

AMERICAN TITLE COMPANY

Serving the American Dream

2200 W. Orangewood, Suite 200A • Orange, CA 92868 • (800) 257-1698
Issuing Agent for *Chicago Title Insurance Company*

TITLE OFFICER: Bill Cuddyer
TITLE OFFICER EMAIL:

TITLE OFFICER PHONE:
TITLE OFFICER FAX: (714) 712-5340

TO: CITY OF GARDEN GROVE
11222 ACACIA PKWY
GARDEN GROVE, CA 92842

ATTN: ARMANDO MORALES
ORDER NO.: 202700171-27

PROPERTY ADDRESS: SEVENTH STREET, GARDEN GROVE, CA

DATED AS OF: March 15, 2001, 7:30am

PRELIMINARY REPORT

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

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

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a Policy or Policies of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested. The Policy(s) of title insurance to be issued hereunder will be policies of Chicago Title Insurance Company.

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

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

American Title Company

Countersigned:

BY 

Authorized Signatory



BY



President

ATTEST



Secretary

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

California Land Title Association Standard Coverage Policy - 1990

The All-American Policy, an ALTA Homeowners' Policy of Title Insurance for a One-To-Four Single Family Residence, will be issued for an additional 10% of the published rate. Standard CLTA Owners is available upon request.

SCHEDULE A

THE ESTATE OR INTEREST IN THE LAND HEREINAFTER DESCRIBED OR REFERRED TO COVERED BY THIS REPORT IS:

A FEE

TITLE TO SAID ESTATE OR INTEREST AT THE DATE HEREOF IS VESTED IN:

TUNG THANH PHAM AND THU HAI LAM PHAM, HUSBAND AND WIFE AS JOINT TENANTS

THE LAND REFERRED TO IN THIS REPORT IS SITUATED IN THE COUNTY OF ORANGE, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

EXHIBIT "A"

LOT 18 OF TRACT NO. 431, IN THE CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 16 PAGE(S) 49 OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

SCHEDULE B

AT THE DATE HEREOF, EXCEPTIONS TO COVERAGE IN ADDITION TO THE PRINTED EXCEPTIONS AND EXCLUSIONS IN SAID POLICY FORM WOULD BE AS FOLLOWS:

A. **Property Taxes**, which are a lien not yet due and payable, including any assessments collected with taxes to be levied for the fiscal year 2001-2002.

B. **Property Taxes**, including any personal property taxes and any assessments collected with taxes, for the fiscal year 2000-2001 Assessor's Parcel Number 090-172-15.

Code Area:	18153
1st Installment:	\$491.53 DELINQUENT
1st Penalty:	\$49.15
2nd Installment:	\$491.53 OPEN
Land:	\$90,000.00
Improvements:	\$0.00
Exemption:	\$0.00 HOMEOWNERS

C. **Supplemental Assessment** for 2001-2002 :

Bill No.:	0200
1st Installment:	\$38.76/DELINQUENT-\$3.88
Must Be Paid By:	12/11/2000
2nd Installment:	\$38.77/OPEN
Must Be Paid By:	04/10/2001

D. **Supplemental Assessment** for 2001-2002 :

Bill No.:	9901
1st Installment:	\$99.45/DELINQUENT-\$9.95
Must Be Paid By:	07/31/2000
2nd Installment:	\$99.45/DELINQUENT-\$19.94
Must Be Paid By:	11/30/2000

E. **Said property has been declared tax defaulted** for non-payment of delinquent taxes for the fiscal year 1999.

Default No.:	090-172-15 / Default Date:	07/01/2000
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Amounts to redeem for the above-stated fiscal year (and subsequent years, if any) are:

Amount:	\$366.27	by 03/31/2001
Amount:	\$370.41	by 04/30/2001.

F. **The lien of supplemental taxes**, if any, assessed pursuant to the provisions of Chapter 3.5 (Commencing with Section 75) of the Revenue and Taxation Code of the State of California.

1. **Water rights, claims or title to water**, whether or not disclosed by the public records.

END OF EXCEPTION ITEMS

SCHEDULE B
(CONTINUED)

NOTES AND REQUIREMENTS

1. The charge for a policy of title insurance, when issued through this title order, will be based on the Short Term Rate.

END OF NOTES AND REQUIREMENTS

Bill Cuddyer/RG

EXHIBIT A

AMERICAN LAND TITLE ASSOCIATION RESIDENTIAL TITLE INSURANCE POLICY (6-1-87)

EXCLUSIONS

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

1. Government policy power, and the existence or violation of any law or government regulation. This includes building and zoning ordinances and also laws and regulations concerning:
 - Land use
 - Improvements on the land
 - Land division
 - Environmental protectionThis exclusion does not apply to violations or the enforcement of these matters which appear in the public records at policy date. This exclusion does not limit the zoning coverage described in Items 12 and 13 of Covered Title Risks.
2. The right to take the land by condemning it, unless:
 - A notice of exercising the right appears in the public records on the Policy Date
 - The taking happened prior to the Policy Date and is binding on you if you bought the land without knowledge of the taking.

3. Title Risks:
 - that are created, allowed, or agreed to by you
 - that are known to you, but not to us, on the Policy Date – unless they appeared in the public records
 - that result in no loss to you
 - that first affect your title after the Policy Date – this does not limit the labor and material lien coverage in Item 8 of Covered Title Risks.
4. Failure to pay value for your title.
5. Lack of a right:
 - to any land outside the area specifically described and referred to in Item 3 of Schedule A; or
 - in streets, alleys, or waterways that touch your land.This exclusion does not limit the access coverage in Item 5 of Covered Title Risks.

SCHEDULE B EXCEPTIONS

In addition to the Exclusions, you are not insured against loss, costs, attorney's fees, and the expenses resulting from:

1. Any rights, interests or claims of parties in possession of the land not shown by the public records.
2. Any easements or liens not shown by the public records. This does not limit the lien coverage in Item 8 of Covered Title Risks.

3. Any facts about the land which a correct survey would disclose and which are not shown by the public records. This does not limit the forced removal coverage in Item 12 of Covered Title Risks.
4. Any water rights or claims or title to water in or under the land, whether or not shown by the public records.

CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE POLICY – 1990

EXCLUSIONS FROM COVERAGE

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

1. (a) Any law, ordinance or government regulation (including both not limited to building and zoning laws, ordinances, or regulations) restricting, prohibiting or relating to (i) the occupancy, use or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation, or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking, which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.

3. Defects, liens, encumbrances, adverse claims, or other matters:
 - (a) created, suffered, assumed or agreed to by the insured claimant;
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to be the insured claimant and not disclosed in writing to the company by the insured claimant prior to the date the insured claimant became an insured under this policy;
 - (c) resulting in no loss or damage to the insured claimant;
 - (d) attaching or created subsequent to Date of Policy, or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws.

SCHEDULE B - PART 1 EXCEPTIONS FROM COVERAGE

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

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

EXHIBIT A

(CONTINUED)

AMERICAN LAND TITLE ASSOCIATION LOAN POLICY (10-17-92) WITH ALTA ENDORSEMENT - FORM 1 COVERAGE and AMERICAN LAND TITLE ASSOCIATION LEASEHOLD LOAN POLICY (10-17-92) WITH ALTA ENDORSEMENT - FORM 1 COVERAGE

SCHEDULE OF EXCLUSIONS FROM COVERAGE

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

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

AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY (10-17-92) and AMERICAN LAND TITLE ASSOCIATION LEASEHOLD OWNER'S POLICY (10-17-92)

SCHEDULE OF EXCLUSIONS FROM COVERAGE

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

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

The above ALTA policy forms may be issued to afford either Standard Coverage or Extended Coverage.

In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following General Exceptions:

SCHEDULE B - PART 1 EXCEPTIONS FROM COVERAGE

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

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

EXHIBIT A

(CONTINUED)

AMERICAN LAND TITLE ASSOCIATION HOMEOWNERS' POLICY OF TITLE INSURANCE FOR A ONE-TO-FOUR FAMILY RESIDENCE (10-17-98)

EXCLUSIONS

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

1. Governmental police power, and the existence or violation of any law or government regulation. This includes ordinances, laws and regulations concerning:
 - (a) building
 - (b) zoning
 - (c) land uses
 - (d) improvements on the land
 - (e) land division
 - (f) environmental protectionThis Exclusion does not apply to violations or the enforcement of these matters if notice of the violation or enforcement appears in the Public Records at the Policy Date. This Exclusion does not limit the coverage described in Covered Risk 14, 15, 16, 17 or 24.
2. The failure of your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not apply to violations of building codes if notice of the violation appears in the Public Records at the Policy Date.

3. The right to take the land by condemning it, unless:
 - (a) a notice of exercising the right appears in the Public Records at the Policy Date; or
 - (b) the taking happened before the Policy Date and is binding on you if you bought the land without knowing of the taking.
4. Risks:
 - (a) that are created, allowed, or agreed to by you, whether or not they appear in the Public Records;
 - (b) that are known to you at the Policy Date, but not to Us, unless they appear in the Public Records at the Policy Date;
 - (c) that result in no loss to you; or
 - (d) that first occur after the Policy Date - this does not limit the coverage described in Covered risk 7, 8.d, 22, 23, 24 or 25
5. Failure to pay value for your Title
6. Lack of a right:
 - (a) to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
 - (b) in streets, alleys, or waterways that touch the land.This Exclusion does not limit the coverage described in Covered Risk 11 or 18.

RESIDENTIAL TITLE INSURANCE POLICY ONE-TO-FOUR FAMILY RESIDENCE ENHANCED VERSION (1997)

EXCLUSIONS

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

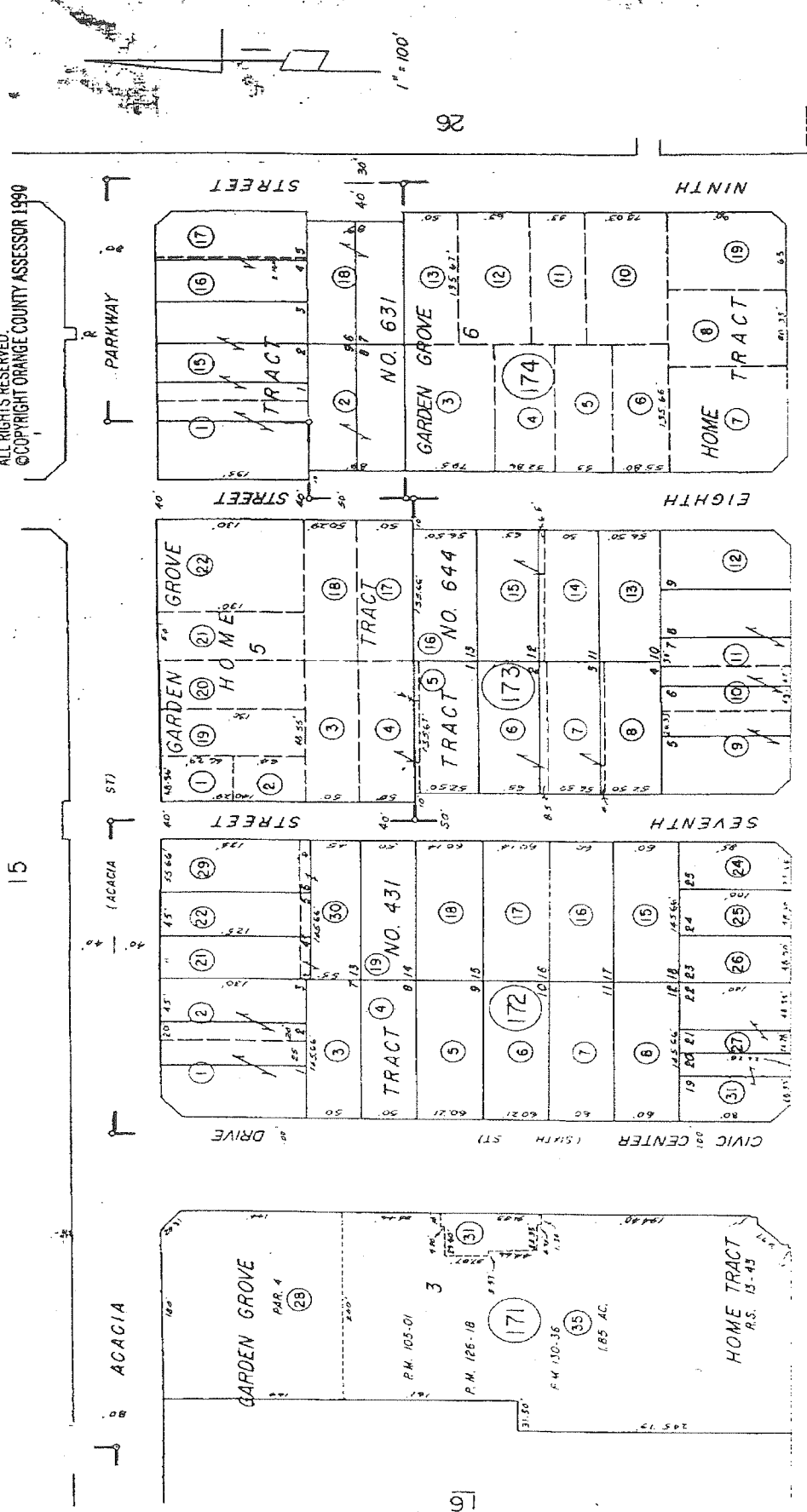
1. Governmental police power, and the existence or violation of any law or government regulation. This includes building and zoning ordinances and also laws and regulations concerning:
 - (a) land use
 - (b) improvements on the land
 - (c) land divisions; or
 - (d) environmental protectionThis Exclusion does not apply to violations or the enforcement of these matters which appear in the Public Records at the Policy Date. This Exclusion does not limit the coverage described in Item 12c and 12d, 13 and 18 of Covered Title Risks.
2. The right to take the land by condemning it, unless:
 - (a) a notice of exercising the right appears in the Public Records on the Policy Date; or
 - (b) the taking happened prior to the Policy Date and is binding on you if you bought the land without knowing of the taking.

