

Address: 12311 Thackery Drive, Garden Grove, CA  
APN: 231-471-23

## AGREEMENT FOR ACQUISITION OF REAL PROPERTY AND ESCROW INSTRUCTIONS

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This AGREEMENT FOR ACQUISITION OF REAL PROPERTY AND ESCROW INSTRUCTIONS (the "**Agreement**") is made and entered into as of 10/26, 2010 by and between the GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT, a public body corporate and politic, ("**Buyer**") and EUGENE WILLIAM JUNG AND JUDY ANN JUNG, husband and wife as joint tenants, ("**Seller**"), with reference to the following facts:

### RECITALS

A. Seller is the owner of certain real property comprised of approximately 7,190 square feet, located at 12311 Thackery Drive, City of Garden Grove (the "**City**"), the County of Orange (the "**County**"), State of California (the "**State**"), which is designated as Assessor's Parcel No. 231-471-23, and ancillary rights connected therewith, including all rights appurtenant thereto, including, but not limited to, onsite and offsite wells and water rights, oil, gas, minerals, easements and profit, more particularly described on Exhibit A attached hereto (the "**Property**").

B. Seller desires to convey to Buyer and Buyer desires to acquire from Seller the Property, in accordance with the terms and conditions contained in this Agreement.

### AGREEMENT

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements contained in this Agreement, and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged by Seller, Buyer and Seller hereby agree as follows:

#### 1. PURCHASE AND SALE.

1.1. Agreement to Buy and Sell. Subject to the terms and conditions set forth herein, Seller hereby agrees to sell and convey to Buyer, and Buyer hereby agrees to acquire and purchase from Seller, the Property. As used herein the "Property" shall include the real property identified on Exhibit A and all of Seller's right, title and interest in and to any and all entitlements, tenements, hereditaments, easements, easement rights, rights to half-widths of all adjacent public streets and public rights of way, mineral rights, oil and gas rights, water, water rights, air rights, development rights and privileges appurtenant thereto and all improvements located thereon.

1.2. Purchase Price. The purchase price ("**Purchase Price**") for the Property shall be **Four Hundred Thirty One Thousand Four Hundred Seventeen Fifty Dollars and 00/100 (\$431,417.00)** payable as cash at closing.

#### 2. ESCROW AND CLOSING.

2.1. Opening of Escrow. Within five (5) business days after execution of this Agreement by the last of Seller or Buyer, Buyer shall open an escrow (the "**Escrow**") with West Coast Escrow, at the address set forth in Section 7.12 ("**Escrow Holder**"), by depositing with Escrow Holder this Agreement fully executed, or executed counterparts hereof. The date this fully executed Agreement is signed and accepted by Escrow Holder on the last page hereof shall be deemed the "**Opening of Escrow**" and Escrow Holder shall advise Buyer and Seller of such date in writing. The escrow instructions shall incorporate this Agreement as part thereof and shall contain such other standard and usual provisions as may be required by Escrow Holder, provided, however, that no escrow instructions shall modify or amend any provision of this Agreement, unless expressly set forth in writing by mutual consent of Buyer and Seller. In the event there is a conflict between any such standard or usual provisions and the provisions of this Agreement, the provisions of this Agreement shall control.

2.2. Escrow Fees and Other Charges. At the Close of Escrow, Buyer agrees to pay all of Seller's and Buyer's usual fees, charges and costs incidental to the conveyance of the Property which arise in this Escrow.

2.3. Closing Date; Conditions Precedent to Close of Escrow. Provided all of the conditions precedent set forth in this Section 2.3 have been satisfied (or are in a position to be satisfied concurrently with the Close of Escrow), the Close of Escrow shall occur on or before December 2, 2010 (the "**Closing Date**"). As used in this Agreement, the "**Close of Escrow**" shall mean the date a Grant Deed, as provided in Section 2.4.2(a) hereof ("**Grant Deed**"), is recorded in the Official Records of the County.

2.3.1 Conditions to Buyer's Obligations. The Close of Escrow and Buyer's obligation to purchase the Property are subject to the satisfaction of the following conditions or Buyer's written waiver of such conditions on or before the Closing Date. Buyer may waive in writing any or all of such conditions in its sole and absolute discretion.

(a) Seller shall have performed all obligations to be performed by Seller pursuant to this Agreement; and

(b) No event or circumstance shall have occurred which would make any of Seller's representations, warranties and covenants set forth herein untrue as of the Close of Escrow; and

(c) There shall have occurred no material adverse change in the physical condition of the Property (such as those caused by natural disasters) which would render the Property unsuitable for Buyer's intended use or which would materially increase the cost or cause a material delay in the schedule for the development of the Property; and

(d) The Title Company shall be committed to issue to Buyer, as of the Closing Date, the Title Policy (defined below) covering the Property, subject only to the Permitted Exceptions.

2.3.2 Conditions to Seller's Obligations. The Close of Escrow and Seller's obligation to sell and convey the Property are subject to the satisfaction of the following conditions or Seller's written waiver of such conditions on or before the Closing Date. Seller may waive in

writing any or all of such conditions as a condition to the Close of Escrow in its sole and absolute discretion.

- (a) The Purchase Price shall have been deposited into escrow and;
- (b) Buyer shall have performed all obligations to be performed by Buyer pursuant to this Agreement; and
- (c) No event or circumstance shall have occurred which would make any of Buyer's representations, warranties and covenants set forth herein untrue as of the Close of Escrow.

2.3.3 Waiver of a Condition Does Not Excuse Performance. If any condition precedent to the Close of Escrow is expressly waived, in writing, as a condition to the Close of Escrow by the party for whose benefit such condition exists, then, to the extent such condition is capable of being satisfied following the Close of Escrow, such condition shall become a condition subsequent to the Close of Escrow and shall be satisfied by the party whose performance is required to satisfy such condition as soon as reasonably possible following the Close of Escrow.

2.4. Closing Documents. The parties shall deposit the following with Escrow Holder prior to the Close of Escrow:

2.4.1 Buyer's Deposits. Buyer shall deposit:

- (a) The Purchase Price together with Buyer's escrow and other cash charges; and
- (b) A Certificate of Acceptance in the form of Exhibit B to the Grant Deed.

2.4.2 Seller's Deposits. Seller shall deposit:

- (a) The Grant Deed in the form of Exhibit B attached hereto, conveying the Property subject only to the Permitted Exceptions (defined below);
- (b) Subject to Section 2.5.1 below, an executed Affidavit of Non-foreign Status in the form of Exhibit C attached hereto and such other documentation necessary to exempt Seller from the withholding requirements of Section 1445 of the Internal Revenue Code of 1986, as amended, and the regulations thereunder; and
- (c) Subject to Section 2.5.1 below, a Withholding Exemption Certificate Form 593 as contemplated by California Revenue and Taxation Code §18662 (the "**Withholding Affidavit**") duly executed by Seller.

