

FINANCIAL IMPACT

The purchase price of \$2,250,000, and funds necessary for closing costs, will be paid out of City funds - from the sale of real property. The initial financial impact of this transaction will be absorbed by the City, but could be transferred at a later date to the Successor Agency.

RECOMMENDATION

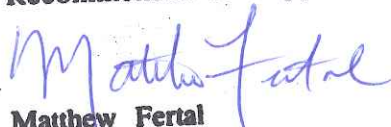
It is recommended that the City of Garden Grove:

- Approve the acquisition of the subject properties;
- Authorize the City Manager to enter into the attached Purchase and Sale Agreement, including dismissal of the Owner's lawsuit, and related documents for the acquisition of the subject properties, and make minor modifications as appropriate;
- Authorize the City Clerk to accept the grant deeds;
- Authorize the Finance Director to draw a warrant in the amount of \$2,250,000, and funds necessary for closing costs and the broker commission payment from available proceeds of the sale of other City assets/properties in City funds;
- Authorize the City Manager to prepare and enter into an agreement (and any necessary related documents) with the Successor Agency for future transfer of the properties to the Successor Agency upon a determination by the DOF, or an appropriate court, that the original DDA is an enforceable obligation, and upon reimbursement to the City for the purchase price, including closing costs and Broker Commission payment.


KINGSLEY OKEREKE
Finance Director

By: Greg Blodgett
Senior Project Manager

Attachment: Purchase and Sale Agreement

Recommended for Approval

Matthew Ferial
City Manager

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

SELLER: **Nida O. Neff, Sole Trustee of the Exemption Trust of the
Lester E. Neff and Nida O. Neff 1985 Trust**

and

**Nida O. Neff, or such successor trustees as may hereafter
be appointed, as Trustee of the Nida O. Neff Revocable
Living Trust, udt June 2, 2006**

BUYER: **City of Garden Grove, a California municipal corporation**

DATED: _____, 2012

BASIC TERMS

Effective Date: The effective date shall be deemed to be _____, 2012

Property: Real property generally known as:
1. 12511 Twintree Lane, Garden Grove, California 92840
APN: 231-521-07
2. 12531 Twintree Lane, Garden Grove, California 92840
APN: 231-521-08
3. 12291 Harbor Blvd., Garden Grove, California 92840
APN: 231-521-06

Seller: Nida O. Neff, Sole Trustee of the Exemption Trust of the
Lester E. Neff and Nida O. Neff 1985 Trust
and
Nida O. Neff, or such successor trustees as may hereafter be
appointed, as Trustee of the Nida O. Neff Revocable Living
Trust, udt June 2, 2006

Seller's Address: 548 N. Mockingbird Lane
Filmore, CA 93015
Attn: _____
Telephone No.: _____
Fax No.: _____

Buyer: City of Garden Grove, a California municipal corporation

Buyer's Address: 11222 Acacia Parkway
Garden Grove, California 92840
Attention: Matthew Fertal, City Manager
Telephone No.: (714) 741-5100
Fax No.: (714) 741-5044

Buyer's Attorney: Thomas F. Nixon
Woodruff, Spradlin & Smart
555 Anton Boulevard, Suite 1200
Costa Mesa, CA 92626
Email: tnixon@wss-law.com
Telephone No.: (714) 558-7000
Fax No: (714) 835-7787

Purchase Price: \$2,250,000

Outside Closing Date (or Closing) Forty-Five (45) calendar days from the Effective Date

Title Company: First American Title Insurance Company
777 Figueroa Street, Suite 400
Los Angeles, CA

Contact: Glen Trowbridge
Email: gthrowbridge@firstam.com
Telephone No.: (213) 271-1712

Escrow Holder:

First American Title Insurance Company
777 Figueroa Street, Suite 400
Los Angeles, CA
Contact: _____
Email: _____
Telephone No.: _____



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

This **PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS** ("Agreement") is made and entered into this ____ day of _____, 20__ ("Effective Date"), by and between the **CITY OF GARDEN GROVE**, a California municipal corporation ("City" or "Buyer"), and **NIDA O. NEFF, SOLE TRUSTEE OF THE EXEMPTION TRUST OF THE LESTER E. NEFF AND NIDA O. NEFF 1985 TRUST AND NIDA O. NEFF, OR SUCH SUCCESSOR TRUSTEES AS MAY HEREAFTER BE APPOINTED, AS TRUSTEE OF THE NIDA O. NEFF REVOCABLE LIVING TRUST UDT JUNE 2, 2006** (separately and collectively referred to herein as "Seller") for acquisition by Buyer of all of Seller's interests, tangible and intangible, in that certain Property defined and described below.

RECITALS

A. Seller is the fee owner of certain real property located in the City of Garden Grove, California, consisting of three (3) separate legal parcels commonly known as 12291 Harbor Blvd. and 12511 and 12531 Twin Tree Lane, Garden Grove, California 92840, and legally described on Exhibit "A" attached hereto and made a part hereof ("Property" as more fully defined in Section 1 below). The Property is improved with two unoccupied single family residences and one commercial structure occupied by a retail business pursuant to a commercial lease with Mike Abeta & Associates ("Tenant Lease").

B. Seller desires to sell the Property to Buyer, and Buyer desires to acquire the Property from Seller for the potential future transfer to the City of Garden Grove as Successor Agency to the Garden Grove Agency for Community Development (the "Agency") in furtherance of its performance of an enforceable obligation of the former Garden Grove Agency for Community Development, as authorized by Health and Safety Code Section 34177(c).

C. ~~There is currently pending in the Superior Court of California for the County of Orange a civil lawsuit entitled Nida O. Neff, Sole Trustee of the Exemption Trust of the Lester E. Neff and Nido O. Neff 1985 Trust v. City of Garden Grove, a municipal corporation; City of Garden Grove as Successor Agency for the Garden Grove Agency for Community Development; and Does 1-25, inclusive, Case No. 30-2012 00603097, in which Seller alleges certain actions of the City and the Agency have resulted in a taking of, and damages pertaining to, a portion of the Property (the "Action"). The Action is subject to that certain settlement agreement attached hereto at Exhibit "G" and incorporated herein by reference (the "Settlement Agreement"), specifically including the dismissal of the Action, with prejudice, in conjunction with Buyer's purchase of the Property.~~

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. Seller shall convey to Buyer fee simple, marketable title with the condition of title for

the Property meeting the requirements of Section 3 herein for which Seller is responsible. The term "Property" is defined inclusively and collectively for and under this Agreement as the following:

- (a) The fee interest in the Property;
- (b) All improvements, if any, 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) derived from the Property that are owned by Seller;
- (d) All moveable and immovable personal property, equipment, supplies, furniture, and fixtures owned by Seller and located at the Property, if any, as of Closing, as set forth in Section 2(d) below;
- (e) All licenses, permits, authorizations and approvals issued by governmental authorities with respect to the Property and the improvements thereon; and

2. Purchase Price; Payment of Purchase Price; Settlement, Release and Waiver; FF&E.

(a) **All Inclusive Purchase Price.** The purchase price for the Property is the sum of Two Million Two Hundred Fifty Thousand Dollars and 00/100 Cents (\$2,250,000.00), payable by Buyer to Seller. The purchase price to be paid by Buyer pursuant to this section is hereinafter referred to as the "Purchase Price."

(b) **Deposit of Purchase Price in Escrow.** As consideration for the sale of the Property from Seller to Buyer and Settlement of the Action, including Seller's dismissal of the Action, with prejudice, Buyer shall, three business days 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.

(c) **Full and Complete Settlement, Release and Waiver.** The Purchase Price is all-inclusive and shall remain total compensation paid by Buyer to Seller for settlement of the Action and for all of Seller's interests in the Property, inclusive of any and all 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, alleged lost rents, if any, eligible costs directly attributed to the development of the Property, 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 settlement of the Action and all interests in the Property and that it is all-inclusive compensation for the Property.

Seller represents, acknowledges, and agrees that Seller affirmatively approached Buyer and offered to sell the Property to Buyer, and, further that the Property was “offered for sale” within the meaning of Section 7277 of the California Government Code. In this regard and in furtherance thereof, 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, voluntarily, and intentionally 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 and for any other or further compensation or consideration for the Property and all interests therein or arising therefrom. 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 (“Claims”), which arise from or relate in any manner to (i) the sale of the Property to the extent such claims are based on the fact that Buyer is a public entity; (ii) 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 (iii) 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.

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 in Section 2(c) 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.”

Seller’s Initials

Seller’s Initials

(d) Possession and Disposition of Seller’s FF&E. Upon the Closing Date, possession of the Property, including land, improvements, furniture, fixtures and equipment, whether immovable or moveable (“FF&E”), if any, on, upon, or about the Property shall be deemed to be the property of Buyer. Seller may, but shall not be required to, remove or otherwise dispose of any or all of the FF&E, if any, at the Property owned by Seller prior to the Closing Date; provided, Seller shall not remove any personal property or FF&E owned by tenants or occupants of the Property or otherwise if not owned by Seller. After the Closing Date, Seller acknowledges and agrees that Buyer has the right to and may dispose of FF&E, if any, remaining at any portion of the Property as Buyer alone sees fit without further notice or any liability whatsoever to Seller. Seller shall provide a list of moveable FF&E Seller intends to remove, if any, at least five (5) days prior to Closing.

3. Escrow and Title Matters.

(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 five (5) 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 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 Grant Deeds (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 within forty-five (45) calendar days following the Effective Date (“Outside Closing Date”). Buyer may extend the Outside Closing Date for up to sixty (60) additional days by delivering written notice to Seller at least fifteen (15) days prior to the Outside Closing Date. If the Closing has not, for any reason, occurred by the Outside Closing Date (as it may be extended pursuant to the immediately preceding sentence), 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 there is a Seller Default or a Buyer 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. If neither party so elects to terminate this Agreement and the Escrow, Escrow Holder shall close the Escrow as soon thereafter as Buyer’s and Seller’s Conditions Precedent to Closing are satisfied pursuant to Sections 7(a) and 7(b) of this Agreement.

(b) Title Matters.

