



A. U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT <b>SETTLEMENT STATEMENT</b>	B. TYPE			LOAN		
	1.     FHA	2.     FHMA	3.     CONV. UNINS.			
	4.     VA	5.     CONV. INS.				
	6. FILE NUMBER: 19848		7. LOAN NUMBER			
8. MORTGAGE INS. CASE NO.:						

C. NOTE: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "(p.o.c.\*)" were paid outside the closing; they are shown here for informational purposes and are not included in the totals.

D. NAME & ADDRESS OF BORROWER: Exhibit "A" Attached Hereto

E. NAME & ADDRESS OF SELLER: HARRY M. WATKINS and MARY I. WATKINS

F. NAME & ADDRESS OF LENDER:

G. PROPERTY LOCATION: 12912 7th Street, Garden Grove, CA 92840

H. SETTLEMENT AGENT: Royal Escrow Corporation  
 PLACE OF SETTLEMENT: 17011 Beach Boulevard, Suite 220, Huntington Beach, CA 92647 (714) 596-7880

I. SETTLEMENT DATE: 5/25/2007 Estimated

J. Summary of Borrower's Transaction		K. Summary of Seller's Transaction	
<b>100. Gross Amount Due From Borrower:</b>		<b>400. Gross Amount Due To Seller:</b>	
101. Contract sales price	550,000.00	401. Contract sales price	
102. Personal property		402. Personal property	
103. Settlement charges to borrower: (line 1400)	2,756.00	403.	
104.		404.	
105.		405.	
<b>Adjustments For Items Paid By Seller In Advance:</b>		<b>Adjustments For Items Paid By Seller In Advance:</b>	
106. City/town taxes	to	406. City/town taxes	to
107. County taxes	to	407. County taxes	to
108. Assessments	to	408. Assessments	to
109.		409.	
110.		410.	
111.		411.	
112.		412.	
113.		413.	
114.		414.	
115.		415.	
116.		416.	
<b>120. Gross Amount Due From Borrower:</b>	<b>552,756.00</b>	<b>420. Gross Amount Due To Seller:</b>	
<b>200. Amounts Paid By Or In Behalf Of Borrower:</b>		<b>500. Reductions In Amount Due To Seller:</b>	
201. Deposit or earnest money		501. Excess deposit (see instructions)	
202. Principal amount of new loan(s)		502. Settlement charges to seller (line 1400)	
203. Existing loan(s) taken subject to		503. Existing loan(s) taken subject to	
204.		504. Payoff 1st Mtg. Ln.	
205.		505. Payoff 2nd Mtg. Ln.	
206.		506.	
207.		507.	
208.		508.	
209.		509.	
<b>Adjustments For Items Unpaid By Seller:</b>		<b>Adjustments For Items Unpaid By Seller:</b>	
210. City/town taxes	to	510. City/town taxes	to
211. County taxes	to	511. County taxes	to
212. Assessments	to	512. Assessments	to
213.		513.	
214.		514.	
215.		515.	
216.		516.	
217.		517.	
218.		518.	
219.		519.	
<b>220. Total Paid By/For Borrower:</b>		<b>520. Total Reductions In Amount Due Seller:</b>	
<b>300. Cash At Settlement From/To Borrower:</b>		<b>600. Cash At Settlement From/To Seller:</b>	
301. Gross amount due from borrower (line 120)	552,756.00	601. Gross amount due to seller (line 420)	
302. Less amount paid by/for borrower (line 220)		602. Less reductions in amount due seller (line 520)	
<b>303. Cash (X) FROM ( ) TO Borrower:</b>	<b>552,756.00</b>	<b>603. Cash ( ) TO ( ) FROM Seller:</b>	<b>0.00</b>

L.	SETTLEMENT	CHARGES	Escrow		Paid From Borrower's Funds At Settlement	Paid From Seller's Funds At Settlement
700.	Total Sales/Broker's Commission: Based On Price \$ @ % =					
<b>Division of Commission (line 700) As Follows:</b>						
701.	\$	to				
702.	\$	to				
703.	Commission paid at settlement					
704.						
<b>800. Items Payable In Connection With Loan:</b>						
801.	Loan Origination fee %					
802.	Loan Discount %					
803.	Appraisal fee to:					
804.	Credit report to:					
805.	Lender's inspection fee					
806.	Mortgage insurance application fee to					
807.	Assumption fee					
808.						
809.						
810.						
811.						
812.						
813.						
814.						
815.						
816.						
<b>900. Items Required By Lender To Be Paid In Advance:</b>						
901.	Interest from	to	@ \$ /day (0 days)			
902.	Mortgage insurance premium for mo. to					
903.	Hazard insurance premium for yrs. to					
904.	Flood insurance premium for yrs. to					
905.						
906.						
<b>1000. Reserves Deposited With Lender:</b>						
1001.	Hazard insurance	months @ \$	per month			
1002.	Mortgage insurance	months @ \$	per month			
1003.	City property taxes	months @ \$	per month			
1004.	County property taxes	months @ \$	per month			
1005.	Annual assessments	months @ \$	per month			
1006.	Flood insurance	months @ \$	per month			
1007.		months @ \$	per month			
1008.	Aggregate Adjustment					
1009.						
<b>1100. Title Charges</b>						
1101.	Settlement or closing fee to Royal Escrow Corporation				1,175.00	
1102.	Escrow Fee: \$2,350.00					
1103.	Title examination to					
1104.	Title insurance binder to					
1105.	Document preparation to					
1106.	Notary fees to					
1107.	Attorney's fees to (includes above item Numbers: )					
1108.	Title insurance to Lawyers Title Company (includes above item Numbers: )				1,581.00	
1109.	Lender's coverage \$					
1110.	Owner's coverage \$ 550,000.00 Premium: \$1,581.00					
1111.						
1112.						
1113.						
1114.						
<b>1200. Government Recording and Transfer Charges:</b>						
1201.	Recording fees: Deed \$	Mortgage \$	Releases \$			
1202.	City/county tax/stamps: Deed \$		Mortgage \$			
1203.	State tax/Stamps: Deed \$		Mortgage \$			
1204.						
1205.						
<b>1300. Additional Settlement Charges:</b>						
1301.	Survey to					
1302.	Pest inspection to					
1303.						
1304.						
1305.						
1306.						
1307.						
1308.						
1309.						
1310.						
1311.						
1312.						
1313.						
1400.	<b>Total Settlement Charge (Enter on line 103, Section I - and - line 502, Section K)</b>				2,756.00	

