, (e) any documents or materials which are subject to an attorney-client privilege or which are the subject of a confidentiality obligation of Seller and (f) except to the extent already delivered to Buyer as part of the Property Documents, any other internal documents of Seller.

Buyer acknowledges that the Property Documents are proprietary and confidential in nature and have been or will be made available to Buyer solely to assist Buyer in determining the feasibility of purchasing the Property. Buyer agrees not to disclose the Property Documents or any of the provisions, terms and conditions thereof, or any information contained therein to any person outside Buyer's organization except (i) to Buyer's attorneys, accountants, lenders, prospective lenders, investors and/or prospective investors, consultants, engineers, architects and any other third party who have a need to know any of such information in connection with Buyer's prospective purchase of the Property (collectively, the "**Permitted Outside Parties**") or (ii) as may be required by law, including but not limited to the California Public Records Act or a valid and effective subpoena or order issued by either a court of competent jurisdiction or a governmental body. Buyer further agrees to notify all Permitted Outside Parties that the Property Documents and all the information contained therein are to be kept confidential and not disclosed to third persons. In permitting Buyer and the Permitted Outside Parties to review the Property Documents to assist Buyer in its purchase of the Property, Seller has not waived any privilege or claim of confidentiality with respect thereto and no third party benefits or relationships of any kind, either express or implied, have been offered, intended or created by Seller and any such claims are expressly rejected by Seller and waived by Buyer.

6.4 Termination. If, on or prior to the Decision Date, Buyer fails, for any reason or for no reason, to deliver written notice ("**Acceptance Notice**") to Seller and Escrow Holder approving its investigation of the Property pursuant to Section 6.2 above, and approving the Property Documents pursuant to Section 6.3 above, which approval or disapproval shall be in Buyer's sole and absolute discretion, then this Agreement shall automatically terminate, in which event: (i) Buyer and Seller shall execute and deliver to Escrow Holder cancellation instructions and all other documents that are reasonably required by Escrow Holder and/or Seller in order to cancel this Escrow and release any interest of Buyer in and to the Property; (ii) Escrow Holder shall return the Deposit to Buyer less Escrow Holder's cancellation fees and expenses; (iii) Escrow Holder shall return all documents and instruments to the parties who deposited the same into Escrow; (iv) Buyer shall return all Property Documents to Seller; (v) Buyer shall deliver to Seller a copy of all tests and other reports prepared by Buyer's third party consultants with respect to the Property (without representation or warranty); and (vi) this Agreement shall terminate and neither party hereto shall have any further obligation or responsibility hereunder or liability of any nature or amount whatsoever to the other party hereunder except as provided in Section 6.2.

7. Conditions to Closing.

7.1 Buyer's Conditions. The following shall constitute conditions precedent to the Closing for the benefit of Buyer. Buyer may waive any such conditions in its sole and absolute discretion.

(a) Title Policy. On or before the Closing, the Title Company shall issue or be committed, in writing, to issue to Buyer a CLTA Owner's Policy of title insurance with regional exceptions ("**Title Policy**") in the total amount of the Purchase Price dated as of the Closing, insuring Buyer as the fee simple owner of the Real Property, and showing title to the Real Property vested in Buyer subject only to:

(1) The printed exceptions and exclusions contained in the Title Policy;

(2) All general and special taxes which are payable at the date of Close of Escrow shall be paid by Seller. There shall be no proration of taxes at Close of Escrow. Rather Seller shall seek a refund of paid taxes from the Santa Clara County Tax Collector outside and separate from Escrow, and

(3) All Permitted Exceptions. "**Permitted Exceptions**" shall mean all matters shown on the Title Report (except any supplemental title exceptions which Buyer is given notice of after the date of the issuance of the Title Report) which have not been objected to in writing by Buyer prior to the Title Decision Date, or, if so objected to by Buyer, then such matters shall not be Permitted Exceptions if the Title Company has agreed prior to the Title Decision Date to exclude such matters from the Title Policy.

Nothing herein shall prohibit the Buyer from requesting and obtaining an extended policy and/or endorsements to the Title Policy or obtaining a commitment from the Title Company that the Title Policy will not contain certain Permitted Exceptions. Buyer shall pay the premium cost of the Title Policy. Should Buyer require any extended title insurance coverage, Buyer shall pay the premium attributable to any additional and extended coverage (including the cost of any survey necessary to obtain such additional coverage) and endorsements requested by Buyer to the Title Policy.

(b) Seller's Representations and Warranties. Seller's representations and warranties described in Section 8 below, including the covenants and representations set forth in Exhibit "E" DELIVERY CONDITION, shall be true and correct in all material respects as of the Closing Date.

(c) Seller's Performance. Seller shall have performed in all material respects all of its obligations under this Agreement.

(d) Tenant Estoppel Certificate. On or before the Closing, Seller shall have obtained and delivered to Buyer an estoppel certificate executed by Tenant certifying that the lease by and between Seller as landlord and GCF Frozen, Inc. as tenant ("**Tenant**") dated November 1, 2011 ("**Lease**") is terminated (or will be terminated as of the Closing) and that Tenant has no interest in any of the Improvements.

(e) Delivery Condition. Seller shall deliver the Property to Buyer in the Delivery Condition described in Exhibit "E". Seller shall provide written notice when each of the four (4) Delivery Conditions is satisfied, including all supporting documentation necessary for Buyer to review and determine that each Delivery Condition is satisfied. Seller may provide notice of satisfaction as soon as each Delivery Condition is complete and Buyer shall inspect the Property prior to closing (but no later than 10 business days after Seller's written notice of each Delivery Condition satisfaction, including all supporting documentation) and shall provide Seller written notice of the specific non-compliance for any Delivery Condition. Accordingly, some Delivery Conditions may be completed and approved prior to other Delivery Conditions. Nonetheless, Buyer shall not close escrow until Buyer, using reasonable due diligence, is satisfied that all Delivery Conditions have been satisfied. Seller shall be given a reasonable period of time, mutually agreed to by both parties, to satisfy any failure of Delivery Condition, and Seller shall act with prompt diligence in remedying the failed condition. Buyer's closing shall be deemed acceptance of the Delivery Conditions.

(f) Effect of Failure of a Condition. In the event the Closing does not occur because any of the conditions set forth in this Section 7.1 are not satisfied or waived by Buyer and if the failure of such condition(s) is not caused by the Seller, then this Agreement and the Escrow shall thereupon be terminated, and: (i) Buyer and Seller shall execute and deliver to Escrow Holder cancellation instructions and all other documents that are reasonably required by Escrow Holder and/or Seller in order to cancel this Escrow and evidence the release any interest of Buyer in and to the Property; (ii) if, and only if, the cause of failure of the condition was the fault of Seller, Escrow Holder (or Seller if the Deposit was previously released to Seller) shall return the Deposit to Buyer, less Escrow Holder's cancellation fees and expenses, otherwise Seller shall retain the Deposit and Buyer shall pay all of Escrow Holder's cancellation fees and expenses; (iii) Escrow Holder shall return all documents and instruments to the parties who deposited the same into Escrow; (iv) Buyer shall return all Property Documents to Seller; (v) Buyer shall deliver to Seller copies of all tests and other reports prepared by third party consultants with respect to the Property (without representation or warranty of any kind); and (vi) this Agreement shall terminate and neither party hereto shall have any further obligation or responsibility hereunder or liability of any nature or amount whatsoever to the other party hereunder except as expressly provided otherwise in this Agreement. This subsection (f) only applies after the timely submission of the Acceptance Notice in accordance with Section 6.4.

7.2 Seller's Conditions. The following shall constitute conditions precedent to the Closing for the benefit to Seller. Seller may waive any such conditions in its sole and absolute discretion.

(a) Buyer's Representations and Warranties. Buyer's representations and warranties described in Section 9 below shall be true and correct in all material respects as of the Closing Date.

(b) Buyer's Performance. Buyer shall have performed in all material respects all of its obligations under this Agreement.

(c) Effect of Failure of a Condition. In the event the Closing does not occur because any of the conditions set forth in this Section 7.2 are not satisfied or waived by

Seller, and if the failure of such condition(s) is not caused by the Seller, then this Agreement and the Escrow shall thereupon be terminated, and: (i) Buyer and Seller shall execute and deliver to Escrow Holder cancellation instructions and all other documents that are reasonably required by Escrow Holder and/or Seller in order to cancel this Escrow and evidence the release of any interest of Buyer in and to the Property; (ii) Escrow Holder shall disperse the Deposit to Seller (or if the Deposit was previously released to Seller, Seller shall retain the Deposit) and Buyer shall pay all of Escrow Holder's cancellation fees and expenses (iii) Escrow Holder shall return all documents and instruments to the parties together with all tests and other reports prepared by Seller with respect to the Property who deposited the same into Escrow; (iv) Buyer shall return all Property Documents to Seller; (v) Buyer shall deliver to Seller copies of all tests and other reports prepared by third party consultants with respect to the Property (without representation or warranty of any kind); and (vi) this Agreement shall terminate and neither party hereto shall have any further obligation or responsibility hereunder or liability of any nature or amount whatsoever to the other party hereunder except as expressly provided otherwise in this Agreement.

8. Representations and Covenants of Seller. In addition to any express agreements of Seller contained elsewhere in this Agreement, including those covenants and representations set forth in Exhibit "E" DELIVERY CONDITION, Seller hereby represents and warrants to, and covenants with, Buyer as follows:

8.1 Power. Seller has the legal power, right and authority to enter into this Agreement and the instruments referenced herein, and to consummate the transaction contemplated hereby.

8.2 Requisite Action. All requisite limited liability company action has been taken by Seller in connection with the entering into of this Agreement, the execution and delivery of the instruments referenced herein, and the consummation of the transaction contemplated hereby.

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

8.4 Income Tax Information. Seller is not a non-resident alien, a foreign corporation, a foreign partnership, a foreign trust, or a foreign estate (as those terms are defined in the United States Internal Revenue Code and Income Tax Regulations) for purposes of United States income taxation. In connection therewith, Seller shall deliver to Escrow Holder for delivery to Buyer at the Closing the Seller affidavit ("Seller's Affidavit") described in Section 10.1(e) below.

8.5 No Litigation. Except as disclosed in the Property Documents or this Agreement, there is no litigation or legal proceeding pending or to Seller's actual knowledge threatened in writing against Seller or the Property that could reasonably be expected to materially adversely affect Seller's or Buyer's ability to perform their respective obligations hereunder, or Buyer's ownership or use of the Property.



8.6 Seller's Knowledge. References to the "knowledge" of Seller shall refer only to the actual knowledge of Bill Chiala and shall not be construed, by imputation or otherwise, to refer to the knowledge of Seller or any affiliate of Seller or any prior principals of Seller (or any of their affiliates), or to any other officers, agent, manager, representative or employee of Seller or any affiliate thereof, to impose upon Bill Chiala any duty to investigate the matter to which such actual knowledge or the absence thereof pertains. Except for the matters related to or described in Exhibit "E" DELIVERY CONDITION, Seller acknowledges and agrees that, without any independent investigation or due diligence whatsoever, they have no actual knowledge of the presence of hazardous materials nor any other matters of significance affecting the property. Bill Chiala shall have no personal liability with respect to any matters set forth in this Agreement or any of Seller's representations and/or warranties herein being or becoming untrue, inaccurate or incomplete. Seller represents and warrants that the "knowledge" individual listed above is the individual under the control of the Seller who most possess substantial and material knowledge of the Property and its operations as compared to any other individuals under the control of the Seller.

