

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

This AGREEMENT OF PURCHASE AND SALE AND JOINT ESCROW INSTRUCTIONS (“**Agreement**”) is entered into by and between the **City Signal Hill**, a California municipal corporation and charter city (“**Buyer**”), and **Lori J. Helfer**, a married woman (“**Seller**”). Buyer and Seller are sometimes individually referred to herein as “**Party**” and collectively as “**Parties.**” The Parties hereto have executed this Agreement on the dates set forth below next to their respective signatures. This Agreement shall be effective as of the date, following all legally required notices and hearings, this Agreement has been approved by Buyer’s governing body or its delegated representative and signed by all Parties (“**Effective Date**”).

**RECITALS**

A. Seller is the owner in fee of certain real properties commonly described as 1975 East 21st Street and 2107 Cherry Avenue in the City of Signal Hill, County of Los Angeles, State of California, 90755, with Los Angeles County Assessor’s Parcel Numbers 7215-013-012 and 7215-012-002 respectively (“**Properties**”), as more fully described in **Exhibit A** attached hereto and incorporated herein by reference. Reference herein to “**Properties**” shall include all of Seller’s right, title and interest in and to any and all improvements, fixtures, rights-of-way, utility rights, entitlements, claims or other benefits in any way connected with the Properties.

B. Buyer desires to purchase the Properties from Seller and Seller desires to sell the Properties to Buyer, upon the terms and provisions set forth herein.

NOW, THEREFORE, in consideration of the above facts and for the covenants and agreements contained herein, the Parties hereto agree as follows:

**TERMS**

1. **PURCHASE AND SALE.**

1.1 **Properties.** Seller agrees to sell the Properties to Buyer, and Buyer agrees to purchase the Properties from Seller, upon the terms and conditions set forth herein.

1.2 **Purchase Price.**

The total purchase price for the Properties is **One Million Four Hundred Seventy Five Thousand Dollars and No/Cents** (\$1,475,000.00) (“**Purchase Price**”), which includes, without limitation, full payment of just compensation, claims for inverse condemnation or unreasonable precondemnation conduct, relocation, attorneys’ fees, costs and interest in complete settlement of all claims (known and unknown), causes of action and demands of Seller against the Buyer because of Buyer’s purchase of the Properties, and for any and all claims (known and unknown) arising from or relating to the purchase and sale which is the subject of this Agreement.

1.3 Deposit/Purchase Price. Within five (5) business days after the Effective Date, Buyer shall deposit Five Thousand Dollars (\$5,000.00) into an escrow account on behalf of Buyer. The Deposit shall be refundable to Buyer unless Buyer waives all contingencies by the expiration of the Due Diligence Period. If the Closing of the transaction contemplated by this transaction occurs, the Deposit shall be disbursed to Seller and applied to the Purchase Price at Closing. Buyer shall pay the Purchase Price to Seller through escrow at the Closing. On or before the Closing Date (as defined below), Buyer shall deposit into Escrow the remainder of the Purchase Price, subject to adjustment by reason of any applicable prorations and the allocation of closing costs described below. The Deposit and Purchase Price shall be made by wire transfer of federal funds, cashier's check or in another immediately available form. Notwithstanding anything herein to the contrary, One Hundred Dollars (\$100.00) of the Initial Deposit (the "**Independent Consideration**") shall not be refundable to Buyer, but shall represent consideration for this Agreement and shall be paid to Seller. The Independent Consideration shall be paid to Seller within three (3) days after the Deposit is placed in escrow. The Independent Consideration shall serve as consideration for the granting of the time periods herein contained for Buyer to exercise Buyer's right to satisfy and approve all of Buyer's conditions herein contained. If the Deposit is refunded to Buyer for any reason pursuant to this Agreement, the Independent Consideration shall be subtracted from the Deposit pursuant to this Section.

1.4 No Negotiation with Others for Purchasing or Leasing. Following the Effective Date, Seller shall not negotiate with any other Person regarding the sale or lease of all or any portion of the Properties. The term "negotiate," as used in this Agreement, means engaging in any discussions with any third person or party or such person or party's agent, other than the Buyer, regardless of how initiated, with respect to that person or party's purchase or lease of all or any portion of the Properties.

1.5 Withholding Requirements per R&T 18662. The Parties acknowledge that pursuant to California Revenue and Taxation Code Section 18662, Buyer is required to withhold from funds otherwise payable to Seller at Close of Escrow an amount equal to 3 1/3% of the total sales price/Purchase Price for the Properties and submit such amount to the California Franchise Tax Board, unless Buyer is relieved of such withholding requirements under the provisions of said Section 18662.

## 2. ESCROW.

2.1 Opening of Escrow. Within ten (10) business days following the Effective Date, Seller and Buyer shall open an escrow ("**Escrow**") for the conveyance of the Properties with Harbor Lights Escrow ("**Escrow Holder**"). For purposes of this Agreement, the Escrow shall be deemed open on the date Escrow Holder shall have received either an original or a copy, at Escrow Holder's discretion, of this Agreement, fully executed by the Parties ("**Opening of Escrow**"). Escrow Holder shall notify Buyer and Seller, in writing, of the date Escrow is opened.

2.2 Escrow Instructions. This Agreement constitutes the joint basic escrow

instructions of Buyer and Seller for the conveyance of the Properties. Either an original or a copy, at Escrow Holder's discretion, of this Agreement, fully executed by the Parties, shall be delivered to Escrow Holder upon the Opening of Escrow. Buyer and Seller shall execute, deliver and be bound by any reasonable or customary supplemental or additional escrow instructions (“**Additional Instructions**”) of Escrow Holder or other instruments as may be reasonably required by Escrow Holder in order to consummate the transaction contemplated by this Agreement. Any such Additional Instructions shall not conflict with, amend or supersede any portions of this Agreement unless expressly consented or agreed to in writing by Seller and Buyer. In the event of any conflict or any inconsistency between this Agreement and such Additional Instructions, this Agreement shall govern unless otherwise specifically agreed to in writing by the Parties.

2.3 Close of Escrow. For purposes of this Agreement, “**Close of Escrow**” or “**Closing**” means the recordation of the Grant Deed (See **Exhibit B** attached) conveying the Properties to Buyer (“**Grant Deed**”) in the Official Records of Los Angeles County, California, and the disbursement of funds and distribution of any other documents by Escrow Holder, all as described herein. Close of Escrow shall occur **fifteen (15) days** following the expiration of the Due Diligence Period, with Buyer having approved the results of its Due Diligence Investigation and having opted not to terminate this Agreement (the “**Closing Date**”), provided that Seller and Buyer may, but shall not be obligated to, close the Escrow upon such earlier date as the Seller and Buyer mutually agree to in writing. Buyer and Seller may mutually agree to change the Closing Date by joint written notice to Escrow Holder. The Closing shall be conditioned upon satisfaction, or waiver by the Party for whose benefit the condition exists, of all conditions precedent thereto. In the event the Escrow is not in a condition to close by the Closing Date, or the Extended Closing Date (defined below), if any, for any reason other than the uncured breach of either Buyer or Seller, then any Party who is not then in default of the terms of this Agreement may terminate this Agreement as provided in Section 8.1 herein. If no notice of termination as provided in Section 8.1 herein is received by Escrow Holder, Escrow Holder is instructed to proceed with Close of Escrow as soon as possible. For purposes of this Agreement, the term “**Extended Closing Date**” shall refer to any date beyond the original closing date, agreed to in writing by the Buyer and Seller.

2.4 Costs of Escrow. Buyer and Seller shall each pay one half of all of the following: costs of the Title Policy (defined below), all Escrow fees, recording fees, and notary fees attributable to the conveyance of the Properties (collectively “**Title and Escrow Costs**”). All other costs of processing the escrow, except as specifically provided in this Agreement, shall be divided between the Parties in accordance with common escrow practices in Los Angeles County at the discretion of the Escrow Holder. Escrow Holder shall provide an estimated closing costs statement to Buyer and Seller at least three (3) days prior to the Closing Date, or Extended Closing Date, if any. Each Party shall be responsible for payment of its own attorneys' fees with respect to the negotiation and preparation of this Agreement.

