

(h) Emergency Housing Facility. The parties acknowledge that an emergency housing facility ("Facility") utilizes one of the structures on Site A on a month-to-month basis. The Buyer's obligation to close escrow hereunder shall be subject to and conditioned upon the State and Buyer obtaining the agreement of necessary parties to the vacation and delivery of the Facility in accordance with the following alternatives:

(1) on or before June 1, 1997 the State shall obtain the agreement of the present occupant to vacate the Facility on a mutually acceptable date and to accept occupancy of a new emergency or transitional housing facility ("New Facility") on a portion of Site C, the development of which will be funded by Buyer and State as part of the Capped Cost Work up to the maximum sum of Two Million Five Hundred Thousand Dollars (\$2,500,000); or

(2) on or before June 1, 1997, the State, Buyer and the City of Santa Clara Redevelopment Agency ("Redevelopment Agency") will agree on funding, development and ownership of the New Facility on a portion of Site C for use and operation as a residential facility by a non-profit corporation approved by the Redevelopment Agency. Buyer and State shall advance up to the maximum amount of Two Million Five Hundred Thousand Dollars (\$2,500,000) for the development of the New Facility on Site C; or

(3) a mutually acceptable arrangement between the State and Buyer which assures the timely and orderly vacation of the Facility and the limitation of Buyer's and State's obligation to Two Million Five Hundred Thousand Dollars (\$2,500,000) for the development of the New Facility.

(i) State Lands Approval. On or before one hundred eighty (180) days after the date of this Agreement State shall obtain from the State Lands Department its agreement to modify its right of entry on its reserved mineral rights consistent with Recital Paragraph IV.A above.

(j) State's Representations. Each of the representations and warranties made by State to Buyer in this Agreement shall be true and correct on the date hereof and the Closing Date.

(k) No Adverse Material Changes. State acknowledges and agrees that Buyer's obligation to purchase the Property is subject to Buyer's right to terminate this Agreement by written notice to State, without obligation or liability to State, and subject to full refund of the Escrow Deposit and all interest accrued thereon, if all of the conditions set forth in this Paragraph 5.1 are not satisfied or within ten (10) days following Buyer's discovery of any material and adverse change in