

EXHIBIT C

AMENDED AND RESTATED AGREEMENT OF PURCHASE AND SALE AND JOINT ESCROW INSTRUCTIONS

1051 – 1199 Pearl St.
APN 003-166-008 & 003-166-011
Napa, California

This Amended and Restated Agreement of Purchase and Sale and Joint Escrow Instructions (**this “Agreement”**), dated for reference purposes only as of _____, 2024, is entered into by and between the City of Napa, a California charter city (“**Seller**”) and Coombs Street LLC, a California Limited Liability Company (“**Buyer**”), Buyer and Seller are sometimes referred to individually herein as a “**Party**” and collectively as the “**Parties**.”

Recitals

A. Through an assignment of agreement dated September 27, 2022, Seller and Buyer, are parties to that certain Agreement of Purchase and Sale and Joint Escrow Instructions, Agreement No. C2020-174, dated as of July 31, 2020 with an effective date of August 3, 2020 (“**Effective Date**”), referred to herein as the “**Purchase and Sale Agreement**.” Generally, the Purchase and Sale Agreement defines the terms by which the Seller agreed to sell to the Buyer certain real property improved with a surface parking lot located in Napa, California, referred to as the “**Parking Lot Property**,” defined below.

B. Seller and Buyer entered into a First Amendment to Agreement of Purchase and Sale and Joint Escrow Instructions, Agreement No. C2020-174, on September 27, 2022 (“**First Amendment**”) the recitals thereto are hereby incorporated by reference.

C. Following execution of the First Amendment, Seller entered discussions with the California Department of Community Housing regarding Seller’s obligations under the Surplus Land Act, which caused delays in the processing of the Development Agreement, notwithstanding Buyer’s good faith efforts to proceed with the development of the First Street Napa Phase II Project (as defined in the Purchase and Sale Agreement). Due to such delay, Seller and Buyer entered into a Second Amendment to Agreement of Purchase and Sale and Joint Escrow Instructions, Agreement No. C2020-174, on December 27, 2023 (“**Second Amendment**”) the recitals thereto are hereby incorporated by reference.

D. Buyer and Seller now desire to amend and restate the Purchase and Sale Agreement, as amended by the First Amendment and the Second Amendment, in its entirety to provide additional time and coordinate timing with other agreements related to the Project (defined below), to process the Project.

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E. Seller is the owner of that certain real property consisting of approximately 0.75 acres located at 1051 – 1199 Pearl St., Napa, CA 94559 in the County of Napa, State of California, and designated as Assessor's Parcel Nos. 003-166-008 & 003-166-011 as more particularly described on Exhibit A attached hereto ("**Parking Lot Property**"). The Parking Lot Property is currently improved with a 52-stall surface public parking lot and the former public transportation bus depot (the "**Improvements**").

F. Buyer is the owner of that certain real property that includes 1116 1st Street, Napa, California 94559 ("**Kohl's Parcel**"). Buyer desires to demolish the existing Improvements on the Kohl's Parcel and develop said parcel with a mixed-use project consisting of rental housing, retail and an upper upscale hotel project as more particularly described in Exhibit B (" **Project**"), which is proposed to be further defined in a Development Agreement between the Parties as provided in Section 8(a)(vii) below.

G. Buyer also desires to purchase the Parking Lot Property for the purpose of assembling such Parking Lot Property with the Kohl's Parcel to make a more efficient and orderly project site for development of the Project. As part of the Project, Seller would be relieved of certain parking obligations contained in the License Agreement dated February 1, 2000, City Agreement 7583 ("**Kohl's Parking Obligation**").

H. Buyer and Seller further desire to incorporate into the Project a parcel of property identified in City Agreement No. C2024-**** as "City Property" (an approximately 0.18-acre parcel of property designated as Assessor's Parcel No. 003-166-017) located on First Street, adjacent to and generally south of the Kohl's Parcel. The incorporation of the City Property, along with the Parking Lot Property and the Kohl's Parcel will make a more efficient and orderly project site for development of the Project, to better activate the downtown area, and to promote retailing and other compatible uses in the downtown area. The Parties intend to exchange: (a) the Seller's conveyance to Buyer of the City Property, in return for (b) the Buyer's conveyance to Seller of property identified as "Developer Property" (of the same or greater size, on a portion of the Kohl's Parcel), under terms and conditions set forth in City Agreement No. C2024-****.

I. Developer intends to develop the Project on the Kohl's Parcel, the Parking Lot Property, and the City Property, with the subsequent conveyance to the City of an easement for public use of the improved Developer Property, as graphically depicted on Exhibit B (which may be referred to herein as the "**Project Property**"). The scope of the Project is conceptually described on Exhibit B, and will be further defined by a Development Agreement between the Parties as provided in Section 8(a)(vii) below.

J. Buyer acknowledges that Seller is considering entering into this Agreement at a point in time when the Project's design issues have not been vetted by the City Council of the City of Napa, or subordinate City commissions (such as the Planning Commission); and required land use approvals from the City and other governmental agencies (if any), which are subject to environmental review in accordance with the California Environmental Quality Act (California Public Resources Code §§21000 *et. seq.* and State CEQA Guidelines, California Code of Regulations Title 14 §§15000 *et. seq.*) ("**CEQA**"), have not been secured. Accordingly, until such design issues have been publicly

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reviewed and approved and the land use approvals secured, Seller shall have the unfettered discretion to approve said matters, and if not approved by Seller, to terminate this Agreement and return the Deposit to Buyer without any further liability to Buyer. As a result, any sums spent by Buyer shall be at its risk and without recourse to Seller.

K. City has determined that the purchase and sale transaction contemplated by this Agreement is exempt from the requirements of the State Surplus Lands Act (California Government Code section 54220 *et seq.*) because the Parking Lot Property is subject to valid legal restrictions to satisfy the Kohl's Parking Obligation (as provided in Government Code section 54221(f)(1)(J)).

L. Buyer desires to purchase the Parking Lot Property from Seller and Seller desires to sell the Parking Lot Property to Buyer upon and subject to the terms, conditions and provisions set forth in this Agreement.

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 shall sell and convey to Buyer, and Buyer shall purchase from Seller, the Parking Lot Property on the terms and subject to the conditions set forth in this Agreement. The Parking Lot Property shall include the Improvements, together with all rights and appurtenances pertaining thereto, including any right, title and interest of Seller in all, equipment, machinery, utility systems and lines, other built-in or attached elements, or other appurtenances of any nature whatsoever, whether or not of record, in any way now or hereafter belonging, relating or pertaining to the land and the improvements, as well as access to and from adjacent public roads, streets, alleys, easements or rights-of-way.

2. Purchase Price. The purchase price ("**Purchase Price**") for the Parking Lot Property shall be the amount of Eight Hundred Seventy Thousand and 00/100 Dollars (\$870,000.00), subject to periodic increase as follows: The Purchase Price shall be increased commencing on August 1, 2026, and each August 1 thereafter (each a "**CPI Adjustment Date**") by an amount equal to the product of (i) the Purchase Price in effect for the period immediately preceding the applicable CPI Adjustment Date multiplied by (ii) the percentage increase in the Consumer Price Index measured from the measuring month 15 months preceding the CPI Adjustment Date to the measuring month three months preceding the CPI Adjustment Date (each a "**CPI Adjustment**"). As used herein "**Consumer Price Index**" or "**CPI**" means the United States Department of Labor's Bureau of Labor Statistics Consumer Price Index, All Urban Consumers, All Items, San Francisco-Oakland-Hayward, California (1982-1984 equals 100), or the successor of such index, as reasonably determined by Seller. Buyer has the right to independently verify the square footage of the Parking Lot Property, and agrees that if the square footage varies from that recited in this Agreement or in any materials provided by Seller or any representative of Seller, such variation shall have no effect on the Purchase Price.