3. Title Risks:
 - (a) that are created, allowed, or agreed to by you;
 - (b) that are known to you, but not to us, on the Policy Date - unless they appear in the Public Records;
 - (c) that result in no loss to you; or
 - (d) that first affect your title after the Policy Date - this does not limit the coverage described in Items 3b, 8, 17 and 19 of Covered title Risks.
4. Failure to pay value for your Title
5. Lack of a right:
 - (a) to any land outside the area specifically described and referred to in Item 3 of Schedule A; or
 - (b) in streets, alleys, or waterways that touch your land.This Exclusion does not limit the coverage described in Items 5 and 12a of the Covered Title Risks.

THIS MAP WAS PREPARED FOR ORANGE COUNTY ASSESSOR DEPT. PURPOSES ONLY. THE ASSESSOR MAKES NO GUARANTEE AS TO ITS ACCURACY NOR ASSUMES ANY LIABILITY FOR OTHER USES. NOT TO BE REPRODUCED. ALL RIGHTS RESERVED. ©COPYRIGHT ORANGE COUNTY ASSESSOR 1999

90-17

15



1" = 100'

100-01
 GARDEN GROVE HOME TR. M. M. 4-57
 TRACT NO. 431 M. M. 16-49
 TRACT NO. 631 M. M. 20-26
 TRACT NO. 644 M. M. 20-6
 PARCEL MAP P. M. 105-01

100-03
 NOTE - ASSESSOR'S BLOCK B
 PARCEL NUMBERS
 SHOWN IN CIRCLES

ASSESSOR'S MAP
 BOOK 90 PAGE 17
 COUNTY OF ORANGE

SANDRA PLACE



7/12/01

Loan Amount	100,000.00
Interest	0.07
Interest Amount Due for the Year	7000.00
Daily Rate for 360 Days	19.44444444
Start of Period	6/14/01
End of Period	7/20/01
Number of Days	36
Interest Due	700.00
Interest & Principal Due	100,700.00

DATE	ACCOUNT CODE	PURCHASE ORDER NO.	VENDOR INVOICE NO.	NET AMOUNT
062601	005 8872 45010		DOWN PAYMENT	100,000.00
062601	005 8872 45010		EST CLOSING COSTS	2,200.00
061101			TOTAL	102,200.00

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 92840

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

242525

16-105/1220

DATE 06/11/01

AMOUNT ***\$102,200.00

PAY TO THE ORDER OF:

Pay Exactly One Hundred Two Thousand Two Hundred and 00/100 Dollars

CHICAGO TITLE 16969 VON KARMAN IRVINE, CA 92606

Anthony J. Andrade CONTROLLER Catherine Grandford TREASURER

PARCEL NO: 090-172-15
PROJECT: DUNKLEE SITE

A3822

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

THIS AGREEMENT is entered into this 8th day of MAY, 2001, by and between the GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT, a public body corporate and politic ("Agency"), and the undersigned TUNG THANH PHAM AND THU HAI LAM PHAM, 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 for the Property shall be the sum of two hundred seventy-five thousand dollars (\$275,000) (the "Purchase Price"). (Less any and all costs and expenses to be deducted from the Purchase Price pursuant to this Agreement) (The "Deductions"). The Purchase Price shall be paid by the Agency to the Seller as follows:
 - (A) The sum of One hundred thousand dollars (\$100,000), less the Deductions, shall be paid in cash through Escrow and disbursed by American Title Company (The "Escrow Agent") upon the Closing as set forth in this Agreement.
 - (B) The sum of One hundred thousand dollars (\$100,000) shall be evidenced by a Promissory Note (the "Note") secured by a Deed of Trust (The "Deed of Trust"), which Note shall accrue interest at the rate of seven percent (7%) simple interest per annum, until paid in full. The Note and Deed of Trust shall be executed by the Agency in the form of Exhibit C and C-1 attached hereto and incorporated herein by reference. The Note shall be due and payable together with accrued interest on or before July 31, 2001.
 - (C) The balance of the Purchase Price shall be the conveyance by the Agency to the Seller of that certain real property (the "Dunklee Site") more particularly described in Exhibit "D" attached hereto and incorporated herein by reference.

The Agency and Seller agree and acknowledge that the Purchase Price set forth in this Section 2 constitutes the total consideration to be paid the Seller for all of the Seller's interests in the Property.

- 2.1 **Inclusion of All Interests.** Payment of the Purchase Price for the Property shall include and represent:
 - (a) The agreed upon fair market value of the Property; and
 - (b) Any and all other or further compensation for the Property and all interests therein, including without limitation bonus value of any leases or possessory rights in the Property, attorney fees, interest, improvements pertaining to the realty, relocation benefits or assistance, or other claims which Seller, or any person or entity claiming by or through Seller, could or might obtain, claim or recover in any legal proceedings without limitation a condemnation action.

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 American Title Company.
 - C. Easements or rights-of-way over the Property for public or quasi-public utility or public street purposes, if any.

The Agency expressly objects to all monetary exceptions to title should any exist on title or as noted on the title report

4. **Title Insurance Policy.** Escrow Agent shall, following recording of Grant Deed, provide Agency with CLTA Standard Coverage Policy of Title Insurance in the amount of the Purchase Price, issued by American Title Company, showing fee simple title to the Property vested in Agency, subject only to the exceptions set forth in Paragraph 3 and the printed exceptions and stipulations in the policy. Agency agrees to pay the premium charged.
5. **Escrow.** Agency agrees to open an escrow in accordance with this Agreement at American Title Company, 111 East Katella Avenue, Suite 120, Orange, California 92867. This Agreement constitutes the joint escrow instructions of Agency and Seller, and Escrow Agent to whom these instructions are delivered is hereby empowered to act under this Agreement. The parties hereto agree to do all acts necessary to close this escrow in the shortest possible time.
- 5.1 **Grant Deed.** Seller has executed and delivered a Grant Deed (the "Grant Deed") to Agency concurrently with this Agreement. As soon as possible after opening of escrow, Agency will deposit the executed Grant Deed, with Certificate of Acceptance attached, with Escrow Agent on Seller's behalf. Agency agrees to deposit the Purchase Price upon demand of Escrow Agent. Agency and Seller agree to deposit with Escrow Agent any additional instruments as may be necessary to complete this transaction.
 - 5.2 **Insurance.** Insurance policies for fire or casualty are not to be transferred, and Seller will cancel its own policies after close of escrow.
 - 5.3 **Escrow Account.** All funds received in this escrow shall be deposited with other escrow funds in a general escrow account(s) and may be transferred to any other escrow trust account in any State or National Bank doing business in the State of California. All disbursements shall be made by check from the account.

6. **Tax Adjustment Procedure.**

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

- 6.1 **Delinquent Taxes.** Pay and charge Seller for any unpaid delinquent property taxes and/or penalties and interest thereon, and for any delinquent assessments or bonds against the Property.

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

7. Escrow Agent Authorization.

ESCROW AGENT IS AUTHORIZED TO, AND SHALL:

- 7.1 Seller. Pay and charge Seller for any amount necessary to place title in the condition necessary to satisfy Paragraph 3 of this Agreement; one-half of the escrow fees and the full cost of the premium for the title insurance policy referred to in Section 4 of this Agreement,
- 7.2 Agency. Pay and charge Agency for one-half of the escrow fees and full amount of recording fees, if any.
- 7.3 Disbursement. Disburse funds and deliver the Grant Deed when conditions of this escrow have been fulfilled by Agency and Seller.
- 7.4 Close of Escrow. The term "close of escrow," if and where written in these instructions, shall mean the date, the Grant Deed and other necessary instruments of conveyance are recorded in the office of the Orange County Recorder. Recordation of instruments delivered through this escrow is authorized, if necessary or proper in the issuance of the policy of title insurance.
- 7.5 Time Limits. All time limits within which any matter specified is to be performed may be extended by mutual agreement of the parties. Any amendment of, or supplement to, any instructions must be in writing.
- 7.6 Time of the Essence. **TIME IS OF THE ESSENCE IN THESE INSTRUCTIONS AND ESCROW IS TO CLOSE AS SOON AS POSSIBLE.** If (except for deposit of money by Agency, which shall be made by Agency upon demand of Escrow Agent before close of escrow) this escrow is not in condition to close within 45 days from date of these instructions, any party who then shall have fully complied with its instructions may, in writing, demand the return of its money or property; but if neither party complied, no demand for return shall be recognized until five (5) days after Escrow Agent shall have mailed copies of demand to all other parties at the respective addresses shown in these escrow instructions, and if any objections are raised within five (5) day period, Escrow Agent is authorized to hold all papers and documents until instructed by a court of competent jurisdiction or mutual instructions. If no demands are made, Escrow Agent shall proceed with closing of this escrow on or before 45 days from the execution of this Agreement.
- 7.7 Escrow Agent Responsibility. The responsibility of the Escrow Agent under this Agreement is expressly limited to Paragraphs 1, 2, 3, 4, 5, 6, 7, 8, 11, 12 and 20 and to its liability under any policy of title insurance issued in regard to this escrow.
- 7.8 Escrow Fees, Charges and Costs. Agency agrees to pay all Agency's and Seller's usual fees, charges, and costs which arise in this escrow.

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

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

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

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

- 8.8 The Agency is not in default of any of its obligations under the terms of this Agreement, and all representations of Agency herein are true and correct.
- 8.9 The Agency shall have deposited with the Escrow Agent immediately available funds in an amount equal to the Purchase Price and the Agency's share of costs described herein.
- 8.10 Agency shall deliver through escrow the Promissory Note and Deed of Trust as necessary to comply with Agency's obligations under this Agreement.
- 8.11 The Seller shall not have terminated this Agreement.

9. **Rental and Occupancy by Seller.** Seller hereby warrants the Property is unimproved and 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.
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 Seller may be entitled to receive. Any relocation assistance will be handled via separate Agreement.
22. **Broker's Commission.** Seller and Agency each warrants and represents that it has not engaged the services of any agent, finder or broker in connection with the transaction which is the subject of this Agreement, and that it is not liable for any real estate commissions, broker's fees or finder's fees which may accrue by means of the sale of the Property. Seller and Agency agree to and do hereby indemnify and hold the other harmless from and against any and all costs, liabilities, losses, damages, claims, causes of action or proceedings which may result from any broker, agent or finder, licensed or otherwise, which it has employed in connection with the transaction covered by this Agreement.
23. **Waiver, Consent and Remedies.** Each provision of this Agreement to be performed by Agency and Seller shall be deemed both a covenant and a condition and shall be a material consideration for Seller's and Agency's performance hereunder, as appropriate, and any breach thereof by Agency or Seller shall be deemed a material default hereunder. Either party may specifically and expressly waive in writing any portion of this Agreement or any breach thereof, but no such waiver shall constitute a further or continuing 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.
24. **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.
25. **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: Tung Thanh Pham
7554 E. Woodsboro Avenue
Anaheim, CA 92807

If to Agency: Agency of Garden Grove
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 which 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.

26. **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 thirty (30) days from the date of the notice or such longer period if the nature of the default is such that more than thirty (30) 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.
27. **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.
28. **Entire Agreement.** This Agreement and its exhibits constitute the entire agreement between the parties hereto 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.
29. **Captions.** The captions used herein are for convenience only and are not a part of this Agreement and do not in any way limit or amplify the terms and provisions hereof.
30. **Governing Law.** This Agreement and the exhibits attached hereto have been negotiated and executed in the State of California and shall be governed by and construed under the laws of the State of California.
31. **Invalidity of Provision.** If any provision of this Agreement as applied to any party or to any circumstance shall be adjudged by a court of competent jurisdiction to be void or unenforceable for any reason, the same shall in no way affect (to the maximum extent permissible by law) any other provision of this Agreement, the application of any such provision under circumstances different from those adjudicated by the court, or the validity or enforceability of this Agreement as a whole.
32. **Amendments.** No addition to or modification of any provision contained in this Agreement shall be effective unless fully set forth in writing by Agency and Seller.
33. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute but one and the same instrument.
34. **Time of Essence.** Time is of the essence of each provision of this Agreement

35. **Binding upon Successors.** The terms and conditions, covenants, and agreements set forth herein shall apply to and bind the heirs, executors, administrators, assigns and successors of the parties hereof.

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

"AGENCY"

GARDEN GROVE AGENCY FOR
COMMUNITY DEVELOPMENT

By: [Signature]
Its: Director

ATTEST:

[Signature]
Deputy Secretary

Date 05/16/01

APPROVED AS TO FORM:

[Signature]
Agency Counsel

Date 5/15/01

"SELLER"
[Signature]
TUNG THANH PHAM
[Signature]
THU HALLAM PHAM

Date 5/15/01

EXHIBIT "A"

(AP NO. 090-172-15)

LOT 18 OF TRACT NO. 431, IN THE CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA AS PER MAP RECORDED IN BOOK 16, PAGE 49 OF MISCELLANEOUS MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

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: _____

EXHIBIT C

PROMISSORY NOTE SECURED BY DEED OF TRUST

\$100,000

Garden Grove, California
_____, 200_____

FOR VALUE RECEIVED, the undersigned **GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT**, a public body, corporate and politic ("Borrower"), promises to pay to the order of **TUNG THANH PHAM AND THU HAI LAM PHAM, husband and wife**, (collectively "Lender"), at 7554 East Woodsboro Avenue, Anaheim, CA 92807, or at such other place as may be designated in writing by Lender, the principal sum of **\$100,000** with simple interest thereon at the rate of seven percent (7 %) (based on a 360-day year and charged on the basis of actual days elapsed). All sums owing hereunder are payable in lawful money of the United States of America, in immediately available funds.