2.4.3 Deposits of Additional Instruments. Seller and Buyer shall each deposit such other instruments as are reasonably required by Escrow Holder or otherwise required to proceed to the Close of Escrow and consummate the sale of the Property in accordance with the terms of this Agreement.

2.5. Closing.

2.5.1 Withholding. In the event that, pursuant to Section 2.4.2(b) above, Seller fails to deposit with Escrow Holder the executed Affidavit of Non-foreign Taxpayer Status which exempts Seller from the withholding requirements of Section 1445 of the Internal Revenue Code of 1986, as amended, and the regulations thereunder, Seller hereby authorizes Escrow Holder to withhold ten percent (10%) of the Purchase Price of the Property less any applicable closing costs and to report and transmit the withheld amount to the Internal Revenue Service. Additionally, in the event that, pursuant to Section 2.4.2(c) above, Seller fails to deposit with Escrow Holder any applicable tax document which exempts Buyer from California withholding requirements, if any, Seller hereby authorizes Escrow Holder to withhold such additional percentage of the Purchase Price of the Property as is required by California law, and Escrow Holder shall report and transmit the withheld amount in the manner required by California law. By agreeing to act as Escrow Holder hereunder, Escrow Holder expressly agrees to undertake and be responsible for all withholding obligations imposed pursuant to Section 1445 of the Internal Revenue Code of 1986, as amended, and the regulations thereunder and under any similar provisions of California law, and shall defend, indemnify and hold Buyer harmless in connection with such obligations.

2.5.2 Necessary Actions of Escrow Holder. On the Close of Escrow, Escrow Holder shall: (i) record the Grant Deed in the Office of the County Recorder of the County, (ii) pay any transfer taxes, (iii) instruct the County Recorder to return the Grant Deed to Buyer, (iv) distribute to Seller the Purchase Price, and (v) deliver to Buyer the Title Policy covering the Property subject only to the Permitted Exceptions, the Affidavit of Non-foreign Status and the applicable California withholding exemption form, if any.

2.5.3 Taxes and Assessments. Escrow is not to be concerned with proration of Seller's taxes for the current fiscal year. Seller's prorata portion of taxes, if any, due at close of escrow, shall be cleared and paid by Seller, outside escrow, pursuant to provisions of Section 5082 through 5090 of the Revenue and Taxation Code of the State of California. .

2.5.4 Title and Possession. Upon the Close of Escrow, title to and exclusive possession of the Property shall be conveyed to Buyer, subject only to the Permitted Exceptions.

2.6. Failure to Close; Termination.

2.6.1 Neither Party in Default. In the event that any condition set forth in Section 2.3 is not satisfied or waived, in writing, and the Close of Escrow does not occur within the time required herein due to the failure of such condition or the Close of Escrow does not occur within the time frame required herein for any reason other than Seller's or Buyer's breach of or default of its respective obligations hereunder, or if this Agreement is terminated without default by either party as otherwise set forth herein, then Escrow Holder, with no further instructions from the parties hereto, shall return to the depositor thereof any funds, or other materials previously delivered to Escrow Holder, the Escrow shall be automatically terminated and of no force and effect, Buyer shall pay any Escrow termination fees, and except as otherwise provided herein the parties will have no further obligation to one another.

3. ACTIONS PENDING CLOSING.

3.1. Title Review.

3.1.1 Title Report. Within three (3) business days after the Opening of Escrow, Western Resources Title Company (the "**Title Company**") will furnish Buyer with an updated Title Commitment on the Property together with legible copies of all documents referenced therein as exceptions to title and a plot plan for the Property showing all the locations of all easements referenced therein (collectively, the "**Title Commitment**").

3.1.2 Title Notices. Buyer shall have ten (10) business days after its actual receipt of the Title Commitment to deliver to Escrow Holder written notice (the "**Preliminary Title Notice**") of Buyer's approval, conditional approval or disapproval of the title matters disclosed in the Title Commitment. All matters not timely approved by Buyer will be deemed disapproved. All such exceptions disapproved by Buyer are referred to herein as "**Disapproved Exceptions**".

3.1.3 Permitted Exceptions. "**Permitted Exceptions**" shall mean all exceptions appearing on the Title Commitment which are: (i) standard printed exceptions in the Title Policy issued by Title Company; (ii) general and special real property taxes and assessments, a lien not yet due and payable; and (iii) any other liens, easements, encumbrances, covenants, conditions and restrictions of record approved, or expressly waived by Buyer pursuant to this Section 3.1.

3.2. Title Policy. Buyer's obligation to proceed to the Close of Escrow shall be conditioned upon the commitment by Title Company to issue an ALTA Standard Coverage Owner's Policy of Title Insurance (the "**Standard Coverage Policy**"), showing title to the Property vested in Buyer with liability equal to the Purchase Price, subject only to the Permitted Exceptions. At Buyer's option, Buyer may require an ALTA Extended Coverage Owner's Policy instead of the Standard Coverage Policy provided that Buyer pays any additional premium on account thereof. The form of title policy selected by Buyer shall be referred to herein as the "**Title Policy**".

3.3. Possession and Use/Right of Entry. It is mutually understood and agreed by and between the parties hereto that the right of possession and use of the Property by the Buyer, including the right to remove and dispose of improvements, shall commence upon the execution of this Agreement by Seller. The Purchase Price includes, but is not limited to, full payment for such possession and use.

3.4. Seller's Covenant Not to Further Encumber the Property. Seller shall not, directly or indirectly, alienate, encumber, transfer, option, lease, assign, sell, transfer or convey its interest or any portion of its interest in the Property, or any portion thereof, or enter into any agreement to do so, so long as this Agreement is in force. Seller shall timely discharge, prior to the Closing, any and all obligations relating to work performed on or conducted at or materials delivered to or for the Property from time to time by Seller, or at Seller's direction or on its behalf, in order to prevent the filing of any claim or mechanic's lien with respect to such work or materials.

3.5. Loss or Damage to Improvements. Loss or damage to the Property, including any improvements thereon, by fire or other casualty, occurring prior to the recordation of the Grant Deed shall be at the risk of Seller. In the event that loss or damage to the Property, or any improvements thereon, by fire or other casualty, occurs prior to the recordation of the Grant Deed,

Buyer may elect to require that the Seller pay to Buyer the proceeds of any insurance policy or policies which may become payable to Seller by reason thereof, or to permit such proceeds to be used for the restoration of the damage done, or to reduce the 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 payable to Seller, whichever is greater.