8.7 Survival of Representations. The representations and warranties of Seller and any other representations and warranties of Seller contained elsewhere in this Agreement, including those covenants and representations set forth in Exhibit "E" DELIVERY CONDITION, are true and correct on and as of the date of this Agreement and at Closing and shall survive the Closing, until the date which is twelve (12) months after the Closing ("**Survival Date**") without the necessity of a separate written certificate regarding the same, whereupon such representations and warranties shall be of no further force or effect. No claim for a breach of any representation or warranty of Seller shall be actionable or payable (a) if the breach in question results from or is based on a condition, state of facts or other matter which was actually known to Buyer prior to the Closing, (b) unless the valid claims for all such breaches collectively aggregate more than Fifty Thousand Dollars (\$50,000.00) in which event the amount of such claims up to a maximum amount of One Hundred Fifty Thousand Dollars (\$150,000.00) shall be actionable, and (c) unless written notice containing a description of the specific nature of such breach shall have been given by Buyer to Seller prior to the Survival Date and an action shall have been commenced by Buyer against Seller within sixty (60) calendar days thereafter. Notwithstanding the limitation cap set forth in Section 8.7(b) above, there shall be no limitation of Seller's liability for intentional misrepresentation.

8.8 Seller Represented by Counsel. Seller acknowledges that: (a) Seller is not in a significantly disparate bargaining position in relation to Buyer; (b) Seller is represented by legal counsel in connection with the transaction contemplated by this Agreement; and (c) Seller is selling the Property for business purposes.

9. Representations and Covenants of Buyer. In addition to any express agreements of Buyer contained elsewhere in this Agreement, Buyer hereby represents and warrants to, and covenants with, Seller as follows:

9.1 Power. Buyer has the legal power, right and authority to enter into this Agreement and the instruments referenced herein, and to consummate the transactions contemplated hereby.

9.2 Requisite Action. All requisite action (corporate, partnership or otherwise) has been taken by Buyer in connection with the entering into of this Agreement, the execution and delivery of the instruments referenced herein, and the consummation of the transactions contemplated hereby.

9.3 Authority. 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.

9.4 Survival. The representations and warranties of Buyer set forth in this Section 9 are true and correct on and as of the date of this Agreement, and shall be true and correct on and as of the date of the Closing, and shall survive the Closing for a period of twelve (12) months without the necessity of a separate written certificate regarding the same.

9.5 Property Conveyed "As Is," Release Of Seller.

Disclaimer of Representations and Warranties by Seller. EXCEPT AS MAY BE EXPRESSLY PROVIDED IN THIS AGREEMENT, NEITHER SELLER NOR ANY OF ITS AGENTS, EMPLOYEES OR CONTRACTORS HAS MADE AND IS NOT NOW MAKING, AND BUYER HAS NOT RELIED UPON AND WILL NOT RELY UPON (DIRECTLY OR INDIRECTLY), ANY WARRANTIES OR REPRESENTATIONS OF ANY KIND OR CHARACTER, EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, WITH RESPECT TO THE PROPERTY, INCLUDING, BUT NOT LIMITED TO, WARRANTIES OR REPRESENTATIONS AS TO (A) MATTERS OF TITLE (OTHER THAN SELLER'S LIMITED WARRANTY OF TITLE SET FORTH IN THE DEED), (B) ENVIRONMENTAL MATTERS RELATING TO THE PROPERTY OR ANY PORTION THEREOF, (C) GEOLOGICAL CONDITIONS, INCLUDING, WITHOUT LIMITATION, SUBSIDENCE, SUBSURFACE CONDITIONS, WATER TABLE, UNDERGROUND WATER RESERVOIRS, WATER PERCOLATION, LIMITATIONS REGARDING THE WITHDRAWAL OF WATER AND EARTHQUAKE FAULTS AND THE RESULTING DAMAGE OF PAST AND/OR FUTURE EARTHQUAKES, (D) WHETHER, AND TO THE EXTENT TO WHICH, THE PROPERTY OR ANY PORTION THEREOF IS AFFECTED BY ANY STREAM (SURFACE OR UNDERGROUND), BODY OF WATER, FLOOD PRONE AREA, FLOOD PLAIN, FLOODWAY OR SPECIAL FLOOD HAZARD, (E) DRAINAGE, (F) SOIL CONDITIONS, INCLUDING THE EXISTENCE OF INSTABILITY, PAST SOIL REPAIRS, SOIL ADDITIONS OR CONDITIONS OF SOIL FILL, OR SUSCEPTIBILITY TO LANDSLIDES, OR THE SUFFICIENCY OF ANY UNDERSHORE, (G) ZONING TO WHICH THE PROPERTY OR ANY PORTION THEREOF MAY BE SUBJECT, (H) THE AVAILABILITY OF ANY UTILITIES TO THE PROPERTY OR ANY PORTION THEREOF INCLUDING, WITHOUT LIMITATION, WATER, SEWAGE, GAS AND ELECTRIC, (I) USAGES OF ADJOINING PROJECTS, (J) ACCESS TO THE PROPERTY OR ANY PORTION THEREOF, (K) THE VALUE, COMPLIANCE WITH THE PLANS, SIZE, LOCATION, AGE, USE, DESIGN, QUALITY, DESCRIPTIONS, SUITABILITY, STRUCTURAL INTEGRITY, OPERATION, TITLE TO, OR PHYSICAL OR FINANCIAL CONDITION OF THE PROPERTY OR ANY PORTION THEREOF,

(L) ANY INCOME, EXPENSES, CHARGES, LIENS, ENCUMBRANCES, RIGHTS OR CLAIMS ON OR AFFECTING OR PERTAINING TO THE PROPERTY OR ANY PART THEREOF, (M) THE PRESENCE OF HAZARDOUS MATERIALS IN OR ON, UNDER OR IN THE VICINITY OF THE PROJECT, (N) THE CONDITION OR USE OF THE PROPERTY OR COMPLIANCE OF THE PROPERTY WITH ANY OR ALL PAST, PRESENT OR FUTURE FEDERAL, STATE OR LOCAL ORDINANCES, RULES, REGULATIONS OR LAWS, BUILDING, FIRE OR ZONING ORDINANCES, DISABILITY LAWS (INCLUDING AMERICANS WITH DISABILITIES ACT AND THE FAIR HOUSING ACT), CODES OR OTHER SIMILAR LAWS, (O) THE EXISTENCE OR NON-EXISTENCE OF UNDERGROUND STORAGE TANKS, (P) ANY OTHER MATTER AFFECTING THE STABILITY OR INTEGRITY OF THE PROPERTY, (Q) THE POTENTIAL FOR FURTHER DEVELOPMENT OF THE PROPERTY, (R) THE EXISTENCE OF VESTED LAND USE, ZONING OR BUILDING ENTITLEMENTS AFFECTING THE PROJECT, (S) THE MERCHANTABILITY OF THE PROPERTY OR FITNESS OF THE PROJECT FOR ANY PARTICULAR PURPOSE (BUYER AFFIRMING THAT BUYER HAS NOT RELIED ON THE SKILL OR JUDGMENT OF SELLER OR ANY OF ITS AGENTS, EMPLOYEES OR CONTRACTORS TO SELECT OR FURNISH THE PROPERTY FOR ANY PARTICULAR PURPOSE, AND THAT SELLER MAKES NO WARRANTY THAT THE PROPERTY IS FIT FOR ANY PARTICULAR PURPOSE) OR (T) TAX CONSEQUENCES (INCLUDING, BUT NOT LIMITED TO, THE AMOUNT; USE OR PROVISIONS RELATING TO ANY TAX CREDITS). EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES OF SELLER IN THIS AGREEMENT, BUYER FURTHER ACKNOWLEDGES THAT ANY INFORMATION OF ANY TYPE WHICH BUYER HAS RECEIVED OR MAY RECEIVE FROM SELLER OR ANY OF ITS AGENTS, EMPLOYEES OR CONTRACTORS INCLUDING, WITHOUT LIMITATION, ANY ENVIRONMENTAL REPORTS AND SURVEYS, IS FURNISHED ON THE EXPRESS CONDITION THAT BUYER SHALL MAKE AN INDEPENDENT VERIFICATION OF THE ACCURACY OF SUCH INFORMATION, ALL SUCH INFORMATION BEING FURNISHED WITHOUT ANY REPRESENTATION OR WARRANTY WHATSOEVER.

9.5.1 Sale "As Is". BUYER REPRESENTS THAT IT IS A KNOWLEDGEABLE, EXPERIENCED AND SOPHISTICATED BUYER OF REAL ESTATE AND EXCEPT FOR THE REPRESENTATIONS, WARRANTIES AND COVENANTS OF SELLER CONTAINED WITHIN THIS AGREEMENT, THAT IT HAS RELIED AND SHALL RELY SOLELY UPON (A) ITS OWN EXPERTISE AND THAT OF BUYER'S CONSULTANTS IN PURCHASING THE PROPERTY, AND (B) BUYER'S OWN KNOWLEDGE OF THE PROPERTY BASED ON ITS INVESTIGATIONS AND INSPECTIONS OF THE PROPERTY. BUYER HAS CONDUCTED, SUCH INSPECTIONS AND INVESTIGATIONS OF THE PROPERTY AS BUYER DEEMED OR SHALL DEEM NECESSARY, INCLUDING, BUT NOT LIMITED TO, THE PHYSICAL AND ENVIRONMENTAL CONDITIONS OF THE PROPERTY AND SHALL RELY UPON SAME. EXCEPT AS MAY BE EXPRESSLY PROVIDED IN THIS AGREEMENT, UPON CLOSING, BUYER SHALL ASSUME THE RISK THAT ADVERSE MATTERS,

INCLUDING, BUT NOT LIMITED TO, ADVERSE PHYSICAL AND ENVIRONMENTAL CONDITIONS, MAY NOT HAVE BEEN REVEALED BY BUYER'S INSPECTIONS AND INVESTIGATIONS. BUYER ACKNOWLEDGES AND AGREES THAT, EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES OF SELLER IN THIS AGREEMENT, UPON CLOSING, SELLER SHALL SELL AND CONVEY TO BUYER AND BUYER SHALL ACCEPT THE PROPERTY "AS IS, WHERE IS," WITH ALL FAULTS AND DEFECTS (LATENT AND APPARENT). EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES OF SELLER IN THIS AGREEMENT, INCLUDING THOSE COVENANTS AND REPRESENTATIONS SET FORTH IN EXHIBIT "E" DELIVERY CONDITION, BUYER FURTHER ACKNOWLEDGES AND AGREES THAT THERE ARE NO ORAL AGREEMENTS, WARRANTIES OR REPRESENTATIONS, COLLATERAL TO OR AFFECTING THE PROPERTY BY SELLER OR ANY AGENT, EMPLOYEE OR CONTRACTOR OF SELLER OR ANY THIRD PARTY. SELLER IS NOT LIABLE OR BOUND IN ANY MANNER BY ANY ORAL OR WRITTEN STATEMENTS, REPRESENTATIONS, OR INFORMATION PERTAINING TO THE PROPERTY FURNISHED BY SELLER, ANY REAL ESTATE BROKER, CONTRACTOR, AGENT, EMPLOYEE, SERVANT OR OTHER PERSON, UNLESS THE SAME ARE SPECIFICALLY SET FORTH IN THIS AGREEMENT. BUYER ACKNOWLEDGES THAT THE PURCHASE PRICE REFLECTS THE "AS IS" NATURE OF THIS SALE AND ANY FAULTS, LIABILITIES, DEFECTS OR OTHER ADVERSE MATTERS THAT MAY BE ASSOCIATED WITH THE PROPERTY. BUYER HAS FULLY REVIEWED THE DISCLAIMERS AND WAIVERS SET FORTH IN THIS AGREEMENT WITH ITS COUNSEL AND UNDERSTANDS THE SIGNIFICANCE AND EFFECT THEREOF.

