A G E N D A

CITY OF SEASIDE
CITY COUNCIL/SUCCESSOR
AGENCY TO REDEVELOPMENT
AGENCY OF THE CITY OF SEASIDE

JOINT SPECIAL MEETING
Council Chamber
440 Harcourt Avenue
Thursday, December 15, 2016
5:00 PM

PLEASE TURN OFF YOUR CELL PHONES UPON ENTERING THE MEETING

1. CALL TO ORDER

Ralph Rubio	Mayor/Chair
Ian N. Oglesby	Mayor Pro Tem/Vice Chair
Dennis Alexander	Council/Agency Member
Jason Campbell	Council/Agency Member
David R. Pacheco	Council/Agency Member

2. PLEDGE OF ALLEGIANCE

3. ORAL COMMUNICATIONS

Members of the public wishing to address the City Council on matters within the jurisdiction of the City of Seaside, but not on this agenda, may do so during the Public Comment period for up to three minutes. Public Comments on specific agenda items are heard under that item. For the public record, please state your name.

4. CONSENT AGENDA

A. APPROVAL OF MINUTES FROM THE NOVEMBER 17 AND DECEMBER 1, 2016 JOINT SPECIAL MEETINGS

PURPOSE: To review and approve the minutes of November 17, 2016 and December 1, 2016.

RECOMMENDATION: That the Minutes be reviewed and approved.

B. APPROVE AND FILE SUCCESSOR AGENCY CHECKS

PURPOSE: It is requested that the Successor Agency Board approve and file the accounts payable and wired payments made during the period of November 19, 2016 through December 6, 2016. In addition, approval of the payroll and benefits checks, direct deposits and wired payments related to the period of November 23, 2016 is requested. Total Accounts Payable and Payroll for the above referenced period is $2,553.75.

RECOMMENDATION: It is recommended that the Successor Agency Board approve and file the attached checks.

C. ADOPTION OF JOINT RESOLUTIONS OF THE CITY AND SUCCESSOR AGENCY AUTHORIZING THE CITY MANAGER TO EXCUTE THE PURCHASE AND SALE AGREEMENTS AND OTHER REQUIRED DOCUMENTS APPROVED AT THE DECEMBER 1, 2016 MEETING FOR THE BELOW REDEVELOPMENT AGENCY PARCELS

PURPOSE: a. The purpose of this item is to adopt resolutions authorizing the City Manager to execute purchase and sale agreements, and other required documents to effect the sale of six (6) properties identified in the long range property management plan as for sale and to enter into joint resolutions to sell: 1620 and 1622 LaSalle Ave (APN: 012-853-025), 307 Roberts Ave (APN: 011-561-035), 153-315-35 Del Monte Ave (APN: 011-301-007), 1271 Canyon Del Rey (APN: 011-371-022), Broadway and Terrace (APNs: 012-191-01, 02, 03,04, 013, 016, 017, 021, 023, 024, 025, 028 and 029), 012-641-284 Broadway (APNs: 012-193-08, 09, 010, 011) properties; and

b. To adopt resolutions authorizing the City Manager execute an agreement, and any other required documents, to sell the land commonly known as Surplus II (APNs: 031-151-029, 031, 032, 039, 040) and "26 acres" (APNs: 031-151-054, 055 and 056) with KB Bakewell Seaside Venture, LLC.

RECOMMENDATION: That the City Council adopt a resolution confirming the sale of the above seven properties approved at the December 1, 2016 meeting.

5. CLOSED SESSION

A. PURSUANT TO GOVERNMENT CODE 54957.6 - CONFERENCE WITH LABOR NEGOTIATORS

Agency Negotiators: Craig Malin, City Manager; Roberta Greathouse, Human Resources Director; Donna Williamson, Labor Negotiator

Employee Organizations:

1. Seaside Police Officers' Association
2. Seaside City Employees' Association
3. Seaside Managers and Supervisory Employees' Association
4. Confidential Employees
5. Executive Managers

B. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.9 (c) - POTENTIAL LITIGATION

Conference with legal counsel regarding the potential initiation of litigation (one potential case).

C. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9

1. Keep Fort Ord Wild VS. City of Seaside Case Number 16Cv003795
2. LandWatch Monterey County VS. City of Seaside (Real Party: Monterey Downs, LLC) Case Number 16CV003793

6. ADJOURNMENT

Next Regularly Scheduled Meeting:
January 5, 2016
Seaside City Hall
5:30 PM

The City of Seaside is an ADA accessible facility and is committed to include the disabled in all of its services, programs and activities. Any person who requires accommodation to be able to participate in this meeting is asked to contact the office of the City Clerk at 899-6707, no fewer than two business days prior to the meeting to allow for reasonable arrangements.The City Council Chambers is equipped with a portable microphone for anyone unable to come to the podium. Assisted listening devices are also available.

Meetings that are held in the City Council Chambers are broadcast live to all Seaside residents on Comcast Channel 25 and U-verse Channel 99. Meetings are also available through live streaming at: http://cvp.telvue.com/player?id=T01629&video=52314&noplaylistskin=1&width=400&height=300 Videos of past meetings are available on demand through the City's website: http://www.ci.seaside.ca.us

Agenda-related writings or documents provided during public meetings are available for public inspection during the meeting or from the office of the City Clerk. This agenda is posted in compliance with California Government Code Section 54954.2(a) or Section 54956.

DRAFT MINUTES

CITY OF SEASIDE	JOINT SPECIAL MEETING
CITY COUNCIL/ SUCCESSOR	COUNCIL CHAMBER
AGENCY TO THE	Thursday, November 17, 2016
REDEVELOPMENT AGENCY	5:30 PM

1. **CALL TO ORDER**

Mayor Rubio called the meeting to order at 5:32 PM.

CITY COUNCIL/SUCCESSOR AGENCY TO REDEVELOPMENT AGENCY OF THE CITY OF SEASIDE

PRESENT: Alexander, Oglesby, Pacheco, Rubio
ABSENT: None

2. **PLEDGE OF ALLEGIANCE**

3. **ORAL COMMUNICATIONS**

Mayor Rubio invited comments from the public and had no requests to speak.

4. **CONSENT AGENDA**

On motion by Council Member Alexander and seconded by Mayor Pro Tem Ian Oglesby and passed by the following vote the City Council approved the Consent Calendar as presented.

RESULT:	**Approved**
MOVER:	Council Member Dennis Alexander
SECONDER:	Mayor Pro Tem Ian Oglesby
AYES:	Ralph Rubio, Dennis Alexander, Ian Oglesby, Dave Pacheco
NOES:	None
ABSENT:	Jason Campbell

A. **APPROVE AND FILE SUCCESSOR AGENCY CHECKS**

Action: Accepted

B. **APPROVAL OF MINUTES FROM THE NOVEMBER 3, 2016 MEETING**

Action: Approved

5. **CLOSED SESSION**

The City Council adjourned to Closed Session at 5:35 PM.

A. **PURSUANT TO GOVERNMENT CODE 54957.6 - CONFERENCE WITH REAL PROPERTY NEGOTIATORS**

6. **ADJOURNMENT**

The meeting reconvened at 5:52 pm and there were no announcements for the public. The meeting was adjourned at 5:52 PM.

Respectfully submitted,

Lesley Milton-Rerig, City Clerk **Ralph Rubio, Mayor**

DRAFT MINUTES

CITY OF SEASIDE	JOINT SPECIAL MEETING
CITY COUNCIL/ SUCCESSOR	COUNCIL CHAMBER
AGENCY TO THE	Thursday, December 1, 2016
REDEVELOPMENT AGENCY	5:00 PM

1. **CALL TO ORDER**

Mayor Rubio called the meeting to order at 5:02 PM

CITY COUNCIL/SUCCESSOR AGENCY TO REDEVELOPMENT AGENCY OF THE CITY OF SEASIDE

PRESENT: Alexander, Campbell, Oglesby, Pacheco, Rubio
ABSENT: None

2. **PLEDGE OF ALLEGIANCE**

3. **PUBLIC COMMENTS**

Mayor Rubio invited comments from the public and had no requests to speak.

4. **CLOSED SESSION**

The City Council adjourned to Closed Session at 5:03 PM.

A. **PURSUANT TO GOVERNMENT CODE 54957.6 - CONFERENCE WITH LABOR NEGOTIATORS**

B. **CONFERENCE WITH REAL PROPERTY NEGOTIATORS PURSUANT TO GOVERNMENT CODE SECTION 54956.8:**

C. **CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.9 (2) (d) - ANTICIPATED LITIGATION**

The City Council reconvened to Open Session and City Attorney Freeman reported that for Item 4A the City Council received an update on the status of negotiations and provided direction to staff. For item 4B, the City Council received update and the action will be taken up in open session. For Item 4C the City Council received and update on the status of litigation, there are two cases that have been filed and mirror each other. The Council received and update and there are no announcements for the public.

5. **CONSENT AGENDA**

On motion by Council Member Alexander and seconded by Mayor Pro Tem Ian Oglesby and passed by the following vote the City Council Passed the Consent Calendar Item 5B.

RESULT:	**Approved**
MOVER:	Council Member Dennis Alexander
SECONDER:	Mayor Pro Tem Ian Oglesby

AYES:	Ralph Rubio, Dennis Alexander, Jason Campbell, Ian Oglesby, Dave Pacheco
NOES:	None
ABSTAIN:	None

A. <u>APPROVE THE MINUTES FROM NOVEMBER 17, 2016 JOINT SPECIAL MEETING</u>
Action: Tabled

B. <u>APPROVE AND FILE SUCCESSOR AGENCY CHECKS</u>
Action: Accepted

6. <u>BUSINESS ITEMS</u>

A. <u>APPROVAL OF THE LAND SALES AGREEMENTS FOR THE SIX PROPERTIES LISTED FOR DISPOSAL IN THE LONG RANGE PROPERTY MANAGEMENT PLAN</u>

Economic Development Manager Overmeyer spoke to the item and provided an overview on the solicitation for the sales of theses former RDA properties that are required to be sold as part of the approved Long Range Property Management Plan. Mr. Overmeyer answered questions from the Council.

Council Member Campbell questioned the timeline to sell the properties to which he responded the City is required to sell them expeditiously to be in compliance with the LRPMP. Council member Pacheco asked if all offers were all higher than expected and that the City is accepting the highest ones to which he confirmed. Mayor Pro Tem Oglesby requested clarification if we could pass on these offers to try to get a better offer, to which Mr. Overmeyer indicated it is not allowed. Mr. Oglesby then requested clarification about the property that does not have water credits. Mr. Overmeyer explained that the property does not have water credits currently and that the proposed owner is aware of the situation and it is a regulation that Cal Am is not allowed to install a meter at this time as compliance with the Cease and Desist Order.

Mayor Rubio invited comments from the public on this item.

- Sandra Weaver she asked about the Broadway Terrace Property asking for information about the buyer and their intentions for that piece of land. She then closed by saying that this is a season of gratitude and thanked the Council for all the work that they do.
- Darrel Choates disagreed with staff saying there is no time limit once your plan has been approved through the State. He reminded the Council that the taxing entities will get their portion of the land sales proceeds so please make sure that you pick offers that benefit Seaside. He hopes the purchasing parties intend to develop the properties as that was the intention of the State.

Mr. Overmeyer responded that the successful bidder on the Broadway Terrace property is the West Side Group who is planning to build a mixed-use commercial building and there currently a water allocation and that they intend that they intend to move forward quickly with that project. Speaking to Mr. Choate's comment he noted all but one property has adequate water credits and they all have proposed projects that accompanied their offers.

<u>On motion by Council Member Alexander and seconded by Council Member Pacheco and passed by the following vote the City Council approved the agreement as presented and authorized the City Manager to execute any agreements as necessary.</u>

RESULT:	**Approved**

MOVER:	Council Member Dennis Alexander
SECONDER:	Council Member Dave Pacheco
AYES:	Ralph Rubio, Dennis Alexander, Jason Campbell, Ian Oglesby, Dave Pacheco
NOES:	None
ABSENT:	None

B. <u>APPROVAL OF THE LAND SALES AGREEMENTS FOR THE SURPLUS II PROPERTY (APNS: 031-151-029, 031, 032, 039, 040) AND 26 ACRES LAND SITES (APNS: 031-151-054, 055 AND 056</u>

Economic Development Manager Overmeyer presented the item and reported the details of the request to enter into a purchase and sale agreement with KB Bakewell Seaside Ventures to purchase The 26 acres and Surplus II properties to include a deal structure to allow moving forward with the project and getting a fair price. The sale price is $18 million dollars, and the contract sales will be executed in two phases. He spoke to the project entitlements that need to be entered into as required in the agreement. The buyer will pay for all technical studies as part of a reimbursement agreement as well as adhere to a timeline as part of agreement. They have a maximum of 5 years from the date of execution to complete the agreement requirements. Mr. Overmeyer answered questions from the Council

Council Member Campbell questioned who would have the authority to grant any extensions to the agreement to which staff responded a letter from the applicant can request such extension and the City Manage can grant it.

Mayor Rubio invited comments from the public.

- Darryl Choates spoke in support of this item and is impressed with the project and the amount of work that has been completed over a short period of time recently. He feels that this is moving the City forward.

Mayor Rubio added what was not mentioned is that FORA will be receiving their share of the monies from the land sales and the Executive Director of is committed to recommended to the Board that those moneys be used to take down the remaining hammer heads on the Seaside Fort Ord Lands which is a very significant cost that the City will avoid.

<u>On motion by Council Member Pacheco and seconded by Council Member Campbell and passed by the following vote the City Council approved the agreement as presented and authorized the City Manager to execute any agreements as necessary.</u>

RESULT:	**Approved**
MOVER:	Council Member Dave Pacheco
SECONDER:	Council Member Jason Campbell
AYES:	Ralph Rubio, Dennis Alexander, Jason Campbell, Ian Oglesby, Dave Pacheco
NOES:	None
ABSENT:	None

7. <u>ADJOURNMENT</u>

On motion, the meeting was adjourned at 6:42 PM.

Respectfully submitted,

______________________________ ______________________________

Lesley Milton-Rerig, City Clerk **Ralph Rubio, Mayor**

CITY OF SEASIDE
STAFF REPORT

Item No.: 4.B.

TO: Successor Agency to the Redevelopment Agency of the City of Seaside

FROM: Craig Malin, City Manager

BY: Daphne Hodgson, Deputy City Manager Administrative Services

DATE: December 15, 2016

SUBJECT: **APPROVE AND FILE SUCCESSOR AGENCY CHECKS**

PURPOSE

It is requested that the Successor Agency Board approve and file the accounts payable and wired payments made during the period of November 19, 2016 through December 6, 2016. In addition, approval of the payroll and benefits checks, direct deposits and wired payments related to the period of November 23, 2016 is requested. Total Accounts Payable and Payroll for the above referenced period is $2,553.75.

RECOMMENDATION

It is recommended that the Successor Agency Board approve and file the attached checks.

BACKGROUND

In accordance with Government Code Section 37208, at each Agency meeting the Board is provided a listing of the payroll and general checks issued since the last report so that is can inspect and confirm these checks. Each purchase had been reviewed and approved by the department making the purchase at the time of procurement. The invoice has been reviewed by the Finance Department prior to payment to ensure that it conforms to the approved budget.

Therefore, in accordance with Government Code Section 37208 I hereby certify that the above referenced, and linked, list of checks conforms to the approved budget and has been paid. These checks are hereby submitted to the Agency Board for inspection and confirmation.

There were no checks that exceeded $10,000 between November 19, 2106 and December 6, 2016 for Successor Agency related expenses.

The Checks report is available on the City's website here:
http://www.ci.seaside.ca.us/194/Check-Draft-Register

FISCAL IMPACT

No fiscal impact.

ATTACHMENTS

Reviewed for Submission to the
City Council by:

____
Craig Malin, City Manager

CITY OF SEASIDE
STAFF REPORT

Item No.: 4.C.

