



**CITY OF GARDEN GROVE**  
**GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT**

---

July 29, 2008

Paula D. Vinnedge  
West Coast Escrow  
18615 Yorba Linda Boulevard  
Yorba Linda, CA 92886

Subject: CIVIC CENTER  
HELEN NOLAND  
11361 GARDEN GROVE BOULEVARD  
ESCROW No. YL-06472-PV

Dear Paula:

Enclosed are the following documents for the purchase of the above-referenced property:

- Warrant in the amount of \$648,330.64;
- Fully executed Escrow Instructions;
- Preliminary Change of Ownership Report;
- Notice Regarding California Resident and Nonresident withholding;
- Approval of Preliminary Title Report;
- Certified copy of a fully executed Agreement for Acquisition of Real Property;
- Grant Deed Acceptance Certificate; and
- Notary confirmation.

You are authorized to close escrow when you can issue a policy of title insurance.

Should you have any questions concerning this matter, please call me at (714) 741-5126.

Sincerely,

Armando J. Morales  
Real Property Consultant

Bruce A. Broadwater  
Chair

Dina Nguyen  
Vice Chair

William J. Dalton  
Member

Mark Rosen  
Member

Steven R. Jones  
Member

421431

CITY OF GARDEN GROVE

421431

DATE	ACCOUNT CODE	PURCHASE ORDER NO.	VENDOR INVOICE NO.	NET AMOUNT
081208	007 2701 42686		EST CLOSING COSTS	3,330.64
081208	007 2701 42686		PURCHASE 11361 GG BLVD	645,000.00
072808			TOTAL	648,330.64

*Handwritten signature and date: 9/28/09*

DETACH BEFORE DEPOSIT

FORM 143-2

THIS IS A CHECK THAT HAS A SCREENED BACKGROUND AND CONTAINS AN ARTIFICIAL WATERMARK

CITY OF  
GARDEN GROVE  
CALIFORNIA

UNION BANK OF CALIFORNIA  
GARDEN GROVE, CA 92840

VOID IF NOT CASHED IN 60 DAYS  
CHECK CLEARS THROUGH POSITIVE PAY

NO. 421431  
16-105/1220

DATE 07/28/08

AMOUNT \*\*\*\$648,330.64

PAY TO THE ORDER OF

*Pay Exactly Six Hundred Forty Eight Thousand Three Hundred Thirty and 64/100 Dollars*

WEST COAST ESCROW  
18615 YORBA LINDA BLVD.  
YORBA LINDA, CA 92886

VOID BY MICROWAVE  
VOID BY HEAT  
VOID BY LIQUID

⑈ 4 2 1 4 3 1 ⑈ ⑆ 1 2 2 0 0 0 4 9 6 ⑆ 2 0 4 2 8 5 0 0 2 0 ⑈

Order Number: 15364 (dn)  
Page Number: 1



625 The City Drive, Suite 150, Orange, CA 92868  
(714)748-7000

Armando Morales  
City of Garden Grove  
11222 Acacia Parkway PO Box 3070  
Garden Grove, CA 92842  
Phone: (714)741-5126  
Fax: (714)741-5044

Customer Reference:

Order Number: 15364 (dn)

Title Officer: David Noble  
Phone: (714)481-4970  
Fax No.:  
E-Mail: dnoble@westernresourcetitle.com  
Buyer:  
Owner: Noland  
Property: **11361 Garden Grove Boulevard  
Garden Grove, CA**

## PRELIMINARY REPORT

First American Title Insurance Company

In response to the above referenced application for a policy of title insurance, this company hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a Policy or Policies of Title Insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an Exception below or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations of said Policy forms.

The printed Exceptions and Exclusions from the coverage of said Policy or Policies are set forth in Exhibit A attached. Copies of the Policy forms should be read. They are available from the office which issued this report.

**Please read the exceptions shown or referred to below and the exceptions and exclusions set forth in Exhibit A of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.**

**It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects, and encumbrances affecting title to the land.**

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

*Western Resources Title Company*

Dated as of May 07, 2008 at 7:30 A.M.

The form of Policy of title insurance contemplated by this report is:

A specific request should be made if another form or additional coverage is desired.

Title to said estate or interest at the date hereof is vested in:

**Helen Noland, Sole Successor Trustee of the Andrew V. and Helen Noland Trust, dated  
May 14, 1991**

The estate or interest in the land hereinafter described or referred to covered by this Report is:

**A FEE**

The Land referred to herein is described as follows:

(See attached Legal Description)

At the date hereof exceptions to coverage in addition to the printed Exceptions and Exclusions in said policy form would be as follows:

1. General and special taxes and assessments for the fiscal year 2008-2009, a lien not yet due or payable.
2. The lien of supplemental taxes, if any, assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code.

Although the above supplemental taxes may be a lien, the installments thereof are not yet due or payable.

3. An easement for public street and highway and incidental purposes, recorded August 10, 1972 as Book 10268, page 695 of Official Records.  
In Favor of: The City of Garden Grove  
Affects: a portion of the land
4. Rights of parties in possession.

### INFORMATIONAL NOTES

Note: The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than the certain dollar amount set forth in any applicable arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. If you desire to review the terms of the policy, including any arbitration clause that may be included, contact the office that issued this Commitment or Report to obtain a sample of the policy jacket for the policy that is to be issued in connection with your transaction.

The map attached, if any, may or may not be a survey of the land depicted hereon. First American expressly disclaims any liability for loss or damage which may result from reliance on this map except to the extent coverage for such loss or damage is expressly provided by the terms and provisions of the title insurance policy, if any, to which this map is attached.

1. This report is preparatory to the issuance of an ALTA Loan Policy. We have no knowledge of any fact which would preclude the issuance of the policy with CLTA endorsement forms 100 and 116 and if applicable, 115 and 116.2 attached.

When issued, the CLTA endorsement form 116 or 116.2, if applicable will reference a(n) commercial structure known as 11361 Garden Grove Boulevard, Garden Grove, California.

2. According to the public records, there has been no conveyance of the land within a period of twenty-four months prior to the date of this report, except as follows:

None

3. Taxes for proration purposes only for the fiscal year 2007-2008.

First Installment:	\$392.45, PAID
Second Installment:	\$392.45, PAID
Tax Rate Area:	18-153
APN:	090-173-09

4. Should this report be used to facilitate your transaction, we must be provided with the following prior to the issuance of the policy:

A. WITH RESPECT TO A CORPORATION:

- a. A certificate of good standing of recent date issued by the Secretary of State of the corporation's state of domicile.
- b. A certificate copy of a resolution of the Board of Directors authorizing the contemplated transaction and designating which corporate officers shall have the power to execute on behalf of the corporation.

- c. Requirements which the Company may impose following its review of the above material and other information which the Company may require.

B. WITH RESPECT TO A CALIFORNIA LIMITED PARTNERSHIP:

- a. A certified copy of the certificate of limited partnership (form LP-1) and any amendments thereto (form LP-2) to be recorded in the public records;
- b. A full copy of the partnership agreement and any amendments;
- c. Satisfactory evidence of the consent of a majority in interest of the limited partners to the contemplated transaction;
- d. Requirements which the Company may impose following its review of the above material and other information which the Company may require.

C. WITH RESPECT TO A FOREIGN LIMITED PARTNERSHIP:

- a. A certified copy of the application for registration, foreign limited partnership (form LP-5) and any amendments thereto (form LP-6) to be recorded in the public records;
- b. A full copy of the partnership agreement and any amendment;
- c. Satisfactory evidence of the consent of a majority in interest of the limited partners to the contemplated transaction;
- d. Requirements which the Company may impose following its review of the above material and other information which the Company may require.

D. WITH RESPECT TO A GENERAL PARTNERSHIP:

- a. A certified copy of a statement of partnership authority pursuant to Section 16303 of the California Corporation Code (form GP-I), executed by at least two partners, and a certified copy of any amendments to such statement (form GP-7), to be recorded in the public records;
- b. A full copy of the partnership agreement and any amendments;
- c. Requirements which the Company may impose following its review of the above material required herein and other information which the Company may require.

E. WITH RESPECT TO A LIMITED LIABILITY COMPANY:

- a. A copy of its operating agreement and any amendments thereto;
- b. If it is a California limited liability company, a certified copy of its articles of organization (LLC-1) and any certificate of correction (LLC-11), certificate of amendment (LLC-2), or restatement of articles of organization (LLC-10) to be recorded in the public records;

- c. If it is a foreign limited liability company, a certified copy of its application for registration (LLC-5) to be recorded in the public records;
- d. With respect to any deed, deed of trust, lease, subordination agreement or other document or instrument executed by such limited liability company and presented for recordation by the Company or upon which the Company is asked to rely, such document or instrument must be executed in accordance with one of the following, as appropriate:
  - (i) If the limited liability company properly operates through officers appointed or elected pursuant to the terms of a written operating agreement, such documents must be executed by at least two duly elected or appointed officers, as follows: the chairman of the board, the president or any vice president, and any secretary, assistant secretary, the chief financial officer or any assistant treasurer;
  - (ii) If the limited liability company properly operates through a manager or managers identified in the articles of organization and/or duly elected pursuant to the terms of a written operating agreement, such document must be executed by at least two such managers or by one manager if the limited liability company properly operates with the existence of only one manager.
- e. Requirements which the Company may impose following its review of the above material and other information which the Company may require.

F. WITH RESPECT TO A TRUST:

- a. A certification pursuant to Section 18500.5 of the California Probate Code in a form satisfactory to the Company.
- b. Copies of those excerpts from the original trust documents and amendments thereto which designate the trustee and confer upon the trustee the power to act in the pending transaction.
- c. Other requirements which the Company may impose following its review of the material require herein and other information which the Company may require.

G. WITH RESPECT TO INDIVIDUALS:

- a. A statement of information.

