

264503

DATE	ACCOUNT CODE	PURCHASE ORDER NO.	VENDOR INVOICE NO.	NET AMOUNT
052802	007 2701 45010		12932 7TH-CLOSING COSTS	790.00
052802	007 2701 45010		12932 7TH-PURCHASE	240,000.00
051502			TOTAL	240,790.00

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
CHECK CLEARS THROUGH POSITIVE PAY

NO. 264503
16-105/1220

DATE 05/15/02 AMOUNT ***\$240,790.00

PAY TO THE ORDER OF: *Pay Exactly Two Hundred Forty Thousand Seven Hundred Ninety and 00/100 Dollars*

LAWYERS TITLE CO.

Anthony J. Andrade
CONTROLLER
TREASURER

⑈ 264503 ⑈ ⑆ 122000496 ⑆ 2042850020 ⑈



BRICKSTONE ESCROW, INC.

5299 Alton Parkway, Suite 200 • Irvine, Ca 92604
(949) 551-8094 Fax (949) 551-3401

Escrow No.: 21188-GB
Reference: 12932 7th Street
Garden Grove, CA 92840

Estimated Close Date: May 27, 2002
Report Date: May 15, 2002
Page: 1

BUYER ESTIMATED CLOSING STATEMENT

GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT
11222 Acacia Parkway
Garden Grove, CA 92842

BUYER:

- - DEBITS - - - - CREDITS - -

Consideration:
Total Consideration

\$240,000.00

Title Charges:
Record Grant Deed
Title/Wire Fees

~~\$30.00~~ Free recording
\$25.00

Escrow Fees:
Escrow Fees
Messenger Fee
Refundable Pad

\$595.00
\$40.00
\$100.00

Balance Due Escrow

\$240,790.00

Totals

\$240,790.00

\$240,790.00

NOTICE: This estimated closing statement is subject to changes, corrections or additions at the time of final computation of closing escrow statement.

GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT

RECORDING REQUESTED BY
LAWYERS TITLE CO.

Recording Requested By:

This Document was electronically recorded by
Lawyer's Title Company

CITY OF GARDEN GROVE

MAIL TAX STATEMENT
AND WHEN RECORDED MAIL TO

Recorded in Official Records, County of Orange
Darlene Bloom, Interim Clerk Recorder

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



NO FEE

20020414116 01:20pm 05/16/02

105 42 G02 A04 3

0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00

090-173-07

ASSESSOR PARCEL NUMBER

Escrow No.

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

By:

[Signature]
A 3839

GRANT DEED

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

DAVID A. PALMQUIST AND JENNIFER C. PALMQUIST, husband and wife

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

[Signature]
David A. Palmquist

[Signature]
Jennifer C. Palmquist

Dated: 4-18-02

STATE OF CALIFORNIA
COUNTY OF ORANGE) S.S.

On April 18, 2002 before me,

Douglas G. Hitchcock

a Notary Public in and for said County and State, personally appeared

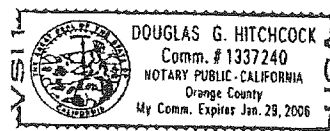
David A. Palmquist & Jennifer C. Palmquist

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

EXHIBIT A

LEGAL DESCRIPTION
(AP NO. 090-173-07)

LOT 3 AND THE NORTH 4 FEET OF LOT 4 OF TRACT NO. 644, IN THE CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SHOWN ON A MAP RECORDED IN BOOK 20, PAGE 6 OF MISCELLANEOUS MAPS, RECORDS OF SAID COUNTY.

EXCEPTING THEREFROM THE NORTH 8.5 FEET OF SAID LOT 3

PRELIMINARY CHANGE OF OWNERSHIP REPORT

[To be completed by transferee (buyer) prior to transfer of subject property in accordance with Section 480.3 of the Revenue and Taxation Code.] A Preliminary Change of Ownership Report must be filed with each conveyance in the County Recorder's office for the county where the property is located; this particular form may be used in all 58 counties of California.

