

PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS

By and Between

SAN JOAQUIN LUMBER COMPANY

("SELLER")

and

TRACY UNIFIED SCHOOL DISTRICT

("BUYER")

Dated: February 28, 2018

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

THIS AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY AND JOINT ESCROW INSTRUCTIONS OF BUYER AND SELLER ("Agreement"), dated as of this 28th day of February, 2018, is made by and between SAN JOAQUIN LUMBER COMPANY, a California corporation ("Seller"), and TRACY UNIFIED SCHOOL DISTRICT, a California public school district ("Buyer"). Seller and Buyer are collectively referred to herein as the "Parties", and individually as a "Party".

RECITALS

WHEREAS, Seller is the owner of a parcel of land, totaling approximately 0.57 acres, known as Assessor's Parcel Number (APN) 233-370-07, which is located at 455 East Eleventh Street, in the City of Tracy, County of San Joaquin, State of California, all as more particularly described in **Exhibit "A"** and depicted on **Exhibit "B"**, and incorporated herein by reference (the "Real Property"); and

WHEREAS, the Parties understand and acknowledge that a myriad of legal requirements must be met in order for a California public school district to acquire property for school purposes; and

WHEREAS, Buyer desires to acquire the Real Property, and Seller desires to sell the Real Property, together with all rights, privileges, easements, and improvements thereto (including, without limitation, all easements appurtenant to the Real Property), on and subject to the terms and conditions contained herein.

NOW THEREFORE, in consideration of the foregoing recitals and covenants and agreements hereinafter set forth, Seller and Buyer agree as follows:

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AGREEMENT

ARTICLE 1

EFFECTIVE DATE

1.1 Effective Date. The date the last Party hereto executes this Agreement, following formal action by the Buyer's governing board ("Board") approving the Agreement, shall be the "Effective Date" of this Agreement.

1.2 Board Approval. Buyer and Seller acknowledge that this Agreement is subject to approval by the Buyer's Board. Notwithstanding anything in this Agreement to the contrary, Buyer and Seller shall have no obligation hereunder and this Agreement shall not be effective until after the Buyer's Board approves this Agreement.

ARTICLE 2

PROPERTY TO BE PURCHASED

Seller hereby agrees to sell and convey to Buyer, and Buyer agrees to purchase from Seller, subject to the terms and conditions set forth herein, the following:

2.1 The Real Property described in **Exhibit "A"** and shown on **Exhibit "B"**, including all mineral and subsurface rights, if any;

2.2 All rights, benefits, privileges, easements, tenements, hereditaments, and appurtenances thereto or appertaining the Real Property (all of which are collectively referred to as the "Appurtenances"), including, without limitation, the release by Seller to Buyer of that certain easement for roadway purposes described in a deed of conveyance, recorded February 18, 1946 (Book 957, Page 135) in the Book of Official Records of San Joaquin County, and as conveyed to Seller in that certain grant deed recorded July 10, 1946 (Book 1004, Page 100) in the Book of Official Records of San Joaquin County, each attached hereto as **Exhibit "C"** (the Parties acknowledge and agree that the additional rights and obligations set forth in that certain license agreement between Seller and Buyer, dated July 10, 1973, were previously abandoned and/or terminated pursuant to the terms of that agreement, and

reverted to the use, rights and liabilities set forth in the 1946 easement for roadway purposes);

2.3 All buildings, structures, and other improvements to the Real Property, including, without limitation, an approximately 3,240 square foot commercial building and adjacent accessory structures located thereon, and all improvements related thereto (collectively, the "Improvements");

2.4 Any and all of Seller's right, title, and interest in and to any of the following existing at the Closing: (i) all assignable warranties and guaranties issued to Seller in connection with the Improvements; and (ii) all assignable permits, licenses, approvals, and authorizations issued by any governmental authority in connection with the Real Property (collectively, the "Intangibles").

2.5 The Real Property, the Appurtenances, the Improvements, and the Intangibles are hereinafter collectively referred to as the "Property."

ARTICLE 3

PAYMENT OF PURCHASE PRICE

3.1 The Purchase Price. The purchase price for the Property shall be a total of **Eight-Hundred-Thousand-Dollars-and-00/100s (\$800,000.00)** ("Purchase Price").

3.2 Terms. The Purchase Price shall be paid as follows:

a. Deposit. Within thirty (30) days after approval, execution, and delivery of this Agreement by Buyer and Seller following approval of this Agreement by Buyer's Board, Buyer shall deposit the sum of **Twenty-Four-Thousand-Dollars-and-00/100s (\$24,000.00)** (the "Deposit"), in cash or other immediately available funds, in escrow with a mutually agreed upon escrow holder identified below:

Old Republic Title Holding Company, Inc., located at 150 West 10th Street, Tracy, CA 95376, Escrow Officer, _____ (the "Escrow Holder"). The Deposit shall be held in a federally insured, interest bearing account and the interest accruing thereon shall be held for

the account of Buyer. At the Close of Escrow, the Deposit and all interest accrued thereon shall be applied toward the Purchase Price.

b. Balance of Purchase Price. The balance of the Purchase Price, plus or minus any applicable prorations pursuant to Article 7 hereof, shall be deposited by Buyer with Escrow Holder for delivery to Seller at the Close of Escrow in cash or other immediately available funds.

ARTICLE 4

ESCROW

4.1 Opening of Escrow. Within fourteen (14) business days after the Effective Date, Buyer and Seller shall open an escrow ("Escrow") with the Escrow Holder to consummate the sale of the Property pursuant to this Agreement.

4.2 Delivery of Agreement. Seller and Buyer shall open the escrow by delivering fully executed counterparts of this Agreement to the Escrow Holder. Escrow Holder shall execute the signature page for Escrow Holder attached hereto with respect to the provisions of this Article 4; provided, however, that (i) Escrow Holder's signature hereon shall not be a prerequisite to the binding nature of this Agreement on Buyer and Seller, and this Agreement shall become fully effective upon the Effective Date in accordance with Article 1, and (ii) the signature of Escrow Holder will not be necessary to amend any provision of this Agreement other than applicable provisions of this Article 4. This Agreement, together with any additional written instructions executed by the parties as hereinafter provided, shall constitute Escrow Holder's instructions in connection with the Escrow ("Escrow Instructions").

4.3 Duties of Escrow Holder. The duties of Escrow Holder shall be as follows: (i) retain and safely keep all funds, documents and instruments deposited with it pursuant to this Agreement; (ii) upon the Closing, deliver to the Parties entitled thereto all funds, documents and instruments to be delivered through Escrow pursuant to this Agreement; (iii) upon the Closing, cause the recordation of the Grant Deed (as hereinafter defined) and the

Termination of Easement (as hereinafter defined) in the Office of the County Recorder of the county where the Property is located; (iv) comply with the terms of this Agreement which specifically apply to Escrow Holder and comply with the terms of any additional written instructions jointly executed by Buyer and Seller; (v) handle the Deposit and all other funds deposited with Escrow Holder according to the terms of this Agreement; and (vi) upon the Closing, cause the Title Company to issue the Title Policy to Buyer.

4.4 Additional Provisions. Escrow Holder's rights and obligations shall be further specified in such additional written instructions acceptable to Buyer and Seller and not inconsistent with the terms of this Agreement as Escrow Holder customarily requires in real property escrows administered by it. Any such instructions shall not conflict with, amend, or supersede any portion of this Agreement. If there are any inconsistent terms in such supplemental instructions, the terms of this Agreement shall control.

4.5 Reporting. To the extent the transactions under this Agreement involve a real estate transaction within the purview of Section 6045 of the Internal Revenue Code of 1986 (the "IRC"), Escrow Holder shall have sole responsibility to comply with the requirements of Section 6045 of the IRC (and any similar requirements imposed by state or local law), which in part requires Escrow Holder to report real estate transactions closing after December 31, 1986, by, among other things, preparing and causing to be filed Internal Revenue Service Form 1099-B and any applicable additional statements in connection therewith. For purposes hereof, prior to the Closing, Seller shall provide to Escrow Holder, Seller's tax identification number. Escrow Holder shall hold Buyer, Seller and their counsel, agents, and representatives free and harmless from and against any and all liability, claims, demands, damages and costs (including, without limitation, reasonable attorneys' fees and expenses) arising or resulting from the failure or refusal of Escrow Holder to comply with such reporting requirements.

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ARTICLE 5

CLOSE OF ESCROW

5.1 Close of Escrow. For purposes of this Agreement, "Close of Escrow", "Closing" or the "Closing Date" shall be defined as the date that the Grant Deed (as hereinafter defined) is recorded in the Official Records of the County. The Close of Escrow shall occur within forty-five (45) days after the Effective Date, unless extended by the Buyer as set forth below or otherwise extended by the mutual consent of the Parties.

5.2 Extension(s) of Close of Escrow. The Close of Escrow may be extended by up to two (2) extensions of forty-five (45) days each, at Buyer's option and discretion, on its own behalf or upon written request from Seller prior to the then scheduled Close of Escrow, to allow satisfaction of all necessary conditions and contingencies. If, at the conclusion of the extension periods, the necessary conditions and contingencies have not been satisfied, this Agreement shall either terminate, or at the option and mutual agreement of both Parties, continue for additional consideration and/or as otherwise mutually agreed by the Parties.

5.3 Contingency Period. The 45-day period prior to Close of Escrow set forth in Article 5.1, collectively with the extension periods set forth in Article 5.2, as applicable, shall constitute the "Contingency Period", during which Buyer shall have the right to: (i) review and approve the Title Report, Disclosures, and Property-Related documents further described in Article 8; (ii) conduct or make any and all inspections, investigations, examinations, photographs, inquiries, interviews, appraisals, assessments, borings, soundings, samplings, surveys, tests and studies (including, without limitation, investigations with regard to zoning, building codes and other governmental regulations, architectural inspections, engineering tests, economic feasibility studies, soils tests, groundwater tests, seismic and geologic reports, surveys, environmental assessments and testing, including, without limitation, Phase I and/or Phase II environmental assessments, and CEQA compliance, among other applicable inspections, investigations, assessments, tests and studies) and with respect to the Property

as Buyer may elect to make or maintain; (iii) obtain applicable state and local regulatory agency acceptance and approval of the transaction and of the Property for school site purposes, including, without limitation, the condition of the Property; (iv) obtain Board acceptance and approval for the transaction and of the Property for school site purposes, including, without limitation, the condition of the Property; (v) approve the environmental, physical and economic condition of the Property; (vi) secure funding for the acquisition of the Property; and (vii) other contingencies and conditions to Closing as further described in this Agreement (collectively, the "Contingency Investigation").