No payments of either principle or interest shall be due hereunder until July 31, 2001 at which time the sum of \$100,000, together with accrued interest shall be due and payable.

This Note is secured by, among other things, a deed of trust ("Deed of Trust") dated of even date herewith.

If: (a) Borrower shall fail to pay when due any sums payable hereunder; or (b) a default occurs under the Deed of Trust or under any obligation secured thereby, then Lender may, at its sole option, declare all sums owing under this Note immediately due and payable.

If any attorney is engaged by Lender to enforce or defend any provision of this Note, then Borrower shall pay to Lender reasonable attorneys' fees and costs incurred by Lender in connection therewith.

Except as otherwise provided in any agreement executed in connection with this Note, Borrower waives: presentment; demand; notice of dishonor; notice of default or delinquency; notice of acceleration; notice of protest and nonpayment; notice of costs, expenses or losses and interest thereon; notice of late charges; and diligence in taking any action to collect any sums owing under this Note or in proceeding against any of the rights or interests in or to properties securing payment of this Note.

This Note is given and accepted as a portion of the purchase price for the property secured by the Deed of Trust.

Time is of the essence with respect to every provision hereof. This Note shall be construed and enforced in accordance with the laws of the State of California, except to the extent that Federal laws preempt the laws of the State of California, and all persons and entities in any manner obligated under this Note consent to the jurisdiction of any Federal or State Court within the State of California having proper venue and also consent to service of process by any means authorized by California or Federal law.

"BORROWER"

**GARDEN GROVE AGENCY FOR
COMMUNITY DEVELOPMENT**

By: _____
Agency Director

ATTEST:

By: _____
Agency Secretary

WHEN RECORDED MAIL TO:

Tung Thanh and Thu Lam Pham
7554 E. Woodsboro Ave.
Anaheim, CA 92807

SPACE ABOVE THIS LINE FOR RECORDER'S USE

C-1
DEED OF TRUST WITH ASSIGNMENT OF RENTS
(SHORT FORM)

This DEED OF TRUST is made as of _____, 2001 between **GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT**, a public body corporate and politic herein called TRUSTOR, whose address is 11222 Acacia Parkway, Garden Grove, CA 92840, **AMERICAN TITLE COMPANY** a California corporation herein called TRUSTEE, and **TUNG THANH PHAM AND THU HAI LAM PHAM, HUSBAND AND WIFE**, herein called BENEFICIARY,

WITNESSETH: That Trustor grants to Trustee in trust, with power of sale, that property in the City of Garden Grove, County of Orange, State of California, described as:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF.

together with the rents, issues and profits thereof, subject, however, to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and apply such rents, issues and profits for the purpose of securing (1) payment of the sum \$100,000 with interest thereon according to the terms of a promissory note or notes of even date herewith made by Trustor, payable to order of Beneficiary, and extensions or renewals thereof, (2) the performance of each agreement of Trustor incorporated by reference or contained herein and (3) payment of additional sums and interest thereon which may hereafter be loaned to Trustor, or his successors or assigns, when evidenced by a promissory note or notes reciting that they are secured by this Deed of Trust.

To protect the security of this Deed of Trust, and with respect to the property above described, Trustor expressly makes each and all of the agreements, and adopts and agrees to perform and be bound by each and all of the terms and provisions set forth in subdivision A, and it is mutually agreed that each and all of the terms and provisions set forth in subdivision B of the fictitious deed of trust recorded in Orange County August 17, 1964, and in all other counties August 18, 1964, in the book and at the page of Official Records in the office of the county recorder of the county where said property is located, noted below opposite the name of such county, namely:

COUNTY	BOOK	PAGE	COUNTY	BOOK	PAGE	COUNTY	BOOK	PAGE	COUNTY	BOOK	PAGE
Alameda	1288	556	Kings	858	713	Placer	1028	379	Sierra	38	187
Alpine	3	130-31	Lake	437	110	Plumas	166	1307	Siskiyou	506	762
Amador	133	438	Lassen	192	367	Riverside	3778	347	Solano	1287	621
Butte	1330	513	Los Angeles	T3878	874	Sacramento	5039	124	Sonoma	2067	427
Calaveras	185	338	Madera	911	136	San Benito	300	405	Stanislaus	1970	56
Colusa	323	391	Marin	1849	122	S. Bernardino	6213	768	Sutter	655	585
Contra Costa	4684	1	Mariposa	90	453	S. Francisco	A-804	596	Tehama	457	183
Del Norte	101	549	Mendocino	667	99	S. Joaquin	2855	283	Trinity	108	595
El Dorado	704	635	Merced	1660	753	S. Luis	1311	137	Tulare	2530	108
Fresno	5052	623	Modoc	191	93	Obispo			Tuolumne	177	160
Glenn	469	76	Mono	69	302	San Mateo	4778	175	Ventura	2607	237
Humboldt	801	83	Monterey	357	239	Santa Barbara	2065	881	Yolo	769	16
Imperial	1189	701	Napa	704	742	Santa Clara	6626	664	Yuba	398	693
Inyo	165	672	Nevada	363	94	Santa Cruz	1638	607			
Kern	3756	690	Orange	7182	18	Shasta	800	633			
						San Diego	1964	149774			
						Series 5					

shall inure to and bind the parties hereto, with respect to the property above described. Said agreements, terms and provisions contained in said subdivisions A and B, (identical in all counties, and printed on pages 3 and 4 hereof) are by the within reference thereto, incorporated herein and made a part of this Deed of Trust for all purposes as fully as set forth at length herein, and Beneficiary may charge for a statement regarding the obligation secured hereby, provided the charge therefor does not exceed the maximum allowed by law.

The undersigned Trustor, requests that a copy of any notice of default and any notice of sale hereunder be mailed to him at his address hereinbefore set forth.

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

By: _____

Its: _____

By: _____

Its: _____

EXHIBIT A

LEGAL DESCRIPTION

LOT 18 OF TRACT NO. 431, IN THE CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA AS PER MAP RECORDED IN BOOK 16, PAGE 49 OF MISCELLANEOUS MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

DO NOT RECORD

The following is a copy of Subdivisions A and B of the fictitious Deed of Trust recorded in each county in California as stated in the foregoing Deed of Trust and incorporated by reference in said Deed of Trust as being a part thereof as if set forth at length therein.

A. To protect the security of this Deed of Trust, Trustor agrees:

(1) To keep said property in good condition and repair; not to remove or demolish any building thereon; to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefor; to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon; not to commit or permit waste thereof; not to commit, suffer or permit any act upon said property in violation of law; to cultivate irrigate, fertilize, fumigate, prune and do all other acts which from the character or use of said property may be reasonably necessary, the specific enumerations herein not excluding the general.

(2) To provide, maintain and deliver to Beneficiary fire insurance satisfactory to and with loss payable to Beneficiary. The amount collected under any fire or other insurance policy may be applied by Beneficiary upon any indebtedness secured hereby and in such order as Beneficiary may determine, or at option of Beneficiary the entire amount so collected or any part thereof may be released to Trustor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

(3) To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and to pay all costs and expenses, including cost of evidence of title and attorney's attorneys' fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear, and in any suit brought by Beneficiary to foreclose this Deed.

(4) to pay: at least ten days before delinquency all taxes and assessments affecting said property, including assessments on appurtenant water stock; when due, all encumbrances, charges and liens, with interest, on said property or any part thereof, which appear to be prior or superior hereto; all costs, fees and expenses of this trust.

Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation thereof, may: make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon said property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest or compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto; and, in exercising any such powers, pay necessary expenses, employ counsel and pay his reasonable fees.

(5) To Pay immediately and without demand all sums so expended by Beneficiary or Trustee, with interest from date of expenditure at the amount allowed by law in effect at the date hereof, and to pay for any statement provided for by law in effect at the date hereof regarding the

obligation secured hereby any amount demanded by the Beneficiary not to exceed the maximum allowed by law at the time when said statement is demanded.

B. It is mutually agreed:

(1) That any award of damages in connection with any condemnation for public use of or injury to said property or any part thereof is hereby assigned and shall be paid to Beneficiary who may apply or release such monies received by him in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.

(2) That by accepting payment of any sum secured hereby after its due date, Beneficiary does not waive his right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.

(3) That at any time or from time to time, without liability therefor and without notice, upon written request of Beneficiary and presentation of this Deed and said note for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may: reconvey any part of said property; consent to the making of any map or plat thereof; join in granting any easement thereon; or join in any extension agreement or any agreement subordinating the lien or charge hereof.

(4) That upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed and said note to Trustee for cancellation and retention or other disposition as Trustee in its sole discretion may choose and upon payment of its fees, Trustee shall reconvey, without warranty, the property then held hereunder. The recitals in such reconveyance or any matters or facts shall be conclusive proof of the truthfulness thereof. The Grantee in such reconveyance may be described as "the person or persons legally entitled thereto."

(5) That as additional security, Trustor hereby gives to and confers upon Beneficiary the right, power and authority, during the continuance of these Trusts, to collect the rents, issues and profits of said property, reserving unto Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, Beneficiary may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in his own name sue for or otherwise collect such rents, issues, and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's attorneys' fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of said property, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

(6) That upon default Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale and of written notice of default and of election to cause to be sold said property, which notice Trustee shall cause to be filed for record. Beneficiary also shall deposit with Trustee this Deed, said note and all documents evidencing expenditures secured hereby.

After the lapse of such time as may then be required by law following the recordation of said notice of default, and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell said property at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of said property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to such purchaser its deed conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee, or Beneficiary as hereinafter defined, may purchase at such sale.

After deducting all costs, fees and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment of: all sums expended under the terms hereof, not then repaid, with accrued interest at the amount allowed by law in effect at the date hereof; all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereto.

(7) Beneficiary, or any successor in ownership of any indebtedness secured hereby, may from time to time, by instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument, executed by the Beneficiary and duly acknowledged and recorded in the office of the recorder of the county or counties where said property is situated, shall be conclusive proof of proper substitution of such successor Trustee or Trustees, who shall, without conveyance from the Trustee predecessor, succeed to all its title, estate, rights, powers and duties. Said instrument must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the book and page where this Deed is recorded and the name and address of the new Trustee.

(8) That this Deed applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term Beneficiary shall mean the owner and holder, including pledgees, of the note secured hereby, whether or not named as Beneficiary herein. In this Deed, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

(9) That Trustee accepts this Trust when this Deed, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee.

DO NOT RECORD

**REQUEST FOR FULL RECONVEYANCE
TO _____, TRUSTEE**

The undersigned is the legal owner and holder of the note or notes, and of all other indebtedness secured by the foregoing Deed of Trust. Said note or notes, together with all other indebtedness secured by said Deed of Trust, have been fully paid and satisfied; and you are hereby requested and directed on payment to you of any sums owing to you under the terms of said Deed of Trust, to cancel said note or notes above mentioned, and all other evidences of indebtedness secured by said Deed of Trust delivered to you herewith, together with the said Deed of Trust, and to reconvey, without warranty, to the parties designated by the terms of said Deed of Trust, all the estate now held by you under the same.

Dated: _

Please mail Deed of Trust,
Note and Reconveyance to

Do not lose or destroy this Deed of Trust OR THE NOTE which it secures. Both must be delivered to the Trustee for cancellation before reconveyance will be made.

**DEED OF TRUST
with power of sale**

TRUSTEE

EXHIBIT "D"

LEGAL DESCRIPTION

PARCEL 1

LOT 32 OF TRACT NO. 3488, IN THE CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SHOWN ON A MAP RECORDED IN BOOK 124, PAGES 21 7 22 OF MISCELLANEOUS MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 2

THAT PORTION OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF FRACTIONAL SECTION 35, TOWNSHIP 4 SOUTH, RANGE 10 WEST, IN RANCHO LAS BOLSAS, IN THE CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA AS SHOWN ON A MAP RECORDED IN BOOK 51, PAGE 10 OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY AND AS SHOWN AS "NOT A PART OF THIS SUBDIVISION" ON TRACT NO 3488, RECORDED IN BOOK 124, PAGES 21 AND 22 OF SAID MISCELLANEOUS MAPS.

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PURCHASE AND SALE AGREEMENT

By and Between the

GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT

and

TUNG THANH PHAM AND THU HAI LAM PHAM

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (the "Agreement") is entered into as of August 3, 2000, by and between the GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT, a public body, corporate and politic (the "Agency"), and TUNG THANH PHAM AND THU HAI LAM PHAM, husband and wife, (collectively) (the "Buyer"), for acquisition by Buyer of certain real property described below.

RECITALS

The following recitals are a substantive part of this Agreement:

A. The Agency owns a certain parcel of real property which is approximately 6,500 square feet in area (the "Site"). The Site is currently unimproved. The Site is located on the north side of Dunklee Avenue, east of Adrian Circle in the City of Garden Grove, California. The Site consists of Assessor's Parcel Numbers 231-102-22 and 23.

