TO: Honorable Mayor and City Council  
Attention: Laura C. Kuhn, City Manager

FROM: Royce W. Cunningham, Director of Utilities  
(Staff Contact: Royce Cunningham, (707) 469-6412)


DISCUSSION:

The City of Vacaville constructed Water Well #14 in 1997. At 2.38 million gallons per day, Well #14 is one of the City’s highest production wells. Well #14 has also been one of the City’s most mechanically reliable water wells. In 2014, the State of California adopted new regulations for drinking water from groundwater wells, establishing a new Maximum Contaminant Level (MCL) for Hexavalent Chromium, also known as Chromium 6 (Cr+6), of 10 parts per billion (ppb). The State’s previous MCL for Total Chromium was 50 ppb. Well #14 has consistently been well within the 50 ppb MCL for Total Chromium, but does not meet the new 10 ppb MCL for Cr+6.

There are treatment processes to reduce Cr+6 in groundwater coming from wells. These treatment systems are very sophisticated, consisting of a multi-phase chemical treatment process which requires extensive equipment, piping, and chemical process tankage. The City submitted a proposed Compliance Plan to the State Department of Water Resources – Division of Drinking Water (DDW) to add treatment for Cr+6 at Well #14. The State has approved the Compliance Plan, giving the City until March 2018 to start construction of the additional treatment facilities.

The existing Well #14 parcel (APN 0134-480-030), consisting of approximately 0.8 acres, is not large enough to add the required treatment facilities. The City has evaluated several options for the acquisition of additional property for the improvements, including purchasing all or a portion of the vacant parcel immediately to the south of the Well #14 site, accessing the Well #14 site from the already fully-developed business property immediately to the north, and purchasing a nearby parcel owned by the Successor Agency to the Redevelopment Agency (APN 0134-480-100). Attachment 1 shows the Assessor’s Parcel Map for the subject parcels.

Discussions with property owners and tenants for the parcels immediately to the north and south of the Well #14 site have not resulted in any firm commitments. The former Successor Agency parcel was recently advertised for public bid. The Utilities Department received authorization from the City Council to submit a bid to purchase APN 0134-480-100 in accordance with the bid instructions which included submitting an executed Purchase and Sale Agreement (Attachment 2). The Utilities Department submitted a bid as the City of Vacaville and was the highest bidder at a price of $248,889.38. The final determination on the sale of the property will be considered by the Successor Agency’s Oversight Board and the State Department of Finance (DOF).
Staff is recommending that the Purchase and Sale Agreement be formally approved and that the City Council accept the transfer of the property at this time. If these actions are approved and the Oversight Board and DOF approve the sale, staff will complete the purchase process, including completing the transfer of the property to the City of Vacaville.

**FISCAL IMPACT:**

There is no impact on the General Fund as a result of the recommended actions. All costs associated with the acquisition of land and improvements to Water Well #14 will be paid from the Water Fund.

**RECOMMENDATION:**

By simple motion, adopt the subject resolution.

**ATTACHMENTS:**

Resolution – Action Item  
Attachment 1 – Assessor’s Parcel Map  
Attachment 2 – Purchase and Sale Agreement
RESOLUTION NO. 2016-

RESOLUTION OF THE CITY OF VACAVILLE APPROVING A PURCHASE AND SALE AGREEMENT BETWEEN THE CITY OF VACAVILLE AND THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF VACAVILLE AND ACCEPTING THE TRANSFER OF THE PROPERTY ON AUTO CENTER DRIVE (APN 0134-480-100) FOR THE PURPOSE OF INSTALLING WATER SYSTEM IMPROVEMENTS

WHEREAS, In 1997, the City of Vacaville constructed Water Well #14, which is one of the City’s newest, highest production water supply wells; and

WHEREAS, in 2014 the State of California adopted new regulations for drinking water from groundwater wells, establishing a new Maximum Contaminant Level (MCL) for Hexavalent Chromium, of 10 parts per billion (ppb), replacing a previous MCL of 50 ppb for Total Chromium; and