5.4 Right of Entry. Between the Effective Date and the Close of Escrow, Buyer and Buyer's employees, agents, consultants, subconsultants, contractors, subcontractors, and representatives shall have the right to enter upon the Property and free and unrestricted access to the Property at any time and from time to time, as reasonable, upon 24-hours advance notice from Buyer to Seller, for purposes of performing the Contingency Investigation activities or to engage in similar activities reasonably related to acquisition or use of the Property. Buyer agrees to repair and reasonably restore those parts of the Property affected by Buyer's investigation, not including any pre-existing conditions, in accordance with that certain Property Owner Consent to Property Access, Intrusive Testing, and Repair, dated September 21, 2017 ("Property Owner Consent"), attached hereto as **Exhibit "E"**.

ARTICLE 6

TITLE INSURANCE

6.1 Issuance of Title Insurance. At the Close of Escrow, evidence of title to the Property shall be the issuance by Old Republic Title Holding Company, Inc., located at 150 West 10th Street, Tracy, CA 95376, as Title Company, Title Officer, _____ (the "Title Company") of a standard CLTA owner's policy of title insurance in the full amount of the Purchase Price, insuring fee simple marketable title to the Property, subject only to the Permitted Exceptions (as defined below), and containing such endorsements as Buyer shall

reasonably require ("Title Policy"). Seller shall pay the premium for a standard Title Policy and any endorsements desired by Seller. At Buyer's option, the Title Policy may be issued in ALTA extended coverage form and/or include any endorsements thereto as Buyer may request, provided that all costs of the issuance of the ALTA Policy (including, without limitation, the cost of a survey) in excess of the costs of the issuance of the CLTA Policy shall be borne by Buyer. Seller shall assist Buyer in Buyer's efforts to obtain an ALTA extended policy (by signing standard affidavits and taking such other action as may be reasonably required by the Title Company).

6.2 Survey. If applicable, Buyer, at its cost, will have prepared an ALTA Survey using a licensed surveyor or civil engineer in sufficient detail to provide for the ALTA Title Policy, certified to Buyer and the Title Company in form satisfactory to Buyer without boundary, encroachment, or survey exceptions, which shall show the location of all easements and Improvements ("Survey").

ARTICLE 7

COSTS

7.1 Buyer. Buyer shall pay one-half (1/2) of the Escrow fees and costs, and other closing costs and fees pursuant to this Article 7. At least three (3) days prior to the Closing Date, or as otherwise requested in advance by Escrow Holder, Buyer shall deposit or cause to be deposited with Escrow Holder, a check issued by the Treasurer of San Joaquin County on behalf of Buyer, made payable to Escrow Holder or a confirmed wire transfer of funds, the amount of Escrow Holder's estimate of Buyer's share of closing costs, prorations and charges payable pursuant to this Agreement. As set forth in Article 6.1, Buyer shall pay the premium for the Title Policy to the extent it exceeds the cost thereof to be paid by Seller for a standard CLTA owner's policy, including, but not limited to, premiums for ALTA or other extended coverage and title endorsements desired by Buyer, if any, and the cost of any survey. Buyer shall be responsible for any of Buyer's attorneys' fees and costs in connection with the

negotiation, drafting, and implementation of this Agreement. In addition, any costs for Buyer's due diligence, including costs and fees for Buyer's appraisers or environmental, engineering, architectural, or geotechnical consultants, site investigations, assessments, studies, reports, inspections, surveys, and tests, shall be Buyer's sole responsibility.

7.2 Seller. Seller shall pay one-half (1/2) of the Escrow fees and costs, and other closing costs and fees pursuant to this Article. As set forth in Article 6.1, Seller shall pay an amount equal to the premium for the standard CLTA form Title Policy. Any bonds, taxes, assessments or similar liens affecting the Property at the time of the Close of Escrow will not be prorated between Buyer and Seller at Closing. Seller will be solely responsible for the payment of the total amount of any bonds, taxes, assessments or similar liens affecting the Property, including applicable transfer taxes, if any. All delinquent taxes, assessments, or similar liens, including all interest and penalties, if any, on the Property shall be paid at the Close of Escrow from funds accruing to Seller. All supplemental taxes billed after the Close of Escrow for periods prior to the Close of Escrow shall be paid by Seller to Buyer in immediately available funds. Seller shall also be responsible for any and all fees, costs and expenses of clearing title, as well as any and all fees, costs, and expenses associated with the termination of existing leases, licenses, rental agreements and/or other rights of possession or encumbrances of title on the Property and the removal of all tenants prior to the Close of Escrow, including, but not limited to, relocation benefits, if any, and the removal of Seller's and/or Tenant's personal property/chattels. Buyer shall not be liable for any costs or expenses associated with the removal of tenants or the termination of any rental agreement, tenancy, property interest, right of possession, lien, or encumbrance of any kind on or related to the Property, including, without limitation, the payment of relocation benefits. Furthermore, Seller shall be responsible for all costs and fees of Seller's attorney in connection with the negotiation, drafting, and implementation of this Agreement, all costs and fees of Seller's consultants, as well as all costs and fees of Seller's broker as set forth in Article 15.3.

7.3 Recording Fees. Seller and Buyer shall equally divide all document recording charges with respect to the recording of the Grant Deed and Termination of Easement, if any.

7.4 Utility Charges. Seller shall use reasonable efforts to cause any applicable utility meters to be read on the day prior to the Closing Date, and will be responsible for the cost of any utilities used prior to the Closing Date. If the meters are not read as herein set forth, all such expenses shall be prorated. Buyer shall be responsible for promptly notifying any utility companies supplying services to the Property that following the Closing Date all such utility services (and the billing thereof) should be transferred to Buyer.

7.5 Other Fees and Costs. Buyer and Seller shall share equally the Escrow Holder's fees and other customary charges for document drafting and miscellaneous charges. Buyer and Seller shall each pay all legal and professional fees and costs, and fees and costs of other consultants incurred by Buyer and Seller, respectively. All other costs in connection with the Escrow and the Closing shall be allocated between Buyer and Seller in the customary manner for allocation of such costs between a buyer and a seller in a real estate closing in the county where the Property is located.

7.6 Preliminary Closing Adjustment. Seller and Buyer shall jointly prepare and approve a preliminary Closing adjustment (the "Closing Statement") on the basis of the foregoing prorations, and shall deliver such computation to Escrow Holder prior to Closing. If any of the aforesaid prorations cannot be definitely calculated on the Closing Date, then they shall be estimated at the Closing and definitely calculated within thirty (30) days after the Closing Date. As soon as the necessary information is available, Buyer and Seller shall conduct a post-Closing review to determine the accuracy of all prorations. Either Party owing the other Party a sum of money based on such subsequent proration(s) or post-Closing review shall promptly pay said sum to the other Party, together with interest thereon at the lesser of two percent (2%) over the "prime rate" (as announced from time to time in the Wall Street Journal) per annum or the maximum rate allowed by law, from the date of demand to the

date of payment if payment is not made within ten (10) days after delivery of a written demand therefore, together with documentation to support such demand. The provisions of this Article 7 related to post-Closing adjustment of prorations shall survive the Closing.

ARTICLE 8

DELIVERABLES

8.1 Delivery Outside of Escrow. Seller and Buyer shall each deliver to the other outside of Escrow such items as are necessary to consummate the purchase and sale of the property pursuant to this Agreement prior to Closing as specified herein, satisfaction of which shall be a condition precedent to Buyer's obligation to purchase the Property at the Close of Escrow:

a. Updated Title Report. Within five (5) days of the Effective Date, Seller shall order from Title Company, and promptly provide to Buyer, a copy of a current title report with respect to the Property, together with legible copies of all documents, whether recorded or unrecorded, referred to therein and plot of easements (collectively, "Title Report"). Upon opening of Escrow, Seller shall provide the Escrow Holder with a copy of said Title Report. Buyer's approval or disapproval of the Title Report shall be provided during the Title Review Period pursuant to Article 10.1(a).

b. Disclosures. Within ten (10) days of the Effective Date, Seller shall specifically disclose in writing to Buyer any and all material adverse facts, defects, and/or conditions relating to the Property which are known to the Seller, including, without limitation, recorded or unrecorded liens, unrecorded or recorded claims, rights, or title to water, oil, gas, or minerals, easements, licenses, delinquent taxes or assessments, hidden or unapparent conditions of the Property, subsoil or structures, the condition of the soil, and/or the existence of geologic hazards, environmental impediments, or groundwater contamination on the Property which could prevent the use of the Property for school site purposes, or render the Property more or less valuable, as well as any known adverse facts, defects, and/or conditions

concerning any items further described under Seller's Representations and Warranties, set forth below. Seller's disclosure shall be true and correct to the best of Seller's knowledge, and shall include a legible copy of all documents or other information in Seller's possession or control or otherwise known to Seller relating to the disclosed material adverse facts, defects, and/or conditions.

c. Property-Related Documents. Seller shall, within fifteen (15) days of the Effective Date, deliver to Buyer any and all documents and information related to the Property which is in the possession of Seller or Seller's agents, including any:

1. Copies of any and all documents evidencing interests not shown on the Title Report, if any, and other contracts, matters or restrictions affecting, restricting, or benefiting the Property, including, without limitation existing leases, licenses, contracts, rental agreements, covenants, development agreements, redevelopment plans, tract map conditions of approval, improvement agreements and bonds, easements, profits-a-prendre, party wall agreements, franchises, CC&Rs, commitments, undertakings, liens, water, oil, gas, or mineral rights, and amendments relating to the Property, or the performances of services on the Property, or the use of the Property or any part of it by which Buyer would become obligated or liable to any person, as well as the names and last known addresses of present and former tenant(s)/party(ies) to the agreement(s) to the extent actually known by Seller.