ATTACHMENT TO HUD 1  
Settlement Date: 5/25/2007

Escrow No.: 19848  
Title No.: 05347762-25  
Page: 1

EXHIBIT A:

Name & Address Of Borrower:

GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT, a public body corporate and politic  
11222 Acacia Parkway, Garden Grove, CA 92842

**BUYER/BORROWER STATEMENT**  
Estimated

Escrow Number: 19848  
Escrow Officer: D. LaBate

Title Order Number: 05347762-25  
Date: 05/21/2007 - 9:36:17AM  
Closing Date: 05/25/2007

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

Seller: HARRY M. WATKINS and MARY I. WATKINS

Property: 12912 7th Street, Garden Grove, CA 92840

DESCRIPTION	DEBITS	CREDITS
<b>TOTAL CONSIDERATION</b>	550,000.00	
<b>TITLE CHARGES</b>		
Owner's Premium for 550,000.00: Lawyers Title Company	1,581.00	
<b>ESCROW CHARGES TO: Royal Escrow Corporation</b>		
Escrow Fee	1,175.00	
<b>BALANCE DUE TO ESCROW</b>		552,756.00
<b>TOTALS</b>	552,756.00	552,756.00

ESTIMATED ONLY BASED ON INFO RECEIVED TODAY.

MEMBERS: MEMBER DALTON, MEMBER JONES, MEMBER ROSEN,  
VICE CHAIR NGUYEN, CHAIR BROADWATER

---

UNDER THE WILL OF NEWELL ROY OWENBY, DECEASED, FOR THE  
PRIMARY BENEFIT OF BONNIE FAYE OWENBY.

Under Negotiation: Price and terms related to the potential Agency  
acquisition of title to the Properties and/or certain rights or interests in  
the Properties. The purpose of the closed session is to seek direction  
from the Agency about negotiations to acquire title to and rights and/or  
interests in the Properties and the parameters for price and terms  
related to such real property negotiations.

ACTION: Discussed. No reportable action.

Open Session

6:58 p.m.

3. ORAL COMMUNICATIONS - PUBLIC: (To be held simultaneously with City  
Council Oral Communications.)

None relevant to the Agency.

RECESS: 7:12 p.m.

RECONVENE: 7:43 p.m.

4. CONSENT ITEMS: None.

5. PUBLIC HEARINGS: None.

6. ITEMS FOR CONSIDERATION:

- 6.a. Acquisition of real property located at 12912 Seventh Street, owned by  
Harry M. and Mary I. Watkins. (Cost: \$550,000) (F: A-84.1)

ACTION: Approved.  
(4 Ayes. Rosen voted no.)

7. MATTERS FROM AGENCY MEMBERS AND DIRECTOR: None.

8. ADJOURNMENT: 7:46 p.m.

389790

CITY OF GARDEN GROVE

389790

DATE	ACCOUNT CODE	PURCHASE ORDER NO.	VENDOR INVOICE NO.	NET AMOUNT
061207 052307	007 8870 45010		PURCHASE 12912 7TH ST GG TOTAL	552,756.00 552,756.00

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 92640

VOID IF NOT CASHED IN 60 DAYS NO  
CHECK CLEARS THROUGH POSITIVE PAY

16-105/1220

389790

DATE 05/23/07

AMOUNT \*\*\*\$552,756.00

PAY TO THE ORDER OF

*Pay Exactly Five Hundred Fifty Two Thousand Seven Hundred Fifty Six and 00/100 Dollars*

ROYAL ESCROW CORPORATION  
17011 BEACH BLVD. STE 220  
HUNTINGTON BEACH, CA 92647

*Kingly Escrow*  
RECEIVED  
RECEIVED

⑈389790⑈ ⑆122000496⑆ 2042850020⑈

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

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

090-173-05  
ASSESSOR PARCEL NUMBER

DOCUMENTARY TRANSFER TAX  
Exempt pursuant to Revenue and Taxation Code  
11922

#3924A

GRANT DEED

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

Harry M. Watkins and Mary I. Watkins, husband and wife as joint tenants

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

Dated: May 21, 2007

[Signature]  
HARRY M. WATKINS  
[Signature]  
MARY I. WATKINS

STATE OF CALIFORNIA  
COUNTY OF Orange ) S.S.