B. Pursuant to the terms of an Agreement for Acquisition of Real Property (the "Agreement") between Buyer and Agency, dated as of _____, 200__, the Buyer agrees to sell to the Agency and Agency has agrees to purchase from Buyer for redevelopment purposes that certain real property which is approximately 8,739 square feet in area, (the "Property"). The Property is currently unimproved. The Property is located at 12951 Seventh Street, in the City of Garden Grove, County of Orange

C. The Agency desires to sell the Site to the Buyer, and the Buyer desires to purchase the Site from the Agency, upon the terms and conditions set forth herein. The parties intend that upon and after the Closing, the Buyer will devote the Site residential use.

NOW, THEREFORE, the parties hereto agree as follows:

100. DEFINITIONS

"*Actual knowledge*" is defined in Section 208.1 hereof.

"*Agency*" means the Garden Grove Agency for Community Development, a public body, corporate and politic, exercising governmental functions and powers and organized and existing under Chapter 2 of the Community Redevelopment Law of the State of California, Health and Safety Code, Section 33000, *et seq.*, and any assignee of or successor to its rights, powers and responsibilities.

"*Agency's Conditions Precedent*" means the conditions precedent to the Closing to the benefit of the Agency, as set forth in Section 205.1 hereof.

"*Agreement*" means this Purchase and Sale Agreement between the Agency and the Buyer.

"*Buyer*" means Tung Thanh Pham and Thu Hai Lam Pham, husband and wife.

"Buyer's Conditions Precedent" means the conditions precedent to the Closing to the benefit of the Buyer, as set forth in Section 205.2.

"City" means City of Garden Grove, a municipal corporation.

"Closing" means the close of Escrow for the Conveyance of the Site from the Agency to the Buyer, as set forth in Section 202 hereof.

"Closing Date" means the date of the Closing, as set forth in Section 202.4 hereof.

"Conveyance" means the conveyance of the Site by the Agency to the Buyer on the Closing Date.

"Date of Agreement" means the date upon which this Agreement shall have been duly approved by the Agency Board, as set forth in the first paragraph hereof.

"Default" means the failure of a party to perform any action or covenant required by this Agreement within the time periods provided herein following notice and opportunity to cure, as set forth in Section 301 hereof.

"Environmental Report" means the environmental investigation of the Site which has been or is being conducted for the Buyer by the Environmental Consultant, as set forth in Section 209 hereof.

"Escrow" is defined in Section 202 hereof.

"Escrow Agent" is defined in Section 202 hereof.

"Exceptions" is defined in Section 203 hereof.

"Governmental Requirements" means all laws, ordinances, statutes, codes, rules, regulations, orders and decrees of the United States, the state, the county, the City, or any other political subdivision in which the Site is located, and of any other political subdivision, agency or instrumentality exercising jurisdiction over the Agency, the Buyer or the Site.

"Grant Deed" means the grant deed for the conveyance of the Site from the Agency to the Buyer, in the form of Exhibit C hereto which is incorporated herein.

"Hazardous Materials" means 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," "extremely hazardous waste," or "restricted 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 a "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) friable asbestos, (vii) polychlorinated biphenyls, (viii) methyl tertiary butyl ether, (ix) listed under Article 9 or defined as "hazardous" or "extremely hazardous" pursuant to Article 11 of Title 22 of the California Code of Regulations, Division 4, Chapter 20, (x) designated as "hazardous substances" pursuant to Section 311 of the Clean Water Act (33 U.S.C. Section 1317), (xi) 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 (xii) defined as "hazardous substances" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. Section 9601 *et seq.*

"Improvements" means the improvements which are located upon the Site.

"Legal Description" means the legal description of the Site which is attached hereto as Exhibit A and incorporated herein.

"Notice" shall mean a notice in the form prescribed by Section 401 hereof.

"Outside Date" shall mean the last date the Closing shall occur, as set forth in Section 202.4 hereof.

"Purchase Price" means the price to be paid by the Buyer to the Agency in consideration for the conveyance of fee title to the Site, as set forth in Section 201 hereof.

"RAP" means the remedial action plan for the remediation of the Site, as defined in Section 209.1 hereof.

"Report" means the preliminary title report, as described in Section 203 hereof.

"Site" means that certain approximately 6,500 square foot parcel of real property which is located on the south side of Dunklee Avenue, east of Adrian Circle, in the City of Garden Grove, California. The Site consists of Assessor's Parcel Nos. 231-102-22 and 23. The Site is legally described in the Legal Description and depicted in the Site Map.

"Site Map" means the map of the Site which is attached hereto as Exhibit B and incorporated herein.

"Title Company" is defined in Section 204 hereof.

"Title Policy" is defined in Section 204 hereof.

200. CONVEYANCE OF THE SITE

201. Disposition of Site. The Buyer agrees to purchase the Site from the Agency, and the Agency agrees to sell the Site to the Buyer, for the all-inclusive purchase price of **seventy five thousand Dollars (\$75,000)** (the "Purchase Price"), in accordance with and subject to all of the terms, covenants, and conditions of this Agreement. The Purchase Price is included in the total consideration to be paid by the Agency in conjunction with the purchase of the Property in accordance with the terms and provisions set forth in the Agreement defined in Section B hereof. The Agency and the Buyer shall execute the Grant Deed, in the form of Exhibit C which is incorporated herein, and deposit the executed Grant Deed into the Escrow established for the Conveyance.

202. Escrow. As soon as necessary to facilitate the orderly conveyance of the Site, the parties shall open escrow ("Escrow") with an escrow company mutually satisfactory to both parties (the "Escrow Agent").

202.1 Costs of Escrow. Agency and Buyer shall pay their respective portions of the premium for the Title Policy as set forth in Section 204 hereof, and Buyer and Agency each agree to pay one-half of all other usual fees, charges, and costs which arise from Escrow, including without limitation the documentary transfer taxes due with respect to the Conveyance of the Site. Buyer shall also pay into the Escrow Buyer's share of the costs of the lot line adjustment or parcel map as set forth in Section 207 hereof.

202.2 Escrow Instructions. This Agreement constitutes the joint escrow instructions of Buyer and Agency, and the Escrow Agent to whom these instructions are delivered is hereby empowered to act under this Agreement. The parties hereto agree to do all acts reasonably necessary to close this Escrow in the shortest possible time. Insurance policies for fire or casualty are not to be transferred, and Agency will cancel its own policies after the Closing. All funds, if any, received in the Escrow shall be deposited with other escrow funds in a general escrow account(s) and may be transferred to any other such escrow trust account in any State or National Bank doing business in the State of California. All disbursements shall be made by check from such account. However, if Escrow does not close within two (2) business days from deposit of the Purchase Price, the funds shall be deposited into an interest bearing account with such interest accruing to the benefit of the Buyer.

If in the opinion of either party it is necessary or convenient in order to accomplish the Closing of this transaction, such party may require that the parties sign supplemental escrow instructions; provided that if there is any inconsistency between this Agreement and the supplemental escrow instructions, then the provisions of this Agreement shall control. The parties agree to execute such other and further documents as may be reasonably necessary, helpful or appropriate to effectuate the provisions of this Agreement. The Closing shall take place when both the Agency's Conditions Precedent and the Buyer's Conditions Precedent as set forth in Section 205 have been satisfied. Escrow Agent is instructed to release Agency's escrow closing and Buyer's escrow closing statements to the respective parties.

202.3 Authority of Escrow Agent. Escrow Agent is authorized to, and shall:

(a) Pay and charge Buyer and Agency for their respective shares of the premium of the Title Policy as set forth in Section 204 and any amount necessary to place title in the condition necessary to satisfy Section 203 of this Agreement.

(b) Pay and charge Buyer and Agency for their respective shares of any escrow fees, charges, and costs payable under Section 202.1 of this Agreement.

(c) Pay and charge Buyer for any endorsements to the Title Policy which are requested by the Buyer.

(d) Disburse funds, if any, and deliver and record the Grant Deed when both the Buyer's Conditions Precedent and the Agency's Conditions Precedent have been fulfilled or waived by Buyer and Agency.

(e) Do such other actions as necessary, including obtaining the Title

Policy, to fulfill its obligations under this Agreement.

(f) Within the discretion of Escrow Agent, direct Agency and Buyer to execute and deliver any instrument, affidavit, and statement, and to perform any act reasonably necessary to comply with the provisions of FIRPTA and any similar state act and regulation promulgated thereunder. Agency agrees to execute a Certificate of Non-Foreign Status by individual transferor and/or a Certification of Compliance with Real Estate Reporting Requirement of the 1986 Tax Reform Act as may be required by Escrow Agent, on the form attached hereto as Exhibit D or as otherwise supplied by Escrow Agent.

(g) 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.

(h) Prepare and file a Preliminary Change of Ownership Statement.

202.4 Closing. This transaction shall close ("Closing") within ten (10) days after the parties give notice to the other of the satisfaction and/or waiver of all of their respective Conditions Precedent to Closing as set forth in Section 205 hereof, but in no event later than _____, 2001 (the "Outside Date"). The Closing shall occur at a time and place reasonably agreed on by the parties. The "Closing" shall mean the time and day the Grant Deed is filed for record with the Orange County Recorder. The "Closing Date" shall mean the day on which the Closing occurs.

202.5 Termination. If (except for deposit of money by Buyer, which shall be made by Buyer before the Closing) Escrow is not in condition to close by the Outside Date, then either party which has fully performed under this Agreement may, in writing, demand the return of money or property and terminate this Agreement in the manner set forth in Sections 303 and 304 hereof. If either party makes a written demand for return of documents or properties, this Agreement shall not terminate until five (5) days after Escrow Agent shall have delivered copies of such demand to all other parties at the respective addresses shown in this Agreement. If any objections are raised within said five (5) day period, Escrow Agent is authorized to hold all papers and documents until instructed by a court of competent jurisdiction or by mutual written instructions of the parties. Buyer, however, shall have the sole option to withdraw any money deposited by it with respect to the Closing less Buyer's share of costs of Escrow. Termination of this Agreement shall be without prejudice as to whatever legal rights either party may have against the other arising from this Agreement. If no demands are made, the Escrow Agent shall proceed with the Closing as soon as possible.

202.6 Closing Procedure. Escrow Agent shall close Escrow for the Site as follows:

- (a) Record the Grant Deed.
- (b) Instruct the Title Company to deliver the Title Policy to Buyer.
- (c) Deliver the Purchase Price, if any, to the Agency.
- (d) Deliver the FIRPTA Certificate, if any, to Buyer.
- (e) Forward to both Buyer and Agency a separate accounting of all funds received and disbursed for each party and copies of all executed and recorded or filed documents deposited into Escrow, with such recording and filing date and information endorsed thereon.

203. Review of Title. The Agency shall cause a title company mutually agreeable to both parties (the "Title Company"), to deliver to Buyer a standard preliminary title report (the "Report") with respect to the title to the Site, together with legible copies of the documents underlying the exceptions ("Exceptions") set forth in the Report, within thirty (30) days from the date of this Agreement. The Buyer shall have the right to reasonably approve or disapprove the Exceptions; provided, however, that the Buyer hereby approves the lien of any non-delinquent property taxes and assessments (to be prorated at close of Escrow), and those utility easements existing along the eastern and southern boundary lines of the Site. Buyer shall have thirty (30) days from the date of its receipt of the Report to give written notice to Agency and Escrow Holder of Buyer's approval or disapproval of any of such Exceptions. Buyer's failure to give written disapproval of the Report within such time limit shall be deemed approval of the Report. If Buyer notifies Agency of its disapproval of any Exceptions in the Report, Agency shall have the right, but not the obligation, to remove any disapproved Exceptions within thirty (30) days after receiving written notice of Buyer's disapproval or provide assurances satisfactory to Buyer that such Exception(s) will be removed on or before the Closing. If Agency cannot or does not commence and diligently continue to remove any of the disapproved Exceptions within that period, Buyer shall have ten (10) days after the expiration of such thirty (30) day period to either give the Agency written notice that Buyer elects to proceed with the purchase of the Site subject to the disapproved Exceptions or to give the Agency written notice pursuant to Section 303 hereof that the Buyer elects to terminate this Agreement. Buyer shall have the right to approve or disapprove any Exceptions reported by the Title Company after Buyer has approved the condition of title for the Site (which are not created by Buyer). Agency shall not voluntarily create any new exceptions to title following the date of this Agreement.

204. Title Insurance. Concurrently with recordation of the Grant Deed conveying title to the Site, there shall be issued to Buyer a CLTA or ALTA standard coverage owner's policy of title insurance (the "Title Policy"), together with such endorsements as are reasonably requested by the Buyer, issued by the Title Company insuring that the title to the Site is vested in Buyer in the condition required by Section 203 of this Agreement. The Title Company shall provide the Agency with a copy of the Title Policy. The Title Policy shall be for the amount of the Purchase Price. The Agency agrees to remove on or before the Closing any deeds of trust or other monetary liens against the Site. The Agency shall pay that portion of the premium for the Title Policy equal to the cost of a CLTA standard coverage title policy in the amount of the Purchase Price. Any additional costs, including the incremental cost of an ALTA policy or any endorsements requested by the Buyer, shall be borne by the Buyer.

205. Conditions of Closing. The Closing is conditioned upon the satisfaction of the following terms and conditions within the times designated below:

205.1 Agency's Conditions of Closing. Agency's obligation to proceed with the Closing of the sale of the Site is subject to the fulfillment or waiver by Agency of each and all of the conditions precedent (a) through (c), inclusive, described below ("Agency's Conditions Precedent"), which are solely for the benefit of Agency, and which shall be fulfilled or waived by the time periods provided for herein:

(a) **No Default.** Prior to the Close of Escrow, Buyer shall not be in default in any of its obligations under the terms of this Agreement and all representations and warranties of Buyer contained herein shall be true and correct in all material respects.