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3. Payment of Purchase Price. The Purchase Price shall be payable by Buyer to Seller as follows:

(a) Deposit. Buyer deposited with Placer Title Company of Napa, 5 Financial Plaza, #205, Napa, CA 94558 (“**Escrow Holder**”), Fifty Thousand and 00/100 Dollars (\$50,000.00) (“**Deposit**”) under the requirements of the Purchase and Sale Agreement. The Deposit shall be invested by Escrow Holder with a financial institution acceptable to Buyer in a federally-insured interest-bearing demand account and the Deposit and all interest accrued thereon shall be credited to the Purchase Price upon the Close of Escrow (as defined in Section 4(b), below). The Deposit shall be released to Seller, and except for a default by Seller the Deposit shall become nonrefundable to Buyer on the later of (i) the date the proposed Development Agreement (defined in Section 8(a)(vii)) becomes Final (as defined below) or (ii) 30 days following the date Tenant voluntarily relocates from the Kohl’s Parcel (as described in Section 18(f)) (the “**Deposit Release Date**”). As used herein the term “**Final**” means the date on which (1) all applicable appeal periods for the filing of any administrative appeal or litigation challenging the approval or effectiveness of the Development Agreement and the City’s related CEQA determinations shall have expired and no such appeal shall have been filed; (2) in the event of any administrative appeal or litigation challenge challenging one or more of such approvals, that the administrative appeal or litigation challenge is settled or there is a final determination or judgment upholding the approval(s), and the administrative appeal or litigation challenge is no longer subject to appeal; and (3) in the event of a timely referendum petition certified by the elections official as compliant with the Elections Code, a majority of voters voting on the Development Agreement vote in favor of it and the election results are certified in accordance with the Elections Code (collectively, (1) (2) and (3) are referred to as “**Appeals**”). If the proposed Development Agreement does not become Final by December 31, 2024, as such date may be extended as provided below (the “**Outside Deposit Release Date**”), this Agreement shall terminate, the Deposit, less costs of cancelling Escrow, shall be refunded to Buyer and, except as otherwise provided in this Agreement, Seller and Buyer will have no further obligations or rights to one another under this Agreement. The City Manager may grant one or more extensions of the initial Outside Deposit Release Date to a date no later than December 31, 2025, provided (i) Buyer requests such extension in writing prior to expiration of the then Outside Deposit Release Date, and (ii) the City Manager determines in his or her sole absolute discretion that the Buyer is making diligent and good faith efforts to satisfy the conditions for release of the Deposit to Seller.

(b) Balance of Purchase Price. On or before the 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.

4. Escrow.

(a) Opening of Escrow. Buyer opened escrow (“**Escrow**”) with Escrow Holder as required by the Purchase and Sale Agreement. Buyer and Seller agree to execute and deliver to Escrow Holder, in a timely manner, such supplemental escrow instructions as are reasonably necessary to consummate the transaction contemplated

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by this Agreement. Any such supplemental instructions shall not conflict with, amend or supersede any portion of this Agreement. If there is any inconsistency between such supplemental instructions and this Agreement, this Agreement shall control. Escrow Holder shall, upon receipt of a fully executed copy of this Agreement, sign and date the Receipt by Escrow Holder attached hereto, and distribute it to all parties listed in the "Notices" section of the Agreement.

(b) Close of Escrow. The Escrow for conveyance of the Parking Lot Property shall close ("**Close of Escrow**") within thirty (30) days after the satisfaction, or waiver by the appropriate Party, of all of the Buyer Conditions Precedent (defined in Section 8(a)) and all of the Seller Conditions Precedent (defined in Section 8(b)), which shall occur prior to the Outside Date. The "**Outside Date**" shall be the earlier of (a) the date that is ten (10) days after the date on which Buyer obtains a grading or other building permit for the Project, or (b) December 31, 2035, except that the City Manager, may grant one or more extensions to such date (extending the Outside Date to no later than December 31, 2037), if: (i) requested in writing by Buyer prior to expiration of the then Outside Date, and (ii) the City Manager determines in his or her sole discretion that the Buyer is making diligent and good faith efforts to satisfy all Seller Conditions Precedent. If Closing does not occur on or before the Outside Date as it may be extended as provided above, then this Agreement shall automatically terminate and, except as otherwise provided in this Agreement, Seller and Buyer will have no further obligations or rights to one another under this Agreement. For purposes of this Agreement, "**Closing**" shall mean the time and day the Grant Deed is recorded with the Napa County Recorder.

5. Conditions of Title. The Parking Lot Property shall be conveyed to Buyer by Seller by a grant deed, substantially in the form attached hereto as Exhibit C ("**Grant Deed**"), subject only to (a) liens to secure payment of current, unpaid real estate taxes and assessments; (b) such title matters (other than liens to secure payment of real estate taxes and assessments, including supplemental taxes) affecting the Parking Lot Property created by or with the written consent of Buyer; (c) 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 Parking Lot Property; (d) all matters which would be apparent from an inspection of the Parking Lot Property; (e) all matters which would be disclosed by a survey of the Parking Lot Property; and (f) exceptions which are approved and/or accepted by Buyer in accordance with Section 8(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 American Land Title Association ("**ALTA**") Extended Coverage Owner's Policy of Title Insurance) to Buyer in an amount equal to the Purchase Price, showing title to the Parking Lot Property vested in Buyer, subject only to the Approved Conditions of Title ("**Title Policy**"). Buyer shall pay all expenses of issuing the Title Policy, including any survey costs associated with and any endorsements to such Title Policy.

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7. Milestones; Recordable Agreements. In addition to or part of the Development Agreement requirements contained in Sections 8(a)(vii) and 8(b)(v) herein, prior to consideration of any Development Agreement for approval the parties shall have agreed to a list of appropriate milestones (and corresponding deadlines) for, among other things, Buyer's preparation of and submittal to Seller of (i) a more precise Project description; (ii) concept plans and designs for Project including site plan, elevations of all four sides; tabulation of areas and uses; plans to develop parking improvements sufficient to serve the Project's parking demand and maintain sufficient public parking in the area to relieve Seller of the Kohl's Parking Obligation (such parking plans are referred to as the "**Parking Concept**"); (iii) financing plan setting forth the terms under which equity and debt will be structured to fund construction of the Project; (iv) the submittal of applications for key Project entitlements associated with the Development Agreement, including the tentative map, zoning change and design review permits; (v) a hotel flag operating agreement; and (vi) proposed forms of recordable agreements memorializing Buyer's and its successors' ongoing obligations with respect to provision of affordable rental housing, continued operation of a hotel meeting an upper upscale or better hotel STR (or comparable rating service) rating; and required maintenance, access and other operational requirements ("**Recordable Agreements**") (collectively, "**Buyer's Milestones**").

8. Conditions to Close of Escrow.

(a) Buyer Conditions Precedent. The Close of Escrow and Buyer's obligation to consummate the transaction 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 herein below for the satisfaction of each such condition or in the event there is no date designated below the condition shall be satisfied (or Buyer's waiver in writing thereof) prior the Close of Escrow (collectively, the "**Buyer Conditions Precedent**"):

(i) Title. Under the Purchase and Sale Agreement, Buyer reviewed and approved any and all matters of and exceptions to title of the Parking Lot Property, as disclosed by the following documents and instruments (collectively, "**Title Documents**"): (A) a Preliminary Report issued by Escrow Holder with respect to the Parking Lot Property; and (B) legible copies of all documents, whether recorded or unrecorded, referred to in such Preliminary Report. Buyer completed its title review within the timeframe as required by the Purchase and Sale Agreement ("**Title Review Period**").

(ii) Inspections and Studies/Costs. Buyer completed its 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 Parking Lot Property within the inspection period as required by the Purchase and Sale Agreement ("**Contingency Period**"). Notwithstanding the Buyer's completion of such inspections under within the Contingency Period, Buyer may continue to perform additional inspections, tests, and/or studies, which shall be conducted at reasonable times during

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ordinary business hours upon notice to Seller at least one business day prior to entry and, if applicable, in a manner consistent with any property entry agreement between the Parties. Buyer, in performing its inspections, investigations, tests and studies hereunder shall not unreasonably interfere with the operation of the Parking Lot Property or any tenant or other person or entity with parking rights as to the Parking Lot Property and agrees to coordinate its activities on the Parking Lot Property with Seller in advance to avoid any such interference. Buyer's and Buyer's employees, agents, contractors, subcontractors and consultants (collectively, "**Buyer's Representatives**") entry upon the Parking Lot Property for purposes of conducting any invasive inspections including any Phase 2 environmental site assessment shall be conducted pursuant to a property entry agreement in a form reasonably acceptable to the Public Works Director and approved as to form by the City Attorney. The cost of any such inspections, tests and/or studies shall be borne by Buyer. Following any such tests or inspections, Buyer agrees to promptly return any portions of the Parking Lot Property damaged or altered by Buyer during such tests or inspections to substantially the same condition which existed prior to such test or inspection.

To the fullest extent permitted by law, Buyer shall indemnify, defend and hold Seller harmless from any and all claims, damages or liabilities arising out of or resulting from the entry onto or activities upon the Parking Lot Property by Buyer or Buyer's Representatives or liens arising from such activities. Buyer's obligation to indemnify Seller under the provisions of this Section 8 shall survive any termination of this Agreement, shall survive the Closing and shall not be merged upon delivery and acceptance of the Grant Deed or upon payment of the Purchase Price by Buyer to Seller. Prior to any entry on to the Parking Lot Property by any of Buyer's Representatives, Buyer shall deliver to Seller an endorsement to a commercial general liability insurance policy which evidences that such Buyer's Representative is carrying a commercial general liability insurance policy with a financially responsible insurance company acceptable to Seller, covering the activities of such Buyer's Representative on or upon the Parking Lot Property. Such endorsement shall evidence that such insurance policy shall have a per occurrence limit of at least One Million Dollars (\$1,000,000) and an aggregate limit of at least Two Million Dollars (\$2,000,000), shall name Seller as an additional insured, and shall be primary and non-contributing with any other insurance, self-insurance or joint self-insurance available to Seller.