2.5 Property Taxes and Assessments. All Real Estate Taxes shall have been paid by Seller and current as of Close of Escrow and there shall be no proration of Real Estate Taxes between the Parties through or outside of the Escrow. Seller shall be entitled to and solely responsible for obtaining all refunds, if any, that may be due for Real Estate Taxes paid by Seller applicable to any period after Close of Escrow. Seller shall be responsible for all Real Estate

Taxes and all supplemental Real Estate Taxes, if any, assessed pursuant to California Revenue and Taxation Code Section 75, *et seq.*, applicable to any period on or before the Close of Escrow, and Buyer's obligation to pay such Real Estate Taxes shall survive the Close of Escrow. Buyer shall be responsible for all Real Estate Taxes, if any, and all supplemental Real Estate Taxes, if any, applicable to any period after the Close of Escrow.

2.6 Buyer's Conditions Precedent to Close of Escrow. The Close of Escrow and Buyer's obligation to accept title to the Properties and pay the Purchase Price are subject to the satisfaction of the following-described conditions for Buyer's benefit (or Buyer's waiver thereof, it being agreed that Buyer may waive any or all of such conditions) on or prior to the Closing Date, or Extended Closing Date, if any. In the event any of these conditions are not satisfied, or expressly waived in writing by Buyer, Buyer shall have the right to terminate this Agreement, and the Deposit shall be refunded to Buyer, and, following the return of the Deposit, Buyer shall have no further obligation to Seller under this Agreement. Buyer's conditions precedent are as follows:

2.6.1 Due Diligence. Buyer having approved of the results of its Due Diligence Investigation, including, without limitation, having determined that the Properties are suitable for Buyer's intended use and development, pursuant to Section 5.4.

2.6.2 Title Review. Buyer having approved of the results of its review of title pursuant to Section 5.5.

2.6.3 Ratification of this Agreement by Buyer's governing body.

2.6.4 Buyer's Planning Commission has determined, pursuant to Government Code section 65402, that Buyer's purchase of the Properties is consistent with and conforms to the Signal Hill General Plan.

2.6.5 Seller shall have tendered into Escrow all payments and documents required of it pursuant to this Agreement.

2.6.6 Seller shall have completed in a timely fashion all of its obligations that are to be completed prior to the Close of Escrow as provided in this Agreement.

2.6.7 Escrow Holder shall have received an irrevocable commitment from the Title Company to issue the Title Policy required pursuant to this Agreement, subject only to the Permitted Exceptions, including, without limitation, removal of all Monetary Liens (defined below) as exceptions to coverage, as set forth in more detail in Section 3.1.

2.6.8 All representations and warranties of the Seller hereunder shall be true as of the Effective Date and as of the Close of Escrow and shall continue thereafter for the full statutory period.

2.6.9 All property taxes and assessments attributable to the Properties shall have been paid by Seller before delinquency and shall be current as of Close of Escrow.

2.6.10 Buyer shall have approved Escrow Holder's estimated closing costs

statement.

2.6.11 The Properties shall be free and clear of all Monetary Liens (defined below), encumbrances, assessments, leases and taxes, except for Permitted Liens.

2.7 Seller's Conditions Precedent to Close of Escrow. The Close of Escrow and Seller's obligation to convey the Properties are subject to the satisfaction of the following-described conditions for Seller's benefit (or Seller's waiver thereof, it being agreed that Seller may waive any or all of such conditions) on or prior to the Closing Date, or Extended Closing Date, if any:

2.7.1 Buyer shall have tendered into Escrow all payments and documents required of it pursuant to this Agreement.

2.7.2 Buyer shall have completed in a timely fashion all of its obligations which are to be completed prior to the Close of Escrow as provided in this Agreement.

2.7.3 All representations and warranties of the Buyer hereunder shall be true as of the Effective Date and as of the Close of Escrow and shall continue for the full statutory period.

2.7.4 Seller shall have approved Escrow Holder's estimated closing costs statement.

2.8 Buyer's Payments and Documents. No less than one (1) day prior to Closing, Buyer shall pay or tender (as applicable) to the Escrow Holder the following-described funds and documents (in recordable form, as necessary):

2.8.1 The Purchase Price, less the Deposit.

2.8.2 Funds required to pay costs of the Title and Escrow Costs payable by Buyer pursuant to Section 2.4 herein.

2.8.3 Funds required to pay all sales or brokerage commissions and finder's fees payable by Buyer, if any, with respect to the transaction which is the subject of this Agreement.

2.8.4 Funds required to pay any additional charges customarily charged to buyers in accordance with common escrow practices in Los Angeles County, at the discretion of Escrow Holder.

2.8.5 Certificate of Acceptance, accepting Grant Deed and consenting to recording of same ("**Certificate of Acceptance**"). See **Exhibit B** attached.

2.8.6 Preliminary Change of Ownership form.

2.8.7 Such other documents and funds required of Buyer under this Agreement and by Escrow Holder in the performance of its contractual or statutory obligations.

2.9 Seller's Payments and Documents. No less than one (1) day prior to Closing, Seller shall pay or tender (as applicable) to the Escrow Holder the following-described funds and documents (in recordable form, as necessary):

2.9.1 Funds required to pay all sales or brokerage commissions and finder's fees payable by Seller, if any, with respect the transaction which is the subject of this Agreement.

2.9.2 Any additional charges customarily charged to sellers in accordance with common escrow practices in Los Angeles County, at the discretion of Escrow Holder.

2.9.3 A fully-executed and acknowledged Grant Deed commonly used by Escrow Holder and in a form acceptable to Buyer in its reasonable discretion.

2.9.4 FIRPTA Certificate and California Form 593-C.

2.9.5 Such other documents and funds required of Seller under this Agreement and by Escrow Holder in the performance of its contractual or statutory obligations.

2.10 Escrow Holder Responsibilities. Escrow Holder is authorized and instructed to:

2.10.1 Cause the satisfaction and removal of all exceptions to title to the Properties representing Monetary Liens or encumbrances from funds otherwise payable to Seller at Close of Escrow, including, without limitation, all unpaid taxes and assessments respecting the Properties which became due and payable prior to Close of Escrow and all penalties and interest, if any, thereon. Before such payments or charges are made, Escrow Holder shall notify Seller of the sums necessary to satisfy and remove such Monetary Liens or encumbrances.

2.10.2 Pay, and charge Buyer and Seller, respectively, for any fees, charges and costs payable under this Agreement, including, but not limited to, Sections 2.8 and 2.9 herein. Before such payments or charges are made, Escrow Holder shall notify Buyer and Seller of the fees, charges and costs necessary to clear title and close the Escrow.

2.10.3 Record the Grant Deed, with Certificate of Acceptance attached thereto, and any other instruments, as appropriate, delivered through Escrow.

2.10.4 Withhold from funds otherwise payable to Seller at Close of Escrow such amount as Buyer is required to withhold therefrom pursuant to California Revenue and Taxation Code Section 18662 (i.e., 3 1/3% of the total sales price) and timely submit such sums to the California Franchise Tax Board, unless Buyer is relieved of such withholding requirements under the provisions of said Section 18662. Further, deliver to each Party copies of all such withholding form(s).

2.10.5 Disburse such other funds and deliver such other documents to the Parties entitled thereto.

2.10.6 Cause the Title Policy to be issued.

2.11 Notices. All communications from Escrow Holder to either Buyer or Seller shall

be directed to the addresses and in the manner established in Section 10.1 herein for notices, demands and communications between the Buyer and Seller.

2.12 Facsimile/Counterpart Documents. In the event Buyer or Seller utilizes “facsimile” transmitted signed documents, the Parties hereby agree to accept and instruct Escrow Holder to rely upon such documents as if they bore original signatures. Buyer and Seller hereby acknowledge and agree to provide to Escrow Holder, within seventy-two (72) hours after transmission, such documents bearing the original signatures. Buyer and Seller further acknowledge and agree that facsimile documents bearing non-original signatures will not be accepted for recording and that the Parties will provide originally executed documents to Escrow Holder for such purpose. Escrow Holder is authorized to utilize documents which have been signed by Buyer and Seller in counterparts.