(i) Title Review. Within seven (7) days after the Effective Date, Seller shall cause the Title Company to deliver to Buyer an updated and current preliminary report (“Title 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 Title Report (“Exceptions”); the cost of the Title Report and plotted easements shall be borne by Buyer. On or before the date that is thirty (30) days following the Effective Date (“Contingency Date” and the period between the Opening of Escrow and the Contingency Date shall be referred to as the “Contingency Period”), Buyer shall notify Seller in writing (“Title Objection Notice”) of any objections Buyer may have to matters of title disclosed by the following (collectively, “Title Documents”): (i) the Title 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. In the event Buyer fails to deliver the Title Objection Notice on or before the Contingency Date, Buyer shall be deemed to have disapproved all matters in the Title Documents; all monetary liens, court judgments, and mechanics liens, of record and/or caused or created by Seller, and all

leases, licenses, and all possessory and access rights (except Seller's possession of the Property prior to Closing), are hereby expressly disapproved by Buyer whether or not included in any notice and Seller shall cause any and all such liens, judgments, leases, licenses, and other possessory interests to be cleared from title as a condition to Closing, unless and to the extent this requirement is expressly waived by Buyer in writing.

(A) In the event Buyer delivers a Title Objection Notice on or before the Contingency Date disapproving any matters in the Title Documents (including any exceptions deemed disapproved pursuant to (b)(1) above), then Seller shall have ten (10) days from receipt of Buyer's Title Objection Notice (and ten days from the Contingency Date as to exceptions deemed disapproved if no Title Objection Notice is provided) to notify Buyer in writing ("Title Response Notice") of Seller's election in its sole and absolute discretion to either (1) agree to remove or cure the objectionable exceptions to title prior to the Closing, or (2) decline to remove or cure the objectionable exceptions and terminate this Agreement. Seller's failure to deliver a Title Response Notice shall be deemed Seller's election to terminate this Agreement, unless Buyer elects in writing to accept the Property with the objectionable conditions pursuant to the following paragraph.

(B) If Seller notifies Buyer of Seller's election to terminate this Agreement rather than remove and cure the objectionable exceptions or Seller is deemed to have made that election, Buyer shall have the right, in its sole discretion, by written notice delivered to Seller no later than the date that is five (5) days after receipt of Seller's Title Response Notice, or fifteen (15) days after delivery of Buyer's Title Objection Notice if Seller does not deliver a Title Response Notice, to agree to accept the Property subject to all of the objectionable exceptions that Seller does not agree to remove, in which event Seller's election to terminate this Agreement shall be of no effect, and Buyer shall take title at the Closing subject to such exceptions without any adjustment to or credit against the Purchase Price.

(C) Seller shall have no obligation to cure any title objections; provided, however, that Seller shall pay and satisfy in full all mortgages, deeds of trust and any tax liens, judgment liens, mechanic's and materialmen's liens, security interests and other instruments which evidence or secure indebtedness created by or consented to by Seller. The matters in the Title Documents that Buyer expressly approves pursuant to this Section 3(b) shall be referred to herein as the "Approved Title Exceptions." The Approved Title Exceptions shall also include (1) the standard, preprinted exceptions to Buyer's Title Policy; (2) liens to secure payment of real estate taxes or assessments not yet delinquent; (3) matters affecting the Property created by or with the written consent of Buyer; and (4) exceptions disclosed in any supplement to the Title Report that may be issued by Title Company which are approved by Buyer in its sole, reasonable discretion.

(D) Buyer shall have the right at its sole cost and expense to obtain an ALTA survey for the Property, but Buyer agrees that the Contingency Date shall not be extended for Buyer to obtain or review a survey. In the event a survey reveals any new or additional monetary lien, court judgment, mechanics lien, caused or created by Seller, or any possessory rights, any encroachments, or any surface entry rights, such encumbrances are hereby deemed disapproved exceptions that shall be removed by Seller at Seller's sole cost as a condition to Closing.

(E) Upon the issuance of any amendment or supplement to the Title Report which adds additional exceptions, the foregoing right of review and approval shall also apply to said amendment or supplement (provided that the period for Buyer to review such

amendment or supplement shall be the later of the Contingency Date or ten (10) days from receipt of the amendment or supplement).

(ii) No New Liens or Exceptions. During the period from the Contingency Date to the Closing, Seller agrees it shall not cause any new or modified lien or encumbrance to title to become of record against the Property, unless such lien or encumbrance is approved in writing by Buyer. Each and every new lien or encumbrance created by or through Seller shall be subject to Buyer's prior written consent and unless and until approved by Buyer shall be deemed a disapproved exception to title that shall be removed by Seller at Seller's sole cost as a condition to Closing.

(iii) Buyer's Title Policy. On or before the Closing, the Title Company shall, upon payment 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 the Approved Title Exceptions. The premium for the Title Policy and any endorsements required by Buyer shall be paid by Buyer.

4. Seller's Delivery of Property Documents; Natural Hazard Disclosure Report.

(a) **Seller's Delivery of Property Documents.** Within ten (10) days after the Effective Date, Seller shall deliver to Buyer complete, true, and legible copies of the following items (collectively, "Property Documents"):

(i) Copies of tax bills, including assessments, if any.

(ii) 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.

(iii) Each and every contract, agreement, license and lease (including the Tenant Lease) relating to and/or affecting the Property, specifying which of such contracts, agreements, licenses, and/or leases are anticipated to bind Buyer or affect the Property following the Closing, if any, with the exception of the Title Documents which shall be handled as set forth in Section 3(b).

(b) **Natural Hazard Disclosure.** Buyer and Seller acknowledge that Seller is required to disclose if any of the Property lies within the following natural hazard areas or zones: (a) a special flood hazard area designated by the Federal Emergency Management Agency; (b) an area of potential flooding; (c) a very high fire hazard severity zone; (d) a wild land area that may contain substantial forest fire risks and hazards; (e) an earthquake fault or special studies zone; or (f) a seismic hazard zone. Buyer and Seller hereby instruct Escrow Holder or such other third party approved by the parties (who, in such capacity, is herein called the "Natural Hazard Expert") to examine the maps and other information specifically made available to the public by government agencies for the purposes of enabling Seller to fulfill its disclosure obligations with respect to the natural hazards referred to above and to report the results of its examination to Buyer and Seller in writing. Escrow Holder shall provide a written report prepared by the Natural Hazard Expert regarding the results of its examination no later than fourteen (14) days prior to the expiration of the Contingency Period. The written report prepared by the Natural Hazard Expert regarding the results

of its examination fully and completely discharges Seller from its disclosure obligations referred to herein, and, for the purposes of this Agreement, the provisions of Civil Code Section 1103.4 regarding the non-liability of Seller for errors and/or omissions not within its personal knowledge shall be deemed to apply, and the Natural Hazard Expert shall be deemed to be an expert dealing with matters within the scope of its expertise with respect to the examination and written report regarding the natural hazards referred to above.

5. Buyer's Right of Entry and Tests of Property. 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 24 hours prior notice has been given to Seller, for the purpose of conducting any physical and legal inspections, investigations, assessments, tests, and studies as Buyer in its sole discretion elects to make or obtain, including, but not limited to, investigations with regard to zoning, building codes and other governmental regulations; engineering tests; surveying; 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, including without limitation the presence, release, and/or absence of adverse soils conditions, adverse groundwater conditions, asbestos, lead based paint, and/or Hazardous Materials, as hereinafter more fully defined and described (collectively, "Tests"). Seller shall provide notice to tenants of the Property as required under the Tenant Leases and/or as required by Law, and obtain tenant consent, as necessary to permit Buyer and/or Buyer's agents to enter onto the Property for the purpose of performing the Tests.

(a) Conditions to Right of Entry for Tests. As a condition to conducting any Tests, Buyer shall (i) prior to entry, notify Seller not less than 24 hours in advance of the purpose of the intended entry and provide to Seller the names and affiliations of the entity or person(s) entering the Property; (ii) conduct all Tests in a diligent, expeditious and safe manner and not allow any dangerous or hazardous conditions to occur on the Property; (iii) comply with applicable laws and governmental regulations in conducting such Tests; (iv) keep the Property free and clear of materialmen's liens, lis pendens and other liens arising out of entry onto the Property for such Tests performed by or on behalf of Buyer; (v) Buyer to maintain, or Buyer to cause to be maintained by Buyer's contractor(s), workers' compensation insurance on all persons entering the Property for such Tests in the amounts required by the State of California; (vi) Buyer to maintain, or Buyer to cause to be maintained by Buyer's contractor who will be entering the Property, commercial general liability insurance policy with a financially responsible insurance company (or as to Buyer its membership in a joint powers insurance authority with comparable coverage) covering any and all liability of Buyer and its agents, contractors, consultants and employees, with respect to or arising out of the Tests conducted at the Property, written on a per occurrence and not claims made basis in a combined single limit of not less than One Million Dollars (\$1,000,000); and (vii) promptly repair any and all damage to the Property from such Tests caused by Buyer, its agents, employees, contractors, or consultants and return the Property to its original condition (subject to the Tests conducted) following Buyer's entry. Buyer shall indemnify, defend, and hold harmless Seller and its agents from and against any and all loss, cost, liability or expense (including reasonable attorneys' fees) arising from the entry(ies) of Buyer, its agents, contractors, consultants, and employees upon the Property for and related to such entry and Tests or from Buyer's failure to comply with the conditions to Buyer's entry onto the Property for such Tests. Such indemnity shall survive the Closing or the termination of this Agreement for any reason, but shall be limited to actions and inactions arising from and related to such entry onto the Property and/or the Tests.

6. Due Diligence Notices.

(a) **Buyer's Due Diligence Notice.** Buyer shall notify Seller in writing on or before the Contingency Date of Buyer's approval or disapproval in its sole and absolute discretion of the Property Documents and of the condition of the Property as disclosed by the Tests ("Buyer's Due Diligence Notice"). Any disapproval shall state the matters objected to and the action Seller would be required to take to remediate or cure the objectionable matters to Buyer's satisfaction.