2. Seller will deliver to Buyer without warranty copies of all environmental studies, impact reports, negative declarations, notice of exemptions, or other environmental documents on the Property, surveys, soil tests, reports, and environmental assessments, grading and engineering studies and plans, traffic, noise, and drainage studies, and any other test results or reports in Seller's possession or under Seller's control concerning the Property or any adjacent property owned or controlled by Seller which have a material impact upon the Property. If so requested by Buyer, Seller will instruct those who prepared any such reports as well as Seller's agents and employees, to divulge any other information

they may have about the Property to Buyer, provided that Buyer pays any additional costs incurred.

3. Copies of any and all permits, warranties, plans, specifications, licenses, notices of violation of law, releases, settlement and correspondence with enforcement agencies concerning or relating to the Property.

d. Cooperation. Seller shall reasonably cooperate with Buyer and shall timely take all actions and deliver and execute all documents reasonably necessary for Buyer to perform all required due diligence investigations, studies, tests, assessments, and inspections, prepare all necessary reports, pursue applications for and obtain applicable governmental or regulatory agency permits and approvals, and otherwise as reasonably needed by Buyer to comply with applicable school site acquisition laws and regulations, including, without limitation, Seller's permission for Buyer to discuss the Property with Seller's consultants.

e. Other: Seller and Buyer shall each deliver to the other outside of Escrow any other such items as are necessary to consummate the purchase and sale of the Property pursuant to this Agreement, including, without limitation, the delivery by Seller of keys to doors, gates, and locks on the Property.

8.2 Deliveries Through Escrow. Seller and Buyer shall each deliver to the other through Escrow such documents, instruments, and funds consistent with this Agreement as are necessary to consummate the purchase and sale of the property pursuant to this Agreement, satisfaction of which shall be a condition precedent to Buyer's obligation to purchase the Property at the Close of Escrow:

a. Deliveries by Seller. Within fifteen (15) days prior to the Close of Escrow, or as otherwise requested by Escrow Holder, Seller shall deliver the following: (1) a Grant Deed in substantially the form of **Exhibit "D"** (the "Grant Deed"), executed and acknowledged by Seller, and a Termination of Easement in substantially the form of **Exhibit**

"E" ("Termination of Easement") executed and acknowledged by Seller; (2) a Certificate of Non-Foreign Status (the "FIRPTA") on a form acceptable to Escrow Holder, duly executed by Seller under penalty of perjury, setting forth Seller's address and federal tax identification number in accordance with and/or for the purpose of the provisions of Section 7701 and 1445, as may be amended, of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder; (3) a California state form non-foreign status certificate, executed by Seller; (4) a certification acceptable to Escrow Holder that Seller is exempt from the withholding provisions of the California Revenue and Taxation Code, as amended from time to time, and that neither Buyer nor Escrow Holder is required to withhold any amounts from the Purchase Price pursuant to such provisions; (5) a copy of the Closing Statement (as hereinafter defined), in form and content satisfactory to Buyer and Seller, executed by Seller; and (6) such evidence of Seller's authority as the Title Company may reasonably require.

b. Deliveries by Buyer. Buyer shall deliver the following: (1) the Purchase Price in cash or other immediately available funds; (2) a Certificate of Acceptance; (3) a copy of the Closing Statement, in form and content satisfactory to Buyer and Seller, executed by Buyer; and (4) such evidence of Buyer's authority as the Title Company may reasonably require.

ARTICLE 9

TRANSFER OF TITLE

9.1 Transfer of Title. Title to the Property, in fee simple, shall be delivered by Seller to Buyer in substantially the form of the Grant Deed attached hereto as **Exhibit "D"** ("Grant Deed"). Such title to the Property shall be subject to the Permitted Exceptions. Prior to the Close of Escrow, Seller shall deposit the executed Grant Deed into Escrow in accordance with Article 8.

9.2 Termination of Easement. For the purposes of terminating the easement for roadway purposes described in Article 2.2, Seller shall execute and deliver the Termination of

Easement in substantially the form of the Termination of Easement attached hereto as **Exhibit "E"** ("Termination of Easement"). Prior to the Close of Escrow, Seller shall deposit the executed Termination of Easement into Escrow in accordance with Article 8.

ARTICLE 10

CONDITIONS TO CLOSE

10.1 Conditions to Buyer's Obligation. The Close of Escrow and Buyer's obligation to purchase the Property under this Agreement are subject to the fulfillment of each of the following conditions, each of which is for the benefit of Buyer, and any or all of which may be waived by Buyer in writing at its option, on or prior to the date designated below for the satisfaction of such conditions, or the Close of Escrow in absence of a specified date:

a. Delivery of Title with Permitted Exceptions. Title to the Property shall be conveyed by Seller to Buyer at Closing free and clear of any and all liens, encumbrances and any other items affecting title other than the following exceptions (collectively "Permitted Exceptions"):

- (1) a lien for non-delinquent taxes and assessments;
- (2) any exceptions which the Title Report discloses that are accepted in writing by Buyer; and
- (3) the printed exceptions in the Title Policy.

Buyer shall have until the date that is thirty (30) days after the Effective Date, or thirty (30) days after the date of receipt by Buyer of the updated Title Report, whichever date is later ("Title Review Period"), to approve or disapprove, in writing, any exceptions appearing in the Title Report. If Buyer fails to either approve or disapprove any or all the exceptions in the Title Report within the Title Review Period, the Title Report will be deemed accepted and any title contingencies waived. If Buyer gives Seller written notice that Buyer disapproves an item, Seller has the right, but not the obligation, to elect, within ten (10) days after receipt of such written notice, to cure any such objection(s) to title, other than any defects, objections

or exceptions which comprise mortgages or liens voluntarily created by Seller, and which can be satisfied by payment of a liquidated amount, which Seller agrees that it shall either pay, discharge or, if it is contesting such lien, make arrangement with the Title Company to insure over such matters (at normal rates) without such objection as an exception in Buyer's Title Policy. Failure by Seller to provide such written notice to Buyer will be deemed an election by Seller not to cure any such disapproved item. If Seller elects or is deemed to have elected not to cure a disapproved item, Buyer shall have ten (10) days thereafter either to waive its prior disapproval or to terminate this Agreement by sending written notice thereof to Seller and Escrow Holder. In the event of an election by Buyer to terminate, the parties shall jointly pay any cancellation charges, the Deposit and any other consideration paid for an extension of escrow made to Seller will be returned to Buyer, and neither Party hereto shall have any further rights, obligations or liabilities hereunder except for such obligations under this Agreement as are expressly provided herein to survive the termination of this Agreement. Buyer may, prior to Closing, notify Seller in writing of any objection to title arising or otherwise discovered by Buyer after the date hereof. With respect to any objections to title set forth in such notice, Seller shall have the same options to cure and Buyer shall have the same option to accept title subject to such matters or to terminate this Agreement, as set forth above.

b. Issuance of a Title Insurance Policy. Issuance of the Title Policy for the Property by Title Company to Buyer in a form satisfactory to Buyer, insuring fee simple marketable title to the Property, in the full amount of the Purchase Price, subject only to the Permitted Exceptions, in accordance with Article 6.1.

c. State and Local Regulatory Agencies' Approval. Unconditional acceptance, conferment and approval of the Property for Buyer's use for school site purposes by all applicable state and local regulatory agencies, including, but not limited to, the City of Tracy, the County of San Joaquin, the California Department of Toxic Substances Control ("DTSC"), the California Department of Education ("CDE"), the U.S. Army Corps of Engineers,

the U.S. Fish and Wildlife Department, the California Department of Fish and Game, the Regional Water Quality Board, the State Allocation Board, Division of the State Architect, the Office of Public School Construction, and other applicable governmental and regulatory agencies. In particular, without limitation of the above, Buyer's obligation to close shall be specifically contingent upon CDE's final acceptance and approval of the Property for a school site and Buyer's ability to obtain approval of the use of the Property for a school site by DTSC, including DTSC approval of a Phase I environmental assessment and, if necessary or if required by DTSC, a Preliminary Environmental Assessment (Phase II), with conditions acceptable to Buyer and DTSC, and that any remediation and clean up can either be accomplished in a manner that is suitable to Buyer prior to the Close of Escrow, or be addressed in a work plan and within cost parameters acceptable to Buyer.

d. Board Acceptance. Final acceptance and approval by Buyer's Board of this Agreement and satisfaction of all obligations set forth herein, determination that the Property complies with state school site standards as required by the California Department of Education, and final acceptance and approval by Buyer's Board (pursuant to California Education Code Section 172111) of any final inspections, reports, or analyses prepared by any regulatory agency, including, without limitation, state and local regulatory agencies, of all matters concerning the Property, including approval of any requirements imposed by such agencies relating to the remediation or removal of hazardous substances that may be present on the Property.

e. Environmental Compliance. Determination by Buyer that the Property (including, but not limited to, the condition of the soil, whether existing or imported, as well as the condition of groundwater) complies with all federal, state and local environmental codes, regulations, laws, and requirements applicable for use of the Property by Buyer as a school site including without limitation, the California Environmental Quality Act (including the expiration of any applicable statute of limitations), permits, mitigation and monitoring plans,

geological and soil engineering investigations, hazardous waste and hazardous air emissions, and completion of any applicable environmental site assessments in compliance with Education Code sections 17213.1, *et seq.*, including, without limitation, a Phase I and/or Phase II environmental site assessment as required or other applicable site assessments. Any environmental assessment and all other inspections, reports, analyses, studies and tests of the Property shall be performed at the expense of Buyer and Buyer, if requested by Seller, will provide a copy thereof to Seller following Buyer's receipt of such final assessment or report (but without warranty to Seller regarding the content thereof). If the Property is not acceptable to Buyer because of the results of any environmental assessment required by the aforementioned statutes, the provisions of Article 10.2 shall apply.

f. Approval of Physical Condition of Property/Other Studies and Investigations. Buyer's final approval of the physical and economic condition of the Property (including, without limitation, Seller's removal of all chattels/personal property to Buyer's satisfaction) and any other required or discretionary studies and investigations not otherwise described herein that Buyer deems necessary to assess the suitability of the Property for Buyer's intended purposes and feasibility for developing the Property into a school site, including geology, hazardous, seismic, soils, and hydrology reports; environmental studies and investigations with respect to off-site improvements; the boundaries and dimensions of the Property; and entitlements and permits relating to the Property.

g. FIRPTA Affidavit/Form 590. If required, Seller shall deliver to Escrow Holder prior to the Closing a FIRPTA Affidavit certifying that Seller is a non-foreign person, and a California Form 590.

h. Funding. Close of Escrow is contingent upon Buyer's ability to secure adequate funding for the Purchase Price during the Contingency Period.

i. Termination of Rental Agreements and Leases. Seller shall be solely responsible for terminating all rental agreements, leases, licenses, and/or other property

interests in or rights of possession to the Property and for the removal of all tenants and tenant's chattels/personal property prior to the Close of Escrow, including the payment of all fees and costs associated therewith.

