

RECORDING REQUESTED BY
STEWART TITLE

Recorded in Official Records, Orange County
Tom Daly, Clerk-Recorder
DEED

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

Garden Grove Agency for Community
Development
11222 Acacia Parkway
Garden Grove, California 92840
Attn: Agency Director or Authorized
Designee

98709512



NO FEE

2008000021187 08:56am 01/15/08

119 59 G02 9

0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00

APN: 231-471-22

[Space above for recorder.]

3933A

Exempt from recording fee and documentary transfer
tax pursuant to Government Code Section 27283.

GRANT DEED

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,
*ALICE KLEINER, a single woman as to an undivided 1/4 interest; and PATRICIA J. SEGARS,
an unmarried woman as to an undivided 1/4 interest; and ~~HILLARD AND KATHARINE WEISS~~, *
Trustees of the Weiss 1993 Family Trust as to an undivided 1/2 interest; as joint tenants (collectively
"Grantor"), hereby grants to the **GARDEN GROVE AGENCY FOR COMMUNITY
DEVELOPMENT**, a public body corporate and politic, that certain real property located in the
County of Orange, State of California, more particularly described on Schedule 1 attached hereto
and incorporated herein by this reference.

IN WITNESS WHEREOF, Grantor has executed this Grant Deed as of Nov 27, 2007.

*Alice Kleiner, a single woman as to an undivided 1/4 interest,
Patricia J. Segars, an unmarried woman as to an undivided 1/4
interest (who acquired title as Patricia J. Segars, as to an
undivided 1/4 interest) and Hillard J. Weiss and Katharine U.
Weiss, Trustees of The Weiss 1993 Family Trust, as to an
undivided 1/2 interest

[Signatures appear on following page]

"GRANTOR"

Hillard J. Weiss and
Katharine U. Weiss

ALICE KLEINER, a single woman as to an undivided
1/4 interest; PATRICIA J. SEGARS, an unmarried woman
as to an undivided 1/4 interest; and ~~*HILLARD AND~~
~~KATHARINE WEISS~~, Trustees of the Weiss 1993 Family
Trust as to an undivided 1/2 interest; as joint tenants

ALICE KLEINER, a single woman as to an
undivided 1/4 interest

By: Alice Kleiner
Alice Kleiner

PATRICIA J. SEGARS, an unmarried woman as to
an undivided 1/4 interest

By: Patricia J. Segars
Patricia J. Segars

Hillard J. Weiss and Katharine U. Weiss
~~HILLARD AND KATHARINE WEISS~~, Trustees of
the Weiss 1993 Family Trust as to an undivided
1/2 interest

By: Hillard J. Weiss, Trustee
~~Hillard Weiss~~ Hillard J. Weiss,
Trustee

By: Katharine U. Weiss, Trustee
~~Katharine Weiss~~ Katharine U. Weiss,
Trustee

SCHEDULE 1 TO GRANT DEED

LEGAL DESCRIPTION

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

Lot 35 of Tract No. 2148, in the City of Garden Grove, County of Orange, State of California, as shown on a map recorded in book 58, page(s) 46 to 48, inclusive of miscellaneous maps, in the office of the county recorder of said Orange County, California.

End of Legal Description

APN: 231-471-22

STATE OF ~~CALIFORNIA~~ ^{OREGON}

COUNTY OF Clackamas

)
) ss.
)

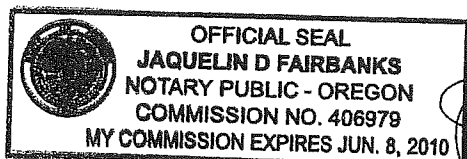
On Dec 26, 2007, before me, Jaquelin D. Fairbanks, Notary Public,
(Print Name of Notary Public)

personally appeared Patricia J. Segars

☐ 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 Of Notary

OPTIONAL

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

CAPACITY CLAIMED BY SIGNER

- ☐ Individual
☐ Corporate Officer

Title(s)

- ☐ Partner(s) ☐ Limited
☐ Attorney-In-Fact ☐ General
☐ Trustee(s)
☐ Guardian/Conservator
☐ Other: _____

DESCRIPTION OF ATTACHED DOCUMENT

Title Or Type Of Document

Number Of Pages

Date Of Documents

Signer(s) Other Than Named Above

Signer is representing:
Name Of Person(s) Or Entity(ies)

State of California
County of Orange

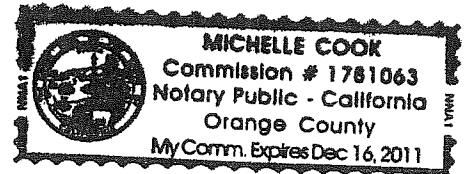
On January 4, 2008, before me,
~~Michelle Cook~~, Notary Public,
personally appeared Alice Kleiner*****

who proved to me on the basis of satisfactory evidence to be the person(s)
whose name(s) is/are subscribed to the within instrument and acknowledged
to me that he/she/they executed the same in his/her/their authorized
capacity(ies), and that by his/her/their signature(s) on the instrument, the
person(s) or the entity upon behalf of which the person(s) acted, executed
the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California
that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Michelle Cook



GOVERNMENT CODE SECTION 27361.7

I CERTIFY UNDER PENALTY OF PERJURY THAT THE
NOTARY SEAL ON THE DOCUMENT TO WHICH THIS
STATEMENT IS ATTACHED READS AS FOLLOWS:

NAME OF NOTARY: Michelle Cook

DATE COMMISSION EXPIRES: December 16, 2011

COUNTY WHERE BOND IS FILED: Orange County

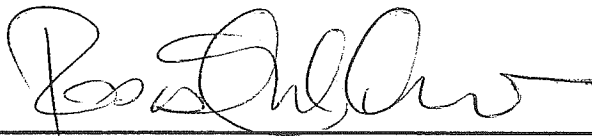
COMMISSION NO.: # 1781063

VENDOR NO.: NNA 1

PLACE OF EXECUTION: Anaheim

DATE: 01/11/2008

Stewart Title, California

A handwritten signature in black ink, appearing to read 'Rosa Medrano', written over a horizontal line.

Rosa Medrano

State of California

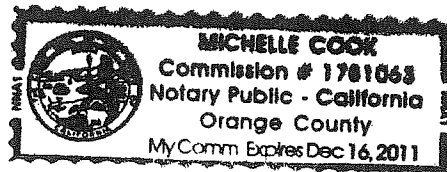
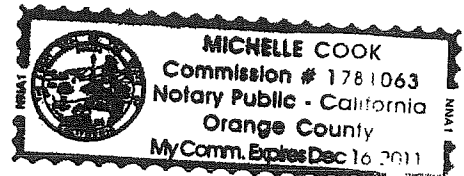
County of Orange

On January 9, 2008, before me,
Michelle Cook, Notary Public,
personally appeared Hillard J. Weiss and
Katharine U. Weiss*****
who proved to me on the basis of satisfactory evidence to be the person(s)
whose name(s) is/are subscribed to the within instrument and acknowledged
to me that he/she/they executed the same in his/her/their authorized
capacity(ies), and that by his/her/their signature(s) on the instrument, the
person(s) or the entity upon behalf of which the person(s) acted, executed
the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California
that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Michelle Cook



GOVERNMENT CODE SECTION 27361.7

I CERTIFY UNDER PENALTY OF PERJURY THAT THE
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___ COUNTY WHERE BOND IS FILED: Orange County

COMMISSION NO.: # 1781063

VENDOR NO.: NNA 1

PLACE OF EXECUTION: Anaheim

DATE: 01/11/2008

Stewart Title, California

A handwritten signature in cursive script, appearing to read 'Rosa Medrano', is written over a horizontal line.

Rosa Medrano

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the deed or grant deed dated Nov. 27, 2007 from ALICE KLEINER, a single woman as to an undivided 1/4 interest; and PATRICIA J. SEGARS, an unmarried woman as to an undivided 1/4 interest; and HILLARD AND KATHARINE WEISS, Trustees of the Weiss 1993 Family Trust as to an undivided 1/2 interest; as joint tenants to the GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT, a redevelopment agency, is hereby accepted by the undersigned officer on behalf of the Garden Grove Agency for Community Development pursuant to authority conferred by Resolution of the Garden Grove Agency for Community Development adopted on July 17, 1978 and the grantee consents to recordation thereof by its duly authorized officer, as to the following property:

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

Lot 35 of Tract No. 2148, in the City of Garden Grove, County of Orange, State of California, as shown on a map recorded in book 58, page(s) 46 to 48, inclusive of miscellaneous maps, in the office of the county recorder of said Orange County, California.

APN: 231-471-22

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

Dated: January 10, 2008

By: [Signature]
Deputy Agency Secretary

CERTIFICATE OF ACCEPTANCE

WEBSTER J. GUILLORY
ORANGE COUNTY ASSESSOR
(714) 834-5031

FOR RECORDER'S USE ONLY

PRELIMINARY CHANGE OF OWNERSHIP REPORT

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

THIS REPORT IS NOT A PUBLIC DOCUMENT

SELLER/TRANSFEROR: Alice Kleiner, Patricia J. Segars and The Weiss 1993 Family Trust
BUYER/TRANSFeree: Garden Grove Agency for Community Development, a Public body corporate and politic
ASSESSOR'S PARCEL NUMBER(S): 231-471-22
PROPERTY ADDRESS OR LOCATION: 12291 Thackery Drive, Garden Grove, CA 92840
MAIL TAX INFORMATION TO: Name Garden Grove Agency for Community Development, a Public body corporate and politic
Address 11222 Acacia Parkway, Garden Grove, CA 92842
Phone Number (8 a.m. - 5 p.m.)

NOTICE: A lien for property taxes applies to your property on January 1 of each year for the taxes owing in the following fiscal year, July 1 through June 30. One-half of these taxes is due November 1, and one-half is due February 1. The first installment becomes delinquent on December 10, and the second installment becomes delinquent on April 10. One tax bill is mailed before November 1 to the owner of record. **You may be responsible for the current or upcoming property taxes even if you do not receive the tax bill.**

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

PART I: TRANSFER INFORMATION (please answer all questions)

- | YES | NO | |
|--------------------------|-------------------------------------|--|
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | A. Is this transfer solely between husband and wife (addition of a spouse, death of a spouse, divorce settlement, etc.)? |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | B. Is this transaction only a correction of the name(s) of the person(s) holding title to the property (for example, a name change upon marriage)? Please explain _____ |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | C. Is this document recorded to create, terminate, or reconvey a lender's interest in the property? |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | D. Is this transaction recorded only as a requirement for financing purposes or to create, terminate, or reconvey a security interest (e.g. consigner)? Please explain _____ |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | E. Is this document recorded to substitute a trustee of a trust, mortgage, or other similar document? |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | F. Did this transfer result in the creation of a joint tenancy in which the seller (transferor) remains as one of the joint tenants? |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | G. Does this transfer return property to the person who created the joint tenancy (original transferor)? |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | H. Is this transfer of property: |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | 1. to a revocable trust that may be revoked by the transferor and is for the benefit of the <input type="checkbox"/> transferor <input type="checkbox"/> transferor's spouse? |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | 2. to a trust that may be revoked by the Creator/Grantor who is also a joint tenant, and which names the other joint tenant(s) as beneficiaries when the Creator/Grantor dies? |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | 3. to an irrevocable trust for the benefit of the <input type="checkbox"/> Creator/Grantor and/or <input type="checkbox"/> Grantor's spouse? |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | 4. to an irrevocable trust from which the property reverts to the Creator/Grantor within 12 years? |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | I. If this property is subject to a lease, is the remaining lease term 35 years or more including written options? |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | *J. Is this transfer between <input type="checkbox"/> parent(s) and child(ren)? <input type="checkbox"/> or from grandparent(s) to grandchild(ren)? |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | *K. Is this transaction to replace a principal residence by a person 55 years of age or older? |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Within the same county? <input type="checkbox"/> YES <input type="checkbox"/> NO |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | *L. Is this transaction to replace a principal residence by a person who is severely disabled as defined by Revenue and Taxation Code Section 69.5? Within the same county? <input type="checkbox"/> YES <input type="checkbox"/> NO |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | *M. Is this transfer solely between domestic partners currently registered with the California Secretary of State? |

*If you checked yes to J, K, or L, you may qualify for a property tax reassessment exclusion, which may result in lower taxes on your property. **If you do not file a claim, your property will be reassessed.**

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

If the conveying document constitutes an exclusion from a change in ownership as defined in Section 62 of the Revenue and Taxation Code for any reason other than those listed above, set forth the specific exclusions claimed: _____

Please answer all questions in each section. If a question does not apply, indicate with "N/A." Sign and date at bottom of second page.

PART II: OTHER TRANSFER INFORMATION

- A. Date of transfer if other than recording date _____
- B. Type of transfer (please check appropriate box):
- | | | | | |
|--|--|--|--|--|
| <input checked="" type="checkbox"/> Purchase | <input type="checkbox"/> Foreclosure | <input type="checkbox"/> Gift | <input type="checkbox"/> Trade or Exchange | <input type="checkbox"/> Merger, Stock, or Partnership Acquisition |
| <input type="checkbox"/> Contract of Sale - Date of Contract _____ | | | | |
| <input type="checkbox"/> Inheritance - Date of Death _____ | | | | |
| <input type="checkbox"/> Creation of Lease | <input type="checkbox"/> Assignment of Lease | <input type="checkbox"/> Other (please explain): _____ | | |
| <input type="checkbox"/> Date lease began _____ | | | | |
| <input type="checkbox"/> Original term in years (including written options) _____ | | | | |
| <input type="checkbox"/> Remaining term in years (including written options) _____ | | | | |
| Monthly Payment _____ | Remaining Term _____ | | | |
- C. Was only a partial interest in the property transferred? ☐ Yes ☒ No
- If yes, indicate the percentage transferred _____ %

PART III: PURCHASE PRICE AND TERMS OF SALE

A. CASH DOWN PAYMENT OR value of trade or exchange (excluding closing costs) Amount \$ 515,000

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

☐ FHA (____ Discount Points) ☐ Fixed rate ☐ New loan
☐ Conventional ☐ Variable rate ☐ Assumed existing loan balance
☐ VA (____ Discount Points) ☐ All inclusive D.T. (\$ _____ Wrapped) ☐ Bank or savings & loan
☐ Cal-Vet ☐ Loan carried by seller ☐ Finance company
 Balloon payment ☐ Yes ☐ No Due Date _____ Amount \$ _____

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

☐ Bank or savings & loan ☐ Fixed rate ☐ New loan
☐ Loan carried by seller ☐ Variable rate ☐ Assumed existing loan balance
 Balloon payment ☐ Yes ☐ No Due Date _____ Amount \$ _____

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

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

☐ Bank or savings & loan ☐ Fixed rate ☐ New loan
☐ Loan carried by seller ☐ Variable rate ☐ Assumed existing loan balance
 Balloon payment ☐ Yes ☐ No Due Date _____ Amount \$ _____

E. WAS AN IMPROVEMENT BOND ASSUMED BY THE BUYER? ☐ Yes ☐ No Outstanding Balance: Amount \$ _____

F. TOTAL PURCHASE PRICE (or acquisition price, if traded or exchanged, include real estate commission if paid) **TOTAL ITEMS A THROUGH E** \$ 515,000

G. PROPERTY PURCHASED ☐ Through a broker ☐ Direct from seller ☐ From a family member ☐ Other (please explain): _____

If purchased through a broker, provide broker's name and phone number: _____

Please explain any special terms, seller concessions, or financing and any other information that would help the Assessor understand the purchase price and terms of sale. _____

PART IV: PROPERTY INFORMATION

A. TYPE OF PROPERTY TRANSFERRED:

☒ Single-family residence ☐ Agricultural ☐ Timeshare
☐ Multiple-family residence (no. of units: _____) ☐ Co-op/Own-your-own ☐ Manufactured Home
☐ Commercial/Industrial ☐ Condominium ☐ Unimproved lot
☐ Other (Description: i.e., timber, mineral, water rights, etc.) _____

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

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

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

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

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

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

Is the manufactured home subject to local property tax? ☒ Yes ☐ No What is the decal number? Rent

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

☒ Lease/Rent ☐ Contract ☐ Mineral rights ☐ Other (please explain): _____

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

☐ Good ☐ Average ☒ Fair ☐ Poor

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

Property Acquired for redevelopment purposes & will be demolished

CERTIFICATION

OWNERSHIP TYPE (✓)

Proprietorship ☐
 Partnership ☐
 Corporation ☒
 Other ☐

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

NAME OF NEW OWNER/CORPORATE OFFICER

MATTHEW FERTAL

SIGNATURE OF NEW OWNER/CORPORATE OFFICER

Matthew Fertal

NAME OF ENTITY (typed or printed)

GARDEN GROVE Agency for Community Development

ADDRESS (typed or printed)

1222 ACACIA PKW, Garden Grove

E-MAIL ADDRESS (OPTIONAL)

92840

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

TITLE

Director

DATE

FEDERAL EMPLOYER ID NUMBER

DATE

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

PURCHASE AND SALE AGREEMENT WITH ALICE KLEINER, PATRICIA J. SEGARS,
AND HILLARD AND KATHARINE WEISS, FOR REAL PROPERTY LOCATED AT 12291
THACKERY DRIVE, ADJACENT TO A LARGER REDEVELOPMENT SITE LOCATED
ALONG HARBOR BOULEVARD, NORTH OF TWINTREE AVENUE (F: A-55.340)

Staff report dated November 27, 2007, was introduced.