BUYER ACKNOWLEDGES AND AGREES THAT THE DISCLAIMERS AND OTHER AGREEMENTS SET FORTH IN SECTION 9.5 ARE AN INTEGRAL PART OF THIS AGREEMENT AND THAT SELLER WOULD NOT HAVE AGREED TO SELL THE PROPERTY TO BUYER FOR THE PURCHASE PRICE WITHOUT THE DISCLAIMERS AND OTHER AGREEMENTS SET FORTH IN THIS SECTION 9.5.

9.5.2 Buyer Represented by Counsel. Buyer acknowledges that: (a) Buyer is not in a significantly disparate bargaining position in relation to Seller; (b) Buyer is represented by legal counsel in connection with the transaction contemplated by this Agreement; and (c) Buyer is purchasing the Property for business, commercial, investment or other similar purpose and not for use as Buyer's residence.

9.6 Seller Released From Liability. Except to the extent of the representations, warranties and covenants of Seller contained within this Agreement, Buyer and anyone claiming by, through or under Buyer hereby waives its right to recover from and fully and irrevocably releases Seller, and its employees, officers, directors, managers, members, representatives, agents, servants, attorneys, affiliates, parent, subsidiaries, successors and assigns, and all persons, firms, corporations and organizations in its behalf ("**Released Parties**") from any and all claims, responsibility and/or liability that it may now have or hereafter acquire against any of the Released Parties for any costs, loss, liability, damage, expenses, demand, action or cause of action arising from or related to the condition (including any construction defects, errors, omissions or other conditions, latent or otherwise, and the presence in the soil, air, structures and surface and subsurface waters of materials or substances that have been or

may in the future be determined to be Hazardous Materials or otherwise toxic, hazardous, undesirable or subject to regulation and that may need to be specially treated, handled and/or removed from the Property under current or future federal, state and local laws regulations or guidelines), valuation, salability or utility of the Property, or its suitability for any purpose whatsoever. This release includes claims of which Buyer is presently unaware or which Buyer does not presently suspect to exist which, if known by Buyer, would materially affect Buyer's release to Seller. In this connection and to the extent permitted by law, Buyer hereby agrees, represents and warrants that Buyer realizes and acknowledges that factual matters now unknown to it may have given or may hereafter give rise to causes of action, claims, demands, debts, controversies, damages, costs, losses and expenses which are presently unknown, unanticipated and unsuspected, and Buyer further agrees, represents and warrants that the waivers and releases herein have been negotiated and agreed upon in light of that realization and that Buyer nevertheless hereby intends to release, discharge and acquit Seller from any such unknown causes of action, claims, demands, debts, controversies, damages, costs, losses and expenses. Buyer specifically waives the provision of California Civil Code Section 1542, which provides as follows:

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

Buyer has initialed this Section 9.6 to indicate his awareness and acceptance of each and every provision hereof.

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Buyer's Initials

9.7 Buyer's Waiver of Objections; Seller's Disclosures. Buyer acknowledges that, as of the Closing, Buyer will have inspected the Property and observed its physical characteristics and existing conditions and will have had the opportunity to conduct such investigations and studies on and of said Property and adjacent areas as it deems necessary, and except for the representations and warranties of Seller set forth in this Agreement, including the covenants and representations set forth in Exhibit "E" DELIVERY CONDITION, hereby waives any and all objections to or complaints regarding the Property and its condition, including, but not limited to, federal, state or common law based actions and any private right of action under state and federal law to which the Property is or may be subject, physical characteristics and existing conditions, including, without limitation, structural and geologic conditions, subsurface soil and water conditions and solid and hazardous waste and hazardous substances on, under, adjacent to or otherwise affecting the Property. Except for the representations and warranties of Seller set forth in this Agreement, including the covenants and representations set forth in Exhibit "E" DELIVERY CONDITION, Buyer further hereby assumes the risk of changes in applicable laws and regulations relating to past, present and future environmental conditions on the Property and the risk that adverse physical characteristics and

conditions, including, without limitation, the presence of hazardous substances or other contaminants, may not have been revealed by its investigation.

10. Escrow Closing Obligations.

10.1 Deliveries by Seller to Escrow Holder. Seller hereby covenants and agrees to deliver to Escrow Holder on or prior to the Closing Date, the following instruments and documents, the delivery of each of which shall be a condition to the Closing for the benefit of Buyer:

(a) Grant Deed. Seller's Grant Deed ("**Grant Deed**"), duly executed and acknowledged by Seller, conveying the Property to Buyer, in the form attached hereto as Exhibit "C."

(b) General Assignment. Two (2) copies of a General Assignment and Bill of Sale, duly executed by Seller, in the form attached hereto as Exhibit "F" ("**General Assignment**"), pursuant to which Seller shall convey to Buyer the Personal Property.

(c) Seller's Affidavit. An Affidavit of Nonforeign Status under the Foreign Investment in Real Property Act of 1980, duly executed by Seller, in the form attached hereto as Exhibit "D" and a California Form 593-C (the "**Seller Affidavits**").

(d) Closing Statement. A Closing Statement acceptable to Seller executed by Seller.

(e) Other Documents. Seller shall deliver all other documents and instruments reasonably requested by Escrow Holder or Title Company necessary to issue the Title Policy and to otherwise consummate the transaction contemplated under this Agreement. Seller shall also deliver all closure permits and regulatory documentation referenced in or necessary to evidence compliance with the covenants and representations set forth in Exhibit "E"

DELIVERY CONDITION.

10.2 Deliveries by Buyer to Escrow Holder. Buyer hereby covenants and agrees to deliver to Escrow Holder on or prior to the Closing Date the following, the delivery of each of which shall be a condition the Closing for the benefit of Seller:

(a) Funds. The cash balance of the Purchase Price, together with Buyer's share of any Escrow closing costs and prorations in the amount determined by Escrow Holder, shall be delivered to Escrow Holder by Buyer in cash or immediately available funds not later than the one (1) business day immediately prior to the Closing Date.

(b) General Assignment. Two (2) copies of the General Assignment and Bill of Sale, duly executed by Buyer, in the form attached hereto as Exhibit "F." pursuant to which Seller shall convey to Buyer the Personal Property.

(c) Closing Statement. A Closing Statement acceptable to Buyer executed by Buyer.

(d) Other Documents. Buyer shall deliver all other documents and instruments reasonably requested by Escrow Holder or Title Company necessary to consummate the transaction contemplated under this Agreement.

10.3 Deliveries Outside of Escrow. Seller hereby covenants and agrees to deliver to Buyer, on or prior to the Close of Escrow:

10.3.1 Possession of Real Property. Possession of the Real Property, subject to the Delivery Condition, in the form attached hereto as Exhibit "E", and the Permitted Exceptions.

10.4 Disbursements and Other Actions by Escrow Holder. Upon the Closing, and when all required funds and documents have been deposited into the Escrow, Escrow Holder shall promptly undertake all of the following:

(a) Cause Seller's Grant Deed for the Property to be recorded in the Official Records of the County.

(b) Cause the Title Policy described in Section 7.1(a) to be delivered to Buyer.

(c) Disburse all funds deposited with Escrow Holder by Buyer in payment of the Purchase Price and in payment of Buyer's share of any Escrow closing costs and prorations as follows:

(1) Bill the Buyer Buyer's share of any Escrow closing costs and prorations the amount of all such items chargeable to the account of Buyer hereunder;

(2) Deduct from the funds deposited with Escrow Holder by Buyer in payment of the Purchase Price all items chargeable to the account of Seller and Seller's prorations;

(3) Disburse the remaining balance of the Purchase Price to Seller promptly upon the Closing. Any funds deposited by or on behalf of Buyer in excess of the sum of the Purchase Price and Buyer's share of any Escrow closing costs and prorations shall be returned to Buyer; and

(d) Assemble and deliver to each of Seller and Buyer one (1) counterpart original of the General Assignment.

11. Escrow Cancellation. If either party defaults with respect to its obligations hereunder, or if Escrow is not in a condition to close by the Closing Date, Escrow Holder shall continue to comply with the instructions contained herein until a written demand has been made by a party entitled to do so for the cancellation of Escrow. Escrow Holder shall notify the other party of any such demand.

11.1 Charges. If the Closing fails to occur due to Seller's default, Seller shall pay all Escrow cancellation charges. If the Closing fails to occur due to Buyer's default, Buyer

shall pay all Escrow cancellation charges. If the Closing fails to occur for any reason other than the foregoing Buyer and Seller shall each pay one-half (1/2) of any Escrow cancellation charges. "**Escrow cancellation charges**" means all fees, charges and expenses charged by Escrow Holder as well as all charges related to the services of the Title Company in connection with title matters relating to the Escrow.

11.2 Buyer's Remedies. In the event Seller shall default under any of the material terms and provisions of this Agreement on or prior to Closing, and such default has not been cured within ten (10) business days after written notice from Buyer, Buyer's sole and exclusive remedy shall be to terminate this Agreement and the Escrow created hereby in which event Buyer shall be entitled to the immediate refund of the Deposit and any other funds deposited by Buyer into Escrow, including all interest earned thereon. Notwithstanding the foregoing, if Seller fails to perform any of its obligations prior to the expiration of the Decision Date of which Buyer has actual knowledge or Buyer has actual knowledge of any breach of a representation or warranty made by Seller under the terms of this Agreement, and Buyer has not elected to terminate this Agreement pursuant to Section 7, Buyer shall be deemed to have waived such default or breach by Seller. Notwithstanding the foregoing to the contrary, no notice of termination given by Buyer hereunder shall be of any force or effect if Seller cures the default within ten (10) business days after Seller's receipt of any such termination notice. Buyer hereby agrees to waive any and all right to file or record any lis pendens or any other lien or encumbrance against the Property or to seek specific performance or other equitable relief or except as set forth in this Section 11.2 to seek or, recover from Seller any damages (including, without limitation, any actual direct, indirect, consequential, punitive or other damages). Except as set forth in this Section 11.2, the foregoing remedies set forth in this Section 11.2 hereinabove are Buyer's sole and exclusive remedies with respect to Seller's default, and Buyer waives any and all other remedies as may be available at law or in equity in connection with such Seller's default.