Order Number: 15364 (dn)

Page Number: 6

SECTION 12413.1, CALIFORNIA INSURANCE CODE, COMMONLY KNOWN AS ASSEMBLY BILL 512, BECAME EFFECTIVE JANUARY 1, 1990. THIS LEGISLATION DEALS WITH THE DISBURSEMENT OF FUNDS DEPOSITED WITH ANY TITLE ENTITY ACTING IN AN ESCROW OR SUBESCROW CAPACITY. THE LAW REQUIRES THAT ALL FUNDS BE DEPOSITED AND COLLECTED BY THE TITLE ENTITY'S ESCROW AND/OR SUBESCROW ACCOUNT PRIOR TO DISBURSEMENT OF ANY FUNDS. SOME METHODS OF FUNDING MAY SUBJECT FUNDS TO A HOLDING PERIOD WHICH MUST EXPIRE BEFORE ANY FUNDS MAY BE DISBURSED. IN ORDER TO AVOID ANY SUCH DELAYS, ALL FUNDINGS SHOULD BE DONE THROUGH WIRE TRANSFER, CERTIFIED CHECK OR CHECKS DRAWN ON CALIFORNIA FINANCIAL INSTITUTIONS.

FOR YOUR CONVENIENCE, THE FOLLOWING IS WESTERN RESOURCES TITLE COMPANY WIRING INSTRUCTIONS:

UNION BANK OF CALIFORNIA  
1980 SATURN STREET  
MONTEREY PARK, CA 91754

ABA ROUTING #122000496  
CREDIT WESTERN RESOURCES TITLE COMPANY  
TITLE TRUST ACCOUNT #9120267369

REFERENCE: David Noble , TITLE OFFICER  
WRTC ORDER NO.: 15364

WHEN THIS ORDER CLOSSES AND WESTERN RESOURCES TITLE COMPANY HAS CLEARED FUNDS TO DISBURSE THROUGH SUBESCROW, WE WILL DEDUCT FROM LOAN PROCEEDS ALL TITLE CHARGES, TAXES, WIRE FEES, DELIVERY FEES AND \$25.00 PER DEMAND OVER TWO (2), IF ANY.

PRIVACY NOTICE (15 U.S.C. 6801 AND 16 CFR PART 313):

WE COLLECT NONPUBLIC PERSONAL INFORMATION ABOUT YOU FROM INFORMATION YOU PROVIDE ON FORMS AND DOCUMENTS AND FROM OTHER PEOPLE SUCH AS YOUR LENDER, REAL ESTATE AGENT, ATTORNEY, ESCROW, ETC. WE DO NOT DISCLOSE ANY NONPUBLIC PERSONAL INFORMATION ABOUT OUR CUSTOMERS OR FORMER CUSTOMERS TO ANYONE, EXCEPT AS PERMITTED BY LAW. WE RESTRICT ACCESS TO NONPUBLIC PERSONAL INFORMATION ABOUT YOU TO THOSE EMPLOYEES WHO NEED TO KNOW THAT INFORMATION IN ORDER TO PROVIDE PRODUCTS OR SERVICES TO YOU. WE MAINTAIN PHYSICAL, ELECTRONIC AND PROCEDURAL SAFEGUARDS THAT COMPLY WITH FEDERAL REGULATIONS TO GUARD YOUR NONPUBLIC PERSONAL INFORMATION.



Order Number: 15364 (dn)  
Page Number: 7

**LEGAL DESCRIPTION**

Real property in the **City of Garden Grove**, County of **Orange**, State of **California**, described as follows:

**LOT 5, AND THE WEST 26.33 FEET OF LOT 6, TRACT 644, AS SHOWN ON A MAP THEREOF RECORDED IN BOOK 20, PAGE 6 OF MISCELLANEOUS MAPS, RECORDS OF ORANGE COUNTY.**

APN: **090-173-09**

**EXHIBIT A**  
**LIST OF PRINTED EXCEPTIONS AND EXCLUSIONS (BY POLICY TYPE)**

**1. CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE POLICY - 1990**  
**SCHEDULE B**

**EXCEPTIONS FROM COVERAGE**

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notice of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the public records.

**EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.  
(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:  
(a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;  
(b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;  
(c) resulting in no loss or damage to the insured claimant;  
(d) attaching or created subsequent to Date of Policy; or  
(e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable "doing business" laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by their policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

**2. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY FORM B - 1970**  
**SCHEDULE OF EXCLUSIONS FROM COVERAGE**

1. Any law, ordinance or governmental regulation (including but not limited to building and zoning ordinances) restricting or regulating or prohibiting the occupancy, use or enjoyment of the land, or regulating the character, dimensions or location of any improvement now or hereafter erected on the land, or prohibiting a separation in ownership or a reduction in the dimensions of area of the land, or the effect of any violation of any such law, ordinance or governmental regulation.
2. Rights of eminent domain or governmental rights of police power unless notice of the exercise of such rights appears in the public records at Date of Policy.
3. Defects, liens, encumbrances, adverse claims, or other matters (a) created, suffered, assumed or agreed to by the insured claimant; (b) not known to the Company and not shown by the public records but known to the insured claimant either at Date of Policy or at the date such claimant acquired an estate or interest insured by this policy and not disclosed in writing by the insured claimant to the Company prior to the date such insured claimant became an insured hereunder; (c) resulting in no loss or damage to the insured claimant; (d) attaching or

created subsequent to Date of Policy; or (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy.

**3. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY FORM B - 1970  
WITH REGIONAL EXCEPTIONS**

When the American Land Title Association policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy the exclusions set forth in paragraph 2 above are used and the following exceptions to coverage appear in the policy.

**SCHEDULE B**

This policy does not insure against loss or damage by reason of the matters shown in parts one and two following:

**Part One**

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.
5. Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
6. Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the public records.

**4. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1970  
WITH A.L.T.A. ENDORSEMENT FORM 1 COVERAGE  
SCHEDULE OF EXCLUSIONS FROM COVERAGE**

1. Any law, ordinance or governmental regulation (including but not limited to building and zoning ordinances) restricting or regulating or prohibiting the occupancy, use or enjoyment of the land, or regulating the character, dimensions or location of any improvement now or hereafter erected on the land, or prohibiting a separation in ownership or a reduction in the dimensions or area of the land, or the effect of any violation of any such law ordinance or governmental regulation.
2. Rights of eminent domain or governmental rights of police power unless notice of the exercise of such rights appears in the public records at Date of Policy.
3. Defects, liens, encumbrances, adverse claims, or other matters (a) created, suffered, assumed or agreed to by the insured claimant, (b) not known to the Company and not shown by the public records but known to the insured claimant either at Date of Policy or at the date such claimant acquired an estate or interest insured by this policy or acquired the insured mortgage and not disclosed in writing by the insured claimant to the Company prior to the date such insured claimant became an insured hereunder, (c) resulting in no loss or damage to the insured claimant; (d) attaching or created subsequent to Date of Policy (except to the extent insurance is afforded herein as to any statutory lien for labor or material or to the extent insurance is afforded herein as to assessments for street improvements under construction or completed at Date of Policy).
4. Unenforceability of the lien of the insured mortgage because of failure of the insured at Date of Policy or of any subsequent owner of the indebtedness to comply with applicable "doing business" laws of the state in which the land is situated.

**5. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1970  
WITH REGIONAL EXCEPTIONS**

When the American Land Title Association Lenders Policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy, the exclusions set forth in paragraph 4 above are used and the following exceptions to coverage appear in the policy.

**SCHEDULE B**

This policy does not insure against loss or damage by reason of the matters shown in parts one and two following:

**Part One**

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.
5. Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
6. Any lien, or right to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown by the public records.

**6. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1992  
WITH A.L.T.A. ENDORSEMENT FORM 1 COVERAGE  
EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy;  
(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims, or other matters:  
(a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;  
(b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;  
(c) resulting in no loss or damage to the insured claimant;  
(d) attaching or created subsequent to Date of Policy (except to the extent that this policy insures the priority of the lien of the insured mortgage over any statutory lien for services, labor or material or the extent insurance is afforded herein as to assessments for street improvements under construction or completed at date of policy); or  
(e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable "doing business" laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any statutory lien for services, labor or materials (or the claim of priority of any statutory lien for services, labor or materials over the lien of the insured mortgage) arising from an improvement or work related to the land which is contracted for and commenced subsequent to Date of Policy and is not financed in whole or in part by proceeds of the indebtedness secured by the insured mortgage which at Date of Policy the insured has advanced or is obligated to advance.
7. Any claim, which arises out of the transaction creating the interest of the mortgagee insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:  
(i) the transaction creating the interest of the insured mortgagee being deemed a fraudulent conveyance or fraudulent transfer; or  
(ii) the subordination of the interest of the insured mortgagee as a result of the application of the doctrine of equitable subordination; or  
(iii) the transaction creating the interest of the insured mortgagee being deemed a preferential transfer except where the preferential transfer results from the failure:  
(a) to timely record the instrument of transfer; or  
(b) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

**7. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1992  
WITH REGIONAL EXCEPTIONS**

When the American Land Title Association policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy the exclusions set forth in paragraph 6 above are used and the following exceptions to coverage appear in the policy.

**SCHEDULE B**

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.
5. Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
6. Any lien, or right to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown by the public records.

**8. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY - 1992**

#### EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.  
(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims, or other matters:  
(a) created, suffered, assumed or agreed to by the insured claimant;  
(b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;  
(c) resulting in no loss or damage to the insured claimant;  
(d) attaching or created subsequent to Date of Policy; or  
(e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy.
4. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:  
(i) the transaction creating the estate or interest insured by this policy being deemed a fraudulent conveyance or fraudulent transfer; or  
(ii) the transaction creating the estate or interest insured by this policy being deemed a preferential transfer except where the preferential transfer results from the failure:  
(a) to timely record the instrument of transfer; or  
(b) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

#### 9. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY - 1992 WITH REGIONAL EXCEPTIONS

When the American Land Title Association policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy the exclusions set forth in paragraph 8 above are used and the following exceptions to coverage appear in the policy.

#### SCHEDULE B

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

Part One:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.
5. Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
6. Any lien, or right to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown by the public records.