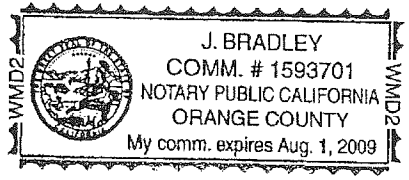
On May 21, 2007 before me,

J. Bradley

a Notary Public in and for said County and State, personally appeared  
Harry M. Watkins,

Mary I. Watkins  
personally known to me (or 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.

WITNESS my hand and official seal  
Signature [Signature]



FOR NOTARY SEAL OR STAMP



# GRANT DEED

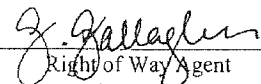
## Garden Grove Agency for Community Development

APPROVED AS TO FORM OTHER THAN LEGAL DESCRIPTION

By:   
Agency Counsel

Dated: 5-23-07

APPROVED AS TO EXECUTION AND DESCRIPTION

By:   
Right of Way Agent

Dated: 5/23/07

This is to certify that the interest in real property conveyed by the deed or grant dated \_\_\_\_\_ from

\_\_\_\_\_ 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.

Dated: May 25, 2007

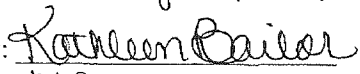
By:   
Deputy Secretary

EXHIBIT A

Lot 1 of Tract No. 644, in the City of Garden Grove, County of Orange, State of California, as per map recorded in Book 20, Page 6 of Miscellaneous Maps, in the Office of the County Recorder of said County.

Except the North 4 feet thereof.

PARCEL NO.: 090-173-05  
TITLE REPORT NO. 05347762-25  
PROJECT: CIVIC CENTER

Original  
5a  
Gina - Escrow

**AGREEMENT FOR ACQUISITION OF REAL PROPERTY  
(ESCROW INSTRUCTIONS)**

This **AGREEMENT FOR ACQUISITION OF REAL PROPERTY (ESCROW INSTRUCTIONS)** ("Agreement") is entered into this 8<sup>th</sup> day of May, 2007, by and between the **GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT**, a public body corporate and politic ("Agency"), and **HARRY M. WATKINS AND MARY I. WATKINS**, husband and wife, as joint tenants (together, "Seller"), for acquisition by Agency of all interests, tangible and intangible, in that certain real property described below.

**IT IS HEREBY MUTUALLY AGREED BETWEEN THE PARTIES AS FOLLOWS:**

1. **Agreement to Sell and Purchase for All-Inclusive Purchase Price.** Seller agrees to sell to Agency, and Agency agrees to purchase from Seller, upon the terms and for the all-inclusive Purchase Price set forth in Section 2 below in this Agreement, that certain real property situated in the City of Garden Grove, County of Orange, State of California with the common street address of 12912 7th Street and legally described in Exhibit "A" attached hereto and incorporated herein by reference, along with and inclusive of any and all interests in the property, both tangible and intangible interests therein, and/or arising out of the Agency's acquisition of such property (together, "Property").

2. **All-Inclusive Purchase Price.** The all-inclusive purchase price, payable in cash through escrow, shall be the sum of **FIVE HUNDRED FIFTY THOUSAND** dollars (\$550,000) ("Purchase Price").

2.1 **Full and Complete Compensation and Settlement for All Interests.** The Purchase Price is and shall remain total compensation paid by Agency to Seller for all of Seller's interests in the Property, inclusive of any and rights or obligations which exist or may arise out of Agency's acquisition of the Property, including without limitation, Seller's fee interest in the land, all improvements pertaining to the realty, all other improvements, furnishings, fixtures, and equipment located thereon, severance damages, if any, alleged pre-condemnation damages, if any, alleged loss of business goodwill, if any, relocation benefits and assistance, if any, costs, interest, attorney's fees, and any claim whatsoever of, by, or through Seller that may arise out of or relate in any respect to Agency's acquisition of the Property from Seller. In this regard Seller acknowledges that based on the advice and counsel, as and if Seller elects to obtain the advice of counsel, Seller is and will be fully satisfied that the Purchase Price is fair and adequate consideration for all interests in the Property and that it is all-inclusive compensation for the Property.

2.1.1 **Property Offered for Sale by Seller.** Seller represents and acknowledges that they offered for sale, willingly, voluntarily and by their own actions, the sale of the Property to Agency pursuant to Section 7277 of the California Government Code. Therefore, Seller acknowledges and agrees Seller is not eligible for and the Purchase Price does not include payment or allowance for relocation assistance or benefits and the California Relocation Assistance Law, Government Code Section 7260, *et seq.*