11.3 Seller's Liquidated Damages if Buyer Defaults. BUYER AND SELLER AGREE THAT IN THE EVENT THAT BUYER DOES NOT TERMINATE THIS AGREEMENT PRIOR TO THE END OF THE FEASIBILITY PERIOD, IF THE CLOSE OF ESCROW FAILS TO OCCUR DUE TO THE MATERIAL DEFAULT OF BUYER, AND SUCH DEFAULT HAS NOT BEEN CURED WITHIN TEN (10) BUSINESS DAYS AFTER WRITTEN NOTICE FROM SELLER, IT WOULD BE IMPRACTICAL OR EXTREMELY DIFFICULT TO FIX SELLER'S ACTUAL DAMAGES FOR, AMONG OTHER ITEMS, TAKING OR HAVING THE PROPERTY OFF THE MARKET, AND BUYER AND SELLER AGREE THAT THE AMOUNT OF THE DEPOSIT IS A REASONABLE ESTIMATE OF SELLER'S DAMAGES IF THE CLOSE OF ESCROW FAILS TO OCCUR DUE TO BUYER'S DEFAULT. IN ADDITION, BUYER DESIRES TO LIMIT THE AMOUNT OF DAMAGES FOR WHICH BUYER MIGHT BE LIABLE SHOULD BUYER BREACH THIS AGREEMENT, AND SELLER DESIRES TO AVOID THE COSTS AND LENGTHY DELAYS THAT WOULD RESULT IF SELLER WERE REQUIRED TO FILE A LAWSUIT TO COLLECT ITS DAMAGES FOR A BREACH OF THIS AGREEMENT. THEREFORE, IF THE CLOSE OF ESCROW FAILS TO OCCUR DUE TO THE MATERIAL DEFAULT OF BUYER, THEN UPON THE WRITTEN DEMAND OF SELLER THIS AGREEMENT AND THE ESCROW SHALL BE TERMINATED AND CANCELLED. IN SUCH EVENT, (A) ESCROW HOLDER SHALL RETURN ALL DOCUMENTS AND INSTRUMENTS TO THE



PARTIES WHO DEPOSITED SAME, (B) ALL TITLE AND ESCROW CANCELLATION CHARGES SHALL BE CHARGED TO BUYER, AND (C) SELLER SHALL RETAIN THE DEPOSIT AS LIQUIDATED DAMAGES FOR BUYER'S FAILURE TO COMPLETE THE PURCHASE OF THE PROPERTY. SELLER'S SOLE AND EXCLUSIVE REMEDY IN THE EVENT OF BUYER'S DEFAULT SHALL BE LIMITED TO THE RETENTION OF THE DEPOSIT AND SELLER HEREBY WAIVES ALL OTHER CLAIMS FOR DAMAGES OR RELIEF AT LAW OR IN EQUITY (INCLUDING, WITHOUT LIMITATION, ANY RIGHTS TO SPECIFIC PERFORMANCE THAT SELLER MAY HAVE); PROVIDED, HOWEVER, THAT THIS LIQUIDATED DAMAGES PROVISION SHALL NOT LIMIT SELLER'S RIGHT TO RECEIVE REIMBURSEMENT FOR OR RECOVER DAMAGES IN CONNECTION WITH BUYER'S INDEMNITY OF SELLER AND/OR BUYER'S DEFAULT OF ITS OBLIGATIONS UNDER SECTIONS 6.2, RECOVER ATTORNEYS' FEES AND COURT COSTS PURSUANT TO SECTION 19.2, AND/OR OBTAIN INJUNCTIVE RELIEF DUE TO BUYER'S DEFAULT OF ITS OBLIGATIONS UNDER SECTIONS 6.2 OR 19.15. THE PARTIES ACKNOWLEDGE THAT THE PAYMENT OF SUCH LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY WITHIN THE MEANING OF CALIFORNIA CIVIL CODE SECTIONS 3275 OR 3369, BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLER PURSUANT TO CALIFORNIA CIVIL CODE SECTIONS 1671, 1676 AND 1677.

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Buyer's Initials

  
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Seller's Initials

12. Costs and Prorations.

12.1 Escrow and Other Costs. Subject to Section 11.1 above, Buyer shall pay Escrow Holder's escrow fees for the Escrow and the premium cost of the base portion of the Title Policy. Seller shall bear the cost of all documentary transfer taxes. Buyer shall pay the premium cost attributable to any additional coverage or endorsements to the Title Policy requested by Buyer. Buyer and Seller shall each bear their own respective legal and accounting costs, if any, outside of Escrow. All recording costs or fees and all other reasonable costs or expenses not otherwise provided for in this Agreement shall be paid by Buyer.

12.2 Real Property Taxes and Assessments. All non-delinquent general and special real property taxes, bonds and assessments with respect to the Property shall not be prorated between Buyer and Seller. To the extent that taxes are paid by Seller for periods after Closing, Seller shall apply for a refund with the Tax Assessor or Tax Collector's office.

12.3 Expenses. Except as otherwise set forth in this Agreement, all expenses of the Property shall be apportioned as of 12:01 a.m. on the Closing Date as if Buyer were vested with title to the Property during the entire day. Such prorated items include, without limitation, the following:

12.3.1 Utilities. Utility charges for gas, electric, water, sewer, cable and all other utility services shall be prorated at Closing on the basis of meter readings taken on the Closing Date or as soon prior to the Closing Date as possible. To the extent such meter readings are not available, the utility charges shall be prorated on the basis of the most recent

actual (not estimated) bill for such utility and adjusted as necessary post-closing pursuant to Section 12.4.4 below. Seller shall be entitled to the return of any deposits posted by it with any utility company servicing the Property.

12.3.2 Operating Costs/Other. All actually paid operating costs through the Close of Escrow and unless provided otherwise hereinabove, such other items which are customarily prorated in a purchase and sale of the type contemplated hereunder, shall be prorated as of the Closing Date.

12.3.3 Reconciliation. To the extent any of the foregoing items of income or expense for the period prior to the Close of Escrow are received by Buyer or billed to Buyer after the Closing Date, and except as otherwise provided herein, Buyer and Seller shall re-prorate such income and expense items between themselves outside of Escrow within thirty (30) calendar days following the date on which such items are received by Buyer.

13. Broker's Commission. Seller and Buyer each represent to the other that no brokerage commission, finder's fee or other compensation of any kind is due or owing to any person or entity in connection with the transactions covered by this Agreement, except as stated in this Section 13. Seller has agreed by separate written agreement to pay a real estate commission to Cassidy Turley Commercial Real Estate and South County Realtors, representing Seller. Each party agrees to and does hereby indemnify and hold the other harmless from and against any and all costs, liabilities, losses, damages, claims, causes of action or proceedings which may result from any broker, agent or finder, licensed or otherwise, claiming through, under or by reason of the conduct of the indemnifying party in connection with this transaction.

14. Condemnation and Destruction.

14.1 Condemnation. If all or any material portion of the Property is taken prior to the Close of Escrow as a result of condemnation (including the filing of any notice of intended condemnation or proceedings in the nature of eminent domain), then Buyer shall have the right, by written notice delivered to Seller and Escrow Holder within ten (10) business days after Buyer receives written notice of such condemnation, to terminate this Agreement and cancel Escrow. Seller shall notify Buyer in writing within one business day of Seller's notification of condemnation (including the filing of any notice of intended condemnation or proceedings in the nature of eminent domain). Otherwise, if Buyer does not so elect to terminate this Agreement and cancel Escrow by written notice delivered to Seller and Escrow Holder within such ten (10) business day period, then this Agreement shall remain in full force and effect, and the entire award from the condemning authority shall be assigned to and be the sole property of Buyer. If this Agreement and the Escrow are terminated pursuant to this Section, then Buyer hereby assigns to Seller all of Buyer's right, title and interest in and to such condemnation award and, notwithstanding the provisions of Section 11.1, Buyer shall pay all Escrow cancellation charges, the Deposit and any other funds deposited by Buyer into Escrow, together with all interest earned thereon in Escrow, shall be returned to Buyer by Escrow Holder or Seller if previously released to Seller.

14.2 Fire or Other Casualty During Escrow. If there is a "material" damage to the Property or if the Property is destroyed by earthquake, flood, landslide, fire or other

casualty prior to the Closing Date, then Buyer shall have the right, by written notice delivered to Seller and Escrow Holder within ten (10) business days after Buyer receives written notice of such damage or destruction, to terminate this Agreement and cancel Escrow. For purposes hereof, "material" shall be deemed to be damage or destruction to the Project where the cost of repair or replacement is estimated to be Two Hundred Fifty Thousand Dollars (\$250,000.00) or shall take more than one hundred eighty (180) calendar days to repair. The notice of damage and destruction provided by Seller to Buyer shall be reasonably supported by evidence to establish whether such damage or destruction is material. If Buyer does not so elect to terminate this Agreement and cancel Escrow by written notice delivered to Seller and Escrow Holder within such ten (10) business day period, or if Seller has insurance coverage reasonably satisfactory to Buyer, this Agreement shall remain in full force and effect, and all insurance proceeds payable to Seller with respect to such damage or destruction, if any, shall be assigned and delivered by Seller to Buyer at the Close of Escrow hereunder, Seller shall pay (or credit) to Buyer at Closing the full amount of any uninsured damage or any deductible or self-insured retention applicable to such insurance coverage, and Buyer and Seller shall proceed to the Closing pursuant to the terms of this Agreement without modification of the terms of this Agreement and without any reduction in the Purchase Price. If this Agreement and the Escrow are terminated by Buyer by written notice delivered to Seller and Escrow Holder during such ten (10) business day period as provided above, then, notwithstanding the provisions of Section 11.1, Seller shall pay all Escrow cancellation charges, the Deposit and any other funds deposited by Buyer into Escrow, together with all interest earned thereon in Escrow, shall be returned to Buyer by Escrow Holder or Seller if previously released to Seller. Termination of this Agreement by reason of such damage or destruction shall in no event be deemed to be a default of Seller hereunder.

15. Waiver and Consent. Either party may specifically and expressly waive in writing any breach by the other party of any provision of this Agreement, but no such waiver shall constitute a further or continuing waiver of any preceding or succeeding breach of the same or any other provision. A waiving party may at any time thereafter require further compliance by the other party with any breach so waived. The consent by one party to any act by the other for which such consent was required shall not be deemed to imply consent or waiver of the necessity of obtaining such consent for the same or any similar acts in the future. No waiver or consent shall be implied from silence or any failure of a party to act, except as otherwise specified in this Agreement.

16. Survivability. All covenants of Buyer or Seller which are intended hereunder to be performed in whole or in part after the Closing, and all representations, warranties and indemnities by either party to the other, shall survive the Closing and be binding upon and inure to the benefit of the respective parties hereto and their respective heirs, executors, administrators, successors and assigns.

17. Further Documents and Acts. Each of the parties hereto agrees to cooperate in good faith with each other, and to execute and deliver such further documents and perform such other acts as may be reasonably necessary or appropriate to consummate and carry into effect the transactions contemplated under this Agreement.