#### 4. REPRESENTATIONS, WARRANTIES AND COVENANTS.

4.1. Seller's Representations, Warranties and Covenants. In addition to the representations, warranties and covenants of Seller contained in other sections of this Agreement, Seller hereby represents, warrants and covenants to Buyer as follows, all of which shall survive the Close of Escrow:

4.1.1 Seller's Authority. Seller is the sole owner in fee simple absolute of the Property and has the full right, capacity, power and authority to enter into and carry out the terms of this Agreement. Seller has not alienated, encumbered, transferred, leased, assigned or otherwise conveyed its interest in the Property or any portion thereof except as set forth in the Title Commitment, nor entered into any Agreement to do so, nor shall Seller do so during the term of this Agreement. The entering into and performance by Seller of the transactions contemplated by this Agreement will not violate or breach any other agreement, covenant or obligation binding on Seller, and there is no consent required from any third party before the Property may be conveyed to Buyer. This Agreement has been duly authorized and executed by Seller, and upon delivery to and execution by Buyer shall be a valid and binding agreement of Seller.

4.1.2 Hazardous Substances. Neither Seller nor any third party has used, generated, manufactured, stored or disposed any Hazardous Substances in, at, on, under or about the Property or transported any Hazardous Substance to or from the Property. Additionally, (a) the Property is not in violation, nor has been or is currently under investigation for violation of any federal, state or local law, ordinance or regulation relating to industrial hygiene, worker health and safety, or to the environmental conditions in, at, on, under or about the Property including, but not limited to, soil or groundwater conditions; (b) the Property has not been subject to, and is not within 2,000 feet of, a deposit of any Hazardous Substance; (c) there has been no discharge, migration or release of any Hazardous Substance from, into, on, under or about the Property; (d) there is not now, nor has there ever been on or in the Property underground storage tanks or surface impoundments, any asbestos-containing materials or any polychlorinated biphenyls used in hydraulic oils, electrical transformers or other equipment, and (e) there is not now, nor has there ever been, debris or refuse buried in or under the Property which would adversely affect the development of the Property. Seller hereby assigns to Buyer as of the Close of Escrow all claims, counterclaims, defenses or actions, whether at common law, or pursuant to any other applicable federal or state or other laws which Seller may have against any third parties relating to the existence of any Hazardous Substance in, at, on, under or about the Property. As used in this Agreement, the term "**Hazardous Substances**" shall have the meaning set forth on Exhibit D attached hereto. At any time prior to the Close of Escrow, Buyer shall have the right to conduct appropriate tests of water and soil to ascertain the presence of any Hazardous Substances on, in, under and about the Property.

4.1.3 Endangered Species. To Seller's knowledge, there are no endangered species or protected natural habitat, flora or fauna located on the Property, nor is any portion of the Property located in what is or may be designated as a wetland.

4.1.4 Mechanic's Liens. There are no mechanics', material men's or other claims or liens presently claimed or which will be claimed against the Property for work performed or commenced prior to the date of this Agreement or relating to the environmental condition of the Property. Seller agrees to hold Buyer harmless from all costs, expenses, liabilities, losses, charges and fees, including without limitation attorneys' fees, arising from or relating to any such lien or any similar lien claimed against the Property and arising from work performed or commenced prior to the Close of Escrow.

4.1.5 Leases/Easements. There are no leases, rental agreements or other such contracts of any kind or nature affecting possession or occupancy of the Property, and Seller shall not enter into any such contracts during the term of this Agreement without the prior consent of Buyer.

4.1.6 Other Facts and Circumstances. There are no other facts or circumstances known to Seller that would preclude, prevent or impair the development of the Property.

4.1.7 No Untrue Statements or Omissions of Fact. Neither this Agreement, nor any of the exhibits hereto, nor any document, certificate, or statement referred to herein or furnished to Buyer in connection with the transaction contemplated herein (whether delivered prior to, simultaneously with, or subsequent to the execution of this Agreement) contains any untrue statement of material fact or, omits to state a material fact in any way concerning the Property, or otherwise affecting or concerning the transaction contemplated hereby.

Each of the representations and warranties made by Seller in this Agreement, or in any exhibit, or on any document or instrument delivered pursuant hereto shall be continuing representations and warranties which shall be true and correct in all material respects on the date hereof, and shall be deemed to be made again as of the Close of Escrow and shall then be true and correct in all material respects. The truth and accuracy of each of the representations and warranties, and the performance of all covenants of Seller contained in this Agreement, are conditions precedent to the Close of Escrow. Seller shall immediately notify Buyer of any fact or circumstance which becomes known to Seller which would make any of the foregoing representations or warranties untrue.

4.2. Buyer's Representations and Warranties. Buyer represents and warrants to Seller as follows, all of which shall survive the Close of Escrow:

4.2.1 Buyer's Authority. Buyer has the capacity and full power and authority to enter into and carry out the agreements contained in, and the transactions contemplated by, this Agreement, and that this Agreement has been duly authorized and executed by Buyer and, upon delivery to and execution by Seller, shall be a valid and binding Agreement of Buyer.

4.2.2 No Untrue Statements or Omissions of Fact. Neither this Agreement, nor any of the exhibits hereto, nor any document, certificate, or statement referred to herein or furnished to Seller in connection with the transaction contemplated herein (whether delivered prior to, simultaneously with, or subsequent to the execution of this Agreement) contains any untrue statement of material fact or, omits to state a material fact in any way concerning the Property, or otherwise affecting or concerning the transaction contemplated hereby.

Each of the representations and warranties made by Buyer in this Agreement, or in any exhibit or on any document or instrument delivered pursuant hereto, shall be continuing representations and warranties which shall be true and correct in all material respects on the date hereof, and shall be deemed to be made again as of the Close of Escrow, and shall then be true and correct in all material respects. The truth and accuracy of each of the representations and warranties, and the performance of all covenants of Buyer contained in this Agreement, are conditions precedent to the Close of Escrow. Buyer shall notify Seller immediately of any facts or circumstances which are contrary to the foregoing representations and warranties contained in this Section 4.2.

4.3. Mutual Indemnity. Seller and Buyer shall defend, indemnify and hold free and harmless the other from and against any losses, damages, costs and expenses (including attorneys' fees) resulting from any inaccuracy in or breach of any representation or warranty of the indemnifying party or any breach or default by such indemnifying party under any of such indemnifying party's covenants or agreements contained in this Agreement.