THIS REPORT IS NOT A PUBLIC DOCUMENT

SELLER/TRANSFEROR: David A. Palmquist BUYER/TRANSFEEE: GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT ASSESSOR'S PARCEL NUMBER(S): 090-173-007 PROPERTY ADDRESS OR LOCATION: 12932 7th Street, Garden Grove, CA 92840 MAIL TAX INFORMATION TO: Name <i>Garden Grove Agency for Community Development</i> Address <i>P.O. Box 3070, Garden Grove, CA 92842</i>	FOR RECORDER'S USE ONLY
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NOTICE: A lien for property taxes applies to your property on January 1 of each year for the taxes owing in the following fiscal year. July 1 through June 30. One-half of these taxes is due November 1, and one-half is due February 1. The first installment becomes delinquent on December 10, and the second installment becomes delinquent on April 10. One tax bill is mailed before November 1 to the owner of record. **IF THIS TRANSFER OCCURS AFTER JANUARY 1 AND ON OR BEFORE DECEMBER 31, YOU MAY BE RESPONSIBLE FOR THE SECOND INSTALLMENT OF TAXES DUE FEBRUARY 1.**

The property which you acquired may be subject to a supplemental assessment in an amount to be determined by the Orange County Assessor. For further information on your supplemental roll obligation, please call the Orange County Assessor at (714) 834-2941.

PART I: TRANSFER INFORMATION (Please answer all questions)

- | | |
|---|--|
| YES NO
<input type="checkbox"/> <input checked="" type="checkbox"/> A.
<input type="checkbox"/> <input type="checkbox"/> B.
<input type="checkbox"/> <input type="checkbox"/> C.
<input type="checkbox"/> <input type="checkbox"/> D.
<input type="checkbox"/> <input type="checkbox"/> E.
<input type="checkbox"/> <input type="checkbox"/> F.
<input type="checkbox"/> <input type="checkbox"/> G.
<input type="checkbox"/> <input type="checkbox"/> H.
<input type="checkbox"/> <input type="checkbox"/> 1.
<input type="checkbox"/> <input type="checkbox"/> 2.
<input type="checkbox"/> <input type="checkbox"/> 3.
<input type="checkbox"/> <input type="checkbox"/> If this property is subject to a lease, is the remaining lease term 35 years or more including written options?
<input type="checkbox"/> <input type="checkbox"/> J.
<input type="checkbox"/> <input type="checkbox"/> K.
<input type="checkbox"/> <input checked="" type="checkbox"/> L. | Is this transfer solely between husband and wife (Addition of a spouse, death of a spouse, divorce settlement, etc.)?
Is this transaction only a correction of the name(s) of the person(s) holding title to the property (For example, a name change upon marriage)?
Is this document recorded to create, terminate, or reconvey a lender's interest in the property?
Is this transaction recorded only as a requirement for financing purposes or to create, terminate, or reconvey a security interest (e.g. cosigner)?
Is this document recorded to substitute a trustee under a deed of trust, mortgage, or other similar document?
Did this transfer result in the creation of a joint tenancy in which the seller (transferor) remains as one of the joint tenants?
Does this transfer return property to the person who created the joint tenancy (original transferor)?
Is this transfer of property:
1. to a trust for the benefit of the <input type="checkbox"/> Grantor <input type="checkbox"/> Grantor's spouse?
2. to a trust revocable by the transferor?
3. to a trust from which the property reverts to the grantor within 12 years?
If this property is subject to a lease, is the remaining lease term 35 years or more including written options?
Is this a transfer between parent(s) and child(ren)? <input type="checkbox"/> or from Grandparent(s) to Grandchild(ren)
Is this transaction to replace a principal residence by a person 55 years of age or older?
Within the same county? <input type="checkbox"/> Yes <input type="checkbox"/> No
Is this transaction to replace a principal residence by a person who is severely disabled as defined by Revenue and Taxation Code Section 69.5? Within the same county? <input type="checkbox"/> Yes <input type="checkbox"/> No |
|---|--|

***If you checked yes to J, K, or L, you may qualify for a property tax reassessment exclusion, which may result in lower taxes on your property. Failure to file a claim results in the reassessment of the property.**

Please provide any other information that would help the Assessor to understand the nature of the transfer.

If you answered "yes" to any of the above questions except J, K, or L, please sign and date; otherwise, complete balance of the form.