### 3. TITLE.

3.1 Condition of Title; Title Policy. It is a condition to the Close of Escrow for Buyer’s benefit that fee title to the Properties and the right to possession to any portion of the Properties conveyed to Buyer pursuant to this Agreement shall be subject only to the Permitted Exceptions (defined below) and free and clear of all (i) delinquent taxes, bonds and assessments and interest and penalties thereon; and (ii) other monetary encumbrances, including without limitation all those shown on the Title Report (defined below) (including judgment and mechanics’ liens, whether or not liquidated, and mortgages and deeds of trust, with Seller being fully responsible for any fees or penalties incurred in connection therewith) (collectively, “**Monetary Liens**”), as evidenced by the receipt by Escrow Holder of an irrevocable commitment from Commonwealth National Commercial Services (“**Title Company**”) to issue to Buyer upon Close of Escrow its Standard Owner’s Form Policy of Title Insurance (“**Title Policy**”) in an amount equal to the Purchase Price, as adjusted, if applicable, showing title to the Properties vested in Buyer, subject only to the Permitted Exceptions. The Parties shall cause the Title Company to issue the Title Policy to Buyer upon Close of Escrow.

3.2 Permitted Exceptions. The term “**Permitted Exceptions**” as used herein shall mean the following-described conditions and exceptions to title or possession:

3.2.1 A lien to secure payment of general and special real property taxes and assessments, not delinquent.

3.2.2 A lien of supplemental taxes assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code accruing on or after the Close of Escrow.

3.2.3 Matters affecting the condition of title created by or with the consent of Buyer.

3.2.4 Other exceptions to title disclosed by the Title Report (defined below) which have been approved in writing by Buyer prior to the Close of Escrow.

Notwithstanding any other provision(s) in this Agreement, any exceptions to title to the Properties representing Monetary Liens or encumbrances are hereby disapproved

and deemed a Disapproved Matter, and Escrow Holder is hereby authorized and instructed to cause at Close of Escrow the satisfaction and removal of any such monetary exceptions from funds otherwise payable to Seller at Close of Escrow.

#### 4. EXISTING TENANT LEASES.

4.1 Rent Roll; Tenant Leases. Within ten (10) calendar days following the Effective Date, Seller shall provide to Buyer and Escrow Holder:

4.1.1 True, correct and complete copies of all existing leases, rental agreements, including any amendments and modifications thereto, and other agreements affecting the Properties (collectively, "**Tenant Leases**"), and copies of all documents, agreements and other writings referenced therein affecting the Tenant Leases or the Properties or any other information that Buyer may reasonably require of which Seller has custody or control, to determine the credit worthiness of each possessor; and

4.1.2 A written schedule ("**Rent Roll**") in a form acceptable to Buyer, which is a full, true and correct rent roll and summary of all Tenant Leases, prepared and certified as of the Effective Date, and which reflects: (a) the full and accurate name of each possessor or trade name thereof ("**Tenant**") under the Tenant Leases; (b) the address of the improvements and the approximate total square footage occupied by each Tenant; (c) the amount and purpose for any security or other deposits held by Seller from each Tenant ("**Tenant Deposits**"); and (d) the amount of rent and reimbursable expenses paid and to be paid by each Tenant and all applicable increases thereof, and delinquencies, if any.

4.1.3 Estoppel certificates from the Tenants under the Tenant Leases in a form reasonably acceptable to Buyer ("**Tenant Estoppel Certificates**"). Each Tenant Estoppel Certificate shall confirm, to the extent true, the material terms of the Tenant Lease, including (but not limited to) the commencement date, expiration date, rent amounts, security deposit, defaults or claims, and any rights of first refusal, options to renew or purchase, or rent concessions. If Seller is unable to obtain Tenant Estoppel Certificates from all Tenants, Buyer may, at its sole discretion, either (a) waive the requirement for any missing certificates, or (b) terminate this Agreement by providing written notice to Seller prior to the Closing Date, in which case the Deposit shall be returned to Buyer and neither party shall have any further obligation hereunder.

4.2 Acceptance of Tenant Leases; Assignment and Assumption of Tenant Leases and Deposits. Within ten (10) business days following Buyer's receipt of copies of the Tenant Leases and the Rent Roll as provided above, Buyer shall determine, in its sole discretion, whether it rejects or accepts the Tenant Leases and shall provide to Seller and Escrow Holder its written notice of such rejection or acceptance. In the event Buyer rejects any of the Tenant Leases as provided herein, then Buyer may terminate this Agreement as provided in Section 8.1. In the event Buyer accepts the Tenant Leases as provided herein, then prior to the Close of Escrow, at Buyer's sole election, Buyer and Seller shall execute and deposit into Escrow an instrument in a form acceptable to Buyer whereby as of Close of Escrow, Seller assigns to Buyer all right, title, and interest in the Tenant Leases and any remaining Tenant Deposits and Buyer assumes all of Seller's obligations under the Tenant Leases.



4.3 Notice to Tenants. Prior to Close of Escrow, Seller shall notify all Tenants in writing that Buyer is purchasing the Properties from Seller, such notices shall include the anticipated date of Close of Escrow (“**Notices to Tenants**”). Prior to Close of Escrow, Seller shall deposit into Escrow true and correct copies of all Notices to Tenants. Further, prior to Close of Escrow, Seller shall cooperate with Buyer in an effort to obtain from all Tenants estoppel certificates in a form prepared or reasonably approved by Buyer.

4.4 Deposit Original Tenant Leases. Prior to Close of Escrow, Seller shall deposit into Escrow the originals of all Tenant Leases, which Escrow Holder shall disburse to Buyer upon Close of Escrow.

4.5 Deposits and Rents. Upon Close of Escrow, Escrow Agent shall credit Buyer and debit Seller for all security and other deposits paid in advance and for prorated amounts, based on a 360 day year, as of Close of Escrow for all rents on existing Tenant Leases accepted by Buyer in the manner provided in this Agreement.

4.6 Unrecorded Possessory Interests. Seller represents and warrants to Buyer that, except for the Tenant Leases disclosed to Buyer in the manner provided in this Agreement, to Seller’s current actual knowledge, there are no other agreements for occupancy in effect for the Properties and no unrecorded possessory interests or unrecorded agreements that would adversely affect Buyer’s title to or use of the Properties.

4.7 Relocation. Seller understands and acknowledges that Seller’s Existing Tenants potentially may be eligible for relocation assistance benefits as provided under Section 7267, et seq. of the California Government Code. The Buyer and only the Buyer is to be responsible for the administration of relocation assistance benefits. Seller is not authorized by Buyer to administer such benefits or to take any action on behalf of the Buyer to relocate or displace any of Seller’s Existing Tenants. The entering of this Agreement or the Close of Escrow is not intended by Buyer, by themselves to terminate any tenancy or to subject any of Seller’s Existing Tenants to displacement or relocation. The Buyer is authorized to contact any of the Seller’s Existing Tenants regarding relocation assistance and any notices regarding relocation. *Existing Tenants are those individuals residing at the “Properties” at the time of execution of this Agreement. Seller shall not enter into any new leases after the execution of this Agreement.* The Purchase Price does not reflect consideration of, or make allowance for, any relocation assistance payments, any payments for loss of goodwill or other benefits that may be required under California Government Code § 7262, et seq., to be paid to any Existing Tenant.

4.8 Pro-ration of Rent. If, at the time escrow closes, there remains a tenant or tenants on the Properties herein, the Buyer shall be entitled to rent from the tenant and or tenants on a prorated basis from the date of the closing of escrow until said tenant or tenants vacate the Properties herein. Said pro-ration shall be based on the current fair market rental value of the Properties.

## 5. DUE DILIGENCE

5.1 Due Diligence Period; Inspection and Access.

5.1.1 Due Diligence Period. The “**Due Diligence Period**” means the period beginning the later of (a) the Effective Date or (b) the date on which Buyer has received all of the Due Diligence Documents (defined in Sections 5.3.6) from Seller and ending at 5:00 p.m. on the date thirty (30) days later.