5. CONDEMNATION. Seller and Buyer acknowledge that this transaction is a negotiated settlement in lieu of condemnation, and Seller hereby agrees and consents to the dismissal or abandonment of any eminent domain action in the Superior Court of the State of California in and for the County of Orange, wherein the herein described property is included and also waives any and all claims to any money on deposit in the action and further waives all attorneys' fees, costs, disbursements, and expenses incurred in connection therewith. Moreover, the total compensation to be paid by Buyer to Seller is for all of Seller's interest in the Property and any rights which exist or may arise out of the acquisition of the Property for public purposes, including without limitation, Seller's interest in the land and any improvements and fixtures and equipment located thereon, improvements pertaining to the realty (if any), severance damages, any alleged pre-condemnation damages, loss of business goodwill (if any), costs, interest, attorney's fees, and any claim whatsoever of Seller which might arise out of or relate in any respect to the acquisition of the Property by the Buyer.

6. BROKERS. Seller and Buyer each represents and warrants to the other that they have not dealt with or been represented by any brokers or finders in connection with the purchase and sale of the Property and that no commissions or finder's fees are payable in connection with this transaction. Buyer and Seller each agree to indemnify and hold harmless the other against any loss, liability, damage, cost, claim or expense (including reasonable attorneys' fees) incurred by reason of breach of the foregoing representation by the indemnifying party. Notwithstanding anything to the contrary contained herein, the representations, warranties, indemnities and agreements contained in this Section 6 shall survive the Close of Escrow or earlier termination of this Agreement.

7. GENERAL PROVISIONS.

7.1. Counterparts; Facsimile Signatures. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which, taken together, shall constitute one and the same instrument and any executed counterpart may be delivered by facsimile transmission with the same effect as if an originally executed counterpart had been delivered.



7.2. Further Assurances. Each of the parties agrees to execute and deliver such other instruments and perform such acts, in addition to the matters herein specified, as may be appropriate or necessary to effectuate the agreements of the parties, whether the same occurs before or after the Close of Escrow.

7.3. Entire Agreement. This Agreement, together with all exhibits hereto and documents referred to herein, if any, constitute the entire agreement among the parties hereto with respect to the subject matter hereof, and supersede all prior understandings or agreements. This Agreement may be modified only by a writing signed by both parties. All exhibits to which reference is made in this Agreement are deemed incorporated in this Agreement whether or not actually attached.

7.4. Headings. Headings used in this Agreement are for convenience of reference only and are not intended to govern, limit, or aid in the construction of any term or provision hereof.

7.5. Choice of Law. This Agreement and each and every related document are to be governed by, and construed in accordance with, the laws of the State of California.

7.6. Severability. If any term, covenant, condition or provision of this Agreement, or the application thereof to any person or circumstance, shall to any extent be held by a court of competent jurisdiction or rendered by the adoption of a statute by the State of California or the United States invalid, void or unenforceable, the remainder of the terms, covenants, conditions or provisions of this Agreement, or the application thereof to any person or circumstance, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby; provided that the invalidity or unenforceability of such provision does not materially adversely affect the benefits accruing to, or the obligations imposed upon, any party hereunder, and the parties agree to substitute for the invalid or unenforceable provision a valid and enforceable provision that most closely approximates the intent and economic effect of the invalid or unenforceable provision.

7.7. Waiver of Covenants, Conditions or Remedies. The waiver by one party of the performance of any covenant, condition or promise, or of the time for performing any act, under this Agreement shall not invalidate this Agreement nor shall it be considered a waiver by such party of any other covenant, condition or promise, or of the time for performing any other act required, under this Agreement. The exercise of any remedy provided in this Agreement shall not be a waiver of any other remedy provided by law, and the provisions of this Agreement for any remedy shall not exclude any other remedies unless they are expressly excluded.

7.8. Legal Advice. Each party has received independent legal advice from its attorneys with respect to the advisability of executing this Agreement and the meaning of the provisions hereof. The provisions of this Agreement shall be construed as to the fair meaning and not for or against any party based upon any attribution of such party as the sole source of the language in question.

7.9. Relationship of Parties. The parties agree that their relationship is that of Seller and Buyer, and that nothing contained herein shall constitute either party, the agent or legal representative of the other for any purpose whatsoever, nor shall this Agreement be deemed to create any form of business organization between the parties hereto, nor is either party granted the right or authority to assume or create any obligation or responsibility on behalf of the other party, nor shall either party be in any way liable for any debt of the other.



Notices delivered by air courier shall be deemed to have been given the next business day after deposit with the courier and notices mailed shall be deemed to have been given on the second day following deposit of same in any United States Post Office mailbox in the state to which the notice is addressed or on the third day following deposit in any such post office box other than in the state to which the notice is addressed, postage prepaid, addressed as set forth above. Notices sent via telecopy shall be deemed delivered the same business day transmitted. The addresses, addressees, and telecopy numbers for the purpose of this Paragraph, may be changed by giving written notice of such change in the manner herein provided for giving notice. Unless and until such written notice of change is received, the last address, addressee, and telecopy number stated by written notice, or provided herein if no such written notice of change has been received, shall be deemed to continue in effect for all purposes hereunder. Delivery of a copy of a notice as set forth above is as an accommodation only and is not required to effectuate notice hereunder.

7.13. Survivability. All covenants of Buyer or Seller which are intended hereunder to be performed in whole or in part after Close of Escrow and all representations, warranties, and indemnities by either Party to the other, shall survive Close of Escrow and delivery of the Deed, and be binding upon and inure to the benefit of the respective Parties.