1. Notice to Tenants. As a condition to close, or upon Buyer's request prior to the Closing, Seller agrees to provide the current tenants with as much notice to terminate as is reasonably feasible, but in no event shall such notice be less than the notice required by the lease(s)/license(s) or thirty (30) days, whichever is greater. Seller shall be solely responsible for the removal of said current tenant, including the removal of tenant's chattels/personal property, prior to the Close of Escrow. If Seller is or becomes aware of any occupants of the Property other than current tenants with valid unexpired lease(s)/license(s) before Close of Escrow, Seller shall provide Buyer with a copy of such valid lease(s)/license(s) and written notice of those occupants, and shall be responsible for their removal from the Property prior to the Close of Escrow under the same terms and conditions applicable to tenants as set forth in this Agreement.

2. Tenant Relocation. Subject to Buyer's review of the terms of the current lease(s) or license(s) to which any or all of the Property is subject, the Parties agree that any and all tenants will not be entitled to relocation benefits.

j. Other Conditions to Closing. The Close of Escrow and Buyer's obligation to purchase the Property under this Agreement is also subject to and conditioned on the following: (i) all of Seller's Representations and Warranties contained in this Agreement shall be true and correct in all material respects as of the Close of Escrow; (ii) and, on the Closing Date, Seller shall have timely complied with all obligations and material covenants, agreements and conditions required by this Agreement to be performed, observed and complied with by Seller as of the Closing Date; and (iii) the delivery of all documents and items specified in Articles 8 and 9.

10.2 Conditions to Benefit Buyer. The conditions contained in Article 10.1 are intended solely for the benefit of Buyer. If the Seller is unable to deliver title to the Property in the condition required and/or the contingencies or conditions described in Article 10.1 are not satisfied, Buyer shall have the right at its sole election, either to waive such conditions and to proceed with the purchase of the Property in accordance with the terms hereof, or, in the alternative, to terminate this Agreement and obtain a refund of the Deposit, and any other consideration paid by Buyer for an extension of escrow, plus all interest accrued thereon. In the event Buyer elects to terminate this Agreement for the reasons provided herein, Buyer and Seller shall share equally any title and escrow charges, including any and all cancellation charges, and neither Party hereto shall have any further rights, obligations or liabilities hereunder except for such obligations under this Agreement as are expressly provided herein to survive the termination of this Agreement.

10.3 Conditions to Seller's Obligation. For the benefit of Seller, the Closing shall be conditioned upon the occurrence and/or satisfaction of each of the following conditions (or Seller's written waiver thereof, it being agreed that Seller may waive any or all of such conditions): (i) Buyer shall have performed by the Closing, all of the obligations required by the terms of this Agreement to be performed by Buyer for the benefit of Seller, including the deposit of the Deposit, the Purchase Price, and Buyer's portion of the closing costs with the Escrow Holder; and (ii) all representations and warranties made by Buyer to Seller in this Agreement shall be true and correct as of the Closing.

ARTICLE 11

REPRESENTATIONS AND WARRANTIES

11.1 Buyer Representations and Warranties. In consideration of Seller entering into this Agreement, and as an inducement to Seller to sell the Property to Buyer, Buyer makes the following representations and warranties, each of which is material and is being relied

upon by Seller (the continued truth and accuracy of which shall constitute a condition precedent to Seller's obligations hereunder):

a. Buyer Authority to Execute Agreement. Buyer is a public school district duly formed under the laws of the State of California, and this Agreement and the execution and delivery thereof by the persons designated below have been specifically authorized by Buyer. Buyer has the legal right, power and authority to enter into this Agreement and to consummate the transactions contemplated hereby.

b. Authority of Executing Officer. Each individual executing this Agreement on behalf of Buyer represents, for the benefit of Seller, that he or she is duly authorized to execute and deliver this Agreement on behalf of Buyer.

c. Validity of Buyer's Representations and Warranties at Closing. The representations and warranties of Buyer set forth in this Agreement shall be true on and as of the Closing as if those representations and warranties were made on and as of such time.

11.2 Seller Representations and Warranties. In consideration of Buyer entering into this Agreement, and as an inducement to Buyer to purchase the Property from Seller, Seller makes the representations and warranties below, in addition to those described in Article 10, above, each of which is material and is being relied upon by Buyer (the continued truth and accuracy of which shall constitute a condition precedent to Buyer's obligations hereunder). All references herein to Seller's "actual knowledge" refers to the actual knowledge of Seller and/or authorized representatives of Seller.

a. Seller Authority to Execute Agreement.

1. Seller warrants that Seller is a corporation, duly organized and validly existing and in good standing under the laws of the State of California, with the legal right, full power and authority to enter into, be bound by, and comply with the terms of this Agreement, and all documents executed by Seller in connection with this Agreement, and to consummate the transactions contemplated hereby.

2. Seller warrants that the persons executing this Agreement are legally authorized to execute this Agreement and constitute all persons or entities with a legal interest in the Property necessary to convey clear title to a fee simple interest in the Property, and no consent of any partner, shareholder, trustee, trustor, beneficiary, creditor, investor, judicial or administrative body, governmental authority, or other party is required.

3. Seller warrants that the execution, delivery and performance of this Agreement, and all documents executed by Seller in connection with this Agreement, have been duly authorized, and no other action by Seller is requisite to the valid and binding execution, delivery and performance of this Agreement, except as otherwise expressly set forth herein.

4. Seller warrants that this Agreement, and all documents executed by Seller in connection with this Agreement, are, or at Closing will be, legal, valid, and binding obligations of Seller and do not, and at the time of Closing will not, violate any provisions of any agreement or judicial order to which Seller is a party or to which Seller is subject.

b. Title. Seller has good and marketable title to the Property, free and clear of any and all adverse liens, encumbrances, special assessments, claims to, covenants, conditions, and restrictions, easements, licenses, rights of way, third party interests in or rights of possession to the Property, or other matters or restrictions affecting the Property except as disclosed in writing to Buyer as set forth in Article 8.

c. No Pending Litigation. To Seller's actual knowledge, there are no pending or currently threatened actions, claims, litigation, suits, material claims (including based on labor or services performed), tenant's claims or disputes, legal proceedings (including proceedings in eminent domain or otherwise) or other proceedings pending or currently threatened against or affecting the Property in any court at law or in equity, or before or by any governmental department, commission, board, bureau, agency or instrumentality relating to or affecting the Property. Likewise, no attachments, execution

proceedings, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization, or other proceedings are pending or threatened against Seller or Seller's interest in the Property, nor are any such proceedings contemplated by Seller.

d. Contracts Concerning the Property.

1. Seller represents and warrants that the Property is encumbered by one existing month-to-month lease with one existing tenant, which tenancy can and shall be terminated by Seller prior to the Close of Escrow. Seller shall provide a copy of such lease to Buyer as outlined in Article 8.1. Seller further agrees and warrants that it shall be solely responsible for terminating all such leases, removing said tenant and tenant's chattels/personal property, and for paying any fees and costs associated therewith, if any, pursuant to Articles 7.2 and 10.1. No long-term lease(s) affect the Property, nor are there any leases, subleases, rental agreements, occupancies, tenancies, contracts, licenses, commitments, or undertakings pertaining to the Property, the performance of services on the Property, or the use of the Property or any part of it by which Buyer would become obligated or liable to any person or entity.

2. Seller further represents and warrants that the terms and conditions of this Agreement, including the purchase and sale of the Property, and transfer of title to the Property to Buyer, does not violate any provisions of any agreement or document to which Seller is a party or to which Seller is bound. Seller has not previously sold, transferred, or conveyed the Property, and has not entered into executory contracts for the sale of all or any part of the Property (other than this Agreement), nor do there exist any rights of first refusal, or option to purchase the Property, other than this Agreement. No other agreements have been made by Seller with any person or entity to possess, lease, or purchase the Property or any interest therein.

e. Violations. Seller and/or, to the best of Seller's actual knowledge, Seller's past and current tenant(s), have not received any notice from any governmental or regulatory agency with jurisdiction pertaining to violation of any law, statute, ordinance, regulation, or administrative or judicial order or holding with respect to the Property or any Improvements on the Property, whether or not appearing in public records, nor is the Property in violation of any zoning, land use, building code, environmental, public health, or safety laws.

f. Imported Soil. Seller has not imported soil onto the Property; or, if Seller has imported soil onto the Property, that the imported soil was approved by the California Department of Toxic Substances Control for school site purposes.

g. Material Defects. Seller has not received any notice that any material defect in the Property exists at present or as of the Closing.

h. Easements Not of Record. Seller has no actual knowledge and has not received any notice of the title to be conveyed to Buyer being encumbered by any easements, licenses, or other rights not disclosed by the public record.