WHEREAS, Water Well #14 met the previous Total Chromium MCL, but does not meet the new Hexavalent Chromium MCL, requiring installation of additional water treatment system improvements at Water Well #14; and

WHEREAS, the existing Well #14 site is not large enough to install the necessary treatment system improvements, requiring the purchase of additional land; and

WHEREAS, the Successor Agency to the Redevelopment Agency of the City of Vacaville owns a vacant 2.78-acre parcel of land, Assessor’s Parcel (APN) 0134-480-100, near the Well #14 site; and

WHEREAS, on April 21, 2016, the Successor Agency to the Redevelopment Agency of the City of Vacaville advertised APN 0134-480-100 for public bid; and

WHEREAS, on May 12, 2016, the public bid process was completed, with the City of Vacaville being the highest bidder, with a bid of $248,889.38.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Vacaville that the Purchase and Sale Agreement between the City of Vacaville and the Successor Agency to the Redevelopment Agency of the City of Vacaville is approved and the City of Vacaville accepts the transfer of property on Auto Center Drive, APN 0134-480-100 for the purpose of installing improvements to Water Well #14.

I HEREBY CERTIFY that the foregoing resolution was introduced and passed at a regular meeting of the City Council of the City of Vacaville, held on the 24th day of May, 2016 by the following vote:

AYES:

NOES:

ABSENT:

ATTEST:

Michelle A. Thornbrugh, City Clerk
PURCHASE AND SALE AGREEMENT AND INITIAL JOINT ESCROW INSTRUCTIONS

This Purchase and Sale Agreement and Initial Joint Escrow Instructions ("Agreement"), dated for reference purposes only April 21, 2016, is entered into by and between THE SUCCESSOR AGENCY OF THE REDEVELOPMENT AGENCY OF THE CITY OF VACAVILLE, formed pursuant to California Health and Safety Code § 34173(a) ("Seller"), and City of Vacaville, a municipal corporation ("Buyer").

Recitals

A. Seller is the owner of certain +/− 2.68 acres of unimproved real property located in Vacaville ("City"), County of Solano ("County"), State of California ("State"), Assessor’s Parcel Number 0134-480-100, as more particularly described in Exhibit A, attached hereto and made a part of this Agreement ("Property").

B. On the terms, conditions and provisions set forth in this Agreement, Buyer desires to purchase, and Seller desires to sell to Buyer, the Property. Seller no longer requires the Property for future public use. Buyer and Seller have entered into this Agreement voluntarily as a negotiated transaction for the Buyer to acquire and for the Seller to sell the Property.

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual covenants contained herein, the parties agree as follows:

Agreement

1. Purchase and Sale: Seller agrees to sell to Buyer, and Buyer agrees to purchase from Seller, the Property on the terms and subject to the conditions set forth in this Agreement. The effective date ("Effective Date") of this Agreement shall be the date of execution by the last party to execute this Agreement.

2. Purchase Price: The purchase price ("Purchase Price") for the Property shall be Two hundred forty-eight thousand eight hundred eighty-nine dollars and thirty-eight cents ($248,889.38).

3. Escrow: Escrow Holder ("Escrow Holder") shall be:

   Name: Placer Title Company
   Address: 1300 Oliver Rd., Ste. 120, Fairfield, CA 94534
   Phone: (707) 429-2211
   Fax: (707) 429-1230

   (a) Opening of Escrow: Within three (3) business day after the Effective Date, Seller shall open escrow ("Escrow") with Escrow Holder and deliver to Escrow Holder all escrow instructions necessary to consummate the transaction contemplated by this Agreement. Any subsequent changes to the escrow instructions must be mutually agreed to in writing by the parties. If there is any inconsistency between such supplemental instructions and this Agreement, this Agreement shall control.

   (b) Close of Escrow: For the purpose of this Agreement, the "Close of Escrow" shall be defined as the date that the Grant Deed (as defined in Section 5, below) is recorded in the Official Records of the County of Solano. The Close of Escrow is estimated to occur on or before July 31, 2016, but shall occur
no later than forty-five (45) calendar days after approval by the California Department of Finance ("DOF") pursuant to Section 7(a)(viii) below.