18. Not Used.

19. Miscellaneous.

19.1 Successors and Assigns. Neither Party shall voluntarily or by operation of law assign or transfer any right, interest or obligation hereunder without the other Party's prior written consent, which consent may not be unreasonably withheld. Subject to the foregoing, each and all of the covenants and conditions of this Agreement shall inure to the benefit of and shall be binding upon the respective heirs, executors, administrators, successors and assigns of Buyer and Seller. As used in this Section, the term "successors" shall refer to the successors to all or substantially all of the assets of a party and to a party's successors by merger or consolidation.

19.2 Attorneys' Fees. If any legal action is instituted between Seller, Buyer or Escrow Holder in connection with this Agreement, then the prevailing party shall be entitled to recover from the losing party all of its costs and expenses, including court costs and reasonable attorneys' fees. Buyer and Seller shall each bear their own attorney's fees for the preparation and negotiation of this Agreement.

19.3 Notices. All notices, requests, demands, and other communications required or permitted under this Agreement shall be in writing (including facsimile communications) and shall be (as elected by the person giving such notice) (i) hand delivered by messenger or courier service, (ii) sent via facsimile or electronic mail, (iii) sent via overnight delivery service, or (iv) mailed by United States mail (postage prepaid), registered or certified, return receipt requested, addressed to the following addresses:

If to Seller:           SELLER  
Nature Quality, Inc.  
PO Box 1106  
Morgan Hill, CA 95038  
Tel:   (408) 672-3491  
Fax:   (408) 779-2047

With a copy to:       Rossi Hamerslough Reischl & Chuck, PC  
1960 The Alameda, Suite 200  
San Jose, CA 95126  
Attn: Samuel A. Chuck  
Tel:   408-261-4221  
Fax:   408-261-4292  
Email: sam@rhrc.net

If to Buyer            BUYER  
Santa Clara Valley Water District  
Real Estate Services Unit Manager  
5750 Almaden Expressway  
San Jose, CA 95118  
Tel:   408 265-2600

Referencing District File No. 5027-311

With a copy to: Santa Clara Valley Water District  
Office of District Counsel  
5750 Almaden Expressway  
San Jose, CA 95118  
Tel: 408 265-2600

Each notice shall be deemed delivered (1) on the date delivered if by personal delivery, (2) on the date of transmission occurring on or before 5 p.m. with confirmed answer back if by facsimile or by electronic mail at the recipient's address and at 9:00 a.m. on the next succeeding business day if not transmitted during business hours, (3) on the date delivered if by overnight delivery service, and (4) five (5) business days after deposit in the United States mail (postage prepaid) if by registered or certified mail. By giving to the other parties written notice, the parties to this Agreement and their respective successors and assigns shall have the right from time to time and at any time during the term of this Agreement to change their respective addresses and each shall have the right to specify as its address any other address.

19.4 Gender and Name. In this Agreement (unless the context requires otherwise), the masculine, feminine and neuter genders and the singular and the plural shall be deemed to include one another, as appropriate.

19.5 Entire Agreement. This Agreement and its exhibits constitute the entire agreement between the parties hereto pertaining to the subject matter hereof, and the final, complete and exclusive expression of the terms and conditions thereof. All prior agreements, representations, negotiations and understandings of the parties hereto, oral or written, express or implied, are hereby superseded and merged herein.

19.6 Captions. The captions used herein are for convenience only and are not a part of this Agreement and do not in any way limit or amplify the terms and provisions hereof.

19.7 Time of Essence. Time is of the essence of every provision of this Agreement in which time is an element.

19.8 Governing Law. This Agreement and the exhibits attached hereto shall be governed by and construed in accordance with the laws of the State of California.

19.9 Amendments. No addition to or modification of any provision contained in this Agreement shall be effective unless fully set forth in writing by both Buyer and Seller.

19.10 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute but one and the same instrument.

19.11 Exhibits. All exhibits to this Agreement are incorporated herein by this reference as though fully set forth in the body hereof.

19.12 Time References. Any references in this Agreement to time for performance of obligations or elapsed time shall mean consecutive calendar days, months, or years, as applicable, unless otherwise explicitly indicated herein. In the event that the day on which Buyer or Seller is required to take any action under the terms of this Agreement is not a business day, such action shall be taken on the next succeeding business day. Whenever notice, approval or disapproval must be given to Escrow Holder and Escrow Holder is closed on the last day for taking such action, then the parties shall have until 5:00 p.m. on the first following day Escrow Holder is open to take such action.

19.13 Construction of Agreement. The agreements contained herein shall not be construed in favor of or against either party, but shall be construed as if both parties prepared this Agreement.

19.14 No Recording Without Consent. Neither Buyer nor Seller shall, without the consent of the other party, record this Agreement or a short form or memorandum hereof, or take any other action that would materially and adversely affect the marketability of Seller's title to the Property.

19.15 Public Announcements. Neither Buyer nor Seller shall issue a press release or other public announcement, excepting such public disclosure as is required to agendize and obtain District Board of Directors consideration and approval of this Agreement, prior to the Closing regarding the transaction contemplated in this Agreement except as agreed to in writing by Seller and Buyer (in the exercise of their respective reasonable discretion).

19.16 Currency. All dollar amounts are expressed in United States currency.

19.17 Agreement Binding Only Upon Execution. The delivery of this Agreement in unexecuted form by Buyer to Seller does not constitute either the agreement of Buyer or an offer by Buyer to purchase the Property upon the terms and conditions set forth herein, and this Agreement shall only be binding upon execution by both parties. The date on which the last of Buyer and Seller have executed this Agreement shall be referred to herein as the "Effective Date." Buyer or Seller shall promptly deliver to Escrow Holder the executed Agreement upon the Effective Date in order to expedite the Opening of Escrow.


19.18 Confidentiality. Except as otherwise required by law, Buyer and Seller agree to keep the terms and conditions of this Agreement and the transactions described herein confidential and not disclose the contents of this Agreement or such transactions to any third party other than attorneys, accountants or professional advisors hired in connection with the transaction, except with the written consent of the other party. With respect to information provided by either party to the other in connection with this transaction, or information discovered by Buyer or its agents or representatives during its investigation of the Property, the receiving party agrees to keep all such information confidential which is not in the public domain and, if requested, to return any such written information to the providing party if the negotiations are not consummated. This confidentiality obligation shall terminate upon the Closing of this transaction, but shall remain in effect if the transaction fails to close.

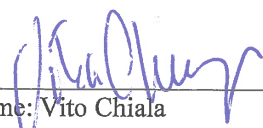
IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

**SELLER:**

Nature Quality, LP,  
a California limited partnership

By: Nature Quality, Inc., a California  
corporation  
Its: General Partner

By:   
Name: John Borello  
Its: Vice-President

By:   
Name: Vito Chiala  
Its: Secretary

**BUYER:**

Santa Clara Valley Water District

By: \_\_\_\_\_  
Norma J. Camacho  
Interim Chief Executive Officer

**ATTEST:** Michele L. King, CMC

\_\_\_\_\_  
Clerk/Board of Directors

**Recommended for Approval:**

By \_\_\_\_\_  
Senior Real Estate Agent

By \_\_\_\_\_  
Real Estate Services Unit Manager

\_\_\_\_\_

\_\_\_\_\_



**JOINDER OF ESCROW HOLDER**

First American Title Insurance Company, the Escrow Holder under this Agreement, hereby certifies that the date of Opening of Escrow pursuant to Section 4 of this Agreement is \_\_\_\_\_, 2017, and agrees to be bound by the instructions set forth herein.

OLD REPUBLIC TITLE COMPANY

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

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

**"ESCROW HOLDER"**

EXHIBIT "A"

LEGAL DESCRIPTION OF LAND

**EXHIBIT A**

The land referred to is situated in the unincorporated area of the County of Santa Clara, State of California, and is described as follows:

**PARCEL 1:**

Portion of Lots 22 and 23, as shown on that certain map entitled, "San Martin Ranch Map No. 2", which map was filed for record in the Office of the Recorder of the County of Santa Clara, State of California, on January 27, 1893 in Book G of Maps, at Pages 38 and 39, and more particularly described as follows:

Beginning at a point in the line between Lots 23 and 36 in the center line of Llagas Avenue, distant thereon North 23° 49' West 417.23 feet from the common corner to Lots 23, 24, 36 and 37, as shown on the above mentioned map; thence South 64° 43' West 640.20 feet to a 1 inch pipe (at 30.00 feet on this course in the Westerly line of Llagas Avenue, is a 1 inch pipe); thence North 45° 17' West 182.50 feet to a 1 inch pipe; thence South 65° 38' West 292.50 feet to a 1 inch pipe in the line between Lot 23 and the Southern Pacific Railroad; thence along the line between Lot 23 and the Southern Pacific Railroad, North 25° 17' West 92.00 feet; thence North 24° 43' West 279.84 feet to a 1 inch iron pipe in the bed of the Llagas Creek; thence along the approximate center of a secondary channel of the Llagas Creek North 81° 44' East 1044.00 feet to the common corner to Lots 22, 23, 35 and 36 in the center line of Llagas Avenue; thence along the center line of Llagas Avenue, South 23° 49' East 242.77 feet to the point of beginning.

**PARCEL 2:**

Portion of Lot 23, as shown on that certain map entitled, "San Martin Ranch Map No. 2", which map was filed for record in the Office of the Recorder of the County of Santa Clara, State of California, on January 27, 1893 in Book G of Maps, at Pages 38 and 39, and more particularly described as follows:

Beginning at a point in the center line of Llagas Avenue, at the common corner for Lots 23, 24, 36 and 37, as said Avenue and Lots are shown on the map above referred to; running thence North 23° 49' West along the said center line of Llagas Avenue 417.23 feet to the Easternmost corner of that certain 7.77 acre tract of land described in the Deed from San Martin Canning Co., a corporation to San Martin Cold Storage Co., a corporation, dated April 30, 1951, recorded May 7, 1951 in Book 2205 of Official Records, Page 392, Santa Clara County Records; thence along the Southeasterly line of said 7.77 acre tract, South 64° 43' West 640.20 feet to a 1 inch iron pipe (at 30 feet on this course in the Westerly line of Llagas Avenue is a 1 inch iron pipe); thence North 45° 17' West 182.50 feet to a 1 inch iron pipe and South 65° 38' West 292.50 feet to a 1 inch iron pipe on the dividing line between said Lot 23 and the lands and right of way of the Southern Pacific Railroad Company; thence along said dividing line between Lots 23 and 24 for a distance of 984.54 feet to the point of beginning.

**PARCEL 3:**

That portion of Lot 22, San Martin Ranch, Map No. 2, as shown on a map recorded in Book G, Pages 38 and 39 of Maps, Records of Santa Clara County, being more particularly described as follows:

Beginning at the Easterly common corner of Lots 22 and 23 of said subdivision in the centerline of Llagas Avenue said point also being the most Easterly corner of that certain parcel conveyed to Sierra Tool & Manufacturing Co., Inc., et al, by Deed recorded December 11, 1968 in Book 8364, Page 142, Official Records; thence along the Southerly line of said Sierra Parcel, South  $81^{\circ} 44'$  West 1043.27 feet to a point in the Easterly line of the Lands of Southern Pacific Railroad; thence North  $66^{\circ} 11'$  East 1005.08 feet to a point in the centerline of said Llagas Avenue; thence along said centerline, South  $23^{\circ} 49'$  East 279.68 feet to the point of beginning, also being Parcel 1, as shown on Parcel Map filed for record August 13, 1970 in Book 271 of Maps, at Page 30, Santa Clara County Official Records.