i. Condition of Property/Hazardous Material. Seller represents and warrants that it is not aware of the existence of any defect or condition which would prevent the use of the Property, including but not limited, to, the condition of the soil, the existence of geologic hazards or groundwater contamination on the Property, the existence of ecological or environmental impediments to the intended use of the Property, or the transfer of any water rights which are appurtenant to the Property. In accordance with California Health and Safety Code Section 25359.7, Seller represents that to its actual knowledge, no release of Hazardous Materials (as defined below), of any type or nature, solid, liquid, or gaseous, has come to be located on, above, upon or under the Property or immediately adjacent to the Property. Seller further confirms that to its actual knowledge, no underground storage tanks are located at the Property. As used in this Agreement, "Hazardous Materials" is intended by

the Parties to be interpreted in its most comprehensive and cumulative sense, and includes, without limitation:

(1) Those substances including within the definitions of "hazardous substance," "hazardous waste," "hazardous material," "toxic substance," "solid waste," or "pollutant or contaminant" in CERCLA, RCRA, TSCA, HMTA, any Environmental Laws, Cal. Water Code Sections 13050(d) and 13050(p)(1), respectively or California Code of Civil Procedure Section 736(f)(3);

(2) Those substances listed in the United States Department of Transportation (DOT) Table [49 CFR 172.101], or by the Environmental Protection Agency (EPA), or any successor agency, as hazardous substances [40 CFR Part 302];

(3) Other substances, materials, and wastes that are or become regulated or classified as hazardous or toxic under federal, state, county, or local laws or regulations; and

- (4) Any material, waste, or substance that is:
- (i) a petroleum or refined petroleum product,
 - (ii) asbestos,
 - (iii) polychlorinated biphenyl,
 - (iv) designated as a hazardous substance pursuant to 33 U.S.C. Sections 1321 or listed pursuant to 33 U.S.C. Section 1317,
 - (v) a flammable explosive,
 - (vi) a radioactive material,
 - (vii) radon gas,
 - (viii) lead, or
 - (ix) cyanide.

The statutes described above, together with any other federal, state, county or local statutes, ordinances, rules or regulations with respect to Hazardous Materials are collectively referred to herein as "Hazardous Materials Laws".

j. Validity of Seller's Representations and Warranties at Closing. The representations and warranties of the Seller set forth in this Agreement shall be true on and as of the Closing as if those representations and warranties were made on and as of such time, and shall survive Closing and the recordation of the Grant Deed for a period equal to the statute of limitations period for a violation of such representations and warranties.

k. Foreign Person. Seller warrants and represents that Seller is not and will not be at the Closing a "foreign person" within the meaning of section 1445 of the Internal Revenue Code of 1986, as amended. If required, Seller will deposit in escrow concurrent with the deposit of the Grant Deed, Seller's notarized, completed affidavit to such effect, including a California Form 593-C.

l. Future Changes. If, prior to Closing, to Seller's actual knowledge any of Seller's representations or warranties become inaccurate in any material respect, Seller shall promptly give Buyer written notice of such changed circumstance and state whether such changed circumstance is susceptible of cure, and if so, whether Seller elects to cure such changed circumstance. In the event that Seller elects to cure a changed circumstance disclosed in such notice, then: (i) Seller shall promptly commence such cure and diligently prosecute such cure to completion; (ii) this Agreement shall remain in full force and effect; and (iii) the Closing shall take place on the date set therefor, or as soon thereafter as Seller is reasonably able to complete such cure; provided, however, that the Closing shall not be delayed more than fifteen (15) days to allow Seller to complete such cure. In the event that (A) either a changed circumstance disclosed to Buyer by written notice from Seller as set forth above is not susceptible of cure, Seller elects not to cure such changed circumstance, or Seller elects to cure such changed circumstance but fails to promptly commence or diligently

prosecute such cure to completion prior to Closing, and (B) Buyer determines in its reasonable discretion that such changed circumstance materially and adversely affects Buyer's ability to operate the Property as a school site or materially and adversely affects the value of the Property, then Buyer shall have the right to terminate this Agreement by delivering written notice to Seller and the Escrow Holder not later than five (5) business days after Buyer's receipt of written notice from Seller that Seller is not able or willing to cure such changed circumstance. If Buyer elects to terminate this Agreement by providing Seller written notice, then the provisions of Article 12.1 shall apply. In the event Buyer elects to accept a changed circumstance disclosed to Buyer in writing, then this Agreement shall remain in full force and effect, and Seller's representations and warranties shall be deemed to have been modified by the changed circumstance as if such changed circumstance had originally been described in this Agreement.

11.3 Property Condition. Without limiting the foregoing, Buyer hereby acknowledges that, except as expressly provided in this Agreement or any of the documents to be executed and delivered by Seller to Buyer at or prior to Closing, the Property will be sold to Buyer "AS IS", "WHERE AS", and "WITH ALL FAULTS", and except for the express Seller representations and warranties contained in this Agreement and the documents to be executed and delivered by Seller to Buyer at or prior to Closing, there are no representations and/or warranties, express or implied, made by Seller in connection with the purchase and sale of the Property contemplated in this Agreement. Buyer acknowledges and agrees that, except as otherwise expressly provided in this Agreement, Buyer shall rely on Buyer's own due diligence in determining whether the Property is suitable for Purchase by Buyer, Buyer shall conduct its own independent inspection, investigation, and analysis of the Property as it deems necessary or appropriate in so acquiring the Property from Seller, and Buyer is acquiring the Property based exclusively upon Buyer's own investigations and inspections thereof and the express

representations and warranties of Seller contained in this Agreement and in the documents to be executed and delivered by Seller to Buyer at or prior to Closing.

11.4 Mutual Indemnification.

a. To the fullest extent permitted under California law, and in addition to any other applicable rights under this Agreement, Seller agrees to indemnify, defend, and hold Buyer and its officers, employees, agents, attorneys, Board, members of its Board, and representatives ("Buyer's Indemnified Parties") harmless from and against any and all claims, liens, demands, liabilities, costs, expenses, suits, penalties, damages and losses, including, without limitation, reasonable attorneys' fees and costs, arising out of or in an way connected or related to: (i) the ownership, maintenance, or operation of the Property and accruing prior to Closing and first becoming known to Buyer after Closing; (ii) any breach or nonperformance by Seller of any obligation, provision or covenant contained in this Agreement or in any certificate or other instrument or document furnished (or to be furnished) by Seller with respect to the transactions contemplated hereunder which first becomes known to Buyer after Closing; (iii) any liability arising because of a breach of lease, breach of contract or other matter related to the Property which occurred or arose or is alleged to have occurred or arisen prior to Closing and which is not solely due to actions taken by Buyer and which first becomes known to Buyer after Closing; or (iv) any misrepresentations or the breach of any covenant, representation or warranty of Seller contained in this Agreement or in any document, certificate, or exhibit given or delivered to Buyer pursuant to or in connection with this Agreement which first becomes known to Buyer after Closing.

b. To the fullest extent permitted under California law, and in addition to any other applicable rights under this Agreement, Buyer shall indemnify, defend, and hold Seller and its officers, employees, agents, and representatives harmless from and against any and all claims, demands, liabilities, costs, expenses, penalties, damages and losses, including, without limitation, reasonable attorneys' fees and costs, resulting from: (i) any

misrepresentations or breach of warranty or breach of covenant made by Buyer in this Agreement or in any document, certificate, or exhibit given or delivered to Seller pursuant to or in connection with this Agreement; or (ii) any breach or nonperformance by Buyer of any obligation, provision, or covenant contained in this Agreement within Buyer's control and not otherwise waived, however Buyer and Seller agree that Buyer's obligations are conditioned upon the Conditions to Buyer's Obligation set forth in Article 10.1 and the contingencies set forth in the Agreement, except as expressly stated otherwise. Buyer's failure or inability to satisfy the Conditions to Buyer's Obligations shall not constitute a breach or nonperformance under this Agreement.

c. The indemnification provisions of this Article 11.4 shall survive the delivery of the Grant Deed and Termination of Easement and transfer of title or, if title is not transferred pursuant to this Agreement, any termination of this Agreement.

ARTICLE 12

TERMINATION

12.1 Termination. Notwithstanding anything contained in this Agreement to the contrary: (i) if this Agreement is terminated on account of the default by any Party, then the defaulting party shall pay any cancellation or termination fees chargeable by Escrow Holder or the Title Company; (ii) if this Agreement is terminated by Buyer pursuant to any provision of this Agreement giving Buyer the right to terminate, other than Seller's default, then the termination procedures set forth in Article 10.1(a) or 10.2, as applicable, shall apply; (iii) if this Agreement is terminated by Seller pursuant to any provision of this Agreement giving Seller the right to terminate, other than Buyer's Default, Buyer and Seller shall share equally any cancellation or termination fees chargeable by the Escrow Holder or Title Company, except as expressly provided in this Agreement otherwise; and (iv) if, as a result of no fault of Buyer or Seller, Escrow fails to close, Buyer and Seller shall share equally all of Escrow Holder's fees and charges. This paragraph shall survive termination of this Agreement.