It was moved by Member Jones, seconded by Member Nguyen, and carried by unanimous vote, that Purchase and Sale Agreement by and between the Garden Grove Agency for Community Development and Alice Kleiner, Patricia J. Segars, and Hillard and Katharine Weiss, for real property located at 12291 Thackery Drive, adjacent to a larger redevelopment site located along Harbor Boulevard, north of Twintree Avenue, be and hereby is approved; the Director and Secretary are authorized to execute the pertinent documents on behalf of the Agency; and the Finance Director is authorized to draw a warrant in the amount of \$515,000 from the appropriate account when appropriate to do so.

INTER-DEPARTMENT MEMORANDUM

To:	Matthew Fertal	From:	Chet Yoshizaki
Dept:	Director	Dept:	Economic Development
Subject:	ACQUISITION OF REAL PROPERTY 12291 THACKERY DRIVE WEISS, KLEINER, SEGARS, ET AL.	Date:	November 27, 2007

It is requested that the Garden Grove Agency for Community Development (Agency) consider the purchase of the real property (Property) located at 12291 Thackery Drive, owned by Alice Kleiner, Patricia J. Segars and Hillard Weiss and Katharine Weiss (Sellers).

Agency staff has received a proposal from the Sellers offering to sell the Property located at 12291 Thackery Drive. The subject Property is immediately adjacent to a larger redevelopment site located along Harbor Boulevard, north of Twintree Avenue (see Attachment 1 - Site Map). The Sellers approached Agency staff with an interest in selling the Property, prior to putting it on the open market.

A Purchase and Sale Agreement and Joint Escrow Instructions (Agreement) has been reached with the Sellers to purchase the Property (see Attachment 2). The agreed upon purchase price is \$515,000. This amount does not exceed the fair market value.

Housing Set-Aside funds are available and will be used for the purchase of the subject Property.

COMMUNITY VISION IMPLEMENTATION


- Improve the City's economic base through the development of tax-generating uses where appropriate.

RECOMMENDATION

It is recommended that the Garden Grove Agency for Community Development:

- Approve the Agreement for acquisition of real property;
- Authorize the Agency Director and Secretary to execute the pertinent documents on behalf of the Agency; and
- Authorize the Finance Director to draw a Warrant in the amount of \$515,000, from the appropriate account when appropriate to do so.


CHET YOSHIZAKI
Economic Development Director

By: Greg Brown 
Senior Project Manager

Attachment 1 – Site Map
Attachment 2 – Purchase and Sale Agreement

mm(h:Staff/GAB/12291 Thackery sr 112707.doc)

Recommended for Approval


Matthew Ferial
Director

12291 Thackery Drive





**PURCHASE AND SALE AGREEMENT
AND
JOINT ESCROW INSTRUCTIONS**

(Tenant-Occupied Residential Property)

SELLER: Alice Kleiner, a single woman as to an undivided
1/4 interest; Patricia J. Segars, as to an undivided
1/4 interest; and Hillard and Katharine Weiss,
Trustees of the Weiss 1993 Family Trust as to an
undivided 1/2 interest; and joint tenants

BUYER: Garden Grove Agency for
Community Development

DATED: November 27, 2007

BASIC TERMS

Effective Date: The effective date shall be deemed to be November 27, 2007

Property: Real property generally known as 12291 Thackery Street,
Garden Grove, California; 92840; APN: 231-471-22

Seller: **Alice Kleiner**, a single woman as to an undivided 1/4 interest;
Patricia J. Segars, a _____ [insert vesting information]
as to an undivided 1/4 interest; and **Hillard and Katharine Weiss**,
Trustees of the Weiss 1993 Family Trust as to an undivided 1/2
interest; as joint tenants

Seller's Address: Hillard and Katharine Weiss
5402 Tampion Avenue
Santa Ana, California 92704
Telephone No. (714) 775-5168

Seller's Attorney:
(as elected by Seller) n/a

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

Buyer's Address: 11222 Acacia Parkway
Garden Grove, California 92840
Attention: Agency Director or Authorized Designee
Tel. (714) 741-5100; Fax No. (714) 741-5044

Buyer's Attorney: Stradling Yocca Carlson & Rauth
660 Newport Center Drive, Suite 1600
Newport Beach, California 92660
Attention: Celeste Stahl Brady, Esq.

Contingency Date: On or before five (5) days prior to Closing

Purchase Price: See Section 2(a) herein.

Closing Date (or Closing) On or before January 10th 2008

Title Company
and
Escrow Holder: Stewart Title
180 N. Riverview Dr. Suite 100
Anaheim, California 92808
Telephone No.: (714) 685-2320
Fax No.: (714) 242-9885

**PURCHASE AND SALE AGREEMENT
AND
JOINT ESCROW INSTRUCTIONS**

This **PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS** ("Agreement") is made and entered into this 27th day of November, 2007 ("Effective Date"), by and among the **GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT**, a public body, corporate and politic ("Buyer"), and **ALICE KLEINER**, a single woman as to an undivided 1/4 interest; **PATRICIA J. SEGARS**, a _____ [insert vesting information] as to an undivided 1/4 interest; and **HILLARD AND KATHARINE WEISS**, Trustees of the Weiss 1993 Family Trust as to an undivided 1/2 interest; as joint tenants (collectively, "Seller") for acquisition by Buyer of all interests, tangible and intangible, in that certain real property described below.

RECITALS

A. Seller is the fee owner of that real property located in the City of Garden Grove, California, commonly known as **12291 Thackery Street** and legally described on Exhibit "A" attached hereto and made a part hereof ("Property"). The Property is improved with one or more residential structure(s) occupied by one or more tenant(s) pursuant to rental or lease agreements with Seller ("Lease" or "Leases"), which Leases shall be conveyed to Buyer along with the Property.

B. Buyer is a redevelopment agency validly existing and exercising powers pursuant to the California Community Redevelopment Law, Health and Safety Code Section 33000, *et seq.* ("CRL"). The Property is to be purchased using funds from Buyer's Low and Moderate Income Housing Fund maintained pursuant to Section 33334.3 of the CRL. Additionally, the Property is located outside Buyer's Garden Grove Community Project ("Project Area"). Buyer has determined that the Property is being purchased for affordable housing purposes in accordance with Sections 33334.2 and 33334.3, *et seq.* of the CRL and that the purchase of the Property and operation of the Property as affordable rental housing will be of benefit to the Project Area.

C. The Property is currently occupied by residential tenants ("Tenants") pursuant to a Lease between Tenants and Seller. Buyer has, or prior to and as a condition precedent to Closing shall have, verified that the Tenants qualify as a Very Low Income, Lower Income, or Moderate Income household, as those terms are defined in Health and Safety Code Sections 50079.5, 50105, and 50093 (collectively, "Low to Moderate Income Household"). Prior to the Effective Date, the Tenants were served with a written notice called a Notice of Non-Displacement and General Information Notice informing them of the Buyer's pending and thus potential acquisition of the Property and that they will be permitted to continue to occupy the Property as affordable rental housing provided to them at an "Affordable Rent," as defined in Health and Safety Code Section 50053, for so long as they qualify as a Low to Moderate Income Household pursuant to the CRL. In connection with the post-closing use of the Property as affordable housing, the Tenants will be required to execute a new rental agreement with the Buyer, in substantially the form attached hereto as Exhibit F and incorporated herein.

D. Seller is a willing and voluntary seller and, with full knowledge and understanding of Seller's rights relating to relocation assistance and benefits as set forth in the California

Relocation Assistance Law, Government Code Section 7260, *et seq.*, the regulations promulgated thereunder, set forth at Title 25 California Code of Regulations, Section 6000, *et seq.*, and the federal relocation laws and regulations set forth in the Federal Uniform Relocation and Real Property Assistance Act, 42 U.S.C. Section 4601, *et seq.*, the implementing regulations thereto in the Code of Federal Regulations, 49 CFR Part 24, and 24 CFR Parts 42, 91, 92, and 570, as applicable (collectively, the "Relocation Laws") and based on the advice and counsel of Seller's own attorney of choice, as and if Seller elects to obtain the advice of counsel, and in any event on the basis of Seller's own informed and voluntary decision, Seller wishes to sell the Property to Buyer for an "all-inclusive" Purchase Price as set forth in Section 2 below. Therefore, Seller knowingly and voluntarily agrees under this Agreement to waive and forego any right or claim to any relocation assistance and/or benefits to which Seller may be entitled under the Relocation Laws, other than as included in the Purchase Price, payment of which constitutes a full and complete settlement for any and all relocation assistance and/or benefits available to Seller under the Relocation Laws.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Buyer agree as follows:

1. Purchase and Sale. Seller hereby agrees to sell the Property to Buyer, and Buyer hereby agrees to purchase the Property from Seller, on the terms and conditions set forth in this Agreement. The term Property is defined inclusively and collectively as the following:

- (a) The fee interest in the Property;
- (b) All improvements to the Property;
- (c) All rights, privileges, easements, licenses and interests, both tangible and intangible, appurtenant to the Property. "Property" shall be deemed to include, without limitation, all royalties, minerals, oil and gas rights and profits, water and water rights (whether or not appurtenant) owned by Seller;
- (d) All moveable and immovable personal property, equipment, supplies, furniture, and fixtures owned by Seller and/or located at the Property as of Closing, as set forth in Section 2(b)(i) below and in the Bill of Sale, Exhibit C;
- (e) All of Seller's interest under contracts, Leases, and other agreements associated with the Property, each of which is listed in Schedule 2 to the Bill of Sale attached hereto; and
- (f) The Purchase Price is and shall remain total compensation paid by Buyer to Seller for all of Seller's interests in the Property, inclusive of any and rights or obligations which exist or may arise out of Buyer's acquisition of the Property, including without limitation, Seller's fee interest in the land, all improvements pertaining to the realty, all other improvements, furnishings, fixtures, and equipment located thereon, severance damages, if any, alleged pre-condemnation damages, if any, alleged loss of business goodwill, if any, relocation benefits and assistance, if any, costs, interest, attorney's fees, and any claim whatsoever of, by, or through Seller that may arise out of or relate in any respect to Buyer's acquisition of the Property from Seller. In this regard Seller acknowledges that based on the advice and counsel, as and if Seller elects to

obtain the advice of counsel, Seller is and will be fully satisfied that the Purchase Price is fair and adequate consideration for all interests in the Property and that it is all-inclusive compensation for the Property.

2. Payment of Purchase Price.

(a) **All Inclusive Purchase Price.** The Purchase Price for the Property is the sum of Five-Hundred Fifteen Dollars (\$515,000) ("Purchase Price").

(b) **Full and Complete Settlement for Fee Interest.** As provided in Section 1 above, the total compensation to be paid by Buyer to Seller, including the Purchase Price, is in consideration for all of Seller's interests 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 interests in the land and any improvements and fixtures and equipment located thereon, improvements pertaining to the realty (if any), severance damages, relocation assistance, any alleged pre-condemnation damages, loss of business goodwill, 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 Buyer.

(i) Possession and Disposition of Seller's FF&E. Except to the extent the Property is occupied by Tenants pursuant to the Leases, upon the Closing Date, possession of the Property, including land, improvements, furniture, fixtures and equipment, whether immovable or moveable (FF&E), on, upon, or about the Property shall be deemed to be the property of and in the possession of Buyer. Seller shall have the right to and shall remove or otherwise dispose of all moveable FF&E at the Property owned by Seller (and not owned by Tenants) prior to the Closing Date. After the Closing Date, Seller acknowledges and agrees that Buyer has the right to and may dispose of any FF&E remaining at any portion of the Property not subject to the Leases as Buyer alone sees fit without further notice or any liability whatsoever to Seller. As to the portion of the Property subject to a Lease, Buyer shall comply with the terms of such Leases and all applicable laws regarding the right to possession and/or disposal of FF&E when and if such Leases terminate and such affected portions of the Property are vacated by the Tenants thereof.

(ii) Complete Settlement and Waiver of all Relocation Claims. This Agreement deals fully and comprehensively with any relocation benefits or assistance for Seller arising from or in connection with the sale of the Property and the cessation of Seller's rights to the Property. Buyer acknowledges that Seller cannot and does not waive any relocation benefits that may be available to the Tenants under the Leases. As between Buyer and Seller, however, this Agreement and the transaction contemplated hereunder shall constitute a full and complete settlement and waiver of any and all of Buyer's obligations under the Relocation Laws, as set forth in more detail below.

(A) *Waiver and Release of all Claims.* Seller represents, acknowledges, and agrees that Seller affirmatively approached Buyer and offered to sell the Property to Buyer, and although the Property was not "offered for sale" within the meaning of Section 7277 of the California Government Code, Seller understands that Buyer would not have entered into this Agreement without Seller's agreement to (i) sell the Property for an All-Inclusive Purchase Price and (ii) knowingly and voluntarily waive according to the terms set forth herein, any and all of Seller's interest in or right to any relocation assistance or benefits under the Relocation Laws. Therefore, the Purchase Price has been determined by and is inclusive of Seller's agreement

hereunder to fully release and discharge Buyer from all and any manner of rights, demands, liabilities, obligations, claims, or causes of action, in law or equity, of whatever kind or nature, whether known or unknown, whether now existing or hereinafter arising, which arise from or relate in any manner to (i) the sale of the Property or the relocation of any person or persons or other occupant or occupants located on the Property, including the specific waiver and release of any right to any relocation benefits, advisory or other assistance, and/or payments under the Relocation Laws as to whom this waiver and release is effective, notwithstanding that such relocation assistance, benefits and/or payments may be otherwise required under said Relocation Laws or other state or federal law; and (ii) compensation for any interest in the Property or income from the Property including, but not limited to, land and improvements, fixtures, furniture, or equipment thereon, goodwill, severance damage, leases or other contracts relating to the Property, attorneys' fees, or any other compensation of any nature whatsoever.

(iii) Release and Waiver. It is hereby intended that the release contained above relates to both known and unknown claims that the Seller may have, or claim to have, against the Buyer with respect to the subject matter contained herein or the events relating thereto. By releasing and forever discharging claims both known and unknown which are related to or which arise under or in connection with, the items set out above, the Seller expressly waives any rights under California Civil Code Section 1542, which provides:

“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.”