**2.2 Hold-Back of Proceeds for Repair Work.** Notwithstanding any other provisions herein set forth, Seller acknowledges and agrees that on or before thirty (30) days following the close of escrow, Seller shall undertake and complete certain repair work at the Property, including: (a) remove all keyed deadbolts and keyed door knobs on bedroom doors and patch and repair holes; (b) investigate all electrical outlets in small bedroom and bathroom by a licensed electrical contractor and repair/replace as necessary; (c) install smoke alarms in all bedrooms and one hallway; (d) paint (weatherize) north side of garage. Seller further acknowledges and agrees that the sum of three thousand (\$3,000) dollars of the Purchase Price shall be held back and withheld by escrow agent through the escrow and shall be retained for the Agency's benefit as security for the performance of such repair work. The hold-back amount of \$3,000 shall be released to Seller by escrow agent upon the approval by Agency (through the City of Garden Grove Building Division) of satisfactory completion of all repair work. Seller agrees and acknowledges that in the event all repair work described in (a) through (d) above is not completed within thirty (30) days following the close of escrow, Agency shall utilize the withheld funds to undertake and complete such repair work. To the extent any funds remain after the Agency completes the repair work, such funds shall be released to Seller by escrow agent.

**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, including exceptions to title in Schedule B numbered one (1) and two (2) of that certain preliminary report number 05347762-25 dated April 5, 2007 issued by Lawyers Title ("Preliminary Report"), 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. Easements or rights-of-way over the Property for public or quasi-public utility or public street purposes that may encumber the property.

**4. Title Insurance Policy.** As a condition precedent to the close of the escrow, Fidelity National Title shall be ready to issue to Agency, as insured, and escrow agent is instructed that escrow is subject to issuance by Lawyers Title (or another mutually agreeable title company) is conditioned upon providing Agency with CLTA Standard Coverage Policy of Title Insurance in the amount of the Purchase Price insuring and evidencing fee simple title to the Property vested in Agency, subject only to the exceptions set forth in Section 3 above 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 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. Agency and Seller agree to do all acts necessary to close this escrow in the shortest possible time. The parties shall be responsible to pay and be charged for the normal costs allocable and chargeable to a seller and buyer.

## **5.1 Deposits into Escrow.**

**5.1.1** As soon as possible after opening of escrow, Seller shall deliver to escrow the executed Grant Deed for the Property. A true and complete copy shall be delivered concurrently to Agency.

**5.1.2** As soon as possible after notice from escrow agent of the deposit of the Grant Deed by Seller, Agency shall prepare and deliver to escrow a Certificate of Acceptance for the Grant Deed.

**5.1.3** Agency agrees to deposit the Purchase Price into escrow upon demand of Escrow Agent.

**5.1.4** Agency and Seller agree to deposit with Escrow Agent any additional instruments or documents as may be necessary to cause title to the Property to conform to the requirements of this Agreement and to complete this transaction in accordance thereof.

**5.2 Insurance to be cancelled upon Close of Escrow; Renter's Insurance upon Lease-Back.** Insurance policies for fire or casualty are not to be transferred; Seller shall cancel their own policies after close of escrow.

**5.2.1 Renter's Insurance at Seller's Option and Risk of Loss with Seller during Lease-Back.** In the event Seller elects to remain at the Property pursuant to the lease-back and month to month rental described in Section 13, then Seller shall elect in their discretion to obtain and maintain, or not to obtain and maintain, renter's insurance for the Property in amounts and coverage desired by Seller; provided however, in the event Seller elects to not obtain and maintain renter's insurance then the risk of loss or damage to any and all of Seller's FF&E or injury to any person is solely and fully assumed by Seller. Seller acknowledges and agrees that Agency will not in any event name Seller, as an additional insured or loss payee, for or in its insurance policy(ies) covering the Property and in no event shall Seller be eligible for payment of any insurance proceeds attributable or arising from any claims made under any insurance obtained or maintained by the Agency or the City of Garden Grove for the Property.

**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.** After the close of escrow, Seller shall have the right in their sole discretion 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 close of escrow and Agency's acquisition of the Property pursuant to Revenue and Taxation Code Section 5096.7.

**7. Escrow Agent Authorization.** Escrow agent is authorized to and shall pay, charge and perform the following:

**7.1 Seller Charges.**

**7.1.1 Seller's Monetary Liens and Encumbrances.** Pay and charge Seller for any amount necessary to place title in the condition necessary to satisfy Section 3 of this Agreement, including without limitation payoff, removal, and charge for any and all monetary liens and encumbrances of record against the Property, including without limitation exceptions numbered one (1) and two (2) in the Preliminary Report, as follows:

(a) A deed of trust to secure an indebtedness in the amount of \$158,000.00, dated June 14, 2003.

(b) A deed of trust to secure an indebtedness in the amount of \$20,000.00, dated May 10, 2004.

**7.1.2 Seller's Share of Charges of Escrow.** Pay and charge Seller for normal seller's fees and costs of the escrow.

**7.2 Agency Charges.** Pay and charge Agency for buyer's normal fees and costs for escrow and for the policy of title insurance payable under Paragraph 5 of this Agreement.

**7.3 FIRPTA.** Unless Seller is not a "foreign person" under the Foreign Investment in Real Property Transfer Act or an exemption applies, the escrow agent shall deduct and withhold from Seller's proceeds ten percent (10%) of the gross sales price and shall otherwise comply with all applicable provisions of the Foreign Investment in Real Property Act and any similar state act. Seller agrees to execute and deliver Exhibit B, as directed by escrow agent, or any instrument, affidavit, and statement, and to perform any act reasonably necessary to comply with the provisions of the Foreign Investment in Real Property Act and any similar state act and regulation promulgated thereunder.