TO: Successor Agency to the Redevelopment Agency of the City of Seaside

FROM: Craig Malin, City Manager

BY: Kurt Overmeyer, Economic Development Manager

DATE: December 15, 2016

SUBJECT: **ADOPTION OF JOINT RESOLUTIONS OF THE CITY AND SUCCESSOR AGENCY AUTHORIZING THE CITY MANAGER TO EXCUTE THE PURCHASE AND SALE AGREEMENTS AND OTHER REQUIRED DOCUMENTS APPROVED AT THE DECEMBER 1, 2016 MEETING FOR THE BELOW REDEVELOPMENT AGENCY PARCELS**

PURPOSE

a. The purpose of this item is to adopt resolutions authorizing the City Manager to execute purchase and sale agreements, and other required documents to effect the sale of six (6) properties identified in the long range property management plan as for sale and to enter into joint resolutions to sell: 1620 and 1622 LaSalle Ave (APN: 012-853-025), 307 Roberts Ave (APN: 011-561-035), 153-315-35 Del Monte Ave (APN: 011-301-007), 1271 Canyon Del Rey (APN: 011-371-022), Broadway and Terrace (APNs: 012-191-01, 02, 03,04, 013, 016, 017, 021, 023, 024, 025, 028 and 029), 012-641-284 Broadway (APNs: 012-193-08, 09, 010, 011) properties; and

b. To adopt resolutions authorizing the City Manager execute an agreement, and any other required documents, to sell the land commonly known as Surplus II (APNs: 031-151-029, 031, 032, 039, 040) and "26 acres" (APNs: 031-151-054, 055 and 056) with KB Bakewell Seaside Venture, LLC.

RECOMMENDATION

That the City Council adopt a resolution confirming the sale of the above seven properties approved at the December 1, 2016 meeting.

BACKGROUND

On December 1, 2016, City Council authorized the sale of certain real properties

FISCAL IMPACT

ATTACHMENTS

1. Resolution
2. Seaside Terrace and Broadway West End Partners
3. Seaside Canyon Del Rey PSA West End Partners
4. Seaside Del Monte Hageman PSA
5. Seaside Zeve PSA Roberts
6. Seaside Zeve PSA Roberts
7. Troia PSA
8. RESO to approve KB Bakewell PSA
9. Purchase and Sale Agreement KB Bakewell

Reviewed for Submission to the
City Council by:

Craig Malin, City Manager

RESOLUTION NO. 16-___

A RESOLUTION OF SUCCESSOR AGENCY OF THE SUCCESSOR AGENCY OF THE CITY OF SEASIDE REDEVELOPMENT AGENCY

APPROVING THE TERMS OF PURCHASE AND SALE AGREEMENTS AND ESCROW INSTRUCTIONS FOR THE SALE OF FORMER REDEVELOPMENT AGENCY PROPERTIES LISTED ON THE LONG RANGE PROPERTY MANAGEMENT PLAN AS "FOR SALE"

WHEREAS, On March 28, 2014 the Department of Finance of the State of California approved the Long Range Property Management Plan of the City of Seaside Successor Agency; and

WHEREAS, The City solicited offers on the six properties listed as "For Sale" in the Long Range Property Management Plan; and

WHEREAS, pursuant to Health and Safety Code Section 34175(b) and the California Supreme Court's decision in California Redevelopment Association, et al. v. Ana Matosantos, et al. (53 Cal.4th 231(2011)), on February 1, 2012, all assets, properties, contracts, leases, books and records, buildings, and equipment of the former Redevelopment Agency of the City of Seaside (the "Agency") transferred to the control of the Successor Agency of the Redevelopment Agency of the City of Seaside (the "Successor Agency") by operation of law; and

WHEREAS, the Successor Agency staff has negotiated the terms and conditions of a Purchase and Sale Agreement and Escrow Instructions (the "PSA") between the Seller and each Buyer for six properties; and

WHEREAS, the Successor Agency does not plan to execute the PSA unless and until it is approved by the Oversight Board and the California Department of Finance has approved such action by the Oversight Board or failed to respond in the time provided under California Health and Safety Code Section 34181(f).

NOW, THEREFORE, the Successor Agency hereby finds, determines and resolves as follows:

Section 1. The Agency hereby approves the terms and conditions of the six PSA(s), and all other documents reasonably required to implement the PSA(s), as substantially set forth in the form of PSA attached to this resolution.

Section 2. The Agency directs staff to forward the PSA to the Oversight Board for consideration with a recommendation of approval.

Section 3. Upon receipt of Oversight Board and California Department of Finance approval, the Executive Director of the Agency is hereby authorized to execute the PSA, to execute any other agreements and instruments reasonably necessary to affect these resolutions, and to make such reasonable modifications thereto as recommended by the Agency's legal counsel and Executive Director as required to implement the terms of this Resolution.

Section 4. The Agency Secretary shall certify to the adoption of this Resolution.

PASSED AND ADOPTED at a regular meeting of the Successor Agency of the former Redevelopment Agency of the City of Seaside held on the 15th day of December, 2016 by the following vote:

AYES: __ COUNCIL/AGENCY MEMBERS
NOES: __ COUNCIL/AGENCY MEMBERS
ABSENT: __ COUNCIL/AGENCY MEMBERS
ABSTAIN: __ COUNCIL/AGENCY MEMBERS

____
Ralph Rubio, Mayor

ATTEST:

____
Lesley E. Milton, City Clerk

PURCHASE AND SALE AGREEMENT

AND

ESCROW INSTRUCTIONS

by and between the

Successor Agency to the Redevelopment Agency of the City of Seaside
("Seller")

and

West End Partners, LLC a California limited liability company
("Buyer")

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PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS

This PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS (this "Agreement") is dated as of December 15, 2016 ("the Effective Date") and is entered into by and between West End Partners, LLC a California limited liability company("Buyer") and the Successor Agency to the Redevelopment Agency of the City of Seaside ("Seller").

RECITALS

A. Seller is the owner of the land in the City of Seaside, County of Monterey, State of California, more particularly described on **Exhibit A** attached hereto and made a part hereof, commonly known as Broadway Avenue & Terrace Street, Assessor's Parcel Numbers 012-191-001, 002, 003, 004, 013, 016, 017, 021, 023, 024, 025, 028 and 029, together with all improvements thereon (collectively, the "Property").

B. Buyer desires to purchase the Property from Seller.

C. The Seller's obligations to close the sale of the Property are conditioned upon the approval of this Agreement by the Oversight Board of the Successor Agency to the Seaside Redevelopment Agency ("OB") and either (i) the failure of the California Department of Finance ("DOF") to request review thereof within the period permitted by law; (ii) or if such review is timely requested the DOF's approval of the OB decision. Seller shall use good faith efforts to promptly obtain such OB approval.

NOW, THEREFORE, in consideration of the terms and conditions of this Agreement and for other valuable consideration, the receipt of which is hereby acknowledged, Buyer and Seller agree as follows:

1. Purchase and Sale. Subject to and in accordance with the terms and conditions hereinafter set forth, Seller agrees to sell Property to Buyer, and Buyer agrees to purchase the Property from Seller.

2. Opening and Closing of Escrow. Within three (3) business days after the Effective Date, the parties shall open an escrow ("Escrow") with Old Republic Title Company ("Escrow Holder" and "Title Company"), at Monterey, CA, Attn: Heather Tremper, Escrow Officer; Phone: (831) 372-7378 Email: htremper@ortc.com; and shall deliver a copy of this fully executed Agreement to said Escrow Holder. "Close of Escrow" shall be the date that a grant deed for Property in favor of Buyer, is recorded in the Official Records of the Monterey County Recorder's Office. Close of Escrow shall occur on or before the date that is ten (10) days after the expiration of the Due Diligence Period, as defined in Section 5 below ("Outside Closing Date").

3. Purchase Price; Deposit. The purchase price for Property to be paid by Buyer is the sum of One Million Dollars ($1,000,000.00) ("Purchase Price").

(a) Seller acknowledges having received the sum of Ten Thousand Dollars ($10,000.00) from Buyer (the "Initial Deposit"). On the Close of Escrow, the Initial Deposit shall be applied toward the Purchase Price. In the event this Agreement is terminated by Buyer under Section 5.5 below or as a result of a default by Seller, then the Deposit shall be refunded to Buyer.

If Buyer does not otherwise terminate the Purchase Agreement prior to the expiration of the Due Diligence period, Buyer shall within three (3) business days following the later of: (i) the expiration of the Due Diligence period, and (ii) receipt of an acceptable appraisal performed by Stephen Brown Associates, Inc., deposit into escrow the sum of Twenty Thousand ($20,000.00) Dollars (the Additional Deposit) at which point, it and all interest thereon will be credited at closing against the Purchase Price, and shall be nonrefundable. The Initial Deposit and Additional Deposit shall collected be referred to as the "Deposit".

(c) Buyer acknowledges that an appraisal of the property will be ordered by the Seller and completed by a licensed commercial appraiser, at the sole expense of the Buyer, within thirty (30) days of the Effective Date. Said appraisal must equal or exceed the purchase price to be paid by Buyer for the Property. If closing occurs after the initial appraisal expires, then Seller shall request an updated appraisal by the original appraiser, which shall be at the sole expense of the Buyer.

IF BUYER FAILS TO COMPLETE THE PURCHASE OF THE PROPERTY AS HEREIN PROVIDED BY REASON OF DEFAULT OF BUYER, IT IS AGREED THAT THE DEPOSIT THEN HELD BY ESCROW HOLDER SHALL BE NON-REFUNDABLE AND SELLER SHALL BE ENTITLED TO SUCH DEPOSIT, WHICH AMOUNT SHALL BE ACCEPTED BY SELLER AS LIQUIDATED DAMAGES AND NOT AS A PENALTY AND AS SELLER'S SOLE AND EXCLUSIVE REMEDY. IT IS AGREED THAT SAID AMOUNT CONSTITUTES A REASONABLE ESTIMATE OF THE DAMAGES TO SELLER PURSUANT TO CALIFORNIA CIVIL CODE SECTION 1671 <u>ET SEQ</u>. BUYER AND SELLER AGREE THAT IT WOULD BE IMPRACTICAL OR IMPOSSIBLE TO PRESENTLY PREDICT WHAT MONETARY DAMAGES SELLER WOULD SUFFER UPON BUYER'S FAILURE TO COMPLETE ITS PURCHASE OF THE PROPERTY. BUYER DESIRES TO LIMIT THE MONETARY DAMAGES FOR WHICH IT MIGHT BE LIABLE HEREUNDER AND BUYER AND SELLER DESIRE TO AVOID THE COSTS AND DELAYS THEY WOULD INCUR IF A LAWSUIT WERE COMMENCED TO RECOVER DAMAGES OR OTHERWISE ENFORCE SELLER'S RIGHTS. IF FURTHER INSTRUCTIONS ARE REQUIRED BY ESCROW HOLDER TO EFFECTUATE THE TERMS OF THIS SECTION, BUYER AND SELLER AGREE TO EXECUTE THE SAME. THE PARTIES ACKNOWLEDGE THIS PROVISION BY PLACING THEIR INITIALS BELOW:

_________________________ _________________________

SELLER'S INITIALS **BUYER'S INITIALS**

3.1 <u>Prorations</u>. The following items are to be prorated as of close of escrow: (i) taxes; (ii) assessments (on a per square foot basis); and (iii) any utilities charges.

4. Title Insurance.

(a) Within five (5) business days after the opening of escrow, Seller and Buyer shall cause Title Company to furnish Buyer with an updated title report for the Property, together with copies of all documents referenced therein as exceptions to title (collectively, the Title Report").

(b) Buyer shall have until the date that is 180 days after receipt of the Title Report to deliver to Seller and Escrow Holder written notice (the "Preliminary Title Notice") of Buyer's approval, conditional approval or disapproval of the title exceptions disclosed in the Title Report (excluding the standard printed exceptions in the form of title policy and taxes and assessments which are liens not yet due and payable) [and any matters shown by a survey conducted by Buyer at Buyer's cost]. All matters not timely disapproved by Buyer will be deemed approved. All such exceptions disapproved by Buyer are referred to herein as "Disapproved Exceptions".

(c) Seller shall have twenty (20) days after receipt of Buyer's Preliminary Title Notice to commit to cause any such Disapproved Exceptions to be released of record, or commit to cause the Title Company to endorse over such Disapproved Exceptions pursuant to an endorsement or endorsements reasonably acceptable to Buyer, or elect not to remove or endorse over Disapproved Exceptions. If Seller fails to deliver its response notice within said twenty (20) days, Seller shall be deemed to have elected not to eliminate or endorse over all matters disapproved or conditionally approved by Buyer.

(d) If Seller elects not to commit to remove (or is deemed not to commit to remove) and elects not to cause the Title Company to endorse over (or is deemed to elect not to cause Title Company to endorse over), a Disapproved Exception (other than a monetary lien or encumbrance, as to which Seller's obligation to remove is absolute), Buyer shall have the option, to be exercised within five (5) business days after Seller's notice to elect to terminate this Agreement, in which case the Deposit shall be returned to Buyer. If (or if no notice is given, then within five business days after the end of the 20 day period) buyer fails to timely deliver the termination notice, Buyer shall be deemed to have elected take title subject to the Disapproved Exceptions.

(e) Buyer's fee title to Property shall be insured at the Close of Escrow by an CLTA Standard Coverage Owner's Policy of Title Insurance in the amount of the Purchase Price, issued by Title Company (or, at the option of Buyer, an ALTA policy if Buyer performs an ALTA survey at Buyer's cost during the period described in Section 4(b) above and requires an ALTA Extended Coverage Owner's Policy of Title Insurance) and containing exceptions in the title report issued by Title Company (the "Permitted Title Exceptions").

(f) Seller shall not encumber the Property during the period from Effective Date to the earlier of Close of Escrow or the date of the termination of this Agreement.

5. Due Diligence; Right Of Entry.

5.1 Buyer hereby acknowledges receipt of the documents described on Exhibit "D". Seller hereby grants Buyer and its agents, employees, contractors and subcontractors designated in writing by Buyer to Seller (collectively "Representatives") the right to enter on the Property until the date that is180 days after the Effective Date (the "Due Diligence Period") for the purpose of inspecting the physical condition of the Property, including soils, title survey, zoning, water availability, engineering and entitlement requirements, developmental potential and geological matters and toxic or hazardous substances and other contamination subject to scheduling and coordination with the Seller All such investigations shall be at Buyer's expense. All work performed by Buyer and its Representatives will be performed diligently and in a manner consistent with the standards of care, diligence and skill exercised by recognized consulting firms for similar services, and in accordance with professional standards and the requirements of any governmental agency or entity and all applicable laws, and shall not disturb, or otherwise violate the rights of tenants.

5.2 Buyer and its Representatives shall promptly notify the Seller of any discovery, spill, release, or discharge of any Hazardous Substances, as defined in <u>Exhibit C</u>, on, under or about the Property which is discovered, encountered, or results from or is related to the Buyer's or its Representatives' access to and/or use of the Property under this Agreement.

5.3 In connection with the inspections of the Property by Buyer and its Representatives (including, without limitation, any survey), Buyer shall, at its own cost and expense, take any necessary action to keep the Property, and any improvements and personally thereon, in good order and repair and safe condition to the extent that such Property, improvements or personality were in such condition prior to its entry, and the whole of the Property, in a clean, sanitary and orderly condition, including, without limitation, ensuring that any holes, ditches or other indentations, as well as any mounds or other inclines created by any excavation by Buyer or its Representatives are regraded, resurfaced and compacted. If any portion of the Property or an adjacent property, including improvements and fixtures, suffers damage or alteration by reason of the access and activities of Buyer or its Representatives on the Property, Buyer shall, at its own cost and expense, promptly repair all such damage and restore the Property or adjacent property to as good a condition as before such damage or alteration occurred, or if it cannot be repaired, Buyer shall replace such damaged or altered property to the extent possible.

5.4 Prior to entering the Property, Buyer shall provide Seller with reasonable evidence that Buyer has reasonable insurance covering Buyer's activities on the Property. In any event, Buyer shall defend, protect, indemnify, and hold free and harmless Seller and its employees, agents, and representatives, and their successors, and assigns (individually as "Indemnitee" and collectively, "Indemnitees"), free and harmless from and against any and all damages, costs, expenses, liabilities, claims, demands, causes of action, proceedings, expenses, judgments, penalties, liens, and losses of any nature whatsoever (collectively, the "Claims"), including fees of accountants, attorneys, expert witnesses, or other professionals, and all costs associated therewith, arising or claimed to arise, directly or indirectly, out of, in connection with, resulting from, or related to any act, failure to act, error, or omission of Buyer or any of its Representatives arising or claimed to arise, directly or indirectly, out of, in connection with, resulting from, or related to entry upon the Property pursuant to this Section.