Hillard Weiss

Katharine Weiss

Alice Kleiner

Patricia J. Segar

(c) **Deposit of All Inclusive Purchase Price in Escrow.** As consideration for the sale of the Property from Seller to Buyer, Buyer shall, prior to Closing, deposit with the escrow officer (“Escrow Holder”) immediately available funds in the amount of the Purchase Price, together with funds necessary to cover all of the Buyer’s Charges described in Section 11(b) and any Prorations described in Section 11(c), below.

3. **Escrow and Deposit.**

(a) **Escrow and Closing**

(i) Opening of Escrow. For the purposes of this Agreement, the escrow (“Escrow”) shall be deemed opened (“Opening of Escrow”) on the date that Escrow Holder receives a copy of this Agreement fully executed by Seller and executed and attested by Buyer. Buyer and Seller shall use reasonable efforts to cause the Opening of Escrow to occur on or before fifteen (15) business days after the Effective Date. Escrow Holder shall promptly notify Buyer and Seller in writing of the date of the Opening of Escrow. Buyer and Seller agree to execute, deliver and be

bound by any reasonable or customary supplemental Escrow instructions or other instruments reasonably required by Escrow Holder to consummate the transaction contemplated by this Agreement; provided, however, that no such instrument shall be inconsistent or in conflict with, amend or supersede any portion of this Agreement. If there is any conflict or inconsistency between the terms of an instrument and the terms of this Agreement, then the terms of this Agreement shall control. Without limiting the generality of the foregoing, no instrument shall extinguish any obligations imposed by this Agreement or any other contract between Seller and Buyer.

(ii) Closing. For purposes of this Agreement, the "Closing" or "Closing Date" shall be the date the Deed (as defined below) is recorded pursuant to applicable law in the Official Records of Orange County. Unless changed in writing by Buyer and Seller, the Closing shall occur on or before January 10, 2008, or as soon thereafter as Buyer's and Seller's Conditions Precedent to Closing are satisfied pursuant to Sections 6 and 7 of this Agreement. If the Closing has not, for any reason, occurred by the Closing Date, then either Buyer or Seller may terminate this Agreement by delivering written notice to the other at any time after the outside Closing Date; provided, however, that if either party is in default under this Agreement at the time of the termination, then the termination shall not affect the rights and remedies of the non-defaulting party against the defaulting party.

(b) Title Matters.

(i) Title Review. Within seven (7) calendar days after the Opening of Escrow, Seller shall cause the Title Company to deliver to Buyer an updated preliminary report ("Report") for the Property, together with copies of the plotted easements and legible copies of all exceptions to title listed on Schedule B of the Report ("Exceptions") set forth in the Report; provided that the cost of the Report shall be borne by Buyer. On or before the Contingency Date, Buyer shall have approved or disapproved in writing, in Buyer's sole discretion, any matters of title disclosed by the following (collectively, "Title Documents"): (i) the Report; (ii) the Exceptions; (iii) the legal description of the Property, and (iv) any survey Buyer desires to obtain at Buyer's sole cost and expense. Buyer shall have the same rights to approve or disapprove any exceptions to title that are not created by Buyer and that come into existence after issuance of the Report but prior to Closing. All monetary liens and encumbrances including court judgments are deemed disapproved by Buyer; Seller shall, on or before the Closing, remove or cause to be removed all deeds of trust, mortgages, court judgments, and delinquent taxes (but not the lien for any real property taxes or assessments not yet delinquent) and any other Exceptions deemed unacceptable to Buyer, in Buyer's reasonable discretion. Buyer hereby accepts the following exceptions to title set forth in Schedule B of that certain preliminary report number 98709572 dated as of August 3, 2007 ("August 3 Preliminary Report"): Exception Nos. 1 and 2.

(ii) Buyer's Title Policy. On or before the Closing, the Title Company shall, upon payment (by Buyer) of the Title Company's premium, have agreed to issue to Buyer, a CLTA or ALTA, at the option of Buyer, owner's policy of title insurance ("Buyer's Title Policy") in the amount of the Purchase Price showing fee title to the Property vested solely in Buyer and subject only to (i) the standard, preprinted exceptions to Buyer's Title Policy; (ii) liens to secure payment of real estate taxes or assessments not yet delinquent; (iii) matters affecting the Property created by or with the written consent of Buyer; (iv) the Leases and other contracts disclosed by Buyer and set forth in Schedule 2 to the Bill of Sale; and (v) those matters specifically approved in writing by Buyer. Seller acknowledges that the Title Policy shall include an endorsement against the effect of any mechanics' liens; Seller will provide such indemnity or other assurances as necessary to induce

the Title Company to provide such endorsement. In the event Buyer requires additional endorsements to be included in Buyer's Title Policy, Buyer shall be responsible for the additional expense of acquiring such additional endorsements.

(iii) Seller's Cure Right. Buyer shall notify Seller, in Buyer's Termination Notice, of Buyer's disapproval or conditional approval of any Title Documents. Seller shall then have the right, but not the obligation, to (1) remove from title any disapproved or conditionally approved Exception(s) (or cure such other title matters that are the basis of Buyer's disapproval or conditional approval of the Title Documents) within fifteen (15) business days after Seller's receipt of Buyer's Termination Notice, or (2) provide assurances reasonably satisfactory to Buyer that such Exception(s) will be removed (or other matters cured) on or before the Closing. Notwithstanding the foregoing, Seller shall have the affirmative obligation and responsibility under this Agreement to remove or cause to be removed any and all monetary liens, other than nondelinquent taxes and assessments, recorded against the Property on or before Closing. With respect to any such Exception, it shall be sufficient for purposes hereof for Seller to commit in writing, within the applicable period, to remove such Exception at or before the Closing. Seller's failure to remove such Exception after committing to do so shall be a default hereunder. An Exception shall be deemed removed or cured if Seller furnishes Buyer with evidence that the Title Company will issue the Buyer's Title Policy, as defined herein, at the Closing deleting such Exception or providing an endorsement (at Seller's expense) reasonably satisfactory to Buyer concerning such Exception. If Seller cannot or does not remove or agree to remove any of the disapproved Exception(s) (or cure other matters) within such fifteen (15) business day period, Buyer shall have ten (10) business days after the expiration of such fifteen (15) business day period to give Seller written notice that Buyer elects to proceed with the purchase of the Property subject to the disapproved Title Document(s), it being understood that Buyer shall have no further recourse against Seller for such disapproved Title Exception(s). Buyer's failure to submit written notice that Buyer elects to proceed with the Escrow within such ten (10) day period shall be deemed Buyer's refusal to proceed with the Escrow.

4. Seller's Delivery of Property. Within ten (10) days after the Effective Date, Seller shall deliver to Buyer the following items (collectively, "Property Documents"):

- (a) Copies of tax bills, including assessments, if any.
- (b) Proof of Sellers' authority and authorization to enter into this Agreement and to consummate this transaction as may be reasonably requested by Buyer and the Title Company.
- (c) True and correct copies of each and every contract, Lease or agreement relating to the Property.
- (d) Seller's written confirmation that no person or entity has a right or claim of occupancy, use, or possession of the Property, and that no contract, lease, or agreement, either in writing or orally, exists which relates to the Property, other than as disclosed and provided to Buyer pursuant to Subdivision (c) above or disclosed in writing by Seller as to verbal agreements, if any.

5. Buyer's Right of Entry. From and after the Effective Date through the earlier to occur of the termination of this Agreement or the Contingency Date, Seller hereby grants to and agrees that Buyer and Buyer's employees, agents, consultants and contractors shall have the right to enter upon the Property during normal business hours, provided reasonable prior notice has been

given to Seller (and any tenants under the Leases), for the purpose of undertaking and completing necessary or appropriate inspections, assessments, and tests (collectively, "Tests"), and remediation or corrections of the Property relating to the physical condition of the Property including without limitation the presence, release, and/or absence of adverse soils conditions, asbestos, lead-based paint, and/or Hazardous Materials, as hereinafter more fully defined and described.

6. Buyer's Conditions Precedent and Termination Right.

(a) **Buyer's Conditions Precedent.** The Closing and Buyer's obligation to consummate the transaction contemplated by this Agreement are subject to the timely satisfaction or written waiver of the following conditions precedent (collectively, "Buyer's Conditions Precedent") on or before five (5) days prior to Closing ("Contingency Date"), which are for Buyer's benefit only.

(i) **Review and Approval of Title.** Buyer shall have reviewed and approved the condition of title of the Property, as provided in Section 3(b)(i).

(ii) **Buyer's Title Policy.** The Title Company shall, upon payment of Title Company's regularly scheduled premium, have agreed to provide Buyer's Title Policy for the Property upon the Closing, in accordance with Section 3(b)(ii).

(iii) **Physical and Legal Inspections and Studies.** On or before the Contingency Date, Buyer shall have approved in writing, in Buyer's reasonable discretion, the results of any physical and legal (but not feasibility or economic) inspections, investigations, Tests and studies Buyer elects to make or obtain, including, but not limited to, investigations with regard to zoning, building codes and other governmental regulations; engineering tests; soils, seismic and geologic reports; environmental audits, inspections and studies; environmental investigation or other invasive or subsurface testing; and any other physical or legal inspections and/or investigations as Buyer may elect to make or obtain. In the event Buyer disapproves the physical or environmental condition of the Property, Seller shall have the right, but no obligation, to remedy the physical or environmental conditions set forth in Buyer's Termination Notice as the cause of Buyer's termination of this Agreement as set forth in more detail in Section 14(d) below. In the event Seller has elected to undertake the Remedial Measures pursuant to Section 14(d), Seller shall have delivered to Buyer, on or before the Contingency Date, a Certificate (as defined in Section 14(d)) from each public agency asserting jurisdiction over the environmental condition of the Property which states that no further action is required to bring the environmental condition of the Property into compliance with all laws and other governmental requirements relating to Hazardous Materials and/or the environmental condition of the Property.

(iv) **Natural Hazard Disclosure Statement.** If required by Government Code Sections 8589.3, 8589.4, 51183.5, or Public Resources Code Sections 2621.9, 2694, or 4136, Seller shall deliver to Buyer a Natural Hazard Disclosure Statement pursuant to AB 1195 on or before the Contingency Date.

(v) **Property Documents.** On or before the Contingency Date, Buyer shall have approved in writing, in Buyer's reasonable discretion, the terms, conditions and status of all of the Property Documents.

(vi) Tenants Income and Post-Closing Rental Agreement. Buyer shall have verified that the Tenants qualify as a Low to Moderate Income household pursuant to the CRL; and Seller shall have caused Tenants to have executed and Seller shall cause to be deposited into Escrow the post-Closing rental agreement, substantially in the form of Exhibit F.

(vii) Authority to Convey the Property. Patricia J. Segars shall provide evidence that she has full right and authority to convey her undivided 1/4 interest in the Property, by providing evidence that she is an unmarried woman, by providing a deed executed by her husband, if applicable, relinquishing any right, title, and interest he may have in the Property, or in another manner reasonably acceptable to the Buyer and the Title Company.

(viii) Delivery of Documents. Seller's delivery of all Sellers Delivered Items described in Section 8.

(ix) Representations and Warranties. All representations and warranties of Seller contained in this Agreement shall be materially true and correct as of the Effective Date made and as of the Closing.

(x) No Default. As of the Closing, Seller shall not be in default in the performance of any material covenant or agreement to be performed by Seller under this Agreement.

(b) **Termination Right.** Should any of Buyer's Conditions Precedent not be met, Buyer may, by written notice to Seller, terminate this Agreement. If this Agreement is so terminated, then (except to the extent expressly allocated to one party hereto by this Agreement) any Escrow, title or other cancellation fees shall be paid by Buyer, unless Seller is in default hereunder, in which case Seller shall pay all such fees. If Seller has not satisfied each of the Buyer's Conditions Precedent or obtained a written waiver from Buyer on or before 5:00 p.m. on the Contingency Date, then Buyer shall have the right to terminate the Escrow by submitting a written notice of termination ("Termination Notice") to Seller at any time prior to close of Escrow. Seller has the right to cure certain deficiencies relating to title and the environmental condition of the Property, as set forth in more detail in Sections 3(b)(3) and 14(d), respectively.

7. **Seller's Conditions Precedent.** The Closing and Seller's obligations with respect to the transaction contemplated by this Agreement are subject to the timely satisfaction or written waiver of the following conditions precedent ("Seller's Conditions Precedent"), which are for Seller's benefit only:

(a) Buyer shall not be in default of any of its obligations under the terms of this Agreement.

(b) All representations of Buyer herein are and remain true and correct.

(c) Buyer shall have deposited with Escrow Holder immediately available funds in an amount equal to the Purchase Price, the Buyer's Charges, and Buyer's share of Prorations described in Section 11.

(d) Buyer shall have delivered all documents and other items described in Section 9(a).

(e) Seller shall not have terminated this Agreement.

8. Seller's Deliveries to Escrow Holder.

(a) **Seller's Deliveries to Escrow.** On or before the Contingency Date, except as to possession of the Property which shall be delivered as of Closing, Seller shall deposit or cause to be deposited with Escrow Holder the following items, duly executed and, where appropriate, acknowledged ("Seller's Delivered Items"):

(i) **Seller's Charges.** Immediately available funds in the amount necessary to pay Seller's Charges as set forth in Section 11(a) herein.

(ii) **Deed.** The Grant Deed in the form attached hereto as Exhibit B and incorporated herein ("Deed").

(iii) **Bill of Sale.** The Bill of Sale and General Assignment in the form attached hereto as Exhibit C and incorporated herein ("Bill of Sale"). The Bill of Sale shall include a Schedule 2 attached thereto and incorporated therein, which shall list all contracts, Leases, and other agreements applicable to the Property and shall specifically list all Tenants, occupants, or residents of the Property known to Seller, regardless of whether such persons are parties to an express Lease or other rental agreement with respect to the Property.

(iv) **Notice to Tenants.** A signed notice to the Tenants, subtenants and occupants of and other holders of possessory rights in the Property, or any portion thereof, advising them of the sale of the Property to Buyer and directing them to pay rent and address all communications to Buyer or, at Buyer's option, to Buyer's managing agent;

(A) **Post-Closing Rental Agreement.** Seller shall cooperate with Buyer toward causing the Tenants to execute the post-closing rental agreement substantially in the form of Exhibit F for delivery into Escrow.

(v) **Estoppel Certificate.** An estoppel certificate executed by each Tenant and subtenant of the Property pursuant to the Leases in the form attached hereto as Exhibit D and made a part hereof ("Estoppel Certificates");

(vi) **Licenses, Certificates, and Permits.** To the extent the same are in the possession, custody or control of Seller and are transferable to Buyer, all original licenses, certificates and permits pertaining to the Property and necessary or beneficial for the use or occupancy thereof;

(vii) **Keys.** Keys to all entrance doors and equipment and utility rooms, and any other keys relating to the Property, including mailbox keys, to the extent such keys are in the possession, custody or control of Seller;

(viii) **FIRPTA/Tax Exemption Forms.** Transferor's Certification of Non-Foreign Status in the form attached hereto as Exhibit D ("FIRPTA Certificate") (unless Seller is a "foreign person," as defined in Section 1445 in the Internal Revenue Code of 1986), together with any necessary tax withholding forms, and a duly executed California Form 593-C, as applicable ("California Exemption Certificate").

(ix) Possession of Property. At Closing, possession of and title to the Property, subject only to the Exceptions and Leases as approved by Buyer.

(x) Authority. Such proof of Seller's authority and authorization to enter into this Agreement and to consummate this transaction as may be reasonably requested by Buyer and the Title Company.

(xi) Further Documents or Items. Any other documents or items reasonably required to close the transaction contemplated by this Agreement as determined by the Title Company.