5.1.2 Access to Information and the Property. Buyer shall conduct its investigation of the Property during the Due Diligence Period at no cost to Seller. This investigation (“**Due Diligence Investigation**”) may include, at Buyer’s option: a physical inspection of the Land and all Improvements thereon, including soil, geological and other tests, engineering evaluations of the mechanical, electrical, HVAC and other systems in the Improvements and review of the Plans (defined below); review of all governmental matters affecting the Property, including zoning, environmental and building permit and occupancy matters; review and verification of all financial and other information previously provided by Seller relating to the operation of the Properties; review of the condition of title to the Properties, including the building, structural system and roof inspection; and review of such other matters pertaining to an investment in the Property as Buyer deems advisable. In addition to the Preliminary Documents delivered to Buyer pursuant to Section 5.2, Buyer and its representatives shall have the right of access during reasonable business hours to all files, books and records maintained by Seller or its agents (including, without limitation, all of the Additional Documents to be made available to Buyer at the Properties pursuant to Section 5.3), wherever located, relating to the Properties, including the right to copy the same. Buyer and its representatives shall also have the right of access to the Properties during reasonable business hours to conduct its investigation of the physical condition of the Properties. Seller agrees that the rights granted to Buyer herein and the results of its Due Diligence Investigation shall not relieve Seller of any obligations Seller may have under any other provisions of this Agreement, or under other documents entered into concurrently herewith, or implied by law, nor shall they constitute a waiver by Buyer of the right to enforce any of the same. Seller shall cooperate with Buyer in its due diligence activities and provide access to the Properties, its records, or provide information so long as it is within Seller’s control.

5.2 Delivery of Preliminary Documents. Within 5 business days after the Effective Date, Seller shall deliver to Buyer, at Seller’s expense, all of the documents described in the remaining subsections of this Section 5.2 (collectively, the “**Preliminary Documents**”) to the extent such documents are in Seller’s possession or control.

5.2.1 Title Report and Survey. A preliminary title report or commitment for title insurance (the “**Title Report**”), dated no earlier than ten (10) days before the Effective Date, covering the Properties and issued by Title Company, together with a legible copy of each document, map and survey referred to in the Title Report. Buyer, at Buyer’s sole cost, may obtain an as-built survey of the Properties (the “**Survey**”) prepared by a certified land surveyor in accordance with the most recent American Land Title Association standards, certified by such surveyor to Buyer and the Title Company in a form acceptable to the Title Company for the purpose of deleting any survey exception from the Title Policy described in Section 3.1.

5.2.2 Plans. Copies of all as-built plans and specifications for the Improvements, including without limitation the plans and specifications for and a complete

description of all existing renovations and improvements to the Properties and all rentable space therein, and as-built drawings for all underground utilities (collectively, the “**Plans**”), together with a certificate from an architect approved by Buyer certifying to Buyer that the Improvements were constructed and completed in accordance with the Plans;

5.2.3 Soils Report. Any soils report on the Land prepared at Seller’s request or in the possession or control of Seller, including (if available) a report on compliance with any soils work recommended to be done prior to construction of the Improvements;

5.2.4 Engineers’ Reports. Any structural, mechanical, environmental or geological reports concerning the Property which have been prepared at Seller’s request or which are within Seller’s possession or control;

5.2.5 Operating Statements; Tax Bills. Copies of operating statements for the Properties certified by Seller including an itemization of income and expenses and copies of all real property tax bills for the Properties for such periods;

5.2.6 Licenses, Etc. Copies of any licenses, permits or certificates required by governmental authorities in connection with construction or occupancy of the Improvements, including, without limitation, building permits, certificates of completion, certificates of occupancy and environmental permits and licenses;

5.2.7 Inspection Reports. Copies of all written reports received by Seller within three (3) years prior to the Effective Date from Seller’s insurance companies, any governmental agency or any other person or entity, which requires or demands correction of any condition, or requests modification in or termination of any uses of the Properties, accompanied by Seller’s summary of (a) any oral reports from such insurance companies or governmental agencies, and (b) the present status of any matter noted in any oral or written report.

5.3 Additional Documents and Information. From the Effective Date through the Closing Date, Seller shall make available to Buyer at the Properties in accordance with Section 5.1, the documents and information described in Section 5.2 and this Section 5.3 (collectively, the “**Additional Documents**”):

5.3.1 Agreements. Copies of written, and written descriptions of oral, easements, covenants, restrictions, agreements, contracts and other documents, whether existing or, to the knowledge of Seller, proposed as of the Effective Date, including without limitation any agreements relating to the insurance, service, operation, repair, supply, advertising, promotion, sale, leasing or management of the Properties, which (a) affect the Properties, (b) are not disclosed by the Title Report, and (c) have not been delivered to Buyer pursuant to Section 5.2, including, without limitation the Leases and related documentation required to be delivered pursuant to Section 4, above. If no such documents exist, Seller shall furnish its certification to that effect;

5.3.2 Warranties/Roof Inspections/HVAC Inspections. Copies of any and all guarantees or warranties and other rights given to Seller in connection with the construction,

maintenance, repair or remodeling of the Improvements, periodic inspections, or the purchase of any of the Personal Property. If no such documents exist, Seller shall furnish its certification to that effect;

5.3.3 Insurance Policies. Copies of certificates evidencing the insurance carried by Seller of the Properties;

5.3.4 Other Documents. All data, correspondence, documents, agreements, waivers, notices, applications and other records with respect to the Properties relating to transactions with taxing authorities, governmental agencies, utilities, vendors and others with whom Buyer may be dealing from and after the Closing Date; and

5.3.5 Requested Information. Such other documents and information concerning the Properties as Buyer may reasonably request.

5.3.6 The “Preliminary Documents” and “Additional Documents” are referred to herein collectively as the “**Due Diligence Documents.**”

5.4 Approval/Disapproval of Due Diligence Investigations. Buyer shall approve or disapprove the results of Buyer’s Due Diligence Investigation, in the exercise of Buyer’s sole discretion, by written notice delivered to Seller no later than the expiration of the Due Diligence Period. Buyer’s disapproval shall terminate this Agreement unless, at the time Buyer gives notice of its disapproval, Buyer also notifies Seller of Buyer’s desire to enter into negotiations with Seller for the purpose of reaching an accommodation concerning the disapproval. If Buyer so notifies Seller and the parties have not reached a written agreement satisfactory to both of them regarding the disapproval within 10 days after the date of the disapproval notice, Buyer, at its option, may either (a) elect to terminate this Agreement by so notifying Seller and recover the Deposit, or (b) elect to proceed with the transactions contemplated by this Agreement notwithstanding its earlier disapproval. If Buyer fails to deliver to Seller notice of its approval or disapproval of the results of its Due Diligence Investigation, Buyer shall be deemed to have disapproved such results. If Buyer elects to terminate the Agreement, Buyer shall return to Seller all of the Preliminary Documents and Additional Documents previously delivered by Seller to Buyer within 5 business days of such termination.

## 5.5 Title Review

5.5.1 Monetary Liens. At its expense, Seller shall remove all Monetary liens, on or before the Closing.

5.5.2 Approval/Disapproval of Title Review. Buyer shall approve or disapprove of the Title Report, the Survey and any exceptions to title shown thereon (other than the Monetary Liens) in the exercise of Buyer’s sole discretion, by the expiration of the Due Diligence Period. If Buyer disapproves, Buyer may either (a) terminate this Agreement by giving Seller written notice of termination or (b) give Seller a written notice (“**Disapproval Notice**”) identifying the disapproved title matters (“**Disapproved Title Matters**”). With respect to any Disapproved Title Matters, other than the Monetary Liens, Seller shall notify Buyer in

writing within 5 days after Seller's receipt of the Disapproval Notice whether Seller will cause the Disapproved Title Matters to be removed or cured at or prior to Closing. If Seller elects not to remove or cure all Disapproved Title Matters, Buyer may, at its option: (i) subject to satisfaction of the other conditions to Closing, close the purchase of the Properties and take title subject to the Disapproved Title Matters which Seller elects not to remove or cure; or (ii) terminate this Agreement in accordance with Section 8

5.5.3 Buyer's Options. If any Disapproved Title Matters (including the Monetary Liens) have not been removed at least 5 days prior to Closing or provision for their removal at the Closing has not been made to Buyer's satisfaction, Buyer may, at its option: (i) close the purchase of the Properties and take title subject to the Disapproved Title Matters which have not been removed; (ii) close the purchase of the Properties and cure or remove the Disapproved Title Matters which have not been removed. Buyer may credit the costs of such cure or removal against the Purchase Price by reducing the amount of cash payable by Buyer at the Closing, but only to the extent such costs are expended to remove (A) Monetary Liens referred to in Section 5.5.1 or (B) Disapproved Title Matters which Seller agreed to remove; or (iii) terminate this Agreement in accordance with Section 8.