7.14. Waiver and Release. Seller agrees that performance of this Agreement by Buyer, including the payment of the Purchase Price, above, shall constitute full and fair compensation and consideration for any and all claims that Seller, and its successors and assigns, may have against Buyer by reason of the acquisition, improvement, possession, use and/or occupancy of the Property, and Seller, on behalf of itself and its successors and assigns, hereby knowingly and voluntarily waives, and expressly releases and discharges Buyer, and any and all of Buyer's employees, agents, officers, servants, representatives, contractors, attorneys and assigns, from liability in regard to, any and all such claims, including claims for severance or taking compensation or damages to the remainder not taken on account of the acquisition of the Property or the location, establishment, construction and/or operation of the above-named Project. The foregoing waiver and release shall include the waiver and release of any and all rights or claims that Seller has, may have or may in the future have under Article 1, Section 19 of the California Constitution, the Eminent Domain Law, or any other law or regulation; except as provided herein. Seller, on behalf of itself and its successors and assigns, further knowingly and voluntarily waives and expressly releases and discharges Buyer, and any and all of Buyer's employees, agents, officers, servants, representatives, contractors, attorneys and assigns, from liability in regard to any claims for the following: relocation assistance or benefits, if any, to which Seller may be entitled pursuant to applicable sections in Chapter 16 of Division 7 of Title 1 of the California Government Code (Gov. Code sec. 7260, et seq.) ("California Relocation Assistance Law"), regulations adopted by the State of California to implement or pursuant to the California Relocation Assistance Law, and/or the Federal Uniform Relocation Assistance Act (42 U.S.C. sec. 4601, et seq.), regulations adopted by the Federal Government to implement 42 U.S.C. sec. 4601, et seq., pre-condemnation damages, lost business goodwill, lost profits, damage to or loss of improvements pertaining to the realty, machinery, fixtures, inventory, equipment and/or personal property, interest, any right to repurchase, leaseback from Buyer, or receive any financial gain from, Buyer's sale of any portion of the Property, any right to challenge Buyer's adoption of a resolution of necessity, pursuant to Code of Civil Procedure sections 1245.245, any right to receive any notices pursuant to Code of Civil Procedure section 1245.245, any right to enforce any other obligation placed upon Buyer pursuant to Code of Civil Procedure sections 1245.245 and 1263.615, any other rights conferred upon Seller pursuant to Code of Civil Procedure sections 1245.245 and 1263.615 and 1263.025, and claims litigation expenses, attorney's fees and/or costs. Seller is aware of and understands all potential

benefits to which he/she/it is otherwise entitled and has had the opportunity to discuss potential benefits with representatives of the Buyer and with legal counsel of his/her/its choice. This waiver and release shall survive the Close of Escrow. By such release, Seller expressly waives its rights, if any, 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 HIS SETTLEMENT WITH THE DEBTOR."

\_\_\_\_\_  
Seller's Initials

7.15 Agency Approval of Agreement. This Agreement is subject to the approval of the Buyer's Agency Board. If this Agreement remains unapproved by the Buyer's Agency Board then the parties will have no further obligation under this Agreement.

[SIGNATURE PAGE FOLLOWS]


IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

**BUYER**

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


  
Matthew J. Fertil  
Agency Director

Attest:

  
Secretary

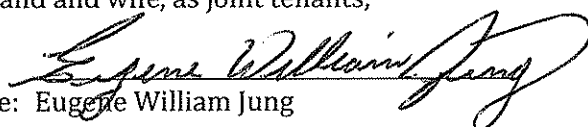
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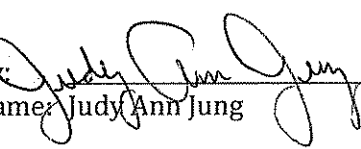
WOODRUFF, SPRADLIN & SMART

  
Thomas F. Nixon, Esq.  
Agency Counsel

**SELLER**

EUGENE WILLIAM JUNG and JUDY ANN JUNG,  
husband and wife, as joint tenants,

By:   
Name: Eugene William Jung

By:   
Name: Judy Ann Jung

**Exhibit List**

Exhibit A	-- Legal Description of the Property
Exhibit B	-- Form of Grant Deed
Exhibit C	-- Affidavit of Non-foreign Taxpayer Status
Exhibit D	-- Definition of Hazardous Substances

**ACCEPTANCE BY ESCROW HOLDER:**

West Coast Escrow hereby acknowledges that it has received a fully executed counterpart of the foregoing Agreement for Acquisition of Real Property and Escrow Instructions and agrees to act as Escrow Holder thereunder and to be bound by and perform the terms thereof as such terms apply to Escrow Holder. By agreeing to act as Escrow Holder hereunder, Escrow Holder expressly agrees to undertake and be responsible for all withholding obligations imposed pursuant to Section 1445 of the Internal Revenue Code of 1986, as amended and the regulations thereunder and California Revenue and Taxation Code §18662 and shall defend, indemnify and hold Buyer harmless in connection with such obligations.

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

West Coast Escrow

By: Paula Vinnedge

Name: \_\_\_\_\_

Its: Escrow Officer

**EXHIBIT A**

**LEGAL DESCRIPTION**

REAL PROPERTY IN THE CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA,  
DESCRIBED AS FOLLOWS:

Lot 36 of Tract No. 2148, as per map recorded in Book 58, pages 46-48, inclusive of Miscellaneous  
Maps, in the Office of the County Recorder of said County.

END OF LEGAL DESCRIPTION

APN: 231-471-23

A-55.36'7

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



NO FEE

2010000600981 02:11pm 11/10/10

RECORDING REQUESTED BY:  
WESTERN RESOURCES TITLE COMMERCIAL DIVISION

RECORDING REQUESTED BY  
WHEN RECORDED RETURN TO:

GARDEN GROVE AGENCY FOR COMMUNITY  
DEVELOPMENT  
11222 Acacia Parkway  
Garden Grove, CA 92840  
Attention: Real Property Division

93 401 G02 4

0.00 0.00 0.00 0.00 9.00 0.00 0.00 0.00

4028A

SPACE ABOVE THIS LINE FOR RECORDER'S USE

Exempt from recording changes under Government Code § 6103

**GRANT DEED**

APN: 231-471-23

This transfer is exempt from Documentary Transfer Tax pursuant to Revenue & Taxation Code § 11922.

THE UNDERSIGNED SELLER(S) DECLARE(S),

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

EUGENE WILLIAM JUNG and JUDY ANN JUNG, husband and wife, as joint tenants, hereby GRANT(S)  
to:

**GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT, a municipal corporation,**

the real property in Orange County, California, more particularly set forth on Exhibit A and depicted on Exhibit A-1 attached hereto and incorporated herein by this reference. Certificate of Acceptance is attached hereto and incorporated herein as Exhibit B.

**TOGETHER with:**

1. All tenements, hereditaments and appurtenances, including easements and water rights, if any, thereto belonging or appertaining, and any reversions, remainders, rents, issues or profits thereof; and

2. All rights, title, and interests of Seller in and under all covenants, conditions, restrictions, reservations, easements, and other matters of record, including, without limitation, all rights as "Declarant" under any Declarations of Covenants, Conditions and Restrictions ("Declarations") of record.

**SAID GRANT BEING FURTHER SUBJECT TO:**

1. General and special real property taxes for the current fiscal year and all later years.



2. All assessments imposed by a duly empowered governmental entity, whether or not of record.

3. Any and all declarations, covenants, conditions, restrictions, easements, reservations (including, but not limited to, reservations and exceptions to the mineral estate), rights, and rights of way of record.