ARTICLE 13

REMEDIES

13.1 Remedies for Buyer's Breach. IN THE EVENT THE PURCHASE AND SALE OF THE PROPERTY CONTEMPLATED BY THIS AGREEMENT IS NOT CONSUMMATED BECAUSE OF A DEFAULT UNDER OR BREACH OF THIS AGREEMENT ON THE PART OF THE BUYER, BUYER AND SELLER AGREE THAT IT WOULD BE EXTREMELY DIFFICULT AND IMPRACTICAL TO ASCERTAIN THE EXTENT OF THE DETRIMENT TO SELLER. THE PARTIES HAVE DETERMINED AND AGREE THAT THE ACTUAL AMOUNT OF DAMAGES THAT WOULD BE SUFFERED BY SELLER AS A RESULT OF ANY SUCH DEFAULT OR BREACH IS EXTREMELY DIFFICULT OR IMPRACTICABLE TO DETERMINE AS OF THE DATE OF THIS AGREEMENT, AND THEREFORE BUYER AND SELLER AGREE THAT THE AMOUNT OF THE DEPOSIT TOGETHER WITH ALL INTEREST ACCRUED THEREON (COLLECTIVELY, "DAMAGES AMOUNT"), IS A REASONABLE ESTIMATE OF THE AMOUNT OF SUCH DAMAGES. FOR THESE REASONS, THE PARTIES AGREE THAT IF THE PURCHASE AND SALE IS NOT CONSUMMATED BECAUSE OF BUYER'S DEFAULT OR BREACH, SELLER SHALL BE ENTITLED TO RETAIN AS LIQUIDATED DAMAGES THE DAMAGES AMOUNT, WHICH SHALL BE SELLER'S SOLE AND EXCLUSIVE REMEDY, EITHER AT LAW OR IN EQUITY. THE FOREGOING DOES NOT LIMIT BUYER'S LIABILITY UNDER ANY INDEMNITY OR OTHER PROVISION OF THIS AGREEMENT WHICH BY ITS TERMS SURVIVES A TERMINATION OF THIS AGREEMENT. TO SIGNIFY THEIR AWARENESS AND AGREEMENT TO BE BOUND BY THE TERMS AND PROVISIONS OF THIS ARTICLE 13.1, BUYER AND SELLER HAVE SEPARATELY INITIALED THIS PARAGRAPH BELOW.

BUYER

SELLER

Initials: _____

Initials: _____

13.2 Remedies for Seller's Breach. IF THE CLOSE OF ESCROW SHALL FAIL TO OCCUR BECAUSE OF SELLER'S DEFAULT UNDER OR BREACH OF THIS AGREEMENT, BUYER SHALL HAVE THE OPTION, AS ITS SOLE AND EXCLUSIVE REMEDY AT LAW OR IN EQUITY, TO

EITHER (1) TERMINATE THIS AGREEMENT BY DELIVERY OF WRITTEN NOTICE TO SELLER, IN WHICH EVENT THE DEPOSIT SHALL BE RETURNED TO BUYER AND THE PARTIES SHALL THEREAFTER HAVE NO OBLIGATIONS UNDER THIS AGREEMENT OR ADDITIONAL LIABILITY TO ONE ANOTHER (EXCEPT FOR THOSE PROVISIONS WHICH RECITE THAT THEY SURVIVE TERMINATION); OR (2) MAINTAIN THIS AGREEMENT IN EFFECT AND PURSUE AN ACTION FOR THE EQUITABLE REMEDY OF SPECIFIC PERFORMANCE. THE FOREGOING DOES NOT LIMIT SELLER'S LIABILITY UNDER ANY INDEMNITY OR OTHER PROVISION OF THIS AGREEMENT WHICH BY ITS TERMS SURVIVES A TERMINATION OF THIS AGREEMENT. TO SIGNIFY THEIR AWARENESS AND AGREEMENT TO BE BOUND BY THE TERMS AND PROVISIONS OF THIS ARTICLE 13.2, BUYER AND SELLER HAVE SEPARATELY INITIALED THIS PARAGRAPH BELOW.

BUYER

Initials: _____

SELLER

Initials: _____

ARTICLE 14

DESTRUCTION

Prior to the Close of Escrow, the entire risk of loss or damage by earthquake, flood, landslide, fire or other casualty shall be borne and assumed by Seller, except as otherwise provided in this Article. If, prior to the Close of Escrow, any part of the Property is damaged or destroyed by earthquake, flood, landslide, fire or other casualty, Seller shall immediately notify Buyer of such fact. If such damage or destruction is "material", Seller or Buyer shall have the option to terminate this Agreement. For purposes hereof, "material" shall be deemed to be any damage exceeding Fifty Thousand and No/100ths Dollars (\$50,000.00) or more. If the damage is not material, this Agreement shall remain in full force and effect, and Seller shall repair such damage to the Buyer's satisfaction and may extend the Close of Escrow for up to sixty (60) days in order to complete such repair, unless the Parties mutually agree, in writing, at the time the actual cost to repair such damage is ascertained (and agreed upon by the

Parties), that the agreed upon cost to repair such damage shall instead be deducted from the Purchase Price or as otherwise mutually agreed by the Parties.

ARTICLE 15

GENERAL PROVISIONS

15.1 Time of Essence. Time is of the essence for each provision of this Agreement in which time is an element.

15.2 Notice. Any notice, consent, or approval required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been given, served and received upon: (i) receipt when served by hand delivery during normal business hours (provided that notices which are hand delivered shall not be effective unless the sending Party obtains a signature of a person authorized to receive deliveries on behalf of the receiving Party at such address that the notice has been received); (ii) one (1) business day after being deposited with Federal Express or another reliable overnight courier service for next day delivery providing for "tracking" of delivery; (iii) upon successful transmission and receipt by electronic mail or email to all applicable email address(es) below (except that if the date of such electronic mail or email transmission is not a business day, or if such transmission is made after 5:00 p.m. recipient's local time on a business day, then such notice shall be deemed to be given on the first business day following such transmission), however, unless the receiving Party acknowledges, in writing, receipt of said transmission, the sending Party shall also be required to deposit a courtesy copy of said notice in an authorized receptacle of the United States Postal Service as first class, registered, or certified mail, postage prepaid, return receipt required, and in such case, notice shall be deemed to be given three (3) business days thereafter; or (iv) three (3) business days after being deposited in the United States mail, registered or certified mail, postage prepaid, return receipt required, and addressed as follows:

TO SELLER:

TO BUYER:

San Joaquin Lumber Company

Attn: Joseph Euphrat
901 Butterfield Road
San Anselmo, CA 94960
Joe_euphrat@yahoo.com

Tracy Unified School District

Attn: Casey Goodall, Assoc. Supt. of Bus. Services
Attn: Bonny Carter, Director of Facilities & Planning
1875 W. Lowell Avenue
Tracy, CA 95376
cgoodall@tusd.net
bcarter@tusd.net

With a copy to:

Mid Cal Industrial Properties

Attn: Timothy Pryor
Brokerage/Global Logistics Practice
10940 Trinity Parkway, Suite C 171
Stockton, CA 95219
mctpryor@gmail.com

With a copy to:

Dannis Woliver Kelley

Attn: Jessica K. Johnson, Esq.
275 Battery Street, Suite 1150
San Francisco, CA 94111
jjohnson@DWKesq.com

TO ESCROW HOLDER:

Old Republic Title Holding Company

Attn: [REDACTED]
150 West 10th Street
Tracy, CA 95376
[INSERT EMAIL]

15.3 Broker. Buyer represents and warrants that it has not retained a broker in connection with this transaction. Seller represents and warrants that it has retained the following broker in connection with this transaction: Timothy Pryor of Mid Cal Industrial Properties ("MCIP"). The Parties understand and agree that Seller, at Seller's sole expense, shall be solely responsible for payment of any commissions, broker's fees, or finder's fees owed to MCIP. With the exception of MCIP as set forth herein, Seller has not had any contact or dealings regarding the Property, or any communication in connection with the subject matter of this Agreement, through any real estate broker or other person who can claim a right to a commission or finder's fee in connection with the sale contemplated herein. In the event of any claim for broker's or finder's fees or commissions in connection with the negotiation, execution or consummation of this Agreement, Seller shall, to the fullest extent

permitted under California law, indemnify, hold harmless and defend Buyer from and against any and all liability, claims, demands, damages and costs (including, without limitation, reasonable attorneys' fees and expenses) on account of such claim if it shall be based upon any statement, representation or agreement claimed to have been made by Seller. The provisions of this paragraph shall survive Closing or termination of this Agreement.

15.4 Sophistication of the Parties. Buyer and Seller are sophisticated in the buying and selling of property similar to the Property and each has engaged its own sophisticated real estate counsel and advisors. Buyer and Seller each has knowledge and experience in financial and business matters to enable them each to evaluate the merits and risks of the transactions contemplated hereby. Neither Buyer nor Seller is in a disparate bargaining position with respect to the other. The provisions of this Agreement shall be construed as to their fair meaning, and not for or against any party based upon any attribution to such party as the source of the language in question.

15.5 Entire Agreement of Parties. This Agreement constitutes the entire Agreement between the Parties and supersedes all prior discussions, negotiations and agreements, whether oral or written with respect to the subject matter hereof. This Agreement may be amended or modified only by a written instrument executed by the Seller and Buyer.

15.6 California Law. This Agreement shall be governed by, and the rights, duties, and obligations of the Parties shall be determined and enforced in accordance with, the laws of the State of California.

15.7 Attorneys' Fees. Should litigation be necessary to enforce any terms or provisions of this Agreement, then each Party shall bear its own litigation and collection expenses, witness fees, court costs, and attorneys' fees and costs.

15.8 Waiver. No waiver by any party of any provision of this Agreement shall be considered a waiver of any other provision or of any subsequent breach of the same or any other provision, including the time for performance of any such provision.

15.9 Binding Agreement. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors, and assigns.

15.10 Counterparts. This Agreement and all amendments and supplements to it, if any, may be executed in counterparts, and all counterparts together shall be construed as one document.

15.11 Captions. The captions contained in this Agreement are for convenience only and shall not in any way affect the meaning or interpretation hereof nor serve as evidence of the interpretation hereof, or of the intention of the parties hereto.

15.12 Disputes. Any actions or proceedings arising under, growing out of, or in any way related to this Agreement shall be instituted and prosecuted only in courts located in the County of San Joaquin, State of California, and each party hereto expressly waives its right, under part II, title IV of the California Code of Civil Procedure, to cause any such actions or proceedings to be instituted or prosecuted elsewhere.

15.13 Time. All periods of time referred to in this Agreement shall include all Saturdays, Sundays and state or national holidays, unless the period of time specifies business days, provided that if the date or last date to perform any act or give any notice with respect to this Agreement shall fall on a Saturday, Sunday or state or national holiday, such act or notice may be timely performed or given on the next succeeding day which is not a Saturday, Sunday or state or national holiday.

15.14 Severability. The unenforceability, invalidity, or illegality of any provision of this Agreement shall not render the other provisions hereof unenforceable, invalid or illegal.