4. **Payment of Purchase Price:** The Purchase Price shall be payable as follows:

   (a) **Deposit:** Buyer has submitted, with this Agreement to Seller, a Good Faith Deposit ("Deposit"), in the form of a cashier's check, in the amount of twenty-one thousand five hundred dollars ($21,500), equivalent to ten percent (10%) of the minimum bid amount, which shall be deposited in Seller's bank account within three (3) business days after the Effective Date. The Deposit shall become non-refundable to Buyer upon Buyer's delivery to Seller of the Contingency Period Notice as defined in Section 7(a)(ii), below, accepting all conditions of the Property and waiving all contingencies.

   (b) **Balance of Purchase Price:** At least three (3) business days prior to Close of Escrow, Buyer shall deposit with Escrow Holder the balance of the Purchase Price, in immediately available funds, which shall be paid to Seller at Close of Escrow.

5. **Conditions of Title:** The Property shall be conveyed to Buyer by Seller by a grant deed, in the form customarily used by Escrow Holder in the County ("Grant Deed"), subject only to (a) a lien to secure payment of real estate taxes and assessments, not delinquent; (b) the lien of current supplemental taxes, not delinquent; (c) such other title matters affecting the Property created by or with the written consent of Buyer; (d) all applicable laws, ordinances, rules and governmental regulations (including, but not limited to, those relative to building, zoning and land use) affecting the development, use, occupancy or enjoyment of the Property; (e) all matters which would be apparent from an inspection, or disclosed by a survey of the Property; and (f) exceptions which are approved and/or accepted by Buyer in accordance with Section 7(a)(i) of this Agreement (collectively, "Approved Conditions of Title").

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

7. **Conditions to Close of Escrow:**

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

   (i) **Title:** Pursuant to the terms and conditions of this subsection, Buyer shall have the right to approve any and all matters of and exceptions to title of the Property, as disclosed by the following documents and instruments (collectively, "Title Documents"): (A) a preliminary title report issued by Escrow Holder with respect to the Property; and (B) legible copies of all documents referred to in such preliminary title report. Seller shall use its best efforts to deliver the Title Documents to Buyer within ten (10) business days following the Effective Date. Buyer shall have ten (10) calendar days from the Effective Date to give Seller and Escrow Holder written notice ("Buyer's Title Notice") of Buyer's
approval or disapproval of the exceptions to title. The failure of Buyer to give Buyer's Title Notice to Seller within the specified time period shall be deemed Buyer's approval of the exceptions to title. In the event that Buyer's Title Notice disapproves, or is deemed to have disapproved of any matter of title shown in the Title Documents, Seller shall, within five (5) calendar days after Buyer's Title Notice is received by Seller, give Buyer written notice ("Seller's Title Notice") of those disapproved title matters, if any, which Seller is unwilling or unable to, after reasonable and good faith efforts, have eliminated from title to the Property by the Close of Escrow. Notwithstanding the foregoing, Seller agrees to remove on the Close of Escrow any deeds of trust whereby Seller is the trustor or borrower which are currently recorded against the Property. If Seller is unable or unwilling to remove all of the title matters objected to by Buyer in Buyer's Title Notice, or fails to deliver Seller's Title Notice, Buyer shall have five (5) business days from receipt or non-receipt of Seller's Title Notice to notify Seller in writing that either (1) Buyer is willing to purchase the Property, subject to such disapproved title matters, or (2) Buyer elects to terminate this transaction. Failure of Buyer to take either one of the actions described in clause (1) or (2) in the previous sentence shall be deemed to be Buyer's election to terminate this transaction as described in clause (2). If this Agreement is terminated pursuant to this Section 7(a)(i), the Deposit shall be returned to Buyer (provided that Buyer has complied with the terms of Section 23(m) below), and, except as otherwise provided in this Agreement, Seller and Buyer will have no further obligations or rights to one another under this Agreement.