(i) Provided that Seller has delivered the Property Documents to Buyer within the time set forth in Section 4(a), Buyer's failure to deliver the Buyer's Due Diligence Notice on or before the Contingency Date shall be deemed Buyer's disapproval of the Property Documents and/or condition of the Property; in no event shall Buyer be deemed to have approved any of the Property Documents or any condition of the Property. In such event of Buyer's failure to deliver its Buyer's Due Diligence Notice, then such failure shall be deemed Buyer's election to not proceed with this purchase and to terminate this Agreement.

(b) **Seller's Due Diligence Notice.** In the event Buyer timely delivers its Buyer's Due Diligence Notice disapproving any Property Documents or any condition of the Property, Seller shall have ten (10) days from receipt of Buyer's Due Diligence Notice to deliver written notice to Buyer ("Seller's Due Diligence Response Notice") of Seller's election in its sole and absolute discretion to any of the following: (i) decline to remediate all such conditions and to terminate Escrow and this Agreement; or (ii) correct and/or remediate certain (but not all) of the objectionable conditions at its sole cost prior to the Closing; or (iii) correct and/or remediate all objectionable conditions at its sole cost prior to the Closing.

(i) If Seller's Due Diligence Response Notice informs Buyer of Seller's election to terminate Escrow (choice (i) in subsection (b) above) rather than remediate all or certain objectionable conditions, then this Agreement shall terminate.

(A) Seller's failure to deliver Seller's Due Diligence Response Notice shall be deemed Seller's election to terminate this Agreement (choice (i) of subsection (b) above).

(ii) If Seller's Due Diligence Response Notice informs Buyer of Seller's election to correct certain of the objectionable conditions (choice (ii) in subsection (b) above), then Buyer shall have the right, by a second written notice delivered to Seller within five (5) days after Buyer's receipt of Seller's Due Diligence Response Notice, to agree to accept the Property subject to one or more of the objectionable conditions that Seller will not correct ("Buyer's Second Due Diligence Notice"), which notice shall list the objectionable conditions remaining that Buyer is willing to accept, in which event Seller may elect, in its sole discretion, to either (A) accept Buyer's Second Due Diligence Notice and proceed to correct the objectionable conditions listed in its notice and proceed with the sale of the Property to Buyer, with Buyer taking at the Closing subject to such remaining objectionable conditions without any adjustment to or credit against the Purchase Price (subject to Seller's correction of certain conditions to be corrected as listed in Seller's Due Diligence Response Notice), or (B) reject Buyer's Second Due Diligence Notice and terminate the Escrow.

(A) If Seller accepts Buyer's Second Due Diligence Notice, then the correction of and/or completion of the remediation or removal of objectionable conditions listed in the Seller's Due Diligence Notice shall be deemed to be one of the Buyer's Conditions Precedent

to Closing under Section 7 below, and Buyer and Seller shall exercise good faith efforts to agree in writing on an extended Closing Date, if necessary, to allow those certain conditions to be corrected and completed.

(iii) If Seller's Due Diligence Response Notice informs Buyer of Seller's election to correct all of the objectionable conditions (choice (iii) in subsection (b) above), then the completion of the correction and/or remediation or other removal of all objectionable conditions shall be deemed to be one of the Buyer's Conditions Precedent to Closing under Section 7 below, and Buyer and Seller shall exercise good faith efforts to agree in writing on an extended Closing Date, if necessary, to allow all conditions to be corrected and completed.

7. Conditions Precedent to Closing and Termination Rights.

(a) **Buyer's Conditions Precedent.** The Closing and Buyer's obligation to buy the Property and 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 the Closing Date or such earlier time as provided for herein, which are for Buyer's benefit only.

(i) No Termination as a Result of Buyer's Due Diligence Review. This Agreement shall not have terminated pursuant to Sections 3(b) or 6 as a result of Buyer's review and inspection of title to, the Property Documents relating to, and the Tests on the Property.

(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).

(iii) 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 date that is ten (10) days after the Opening of Escrow.

(iv) Delivery of Documents. Seller's delivery of (A) all items and documents described in Section 8 and Section 17, (B) the list of contracts, leases, licenses, or other contractual rights or options to lease, purchase, or otherwise enjoy possession of the Property, and the length of time during which each occupant, lessee, tenant, licensee, or other person or entity with an interest in the Property held such interest (with Seller's warranty and representation that such list and information is accurate to the best of Seller's knowledge), in substantially the form attached hereto as Exhibit E, and (C) full, complete, correct and legible copies of all contracts, leases, licenses or other contractual rights required to be listed and described by Seller in the form attached hereto as Exhibit E. Seller acknowledges that full, complete, correct and legible copies of any and all contracts, agreements, licenses and leases affecting the Property must be provided to Buyer pursuant to Section 4(a) and that Buyer shall have full right to review and approve or disapprove any and all such Property Documents as a Buyer's Condition Precedent to the Closing.

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

(vi) No Seller Default. As of the Closing, there shall be no Seller Default under this Agreement.

(vii) Termination of Agreements; Vacancy of Property. Except to the extent expressly disclosed in writing to Buyer (and approved by Buyer), Seller shall have terminated any and all contracts affecting and/or relating to the Property and any and all leases and licenses for space at the Property. Except to the extent expressly disclosed in writing to Buyer (and approved by Buyer), all tenants, licensees, or other occupants shall have permanently vacated the Property. Seller shall cause to be removed and/or terminated, at Seller's sole cost and expense, any and all contracts, agreements, leases, licenses and easements relating to and/or affecting the Property, except to the extent such instruments are permitted and approved by Buyer pursuant to Sections 3(b) and 6 above.

(b) Seller's Conditions Precedent. The Closing and Seller's obligation to sell the Property and consummate the transaction contemplated by this Agreement are subject to the timely satisfaction or written waiver of the following conditions precedent (collectively, "Seller's Conditions Precedent") on or before the Closing Date or such earlier time as provided for herein, which are for Seller's benefit only:

(i) No Termination as a Result of Buyer's Due Diligence Review. This Agreement shall not have terminated pursuant to Section 3(b) or 6 as a result of Buyer's review and inspection of title, the Property Documents, and the Property.

(ii) No Buyer Default. As of the Closing, there shall be no Buyer Default under this Agreement.

(iii) Representations and Warranties. All representations and warranties of Buyer contained in this Agreement shall be true and correct in all respects as of the Effective Date and as of the Closing.

(iv) Delivery of Funds and Documents. Buyer shall have delivered all funds and documents and other items described in Section 9.

(c) Waiver. Buyer may at any time or times, at its election in its sole and absolute discretion, waive any of the Buyer's Conditions Precedent set forth in Section 7(a), but any such waiver shall be effective only if contained in a writing signed by Buyer and delivered to Seller and Escrow Holder. Seller may at any time or times, at its election in its sole and absolute discretion, waive any of the Seller's Conditions Precedent set forth in Section 7(b) above, but any such waiver shall be effective only if contained in a writing signed by Seller and delivered to Buyer and Escrow Holder.

(d) Termination. In the event that each of the Buyer's Conditions Precedent set forth in Section 7(a) is not fulfilled by the Outside Closing Date, or such earlier time period as provided for herein or waived by Buyer pursuant to Section 7(c), and provided there is no Buyer Default under this Agreement, Buyer may at its option terminate this Agreement and the Escrow opened hereunder. In the event each of the Seller's Conditions Precedent set forth in Section 7(b) is not fulfilled by the Outside Closing Date, or such earlier time period as provided for herein or waived by Seller pursuant to Section 7(c), and provided there is no Seller Default under this Agreement, Seller may at its option terminate this Agreement and the Escrow opened hereunder. Notwithstanding the foregoing, if Escrow is not in a position to close due to a party's failure to

deposit into Escrow any documents or funds required for the Closing of Escrow, the non-defaulting party shall not have the right to terminate this Agreement without first having given the defaulting party notice of the default and five (5) days to cure the default, with the understanding that it is the parties' desire that this Agreement not terminate as a result of a technicality such as a party's inadvertent failure to timely make a deposit of a document or money into Escrow. No termination under this Agreement shall release either party then in default from liability for such default. In the event this Agreement is terminated, (i) all documents and funds delivered by Seller to Buyer or Escrow Holder shall be returned immediately to Seller, provided there is no Seller Default, and likewise (ii) all documents and funds delivered by Buyer to Seller or Escrow Holder shall be returned immediately to Buyer.

(i) If Escrow fails to close due to a party's default or breach, the defaulting or breaching party shall pay all Escrow Cancellation Charges. If Escrow fails to close for any other reason, each party shall pay one-half of all Escrow Cancellation Charges. The term "Escrow Cancellation Charges" shall mean all fees, charges and expenses actually charged by Escrow Holder and the Title Company to the parties in connection with the cancellation of the Escrow and the title order, if any.

8. Seller's Deliveries to Escrow Holder. At least two (2) business days prior to the Closing 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:

(a) **Seller's Charges.** Immediately available funds in the amount necessary to pay Seller's Charges as set forth in Section 11(a) herein; provided, however, that instead of depositing such funds into Escrow Seller shall have the right to have Seller's Charges deducted from the sale proceeds due to Seller.

(b) **Grant Deeds.** The Grant Deeds in the form attached hereto as Exhibit B ("Grant Deeds"), duly executed by Seller and acknowledged.

(c) **Licenses, Certificates, and Permits.** To the extent the same are within the actual or constructive knowledge of, or in the possession, custody or control of, Seller and are applicable and/or transferable to Buyer, all original licenses, certificates and permits pertaining to the Property and beneficial for, or necessary for, or affecting the use or occupancy thereof.

(d) **Keys.** Keys, if any, 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;

(e) **FIRPTA/Tax Exemption Forms.** Transferor's Certification of Non Foreign Status in the form attached hereto as Exhibit C ("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").

(f) **Possession of Property.** At Closing (and subject to Tenant Leases specifically approved by Buyer), possession of the Property shall be delivered to Buyer. Seller shall remove from title any encumbrances that Seller is required to remove pursuant to Section 3(b).

(g) **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.

(h) **Further Documents or Items.** Any other documents or items reasonably required to cause the Closing of the transaction contemplated by this Agreement as determined by the Escrow Holder.