#### 10. AMERICAN LAND TITLE ASSOCIATION RESIDENTIAL TITLE INSURANCE POLICY - 1987 EXCLUSIONS

In addition to the Exceptions in Schedule B, you are not insured against loss, costs, attorneys' fees and expenses resulting from:

1. Governmental police power, and the existence or violation of any law or government regulation. This includes building and zoning ordinances and also laws and regulations concerning:

\* land use

\* land division

\* improvements on the land

\* environmental protection

This exclusion does not apply to violations or the enforcement of these matters which appear in the public records at Policy Date.

This exclusion does not limit the zoning coverage described in items 12 and 13 of Covered Title Risks.

2. The right to take the land by condemning it, unless:
  - \* a notice of exercising the right appears in the public records on the Policy Date
  - \* the taking happened prior to the Policy Date and is binding on you if you bought the land without knowing of the taking.
3. Title Risks:
  - \* that are created, allowed, or agreed to by you
  - \* that are known to you, but not to us, on the Policy Date - unless they appeared in the public records
  - \* that result in no loss to you
  - \* that first affect your title after the Policy Date - this does not limit the labor and material lien coverage in Item 8 of Covered Title Risks
4. Failure to pay value for your title.
5. Lack of a right:
  - \* to any land outside the area specifically described and referred to in Item 3 of Schedule A, or
  - \* in streets, alleys, or waterways that touch your landThis exclusion does not limit the access coverage in Item 5 of Covered Title Risks.

#### 11. EAGLE PROTECTION OWNER'S POLICY

##### CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE - 1998 ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE - 1998

Covered Risks 14 (Subdivision Law Violation), 15 (Building Permit), 16 (Zoning) and 18 (Encroachment of boundary walls or fences) are subject to Deductible Amounts and Maximum Dollar Limits of Liability

#### EXCLUSIONS

In addition to the Exceptions in Schedule B, you are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of any law or government regulation. This includes ordinances, laws and regulations concerning:

a. building	b. zoning
c. land use	d. improvements on the land
e. land division	f. environmental protection

This exclusion does not apply to violations or the enforcement of these matters if notice of the violation or enforcement appears in the Public Records at the Policy Date.  
This exclusion does not limit the coverage described in Covered Risk 14, 15, 16, 17 or 24.
2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not apply to violations of building codes if notice of the violation appears in the Public Records at the Policy Date.
3. The right to take the Land by condemning it, unless:
  - a. a notice of exercising the right appears in the Public Records at the Policy Date; or
  - b. the taking happened before the Policy Date and is binding on You if You bought the Land without Knowing of the taking.
4. Risks:
  - a. that are created, allowed, or agreed to by You, whether or not they appear in the Public Records;
  - b. that are Known to You at the Policy Date, but not to Us, unless they appear in the Public Records at the Policy Date;
  - c. that result in no loss to You; or
  - d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.d, 22, 23, 24 or 25.
5. Failure to pay value for Your Title.
6. Lack of a right:
  - a. to any Land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
  - b. in streets, alleys, or waterways that touch the Land.This exclusion does not limit the coverage described in Covered Risk 11 or 18.

#### 12. SECOND GENERATION EAGLE LOAN POLICY AMERICAN LAND TITLE ASSOCIATION EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (10/13/01)

#### EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the Land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the Land; (iii) a separation in ownership or a change in the dimensions or area of the Land or any parcel of which the Land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the Land has been recorded in the Public Records at Date of Policy. This exclusion

- does not limit the coverage provided under Covered Risks 12, 13, 14 and 16 of this policy.
- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the Public Records at Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 12, 13, 14 and 16 of this policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the Public Records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without Knowledge.
  3. Defects, liens, encumbrances, adverse claims or other matters:
    - (a) created, suffered, assumed or agreed to by the Insured Claimant;
    - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
    - (c) resulting in no loss or damage to the Insured Claimant;
    - (d) attaching or created subsequent to Date of Policy (this paragraph does not limit the coverage provided under Covered Risks 8, 16, 18, 19, 20, 21, 22, 23, 24, 25 and 26); or
    - (e) resulting in loss or damage which would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
  4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of the Insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable doing business laws of the state in which the Land is situated.
  5. Invalidity or unenforceability of the lien of the Insured Mortgage, or claim thereof, which arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, except as provided in Covered Risk 27, or any consumer credit protection or truth in lending law.
  6. Real property taxes or assessments of any governmental authority which become a lien on the Land subsequent to Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 7, 8 (e) and 26.
  7. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This exclusion does not limit the coverage provided in Covered Risk 8.
  8. Lack of priority of the lien of the Insured Mortgage as to each and every advance made after Date of Policy, and all interest charged thereon, over liens, encumbrances and other matters affecting title, the existence of which are Known to the Insured at:
    - (a) The time of the advance; or
    - (b) The time a modification is made to the terms of the Insured Mortgage which changes the rate of interest charged, if the rate of interest is greater as a result of the modification than it would have been before the modification.This exclusion does not limit the coverage provided in Covered Risk 8.
  9. The failure of the residential structure, or any portion thereof to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This exclusion does not apply to violations of building codes if notice of the violation appears in the Public Records at Date of Policy.

#### SCHEDULE B

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. The following existing statutes, reference to which are made part of the ALTA 8.1 Environmental Protection Lien Endorsement incorporated into this Policy following item 28 of Covered Risks: NONE.

#### 13. SECOND GENERATION EAGLE LOAN POLICY AMERICAN LAND TITLE ASSOCIATION EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (10/13/01) WITH REGIONAL EXCEPTIONS

When the American Land Title Association loan policy with EAGLE Protection Added is used as a Standard Coverage Policy and not as an Extended Coverage Policy the exclusions set forth in paragraph 12 above are used and the following exceptions to coverage appear in the policy.

#### SCHEDULE B

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

##### Part One:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.
5. Unpatented mining claims; reservations or exceptions in patents or in acts authorizing the issuance thereof; water rights, claims or title to water.
6. Any lien, or right to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown by the public records.

##### Part Two:

Order Number: 15364 (dn)

Page Number: 14

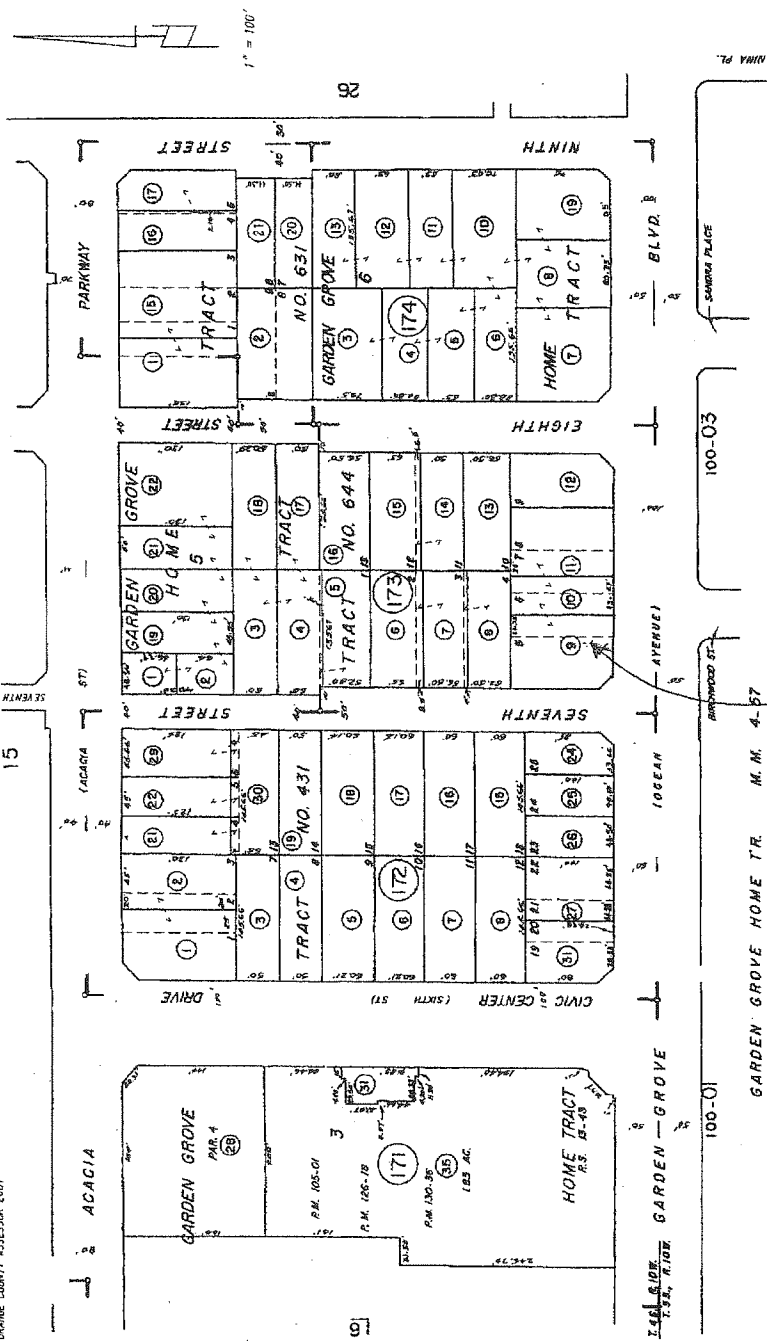
1. The following existing statutes, reference to which are made part of the ALTA 8.1 Environmental Protection Lien Endorsement incorporated into this Policy following item 28 of Covered Risks: None.