APN: 825-03-001 (Affects Parcels One and Two)  
825-04-010 (Affects Parcel Three)

PARCEL 4:

A non-exclusive easement for roadway purposes, as appurtenant to Parcels 1 and 2 hereinabove described over a portion of Lot 24 as shown upon that certain Map of "San Martin Ranch Map No. 2", which map was filed for record in Book G of Maps, at Pages 38 and 39, Santa Clara County Official Records, as granted to Western Refrigerating & Cold Storage Company by Grant of Easement recorded February 9, 1970 in Book 8823 at Page 73, Santa Clara County Official Records.

EXHIBIT "B"

ESCROW HOLDER'S GENERAL PROVISIONS

[to be attached by Escrow Holder]

## GENERAL PROVISIONS

The following general provisions shall apply in this escrow:

**1. Deposit and Disbursement of Funds.** The parties acknowledge and agree that all funds received in this escrow shall be deposited in accordance with executed **Deposit Instructions/Authorizations** into an escrow account maintained by Escrow Holder in accordance with the following:

**A. Deposited Funds Generally Bear No Interest**

All funds received in this escrow will be deposited with other funds from other escrows in one or more non-interest bearing escrow trust accounts in Escrow Holder's name in FDIC insured state or national banks or savings and loan associations authorized to do business in the state ("depository institution") selected by Escrow Holder. The parties further acknowledge that the maintenance of such escrow accounts with depository institutions may result in receipt by Old Republic Title Company of various bank services, accommodations and/or other benefits from the depository institutions. Old Republic Title Company or its affiliates may elect to enter into other business arrangements or transactions with or obtain loans for investment or other purposes from such depository institutions. All such services, accommodations and other benefits will accrue to Old Republic Title Company or its affiliates. Escrow Holder will have no obligation to account to the parties for the value of such services, accommodations or other benefits. In addition, the parties hereby acknowledge that deposit insurance by the Federal Deposit Insurance Corporation (FDIC) is subject to limitations.

**B. Option for Interest Bearing Account**

Funds deposited into escrow shall not earn interest unless the parties execute instructions specifically directing Old Republic Title Company to deposit such funds in an interest bearing account. Upon receipt of such fully executed instructions along with an executed Form W-9 from the Depositor, Old Republic Title Company will place Depositor's initial deposit and any subsequent deposits in an interest bearing account with a licensed state or national bank or savings and loan association that is FDIC insured in the name of Old Republic Title Company as Trustee for the Depositor under the escrow assigned to this transaction. Until such time as escrow is in a position to disburse or close escrow as provided herein, any accrued interest will be credited to the account of the Depositor herein. Depositor acknowledges that there will be a service charge to the Depositor for the establishment or servicing of said interest bearing account. In addition, the parties hereby acknowledge that deposit insurance by the Federal Deposit Insurance Corporation (FDIC) is subject to limitations.

All disbursements are made by Escrow Holder's check or wire transfer unless otherwise instructed in writing.

The parties acknowledge and agree the disbursement of funds may not take place on the same business day as recordation of the document. While Escrow Holder will diligently attempt to complete all disbursements within one business day of recordation, the parties acknowledge that recordation may not be completed with sufficient time to meet the established cutoff times for electronic transfer of funds or delivery by overnight mailing, which could result in the accrual of additional interest for any loan payoff.

**2. Prorations and Adjustments.** The parties acknowledge and agree all prorations and/or adjustments called for in this escrow are to be made on the basis of a thirty (30) day month unless otherwise instructed in writing. At closing, Escrow Holder may adjust estimated amounts and prorations and other items that may change based on the recording date. In all acts relating, but not limited to, fire/hazard insurance, rents and rental deposits, real property taxes, and interest, Escrow Holder shall presume that the information provided to Escrow Holder by the parties to this escrow, or their agent(s), is correct and that insurance premiums have been paid.

**3. Recordation of Documents.** The parties authorize Escrow Holder to cause the recordation of any documents delivered to escrow, which in the sole discretion Old Republic Title Company are necessary and proper for the issuance of a policy or policies of title insurance in connection with this escrow. Escrow Holder is further authorized to collect a Recording Service Fee and all funds required by the applicable governmental agency to record any such documents.

**4. Authorization to Furnish Copies.** The parties authorize Escrow Holder to furnish copies of these instructions and any supplements thereto, notices of cancellation, and settlement statements to the real estate agent(s), broker(s) and lender(s) in this escrow. Escrow Holder is further authorized to provide complete copies of the settlement statements which reflect all receipts, charges and disbursements pertaining to the buyer and seller in this escrow to the real estate agent(s), broker(s) and lender(s) in this escrow.

**5. Delivery of Non-Recorded Documents.** The parties acknowledge and agree that upon close of escrow, documents that are not required to be recorded may be delivered by Escrow Holder by depositing same in the United States Mail, or transmitting by email, addressed to the party entitled thereto, at the mailing address provided to Escrow Holder.

**6. Conflicting Instructions.** The parties acknowledge and agree that upon receipt of any conflicting instructions (other than cancellation instructions), Escrow Holder is no longer obligated to take any further action in connection with this escrow until further consistent instructions are received from the parties. The parties authorize Escrow Holder to hold all monies and/or instruments in this escrow until otherwise directed, either by the parties' mutual written instructions or by final order of a court of competent jurisdiction. In the event of conflicting claims to any funds or other documents, Escrow Holder shall have the absolute right, at Escrow Holder's discretion, to file an action in interpleader requiring the parties to answer and litigate their several claims and rights amongst themselves. Any such action must comply with the requisite statutes of the State of California in this regard.

**7. Disclosure.** The parties acknowledge and agree Escrow Holder shall have no duty to disclose to any party to this escrow any information which may come to Escrow Holder's attention concerning this transaction unless specifically requested to do so by any party.

**8. Right of Cancellation.** This escrow shall be deemed canceled upon Escrow Holder's receipt of any party's instruction to cancel the escrow. Upon receipt of a party's instructions to cancel the escrow, Escrow Holder shall distribute Cancellation Instructions to the parties or to their agents regarding the disbursement of funds in the escrow. The parties acknowledge Escrow Holder then is no longer obligated to take any further action in connection with this escrow until receipt of mutual non-conflicting instructions from the parties. Upon receipt of mutual, non-conflicting instructions regarding the disbursement of funds in the escrow, Escrow Holder shall disburse the funds in accordance with the instructions, less fees and other costs incurred in connection with the escrow. In the absence of non-conflicting instructions regarding the disbursement of funds in the escrow, the parties authorize and instruct Escrow Holder to hold all earnest money funds in accordance with the terms of Paragraph 6 above. However, Escrow Holder may distribute all funds in excess of earnest money to the depositors of the funds or their assignees at Escrow Holder's sole discretion.

**9. Entire Agreement.** The parties acknowledge and agree these General Provisions and the escrow instructions received and accepted by Escrow Holder shall be the whole and only agreement between the parties and Old Republic Title Company regarding the obligations of Escrow Holder to complete this escrow and shall supersede and cancel any prior instructions. Escrow Holder shall disregard and assume no responsibility for complying with any other agreement(s) between the parties, whether or not such agreement(s) have been made a part of this escrow. To the extent of any conflicts between these General Provisions and escrow instructions, and any other agreement(s) between the parties, these General Provisions and escrow instructions shall control as to the Escrow Holder's duties and obligations.

**10. Preliminary Report Approval.** The parties acknowledge and agree that a copy of the preliminary report issued in conjunction with this escrow will be read and approved upon receipt and the parties will certify that there are no liens or encumbrances, other than those shown on said report that affect the property which is the subject of this escrow. Approval shall be assumed absent an objection to any item in the preliminary report and certification shall be assumed unless Escrow Holder is provided information sufficient to identify liens or encumbrances not shown on the preliminary report.

**11. Matters Excluded from Coverage under Title Insurance Policy.** The parties acknowledge and agree Escrow Holder is not responsible or liable for determining that there has been compliance with any matters that are excluded from coverage under the title insurance policy to be issued in conjunction with close of this escrow including, but not limited to, county or municipal ordinances and state, county or municipal subdivision or land division regulations or laws. Reference is made to the policy form on file with the Insurance Commissioner of the

State of California and available through Old Republic Title Company for the customer's review for a complete statement of such exclusions.

**12. Compliance with Federal and State Laws and Regulations, including Truth in Lending Act and Consumer Credit Protection Laws.** The parties acknowledge and agree Escrow Holder is not responsible or liable for determining that any person or entity is subject to Federal and State laws and regulations or that any documents submitted to or deposited with Escrow Holder comply with such laws and regulations.

**13. Licensee Status.** The parties acknowledge and agree Escrow Holder is not responsible or liable for determining that any person or entity receiving a commission or other compensation from escrow is currently and regularly licensed, or for communicating the license status of any person or entity receiving a commission or other compensation from escrow to the parties herein.

**14. Unclaimed Funds.** The parties acknowledge and agree that after three (3) years from the deposit of funds into escrow, any amounts thereafter remaining unclaimed may be escheated to the State of California in compliance with the State of California's Unclaimed Property Law and Regulations.

**15. Fees and Charges.** The parties agree to pay all charges, billings, advances and expenses, including cancellation fees, that are properly chargeable to the undersigned, and further to pay any balance for fees, costs or shortages due in connection with these instructions.

**16. Payments From Escrow.** The parties acknowledge and agree Escrow Holder is acting as the disbursing agent of the parties to this escrow for all payments, such as, but not limited to, commissions, signing service providers, notary fees and termite inspections and/or reports, owed and authorized by the parties.

**17. Inspections.** The parties acknowledge and agree Escrow Holder has no obligation to order or obtain any of the inspections or reports required by this transaction.

**18. Contingencies.** The parties acknowledge and agree Escrow Holder has no obligation to monitor, schedule the timing of, or obtain any party's compliance with, any of the contingencies required by this transaction.

**19. Compliance with Lender Requirements.** The parties authorize Escrow Holder to take any action necessary to comply with these instructions and the instructions of any lender and to execute any and all documents that may be necessary or incidental to the carrying out of these instructions.

**20. Right to Resign.** Escrow Holder, at its election, shall have the right to resign as Escrow Holder under these instructions. If this right is exercised, all funds and documents may be returned to the party who deposited them, and Escrow Holder shall have no further duty, responsibility, or liability in connection with these instructions and purchase contract, if any.

**21. Professional Advice.** The parties acknowledge and agree they have the right to seek professional advice, at the parties' sole expense, before signing this or any other documents involved with this escrow transaction.

**Buyer(s):**

Santa Clara Valley Water District

By: \_\_\_\_\_  
Bill Magleby

**Seller(s):**



Nature Quality, a California limited partnership

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

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

Received: Old Republic Title Company

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

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

EXHIBIT "C"

GRANT DEED

RECORD WITHOUT FEE UNDER CALIFORNIA  
GOVERNMENT CODE SECTION 6103

RECORDING REQUESTED BY  
AND WHEN RECORDED MAIL TO:  
REAL ESTATE SERVICES UNIT  
SANTA CLARA VALLEY WATER  
DISTRICT  
5750 ALMADEN EXPRESSWAY  
SAN JOSE, CA 95118

(Space Above For Recorder's Use)

APN: 825-03-001 and 825-04-010

Grantee is exempt under section 11922 Revenue and Taxation Code of the  
state of California.