PART II: OTHER TRANSFER INFORMATION

- A. Date of transfer if other than recording date _____
- B. Type of transfer. (please check appropriate box):
- Purchase Foreclosure Gift Trade or Exchange Merger, Stock, or Partnership Acquisition
- Contract of Sale - Date of Contract _____
- Inheritance - Date of Death _____ Other: Please Explain _____
- Creation of a Lease Assignment of a Lease Termination of a Lease Sale/ Lease
- Date lease began _____
- Original term in years (including written options) _____
- Remaining term in years (including written options) _____
- C. Was only a partial interest in the property transferred? Yes No
- If yes, indicate the percentage transferred _____ %

Please answer, to the best of your knowledge, all applicable questions, sign and date. If a question does not apply, indicate with "N/A."

PART III: PURCHASE PRICE AND TERMS OF SALE

A. CASH DOWN PAYMENT OR Value of Trade or Exchange (excluding closing costs) Amount \$ 240,000

B. FIRST DEED OF TRUST @ _____ % interest for _____ years. Pymts/Mo. = \$ _____ (Prin. & Int. only) Amount \$ _____

FHA (_____ Discount Points) Fixed Rate New Loan

Conventional Variable Rate Assumed Existing Loan Balance

VA (_____ Discount Points) All inclusive D.T. (\$ _____ Wrapped) Bank or Savings & Loan

Cal-Vet Loan Carried by Seller Finance Company

Balloon Payment Yes No Due Date _____ Amount \$ _____

C. SECOND DEED OF TRUST @ _____ % interest for _____ years. Pymts/Mo. = \$ _____ (Prin. & Int. only) Amount \$ _____

Bank or Savings & Loan Fixed Rate New Loan

Loan Carried by Seller Variable Rate Assumed Existing Loan Balance

Balloon Payment Yes No Due Date _____ Amount \$ _____

D. OTHER FINANCING: Is other financing involved not covered in (b) or (c) above? Yes No Amount \$ _____

Type _____ @ _____ % interest for _____ years. Pymts./Mo. = \$ _____ (Prin. & Int. only)

Bank or Savings & Loan Fixed Rate New Loan

Loan Carried by Seller Variable Rate Assumed Existing Loan Balance

Balloon Payment Yes No Due Date _____ Amount \$ _____

E. WAS AN IMPROVEMENT BOND ASSUMED BY THE BUYER? Yes No Amount \$ 240,000

F. TOTAL PURCHASE PRICE (or acquisition price, if traded or exchanged, include real estate commission if paid.) \$ _____

TOTAL ITEMS A THROUGH E

G. PROPERTY PURCHASED Through a broker Direct from Seller From a family member Other (explain):
 If purchased through a broker, provide broker's name and phone number: Doug Hitchcock 714/750-4337
 Please explain any special terms, seller concessions, or financing and any other information that would help the Assessor understand the purchase price and terms of sale. _____

PART IV: PROPERTY TRANSFERRED

A. TYPE OF PROPERTY TRANSFERRED:

Single-family residence Agricultural Timeshare

Multiple-family residence (no. of units _____) Co-op/Own-your-own Manufactured Home

Commercial/Industrial Condominium Unimproved lot

Other (Description: _____)

B. IS THIS PROPERTY INTENDED AS YOUR PRINCIPAL RESIDENCE? Yes No

If yes, enter the date of occupancy _____ / _____, 20____ or intended occupancy _____ / _____, 20____.

(month) (day) (year) (month) (day) (year)

C. IS PERSONAL PROPERTY INCLUDED IN PURCHASE PRICE? (i.e. furniture, farm equipment, machinery, etc.)
 (other than a manufactured home subject to local property tax?) Yes No

If yes, enter the value of the personal property included in the purchase price \$ _____ (Attach itemized list of personal property)

D. IS A MANUFACTURED HOME INCLUDED IN PURCHASE PRICE? Yes No

If yes, how much of the purchase price is allocated to the manufactured home? \$ _____

Is the manufactured home subject to local property tax? Yes No What is the Decal Number? _____

E. DOES THE PROPERTY PRODUCE INCOME? Yes No If yes, is the income from: _____

Lease/Rent Contract Mineral Rights Other (explain): _____

F. WHAT WAS THE CONDITION OF THE PROPERTY AT THE TIME OF SALE?

Good Average Fair Poor

Please explain the physical condition of the property and provide any other information (such as restrictions, etc.) that would assist the Assessor in determining the value of the property.