9. **Buyer's Deliveries to Escrow.** At least two (2) business days prior to the Closing Date, Buyer shall deposit or cause to be deposited with Escrow Holder the following, each duly executed and acknowledged, as appropriate, by Buyer:

(a) **Purchase Price.** The Purchase Price and 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). 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.** Three (3) original Certificates of Acceptance executed by Buyer to be attached to the Grant Deeds.

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

(d) **Further Documents or Items.** Any other documents or items reasonably required to cause the Closing of the transaction contemplated by this Agreement as determined by the Escrow Holder.

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.** Escrow is not to be concerned with proration of Seller's taxes for the current fiscal year. Seller's prorata portion of taxes due at Closing, 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.

(c) **Refund of Taxes.** After the Closing of the 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, so long as no proration or credit for such taxes was provided to Seller through the Escrow. This refund would apply to the period after the

Closing Date 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) **Removal of Title Exceptions.** Pay and charge Seller for any amount necessary to cause the removal of any title matters that Seller agreed to remove pursuant to Section 3(b) and to convey fee simple, marketable title pursuant to the requirements of this Agreement (collectively, "Seller's Charges").

(b) **Buyer Charges.** Pay and charge Buyer for all Escrow fees, all charges for recording the Grant Deed, all title insurance premiums for the Buyer's Title Policy and endorsements requested by Buyer and a commission payable to Stanley Terrence Jones, Seller's broker/agent, in the amount of Thirty Three Thousand Seven Hundred Fifty Dollars (\$33,750.00) (collectively, "Buyer's Charges").

(c) **Prorate Revenues and Expenses.** All revenues (if any) 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, Escrow Holder shall deliver to Buyer and Seller a tentative schedule of prorations for Buyer's and Seller's approval ("Proration and Expense Schedule"). If any prorations made under this Section 11(c) 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) Escrow Holder 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 Escrow Holder at or immediately after Closing, (iii) two (2) executed originals of California Form 597 shall be delivered by Escrow Holder 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 Deeds), Escrow Holder 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 Escrow Holder 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. Escrow Holder shall deliver the estimated Closing Statement to Seller and Buyer no later than three (3) business days prior to the Closing Date.

(f) **Escrow Holder Responsibility.** The responsibility of the Escrow Holder under this Agreement is limited to Sections 1 through 12, and 19(b) and (c), and to its liability under any policy of title insurance issued in regard to this transaction.

12. Closing Procedure. On the Closing Date, and provided all of the Buyer’s Conditions Precedent and Seller’s Conditions Precedent set forth in Sections 7(a) and 7(b) of this Agreement have been satisfied or waived in writing by the appropriate party (per Section 7(c)), Escrow Holder shall immediately close Escrow in the manner and order provided below.

(a) **Recording.** Escrow Holder shall cause the Grant Deeds 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 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 Grant Deeds and a copy of each 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 Grant Deeds, the Title 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.

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 continuously 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.

(A) In this regard, if applicable, Seller shall deliver or cause delivery to Buyer of true and complete copies of each requisite action or authorization (corporate, trust, partnership or otherwise) that has been taken by Seller or will be taken (immediately after taking such action prior to Closing) when in connection with entering into this Agreement and execution of the instruments referenced herein.

(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 (a) to which Seller is a party, or (b) that affect the Property of which Seller has actual or constructive knowledge, including, but not limited to, any of the Property Documents.

(v) To the best of Seller's actual or constructive 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) To the best of Seller's actual or constructive knowledge, there are no actions or proceedings pending or 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 actual or constructive 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 Seller's knowledge, no document supplied to Buyer by Seller contains any untrue statement of a material fact, and to the best of Seller's actual or constructive knowledge 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 actual or constructive 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) 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 Effective Date of this Agreement. Seller agrees to indemnify, defend, and hold Buyer and its elected and appointed officials, officers, employees, contractors, and agents 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 at any time prior to Closing.

(xi) Except as may be revealed in the Title Report and the Property Documents delivered to Buyer by Seller, there are no undisclosed contracts, licenses, 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 to which Seller is a party or of which Seller has actual knowledge and/or constructive knowledge.

(xii) Except as revealed in the Title Report and the Property Documents delivered to Buyer by Seller, or as listed in Exhibit D attached hereto, there are not any written or oral contracts, leases, licenses, 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 to the extent expressly otherwise agreed by Buyer, no person other than Buyer shall have any right of possession to the Property or any part thereof as of the Closing.

(A) As of the Effective Date, Seller agrees not to enter into any leases, licenses or easements in the Property (or any part thereof), or grant any other rights of access, use or occupancy to the Property (or any part thereof) without the prior written approval of Buyer, which may be granted or denied in Buyer's sole and complete discretion.

(xiii) Except as revealed in the Title Report and the Property Documents delivered to Buyer by Seller pursuant to Section 4(a), Seller shall not allow, consent to, or otherwise permit any encumbrance, lien, or other exception to title to become of record or affect title to the Property during the period from the Effective Date through the Closing Date, unless such encumbrance, lien, or other exception is expressly pre-approved by Buyer in its sole and absolute discretion.

(xiv) 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 on, under, in, or about the Property, or transported any Hazardous Materials to or from the Property.

(xv) 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 Closing, immediately give written notice of such fact or condition to Buyer.

(xvi) Seller represents to Buyer, and Buyer acknowledges the representation of Seller that Seller has never operated, occupied or developed the Property.

As used herein, the term "actual knowledge" shall mean the actual, current knowledge of Seller and shall not impose any duty of investigation or inquiry and the term "constructive knowledge" shall mean implied knowledge due to any notice or other document addressed to and evidenced to have been sent to Seller, and any other document in the Seller's possession and control.

(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 Seller Representation Matter. Buyer shall have the right to approve or disapprove any such change and to terminate this Agreement by written notice to Seller if Buyer reasonably disapproves any such change; provided, however Seller shall first have the opportunity to cure the Seller Representation Matter. 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, subject to this representation not becoming effective unless, until, and subject to this Agreement being approved by the State of California Department of Finance (or a court of competent jurisdiction) as an "enforceable obligation" pursuant to ABx1 26 and placed on an agenda of the Buyer's governing board for consideration and action at a duly noticed, open public meeting of the Buyer's governing board, and, if approved, then such representation shall be effective as of the Effective Date. Buyer's execution of this Agreement after the Effective Date shall be conclusive evidence that Buyer's governing board has approved this Agreement at a duly noticed, open public meeting.

(ii) Subject to (c)(i) above, as of the Effective Date, 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. Subject to (c)(i) above, by the Closing Date, 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, provided that there shall have been no material change in the terms or provisions hereof.

(iii) Subject to (c)(i) above, as of the Effective Date, the individuals executing and attesting 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 notice to Buyer if Seller reasonably disapproves any such change; provided, however Buyer shall first have the opportunity to cure the Buyer's Representation Matter. 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 current or 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 Regulations.** 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

15. Seller's Covenants during Escrow Period.

(a) **New Liens or Encumbrances.** Seller shall not further encumber or place any further liens or encumbrances on the Property from the Effective Date and during the Escrow period to the Closing Date without the express, prior written authorization of Buyer in its sole and complete discretion. Further, if the Buyer does consent to a new lien or encumbrance, then such lien or encumbrance on the Property shall not survive the Closing Date, including, but not limited to, right of entry, covenants, conditions, restrictions, easements, liens, options to purchase, options to lease, leases, tenancies, or other possessory interests or rights of use or rights of entry relating to or affecting the Property without the prior written consent of Buyer which consent may be withheld by Buyer in its sole and complete discretion.

(b) **Hazardous Materials.** 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; provided, however, the foregoing shall not apply to Hazardous Materials that migrate onto the Property from other property or from sources other than Seller or a party acting under the direction or control of Seller.

16. Default and Remedies.

(a) **Seller Default.** The term "Seller Default" shall mean Seller's failure to timely perform a material obligation of Seller under this Agreement within five (5) business days following written notice from Buyer describing Seller's failure to perform. In the event of a Seller Default, Buyer, as its sole and exclusive remedies: (i) may terminate this Agreement, or (ii) shall be entitled to the remedy of specific performance.

(b) **Buyer Default.** The term "Buyer Default" shall mean Buyer's failure to timely perform a material obligation of Buyer under this Agreement within five (5) business days following written notice from Seller describing Buyer's failure to perform. In the event of a Buyer Default, Seller, as its sole and exclusive remedy, may terminate this Agreement.

17. Seller's Release and Waiver of Eminent Domain Rights and Dismissal of Action.

(a) **Release and Waiver of Eminent Domain Rights.** Seller voluntarily, willingly, and intentionally has caused to be prepared and Seller will execute and provide to Buyer a separate written agreement under which Seller waives, releases and forever relinquishes any and all rights conferred on Seller by the provisions of Code of Civil Procedure Section 1230.010, *et seq.* with regard to the Property. Seller thereby and hereby expressly acknowledges that Seller has been advised of its rights regarding notice, resale, leaseback and other rights provided under Code of Civil Procedure Sections 1245.245, 1263.510 and 1263.615 and expressly, intentionally, knowingly, and with advice of its legal counsel waives, releases and forever relinquishes its rights thereunder, as set forth more fully in those certain "Owner's Release and Waiver of Rights under Eminent Domain Law," in substantially the forms attached hereto as Exhibit F-1 and Exhibit F-2, respectively, and incorporated herein, the execution of which agreements shall be and is hereby deemed to be one of Buyer's Conditions Precedent to Closing of Section 7(a).

(b) **Settlement Agreement and Dismissal of Action.** Seller voluntarily, willingly, and intentionally has caused to be prepared and Seller has executed the Settlement Agreement attached hereto as Exhibit G pursuant to which, among other things, Seller has agreed to

dismiss the Action, with prejudice, prior to Closing. Seller's delivery to Buyer of a conformed copy of a filed Request for Dismissal of the Action, in a form acceptable to Buyer, shall be and is hereby deemed to be one of Buyer's Conditions Precedent to Closing of Section 7(a).