(b) **Execution of Documents.** The Buyer shall have executed the Grant Deed, and any other documents required hereunder and delivered such documents into Escrow.

(c) **Payment of Funds.** Prior to the Close of Escrow, Buyer shall have paid the Purchase Price, if any, and all required costs of Closing into Escrow in accordance with Section 202 hereof.

205.2 Buyer's Conditions of Closing. Buyer's obligation to proceed with the purchase of the Site is subject to the fulfillment or waiver by Buyer of each and all of the conditions precedent (a) through (e), inclusive, described below ("Buyer's Conditions Precedent"), which are solely for the benefit of Buyer, and which shall be fulfilled or waived by the time periods provided for herein:

(a) **No Default.** Prior to the Close of Escrow, Agency shall not be in default in any of its obligations under the terms of this Agreement and all representations and warranties of Agency contained herein shall be true and correct in all material respects.

(b) **Execution of Documents.** The Agency shall have executed the Grant Deed, and any other documents required hereunder, and delivered such documents into Escrow.

(c) **Review and Approval of Title.** Buyer shall have reviewed and approved the condition of title of the Site, as provided in Section 203 hereof.

(d) **Title Policy.** The Title Company shall, upon payment of Title Company's regularly scheduled premium, have agreed to provide to the Buyer the Title Policy for the Site upon the Close of Escrow, in accordance with Section 204 hereof.

(e) **Environmental.** The Buyer shall have approved the environmental condition of the Site and shall not have elected to cancel Escrow and terminate this Agreement pursuant to Section 208 hereof.

206. Representations and Warranties.

206.1 **Agency Representations.** Agency represents and warrants to Buyer as follows:

(a) **Authority.** Agency is a public body, corporate and politic, existing pursuant to the California Community Redevelopment Law (California Health and Safety Code Section 33000), which has been authorized to transact business pursuant to action of the City. Agency has full right, power and lawful authority to acquire, grant, sell and convey the Site as provided herein, and the execution, performance and delivery of this Agreement by Agency has been fully authorized by all requisite actions on the part of Agency.

(b) **FIRPTA.** Agency is not a "foreign person" within the parameters of FIRPTA or any similar state statute, or is exempt from the provisions of FIRPTA or any similar state statute, or that Agency has complied and will comply with all the requirements under FIRPTA or any similar state statute.

(c) **No Conflict.** To the best of the Agency's knowledge, the execution and delivery of this Agreement, the consummation of the transaction herein contemplated, and the compliance with terms of the Agreement will not conflict with or, with or without notice or the passage of time or both, result in a breach of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, loan agreement, or instrument to which Agency is a party or by which Agency or the site is bound, any applicable regulation or any judgment, order, or decree of any court having jurisdiction over Seller or Seller's properties.

(d) **Rights of Possession.** No party has been granted any currently existing license, lease, option to lease and/or purchase, right of first refusal to lease and/or purchase, or other right relating to use, possession or acquisition of the Site.

(e) **Condemnation.** To actual knowledge of the Agency, there is no pending condemnation proceeding or similar proceeding or assessment affecting any part of the Site, nor, to the best knowledge and belief of Agency, is any such proceeding or assessment threatened or contemplated by any governmental authority.

(f) **Notice of Violations.** Agency has not received any notice of any violation of (nor, to the actual knowledge of the Agency, is there any violation of) any ordinance, regulation, law, or statute of any governmental authority or agency pertaining to the Site.

(g) **Bankruptcy.** To the actual knowledge of the Agency, there are no attachments, executions, assignments for the benefit of creditors, or voluntary or involuntary proceedings pending in bankruptcy or under any applicable debtor relief laws, or any other litigation contemplated by or pending of threatened against Agency or the Site.

Except as set forth in this Agreement, Buyer acknowledges and agrees that Agency has not made, does not make and specifically negates and disclaims any representations, warranties, promises, covenants, agreements or guaranties of any kind or character whatsoever, whether express or implied, verbal or written, past, present or future, of, as to, concerning or with respect to: (a) the value, nature, quality or condition of the Site, including, without limitation, the water, soil and geology; (b) the income to be derived from the Site; (c) the suitability of the Site for any and all activities and uses which Buyer may conduct thereof; (d) the habitability, merchantability, marketability, profitability or fitness for a particular purpose of the Site; or (e) any other matter with

respect to the Site. Buyer further acknowledges and agrees that having been given the opportunity to inspect the Site, except as set forth in this Agreement, Buyer is relying solely on Buyer's own investigation of the Site and not on any information provided or to be provided by Agency. Buyer further acknowledges and agrees that any information provided or to be provided by or on behalf of Agency with respect to the Site was obtained from a variety of sources and that, except as set forth in this Agreement, Agency has not made any independent investigation or verification of such information and makes no representations as to the accuracy or completeness of such information. Buyer further acknowledges that, except as set forth in this Agreement, the sale of the Site as provided for herein is made on an "As Is" condition and basis.

Until the Closing, Agency shall, upon learning of any fact or condition which would cause any of the warranties and representations in this Section 206.1 not to be true as of Closing, immediately give written notice of such fact or condition to Buyer. Such exception(s) to a representation shall not be deemed a breach by Agency hereunder, but shall constitute an exception which Buyer shall have a right to approve or disapprove if such exception would have an effect on the value and/or operation of the Site. If Buyer elects to close Escrow following disclosure of such information, Agency's representations and warranties contained herein shall be deemed to have been made as of the Closing, subject to such exception(s). If, following the disclosure of such information, Buyer elects to not close Escrow, then this Agreement and the Escrow shall automatically terminate, neither party shall have any further rights, obligations or liabilities hereunder. The representations and warranties set forth in this Section 206.1 shall survive the Closing.

206.2 Buyer's Representations. Buyer represents and warrants to Agency as follows:

(a) **Authority.** Buyer has full right, power and lawful authority to purchase and accept the conveyance of the Site and undertake all obligations as provided herein and the execution, performance and delivery of this Agreement by Buyer has been fully authorized by all requisite actions on the part of the Buyer.

(b) **No Conflict.** To the best of Buyer's knowledge, Buyer's execution, delivery and performance of its obligations under this Agreement will not constitute a default or a breach under any contract, agreement or order to which the Buyer is a party or by which it is bound.

(c) **No Buyer Bankruptcy.** Buyer is not the subject of a current or threatened bankruptcy proceeding.

Until the Closing, Buyer shall, upon learning of any fact or condition which would cause any of the warranties and representations in this Section 206.2 not to be true as of Closing, immediately give written notice of such fact or condition to Agency. Such exception(s) to a representation shall not be deemed a breach by Buyer hereunder, but shall constitute an exception which Agency shall have a right to approve or disapprove if such exception would have an effect on the value and/or operation of the Site. If Agency elects to close Escrow following disclosure of such information, Buyer's representations and warranties contained herein shall be deemed to have been made as of the Closing, subject to such exception(s). If, following the disclosure of such information, Agency elects to not close Escrow, then this Agreement and the Escrow shall automatically terminate, and neither party shall have any further rights, obligations or liabilities hereunder. The representations and warranties set forth in this Section 206.2 shall survive the Closing.

207. Consolidation of Site and Adjacent Site. The Agency shall be responsible for processing and causing to be recorded a Covenant and Agreement to Hold Property as One Parcel which consolidates the Site into a single legal parcel. The final approval and recordation of such Covenant and Agreement to Hold Property as One Parcel shall be a Condition Precedent to the Closing. Upon and after the Closing, the Buyer shall maintain the consolidated Site as a single parcel of real property.

208. Condition of the Site

208.1 Disclosure. The Agency hereby represents and warrants to the Buyer that it has no actual knowledge, and has not received any notice or communication from any government agency having jurisdiction over the Site, notifying the Agency of the presence of surface or subsurface zone Hazardous Materials in, on, or under the Site, or any portion thereof. "Actual knowledge," as used herein, shall not impose a duty of investigation, and shall be limited to the actual knowledge of the Agency employees and agents who have participated in the preparation of this Agreement and the acquisition and management of the Site.

209. Investigation of Site. The Buyer shall have the right, at its sole cost and expense, to engage its own environmental consultant (the "Environmental Consultant") to make such investigations as Buyer deems necessary, including any "Phase 1" and/or "Phase 2" investigations of the Site, and the Agency shall promptly be provided a copy of all reports and test results provided by the Environmental Consultant (the "Environmental Reports"). The Buyer shall have thirty (30) days from the date of this Agreement to reasonably approve or disapprove of the environmental condition of the Site, based upon the results of the Environmental Reports. If the Buyer reasonably disapproves the environmental condition of any portion of the Site, and terminates this Agreement or its obligation to purchase a portion of the Site by delivery of written notice to the Agency, but the Agency agrees to pay for the remediation of the Site, then such termination shall be ineffective. Buyer hereby approves the physical condition of the Site for the uses it intends to make of the Site.

209.1 Remediation of Site. If the Agency elects in its sole and absolute discretion to perform the Remediation of the Site, within a reasonable period and after giving Notice to Buyer that it intends to proceed with remediation of the Site, Agency shall deliver to Buyer a proposed remedial action plan ("RAP"), which RAP shall be approved by the Orange County Health Care Agency or any other public agency, if any, asserting jurisdiction over the remedial work to be performed pursuant to the RAP (the "Remedial Work"). The Remedial Work shall be performed in accordance with applicable Governmental Requirements and Environmental Laws. The Agency shall proceed continuously and diligently with the Remedial Work. In the event Agency has elected to remediate the Site, the Agency's compliance with the provisions of this Section 209.1, and the issuance of closure letters without any requirement of further remedial work by all governmental agencies which have asserted jurisdiction over the remediation of the Site, shall each be a Buyer's Condition Precedent to the Closing.

209.2 No Further Warranties As To Site; Release of Agency. Except as otherwise provided herein, the physical condition, possession or title of the Site is and shall be delivered from Agency to Buyer in an "as-is" condition, with no warranty expressed or implied by Agency, including without limitation, the presence of Hazardous Materials or the condition of the soil, its geology, the presence of known or unknown seismic faults, or the suitability of the Site for the development purposes intended hereunder.

The Buyer hereby waives, releases and discharges forever the Agency and the City, and their employees, officers, agents and representatives, from all present and future claims, demands, suits, legal and administrative proceedings and from all liability for damages, losses, costs, liabilities, fees and expenses, present and future, arising out of or in any way connected with the condition of the Site, any Hazardous Materials on the Site, or the existence of Hazardous Materials Contamination due to the generation of Hazardous Materials from the Site, however they came to be placed there, except that arising out of the negligence or misconduct of the Agency or its employees, officers, agents or representatives.

The Buyer acknowledges that it is aware of and familiar with the provisions of Section 1542 of the California Civil Code which provides as follows:

“A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.”

As such relates to this Section 209.2, the Buyer hereby waives and relinquishes all rights and benefits which it may have under Section 1542 of the California Civil Code.

210. Possession and Disposition of Personal Property. Agency shall, prior to the Closing, remove or cause to be removed all of its personal property, if any, located on the Site. All of its personal property remaining on the Site after the Closing shall become the property of Buyer and Buyer may dispose of the same without liability as it alone sees fit.

211. Intentionally Omitted

212. Improvements to Site. Buyer shall, at its sole expense, undertake any improvements to the Site which are necessary for its residential use. Such improvements shall be completed within a reasonable time after the Closing Date.

213. Loss or Damage to Personal Property. Loss or damage to the Site, by fire or other casualty, occurring prior to the Closing, shall be at the risk of Agency. In the event that loss or damage to the Site, by fire or other casualty, occurs prior to the Closing, Buyer may elect to require that the Agency pay for the restoration of the damage done, or to reduce the Purchase Price by an amount equal to the diminution in value of the Site by reason of such loss or damage.

214. Nondiscrimination Covenants. The Buyer covenants by and for itself and any successors in interest that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Site, nor shall the Buyer itself or any person claiming under or through it establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees of the Site. The foregoing covenants shall run with the land.

The Buyer shall refrain from restricting the rental, sale or lease of the Site on the basis of race, color, religion, sex, marital status, ancestry or national origin of any person. All such deeds, leases or contracts shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

(a) **In deeds:** "The grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the land herein conveyed, nor shall the grantee or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the land herein conveyed. The foregoing covenants shall run with the land."

(b) **In leases:** "The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions:

"That there shall be no discrimination against or segregation of any person or group of persons, on account of race, color, creed, religion, sex, marital status, national origin, or ancestry in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy of tenants, lessees, sublessees, subtenants, or vendees in the premises herein leased."

(c) **In contracts:** "There shall be no discrimination against or segregation of, any person, or group of persons on account of race, color, creed, religion, sex, marital status, national origin, or ancestry, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the premises, nor shall the transferee himself or herself or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees of the premises."

300. DEFAULTS AND REMEDIES

301. Default Remedies. Failure by either party to perform any action or covenant required by this Agreement within the time periods provided herein following notice and failure to cure as described hereafter, constitutes a "Default" under this Agreement. A party claiming a Default shall give written notice of Default to the other party specifying the Default complained of. Except as otherwise expressly provided in this Agreement, the claimant shall not institute any proceeding against any other party, and the other party shall not be in Default if such party within thirty (30) days from receipt of such notice immediately, with due diligence, commences to cure, correct or remedy such failure or delay and shall complete such cure, correction or remedy with diligence.