Order Number: 15364 (dn)  
Page Number: 15

090-17

THIS MAP WAS PREPARED FOR ORANGE COUNTY ASSessor's OFFICE BY WESTERN RESOURCES TITLE COMPANY. WESTERN RESOURCES TITLE COMPANY MAKES NO WARRANTY AS TO THE ACCURACY NOR ASSUMES ANY LIABILITY FOR ANY ERRORS OR OMISSIONS. ALL RIGHTS RESERVED. © COPYRIGHT ORANGE COUNTY ASSESSOR 2007



NOTE - ASSESSOR'S BLDG & PARCEL NUMBERS SHOWN IN CIRCLES

*SUBJECT PROPERTY*

- GARDEN GROVE HOME TR. M. M. 4-87
- TRACT NO. 431 M. M. 16-19
- TRACT NO. 631 M. M. 20-26
- TRACT NO. 644 M. M. 20-28
- PARCEL MAP P. M. 105-01

MARCH 1951



PARCEL NO: 090-173-09  
TITLE REPORT NO: 15364 (DN)  
PROJECT: CIVIC CENTER

3945A

**AGREEMENT FOR ACQUISITION OF REAL PROPERTY  
EXCLUSIVE OF RELOCATION ENTITLEMENTS  
(ESCROW INSTRUCTIONS)**

THIS AGREEMENT is entered into this 22 day of JULY, 2008, by and between the GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT, a public body corporate and politic ("Agency"), and the ANDREW V. AND HELEN NOLAND TRUST, DATED MAY 14, 1991 ACTING THROUGH HELEN NOLAND, SOLE TRUSTEE ("Seller"), for acquisition by Agency of certain real property described below.

IT IS HEREBY MUTUALLY AGREED BETWEEN THE PARTIES AS FOLLOWS:

1. **Agreement to Sell and Purchase.** Seller agrees to sell to Agency, and Agency agrees to purchase from Seller, upon the terms and for the consideration set forth in this Agreement, that certain real property ("Property") situated in the City of Garden Grove, County of Orange, State of California, and legally described in Exhibit "A" attached hereto and incorporated herein by reference.
2. **Purchase Price.** The total purchase price, payable in cash through escrow, shall be the sum of **six hundred forty-five thousand** dollars (\$645,000) (the "Purchase Price").
3. **Conveyance of Title.** Seller agrees to convey by Grant Deed to Agency marketable fee simple title to the Property free and clear of all recorded and unrecorded liens, encumbrances, assessments, easements, leases, and taxes EXCEPT:
  - A. Taxes for the tax year in which escrow closes shall be cleared and paid in the manner required by Section 5086 of the Revenue and Taxation Code, if paid at the close of escrow.
  - B. Covenants, conditions, restrictions and reservations of record, or contained in the above referenced title report issued by Western Resources Title Company, Dated May 7, 2008.
  - C. Easements or rights-of-way over the Property for public or quasi-public utility or public street purposes, if any.
  - D. Pursuant to the provisions set forth in Section 18500.5 of the California Probate Code, Seller shall provide copies satisfactory to the Agency and Title Company, of those excerpts from the original trust documents and amendments thereto which designate the trustee and confer upon the trustee the power to act in the sale of the Property.
4. **Title Insurance Policy.** Escrow Agent shall, following recording of deed of Agency, provide Agency with CLTA Standard Coverage Policy of Title Insurance in the amount of the Purchase Price, issued by Western Resources Title Company or a title company mutually satisfactory to Agency and Seller, showing fee simple title to the Property vested in Agency, subject only to the exceptions set forth in Paragraph 3 and the printed exceptions and stipulations in the policy. Agency agrees to pay the premium charged.
5. **Escrow.** Agency agrees to open an escrow in accordance with this Agreement with western Resources Title Company, 625 The City Drive, Suite 150, Orange, California 92868 or an escrow company mutually satisfactory to Agency and Seller. This Agreement constitutes the joint escrow instructions of Agency and

Seller, and Escrow Agent to whom these instructions are delivered is hereby empowered to act under this Agreement. The parties hereto agree to do all acts necessary to close this escrow in the shortest possible time.

- 5.1 Grant Deed. Seller has executed and delivered a Grant Deed (the "Grant Deed") to Agency concurrently with this Agreement. As soon as possible after opening of escrow, Agency will deposit the executed Grant Deed, with Certificate of Acceptance attached, with Escrow Agent on Seller's behalf. Agency agrees to deposit the Purchase Price upon demand of Escrow Agent. Agency and Seller agree to deposit with Escrow Agent any additional instruments as may be necessary to complete this transaction.
- 5.2 Insurance. Insurance policies for fire or casualty are not to be transferred, and Seller will cancel its own policies after close of escrow.
- 5.3 Escrow Account. All funds received in this escrow shall be deposited with other escrow funds in a general escrow account(s) and may be transferred to any other escrow trust account in any State or National Bank doing business in the State of California. All disbursements shall be made by check from the account.

6. Tax Adjustment Procedure.

**ESCROW AGENT IS AUTHORIZED AND IS INSTRUCTED TO COMPLY WITH THE FOLLOWING TAX ADJUSTMENT PROCEDURE:**

- 6.1 Delinquent Taxes. Pay and charge Seller for any unpaid delinquent property taxes and/or penalties and interest thereon, and for any delinquent assessments or bonds against the Property.
- 6.2 Proration. Escrow is not to be concerned with proration of Seller's taxes for the current fiscal year. Seller's prorata portion of taxes due at close of escrow shall be cleared and paid by Seller, outside escrow, pursuant to provisions of Section 5082 through 5090 of the Revenue and Taxation Code of the State of California.
- 6.3 Refund of Taxes. Seller shall have the sole right, after close of escrow, to apply to the Orange County Tax Collector for refund of any excess property taxes, which have been paid by Seller with respect to the Property. This refund would apply to the period after Agency's acquisition, pursuant to Revenue and Taxation Code Section 5096.7.

7. Escrow Agent Authorization.

**ESCROW AGENT IS AUTHORIZED TO, AND SHALL:**

- 7.1 Seller. Pay and charge Seller for any amount necessary to place title in the condition necessary to satisfy Paragraph 3 of this Agreement.
- 7.2 Agency. Pay and charge Agency for any escrow fees, charges, and costs payable under Paragraph 5 of this Agreement.
- 7.3 Disbursement. Disburse funds and deliver the Grant Deed when conditions of this escrow have been fulfilled by Agency and Seller.
- 7.4 Close of Escrow. The term "close of escrow," if and where written in these instructions, shall mean the date the Grant Deed and other necessary instruments of conveyance are recorded in the office of the Orange County Recorder. Recordation of instruments delivered through this escrow is authorized, if necessary or proper in the issuance of the policy of title insurance.

- 7.5 Time Limits. All time limits within which any matter specified is to be performed may be extended by mutual agreement of the parties. Any amendment of, or supplement to, any instructions must be in writing.
- 7.6 Time of the Essence. **TIME IS OF THE ESSENCE IN THESE INSTRUCTIONS AND ESCROW IS TO CLOSE AS SOON AS POSSIBLE.** If (except for deposit of money by Agency, which shall be made by Agency upon demand of Escrow Agent before close of escrow) this escrow is not in condition to close within 45 days from date of these instructions, any party who then shall have fully complied with its instructions may, in writing, demand the return of its money or property; but if neither party complied, no demand for return shall be recognized until five (5) days after Escrow Agent shall have mailed copies of demand to all other parties at the respective addresses shown in these escrow instructions, and if any objections are raised within five (5) day period, Escrow Agent is authorized to hold all papers and documents until instructed by a court of competent jurisdiction or mutual instructions. If no demands are made, Escrow Agent shall proceed with closing of this escrow on or before 45 days from the execution of this Agreement.
- 7.7 Escrow Agent Responsibility. The responsibility of the Escrow Agent under this Agreement is expressly limited to Paragraphs 1, 2, 3, 4, 5, 6, 7, 8, 11, 12 and 20 and to its liability under any policy of title insurance issued in regard to this escrow.
- 7.8 Escrow Fees, Charges and Costs. Agency agrees to pay all Agency's and Seller's usual fees, charges, and costs which arise in this escrow.

8. **Conditions Precedent to Close of Escrow.**

Agency's Conditions Prior to Closing. The obligation of the Agency to complete the purchase of the Property is subject to the satisfaction of the following conditions:

- 8.1 Seller shall deliver through escrow an executed and recordable Grant Deed sufficient to convey fee title to the Agency as set forth in Section 5.1.
- 8.2 Seller shall deliver through escrow a Non-Foreign Transferor Declaration duly executed and in the form of Exhibit "B" attached hereto and made a part hereof.
- 8.3 Seller shall deliver through escrow such funds and documents as are necessary to comply with Seller's obligations under this Agreement.
- 8.4 Seller is not in default of any of its obligations under the terms of this Agreement, and all representations of Seller herein are true and correct.
- 8.5 Escrow Agent has committed to deliver to Agency a title insurance policy as required by Section 4 hereof.
- 8.6 The Agency shall not have terminated this Agreement.
- 8.7 The Property is in the condition required by this Agreement.

Seller's Conditions Precedent to Closing. The obligation of Seller to complete the sale of the Property is subject to the satisfaction of the following conditions:

- 8.8 The Agency is not in default of any of its obligations under the terms of this Agreement, and all representations of Agency herein are true and correct.

8.9 The Agency shall have deposited with the Escrow Agent immediately available funds in an amount equal to the Purchase Price and the Agency's share of costs described herein.

8.10 The Seller shall not have terminated this Agreement.

9. Rental and Occupancy by Seller.

9.1 Statement of Rentals. Seller agrees to execute a complete, current, and correct statement of rentals on a form furnished by Agency to Seller and deliver it to Agency within fifteen (15) days with copies of any written leases or rental agreements attached. All rents will be prorated as of the close of escrow on the basis of a 30-day month consistent with that Statement, subject to approval of Agency. Seller agrees not to rent any units on the premises which are now vacant, or which may be vacated by present occupants prior to close of escrow.

9.2 Rental Statement Terms. Seller hereby warrants that the rental statement referred to shall include the terms of all rental agreements, tenancies, and leases (written, unwritten, recorded, or unrecorded) and agrees to hold Agency harmless from all liability from any leases or agreements. Seller also warrants that there are no oral or written leases on all or any portion of property exceeding a period of one month, and Seller further agrees to hold Agency harmless and reimburse Agency for any and all of its losses and expenses occasioned by reason of any lease of said property held by any tenant of for period exceeding one month, except: None.