15.15 Review of Form of Agreement. Submission of this Agreement for examination or signature by Seller does not constitute an agreement to purchase all, or any portion of, the Property and it is not effective as an Agreement, or otherwise, until execution and delivery by both Buyer and Seller and approval by Buyer's Board.

15.16 Incorporation of Recitals and Exhibits. The recitals and each exhibit attached hereto are hereby incorporated herein by reference.

15.17 Cooperation: Further Documents. Buyer and Seller acknowledge that it may be necessary to execute documents other than those specifically referred to herein in order to complete the acquisition of the Property. Both Buyer and Seller hereby agree to cooperate with each other by executing such other documents or taking such other action as may be reasonably necessary to complete this transaction in accordance with the intent of the Parties as evidenced in this Agreement.

15.18 Notice and Opportunity to Cure. Various provisions of this Agreement permit or require a written response by Buyer or Seller to certain matters, with the further provision that failure by a party to respond will be deemed disapproval of the matter in question, resulting in termination of this Agreement. Buyer and Seller acknowledge that they do not want the Agreement to be terminated due to a non-monetary default until and unless the non-responding party has been put on notice of its failure to respond and given an opportunity to cure. Buyer and Seller therefore agree that with respect to any provision of this Agreement other than the timely payment of money hereunder, this Agreement will not be deemed terminated due to the lack of response by a party until and unless such lack of response continues for a period of five (5) business days following receipt by the non-responding party of written notice from the other party that such a response is due and has not been received.

15.19 Representation by Counsel. Notwithstanding any rule or maxim of construction to the contrary, any ambiguity or uncertainty shall not be construed against either Seller or Buyer based upon authorship of any of the provisions hereof. Seller and Buyer each hereby warrant, represent and certify to the other as follows: (a) that the contents of this Agreement have been completely and carefully read by the representing party and counsel for the representing party; (b) that the representing party has been separately represented by counsel and the representing party is satisfied with such representation; (c) that the

representing party's counsel has advised the representing party of, and the representing party fully understands, the legal consequences of this Agreement; and (d) that no other person (whether a party to this Agreement or not) has made any threats, promises or representations of any kind whatsoever to induce the execution hereof, other than the performance of the terms and provisions hereof.

15.20 Assignment.

a. Seller shall not voluntarily or by operation of law, assign or otherwise transfer any of its rights or obligations under this Agreement, including, without limitation, transferring ownership of the Property to another party, without obtaining the prior written consent of the Buyer. Such consent may only be withheld based upon objective factors which relate to the discharge of obligations set forth herein and in no event shall such consent be unreasonably withheld or delayed.

b. Buyer shall not voluntarily, assign or otherwise transfer any of its rights or obligations under this Agreement to another party, without obtaining the prior written consent of the Seller, unless Buyer is directed, ordered, or regulated to make such an assignment by operation of law, by any state or federal agency, entity, or consortium that has jurisdiction over the Buyer and its operations, by court order, or by conversion, realignment or division of its operations or boundaries. For example (without limitation), Seller understands and acknowledges that should the Buyer become a party to a State receivership, Buyer may be ordered to make a general assignment for the benefit of creditors or a similar arrangement in furtherance of the receivership. Buyer will provide notice to Seller of such directed, ordered, or regulated assignment, as soon as practicable.

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[SIGNATURE BLOCK APPEARS ON NEXT PAGE]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the last date set forth below following approval by Buyer's Board.

BUYER:

TRACY UNIFIED SCHOOL DISTRICT

By: _____
President, Board of Trustees

By: _____
Superintendent

Date: _____

SELLER:

SAN JOAQUIN LUMBER COMPANY

By: _____
Name

_____ Title

Date: _____

RECEIPT BY ESCROW HOLDER

Escrow Holder hereby acknowledges receipt of a fully executed copy of the foregoing Agreement on this date and agrees to abide by the escrow instructions contained therein, and hereby confirms that the Effective Date of the Agreement is as set forth below.

Escrow Holder: _____

By: _____

Name: _____

Its: _____

Effective Date: _____

EXHIBIT A

LEGAL DESCRIPTION OF REAL PROPERTY

455 East Eleventh Street, Tracy, CA 95201

The land referred to is situated in the County of San Joaquin, City of Tracy, State of California, and is described as follows:

PARCEL ONE:

That portion of the Southeast quarter (SE1/4) of Section Twenty-One (21), Township Two (2) South, Range Five (5) East, M.D.B. & M., described as follows, to-wit:

Beginning at a point on the North line of East Eleventh Street, in the City of Tracy, 400 feet East of the East line of the Tracy Union High School Property; thence East along the North line of Eleventh Street, 175 feet; thence North parallel to the Tracy Union High School property, 200 feet; thence West parallel to the North line of Eleventh Street, 175 feet; thence South parallel to said Tracy Union High School property, 200 feet to the point of beginning. Except the Westerly 50 feet thereof heretofore conveyed to Tracy Union High School District.

PARCEL TWO:

The right to use that portion of the aforescribed property heretofore conveyed to Tracy Union High School District as mentioned in the above exception, jointly with said Tracy Union High School District as specified in deed of conveyance thereof to said District.

APN: 233-370-07

EXHIBIT B

MAP OF REAL PROPERTY

**Visual Depiction of 455 East Eleventh Street, Tracy, CA 95201
(APN 233-370-07)**

THIS MAP IS FOR ASSESSMENT PURPOSES ONLY

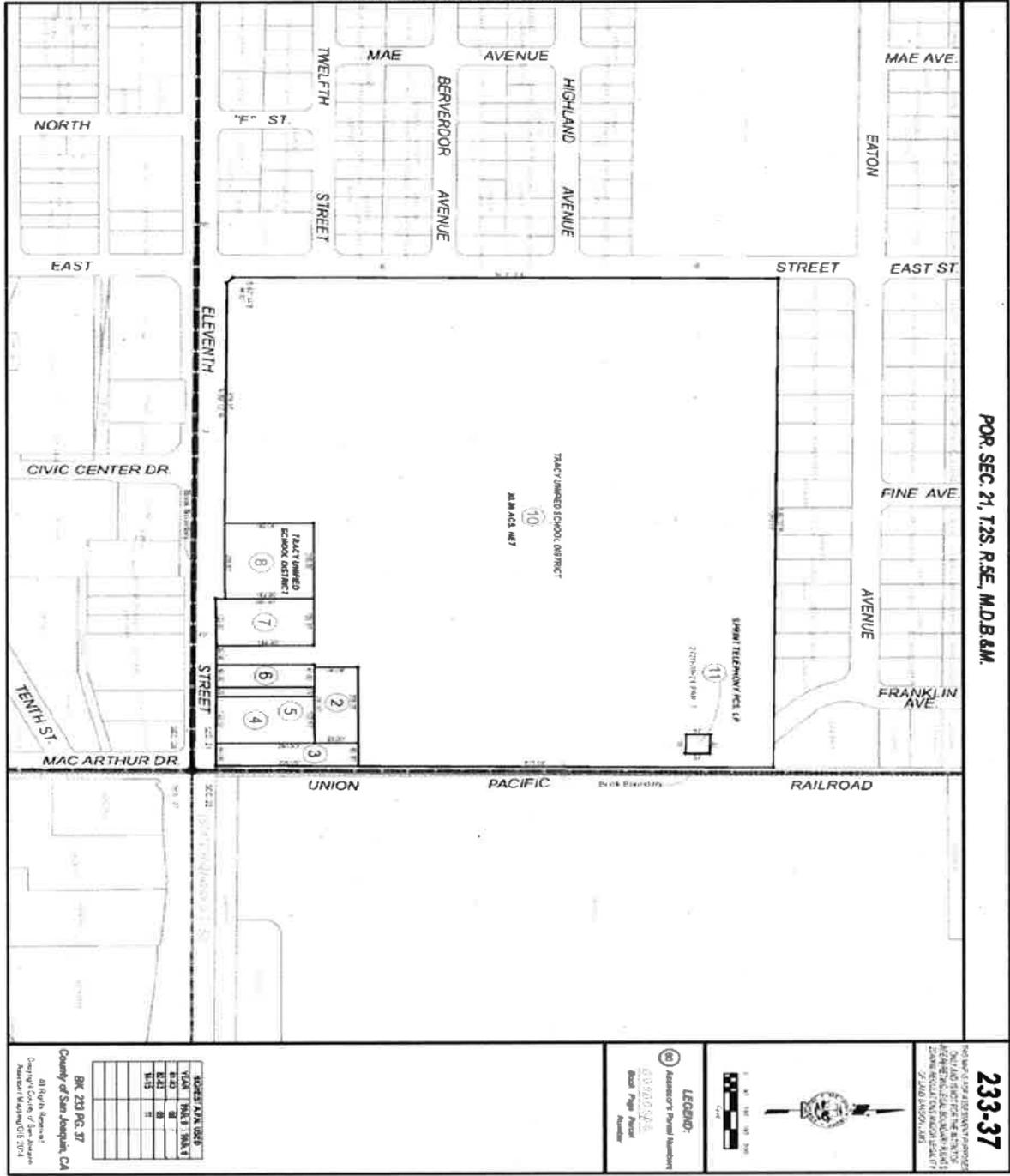


EXHIBIT C

Easement for Roadway Purposes

100

COMPARED

GRANT DEED

IN CONSIDERATION OF TEN AND NO/100 (\$10.00) Dollars, G. D. DELIGIANNIS, a single man, DOES HEREBY GRANT to SAN JOAQUIN LUMBER COMPANY, a California corporation, all that Real Property situate in the City of Tracy, County of San Joaquin, State of California, described as follows:

That portion of the Southeast Quarter (SE 1/4) of Section Twenty-one (21), Township Two (2) South, Range Five (5) East, M.D.B. & M., described as follows, to-wit:

Beginning at, a point on the North line of East Eleventh Street, in the City of Tracy, 400 feet East of the East line of the Tracy Union High School Property; thence East along the North line of Eleventh Street, 175 feet; thence North parallel to the Tracy Union High School property, 200 feet; thence West parallel to the North line of Eleventh Street, 175 feet; thence South parallel to said Tracy Union High School property, 200 feet to the point of beginning, EXCEPT the easterly 50 feet thereof heretofore conveyed to Tracy Union High School District.

