

**AGREEMENT FOR PURCHASE AND SALE  
AND ESCROW INSTRUCTIONS**

(A.P.N. 024-052-045-000 )  
024-052-074-000

Chicago Title Company  
1460 West 7<sup>th</sup> Street  
Hanford, CA 93230  
Attention: Claudia Cornwall

Escrow No.: \_\_\_\_\_  
Date Opened: \_\_\_\_\_  
("Escrow") \_\_\_\_\_

Telephone: 559-713-2087  
Facsimile: 559-584-2978  
("Escrow Holder")

This AGREEMENT FOR PURCHASE AND SALE AND ESCROW INSTRUCTIONS ("Agreement") is made as of December \_\_, 2011, by the City of Lemoore, a California municipal corporation ("Seller"), and Full Circle Renewables, LLC, a California limited liability company ("Buyer"). For good, valuable, and sufficient consideration received, Buyer and Seller hereby agree as follows:

**1. SALE AND PURCHASE, PRICE AND PAYMENT.**

1.1 Sale and Purchase. Seller shall sell to Buyer and Buyer shall purchase from Seller that certain real property located in the County of Fresno ("County"), State of California, legally described on the attached Exhibit "A", together with all existing structures, improvements and fixtures located thereon or attached thereto (collectively, the "Property"), pursuant to this Agreement.

1.2 Price. The total purchase price ("Purchase Price") for the Property is Two Hundred Fifty Thousand Dollars (\$250,000.00) to Seller.

1.3 Payment. Immediately upon the execution of this Agreement by Buyer and Seller, Buyer shall deliver to Escrow Holder the Purchase Price. Once delivered to Escrow Holder, the Purchase Price shall be non-refundable except as expressly provided in this Agreement.

**2. TITLE.**

2.1 General. Seller shall convey fee title to the Property to Buyer by grant deed, free and clear of all liens and encumbrances and other matters affecting title to or use of the Property except: (a) the printed exceptions and exclusions in the "Title Policy" (as defined in Section 2.2); (b) the exceptions to title set forth in Schedule B to the Title Report and approved by Buyer in writing as provided in Section 5.1; (c) real property taxes which are a lien but not yet payable; and (d) any other title exceptions caused or preapproved in writing by Buyer ("Permitted Exceptions"). If, for any reason, Seller is unable to remove any exceptions not approved by Buyer or cure other title defects raised by Buyer, Buyer may either waive the exception or objection or may cancel the Escrow. If Buyer elects to cancel the Escrow, it shall so notify

Seller and Escrow Holder in writing, whereupon both parties shall automatically be relieved from further obligations under this Agreement, and Buyer shall be refunded any sums it has tendered to Escrow Holder.

2.2 Title Insurance. At the close of Escrow, Chicago Title Company ("Title Company") shall issue and deliver to Buyer at Buyer's sole expense and at Buyer's sole election an ALTA extended coverage form or a CLTA standard coverage form of title insurance policy, with liability and limits in the amount of the Purchase Price, insuring title to the Property as vested in Buyer in fee simple absolute, subject only to the Permitted Exceptions ("Title Policy").

2.3 No Encumbrance or Conveyance. Seller shall not encumber or convey any interest in the Property, or enter into any agreement to do so, that could affect the Property after the close of Escrow.

### 3. MATERIALS AND ACCESS.

3.1 Materials. Seller has delivered or shall promptly deliver to Buyer upon the opening of Escrow complete copies of all written materials relating to the Property that are in the possession of or available to Seller, including without limitation the following materials (assuming that such materials exist and to the extent that Seller is reasonably able to access and have such materials delivered to Buyer):

- (i) all permits and applications for permits relating to the Property with any applicable government authority (including, without limitation, building permits for structures located on the Property),
- (ii) any available maps and surveys (including, without limitation, archaeological, boundary, topographic and tree surveys)
- (iii) real estate tax bills relating to the Property,
- (iv) documents relating to the formation or contemplated formation of any assessment district,
- (v) any written notices, reports, citations, orders, decisions, correspondence or memoranda received by Seller from any governmental authority,
- (vi) all agreements, applications or correspondence with any governmental authority concerning any zoning, use, development, redevelopment, subdivision or platting of the Property,
- (vii) any then-current leases, licenses, occupancy agreements, studies or reports relating to the Property, other than those to which Buyer is a party (including, without limitation, written informational summaries concerning any verbal or undocumented agreements), and
- (viii) such other documents and information relating to the Property as Buyer may reasonably request and that Seller has actual possession of or knowledge of and

reasonable access to ("Materials"). Seller shall openly discuss the Materials directly with Buyer. Seller shall immediately deliver to Buyer complete copies of any additional Materials that become available before the close of Escrow.