(iii) Title Insurance. As of the Close of Escrow, Title Company shall have committed to issue the Title Policy to Buyer as described in Section 6, above.

(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. Seller delivered to Buyer a Natural Hazards Disclosure Statement for the Parking Lot Property.

(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.

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(vii) Development Agreement. The Parties shall have approved and executed a Development Agreement pursuant to Government Code section 65865 *et seq.*, with respect to the Project on the Project Property (including the Parking Lot Property and Kohl's Parcel), or portion thereof, in form and substance mutually acceptable to the Parties, each in its sole and absolute discretion, ("**Development Agreement**") by no later than December 31, 2024 ("**DA Deadline**"), provided that the City Manager may grant one or more extensions extending the DA Deadline to no later than December 31, 2025 unless otherwise approved by City Council (the "**Outside DA Deadline**") if the City Manager determines in his or her sole absolute discretion that the Parties representatives have made substantial progress towards negotiation and drafting of a Development Agreement in substance and form mutually acceptable to the Parties. The Development Agreement shall address matters including, but not limited to, the following: (a) use, intensity and density, maximum floor area, and maximum height of development on the Project Property, including requirements for timing of construction; (b) public benefits, including (i) the Parking Concept, and (ii) the number of units of for-rent affordable and for-rent market rate housing, (iii) the rights of City and the public to have access to use certain portions of the Parking Lot Property and Kohl's Parcel and Project improvements to be available for public use; (c) requirements for timing of construction of the Project; (d) the amount of retail frontage required by the Project entitlements and Downtown Napa Specific Plan Guidelines; (e) parking quantities sufficient to serve the Project's residential, hotel and retail components; (f) vesting periods and impact fees; (g) CEQA compliance; (h) requirements for and forms of Recordable Agreements; and (i) such other matters related to the Parking Lot Property and Kohl's Parcel, and the Project as the Parties may agree, each in its sole and absolute discretion. If the Parties have not executed a Development Agreement in form mutually acceptable to the Parties by the Outside DA Deadline, then this Agreement shall automatically terminate and the Deposit, including all accrued interest, shall be returned to Buyer and, except as otherwise provided herein, neither Party shall have any further rights or obligations hereunder.

(viii) Seller Approval. Prior to the Close of Escrow, Seller shall have approved Buyer's Parking Concept which shall be sufficient to relieve Seller of the Kohl's Parking Obligation, all at no cost to Seller.

(ix) Other Approvals, Assurances and Permits. Buyer shall have sought and received approvals and assurances from all appropriate governmental entities to develop the Project in the manner anticipated by the Development Agreement, and, subject to payment of the applicable fees, Seller shall be ready to issue all ministerial permit(s) necessary for the Buyer to commence construction of the Project.

(x) Absence of Proceedings. There shall be an absence of any condemnation, environmental or other pending governmental or any type of administrative or legal proceedings with respect to the Parking Lot Property which would materially and adversely affect Buyer's intended uses of the Parking Lot Property or the value of the Parking Lot Property.

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(xi) Recordable Agreements. The Parties shall have executed one or more Recordable Agreements described in Section 7 that are otherwise acceptable to each of the Parties in its sole and absolute discretion.

(b) Seller Conditions Precedent. The Close of Escrow and Seller's obligation to consummate the transaction contemplated by this Agreement are subject to the satisfaction of the following conditions (or, where applicable, Seller's waiver thereof) for Seller's benefit on or prior to the dates designated below for the satisfaction of such conditions (collectively, the "**Seller Conditions Precedent**"), or the Close of Escrow in 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 fully, faithfully and timely performed all of its other obligations under this Agreement.

(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.

(v) Development Agreement. The Parties shall have approved and executed a Development Agreement in form and substance mutually acceptable to the Parties, each in its sole and absolute discretion, as described in Section 8(a)(vii) of this Agreement prior to the Outside DA Deadline. If the Parties have not executed a Development Agreement by the Outside DA Deadline, then this Agreement shall automatically terminate and the Deposit, including all accrued interest, shall be returned to Buyer and, except as otherwise provided herein, neither Party shall have any further rights or obligations under this Agreement.

(vi) Seller Approval. Prior to the Close of Escrow, Seller shall have approved Buyer's plans to construct parking improvements sufficient to serve the Project's parking demand and relieve Seller of the Kohl's Parking Obligation through the relocation of Buyer's Tenant, all at no cost to Seller.

(vii) Recordable Agreements and Other Documents. The Parties shall have executed and acknowledged one or more Recordable Agreements described in Section 7 that are otherwise acceptable to each of the Parties in its sole and absolute discretion.

(viii) Other Approvals, Assurances and Permits. (1) Buyer shall have sought and received all discretionary land use entitlements, permits and approvals from all appropriate governmental entities to develop the Project; (2) Seller as lead

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agency under CEQA shall have approved an appropriate CEQA document for the proposed Project; and (3) subject to payment of the applicable fees, Seller shall be ready to issue all ministerial permit(s) necessary for the Buyer to commence construction of such Project. The conditions set forth in clauses (1) and (2) of this subsection (viii) may not be waived by Seller.

(ix) Milestones. Prior to the Close of Escrow, Seller shall have approved Buyer's Milestones as required in Section 7 of this Agreement.

(c) Failure of Condition to Close of Escrow. If any of the conditions set forth in Section 8(a) or Section 8(b) are not timely satisfied or, where applicable, waived by the appropriate benefited Party for a reason other than the default of Buyer or Seller, this Agreement shall terminate, and except as otherwise provided herein, the Parties shall have no further rights or obligations hereunder.

9. Deposits by Seller. At least one 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, conveying fee simple title to the Parking Lot Property to Buyer.

(b) Recordable Agreements. Counterpart originals of each of the Recordable Agreements duly executed and acknowledged in recordable form by Seller.

(c) FIRPTA Certificate. A certification, 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 complying with 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.

(d) California Franchise Tax Withholding. A certification, acceptable to Escrow Holder, that Seller is exempt from the withholding provisions of the California Revenue and Taxation Code, as may be amended from time to time, and that neither Buyer nor Escrow Holder is required to withhold any amount from the Purchase Price pursuant to such provisions.

10. Deposits by Buyer. At least one business day prior to the Close of Escrow, Buyer shall deposit or cause to be deposited with Escrow Holder the following funds and documents:

(a) Closing Funds. The balance of the Purchase Price and Buyer's share of closing costs (as adjusted by the Deposit and prorations provided for herein), in cash or other immediately available funds.

(b) Recordable Agreements. Counterpart originals of each of the Recordable Agreements duly executed and acknowledged in recordable form by Buyer.

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11. Costs and Expenses. As the Seller is a California municipal corporation, it is a tax-exempt entity and shall not pay the City of Napa Real Property Transfer Tax, any real property or other taxes, or pay any bond or assessment that is a lien customarily paid with real property taxes; provided, however, that Seller shall pay any applicable documentary transfer taxes. Except as otherwise specified in this Agreement, Buyer shall pay all applicable closing costs, escrow fees, and title insurance costs. Buyer shall pay all legal and professional fees and fees of other consultants incurred by Buyer and Seller, respectively. Any cost incurred through the Escrow relating to the Parking Lot Property that is not specifically allocated to Buyer or Seller under this Agreement shall be apportioned in the manner customary in Napa County.

12. Prorations.

(a) Taxes. [Not applicable, as the Parking Lot Property is publicly owned.]

(b) Other Expenses. All expenses for the Parking Lot Property shall be prorated as of 12:01 a.m. on the day of the Close of Escrow based upon the latest available information.

13. Corrections. If any errors or omissions are made regarding prorations as set forth in Section 12 above, the Parties shall make the appropriate corrections promptly upon discovery thereof. If any estimates are made at the Close of Escrow regarding any proration, the Parties shall make the appropriate correction promptly when accurate information becomes available. Any corrected proration shall be paid in cash to the Party entitled thereto.