**7.4 Tax Requirements.** Escrow agent shall prepare and file with all appropriate governmental or taxing authorities a uniform settlement statement, closing statement, tax withholding forms including an IRS 1099-S form, and be responsible for withholding taxes, if any such forms are provided for or required by law.

**7.5 Disbursements from Escrow.** Disburse funds and record the Grant Deed when conditions of this escrow have been fulfilled by Agency and Seller.

**7.6 Close of Escrow.** The term "close of escrow," if and where written in these instructions, shall mean the date: when all conditions precedent to close of escrow have been satisfied by Agency and Seller (or otherwise waived by the party benefited by the condition(s)); when the title company is ready to issue the buyer's title policy to Agency required by Section 4; and when 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 to satisfy conditions precedent including without limitation issuance of the buyer's policy of title insurance.

**7.7 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.

**7.8 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 forty-five (45) days from date of this Agreement, any party who then shall have fully complied with this Agreement and instructions may, in writing, demand the return of its money or other deposits to escrow; 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 this Agreement, and if any objections are raised within the five-day period, escrow agent is authorized to hold all monies 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 or as soon thereafter as practicable subject to compliance with these instructions and the provisions of this Agreement. The provisions of this Section 7.6 related to the time for close of escrow are subject to Section 9 of this Agreement.

**7.9 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, 9.2, 10, 11, 12, 13, 16, 17 and 20 and to its liability under any policy of title insurance issued in regard to this transaction.

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

**8.1 Agency's Conditions Prior to Close of Escrow.** The obligation of Agency to proceed with the close of escrow and complete the purchase of the Property is subject to the satisfaction by Seller of the following conditions precedent:

**8.1.1** Seller shall deliver through escrow an executed and recordable Grant Deed sufficient to convey fee title to the Agency as set forth in Sections 3, 4, and 5.

**8.1.2** Seller shall have deposited with escrow agent immediately available funds in an amount equal to their share of escrow costs described herein.

**8.1.3** 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.

**8.1.4** Seller shall deliver through escrow such funds and documents as are necessary to comply with Seller's obligations under this Agreement, including without limitation clearance of title exceptions conforming to the requirements of this Agreement.

**8.1.5** Seller shall not be in default of any of its obligations under the terms of this Agreement

**8.1.6** All representations of Seller herein are and remain true and correct.

8.1.7 Lawyers Title Company (or other title company) has committed to and is ready to issue and deliver to Agency the buyer's title insurance policy as required by Section 4.

8.1.8 Agency shall not have terminated this Agreement.

8.1.9 The Property is in the condition required by this Agreement.

**8.2 Seller's Conditions Precedent to Close of Escrow.** The obligation of Seller to proceed with the close of escrow and complete sale of the Property is subject to the satisfaction by Agency of the following conditions precedent:

8.2.1 Agency shall not be in default of any of its obligations under the terms of this Agreement.

8.2.2 All representations of Agency herein are and remain true and correct.

8.2.3 Agency shall have deposited with escrow agent immediately available funds in an amount equal to the Purchase Price and Agency's share of escrow costs described herein.

8.2.4 Agency shall have deposited the Certificate of Acceptance for the Grant Deed as described herein.

8.2.5 Seller shall not have terminated this Agreement.

**9. Permission to Enter on Premises.** From the date of approval of this Agreement by the Agency Board and thereafter, Seller hereby grants to and agrees that Agency, City of Garden Grove, and their authorized employees, consultants, and agents have permission to enter upon the Property at all reasonable times upon not less than two (2) days advance notice for the purpose of undertaking and completing necessary or appropriate inspections, assessments, tests, and remediation or corrections of the Property relating to the physical condition of the Property including without limitation the presence, release, and/or absence of adverse soils conditions, asbestos, lead-based paint, and/or Hazardous Materials, as hereinafter more fully defined and described.

**9.1 Tests.** Within thirty (30) days of Agency's execution of this Agreement, Agency at its expense may (but is not required to) perform any testing, investigation and/or other assessment of the Property (land and improvements) as Agency shall deem appropriate (together, "Tests"). As soon as practicable after the completion of the Tests, Agency shall provide Seller with written report(s) ("Report") describing (a) the results of the Tests, if any, (ii) any conditions, releases, repairs, remedial measures, or other work (together, "Remedial Measures") recommended and/or necessary and proposed to be undertaken to comply with applicable federal, state and local laws and regulations related to the conditions disclosed by the Tests, including, but not limited to, any legal requirements relating to Hazardous Materials.

**9.1.1 Hazardous Materials Disclosure.** 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 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 (a) 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 & Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law); (b) defined as "hazardous substance" under Section 25316 of the California Health & Safety Code, Division 20, Chapter 6.8 (Carpenter-Presley-Tanner Hazardous Substance Account Act); (c) defined as a "hazardous material," "hazardous substance," or "hazardous waste" under Section 25501 of the California Health & Safety Code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory); (d) defined as a "hazardous substance" under Section 25281 of the California Health & Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances); (e) petroleum; (f) asbestos; (g) polychlorinated byphenyls; (h) 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; (i) designated as a "hazardous substance" pursuant to Section 311 of the Clean Water Act, (33 U.S.C. Section 1317); (j) 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 (k) 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).