5.5.4 Failure to Disapprove. If Buyer fails to notify Seller of its approval or disapproval of the Title Report, the Survey or the exceptions shown thereon by the end of the Due Diligence Period, then Buyer shall be deemed to have disapproved the same.

## 6. AS-IS.

6.1 Acceptance of Properties "As-Is". Subject to any of Seller's representations and warranties, covenants, and promises set forth in this Agreement or in any document to be delivered by Seller to Buyer at the Closing, the Close of Escrow shall evidence the Buyer's unconditional acceptance of the Properties in the Properties' AS IS, WHERE IS, SUBJECT TO ALL FAULTS CONDITION, WITHOUT WARRANTY AS TO QUALITY, CHARACTER, PERFORMANCE OR CONDITION and with full knowledge of the physical condition of the Properties, all federal and state laws applicable to the Properties, and of any and all conditions, restrictions, encumbrances and all matters of record relating to the Properties.

## 7. SELLER'S ACKNOWLEDGMENT AND GENERAL RELEASE.

7.1 Full Satisfaction. Seller acknowledges that, in accordance with applicable provisions of California law, Seller may otherwise be entitled to the payment of relocation expenses, compensation for loss of goodwill, just compensation, inverse condemnation, unlawful pre-condemnation conduct, and other benefits and claims other than those expressly provided for in this Agreement (collectively, "**Claims**") in connection with Buyer's acquisition of the Properties. Seller, on behalf of itself and its heirs, executors, administrators, successors and assigns, acknowledges that Buyer's performance under this Agreement constitutes full and complete satisfaction of Buyer's obligations to Seller as with respect to those claims.

7.2 Waivers and Releases. Seller hereby waives, to the maximum legal extent, any and all claims, remedies and causes of action for damages, liabilities, losses or injuries related to Buyer's acquisition of the Properties, whether known or unknown, foreseeable or unforeseeable.

Seller, on behalf of himself and his heirs, executors, administrators, successors and assigns, hereby fully releases Buyer, its successors, agents, representatives and assigns, and all other persons and associations, known and unknown, from all claims and causes of action by reason of any damage which has been sustained, or may be sustained, as a result of Buyer's purchase of the Properties or any preliminary steps thereto.

7.3 California Civil Code Section 1542. Seller hereby acknowledges that it has either consulted with legal counsel, or had an opportunity to consult with legal counsel, regarding, the provisions of California Civil Code Section 1542, which provides:

“A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.”

Seller acknowledges that with respect to the sale of the Properties to Buyer, Seller may have sustained damage, loss, costs or expenses which are presently unknown and unsuspected, and such damage, loss, costs or expenses which may have been sustained, may give rise to additional damage, loss, costs or expenses in the future. Nevertheless, Seller hereby acknowledges, represents and warrants that this Agreement has been negotiated and agreed upon in light of that situation, and hereby waives, to the maximum legal extent, any rights accruing to him under Section 1542 or other statute or judicial decision of similar effect.

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Seller's Initials

This acknowledgment and release shall survive the Close of Escrow.

8. TERMINATION, DEFAULTS AND REMEDIES.

8.1 Termination Rights.

8.1.1 Buyer's Termination. This Agreement shall automatically terminate without further notice or action by Buyer upon the occurrence of any of the following events, provided that Buyer is not then in material breach of this Agreement: (a) any condition to Closing contained in Section 2.6 has not been satisfied or waived by Buyer by the Closing Date; or (b) Buyer having exercised its right to terminate this Agreement pursuant to Section 5.4 (Approval/Disapproval of Due Diligence Investigation), Section 5.5.2 (Approval/Disapproval of title) or Section 10.4 (eminent domain/damage and destruction). In such event, the parties shall have no further obligation to each other except for those obligations that specifically survive the termination of this Agreement. If this Agreement terminates as a result of Seller's material breach of this Agreement, Buyer shall have all remedies it may have hereunder or at law as a result of such occurrence, including the remedy of specific performance.

8.1.2 Seller's Termination. Provided that Seller is not then in default or breach

of this Agreement, this Agreement shall automatically terminate without further notice or action by Seller if any condition to Closing contained in Section 2.7 has not been satisfied or waived by Seller by the Closing Date.

8.2 Return of Funds and Documents; Release of Liability as to Escrow Holder. In the event Escrow Holder receives a notice, in writing, prior to Close of Escrow, from Buyer or Seller of its election to terminate the Escrow as provided in Section 8, then Escrow Holder shall promptly terminate the Escrow and return all funds, less Termination Costs, as appropriate, and documents to the Party depositing the same. The Parties hereby release Escrow Holder, and shall hold Escrow Holder free and harmless, from all liabilities associated with such termination excepting for Escrow Holder's obligations to return funds and documents as provided herein.

8.3 Breach & Remedies.

8.3.1 Buyer's Breach. In the event Buyer breaches any obligation hereunder which Buyer is to perform prior to the Close of Escrow, and fails to cure such breach within a reasonable period of time, but in no event to be less than five (5) business days, determined at the sole discretion of Seller, then Seller, as its sole and exclusive remedy, may terminate this Agreement and the Escrow by giving notice, in writing, prior to the Close of Escrow, of such termination to Buyer and Escrow Holder. In such event, Buyer shall pay all Termination Costs. Upon such termination, all obligations and liabilities of the Parties under this Agreement, excepting for Buyer's obligation to pay Termination Costs as provided herein, shall cease and terminate.

8.3.2 Seller's Breach. In the event Seller breaches any obligation hereunder which Seller is to perform prior to the Close of Escrow, and fails to cure such breach within a reasonable period of time determined at the sole discretion of Buyer, then, in addition to pursuing any other rights or remedies which Buyer may have at law or in equity, Buyer may, at Buyer's option, (i) terminate this Agreement and the Escrow by giving notice, in writing, prior to Close of Escrow, of such termination to Seller and Escrow Holder; or (ii) initiate an action for specific performance of this Agreement. Should Buyer elect to terminate this Agreement and the Escrow as provided herein, then Seller shall pay all Termination Costs, and upon such termination, all obligations and liabilities of the Parties under this Agreement, excepting for Seller's obligation to pay Termination Costs as provided herein, shall cease and terminate.

8.3.3 Buyer's Remedies. If Seller breaches this Agreement, Buyer shall be entitled to pursue all remedies permitted herein and by law, including the remedy of specific performance. No termination of the escrow by Buyer following a breach by Seller shall be deemed to waive such breach or any remedy otherwise available to Buyer.

8.3.4 Seller's Remedies/Liquidated Damages. IF THE CLOSING DOES NOT OCCUR SOLELY DUE TO BUYER'S BREACH OF THIS AGREEMENT AND BUYER DOES NOT CURE SUCH FAILURE OR BREACH WITHIN TEN (10) BUSINESS DAYS AFTER SELLER'S WRITTEN NOTICE OF SUCH FAILURE, THEN SELLER MAY THEREAFTER: (I) TERMINATE THIS AGREEMENT; (II) RECEIVE AND RETAIN THE DEPOSIT AS LIQUIDATED DAMAGES IF SUCH DEFAULT OCCURS AFTER BUYER'S APPROVAL PERIOD; AND (III) EXERCISE THE OTHER RIGHTS AND REMEDIES

RESERVED BY SELLER AS PROVIDED IN THIS PARAGRAPH. IN THE EVENT SELLER TERMINATES THIS AGREEMENT BY REASON OF SUCH DEFAULT BY BUYER, BUYER AND SELLER SHALL BE RELIEVED OF ANY FURTHER OBLIGATION TO EACH OTHER WITH RESPECT TO THIS AGREEMENT AND THE PROPERTY EXCEPT FOR ANY OBLIGATIONS WHICH EXPRESSLY SURVIVE. IT IS EXPRESSLY UNDERSTOOD AND AGREED BY BUYER AND SELLER: THAT SELLER WILL INCUR SUBSTANTIAL DAMAGES AS A RESULT OF ANY FAILURE BY BUYER TO COMPLY WITH OR PERFORM BUYER'S OBLIGATIONS UNDER THIS AGREEMENT; THAT IT IS EXTREMELY DIFFICULT AND IMPRACTICAL TO CALCULATE AND ASCERTAIN AS OF THE EFFECTIVE DATE OF THIS AGREEMENT THE ACTUAL DAMAGES WHICH WOULD BE SUFFERED IN SUCH EVENT BY SELLER; AND THAT THE DEPOSIT IS A REASONABLE ESTIMATE OF THE EXTENT TO WHICH SELLER MAY BE DAMAGED BY BUYER'S DEFAULT IN LIGHT OF THE DIFFICULTY THE PARTIES WOULD HAVE IN DETERMINING SELLER'S ACTUAL DAMAGES AS A RESULT OF SUCH DEFAULT BY BUYER.