14. Condition of Parking Lot Property.

(a) Notwithstanding any other provision of this Agreement to the contrary, Seller makes no representation or warranty (except as expressly set forth in Section 17 below) whatsoever regarding the Parking Lot Property including, without limitation, as to:

(i) The size and dimensions of any portion of the Parking Lot Property;

(ii) The suitability of the Parking Lot Property for the Buyer's planned use;

(iii) All matters relating to title including extent and conditions of title to the Parking Lot Property, taxes, assessments, and liens;

(iv) All legal and governmental laws, statutes, rules, regulations, ordinances, restrictions or requirements concerning the Property, including zoning, use permit requirements and building codes;

(v) Natural hazards, including flood plain issues, currently or potentially concerning or affecting the Parking Lot Property;

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(vi) The physical, legal, economic and environmental condition and aspects of the Parking Lot Property, and all other matters concerning the condition, use or sale of the Parking Lot Property, including any permits, licenses, agreements, and liens, zoning reports, engineers' reports and studies and similar information relating to the Parking Lot Property, and Hazardous Materials (as defined below). "**Hazardous Materials**" means any and all substances, contaminants, chemicals, wastes, sewage, materials or emissions which are now or hereafter regulated, controlled, prohibited or otherwise affected by any present or future local, state or federal statute, ordinance, code, rule, regulation, order, decree, permit or other law now or hereafter in effect including (A) any substance defined as a "hazardous substance," "hazardous material," "hazardous waste," "toxic substance," or "air pollutant" in (I) the Comprehensive Environmental Response, Compensation and Liability Act, as amended (CERCLA), 42 U.S.C. §9601, et seq., (II) the Hazardous Materials Transportation Act, as amended, 49 U.S.C. §1801, et seq., (III) the Resource Conservation and Recovery Act, as amended (RCRA), 42 U.S.C. §6901, et seq., (IV) the Federal Water Pollution Control Act, as amended, 33 U.S.C. §1251, et seq., (V) the Clean Air Act, as amended, 42 U.S.C. §7401, et seq., (VI) the Toxic Substances Control Act, as amended, 15 U.S.C. §2601, et seq., (VII) the Clean Water Act, as amended, 33 U.S.C. §1251, et seq., (VIII) the Oil Pollution Act, as amended, 33 U.S.C. §2701, et seq., (IX) California Health & Safety Code ("**H&S Code**") §25100, et seq. (Hazardous Waste Control), (X) the Hazardous Substance Account Act, as amended, H&S Code §25300, et seq., (XI) the Unified Hazardous Waste and Hazardous Materials Management Regulatory Program, as amended, H&S Code §25404, et seq., (XII) H&S Code §25531, et seq. (Hazardous Materials Management), (XIII) the California Safe Drinking Water and Toxic Enforcement Act, as amended, H&S Code §25249.5, et seq., (XIV) H&S Code §25280, et seq. (Underground Storage of Hazardous Substances), (XV) the California Hazardous Waste Management Act, as amended, H&S Code §25170.1, et seq., (XVI) H&S Code §25501, et seq. (Hazardous Materials Response Plans and Inventory), (XVII) H&S Code §18901, et seq. (California Building Standards), (XVIII) the Porter-Cologne Water Quality Control Act, as amended, California Water Code §13000, et seq., (XIX) California Fish and Game Code §5650-5656 and (XX) or any other federal, state or local laws, ordinances, rules, regulations, court orders or common law related in any way to the protection of the environment, health or safety (collectively, "**Environmental Laws**"); (B) any substance the presence of which at the Parking Lot Property causes or threatens to cause a nuisance upon the Parking Lot Property or to adjacent properties or poses or threatens to pose a hazard to the health or safety of human beings; and (C) any substance the presence of which at the Parking Lot Property or at nearby or adjacent properties could constitute a trespass. In addition to the foregoing, to the extent not already included therein, the term "Hazardous Materials" also means (I) asbestos (including asbestos-containing materials); (II) flammable, explosive, infectious, carcinogenic, mutagenic, or radioactive materials; (III) petroleum or any substance containing or consisting of petroleum hydrocarbons (including gasoline, diesel fuel, motor oil, waste oil, grease or any other fraction of crude oil); (IV) paints and solvents; (V) lead; (VI) cyanide; (VII) DDT; (VIII) printing inks; (IX) acids; (X) pesticides; (XI) ammonium compounds; (XII) polychlorinated biphenyls; (XIII) radon and radon gas; and (XIV) electromagnetic or magnetic materials, substances or emissions;

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(vii) Any easements and/or access rights affecting the Parking Lot Property, including easement and access rights through the Parking Lot Property for the benefit of adjacent properties;

(viii) Any contracts and other documents or agreements affecting the Parking Lot Property; and

(ix) Any other matter of significance affecting the Parking Lot Property.

15. Parking Lot Property Condition Waiver. Effective upon the Close of Escrow, Buyer waives its right to recover from Seller, and the officers, officials, employees, agents and predecessors of Seller, and the contractors, subcontractors, architects, engineers and consultants involved in the design and construction of improvements located on or serving the Parking Lot Property (collectively, “**Seller’s Representatives**”), and hereby releases Seller and Seller’s Representatives from, any and all damages, losses, liabilities, costs or expenses whatsoever (including attorneys’ fees and costs) and claims therefor, whether direct or indirect, known or unknown, foreseen or unforeseen, which may arise on account of or in any way arising out of or connected with (i) the physical condition of the Parking Lot Property, (ii) the failure of the Improvements and components of the Parking Lot Property to comply with any law or regulation applicable thereto, and (iii) the environmental condition of the Parking Lot Property. The foregoing waiver and release shall exclude only those losses, liabilities, damages, costs or expenses, and claims therefor, arising from or attributable to (a) a material matter actually known to Seller (excluding constructive notice), and (1) not disclosed to Buyer and (2) not discovered by Buyer prior to the Close of Escrow, and (b) any breach by Seller of its express representations or warranties pursuant to this Agreement. In connection with foregoing waiver and release, Buyer expressly waives the benefits of Section 1542 of the California Civil Code, which provides as follows:

“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR EXPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN TO HIM OR HER WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.”

Buyer’s Initials

16. Regulatory Authority; Buyer Waiver and Release.

(a) Reservation of Seller’s Discretion. Buyer acknowledges that while Seller is entering into this Agreement in its proprietary capacity as owner of fee title to the Parking Lot Property, Seller nevertheless retains full and complete discretion in its regulatory capacity as to whether to approve the Project and enter into any Development Agreement. Accordingly, any action taken by the Seller (e.g. approval, conditional approval, disapproval) in the exercise of its discretion relating to (i) any analysis of the

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Project required by CEQA, (ii) any application for a permit or approval required to develop and construct the Project, or (iii) any proposed Development Agreement, shall not constitute a default or a breach of the terms of this Agreement by Seller.

By execution of this Agreement, Seller is not committing itself to, or agreeing to, undertake (1) approval of the Project or the proposed Development Agreement, or (2) any other act or activity requiring the subsequent independent exercise of discretion by the Seller. This Agreement shall not limit in any way the discretion of Seller in its consideration and action on any applications for discretionary land use permits, entitlements or approvals for the proposed Project, including without limitation consideration of any proposed Development Agreement. The Parties acknowledge that compliance with CEQA will be required in connection with consideration of such discretionary permits and approvals and proposed Development Agreement, and that Seller shall retain full discretion in accordance with CEQA and Applicable Laws (defined below) before action on any such discretionary permits, approvals, or agreement to (a) determine whether the proposed Project is exempt from the requirements of CEQA or otherwise adopt or certify an environmental analysis of the Project prepared in accordance with CEQA; (b) identify and impose mitigation measures to mitigate significant environmental impacts of the Project, if any; (c) select other feasible alternatives to avoid significant environmental impacts; (d) adopt a statement of overriding considerations in accordance with Public Resources Code Section 21081(b) relative to any significant environmental impacts of the proposed Project which cannot otherwise be avoided; or (e) determine not to proceed with the Project. “**Applicable Laws**” means, collectively: (i) all State and Federal laws and regulations applicable to the Parking Lot Property, the Kohl’s Parcel and the Project as enacted, adopted and amended from time to time; and (ii) all City of Napa ordinances, resolutions, orders, rules, regulations, official policies, standards, specifications, guidelines or other regulations, which are promulgated or adopted by the City (including but not limited to any City agency, body, department, officer or employee) or its electorate (through the power of initiative or otherwise) from time to time. Any action taken by the Seller in the exercise of its discretion relating to any analysis of the Project required by CEQA or on any application for a discretionary permit, approval, or agreement required to develop and construct the Project shall not constitute a default or a breach of the terms of this Agreement by Seller.