**9.2 Remedial Measures.** If Remedial Measures are determined 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.

**9.2.1 Plan for Remedial Measures.** In the event Agency elects to terminate this Agreement, then within five (5) days after receipt of Agency's notice to terminate, Seller shall have the right, but not the obligation, to agree and cause all Remedial Measures to be undertaken and completed in accordance with a scope of work, plans and specifications, and/or a remediation plan, as applicable (collectively, the "Plan"), that shall be submitted to and approved by appropriate governmental authorities. Seller agrees that any and all costs to undertake and complete the Plan shall be deducted from the Purchase Price by escrow agent.

(a) In the event Seller elects to proceed with the Plan for the Remedial Measures, then prior to commencement of any work for the Plan Seller shall submit the Plan to Agency for its review and approval and consent to proceed with the work set forth in the Plan. If Agency approves the Plan, then Agency's termination of this Agreement shall be revoked and the escrow shall close as set forth herein after Seller causes completion of the Plan; provided however, Agency shall have no obligation to close the escrow unless and until Seller has delivered to Agency a certificate of completion of the Plan issued by the appropriate consultant, contractor, and/or governmental agency(ies) with approval and/or inspection rights related to the Plan ("Certificate"), which evidences that the Remedial Measures for the Property have been completed in accordance with the Plan.

**9.2.2 Failure to Complete Plan.** In the event the Plan is not undertaken and/or completed by Seller (through its agents) and/or Seller has not delivered the Certificate to Agency within six (6) months from the date of this Agreement, then Agency shall have the further right to terminate this Agreement, in which event no party shall have any further liability to the other hereunder.

**9.3 Compliance with Laws.** Except as described in Section 2 related to the necessary repair work, to the best of Seller's knowledge the Property 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 Materials, 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 City of Garden Grove, the California Department of Health Services, California Department of Toxic Substances Control, 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, except as described in Section 2 related to the necessary repair work.

**9.4 Agency's Indemnification of Seller re: Tests.** Agency agrees to indemnify Seller and save Seller 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 conducted at the Property.

**9.4.1** Agency further agrees to repair as nearly as reasonably can be accomplished any damages to the area covered by the Tests and will restore the area(s) of the Property to as near the condition that existed just prior to the Tests as can be reasonably accomplished.

**9.5 Seller's Indemnification re: Condition of Property.** Seller shall and hereby agrees to indemnify, pay for, hold harmless, and defend (with counsel acceptable to Agency) Agency, the City of Garden Grove, and their elected and appointed officials, employees, commissioners, attorneys, and agents (collectively, "Indemnitees") from and against any and all claims, actions, suits, proceedings, losses, costs, damages, liabilities, deficiencies, fines, penalties, punitive damages, or expenses (including, without limitation, attorneys' fees), resulting from, arising out of, related in any manner to, or based upon (a) the physical condition of the Property; (b) any Remedial Measures; (c) implementation of the Plan; (d) 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, (e) violation or alleged violation of any statute, ordinance, order, rule, regulation, permit, judgment, or license relating to the physical condition of the Property and/or the use, generation, release, discharge, storage, disposal, or transportation of Hazardous Materials on, under, in or about, to or from, the Property, and/or (f) as a negative result from the Agency's vote to decline to purchase the Property. 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 conditions, acts, or omissions to act, or other liability of whatever kind of nature that existed or was created prior to or up to the date of the close of escrow. All conditions or releases related to the Property that occurred prior to close of escrow are and remain the responsibility of the Seller and are within the indemnification provided by this Section 9.4.

**10. 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.

11. **Closing Statement.** Escrow agent is instructed to prepare and provide copies of a proposed closing statement and thereafter the final closing statement to both Seller and Agency.

12. **Loss or Damage to Improvements.** Loss or damage to the Property including any improvements thereon, by fire, other casualty, or acts of God, occurring at any time prior to the close of escrow shall be at the sole risk of Seller.

12.1 **Payment for Loss or Damage.** In the event that loss or damage to the Property, including land, improvements, and/or moveable or immovable personal property thereon, by fire, other casualty, or acts of God occurs prior to the close of escrow, Agency may elect to proceed with the escrow but also require that Seller pay directly to Agency any and all proceeds of each and all insurance policy or policies that may become payable to Seller, as loss payee or otherwise, by reason thereof, or to permit such proceeds to be used for the restoration of the damage done to the Property, or to reduce the Purchase Price by an amount equal to the diminution in value of the Property by reason of such loss or damage, or the amount of insurance proceeds payable to Seller, whichever is greater.

13. **Seller Lease Back of Property.** Seller shall have the right, but not the obligation, to rent the Property back from Agency as a lease-back on a month-to-month basis for occupancy solely by Mr. and Mrs. Watkins and no other persons at the monthly rent of \$1,497.00 per month for a period not to exceed six (6) months after the close of escrow, unless extended in writing by Agency in its sole and complete discretion. Seller shall elect and inform Agency in writing at least twenty (20) days prior to the close of escrow that they desire to rent the Property back from Agency commencing on a date concurrent with the close of escrow and on a month to month basis only. If Seller elects to lease back the Property, then Agency shall prepare the form of a rental agreement. Seller and Agency shall enter into a mutually agreeable rental agreement as a condition to the close of escrow, which rental agreement shall be deposited into the Escrow prior to the Close of Escrow. The escrow shall not close unless and until the parties have entered into such rental agreement. Seller acknowledges and agrees that the rental agreement will and shall confirm Seller's status as a post-acquisition tenant of Agency and that Seller is not, shall not be, eligible for, or become eligible for, any relocation assistance or benefits under Government Code Section 7260, *et seq.* or any other applicable federal, state, or local laws and regulations. Further, the rental agreement will provide that Seller will vacate the Property (as the leased premises) upon thirty (30) days notice from the Agency and Agency has, and will have, no legal obligation to provide any longer notice of termination of the month-to-month tenancy under the rental agreement.