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SELLER'S INITIALS

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BUYER'S INITIALS

8.3.5 Waiver of Specific Performance. SELLER HEREBY WAIVES THE RIGHT TO MAINTAIN AN ACTION FOR SPECIFIC PERFORMANCE OF BUYER'S OBLIGATION TO PURCHASE THE PROPERTY AND SELLER AGREES THAT SELLER CAN BE ADEQUATELY COMPENSATED BY VIRTUE OF THE LIQUIDATED DAMAGES PROVIDED FOR IN SECTION 8.3.4, ABOVE, IF BUYER FAILS TO PURCHASE THE PROPERTY IN BREACH OF THIS AGREEMENT. SELLER ACKNOWLEDGES THAT THE PROVISIONS OF THIS PARAGRAPH ARE A MATERIAL PART OF THE CONSIDERATION BEING GIVEN TO BUYER FOR ENTERING INTO THIS AGREEMENT AND THAT BUYER WOULD BE UNWILLING TO ENTER INTO THIS AGREEMENT IN THE ABSENCE OF THE PROVISIONS OF THIS PARAGRAPH.

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SELLER'S INITIALS

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BUYER'S INITIALS

9. REPRESENTATIONS AND WARRANTIES.

9.1 Seller's Representations and Warranties. Seller hereby represents and warrants to Buyer that the following statements are true and correct as of the Effective Date, and shall be true and correct as of Close of Escrow, and the truth and accuracy of such statements shall constitute a condition precedent to all of Buyer's obligations under this Agreement:

9.1.1 Authority. Seller has full power and authority to own, sell and convey the Properties to Buyer and to perform its obligations pursuant to this Agreement. This Agreement and all other documents delivered by Seller to Buyer now or at Close of Escrow have been or will be duly executed and delivered by Seller and are or will be legal, valid and binding obligations of Seller, sufficient to convey to Buyer good and marketable title to the Properties and are enforceable in accordance with their respective terms.



9.1.2 No Unrecorded Possessory Interests; No Agreements or Undertakings. To Seller's current actual knowledge, there are no agreements for occupancy in effect for the Properties and no unrecorded possessory interests or unrecorded agreements that would adversely affect Buyer's title to or use of the Properties. Seller will not enter into any agreements or undertake any obligations prior to Close of Escrow which will in any way burden, encumber or otherwise affect the Properties without the prior written consent of Buyer, including, without limitation, any agreements for occupancy for the Properties.

9.1.3 Litigation. There are no claims, actions, suits or proceedings continuing, pending or threatened against or affecting Seller or the Properties, or involving the validity or enforceability of this Agreement or of any other documents or instruments to be delivered by Seller at Close of Escrow, at law or in equity, or before or by any federal, state, municipal or other governmental department, board, commission, bureau, Buyer or instrumentality. Seller is not subject to or in default under any notice, order, writ, injunction, decree or demand of any court or any governmental department, board, commission, bureau, Buyer or instrumentality.

9.1.4 No Breach. The execution and delivery of this Agreement and the consummation of the transaction contemplated hereby will not violate or result in any breach of or constitute a default under or conflict with or cause any acceleration of any obligation with respect to any provision or restriction of any lien, lease, agreement, contract, instrument, or, according to Seller's knowledge, any order, judgment, award, decree, statute, regulation or ordinance, or any other restriction of any kind or character to which Seller is a party or by which Seller or the Properties are bound.

9.1.5 Leases. Neither Seller, as Landlord, nor any of the Tenants are in default under any of the Leases, nor has any event occurred which, with the passage of time or giving of notice or both, would constitute a default thereunder.

9.1.6 No Condemnation or Other Proceedings. Seller is unaware of any contemplated condemnation of the Properties or any portion thereof by any other public entity

9.1.7 Title to the Property. Seller has good and marketable title to the Property, subject to the Conditions of Title. There are no outstanding rights of first refusal or first look, options to purchase, rights of reverter, or claim of right relating to the transfer or sale of the Property or any interest therein. To Seller's knowledge, there are no unrecorded or undisclosed documents or other matters which affect title to the Property. No person holding a security interest in the Property or any part thereof has the right to consent or deny consent to the sale of the Property as contemplated herein, and Seller has the right to pay off such person and to remove all such liens as of the Closing Date. Seller has enjoyed the continuous and uninterrupted quiet possession, use and operation of the Property.

9.1.8 Foreign Person. Seller is not a "foreign person" within the meaning of Section 1445(f) of the Internal Revenue Code.

9.1.9 Hazardous Materials.

9.1.9.1 To the best of Seller's knowledge the Property and all existing uses and conditions of the Property are in compliance with all Environmental Laws, and Seller

has not received any written notice of violation issued pursuant to any Environmental Law with respect to the Property or any use or condition thereof.

9.1.9.2 To the best of Seller's knowledge neither Seller nor any other present or former owner of the Property has used, handled, stored, transported, released or disposed of any Hazardous Material on, under or from the Property in violation of any Environmental Law.

9.1.9.3 To the best of Seller's knowledge there exists no writ, injunction, decree, order or judgment outstanding, nor any lawsuit, claim, proceeding, citation, directive, summons or investigation pending or, to Seller's knowledge, threatened pursuant to any Environmental Law relating to (i) the ownership, occupancy or use of any portion of the Property by Seller or occupant or user of any portion of the Property or any former owner of any portion of the Property, (ii) any alleged violation of any Environmental Law by Seller or occupant or user of any portion of the Property or any former owner of any portion of the Property or (iii) the suspected presence, Release or threatened Release of any Hazardous Material on, under, in or from any portion of the Property.

9.1.9.4 For purposes of this Agreement:

9.1.9.4.1 **"Environmental Law(s)"** means the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. Sections 9601, et seq., the Resource Conservation and Recovery Act of 1976, 42 U.S.C. Sections 6901 et seq., the Toxic Substances Control Act, 15 U.S.C. Sections 2601 et seq., the Hazardous Materials Transportation Act, 49 U.S.C. 1801 et seq., the Clean Water Act, 33 U.S.C. Sections 1251 et seq., [The Safe Drinking Water and Toxic Enforcement Act of 1986 (Cal. H&S Code Sections 25249.5-25249.13), the Carpenter-Preseley-Tanner Hazardous Substance Account Act (Cal. H&S Code Sections 25300 et seq.), and the California Water Code Sections 1300, et seq.], as said laws have been supplemented or amended to date, the regulations promulgated pursuant to said laws and any other federal, state or local law, statute, rule, regulation or ordinance which regulates or proscribes the use, storage, disposal, presence, cleanup, transportation or Release or threatened Release into the environment of Hazardous Material.

9.1.9.4.2 **"Hazardous Material"** means any substance which is (i) designated, defined, classified or regulated as a hazardous substance, hazardous material, hazardous waste, pollutant or contaminant under any Environmental Law, as currently in effect or as hereafter amended or enacted, (ii) a petroleum hydrocarbon, including crude oil or any fraction thereof and all petroleum products, (iii) PCBs, (iv) lead, (v) asbestos, (vi) flammable explosives, (vii) infectious materials or (viii) radioactive materials.

9.1.9.4.3 **"Release"** means any spilling, leaking, pumping, pouring, emitting, discharging, injecting, escaping, leaching, dumping or disposing into the environment of any Hazardous Material (including the abandonment or discarding of barrels, containers, and other receptacles containing any Hazardous Material).

9.1.10 Misstatements and Omissions. Neither the representations and warranties made by Seller in this 9.1 nor elsewhere in this Agreement contain any untrue statement or any

omission of a material fact. Seller has no documents in its possession, nor has any knowledge, that omits material facts related to the property or which would contradict or negate any of its representations contained in this Agreement.