(b) **Failure to Deliver.** Should any of Seller's Delivered Items not be timely delivered to Escrow, Buyer may, by written Termination Notice to Seller, terminate this Agreement; provided, however, that Buyer may (but shall not be obligated to) in such Termination Notice provide Seller with five (5) business days to deliver all of Seller's Delivered Items. If Buyer's Termination Notice provides Seller such five (5) business days to deliver Seller's Delivered Items, and if Seller's Delivered Items are not delivered within such period, then this Agreement shall automatically terminate without further action or notice. In the event of any such termination, any cash deposited by Buyer shall immediately be returned to Buyer.

9. **Buyer's Deliveries to Escrow.** On or before the Contingency Date, Buyer shall deposit or cause to be deposited with Escrow Holder the following, each duly executed and acknowledged, by Buyer as appropriate ("Buyer's Delivered Items"):

(a) **Purchase Money.** The Purchase Price, together with additional funds necessary to pay Buyer's Charges set forth in Section 11(b) herein and Buyer's share of the Prorations set forth in Section 11(c); provided, however, that in the event Seller does not qualify for an exemption from California withholding tax under Section 18662 of the California Revenue and Taxation Code, as evidenced by the delivery at Closing of the California Exemption Certificate duly executed by Seller, Title Company shall withhold three and one-third percent (3-1/3%) of the Purchase Price on behalf of Buyer for payment to the California Franchise Tax Board in accordance with Section 11(d) hereof. In the event Seller is not exempt from such withholding or does not otherwise deliver the California Exemption Certificate at Closing, Buyer shall execute and deliver three (3) originals of California Form 597 to Title Company at or immediately after Closing.

(b) **Certificate of Acceptance.** One (1) original Certificate of Acceptance executed by Buyer to be attached to the Deed.

(c) **Post-Closing Rental Agreement.** Buyer shall cooperate with Seller toward causing the Tenants to execute the post-closing rental agreement substantially in the form of Exhibit F for delivery into Escrow.

(d) **Final Escrow Instructions.** Buyer's final written Escrow instructions to close Escrow in accordance with the terms of this Agreement.

(e) **Further Documents or Items.** Any other documents or items reasonably required to close the transaction contemplated by this Agreement as determined by the Title Company.

10. Tax Adjustment Procedure. Escrow Holder is authorized and is instructed to comply with the following tax adjustment procedure:

(a) **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.

(b) **Proration.** Seller's pro rata portion of taxes due at close of Escrow shall be cleared and paid by Seller pursuant to provisions of Section 5082 through 5090 of the Revenue and Taxation Code of the State of California.

(c) **Refund of Taxes.** After the close of Escrow, Seller shall have the right in Seller's sole discretion to apply to the Orange County Tax Collector for refund of any excess property taxes paid by Seller with respect to the Property. This refund would apply to the period after close of Escrow and Buyer's acquisition of the Property pursuant to Revenue and Taxation Code Section 5096.7.

11. Escrow Holder Authorization. Escrow Holder is authorized to and shall pay, charge, and perform the following:

(a) **Seller Charges.**

(i) **Seller's Monetary Liens and Encumbrances.** Pay and charge Seller for any amount necessary to place title in the condition necessary to satisfy Section 3 of this Agreement, including without limitation payoff, removal, and charge for any and all monetary liens and encumbrances of record against the Property, including without limitation Exceptions numbered A, B, C, D, and 8 in the August 3 Preliminary Report.

(ii) **Seller's Share of Charges of Escrow.** Pay and charge Seller for normal seller's fees and costs of the Escrow.

The charges set forth in this Section 11(a) are herein referred to as "Seller's Charges."

(b) **Buyer Charges.**

(i) **Credit to Seller for Termite Repairs.** Pay and charge Buyer the amount of \$2,000, to be credited to the Seller to cover the cost of termite repairs to be completed at the Property prior to Closing.

(ii) **Buyer's Share of Charges of Escrow.** Pay and charge Buyer for Buyer's normal fees and costs for Escrow and for the cost of Buyer's Title Policy under Section 3(b)(ii) of this Agreement.

The charges set forth in this Section 11(b) are herein referred to as "Buyer's Charges."

(c) **Prorate Revenues and Expenses.** All revenues (including, but not limited to, rent collected under the Leases and fees collected under any other agreements relating to the Property) and expenses relating to the Property (including, but not limited to, utility costs and expenses, water charges and sewer rents and refuse collection charges) shall be prorated as of the Closing Date (collectively, the "Prorations"). Not less than five (5) business days prior to the

Closing, Seller shall deliver to Buyer a tentative schedule of prorations for Buyer's approval ("Proration and Expense Schedule"). If any prorations made under this Section shall require final adjustment after the Closing, then the parties shall make the appropriate adjustments promptly when accurate information becomes available and either party hereto shall be entitled to an adjustment to correct the same. Any corrected or adjusted proration shall be paid promptly in cash to the party entitled thereto.

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

(i) **California Withholding.** In the event Seller does not qualify for an exemption from California withholding tax under Section 18662 of the California Revenue and Taxation Code ("Tax Code") as evidenced by the delivery to Buyer at Closing of the California Exemption Certificate duly executed by Seller, (i) Title Company shall withhold three and one-third percent (3-1/3%) of the Purchase Price on behalf of Buyer at Closing for payment to the California Franchise Tax Board in accordance with the Tax Code, (ii) Buyer shall deliver three (3) duly executed originals of California Form 597 to Title Company at or immediately after Closing, (iii) two (2) executed originals of California Form 597 shall be delivered by Title Company to Seller, and (iv) on or before the 20th day of the month following the month title to the Property is transferred to Buyer (as evidenced by the recording of the Grant Deed), Title Company shall remit such funds withheld from the Purchase Price, together with one (1) executed original of California Form 597 to the California Franchise Tax Board on behalf of Buyer. Buyer and Seller hereby appoint Title Company as a reporting entity under the Tax Code, authorized to withhold and remit the withholding tax contemplated under the Tax Code, together with such other documents required by the Tax Code (including, without limitation, California Form 597), to the California Franchise Tax Board.

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

(e) **Closing Statement.** Escrow Holder is instructed to prepare and provide copies of a proposed closing statement and thereafter the final closing statement ("Closing Statement") to both Seller and Buyer.

(f) **Escrow Holder Responsibility.** The responsibility of the Escrow Holder under this Agreement is limited to Sections 1 through 12, 14(d), 15, and 16(b) and (c), and to its liability under any policy of title insurance issued in regard to this transaction.

12. Closing Procedure. When the Title Company is ready to issue the Buyer's Title Policy and all required documents and funds have been deposited with Escrow Holder, Escrow Holder shall immediately close Escrow in the manner and order provided below.

(a) **Recording.** Escrow Holder shall cause the Deed to be recorded pursuant to applicable law in Orange County and obtain conformed copies thereof for distribution to Buyer and Seller.

(b) **Disburse Funds.** Escrow Holder shall debit or credit (as provided herein) all charges and Prorations to Buyer and Seller and withhold funds pursuant to Section 11. The Purchase Price (less any amounts required to be withheld as provided in Section 11(d)) shall be distributed by check payable to Seller unless Escrow Holder is instructed otherwise in a writing signed by Seller (and, in such event, in accordance with such instructions).

(c) **Documents to Seller.** Escrow Holder shall deliver to Seller a conformed copy of the Deed, and a copy of every other document deposited into Escrow by Buyer pursuant hereto.

(d) **Documents to Buyer.** Escrow Holder shall deliver to Buyer the original FIRPTA Certificate, the original California Exemption Certificate (as applicable), a conformed copy of the Deed, the Report, and each other document (or copies thereof) deposited into Escrow by Seller pursuant hereto, including, without limitation, those documents referenced in Section 8.

(e) **Title Company.** Escrow Holder shall cause the Title Company to issue the Buyer's Title Policy to Buyer.

(f) **Closing Statement.** Escrow Holder shall forward to both Buyer and Seller a separate accounting of all funds received and disbursed for each party in the form of the Closing Statement prepared pursuant to Section 11(e).

(g) **Informational Reports.** Escrow Holder shall file any informational reports required by Internal Revenue Code Section 6045(e), as amended.

(h) **Possession.** Possession of the Property shall be delivered to Buyer at the Closing, subject to the Leases.

13. Representations and Warranties.

(a) **Seller's Representations and Warranties.** In consideration of Buyer entering into this Agreement and as an inducement to Buyer to purchase the Property, Seller makes the following representations and warranties as of the Effective Date and as of the Closing, each of which is material and is being relied upon by Buyer (and the truth and accuracy of which shall constitute a condition precedent to Buyer's obligations hereunder), and all of which shall survive Closing:

(i) Seller has the legal power, right and authority to enter into this Agreement and the instruments referenced herein, and to consummate the transaction contemplated hereby.

(ii) All requisite action (corporate, trust, partnership or otherwise) has been taken by Seller in connection with entering into this Agreement and the instruments referenced herein; and, by the Closing, all such necessary action will have been taken to authorize the consummation of the transaction contemplated hereby. By the Closing no additional consent of any individual, director, manager, shareholder, partner, member, trustee, trustor, beneficiary, creditor,

investor, judicial or administrative body, governmental authority or other party shall be required for Buyer to consummate the transaction contemplated by this Agreement.

(iii) The individuals executing this Agreement and the instruments referenced herein on behalf of Seller have the legal power, right and actual authority to bind Seller to the terms and conditions hereof and thereof.

(iv) Neither the execution or delivery of this Agreement or the documents or instruments referenced herein, nor incurring the obligations set forth herein, nor the consummation of the transaction contemplated herein, nor compliance with the terms of this Agreement or the documents or instruments referenced herein or therein conflict with or result in the material breach of any terms, conditions or provisions of, or constitute a default under, any bond, note or other evidence of indebtedness or any contract, indenture, mortgage, deed of trust, loan, lease or other agreement or instrument to which Seller is a party or that affect the Property, including, but not limited to, any of the Title Documents or the Property Documents.

(v) 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.

(vi) There are no actions or proceedings pending or, to the best of Seller's knowledge, threatened against Seller, before any court or administrative agent in any way connected with or relating to the Property, or affecting Seller's ability to fulfill all of its obligations under this Agreement.

(vii) Seller has made no written or oral commitments to or agreements with any governmental authority or agency materially and adversely affecting the Property, or any part thereof, or any interest therein, which will survive the Closing. Seller has entered into no understanding or agreement with any taxing or assessing authority respecting the imposition or deferment of any taxes or assignments respecting the Property.

(viii) To the best of Seller's knowledge, Seller is not in default of its obligations under any contract, agreement or instrument to which Seller is a party pertaining to the Property. To the best of the Seller's knowledge, no document supplied to Buyer by Seller contains any untrue statement of a material fact, and no document omits any facts that would be necessary, in the circumstances, to make the document supplied not misleading.

(ix) 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.

(x) To the best of Seller's knowledge, there are no improvements located on the Property that were constructed without all required permits or other approvals issued by each and every government agency with jurisdiction over the Property.

(xi) There are no mechanics', materialmen's or similar claims or liens presently claimed or which will be claimed against the Property for work performed or commenced for Seller or on Seller's behalf prior to the date of this Agreement. Seller agrees to indemnify, defend, and hold Buyer harmless from all costs, expenses, liabilities, losses, charges, and fees,

including attorney fees, arising from or relating to any such lien or any similar lien claims against the Property and arising from work performed or commenced for Seller or on Seller's behalf prior to Closing.

(xii) Except as disclosed in writing to Buyer, 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.

(xiii) Each of the statements contained in the Recitals to this Agreement is true and correct and Buyer may rely on such statements.

(xiv) There are no undisclosed contracts, licenses, laundry facilities agreements, commitments, undertakings or other written or oral agreements for services, supplies or materials concerning the use, operation, maintenance, or management of the Property that will be binding upon Buyer or the Property after the Closing. There are no oral contracts or other oral agreements for services, supplies or materials, affecting the use, operation, maintenance or management of the Property.

(xv) Except as set forth in the Leases and other agreements disclosed by Seller and approved by Buyer and listed in Schedule 2 to the Bill of Sale, Exhibit C, there are not as of the Effective Date of this Agreement, nor will there be as of the Closing, any written or oral leases or contractual rights or options to lease, purchase, or otherwise enjoy possession, rights or interest of any nature in and to the Property or any part thereof, and (except for the Tenants) no person other than Buyer shall have any right of possession to the Property or any part thereof as of the Closing.

(xvi) Except as disclosed by Seller and approved by Buyer and listed in Schedule 2 to the Bill of Sale, Exhibit C, there are not as of the Effective Date of this Agreement, nor will there be as of the Closing, any tenants, occupants, or residents at the Property.

(xvii) No person, excepting Seller and Tenants under the Leases, has possession or any rights to possession or use of the Property or portion thereof. Seller agrees not to lease any portion of the Property, grant any licenses or easements in the Property, or grant any other rights of occupancy to the Property without the approval of Buyer, which may be granted or denied in its sole and complete discretion.

(xviii) Until the Closing, 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 Buyer.

(b) Subsequent Changes to Seller's Representations and Warranties. If, prior to the Closing, Buyer or Seller should learn, discover or become aware of any existing or new item, fact or circumstance which renders a representation or warranty of Seller set forth herein incorrect or untrue in any respect (collectively, the "Seller Representation Matter"), then the party who has learned, discovered or become aware of such Seller Representation Matter shall promptly give written notice thereof to the other party and Seller's representations and warranties shall be automatically limited to account for the Representation Matter. Buyer shall have the right to approve or disapprove any such change and to terminate this Agreement by written Termination Notice to Seller if Buyer reasonably disapproves any such change. If Buyer does not elect to

terminate this Agreement, Seller's representation shall be qualified by such Seller Representation Matter and Seller shall have no obligation to Buyer for such Seller Representation Matter.

(c) **Buyer's Representations and Warranties.** In consideration of Seller entering into this Agreement and as an inducement to Seller to sell the Property, Buyer makes the following representations and warranties as of the date hereof and at and as of the Closing, each of which is material and is being relied upon by Seller, the truth and accuracy of which shall constitute a condition precedent to Seller's obligations hereunder, and all of which shall survive Closing:

(i) Buyer has the legal power, right and authority to enter into this Agreement and the instruments referenced herein, and to consummate the transaction contemplated hereby.

(ii) As of the Effective Date and subject to Section 15, all requisite governmental action has been taken by Buyer in connection with entering into this Agreement and the instruments referenced herein; and, by the Closing, all such necessary action will have been taken to authorize the consummation of the transaction contemplated hereby. On or before the Closing Date and subject to Section 14, no additional consent of any individual, judicial or administrative body, governmental authority or other party shall be required for Seller to consummate the transaction contemplated by this Agreement.

(iii) The individuals executing this Agreement and the instruments referenced herein on behalf of Buyer have the legal power, right and actual authority to bind Buyer to the terms and conditions hereof and thereof.

(iv) Neither the execution and delivery of this Agreement and the documents and instruments referenced herein, nor incurring the obligations set forth herein, nor the consummation of the transaction contemplated herein, nor compliance with the terms of this Agreement and the documents and instruments referenced herein conflict with or result in the material breach of any terms, conditions or provisions of, or constitute a default under, any bond, note or other evidence of indebtedness or any contract, indenture, mortgage, deed of trust, loan, partnership agreement, lease or other agreement or instrument to which Buyer is a party or by which any of Buyer's properties are bound.

(d) **Subsequent Changes to Buyer's Representations and Warranties.** If, prior to the Closing, Seller or Buyer should learn, discover or become aware of any existing or new item, fact or circumstance which renders a representation or warranty of Buyer set forth herein incorrect or untrue in any respect (collectively, the "Buyer's Representation Matter"), then the party who has learned, discovered or become aware of such Buyer's Representation Matter shall promptly give written notice thereof to the other party and Buyer's representations and warranties shall be automatically limited to account for the Buyer's Representation Matter. Seller shall have the right to approve or disapprove any such change and to terminate this Agreement by written Termination Notice to Buyer if Seller reasonably disapproves any such change. If Seller does not elect to terminate this Agreement, Buyer's representation shall be qualified by such Buyer's Representation Matter and Buyer shall have no obligation to Seller for such Buyer's Representation Matter.