10. Permission to Enter on Premises. Seller hereby grants to Agency, or its authorized agents, permission to enter upon the Property at all reasonable times upon not less than two (2) days advance notice prior to close of escrow for the purpose of making necessary or appropriate inspections.

10.1 Testing. Within forty-five (45) days of Agency's execution of this Agreement, Agency at its expense may (but is not required to) perform such soil tests as Agency shall deem appropriate (the "Tests"). As soon as practicable after the completion of the Tests, Agency shall provide Seller with a written report (the "Report") describing (i) the results of any such Tests and (ii) any repairs or remedial measures (the "Remedial Measures") proposed to be undertaken to comply with all federal, state and local legal requirements applicable to the conditions disclosed by such Tests, including, but not limited to, any legal requirements relating to hazardous or toxic materials. If Remedial Measures are deemed necessary, Agency and Seller shall each have the right to terminate this Agreement, in which event no party shall have any further liability to the other. Within thirty (30) days after receipt of Agency's notice to terminate, Seller shall have the option to undertake the Remedial Measures in accordance with a remediation plan which is approved by all appropriate governmental authorities and approved by Agency (collectively, the "Plan"), in which event, the Agency's termination shall be revoked and this Agreement shall close as set forth herein, provided, however, Agency shall have no obligation to close unless and until Seller has delivered to Agency a certificate (the "Certificate") from a California licensed hazardous materials specialist that the Property has been remediated in accordance with the Plan. Should Seller elect to undertake Remedial Measures, it shall, in consultation with the appropriate governmental agencies, promptly initiate at its cost and expense such Remedial Measures in a timely manner. The results of the Tests (or any subsequent test conducted prior to the Close of Escrow) shall be deemed to represent the condition of the soil at the Close of Escrow. In the event the Remedial Measures are not complete and Seller has not delivered the Certificate to Agency within six (6) months from the date hereof, Agency shall have the further right to terminate this Agreement, in which event no party shall have any further liability to the other hereunder.

10.2 Agency agrees to indemnify Seller and save it harmless from all damages, actions, causes of action, claims, judgments, costs of litigation, and attorney's fees which may in any way arise out of or result from the Tests. Agency further agrees to repair as nearly as reasonably can be accomplished any

damages to the area covered by the Tests and will restore said area to as near its original condition as can be reasonably accomplished.

11. **Counterparts.** This Agreement may be executed in counterparts, each of which when executed shall, regardless of the date of its execution and delivery, be deemed an original, and all counterparts together shall constitute one and the same instrument.
12. **Closing Statement.** Seller instructs Escrow Agent to release a copy of Seller's closing statement to Agency for the purpose of ascertaining if any reimbursements are due Seller.
13. **Loss or Damage to Improvements.** Loss or damage to the Property including any improvements thereon, by fire or other casualty, occurring prior to the recordation of the Grant Deed shall be at the risk of Seller. In the event that loss or damage to the real property or any improvements thereon, by fire or other casualty, occurs prior to the recordation of the grant deed, Agency may elect to require that the Seller pay to Agency the proceeds of any insurance policy or policies which may become payable to Seller by reason thereof, or to permit such proceeds to be used for the restoration of the damage done, or to reduce the total price by an amount equal of the diminution in value of the Property by reason of such loss or damage or the amount of insurance payable to Seller, whichever is greater.
14. **Eminent Domain Dismissal.** Seller and Agency acknowledge that this transaction is a negotiated settlement in lieu of condemnation, and Seller hereby agrees and consents to the dismissal or abandonment of any eminent domain action in the Superior Court of the State of California in and for the County of Orange, wherein the herein described property is included and also waives any and all claims to any money on deposit in the action and all claims to any money on deposit in the action and further waives all attorneys' fees, costs, disbursements, and expenses incurred in connection therewith. If, prior to the close of the execution of this transaction, Seller (or Seller's Tenant) is served with a Summons and Complaint in Eminent Domain in which Seller (or Seller's Tenant) is a named defendant, upon the close of escrow, Seller agrees and consents to Agency taking a default in the action.
15. **Possession and Disposition of Seller's Furniture.** Possession of real property and fixtures thereto which are located in or on the Property at the close of escrow shall be given to Agency upon the recording of the Grant Deed. All of the furniture and furnishings shall remain the property of Seller (or Seller's Tenant or other party entitle thereto) and Seller shall have the right at any time to remove or otherwise dispose of all or any portion of same, provided that all tenants occupying the premises at the time the Grant Deed is recorded shall be entitled to continue to use the furniture and furnishings then being used by them until they vacate each of their respective apartments or living spaces, and provided that within ten (10) days after notice from Agency that the premises have been vacated, Seller will remove or otherwise dispose of all the furniture and furnishings. All furniture and furnishings remaining on the Property after ten (10) days shall become the property of Agency and Agency may dispose of same without liability as it alone sees fit. Agency shall not be liable for any loss of or damage to the furniture or furnishings, regardless of when loss or damage occurs.
16. **Warranties, Representations, and Covenants of Seller.** Seller hereby warrants, represents, and/or covenants to Agency that:
  - 16.1 **Pending Claims.** To the best of Seller's knowledge, there are no actions, suits, claims, legal proceedings, or any other proceedings affecting the Property or any portion thereof, at law, or in equity before any court or governmental Agency, domestic or foreign.
  - 16.2 **Encroachments.** To the best of Seller's knowledge, there are no encroachments onto the Property by improvements on any adjoining property, nor do any buildings or improvements located on the Property encroach on other properties.



- 16.3 Condition of Property. Until the close of escrow, Seller shall maintain the property in good condition and state of repair and maintenance, and shall perform all of its obligations under any service contracts or other contracts affecting the property.
- 16.4 Seller's Title. Until the close of escrow, Seller shall not do anything which would impair Seller's title to any of the real property.
- 16.5 Utilities. All utilities, without limitation, including gas, electricity, water, sewage, and telephone, are available to the Property, and to the best of Seller's knowledge, all items are in good working order.
- 16.6 Conflict with Other Obligation. To the best of Seller's knowledge, neither the execution of this Agreement nor the performance of the obligations herein will conflict with, or breach any of the provisions of any bond, note, evidence of indebtedness, contract, lease, covenants, conditions and restriction, or other agreement or instrument to which Seller or Seller's Property may be bound.
- 16.7 Change of Situation. Until the close of escrow, Seller shall, upon learning of any fact or condition which would cause any of the warranties and representations in the section not to be true as of the close of escrow, immediately give written notice of such fact or condition to Agency.
- 16.8 Authority. Seller is the owner of and has the full right, power, and authority to sell, convey, and transfer the Property to Agency as provided herein and to carry out Seller's obligations hereunder.
- 16.9 Bankruptcy. Neither Seller nor any related entity is the subject of a bankruptcy proceeding, and permission of a bankruptcy court is not necessary for Seller to be able to transfer the Property as provided herein.
17. Hazardous Waste. Neither Seller nor, to the best of Seller's knowledge, any previous owner, tenant, occupant, or user of the Property used, generated, released, discharged, stored, or disposed of any hazardous waste, toxic substances, or related materials ("Hazardous Materials") on, under, in, or about the Property, or transported any Hazardous Materials to or from the Property. Seller shall not cause or permit the presence, use, generation, release, discharge, storage, or disposal of any Hazardous Materials on, under, in, or about, or the transportation of any Hazardous materials to or from, the Property. The term "Hazardous Material" shall mean any substance, material, or waste which is or becomes regulated by any local governmental authority, the State of California, or the "United States Government, including, but not limited to, any material or substance which is (i) defined as a "hazardous waste," "acutely hazardous waste," "restricted hazardous waste," or "extremely hazardous waste" under Section 25115, 25117 or 25122.7, or listed pursuant to Section 25140 of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law, (ii) defined as "hazardous substance" under Section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8 (Carpenter-Presley-Tanner Hazardous Substance Account Act), (iii) defined as a "hazardous material," "hazardous substance," or "hazardous waste" under Section 25501 of the California Health and Safety code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory), (iv) defined as a "hazardous substance" under Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances), (v) petroleum, (vi) asbestos, (vii) polychlorinated byphenyls, (viii) listed under Article 9 or defined as "hazardous"; or "extremely hazardous" pursuant to Article 11 of Title 22 of the California Code of Regulations, Chapter 20, (ix) designated as a "hazardous substance" pursuant to Section 311 of the Clean Water Act, (33 U.S.C. Section 1317), (x) defined as a "hazardous waste" pursuant to Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 *et seq.* (42 U.S.C. Section 6903) or (xi) defined as a "hazardous substances" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. Section 6901 *et seq.* (42 U.S.C. Section 9601).
18. Compliance With Environmental Laws. To the best of Seller's knowledge the Property and its intended use complies with all applicable laws and governmental regulations including, without limitation, all applicable federal, state, and local laws pertaining to air and water quality, hazardous waste, waste disposal,

and other environmental matters, including, but not limited to, the Clean Water Act, Clean Air Act, Federal Water Pollution Control Act, Solid Waste Disposal Act, Resource Conservation Recovery Act and Comprehensive Environmental Response, Compensation and Liability Act, and the rules, regulations, and ordinances of the Agency of Garden Grove, the California Department of Health Services, the Regional Water Quality Control Board, the State Water Resources Control Board, the Environmental Protection Agency, and all applicable federal, state, and local agencies and bureaus. Seller has not received any notices of violation of any of the above laws and regulations.