3.2 Access. Seller hereby grants to Buyer, its employees, agents, contractors and nominees, at Buyer's sole expense, the right to conduct such pest control, electrical, mechanical, plumbing, engineering, soils, geological, surveying, environmental investigation and assessment, and other tests as Buyer desires, subject to Section 5.2 below. Buyer shall indemnify, defend, protect, and hold harmless Seller and the Property from and against all liability, damage and cost (including reasonable attorneys' fees) for injury to persons or property incurred as a result of any such activities by Buyer on the Property. The foregoing indemnity, defense and hold harmless obligations do not apply to (i) any loss, liability, cost, claim, damage, injury or expense to the extent caused by acts or omissions of Seller and (ii) any diminution in value of the Property arising from or relating to any matters discovered by Buyer during its investigation of the Property.

#### 4. ESCROW.

4.1 Instructions. This Agreement constitutes escrow instructions and shall be immediately delivered to Escrow Holder after it is signed by the parties. The parties agree to sign and return to Escrow Holder its general provisions relating to escrows to the extent they do not conflict with this Agreement. If Escrow Holder requires further reasonable escrow instructions, then it shall promptly prepare them and they shall be signed and returned to Escrow Holder by each party within three (3) business days after receipt. This Agreement shall control if it conflicts with any of Escrow Holder's documents.

4.2 Opening. Escrow shall be deemed open on the date Escrow Holder receives a fully-signed original or counterparts of this Agreement. Escrow Holder shall enter that date on page 1 (the "Escrow Opening Date") and promptly notify Buyer and Seller in writing of that date.

4.3 Closing. The obligations of the parties hereunder are conditioned upon Seller entering into an agreement (the "KWRA Agreement") with Kings (County) Waste & Recycling Authority's ("KWRA"), or, if appropriate, other acknowledgement by KWRA, pursuant to KWRA will release all interest or responsibility for the Property, the form of which KWRA Agreement or other acknowledgement shall be reasonably acceptable to Seller and Buyer. In the event that Seller and KWRA have not entered into the KWRA Agreement no later than sixty (60) days following Buyer's delivery of the Purchase Price into Escrow as described in Section 1.3, above, in a form reasonably acceptable to Seller and Buyer, this Agreement, the Early Access Agreement, and the Addendum shall terminate and neither party shall have any further liability hereunder, and in such event, all funds deposited by Buyer shall be returned to Buyer. Subject to the satisfaction of the foregoing condition, Escrow shall close (the "Close of Escrow" or "Closing") five (5) days following Buyer's receipt of the fully-executed KWRA Agreement (the "Scheduled Closing Date").

4.4 Buyer's Deliveries. At least two (2) business days before the Scheduled Closing Date, provided Seller is not in default, Buyer shall deposit into Escrow (signed and

acknowledged, if applicable) all documents and funds required by this Agreement to be deposited by Buyer, and such other documents as may be necessary or appropriate to consummate the transaction in accordance with the terms of this Agreement.

4.5 Seller's Deliveries. At least two (2) business days before the Scheduled Closing Date, and provided Buyer is not in default, Seller shall deposit into Escrow (signed and acknowledged, if applicable):

4.5.1 A grant deed in a form reasonably acceptable to Buyer and prepared by Escrow Holder (the "Grant Deed");

4.5.2 A certificate, executed by Seller, certifying that, as of close of Escrow, all of the representations and warranties of Seller set forth in this Agreement were true when made and, to the best of Seller's actual knowledge, are true, correct, complete, and current as of, and as if made at, the close of Escrow, except as otherwise set forth in this Agreement, and that all such representations and warranties will survive the close of Escrow.

4.5.3 The fully-executed KWRA Agreement or other acknowledgment by the KWRA as described in Section 4.3.

4.5.4 Such other documents as are reasonably required by Escrow Holder and/or this Agreement to be deposited by Seller.

4.6 Closing Conditions. Escrow shall not close until Escrow Holder has received everything required by this Agreement and Title Company commits to issue the Title Policy to Buyer. If the Escrow is not in a position to close on the last day provided in Section 4.3 for Closing, unless extended as provided below, the Escrow shall terminate automatically and shall be considered canceled, and all documents and payments shall be returned to the Buyer and Seller without having to submit joint termination instructions.