5.5 Buyer may, by written notice and at Buyer's election prior to the expiration of the Due Diligence period or any extension thereto, extend the Due Diligence period of each of the Property by up to six (6) thirty (30) day periods (the Due Diligence period extensions). Within three (3) business days following Buyer's election to exercise each of the Due Diligence period extensions, Buyer shall deposit with Escrow Holder the sum of Five Hundred Dollars ($500.00) (the Due Diligence period extension fee), which Due Diligence period extension fee shall be non-refundable, but shall be applied to the Purchase Price at Closing.

Given that no specific entitlements or development approvals are being conveyed with the sale of the Property, it is Buyer's intention to use the Due Diligence Period for (among other things) obtain all possible entitlements required to develop the Property (with the possible exception of water connections), including any CEQA approvals. Buyer and Seller shall work in good faith to determine what developments are appropriate for and on the Property and to timely and diligently process approval of such developments to their mutual agreement and satisfaction during the Due Diligence period.

In the event that Buyer determines that any condition or matter affecting either or both of the two Property is unacceptable to Buyer in Buyer's sole and absolute discretion, or if Buyer and Seller cannot agree on the terms government Buyer's proposed development of the Property, Buyer may cancel escrow for one or both of the Property with written notice to Seller and Escrow Holder and receive a full refund of Deposits prior to the expiration of the Due Diligence period.

6. Deposit of Documents and Funds in Escrow.

(a) Seller and Buyer, as applicable, hereby covenant and agree to deliver to Escrow Holder at least one (1) business day prior to Close of Escrow the following instruments, documents, and funds, the delivery of each of which shall be a condition of the Close of Escrow.

(b) Seller shall deliver:

(i) A Grant Deed in the form attached hereto as Exhibit "B" duly executed and acknowledged by Seller;

(ii) A Withholding Exemption Certificate Form 593-C as contemplated by California Revenue and Taxation Code §18662 (the "Withholding Affidavit") duly executed by Seller;

(iii) A Certification of Non-Foreign Status in accordance with Internal Revenue Code Section 1445 duly executed by Seller;

(iv) Such proof of Seller's authority and authorization to enter into this transaction as the Title Company may require in order to issue the Title Policy.

(c) Buyer shall deliver:

(i) The Purchase Price (less the Deposit) together with such funds as are required to pay for costs and expenses payable by Buyer hereunder;

(ii) Each of the Buyer and Seller may waive (in writing) any condition of the Close of Escrow set forth in this Section 6.

7. Authorization to Record Documents and Disburse Funds. Escrow Holder is hereby authorized to record the documents and disburse the funds and distribute the documents called for hereunder upon the Close of Escrow, provided each of the following conditions has then been fulfilled:

(a) The Title Company can issue the Title Policy, with a liability in the amount of the Purchase Price, showing fee title to the Property vested in Buyer, subject only to the Permitted Title Exceptions.

(b) Seller and Buyer shall have deposited in Escrow the documents and funds required pursuant to Section 6.

8. Prorations; Charges. Property taxes, assessments, and rents shall be prorated as of the close of Escrow. Buyer shall pay (i) fifty percent (50%) of the escrow fees and charges of Escrow Holder, (ii) the cost of all endorsements to the Title Policy and any extended coverage, and (iii) Buyer's share of the charges prorated under this Agreement. Seller shall pay: (i) fifty percent (50%) of the escrow fees and charges of Escrow Holder; (ii) the cost of the premium for CLTA coverage under the Title Policy; (iii) all recording charges, if any; and (iv) any documentary transfer taxes. If the Escrow shall fail to close for any reason other than Seller's default, Buyer shall pay any applicable Escrow cancellation charges.

9. Condemnation; Destruction. All risk of loss with respect to the Property shall remain with Seller until after the Close of Escrow and delivery of possession of the Property to Buyer. If at any time prior to the Close of Escrow, the Property, or any portion thereof, is damaged by fire or other casualty or taken or appropriated through eminent domain or similar proceedings, or is condemned for any public or quasi-public use, Buyer may terminate this Agreement. If Buyer terminates this Agreement, Seller shall be entitled to receive all insurance proceeds payable to Buyer or Seller or all condemnation proceeds actually paid for that portion of the property taken. If Buyer elects to maintain this Agreement in full force and effect, then upon Close of Escrow, Buyer shall be entitled to receive all insurance proceeds payable to Seller or all condemnation proceeds actually paid for that portion of the Property taken or, if such proceeds have been paid to Seller, Buyer shall receive a credit against the Purchase Price equal to the amount of proceeds actually paid to Seller. Buyer shall not be entitled to any reduction in the Purchase Price.

10. Default. In the event of a breach or default under this Agreement by either Seller or Buyer, the non-defaulting party shall have the right to terminate this Agreement and the Escrow for the purchase and sale of the Property by delivering written notice thereof to the defaulting party and to Escrow Holder, and if Buyer is the non-defaulting party, Buyer shall thereupon promptly receive a refund of the Deposit. Such right of termination of the Escrow by the non-defaulting party shall be without prejudice to the non-defaulting party's rights and remedies against the defaulting party at law or equity, and specifically the right to specific performance of this Agreement.

11. As Is; Release. Buyer is acquiring the Property "AS IS, WHERE IS" without any representation or warranty of Seller, express, implied or statutory, as to the nature or condition of or title to the Property or its fitness for Buyer's intended use of same. Buyer is familiar with the Property. Buyer is relying solely upon its own, independent inspections, investigations and analysis of the Property as it deems necessary or appropriate in so acquiring the Property from Seller, including, without limitation, an analysis of any and all matters concerning the condition of the Property and its suitability for Buyer's intended purposes, and a review of all applicable laws, ordinances, rules and governmental regulations (including, but not limited to, those relative to building, zoning and land use) affecting the development, use, occupancy or enjoyment of the Property.

BUYER ACKNOWLEDGES AND AGREES THAT, SELLER HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY NEGATES AND DISCLAIMS ANY REPRESENTATIONS, WARRANTIES, PROMISES, COVENANTS, AGREEMENTS OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, OF, AS TO, CONCERNING OR WITH RESPECT TO THE PROPERTY OR ANY MATTER RELATED THERETO, INCLUDING, WITHOUT LIMITATION, THE HABITABILITY, MERCHANTABILITY, MARKETABILITY, PROFITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE PROPERTY, AND COMPLIANCE WITH ANY ENVIRONMENTAL LAWS OR THE PRESENCE, ABSENCE, CONDITION OR STATUS OF ANY HAZARDOUS MATERIALS. BUYER ACKNOWLEDGES AND AGREES THAT TO THE MAXIMUM EXTENT PERMITTED BY LAW, THE SALE OF THE PROPERTY AS PROVIDED FOR HEREIN IS MADE ON AN "AS IS" CONDITION AND BASIS WITH ALL FAULTS, AND THAT SELLER HAS NO OBLIGATIONS TO MAKE REPAIRS, REPLACEMENTS OR IMPROVEMENTS OR REMEDIATE ANY HAZARDOUS MATERIALS.

BY INITIALING BELOW, THE BUYER ACKNOWLEDGES THAT (i) THIS SECTION 5.2 HAS BEEN READ AND FULLY UNDERSTOOD, (ii) THE BUYER HAS HAD THE CHANCE TO ASK QUESTIONS OF ITS COUNSEL ABOUT ITS MEANING AND SIGNIFICANCE, AND (iii) THE BUYER HAS ACCEPTED AND AGREED TO THE TERMS SET FORTH IN THIS SECTION 5.2.

____
BUYER'S INITIALS

Buyer waives and releases as of the Close of Escrow any and all claims it may have against Seller relating to the physical condition of the Property (including, without limitation, the presence or release hazardous materials or substances). To the extent of such waiver and release, Buyer expressly waives its rights, if any, under California Civil Code Section 1542 which provides:

> "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE WHICH IF KNOWN BY HIM

MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR."

____
Buyer's Initials

12. Notices. All notices and demands shall be given in writing by certified mail, postage prepaid, and return receipt requested, or by recognized national courier service. Notices shall be considered given upon the earlier of (a) two (2) business days following deposit in the United States mail, postage prepaid, certified or registered, return receipt requested or (b) the following business day if sent by overnight courier. A copy of all notices shall be sent to Escrow Holder. Notices shall be addressed as provided below for the respective party; provided that any party may change its address for notices by written notice given to the other party.

Buyer:	West End Partners, LLC a California limited liability company Attn: Ted Lim 10 Harris Court, Suite B-1 Monterey, CA 93940 (831) 649-0220 (main office) Email: tlim@oroscogroup.com with copies to: speverini@oroscogroup.com chad.gallagher@mslegal.com
Buyer Broker:	Christopher Orosco Orosco & Associates 10 Harris Court, Suite B-1 Monterey, CA 93940
Seller:	Successor Agency to the Redevelopment Agency of the City of Seaside 440 Harcourt Avenue Seaside, California 93955 Attn.: Executive Director
Seller Broker:	Carpenter/Robbins Commercial Real Estate, Inc. 3160 Crow Canyon Road, Suite 200 San Ramon, CA 94583 Attn: John Robbins/Alyce Rados
Escrow Holder:	Old Republic Title Company 503 Abrego Street Monterey, CA 93940 (831) 372-7378 Attn: Heather Tremper

13. Broker's Commissions. Carpenter/Robbins Commercial Real Estate, Inc, is the real estate broker for Seller in this transaction Orosco & Associates is the real estate broker for the Buyer in this transaction. Seller shall pay to Carpenter/Robbins Commercial Real Estate, Inc. at close of escrow a commission of 3% of the gross sales price of the Property and to Orosco & Associates at close of escrow a commission fee of 3% of the gross sales price of the Property. There are no other amounts owned for real estate commissions. Buyer and Seller shall hold each other harmless from any claim asserted by a real estate or other broker claiming through Buyer or Seller, respectively, for a commission in connection with this transaction.

14. Standard Instructions. Each party agrees to execute Escrow Holder's supplemental reasonable standard instructions as may be necessary or proper in order to consummate the transactions contemplated by this Agreement; provided, however, in the event of a material conflict between the terms hereof and the terms of such standard instructions, the terms hereof shall control.

15. Time is of the Essence. The parties hereto agree that time is of the essence with respect to each term, condition and covenant hereof.

16. Successors and Assigns. The provisions of this Agreement are expressly binding upon, and shall inure to the benefit of, the parties hereto and their successors in interest and assigns.

17. Entire Agreement. This Agreement, together with all exhibits hereto, integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the parties or their predecessors in interest with respect to all or any part of the subject matter hereof. Notwithstanding the foregoing, the Temporary Construction Easement shall survive the Close of Escrow.

18. Severability. Invalidation of any of the terms, conditions, covenants, or other provisions contained herein by judgment or court order shall in no way affect any of the other terms, conditions, covenants, or provisions hereof, and the same shall remain in full force and effect.

19. Amendments. Any amendments to this Agreement shall be effective only when duly executed by Seller and Buyer and deposited with Escrow Holder.

20. Attorneys' Fees. In the event that suit is brought for the enforcement of this Agreement or as the result of any alleged breach thereof, the prevailing party or parties in such suit shall be entitled to recover their reasonable attorneys' fees, costs, and expenses from the losing party or parties, and any judgment or decree rendered in such proceedings shall include an award thereof.

21. No Third Party Beneficiary Rights. This Agreement is entered into for the sole benefit of Seller and Buyer and no other parties are intended to be direct or incidental beneficiaries of this Agreement.

22. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

23. Counterparts. This Agreement may be executed simultaneously in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. For purposes of this Agreement, facsimile signatures shall be deemed to be original signatures, and shall be followed by the immediate overnight delivery of original signature pages.

24. Assignment of Agreement. Neither Buyer nor Seller may assign or transfer their respective rights or obligations under this Agreement without first obtaining the prior written consent of the other, which consent may be granted or withheld in its sole and absolute discretion.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the date first above written.

BUYER:
WEST END PARTNERS, LLC

____

____

By: ___________________________

Print name: ____________________

SELLER:

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SEASIDE

By:_________________________________

Print Name:__________________________
Executive Director

Attest:

____

Print Name: _________________________
City Clerk

Approved as to Form:

____

LIST OF EXHIBITS

EXHIBIT A

LEGAL DESCRIPTION OF THE LAND

Broadway Avenue and Terrace Street:
1104, 1116 & 1128 Olympia;
1125, 1137, 1173, 1193 Broadway

Parcel One
APN: 012-191-001
Del Monte Heights Map 6
Lot 28 & 29 BLK 24

Parcel Two
APN: 012-191-001
Del Monte Heights Map 6
Lot 30 & 31 BLK 24

Parcel Three
APN: 012-191-003
Del Monte Heights Map 6
Lot 32 & 33 BLK 24

Parcel Four
APN: 012-191-004
Del Monte Heights Map 6
Lot 34 & 35 BLK 24

Lot Five
APN: 012-191-013
Del Monte Heights Map 6
Lot 1 & 2 BLK 24

Parcel Six
APN: 012-191-016
Del Monte Heights Map 6
Lot 7 & 8 BLK 24

Parcel Seven
APN: 012-191-017
Del Monte Heights
Lot 9, 10 & 11 BLK 24

Parcel Eight
APN: 012-191-021
Del Monte Heights Map 6
Lot 23, 24 & 25 BLK 24

Parcel Nine
APN: 012-191-023
Del Ponte Heights Map 6
Lot 12, 13 & 14 BLK 24

Parcel Ten
APN: 012-191- 024
Del Monte Heights Map 6
Lot 15, 16 & 17BLK 24

Parcel Eleven
APN: 012-191-025
Del Monte Heights Map 6
Lot 3, 4, 5 & 6 BLK 24

Parcel Twelve
APN: 012-191-028
Del Monte Heights Map 6
Lot 18 & 19 BLK 24

Parcel Thirteen
APN: 012-191-029
Del Monte Heights Map 6
Lot20,21 & 22

Legal Description to be Determined by the Title Company prior to the Close of Escrow

FORM OF GRANT DEED

RECORDING REQUESTED BY,
AND WHEN RECORDED RETURN TO
(AND SEND TAX STATEMENTS TO):

____
____
____
Attn: ___________________

[SPACE ABOVE FOR RECORDER'S USE ONLY]

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

GRANT DEED

THE UNDERSIGNED GRANTOR DECLARES AS FOLLOWS:

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the Successor Agency to the Redevelopment Agency of the City of Seaside (the "Grantor") hereby grants to _____________________ ("Grantee") the land in the City of Seaside, County of Monterey, State of California, more particularly described on **Exhibit A** attached hereto and all improvements thereon and all rights and appurtenances relating thereto (the "Property").

That the documentary transfer tax is $___________($1.10 per $1000 of consideration/purchase price); property is in the City of Seaside, County of Monterey.

IN WITNESS WHEREOF, Grantor has executed this Grant Deed as of the date set forth below.

Dated: ______, 20__

SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENY OF THE CITY OF
SEASIDE

By: ___________________________
Print Name: ____________________
Executive Director

ACKNOWLEDGEMENT

State of California)
County of Los Angeles)

On _________________________, before me, ___________________________________,
(insert name and title of the officer)
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.

Signature__________________________________ (Seal)

EXHIBIT C

CERTAIN DEFINITIONS

Environmental Condition means any condition of the Property that exists prior to or after the Closing Date, with respect to the air, land, soil, surface, subsurface strata, surface water, ground water, storm water or sediments.