19. **Indemnity.** Seller agrees to indemnify, defend and hold Agency harmless from and against any claims, action, suit, proceeding, loss, cost, damage, liability, deficiency, fine, penalty, punitive damage, or expense (including, without limitation, attorneys' fees), resulting from, arising out of, or based upon (i) the presence, release, use, generation, discharge, storage, or disposal of any Hazardous Material on, under, in or about, or the transportation of any such materials to or from, the Property, or (ii) the violation, or alleged violation, of any statute, ordinance, order, rule, regulation, permit, judgment, or license relating to the use, generation, release, discharge, storage, disposal, or transportation of Hazardous Materials on, under, in or about, to or from, the Property, or (iii) as a negative result from the Agency's vote to decline to purchase the property, Seller agrees to protect, defend, and hold harmless Agency and its elective or appointive boards, officers, agents, and employees. This indemnity shall include, without limitation, any damage, liability, fine, penalty, punitive damage, cost, or expense arising from or out of any claim, action, suit or proceeding for personal injury (including sickness, disease, or death, tangible or intangible property damage, compensation for lost wages, business income, profits or other economic loss, damage to the natural resources or the environment, nuisance, pollution, contamination, leak, spill, release, or other adverse effect on the environment. This indemnity extends only to liability created prior to or up to the date this escrow shall close. Seller shall not be responsible for acts or omissions to act after the close of this escrow.
20. **Contingency.** It is understood and agreed between the parties hereto that the completion of this transaction, and the escrow created hereby, is contingent upon the specific acceptance and approval of the Agency herein. The execution of these documents and the delivery of same to Escrow Agent constitutes said acceptance and approval.
21. **Full and Complete Settlement for Fee Interest.** The total compensation to be paid by Agency to Seller is all of Seller's interest in the property and any rights or obligations which exist or may arise out of the acquisition of the property for public purposes, including without limitation, Seller's fee interest in the land and any improvements and fixtures and equipment located thereon, improvements pertaining to the realty (if any), severance damages, any alleged pre-condemnation damages, loss of business goodwill (if any), costs, interest, attorney's fees, and any claim whatsoever of Seller which might arise out of or relate in any respect to the acquisition of the property by the Agency. The consideration paid under this Agreement does not reflect any consideration of or allowance for any relocation assistance and payments or other benefits, which pursuant to Sections 7267.2 and 7277 of the California Government Code, Seller is not entitled to receive.
22. **Broker's Commission.** Seller and Agency each warrants and represents that it has not engaged the services of any agent, finder or broker in connection with the transaction which is the subject of this Agreement, and that it is not liable for any real estate commissions, broker's fees or finder's fees which may accrue by means of the sale of the Property. Seller and Agency agree to and do hereby indemnify and hold the other harmless from and against any and all costs, liabilities, losses, damages, claims, causes of action or proceedings which may result from any broker, agent or finder, licensed or otherwise, which it has employed in connection with the transaction covered by this Agreement.
23. **Waiver, Consent and Remedies.** Each provision of this Agreement to be performed by Agency and Seller shall be deemed both a covenant and a condition and shall be a material consideration for Seller's and Agency's performance hereunder, as appropriate, and any breach thereof by Agency or Seller shall be deemed a material default hereunder. Either party may specifically and expressly waive in writing any portion of this Agreement or any breach thereof, but no such waiver shall constitute a further or continuing



and conditions thereof. All prior agreements, representations, negotiations and understanding of the parties hereto, oral or written, express or implied, are hereby superseded and merged herein.

29. **Captions.** The captions used herein are for convenience only and are not a part of this Agreement and do not in any way limit or amplify the terms and provisions hereof.
30. **Governing Law.** This Agreement and the exhibits attached hereto have been negotiated and executed in the State of California and shall be governed by and construed under the laws of the State of California.
31. **Invalidity of Provision.** If any provision of this Agreement as applied to any party or to any circumstance shall be adjudged by a court of competent jurisdiction to be void or unenforceable for any reason, the same shall in no way affect (to the maximum extent permissible by law) any other provision of this Agreement, the application of any such provision under circumstances different from those adjudicated by the court, or the validity or enforceability of this Agreement as a whole.
32. **Amendments.** No addition to or modification of any provision contained in this Agreement shall be effective unless fully set forth in writing by Agency and Seller.
33. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute but one and the same instrument.
34. **Time of Essence.** Time is of the essence of each provision of this Agreement
35. **Binding upon Successors.** The terms and conditions, covenants, and agreements set forth herein shall apply to and bind the heirs, executors, administrators, assigns and successors of the parties hereof.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year set forth herein above.

"AGENCY"

ATTEST:

Kathleen Bairn  
Secretary

Date July 23, 2008

GARDEN GROVE AGENCY FOR  
COMMUNITY DEVELOPMENT

Matthew Ferial  
Director

"SELLER"

ANDREW V. AND HELEN NOLAND TRUST,  
DATED MAY 14, 1991

Helen Noland Trustee  
HELEN NOLAND, SOLE SUCCESSOR TRUSTEE

Date 7-7-08

APPROVED AS TO FORM:



[Signature]  
Agency Counsel

Date 7/9/08

**EXHIBIT "A"**

**LEGAL DESCRIPTION**  
**(AP NO.090-173-09)**

LOT 5 AND THE WEST 26.33 FEET OF LOT 6 OF TRACT 664, IN THE CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SHOWN ON A MAP THEREOF RECORDED IN BOOK 20, PAGE 6 OF MISCELLANEOUS MAPS, RECORDS OF SAID COUNTY.

 <p><b>WEST COAST ESCROW</b> <small>First in People First in Service</small></p>	West Coast Escrow 18615 Yorba Linda Blvd. Yorba Linda CA 92886 Phone: (714) 777-4600 Fax: (714) 777-5600 Escrow Officer: Paula D Vinnedge	 YL-06472-PV
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**Buyer's Final Settlement Statement**

**Property:** 11361 Garden Grove Boulevard  
 Garden Grove, CA 92843

**Closed Date:** 7/30/2008

**Buyer:** GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT, a public body  
 corporate and politic

**Escrow Number:** YL-06472-PV

	<u>Debits</u>	<u>Credits</u>
<b>Purchase Price</b>		
Contract Sales Price	\$645,000.00	
<b>Receipts</b>		
Deposit by Buyer		\$648,330.64
<b>Escrow Fees</b>		
Escrow Fee (BUYER)	\$977.82	
Escrow Fee (SELLER)	\$977.82	
Messenger Fee	\$30.38	
<b>Title Charges</b>		
Owner's Coverage to WESTERN RESOURCE TITLE	\$1,250.00	
Messenger Fee	\$18.00	
<b>Proceeds or Balance Due</b>		
Borrower Refund	\$76.62	
<b>Balance Due</b>		\$0.00
<b>Totals:</b>	\$648,330.64	\$648,330.64

:

**Save this Statement for Income Tax purposes.**

Recording Requested By:

CITY OF GARDEN GROVE

AND WHEN RECORDED MAIL TO

Garden Grove Agency for Community Development  
P. O. Box 3070  
Garden Grove, CA 92842  
Attn.: Real Property Office

Recorded in Official Records, Orange County

Tom Daly, Clerk-Recorder



NO FEE

2008000362466 09:44am 07/30/08

113 92 G02 3

0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00

090-173-09\*

ASSESSOR PARCEL NUMBER

DOCUMENTARY TRANSFER TAX

Exempt pursuant to Revenue and Taxation Code

11922

This document is exempt from payment of recording fee pursuant to Section 6103 of the Government Code.

By:

15364 3945A

GRANT DEED

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

HELEN NOLAND, SOLE TRUSTEE OF THE ANDREW V. AND HELEN NOLAND TRUST,  
DATED MAY 14, 1991

hereby GRANT(S), to GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT, a public body corporate and politic all that real property in the City of Garden Grove, County of Orange, State of California, described as:

AS PER LEGAL DESCRIPTION SHOWN IN EXHIBIT A, ATTACHED HERETO AND MADE A PART HEREOF

ANDREW V. AND HELEN NOLAND TRUST,  
DATED MAY 14, 1991

Dated: 7-7-08

Helen Noland Trustee  
HELEN NOLAND, SOLE SUCCESSOR TRUSTEE

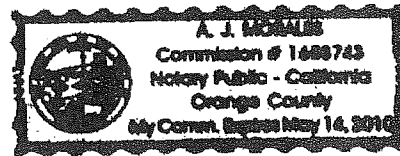
STATE OF CALIFORNIA

COUNTY OF ORANGE ) S.S.

On JULY 7, 2008 before me,

A. J. MORALES  
a Notary Public in and for said County and State, personally appeared

Helen Noland



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

Signature

A. J. Morales  
A. J. MORALES

FOR NOTARY SEAL OR STAMP

- Mail Tax Statements to Return Address Above -

3945A

# GRANT DEED

## Garden Grove Agency for Community Development

APPROVED AS TO FORM OTHER THAN LEGAL DESCRIPTION

By: [Signature]  
Agency Counsel

Dated: 7/9/08

APPROVED AS TO EXECUTION AND DESCRIPTION

By: [Signature]  
Right of Way Agent

Dated: 7-8-08

This is to certify that the interest in real property conveyed by the deed or grant dated JULY 7, 2008 from HELEN NOLAND, TRUSTEE\* to the Garden Grove Agency for Community Development, a public body corporate and politic, is hereby accepted by the undersigned officer on behalf of the Garden Grove Agency for Community Development pursuant to authority conferred by resolution of the Garden Grove Agency for Community Development adopted on July 17, 1978, and the grantee consents to recordation thereof by its duly authorized officer. \* OF THE ANDREW & HELEN NOLAND TRUST DATED MAY 14, 1991

Dated: July 23, 2008  
By: [Signature]  
Secretary



EXHIBIT "A"

LEGAL DESCRIPTION  
(AP NO.090-173-09)

LOT 5 AND THE WEST 26.33 FEET OF LOT 6 OF TRACT 664, IN THE CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SHOWN ON A MAP THEREOF RECORDED IN BOOK 20, PAGE 6 OF MISCELLANEOUS MAPS, RECORDS OF SAID COUNTY.



# OWNER'S POLICY OF TITLE INSURANCE

ISSUED BY

*First American Title Insurance Company*

Any notice of claim and any other notice or statement in writing required to be given to the Company under this policy must be given to the Company at the address shown in Section 18 of the Conditions.