9.2 Maintenance of the Properties. Seller covenants and agrees with the Buyer that between the Effective Date and the Closing Date or Extended Closing Date (whichever occurs last):

9.2.1 No Changes to Agreements. Seller shall not modify or amend any lease or any service contract respecting the Properties, or enter into any new lease or contract respecting the Properties, without the Buyer's prior written approval;

9.2.2 Normal Maintenance. Seller shall maintain the Properties in accordance with the same standards Seller has customarily observed in its ownership and management of the Properties;

9.2.3 Maintenance of Insurance. Seller shall maintain in force all insurance policies currently maintained by Seller with respect to the Properties;

9.2.4 No Title Exceptions. Seller shall not cause, permit, allow or suffer any additional exception to the title of the Properties.

9.3 Survival of Representations and Warranties. The covenants, representations and warranties of Seller under this Agreement shall be true on and as of the Close of Escrow and shall survive the recordation of the Grant Deed and the Close of Escrow. Seller shall defend, indemnify and hold Buyer harmless from and against any and all claims, liabilities, obligations, losses, damages, costs and expenses, including, without limitation, reasonable attorney's fees, court costs and litigation expenses, which Buyer may reasonably incur or sustain by reason of or in connection with any misrepresentation made by Seller pursuant to this Section 9.

## 10. OTHER.

10.1 Notices and Demands. All notices or other communications required or permitted between the Parties hereunder shall be in writing, and shall be (i) personally delivered, (ii) sent by United States registered or certified mail, postage prepaid, return receipt requested, (iii) sent by facsimile transmission with confirmation of receipt, or (iv) sent by nationally recognized overnight courier service (e.g., Federal Express or United Parcel Service), addressed to the Party to whom the notice is given at the addresses provided below, subject to the right of any Party to designate a different address for itself by notice similarly given. Any notice so given by registered or certified United States mail shall be deemed to have been given on the third business day after the same is deposited in the United States mail. Any notice not so given by registered or certified mail, such as notices delivered by personal delivery, facsimile transmission or courier service, shall be deemed given upon receipt, rejection or refusal of the same by the Party to whom the notice is given. Rejection or other refusal to accept or the inability to deliver because of changed address of which no notice was given shall be deemed to constitute receipt of the notice or other communication sent.

To Buyer: City of Signal Hill

Attn: Carlo Tomaino, City Manager  
2175 Cherry Ave  
Signal Hill, CA 90752  
Telephone: (562) 989-7302

With Copy to: Best Best & Krieger LLP  
Attn: Matthew E. Richardson, Esq.  
18101 Von Karman Ave., Suite 1000  
Irvine, CA 92615  
Facsimile: (949) 260-0972  
Telephone: (949) 263-2600

To Seller: Lori J. Helfer  
Address: 3343 Fanwood Avenue  
Address: Long Beach, CA. 90808  
Facsimile:  
Telephone: (562) 208-3675

To Escrow Holder Harbor Lights Escrow  
Attn: Eileen A. Rech  
[Eileen@HarborLightsEscrow.com](mailto:Eileen@HarborLightsEscrow.com)  
28924 S Western Avenue Ste. 106  
Rancho Palos Verdes, CA 90275  
Facsimile:(310) 241-0053  
Telephone: (310) 241-0058

10.2 Indemnity by Seller. Seller hereby agrees, after the Close of Escrow, at Seller's sole cost and expense, to indemnify, protect, defend (with counsel of Buyer's choice), and hold Buyer, its successors and assigns, officers and/or directors, harmless from and against any and all claims, demands, damages, losses, liabilities, obligations, penalties, fines, actions, causes of action, judgments, suits, proceedings, costs, disbursements and expenses (including, without limitation, attorneys' and experts' reasonable fees and costs) of any kind or nature whatsoever which may at any time be imposed upon, incurred or suffered by, or asserted or awarded against, Buyer, or Buyer's successors and assigns, officers and/or directors relating to or arising from (i) the Properties or Seller's ownership or operation thereof on or before the Close of Escrow, (ii) the use on or before the Close of Escrow of the Properties by Seller or any third party, including, without limitation, any tenant, invitee or licensee of Seller, (iii) any breach of any covenant, agreement, representation or warranty of Seller contained in this Agreement; (iv) the presence, use, handling, storage, disposal or release on or before the Close of Escrow of Hazardous Materials on, under or about the Properties caused by Seller; and (v) the Seller's violation of any federal, state or local law, ordinance or regulation, occurring or allegedly occurring with respect to the Properties prior to the Close of Escrow. This indemnity by Seller herein contained shall survive the Close of Escrow, and the recordation of the Grant Deed.

10.3 Possession; Risk of Loss. Buyer shall be entitled to sole possession of the Properties immediately upon Close of Escrow, subject to Tenant Leases accepted by Buyer in the

manner provided in this Agreement. All risk of loss or damage to the Properties will pass from the Seller to the Buyer at the Close of Escrow. In the event that material loss or damage occurs to the Properties prior to the Close of Escrow, either Party may terminate this Agreement as provided in Section 8.1 herein.

10.4 Eminent Domain/Damage and Destruction. This Agreement shall be governed by the Uniform Vendor and Purchaser Risk Act as set forth in Section 1662 of the California Civil Code as supplemented and modified by this Section 10.4. Seller shall promptly notify Buyer in writing of any material damage to the Property and of any taking or threatened taking of all or any portion of the Property. Within a reasonable period of time after receipt of such notice, Buyer shall determine whether a material part of the Property has been damaged or whether such taking or threatened taking has affected or will affect a material part of the Property. As used herein, (a) the destruction of a “**material part**” of the Property shall be deemed to mean an insured or uninsured casualty to the Property having an estimated cost of repair which in the reasonable judgment of Buyer equals or exceeds 50,000.00 and (b) a taking by eminent domain of a portion of the Property shall be deemed to affect a “**material part**” of the Property if in the reasonable judgment of Buyer the estimated value of the portion of the Property taken exceeds \$50,000.00. Upon making its determination, Buyer shall notify Seller in writing of the results of such determination. Buyer may elect, by written notice delivered to Seller within 30 days after giving Seller notice of such determination, to terminate this Agreement if a material part of the Property has been damaged or if such taking has affected or will affect a material part of the Property. If Buyer does not so terminate, (i) in the case of damage to a material part of the Property, Seller shall assign to Buyer at the Closing its right to recover under any insurance policies covering such damage and shall pay Buyer at the Closing the amount of the deductible, if any, and (ii) in the case of a threatened or actual taking of a material part of the Property, Seller shall assign to Buyer at the Closing Seller’s entire right, title and interest in the proceeds thereof. If between the Effective Date and the Closing Date the Property suffers damage which is not material, Seller shall repair such damage at its expense prior to the Closing, and the Closing Date shall be extended for a reasonable period of time not to exceed 30 days to allow for completion of such repairs. The Closing Date shall be extended as necessary to permit Buyer to exercise its rights under this Section 10.4.

10.5 Brokers and Sales Commissions. Seller shall deposit with Escrow Holder for distribution upon Close of Escrow such funds as may be required to pay all sales or brokerage commissions and finder’s fees, if any, for which that Party has incurred any obligation with respect to the transaction which is the subject of this Agreement. Seller and Buyer shall each indemnify, protect, defend and hold harmless the other Party and its successors hereunder from and against any and all claims, liabilities, obligations, losses, damages, costs and expenses, including, without limitation, reasonable attorney’s fees, court costs and litigation expenses, arising from or in connection with any sales or brokerage commissions, finder’s fees or other commissions which are (or are claimed to be) payable in connection with the transaction which is the subject of this Agreement by reason of the actions (or alleged actions) of such indemnifying Party.

## 11. MISCELLANEOUS

11.1 Survival of Covenants. The covenants, representations and warranties of both Buyer and Seller set forth in this Agreement shall survive the recordation of the Grant Deed and the Close of Escrow.

11.2 Required Actions of Buyer and Seller. 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 their best efforts to accomplish the Close of Escrow in accordance with the provisions hereof.

11.3 Time of Essence. Time is of the essence of each and every term, condition, obligation and provision hereof.

11.4 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which, together, shall constitute one and the same instrument.