4.7 Recordation and Delivery. Upon the close of Escrow, Escrow Holder shall first cause the Grant Deed to be recorded in the Official Records of the Kings County Recorder and then deliver the documents and funds (less appropriate charges and any required withholding) as provided herein. Escrow Holder shall promptly provide conformed copies of all recorded documents to Seller and Buyer. Prior to the close of Escrow, Escrow Holder shall prepare a Preliminary Change of Ownership Report on the County Assessor's form and deliver it to Buyer, which Buyer shall sign and return to Escrow Holder. Escrow Holder shall include a notation on the Grant Deed that no documentary transfer tax is due as a result of the tax-exempt status of Seller. A failure to send out the form or for Buyer to complete the form does not constitute the failure of a condition precedent to Buyer's obligations herein.

4.8 Costs – No Closing Costs to Seller. Buyer shall assume and be responsible for all costs of the Closing, including but not limited to Escrow and recording fees, transfer taxes, and title insurance policies. Seller is, however, responsible for any prorated real estate taxes due through the date of the Closing. Title Company agrees not to seek any reimbursement of any Closing costs, including escrow, title, recording or other expenses from Seller. Any expenses of Escrow, title or other closing costs not anticipated shall be presumed to be the obligation of Buyer, whether Escrow closes or not.

4.9 Prorations. Except to the extent otherwise provided in any written document previously signed by the parties and delivered to Escrow Holder prior to the Closing, real property taxes shall be prorated (based on thirty (30) day months and a three hundred sixty (360) day year) as of the close of Escrow, with Buyer responsible for all such taxes due beginning as of the Closing.

4.10 Termination. If Escrow fails to close due to the default of either party, then the non-defaulting party may terminate this Agreement and the Escrow (without that termination constituting a waiver of the default) and shall receive all documents and funds deposited by it and shall be entitled to all appropriate relief at law or in equity, except as limited by Section 8.1, and the defaulting party shall pay all Escrow cancellation charges. If Escrow fails to close due to the default of Buyer under this Agreement, Escrow Holder shall deliver to Seller all funds previously deposited by Buyer upon Seller's written demand. If Escrow fails to close due to the default of Seller, Escrow Holder shall refund to Buyer all funds delivered into Escrow by Buyer upon Buyer's written demand.

4.11 Commissions. Buyer and Seller each represent and warrant to the other that no party has been engaged by it as a broker, agent or finder, licensed or otherwise, in connection with the transaction contemplated by this Agreement. If any claim is made for a commission or finder's fee in connection with the transaction contemplated by this Agreement, then the party upon whose alleged statement, representation or agreement that claim arises shall indemnify, defend, protect and hold harmless the other party from and against all liability, damage and cost (including actual attorneys' fees) the other party incurs as a result thereof.

4.12 IRS Reporting at Close of Escrow. Escrow Holder agrees to be the designated "reporting person" under Section 6045(e) of the U.S. Internal Revenue Code with respect to the real estate transactions described in this Agreement and to prepare, file and deliver such information, returns, and statements as the U.S. Treasury Department may require by regulations or forms in connection therewith, including Form 1099-B.

## 5. CLOSING CONDITIONS AND APPROVAL OR DISAPPROVAL THEREOF.

### 5.1 Title.

5.1.1 Buyer has obtained a current preliminary title report for the Property and legible copies of all documents referred to therein ("Title Report"). Buyer's obligation to purchase the Property is contingent upon Buyer's approval of all matters affecting title to or use of the Property ("Title Matters") in Buyer's sole and absolute discretion on or before the date which is five (5) calendar days before the expiration of the "Approval Period" (as defined in Section 5.2). If Buyer does not give written notice to Seller of Buyer's approval or disapproval of the Title Matters within said time period by delivering such notice to Seller and Escrow Holder, then Buyer shall be deemed to have approved the Title Matters. If Buyer gives written notice to Seller of Buyer's disapproval of any Title Matters within said time period and Seller does not give written notice to Buyer within five (5) calendar days thereafter regarding Seller's elimination of or agreement to eliminate those disapproved matters prior to the Closing, then this Agreement shall terminate upon the expiration of the Approval Period unless Buyer waives its prior disapproval by approving the "Review" pursuant to Section 5.2. Seller's inability or refusal

to eliminate a disapproved matter shall not be considered a default or breach of this Agreement by Seller.