(ii) Inspections and Studies/Costs: For the period of time commencing on the Effective Date and ending thirty (30) calendar days later ("Contingency Period"), Buyer shall have the right to conduct any and all non-destructive inspections, investigations, tests and studies (including, without limitation, investigations with regard to zoning, building codes and other governmental regulations, architectural inspections, engineering tests, economic feasibility studies and soils, seismic and geologic reports and environmental testing) with respect to the Property as Buyer may elect to make or maintain. The cost of any such inspections, investigations, tests and/or studies shall be borne by Buyer.

Between the Effective Date and the Close of Escrow, Buyer and Buyer's employees, agents, contractors, subcontractors and consultants (collectively, "Buyer's Representatives") shall have the right to enter upon the Property, at reasonable times during ordinary business hours upon prior written notice to Seller to perform such inspections, investigations, tests and studies. Following any such inspections, investigations, tests and studies, Buyer agrees to promptly return any portions of the Property damaged or altered by Buyer during such investigations, inspections, tests and studies to substantially the same condition they existed prior to such inspections, investigations, tests and studies.

Buyer shall indemnify, defend and hold Seller and the Property harmless from any and all claims, damages or liabilities arising out of or resulting from the entry onto or activities upon the Property by Buyer or Buyer's Representatives or liens arising from Buyer's due diligence review of the Property.

Prior to the expiration of the Contingency Period, Buyer shall deliver to Seller and Escrow Holder written notice ("Contingency Period Notice") of its approval or disapproval of the Property and the Documents and Materials (as defined in Section 7(a)(vi), below). Buyer acknowledges that the Property will transfer to Buyer in its present "AS-IS" condition as at the time of the Close of Escrow and that Seller will make no repairs before or during Escrow or after the Close of Escrow. The Contingency Period Notice to the Escrow Holder shall be accompanied by the Natural Hazards Disclosure Statement (as defined in Section 7(a)(v), below). The failure of Buyer to timely deliver the Contingency Period Notice shall be deemed to constitute Buyer's approval of the Property and the Documents and Materials.

If this Agreement is terminated pursuant to this subsection, Buyer shall deliver to Seller the Documents and Materials delivered to Buyer by Seller, and, at no cost and without warranty as to
correctness, copies of all reports, studies, maps and engineering studies that were generated by third parties for Buyer with respect to the Property, including, but not limited to, all environmental reports, surveys, marketing reports, geotechnical reports, lot studies and improvement plans.

(iii) **Title Insurance:** As of the Close of Escrow, Title Company shall have committed to issue the Title Policy to Buyer.

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

(v) **Natural Hazards Disclosure Statement:** No later than five (5) business days prior to the scheduled expiration of the Contingency Period, Seller shall deliver to Buyer a written statement of any known natural hazards on the Property ("Natural Hazards Disclosure Statement"). Buyer shall approve the Natural Hazards Disclosure Statement and return a signed copy thereof to Seller and Escrow Holder prior to the expiration of the Contingency Period.

(vi) **Seller's Obligations:** As of the Close of Escrow, Seller shall have performed all of the obligations required to be performed by Seller under this Agreement.

(vii) **Documents and Materials:** Seller is exempt from providing any disclosures to Buyer. However, Seller will provide any reports or documents that are available to the public within ten (10) calendar days of Buyer’s request and Seller shall provide lease estoppels for all leases in effect, to the extent within Seller's knowledge, possession or control ("Documents and Materials").

(viii) **Approval of the Successor Agency:** The sale of the Property is subject to approval by the Successor Agency of the Redevelopment Agency of the City of Vacaville. If the Successor Agency does not approve the sale, the Deposit and all other monies delivered to Escrow Holder by Buyer shall be returned to Buyer.

(ix) **Approval of the Oversight Board:** The sale of the Property is subject to approval by the Oversight Board to the Successor Agency of the Redevelopment Agency of the City of Vacaville. If the Oversight Board does not approve the sale, the Deposit and all other monies delivered to Escrow Holder by Buyer shall be returned to Buyer.