18. Like Kind Exchange. Buyer acknowledges and agrees that Seller may elect to exchange the Property ("Like Kind Exchange") in a transaction intended to qualify as a tax-free exchange under Section 1031 or 1033 of the Internal Revenue Code of 1986, as amended from time to time, and any regulations, rulings and guidance issued by the Internal Revenue Service (collectively, the "Code"). If Seller elects to effect a Like Kind Exchange pursuant to this Section, Seller shall provide written notice of such fact to Buyer prior to Closing. During the three (3) year period following the Closing, Buyer shall execute and deliver such documents as may be required to complete the transactions contemplated by the Like Kind Exchange which are in form and substance reasonably acceptable to Buyer, and otherwise cooperate with Seller in all reasonable respects to effectuate the Like Kind Exchange. Notwithstanding the foregoing, (a) the Like Kind Exchange shall not diminish Buyer's rights, nor increase Buyer's liabilities or obligations, under this Agreement, nor delay the Closing; (b) Seller shall pay for all fees, costs and expenses in connection with the Like Kind Exchange; (c) the purchase and sale of the Property shall not be conditioned upon the consummation of the Like Kind Exchange; (d) in no event shall Seller be relieved from liability under this Agreement; (e) the consummation of the Like Kind Exchange shall be at no liability, risk, fee or expense to the Buyer; (f) Buyer does not make and has not made any representation or warranty and does not provide and has not provided any tax, legal, or other advice to Seller, regarding Seller's eligibility to effectuate a Like Kind Exchange, and (g) the Seller shall protect, indemnify, defend and hold Buyer free and harmless from all losses, costs, claims, liabilities, lawsuits, demands and damages, including any attorneys' fees and expenses, incurred as a consequence of effecting the transaction through the Like Kind Exchange.

19. 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 Closing of Escrow shall be at the sole risk of Seller.

(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:

Nida O. Neff, Sole Trustee of the Exemption Trust of the
Lester E. Neff and Nida O. Neff 1985 Trust and
Trustee of the Nida O. Neff Revocable Living Trust, udt June
2, 2006
548 N. Mockingbird Lane
Firmore, CA 93015
Attn: _____
Telephone No.: _____
Fax No.: _____

With a copy to: _____

If to Buyer:

City of Garden Grove
11222 Acacia Parkway
Garden Grove, California 92840
Attention: Matthew Fertal, City Manager
Telephone No.: (714) 741-5100
Fax No.: (714) 741-5044

With a copy to:

Woodruff, Spradlin & Smart
555 Anton Boulevard, Suite 1200
Costa Mesa, California 92626
Attn: Thomas F. Nixon
Telephone No.: (714) 558-7000
Fax No: (714) 835-7787

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, except for the commission payable to Stanley Terrence Jones (described in Section 11(b)), 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) **Waivers and Consents.** 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; provided however that failure of a condition hereunder shall not be deemed or determined to be a default unless such condition is also a covenant. 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.

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

(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) Governing Board Approval of Agreement; City Manager Authority.

This Agreement is subject to the approval of the Buyer's governing board. If this Agreement remains unapproved by Buyer's governing board, then the parties will have no further obligation under this Agreement. Following approval of this Agreement by Buyer's governing Board, the City Manager or his or her designee shall have the authority to sign this Agreement, 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 Buyer's governing board.

(n) Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

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

(p) Entire Agreement. This Agreement (along with the Settlement Agreement and the Owner's Release and Waiver of Rights under Eminent Domain Law and the Settlement Agreement described in Section 17 and the other Exhibits hereto) 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 (along with the Settlement Agreement and the Owner's Release and Waiver of Rights under Eminent Domain Law described in Section 17 and the other Exhibits hereto) 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.

(q) 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.

(r) Assignment. Except as provided below with respect to the City of Garden Grove as Successor Agency to the Garden Grove Agency for Community Development, this Agreement may not be assigned without the prior written consent of the other party hereto, which consent shall not unreasonably be withheld. Notwithstanding the foregoing, the Buyer may assign all its rights under this Agreement to the City of Garden Grove as Successor Agency to the Garden Grove Agency for Community Development, a California public agency, without obtaining Seller's consent.

(s) Recitals. The foregoing Recitals are true and correct and incorporated herein by reference.

[Signatures begin on the following page]

IN WITNESS WHEREOF, the Parties hereto have executed this Purchase and Sale Agreement and Joint Escrow Instructions as of the day and year first written above.

“SELLER”

By: _____
Nida O. Neff, Sole Trustee of the Exemption Trust of the Lester E. Neff and Nida O. Neff 1985 Trust

By: _____
Nida O. Neff, or such successor trustees as may hereafter be appointed, as Trustee of the Nida O. Neff Revocable Living Trust udt June 2, 2006

“BUYER”

CITY OF GARDEN GROVE

By: _____
Matthew J. Fertal, City Manager

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney



EXHIBIT A

LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

LOTS 215, 216, 217 OF TRACT 2021 IN THE CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 55, PAGES 47 AND 49 OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

DRAFT

EXHIBIT B
GRANT DEEDS

REF
R

EXHIBIT B-1

GRANT DEED

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

City of Garden Grove, Acting as Successor
Agency to the Garden Grove Agency for
Community Development
11222 Acacia Parkway
Garden Grove, California 92840
Attn: City Clerk

APN: 231-521-08

(Space above this line for Recorder's Use Only)

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

GRANT DEED

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, **Nida O. Neff Trust, sole Trustee of the Exemption Trust of the Lester E. Neff and Nida O. Neff 1985 Trust** ("Grantor"), hereby grants to the **CITY OF GARDEN GROVE**, 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 _____, 2012.

NIDA O. NEFF

By: _____
NIDA O. NEFF, SOLE TRUSTEE OF THE
EXEMPTION TRUST OF THE LESTER E.
NEFF AND NIDA O. NEFF 1985 TRUST

SCHEDULE 1 TO GRANT DEED

LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

LOT 215 OF TRACT 2021 IN THE CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 55, PAGES 47 AND 49 OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 231-521-08

Property Address: 12531 Twintree Lane, Garden Grove, CA 92840

D

A

SCHEDULE 1-1 TO EXHIBIT B-1

STATE OF CALIFORNIA)
) ss
 COUNTY OF _____)

On _____, before me, _____, Notary Public, personally appeared _____, 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.

 Notary Public

[SEAL]

STATE OF CALIFORNIA)
) ss
 COUNTY OF _____)

On _____, before me, _____, Notary Public, personally appeared _____, 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.

 Notary Public

[SEAL]

SCHEDULE 2 TO GRANT DEED

**CERTIFICATE OF ACCEPTANCE
(Grant Deed)**

This is to certify that the interest in real property conveyed by the foregoing Grant Deed dated _____, 2012, executed by **Nida O. Neff Trust, sole Trustee of the Exemption Trust of the Lester E. Neff and Nida O. Neff 1985** for the benefit of the **CITY OF GARDEN GROVE** ("City") is hereby accepted by the undersigned officer on behalf of City pursuant to authority conferred by Resolution of the Garden Grove City Council adopted on _____, and City consents to recordation thereof by its duly authorized officer.

Dated: _____

CITY OF GARDEN GROVE

Kathleen Bailor, City Clerk

R

EXHIBIT B-2

GRANT DEED

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

City of Garden Grove, Acting as Successor
Agency to the Garden Grove Agency for
Community Development
11222 Acacia Parkway
Garden Grove, California 92840
Attn: City Clerk

APN: 231-521-07

(Space above this line for Recorder's Use Only)

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

GRANT DEED

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, **Nida O. Neff Trust, sole Trustee of the Exemption Trust of the Lester E. Neff and Nida O. Neff 1985 Trust** ("Grantor"), hereby grants to the **CITY OF GARDEN GROVE**, 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 _____, 2012.

NIDA O. NEFF

By: _____
NIDA O. NEFF, SOLE TRUSTEE OF THE
EXEMPTION TRUST OF THE LESTER E.
NEFF AND NIDA O. NEFF 1985 TRUST

SCHEDULE 1 TO GRANT DEED

LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

LOT 216 OF TRACT 2021 IN THE CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 55, PAGES 47 AND 49 OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 231-521-07

Property Address: 12511 Twintree Lane, Garden Grove, CA 92840



STATE OF CALIFORNIA)
) ss
COUNTY OF _____)

On _____, before me, _____, Notary Public, personally appeared _____, 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.

Notary Public

[SEAL]

STATE OF CALIFORNIA)
) ss
COUNTY OF _____)

On _____, before me, _____, Notary Public, personally appeared _____, 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.

Notary Public

[SEAL]

SCHEDULE 2 TO GRANT DEED

**CERTIFICATE OF ACCEPTANCE
(Grant Deed)**

This is to certify that the interest in real property conveyed by the foregoing Grant Deed dated _____, 2012, executed by **Nida O. Neff Trust, sole Trustee of the Exemption Trust of the Lester E. Neff and Nida O. Neff 1985** for the benefit of the **CITY OF GARDEN GROVE** ("City") is hereby accepted by the undersigned officer on behalf of City pursuant to authority conferred by Resolution of the Garden Grove City Council adopted on _____, and City consents to recordation thereof by its duly authorized officer.

Dated: _____

CITY OF GARDEN GROVE

Kathleen Bailor, City Clerk

D

A

EXHIBIT B-3

GRANT DEED

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

City of Garden Grove, Acting as Successor
Agency to the Garden Grove Agency for
Community Development
11222 Acacia Parkway
Garden Grove, California 92840
Attn: City Clerk

APN: 231-521-06

(Space above this line for Recorder's Use Only)

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

GRANT DEED

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, **Nida O. Neff, or such successor trustees as may hereafter be appointed, as Trustee of the Nida O. Neff Revocable Living Trust, udt June 2, 2006** ("Grantor"), hereby grants to the **CITY OF GARDEN GROVE**, 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 _____, 2012.