302. Institution of Legal Actions. In addition to any other rights or remedies and subject to the restrictions otherwise set forth in this Agreement, either party may institute an action at law or equity to seek specific performance of the terms of this Agreement, or to cure, correct or remedy any Default, to recover damages for any Default, or to obtain any other remedy consistent with the purpose of this Agreement.

303. Termination by the Buyer. In the event that (a) the Buyer is not in default under this Agreement and the Agency does not tender title to the Site pursuant to the Grant Deed in the manner and condition and by the date provided in this Agreement, or (b) one or more of the Buyer's Conditions Precedent to the Closing is not fulfilled on or before the Outside Closing Date and such failure is not caused by the Buyer, or (c) the Agency is in default prior to the Closing which default is not cured within the time set forth in Section 301 hereof, or (d) the Buyer disapproves the condition of title pursuant to Section 203 hereof, or (e) the Buyer reasonably disapproves the environmental condition of the Site pursuant to Section 208 hereof, and the Agency does not agree to pay for the remediation of the Site as provided in Section 208 hereof, then this Agreement may, at the option of the Buyer, be terminated by written notice thereof to the Agency. From the date of the written notice of termination of this Agreement by the Buyer to the Agency and thereafter this Agreement shall be deemed terminated, and there shall be no further rights or obligations between the parties with respect to the Site by virtue of or with respect to this Agreement.

304. Termination by the Agency. In the event that the Agency is not in Default under this Agreement and prior to the Conveyance, one or more of the Agency's Conditions Precedent to the Closing is not fulfilled on or before the Outside Closing Date and such failure is not caused by the Agency or City; or the Buyer is otherwise in Default of this Agreement and fails to cure such Default within the time set forth in Section 301 hereof; then this Agreement and any rights of the Buyer or any assignee or transferee with respect to or arising out of the Agreement or the Site, shall, at the option of the Agency, be terminated by the Agency by written notice thereof to the Buyer. From the date of the written notice of termination of this Agreement by the Agency to the Buyer and thereafter this Agreement shall be deemed terminated, and there shall be no further rights or obligations between the parties with respect to the Site by virtue of or with respect to this Agreement.

305. Rights and Remedies Are Cumulative. Except as otherwise expressly stated in this Agreement, the rights and remedies of the parties are cumulative, and the exercise by either party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other party.

306. Inaction Not a Waiver of Default. Any failures or delays by either party in asserting any of its rights and remedies as to any Default shall not operate as a waiver of any Default or of any such rights or remedies, or deprive either such party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

307. Applicable Law. The laws of the State of California shall govern the interpretation and enforcement of this Agreement.

400. GENERAL PROVISIONS

401. Notices, Demands and Communications Between the Parties. Any approval, disapproval, demand, document or other notice ("Notice") which either party may desire to give to the other party under this Agreement must be in writing and may be given by any commercially acceptable means to the party to whom the Notice is directed at the address of the party as set forth below, or at any other address as that party may later designate by Notice.

To Agency: Garden Grove Agency for Community Development
 11222 Acacia Parkway
 Garden Grove, California 92842
 Attention: Director

To Buyer: Tung Thanh and Thu Hai Lam Pham
 2310 W. Bobby Lane Avenue
 Santa Ana CA 92706

Any written notice, demand or communication shall be deemed received immediately if delivered by hand and shall be deemed received on the third day from the date it is postmarked if delivered by registered or certified mail.

402. Successors and Assigns. All of the terms, covenants and conditions of this Agreement shall be binding upon the Buyer and its successors and assigns. Whenever the term "Buyer" is used in this Agreement, such term shall include any other successors and assigns as herein provided. Agency desires to facilitate the consolidation of the Site.

403. Non-Liability of Officials and Employees of the Agency and the Buyer. No member, official or employee of the Agency or the City shall be personally liable to the Buyer, or any successor in interest, in the event of any Default or breach by the Agency or for any amount which may become due to the Buyer or its successors, or on any obligations under the terms of this Agreement.

404. Agency Approvals and Actions. The Agency shall maintain authority of this Agreement and the authority to implement this Agreement through the Agency Director (or his duly authorized representative). The Agency Director or his designee shall have the authority to make approvals, issue interpretations, waive provisions, and/or enter into certain amendments of this Agreement on behalf of the Agency so long as such actions do not materially or substantially change the uses permitted on the Site, or substantially add to the costs incurred or to be incurred by the Agency as specified herein, and such interpretations, waivers and/or amendments may include extensions of time to perform as deemed necessary by the Director. All other material and/or substantive interpretations, waivers, or amendments shall require the consideration, action and written consent of the Agency Board.

405. Counterparts. This Agreement may be signed in multiple counterparts which, when signed by all parties, shall constitute a binding agreement. This Agreement is executed in three (3) originals, each of which is deemed to be an original.

406. Integration. This Agreement contains the entire understanding between the parties relating to the transaction contemplated by this Agreement. All prior or contemporaneous agreements, understandings, representations and statements, oral or written, are merged in this Agreement and shall be of no further force or effect. Each party is entering this Agreement based solely upon the representations set forth herein and upon each party's own independent investigation of any and all facts such party deems material. This Agreement includes Exhibits A through D, which constitute the entire understanding and agreement of the parties, notwithstanding any previous negotiations or agreements between the parties or their predecessors in interest with respect to all or any part of the subject matter hereof.

407. Real Estate Brokerage Commission. The Agency and the Buyer each represent and warrant to the other that no broker or finder is entitled to any commission or finder's fee in connection with the Buyer's acquisition of the Site from the Agency. The parties agree to defend and hold harmless the other party from any claim to any such commission or fee from any broker, agent or finder with respect to this Agreement which is payable by such party.

408. Attorneys' Fees. In any action between the parties to interpret, enforce, reform, modify, rescind, or otherwise in connection with any of the terms or provisions of this Agreement, the prevailing party in the action shall be entitled, in addition to damages, injunctive relief, or any other relief to which it might be entitled, reasonable costs and expenses including, without limitation, litigation costs and reasonable attorneys' fees.

409. Titles and Captions. Titles and captions are for convenience of reference only and do not define, describe or limit the scope or the intent of this Agreement or of any of its terms. Reference to section numbers are to sections in this Agreement, unless expressly stated otherwise.

410. Interpretation. As used in this Agreement, masculine, feminine or neuter gender and the singular or plural number shall each be deemed to include the others where and when the context so dictates. The word "including" shall be construed as if followed by the words "without limitation." This Agreement shall be interpreted as though prepared jointly by both parties.

411. No Waiver. A waiver by either party of a breach of any of the covenants, conditions or agreements under this Agreement to be performed by the other party shall not be construed as a waiver of any succeeding breach of the same or other covenants, agreements, restrictions or conditions of this Agreement.

412. Modifications. Any alteration, change or modification of or to this Agreement, in order to become effective, shall be made in writing and in each instance signed on behalf of each party.

413. Severability. If any term, provision, condition or covenant of this Agreement or its application to any party or circumstances shall be held, to any extent, invalid or unenforceable, the remainder of this Agreement, or the application of the term, provision, condition or covenant to persons or circumstances other than those as to whom or which it is held invalid or unenforceable,

shall not be affected, and shall be valid and enforceable to the fullest extent permitted by law.

414. Computation of Time. The time in which any act is to be done under this Agreement is computed by excluding the first day (such as the day escrow opens), and including the last day, unless the last day is a holiday or Saturday or Sunday, and then that day is also excluded. The term "holiday" shall mean all holidays as specified in Section 6700 and 6701 of the California Government Code. If any act is to be done by a particular time during a day, that time shall be Pacific Time Zone time.

415. Legal Advice. Each party represents and warrants to the other the following: they have carefully read this Agreement, and in signing this Agreement, they do so with full knowledge of any right which they may have; they have received independent legal advice from their respective legal counsel as to the matters set forth in this Agreement, or have knowingly chosen not to consult legal counsel as to the matters set forth in this Agreement; and, they have freely signed this Agreement without any reliance upon any agreement, promise, statement or representation by or on behalf of the other party, or their respective agents, employees, or attorneys, except as specifically set forth in this Agreement, and without duress or coercion, whether economic or otherwise.

416. Time of Essence. Time is expressly made of the essence with respect to the performance by the Agency, the Buyer of each and every obligation and condition of this Agreement.

417. Cooperation. Each party agrees to cooperate with the other in this transaction 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.

418. Conflicts of Interest. No member, official or employee of the Agency shall have any personal interest, direct or indirect, in this Agreement, nor shall any such member, official or employee participate in any decision relating to the Agreement which affects his personal interests or the interests of any corporation, partnership or association in which he is directly or indirectly interested.

419. Time for Acceptance of Agreement by Agency. This Agreement, when executed by the Buyer and delivered to the Agency, must be authorized, executed and delivered by the Agency on or before thirty (30) days after signing and delivery of this Agreement by the Buyer or this Agreement shall be void, except to the extent that the Buyer shall consent in writing to a further extension of time for the authorization, execution and delivery of this Agreement.

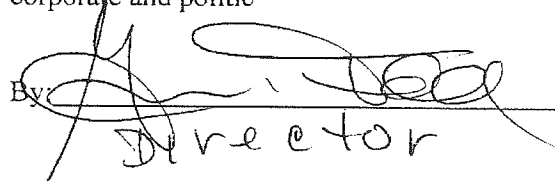
IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year set forth herein above.

Signatures continued on next page

AGENCY:

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

By:


Director

ATTEST:

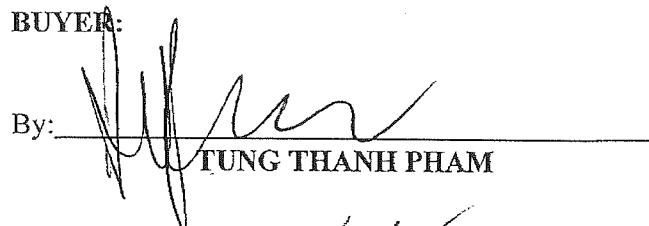

Secretary of the Agency

APPROVED AS TO FORM:

Stradling Yocca Carlson & Rauth
Agency Special Counsel

BUYER:

By:


TUNG THANH PHAM

By:


THU HAI LAM PHAM

EXHIBIT "A"

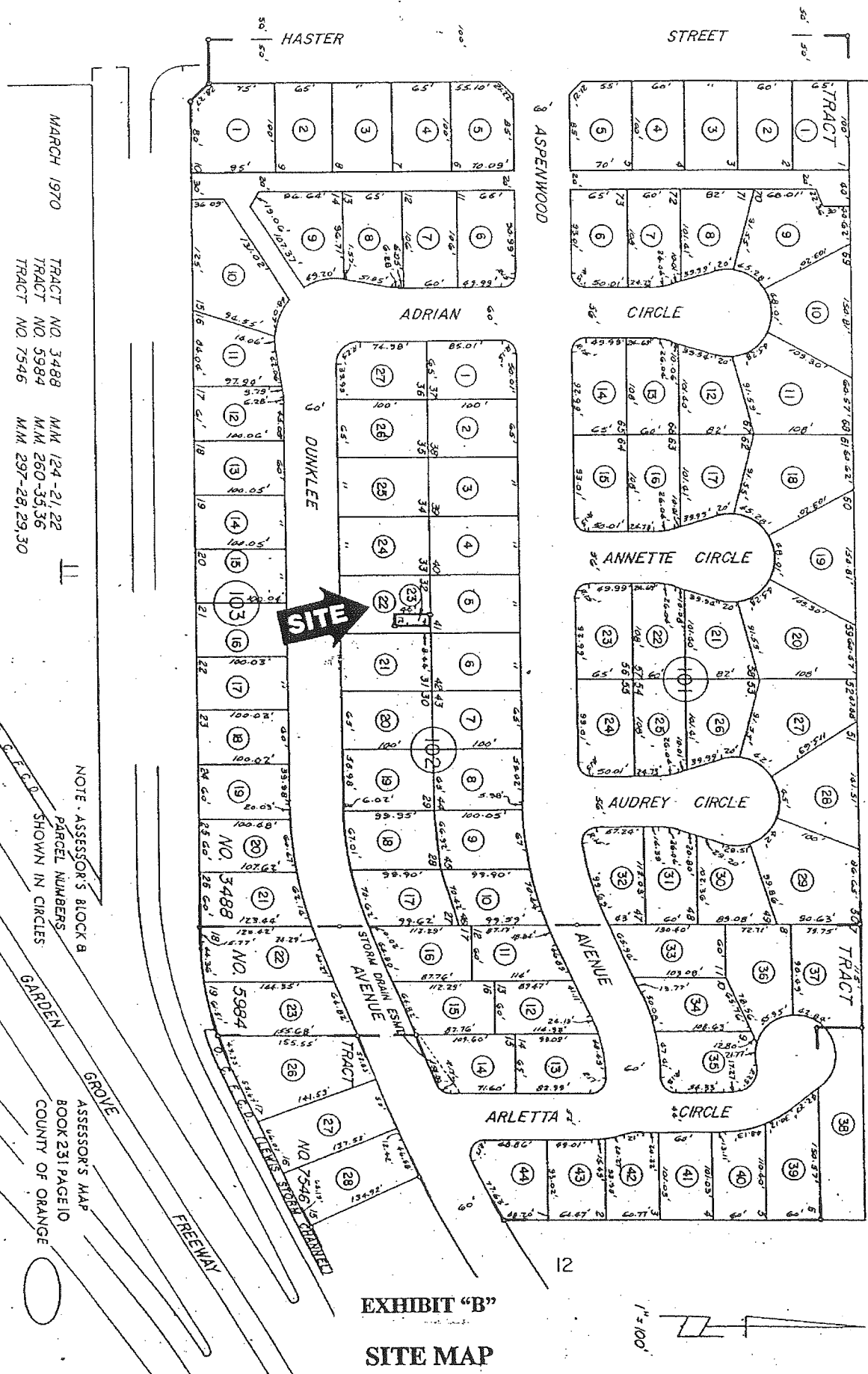
LEGAL DESCRIPTION OF SITE

PARCEL 1

LOT 32 OF TRACT NO. 3488, IN THE CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SHOWN ON A MAP RECORDED IN BOOK 124, PAGES 21 7 22 OF MISCELLANEOUS MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 2

THAT PORTION OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF FRACTIONAL SECTION 35, TOWNSHIP 4 SOUTH, RANGE 10 WEST, IN RANCHO LAS BOLSAS, IN THE CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA AS SHOWN ON A MAP RECORDED IN BOOK 51, PAGE 10 OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY AND AS SHOWN AS "NOT A PART OF THIS SUBDIVISION" ON TRACT NO 3488, RECORDED IN BOOK 124, PAGES 21 AND 22 OF SAID MISCELLANEOUS MAPS.