(x) **Approval by California Department of Finance:** The sale of the Property is subject to approval by the California Department of Finance. If the California Department of Finance does not approve the sale, the Deposit and all other monies delivered to Escrow Holder by Buyer shall be returned to Buyer.

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

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

(ii) **Buyer's Representations:** All representations and warranties made by Buyer to Seller in this Agreement shall be true and correct on the date hereof and shall be true and correct in all material respects as of the Close of Escrow;
(iii) **Purchase Price:** Buyer shall have timely delivered the Purchase Price and other sums owing under this Agreement in good funds to Escrow Holder; and

(iv) **Natural Hazards Disclosure Statement:** Prior to the end of the Contingency Period, Buyer shall have returned a signed copy of the Natural Hazards Disclosure Statement to the Seller, which shall be mutually acceptable to both Buyer and Seller.

(c) **Failure of Condition to Close of Escrow:** If any of the conditions set forth in Section 7 or Section 22 are not timely satisfied or waived by the appropriate benefited party for a reason other than the default of Buyer or Seller, this Agreement shall terminate, and the Deposit and all other monies delivered to Escrow Holder by Buyer shall be returned to Buyer (provided that Buyer has complied with the requirements of Section 23(m) below), and, except as otherwise provided herein, the parties shall have no further obligations hereunder.

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

(a) **Grant Deed:** The Grant Deed, duly executed and acknowledged in recordable form by Seller;

(b) **FIRPTA Certificate:** A certification, acceptable to Escrow Holder, duly executed by the parties that constitute Seller under penalty of perjury, setting forth such party’s address and federal tax identification number in accordance with and/or for the purpose of the provisions of Sections 7701 and 1445, as may be amended, of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder.

9. **Deposits By Buyer:** At least three (3) business days prior to the Close of Escrow, Buyer shall deposit or cause to be deposited with Escrow Holder the balance of the Purchase Price (as adjusted by the Deposit, buyer credits and prorations provided for herein), in cash or immediately available funds.

10. **Costs and Expenses:** Any documentary transfer taxes charged by the County and/or City (if any) shall be paid by Seller. Except as otherwise specified in this Agreement, Seller and Buyer shall equally divide any applicable escrow fees and recording charges. Any costs incurred through the Escrow relating to the Property that are not specifically allocated to Buyer or Seller under this Agreement shall be apportioned equally between Buyer and Seller.

11. **Prorations:**

(a) **Taxes/Assessments:** All non-delinquent real estate taxes and non-delinquent assessments on the Property shall be prorated as of 12:01 a.m. on the day of the Close of Escrow based on the actual current tax bill, but if such tax bill has not yet been received by Seller by the Close of Escrow, then the current year’s taxes shall be deemed to be one hundred two percent (102%) of the amount of the previous year's tax bill for the Property. All delinquent taxes and all delinquent assessments, 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 promptly by Seller to Buyer in immediately available funds.

(b) **Other Expenses:** All other expenses for the Property shall be prorated as of 12:01 a.m. on the day of the Close of Escrow between the parties based upon the latest available information.
12. **Corrections:** If any errors or omissions are made regarding adjustments and prorations as set forth herein, the parties shall make the appropriate corrections promptly upon discovery thereof. If any estimates are made at the Close of Escrow regarding adjustments or prorations, the party shall make the appropriate correction promptly when accurate information becomes available. Any corrected adjustment or proration shall be paid in cash to the party entitled thereto.

13. **Condition and Inspection of Property:** Notwithstanding any other provision of this Agreement to the contrary, Seller makes no representation or warranty (except as expressly set forth in Section 14, below) whatsoever regarding the Property, the physical condition of the Property, its past use, its compliance with laws (including, without limitation, laws governing environmental matters, zoning, building, subdivision and land use), or its suitability for Buyer's intended use. Buyer hereby represents and warrants that Buyer is relying solely upon, and as of the expiration of the Contingency Period will have conducted its own independent inspection, investigation, tests, studies and analysis of the Property as it deems necessary or appropriate in so acquiring the Property from Seller, including, without limitation, any and all matters concerning the condition, use, sale, development or suitability for development of the Property.