14. Environmental Condition of the Property; Hazardous Materials.

(a) **Hazardous Materials Disclosure.** Neither Seller nor, to the best of Seller's knowledge, any previous owner, tenant, occupant, or user of the Property used, generated, released,

discharged, stored, or disposed of any Hazardous Materials, toxic substances, or related materials on, under, in, or about the Property, or transported any Hazardous Materials to or from the Property. Seller shall not cause or permit the presence, use, generation, release, discharge, storage, or disposal of any Hazardous Materials on, under, in, or about, or the transportation of any Hazardous Materials to or from, the Property. Seller has not received any order or notice from any governmental agency with jurisdiction over the Property informing Seller of the presence of any Hazardous Materials in, on, under, or about the Property. As used in this Agreement, the term "Hazardous Materials" shall mean any substance, material, or waste which is or becomes regulated by any local governmental authority, the State, 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 Sections 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) lead-based paint (viii) polychlorinated biphenyls, (ix) methyl tertiary butyl ether, (x) designated as "hazardous substances" pursuant to Section 311 of the Clean Water Act (33 U.S.C. §1317), (xi) defined as a "hazardous waste" pursuant to Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. §§6901, *et seq.* (42 U.S.C. §6903) or (xii) defined as "hazardous substances" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. §§9601, *et seq.*

(b) Compliance with Environmental Laws. To the best of Seller's knowledge, Seller represents and warrants that the Property and its present 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, Clean Air, Federal Water Pollution Control, Solid Waste Disposal, Resource Conservation Recovery, and Comprehensive Environmental Response Compensation and Liability Acts, and the California Environmental Quality Act, and the rules, regulations, and ordinances of the City 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 (collectively, "Environmental Regulations").

(c) "As is" Conveyance. Buyer acknowledges and agrees that the Property shall be conveyed in an "as is" condition, with no warranties as to the physical or environmental condition of the Property except as specifically set forth herein. Nothing in this Section 14(c) shall be construed as a waiver by Buyer of any liability or responsibility that may be imposed on Seller by any Environmental Regulations applicable to the Property

(d) Buyer's Environmental Contingency. As soon as practicable after the completion of the Tests which may be conducted pursuant to Section 5 hereof, if any, Buyer shall provide Seller with a written report describing (i) the results of any such Tests and (ii) any repairs or remedial measures ("Remedial Measures") required 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 Materials. If Remedial Measures are deemed necessary, Buyer 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 ten (10) days after receipt of Buyer's Termination Notice, 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 Buyer, in which event Seller shall provide written Notice of Seller's intent to undertake the Remedial Measures to Buyer within such ten (10) day period, Buyer's Termination Notice shall be revoked, and this Agreement shall close as set forth herein; provided, however, Buyer shall have no obligation to close unless, on or before the Contingency Date and as a Buyer's Condition Precedent to Closing, Seller has delivered to Buyer a letter or certificate ("Certificate") from each public agency asserting jurisdiction over the environmental condition of the Property which states that no further action is required with respect to the environmental condition of the Property. Should Seller elect to undertake the Remedial Measures, Seller shall, in consultation with the appropriate governmental agencies, promptly initiate at Seller's sole cost and expense such Remedial Measures in a timely manner. In the event the Remedial Measures are not complete and Seller has not delivered the Certificate to Buyer on or before the Contingency Date, Buyer shall have the further right to terminate this Agreement, in which event no party shall have any further liability to the other hereunder.

15. 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 Buyer in Buyer's reasonable discretion. The execution of these documents and the delivery of same to Escrow Holder constitute said acceptance and approval.

16. General Provisions.

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

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

(b) **Notices.** All notices, demands, requests or other communications required or permitted hereunder (collectively, "Notices") shall be in writing, shall be addressed to the receiving party, and shall be personally delivered, sent by overnight mail (Federal Express or another carrier that provides receipts for all deliveries), or sent by certified mail, postage prepaid, return receipt requested, to the address listed below:

If to Seller: Hillard and Katharine Weiss,
Alice Kleiner, and Patricia J. Segars
5402 W. Tampion Avenue
Santa Ana, Ca 92704
Tel. (714)775-5168

If to Buyer: Garden Grove Agency for Community Development
Attention: Real Property Manager
11222 Acacia Parkway
Garden Grove, California 92840
Tel. (714) 741-5100
Fax No.: (714) 741-5044

With a copy to: Stradling Yocca Carlson & Rauth
660 Newport Center Drive, Suite 1600
Newport Beach, California 92660
Attention: Celeste Stahl Brady, Esq.

All Notices shall be effective upon receipt at the appropriate address. Notice of change of address shall be given by written Notice in the manner detailed in this Section. Rejection or other refusal to accept or the inability to deliver because of changed address of which no Notice in accordance with this Section was given shall be deemed to constitute receipt of such Notice. The providing of copies of Notices to the parties' respective counsels is for information only, is not required for valid Notice and does not alone constitute Notice hereunder.

(c) **Brokers.** Buyer and Seller each represent to the other that no brokerage commission, finder's fee or other compensation of any kind is due or owing to any person or entity in connection with this Agreement. Each party agrees to and does hereby indemnify and hold the other free and harmless from and against any and all costs, liabilities or causes of action or proceedings which may be instituted by any broker, agent or finder, licensed or otherwise, claiming through, under or by reason of the conduct of the indemnifying party in connection with this Agreement.

(d) **Waiver, Consent and Remedies.** Each provision of this Agreement to be performed by Buyer and Seller shall be deemed both a covenant and a condition and shall be a material consideration for Seller's and Buyer's performance hereunder, as appropriate, and any breach thereof by Buyer 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.

(e) **Construction.** The parties acknowledge and agree that:

(i) each party is of equal bargaining strength;

(ii) each party has actively participated in the drafting, preparation and negotiation of this Agreement;

(iii) each party has consulted with such party's own independent attorney and such other professional advisors, if at all, as each party has deemed appropriate, relating to any and all matters contemplated under this Agreement, and each party's decision to or not to consult an attorney with respect to the terms and conditions of this Agreement has been made knowingly and voluntarily;

(iv) each party and such party's counsel and advisors, if so elected by the party, have reviewed this Agreement;

(v) each party has agreed to enter into this Agreement following such review and the rendering of such advice, if so elected by the party; and

(vi) any rule of construction to the effect that ambiguities are to be resolved against the drafting parties shall not apply in the interpretation of this Agreement, or any portions hereof, or any amendments hereto.

(f) **Cooperation.** Buyer and Seller agree to execute such instruments and documents and to diligently undertake such actions as may be required in order to consummate the purchase and sale herein contemplated and shall use all reasonable efforts to accomplish the Closing in accordance with the provisions hereof.

(g) **Attorney's Fees.** In the event any declaratory or other legal or equitable action is instituted between Seller, Buyer, and/or Escrow Holder in connection with this Agreement, then as between Buyer 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 attorney's fees, and all fees, costs and expenses incurred on any appeal or in collection of any judgment.

(h) **Time.** Time is of the essence of every provision herein contained. In the computation of any period of time provided for in this Agreement or by law, the day of the act or event from which said period of time runs shall be excluded, and the last day of such period shall be included, unless it is a Saturday, Sunday, or legal holiday, in which case the period shall be deemed to run until 5:00 p.m. of the next day that is not a Saturday, Sunday, or legal holiday. Except as otherwise expressly provided herein, all time periods expiring on a specified date or period herein shall be deemed to expire at 5:00 p.m. on such specified date or period.

(i) **Counterparts; Facsimile Signatures.** This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which, together, shall constitute but one and the same instrument. A facsimile signature shall be deemed an original signature.

(j) **Captions.** Any captions to, or headings of, the sections or subsections of this Agreement are solely for the convenience of the parties hereto, are not a part of this Agreement, and shall not be used for the interpretation or determination of the validity of this Agreement or any provision hereof.

(k) **No Obligations to Third Parties.** Except as otherwise expressly provided herein, the execution and delivery of this Agreement shall not be deemed to confer any rights upon, nor obligate any of the parties to this Agreement to, any person or entity other than the parties hereto.

(l) **Amendment to this Agreement.** The terms of this Agreement may not be modified or amended except by an instrument in writing executed by each of the parties hereto.

(m) **Waiver.** The waiver or failure to enforce any provision of this Agreement shall not operate as a waiver of any future breach of any such provision or any other provision hereof.

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

(o) **Applicable Law.** This Agreement shall be governed by and construed in accordance with the local law of the State of California.

(p) **Exhibits and Schedules.** The exhibits and schedules attached hereto are incorporated herein by this reference for all purposes.

(q) **Entire Agreement.** This Agreement supersedes any prior agreements, negotiations and communications, oral or written, and contains the entire agreement between, and the final expression of, Buyer and Seller with respect to the subject matter hereof. The parties hereto expressly agree and confirm that this Agreement is executed without reliance on any oral or written statements, representations or promises of any kind which are not expressly contained in this Agreement. No subsequent agreement, representation or promise made by either party hereto, or by or to an employee, officer, agent or representative of either party hereto shall be of any effect unless it is in writing and executed by the party to be bound thereby.

(r) **Successors and Assigns.** This Agreement shall be binding upon and shall inure to the benefit of the permitted successors and assigns of the parties hereto.

(s) **Assignment.** This Agreement may not be assigned without the prior written consent of the other party hereto, which consent shall not unreasonably be withheld.

(t) **Nondiscrimination.** There shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision

(m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall the grantee or any person claiming under or through him or her, establish or permit any 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 premises herein conveyed. The foregoing covenants shall run with the land.

IN WITNESS WHEREOF, the parties hereto have executed this Purchase and Sale Agreement and Joint Escrow Instructions (Tenant-Occupied Residential Property) as of the day and year first written above.

"SELLER"

ALICE KLEINER, a single woman as to an undivided 1/4 interest; **PATRICIA J. SEGARS**, a _____ [insert vesting information] as to an undivided 1/4 interest; and **HILLARD AND KATHERINE WEISS**, Trustees of the Weiss 1993 Family Trust as to an undivided 1/2 interest; as joint tenants

ALICE KLEINER, a single woman as to an undivided 1/4 interest

By: 
Alice Kleiner

PATRICIA J. SEGARS, a _____ [insert vesting information] as to an undivided 1/4 interest

By: _____
Patricia J. Segars

HILLARD AND KATHERINE WEISS, Trustees of the Weiss 1993 Family Trust as to an undivided 1/2 interest

By: _____
Hillard Weiss

By: _____
Katherine Weiss

[Signatures continue on following page]

(m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall the grantee or any person claiming under or through him or her, establish or permit any 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 premises herein conveyed. The foregoing covenants shall run with the land.

IN WITNESS WHEREOF, the parties hereto have executed this Purchase and Sale Agreement and Joint Escrow Instructions (Tenant-Occupied Residential Property) as of the day and year first written above.

"SELLER"

ALICE KLEINER, a single woman as to an undivided 1/4 interest; PATRICIA J. SEGARS, a _____ [insert vesting information] as to an undivided 1/4 interest; and HILLARD AND KATHERINE WEISS, Trustees of the Weiss 1993 Family Trust as to an undivided 1/2 interest; as joint tenants

ALICE KLEINER, a single woman as to an undivided 1/4 interest

By: _____
Alice Kleiner

PATRICIA J. SEGARS, an unmarried [insert vesting information] as to an undivided 1/4 interest

By: Patricia J. Segars
Patricia J. Segars

HILLARD AND KATHERINE WEISS, Trustees of the Weiss 1993 Family Trust as to an undivided 1/2 interest

By: _____
Hillard Weiss

By: _____
Katherine Weiss

[Signatures continue on following page]

(m) and paragraph (l) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall the grantee or any person claiming under or through him or her, establish or permit any 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 premises herein conveyed. The foregoing covenants shall run with the land.

IN WITNESS WHEREOF, the parties hereto have executed this Purchase and Sale Agreement and Joint Escrow Instructions (Tenant-Occupied Residential Property) as of the day and year first written above.

"SELLER"

ALICE KLEINER, a single woman as to an undivided 1/4 interest; **PATRICIA J. SEGARS**, a _____ [insert vesting information] as to an undivided 1/4 interest; and **HILLARD AND KATHARINE WEISS**, Trustees of the Weiss 1993 Family Trust as to an undivided 1/2 interest; as joint tenants

ALICE KLEINER, a single woman as to an undivided 1/4 interest

By: _____
Alice Kleiner

PATRICIA J. SEGARS, a _____ [insert vesting information] as to an undivided 1/4 interest

By: _____
Patricia J. Segars

HILLARD AND KATHARINE WEISS, Trustees of the Weiss 1993 Family Trust as to an undivided 1/2 interest

By: *Hillard Weiss*
Hillard Weiss

By: *Katharine G. Weiss*
Katharine Weiss

[Signatures continue on following page]

[Signatures continue from previous page]

"BUYER"

**GARDEN GROVE AGENCY FOR COMMUNITY
DEVELOPMENT,**

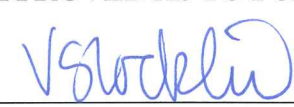
a public body corporate and politic

By: 
Agency Director or Authorized Designee

ATTEST:


Assistant Agency Secretary

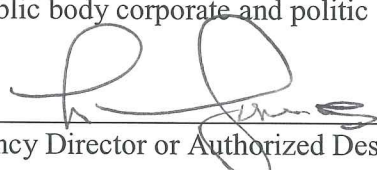
APPROVED AS TO FORM:


Stradling Yocca Carlson & Rauth,
Agency Counsel

[Signatures continue from previous page]

"BUYER"

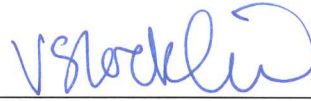
**GARDEN GROVE AGENCY FOR COMMUNITY
DEVELOPMENT,**
a public body corporate and politic

By: 
Agency Director or Authorized Designee

ATTEST:


Assistant Agency Secretary

APPROVED AS TO FORM:


Stradling Yocca Carlson & Rauth,
Agency Counsel

Acceptance by Escrow Holder:

_____ hereby acknowledges that it has received a fully executed copy of the foregoing Purchase and Sale Agreement and Joint Escrow Instructions by and between Hillard and Katharine Weiss, Trustees of the Weiss 1993 Family Trust as to an undivided 1/2 interest, Alice Kleiner, a single woman as to an undivided 1/4 interest; and Patricia J. Segars, as to an undivided 1/4 interest; as joint tenants, as Sellers, and the Garden Grove Agency for Community Development, a public body corporate and politic, as Buyer, and agrees to act as Escrow Holder thereunder and to be bound by and strictly perform the terms thereof as such terms apply to Escrow Holder.

Dated: _____, 200__

Stewart Escrow

By: _____

Name: _____

Its: _____

EXHIBIT A

LEGAL DESCRIPTION

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

Lot 35 of Tract No. 2148, in the City of Garden Grove, County of Orange, State of California, as shown on a map recorded in book 58, page(s) 46 to 48, inclusive of miscellaneous maps, in the office of the county recorder of said Orange County, California.

End of Legal Description

APN: 231-471-22

EXHIBIT B

DEED

**RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:**

Garden Grove Agency for Community
Development
11222 Acacia Parkway
Garden Grove, California 92840
Attn: Agency Director or Authorized
Designee

APN: 231-471-22

[Space above for recorder.]

Exempt from recording fee and documentary transfer
tax pursuant to Government Code Section 27283.