CERTIFICATION

OWNERSHIP TYPE (✓)

- Proprietorship
- Partnership
- Cooperation
- Other

I certify that the foregoing is true, correct and complete to the best of my knowledge and behalf.
 This declaration is binding on each and every co-owner and/or partner.

NAME OF THE TRANSFEREE OR OFFICER OF TRANSFEREE (typed or printed)	TITLE
SIGNATURE OF TRANSFEREE OR OFFICER OF TRANSFEREE	DATE
NAME OF ENTITY (typed or printed)	FEDERAL EMPLOYER ID NUMBER
ADDRESS (typed or printed)	TELEPHONE NUMBER
	DATE

Garden Grove Agency for Community Development
11222 ACACIA PKWY, Garden Grove, CA 92840
Director
5-15-02
33-004-4653
(714) 741-5126

(NOTE: The Assessor may contact you for additional information.)

If a document evidencing a change of ownership is presented to the recorder for recordation without the concurrent filing of a preliminary change of ownership report, the recorder may charge an additional recording fee of twenty dollars(\$20).

PARCEL NO: 002-001
TITLE REPORT NO 0203291-25
PROJECT: COMMUNITY CENTER

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

A 3839

THIS AGREEMENT is entered into this 14th day of MAY, 2002, by and between the GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT, a public body corporate and politic ("Agency"), and the undersigned DAVID A. PALMQUIST AND JENNIFER C. PALMQUIST, -husband and wife (collectively the "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 two hundred forty thousand dollars (\$240,000.00) (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 Lawyers Title Company, dated February 7, 2002.
 - C. Easements or rights-of-way over the Property for public or quasi-public utility or public street purposes, if any.
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 Lawyers Title, showing fee simple title to the Property vested in Agency, subject only to the exceptions set forth in Section 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 at Lawyers Title Company, 18551 Von Karman Avenue, Suite 100, Irvine, California 92612. 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 Section 3 of this Agreement.
- 7.2 Seller. Pay and charge Seller for one-half escrow fees, the full cost of the premium for the title insurance policy referred to Section 4 of this Agreement, and costs payable under Section 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 Sections 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 compensation 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.** Agency 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 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

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.

ATTEST:


Secretary

Date 5-15-02

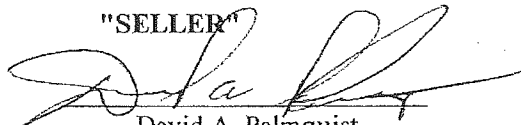
"AGENCY"
GARDEN GROVE AGENCY FOR
COMMUNITY DEVELOPMENT

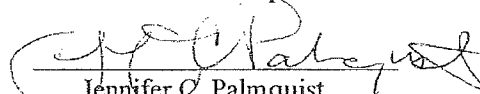

Director

APPROVED AS TO FORM:


Agency Counsel

Date 5/16/02

"SELLER"

David A. Palmquist


Jennifer C. Palmquist

Date _____

EXHIBIT "A"

LEGAL DESCRIPTION
(AP NO. 090-173-07)

LOT 3 AND THE NORTH 4.8 FEET OF LOT 4 OF TRACT NO. 644, IN THE CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SHOWN ON A MAP RECORDED IN BOOK 20, PAGE 6 OD MISCELLANEOUS MAPS, RECORDS OF SAID COUNTY.

EXCEPTING THEREFROM THE NORTH 8.5 FEET OF SAID LOT 3

EXHIBIT "B"

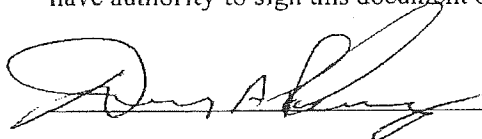
Non-Foreign Transferor Declaration

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 _____ and _____.
3. The Transferor's office address or mailing address is _____

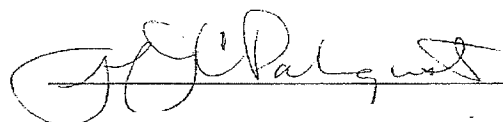
The Transferor understands that this Certification may be disclosed to the Internal Revenue Service by the Transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

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: _____



S.S. No. _____

Date: _____

S.S. No. _____

Date: _____