(b) Buyer acknowledges and agrees that all sums expended by Buyer in connection with its investigation of the Parking Lot Property and design of and pursuit of land use entitlements and approvals for the proposed Project are at Buyer’s sole risk and expense and that Seller shall have no liability to Buyer for any such costs if this Agreement is terminated or expires for any reason, including due to the Parties’ failure to reach mutual agreement on the terms of a proposed Development Agreement or any of the other ancillary agreements contemplated by this Agreement or Seller’s failure to approve Buyer’s applications for discretionary land use entitlements, permits or approvals. Buyer irrevocably assumes all risks and waives and releases any and all claims against Seller resulting or arising directly or indirectly from City’s decision not to approve and enter into a proposed Development Agreement or other ancillary agreement contemplated by this Agreement or failure to approve one or more discretionary land use entitlements, permits or approvals that may be required in connection with the proposed Project.

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17. Seller's Representations and Warranties. In consideration of Buyer entering into this Agreement, Seller makes the limited representations and warranties set forth in this Section 17. For the purpose of this Agreement, without creating any personal liability on behalf of such individual, usage of "to Seller's actual knowledge," or words to such effect, shall mean the present, actual knowledge of Vincent Smith, the Community Development Director of the City of Napa, or other designee as determined by the City Manager in writing, excluding constructive knowledge or duty of inquiry, existing as of the Effective Date. In the event that Buyer, prior to Close of Escrow, becomes aware, from Seller or otherwise, of any inaccuracy or omission in the disclosures, information, or representations previously provided to Buyer by Seller or its consultants or agents, which may have a material, adverse impact on Buyer, the Parking Lot Property or the intended use of the Parking Lot Property, Buyer, as its sole option and remedy, may either (i) terminate this transaction and receive a refund of its Deposit, including all accrued interest, thereby waiving any claims or actions that Buyer may have against Seller as a result of such inaccuracy or omission, or (ii) proceed with the Close of Escrow hereunder, thereby waiving any rights that Buyer may have against Seller as a result of such inaccuracy or omission. Unless otherwise expressly stated in this Agreement, the warranties, representations and covenants of Seller shall survive the Close of Escrow and recordation of any deed(s), and be binding upon and inure to the benefit of Buyer for a period not to exceed 365 days after the Close of Escrow ("**Limitation Period**") and no action, proceeding, suit or claim of any kind may be commenced or asserted by virtue of any of the representations or warranties contained in this Section 17 after the Limitation Period has expired.

(a) Seller's Authority. Seller has the legal power, right and authority to enter into this Agreement and the instruments referenced herein, and to consummate the transaction contemplated herein 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. The individual(s) executing this Agreement on behalf of Seller are authorized to do so.

(b) No Prior Transfers. Seller has not previously sold, transferred or conveyed the Parking Lot Property, or granted to any other person or entity any right or interest in all or any part of the Parking Lot Property (other than the Kohl's Parking Obligations) and Seller has not entered into any executory contracts for the sale of all or any part of the Parking Lot Property (other than this Agreement), nor do there exist any rights of first refusal or options to purchase the Parking Lot Property, other than this Agreement.

(c) No Conflict. To Seller's actual knowledge, Seller's execution, delivery and performance of its obligations under this Agreement will not constitute a default or a breach under any contract, agreement or order to which Seller is a party or by which it is bound.

(d) No Undisclosed Liabilities. To Seller's actual knowledge, except as disclosed by Seller or as disclosed on the Title Report, the Parking Lot Property is not

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subject to any debt, liability, obligation, contract or commitment of Seller of any kind or nature, direct or indirect, whether accrued, absolute, contingent or otherwise.

(e) Compliance with Laws. To Seller's actual knowledge, Seller has not received any notice of any violation of any law, rule, ordinance, order or regulation, and Seller is not subject to any settlement agreement or consent decree with continuing obligations or restrictions on Seller with respect to the Parking Lot Property. To Seller's actual knowledge, Seller is not aware of any existing permits governing Seller's present use of the Parking Lot Property.

(f) Legal Proceedings, Etc. To Seller's actual knowledge, there is no legal, equitable, administrative or arbitration action, suit, proceeding or investigation pending or, threatened in writing against or affecting Seller or the Parking Lot Property which, if adversely determined, could have a material adverse effect on the Parking Lot Property or the ability of Seller to consummate the transactions contemplated hereby, and there is no judgment, decree, injunction, rule or order of any court, governmental department, commission, agency, instrumentality or arbitrator outstanding against Seller, which if outstanding against Seller would have a material adverse effect on the Parking Lot Property.

(g) Environmental Matters. To Seller's actual knowledge, as of the Effective Date and the Close of Escrow:

(i) Seller has received no notice, warning, notice of violation, administrative complaint, judicial complaint, or other formal or informal notice alleging that conditions on the Parking Lot Property are or have been in violation of any Environmental Laws, or informing Seller that the Parking Lot Property is subject to investigation or inquiry regarding Hazardous Materials (as defined herein) on the Parking Lot Property or upon the parking lot improvements or the potential violation of any Environmental Laws;

(ii) There is no monitoring program required by the United States Environmental Protection Agency or any similar state agency concerning the Parking Lot Property or its improvements; and

(iii) Seller has disclosed to Buyer all material information, records, and studies maintained by Seller in connection with the Parking Lot Property and its improvements concerning Hazardous Materials.

(h) Provision of Documents. Seller has previously provided Buyer with true, correct and complete copies of each of the following, to the extent in Seller's possession:

(i) All permits and licenses pertaining to the use, operation, ownership and or management of the Parking Lot Property, if any, and if Seller knows of any missing permits or licenses, Seller has identified them for Buyer;

(ii) All contracts and agreements in Seller's possession relating to the use, operation, ownership and or management of the Parking Lot Property, if any,

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and if any contracts are not in writing, Seller has informed Buyer and provided a written summary of the material terms of any such oral agreements to Buyer; and

(iii) All environmental, engineering, soils and property and operations management reports for the Parking Lot Property, if any.

18. Buyer's Representations and Warranties. In consideration of Seller entering into this Agreement and as an inducement to Seller to sell the Parking Lot 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 transaction contemplated herein in 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. The individual(s) executing this Agreement on behalf of Buyer are authorized to do so.

(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 Parking Lot Property. Except as specifically provided in Section 17 of this Agreement, Seller makes no representation or warranty regarding the condition of the Parking Lot Property, its past use, or its suitability for Buyer's intended use. Buyer will be relying solely upon its own independent inspection, investigation, and analysis of the Parking Lot Property as it deems necessary or appropriate in so acquiring the Parking Lot Property from Seller, including, without limitation, any and all matters concerning the condition, use, sale, development or suitability of the Parking Lot Property for Buyer's intended use.

(e) No Buyer Bankruptcy. Buyer is not the subject of any bankruptcy proceeding, and no general assignment or general arrangement for the benefit of creditors or the appointment of a trustee or receiver to take possession of all or substantially all of Buyer's assets has been made.

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(f) Tenant Relocation. Based on Buyer's relationship with all tenants on the Project Property which predates this Agreement, Buyer will exercise its preexisting authority to ensure that all tenants lawfully vacate the Project Property prior to commencement of Project construction. Accordingly, any removal of tenants from the Project Property will not be the result of this Agreement, but rather the result of the preexisting landlord-tenant relationship between Buyer and tenants. However, to the extent applicable to the Project, Buyer shall ensure that all occupants of the Project Property receive all notices, benefits, and assistance to which they are entitled in accordance with California Relocation Assistance Law (Government Code Section 7260 *et seq.*), all state and local regulations implementing such law, including without limitation 25 Cal. Code Regs. Section 6000 *et seq.*, and all other applicable local and state laws, regulations, and policies relating to the displacement and relocation of eligible persons as defined in such Relocation Laws (all of the foregoing, collectively "**Relocation Laws**").

(1) Buyer shall be responsible for payment of any and all costs and expenses incurred in connection with the temporary and/or permanent displacement and/or relocation of tenants of the Project Property to the extent legally required by Relocation Laws, which may include, without limitation, payments to a relocation consultant, moving expenses, and payments for temporary and permanent relocation benefits pursuant to Relocation Laws, and Seller shall have no responsibility for payment therefor. To the greatest extent allowed by law, Buyer shall indemnify, defend (with counsel reasonably approved by Seller), and hold Seller harmless from and against any and all Claims arising in connection with the breach of Buyer's obligations set forth in this Section 18(f) whether or not any insurance policies shall have been determined to be applicable to any such Claims. Buyer's indemnification obligations under set forth in this Section 18(f) shall not apply to Claims to the extent resulting from the gross negligence or willful misconduct of Seller. The provisions of this Section 16(j) shall survive the expiration or earlier termination of this Agreement.