NIDA O. NEFF

By: _____
NIDA O. NEFF, OR SUCH SUCCESSOR
TRUSTEES AS MAY HEREAFTER BE
APPOINTED, AS TRUSTEE OF THE NIDA O.
NEFF REVOCABLE LIVING TRUST, UDT
JUNE 2, 2006

SCHEDULE 1 TO GRANT DEED

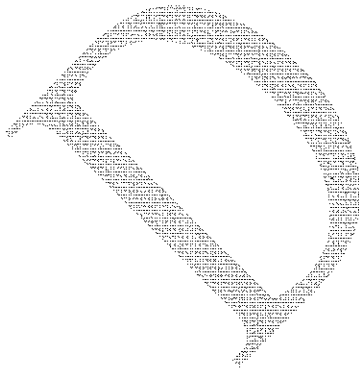
LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

LOT 217 OF TRACT 2021 IN THE CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 55, PAGES 47 AND 49 OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 231-521-06

Property Address: 12302 Harbor Boulevard, Garden Grove, CA 92840



STATE OF CALIFORNIA)
) ss
COUNTY OF _____)

On _____, before me, _____, Notary Public, personally appeared _____, 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.

Notary Public

[SEAL]

STATE OF CALIFORNIA)
) ss
COUNTY OF _____)

On _____, before me, _____, Notary Public, personally appeared _____, 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.

Notary Public

[SEAL]

SCHEDULE 2 TO GRANT DEED
CERTIFICATE OF ACCEPTANCE
(Grant Deed)

This is to certify that the interest in real property conveyed by the foregoing Grant Deed dated _____, 2012, executed by **Nida O. Neff, or such successor trustees as may hereafter be appointed, as Trustee of the Nida O. Neff Revocable Living Trust, udt June 2, 2006** for the benefit of the **CITY OF GARDEN GROVE** ("City") is hereby accepted by the undersigned officer on behalf of City pursuant to authority conferred by Resolution of the Garden Grove City Council adopted on _____, and City consents to recordation thereof by its duly authorized officer.

Dated: _____

CITY OF GARDEN GROVE

Kathleen Bailor, City Clerk

R

EXHIBIT C

FIRPTA CERTIFICATES



EXHIBIT C-1

FIRPTA CERTIFICATE

TRANSFEROR'S CERTIFICATE OF NON FOREIGN STATUS

To inform the **CITY OF GARDEN GROVE** ("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 Nida O. Neff Trust ("Transferor"), the undersigned hereby certifies the following:

1. The Transferor, **Nida O. Neff Trust, sole Trustee of the Exemption Trust of the Lester E. Neff and Nida O. Neff 1985 Trust** 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: _____

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

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

NIDA O. NEFF

By: _____
NIDA O. NEFF, SOLE TRUSTEE OF THE
EXEMPTION TRUST OF THE LESTER E.
NEFF AND NIDA O. NEFF 1985 TRUST

EXHIBIT C-2

FIRPTA CERTIFICATE

TRANSFEROR'S CERTIFICATE OF NON FOREIGN STATUS

To inform the **CITY OF GARDEN GROVE** ("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 Nida O. Neff Trust ("Transferor"), the undersigned hereby certifies the following:

1. The Transferor, **Nida O. Neff Trust, sole Trustee of the Exemption Trust of the Lester E. Neff and Nida O. Neff 1985 Trust** 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: _____

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

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

NIDA O. NEFF

By: _____
NIDA O. NEFF, SOLE TRUSTEE OF THE
EXEMPTION TRUST OF THE LESTER E.
NEFF AND NIDA O. NEFF 1985 TRUST

EXHIBIT C-3

FIRPTA CERTIFICATE

TRANSFEROR'S CERTIFICATE OF NON FOREIGN STATUS

To inform the **CITY OF GARDEN GROVE** ("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 Nida O. Neff Trust ("Transferor"), the undersigned hereby certifies the following:

1. The Transferor, **Nida O. Neff, or such successor trustees as may hereafter be appointed, as Trustee of the Nida O. Neff Revocable Living Trust, udt June 2, 2006** 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: _____

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

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

NIDA O. NEFF

By: _____
NIDA O. NEFF, OR SUCH SUCCESSOR
TRUSTEES AS MAY HEREAFTER BE
APPOINTED, AS TRUSTEE OF THE NIDA O.
NEFF REVOCABLE LIVING TRUST, UDT
JUNE 2, 2006

EXHIBIT D

LIST OF CURRENT CONTRACTS, LEASES AND LICENSES

DATA

EXHIBIT D-1

LIST OF CURRENT CONTRACTS, LEASES AND LICENSES

Pursuant to Section 13(a)(xii) of that certain Purchase and Sale Agreement and Joint Escrow Instructions dated as of _____, 2012 ("Agreement"), **Nida O. Neff Trust, sole Trustee of the Exemption Trust of the Lester E. Neff and Nida O. Neff 1985 Trust** ("Seller"), hereby represents and warrants to the **CITY OF GARDEN GROVE** ("Buyer"), that the following is a true, correct, and complete list of all contracts, leases, licenses, or other contractual rights or options to lease, purchase, or otherwise enjoy possession of the Property as of the Effective Date (as those terms are defined in the Agreement) and that prior to the times required by Sections 3(b) and 4(a) of the Agreement, Seller shall deliver true, complete, and legible copies of all documents described on the list set forth below. Buyer shall have full right and authority to review and approve or disapprove all documents described below as set forth in the Agreement and, in the event Buyer disapproves (or is deemed to have disapproved) such documents, Buyer shall have no obligation to purchase the Property unless and until Seller has caused such disapproved documents to be cancelled, terminated, or otherwise rendered inapplicable to Buyer and the Property, at Seller's sole cost and expense, as provided in the Agreement.

By: _____
**NIDA O. NEFF, SOLE TRUSTEE OF THE
EXEMPTION TRUST OF THE LESTER E.
NEFF AND NIDA O. NEFF 1985 TRUST**

EXHIBIT D-2

LIST OF CURRENT CONTRACTS, LEASES AND LICENSES

Pursuant to Section 13(a)(xii) of that certain Purchase and Sale Agreement and Joint Escrow Instructions dated as of _____, 2012 ("Agreement"), **Nida O. Neff Trust, sole Trustee of the Exemption Trust of the Lester E. Neff and Nida O. Neff 1985 Trust** ("Seller"), hereby represents and warrants to the **CITY OF GARDEN GROVE** ("Buyer"), that the following is a true, correct, and complete list of all contracts, leases, licenses, or other contractual rights or options to lease, purchase, or otherwise enjoy possession of the Property as of the Effective Date (as those terms are defined in the Agreement) and that prior to the times required by Sections 3(b) and 4(a) of the Agreement, Seller shall deliver true, complete, and legible copies of all documents described on the list set forth below. Buyer shall have full right and authority to review and approve or disapprove all documents described below as set forth in the Agreement and, in the event Buyer disapproves (or is deemed to have disapproved) such documents, Buyer shall have no obligation to purchase the Property unless and until Seller has caused such disapproved documents to be cancelled, terminated, or otherwise rendered inapplicable to Buyer and the Property, at Seller's sole cost and expense, as provided in the Agreement.

By: _____
**NIDA O. NEFF, SOLE TRUSTEE OF THE
EXEMPTION TRUST OF THE LESTER E.
NEFF AND NIDA O. NEFF 1985 TRUST**

EXHIBIT D-2

LIST OF CURRENT CONTRACTS, LEASES AND LICENSES

EXHIBIT D-3

LIST OF CURRENT CONTRACTS, LEASES AND LICENSES

Pursuant to Section 13(a)(xii) of that certain Purchase and Sale Agreement and Joint Escrow Instructions dated as of _____, 2012 ("Agreement"), **Nida O. Neff, or such successor trustees as may hereafter be appointed, as Trustee of the Nida O. Neff Revocable Living Trust, udt June 2, 2006** ("Seller"), hereby represents and warrants to the **CITY OF GARDEN GROVE** ("Buyer"), that the following is a true, correct, and complete list of all contracts, leases, licenses, or other contractual rights or options to lease, purchase, or otherwise enjoy possession of the Property as of the Effective Date (as those terms are defined in the Agreement) and that prior to the times required by Sections 3(b) and 4(a) of the Agreement, Seller shall deliver true, complete, and legible copies of all documents described on the list set forth below. Buyer shall have full right and authority to review and approve or disapprove all documents described below as set forth in the Agreement and, in the event Buyer disapproves (or is deemed to have disapproved) such documents, Buyer shall have no obligation to purchase the Property unless and until Seller has caused such disapproved documents to be cancelled, terminated, or otherwise rendered inapplicable to Buyer and the Property, at Seller's sole cost and expense, as provided in the Agreement.

By: _____
NIDA O. NEFF, OR SUCH SUCCESSOR
TRUSTEES AS MAY HEREAFTER BE
APPOINTED, AS TRUSTEE OF THE NIDA O.
NEFF REVOCABLE LIVING TRUST, UDT
JUNE 2, 2006

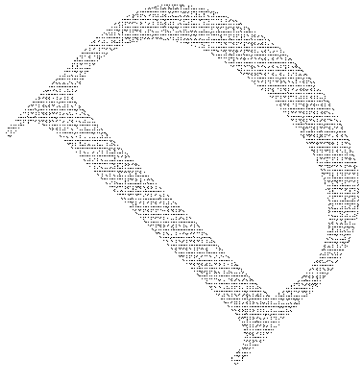


EXHIBIT E

CLOSING LIST OF CONTRACTS, LEASES AND LICENSES



EXHIBIT E-1

CLOSING LIST OF CONTRACTS, LEASES AND LICENSES

Pursuant to that certain Purchase and Sale Agreement and Joint Escrow Instructions dated as of _____, 2012 ("Agreement"), **Nida O. Neff Trust, sole Trustee of the Exemption Trust of the Lester E. Neff and Nida O. Neff 1985 Trust** ("Seller") hereby represents and warrants to the **CITY OF GARDEN GROVE** ("Buyer") that the following is a true, correct, and complete list of all contracts, leases, licenses, or other contractual rights or options to lease, purchase, or otherwise enjoy possession of the Property (defined in the Agreement), and that the length of time during which each occupant, lessee, tenant, licensee, or other person or entity with an interest in the Property held such interest, as stated below, is accurate to the best knowledge of Seller, as of _____, 2012. Full, complete, correct and legible copies of all documents listed below have been delivered to Buyer as required by the Agreement.