EUGENE WILLIAM JUNG and JUDY ANN JUNG,  
husband and wife, as joint tenants

Date: 11-3-10

By: Eugene William Jung  
Name: Eugene William Jung

Date: 11-3-10

By: Judy Ann Jung  
Name: Judy Ann Jung

#### ACKNOWLEDGEMENT

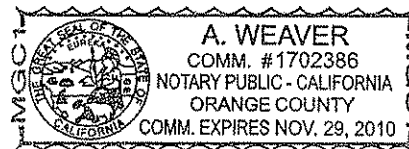
STATE OF CALIFORNIA )  
COUNTY OF Orange ) ss.

On 11-3-10, before me, A. Weaver, Notary Public, personally appeared Eugene William Jung & Judy Ann Jung who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature A. Weaver



My Commission Expires: 11-29-10

This area for official notarial seal

**Exhibit "A" to the Grant Deed**

**LEGAL DESCRIPTION OF THE PROPERTY**

REAL PROPERTY IN THE CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA,  
DESCRIBED AS FOLLOWS:

Lot 36 of Tract No. 2148, as per map recorded in Book 58, pages 46-48, inclusive of Miscellaneous  
Maps, in the Office of the County Recorder of said County.

END OF LEGAL DESCRIPTION

APN: 231-471-23

END OF LEGAL DESCRIPTION

**CERTIFICATE OF ACCEPTANCE**

This is to certify that the interest in real property conveyed by Grant Deed from EUGENE WILLIAM JUNG and JUDY ANN JUNG, husband and wife, as joint tenants, Grantor, dated 11-3, 2010, to the GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT, a public body corporate and politic, Grantee, is hereby accepted by the Secretary of said Agency, by the order of the Garden Grove Agency for Community Development Board, on the 9th day of November, 2010, and the Grantee consents to recordation thereof by the Secretary, its duly authorized officer.

GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT

By: Kathleen Bailor  
Name: Kathleen Bailor  
Title: Secretary

DATED: November 9, 2010

# PRELIMINARY CHANGE OF OWNERSHIP REPORT

FOR RECORDER'S USE ONLY

To be completed by transferee (buyer) prior to transfer of subject property in accordance with Section 480.03 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: Eugene William Jung and Judy Ann Jung  
BUYER/TRANSFeree: GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT  
ASSESSOR'S PARCEL NUMBER(S): 231-471-23  
PROPERTY ADDRESS OR LOCATION: 12311 Thackery Drive, Garden Grove, CA, 92840  
MAIL TAX INFORMATION TO: Name: GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT  
Address: 11222 Acacia Parkway, Garden Grove, CA 92840  
Phone Number (8 a.m. - 5 p.m.): (714) 741-5720

**NOTICE:** A lien for property taxes applies to your property on January 1 of each year for the taxes owing in the following fiscal year, July 1 through June 30. One-half of these taxes is due November 1, and one-half is due February 1. The first installment becomes delinquent on December 10, and the second installment becomes delinquent on April 10. One tax bill is mailed before November 1 to the owner of record. **IF THIS TRANSFER OCCURS AFTER JANUARY 1 AND ON OR BEFORE DECEMBER 31, YOU MAY BE RESPONSIBLE FOR THE SECOND INSTALLMENT OF TAXES DUE FEBRUARY 1.**

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

## 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. cosigner)? 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 a 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? 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: **This transfer is exempt from Documentary Transfer Tax pursuant to Revenue & Taxation Code #11922**

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 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 _____ Other: (please explain): _____ |  |  |  |  |
| <input type="checkbox"/> Creation of a Lease  | <input type="checkbox"/> Assignment of a Lease | <input type="checkbox"/> Termination of a Lease          | <input type="checkbox"/> Sale/Leaseback    |  |
| Date lease began _____  |  | Original term in years (including written options) _____ |  |  |
| 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 \_\_\_\_\_ %

**PRELIMINARY CHANGE OF OWNERSHIP REPORT**

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

**PART III: PURCHASE PRICE AND TERMS OF SALE**

- A. CASH DOWN PAYMENT OR Value of Trade or Exchange (excluding closing costs) Amount \$ 431,417.00
- 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 **\$ 431,417.00**
- 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 date of occupancy \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_ or intended occupancy \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_
- C. IS PERSONAL PROPERTY INCLUDED IN PURCHASE PRICE (i.e., furniture, farm equipment, machinery, etc.)
- (other than a manufactured home subject to local property tax)? ☐ Yes ☒ No
- If yes, enter the value of the personal property included in the purchase price \$ \_\_\_\_\_ (Attach itemized list of personal property).
- D. IS A MANUFACTURED HOME INCLUDED IN PURCHASE PRICE? ☐ Yes ☒ No
- If yes, how much of the purchase price is allocated to the manufactured home? \$ \_\_\_\_\_
- Is the manufactured home subject to local property tax? ☐ Yes ☐ No What is the decal number? \_\_\_\_\_
- E. DOES THE PROPERTY PRODUCE INCOME? ☐ Yes ☒ No If yes, is the income from:
- ☐ Lease/Rent ☐ Contract ☐ Mineral Rights ☐ Other (please explain): \_\_\_\_\_
- F. WHAT WAS THE CONDITION OF PROPERTY AT THE TIME OF SALE?
- ☐ Good ☒ Average ☐ Fair ☐ Poor
- Please explain the physical condition of the property and provide any other information (such as restrictions, etc.) that would assist the Assessor in determining the value of the property.

**CERTIFICATION**

OWNERSHIP TYPE (✓)

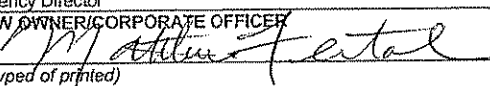
Proprietorship ☐

Partnership ☐

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 J. Ferial, Agency Director	TITLE Agency Director
SIGNATURE OF NEW OWNER/CORPORATE OFFICER 	DATE 11/5/2010
NAME OF ENTITY (typed or printed) Garden Grove Agency for Community Development	FEDERAL EMPLOYER ID NUMBER 33-0044683
ADDRESS (typed or printed) 11222 Acacia Parkway, Garden Grove, CA	E-MAIL ADDRESS (OPTIONAL) DATE 11/5/2010

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

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

## LEASE AGREEMENT

This LEASE ("Lease") is entered into as of October 26, 2010, by and between, the **GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT**, a municipal corporation, as "Lessor," and, **EUGENE WILLIAM JUNG and JUDY ANN JUNG**, husband and wife, as "Lessee":

### 1. Lease of Premises

Lessor hereby leases to Lessee and Lessee hereby leases from Lessor, that certain real property located at 12311 Thackery Drive, in City of Garden Grove, improved with a single family residence consisting of approximately 1,365 square feet, on a 7,200 square foot parcel (the "Premises").