14. **Possession and Disposition of Seller's FF&E.** Upon the close of escrow or at the last day of the lease-back term, whichever occurs later, possession of the Property, including land, improvements, furniture, fixtures and equipment, whether immovable or moveable (FF&E), on, upon, or about the Property shall be deemed to be the property of and in the possession of Agency. Seller shall have the right to and shall remove or otherwise dispose of all moveable FF&E at the Property prior to the close of escrow or at the last day of the lease-back term, whichever occurs later. After the close of escrow or at the last day of the lease-back term, whichever occurs later, Seller acknowledges and agrees that Agency has the right to and may dispose of any FF&E remaining at the Property as Agency alone sees fit without further notice or any liability whatsoever to Seller.

15. **Warranties, Representations, and Covenants of Seller.** Seller hereby warrants, represents, and/or covenants to Agency:

**15.1 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.

**15.2 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.

**15.3 Condition of Property.** Until the close of escrow and during the term of Seller's lease back of the Property, if such occurs, 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. Further, Seller represents that it shall undertake the repair work described in Section 2.

**15.3.1 Rental and Occupancy of Property.** Seller agrees not to lease any portion of the Property, grant any licenses or easements in the Property, or grant any other rights of occupancy to the Property without the approval of Agency, which may be granted or denied in its sole and complete discretion.

**15.4 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, and Seller shall maintain fee simple marketable title in the Property in the condition required by this Agreement.

**15.5 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.

**15.6 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.

**15.7 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.

**15.8 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.

**15.9 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.

**16. Contingency.** It is understood and agreed between Seller and Agency that the legality of this Agreement, its effectiveness, and the obligation of the parties to complete this transaction is expressly contingent upon the governing board of the Garden Grove Agency for Community

Development considering, taking action, and approving this Agreement in their sole and complete discretion at an open public meeting of the Agency. The execution and attestation of this Agreement by the Chairman and Agency Secretary and the delivery to escrow agent of an original of this Agreement duly executed and attested by Agency and signed by Seller constitutes evidence of Agency's acceptance and approval.

17. **No Broker's Commission.** Seller and Agency each warrants and represents that each has not engaged the services of any agent, finder or broker in connection with the offering for sale or sale of the Property or otherwise related to the transaction that is the subject of this Agreement; neither party is or shall be liable to the other party or to any third party 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 either party may have employed, orally or in writing, in connection with the transaction covered by this Agreement.

18. **Waiver, Consent and Remedies.** Each provision of this Agreement to be performed by Agency and/or 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 waiver of a preceding or succeeding breach of the same or any other provision. A waiving party may at any time thereafter require further compliance by the other party with any breach or provision so waived. The consent by one party to any act by the other for which such consent was required shall not be deemed to imply consent or waiver of the necessity of obtaining such consent for the same or any similar acts in the future. No waiver or consent shall be implied from silence or any failure of a party to act, except as otherwise specified in this Agreement. All rights, remedies, undertakings, obligations, options, covenants, conditions and agreements contained in this Agreement shall be cumulative and no one of them shall be exclusive of any other. Except as otherwise specified herein, either party hereto may pursue any one or more of its rights, options or remedies hereunder or may seek damages or specific performance in the event of the other party's breach hereunder, or may pursue any other remedy at law or equity, whether or not stated in this Agreement.

19. **Attorney's Fees.** In the event any declaratory or other legal or equitable action is instituted between Seller, Agency and/or escrow agent in connection with this Agreement, then as between Agency and Seller, the prevailing party shall be entitled to recover from the losing party all of its costs and expenses, including court costs and reasonable attorneys' fees, and all fees, costs and expenses incurred on any appeal or in collection of any judgment.

20. **Notices.** Any notice, request, demand, consent, approval or other communication required or permitted hereunder or by law shall be validly given or made only if in writing and delivered in person to an officer or duly authorized representative of the other party or deposited in the United States mail, duly certified or registered (return receipt requested), postage prepaid, and addressed to the party for whom intended, as follows:

If to Seller:

Harry M. Watkins and Mary I. Watkins  
12912 7th Street  
Garden Grove, CA 92840

If to Agency:

Garden Grove Agency  
for Community Development  
11222 Acacia Parkway  
Garden Grove, CA 92840  
Attention: Real Property Office

Any party may from time to time, by written notice to the other, designate a different address that shall be substituted for that specified above. If any notice or other document is sent by mail as aforesaid, the same shall be deemed fully delivered and received forty-eight (48) hours after mailing as provided above.