5.1.2 If Title Company issues a supplemental title report prior to the close of Escrow showing additional exceptions to title (a "Title Supplement"), or if any survey obtained pursuant to Section 2.2 ("Survey") discloses any additional encroachments, overlaps, boundary disputes, easements or other matters that would interfere with Buyer's intended use of the Property, Buyer shall have three (3) business days (a "Supplemental Title Review Period") from the date of receipt of the Title Supplement and a copy of each document referred to in the Title Supplement and/or the Survey in which to give notice of disapproval as to any additional exceptions. Buyer may not disapprove any exception caused or consented to by Buyer. If Buyer disapproves any additional exception(s) shown in the Title Supplement and/or Survey, then Buyer will have the rights set forth above in this Section by giving the required notice to Seller during the Supplemental Title Review Period.

5.1.3 Notwithstanding the foregoing, Buyer need not disapprove any Title Matters representing monies owed, such as a notice of default, lien, assessment, deed of trust or bond, as Seller shall cause all of said items (other than non-delinquent taxes) to be eliminated at Seller's sole expense prior to the close of Escrow. If Seller fails to eliminate these items prior to the close of Escrow, then Escrow Holder shall apply the portion of the Purchase Price necessary to eliminate them by the close of Escrow.

5.2 Review. Buyer shall perform such investigations of the Property as Buyer desires ("Review"), excluding, however, any ground-penetrating testing.

5.3 Seller's Performance. Buyer's obligation to purchase the Property is contingent upon: (i) Buyer's review and approval of the KWRA Agreement as provided in Section 4.3 and the full execution of the KWRA Agreement or other acknowledgment by the KWRA as described in Section 4.3 within the period set forth in Section 4.3; (ii) Seller's performance and observation, in all material respects, of all obligations, covenants, and agreements set forth in this Agreement to be performed and observed by Seller prior to or as of close of Escrow; and (iii) Seller's warranties and representations contained in this Agreement being true and correct, to the best of Seller's knowledge, as of the date hereof and the close of Escrow.

5.4 Approval or Disapproval. The conditions contained in this Section 5 are inserted for the sole benefit of Buyer and may be waived or disapproved, at Buyer's option, at any time by Buyer giving written notice thereof to Seller. If Buyer disapproves or is deemed to have disapproved any of the conditions specified in Section 5, or if those conditions are not satisfied within any time periods specified therein, then this Agreement and the Escrow shall be terminated, whereupon Escrow Holder shall immediately give notice of that termination to Buyer and Seller and return to Buyer and Seller all documents, instruments and funds to the party depositing the same and neither party shall have any further rights or obligations to the other party.

## 6. COVENANTS.

6.1 Covenants Applicable Before Close of Escrow or Termination. Beginning on the date of this Agreement and until the earlier of the close of Escrow or the termination of this Agreement:

6.1.1 Subject to the Addendum, Seller shall comply with all laws, statutes, rules, regulations, and ordinances that are applicable to the Property and the use, occupation, ownership, and conveyance thereof, including, without limitation, those relating to the existence of any "Hazardous Materials" in, on or around the Property. For purposes of this Agreement, the term "Hazardous Materials" means any hazardous or toxic substance, material, or waste that is or becomes regulated by any local governmental authority, the State of California, or the United States. Hazardous Materials include, without limitation, the following: (1) any pollutant, oil, or hazardous substance, identified or listed pursuant to Sections 307, 311, or 502 of the Federal Water Pollution Control Act (33 USC §§1317, §1321, and §1362); (2) any element, compound, mixture, solution, or substance designated pursuant to Section 102 of the Comprehensive Environmental Response Compensation and Liability Act (CERCLA) (42 USC §9602); (3) any substance or material having the characteristics identified under or listed pursuant to Section 3001 of the Comprehensive Recovery Act (RCRA) (42 USC §6921); (4) any petroleum, crude oil, or any fraction of either that is not otherwise specifically listed or designated under items (1)-(3); (5) any hazardous waste, extremely hazardous waste, hazardous substance, or hazardous material, as defined or listed pursuant to Sections 25115, 25117, 25122.7, 25141, 25316, or 25501 of the California Health & Safety Code; and (6) any waste or material, including asbestos and lead, which is listed or meets any identification or toxicity criterion in Division 4.5 of Title 22 of the California Code of Regulations.