GRANT DEED

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,
HILLARD AND KATHARINE WEISS, Trustees of the Weiss 1993 Family Trust as to an
undivided 1/2 interest; **ALICE KLEINER**, a single woman as to an undivided 1/4 interest; and
PATRICIA J. SEGARS, a _____ [insert current marital status and how title
was taken] as to an undivided 1/4 interest; as joint tenants (collectively "Grantor"), hereby grants to
the **GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT**, a public body
corporate and politic, that certain real property located in the County of Orange, State of California,
more particularly described on **Schedule 1** attached hereto and incorporated herein by this reference.

IN WITNESS WHEREOF, Grantor has executed this Grant Deed as of _____, 200__.

[Signatures appear on following page]

"GRANTOR"

ALICE KLEINER, a single woman as to an undivided 1/4 interest; **PATRICIA J. SEGARS**, a _____ **[insert vesting information]** as to an undivided 1/4 interest; and **HILLARD AND KATHARINE WEISS**, Trustees of the Weiss 1993 Family Trust as to an undivided 1/2 interest; as joint tenants

ALICE KLEINER, a single woman as to an undivided 1/4 interest

By: _____
Alice Kleiner

PATRICIA J. SEGARS, a _____ **[insert vesting information]** as to an undivided 1/4 interest

By: _____
Patricia J. Segars

HILLARD AND KATHARINE WEISS, Trustees of the Weiss 1993 Family Trust as to an undivided 1/2 interest

By: _____
Hillard Weiss

By: _____
Katharine Weiss

SCHEDULE 1 TO GRANT DEED

LEGAL DESCRIPTION

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

Lot 35 of Tract No. 2148, in the City of Garden Grove, County of Orange, State of California, as shown on a map recorded in book 58, page(s) 46 to 48, inclusive of miscellaneous maps, in the office of the county recorder of said Orange County, California.

End of Legal Description

APN: 231-471-22

STATE OF CALIFORNIA

)

) ss.

)

COUNTY OF _____

On _____, before me, _____, Notary Public,
(Print Name of Notary Public)

personally appeared _____

☐ 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 Of Notary

OPTIONAL

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

CAPACITY CLAIMED BY SIGNER

DESCRIPTION OF ATTACHED DOCUMENT

- ☐ Individual
☐ Corporate Officer

Title(s)

Title Or Type Of Document

- ☐ Partner(s) ☐ Limited
 ☐ General
☐ Attorney-In-Fact
☐ Trustee(s)
☐ Guardian/Conservator
☐ Other: _____

Number Of Pages

Signer is representing:
Name Of Person(s) Or Entity(ies)

Date Of Documents

Signer(s) Other Than Named Above

STATE OF CALIFORNIA

)

) ss.

)

COUNTY OF _____

On _____, before me, _____, Notary Public,
(Print Name of Notary Public)

personally appeared _____

☐ 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 Of Notary

OPTIONAL

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

CAPACITY CLAIMED BY SIGNER

DESCRIPTION OF ATTACHED DOCUMENT

- ☐ Individual
☐ Corporate Officer

Title(s)

Title Or Type Of Document

- ☐ Partner(s) ☐ Limited
 ☐ General
☐ Attorney-In-Fact
☐ Trustee(s)
☐ Guardian/Conservator
☐ Other: _____

Number Of Pages

Signer is representing:
Name Of Person(s) Or Entity(ies)

Date Of Documents

Signer(s) Other Than Named Above

STATE OF CALIFORNIA

)

) ss.

)

COUNTY OF _____

On _____, before me, _____, Notary Public,
(Print Name of Notary Public)

personally appeared _____

☐ 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 Of Notary

OPTIONAL

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

CAPACITY CLAIMED BY SIGNER

DESCRIPTION OF ATTACHED DOCUMENT

- ☐ Individual
☐ Corporate Officer

Title(s)

Title Or Type Of Document

- ☐ Partner(s) ☐ Limited
 ☐ General
☐ Attorney-In-Fact
☐ Trustee(s)
☐ Guardian/Conservator
☐ Other: _____

Number Of Pages

Signer is representing:
Name Of Person(s) Or Entity(ies)

Date Of Documents

Signer(s) Other Than Named Above

STATE OF CALIFORNIA

)

) ss.

)

COUNTY OF _____

On _____, before me, _____, Notary Public,
(Print Name of Notary Public)

personally appeared _____

☐ 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 Of Notary

OPTIONAL

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

CAPACITY CLAIMED BY SIGNER

DESCRIPTION OF ATTACHED DOCUMENT

- ☐ Individual
☐ Corporate Officer

Title(s)

Title Or Type Of Document

- ☐ Partner(s) ☐ Limited
 ☐ General
☐ Attorney-In-Fact
☐ Trustee(s)
☐ Guardian/Conservator
☐ Other: _____

Number Of Pages

Signer is representing:
Name Of Person(s) Or Entity(ies)

Date Of Documents

Signer(s) Other Than Named Above

CERTIFICATE OF ACCEPTANCE

This is to certify that the fee interest in real property conveyed under the foregoing Grant Deed by **ALICE KLEINER**, a single woman as to an undivided 1/4 interest; **PATRICIA J. SEGARS**, a _____ **[insert vesting information]** as to an undivided 1/4 interest; and **HILLARD AND KATHARINE WEISS**, Trustees of the Weiss 1993 Family Trust as to an undivided 1/2 interest; as joint tenants, as to the following property:

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

Lot 35 of Tract No. 2148, in the City of Garden Grove, County of Orange, State of California, as shown on a map recorded in book 58, page(s) 46 to 48, inclusive of miscellaneous maps, in the office of the county recorder of said Orange County, California.

APN: 231-471-22

is hereby accepted by the Director of the **GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT** ("Agency") on behalf of the Agency pursuant to authority conferred by action by said Agency taken on November 27, 2007, and the Grantee consents to recordation thereof by its duly authorized officer.

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

Dated: _____, 200__

By: _____
Agency Director or Authorized Designee

ATTEST:

Agency Secretary

CERTIFICATE OF ACCEPTANCE

EXHIBIT C

BILL OF SALE AND GENERAL ASSIGNMENT

This **BILL OF SALE AND GENERAL ASSIGNMENT** ("Bill of Sale") is made as of _____, 200_ by and between **ALICE KLEINER**, a single woman as to an undivided 1/4 interest; **PATRICIA J. SEGARS**, a _____ [insert vesting information] as to an undivided 1/4 interest; and **HILLARD AND KATHARINE WEISS**, Trustees of the Weiss 1993 Family Trust as to an undivided 1/2 interest; as joint tenants (collectively, "Seller") and the **GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT**, a public body, corporate and public ("Buyer").

RECITALS

WHEREAS, Seller has conveyed, or is about to convey, to Buyer the real property ("Property") more particularly described on Schedule 1 attached hereto and incorporated herein by this reference; and

WHEREAS, Seller desires to assign, transfer, sell, convey, grant and deliver to Buyer, and Buyer desires to accept and assume, all of Seller's right, title, interest, benefit and obligation in, to and under all of the personal property, furniture, equipment, and fixtures located at or used in the operation of the Property (including without limitation, all trade names, trademarks, logos and other intangible property) ("Personal Property") and the agreements and contracts listed on Schedule 2 attached hereto and incorporated herein by reference ("Approved Contracts") as set forth herein.

AGREEMENTS

NOW, THEREFORE, in consideration of the mutual covenants and upon the conditions contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Buyer hereby agree as follows:

1. Effective Date. The "Effective Date" is defined to be the date of recordation of the Grant Deed conveying title to the Property from Seller to Buyer in the Official Records of the Office of the Clerk-Recorder of Orange County.
2. Assignment. Effective as of the Effective Date, Seller hereby assigns, sells, transfers, grants, delivers and conveys to Buyer all of Seller's right, title and interest in, to and under the Approved Contracts, and the Personal Property. Seller retains all obligations of Seller arising from or under the Approved Contracts with respect to any periods before the Effective Date.
3. Acceptance. Upon the Effective Date, Buyer hereby accepts said assignment, sale, transfer, grant, delivery and conveyance of all of Seller's right, title and interest in, to and under the Approved Contracts and the Personal Property.
4. Assumption. Effective as of the Effective Date, Buyer hereby assumes all obligations of Seller arising from or under the Approved Contracts with respect to any periods on or after the Effective Date.

5. Indemnification. Seller hereby agrees to indemnify Buyer against and hold Buyer harmless from any and all cost, liability, loss, damage or expense, including, without limitation, reasonable attorneys' fees and costs, originating or relating to the period prior to the Effective Date and arising out of Seller's obligations under the Approved Contracts. Buyer hereby agrees to indemnify Seller against and hold Seller harmless from any and all cost, liability, loss, damage or expense, including, without limitation, reasonable attorneys' fees and costs, originating or relating to the period on or after the Effective Date and arising out of the Buyer's obligations under the Approved Contracts.

6. Modification. No modification, waiver, amendment, discharge or change of this Bill of Sale shall be valid unless the same is in writing and signed by the Seller and the Buyer.

7. Successors and Assigns. This Bill of Sale shall be binding upon and inure to the benefit of the parties hereto, their successors in interest and assigns.

8. Governing Law. This Bill of Sale shall be governed by, and construed and enforced in accordance with, the laws of the State of California.

9. Attorneys' Fees. If either party hereto commences an action against the other to enforce any of the terms hereof, or to obtain damages for any alleged breach of any of the terms hereof, or for a declaration of rights hereunder, the losing party shall pay to the prevailing party the prevailing party's reasonable attorneys' fees and costs incurred in connection with the prosecution of such action, whether or not such action proceeds to trial or appeal.

10. Counterparts. This Bill of Sale may be executed in counterparts, each of which shall be deemed an original and all of which shall constitute one and the same Bill of Sale.

IN WITNESS WHEREOF, the parties hereto have executed this Bill of Sale and General Assignment as of the date first set forth above.

[Signatures appear on following pages]

"SELLER"

ALICE KLEINER, a single woman as to an undivided 1/4 interest; **PATRICIA J. SEGARS**, a _____ **[insert vesting information]** as to an undivided 1/4 interest; and **HILLARD AND KATHARINE WEISS**, Trustees of the Weiss 1993 Family Trust as to an undivided 1/2 interest; as joint tenants

ALICE KLEINER, a single woman as to an undivided 1/4 interest

By: _____
Alice Kleiner

PATRICIA J. SEGARS, a _____ **[insert vesting information]** as to an undivided 1/4 interest

By: _____
Patricia J. Segars

HILLARD AND KATHARINE WEISS, Trustees of the Weiss 1993 Family Trust as to an undivided 1/2 interest

By: _____
Hillard Weiss

By: _____
Katharine Weiss

[Signatures continue on following page]

[Signatures continue from previous page]

“BUYER”

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

By: _____
Agency Director or Authorized Designee

ATTEST:

Assistant Agency Secretary

APPROVED AS TO FORM:

Stradling Yocca Carlson & Rauth,
Agency Counsel

SCHEDULE 1

DESCRIPTION OF PROPERTY

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

Lot 35 of Tract No. 2148, in the City of Garden Grove, County of Orange, State of California, as shown on a map recorded in book 58, page(s) 46 to 48, inclusive of miscellaneous maps, in the office of the county recorder of said Orange County, California.

End of Legal Description

APN: 231-471-22

SCHEDULE 2

LIST OF APPROVED CONTRACTS

That certain Standard Month-To-Month Residential Rental Agreement by and among Katharine Weiss, as "Landlord," and Vakoma Ching-Sam, Marie Ching-Sam, Angie Maiava, and Mark Maiava, as "Residents," dated as of February 22, 2006, relating to the premises located at 12291 Thackery Street in the City of Garden Grove. Seller represents and warrants that Angie Maiava and Mark Maiava no longer occupy or reside at the Property but that one additional adult resident, Tovia Ching-Sam, currently occupies the Property.

EXHIBIT D

TENANT ESTOPPEL CERTIFICATE

_____, 200__

Garden Grove Agency for Community Development
11122 Acacia Parkway
Garden Grove, CA 92840
Attention: Agency Director or Authorized Designee

RE: Lease of Residence at **12291 Thackery Street Garden Grove, CA 92840**, Garden Grove, California ("Property")

Ladies and Gentlemen:

Please refer to the documents attached hereto as Exhibit A (collectively, the "**Lease**"), pursuant to which the undersigned ("**Lessee**") leases a residence on the Property ("**Premises**") from **ALICE KLEINER**, a single woman as to an undivided 1/4 interest; **PATRICIA J. SEGARS**, a _____ [**insert vesting information**] as to an undivided 1/4 interest; and **HILLARD AND KATHARINE WEISS**, Trustees of the Weiss 1993 Family Trust as to an undivided 1/2 interest; as joint tenants (collectively, "**Lessor**"). Lessee understands that **GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT**, a public body, corporate and politic ("**Buyer**"), may be purchasing the Property wherein the Lessee leases the Premises pursuant to the Lease, and Buyer is relying upon this Tenant Estoppel Certificate (this "**Certificate**") in connection with such transaction.

With such understanding, Lessee hereby represents and warrants for the benefit of Buyer, its lenders and their respective successors and assigns, as follows:

1. The Lease is in full force and effect. A true, correct and complete copy of the Lease is attached hereto as Exhibit A. The Lease represents the entire agreement between Lessee and Lessor as to the Premises, and there are no side agreements, modifications, amendments, or supplements with respect thereto, except as set forth in Exhibit A.

2. There is no default by Lessor under the Lease and no event has occurred that, with the passage of time or the giving of notice, or both, would constitute a default by Lessor under the Lease. Lessee has no claims against Lessor or offsets or defenses against rent, and there are no disputes between Lessee and Lessor.

3. The monthly base rent under the Lease is \$1,125.00. All monthly base rent has been paid to the end of the current calendar month, and no rent under the Lease has been paid more than one month in advance.

4. Lessee has not used, stored, transported, disposed of or created any Hazardous Materials on, in or under the Property, except in accordance with all laws, statutes and regulations, and except in non-material amounts.

5. The Lease term commenced on January 22, 2006 and continues on a month-to-month basis until terminated according to Section 13 of the Lease. There are no other options, rights of first refusal, expansion rights, relocation rights, purchase rights or rights to extend or renew the term of the Lease, except as expressly set forth in the Lease or as provided by law.

6. To the knowledge of the undersigned, Lessee is not in default under the Lease nor has any event occurred that, with the passage of time or the giving of notice, or both, would constitute a default or breach by Lessee.

7. Lessor has completed all construction and improvements required under the terms of the Lease to be completed by Lessor, if any, and the space and improvements required to be furnished according to the Lease have been duly delivered by Lessor and accepted by Lessee.

8. Lessee has not assigned, transferred or hypothecated the Lease or any interest therein or subleased all or any portion of the Premises, and does not hold the Premises under an assignment or sublease.

9. Lessee has deposited with Lessor a cash security deposit in the amount of \$950.

10. Lessee is not currently entitled to any concession, rebate, allowance or free rent except as set forth in its Lease.

11. Lessee is not insolvent or in bankruptcy.

12. The individual(s) executing this Certificate as the Lessee hereby represents and warrants that he or she is duly authorized to so execute this Certificate on behalf of the Lessee.

Very truly yours,

LESSEE:

Signed: _____
Vakoma Ching-Sam

Signed: _____
Marie Ching-Sam

EXHIBIT E

FIRPTA Certificate

TRANSFEROR'S CERTIFICATE OF NON-FOREIGN STATUS

To inform the Garden Grove Agency for Community Development ("Transferee"), that withholding of tax under Section 1445 of the Internal Revenue Code of 1986, as amended ("Code") will not be required upon the transfer of that certain real property to the Transferee by **ALICE KLEINER**, a single woman as to an undivided 1/4 interest; **PATRICIA J. SEGARS**, a _____ **[insert vesting information]** as to an undivided 1/4 interest; and **HILLARD AND KATHARINE WEISS**, Trustees of the Weiss 1993 Family Trust as to an undivided 1/2 interest; as joint tenants (collectively, "Transferor"), the undersigned hereby certifies the following:

1. The Transferor, Hillard and Katharine Weiss, Alice Kleiner, and Patricia J. Segars, is not a foreign person or citizen, 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 social security number or U.S. employer identification number is as follows:

for [Name of Seller] _____, [social security number] _____;

for [Name of Seller] _____, [social security number] _____.

for [Name of Seller] _____, [social security number] _____;

for [Name of Seller] _____, [social security number] _____.