### 2. Term

The term of this lease (the "Term") shall be month-to-month commencing on 26<sup>th</sup> day of October 2010. The rent due by the Lessee for the first and last months will be prorated based on a thirty (30) day month.

### 3. Rent

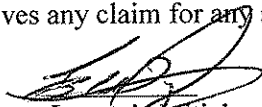
Lessee shall during the Term of this Lease pay Lessor the sum of Seven Hundred Dollars (\$700) per month payable each month on or prior to the fifth (5<sup>th</sup>) day of each month for the duration of the term.

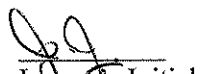
### 4. Use of Premises

Lessor agrees that Lessee may utilize the Premises for its existing use as a residential unit.

### 5. Relocation

Lessor acknowledges and agrees that Lessee (for itself and all other persons or entities claiming by or through Lessee) is/are not eligible for, relocation assistance or benefits under any and all applicable federal, state and local laws and regulations, including without limitation the California Relocation Assistance Law, Government Code Section 7260, *et seq.* or the regulations promulgated thereunder, located at Title 25 California Code of Regulations, Section 6000, due to foreclosure action. Lessee expressly waives any claim for any such relocation assistance and benefits.

  
Lessee's Initials

  
Lessee's Initials

### 6. Nuisance or Unlawful Uses

(a) Lessee shall not commit, or permit or suffer the commitment by any sublessee, license, invitee, or guest of Lessee, of waste or nuisance on the Premises, nor shall it use or allow the Premises to be used in violation of federal, state, county or city laws, ordinances or regulations.

(b) To the best of Lessor's knowledge, no hazardous materials are present upon, in or under, or have been released from the Premises.

(c) Lessee shall not cause or permit the release of hazardous materials in, on or under the Premises. The presence or use of hazardous materials in products required for the prudent and

ordinary management and operation of the Premises held and used strictly in accordance with applicable laws and orders issued by insurance underwriters and prudent standards of practice shall not violate this covenant. If Lessor or any county, state, or federal enforcement agency finds Lessee to be in violation of this Section, then Lessee shall perform investigations, removal, or other remedial work required under applicable law. Lessee may delay commencement of remedial work pending resolution of a good faith contest regarding the application, interpretation or validity of laws, orders, or agreements. Lessor shall approve the remedial work, which approval shall not be unreasonably withheld or delayed.

#### **7. Holdover and Surrender**

(a) At the termination of this Lease, Lessee shall vacate the Premises, leaving them in the same condition as existed at the commencement of the Lease, reasonable wear and tear, acts of God, and damage by casualty beyond the control of Lessee excepted. Lessee shall leave the Premises free and clear of all rubbish upon vacating.

(b) If Lessee holds over beyond the end of the Term with the consent, express or implied, of Lessor, such tenancy shall be deemed to be a month-to-month tenancy subject to all terms of this Lease except the definition of the Term.

#### **8. Fixtures and Improvements**

(a) Lessee shall not construct or place or permit to be constructed or placed, signs, awnings, marquees, or other structures projecting from the exterior of the Premises without Lessor's prior written consent, not to be unreasonably withheld, conditioned, or delayed. Lessee shall remove signs, displays, advertisements or decoration Lessee has placed or permitted to be placed, on the premises, which, in Lessor's reasonable opinion, are offensive or otherwise objectionable. If Lessee fails to remove such signs, displays, advertisements or decorations within thirty days after having received written notice to remove the same from Lessor, Lessor may re-enter the premises and remove them at Lessee's expense.

(b) Lessee may not structurally alter the Premises without the prior written consent of Lessor, which consent may be withheld in Lessor's sole and absolute discretion.

(c) Lessee shall not remove leasehold improvements, but may remove fixtures, equipment and other personal property, including range oven and stove and refrigerator, placed on the Premises by Lessee or under its authority. Lessee shall repair damage resulting from removal of fixtures, equipment and other personal property.

#### **9. Inspection and Maintenance**

(a) Condition of Premises. Lessee has examined the Premises and acknowledges that it is clean and in operative condition.

(b) Notwithstanding the provisions of Section 8, Lessee shall, at its sole cost and expense, at any time and from time to time during the Term, make any alterations, improvements or replacements in, on, to or of the Premises, in whole or in part, which may be necessary or desirable to keep the Premises in good and safe condition and repair.

(c) If all or a portion of the Premises is damaged or destroyed by fire or other casualty, Lessor shall have the prerogative, at its sole discretion, either to (a) repair or rebuild the Premises (or portion thereof) and diligently pursue the same to completion, or (b) not to repair or rebuild

the Premises (or any portion thereof). Lessor shall, by written notice to Lessee, make its election whether to repair and rebuild the Premises within thirty (30) days after the date of the fire or other casualty. In the event that Lessor elects not to repair or rebuild, this Lease shall terminate as of the date of the fire or other casualty and Lessee shall pay any Rent accrued only through the date of such termination. The provisions of the Lease, including this Section, constitute an express agreement between Lessor and Lessee with respect to any and all damage to, or destruction of, all or any part of the Premises, and Lessor and Lessee agree that Sections 1932(2) and 1933(4) of the California Civil Code shall have no application to this Lease or any damage or destruction to the Premises.

#### **10. Utilities**

Lessee shall furnish to the Premises all required gas, water, electricity, sewer, and all other utilities, including, but not limited to, sufficient electricity to provide adequate security lighting in all common areas during periods of unrestricted public access. Lessee shall indemnify and save Lessor harmless from and against any liability or damages resulting from, arising out of, or connected with, the provision of, or failure to provide or pay any charges assessed against the Premises for such utility services.

#### **11. Indemnification; Insurance**

(a) Lessee shall hold Lessor, its officers, agents, and employees, free and harmless from liability, costs or damages, including attorney fees, resulting from negligent acts or omissions to act by Lessee, its officers, agents, or employees arising out of Lessee's occupancy of the Premises.

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

#### **12. Assignment**

Lessee shall not assign this Lease or sublease the Premises, or any right or privilege hereunder without Lessor's prior written consent to be given or withheld in Lessor's sole and absolute discretion. Consent by Lessor to any assignment or sublease shall not constitute a consent to a subsequent assignment or sublease. Lessee's unauthorized assignment or sublease shall be void and shall terminate this Lease at Lessor's option. Lessee's interest in this Lease is not assignable by operation of law.

#### **13. Lessor's Remedies on Lessee's Breach**

(a) In the event of any default hereunder which default has not been timely cured, Lessor may, at its option:

(1) Exercise its right to maintain any and all actions at law or suits in equity to compel Lessee to correct or cause to be corrected said default;

(2) Maintain and operate the Premises and the Lessee Improvements, without terminating this Lease; or



(3) Terminate this Lease by written notice to Lessee of its intention to do so, but only if the default occurs after the initial Term of this Lease.