Environmental Laws means all federal, state, local, or municipal laws, rules, orders, regulations, statutes, ordinances, codes, decrees, or requirements of any government authority regulating, relating to, or imposing liability or standards of conduct concerning any Hazardous Substance (as later defined), or pertaining to occupational health or industrial hygiene (and only to the extent that the occupational health or industrial hygiene laws, ordinances, or regulations relate to Hazardous Substances on, under, or about the Property), occupational or environmental conditions on, under, or about the Property, as now or may at any later time be in effect, including without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA) [42 USCS §§ 9601 et seq.]; the Resource Conservation and Recovery Act of 1976 (RCRA) [42 USCS §§ 6901 et seq.]; the Clean Water Act, also known as the Federal Water Pollution Control Act (FWPCA) [33 USCS §§ 1251 et seq.]; the Toxic Substances Control Act (TSCA) [15 USCS §§ 2601 et seq.]; the Hazardous Materials Transportation Act (HMTA) [49 USCS §§ 1801 et seq.]; the Insecticide, Fungicide, Rodenticide Act [7 USCS §§ 136 et seq.]; the Superfund Amendments and Reauthorization Act [42 USCS §§ 6901 et seq.]; the Clean Air Act [42 USCS §§ 7401 et seq.]; the Safe Drinking Water Act [42 USCS §§ 300f et seq.]; the Solid Waste Disposal Act [42 USCS §§ 6901 et seq.]; the Surface Mining Control and Reclamation Act [30 USCS §§ 1201 et seq.]; the Emergency Planning and Community Right to Know Act [42 USCS §§ 11001 et seq.]; the Occupational Safety and Health Act [29 USCS §§ 655 and 657]; the California Underground Storage of Hazardous Substances Act [H & S C §§ 25280 et seq.]; the California Hazardous Substances Account Act [H & S C §§ 25300 et seq.]; the California Hazardous Waste Control Act [H & S C §§ 25100 et seq.]; the California Safe Drinking Water and Toxic Enforcement Act [H & S C §§ 24249.5 et seq.]; the Porter-Cologne Water Quality Act [Wat C §§ 13000 et seq.] together with any amendments of or regulations promulgated under the statutes cited above and any other federal, state, or local law, statute, ordinance, or regulation now in effect or later enacted that pertains to occupational health or industrial hygiene, and only to the extent that the occupational health or industrial hygiene laws, ordinances, or regulations relate to Hazardous Substances on, under, or about the Property, or the regulation or protection of the environment, including ambient air, soil, soil vapor, groundwater, surface water, or land use.

Hazardous Substances includes without limitation:

(a) Those substances included within the definitions of hazardous substance, hazardous waste, hazardous material, toxic substance, solid waste, or pollutant or contaminant in CERCLA, RCRA, TSCA, HMTA, or under any other Environmental Law;

(b) Those substances listed in the United States Department of Transportation (DOT) Table [49 CFR 172.101], or by the Environmental Protection Agency (EPA), or any successor agency, as hazardous substances [40 CFR Part 302];

(c) Other substances, materials, and wastes that are or become regulated or classified as hazardous or toxic under federal, state, or local laws or regulations; and

(d) Any material, waste, or substance that is

(i) a petroleum or refined petroleum product,

(ii) asbestos,

(iii) polychlorinated biphenyl,

(iv) designated as a hazardous substance pursuant to 33 USCS § 1321 or listed pursuant to 33 USCS § 1317,

(v) a flammable explosive, or

(vi) a radioactive material.

CARPENTER/ROBBINS COMMERICAL REAL ESTATE, INC.
AGENCY DISCLOSURE STATEMENT

EXHIBIT D

LIST OF DOCUMENTS DELIVERED TO BUYER

Property Information Sheet

Sellers Mandatory Disclosure Form

JCP-LGS Property Information Disclosure Report

DOES THE CITY HAVE ANY OTHER DOCUMENTATION REGARDING THIS PROPERTY?

CARPENTER/ROBBINS COMMERICAL REAL ESTATE, INC.
AGENCY DISCLOSURE STATEMENT

When you enter into a discussion with a real estate agent regarding a real estate transaction, you should from the outset understand what type of agency relationship or representation you wish to have with the agent in the transaction.

SELLER'S/LANDLORD AGENT

A Seller's agent under a listing agreement with the Seller acts as the agent for the Seller only. A Seller's agent or a subagent of that agent has the following affirmative obligations:
To the Seller: A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Seller.
To the Buyer and the Seller:

(a) Diligent exercise of reasonable skill and care in performance of the agent's duties.
(b) A duty of honest and fair dealing and good faith.
(c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties.

An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

BUYER'S/TENANT AGENT

A selling agent can, with a Buyer's consent, agree to act as agent for the Buyer only. In these situations, the agent is not the Seller's agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the Seller. An agent acting only for a Buyer has the following affirmative obligations:
To the Buyer: A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Buyer.
To the Buyer and the Seller:

(a) Diligent exercise of reasonable skill and care in performance of the agent's duties.
(b) A duty of honest and fair dealing and good faith.
(c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties.

An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

AGENT REPRESENTING BOTH SELLER/lANDLORD AND BUYER/TENANT

A real estate agent, either acting directly or through one or more associate licensees, can legally be the agent of both the Seller and the Buyer in a transaction, but only with the knowledge and consent of both the Seller and the Buyer.
In a dual agency situation, the agent has the following affirmative obligations to both the Seller and the Buyer:

(a) A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either the Seller or the Buyer.
(b) Other duties to the Seller and the Buyer as stated above in their respective sections.

In representing both Seller and Buyer, the agent may not, without the express permission of the respective party, disclose to the other party that the Seller will accept a price less than the listing price or that the Buyer will pay a price greater than the price offered.

The above duties of the agent in a real estate transaction do not relieve a Seller or Buyer from the responsibility to protect his or her own interests. You should carefully read all agreements to assure that they adequately express your understanding of the transaction. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional.
Throughout your real property transaction you may receive more than one disclosure form, depending upon the number of agents assisting in the transaction. The law requires each agent with whom you have more than a casual relationship to present you with this disclosure form. You should read its contents each time it is presented to you, considering the relationship between you and the real estate agent in your specific transaction.

This disclosure form includes the provisions of Sections 2079.13 to 2079.24, inclusive, of the Civil Code set forth on the attached document hereof. Read it carefully. I/WE ACKNOWLEDGE RECIEPT OF A COPY OF THIS DISCLOSURE AND THE PORTIONS OF THE CIVIL CODE PRINTED ON A SEPARATE PAGE.

SELLER AGENT:
CARPENTER/ROBBINS COMMERCIAL REAL ESTATE, INC. ***BRE #*** 01280981

CARPENTER/ROBBINS COMMERICAL REAL ESTATE, INC.
AGENCY DISCLOSURE STATEMENT

(SIGNED) AGENT: ______________________ **BRE# 00418143**
(PRINTED NAME) *John Robbins* ______________________ ***is the agent of (check one):***

(SIGNED) AGENT: ______________________ **BRE# 01169743**
(PRINTED NAME) *Alyce H. Rados* ______________________

BUYER AGENT:

(SIGNED) AGENT: ______________________ ***BRE#***

(PRINTED NAME): ***Christopher Orosco***

CALIFORNIA CIVIL CODESECTIONS 2079.14 THROUGH 2079.24 (20179.16 APPEARS ON THE ATTACHED)

2079.13. As used in Sections 2079.14 to 2079.24, inclusive, the following terms have the following meanings:

(a) "Agent" means a person acting under provisions of Title 9(commencing with Section 2295) in a real property transaction, and includes a person who is licensed as a real estate broker under Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code, and under whose license a listings executed or an offer to purchase is obtained.(b) "Associate licensee" means a person who is licensed as a real estate broker or salesperson under Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code and who is either licensed under a broker or has entered into a written contract with a broker to act as the broker's agent in
connection with acts requiring a real estate license and to function under the broker's supervision in the capacity of an associate licensee. The agent in the real property transaction bears responsibility for his or her associate licensees who perform as agents of the agent. When an associate licensee owes a duty to any principal, or to any buyer or seller who is not a principal, in a real property transaction, that duty is equivalent to the duty owed to that party by the broker for whom the associate licensee functions.(c) "Buyer" means a transferee in a real property transaction, and includes a person who executes an offer to purchase real property from a seller through an agent, or who seeks the services of an agent in more than a casual, transitory, or preliminary manner, with the object of entering into a real property transaction. "Buyer" includes vendee or lessee. (d) "Commercial real property" means all real property in the state, except single-family residential real property, dwelling units made subject to Chapter 2 (commencing with Section 1940) of Title 5, mobile homes, as defined in Section 798.3, or recreational vehicles, as defined in Section 799.29. (e) "Dual agent" means an agent acting, either directly or through an associate licensee, as agent for both the seller and the buyer in a real property transaction. (f) "Listing agreement" means a contract between an owner of real property and an agent, by which the agent has been authorized to sell the real property or to find or obtain a buyer. (g) "Listing agent" means a person who has obtained a listing of real property to act as an agent for compensation. (h) "Listing price" is the amount expressed in dollars specified in the listing for which the seller is willing to sell the real property through the listing agent. (i) "Offering price" is the amount expressed in dollars specified in an offer to purchase for which the buyer is willing to buy the real property. (j) "Offer to purchase" means a written contract executed by a buyer acting through a selling agent that becomes the contract for the sale of the real property upon acceptance by the seller. (k) "Real property" means any estate specified by subdivision (1) or (2) of Section 761 in property that constitutes or is improved with one to four dwelling units, any commercial real property, any leasehold in these types of property exceeding one year's duration, and mobile homes, when offered for sale or sold through an agent pursuant to the authority contained in Section 10131.6 of the Business and Professions Code. (l) "Real property transaction" means a transaction for the sale of real property in which an agent is employed by one or more of the principals to act in that transaction, and includes a listing or an
offer to purchase. (m) "Sell," "sale," or "sold" refers to a transaction for the transfer of real property from the seller to the buyer, and includes exchanges of real property between the seller and buyer, transactions
for the creation of a real property sales contract within the meaning of Section 2985, and transactions for the creation of a leasehold exceeding one year's duration. (n) "Seller" means the transferor in a real property transaction, and includes an owner who lists real property with an agent, whether or not a transfer results, or who receives an offer to purchase real
property of which he or she is the owner from an agent on behalf of another. "Seller" includes both a vendor and a lessor (o) "Selling agent" means a listing agent who acts alone, or an agent who acts in cooperation with a listing agent, and who sells or finds and obtains a buyer for the real property, or an agent who locates property for a buyer or who finds a buyer for a property for which no listing exists and presents an offer to purchase to the seller. (p) "Subagent" means a person to whom an agent delegates agency powers as provided in Article 5 (commencing with Section 2349) of Chapter 1 of Title 9. However, "subagent" does not include an associate licensee who is acting under the supervision of an agent in a real property transaction.

2079.14. Listing agents and selling agents shall provide the seller and buyer in a real property transaction with a copy of the disclosure form specified in Section 2079.16, and, except as provided

CARPENTER/ROBBINS COMMERICAL REAL ESTATE, INC.
AGENCY DISCLOSURE STATEMENT

in subdivision (c), shall obtain a signed acknowledgment of receipt from that seller or buyer, except as provided in this section or Section 2079.15, as follows: (a) The listing agent, if any, shall provide the disclosure form to the seller prior to entering into the listing agreement. (b) The selling agent shall provide the disclosure form to the seller as soon as practicable prior to presenting the seller with an offer to purchase, unless the selling agent previously provided the seller with a copy of the disclosure form pursuant to subdivision (a) (c) Where the selling agent does not deal on a face-to-face basis with the seller, the disclosure form prepared by the selling agent may be furnished to the seller (and acknowledgment of receipt obtained for the selling agent from the seller) by the listing agent, or the selling agent may deliver the disclosure form by certified mail addressed to the seller at his or her last known address, in which case no signed acknowledgment of receipt is required. (d) The selling agent shall provide the disclosure form to the buyer as soon as practicable prior to execution of the buyer's offer to purchase, except that if the offer to purchase is not prepared by the selling agent, the selling agent shall present the disclosure form to the buyer not later than the next business day after the selling agent receives the offer to purchase from the buyer.

2079.15. In any circumstance in which the seller or buyer refuses to sign an acknowledgment of receipt pursuant to Section 2079.14, the agent, or an associate licensee acting for an agent, shall set forth, sign, and date a written declaration of the facts of the refusal.

2079.17. (a) As soon as practicable, the selling agent shall disclose to the buyer and seller whether the selling agent is acting in the real property transaction exclusively as the buyer's agent, exclusively as the seller's agent, or as a dual agent representing both the buyer and the seller. This relationship shall be confirmed in the contract to purchase and sell real property or in a separate writing executed or acknowledged by the seller, the buyer, and the selling agent prior to or coincident with execution of that contract by the buyer and the seller, respectively. (b) As soon as practicable, the listing agent shall disclose to the seller whether the listing agent is acting in the real property transaction exclusively as the seller's agent, or as a dual agent representing both the buyer and seller. This relationship shall be confirmed in the contract to purchase and sell real property or in a separate writing executed or acknowledged by the seller and the listing agent prior to or coincident with the execution of that contract by the seller. (c) The confirmation required by subdivisions (a) and (b) shall be in the following form:

(Name of Listing Agent)Carpenter/Robbins Commercial Real Estate, Inc.,is the agent of (check one): (x) the seller exclusively; or ( ) both the buyer and seller.

(Name of Selling Agent if not the same as the Listing Agent) _Carpenter/Robbins Commercial Real Estate, Inc. is the agent of (check one):
(x) the buyer exclusively; or
(x) the seller exclusively; or ( ) both the buyer and seller.

(d) The disclosures and confirmation required by this section shall be in addition to the disclosure required by Section 2079.14.

2079.18. No selling agent in a real property transaction may act as an agent for the buyer only, when the selling agent is also acting as the listing agent in the transaction.

2079.19. The payment of compensation or the obligation to pay compensation to an agent by the seller or buyer is not necessarily determinative of a particular agency relationship between an agent and the seller or buyer. A listing agent and a selling agent may agree to share any compensation or commission paid, or any right to any compensation or commission for which an obligation arises as the result of a real estate transaction, and the terms of any such agreement shall not necessarily be determinative of a particular relationship.

2079.20. Nothing in this article prevents an agent from selecting, as a condition of the agent's employment, a specific form of agency relationship not specifically prohibited by this article if the requirements of Section 2079.14 and Section 2079.17 are complied with.

2079.21. A dual agent shall not disclose to the buyer that the seller is willing to sell the property at a price less than the listing price, without the express written consent of the seller. A dual agent shall not disclose to the seller that the buyer is willing to pay a price greater than the offering price, without the express written consent of the buyer. This section does not alter in any way the duty or responsibility of a dual agent to any principal with respect to confidential information other than price.

2079.22. Nothing in this article precludes a listing agent from also being a selling agent, and the combination of these functions in one agent does not, of itself, make that agent a dual agent.

2079.23. (a) A contract between the principal and agent may be modified or altered to change the agency relationship at any time before the performance of the act which is the object of the agency with the written consent of the parties to the agency relationship.

(b) A lender or an auction company retained by a lender to control aspects of a transaction of real property subject to this part, including validating the sales price, shall not require, as a condition of receiving the lender's approval of the transaction, the homeowner or listing agent to defend or indemnify the lender or auction company from any liability alleged to result from the actions of the lender or auction company. Any clause, provision, covenant, or agreement purporting to impose an obligation to defend or indemnify a lender or an auction company in violation of this subdivision is against public policy, void, and unenforceable.

2079.24. Nothing in this article shall be construed to either diminish the duty of disclosure owed buyers and sellers by agents and their associate licensees, subagents, and employees or to relieve agents and their associate licensees, subagents, and employees from liability for their conduct in connection with acts governed by this article or for any breach of a fiduciary duty or a duty of disclosure.

Buyers/Tenants Initials (_____) (_____)

Sellers/Landlords Initials (_____) (_____)

CARPENTER/ROBBINS COMMERICAL REAL ESTATE, INC.
AGENCY DISCLOSURE STATEMENT

Written Acknowledgement of Agency Disclosure

REQUIRED TO BE SIGNED BY SELLER/BUYER OR LANDLORD/TENANT

California Civil Code requires Commercial real estate brokers to obtain a written acknowledgement of receipt of the applicable disclosures by the seller and buyer (or landlord and tenant, as applicable). Please sign and return this form to attention of the Broker::

PROPERTY:__Broadway Avenue and Terrace Street, Seaside, CA

CARPENTER/ROBBINS COMMERCIAL REAL ESTATE, INC. ***BRE #*** 01280981

(SIGNED) AGENT:_John Robbins_ ***BRE# 00418143***

(PRINTED NAME)___*John Robbins*___ ***is the agent of (check one):***

(SIGNED) AGENT:_Alyce H Rados_ ***BRE#__01169743___***

(PRINTED NAME)__*Alyce H. Rados*___***is the agent of (check one):***

~~( ) the buyer/tenant exclusively~~; or (x) the seller/owner exclusively; ~~or ( ) the buyer/tenant and the seller / owner~~

OPTIONAL IF ADDITIONAL BROKER:

BROKER:________ ***BRE #*** ________

(SIGNED) AGENT:________ ***BRE#***________

(PRINTED NAME)________***is the agent of (check one):***

( ) the seller exclusively; or ( ) both the buyer and seller.