(g) As-Is Purchase. EXCEPT AS OTHERWISE PROVIDED IN THIS AGREEMENT, BUYER SPECIFICALLY ACKNOWLEDGES AND AGREES THAT SELLER IS SELLING AND BUYER IS PURCHASING THE PARKING LOT PROPERTY ON AN "AS IS WITH ALL FAULTS" BASIS, NO PATENT OR LATENT DEFECTS ON THE PARKING LOT PROPERTY WHETHER KNOWN NOW OR DISCOVERED LATER SHALL AFFECT THIS AGREEMENT, AND THAT OTHER THAN AS EXPRESSLY PROVIDED IN SECTION 17, BUYER IS NOT RELYING ON ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND WHATSOEVER, EXPRESS OR IMPLIED, FROM SELLER OR SELLER'S REPRESENTATIVES AS TO ANY MATTERS CONCERNING THE PARKING LOT PROPERTY.

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19. Liquidated Damages. BUYER RECOGNIZES THAT THE PARKING LOT PROPERTY WILL BE REMOVED BY THE SELLER FROM THE MARKET DURING THE EXISTENCE OF THIS AGREEMENT, AND THAT IF, FOLLOWING THE DEPOSIT RELEASE DATE, THIS TRANSACTION CONCERNING THE PARKING LOT PROPERTY IS NOT CONSUMMATED FOR ANY REASON OTHER THAN A DEFAULT BY SELLER, IT WOULD BE EXTREMELY DIFFICULT AND IMPRACTICAL TO ASCERTAIN THE EXTENT OF THE DETRIMENT TO SELLER. THE PARTIES HAVE DETERMINED AND AGREED THAT THE ACTUAL AMOUNT OF DAMAGES THAT WOULD BE SUFFERED BY SELLER AS A RESULT OF ANY SUCH FAILURE TO CLOSE IS DIFFICULT OR IMPRACTICABLE TO DETERMINE AS OF THE DATE OF THIS AGREEMENT AND THAT THE AMOUNT OF THE DEPOSIT IS A REASONABLE ESTIMATE OF THE AMOUNT OF SUCH DAMAGES. FOR THESE REASONS, THE PARTIES AGREE THAT IF, FOLLOWING THE DEPOSIT RELEASE DATE, THE PURCHASE AND SALE IS NOT CONSUMMATED FOR ANY REASON OTHER THAN A SELLER DEFAULT, THE DEPOSIT SHALL BE FORFEITED TO SELLER AS LIQUIDATED DAMAGES AS SELLER’S SOLE REMEDY. NOTHING CONTAINED HEREIN SHALL IN ANY MANNER LIMIT THE AMOUNT OF DAMAGES OBTAINABLE PURSUANT TO AN ACTION UNDER ANY HOLD HARMLESS, DEFENSE OR INDEMNIFICATION PROVISION SET FORTH IN THIS AGREEMENT OR REASONABLE ATTORNEYS’ FEES RECOVERABLE PURSUANT TO ANY ACTION UNDER A HOLD HARMLESS, DEFENSE OR INDEMNIFICATION SET FORTH IN THIS AGREEMENT. THE PAYMENT OF THE DEPOSIT AS LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY WITHIN THE MEANING OF CALIFORNIA CIVIL CODE SECTIONS 3275 OR 3369, BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLER PURSUANT TO CALIFORNIA CIVIL CODE SECTIONS 1671, 1676 AND 1677. SELLER HEREBY WAIVES THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 3389. THE PARTIES WITNESS THEIR AGREEMENT TO THIS LIQUIDATED DAMAGES PROVISION BY PLACING THE INITIALS OF THE AGENT EXECUTING THIS AGREEMENT ON ITS BEHALF BELOW, EACH PARTY SPECIFICALLY CONFIRMS THE ACCURACY OF THE STATEMENTS MADE ABOVE AND THE FACT THAT EACH PARTY WAS REPRESENTED BY COUNSEL WHO EXPLAINED, AT THE TIME THIS AGREEMENT WAS MADE, THE CONSEQUENCES OF THIS LIQUIDATED DAMAGES PROVISION.

Seller _____

Buyer _____

20. Damage or Condemnation Prior to Closing. Seller shall promptly notify Buyer of any casualty to the Parking Lot 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 below) of the Parking Lot Property, Seller or Buyer may, each at its option, elect either to (i) terminate this Agreement, in which event the Deposit, including all accrued interest, 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”

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shall mean damages greater than One Hundred Thousand and 00/100 Dollars (\$100,000.00).

21. Specific Performance; Limitation on Remedies. If, at any time following the Parties' approval of a Development Agreement (if any), the sale of the Parking Lot Property as contemplated hereunder is not consummated due to Seller's default hereunder, Buyer shall be entitled, as its sole remedy, either (a) to receive the return of the Deposit, which return shall operate to terminate this Agreement and release Seller from any and all liability hereunder, or (b) to enforce specific performance of Seller's obligation to convey the Parking Lot Property to Buyer in accordance with the terms of this Agreement, provided that Buyer files suit for specific performance on or before thirty (30) days following the date upon which Close of Escrow was to have occurred, it being understood and agreed that the remedy of specific performance shall not be available to enforce any other obligation of Seller hereunder. Buyer and Seller further agree that if Seller should default following the Parties' entry into a Development Agreement, the remedies otherwise provided by law including, but not limited to, damages will be deemed inappropriate and inadequate to fully remedy such Seller default given the unique nature of the Parking Lot Property, Buyer's intent to assemble the Parking Lot Property with the adjacent Kohl's Parcel owned by Buyer, and the extreme difficulty of assessing with certainty damages for such default. Accordingly, (i) Seller agrees that it shall not oppose the legal propriety of Buyer requesting a court to consider the issuance of an injunction or other equitable relief as part of any appropriate specific performance remedy should the court find that after entering into a Development Agreement, Seller has breached or failed to perform its obligations under this Agreement, and (ii) Buyer expressly waives its rights to seek damages in the event of Seller's default hereunder. Notwithstanding any other provision of this Section 21 to the contrary, no such Seller default shall be deemed to have occurred unless and until Buyer has given Seller written notice thereof, describing the nature of the default, and Seller has failed to cure such default within five days after receipt of such notice (and the Close of Escrow shall be extended, if necessary, to allow the Seller the full five day period). Nothing herein shall be deemed to prevent Seller from opposing in good faith any Buyer initiated court proceeding which attempts to find Seller in breach or default of any of Seller's obligations under this Agreement.

22. Third Party Legal Challenge.

(a) The Parties may cooperate in the defense of any court action or proceeding instituted by a third party or other governmental entity or official challenging the validity of any provision of this Agreement, the Seller's initial approval of this Agreement or the City's approval of any permits or approvals for the proposed Project ("**Initial Litigation Challenge**"), and the Parties shall keep each other informed of all developments relating to such defense, subject only to confidentiality requirements that may prevent the communication of such information. The foregoing notwithstanding, the Seller may choose not to defend any such proceeding challenging the validity of any provision of this Agreement or the Seller's initial approval of this Agreement or the City's approval of one or more of the Project Approvals.

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(b) If an Initial Litigation Challenge is filed, upon receipt of the complaint, the Parties will have 20 days to meet and confer regarding the merits of such Initial Litigation Challenge and to determine whether to defend against the Initial Litigation Challenge, which period may be extended by the Parties' mutual agreement so long as it does not impact any litigation deadlines. Seller and Buyer mutually commit to meet all required litigation timelines and deadlines. The Parties may enter a joint defense agreement, which will include among other things, provisions regarding confidentiality. The City Manager is authorized to negotiate and enter such joint defense agreement in a form acceptable to the Public Works Director and approved as to form by the City Attorney. Such joint defense agreement shall also provide that any proposed settlement of an Initial Litigation Challenge shall be subject to Seller's and Buyer's approval, each in its reasonable discretion. If the terms of the proposed settlement would constitute an amendment or modification of this Agreement, the settlement shall not become effective unless such amendment or modification is approved by Buyer in Buyer's sole discretion, and by Seller in Seller's sole discretion and in accordance with Applicable Laws.

(c) If, after meeting and conferring, the Parties mutually agree (each in its sole discretion) to defend against the Initial Litigation Challenge, then the following shall apply:

(i) For the purposes of cost-efficiency and coordination, the Parties shall first consider defending the Initial Litigation Challenge jointly, with counsel and under terms of joint representation mutually acceptable to the Seller and Buyer (each in its sole discretion), at the Buyer's sole cost and expense. If the Parties cannot reach timely and mutual agreement on a joint counsel, and Buyer continues to elect (in its sole discretion) to defend against the Initial Litigation Challenge, then: (i) Buyer shall take the lead role defending such Initial Litigation Challenge and may, in its sole discretion, elect to be represented by the legal counsel of its choice; (ii) Seller may, in its sole discretion, elect to be separately represented by the outside legal counsel of its choice in any such action or proceeding with the costs of such representation to be paid by Seller and (iii) Buyer shall reimburse Seller, within ten (10) business days following Seller's written demand therefor, which may be made from time to time during the course of such litigation, all necessary and reasonable costs incurred by Seller in connection with the Initial Litigation Challenge, not including Seller's legal fees.