MARCH 1970
 TRACT NO. 3488
 TRACT NO. 5984
 TRACT NO. 7546

MM 124-21,22
 MM 260-35,36
 MM 297-28,29,30

NOTE - ASSESSOR'S BLOCK A
 PARCEL NUMBERS
 SHOWN IN CIRCLES

ASSESSOR'S MAP
 BOOK 231 PAGE 10
 COUNTY OF ORANGE

EXHIBIT "B"
 SITE MAP

1" = 100'

EXHIBIT "C"

RECORDING REQUESTED BY,)
MAIL TAX STATEMENTS TO)
AND WHEN RECORDED MAIL TO:)
)
Tung Thanh and Thu Hai Lam Pham)
7554 East Woodsboro Avenue)
Anaheim, California 92807)
)

This document is exempt from payment of a recording fee pursuant to Government Code Section 27383.

Documentary Transfer Tax: \$
Based on full value of property conveyed

GRANT DEED

For valuable consideration, receipt of which is hereby acknowledged,

The GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT, a public body, corporate and politic (the "Agency") hereby grants to TUNG THANH PHAM AND THU HAI LAM PHAM, Husband and wife as Joint Tenants ("Buyer"), as of 200, the real property hereinafter referred to as the "Site," described in Exhibit "A" attached hereto and incorporated herein, subject to the existing easements, restrictions and covenants of record described there.

1. Nondiscrimination. The Buyer herein covenants by and for itself, its heirs, executors, administrators and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the land herein conveyed, nor shall the Buyer itself or any person claiming under or through Buyer, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the land herein conveyed. The foregoing covenants shall run with the land.

The Buyer shall refrain from restricting the rental, sale or lease of the Site on the basis of race, color, religion, sex, marital status, ancestry or national origin of any person. All such deeds, leases or contracts shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

(a) In deeds: "The grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin or ancestry in the sale, lease,

sublease, transfer, use, occupancy, tenure or enjoyment of the land herein conveyed, nor shall the grantee or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the land herein conveyed. The foregoing covenants shall run with the land.”

(b) In leases: “The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions:

“That there shall be no discrimination against or segregation of any person or group of persons, on account of race, color, creed, religion, sex, marital status, national origin, or ancestry in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy of tenants, lessees, sublessees, subtenants, or vendees in the premises herein leased.”

(c) In contracts: “There shall be no discrimination against or segregation of, any person, or group of persons on account of race, color, creed, religion, sex, marital status, national origin, or ancestry, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the premises, nor shall the transferee himself or herself or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees of the premises.”

2. Violations Do Not Impair Liens. No violation or breach of the covenants, conditions, restrictions, provisions or limitations contained in this Grant Deed shall defeat or render invalid or in any way impair the lien or charge of any mortgage or deed of trust or security interest; provided, however, that any subsequent owner of the Site shall be bound by such remaining covenants, conditions, restrictions, limitations and provisions, whether such owner’s title was acquired by foreclosure, deed in lieu of foreclosure, trustee’s sale or otherwise.

3. Covenants Run With Land. All covenants contained in this Grant Deed shall be covenants running with the land. Every covenant contained in this Grant Deed against discrimination contained in paragraph 1 of this Grant Deed shall remain in effect in perpetuity.

4. Covenants For Benefit of Agency. All covenants without regard to technical classification or designation shall be binding for the benefit of the Agency, and such covenants shall run in favor of the Agency for the entire period during which such covenants shall be in force and effect, without regard to whether the Agency is or remains an owner of any land or interest therein to which such covenants relate. The Agency, in the event of any breach of any such covenants, shall have the right to exercise all the rights and remedies and to maintain any actions at law or suits in equity or other proper proceedings to enforce the curing of such breach.

AGENCY:

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

By: _____

ATTEST:

Secretary of the Agency

APPROVED AS TO FORM:

Stradling Yocca Carlson & Rauth
Agency Special Counsel

BUYER:

By: _____
TUNG THANH PHAM

By: _____
THU HAI LAM PHAM

EXHIBIT "A"

LEGAL DESCRIPTION OF SITE

PARCEL 1

LOT 32 OF TRACT NO. 3488, IN THE CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SHOWN ON A MAP RECORDED IN BOOK 124, PAGES 21 7 22 OF MISCELLANEOUS MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 2

THAT PORTION OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF FRACTIONAL SECTION 35, TOWNSHIP 4 SOUTH, RANGE 10 WEST, IN RANCHO LAS BOLSAS, IN THE CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA AS SHOWN ON A MAP RECORDED IN BOOK 51, PAGE 10 OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY AND AS SHOWN AS "NOT A PART OF THIS SUBDIVISION" ON TRACT NO 3488, RECORDED IN BOOK 124, PAGES 21 AND 22 OF SAID MISCELLANEOUS MAPS.

EXHIBIT "D"

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 Garden Grove Agency for Community Development (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 is _____.
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.

Date: _____, 200__

A 3821

COOPERATION, PURCHASE AND SALE AGREEMENT

THIS COOPERATION, PURCHASE AND SALE AGREEMENT (the "Agreement") is entered into as of 5-8-01, 2001 by and between the **CITY OF GARDEN GROVE**, a California municipal corporation (the "City"), and the **GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT**, a public body, corporate and politic (the "Agency").

RECITALS

A. The City is the owner of that certain unimproved real property (the "Property"), formerly a water well site, commonly known as the Dunklee Well, and more particularly described in Exhibit "A" (the "Legal Description"), which is attached hereto and incorporated herein by reference. In 1971, it was found and determined that the water well situated on the Property was substandard and in the interest of public safety was abandoned, capped and destroyed in accordance with all applicable federal, state and local laws and regulations.

B. The AGENCY is a public body, corporate and politic, exercising governmental functions and powers and organized and existing under Chapter 2 of the Community Redevelopment Law of the State of California, California Health and Safety Code, Section 33000, et seq. The principal office and mailing address of the AGENCY is 11222 Acacia Parkway, Garden Grove California, 92840

C. The Agency proposes to acquire the Property from the City and to convey the Property to Tung Thanh Pham and Thu Hai Lam Pham, husband and wife (the "Buyer") pursuant to a Purchase and Sale Agreement (the "Sales Agreement") to be entered into between the Agency and the Buyer. The Sales Agreement requires the Agency to convey the Property to the Buyer upon the terms and conditions set forth therein.

D. For the purpose of aiding and cooperating in the planning, undertaking, construction, or operation of redevelopment projects located within the area in which it is authorized to act, the City, upon the terms and with or without consideration as it determines, may dedicate, sell, convey, or lease any of its real property to the Agency pursuant to Section 33220 of the Health and Safety Code.

E. In order to facilitate the Agency's obligations under the Sales Agreement, the City desires herein to convey title to the Property to the Agency in accordance with the terms of this Agreement, upon the terms and conditions set forth herein.

NOW THEREFORE, for good and valuable consideration, receipt of which is acknowledged, the parties agree as follows:

1. **Conveyance and Acceptance of Title to the Property.** The City, without consideration, shall dedicate and convey the Property to the Agency, and the Agency shall acquire and accept title to the Property from the City.

2. **Escrow.** The City shall submit into escrow which is established for the conveyance of the Property pursuant to the Sales Agreement (the "Escrow") a duly executed quitclaim deed to the Property in the form customarily used by the City for the conveyance of real property (the "Quitclaim Deed"). The parties shall submit any additional documents into Escrow as may be required for the closing of escrow.

3. **Escrow Instructions.** The Escrow Agency (as defined in the Sales Agreement) shall close the Escrow of the Property as follows:

a. Record the Quitclaim Deed with instructions for the Recorder of Orange County, California to deliver the Quitclaim Deed to Agency; and

b. Deliver any other documents to the parties entitled thereto.

If in the opinion of the Agency it is necessary or convenient in order to accomplish the Closing of this transaction, the Agency may require that the parties sign supplemental escrow instructions as may be required by the Escrow Agent; provided that if there is any inconsistency between this Agreement and the supplemental escrow instructions, then the provisions of this Agreement shall control. The parties agree to execute such other and further documents as may be reasonably necessary, helpful or appropriate to effectuate the provisions of this Agreement.

4. **Escrow Fees, Charges and Costs.** The Agency agrees to pay all usual fees, charges, and costs which arise from Escrow.

5. **Closing.** This transaction shall close ("Closing") promptly upon notice from the Agency to the Escrow Agent that the Buyer has satisfied all of the conditions to closing which are set forth in the Sales Agreement and that the parties are ready to close. The "Closing Date" shall mean the day on which the conveyance is consummated.

6. **Condition of the Property.**

a. **No City Knowledge of Hazardous Substances.** The City has not actual knowledge, without duty of investigation, of the presence of "Hazardous Substances" (as the term is hereinafter defined) on the Property. The City has no actual knowledge, without duty of investigation, of any claim, lawsuit, agency proceeding or other legal, quasi-legal or administrative challenge concerning the presence of Hazardous Substances on the Property. The "actual knowledge" of the City, for purposes of this Section 5, shall include only the actual knowledge of those City employees who have actually worked on the transaction contemplated by this Agreement, and documents, records and reports in the City files.

b. **"As-Is" Conveyance.** The Agency expressly understands and agrees that Agency shall acquire the Property in an "AS IS" condition on the closing date. Except as provided in subparagraph (a) above, the City specifically disclaims the making of any representations or warranties, express or implied, regarding the Property or matters affecting the Property, including without limitation, the physical and environmental condition of the Property.

c. **Property Investigation.** The Agency and the Buyer shall have the right, at their sole cost and expense, to engage their own environmental consultants to make such investigations as to the environmental condition of the Property as the Agency and/or Buyer deem necessary, and the City shall promptly be provided a copy of all reports and test results provided by such consultants. If the soil and environmental conditions of the Property are not in all respects entirely suitable for the use or uses to which the Property will be put, the Agency may elect either to (a) remediate the Property in accordance with applicable law and the recommendation of the report of the Agency's or Buyer's environmental consultant, or (b) terminate this Agreement by notice to the City. In the event that the Agency elects to remediate the Property, the Agency shall be permitted to enter upon the Property for the purpose of performing the remediation.

d. **Definitions.** The term "Hazardous Materials" shall mean (i) any "hazardous substance" as defined by the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. Section 9601, *et seq.*), as amended from time to time, and regulations promulgated thereunder; (ii) any "hazardous substance" as defined by the Carpenter-Presley-Tanner Hazardous Substance Account Act (California Health and Safety Code Sections 25300, *et seq.*), as amended from time to time, and regulations promulgated thereunder; (iii) asbestos; (iv) polychlorinated biphenyls; (v) petroleum, oil, gasoline (refined and unrefined) and their respective by-products and constituents; and (vi) any other substance, whether in the form of a solid, liquid, gas or any other form whatsoever, which by governmental requirements either requires special handling in its use, transportation, generation, collection, storage, handling, treatment or disposal, or is defined as "hazardous" or harmful to the environment.

7. General Provisions.

7.1. **Assignment.** This Agreement shall be binding upon and shall inure to the benefit of City and Agency and their respective successors and assigns. Agency shall have the right to assign this Agreement or any interest or right under this Agreement or under the Escrow without obtaining the prior written consent of the City.

7.2. **Jurisdiction and Venue.** This Agreement shall be construed under the laws of the State of California in effect at the time of the signing of this Agreement. The parties consent to the jurisdiction of the California courts with venue in Orange County.

7.3. *Modifications.* Any alteration, change or modification of or to this Agreement, in order to become effective, shall be made in writing and in each instance signed on behalf of each party.

7.4 *Severability.* If any term, provision, condition or covenant of this Agreement or its application to any party or circumstances shall be held, to any extent, invalid or unenforceable, the remainder of this Agreement, or the application of the term, provision, condition or covenant to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected, and shall be valid and enforceable to the fullest extent permitted by law.

7.5 *Right of Access.* Agency shall first be entitled to possession of the Property on and after the Closing Date. Prior to the Closing Date, Agency and its representatives, agents, employees, contractors and designees shall have the right of access to the Property at all reasonable times for the purpose of making necessary and appropriate inspections, tests, borings, samplings, surveys, any remediation activities authorized hereunder, and exercising Agency's other rights under this Agreement. Agency shall save and protect City against any claims resulting from such access or use of the Property undertaken pursuant to this Section.

7.6 *Time of Essence.* Time is expressly made of the essence with respect to the performance by City and Agency of each and every obligation and condition of this Agreement.