11.5 Captions. Any captions to, or headings of, the paragraphs or subparagraphs of this Agreement are solely for the convenience of the Parties, 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.

11.6 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, any person or entity other than the Parties.

11.7 Exhibits. The Exhibits attached hereto are hereby incorporated herein by this reference.

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

11.9 Applicable Law. All questions with respect to this Agreement, and the rights and liabilities of the Parties and venue hereto, shall be governed by the laws of the State of California. Any and all legal actions sought to enforce the terms and provisions of the Agreement shall be brought in the courts of the County of Los Angeles.

11.10 Assignment. Buyer shall have the right, in its sole discretion, to assign this Agreement, and any right or obligation herein, to any party of its choice without the prior consent or approval of Seller. Seller shall not assign this Agreement, or any right or obligation herein, to any party without the prior written consent of Buyer, which consent may be given or withheld in Buyer's sole discretion.

11.11 Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto.

11.12 Ratification. Buyer's obligation to accept title to the Properties and pay the Purchase Price as provided herein are subject to the approval and ratification of this Agreement by the Buyer's governing body on or before the Closing Date, or Extended Closing Date, if any.

In the event the Buyer's governing body fails to ratify this Agreement prior to the Closing Date, or Extended Closing Date, if any, then Buyer may terminate this Agreement and the Escrow as provided in Section 8.1 herein.

11.13 Severability. If any term or provision of this Agreement shall be held invalid or unenforceable, the remainder of this Agreement shall not be affected.

11.14 Construction. This Agreement will be liberally construed to effectuate the intention of the Parties with respect to the transaction described herein. In determining the meaning of, or resolving any ambiguity with respect to, any word, phrase or provision of this Agreement, neither this Agreement nor any uncertainty or ambiguity herein will be construed or resolved against either Party (including the Party primarily responsible for drafting and preparation of this Agreement), under any rule of construction or otherwise, it being expressly understood and agreed that the Parties have participated equally or have had an equal opportunity to participate in the drafting thereof.

11.15 Calculation of Time Periods. Unless otherwise specified, all references to time periods in this Agreement measured in days shall be to consecutive calendar days, all references to time periods in this Agreement measured in months shall be to consecutive calendar months and all references to time periods in this agreement measured in years shall be to consecutive calendar years. Any reference to business days in this Agreement shall mean consecutive business days of the Buyer.

11.16 Legal Fees. Each Party shall be responsible for payment of its own attorney's fees with respect to the negotiation and preparation of this Agreement and processing of the escrow. In the event of the bringing of any action or proceeding to enforce or construe any of the provisions of this Agreement, the prevailing Party in such action or proceeding, whether by final judgment or out of court settlement, shall be entitled to have and recover of and from the other Party all costs and expenses of suit, including actual attorney's fees.

11.17 Fees and Other Expenses. Except as otherwise provided herein, each of the Parties shall pay its own fees and expenses in connection with this Agreement.

11.18 Entire Agreement. This Agreement supersedes any prior agreements, negotiations and communications, oral or written, and contains the entire agreement between Buyer and Seller as to the subject matter hereof. No subsequent agreement, representation, or promise made by either Party hereto, or by or to an employee, officer, agent or representative of either Party, shall be of any effect unless it is in writing and executed by the Party to be bound thereby.

11.19 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.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date(s) set forth below next to their respective signatures.

**[Signatures on the following pages]**



SIGNATURE PAGE TO  
AGREEMENT OF PURCHASE AND SALE  
AND JOINT ESCROW INSTRUCTIONS

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

BUYER:

City of Signal Hill  
a California municipal corporation and Charter City

By: \_\_\_\_\_

Carlo Tomaino  
City Manager

ATTEST:

\_\_\_\_\_  
Daritza Gonzalez  
City Clerk of the City of Signal Hill

APPROVED AS TO FORM:

BEST BEST & KRIEGER LLP

By: \_\_\_\_\_  
Matthew E. Richardson  
City Attorney of the City of Signal Hill

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

SELLER:

\_\_\_\_\_  
Lori J. Helfer

**EXHIBIT A TO  
AGREEMENT FOR PURCHASE AND SALE  
AND JOINT ESCROW INSTRUCTIONS**

Legal Description of 1975 East 21st Street, Signal Hill, CA 90755  
(APN 7215-013-012)

APN: 7215-013-012

1975 E 21ST ST, SIGNAL HILL, CA 90755-5817

Legal Description Details Lot Number: A Tract No: 278 Brief Description: \*TR=278\*W 50 FT  
OF E 100 FT OF S 135 FT (EX OF ST) OF LOT A

Legal Description of 2107 Cherry Avenue in the City of Signal Hill, CA 90755  
(APN: 7215-012-002)

APN: 7215-012-002

2107 CHERRY AVE, SIGNAL HILL, CA 90755-3770

Legal Description Details Lot Number: A Tract No: 278 Brief Description: \*TR=278\*W 10 FT  
OF E 50 FT OF S 135 FT (EX OF ST) OF LOT A

**EXHIBIT B TO  
AGREEMENT OF PURCHASE AND SALE**

Grant Deed  
and  
Certificate of Acceptance

**RECORDING REQUESTED BY**

[INSERT]

Attn:

[INSERT]

Escrow and Order No. \_\_\_\_\_

**WHEN RECORDED MAIL TO:**

City of Signal Hill

Attn: City Clerk

2175 Cherry Ave.

Signal Hill, CA 90755

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APN NOS. 7215-013-012 and 7215-012-002      Exempt from Recording Fees per Govt. Code §27383  
Exempt from Documentary Transfer Tax per Calif. Rev. & Tax. Code §11922

**GRANT DEED**

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

**LORI J. HELFER, a single woman,**

does hereby grant and convey to

**CITY OF SIGNAL HILL, a California municipal corporation and Charter city**

all that certain real property situated in the City of Signal Hill, County of Los Angeles, State of California, described as follows:

Dated: \_\_\_\_\_

\_\_\_\_\_  
Lori J. Helfer

**ATTACHMENT TO EXHIBIT B  
GRANT DEED**

Legal Description of Properties

APN: 7215-013-012

1975 E 21ST ST, SIGNAL HILL, CA 90755-5817

Legal Description Details Lot Number: A Tract No: 278 Brief Description: \*TR=278\*W 50 FT  
OF E 100 FT OF S 135 FT (EX OF ST) OF LOT A

[APN NO: 7215-013-012]

APN: 7215-012-002

2107 CHERRY AVE, SIGNAL HILL, CA 90755-3770

Legal Description Details Lot Number: A Tract No: 278 Brief Description: \*TR=278\*W 10 FT  
OF E 50 FT OF S 135 FT (EX OF ST) OF LOT A

[APN NO: 7215-012-002]

**NOTARY ACKNOWLEDGMENT**  
(California All-Purpose Acknowledgment)

STATE OF CALIFORNIA  
COUNTY OF \_\_\_\_\_

On \_\_\_\_\_, 2025 before me, \_\_\_\_\_, (insert here name and title of the officer), personally appeared **LORI J HELFER**, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under penalty of perjury under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

\_\_\_\_\_  
Signature of Notary Public

ATTACHED TO: GRANT DEED  
[APN NOS. 7215-013-012 and 7215-012-002]

EXHIBIT B

**CITY OF SIGNAL HILL  
CERTIFICATE OF ACCEPTANCE OF  
GRANT DEED**

[APN NOS. 7215-013-012 and 7215-012-002]

This Certificate of Acceptance pertains to the interest in certain real property conveyed by the Grant Deed dated \_\_\_\_\_ to which this Certificate of Acceptance is attached,

from:           **LORI J. HELFER, a single woman (“Grantor”)**

to:               **CITY OF SIGNAL HILL, a California municipal corporation and  
Charter city (“Grantee”)**

Said Grant Deed is hereby accepted by the undersigned officer on behalf of Grantee pursuant to authority conferred by the Grantee’s governing board, and Grantee hereby consents to recordation of said Grant Deed.

Dated: \_\_\_\_\_

**CITY OF SIGNAL HILL**  
a California municipal corporation and  
Charter city

By: \_\_\_\_\_  
Carlo Tomaino  
City Manager of the City of Signal Hill

ATTEST:

\_\_\_\_\_  
Agency Secretary