NIDA O. NEFF

By: _____
NIDA O. NEFF, SOLE TRUSTEE OF THE
EXEMPTION TRUST OF THE LESTER E.
NEFF AND NIDA O. NEFF 1985 TRUST

EXHIBIT E-2

CLOSING LIST OF CONTRACTS, LEASES AND LICENSES

Pursuant to that certain Purchase and Sale Agreement and Joint Escrow Instructions dated as of _____, 2012 ("Agreement"), **Nida O. Neff Trust, sole Trustee of the Exemption Trust of the Lester E. Neff and Nida O. Neff 1985 Trust** ("Seller") hereby represents and warrants to the **CITY OF GARDEN GROVE** ("Buyer") that the following is a true, correct, and complete list of all contracts, leases, licenses, or other contractual rights or options to lease, purchase, or otherwise enjoy possession of the Property (defined in the Agreement), and that the length of time during which each occupant, lessee, tenant, licensee, or other person or entity with an interest in the Property held such interest, as stated below, is accurate to the best knowledge of Seller, as of _____, 2012. Full, complete, correct and legible copies of all documents listed below have been delivered to Buyer as required by the Agreement.

NIDA O. NEFF

By: _____
NIDA O. NEFF, SOLE TRUSTEE OF THE
EXEMPTION TRUST OF THE LESTER E.
NEFF AND NIDA O. NEFF 1985 TRUST

EXHIBIT E-3

CLOSING LIST OF CONTRACTS, LEASES AND LICENSES

Pursuant to that certain Purchase and Sale Agreement and Joint Escrow Instructions dated as of _____, 2012 ("Agreement"), **Nida O. Neff, or such successor trustees as may hereafter be appointed, as Trustee of the Nida O. Neff Revocable Living Trust, udt June 2, 2006** ("Seller") hereby represents and warrants to the **CITY OF GARDEN GROVE** ("Buyer") that the following is a true, correct, and complete list of all contracts, leases, licenses, or other contractual rights or options to lease, purchase, or otherwise enjoy possession of the Property (defined in the Agreement), and that the length of time during which each occupant, lessee, tenant, licensee, or other person or entity with an interest in the Property held such interest, as stated below, is accurate to the best knowledge of Seller, as of _____, 2012. Full, complete, correct and legible copies of all documents listed below have been delivered to Buyer as required by the Agreement.

NIDA O. NEFF

By: _____

NIDA O. NEFF, OR SUCH SUCCESSOR
TRUSTEES AS MAY HEREAFTER BE
APPOINTED, AS TRUSTEE OF THE NIDA O.
NEFF REVOCABLE LIVING TRUST, UDT
JUNE 2, 2006

EXHIBIT E-3

CLOSING LIST OF LEASES AND LICENSES

EXHIBIT F-1

OWNER'S RELEASE AND WAIVER OF RIGHTS UNDER EMINENT DOMAIN LAW

This **OWNER'S RELEASE AND WAIVER OF RIGHTS UNDER EMINENT DOMAIN LAW** is made and entered into this [] day of [], 2012 by and between the **CITY OF GARDEN GROVE** ("City"), and **Nida O. Neff Trust, sole Trustee of the Exemption Trust of the Lester E. Neff and Nida O. Neff 1985 Trust** ("Owner") relating to that certain real property and all interests therein located at 12511 and 12531 Twin Tree Lane, Garden Grove, California 92840; APN 231-521-07 and 08 ("Property"). For good, valuable and adequate consideration Owner provides the following release and waiver of eminent domain rights to City.

1. Owner. I, Nida O. Neff, sole Trustee of the Exemption Trust of the Lester E. Neff and Nida O. Neff 1985 Trust, am the fee owner of the Property.

2. Intended General Waiver of Eminent Domain Law and Other Laws. Based on advice of their counsel and based on Owner's independent decision and judgment, Owner expressly, knowingly, voluntarily, and intentionally waives, releases and forever relinquishes any and all rights under the Eminent Domain Law including, but not limited to, each and all of the rights and provisions described herein and any and all other rights available to Owner pursuant to or referenced now or hereafter in Code of Civil Procedure Section 1230.010, *et seq.*, and any and all other applicable laws and regulations related in any manner to the method, process, and proceedings to acquire Owner's interests, tangible and intangible, in the Property through the negotiated purchase and sale of the Property between the parties and/or under the threat of, eminent domain by City (together "Eminent Domain Law"). In this regard Owner and City have by separate contract entered into that certain Purchase and Sale Agreement and Joint Escrow Instructions made and entered into as of [], 2012] by and between the City, as buyer, and Owner, as seller ("Purchase Agreement").

3. Intended Waiver of Specific Provisions of Eminent Domain Law. Owner has retained its own legal counsel [confirm & revise as applicable], [firm/attorney name], for the sale and conveyance of the Property and based upon legal advice obtained by Owner and Owner's independent decision and judgment willingly, knowingly, and voluntarily, and intentionally waives, releases and forever relinquishes any and all rights they may have or will have in the future as conferred on Owner by the provisions of the Eminent Domain Law with regard to any and all interests, both tangible and intangible, arising from or related in any way to the Property. In this regard and in furtherance of the intended release and waiver by Owner herein, Owner expressly acknowledges that Owner has been advised by counsel of their choosing and Owner fully understands all of their rights regarding notice, resale, leaseback and other rights provided under Code of Civil Procedure sections 1245.245, 1263.510 and 1263.615 including, but not limited to the following:

(a) The limitations on the use of the Property set forth in Code of Civil Procedure section 1245.245(a);

(b) The requirement that City put the Property to public use within ten (10) years or either: (a) resell the Property to the Owner; or (b) adopt a resolution of necessity reauthorizing public use of the Property pursuant to the requirements of Code of Civil Procedure section 1245.245(b) and (c);

(c) Owner's right to judicial review of the City's acquisition of the Property set forth in Code of Civil Procedure section 1245.245(d);

(d) Owner's right of first refusal under the circumstances and in accordance with the procedures set forth in Code of Civil Procedure section 1245.245(f);

(e) The requirement that the City sell the Property as surplus under the circumstances and in accordance with the procedures set forth in Code of Civil Procedure section 1245.245(g);

(f) The requirement that the City pay any financial gain to the Owner under the circumstances and in accordance with the procedures set forth in Code of Civil Procedure section 1245.245(h);

(g) The requirement that the City give written notice to Owner of the rights set forth in Code of Civil Procedure section 1245.245; and/or

(h) The requirement that the City offer the Owner a one-year leaseback agreement for the Property set forth in Code of Civil Procedure section 1263.615.

4. Civil Code Section 1542 Release. Owner intends that the waiver and release contained herein relates to both known and unknown claims that Owner may have, or claim to have, against the City with respect to the claims and rights released and waived hereby (together "Released Claims"). By releasing and forever discharging the Released Claims, both known and unknown, and any other claims which are related to or which arise under or in connection with the Released Claims, Owner 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."

Owner's Initials

In connection with this waiver and release, Owner acknowledges that Owner is aware that Owner and Owner's attorney may hereafter discover claims or facts or legal theories in addition to or different from those which Owner knows or believes to exist with respect to the Released Claims, but that Owner's intention hereby is to fully, finally and forever release and waive all Released Claims, known or unknown, suspected or unsuspected, which do now exist, may exist or have existed in favor of Owner under the Eminent Domain Law as it now exists or is hereafter amended. In furtherance of such intention, this release and waiver provided by Owner shall be and remain in effect as a full and complete release and waiver, notwithstanding the discovery or existence of any such additional claims, facts, or legal theories under the Eminent Domain Law or otherwise relating to the Property. Owner acknowledges and agrees that Owner's waiver and release is an essential and material term to the Purchase and Sale Agreement conveying the Property to the City. Owner has been advised by Owner's legal

counsel with respect to this release and waiver, and Owner understands and acknowledges the significance and consequences of this release and waiver.

5. Consultation with Legal Counsel; Knowing and Voluntary Waiver. Owner acknowledges that Owner has consulted with Owner's legal counsel before signing this release and waiver. In this regard Owner represents, understands, and agrees that Owner has thoroughly discussed this release and waiver and Owner's rights with Owner's own legal counsel to the full extent Owner wished to do so before signing this release and waiver, and that Owner may be waiving legal claims provided by and set forth in the Eminent Domain Law by signing this release and waiver.

6. Owner's Authority. Owner represents to City that (a) to the extent not otherwise prohibited by law, they have the legal power, right, and authority to provide and execute this Release and Waiver of Eminent Domain Rights and to consummate the transaction contemplated by the Purchase Agreement and this Release and Waiver of Eminent Domain Rights, and (b) Owner owns the Property and Owner has not assigned to any other person or entity, including any agent or heir, the rights Owner is releasing and waiving hereunder or under the Purchase Agreement. Owner further has the legal power, right, and affirmative authority to bind Owner and intends to bind any and all of Owner's heirs and agents claiming by or through Owner to the terms and conditions hereof and thereof to the extent permitted by law.

7. Co-Participation in Drafting of This Release and Waiver. Owner represents and warrants that Owner and Owner's counsel fully participated in the drafting and terms of this release and waiver. Accordingly, any ambiguities in the terms of this release and waiver shall not be construed against the City and any rule of construction that would construe this release and waiver against the City shall not apply.

8. Severability. In the event that any provision of this release and waiver becomes or is declared by a court of competent jurisdiction to be against public policy, illegal, unenforceable, or void, this release and waiver shall continue in full force and effect without said provision. If a court of competent jurisdiction is required to interpret this release and waiver, the court shall be guided by the Owner's knowing, voluntary and willing intent to grant to the City the broadest and most comprehensive release and waiver of the Eminent Domain Law possible because pursuant to the Purchase Agreement for the Property City provided to Owner, at Owner's request and behest, substantive additional consideration for this release and waiver that would not otherwise have been provided by the City to Owner.

9. California Law. This release and waiver shall be construed in accordance with the laws of the State of California, without regard for choice of law principles.