6.1.2 Seller shall not commit waste with respect to the Property.

6.1.3 Seller shall maintain the Property in the same state of repair as of the date of this Agreement.

6.1.4 Seller shall do or cause to be done all reasonable things within its control to preserve intact and unimpaired any and all rights of way, easements, grants, appurtenances, privileges, and licenses in favor of or constituting any portion of the Property.

6.2 Actions Requiring Consent of Buyer. Notwithstanding any provision of this Agreement to the contrary, Seller shall not take any of the following actions without the prior written consent of Buyer between the date of this Agreement and the Close of Escrow or termination of this Agreement, as applicable, which consent may be given or withheld in Buyer's sole and absolute discretion:

6.2.1 Fail to make a payment or take or consent to any action which causes any lien, obligation, or encumbrance to be placed or imposed on the Property or take or consent to any other action affecting title to the Property that would result in an exception to title which is not already a Permitted Exception (including, without limitation, the grant of any easement, license, permit, agreement or any other legal, beneficial, or possessory interest in or to the Property), or amend, modify, or extend the term of any such interest affecting title to the Property.

6.2.2 Grant or extend access, license, lease or use rights to the Property to any person other than Buyer.

6.2.3 Alter in any manner the physical condition of the Property, except as necessary to permit Seller to comply with its respective obligations under applicable laws.

6.2.4 Construct or install, or permit to be constructed or installed, any improvements on the Property that cannot be removed prior to the Close of Escrow. Improvements made due to governmental requirements or relating to gas emissions are excluded from the foregoing.

6.2.5 Agree or negotiate to sell, convey, assign, transfer, or otherwise dispose of any interest, excepting any personal property located on or in the Property.

6.2.6 Take any other action that would have a material adverse impact on the Property.

6.3 Seller's Use of the Property. During its period of ownership, Seller may continue to operate the Property in the same manner as Seller operated the Property on the date of this Agreement, provided that Seller shall not change or expand such operations or engage in any new or different uses of the Property without Buyer's prior written approval, which may be given or withheld in Buyer's sole discretion.

## 7. REPRESENTATIONS AND WARRANTIES.

7.1 By Buyer. As a material inducement for Seller's entry into and performance of this Agreement, Buyer warrants and represents that, to the best of Buyer's knowledge, the facts set forth in this Section are true and correct as of the date hereof and shall be true and correct as of the close of Escrow.

7.1.1 Buyer is a limited liability company duly organized, validly existing and in good standing under the laws of the State of California.

7.1.2 (a) Buyer has full right and authority to enter into and perform this Agreement; (b) each person signing this Agreement for Buyer is authorized to so sign; (c) the execution, consent or acknowledgment of no other party is necessary in order to validate Buyer's entry into and performance of this Agreement; (d) Buyer's entry into and performance of this Agreement do not violate any agreement binding on Buyer; (e) this Agreement is a legal, valid, binding and enforceable obligation of Buyer; (f) the execution, consent or acknowledgment of no other party is necessary in order to validate Buyer's entry into and performance of this Agreement; and (g) all actions required of Buyer to execute, deliver, and perform this Agreement, have been taken.

7.1.3 Buyer either has the cash funds now or shall obtain a commitment from a financing source to complete the purchase of the Property.

7.1.4 Buyer has knowledge that the Property's prior use has been as a solid waste dump site and that the Tenant is currently in possession of the Property and is monitoring

gas emissions and contamination issues. Buyer hereby acknowledges and agrees that Buyer is purchasing the Property on an "AS-IS WITH ALL FAULTS BASIS."

7.2 By Seller. As a material inducement for Buyer's entry into and performance of this Agreement, Seller warrants and represents that, to the best of Seller's knowledge, the facts set forth in this Section are true and correct as of the date hereof and shall be true and correct as of the close of Escrow.

7.2.1 Subject to approval of the KWRA Agreement, Seller will be the lawful owner of the Property.

7.2.2 (a) Seller has full right and authority, subject to Section 7.2.1, to own the Property and to perform its obligations under this Agreement; (b) each person signing this Agreement for Seller has full right and authority to do so and to perform every act and to execute and deliver every document necessary to consummate the transactions contemplated by this Agreement; (c) the execution, consent or acknowledgment of no other party is necessary in order to validate Seller's entry into and performance of this Agreement; (d) all actions required of Seller to execute, deliver, and perform this Agreement have been taken; and (e) this Agreement is a legal, valid, binding and enforceable obligation of Seller.

7.2.3 To the best of Seller's knowledge, the documents delivered to Buyer pursuant to this Agreement are all of the Materials and are true, correct and complete originals or copies thereof, and all documents executed by Seller in connection with this Agreement are true, correct and complete.