## COVERED RISKS

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B AND THE CONDITIONS, FIRST AMERICAN TITLE INSURANCE COMPANY, a California corporation (the "Company") insures, as of Date of Policy and, to the extent stated in Covered Risks 9 and 10, after Date of Policy, against loss or damage, not exceeding the Amount of Insurance, sustained or incurred by the Insured by reason of:

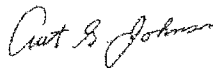
1. Title being vested other than as stated in Schedule A.
2. Any defect in or lien or encumbrance on the Title. This Covered Risk includes but is not limited to insurance against loss from
  - (a) A defect in the Title caused by
    - (i) forgery, fraud, undue influence, duress, incompetency, incapacity, or impersonation;
    - (ii) failure of any person or Entity to have authorized a transfer or conveyance;
    - (iii) a document affecting Title not properly created, executed, witnessed, sealed, acknowledged, notarized, or delivered;
    - (iv) failure to perform those acts necessary to create a document by electronic means authorized by law;
    - (v) a document executed under a falsified, expired, or otherwise invalid power of attorney;
    - (vi) a document not properly filed, recorded, or indexed in the Public Records including failure to perform those acts by electronic means authorized by law; or
    - (vii) a defective judicial or administrative proceeding.
  - (b) The lien of real estate taxes or assessments imposed on the Title by a governmental authority due or payable, but unpaid.
  - (c) Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land. The term "encroachment" includes encroachments of existing improvements located on the Land onto adjoining land, and encroachments onto the Land of existing improvements located on adjoining land.
3. Unmarketable Title.
4. No right of access to and from the Land.
5. The violation or enforcement of any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
  - (a) the occupancy, use, or enjoyment of the Land;
  - (b) the character, dimensions, or location of any improvement erected on the Land;
  - (c) the subdivision of land; or
  - (d) environmental protectionif a notice, describing any part of the Land, is recorded in the Public Records setting forth the violation or intention to enforce, but only to the extent of the violation or enforcement referred to in that notice.
6. An enforcement action based on the exercise of a governmental

police power not covered by Covered Risk 5 if a notice of the enforcement action, describing any part of the Land, is recorded in the Public Records, but only to the extent of the enforcement referred to in that notice.

7. The exercise of the rights of eminent domain if a notice of the exercise, describing any part of the Land, is recorded in the Public Records.
8. Any taking by a governmental body that has occurred and is binding on the rights of a purchaser for value without Knowledge.
9. Title being vested other than as stated in Schedule A or being defective
  - (a) as a result of the avoidance in whole or in part, or from a court order providing an alternative remedy, of a transfer of all or any part of the title to or any interest in the Land occurring prior to the transaction vesting Title as shown in Schedule A because that prior transfer constituted a fraudulent or preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws; or
  - (b) because the instrument of transfer vesting Title as shown in Schedule A constitutes a preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws by reason of the failure of its recording in the Public Records
    - (i) to be timely, or
    - (ii) to impart notice of its existence to a purchaser for value or to a judgment or lien creditor.
10. Any defect in or lien or encumbrance on the Title or other matter included in Covered Risks 1 through 9 that has been created or attached or has been filed or recorded in the Public Records subsequent to Date of Policy and prior to the recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The Company will also pay the costs, attorneys' fees, and expenses incurred in defense of any matter insured against by this policy, but only to the extent provided in the Conditions.

*First American Title Insurance Company*

BY  PRESIDENT

ATTEST  SECRETARY



### EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
  - (i) the occupancy, use, or enjoyment of the Land;
  - (ii) the character, dimensions, or location of any improvement erected on the Land;
  - (iii) the subdivision of land; or
  - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
  - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
  - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
  - (c) resulting in no loss or damage to the Insured Claimant;
  - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risks 9 and 10); or
  - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
  - (a) a fraudulent conveyance or fraudulent transfer; or
  - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

### CONDITIONS

#### 1. DEFINITION OF TERMS

The following terms when used in this policy mean:

- (a) "Amount of Insurance": The amount stated in Schedule A, as may be increased or decreased by endorsement to this policy, increased by Section 8(b), or decreased by Sections 10 and 11 of these Conditions.
- (b) "Date of Policy": The date designated as "Date of Policy" in Schedule A.
- (c) "Entity": A corporation, partnership, trust, limited liability company, or other similar legal entity.
- (d) "Insured": The Insured named in Schedule A.
  - (i) The term "Insured" also includes
    - (A) successors to the Title of the Insured by operation of law as distinguished from purchase, including heirs, devisees, survivors, personal representatives, or next of kin;
    - (B) successors to an Insured by dissolution, merger, consolidation, distribution, or reorganization;
    - (C) successors to an Insured by its conversion to another kind of Entity;
    - (D) a grantee of an Insured under a deed delivered without payment of actual valuable consideration conveying the Title
      - (1) if the stock, shares, memberships, or other equity interests of the grantee are wholly-owned by the named Insured,
      - (2) if the grantee wholly owns the named Insured,
      - (3) if the grantee is wholly-owned by an affiliated Entity of the named Insured, provided the affiliated Entity and the named Insured are both wholly-owned by the same person or Entity, or
      - (4) if the grantee is a trustee or beneficiary of a trust created by a written instrument established by the Insured named in Schedule A for estate planning purposes.

- (ii) With regard to (A), (B), (C), and (D) reserving, however, all rights and defenses as to any successor that the Company would have had against any predecessor Insured.
- (e) "Insured Claimant": An Insured claiming loss or damage.
- (f) "Knowledge" or "Known": Actual knowledge, not constructive knowledge or notice that may be imputed to an Insured by reason of the Public Records or any other records that impart constructive notice of matters affecting the Title.
- (g) "Land": The land described in Schedule A, and affixed improvements that by law constitute real property. The term "Land" does not include any property beyond the lines of the area described in Schedule A, nor any right, title, interest, estate, or easement in abutting streets, roads, avenues, alleys, lanes, ways, or waterways, but this does not modify or limit the extent that a right of access to and from the Land is insured by this policy.
- (h) "Mortgage": Mortgage, deed of trust, trust deed, or other security instrument, including one evidenced by electronic means authorized by law.
- (i) "Public Records": Records established under state statutes at Date of Policy for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without Knowledge. With respect to Covered Risk 5(d), "Public Records" shall also include environmental protection liens filed in the records of the clerk of the United States District Court for the district where the Land is located.
- (j) "Title": The estate or interest described in Schedule A.
- (k) "Unmarketable Title": Title affected by an alleged or apparent matter that would permit a prospective purchaser or lessee of the Title or lender on the Title to be released from the obligation to purchase, lease, or lend if there is a contractual condition requiring the delivery of marketable title.

#### 2. CONTINUATION OF INSURANCE

The coverage of this policy shall continue in force as of Date of Policy in favor of an Insured, but only so long as the Insured retains an estate or interest in the Land, or holds an obligation secured by a purchase money Mortgage given by a purchaser from the Insured, or only so long as the Insured shall have liability by reason of warranties in any transfer or conveyance of the Title. This policy shall not continue in force in favor of any purchaser from the Insured of either (i) an estate or interest in the Land, or (ii) an obligation secured by a purchase money Mortgage given to the Insured.

#### 3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT

The Insured shall notify the Company promptly in writing (i) in case of any litigation as set forth in Section 5(a) of these Conditions, (ii) in case Knowledge shall come to an Insured hereunder of any claim of title or interest that is adverse to the Title, as insured, and that might cause loss or damage for which the Company may be liable by virtue of this policy, or (iii) if the Title, as insured, is rejected as Unmarketable Title. If the Company is prejudiced by the failure of the Insured Claimant to provide prompt notice, the Company's liability to the Insured Claimant under the policy shall be reduced to the extent of the prejudice.

#### 4. PROOF OF LOSS

In the event the Company is unable to determine the amount of loss or damage, the Company may, at its option, require as a condition of payment that the Insured Claimant furnish a signed proof of loss. The proof of loss must describe the defect, lien, encumbrance, or other matter insured against by this policy that constitutes the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage.

#### 5. DEFENSE AND PROSECUTION OF ACTIONS

- (a) Upon written request by the Insured, and subject to the options contained in Section 7 of these Conditions, the Company, at its own cost and without unreasonable delay, shall provide for the defense of an Insured in litigation in which any third party asserts a claim covered by this policy adverse to the Insured. This obligation is limited to only those stated causes of action alleging matters insured against by this policy. The Company shall have the right to select counsel of its choice (subject to the right of the Insured to object for reasonable cause) to represent the Insured as to those stated causes of action. It shall not be liable for and will not pay the fees of any other counsel. The Company will not pay any fees, costs, or expenses incurred by the Insured in the defense of those causes of action that allege matters not insured against by this policy.
- (b) The Company shall have the right, in addition to the options contained in

Section 7 of these Conditions, at its own cost, to institute and prosecute any action or proceeding or to do any other act that in its opinion may be necessary or desirable to establish the Title, as insured, or to prevent or reduce loss or damage to the Insured. The Company may take any appropriate action under the terms of this policy, whether or not it shall be liable to the Insured. The exercise of these rights shall not be an admission of liability or waiver of any provision of this policy. If the Company exercises its rights under this subsection, it must do so diligently.

- (c) Whenever the Company brings an action or asserts a defense as required or permitted by this policy, the Company may pursue the litigation to a final determination by a court of competent jurisdiction, and it expressly reserves the right, in its sole discretion, to appeal any adverse judgment or order.

#### 6. DUTY OF INSURED CLAIMANT TO COOPERATE

- (a) In all cases where this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding and any appeals, the Insured shall secure to the Company the right to so prosecute or provide defense in the action or proceeding, including the right to use, at its option, the name of the Insured for this purpose. Whenever requested by the Company, the Insured, at the Company's expense, shall give the Company all reasonable aid (i) in securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement, and (ii) in any other lawful act that in the opinion of the Company may be necessary or desirable to establish the Title or any other matter as insured. If the Company is prejudiced by the failure of the Insured to furnish the required cooperation, the Company's obligations to the Insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such cooperation.
- (b) The Company may reasonably require the Insured Claimant to submit to examination under oath by any authorized representative of the Company and to produce for examination, inspection, and copying, at such reasonable times and places as may be designated by the authorized representative of the Company, all records, in whatever medium maintained, including books, ledgers, checks, memoranda, correspondence, reports, e-mails, disks, tapes, and videos whether bearing a date before or after Date of Policy, that reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the Insured Claimant shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect, and copy all of these records in the custody or control of a third party that reasonably pertain to the loss or damage. All information designated as confidential by the Insured Claimant provided to the Company pursuant to this Section shall not be disclosed to others unless, in the reasonable judgment of the Company, it is necessary in the administration of the claim. Failure of the Insured Claimant to submit for examination under oath, produce any reasonably requested information, or grant permission to secure reasonably necessary information from third parties as required in this subsection, unless prohibited by law or governmental regulation, shall terminate any liability of the Company under this policy as to that claim.