CARPENTER/ROBBINS COMMERICAL REAL ESTATE, INC.
AGENCY DISCLOSURE STATEMENT

I hereby acknowledge receipt of this disclosure,

BY: ____ (________,201__)

PRINT NAME: _____Ted Lim, West End Partners, LLC___

RETURN TO: **3160 Crow Canyon Road, Suite 200 ▪ San Ramon, CA 94583 ▪ www.crcre.com**
Phone: 925.866-1300 ▪ Fax: 925.866-1306 ▪ CalBRE License 01280981

PURCHASE AND SALE AGREEMENT

AND

ESCROW INSTRUCTIONS

by and between the
Successor agency to the Redevelopment Agency of the City of Seaside
("Seller")

and

West End Partners, LLC a California limited liability company
("Buyer")

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PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS

This PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS (this "Agreement") is dated as of December 15, 2016 ("the Effective Date") and is entered into by and between West End Partners, LLC ("Buyer") and the Successor agency to the Redevelopment Agency of the City of Seaside ("Seller").

RECITALS

A. Seller is the owner of the land in the City of Seaside, County of Monterey, State of California, more particularly described on **Exhibit A** attached hereto and made a part hereof, commonly known as 1271 Canyon Del Rey Boulevard together with all improvements thereon (collectively, the "Property").

B. Buyer desires to purchase the Property from Seller.

C. The Seller's obligations to close the sale of the Property are conditioned upon the approval of this Agreement by the Oversight Board of the Successor Agency to the Seaside Redevelopment Agency ("OB") and either (i) the failure of the California Department of Finance ("DOF") to request review thereof within the period permitted by law; (ii) or if such review is timely requested, the DOF's approval of the OB decision. Seller shall use good faith efforts to promptly obtain such OB approval.

NOW, THEREFORE, in consideration of the terms and conditions of this Agreement and for other valuable consideration, the receipt of which is hereby acknowledged, Buyer and Seller agree as follows:

1. Purchase and Sale. Subject to and in accordance with the terms and conditions hereinafter set forth, Seller agrees to sell Property to Buyer, and Buyer agrees to purchase the Property from Seller.

2. Opening and Closing of Escrow. Within three(3) business days after the Effective Date, the parties shall open an escrow ("Escrow") with Old Republic Title Company, Monterey_("Escrow Holder" and "Title Company"), at 503 Abrego St, Monterey, CA 93940 Attn: Heather Tremper, Escrow Officer; Phone: _(831) 372-7378_ Email: htremper@ortc.com; and shall deliver a copy of this fully executed Agreement to said Escrow Holder. "Close of Escrow" shall be the date that a grant deed for Property in favor of Buyer, is recorded in the Official Records of the Monterey County Recorder's Office. Close of Escrow shall occur on or before the date that is sixty (60) days after the expiration of the Due Diligence Period, as defined in Section 5 below ("Outside Closing Date").

3. Purchase Price; Deposit.

(a) The purchase price for Property to be paid by Buyer is the sum of Two Hundred Fifty Thousand Dollars ($250,000.00) ("Purchase Price").

(b) Seller acknowledges having received the sum of Five Thousand Dollar ($5,000.00) from Buyer (the "Initial Deposit"). On the Close of Escrow, the Initial Deposit shall be applied toward the Purchase Price. In the event this Agreement is terminated by Buyer under Section 5.5 below or as a result of a default by Seller, then the Deposit shall be refunded to Buyer.

If Buyer does not otherwise terminate the Purchase Agreement prior to the expiration of the due diligence period, Buyer shall within three (3) business days following the later of: (i) the expiration of the Due Diligence period, and (ii) receipt of an acceptable appraisal performed by Stephen Brown Associates, Inc., deposit into escrow an amount equal to three (3%) percent of the Purchase Price less the initial deposit at which point, it and all interest thereon will be credited at closing against the Purchase Price, and shall be nonrefundable. The Initial Deposit and Additional Deposit shall collected be referred to as the "Deposit".

(c) Buyer acknowledges that an appraisal of the property will be ordered by the Seller and completed by a licensed commercial appraiser, at the sole expense of the Buyer, within thirty (30) days of the Effective Date. Said appraisal must equal or exceed the purchase price to be paid by Buyer for the Property. If closing occurs after the initial appraisal expires, then Seller shall request an updated appraisal by the original appraiser, which shall be at the sole expense of the Buyer.

(d) Water sufficient for Buyer's proposed development of the Property shall be conveyed with the Property at no additional cost to Buyer. If water sufficient for Buyer's proposed development of the Property is not available, the Purchase Price shall be adjusted based upon fair market value to be provided in an acceptable appraisal performed by Stephen Brown Associates, Inc. reflecting the fact that water is not available.

IF BUYER FAILS TO COMPLETE THE PURCHASE OF THE PROPERTY AS HEREIN PROVIDED BY REASON OF DEFAULT OF BUYER, IT IS AGREED THAT THE DEPOSIT THEN HELD BY ESCROW HOLDER SHALL BE NON-REFUNDABLE AND SELLER SHALL BE ENTITLED TO SUCH DEPOSIT, WHICH AMOUNT SHALL BE ACCEPTED BY SELLER AS LIQUIDATED DAMAGES AND NOT AS A PENALTY AND AS SELLER'S SOLE AND EXCLUSIVE REMEDY. IT IS AGREED THAT SAID AMOUNT CONSTITUTES A REASONABLE ESTIMATE OF THE DAMAGES TO SELLER PURSUANT TO CALIFORNIA CIVIL CODE SECTION 1671 ET SEQ. BUYER AND SELLER AGREE THAT IT WOULD BE IMPRACTICAL OR IMPOSSIBLE TO PRESENTLY PREDICT WHAT MONETARY DAMAGES SELLER WOULD SUFFER UPON BUYER'S FAILURE TO COMPLETE ITS PURCHASE OF THE PROPERTY. BUYER DESIRES TO LIMIT THE MONETARY DAMAGES FOR WHICH IT MIGHT BE LIABLE HEREUNDER AND BUYER AND SELLER DESIRE TO AVOID THE COSTS AND DELAYS THEY WOULD INCUR IF A LAWSUIT WERE COMMENCED TO RECOVER DAMAGES OR OTHERWISE ENFORCE SELLER'S RIGHTS. IF FURTHER INSTRUCTIONS ARE REQUIRED BY ESCROW HOLDER TO EFFECTUATE THE TERMS OF THIS

SECTION, BUYER AND SELLER AGREE TO EXECUTE THE SAME. THE PARTIES ACKNOWLEDGE THIS PROVISION BY PLACING THEIR INITIALS BELOW:

____________________	____________________
SELLER'S INITIALS	**BUYER'S INITIALS**

3.1 Prorations. The following items are to be prorated as of close of escrow: (i) taxes; (ii) assessments (on a per square foot basis); and (iii) any utilities charges.

4. Title Insurance.

(a) Within five (5) business days after the opening of escrow, Seller and Buyer shall cause Title Company to furnish Buyer with an updated title report for the Property, together with copies of all documents referenced therein as exceptions to title (collectively, the Title Report").

(b) Buyer shall have until the date that is One Hundred Eighty Days (180) after receipt of the Title Report to deliver to Seller and Escrow Holder written notice (the "Preliminary Title Notice") of Buyer's approval, conditional approval or disapproval of the title exceptions disclosed in the Title Report (excluding the standard printed exceptions in the form of title policy and taxes and assessments which are liens not yet due and payable) [and any matters shown by a survey conducted by Buyer at Buyer's cost]. All matters not timely disapproved by Buyer will be deemed approved. All such exceptions disapproved by Buyer are referred to herein as "Disapproved Exceptions".

(c) Seller shall have twenty (20) days after receipt of Buyer's Preliminary Title Notice to commit to cause any such Disapproved Exceptions to be released of record, or commit to cause the Title Company to endorse over such Disapproved Exceptions pursuant to an endorsement or endorsements reasonably acceptable to Buyer, or elect not to remove or endorse over Disapproved Exceptions. If Seller fails to deliver its response notice within said twenty (20) days, Seller shall be deemed to have elected not to eliminate or endorse over all matters disapproved or conditionally approved by Buyer.

(d) If Seller elects not to commit to remove (or is deemed not to commit to remove) and elects not to cause the Title Company to endorse over (or is deemed to elect not to cause Title Company to endorse over), a Disapproved Exception (other than a monetary lien or encumbrance, as to which Seller's obligation to remove is absolute), Buyer shall have the option, to be exercised within five (5) business days after Seller's notice to elect to terminate this Agreement, in which case the Deposit shall be returned to Buyer. If (or if no notice is given, then within five business days after the end of the 20 day period) buyer fails to timely deliver the termination notice, Buyer shall be deemed to have elected take title subject to the Disapproved Exceptions.

(e) Buyer's fee title to Property shall be insured at the Close of Escrow by an CLTA Standard Coverage Owner's Policy of Title Insurance in the amount of the Purchase Price, issued by Title Company (or, at the option of Buyer, an ALTA policy if Buyer performs an ALTA survey at Buyer's cost during the period described in Section 4(b) above and requires an

ALTA Extended Coverage Owner's Policy of Title Insurance) and containing exceptions in the title report issued by Old Republic Title Company (the "Permitted Title Exceptions").

(f) Seller shall not encumber the Property during the period from Effective Date to the earlier of Close of Escrow or the date of the termination of this Agreement.

5. Due Diligence; Right Of Entry.

5.1 Buyer hereby acknowledges receipt of the documents described on Exhibit "D". Seller hereby grants Buyer and its agents, employees, contractors and subcontractors designated in writing by Buyer to Seller (collectively "Representatives") the right to enter on the Property until the date that is 180 days after the Effective Date (the "Due Diligence Period") for the purpose of inspecting the physical condition of the Property, including soils, title survey, zoning, water availability, engineering and entitlement requirements, developmental potential and geological matters and toxic or hazardous substances and other contamination subject to scheduling and coordination with the Seller All such investigations shall be at Buyer's expense. All work performed by Buyer and its Representatives will be performed diligently and in a manner consistent with the standards of care, diligence and skill exercised by recognized consulting firms for similar services, and in accordance with professional standards and the requirements of any governmental agency or entity and all applicable laws, and shall not disturb, or otherwise violate the rights of tenants.

5.2 Buyer and its Representatives shall promptly notify the Seller of any discovery, spill, release, or discharge of any Hazardous Substances, as defined in Exhibit C, on, under or about the Property which is discovered, encountered, or results from or is related to the Buyer's or its Representatives' access to and/or use of the Property under this Agreement.

5.3 In connection with the inspections of the Property by Buyer and its Representatives (including, without limitation, any survey), Buyer shall, at its own cost and expense, take any necessary action to keep the Property, and any improvements and personally thereon, in good order and repair and safe condition to the extent that such Property, improvements or personality were in such condition prior to its entry, and the whole of the Property, in a clean, sanitary and orderly condition, including, without limitation, ensuring that any holes, ditches or other indentations, as well as any mounds or other inclines created by any excavation by Buyer or its Representatives are regraded, resurfaced and compacted. If any portion of the Property or an adjacent property, including improvements and fixtures, suffers damage or alteration by reason of the access and activities of Buyer or its Representatives on the Property, Buyer shall, at its own cost and expense, promptly repair all such damage and restore the Property or adjacent property to as good a condition as before such damage or alteration occurred, or if it cannot be repaired, Buyer shall replace such damaged or altered property to the extent possible.

5.4 Prior to entering the Property, Buyer shall provide Seller with reasonable evidence that Buyer has reasonable insurance covering Buyer's activities on the Property. In any event, Buyer shall defend, protect, indemnify, and hold free and harmless Seller and its employees, agents, and representatives, and their successors, and assigns (individually as "Indemnitee" and collectively, "Indemnitees"), free and harmless from and against any and all damages, costs, expenses, liabilities, claims, demands, causes of action, proceedings, expenses, judgments, penalties, liens, and losses of any nature whatsoever (collectively, the "Claims"), including fees of accountants, attorneys, expert witnesses, or other professionals, and all costs associated therewith, arising or claimed to arise, directly or indirectly, out of, in connection with, resulting from, or related to any act, failure to act, error, or omission of Buyer or any of its Representatives arising or claimed to arise, directly or indirectly, out of, in connection with, resulting from, or related to entry upon the Property pursuant to this Section.

5.5 Buyer may, by written notice and at Buyer's election prior to the expiration of the Due Diligence period or any extension thereto, extend the Due Diligence period of each of the Property by up to six (6) thirty (30) day periods (the Due Diligence period extensions). Within three (3) business days following Buyer's election to exercise each of the Due Diligence period extensions, Buyer shall deposit with Escrow Holder the sum of Five Hundred Dollars ($500.00) (the Due Diligence period extension fee), which Due Diligence period extension fee shall be non-refundable, but shall be applied to the Purchase Price at Closing.

Given that no specific entitlements or development approvals are being conveyed with the sale of the Property, it is Buyer's intention to use the Due Diligence Period for (among other things) obtain all possible entitlements required to develop the Property (with the possible exception of water connections), including any CEQA approvals. Buyer and Seller shall work in good faith to determine what developments are appropriate for and on the Property and to timely and diligently process approval of such developments to their mutual agreement and satisfaction during the Due Diligence period.

In the event that Buyer determines that any condition or matter affecting either or both of the two Property is unacceptable to Buyer in Buyer's sole and absolute discretion, or if Buyer and Seller cannot agree on the terms government Buyer's proposed development of the Property, Buyer may cancel escrow for one or both of the Property with written notice to Seller and Escrow Holder and receive a full refund of Deposits prior to the expiration of the Due Diligence period.

6. <u>Deposit of Documents and Funds in Escrow</u>.

(a) Seller and Buyer, as applicable, hereby covenant and agree to deliver to Escrow Holder at least one (1) business day prior to Close of Escrow the following instruments, documents, and funds, the delivery of each of which shall be a condition of the Close of Escrow.

(b) Seller shall deliver:

(i) A Grant Deed in the form attached hereto as <u>Exhibit "B"</u> duly executed and acknowledged by Seller;

(ii) A Withholding Exemption Certificate Form 593-C as contemplated by California Revenue and Taxation Code §18662 (the "Withholding Affidavit") duly executed by Seller;

(iii) A Certification of Non-Foreign Status in accordance with Internal Revenue Code Section 1445 duly executed by Seller;

(iv) Such proof of Seller's authority and authorization to enter into this transaction as the Title Company may require in order to issue the Title Policy.

(c) Buyer shall deliver:

(i) The Purchase Price (less the Deposit) together with such funds as are required to pay for costs and expenses payable by Buyer hereunder;

(ii) Each of the Buyer and Seller may waive (in writing) any condition of the Close of Escrow set forth in this Section 6.

7. Authorization to Record Documents and Disburse Funds. Escrow Holder is hereby authorized to record the documents and disburse the funds and distribute the documents called for hereunder upon the Close of Escrow, provided each of the following conditions has then been fulfilled:

(a) The Title Company can issue the Title Policy, with a liability in the amount of the Purchase Price, showing fee title to the Property vested in Buyer, subject only to the Permitted Title Exceptions.

(b) Seller and Buyer shall have deposited in Escrow the documents and funds required pursuant to Section 6.

8. Prorations; Charges. Property taxes, assessments, and rents shall be prorated as of the close of Escrow. Buyer shall pay (i) fifty percent (50%) of the escrow fees and charges of Escrow Holder, (ii) the cost of all endorsements to the Title Policy and any extended coverage, and (iii) Buyer's share of the charges prorated under this Agreement. Seller shall pay: (i) fifty percent (50%) of the escrow fees and charges of Escrow Holder; (ii) the cost of the premium for CLTA coverage under the Title Policy; (iii) all recording charges, if any; and (iv) any documentary transfer taxes. If the Escrow shall fail to close for any reason other than Seller's default, Buyer shall pay any applicable Escrow cancellation charges.

9. Condemnation; Destruction. All risk of loss with respect to the Property shall remain with Seller until after the Close of Escrow and delivery of possession of the Property to Buyer. If at any time prior to the Close of Escrow, the Property, or any portion thereof, is damaged by fire or other casualty or taken or appropriated through eminent domain or similar proceedings, or is condemned for any public or quasi-public use, Buyer may terminate this Agreement. If Buyer terminates this Agreement, Seller shall be entitled to receive all insurance proceeds payable to Buyer or Seller or all condemnation proceeds actually paid for that portion of the property taken. If Buyer elects to maintain this Agreement in full force and effect, then upon Close of Escrow, Buyer shall be entitled to receive all insurance proceeds payable to Seller or all condemnation proceeds actually paid for that portion of the Property taken or, if such proceeds have been paid to Seller, Buyer shall receive a credit against the Purchase Price equal to the amount of proceeds actually paid to Seller. Buyer shall not be entitled to any reduction in the Purchase Price.