21. **Default.** Failure or delay by either party to perform any covenant, condition or provision of this Agreement within the time provided herein constitutes default under this Agreement. The injured party shall give written notice of default to the party in default, specifying the default complained of. The defaulting party shall immediately commence to cure such default and shall diligently complete such cure within twenty (20) days from the date of the notice or such longer period if the nature of the default is such that more than twenty (20) days is required to cure such default. The injured party shall have the right to terminate this Agreement by written notice to the other party in the event of a default which is not cured within the time set forth herein.

22. **Gender and Number.** In this Agreement (unless the context requires otherwise), the masculine, feminine and neuter genders and the singular and the plural shall be deemed to include one another, as appropriate.

23. **Entire Agreement.** This Agreement and its exhibits constitute the entire agreement between the parties pertaining to the subject matter hereof, and the final, complete and exclusive expression of the terms 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.

24. **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.

25. **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.

26. **Construction.** The parties acknowledge and agree that (a) each party is of equal bargaining strength; (b) each party has actively participated in the drafting, preparation and negotiation of this Agreement; (c) each party has consulted with such party's own independent counsel and such other professional advisors, if at all, as each party has deemed appropriate, relating to any and all matters contemplated under this Agreement; (d) each party and such party's counsel and advisors, if so elected by the party, have reviewed this Agreement; (e) each party has agreed to enter into this Agreement following such review and the rendering of such advice, if so elected by the party; and (f) any rule of construction to the effect that ambiguities are to be resolved against the drafting parties shall not apply in the interpretation of this Agreement, or any portions hereof, or any amendments hereto.

27. **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.

28. **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.

29. **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.

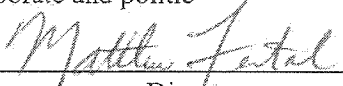
30. **Agency Director Authority.** The Agency Director ("Director") or his or her assignee shall have the authority to sign closing documents, issue interpretations, waive provisions, and enter into amendments of or supplements to this Agreement on behalf of Agency, so long as such actions do not substantially or substantively change the terms and conditions of the purchase and sale of the Property as set forth herein and as agreed to by the Agency Board in its approval of this Agreement. All other waivers or amendments shall require the consideration and written consent of the Agency Board.

31. **Additional Documents.** Each party agrees to cooperate with the other in and toward the close of escrow and, in that regard, to sign any and all documents which may be reasonably necessary, helpful or appropriate to carry out the purposes and intent of this Agreement including, but not limited to, releases or additional agreements.

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

"AGENCY"

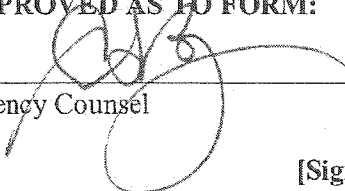
GARDEN GROVE AGENCY FOR  
COMMUNITY DEVELOPMENT, a public body  
corporate and politic

  
\_\_\_\_\_  
Agency Director

ATTEST:

  
\_\_\_\_\_  
Secretary

APPROVED AS TO FORM:

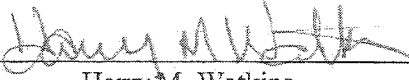
  
\_\_\_\_\_  
Agency Counsel

[Signature block continues on next page]

[Signature block continued from previous page]

“SELLER”

HARRY M. WATKINS AND MARY I.  
WATKINS, husband and wife as joint tenants

  
\_\_\_\_\_  
Harry M. Watkins

Date: 4-26-07

  
\_\_\_\_\_  
Mary I. Watkins

Date: 4-26-07



**EXHIBIT "A"**

**LEGAL DESCRIPTION  
(AP NO. 090-173-05)**

Lot 1 of Tract No. 644, in the City of Garden Grove, County of Orange, State of California, as per map recorded in Book 20, Page 6 of Miscellaneous Maps, in the Office of the County Recorder of said County.

Except the North 4 feet thereof.

EXHIBIT "B"

NON-FOREIGN TRANSFEROR DECLARATION

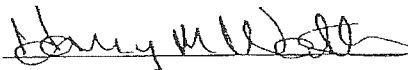
Section 1445 of the Internal Revenue Code of 1954, as amended ("Code"), provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a foreign person. To inform the transferee that withholding of tax is not required upon the disposition of a U.S. real property interest by \_\_\_\_\_ (the Transferor), the undersigned hereby certifies the following:

1. The Transferor is not a foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Code and the Income Tax Regulations promulgated thereunder);
2. The Transferor's U.S. employer identification number or social security number are set forth below;
3. The Transferor's office address or mailing address is:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_

The Transferor understands that this Certification may be disclosed to the Internal Revenue Service by the Transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

Under penalty of perjury we declare that we have examined this Certification and to the best of our knowledge and belief it is true, correct, and complete, and further declare that we have authority to sign this document on behalf of the Transferor.

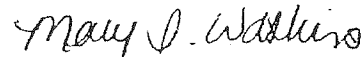
 \_\_\_\_\_

S.S. No.: \_\_\_\_\_

Date: 4-26-07

S.S. No.: \_\_\_\_\_

Date: \_\_\_\_\_



S.S. No.: \_\_\_\_\_

Date: 4-26-07

S.S. No.: \_\_\_\_\_

Date: \_\_\_\_\_

EXHIBIT B  
NON-FOREIGN TRANSFEROR DECLARATION