Declarant or Agent Determining Tax:

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,  
Nature Quality, LP, a California limited partnership ("**Grantor**") hereby grants to the Santa  
Clara Valley Water District, ("**Grantee**"), all of Grantor's right, title and interest in the following  
described real property ("**Property**") in unincorporated San Martin, County of Santa Clara, State  
of California, described in Exhibit "A" attached hereto and by this reference made a part hereof.

SUBJECT TO: All other covenants, conditions, restrictions, reservations, rights,  
rights of way, easements, encumbrances, liens and title matters whether or not of record or  
visible from an inspection of the Property, and all matters which an accurate survey of the  
Property would disclose.

IN WITNESS WHEREOF, Grantor has caused this Grant Deed to be executed this \_\_\_\_  
day of \_\_\_\_\_, 2017.

Nature Quality, LP,  
a California limited partnership

By: Nature Quality, Inc., a California  
corporation  
Its: General Partner

By: \_\_\_\_\_  
Name: John Borello  
Its: Vice-President

By: \_\_\_\_\_  
Name: Vito Chiala  
Its: Secretary

DOCUMENT NO.: 5027-311

### ACKNOWLEDGMENT

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

State of California  
County of \_\_\_\_\_)

On \_\_\_\_\_ before me, \_\_\_\_\_  
(insert name and title of the officer)

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

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

WITNESS my hand and official seal.

Signature \_\_\_\_\_ (Seal)

**ACKNOWLEDGMENT**

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

State of California

County of \_\_\_\_\_)

On \_\_\_\_\_ before me, \_\_\_\_\_  
(insert name and title of the officer)

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

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

WITNESS my hand and official seal.

Signature \_\_\_\_\_ (Seal)

**CERTIFICATE OF CONSENT AND ACCEPTANCE**

This is to certify that the interest in real property conveyed by the attached Deed or Grant to the Santa Clara Valley Water District, also referred to herein as the Grantee, is hereby accepted by the undersigned duly authorized agent on behalf of the Board of Directors of said Santa Clara Valley Water District, pursuant to authority conferred by Resolution No. 14-79 of said Board of Directors adopted on the 9<sup>th</sup> day of September 2014, and the Grantee consents to recordation thereof by its said duly authorized agent.

Dated: \_\_\_\_\_, 20\_\_

Santa Clara Valley Water District

By: \_\_\_\_\_  
Chief Executive Officer/Clerk of the Board of Directors  
(Strike out inapplicable one)

EXHIBIT "A" TO GRANT DEED

LEGAL DESCRIPTION OF LAND

**EXHIBIT A**

The land referred to is situated in the unincorporated area of the County of Santa Clara, State of California, and is described as follows:

**PARCEL 1:**

Portion of Lots 22 and 23, as shown on that certain map entitled, "San Martin Ranch Map No. 2", which map was filed for record in the Office of the Recorder of the County of Santa Clara, State of California, on January 27, 1893 in Book G of Maps, at Pages 38 and 39, and more particularly described as follows:

Beginning at a point in the line between Lots 23 and 36 in the center line of Llagas Avenue, distant thereon North 23° 49' West 417.23 feet from the common corner to Lots 23, 24, 36 and 37, as shown on the above mentioned map; thence South 64° 43' West 640.20 feet to a 1 inch pipe (at 30.00 feet on this course in the Westerly line of Llagas Avenue, is a 1 inch pipe); thence North 45° 17' West 182.50 feet to a 1 inch pipe; thence South 65° 38' West 292.50 feet to a 1 inch pipe in the line between Lot 23 and the Southern Pacific Railroad; thence along the line between Lot 23 and the Southern Pacific Railroad, North 25° 17' West 92.00 feet; thence North 24° 43' West 279.84 feet to a 1 inch iron pipe in the bed of the Llagas Creek; thence along the approximate center of a secondary channel of the Llagas Creek North 81° 44' East 1044.00 feet to the common corner to Lots 22, 23, 35 and 36 in the center line of Llagas Avenue; thence along the center line of Llagas Avenue, South 23° 49' East 242.77 feet to the point of beginning.

**PARCEL 2:**

Portion of Lot 23, as shown on that certain map entitled, "San Martin Ranch Map No. 2", which map was filed for record in the Office of the Recorder of the County of Santa Clara, State of California, on January 27, 1893 in Book G of Maps, at Pages 38 and 39, and more particularly described as follows:

Beginning at a point in the center line of Llagas Avenue, at the common corner for Lots 23, 24, 36 and 37, as said Avenue and Lots are shown on the map above referred to; running thence North 23° 49' West along the said center line of Llagas Avenue 417.23 feet to the Easternmost corner of that certain 7.77 acre tract of land described in the Deed from San Martin Canning Co., a corporation to San Martin Cold Storage Co., a corporation, dated April 30, 1951, recorded May 7, 1951 in Book 2205 of Official Records, Page 392, Santa Clara County Records; thence along the Southeasterly line of said 7.77 acre tract, South 64° 43' West 640.20 feet to a 1 inch iron pipe (at 30 feet on this course in the Westerly line of Llagas Avenue is a 1 inch iron pipe); thence North 45° 17' West 182.50 feet to a 1 inch iron pipe and South 65° 38' West 292.50 feet to a 1 inch iron pipe on the dividing line between said Lot 23 and the lands and right of way of the Southern Pacific Railroad Company; thence along said dividing line between Lots 23 and 24 for a distance of 984.54 feet to the point of beginning.

**PARCEL 3:**

That portion of Lot 22, San Martin Ranch, Map No. 2, as shown on a map recorded in Book G, Pages 38 and 39 of Maps, Records of Santa Clara County, being more particularly described as follows:

Beginning at the Easterly common corner of Lots 22 and 23 of said subdivision in the centerline of Llagas Avenue said point also being the most Easterly corner of that certain parcel conveyed to Sierra Tool & Manufacturing Co., Inc., et al, by Deed recorded December 11, 1968 in Book 8364, Page 142, Official Records; thence along the Southerly line of said Sierra Parcel, South  $81^{\circ} 44'$  West 1043.27 feet to a point in the Easterly line of the Lands of Southern Pacific Railroad; thence North  $66^{\circ} 11'$  East 1005.08 feet to a point in the centerline of said Llagas Avenue; thence along said centerline, South  $23^{\circ} 49'$  East 279.68 feet to the point of beginning, also being Parcel 1, as shown on Parcel Map filed for record August 13, 1970 in Book 271 of Maps, at Page 30, Santa Clara County Official Records.

APN: 825-03-001 (Affects Parcels One and Two)  
825-04-010 (Affects Parcel Three)

PARCEL 4:

A non-exclusive easement for roadway purposes, as appurtenant to Parcels 1 and 2 hereinabove described over a portion of Lot 24 as shown upon that certain Map of "San Martin Ranch Map No. 2", which map was filed for record in Book G of Maps, at Pages 38 and 39, Santa Clara County Official Records, as granted to Western Refrigerating & Cold Storage Company by Grant of Easement recorded February 9, 1970 in Book 8823 at Page 73, Santa Clara County Official Records.



## ACKNOWLEDGMENT

State of California )  
County of Santa Clara )

On \_\_\_\_\_, before me, \_\_\_\_\_,  
(insert name and title of the officer)

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

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

WITNESS my hand and official seal.

Signature \_\_\_\_\_

(Seal)

**CERTIFICATE OF CONSENT AND ACCEPTANCE**

This is to certify that the interest in real property conveyed by the attached Deed or Grant to the Santa Clara Valley Water District, also referred to herein as the Grantee, is hereby accepted by the undersigned duly authorized agent on behalf of the Board of Directors of said Santa Clara Valley Water District, pursuant to authority conferred by Resolution No. 14-79 of said Board of Directors adopted on the 9<sup>th</sup> day of September 2014, and the Grantee consents to recordation thereof by its said duly authorized agent.

Dated: \_\_\_\_\_, 20\_\_

Santa Clara Valley Water District

By: \_\_\_\_\_  
Chief Executive Officer/Clerk of the Board of Directors  
(Strike out inapplicable one)

EXHIBIT "D"

SELLER'S AFFIDAVIT

Section 1445 of the Internal Revenue Code provides that a buyer of a U.S. real property interest must withhold tax if the seller is a foreign person. This affidavit is made to inform the Santa Clara Valley Water District ("**Buyer**"), that withholding of a tax is not required upon the disposition of a U.S. real property interest by Nature Quality, LP, a California limited partnership ("**Seller**"), Seller hereby certifies the following:

1. Seller is not a nonresident alien, foreign corporation, foreign partnership, foreign trust, foreign estate, or foreign person (as those terms are defined in the Internal Revenue Code and Income Tax Regulations).

2. Seller's U.S. tax identification number is as follows: \_\_\_\_\_.

3. Seller's office address is:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Seller understands that this certification may be disclosed to the Internal Revenue Service by Buyer and that any false statement contained herein could be punished by fine, imprisonment, or both.

Under penalty of perjury, the undersigned declares that he has examined this certification and to the best of his knowledge and belief it is true, correct and complete, and he further declares that he has the authority to sign this document on behalf of Seller.

Dated: \_\_\_\_\_ 2017

Nature Quality, LP,  
a California limited partnership

By: Nature Quality, Inc., a California  
corporation  
Its: General Partner

By: \_\_\_\_\_  
Name: John Borello  
Its: Vice-President

By: \_\_\_\_\_  
Name: Vito Chiala  
Its: Secretary.

EXHIBIT "E"

DELIVERY CONDITION

1. Improvements. Seller shall deliver the Property with all improvements, including the essential fixtures in those remaining improvements (e.g., existing electrical, plumbing, light fixtures, and fire protection equipment), as set forth on Schedule "1-A" attached to this Exhibit E, in their present location and as-is condition, with all faults. Seller may remove all of its equipment within the improvements. Notwithstanding the foregoing, Seller shall remove, demolish, and legally dispose of the improvements identified as E3, F3-F8, M1, W1, O2 and P2 as shown this Schedule "1-A", except for the foundations and stem walls which shall remain in place to the approximate top of the base slab, with all electric utilities serving each of the buildings E3, F3-F8, M1, W1, O2 and P2 terminated at the nearest electrical transformer. In addition, Seller shall properly remove and legally dispose of their existing utility bridge facility crossing between Parcel 1 and Parcel 2, including associated appurtenances. Seller's notification to Buyer that this Delivery Condition is satisfied, shall constitute a representation and warranty that, to the best of Seller's Knowledge, this Delivery Condition has been satisfied in full. Buyer to inspect and approve compliance with all obligations in this Section 1 prior to Closing.