#### 7. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS; TERMINATION OF LIABILITY

In case of a claim under this policy, the Company shall have the following additional options:

- (a) To Pay or Tender Payment of the Amount of Insurance.  
To pay or tender payment of the Amount of Insurance under this policy together with any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment or tender of payment and that the Company is obligated to pay. Upon the exercise by the Company of this option, all liability and obligations of the Company to the Insured under this policy, other than to make the payment required in this subsection, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation.
- (b) To Pay or Otherwise Settle With Parties Other Than the Insured or With the Insured Claimant.
- (i) To pay or otherwise settle with other parties for or in the name of an Insured Claimant any claim insured against under this policy. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay; or
- (ii) To pay or otherwise settle with the Insured Claimant the loss or damage provided for under this policy, together with any costs,

attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay.

Upon the exercise by the Company of either of the options provided for in subsections (b)(i) or (ii), the Company's obligations to the Insured under this policy for the claimed loss or damage, other than the payments required to be made, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation.

#### 8. DETERMINATION AND EXTENT OF LIABILITY

This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by the Insured Claimant who has suffered loss or damage by reason of matters insured against by this policy.

- (a) The extent of liability of the Company for loss or damage under this policy shall not exceed the lesser of
- (i) the Amount of Insurance; or
- (ii) the difference between the value of the Title as insured and the value of the Title subject to the risk insured against by this policy.
- (b) If the Company pursues its rights under Section 5 of these Conditions and is unsuccessful in establishing the Title, as insured,
- (i) the Amount of Insurance shall be increased by 10%, and
- (ii) the Insured Claimant shall have the right to have the loss or damage determined either as of the date the claim was made by the Insured Claimant or as of the date it is settled and paid.
- (c) In addition to the extent of liability under (a) and (b), the Company will also pay those costs, attorneys' fees, and expenses incurred in accordance with Sections 5 and 7 of these Conditions.

#### 9. LIMITATION OF LIABILITY

- (a) If the Company establishes the Title, or removes the alleged defect, lien, or encumbrance, or cures the lack of a right of access to or from the Land, or cures the claim of Unmarketable Title, all as insured, in a reasonably diligent manner by any method, including litigation and the completion of any appeals, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused to the Insured.
- (b) In the event of any litigation, including litigation by the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals, adverse to the Title, as insured.
- (c) The Company shall not be liable for loss or damage to the Insured for liability voluntarily assumed by the Insured in settling any claim or suit without the prior written consent of the Company.

#### 10. REDUCTION OF INSURANCE; REDUCTION OR TERMINATION OF LIABILITY

All payments under this policy, except payments made for costs, attorneys' fees, and expenses, shall reduce the Amount of Insurance by the amount of the payment.

#### 11. LIABILITY NONCUMULATIVE

The Amount of Insurance shall be reduced by any amount the Company pays under any policy insuring a Mortgage to which exception is taken in Schedule B or to which the Insured has agreed, assumed, or taken subject, or which is executed by an Insured after Date of Policy and which is a charge or lien on the Title, and the amount so paid shall be deemed a payment to the Insured under this policy.

#### 12. PAYMENT OF LOSS

When liability and the extent of loss or damage have been definitely fixed in accordance with these Conditions, the payment shall be made within 30 days.

#### 13. RIGHTS OF RECOVERY UPON PAYMENT OR SETTLEMENT

- (a) Whenever the Company shall have settled and paid a claim under this policy, it shall be subrogated and entitled to the rights of the Insured Claimant in the Title and all other rights and remedies in respect to the claim that the Insured Claimant has against any person or property, to the extent of the amount of any loss, costs, attorneys' fees, and expenses paid by the Company. If requested by the Company, the Insured Claimant shall execute documents to evidence the transfer to the Company of these rights and remedies. The Insured Claimant shall permit the Company to sue, compromise, or settle in the name of the Insured Claimant and to use the name of the Insured Claimant in any transaction or litigation involving these rights and remedies.
- If a payment on account of a claim does not fully cover the loss of the Insured Claimant, the Company shall defer the exercise of its right to recover until after the Insured Claimant shall have recovered its loss.

(b) The Company's right of subrogation includes the rights of the Insured to indemnities, guaranties, other policies of insurance, or bonds, notwithstanding any terms or conditions contained in those instruments that address subrogation rights.

(d) Each endorsement to this policy issued at any time is made a part of this policy and is subject to all of its terms and provisions. Except as the endorsement expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsement, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance.

**14. ARBITRATION**

Either the Company or the Insured may demand that the claim or controversy shall be submitted to arbitration pursuant to the Title Insurance Arbitration Rules of the American Land Title Association ("Rules"). Except as provided in the Rules, there shall be no joinder or consolidation with claims or controversies of other persons. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the Insured arising out of or relating to this policy, any service in connection with its issuance or the breach of a policy provision, or to any other controversy or claim arising out of the transaction giving rise to this policy. All arbitrable matters when the Amount of Insurance is \$2,000,000 or less shall be arbitrated at the option of either the Company or the Insured. All arbitrable matters when the Amount of Insurance is in excess of \$2,000,000 shall be arbitrated only when agreed to by both the Company and the Insured. Arbitration pursuant to this policy and under the Rules shall be binding upon the parties. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court of competent jurisdiction.

**15. LIABILITY LIMITED TO THIS POLICY; POLICY ENTIRE CONTRACT**

- (a) This policy together with all endorsements, if any, attached to it by the Company is the entire policy and contract between the Insured and the Company. In interpreting any provision of this policy, this policy shall be construed as a whole.
- (b) Any claim of loss or damage that arises out of the status of the Title or by any action asserting such claim shall be restricted to this policy.
- (c) Any amendment of or endorsement to this policy must be in writing and authenticated by an authorized person, or expressly incorporated by Schedule A of this policy.

**16. SEVERABILITY**

In the event any provision of this policy, in whole or in part, is held invalid or unenforceable under applicable law, the policy shall be deemed not to include that provision or such part held to be invalid, but all other provisions shall remain in full force and effect.

**17. CHOICE OF LAW; FORUM**

- (a) Choice of Law: The Insured acknowledges the Company has underwritten the risks covered by this policy and determined the premium charged therefore in reliance upon the law affecting interests in real property and applicable to the interpretation, rights, remedies, or enforcement of policies of title insurance of the jurisdiction where the Land is located. Therefore, the court or an arbitrator shall apply the law of the jurisdiction where the Land is located to determine the validity of claims against the Title that are adverse to the Insured and to interpret and enforce the terms of this policy. In neither case shall the court or arbitrator apply its conflicts of law principles to determine the applicable law.
- (b) Choice of Forum: Any litigation or other proceeding brought by the Insured against the Company must be filed only in a state or federal court within the United States of America or its territories having appropriate jurisdiction.

**18. NOTICES, WHERE SENT**

Any notice of claim and any other notice or statement in writing required to be given to the Company under this policy must be given to the Company at 1 First American Way, Santa Ana, CA 92707, Attn: Claims Department.

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## POLICY OF TITLE INSURANCE



## SCHEDULE A

### *First American Title Insurance Company*

Name and Address of Title Company:  
Western Resources Title  
625 The City Drive, Suite 150  
Orange, CA 92868

File No.: **15364**

Policy No.: **15364**

Address Reference: 11361 Garden Grove Boulevard, Garden Grove, CA

Amount of Insurance: \$645,000.00

Premium: \$1,650.00

Date of Policy: July 30, 2008 at 9:44 am

1. Name of Insured:

Garden Grove Agency for Community Development, a public body corporate and politic

2. The estate or interest in the Land that is insured by this policy is:

A Fee.

3. Title is vested in:

Garden Grove Agency for Community Development, a public body corporate and politic

4. The Land referred to in this policy is described as follows:

Real property in the City of Garden Grove, County of Orange, State of California, described as follows:

LOT 5, AND THE WEST 26.33 FEET OF LOT 6, TRACT 644, AS SHOWN ON A MAP THEREOF RECORDED IN BOOK 20, PAGE 6 OF MISCELLANEOUS MAPS, RECORDS OF ORANGE COUNTY.

APN: 090-173-09

## SCHEDULE B

File No.: 15364

Policy No.: 15364

### EXCEPTIONS FROM COVERAGE

This Policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees, or expenses that arise by reason of:

#### Part One:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.

#### Part Two:

1. General and special taxes and assessments for the fiscal year 2008-2009, a lien not yet due or payable.
2. The lien of supplemental taxes, if any, assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code.

Although the above supplemental taxes may be a lien, the installments thereof are not yet due or payable.

3. An easement for public street and highway and incidental purposes, recorded August 10, 1972 as Book 10268, page 695 of Official Records.  
In Favor of: The City of Garden Grove  
Affects: a portion of the land
4. Rights of parties in possession.

090-17

THIS MAP WAS PREPARED FOR THE  
COUNTY ASSESSOR DEPT. OF PUBLIC WORKS  
AND IS NOT TO BE USED FOR ANY OTHER  
PURPOSES. THE ACCURACY AND ASSURANCE  
FOR OTHER USES, NOT TO BE REPRODUCED,  
OR FOR ANY OTHER PURPOSES, IS NOT  
GUARANTEED. COPYRIGHT 1951, WESTERN  
RESOURCES TITLE COMPANY