10. Consent to Forum Selection. Owner agrees that any disputes relating to the interpretation or enforcement of this release and waiver shall be tried and litigated exclusively in the California Superior Court located in the County of Orange, State of California.

11. Execution of Further Documents. From time to time, at the request of the City (or the City of Garden Grove as Successor Agency to Garden Grove Agency for Community Development) and without further consideration of their expense and within a reasonable period of time after a request is made, Owner agrees to execute and deliver any and all further documents and instruments, as the City (or the City of Garden Grove as Successor Agency to Garden Grove Agency

for Community Development) may reasonably request, which may be necessary or appropriate to fully implement the provisions of this release and waiver, as and if necessary.

12. Effective Date. This release and waiver shall not become effective unless and until the Closing for the sale of the Property from Owner to City occurs under the Purchase Agreement.

OWNER

Dated: _____

NIDA O. NEFF

By: _____
NIDA O. NEFF, SOLE TRUSTEE OF THE
EXEMPTION TRUST OF THE LESTER E. NEFF
AND NIDA O. NEFF 1985 TRUST

CITY

CITY OF GARDEN GROVE

By: _____
Matthew J. Fertal, City Manager

ATTEST:

City Clerk

EXHIBIT F-1-4

OWNER'S RELEASE AND WAIVER OF RIGHTS UNDER EMINENT DOMAIN LAW

EXHIBIT F-2

OWNER'S RELEASE AND WAIVER OF RIGHTS UNDER EMINENT DOMAIN LAW

This **OWNER'S RELEASE AND WAIVER OF RIGHTS UNDER EMINENT DOMAIN LAW** is made and entered into this [] day of [], 2012 by and between the **CITY OF GARDEN GROVE** ("City"), and **Nida O. Neff, or such successor trustees as may hereafter be appointed, as Trustee of the Nida O. Neff Revocable Living Trust, udt June 2, 2006** ("Owner") relating to that certain real property and all interests therein located at 12291 Harbor Boulevard, Garden Grove, California 92840; APN 231-521-06 ("Property"). For good, valuable and adequate consideration Owner provides the following release and waiver of eminent domain rights to City.

1. Owner. I, Nida O. Neff, as Trustee of the Nida O. Neff Revocable Living Trust, udt June 2, 2006, am the fee owner of the Property.

2. Intended General Waiver of Eminent Domain Law and Other Laws. Based on advice of their counsel and based on Owner's independent decision and judgment, Owner expressly, knowingly, voluntarily, and intentionally waives, releases and forever relinquishes any and all rights under the Eminent Domain Law including, but not limited to, each and all of the rights and provisions described herein and any and all other rights available to Owner pursuant to or referenced now or hereafter in Code of Civil Procedure Section 1230.010, *et seq.*, and any and all other applicable laws and regulations related in any manner to the method, process, and proceedings to acquire Owner's interests, tangible and intangible, in the Property through the negotiated purchase and sale of the Property between the parties and/or under the threat of, eminent domain by City (together "Eminent Domain Law"). In this regard Owner and City have by separate contract entered into that certain Purchase and Sale Agreement and Joint Escrow Instructions made and entered into as of [], 2012] by and between the City, as buyer, and Owner, as seller ("Purchase Agreement").

3. Intended Waiver of Specific Provisions of Eminent Domain Law. Owner has retained its own legal counsel [confirm & revise as applicable], [firm/attorney name], for the sale and conveyance of the Property and based upon legal advice obtained by Owner and Owner's independent decision and judgment willingly, knowingly, and voluntarily, and intentionally waives, releases and forever relinquishes any and all rights they may have or will have in the future as conferred on Owner by the provisions of the Eminent Domain Law with regard to any and all interests, both tangible and intangible, arising from or related in any way to the Property. In this regard and in furtherance of the intended release and waiver by Owner herein, Owner expressly acknowledges that Owner has been advised by counsel of their choosing and Owner fully understands all of their rights regarding notice, resale, leaseback and other rights provided under Code of Civil Procedure sections 1245.245, 1263.510 and 1263.615 including, but not limited to the following:

(a) The limitations on the use of the Property set forth in Code of Civil Procedure section 1245.245(a);

(b) The requirement that City put the Property to public use within ten (10) years or either: (a) resell the Property to the Owner; or (b) adopt a resolution of necessity reauthorizing public use of the Property pursuant to the requirements of Code of Civil Procedure section 1245.245(b) and (c);

(c) Owner's right to judicial review of the City's acquisition of the Property set forth in Code of Civil Procedure section 1245.245(d);

(d) Owner's right of first refusal under the circumstances and in accordance with the procedures set forth in Code of Civil Procedure section 1245.245(f);

(e) The requirement that the City sell the Property as surplus under the circumstances and in accordance with the procedures set forth in Code of Civil Procedure section 1245.245(g);

(f) The requirement that the City pay any financial gain to the Owner under the circumstances and in accordance with the procedures set forth in Code of Civil Procedure section 1245.245(h);

(g) The requirement that the City give written notice to Owner of the rights set forth in Code of Civil Procedure section 1245.245; and/or

(h) The requirement that the City offer the Owner a one-year leaseback agreement for the Property set forth in Code of Civil Procedure section 1263.615.

4. Civil Code Section 1542 Release. Owner intends that the waiver and release contained herein relates to both known and unknown claims that Owner may have, or claim to have, against the City with respect to the claims and rights released and waived hereby (together "Released Claims"). By releasing and forever discharging the Released Claims, both known and unknown, and any other claims which are related to or which arise under or in connection with the Released Claims, Owner 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."

Owner's Initials

In connection with this waiver and release, Owner acknowledges that Owner is aware that Owner and Owner's attorney may hereafter discover claims or facts or legal theories in addition to or different from those which Owner knows or believes to exist with respect to the Released Claims, but that Owner's intention hereby is to fully, finally and forever release and waive all Released Claims, known or unknown, suspected or unsuspected, which do now exist, may exist or have existed in favor of Owner under the Eminent Domain Law as it now exists or is hereafter amended. In furtherance of such intention, this release and waiver provided by Owner shall be and remain in effect as a full and complete release and waiver, notwithstanding the discovery or existence of any such additional claims, facts, or legal theories under the Eminent Domain Law or otherwise relating to the Property. Owner acknowledges and agrees that Owner's waiver and release is an essential and material term to the Purchase and Sale Agreement conveying the Property to the City. Owner has been advised by Owner's legal

EXHIBIT F-2-2

OWNER'S RELEASE AND WAIVER OF RIGHTS UNDER EMINENT DOMAIN LAW

counsel with respect to this release and waiver, and Owner understands and acknowledges the significance and consequences of this release and waiver.

5. Consultation with Legal Counsel; Knowing and Voluntary Waiver. Owner acknowledges that Owner has consulted with Owner's legal counsel before signing this release and waiver. In this regard Owner represents, understands, and agrees that Owner has thoroughly discussed this release and waiver and Owner's rights with Owner's own legal counsel to the full extent Owner wished to do so before signing this release and waiver, and that Owner may be waiving legal claims provided by and set forth in the Eminent Domain Law by signing this release and waiver.

6. Owner's Authority. Owner represents to City that (a) to the extent not otherwise prohibited by law, they have the legal power, right, and authority to provide and execute this Release and Waiver of Eminent Domain Rights and to consummate the transaction contemplated by the Purchase Agreement and this Release and Waiver of Eminent Domain Rights, and (b) Owner owns the Property and Owner has not assigned to any other person or entity, including any agent or heir, the rights Owner is releasing and waiving hereunder or under the Purchase Agreement. Owner further has the legal power, right, and affirmative authority to bind Owner and intends to bind any and all of Owner's heirs and agents claiming by or through Owner to the terms and conditions hereof and thereof to the extent permitted by law.

7. Co-Participation in Drafting of This Release and Waiver. Owner represents and warrants that Owner and Owner's counsel fully participated in the drafting and terms of this release and waiver. Accordingly, any ambiguities in the terms of this release and waiver shall not be construed against the City and any rule of construction that would construe this release and waiver against the City shall not apply.

8. Severability. In the event that any provision of this release and waiver becomes or is declared by a court of competent jurisdiction to be against public policy, illegal, unenforceable, or void, this release and waiver shall continue in full force and effect without said provision. If a court of competent jurisdiction is required to interpret this release and waiver, the court shall be guided by the Owner's knowing, voluntary and willing intent to grant to the City the broadest and most comprehensive release and waiver of the Eminent Domain Law possible because pursuant to the Purchase Agreement for the Property the City provided to Owner, at Owner's request and behest, substantive additional consideration for this release and waiver that would not otherwise have been provided by the City to Owner.

9. California Law. This release and waiver shall be construed in accordance with the laws of the State of California, without regard for choice of law principles.

10. Consent to Forum Selection. Owner agrees that any disputes relating to the interpretation or enforcement of this release and waiver shall be tried and litigated exclusively in the California Superior Court located in the County of Orange, State of California.

11. Execution of Further Documents. From time to time, at the request of the City (or the City of Garden Grove as Successor Agency to Garden Grove Agency for Community Development) and without further consideration of their expense and within a reasonable period of time after a request is made, Owner agrees to execute and deliver any and all further documents and instruments, as the City (or the City of Garden Grove as Successor Agency to Garden Grove Agency

for Community Development) may reasonably request, which may be necessary or appropriate to fully implement the provisions of this release and waiver, as and if necessary.

12. Effective Date. This release and waiver shall not become effective unless and until the Closing for the sale of the Property from Owner to City occurs under the Purchase Agreement.

OWNER

Dated: _____

NIDA O. NEFF

By: _____

NIDA O. NEFF, OR SUCH SUCCESSOR TRUSTEES AS MAY HEREAFTER BE APPOINTED, AS TRUSTEE OF THE NIDA O. NEFF REVOCABLE LIVING TRUST, UDT JUNE 2, 2006

CITY

CITY OF GARDEN GROVE

By: _____

Matthew J. Fertal, City Manager

ATTEST:

City Clerk

EXHIBIT G
SETTLEMENT AGREEMENT