#### 14. Miscellaneous

(a) Notices given pursuant to the provisions of this Lease, or necessary to carry out its provisions, shall be in writing and delivered personally to the person to whom the notice is to be given, or mailed postage prepaid, addressed to such person. Lessor's and Lessee's addresses for this purpose shall be:

Lessor: Garden Grove Agency for Community Development  
P.O. Box 3070  
11222 Acacia Parkway  
Garden Grove, CA 92842  
Attention: Carlos Marquez

Lessee: Eugene & Judy Jung  
12311 Thackery Drive  
Garden Grove, CA 92842

(b) Lessor's waiver of a default of any term, covenant or condition of this Lease is not a waiver of any other or subsequent default of the same or other provisions hereof. Lessor's acceptance of rent after breach is not waiver of the breach.

(c) This Lease supercedes and replaces any prior agreement between the parties with respect to the use of the Premises.

(d) This Lease and its terms, covenants and conditions apply to and are binding upon and inure to the heirs, successors, executors, administrators and assigns of the parties hereto.

(e) Time is of the essence herein.

(f) In the operations pursuant to this Lease and otherwise in the use of the Premises, Lessee will not discriminate or permit discriminations against any person or class of persons by reason of race, color, creed, sex, age or national origin.

(g) The prevailing party shall recover attorney fees and costs if litigation is necessary to enforce this Lease.

(h) This Lease shall be interpreted and enforced in accordance with California law.

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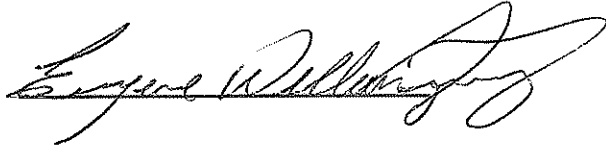
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The parties have caused this lease to be executed as of the date written first above.


**LESSEE**

**EUGENE WILLIAM JUNG and JUDY ANN JUNG,**  
husband and wife,

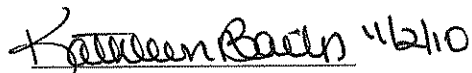
  
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**LESSOR**

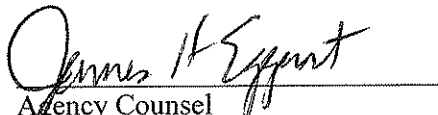
**GARDEN GROVE AGENCY FOR COMMUNITY  
DEVELOPMENT,** a public body, corporate & politic

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

ATTESTED BY:

  
\_\_\_\_\_  
Secretary

APPROVED AS TO FORM:

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

ACQUISITION AGREEMENT WITH EUGENE AND JUDY JUNG, FOR PROPERTY  
LOCATED AT 12311 THACKERY DRIVE, GARDEN GROVE (F: A-55.367)  
(XR: 43.4)

Staff report dated October 26, 2010, was introduced and reviewed by staff.

It was moved by Member Do, seconded by Member Nguyen, and carried by unanimous vote that the Agreement by and between the Garden Grove Agency for Community Development and Eugene William Jung and Judy Ann Jung for the acquisition of real property located at 12311 Thackery Drive, Garden Grove, in the amount of \$431,417, be and hereby is approved; the Agency Director is authorized to execute the Acquisition Agreement and Grant Deed on behalf of the Agency; the Secretary is authorized to accept the Grant Deed on behalf of the Agency; the Finance Director is authorized to draw a warrant in the amount of \$431,417 for the purchase of the property and additional funds necessary for closing costs; the Agency Director is authorized to execute a Lease Agreement on an interim basis pending the disposition of the property by and between the Garden Grove Agency for Community Development and Eugene William Jung and Judy Ann Jung making minor modifications as needed; and the Agency Director is authorized to execute the agreements for asbestos testing, asbestos abatement, and demolition after the current owners vacate the property.

**CITY OF GARDEN GROVE**  
**INTER-DEPARTMENT MEMORANDUM**

***Garden Grove Agency for Community Development***

To:	Matthew J. Fertal	From:	Economic Development
Dept:	Director	Dept:	
Subject:	ACQUISITION AND LEASE OF REAL PROPERTY LOCATED AT 12311 THACKERY DRIVE	Date:	October 26, 2010

**OBJECTIVE**

It is requested that the Garden Grove Agency for Community Development (Agency) consider the acquisition of real property located at 12311 Thackery Drive, owned by Eugene and Judy Jung ("Owners").

**BACKGROUND**

On June 4, 2010, staff received a proposal from Owners offering to sell the subject property. The subject property is located next to the Harbor B-2 site, south of the Sheraton Hotel and north of Twintree Street (Attachment 1). The property contains 7,200 square feet of land and is currently improved with a 1,365 square foot single-family residence.

**DISCUSSION**

Agency staff has negotiated a purchase and sale agreement for \$431,417, which was determined to be at fair market value by an independent appraiser (Attachment 2). The Owners have agreed to waive their relocation benefits as they initiated negotiations. The Owners will lease the subject property from the Agency on a month-to-month interim period after the close of escrow, while they search for a replacement home (Attachment 3). The lease can be terminated with 30-day written notice and the monthly rent will be \$700. Once the Owners vacate the subject property, the Agency can rent it until it is needed for development.

**FINANCIAL IMPACT**

Agency funds will be used for the acquisition of the subject property.

RECOMMENDATION

Based on the foregoing it is recommended that the Agency:

- Approve the acquisition and lease of the subject property;
- Authorize the Agency Director to execute the Agreement, Grant Deed, Lease, and make minor modifications as needed, on behalf of the Agency;
- Authorize the Secretary to accept the Grant Deed on behalf of the Agency;
- Authorize the Finance Director to draw a warrant in the amount of Four Hundred Thirty One Thousand Four Hundred Seventeen Dollars (\$431,417) and funds necessary for closing costs;
- Authorize the Agency Director to execute a lease agreement on an interim basis pending the disposition of the property; and
- Authorize the Agency Director to execute agreements for asbestos testing, asbestos abatement, and demolition after the current owners vacate the property.

GREG BROWN  
Real Property Manager

By: Carlos Marquez  
Real Property Agent

Recommended for Approval

Matthew Ferial  
Matthew Ferial  
Director

Attachment 1: Site Map  
Attachment 2: Agreement for Acquisition of Real Property and Escrow Instructions  
Attachment 3: Lease Agreement

Site Map  
Of  
12311 Thackery Drive