10. Default. In the event of a breach or default under this Agreement by either Seller or Buyer, the non-defaulting party shall have the right to terminate this Agreement and the

Escrow for the purchase and sale of the Property by delivering written notice thereof to the defaulting party and to Escrow Holder, and if Buyer is the non-defaulting party, Buyer shall thereupon promptly receive a refund of the Deposit. Such right of termination of the Escrow by the non-defaulting party shall be without prejudice to the non-defaulting party's rights and remedies against the defaulting party at law or equity, and specifically the right to specific performance of this Agreement.

11. As Is; Release. Buyer is acquiring the Property "AS IS, WHERE IS" without any representation or warranty of Seller, express, implied or statutory, as to the nature or condition of or title to the Property or its fitness for Buyer's intended use of same. Buyer is familiar with the Property. Buyer is relying solely upon its own, independent inspections, investigations and analysis of the Property as it deems necessary or appropriate in so acquiring the Property from Seller, including, without limitation, an analysis of any and all matters concerning the condition of the Property and its suitability for Buyer's intended purposes, and a review of all applicable laws, ordinances, rules and governmental regulations (including, but not limited to, those relative to building, zoning and land use) affecting the development, use, occupancy or enjoyment of the Property.

BUYER ACKNOWLEDGES AND AGREES THAT, SELLER HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY NEGATES AND DISCLAIMS ANY REPRESENTATIONS, WARRANTIES, PROMISES, COVENANTS, AGREEMENTS OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, OF, AS TO, CONCERNING OR WITH RESPECT TO THE PROPERTY OR ANY MATTER RELATED THERETO, INCLUDING, WITHOUT LIMITATION, THE HABITABILITY, MERCHANTABILITY, MARKETABILITY, PROFITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE PROPERTY, AND COMPLIANCE WITH ANY ENVIRONMENTAL LAWS OR THE PRESENCE, ABSENCE, CONDITION OR STATUS OF ANY HAZARDOUS MATERIALS. BUYER ACKNOWLEDGES AND AGREES THAT TO THE MAXIMUM EXTENT PERMITTED BY LAW, THE SALE OF THE PROPERTY AS PROVIDED FOR HEREIN IS MADE ON AN "AS IS" CONDITION AND BASIS WITH ALL FAULTS, AND THAT SELLER HAS NO OBLIGATIONS TO MAKE REPAIRS, REPLACEMENTS OR IMPROVEMENTS OR REMEDIATE ANY HAZARDOUS MATERIALS.

BY INITIALING BELOW, THE BUYER ACKNOWLEDGES THAT (i) THIS SECTION 5.2 HAS BEEN READ AND FULLY UNDERSTOOD, (ii) THE BUYER HAS HAD THE CHANCE TO ASK QUESTIONS OF ITS COUNSEL ABOUT ITS MEANING AND SIGNIFICANCE, AND (iii) THE BUYER HAS ACCEPTED AND AGREED TO THE TERMS SET FORTH IN THIS SECTION 5.2.

____
BUYER'S INITIALS

Buyer waives and releases as of the Close of Escrow any and all claims it may have against Seller relating to the physical condition of the Property (including, without limitation, the presence or release hazardous materials or substances). To the extent of such waiver and release, Buyer expressly waives its rights, if any, under California Civil Code Section 1542 which provides:

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

____
Buyer's Initials

12. Notices. All notices and demands shall be given in writing by certified mail, postage prepaid, and return receipt requested, or by recognized national courier service. Notices shall be considered given upon the earlier of (a) two (2) business days following deposit in the United States mail, postage prepaid, certified or registered, return receipt requested or (b) the following business day if sent by overnight courier. A copy of all notices shall be sent to Escrow Holder. Notices shall be addressed as provided below for the respective party; provided that any party may change its address for notices by written notice given to the other party.

Buyer:	West End Partners, LLC , a California limited liability company Attn: Ted Lim 10 Harris Court, Suite B-1 Monterey, CA 93940 (831) 649-0220 (main office) Email: tlim@oroscogroup.com with copies to: speverini@oroscogroup.com and chad.gallagher@msrlegal.com
Buyer Broker:	Christopher Orosco Orosco & Associates, Inc 10 Harris Court, Suite B-1 Monterey, CA 93940
Seller:	Successor agency to the Redevelopment Agency of the City of Seaside 440 Harcourt Avenue Seaside, California 93955 Attn.: Executive Director
Seller Broker:	Carpenter/Robbins Commercial Real Estate, Inc. 3160 Crow Canyon Road, Suite 200 San Ramon, CA 94583 Attn: John Robbins/Alyce Rados

Escrow Holder: Old Republic Title Company
503 Abrego St
Monterey, CA 93940
Attn: Heather Tremper

13. Broker's Commissions. Carpenter/Robbins Commercial Real Estate, Inc, is the real estate broker for Seller in this transaction. Orosco & Associates is the real estate broker for the Buyer in this transaction. Seller shall pay to Carpenter/Robbins Commercial Real Estate, Inc. at close of escrow a commission of 3% of the gross sales price of the Property and to Orosco & Associates at close of escrow a commission fee of 3% of the gross sales price of the Property. There are no other amounts owned for real estate commissions. Buyer and Seller shall hold each other harmless from any claim asserted by a real estate or other broker claiming through Buyer or Seller, respectively, for a commission in connection with this transaction.

14. Standard Instructions. Each party agrees to execute Escrow Holder's supplemental reasonable standard instructions as may be necessary or proper in order to consummate the transactions contemplated by this Agreement; provided, however, in the event of a material conflict between the terms hereof and the terms of such standard instructions, the terms hereof shall control.

15. Time is of the Essence. The parties hereto agree that time is of the essence with respect to each term, condition and covenant hereof.

16. Successors and Assigns. The provisions of this Agreement are expressly binding upon, and shall inure to the benefit of, the parties hereto and their successors in interest and assigns.

17. Entire Agreement. This Agreement, together with all exhibits hereto, integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the parties or their predecessors in interest with respect to all or any part of the subject matter hereof. Notwithstanding the foregoing, the Temporary Construction Easement shall survive the Close of Escrow.

18. Severability. Invalidation of any of the terms, conditions, covenants, or other provisions contained herein by judgment or court order shall in no way affect any of the other terms, conditions, covenants, or provisions hereof, and the same shall remain in full force and effect.

19. Amendments. Any amendments to this Agreement shall be effective only when duly executed by Seller and Buyer and deposited with Escrow Holder.

20. Attorneys' Fees. In the event that suit is brought for the enforcement of this Agreement or as the result of any alleged breach thereof, the prevailing party or parties in such suit shall be entitled to recover their reasonable attorneys' fees, costs, and expenses from the losing party or parties, and any judgment or decree rendered in such proceedings shall include an award thereof.

21. No Third Party Beneficiary Rights. This Agreement is entered into for the sole benefit of Seller and Buyer and no other parties are intended to be direct or incidental beneficiaries of this Agreement.

22. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

23. Counterparts. This Agreement may be executed simultaneously in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. For purposes of this Agreement, facsimile signatures shall be deemed to be original signatures, and shall be followed by the immediate overnight delivery of original signature pages.

24. Assignment of Agreement. Neither Buyer nor Seller may assign or transfer their respective rights or obligations under this Agreement without first obtaining the prior written consent of the other, which consent may be granted or withheld in its sole and absolute discretion.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the date first above written.

BUYER:
WEST END PARNTERS, LLC

____

____

By: ___________________________

Print Name:____________________

SELLER:

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGNECY OF THE CITY OF SEASIDE

By:_________________________________

Print Name:__________________________
Executive Director

Attest:

____

Print Name: _________________________
City Clerk

Approved as to Form:

____

LIST OF EXHIBITS

EXHIBIT A

LEGAL DESCRIPTION OF THE LAND

1271 Canyon Del Rey Boulevard

Property Inventory Information
Parcel Data

APN: 011-371-005-000,
MP 2 Noche Buena RO
Sub L 4J Laguna Grande
X Land btwn Laguna Grande
X Del Rey Blvd A TR FRNTG
70 FT AS DESC IN VOL 1468 PG 12

APN: 011-371-021-000,

APN: 011-371-022-000

Legal Description to be Determined by the Title Company prior to the Close of Escrow

EXHIBIT B

FORM OF GRANT DEED

RECORDING REQUESTED BY,
AND WHEN RECORDED RETURN TO
(AND SEND TAX STATEMENTS TO):

____
____
____
Attn: ___________________

[SPACE ABOVE FOR RECORDER'S USE ONLY]

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

GRANT DEED

THE UNDERSIGNED GRANTOR DECLARES AS FOLLOWS:

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the Successor Agency to the Redevelopment Agency of the City of Seaside (the "Grantor") hereby grants to _____________________ ("Grantee") the land in the City of Seaside, County of Monterey, State of California, more particularly described on **Exhibit A** attached hereto and all improvements thereon and all rights and appurtenances relating thereto (the "Property").

That the documentary transfer tax is $___________ ($1.10 per $1000 of consideration/purchase price); property is in the City of Seaside, County of Monterey.

IN WITNESS WHEREOF, Grantor has executed this Grant Deed as of the date set forth below.

Dated: ______, 20__

SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY OF
SEASIDE
By: __________________________
Print Name: ___________________
Executive Director

ACKNOWLEDGEMENT

State of California)
County of Los Angeles)

On __________________________, before me, ____________________________________,
(insert name and title of the officer)
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.

Signature____________________________________ (Seal)

EXHIBIT C

CERTAIN DEFINITIONS

Environmental Condition means any condition of the Property that exists prior to or after the Closing Date, with respect to the air, land, soil, surface, subsurface strata, surface water, ground water, storm water or sediments.

Environmental Laws means all federal, state, local, or municipal laws, rules, orders, regulations, statutes, ordinances, codes, decrees, or requirements of any government authority regulating, relating to, or imposing liability or standards of conduct concerning any Hazardous Substance (as later defined), or pertaining to occupational health or industrial hygiene (and only to the extent that the occupational health or industrial hygiene laws, ordinances, or regulations relate to Hazardous Substances on, under, or about the Property), occupational or environmental conditions on, under, or about the Property, as now or may at any later time be in effect, including without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA) [42 USCS §§ 9601 et seq.]; the Resource Conservation and Recovery Act of 1976 (RCRA) [42 USCS §§ 6901 et seq.]; the Clean Water Act, also known as the Federal Water Pollution Control Act (FWPCA) [33 USCS §§ 1251 et seq.]; the Toxic Substances Control Act (TSCA) [15 USCS §§ 2601 et seq.]; the Hazardous Materials Transportation Act (HMTA) [49 USCS §§ 1801 et seq.]; the Insecticide, Fungicide, Rodenticide Act [7 USCS §§ 136 et seq.]; the Superfund Amendments and Reauthorization Act [42 USCS §§ 6901 et seq.]; the Clean Air Act [42 USCS §§ 7401 et seq.]; the Safe Drinking Water Act [42 USCS §§ 300f et seq.]; the Solid Waste Disposal Act [42 USCS §§ 6901 et seq.]; the Surface Mining Control and Reclamation Act [30 USCS §§ 1201 et seq.]; the Emergency Planning and Community Right to Know Act [42 USCS §§ 11001 et seq.]; the Occupational Safety and Health Act [29 USCS §§ 655 and 657]; the California Underground Storage of Hazardous Substances Act [H & S C §§ 25280 et seq.]; the California Hazardous Substances Account Act [H & S C §§ 25300 et seq.]; the California Hazardous Waste Control Act [H & S C §§ 25100 et seq.]; the California Safe Drinking Water and Toxic Enforcement Act [H & S C §§ 24249.5 et seq.]; the Porter-Cologne Water Quality Act [Wat C §§ 13000 et seq.] together with any amendments of or regulations promulgated under the statutes cited above and any other federal, state, or local law, statute, ordinance, or regulation now in effect or later enacted that pertains to occupational health or industrial hygiene, and only to the extent that the occupational health or industrial hygiene laws, ordinances, or regulations relate to Hazardous Substances on, under, or about the Property, or the regulation or protection of the environment, including ambient air, soil, soil vapor, groundwater, surface water, or land use.

Hazardous Substances includes without limitation:

(a) Those substances included within the definitions of hazardous substance, hazardous waste, hazardous material, toxic substance, solid waste, or pollutant or contaminant in CERCLA, RCRA, TSCA, HMTA, or under any other Environmental Law;

(b) Those substances listed in the United States Department of Transportation (DOT) Table [49 CFR 172.101], or by the Environmental Protection Agency (EPA), or any successor agency, as hazardous substances [40 CFR Part 302];

(c) Other substances, materials, and wastes that are or become regulated or classified as hazardous or toxic under federal, state, or local laws or regulations; and

(d) Any material, waste, or substance that is

(i) a petroleum or refined petroleum product,

(ii) asbestos,

(iii) polychlorinated biphenyl,

(iv) designated as a hazardous substance pursuant to 33 USCS § 1321 or listed pursuant to 33 USCS § 1317,

(v) a flammable explosive, or

(vi) a radioactive material.

CARPENTER/ROBBINS COMMERICAL REAL ESTATE, INC.
AGENCY DISCLOSURE STATEMENT

EXHIBIT D

LIST OF DOCUMENTS DELIVERED TO BUYER

Property Information Sheet

Sellers Mandatory Disclosure Form

JCP-LGS Property Information Disclosure Report

DOES THE CITY HAVE ANY OTHER DOCUMENTATION REGARDING THIS PROPERTY?

CARPENTER/ROBBINS COMMERICAL REAL ESTATE, INC.
AGENCY DISCLOSURE STATEMENT

When you enter into a discussion with a real estate agent regarding a real estate transaction, you should from the outset understand what type of agency relationship or representation you wish to have with the agent in the transaction.

SELLER'S/LANDLORD AGENT

A Seller's agent under a listing agreement with the Seller acts as the agent for the Seller only. A Seller's agent or a subagent of that agent has the following affirmative obligations:
To the Seller: A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Seller.
To the Buyer and the Seller:

(a) Diligent exercise of reasonable skill and care in performance of the agent's duties.
(b) A duty of honest and fair dealing and good faith.
(c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties.

An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

BUYER'S/TENANT AGENT

A selling agent can, with a Buyer's consent, agree to act as agent for the Buyer only. In these situations, the agent is not the Seller's agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the Seller. An agent acting only for a Buyer has the following affirmative obligations:
To the Buyer: A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Buyer.
To the Buyer and the Seller:

(a) Diligent exercise of reasonable skill and care in performance of the agent's duties.
(b) A duty of honest and fair dealing and good faith.
(c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties.

An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

AGENT REPRESENTING BOTH SELLER/lANDLORD AND BUYER/TENANT

A real estate agent, either acting directly or through one or more associate licensees, can legally be the agent of both the Seller and the Buyer in a transaction, but only with the knowledge and consent of both the Seller and the Buyer.
In a dual agency situation, the agent has the following affirmative obligations to both the Seller and the Buyer:

(a) A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either the Seller or the Buyer.
(b) Other duties to the Seller and the Buyer as stated above in their respective sections.

In representing both Seller and Buyer, the agent may not, without the express permission of the respective party, disclose to the other party that the Seller will accept a price less than the listing price or that the Buyer will pay a price greater than the price offered.

The above duties of the agent in a real estate transaction do not relieve a Seller or Buyer from the responsibility to protect his or her own interests. You should carefully read all agreements to assure that they adequately express your understanding of the transaction. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional.
Throughout your real property transaction you may receive more than one disclosure form, depending upon the number of agents assisting in the transaction. The law requires each agent with whom you have more than a casual relationship to present you with this disclosure form. You should read its contents each time it is presented to you, considering the relationship between you and the real estate agent in your specific transaction.

This disclosure form includes the provisions of Sections 2079.13 to 2079.24, inclusive, of the Civil Code set forth on the attached document hereof. Read it carefully. I/WE ACKNOWLEDGE RECIEPT OF A COPY OF THIS DISCLOSURE AND THE PORTIONS OF THE CIVIL CODE PRINTED ON A SEPARATE PAGE.