(ii) For any Initial Litigation Challenge which the Buyer has elected to defend under this Section 22, Buyer shall indemnify and hold harmless the Seller and Seller's Representatives from any and all claims, liabilities and damages, including attorneys' fees awarded under Code of Civil Procedure Section 1021.5, assessed or awarded against Seller by way of judgment, settlement, or stipulation), related to such Initial Litigation Challenge.

(d) If Buyer elects, in its sole discretion, not to defend against the Initial Litigation Challenge, it shall deliver written Notice to the Seller regarding such decision. If Buyer elects not to defend, the Seller has the right, but not the obligation, to proceed to defend against the Initial Litigation Challenge and, in such event, Seller shall take the lead role defending such Initial Litigation Challenge and may, in its sole discretion, elect to be

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represented by the legal counsel of its choice, at its sole cost and expense. If Buyer elects not to defend, the Seller has the right, but not the obligation, to terminate this Agreement, in which case the Buyer Deposit shall be refunded to Buyer and this Agreement, other than those provisions which by their terms survive expiration or termination hereof, shall be of no further force or effect.

23. Notices. All notices, demands, consents, requests or other communications required 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 23, shall be addressed to the Parties in the manner set forth below, and shall be delivered by certified mail return receipt requested, or by overnight courier or delivery service with signature required, to the addresses set forth below, or to such other place as any Party may similarly in writing designate to the other. Notices shall be effective three business days after mailing by certified mail or upon delivery by overnight courier or delivery service (or, if delivery is not during regular business hours on a business day, then on the next business day).

The addresses of the Parties to receive notices are as follows:

TO SELLER: City of Napa
City Hall, South Wing
955 School Street/PO Box 660
Napa CA 94559
Attention: City Manager
Telephone: 707-257-9501

WITH A COPY TO: City of Napa
City Hall, South Wing
955 School Street/PO Box 660
Napa, California 94559
Attention: City Attorney
Telephone: (707) 257-9501

TO BUYER: Coombs Street LLC
Christopher M. George
c/o CMG Mortgage
3160 Crow Canyon Road, Suite 400
San Ramon, California 94583
E-mail: cgeorge@cmgfi.com

WITH A COPY TO: Jerry Hunt
300 Venture Group
321 Hartz Avenue, Suite 200
Danville, California 94526
Email: Jerry@3VG.us

WITH A COPY TO: Holman Teague Roche Anglin LLP
1455 First Street

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Suite 217
Napa, CA 94559
Attention: Kevin Teague
Tel: (707) 927-4280

TO ESCROW HOLDER: Placer Title Company of Napa
5 Financial Plaza, #205
Napa, CA 94558
Attention: Laura Blessing
Tel: (707) 346-6940

24. Brokers. Each of Seller and Buyer represent that 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. 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, 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 agreement or enforcement thereof. Seller's and Buyer's indemnity obligations under this Section 24 shall survive any termination of this Agreement, shall survive the Closing and shall not be merged upon delivery and acceptance of the Grant Deed or upon payment of the Purchase Price by Buyer to Seller.

25. Assignment. Buyer shall not assign its right, title or interest in this Agreement to any other party without the prior written consent of Seller, which determination may be withheld in Seller's sole and absolute discretion, provided that Buyer may, however, assign this Agreement and all of Buyer's rights and obligations under it to another affiliated entity in which Buyer or Buyer's managing member maintains an ownership interest and day-to-day management and control in such entity, provided that (i) such assignee assumes in a writing reasonably acceptable to Seller, all of the obligations of Buyer, (ii) Seller receives prior written notice of such assignment, and (iii) the assignee executes all documents and perform all obligations of Buyer as if such assignee were the original Buyer under this Agreement.

26. 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

EXHIBIT C

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) Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the successors and permitted assigns of the Parties hereto.

(d) Surplus Lands Act Indemnity. Buyer shall indemnify, defend and hold Seller harmless from penalties assessed pursuant to California Government Code section 54230.5(a) imposed by the State of California onto Seller arising out of or resulting from Seller's determination that this Agreement is exempt from the requirements of the State Surplus Lands Act (California Government Code section 54220 *et seq.*), including but not limited to because the Parking Lot Property is subject to valid legal restrictions to satisfy the Kohl's Parking Obligation (as provided in Government Code section 54221(f)(1)(J)).

(e) Entire Agreement/Amendments. 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, including the Purchase Agreement, the First Amendment and the Second Amendment. 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 are solely for the convenience of the Parties and are not a part of the 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. 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. All exhibits referred to in this Agreement are attached and incorporated herein by this reference.

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(i) Governing Law/Venue. 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 without reference to its choice of law rules. The Parties hereto agree that the exclusive jurisdiction and venue for any legal action arising out of or relating to this Agreement shall be in the applicable Court of Napa County, California, or, in the alternative, in cases where Federal jurisdiction is available, in the United States District Court for the Northern District of California.

(j) Days of Week. A “business day,” as used herein, shall mean any working day, as defined in City of Napa Municipal Code section 1.04.030. 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 Parking Lot Property. Subject to the Approved Conditions of Title, Buyer shall be entitled to the possession of the Parking Lot 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) Facsimile and Electronic Signatures. In order to expedite the transaction contemplated herein, facsimile or electronic signatures may be used in place of original signatures on this Agreement. Seller and Buyer intend to be bound by the signatures on the facsimile document, are aware that the other Party will rely on the facsimile or electronic signatures, and hereby waive any defenses to the enforcement of the terms of this Agreement based on the use of a facsimile or electronic signature.

(n) Termination Documents. If this Agreement is terminated prior to the Close of Escrow for any reason, Buyer shall deliver to Seller upon Seller’s request, at no cost and without warranty as to correctness, the following documents and materials (collectively hereinafter referred to as the “**Termination Documents**”): copies of all reports, studies, maps and engineering studies that were generated by third parties for Buyer with respect to the Parking Lot 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 which 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.

(o) Exclusivity. Except as otherwise expressly provided below, commencing on the Effective Date and continuing until Closing or termination of this Agreement, Seller shall not offer the Parking Lot Property or any interest therein for sale or lease to any other party, or negotiate, solicit or entertain any offers to sell or lease the Parking Lot Property. Seller may issue one or more short term (i.e. daily, weekly or

EXHIBIT C

monthly) licenses authorizing use of all or a portion of the Parking Lot Property, including for parking purposes, provided the term of such license(s) shall not extend beyond the Closing.

[Signatures on next page]

EXHIBIT C

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the dates set forth below.

BUYER:

SELLER:

COOMBS STREET LLC, a California limited liability company

CITY OF NAPA, a California charter city

By: _____
Name: Christopher M. George
Title: Managing Member
Date: _____

By: _____
Name: Steve Potter
Title: City Manager
Date: _____

COUNTERSIGNED

By: _____
Erika Leahy, City Auditor

APPROVED AS TO FORM

By: _____
Sabrina Wolfson, Interim City Attorney

EXHIBIT C

Schedule of Exhibits

Exhibit A

Legal Description of Parking Lot Property

Exhibit B

First Street Napa Phase II Project Conceptual Project Description

Exhibit C

Grant Deed

Attachment 1 Legal Description of Parking Lot Property

EXHIBIT C

RECEIPT BY ESCROW HOLDER

Escrow Holder hereby acknowledges receipt of a fully executed copy of the foregoing Amended and Restated Agreement of Purchase and Sale and Joint Escrow Instructions (Surface Parking Lot at Southeast Corner of Second and Randolph) APNs. 003-166-008 & 003-166-011, Napa, California on this date and agrees to abide by the escrow instructions contained therein.

Escrow Holder:

PLACER TITLE COMPANY OF NAPA

By: _____

Name: _____

Effective Date: _____

EXHIBIT C

EXHIBIT A

Legal Description of the Parking Lot Property

The land referred to in this Agreement is situated in the State of California, County of Napa, City of Napa, and is described as follows:

"Parking Lot G"

PARCEL ONE

All that certain real property situate, lying and being in the City of Napa, County of Napa, State of California, describes as follows:

A portion of lot 3 in Block 19, as shown on the map entitled, "Plan of Napa City", filed November 28, 1853 in Book B of Deeds, at page 433, Napa County Records, described as follows:

Commencing at the most Western corner of said Lot 3; running thence Southeasterly along the Northeastern line of Coombs Street, 60.00 feet; thence Northeasterly parallel with the Southeastern line of Pearl Street, 30.09 feet; thence Northwesterly, parallel with the Northeastern line of Coombs Street, 60.00 feet to the Southeastern line of Pearl Street; thence Southwesterly along last mentioned line, 30.09 feet to the point of commencement.