3. The Transferor's home or office address is:

5402 West Tampion Avenue
Santa Ana, California 92704

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, I declare that I have examined this certification and to the best of my knowledge and belief it is true, correct and complete, and I further declare that I have authority to sign this document.

[Signature block begins on page E-2]

"TRANSFEROR"

ALICE KLEINER, a single woman as to an undivided 1/4 interest; **PATRICIA J. SEGARS**, a _____ **[insert vesting information]** as to an undivided 1/4 interest; and **HILLARD AND KATHARINE WEISS**, Trustees of the Weiss 1993 Family Trust as to an undivided 1/2 interest; as joint tenants

ALICE KLEINER, a single woman as to an undivided 1/4 interest

By: _____
Alice Kleiner

PATRICIA J. SEGARS, a _____ **[insert vesting information]** as to an undivided 1/4 interest

By: _____
Patricia J. Segars

HILLARD AND KATHARINE WEISS, Trustees of the Weiss 1993 Family Trust as to an undivided 1/2 interest

By: _____
Hillard Weiss

By: _____
Katharine Weiss

EXHIBIT F

RENTAL AGREEMENT (HOUSING FUND PROPERTY)

This **RENTAL AGREEMENT (HOUSING FUND PROPERTY)** ("Agreement") is made and entered this _____ day of _____, 200__, by and between the **GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT**, a public body corporate and politic ("Agency"), and **VAKOMA CHING-SAM, MARIE CHING-SAM, and TOVIA CHING-SAM** (collectively, the "Tenant").

RECITALS

A. Agency is a redevelopment agency, 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.*, ("CRL"). Agency has acquired certain real property located at 12291 Thackery Street, Garden Grove, California, 92840 and defined herein as the "Premises."

B. The source of funds expended by Agency to acquire the Premises included monies from the Agency's Low to Moderate Income Housing Fund established and subject to CRL Section 33334.2, *et seq.* ("Housing Funds"). The Premises is located outside Buyer's Garden Grove Community Project ("Project Area"). Buyer has determined that the Premises is being purchased for affordable housing purposes in accordance with Sections 33334.2 and 33334.3 of the CRL and that the purchase of the Premises and operation of the Premises as affordable rental housing will be of benefit to the Project Area.

C. In connection with Agency's acquisition of the Premises, Tenant has provided to Agency full and complete information that he/she/they (all members who comprise the Tenant household) is a Very Low Income, or Low Income, or Moderate Income Household under the CRL and other applicable laws and regulations.

D. Tenant desires to continue to rent the Premises at an Affordable Rent and Agency desires to rent the Premises to Tenant at an Affordable Rent, as defined and pursuant to Health & Safety Code Section 50053.

E. By this Agreement, Agency desires to rent the Premises to Tenant, and Tenant desires to rent from Agency the Premises at an Affordable Rent, subject to annual re-certification of the household's status as a Very Low Income, or Low Income, or Moderate Income Household under the CRL, and upon and subject to the terms and conditions set forth.

The following matrix summarizes certain terms of this Agreement.

<u>Premises:</u>	12291 Thackery Street, Garden Grove, California, 92840 APN: 231-471-22
<u>On-Site Parking:</u>	For three (3) private passenger automobile(s)
<u>Month to Month Tenancy:</u>	Month to Month rental commencing on the ____ day of _____, 200__ until terminated upon thirty (30) days notice pursuant to Agreement
<u>Monthly Rent:</u>	\$ _____ per month subject to verification/re-certification of Tenant's household income and calculation of Affordable Rent
<u>Security Deposit:</u>	\$ _____
<u>Occupants/Members of Household:</u>	Adults: ____ 3 ____ Children: ____ 0 ____ List Names and ages of all members of Tenant's household Vakoma Ching-Sam ____ Marie Ching-Sam ____ Tovia Ching-Sam ____
<u>Pet(s):</u>	Authorized Pet(s): ____ _____

NOW, THEREFORE, for and in consideration of the terms and conditions of this Agreement, Agency and Tenant agree as follows:

1. **Premises.** Agency rents to Tenant, and Tenant rents from Agency, certain real property, together with the improvements now or hereafter located on the property located at 12291 Thackery Street, Garden, Grove, California, 92840 (together, "Premises"). The Premises consists of a three (3) bedroom single family residential unit including three (3) on-site parking spaces.

2. **Term.** The "Term" of this Agreement shall be month-to-month commencing on _____, by which date the Premises will be delivered to Tenant ("Commencement

Date"). The Term of this Agreement and the obligation of the Tenant to pay Rent shall commence on the Commencement Date. If Agency is unable to deliver possession of Premises to Tenant at the Commencement Date, Agency shall not be liable in damages to Tenant. If Agency is not able to deliver possession within thirty (30) days after the scheduled Commencement Date of the Term, either party may, prior to the time when Agency delivers possession, cancel this Agreement by giving written notice to the other.

(a) **Termination.** Except as provided by law, this Agreement may be terminated by Tenant or by Agency, with cause or without cause, in each party's sole discretion, at any time by delivery of written notice of termination to the other party not less than thirty (30) days prior to the proposed date of termination. Tenant acknowledges that it is aware that Agency has purchased the Premises using Housing Funds and is required to rent the property only to persons and families of low and moderate income, as defined in Health and Safety Code Section 50093. In the event Tenant's income increases and Tenant no longer qualifies as a Very Low, Low or Moderate Income household, Agency may terminate this Agreement upon 30 days prior written notice as set forth in Section 3(a).

3. **Rent.** Tenant shall pay to Agency as rent for the Premises the sum of _____ Dollars (\$_____) per month plus any other sum due by Tenant under this Agreement (together, "Rent"), subject to verification and/or re-certification of Tenant's household income and calculation of Affordable Rent, as set forth in Section 3.1 below. Tenant shall pay Rent in advance on the first (1st) day of each month during the Term at Agency's address provided in Section 21, unless advised otherwise by Agency in writing. Rent payments shall be made by cash, personal check, cashiers check, or money order made payable to the *City of Garden Grove*. In the event one of Tenant's personal checks is not honored by a bank due to insufficient funds or otherwise, then thereafter Rent shall be paid by cash, cashier's check, or money order, and no personal checks are or will be accepted. The Rent due by the Tenant for the first and last months will be prorated based on a thirty-day (30) month.

(a) **Adjustment to Affordable Rent; Verification of Income.** Agency may adjust the amount of Rent from time to time, as it deems appropriate, after notice as required pursuant to Civil Code Section 827, and subject to Tenant's re-verification of household income and the calculation of Affordable Rent pursuant to applicable law. If Tenant qualifies as a Very Low, Low or Moderate Income household upon occupancy of the Premises in compliance with this Agreement, then Tenant shall be deemed to qualify until Tenant's household income is re-verified and Tenant demonstrates that it no longer qualifies as a Very Low, Low or Moderate Income household under the CRL. Tenant's increase in household income above that of a Moderate Income household shall be a basis for Agency's termination of this Agreement upon thirty (30) days notice.

(i) Tenant shall provide income information to Agency within fifteen (15) days after Agency's written request therefor at any time during the Term.

(b) **Late Charge.** If Tenant fails to pay Rent when due and or other sums due under this Agreement, within five (5) days of the due date, Tenant shall pay to Agency a late charge of thirty-five (\$35.00) Dollars. Tenant acknowledges that late payment by Tenant will cause Agency to incur additional costs, including without limitation, processing and accounting charges, and agrees that the late charge of \$35.00 represents a fair and reasonable estimate of cost to Agency for the late payment by Tenant. Acceptance of late charge by Agency does not and will not constitute a waiver

of Tenant's default with respect to the overdue amount, nor prevent Agency from exercising other rights and remedies available to it under this Agreement.

(c) **Security Deposit.** Tenant shall deliver to Agency a security deposit in the amount of _____ Dollars (\$ _____) ("Deposit"), payable in advance of Tenant's occupancy of the Premises. The Deposit shall be held by Agency as security for the full and timely performance of Tenant's obligations under this Agreement, including payment of Rent, complying with reasonable rules and regulations of occupancy, including but not limited to cleaning, maintaining and repairing the Premises after surrender.

(i) If the Deposit is used toward Rent or damages during the Term, Tenant agrees to reinstate the Deposit (or such portion thereof used by Agency) upon five (5) days' written notice to Tenant.

(ii) No interest shall be payable upon the Security Deposit.

(iii) Within three (3) weeks after Tenant has vacated the Premises, Agency shall furnish to Tenant, by personal delivery or by first-class mail, postage prepaid, a copy of an itemized statement indicating the basis for, and the amount of, the Deposit and the disposition of it, and shall return any remaining portion of the Deposit to Tenant.

4. Use of Premises. Tenant shall use, occupy, and maintain the Premises as follows:

(a) **Private Residence.** Tenant shall use the Premises solely as a private residence for Tenant (and its household members listed above) and no other person or persons without the prior written consent of Agency.

(b) **Parking.** Tenant shall be entitled to three (3) off-street assigned parking spaces on the Premises. Vehicles parked in these spaces shall be well-maintained, in operable condition, and with no leaks of fuel, oil or other substances. All other vehicles shall be parked lawfully off-site of the Premises.

(c) **Common Area, If Any.** Tenant shall use the Premises and any common areas in accordance with Agency's rules and regulations as they may be promulgated from time to time.

(d) **Storage.** Storage space, if any, on the Premises is provided to Tenant by Agency gratuitously and in no event shall Agency be liable for any loss or injury to Tenant's personal property placed, brought to, or stored on or within the Premises (or any personal property of Tenant's guests or invitees.)

(e) **Maintain in Good Condition and Repair.** Tenant shall keep the interior and exterior of the Premises during the Term in good and clean condition, free of trash and unsightly material.

(f) **Exterior Nuisance.** Tenant shall not use railings as clotheslines, put aluminum foil or plywood on or over windows, or erect aerials or antennae of any kind.

(g) **Vehicles and Equipment Limitation.** Tenant shall not repair any automobile or any other motor vehicle on the Premises, except for minor vehicle repair or upkeep that occurs only in the garage area of the Premises. Tenant shall not store, keep, or maintain any trucks, heavy

machinery or equipment on the Premises, except with prior written consent of Agency, in its sole and complete discretion, and if consent is granted, Tenant shall not make any minor repair to the authorized truck(s), machinery or equipment, except in the garage area of the Premises. Tenant shall not park or store excessively damaged or inoperable vehicles on the Premises.

(h) **Pets.** No animal, bird, reptile, or any other type of pet shall be kept on or about the Premises without Agency's prior written consent, which Agency may grant or deny in its sole discretion.

5. **Utilities.** Tenant shall be financially responsible for and shall pay for all utilities, including without limitation water, electricity, gas, heat, telephone service, cable television, wireless/internet, garbage collection and sanitation, and any other services of any kind or type supplied to the Premises, both existing or added after the Commencement Date. Tenant shall not keep or maintain any appliance or device operated by any utilities at the Premises except household appliances and services commonly used in residential dwellings.

6. **Occupancy Standard.** In consideration for occupancy of the Premises at an Affordable Rent, the Premises shall be occupied by no more than seven (7) persons (two per bedroom plus one), except pursuant to Agency's prior written consent. Only the persons listed above in this Agreement as members of Tenant's household as of the date of this Agreement may lawfully reside at the Premises; provided however, Tenant may request a change in the household members, and persons other than those listed above in this Agreement may reside at the Premises upon Agency's specific prior written consent. Nothing in the foregoing is intended or shall be construed to violate or interfere with any fair housing laws, including but not limited to change in the Tenant's household due to marriage, dissolution, birth, or death.

7. **Compliance with Law; Rules and Regulations.** Tenant shall comply, at Tenant's sole cost and expense, with all present and future laws, regulations, and requirements of municipal, state, and federal authorities pertaining to the Premises. Agency may establish rules and regulations for use and occupancy of the Premises and such rules and regulations when promulgated shall become a substantive part of this Agreement. Tenant, all members of the household and all guests, invitees and licensees of Tenant shall not disturb, annoy, endanger or inconvenience neighbors and other persons at, near, or in the vicinity of the Premises, nor use the Premises for any immoral or unlawful purposes, nor violate applicable laws, regulations, or ordinances, nor commit waste or nuisance upon or about the Premises. Tenant shall allow the peaceful and quiet enjoyment of the Premises and nearby property. The adult members of Tenant's household shall be responsible for the supervision and control of all children residing at the Premises or visiting guests at the Premises. Children must obey all rules and regulations established from time to time for the Premises, and Tenant shall be responsible to ensure that children, guests, and other visitors obey all rules and regulations.

8. **Acceptance of Premises.** Tenant has inspected, or been provided the opportunity to inspect, the Premises (and common area if any) and upon taking possession knows of the condition and any potential hazards presented to unsupervised children, including, but not limited to, parking areas, balconies, recreation areas and related equipment adjacent to the Premises. Tenant accepts the Premises and all such areas in the existing condition and agrees that no statement or representation as to condition has been made by Agency. Agency (and the City of Garden Grove) shall have no liability to make any repairs, nor shall the rights of Tenant to make repairs accrue, except in an emergency, unless Tenant has given written notice to Agency, and Agency has had a reasonable time

to remedy the condition, which repair it may be obligated to make. By Agency's delivery of the Premises on the Commencement Date Tenant accepts the Premises as being in good and sanitary order, condition and repair and agrees on the last day of the Term, or upon sooner termination of this Agreement, to surrender to Agency the Premises with all improvements in same condition as when received, reasonable use and wear excepted.

9. Repairs and Maintenance. Tenant shall, at Tenant's sole cost and expense, keep and maintain the Premises in good order and condition, including without limitation, all furnishing, fixtures, equipment, appliances, landscaping, and yard areas. Tenant shall, at Tenant's sole cost and expense, make any necessary repairs to the Premises, excepting a substantial repair or capital improvement that affects the habitability of the Premises which Agency agrees is its responsibility to repair. Tenant shall be responsible for any damages to the Premises caused by Tenant and/or Tenant's household, invitees and guests. Tenant shall not commit or allow any person or persons to commit any act resulting in the destruction, defacement, damage, impairment, or removal of any part of the Premises. Tenant is and shall remain responsible for any damage or destruction to the Premises resulting from leaving windows open during rains or storms, flows of water from pipes, faucets or other sources, failure to turn off gas or electrical appliances or lights when not in use and littering of the Premises or any common areas.

10. Alterations, Additions or Improvements to Premises. Tenant shall not make any exterior or interior additions, alterations, or improvements to the Premises, or any part of the Premises, without prior written consent of Agency, which consent shall not be unreasonably withheld. Any pre-approved alterations, additions, or improvements to the interior or exterior of the Premises shall become at once a part of the realty and belong to Agency. Upon the expiration or earlier termination of this Agreement, Tenant shall have the right, at Tenant's option, to remove its moveable furnishings and personal property from the Premises; provided however, the removal shall not cause any damage to the Premises. Tenant shall restore and repair the portion of Premises damaged as a result of the removal of its furnishings or personal property.

11. Mechanic's Liens. Tenant shall keep the Premises and the property on which the Premises is situated free from any and all liens arising out of any work performed, materials furnished or obligations incurred by Tenant.