14. **Seller's 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 following representations and warranties, each of which is material and is being relied upon by Buyer (the continued truth and accuracy of which constitutes a condition precedent to Buyer's obligations hereunder):

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

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

   (c) **Leases:** Seller shall provide to Buyer all information and documentation pertaining to all leases or other agreements (whether oral or written) affecting or relating to the rights of any party with respect to the possession of the Property or any portion thereof which will be in effect after Close of Escrow.

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

15. **Buyer's 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 constitutes a condition precedent to Seller's obligations hereunder):

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

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

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

(d) No Side Agreements or Representations: Buyer represents, warrants and covenants to Seller
that Buyer has entered into this Agreement based upon its rights and intentions to independently inspect
the Property.

16. Default by Seller or Buyer: If the sale and purchase contemplated hereunder is not consummated
solely as a result of a default by either Seller or Buyer, then the non-defaulting party may terminate this
Agreement by delivery of notice of termination to the defaulting party. The defaulting party shall pay any
title and/or escrow fees charged by the Escrow Holder in connection with canceling escrow, and, except
for any indemnity or other provisions in this Agreement that specifically survive the termination of this
Agreement, neither party shall have any further rights or obligations hereunder.

17. Damage or Condemnation Prior To Close of Escrow: Seller shall promptly notify Buyer of any
casualty to the Property or any condemnation proceeding considered or commenced prior to the Close of
Escrow. If any such damage or proceeding relates to or may result in the loss of any "material portion"
(as defined herein) of the Property, Seller or Buyer may, each at its option, elect either to (i) terminate this
Agreement, in which event the Deposit shall be returned to Buyer and neither party shall have any further
rights or obligations hereunder, or (ii) continue the Agreement in effect, in which event upon the Close of
Escrow, Buyer shall be entitled to any compensation, award, or other payments or relief resulting from
such casualty or condemnation proceedings. The term "material portion" shall mean damages greater
than Fifty-Three Thousand Seven Hundred Fifty Dollars ($53,750).

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

TO BUYER:

Name ____________________________
City of Vacaville

Address ____________________________
650 Merchant Street

Address ____________________________
Vacaville, CA 95688

Attn: ____________________________
Laura C. Kuhn

Telephone: ____________________________
707-449-5335

Facsimile: ____________________________

E-mail: ____________________________
laura.kuhn@cityofvacaville.com

TO SELLER:

Successor Agency

Address ____________________________
650 Merchant Street

Address ____________________________
Vacaville, CA 95688

Attn: Executive Director

Telephone: (707) 449-5110

Facsimile: (707) 449-5683

E-mail: emily.cantu@cityofvacaville.com

TO ESCROW HOLDER:

Name: Placer Title Company

Address: 1300 Oliver Rd., Ste. 120, Fairfield, CA 94534

Phone: (707) 429-2211

Fax: (707) 429-1230

E-mail: lviera@placer.title.com

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

19. Brokers: Seller represents it has not engaged nor is it aware of any person entitled to any brokerage commission or finder's fee in connection with this transaction. Buyer represents it has not engaged any person entitled to any brokerage commission or finder's fee in connection with this transaction except ____________________________ ("Buyer's Broker"), in which Buyer shall be responsible for any and all of Buyer's Broker applicable fees. Each party agrees to indemnify the other party against any claim asserted against or adjudged against the other party, for any brokerage commission or finder's fee or any like compensation occasioned by or as a result of any act or omission of each such party, including all attorney's fees, expert fees, costs, expenses and any other fees incurred by, charged against or adjudicated against the other party, whether or not suit is filed, which are related to this indemnity provision or enforcement thereof.