7.2.4 Neither Seller, nor (to the best of Seller's knowledge) the Tenant, is a party to any pending or threatened action, suit, proceeding, or investigation, at law or in equity or otherwise, in, for, or by any court or governmental board, commission, agency, department, or officer arising from or relating to this transaction, the Property, or to the past or present operations and activities of Seller upon or relating to the Property.

7.2.5 Subject to Section 4.3, to Seller's knowledge, there are no: (a) written or oral agreements, arrangements, or understandings under which Seller is or could become obligated to convey any interest in the Property to a third party; (b) except for any interest of the Tenant and any agreements between Tenant and governmental agencies relating to the capture and use of gases from the Property, Seller is not aware of any other leases, liens, easements, encumbrances, prescriptive rights, contracts, or other agreements for services, supplies, or materials which may affect the Property after the close of Escrow; (c) adverse or other parties in possession of any part of the Property, and no third party has or claims any right to possess or use the Property except as disclosed in writing by Seller to Buyer pursuant to Section 3.1 hereof; (d) material defects relating to the Property, its physical condition, or the physical condition of the improvements thereon (including known insurance claims), other than those that have been disclosed in writing by Seller to Buyer prior to the end of the Approval Period; (e) special assessments, condemnation actions, moratoriums, initiatives, or legislation affecting the Property (and Seller has not received any notice of any being contemplated).

If Seller receives any notice or knowledge of anything affecting Seller's representations or warranties after the date of this Agreement, then Seller shall immediately notify Buyer in writing of such fact or circumstance. If Buyer receives written notice from Seller pursuant to this Section which contains anything that materially changes the representations and warranties contained in this Agreement which are made to Seller's knowledge, then, except as may otherwise be provided in this Agreement, Buyer may elect either to: (a) proceed to close Escrow with knowledge of the facts or information, in which event Seller shall have no liability to Buyer with respect to these changes; or (b) terminate this Agreement and the Escrow by giving written notice thereof to Seller and Escrow Holder, whereupon all funds previously delivered by Buyer and all interest accrued thereon in Escrow shall be immediately paid to Buyer, Seller shall pay all escrow and title cancellation charges, and neither party shall have any further rights or obligations to the other party.

## **8. GENERAL PROVISIONS.**

**8.1 LIQUIDATED DAMAGES. BY PLACING THEIR INITIALS AT THE END OF THIS SECTION, BUYER AND SELLER AGREE THAT: (A) IF BUYER FAILS TO COMPLETE THE PURCHASE OF THE PROPERTY PURSUANT TO THIS AGREEMENT BY REASON OF BUYER'S BREACH OF THIS AGREEMENT, THEN SELLER'S SOLE AND EXCLUSIVE REMEDY SHALL BE TO TERMINATE THIS AGREEMENT AND RECEIVE AND RETAIN THE PURCHASE PRICE AS LIQUIDATED DAMAGES AND NOT AS A PENALTY; AND (B) BECAUSE OF THE NATURE OF THE TRANSACTION CONTEMPLATED BY THIS AGREEMENT, IT WOULD BE IMPRACTICAL AND EXTREMELY DIFFICULT TO FIX SELLER'S ACTUAL DAMAGES IF SUCH A BREACH OCCURS AND THEREFORE THE AMOUNT OF LIQUIDATED DAMAGES SPECIFIED ABOVE SHALL BE PRESUMED TO BE THE AMOUNT OF DAMAGES SELLER WOULD SUSTAIN BY REASON OF SUCH A BREACH AND REPRESENTS A REASONABLE ESTIMATE OF THOSE DAMAGES PURSUANT TO CALIFORNIA CIVIL CODE ("CCC") SECTIONS 1671 THROUGH 1681; AND (C) SELLER WAIVES ALL RIGHTS TO OBTAIN BUYER'S SPECIFIC PERFORMANCE, INCLUDING WITHOUT LIMITATION THOSE RIGHTS PURSUANT TO CCC SECTIONS 1680 AND 3384 THROUGH 3395.**

\_\_\_\_\_  
**Buyer's Initials**

\_\_\_\_\_  
**Seller's Initials**

**8.2 Appurtenant Rights.** The conveyance of the Property to Buyer shall include the transfer and assignment to Buyer of all of Seller's right, title, and interest in and to the Materials and all related contractual rights, all architectural, landscape, drainage and other plans, engineering surveys, studies, reports, maps, permits, development rights, appurtenant easements and rights of way, all warranty rights as to services provided or improvements constructed by consultants, contractors and suppliers, all growing crops, water and water rights, mineral rights, sewer and utility deposits, refunds and rights, and similar rights, connected with the Property, and all other entitlements and vested and unvested rights to develop and market the Property.