7.7 *Merger of Prior Agreements and Understandings.* This Agreement contains the entire understanding between the parties relating to the transaction contemplated by this Agreement. All prior or contemporaneous agreements, understandings, representations and statements, oral or written, are merged in this Agreement and shall be of no further force or effect.

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IN WITNESS WHEREOF, the City and the Agency have executed this Agreement on the date set forth below.


AGENCY:

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

Dated: 6-12-01

By: 
Chairman

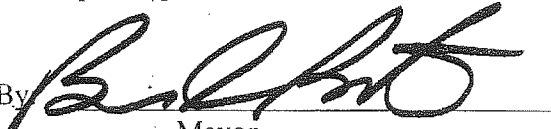
ATTEST:


Secretary

CITY:

CITY OF GARDEN GROVE, a California
municipal corporation

Dated: 6-15-01

By: 
Mayor

ATTEST:


City Clerk

APPROVED AS TO FORM:



John Shaw
City Attorney

EXHIBIT A

LEGAL DESCRIPTION

PARCEL 1

LOT 32 OF TRACT NO. 3488, IN THE CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SHOWN ON A MAP RECORDED IN BOOK 124, PAGES 21 AND 22 OF MISCELLANEOUS MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 2

THAT PORTION OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF FRACTIONAL SECTION 35, TOWNSHIP 4 SOUTH, RANGE 10 WEST, IN RANCHO LAS BOLSAS, IN THE CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA AS SHOWN ON A MAP RECORDED IN BOOK 51, PAGE 10 OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY AND AS SHOWN AS "NOT A PART OF THIS SUBDIVISION" ON TRACT NO 3488, RECORDED IN BOOK 124, PAGES 21 AND 22 OF SAID MISCELLANEOUS MAPS.

Recorded in Official Records, County of Orange
Gary L. Granville, Clerk-Recorder

16.00

20010392107 12:00pm 06/14/01

200 48 G02 6
0.00 0.00 0.00 0.00 10.00 0.00 0.00 0.00

CHICAGO TITLE COMPANY

RECORDING REQUESTED BY,)
MAIL TAX STATEMENTS TO)
AND WHEN RECORDED MAIL TO:)
)
Tung Thanh and Thu Hai Lam Pham)
7554 East Woodsboro Avenue)
Anaheim, California 92807)
)

13818099413 / 17823103-419

Documentary Transfer Tax: \$ _____
Based on full value of property conveyed

GRANT DEED

For valuable consideration, receipt of which is hereby acknowledged,

The GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT, a public body, corporate and politic (the "Agency") hereby grants to TUNG THANH PHAM AND THU HAI LAM PHAM, Husband and wife as Joint Tenants ("Buyer"), as of MAY 8 2001, the real property hereinafter referred to as the "Site," described in Exhibit "A" attached hereto and incorporated herein, subject to the existing easements, restrictions and covenants of record described there.

1. **Nondiscrimination.** The Buyer herein covenants by and for itself, its heirs, executors, administrators and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the land herein conveyed, nor shall the Buyer itself or any person claiming under or through Buyer, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the land herein conveyed. The foregoing covenants shall run with the land.

The Buyer shall refrain from restricting the rental, sale or lease of the Site on the basis of race, color, religion, sex, marital status, ancestry or national origin of any person. All such deeds, leases or contracts shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

(a) In deeds: "The grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin or ancestry in the sale, lease,

sublease, transfer, use, occupancy, tenure or enjoyment of the land herein conveyed, nor shall the grantee or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the land herein conveyed. The foregoing covenants shall run with the land.”

(b) In leases: “The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions:

“That there shall be no discrimination against or segregation of any person or group of persons, on account of race, color, creed, religion, sex, marital status, national origin, or ancestry in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy of tenants, lessees, sublessees, subtenants, or vendees in the premises herein leased.”

(c) In contracts: “There shall be no discrimination against or segregation of, any person, or group of persons on account of race, color, creed, religion, sex, marital status, national origin, or ancestry, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the premises, nor shall the transferee himself or herself or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees of the premises.”

2. **Violations Do Not Impair Liens.** No violation or breach of the covenants, conditions, restrictions, provisions or limitations contained in this Grant Deed shall defeat or render invalid or in any way impair the lien or charge of any mortgage or deed of trust or security interest; provided, however, that any subsequent owner of the Site shall be bound by such remaining covenants, conditions, restrictions, limitations and provisions, whether such owner’s title was acquired by foreclosure, deed in lieu of foreclosure, trustee’s sale or otherwise.

3. **Covenants Run With Land.** All covenants contained in this Grant Deed shall be covenants running with the land. Every covenant contained in this Grant Deed against discrimination contained in paragraph 1 of this Grant Deed shall remain in effect in perpetuity.


4. **Covenants For Benefit of Agency.** All covenants without regard to technical classification or designation shall be binding for the benefit of the Agency, and such covenants shall run in favor of the Agency for the entire period during which such covenants shall be in force and effect, without regard to whether the Agency is or remains an owner of any land or interest therein to which such covenants relate. The Agency, in the event of any breach of any such covenants, shall have the right to exercise all the rights and remedies and to maintain any actions at law or suits in equity or other proper proceedings to enforce the curing of such breach.

AGENCY:

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

By: 
Director

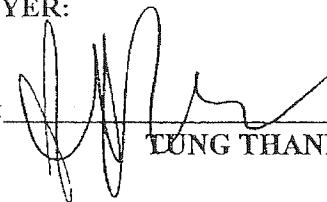
ATTEST:


Secretary of the Agency

APPROVED AS TO FORM:

Stradling Yocca Carlson & Rauth
Agency Special Counsel

BUYER:

By: 
LUNG THANH PHAM

By: 
THU HAI LAM PHAM

EXHIBIT "A"

LEGAL DESCRIPTION OF SITE

PARCEL 1

LOT 32 OF TRACT NO. 3488, IN THE CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SHOWN ON A MAP RECORDED IN BOOK 124, PAGES 21 & 22 OF MISCELLANEOUS MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

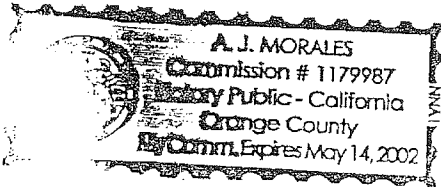
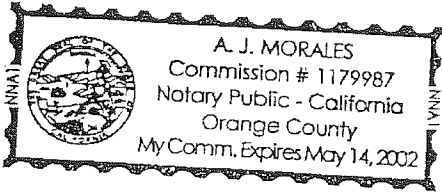
PARCEL 2

THAT PORTION OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF FRACTIONAL SECTION 35, TOWNSHIP 4 SOUTH, RANGE 10 WEST, IN RANCHO LAS BOLSAS, IN THE CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA AS SHOWN ON A MAP RECORDED IN BOOK 51, PAGE 10 OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY AND AS SHOWN AS "NOT A PART OF THIS SUBDIVISION" ON TRACT NO 3488, RECORDED IN BOOK 124, PAGES 21 AND 22 OF SAID MISCELLANEOUS MAPS.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California }
County of Orange } SS.

On May 15, 2001, before me, A. J. MORALES, NOTARY PUBLIC
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")
personally appeared GEORGE L TINDALL
Name(s) of Signer(s)



Place Notary Seal Above

personally known to me
 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.

A. J. MORALES
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

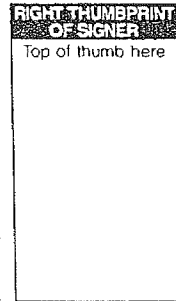
Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer

Signer's Name: _____

- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____

Signer Is Representing: _____



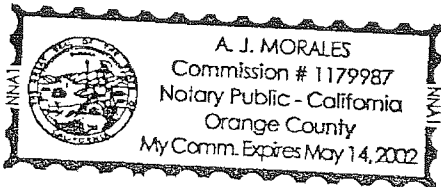
CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California }
County of ORANGE } ss.

On MAY 15, 2001, before me, A. J. MORALES, NOTARY PUBLIC
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")
personally appeared TUNG THANH PHAM & THU HAI LAM PHAM
Name(s) of Signer(s)

personally known to me
 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 of Notary Public
A. J. Morales

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

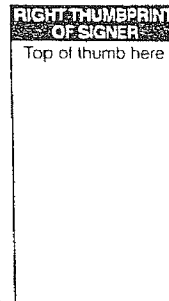
Title or Type of Document: GRANT DEED

Document Date: MAY 8, 2001 Number of Pages: 3 + EXHIBIT

Signer(s) Other Than Named Above: GARDEN GROVE AGENCY FOR COMMUNITY DEV.

Capacity(ies) Claimed by Signer

- Signer's Name: _____
 Individual
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Attorney in Fact
 Trustee
 Guardian or Conservator
 Other: _____



Signer Is Representing: SELF SIGNED AS BUYERS

Document No. _____

Date _____

Statement of tax due and request that stamps not be made a part of the permanent record in the office of the County Recorder.

To:

Request is hereby made in accordance with the provisions of the Documentary Stamp Act, that stamps be affixed to this form for later affixing to the accompanying document which names:

GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT

(Name of one grantor or lessor)

and

TUNG THANH PHAM AND THU HAI LAM PHAM, HUSBAND AND WIFE

(Name of one grantee or lessee)

The property described in the accompanying document is located in:

Garden Grove

(Name of City or unincorporated area)

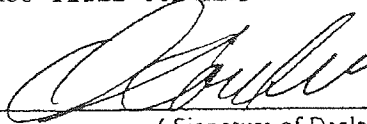
Documentary Transfer Tax due on the accompanying document is: \$ 82.50

The tax is computed on: XX Full value of property conveyed

_____ Full value less liens and encumbrances
remaining at time of sale

CHICAGO TITLE COMPANY

By:



(Signature of Declarant or Agent and Firm name)

AND WHEN RECORDED MAIL TO

Name Garden Grove Agency for Community Dev
Address P. O. Box 3070
City & Garden Grove
State, Zip California 92842

Title Order No. _____ Escrow No. _____

MAIL TAX STATEMENTS TO

Name _____
Address SAME AS ABOVE
City & _____
State, Zip _____

This document was electronically recorded by
CHICAGO TITLE COMPANY

Recorded in Official Records, County of Orange
Gary L. Granville, Clerk-Recorder



NO FEE

20010337091 03:50pm 05/24/01

121 42 Q01 A04 5

0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00

13823107-M19/13818099-M13 Quitclaim Deed

A3821

This is to certify that this document covers governmental business
within the meaning of Section 6103 of the Government Code

By: [Signature]

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

CITY OF GARDEN GROVE, a municipal corporation

does hereby REMISE, RELEASE AND FOREVER QUITCLAIM to

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

the following described real property in the City of Garden Grove, County of Orange, State of California:

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

Dated MAY 8, 2001

STATE OF CALIFORNIA
COUNTY OF ORANGE) S.S.

On MAY 15, 2001 before me,

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

GEORGE L. TUDALL

CITY OF GARDEN GROVE, a
municipal corporation

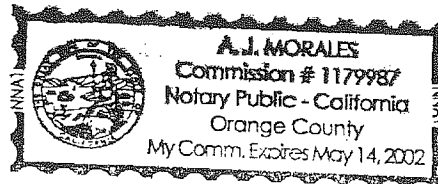
By: [Signature]
Its: CITY MANAGER

By: [Signature]
Its: CITY CLERK

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]
A. J. MORALES



FOR NOTARY SEAL OR STAMP

EXHIBIT "A"

PARCEL 1

LOT 32 OF TRACT NO. 3488, IN THE CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SHOWN ON A MAP RECORDED IN BOOK 124, PAGES 21 ~~&~~ 22 OF MISCELLANEOUS MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY. *and*

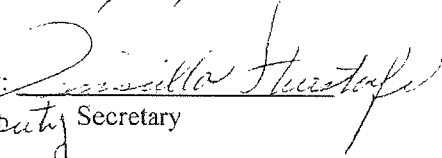
PARCEL 2

THAT PORTION OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF FRACTIONAL SECTION 35, TOWNSHIP 4 SOUTH, RANGE 10 WEST, IN RANCHO LAS BOLSAS, IN THE CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA AS SHOWN ON A MAP RECORDED IN BOOK 51, PAGE 10 OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY AND AS SHOWN AS "NOT A PART OF THIS SUBDIVISION" ON TRACT NO 3488, RECORDED IN BOOK 124, PAGES 21 AND 22 OF SAID MISCELLANEOUS MAPS.

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by deed or grant deed dated May 8, 2001, from City of Garden Grove 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 said Agency adopted July 17, 1978, and the grantee consents to recordation thereof by its duly authorized officer.

Dated: 05/16/01

By: 
Deputy Secretary

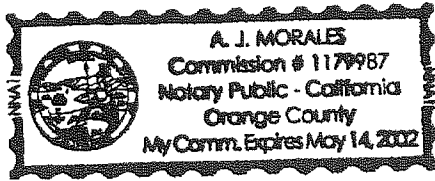
CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California }
County of ORANGE } ss.

On MAY 16, 2001, before me, A. J. MORALES NOTARY PUBLIC,
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")
personally appeared RUTH E. SMITH
Name(s) of Signer(s)

personally known to me
 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.

Place Notary Seal Above

A. J. MORALES
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: QUITCLAIM DEED

Document Date: MAY 8, 2001 Number of Pages: 1 + EXHIBIT

Signer(s) Other Than Named Above: GEORGE L. TINDALL

Capacity(ies) Claimed by Signer

Signer's Name: RUTH E. SMITH

- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____

Signer Is Representing: CITY OF GARDEN GROVE