CARPENTER/ROBBINS COMMERICAL REAL ESTATE, INC.
AGENCY DISCLOSURE STATEMENT

SELLER AGENT:
CARPENTER/ROBBINS COMMERCIAL REAL ESTATE, INC. *BRE #* 01280981

(SIGNED) AGENT: John Robbins *BRE#* *00418143*
(PRINTED NAME) *John Robbins* *is the agent of (check one):*

(SIGNED) AGENT: Alyce H Rados *BRE#* *01169743*
(PRINTED NAME) *Alyce H. Rados*

BUYER AGENT:

(SIGNED) AGENT: *BRE#*

(PRINTED NAME): *Christopher Orosco*

CALIFORNIA CIVIL CODESECTIONS 2079.14 THROUGH 2079.24 (20179.16 APPEARS ON THE ATTACHED)

2079.13. As used in Sections 2079.14 to 2079.24, inclusive, the following terms have the following meanings:
(a) "Agent" means a person acting under provisions of Title 9(commencing with Section 2295) in a real property transaction, and includes a person who is licensed as a real estate broker under Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code, and under whose license a listings executed or an offer to purchase is obtained.(b) "Associate licensee" means a person who is licensed as a real estate broker or salesperson under Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code and who is either licensed under a broker or has entered into a written contract with a broker to act as the broker's agent in connection with acts requiring a real estate license and to function under the broker's supervision in the capacity of an associate licensee. The agent in the real property transaction bears responsibility for his or her associate licensees who perform as agents of the agent. When an associate licensee owes a duty to any principal, or to any buyer or seller who is not a principal, in a real property transaction, that duty is equivalent to the duty owed to that party by the broker for whom the associate licensee functions.(c) "Buyer" means a transferee in a real property transaction, and includes a person who executes an offer to purchase real property from a seller through an agent, or who seeks the services of an agent in more than a casual, transitory, or preliminary manner, with the object of entering into a real property transaction. "Buyer" includes vendee or lessee. (d) "Commercial real property" means all real property in the state, except single-family residential real property, dwelling units made subject to Chapter 2 (commencing with Section 1940) of Title 5, mobile homes, as defined in Section 798.3, or recreational vehicles, as defined in Section 799.29. (e) "Dual agent" means an agent acting, either directly or through an associate licensee, as agent for both the seller and the buyer in a real property transaction. (f) "Listing agreement" means a contract between an owner of real property and an agent, by which the agent has been authorized to sell the real property or to find or obtain a buyer. (g) "Listing agent" means a person who has obtained a listing of real property to act as an agent for compensation. (h) "Listing price" is the amount expressed in dollars specified in the listing for which the seller is willing to sell the real property through the listing agent. (i) "Offering price" is the amount expressed in dollars specified in an offer to purchase for which the buyer is willing to buy the real property. (j) "Offer to purchase" means a written contract executed by a buyer acting through a selling agent that becomes the contract for the sale of the real property upon acceptance by the seller. (k) "Real property" means any estate specified by subdivision (1) or (2) of Section 761 in property that constitutes or is improved with one to four dwelling units, any commercial real property, any leasehold in these types of property exceeding one year's duration, and mobile homes, when offered for sale or sold through an agent pursuant to the authority contained in Section 10131.6 of the Business and Professions Code. (l) "Real property transaction" means a transaction for the sale of real property in which an agent is employed by one or more of the principals to act in that transaction, and includes a listing or an offer to purchase. (m) "Sell," "sale," or "sold" refers to a transaction for the transfer of real property from the seller to the buyer, and includes exchanges of real property between the seller and buyer, transactions for the creation of a real property sales contract within the meaning of Section 2985, and transactions for the creation of a leasehold exceeding one year's duration. (n) "Seller" means the transferor in a real property transaction, and includes an owner who lists real property with an agent, whether or not a transfer results, or who receives an offer to purchase real property of which he or she is the owner from an agent on behalf of another. "Seller" includes both a vendor and a lessor (o) "Selling agent" means a listing agent who acts alone, or an agent who acts in cooperation with a listing agent, and who sells or finds and obtains a buyer for the real property, or an agent who locates property for a buyer or who finds a buyer for a property for which no listing exists and presents an offer to purchase to the seller. (p) "Subagent" means a person to whom an agent delegates agency powers as provided in Article 5 (commencing with Section 2349) of Chapter 1 of Title 9. However, "subagent" does not include an associate licensee who is acting under the supervision of an agent in a real property transaction.
2079.14. Listing agents and selling agents shall provide the seller and buyer in a real property transaction with a copy of the disclosure form specified in Section 2079.16, and, except as provided in subdivision (c), shall obtain a signed acknowledgment of receipt from that seller or buyer, except as provided in this section or Section 2079.15, as follows: (a) The listing agent, if any, shall provide the disclosure form to the seller prior to entering into the listing agreement. (b) The selling agent shall provide the disclosure form to the seller as soon as practicable prior to presenting the seller with

CARPENTER/ROBBINS COMMERICAL REAL ESTATE, INC.
AGENCY DISCLOSURE STATEMENT

an offer to purchase, unless the selling agent previously provided the seller with a copy of the disclosure form pursuant to subdivision (a) (c) Where the selling agent does not deal on a face-to-face basis with the seller, the disclosure form prepared by the selling agent may be furnished to the seller (and acknowledgment of receipt obtained for the selling agent from the seller) by the listing agent, or the selling agent may deliver the disclosure form by certified mail addressed to the seller at his or her last known address, in which case no signed acknowledgment of receipt is required. (d) The selling agent shall provide the disclosure form to the buyer as soon as practicable prior to execution of the buyer's offer to purchase, except that if the offer to purchase is not prepared by the selling agent, the selling agent shall present the disclosure form to the buyer not later than the next business day after the selling agent receives the offer to purchase from the buyer.

2079.15. In any circumstance in which the seller or buyer refuses to sign an acknowledgment of receipt pursuant to Section 2079.14, the agent, or an associate licensee acting for an agent, shall set forth, sign, and date a written declaration of the facts of the refusal.

2079.17. (a) As soon as practicable, the selling agent shall disclose to the buyer and seller whether the selling agent is acting in the real property transaction exclusively as the buyer's agent, exclusively as the seller's agent, or as a dual agent representing both the buyer and the seller. This relationship shall be confirmed in the contract to purchase and sell real property or in a separate writing executed or acknowledged by the seller, the buyer, and the selling agent prior to or coincident with execution of that contract by the buyer and the seller, respectively. (b) As soon as practicable, the listing agent shall disclose to the seller whether the listing agent is acting in the real property transaction exclusively as the seller's agent, or as a dual agent representing both the buyer and seller. This relationship shall be confirmed in the contract to purchase and sell real property or in a separate writing executed or acknowledged by the seller and the listing agent prior to or coincident with the execution of that contract by the seller. (c) The confirmation required by subdivisions (a) and (b) shall be in the following form:

(Name of Listing Agent) Carpenter/Robbins Commercial Real Estate, Inc. is the agent of (check one): (x) the seller exclusively; or ( ) both the buyer and seller.

(Name of Selling Agent if not the same as the Listing Agent) _Carpenter/Robbins Commercial Real Estate, Inc. is the agent of (check one):
(x) the buyer exclusively; or
(x) the seller exclusively; or ( ) both the buyer and seller.

(d) The disclosures and confirmation required by this section shall be in addition to the disclosure required by Section 2079.14.

2079.18. No selling agent in a real property transaction may act as an agent for the buyer only, when the selling agent is also acting as the listing agent in the transaction.

2079.19. The payment of compensation or the obligation to pay compensation to an agent by the seller or buyer is not necessarily determinative of a particular agency relationship between an agent and the seller or buyer. A listing agent and a selling agent may agree to share any compensation or commission paid, or any right to any compensation or commission for which an obligation arises as the result of a real estate transaction, and the terms of any such agreement shall not necessarily be determinative of a particular relationship.

2079.20. Nothing in this article prevents an agent from selecting, as a condition of the agent's employment, a specific form of agency relationship not specifically prohibited by this article if the requirements of Section 2079.14 and Section 2079.17 are complied with.

2079.21. A dual agent shall not disclose to the buyer that the seller is willing to sell the property at a price less than the listing price, without the express written consent of the seller. A dual agent shall not disclose to the seller that the buyer is willing to pay a price greater than the offering price, without the express written consent of the buyer. This section does not alter in any way the duty or responsibility of a dual agent to any principal with respect to confidential information other than price.

2079.22. Nothing in this article precludes a listing agent from also being a selling agent, and the combination of these functions in one agent does not, of itself, make that agent a dual agent.

2079.23. (a) A contract between the principal and agent may be modified or altered to change the agency relationship at any time before the performance of the act which is the object of the agency with the written consent of the parties to the agency relationship.

(b) A lender or an auction company retained by a lender to control aspects of a transaction of real property subject to this part, including validating the sales price, shall not require, as a condition of receiving the lender's approval of the transaction, the homeowner or listing agent to defend or indemnify the lender or auction company from any liability alleged to result from the actions of the lender or auction company. Any clause, provision, covenant, or agreement purporting to impose an obligation to defend or indemnify a lender or an auction company in violation of this subdivision is against public policy, void, and unenforceable.

2079.24. Nothing in this article shall be construed to either diminish the duty of disclosure owed buyers and sellers by agents and their associate licensees, subagents, and employees or to relieve agents and their associate licensees, subagents, and employees from liability for their conduct in connection with acts governed by this article or for any breach of a fiduciary duty or a duty of disclosure.

Buyers/Tenants Initials (_____) (_____)

Sellers/Landlords Initials (_____) (_____)

CARPENTER/ROBBINS COMMERICAL REAL ESTATE, INC.
AGENCY DISCLOSURE STATEMENT

Written Acknowledgement of Agency Disclosure

REQUIRED TO BE SIGNED BY SELLER/BUYER OR LANDLORD/TENANT

California Civil Code requires Commercial real estate brokers to obtain a written acknowledgement of receipt of the applicable disclosures by the seller and buyer (or landlord and tenant, as applicable). Please sign and return this form to attention of the Broker::

PROPERTY **1271 Canyon Del Rey Boulevard, Seaside, CA**

CARPENTER/ROBBINS COMMERCIAL REAL ESTATE, INC. ***BRE #*** 01280981

(SIGNED) AGENT:_John Robbins___ ***BRE#*** ***00418143***

(PRINTED NAME)___*John Robbins*___ ***is the agent of (check one):***

(SIGNED) AGENT:_Alyce H. Rados___ ***BRE#*** ***01169743***

(PRINTED NAME)___*Alyce H. Rados*___***is the agent of (check one):***

~~*( ) the buyer/tenant exclusively*~~*; or (x) the seller/owner exclusively;* ~~*or ( ) the buyer/tenant and the seller / owner*~~

OPTIONAL IF ADDITIONAL BROKER:

BROKER:____________________ ***BRE #*** ____________

(SIGNED) AGENT:____________________ ***BRE#***____________

(PRINTED NAME)____________________***is the agent of (check one):***

( ) the seller exclusively; or ( ) both the buyer and seller.

CARPENTER/ROBBINS COMMERICAL REAL ESTATE, INC.
AGENCY DISCLOSURE STATEMENT

I hereby acknowledge receipt of this disclosure,

BY: ____ (________,201__)

PRINT NAME: ___*Ted Lim, West End Partners, LLC*__

RETURN TO: **3160 Crow Canyon Road, Suite 200 ▪ San Ramon, CA 94583 ▪ www.crcre.com**
Phone: 925.866-1300 ▪ Fax: 925.866-1306 ▪ CalBRE License 01280981

PURCHASE AND SALE AGREEMENT

AND

ESCROW INSTRUCTIONS

by and between the

Successor Agency to the Redevelopment Agency of the City of Seaside
("Seller")

and

Joshua Hageman
("Buyer")

TABLE OF CONTENTS

Page

PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS

This PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS (this "Agreement") is dated as of December 15, 2016 ("the Effective Date") and is entered into by and between Joshua Hageman ("Buyer") and the Successor Agency to the Redevelopment Agency of the City of Seaside ("Seller").

RECITALS

A. Seller is the owner of the land in the City of Seaside, County of Monterey, State of California, more particularly described on **Exhibit A** attached hereto and made a part hereof, commonly known as 1533-1535 Del Monte Boulevard together with all improvements thereon (collectively, the "Property").

B. Buyer desires to purchase the Property from Seller.

C. The Seller's obligations to close the sale of the Property are conditioned upon the approval of this Agreement by the Oversight Board of the Successor Agency to the Seaside Redevelopment Agency ("OB") and either (i) the failure of the California Department of Finance ("DOF") to request review thereof within the period permitted by law; (ii) or if such review is timely requested the DOF's approval of the OB decision. Seller shall use good faith efforts to promptly obtain such OB approval.

NOW, THEREFORE, in consideration of the terms and conditions of this Agreement and for other valuable consideration, the receipt of which is hereby acknowledged, Buyer and Seller agree as follows:

1. Purchase and Sale. Subject to and in accordance with the terms and conditions hereinafter set forth, Seller agrees to sell Property to Buyer, and Buyer agrees to purchase the Property from Seller.

2. Opening and Closing of Escrow. Within three (3) business days after the Effective Date, the parties shall open an escrow ("Escrow") with Chicago Title Company ("Escrow Holder" and "Title Company"), at 250 Bonifacio Place, Monterey, CA 93940 Attn: Kimberly Verania, Escrow Officer; Phone: (831) 796-3452 Email: Kim.Verania@ctt.com; and shall deliver a copy of this fully executed Agreement to said Escrow Holder. "Close of Escrow" shall be the date that a grant deed for Property in favor of Buyer, is recorded in the Official Records of the Monterey County Recorder's Office. Close of Escrow shall occur on or before the date that is sixty (60) days after the effective date.

3. Purchase Price; Deposit.

(a) The purchase price for Property to be paid by Buyer is the sum of Twenty-One Thousand Dollars ($21,000.00) ("Purchase Price").

Seller acknowledges having received the sum of Three Thousand Dollars ($3,000.00) from Buyer (the "Initial Deposit"). On the Close of Escrow, the Deposit shall be applied toward the Purchase Price. In the event this Agreement is terminated by Buyer under

Section 5.5 below or as a result of a default by Seller, then the Deposit shall be refunded to Buyer.

Buyer acknowledges increasing the deposit in the sum of Three Thousand Dollars ($3,000.00) within three (3) business days after the removal of all contingencies (the "Increased Deposit"). On the Close of Escrow, the Deposit shall be applied toward the Purchase Price.

(c) Buyer acknowledges that an appraisal of the property will be ordered by the Seller and completed by a licensed commercial appraiser, at the sole expense of the Buyer, within thirty (30) days of the Effective Date. Said appraisal must equal or exceed the purchase price to be paid by Buyer for the Property. If closing occurs after the initial appraisal expires, then Seller shall request an updated appraisal by the original appraiser, which shall be at the sole expense of the Buyer.**IF BUYER FAILS TO COMPLETE THE PURCHASE OF THE PROPERTY AS HEREIN PROVIDED BY REASON OF DEFAULT OF BUYER, IT IS AGREED THAT THE DEPOSIT THEN HELD BY ESCROW HOLDER SHALL BE NON-REFUNDABLE AND SELLER SHALL BE ENTITLED TO SUCH DEPOSIT, WHICH AMOUNT SHALL BE ACCEPTED BY SELLER AS LIQUIDATED DAMAGES AND NOT AS A PENALTY AND AS SELLER'S SOLE AND EXCLUSIVE REMEDY. IT IS AGREED THAT SAID AMOUNT CONSTITUTES A REASONABLE ESTIMATE OF THE DAMAGES TO SELLER PURSUANT TO CALIFORNIA CIVIL CODE SECTION 1671 ET SEQ. BUYER AND SELLER AGREE THAT IT WOULD BE IMPRACTICAL OR IMPOSSIBLE TO PRESENTLY PREDICT WHAT MONETARY DAMAGES SELLER WOULD SUFFER UPON BUYER'S FAILURE TO COMPLETE ITS PURCHASE OF THE PROPERTY. BUYER DESIRES TO LIMIT THE MONETARY DAMAGES FOR WHICH IT MIGHT BE LIABLE HEREUNDER AND BUYER AND SELLER DESIRE TO AVOID THE COSTS AND DELAYS THEY WOULD INCUR IF A LAWSUIT WERE COMMENCED TO RECOVER DAMAGES OR OTHERWISE ENFORCE SELLER'S RIGHTS. IF FURTHER INSTRUCTIONS ARE REQUIRED BY ESCROW HOLDER TO EFFECTUATE THE TERMS OF THIS SECTION, BUYER AND SELLER AGREE TO EXECUTE THE SAME. THE PARTIES ACKNOWLEDGE THIS PROVISION BY PLACING THEIR INITIALS BELOW:**

____________________	____________________
SELLER'S INITIALS	**BUYER'S INITIALS**

3.1 Prorations. The following items are to be prorated as of close of escrow: (i) taxes; (ii) assessments (on a per square foot basis); and (iii) any utilities charges.