**8.3 Indemnity and Survival.** Buyer and Seller shall each indemnify, defend, protect, and hold harmless the other party from and against all liability, damage and cost (including actual attorneys' fees) incurred by the other party as a result of any misrepresentation in or

breach under this Agreement by the indemnifying party, subject to Section 8.1. Each indemnification, representation, warranty, and agreement in this Agreement shall survive the close of Escrow.

8.4 Notices. Any notice, request, demand or other communication given or required to be given hereunder ("Notice") shall be in writing and personally delivered, or sent by United States registered or certified mail, return receipt requested, postage prepaid, or sent by a nationally recognized courier service such as Federal Express, addressed as follows:

SELLER: City of Lemoore  
119 Fox Street  
Lemoore, CA 93245  
Facsimile No. 559-924-9003  
Phone No. 559-924-6700

WITH A COPY TO: Jerome M. Behrens, Esq.  
7404 North Spalding Avenue  
Fresno, CA 93720-3370  
Attn: Jerome M. Behrens, Esq.  
Facsimile No.: 559-261-9366  
Phone No.: 559-431-5600

BUYER: Full Circle Renewables, LLC  
1416 Broadway Street  
Fresno, CA 93721  
Attention: Mr. Jim Quan  
Facsimile No. (559) 237-4044  
Phone No. (559) 237-1044

WITH A COPY TO: Berliner Cohen  
2844 Park Avenue  
Merced, CA 95348  
Lisa Goreki, Esq.  
Facsimile No. (209)-385-3789  
Phone No. (209)-385-0700

ESCROW HOLDER: At the address on page 1

Delivery of any notice shall be deemed made on the date of its actual delivery to the address of the addressee, if personally delivered, and on the date indicated in the return receipt or courier's records as the date of the second attempted delivery to that address, if sent by mail or courier. Notice may also be given by facsimile which shall be deemed delivered when received by the facsimile machine of the receiving party if received before 5:00 p.m. (Pacific Time) on the business day received, or if received after 5:00 p.m. (Pacific Time) or on a day other than a business day (i.e., a Saturday, Sunday, or legal holiday), then such notice shall be deemed

delivered on the following business day. The transmittal confirmation receipt produced by the facsimile machine of the sending party shall be prima facie evidence of such receipt. Any party may change its address or facsimile number for notice purposes by giving notice to the other party and Escrow.

8.5 Risk of Loss. The risk of loss or damage to the Property and all liability to third parties until the close of Escrow will be borne by Seller. Following the close of Escrow, Seller shall not be responsible for any loss or damage to the Property or any third party unless arising out of the negligent act or omission or willful misconduct by Seller or any party related to or controlled by Seller.

8.6 Time Periods. Time periods stated in this Agreement shall be computed by excluding the first day and including the last day of such time periods. Except as otherwise provided herein, all time periods measured by days in this Agreement shall be measured by calendar days and, if the last day in that period is a Saturday, Sunday or legal holiday, then the last day of the period shall be deemed to be the next following business day; provided that if the date for the close of Escrow is: (a) a Saturday, Sunday or legal holiday, then Escrow shall close on the second consecutive business day thereafter; (b) a Monday that is not a legal holiday, then Escrow shall close on the next business day.

8.7 Cost Recovery. In any action involving Buyer and Seller arising out of this Agreement, the prevailing party shall recover from the other party, in addition to any damages, injunctive or other relief, all costs (whether or not allowable as "cost" items by law) reasonably incurred at, before and after trial or on appeal, including without limitation attorneys' and witness (expert and otherwise) fees, deposition costs, copying charges and other expenses.

8.8 Enforcement by Buyer. Buyer's rights hereunder are of a special and unique kind and character, and if Seller defaults then Buyer would not have any adequate remedy at law. Therefore, those rights may be enforced by an action for specific performance and other equitable relief allowed by law.