12. Insurance. Agency hereby advises, but does not require, Tenant to carry and maintain during the Term of this Agreement, at Tenant's sole cost and expense, insurance adequate to cover all personal property of Tenant. Agency shall not be liable for any damages to or loss of personal property of Tenant (or its guests and invitees) located on the Premises. Tenant acknowledges that Agency's insurance does not cover the personal property or any liability of Tenant. Tenant shall be solely responsible, at Tenant's sole cost and expense, for procuring and maintaining any insurance coverage Tenant deems necessary to protect its personal property and to cover its personal liability.

13. Indemnity. To the fullest extent permitted by law, Tenant covenants with Agency that Agency, the City of Garden Grove, and their elected officials, officers, employees and agents (together, "Indemnatee") shall not be liable for any damage or liability of any kind or for any injury to or death of persons or damage to property of Tenant or any other person occurring from and after the date Tenant is given access to the Premises from any cause whatsoever related to the use, occupancy, or enjoyment of the Premises by Tenant or any person thereon or holding under, by, or through Tenant. Tenant shall pay for, defend (with an attorney approved by Agency), indemnify, and

save Indemnitee harmless against and from any real or alleged damage or injury and from all claims, judgments, liabilities, costs and expenses, including attorney's fees and costs, arising out of or connected with Tenant's use of the Premises and its facilities, or any repairs, alterations or improvements which Tenant may make or cause to be made upon the Premises and any breach of this Agreement by Tenant; provided, however (and though Tenant shall in all cases accept any tender of defense of any action or proceeding in which an Indemnitee is named or made a party and shall, notwithstanding any allegations of negligence or misconduct on the part of an Indemnitee, defend each and every Indemnitee as provided herein), Tenant shall not be liable for such damage or injury to the extent and in the proportion that the same is ultimately determined to be attributable to the negligence or misconduct of an Indemnitee. This obligation to indemnify shall include all of Indemnitee's attorneys' fees, litigation costs, investigation costs and court costs and all other costs, expenses and liabilities incurred by any Indemnitee or counsel from the first notice that any claim or demand is to be made or may be made. Tenant's obligations shall survive the termination of this Agreement. Nothing in the foregoing is intended or shall be construed to be an agreement by the Tenant not to hold any Indemnitee legally responsible for any action or failure to act, whether intentional or negligent.

14. Assignment or Subletting. Tenant shall not assign this Agreement or any interest therein, nor sublet the Premises or any part thereof, without the prior written consent of Agency, which consent may be granted, withheld, or denied by Agency in its sole and complete discretion. Consent by Agency to an assignment or subletting of the Premises shall not release Tenant of its obligations to be performed by Tenant hereunder. The acceptance of Rent or other payment by Agency from any other person shall not be deemed to be a waiver by Agency of any provision of this Agreement as against Tenant. Any assignment or subletting without Agency's prior written consent shall be void and shall, at the option of Agency, be a basis for immediate termination of this Agreement. Neither this Agreement nor any interest herein shall be assignable as to the interest of Tenant by operation of law.

15. Abandonment of Premises and Fixtures. Tenant shall not vacate or abandon the Premises at any time during the term of this Agreement without first providing thirty (30) days prior written notice to Agency. In the event Tenant abandons, vacates or surrenders the Premises, or the Premises are disposed by process of law, any personal property or any equity in fixtures or equipment remaining on the Premises, belonging to Tenant, shall be disposed of in a manner authorized by law.

16. Defaults and Remedies.

(a) **Defaults.** The occurrence of any one or more of the following shall be deemed to be an event of default ("Default") under this Agreement.

(i) Tenant fails to pay Rent or other monetary obligations as and when due under this Agreement, which nonpayment continues for a period of three (3) days after Tenant's receipt of written notice from Agency specifying the Default in payment of Rent.

(ii) If Tenant defaults in the performance of any term, covenant, condition, or obligation of Tenant under this Agreement other than a payment obligation, and fails to cure the default within a period of thirty (30) days after receipt of written notice from Agency specifying the default.

(iii) If Tenant abandons any portion of the Premises (as abandonment is defined in California Civil Code Section 1951.3).

(iv) Failure by Tenant to provide income information sufficient for the purposes of calculating continued eligibility and status as a Very Low Income, Low Income, or Moderate Income household under the CRL, as applicable, and for calculating Affordable Rent under applicable laws and regulations.

(v) Tenant has a history of disturbance of neighbors or destruction of property, or of living or housekeeping habits resulting in damage to persons or to the Premises or to the property of which the Premises is a part.

(vi) Criminal activity by Tenant or any of Tenant's household members and/or their guests or invitees involving crimes of physical violence to persons or property, or substance abuse, including, but not limited to, those activities described on The Addendum Re Drug-Free Housing attached hereto as Attachment No. 1 and fully incorporated by this reference.

(b) **Remedies.** Subject to compliance with applicable noticing requirements set forth in unlawful detainer laws or other laws applicable to lawful occupancy of residential property, upon the occurrence of any Default, Agency may, with or without notice or demand, and without prejudice to any other right or remedy it may have under any section of this Agreement or at law or in equity; terminate this Agreement, in which event Agency shall be entitled to recover from Tenant all damages suffered or incurred by Agency arising out of or resulting, directly or indirectly, by reason of Tenant's Default, including, but not limited to, the cost of recovering possession of the Premises, expenses of re-letting, necessary repairs, renovations, and alterations of the Premises, and any real estate commission actually paid, and sums equal to the rent and other monetary obligations which would have been payable if not for the default and termination.

17. Waiver. Any waiver by Agency of a breach by Tenant of a term, obligation, covenant or condition shall not be construed as a waiver of a subsequent breach of the same or other term, obligation, covenant or condition of this Agreement. The consent or approval by Agency to anything requiring Agency's consent or approval shall not be deemed a waiver of Agency's right to withhold consent or approval of any subsequent or similar act by Tenant. The subsequent acceptance of Rent by Agency shall not be deemed to be a waiver of any prior occurring breach of Tenant of any term, covenant or condition of this Agreement, other than the failure of Tenant to pay the Rent so accepted, regardless of Agency's knowledge of such prior existing breach at the time of acceptance of the Rent. No breach by Tenant of any term, obligation, covenant or condition of this Agreement shall be deemed to have been waived by Agency unless the waiver is in writing and is signed by Agency's Director or authorized representative.

18. Attorney's Fees. In the event after the Commencement Date either Agency or Tenant shall institute any action or proceeding against the other relating to the provisions of this Agreement, or any Default under this Agreement, the party not prevailing in the action or proceeding shall reimburse the prevailing party for the reasonable expenses of attorneys' fees and all costs or disbursements incurred for the action or proceeding by the prevailing party including, without limitation, any expert witness fees and any fees, costs or disbursements incurred on any appeal from the action or proceeding.

19. Force Majeure. Any prevention, delay or stoppage due to strikes, lockouts, labor disputes, acts of God, inability to obtain labor or materials or reasonable substitutes therefor, governmental restrictions, governmental regulations, governmental controls, judicial orders, enemy or hostile governmental action, civil commotion, fire or other casualty, and other causes (except financial) beyond the reasonable control of the party obligated to perform, shall excuse the performance by that party for a period equal to the prevention, delay or stoppage, except the obligations imposed with regard to Rent due and payable by Tenant pursuant to this Agreement; provided the party prevented, delayed, or stopped shall have given the other party written notice thereof within ten (10) days of such event causing the prevention, delay or stoppage.

20. Right of Entry; Inspection of Premises. Agency and its representatives shall have the right to enter upon and inspect or examine the Premises, to make repairs, or perform maintenance as Agency deems necessary, and to show the Premises to prospective purchasers, developers, lenders or residents during normal business hours upon twenty-four (24) hours written notice and with the consent of Tenant, which consent shall not be unreasonably withheld, conditioned or delayed. However, in the event Agency or its representatives reasonably believes that an emergency (such as fire) exists which requires immediate entry, such entry may be made without Tenant's consent. If such emergency entry occurs, Agency shall, within forty-eight (48) hours thereafter, notify Tenant in writing of the date, time and purpose of such entry. Agency or its representatives shall have the right to post and keep posted notices which Agency may deem proper for the protection of its interest in the Premises.

21. Notices. All notices and demands permitted or required to be given by Agency or Tenant shall be deemed to have been fully given when made in writing and delivered in person or by nationally recognized overnight delivery service or deposited in the United States mail, certified or registered, postage prepaid, and addressed as follows:

To Tenant:

Vakoma Ching-Sam, Marie Ching-Sam, and Tovia Ching-Sam
12291 Thackery Street
Garden Grove, CA 92840

To Agency:

Garden Grove Agency for Community Development
11222 Acacia Parkway
Garden Grove, California 92840
Attention: Real Property Manager

Notice personally served or served pursuant to applicable laws, including without limitation the California Code of Civil Procedure and California Civil Code, shall be effective when delivered, served, posted, published or otherwise deemed served to the party upon whom such notice is provided. If served by registered or certified mail, notice shall be conclusively deemed served on the date shown on the return receipt, but if delivery is refused or the Notice is unclaimed, Notice shall conclusively be deemed given seventy-two (72) hours after deposit in the United States mail. If served by telegram, mailgram or private courier, notice to the addressee shall be conclusively

deemed given as confirmed by the telegraphic agency or private courier service making delivery. Either party may change its address for notice by written notice given in accordance herewith.

22. Nondiscrimination. Tenant 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 any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, 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.”

23. Hazardous Materials. Tenant, at its sole cost and expense, shall comply with all laws relating to the storage, use, handling and disposal of Hazardous Materials (as defined in Section 23.1 below). In the event Tenant intends or does store, use, handle or dispose of any Hazardous Materials (except for normal quantities of normal household cleaning products) (“Tenant's Use”), Tenant shall so notify Agency in writing at least ten (10) days prior to their first appearance on the Premises and Tenant's failure to do so shall constitute a breach of this Agreement and a Default hereunder. Tenant shall comply with all of Agency's rules and regulations concerning Tenant's Use. Such notification shall include identification (type and common name) and quantities of all Hazardous Materials, or any combination thereof, which are intended for Tenant's Use. Agency may, at any time or from time to time, at Agency's sole discretion, and at Tenant's sole cost and expense, require Tenant to conduct monitoring or evaluation activities with respect to Hazardous Materials on the Premises, performed by environmental specialists approved in advance by Agency. Such monitoring and/or evaluation activity may include, without limitation, soil testing, air testing, production waste stream analysis, and groundwater testing.

(a) Indemnification. Tenant shall be solely responsible for, shall pay for, defend (with an attorney approved by Agency), indemnify and hold each Indemnitee (as defined in Section 13) harmless against and from all claims, judgments, liabilities, losses, liens, costs and expenses, including the removal, clean-up and/or restoration work and materials necessary to return the Premises, and any other property of whatever nature, to their condition existing prior to the appearance of Hazardous Materials on the Premises, which Hazardous Materials arise out of or are present on the Premises as a result of Tenant's Use.

Tenant's and Agency's obligations regarding Tenant's Use and the indemnification provided under this Section 23 shall survive the termination of this Agreement. Tenant's obligations under this Section 23 shall survive the sale by Agency of any property interest in the Premises, and, in such an instance, Tenant's obligations shall vest in and run to both Indemnitee and to subsequent owners of the Premises or any interest in the Premises. Agency may fully or partially assign its rights under this Section 23.

"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) designated as "hazardous substances" pursuant to Section 311 of the Clean Water Act (33 U.S.C. §1317), (x) defined as a "hazardous waste" pursuant to Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. §6901 *et seq.* (42 U.S.C. §6903) or (xi) defined as "hazardous substances" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. §9601, *et seq.*

24. Severability. If any term, covenant, or condition of this Agreement or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Agreement shall not be affected thereby, and each term, covenant, or condition of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

25. Conveyance of Premises. Agency shall have the right to sell, lease or otherwise convey its interest in the Premises, subject to Tenant's rights hereunder, and in the event the assignee or transferee of the Agency agrees to be bound to perform all terms, covenants and conditions of Agency, Agency shall be released and discharged from any and all further obligations and responsibilities under this Agreement.

26. Entire Agreement and Amendments. This Agreement (including the Exhibit hereto) contains the entire agreement and understanding of the parties and supersedes all prior negotiations and agreements regarding the subject matter hereof. This Agreement may be amended and modified only in writing by an instrument signed by Agency and Tenant.

27. Successors and Assigns. The terms of this Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their successors and assigns, except as provided in Section 23 relating to Hazardous Materials.

28. Governing Law. This Agreement shall be interpreted and its provisions shall be applied in accordance with the laws of the State of California.

29. No Recording. Tenant shall not record this Agreement or any short form memorandum of this Agreement.

30. Destruction of Improvements to Premises. In the event that any damage to the improvement on the Premises occurs during the Term, Agency may, at its option, in lieu of repairing or replacing any damaged improvements, elect to terminate this Agreement as of the date of Agency's notice to Tenant. In such event, Agency shall be entitled to receive the insurance proceeds

payable with respect to any damage to the improvements on the Premises; provided, however, that Tenant shall be entitled to all insurance proceeds covering its moveable personal property located on the Premises. If this Agreement is terminated pursuant to Section 2.1, then Rent and other amounts due shall abate as of the date thirty (30) days after Agency's termination notice to Tenant, and Agency shall refund Tenant the Rent, prorated as of the date of Tenant's vacation of the Premises.

31. Counterparts. This Agreement may be executed in counterparts, each of which, when fully executed, shall be deemed to be an original, and all of which shall be deemed to be one agreement.

IN WITNESS WHEREOF, Agency and Tenant have executed this Agreement as of the dates first above written.

TENANT

By: _____
Vakoma Ching-Sam

By: _____
Marie Ching-Sam

By: _____
Tovia Ching-Sam

AGENCY

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

By: _____
Agency Director or Authorized Designee

ATTEST

Agency Secretary

APPROVED AS TO FORM

Agency Counsel

**ATTACHMENT NO. 1
TO EXHIBIT F**

ADDENDUM RE DRUG-FREE HOUSING

In consideration of the execution or renewal of and as a substantive part of the *Rental Agreement and Waiver for Post-Acquisition Tenant (Housing Fund Property)* ("Rental Agreement") entered into between Agency and Tenant, Tenant agrees to the following as a part of the Rental Agreement.

1. Tenant, any members of Tenant's household, or a guest or other person under the Tenant's or its household member's control shall not engage in criminal activity, including drug-related criminal activity, on or near the Premises or the property of which the Premises is a part. "Drug-related criminal activity" includes, without limitation, the illegal manufacture, sale, distribution, use or possession with intent to manufacture, sell, distribute, or use, of a controlled substance (as defined in section 102 of the Controlled Substance Act (21 U.S.C. 802) and under applicable laws in the California Penal Code and Health & Safety Code.
2. Tenant, any members of Tenant's household, or a guest or other person under the Tenant's or its household member's control shall not engage in any act intended to facilitate criminal activity, including drug-related criminal activity, on or near the Premises or the property of which the Premises is a part.
3. Tenant, any members of Tenant's household, or a guest or other person under the Tenant's or its household member's control will not permit the Premises to be used for, or to facilitate, criminal activity, including drug-related criminal activity, regardless of whether the individual engaging in such activity is a member of said household or a guest.
4. Tenant, any members of Tenant's household, or a guest or other person under the Tenant's or its household member's control will not engage in the manufacture, sale, or distribution of illegal drugs at any location, whether on or near the Premises, the property of which the Premises is a part or otherwise.
5. Tenant, any members of Tenant's household, or a guest or other person under the Tenant's or its household member's control shall not engage in acts of violence or threats of violence, including, but not limited to, the unlawful discharge of firearms, on or near the Premises, or the property of which the Premises is a part.
6. In case of conflict between the provisions of this addendum and any other provisions of the Rental Agreement, the provisions of this addendum shall govern.
7. This addendum is incorporated into the Rental Agreement executed or renewed between Agency and Tenant.