APN 003-166-008

PARCEL TWO

All that certain real property situate, lying and being in the City of Napa, County of Napa, State of California, describes as follows:

A portion of lots 1, 2, 3 and 4 in Block 19, as shown on the map entitled, "Plan of Napa City", filed November 28, 1853 in Book B of Deeds, at page 433, Napa County Records, described as follows:

Commencing at the intersection of the southwesterly line of Brown Street with the southeasterly line of Pearl Street; thence along the southwesterly line of said Brown Street southeasterly 135.00 feet to the northwesterly line of the parcel of land described in the deed to Nichandros Associates recorded September 27, 1972 in Book 889, at page 845, Napa County Official Records; thence leaving the southwesterly line of Brown Street and running south 57° 06' 30" west 240.00 feet along said northwesterly line to the northeasterly line of Coombs Street; thence northwesterly along said northeasterly line 75.00 feet to the most southerly corner of the parcel of land described in the deed to City of Napa, a municipal corporation of the state of California, recorded March 24, 2011 as Instrument No. 2011-0007031; thence leaving the northeasterly line of Coombs Street and running northeasterly 30.09 feet along the southeasterly line of said City of Napa parcel to the most easterly corner thereof; thence along the northeasterly line of said City of Napa parcel northwesterly 60.00 feet to the herein above mentioned southeasterly line of Pearl Street; thence along said southeasterly line of Pearl Street northeasterly 209.91 feet to the point of commencement.

APN 003-166-011

Exhibit A

EXHIBIT C

EXHIBIT B

First Street Napa Phase II Project Conceptual Project Description

Use Description: First Street Napa Phase II Project (“Project”) is a dynamic housing, retail and upper upscale hotel project located in Downtown Napa’s most important and central public gathering area. As described in the “AGREEMENT FOR EXCHANGE OF REAL PROPERTY AND JOINT ESCROW INSTRUCTIONS” between the City and Developer, the Project is proposed to be developed on the “Project Property” described therein. The conceptual description of the key components of the Project, to be further clarified by the Parties through the negotiation and execution of a Development Agreement, is as follows:

Housing: Approximately 77 market-rate for sale condominium units that may be serviced by the Hotel and may be made available for short-term transient rental in connection with the Hotel. The Development Agreement will further define the terms and timing by which Developer will provide funding assistance to the affordable housing project proposed on property owned by the First United Methodist Church in downtown Napa.

Retail: Approximately 15,000 sf of stand-alone retail space in the ground floors of two buildings, along with approximately 15,000 sf of hotel and residential accessory commercial space in the ground and second floors of two buildings.

Hotel: The planned hotel will be an STR-rated upper-upscale facility with approximately 165 rooms. The Hotel will also include amenities such as a restaurant on the ground floor and a rooftop patio and bar and event space. These amenities may be operated as independent retail and commercial uses from the hotel.

Outdoor and Public Spaces: The outdoor and public spaces will include both raised and at-grade spaces facilitating a myriad of public and private uses. This will include spaces designed for active engagement and connections for pedestrians on adjacent public property on First Street and the former Brown Street corridor. Programming includes the potential for public gatherings, traditional food and beverage sales, and for organized public and private events. The Project will develop a new public plaza (the “New Plaza”) of a size equal to or greater than the City Property (approximately 0.18 acres) and in a location roughly aligned with the former Clay Street right-of-way (to create visual connections for pedestrians from Coombs Street to the 9/11 Memorial Garden and the Opera House). The New Plaza will be a pedestrian-oriented ADA-compliant space with design elements for retail activation complimentary to First Street and public gathering opportunities that will include a public concourse running between the hotel and residential buildings that will lead from the First Street Napa mall to the Brown Street Corridor. The former Brown Street corridor will be restored and is intended to be designed to meaningfully engage the adjacent public rights-of-way between the Project site, the 9/11 Memorial Garden, Main Street, Napa Creek and the surrounding downtown areas and Oxbow district. This will transform the currently underutilized spaces adjacent to the Creek into an extension of the project’s spaces for public and private uses.

Parking: The City of Napa is currently obligated to provide a designated number of non-exclusive parking spaces for retail uses conducted on the Kohl’s Parcel under the existing Kohl’s (formerly

EXHIBIT C

Mervyn's) lease, as provided in that certain License Agreement dated February 1, 2000, City Agreement 7583 ("License Agreement"). As a condition of Close of Escrow, the Parties will negotiate and execute a "Parking Agreement" (a "Recordable Agreement" for parking) which will completely supersede and replace the License Agreement, including an accounting of total parking demand from the Project and a credit for historic parking allocated to uses on the Project Property under the License Agreement. The Parties will refine the parameters for the Parking Agreement as a part of the Development Agreement. Developer plans to construct a portion of required parking improvements on-site for residential uses. Developer proposes to provide hotel parking off-site in the Pearl Street Garage and Pearl Street surface lot, subject to the terms of the Parking Agreement. Such parking is intended to be sufficient to serve the Project's parking demand, which will be regulated by the Development Agreement. In the event sufficient public parking is not available in the Pearl Street lots or if future structured parking becomes available, the Pearl Street parking or portion thereof may be relocated to another nearby public parking location acceptable to the City and Developer, subject to an agreement for such relocation, including any financial contributions, between the City and Developer.

EXHIBIT C

EXHIBIT C

Grant Deed

RECORDING REQUESTED BY:

WHEN RECORDED MAIL
TO AND MAIL TAX STATEMENTS TO:

Napa Parkway Plaza, LLC,
c/o Holman Teague Roche & Anglin, LLP
1455 First Street, Suite 217
Napa, California 94559
Attn.: Kevin Teague

(Above Space for Recorder's Use Only)

GRANT DEED

FOR VALUABLE CONSIDERATION, the receipt and sufficiency of which is hereby acknowledged, the City of Napa, a municipal corporation, hereby grants to Napa Parkway Plaza, LLC, a California limited liability company, the real property located in the City of Napa, County of Napa, California described in Attachment 1 attached hereto and incorporated by reference.

CITY OF NAPA, a municipal corporation

By: _____
Steve Potter, City Manager
(Signature must be notarized)

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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 _____)

On _____, before
me, _____,
(Name of Notary)

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

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

WITNESS my hand and official seal.

(Notary Signature)

EXHIBIT C

ATTACHMENT 1

Legal Description of Parking Lot Property

The land referred to in this Agreement is situated in the State of California, County of Napa, City of Napa, and is described as follows:

"Parking Lot G"

PARCEL ONE

All that certain real property situate, lying and being in the City of Napa, County of Napa, State of California, describes as follows:

A portion of lot 3 in Block 19, as shown on the map entitled, "Plan of Napa City", filed November 28, 1853 in Book B of Deeds, at page 433, Napa County Records, described as follows:

Commencing at the most Western corner of said Lot 3; running thence Southeasterly along the Northeastern line of Coombs Street, 60.00 feet; thence Northeasterly parallel with the Southeastern line of Pearl Street, 30.09 feet; thence Northwesterly, parallel with the Northeastern line of Coombs Street, 60.00 feet to the Southeastern line of Pearl Street; thence Southwesterly along last mentioned line, 30.09 feet to the point of commencement.

APN 003-166-008

PARCEL TWO

All that certain real property situate, lying and being in the City of Napa, County of Napa, State of California, describes as follows:

A portion of lots 1, 2, 3 and 4 in Block 19, as shown on the map entitled, "Plan of Napa City", filed November 28, 1853 in Book B of Deeds, at page 433, Napa County Records, described as follows:

Commencing at the intersection of the southwesterly line of Brown Street with the southeasterly line of Pearl Street; thence along the southwesterly line of said Brown Street southeasterly 135.00 feet to the northwesterly line of the parcel of land described in the deed to Nichandros Associates recorded September 27, 1972 in Book 889, at page 845, Napa County Official Records; thence leaving the southwesterly line of Brown Street and running south 57° 06' 30" west 240.00 feet along said northwesterly line to the northeasterly line of Coombs Street; thence northwesterly along said northeasterly line 75.00 feet to the most southerly corner of the parcel of land described in the deed to City of Napa, a municipal corporation of the state of California, recorded March 24, 2011 as Instrument No. 2011-0007031; thence leaving the northeasterly line of Coombs Street and running northeasterly 30.09 feet along the southeasterly line of said City of Napa parcel to the most easterly corner thereof; thence along the northeasterly line of said City of Napa parcel northwesterly 60.00 feet to the herein above mentioned southeasterly line of Pearl Street; thence along said southeasterly line of Pearl Street northeasterly 209.91 feet to the point of commencement.

APN 003-166-011