8.9 Entire Agreement. This Agreement, the Addendum, the Early Access Agreement, and the Lease Termination Agreement: (a) is intended by the parties as the final expression and the complete and exclusive statement of their agreement with respect to the terms in this Agreement and any prior or contemporaneous agreements or understandings, oral or written, which may contradict, explain or supplement these terms shall not be effective or admissible; (b) is binding upon and inures to the benefit of the parties and their successors and assigns; (c) may not be amended or modified except by a writing signed by the parties which expressly states that it amends this Agreement; (d) shall be governed by California law; and (e) may be signed in counterparts.

8.10 Interpretation. Each party has had an opportunity to review and revise this Agreement and consult with counsel, and any rule of contract interpretation to the effect that ambiguities or uncertainties are to be interpreted against the drafting party or the party who caused it to exist shall not be employed in the interpretation of this Agreement or any document executed in connection herewith.

8.11 No Partnership. This Agreement shall not be construed as creating a partnership or joint venture between Seller and Buyer or between either of them and any third party or cause either of them to be responsible in any manner for the other's or any third party's debts or obligations.

8.12 Further Assurances. Buyer and Seller shall each promptly sign and deliver all additional documents and perform all acts reasonably necessary to perform its obligations and carry out the intent expressed in this Agreement.

8.13 Maintenance. Prior to the close of Escrow, Seller shall maintain the Property in good condition.

8.14 Possession. Except as may be otherwise provided in a written lease, and the Early Access Agreement, executed by both parties prior to the close of Escrow, Seller shall deliver possession of the Property to Buyer at the close of Escrow.

8.15 Severability. If any part of this Agreement is invalid or unenforceable, then the remainder of this Agreement shall remain valid and enforceable and in force and effect.

8.16 No Waiver. A waiver by either party of a default by the other party is effective only if it is in writing and shall not be construed as a waiver of any other default.

8.17 No Beneficiaries. No party besides Buyer, Seller, their permitted successors and assigns and Escrow Holder has any rights or remedies under this Agreement.

8.18 Incorporation. The exhibits attached hereto and referred to herein are incorporated into this Agreement.

8.19 Obligations. Each party's obligations hereunder are joint and several as to all parties comprising that party.

8.20 Headings. Section headings are for reference purposes only and do not affect this Agreement.

8.21 Terms. The defined terms in this Agreement apply equally to the singular and plural forms thereof. Whenever the context requires, any pronoun includes the masculine, feminine and neuter forms. The words "person" and "party" include individuals, corporations, partnerships, trusts and other entities and associations. The words "include," "includes" and "including" are deemed to be followed by the phrase "without limitation." The words "approval," "consent" and "notice" are deemed to be preceded by the word "written."

8.22 No Disclosure. Neither party shall make or permit any public or private disclosure of the price or other terms of, or of the transactions contemplated by, this Agreement (except as required herein or by law, including the Brown Act) without the other party's prior written consent, which may be given or withheld in such party's sole and absolute discretion.

8.23 Assignment. Buyer shall not assign this Agreement or any of its rights and obligations hereunder without the prior written consent of Seller, which consent may be withheld

at Seller's reasonable discretion. Notwithstanding the foregoing, Buyer may assign this Agreement, without Seller's consent, to an entity that controls, is controlled by or is under common control with Buyer or the members of Buyer by providing written notice of such assignment not less than five (5) days prior to the Close of Escrow. Regardless of any assignment of this Agreement, Buyer shall not be relieved from any liability hereunder. Subject to the foregoing provisions, this Agreement shall be binding upon and shall inure to the benefit of the successors and permitted assigns of the parties to this Agreement.

8.24 Limited Liability. The obligations of Seller and Buyer under this Agreement, the Early Access Agreement, the Lease Termination Agreement, and the Addendum are intended to be binding only on Seller and Buyer and shall not be personally binding upon, nor shall any resort be had to, Seller's or Buyer's members, managers, employees, agents, representatives, successors or, except as provided in Section 8.23, their assigns.

8.25 Addendum. Seller and Buyer acknowledge that, concurrently with the execution of this Agreement, they are entering into an Addendum (the "Addendum") modifying and supplementing the terms contained herein. In the case of any inconsistencies between this Agreement and the Addendum, the terms of the Addendum shall control.

**"BUYER"**

FULL CIRCLE RENEWABLES, LLC,  
California limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**"SELLER"**

THE CITY OF LEMOORE, a California  
municipal corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

The Escrow provided for in the foregoing Agreement is hereby accepted by Escrow Holder.

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

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: Escrow Officer,  
Chicago Title Company

EXHIBIT "A"

PROPERTY DESCRIPTION

[To be inserted]