20. Assignment: Buyer shall not assign its right, title or interest in this Agreement to any other party without the prior written consent of Seller.
21. **Exchange:** The parties acknowledge that either party may desire to structure the sale or the purchase of the Property as an exchange pursuant to Section 1031 or 1033 of the Internal Revenue Code of 1986. The parties agree to reasonably cooperate with each other to accomplish such exchange(s) and each party hereby agrees that any and all costs associated with said exchange shall be borne solely by the exchanging party and shall in no way be attributable to the non-exchanging party. In no event shall the non-exchanging party be required to take title to the exchanged property(ies) to effectuate the tax-deferred exchange contemplated by this Paragraph.

22. **Additional Terms and Conditions to Close Escrow:** None

23. **Miscellaneous:**

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

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

   (c) **Survival:** All of Buyer's and Seller's warranties, indemnities, representations, covenants, obligations, undertakings and agreements contained in this Agreement shall survive for one (1) year following the Close of Escrow.

   (d) **Successors and Assigns:** Subject to Section 20, above, this Agreement shall be binding upon and shall inure to the benefit of the grantees, transferees, successors and permitted assigns of the parties hereto.

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

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

   (g) **Relationship of Parties:** Nothing contained in this Agreement shall be deemed or construed by the parties to create the relationship of principal and agent, a partnership, joint venture or any other association between Buyer and Seller.
(h) **Construction/Exhibits:** Headings at the beginning of each paragraph and subparagraph of this Agreement are solely for the convenience of the parties and are not a part of this Agreement. Whenever required by the context of this Agreement, the singular shall include the plural and the masculine shall include the feminine and vice versa. Each party has reviewed this Agreement and any question of doubtful interpretation shall not be resolved by any rule or interpretation providing for interpretation against the drafting party. This Agreement shall not be construed as if it had been prepared by one of the parties, but rather as if both parties had prepared the same. Unless otherwise indicated, all references to paragraphs, sections, subparagraphs and subsections are to this Agreement only. All exhibits referred to in this Agreement are attached and incorporated herein by this reference.

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

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

(k) **Possession of Property:** Subject to the Approved Conditions of Title, Buyer shall be entitled to the possession of the Property immediately following the Close of Escrow.

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

(m) **Termination Documents:** If this Agreement is terminated prior to the Close of Escrow for any reason, Buyer shall deliver to Seller the following documents and materials (collectively hereinafter referred to as the "Termination Documents"):  

(i) the Documents and Materials delivered to Buyer by Seller; and

(ii) at no cost and without warranty as to correctness, copies of all reports, studies, maps and engineering studies that were generated by third parties for Buyer with respect to the Property, including, but not limited to, all environmental reports, surveys, marketing reports, geotechnical reports, lot studies and improvement plans. It is understood and agreed that, with respect to any provision of this Agreement that refers to the termination of this Agreement and the return of the Deposit to Buyer, such Deposit shall not be returned to Buyer unless and until Buyer has fulfilled its obligation to return to Seller the Termination Documents.

(n) **Signator’s Warranty:** Each party warrants to each other party that he or she is fully authorized and competent to enter into this Agreement in the capacity indicated by his or her signature and agrees to be bound by this Agreement.

The parties have executed this Agreement as of the dates set forth below.
SELLER:
Successor Agency of the Redevelopment Agency of the City of Vacaville, formed pursuant to California Health and Safety Code 34173(a)

By: __________________________

______________________________

Date: ________________, 20___

BUYER:
City of Vacaville

By: __________________________

(Signature)

Name: Laura C. Kuhn

(Print)

Title: City Manager

Date: May 12 ________________, 2016

APPROVED AS TO FORM

By: __________________________

City of Vacaville, City Attorney/Assistant City Attorney
EXHIBIT "A"

LEGAL DESCRIPTION OF PROPERTY

The land described herein is situated in the State of California, County of Solano, City of Vacaville, described as follows:


Reserving therefrom all oil, mineral, gas and other hydrocarbon substances below a depth of 500 feet under the real property herein without the right of surface entry, as reserved in the deed recorded January 6, 1989, Instrument No. 890001163, Solano County Official Records.


APN: 0134-480-100