Also, granting and conveying the right to use that portion of the abovescribed property heretofore conveyed to Tracy Union High School District as mentioned in the above exception, jointly with said Tracy Union High School District as specified in deed of conveyance thereof to said District.

Subject to conditions, restrictions, reservations, easements, rights, and rights of way now of record.

(\$10.45 I. R. Stamps attached and cancelled.)

WITNESS my hand this 29th day of May, 1946.

G. D. Deligiannis

STATE OF CALIFORNIA }
County of San Joaquin } ss

On this 31st day of May in the year one thousand nine hundred and forty-six before me J. Kingsley Chadeayne a Notary Public in and for said County and State residing therein, duly commissioned and sworn, personally appeared G. D. Deligiannis known to me to be the person described in whose name is subscribed to and who executed the within instrument and acknowledged that he executed the same.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal at my office in the said County, the day and year in this Certificate first above written.

(Notary Seal)

J. Kingsley Chadeayne, Notary Public in and for said County and State. My commission expires Sept. 27, 1948

#22395 Recorded at Request of SECURITY TITLE INS. & GUAR. CO., JUL 10, 1946 at 6 min. past 3 o'clock P. M., in Book of Official Records, Vol. 1004, page 100, San Joaquin County Records.

John D. Finney, Recorder

Fees: \$1.00

JBL

of Official Records, Vol. 957, Page 136, San Joaquin County Records.

Fee \$10.

John D. Finney, Recorder

VH.

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EXHIBIT D

Grant Deed

RECORDING REQUESTED BY
Old Republic Title Holding Company, Inc.

**AND WHEN RECORDED MAIL
DOCUMENT TO:**

Tracy Unified School District
c/o Jessika K. Johnson, Esq.
Dannis Woliver Kelley
275 Battery Street, Suite 1150
San Francisco, CA 94111

Space Above This Line for Recorder's Use
Only

A.P.N.: 233-370-07

File No.:

GRANT DEED

The Undersigned Grantor(s) Declare(s): DOCUMENTARY TRANSFER TAX **THE UNDERSIGNED GRANTOR(S) DECLARE(S): THIS INSTRUMENT IS EXEMPT FROM RECORDING FEES (GOVT. CODE 27383 AND FROM DOCUMENTARY TRANSFER TAX (REV.AD TAXATION CODE 11922); CITY TRANSFER TAX \$NONE; SURVEY MONUMENT FEE \$N/A**

- computed on the consideration or full value of property conveyed, OR
- computed on the consideration or full value less value of liens and/or encumbrances remaining at time of sale,
- unincorporated area; City of **Tracy**, and

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,
San Joaquin Lumber Company, a registered California corporation, hereby GRANTS to
Tracy Unified School District, a California public school district,
the following described property in the City of **Tracy**, County of **San Joaquin**, State of **California**:

PARCEL ONE:

That portion of the Southeast Quarter of Section 21, Township 2 South, Range 5 East, Mount Diablo Base and Meridian, described as follows:

Beginning at a point on the North line of East Eleventh Street, in the City of Tracy, 400 feet East of the East line of the Tracy Union School Property; thence East, along the North line of Eleventh Street, 175 feet; thence North parallel to the Tracy Union School property, 200 feet; thence West parallel to the North line of Eleventh Street, 175 feet; thence South parallel to said Tracy Union School property, 200 feet to the point of beginning.

EXCEPTING THEREFROM the Westerly 50 feet therefore conveyed to Tracy Union School District.

PARCEL TWO:

The right to use that portion of the afore described property heretofore conveyed to Tracy Union School District as mentioned in the above exception, jointly with said Tracy Union School District as specified in Deed of conveyance thereof to said District.

**San Joaquin Lumber Company,
a registered California corporation**

By:
Title:

California All-Purpose Certificate of 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)
) ss.
COUNTY OF SAN JOAQUIN)

On _____, 2018, before me, _____, 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 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 of Notary

EXHIBIT E

**PROPERTY OWNER CONSENT TO PROPERTY ACCESS,
INTRUSIVE TESTING, AND REPAIR**

**PROPERTY OWNER CONSENT
TO PROPERTY ACCESS, INTRUSIVE TESTING, AND REPAIR**

The Property:

Address: 455 East Eleventh Street
Tracy, California 95201
Assessor's Parcel Number (APN): 233-370-07

Property Owner's Consent:

I, Joseph C. Euphrat, President, of San Joaquin Lumber Company, a California corporation ("San Joaquin Lumber Company"), am an officer and duly authorized representative of San Joaquin Lumber Company, the owner of the property listed above. I consent to providing Tracy Unified School District, a California public school district ("District"), and its employees, agents, and consultants the right to enter the Property and free and unrestricted access to the Property at any time and from time to time, as reasonable, upon 24-hours advance notice from District, for purposes of conducting or making photographs, studies, surveys, examinations, tests, soundings, borings, samplings, inquiries, interviews, or appraisals, or to engage in similar activities ("Investigation") reasonably related to acquisition or use of the Property in anticipation and furtherance of the parties entering into negotiations for the District's proposed acquisition of the Property. I understand that the Investigation may involve several visits to the Property, and I do hereby consent to such access and Investigation for a period of forty-five (45) days from the date this agreement is signed by both parties. By signing below, I represent and warrant that I have been duly authorized to execute this consent on behalf of San Joaquin Lumber Company and am signing on San Joaquin Lumber Company's behalf.

District's Agreement:

The District agrees to repair and reasonably restore, at its sole cost, those parts of the Property affected by the District's Investigation. District agrees to indemnify, defend, and hold San Joaquin Lumber Company harmless from and against all costs, expenses, damages, liabilities, liens, actions, or claims, including, without limitation, attorneys' fees and court costs, directly related to any entry on the Property by the District, its agents, employees, or contractors in the course of performing the Investigation provided for herein, or resulting from any conditions on the Property directly created by the District's Investigation.

IN WITNESS WHEREOF, the parties executed this agreement on the dates indicated below.

San Joaquin Lumber Company,
a California corporation

[Signature]
Signature of Duly Authorized Representative
Joseph C. Euphrat
Print Name
President
Title
9/21/17
Date

Tracy Unified School District,
a California public school district

[Signature]
Signature of Duly Authorized Representative
Cathy J. Goodall
Print Name
Associate Superintendent for Business Services
Title
9/21/17
Date

Exhibit F

Termination of Easement

RECORDING REQUESTED BY
Old Republic Title Holding Company, Inc.

**AND WHEN RECORDED MAIL
DOCUMENT TO:**

Tracy Unified School District
c/o Jessika K. Johnson, Esq.
Dannis Woliver Kelley
275 Battery Street, Suite 1150
San Francisco, CA 94111

Space Above This Line for Recorder's Use
Only

This document is exempt from a recording
fee pursuant to Government Code Section 6103

**TERMINATION OF EASEMENT
(APN: [REDACTED])**

This Termination of Easement, dated for purposes of identification only as of _____, 2018, is made by and between Tracy Unified School District, a California public school district ("District"), and San Joaquin Lumber Company, a California corporation ("SJLC").

RECITALS

- A. By deed recorded February 18, 1946 (Book 957, Page 135) in the Book of Official Records of San Joaquin County ("February 18, 1946, Deed"), District acquired fee title to a fifty-foot wide strip of certain real property in the City of Tracy, State of California, as more particularly described in the February 18, 1946, Deed. Said fifty-foot wide strip makes up a portion of an approximately 30.86 acre parcel owned by District, known as Assessor's Parcel Number 233-370-10.
- B. By a provision in the February 18, 1946, Deed, the grantor in said Deed reserved, "for the benefit of, and appurtenant to" that certain real property now known as Assessor's Parcel Number (APN 233-370-07), the right to use the fifty-foot wide strip "for roadway purposes" ("Easement").
- C. By deed recorded July 10, 1946 (Book 1004, Page 100) in the Book of Official Records of San Joaquin County ("July 10, 1946, Deed"), the aforesaid grantor conveyed to SJLC fee title to the dominant tenement (APN 233-370-07) to which the reservation was appurtenant, and granted and conveyed the Easement to SJLC.
- D. Subsequently, District and SJLC entered into a license agreement, dated July 10, 1973, granting SJLC a license to use the Easement area for limited parking and other related uses, and described the rights and obligations of District and SJLC under the terms of the license ("License"). The Parties acknowledge and agree that the rights and obligations set forth in that certain License agreement were previously abandoned and/or terminated pursuant to the terms of that agreement, and reverted to the use, rights and liabilities set forth in the 1946 Easement.

- E. District and SJLC have since entered into negotiations to transfer ownership of the dominant tenement from SJLC to District.
- F. District and SJLC intend, by this Termination of Easement, to Terminate the Easement described in both the February 18, 1946, Deed, and the July 10, 1946, Deed ("1946 Deeds").

NOW, THEREFORE, AND IN CONSIDERATION OF THE MUTUAL PROMISES, COVENANTS, AND CONDITIONS CONTAINED HEREIN, DISTRICT AND SJLC AGREE AS FOLLOWS:

- 1. The Easement described in the 1946 Deeds is hereby terminated. The Parties are further released from any and all rights and obligations provided for in the 1946 Deeds.
- 2. This Termination of Easement may be executed in one or more counterparts, each of which shall constitute an original, and all of which, taken together, shall constitute one and the same Termination of Easement.
- 3. This Termination of Easement shall be construed in accordance with and governed by the laws of the State of California.

IN WITNESS WHEREOF, THE PARTIES HAVE EXECUTED THIS TERMINATION OF EASEMENT AS OF THE RESPECTIVE DATES SET FORTH BELOW:

TRACY UNIFIED SCHOOL DISTRICT

SAN JOAQUIN LUMBER COMPANY

By: _____
 President, Board of Trustees

By: _____
 Name

By: _____
 Superintendent

 Title

Date: _____

Date: _____