2. State Water Resources Control Board. Seller shall deliver the Property with all permits terminated and all closure activities required by the State Water Resources Control Board (SWRCB) of the seven (7) settlement ponds located on the Property (five on Parcel 1 and two on Parcel 2) complete. Included is documented closure by the SWRCB of Cleanup and Abatement Order (No. 86-062), dated February 1986 and documented removal of an existing underground storage tank (UST) as identified and approximate location shown on Figure 3-1 of the Phase II Environmental Site Assessment Report by Weiss Associates, dated May 27, 2014. In addition, Seller shall obtain written approvals necessary to abandon and close all existing wells within Parcel 1 and Parcel 2 associated with SWRCB permit conditions/monitoring in accordance with the SCVWD Ordinance No. 90-1, the California Well Standards Bulletin 74-90, and the "Standards for the Construction and Destruction of Wells and Other Deep Excavation in Santa Clara County" published by the SCVWD. These documents can be obtained from the Santa Clara Valley Water District (SCVWD), 5750 Almaden Expressway, San Jose, CA 95118 (phone number (408) 265-2600). Seller's notification to Buyer that this Delivery Condition is satisfied, shall constitute a representation and warranty that, to the best of Seller's Knowledge, this Delivery Condition has been satisfied in full. Buyer to inspect and approve compliance with all obligations in this Section 2 prior to Closing.

3. Asbestos and Lead Remediation. Seller agrees to remediate and abate to acceptable limits (i) the asbestos identified in **bold print** in "Table I – Asbestos Survey Results", and (ii) the lead paint identified in **bold print** in "Table II – Lead-Based Paint Survey Results", as each is set forth in the Limited Hazardous Materials Survey prepared by Cardno ATC, dated August 20, 2014. And Seller agrees to remediate and abate to acceptable limits Arocolor-1260 (a PCB) from the one sample location (concrete sample NCQ004) identified in Section 5.4 of the Phase II Environmental Site Assessment Report by Weiss Associates, dated May 27, 2014. Seller shall be deemed to satisfy these obligations by delivery to Buyer a clearance report(s), or other customary documentation, from the appropriate contractor(s) licensed in the State of

California as an asbestos, lead paint abatement, or Arocolor-1260 abatement contractor. Seller's notification to Buyer that this Delivery Condition is satisfied, shall constitute a representation and warranty that, to the best of Seller's Knowledge, this Delivery Condition has been satisfied in full. Buyer to inspect and approve compliance with all obligations in this Section 3 prior to Closing.

4. County of Santa Clara. Seller agrees to terminate and close all existing County permits, including proper removal and legal disposal of any existing systems, such as ammonia and hydraulic system units addressed in said permit(s), so Buyer takes possession of the Property with no existing County of Santa Clara encumbrances or obligations at "Close of Escrow". Seller's notification to Buyer that this Delivery Condition is satisfied, shall constitute a representation and warranty that, to the best of Seller's Knowledge, this Delivery Condition has been satisfied in full. Buyer to inspect and approve compliance with all obligations in this Section 4 prior to Closing.

SCHEDULE "1-A" TO DELIVERY CONDITION

SITE PLAN

1,160 (not labeled on map)  
625 (not labeled on map)

EXHIBIT "F"

GENERAL ASSIGNMENT AND BILL OF SALE

THIS GENERAL ASSIGNMENT AND BILL OF SALE ("**Assignment**") is made and entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 2017, by and between Nature Quality, a California limited partnership ("**Assignor**") and the Santa Clara Valley Water District ("**Assignee**").

RECITALS

A. Assignee has acquired that certain real property located in the City of San Martin, County of Santa Clara, State of California, more particularly described on Exhibit "1" attached hereto ("**Land**"). The Land, together with the personal property, the Property Documents, and other items transferred by Assignor to Assignee as of the date hereof, are being conveyed to Assignee pursuant to that certain Purchase Agreement and Escrow Instructions between Assignor and Assignee, dated as of \_\_\_\_\_, 2017 ("**Purchase Agreement**"). Capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Purchase Agreement.

B. Assignor desires to assign, sell and convey to Assignee all right, title and interest in and to all tangible and intangible personal property owned by Assignor located on the Land or within the Improvements and used in connection therewith, and Property Documents, all upon the terms and conditions set forth herein.

NOW, THEREFORE, in reliance upon the foregoing recitals and in consideration of the mutual covenants set forth herein and in the Purchase Agreement and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

1. Assignment of Personal Property. Assignor hereby assigns, transfers and delivers to Assignee, all right, title and interest of Assignor in and to all tangible and intangible personal property situated upon or related solely to the Land and/or the Improvements, including, without limitation, all furniture, appliances, equipment and supplies, (except such Personal Property owned by tenants), tenant improvement and other construction materials, all licenses, certificates of occupancy, variances, permits, approvals and the like from the City and any other governmental authority affecting the design, development, management, use, ownership or operation of the Land and/or the Improvements, and any other intangible rights and properties affecting or relating solely to the design, development, management, use, ownership or operation of the Land and/or the Improvements, and all Property Documents (as defined in the Purchase Agreement) and all plans, specifications, engineering reports, soils reports and other technical descriptions and materials relating to the Land and the Improvements if in Seller's possession or control, or in the possession or control of Seller's property manager (collectively, "**Personal Property**").



2. Acceptance. Assignee hereby accepts the foregoing assignments and conveyance. Subject to the terms of the Purchase Agreement and the express obligations and responsibilities of the parties thereunder, Assignee does hereby assume and agree to perform all of Assignor's obligations with respect to the Personal Property allocable to the period commencing upon the date of this Assignment and continuing thereafter.

3. AS IS. Seller represents that it owns the Personal Property and has the right to convey it to Buyer. Seller represents and warrants that the Personal Property is not subject to encumbrance. Otherwise Seller makes no warranties or representations as to the Personal Property. The Personal Property is transferred "AS IS" and all warranties of quality, fitness and merchantability are hereby excluded.

4. Further Acts. Assignor hereby covenants that Assignor will, at any time and from time to time, upon written request therefor, execute and deliver to Assignee, Assignee's successors, nominees and assigns, any new or confirmatory instruments which Assignee, Assignee's successors, nominees and assigns may reasonably request in order to fully assign and transfer to and vest in Assignee, or Assignee's successors, nominees and assigns, and to protect Assignee's or Assignee's successors', nominees' and assigns' right, title and interest in and to the Personal Property.

5. Successors and Assigns. This Assignment shall be binding upon and inure to the benefit of Assignor and Assignee and their respective heirs, executors, administrators, successors and assigns.

6. Counterparts. This Assignment may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

**ASSIGNOR:**

Nature Quality, LP,  
a California limited partnership

By: Nature Quality, Inc., a California  
corporation  
Its: General Partner

By: \_\_\_\_\_  
Name: John Borello  
Its: Vice-President

By: \_\_\_\_\_  
Name: Vito Chiala  
Its: Secretary

**ASSIGNEE:**

Santa Clara Valley Water District

By: \_\_\_\_\_  
Norma J. Camacho  
Interim Chief Executive Officer

EXHIBIT "1" TO GENERAL ASSIGNMENT AND BILL OF SALE

LEGAL DESCRIPTION OF REAL PROPERTY

### **EXHIBIT "1"**

The land referred to is situated in the unincorporated area of the County of Santa Clara, State of California, and is described as follows:

#### **PARCEL 1:**

Portion of Lots 22 and 23, as shown on that certain map entitled, "San Martin Ranch Map No. 2", which map was filed for record in the Office of the Recorder of the County of Santa Clara, State of California, on January 27, 1893 in Book G of Maps, at Pages 38 and 39, and more particularly described as follows:

Beginning at a point in the line between Lots 23 and 36 in the center line of Llagas Avenue, distant thereon North 23° 49' West 417.23 feet from the common corner to Lots 23, 24, 36 and 37, as shown on the above mentioned map; thence South 64° 43' West 640.20 feet to a 1 inch pipe (at 30.00 feet on this course in the Westerly line of Llagas Avenue, is a 1 inch pipe); thence North 45° 17' West 182.50 feet to a 1 inch pipe; thence South 65° 38' West 292.50 feet to a 1 inch pipe in the line between Lot 23 and the Southern Pacific Railroad; thence along the line between Lot 23 and the Southern Pacific Railroad, North 25° 17' West 92.00 feet; thence North 24° 43' West 279.84 feet to a 1 inch iron pipe in the bed of the Llagas Creek; thence along the approximate center of a secondary channel of the Llagas Creek North 81° 44' East 1044.00 feet to the common corner to Lots 22, 23, 35 and 36 in the center line of Llagas Avenue; thence along the center line of Llagas Avenue, South 23° 49' East 242.77 feet to the point of beginning.

#### **PARCEL 2:**

Portion of Lot 23, as shown on that certain map entitled, "San Martin Ranch Map No. 2", which map was filed for record in the Office of the Recorder of the County of Santa Clara, State of California, on January 27, 1893 in Book G of Maps, at Pages 38 and 39, and more particularly described as follows:

Beginning at a point in the center line of Llagas Avenue, at the common corner for Lots 23, 24, 36 and 37, as said Avenue and Lots are shown on the map above referred to; running thence North 23° 49' West along the said center line of Llagas Avenue 417.23 feet to the Easternmost corner of that certain 7.77 acre tract of land described in the Deed from San Martin Canning Co., a corporation to San Martin Cold Storage Co., a corporation, dated April 30, 1951, recorded May 7, 1951 in Book 2205 of Official Records, Page 392, Santa Clara County Records; thence along the Southeasterly line of said 7.77 acre tract, South 64° 43' West 640.20 feet to a 1 inch iron pipe (at 30 feet on this course in the Westerly line of Llagas Avenue is a 1 inch iron pipe); thence North 45° 17' West 182.50 feet to a 1 inch iron pipe and South 65° 38' West 292.50 feet to a 1 inch iron pipe on the dividing line between said Lot 23 and the lands and right of way of the Southern Pacific Railroad Company; thence along said dividing line between Lots 23 and 24 for a distance of 984.54 feet to the point of beginning.

#### **PARCEL 3:**

That portion of Lot 22, San Martin Ranch, Map No. 2, as shown on a map recorded in Book G, Pages 38 and 39 of Maps, Records of Santa Clara County, being more particularly described as follows:

Beginning at the Easterly common corner of Lots 22 and 23 of said subdivision in the centerline of Llagas Avenue said point also being the most Easterly corner of that certain parcel conveyed to Sierra Tool & Manufacturing Co., Inc., et al, by Deed recorded December 11, 1968 in Book 8364, Page 142, Official Records; thence along the Southerly line of said Sierra Parcel, South 81° 44' West 1043.27 feet to a point in the Easterly line of the Lands of Southern Pacific Railroad; thence North 66° 11' East 1005.08 feet to a point in the centerline of said Llagas Avenue; thence along said centerline, South 23° 49' East 279.68 feet to the point of beginning, also being Parcel 1, as shown on Parcel Map filed for record August 13, 1970 in Book 271 of Maps, at Page 30, Santa Clara County Official Records.

APN: 825-03-001 (Affects Parcels One and Two)  
825-04-010 (Affects Parcel Three)

PARCEL 4:

A non-exclusive easement for roadway purposes, as appurtenant to Parcels 1 and 2 hereinabove described over a portion of Lot 24 as shown upon that certain Map of "San Martin Ranch Map No. 2", which map was filed for record in Book G of Maps, at Pages 38 and 39, Santa Clara County Official Records, as granted to Western Refrigerating & Cold Storage Company by Grant of Easement recorded February 9, 1970 in Book 8823 at Page 73, Santa Clara County Official Records.