4. Title Insurance.

(a) Within five (5) business days after the opening of escrow, Seller and Buyer shall cause Title Company to furnish Buyer with an updated title report for the Property, together with copies of all documents referenced therein as exceptions to title (collectively, the Title Report").

(b) Buyer shall have until the date that is _twenty_(20) days after receipt of the Title Report to deliver to Seller and Escrow Holder written notice (the "Preliminary Title

Notice") of Buyer's approval, conditional approval or disapproval of the title exceptions disclosed in the Title Report (excluding the standard printed exceptions in the form of title policy and taxes and assessments which are liens not yet due and payable) [and any matters shown by a survey conducted by Buyer at Buyer's cost]. All matters not timely disapproved by Buyer will be deemed approved. All such exceptions disapproved by Buyer are referred to herein as "Disapproved Exceptions".

(c) Seller shall have twenty (20) days after receipt of Buyer's Preliminary Title Notice to commit to cause any such Disapproved Exceptions to be released of record, or commit to cause the Title Company to endorse over such Disapproved Exceptions pursuant to an endorsement or endorsements reasonably acceptable to Buyer, or elect not to remove or endorse over Disapproved Exceptions. If Seller fails to deliver its response notice within said twenty (20) days, Seller shall be deemed to have elected not to eliminate or endorse over all matters disapproved or conditionally approved by Buyer.

(d) If Seller elects not to commit to remove (or is deemed not to commit to remove) and elects not to cause the Title Company to endorse over (or is deemed to elect not to cause Title Company to endorse over), a Disapproved Exception (other than a monetary lien or encumbrance, as to which Seller's obligation to remove is absolute), Buyer shall have the option, to be exercised within five (5) business days after Seller's notice to elect to terminate this Agreement, in which case the Deposit shall be returned to Buyer. If (or if no notice is given, then within five business days after the end of the 20 day period) buyer fails to timely deliver the termination notice, Buyer shall be deemed to have elected take title subject to the Disapproved Exceptions.

(e) Buyer's fee title to Property shall be insured at the Close of Escrow by an CLTA Standard Coverage Owner's Policy of Title Insurance in the amount of the Purchase Price, issued by Title Company (or, at the option of Buyer, an ALTA policy if Buyer performs an ALTA survey at Buyer's cost during the period described in Section 4(b) above and requires an ALTA Extended Coverage Owner's Policy of Title Insurance) and containing exceptions in the title report issued by Title Company (the "Permitted Title Exceptions").

(f) Seller shall not encumber the Property during the period from Effective Date to the earlier of Close of Escrow or the date of the termination of this Agreement.

5. Due Diligence; Right Of Entry.

5.1 Buyer hereby acknowledges receipt of the documents described on Exhibit "D". Seller hereby grants Buyer and its agents, employees, contractors and subcontractors designated in writing by Buyer to Seller (collectively "Representatives") the right to enter on the Property until the date that is ______forty five (45)______ days after the Effective Date (the "Due Diligence Period") for the purpose of inspecting the physical condition of the Property, including soils and geological matters and toxic or hazardous substances and other contamination subject to scheduling and coordination with the Seller.All such investigations shall be at Buyer's expense. All work performed by Buyer and its Representatives will be performed diligently and in a manner consistent with the standards of care, diligence and skill exercised by recognized consulting firms for similar services, and in accordance with professional standards and the requirements of any governmental agency or entity and all applicable laws, and shall not disturb, or otherwise violate the rights of tenants.

5.2 Buyer and its Representatives shall promptly notify the Seller of any discovery, spill, release, or discharge of any Hazardous Substances, as defined in Exhibit C, on, under or about the Property which is discovered, encountered, or results from or is related to the Buyer's or its Representatives' access to and/or use of the Property under this Agreement.

5.3 In connection with the inspections of the Property by Buyer and its Representatives (including, without limitation, any survey), Buyer shall, at its own cost and expense, take any necessary action to keep the Property, and any improvements and personally thereon, in good order and repair and safe condition to the extent that such Property, improvements or personality were in such condition prior to its entry, and the whole of the Property, in a clean, sanitary and orderly condition, including, without limitation, ensuring that any holes, ditches or other indentations, as well as any mounds or other inclines created by any excavation by Buyer or its Representatives are regraded, resurfaced and compacted. If any portion of the Property or an adjacent property, including improvements and fixtures, suffers damage or alteration by reason of the access and activities of Buyer or its Representatives on the Property, Buyer shall, at its own cost and expense, promptly repair all such damage and restore the Property or adjacent property to as good a condition as before such damage or alteration occurred, or if it cannot be repaired, Buyer shall replace such damaged or altered property to the extent possible.

5.4 Prior to entering the Property, Buyer shall provide Seller with reasonable evidence that Buyer has reasonable insurance covering Buyer's activities on the Property. In any event, Buyer shall defend, protect, indemnify, and hold free and harmless Seller and its employees, agents, and representatives, and their successors, and assigns (individually as "Indemnitee" and collectively, "Indemnitees"), free and harmless from and against any and all damages, costs, expenses, liabilities, claims, demands, causes of action, proceedings, expenses, judgments, penalties, liens, and losses of any nature whatsoever (collectively, the "Claims"), including fees of accountants, attorneys, expert witnesses, or other professionals, and all costs associated therewith, arising or claimed to arise, directly or indirectly, out of, in connection with, resulting from, or related to any act, failure to act, error, or omission of Buyer or any of its Representatives arising or claimed to arise, directly or indirectly, out of, in connection with, resulting from, or related to entry upon the Property pursuant to this Section.

5.5 If Buyer determines, in its reasonable discretion, that the condition of the Property is not acceptable to Buyer, then Buyer may terminate this Agreement by written notice to Seller (specifying in detail the matters that are unacceptable) given on or before the end of the Due Diligence Period. If Buyer fails to so terminate this Agreement, Buyer shall be deemed to have approved all aspects of the condition of the Property.

6. Deposit of Documents and Funds in Escrow.

(a) Seller and Buyer, as applicable, hereby covenant and agree to deliver to Escrow Holder at least one (1) business day prior to Close of Escrow the following instruments, documents, and funds, the delivery of each of which shall be a condition of the Close of Escrow.

(b) Seller shall deliver:

(i) A Grant Deed in the form attached hereto as Exhibit “B” duly executed and acknowledged by Seller;

(ii) A Withholding Exemption Certificate Form 593-C as contemplated by California Revenue and Taxation Code §18662 (the “Withholding Affidavit”) duly executed by Seller;

(iii) A Certification of Non-Foreign Status in accordance with Internal Revenue Code Section 1445 duly executed by Seller;

(iv) Such proof of Seller's authority and authorization to enter into this transaction as the Title Company may require in order to issue the Title Policy.

(c) Buyer shall deliver:

(i) The Purchase Price (less the Deposit) together with such funds as are required to pay for costs and expenses payable by Buyer hereunder;

(ii) Each of the Buyer and Seller may waive (in writing) any condition of the Close of Escrow set forth in this Section 6.

7. Authorization to Record Documents and Disburse Funds. Escrow Holder is hereby authorized to record the documents and disburse the funds and distribute the documents called for hereunder upon the Close of Escrow, provided each of the following conditions has then been fulfilled:

(a) The Title Company can issue the Title Policy, with a liability in the amount of the Purchase Price, showing fee title to the Property vested in Buyer, subject only to the Permitted Title Exceptions.

(b) Seller and Buyer shall have deposited in Escrow the documents and funds required pursuant to Section 6.

8. Prorations; Charges. Property taxes, assessments, and rents shall be prorated as of the close of Escrow. Buyer shall pay (i) fifty percent (50%) of the escrow fees and charges of Escrow Holder, (ii) the cost of all endorsements to the Title Policy and any extended coverage, and (iii) Buyer's share of the charges prorated under this Agreement. Seller shall pay: (i) fifty percent (50%) of the escrow fees and charges of Escrow Holder; (ii) the cost of the premium for CLTA coverage under the Title Policy; (iii) all recording charges, if any; and (iv) any documentary transfer taxes. If the Escrow shall fail to close for any reason other than Seller’s default, Buyer shall pay any applicable Escrow cancellation charges.

9. Condemnation; Destruction. All risk of loss with respect to the Property shall remain with Seller until after the Close of Escrow and delivery of possession of the Property to Buyer. If at any time prior to the Close of Escrow, the Property, or any portion thereof, is damaged by fire or other casualty or taken or appropriated through eminent domain or similar

proceedings, or is condemned for any public or quasi-public use, Buyer may terminate this Agreement. If Buyer terminates this Agreement, Seller shall be entitled to receive all insurance proceeds payable to Buyer or Seller or all condemnation proceeds actually paid for that portion of the property taken. If Buyer elects to maintain this Agreement in full force and effect, then upon Close of Escrow, Buyer shall be entitled to receive all insurance proceeds payable to Seller or all condemnation proceeds actually paid for that portion of the Property taken or, if such proceeds have been paid to Seller, Buyer shall receive a credit against the Purchase Price equal to the amount of proceeds actually paid to Seller. Buyer shall not be entitled to any reduction in the Purchase Price.

10. Default. In the event of a breach or default under this Agreement by either Seller or Buyer, the non-defaulting party shall have the right to terminate this Agreement and the Escrow for the purchase and sale of the Property by delivering written notice thereof to the defaulting party and to Escrow Holder, and if Buyer is the non-defaulting party, Buyer shall thereupon promptly receive a refund of the Deposit. Such right of termination of the Escrow by the non-defaulting party shall be without prejudice to the non-defaulting party's rights and remedies against the defaulting party at law or equity, and specifically the right to specific performance of this Agreement.

11. As Is; Release. Buyer is acquiring the Property "AS IS, WHERE IS" without any representation or warranty of Seller, express, implied or statutory, as to the nature or condition of or title to the Property or its fitness for Buyer's intended use of same. Buyer is familiar with the Property. Buyer is relying solely upon its own, independent inspections, investigations and analysis of the Property as it deems necessary or appropriate in so acquiring the Property from Seller, including, without limitation, an analysis of any and all matters concerning the condition of the Property and its suitability for Buyer's intended purposes, and a review of all applicable laws, ordinances, rules and governmental regulations (including, but not limited to, those relative to building, zoning and land use) affecting the development, use, occupancy or enjoyment of the Property.

BUYER ACKNOWLEDGES AND AGREES THAT, SELLER HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY NEGATES AND DISCLAIMS ANY REPRESENTATIONS, WARRANTIES, PROMISES, COVENANTS, AGREEMENTS OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, OF, AS TO, CONCERNING OR WITH RESPECT TO THE PROPERTY OR ANY MATTER RELATED THERETO, INCLUDING, WITHOUT LIMITATION, THE HABITABILITY, MERCHANTABILITY, MARKETABILITY, PROFITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE PROPERTY, AND COMPLIANCE WITH ANY ENVIRONMENTAL LAWS OR THE PRESENCE, ABSENCE, CONDITION OR STATUS OF ANY HAZARDOUS MATERIALS. BUYER ACKNOWLEDGES AND AGREES THAT TO THE MAXIMUM EXTENT PERMITTED BY LAW, THE SALE OF THE PROPERTY AS PROVIDED FOR HEREIN IS MADE ON AN "AS IS" CONDITION AND BASIS WITH ALL FAULTS, AND THAT SELLER HAS NO OBLIGATIONS TO MAKE REPAIRS, REPLACEMENTS OR IMPROVEMENTS OR REMEDIATE ANY HAZARDOUS MATERIALS.

BY INITIALING BELOW, THE BUYER ACKNOWLEDGES THAT (i) THIS SECTION 5.2 HAS BEEN READ AND FULLY UNDERSTOOD, (ii) THE BUYER HAS HAD THE CHANCE TO ASK QUESTIONS OF ITS COUNSEL ABOUT ITS MEANING AND SIGNIFICANCE, AND (iii) THE BUYER HAS ACCEPTED AND AGREED TO THE TERMS SET FORTH IN THIS SECTION 5.2.

____
BUYER'S INITIALS

Buyer waives and releases as of the Close of Escrow any and all claims it may have against Seller relating to the physical condition of the Property (including, without limitation, the presence or release hazardous materials or substances). To the extent of such waiver and release, Buyer expressly waives its rights, if any, under California Civil Code Section 1542 which provides:

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

____
Buyer's Initials

Notices. All notices and demands shall be given in writing by certified mail, postage prepaid, and return receipt requested, or by recognized national courier service. Notices shall be considered given upon the earlier of (a) two (2) business days following deposit in the United States mail, postage prepaid, certified or registered, return receipt requested or (b) the following business day if sent by overnight courier. A copy of all notices shall be sent to Escrow Holder. Notices shall be addressed as provided below for the respective party; provided that any party may change its address for notices by written notices given to the other party. Buyer:Joshua Hageman______________________
____
____

Buyer Broker:	Ryan Edwards Mahoney & Associates 501 Abrego Street Monterey, CA 93940 (831) 646-1000
Seller:	Successor Agency to the Redevelopment Agency of City of Seaside 440 Harcourt Avenue Seaside, California 93955 Attn.: Executive Director

Seller Broker: Carpenter/Robbins Commercial Real Estate, Inc.
3160 Crow Canyon Road, Suite 200
San Ramon, CA 94583
Attn: John Robbins/Alyce Rados

Escrow Holder: Chicago Title Company
250 Bonifacio Place
Monterey, CA 93940
(831) 796-3452
Attn: Kimberly Verania

12. Broker's Commissions. Carpenter/Robbins Commercial Real Estate, Inc, is the real estate broker for Seller in this transaction. Mahoney & Associates is the real estate broker for the Buyer in this transaction. Seller shall pay to Carpenter/Robbins Commercial Real Estate, Inc. at close of escrow a commission of 3% of the gross sales price of the Property and to Mahoney & Associates at close of escrow a commission fee of 3% of the gross sales price of the Property. There are no other amounts owned for real estate commissions. Buyer and Seller shall hold each other harmless from any claim asserted by a real estate or other broker claiming through Buyer or Seller, respectively, for a commission in connection with this transaction.

13. Standard Instructions. Each party agrees to execute Escrow Holder's supplemental reasonable standard instructions as may be necessary or proper in order to consummate the transactions contemplated by this Agreement; provided, however, in the event of a material conflict between the terms hereof and the terms of such standard instructions, the terms hereof shall control.

14. Time is of the Essence. The parties hereto agree that time is of the essence with respect to each term, condition and covenant hereof.

15. Successors and Assigns. The provisions of this Agreement are expressly binding upon, and shall inure to the benefit of, the parties hereto and their successors in interest and assigns.

16. Entire Agreement. This Agreement, together with all exhibits hereto, integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the parties or their predecessors in interest with respect to all or any part of the subject matter hereof. Notwithstanding the foregoing, the Temporary Construction Easement shall survive the Close of Escrow.

17. Severability. Invalidation of any of the terms, conditions, covenants, or other provisions contained herein by judgment or court order shall in no way affect any of the other terms, conditions, covenants, or provisions hereof, and the same shall remain in full force and effect.

18. Amendments. Any amendments to this Agreement shall be effective only when duly executed by Seller and Buyer and deposited with Escrow Holder.

19. Attorneys' Fees. In the event that suit is brought for the enforcement of this Agreement or as the result of any alleged breach thereof, the prevailing party or parties in such suit shall be entitled to recover their reasonable attorneys' fees, costs, and expenses from the losing party or parties, and any judgment or decree rendered in such proceedings shall include an award thereof.

20. No Third Party Beneficiary Rights. This Agreement is entered into for the sole benefit of Seller and Buyer and no other parties are intended to be direct or incidental beneficiaries of this Agreement.

21. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

22. Counterparts. This Agreement may be executed simultaneously in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. For purposes of this Agreement, facsimile signatures shall be deemed to be original signatures, and shall be followed by the immediate overnight delivery of original signature pages.

23. Assignment of Agreement. Neither Buyer nor Seller may assign or transfer their respective rights or obligations under this Agreement without first obtaining the prior written consent of the other, which consent may be granted or withheld in its sole and absolute discretion.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the date first above written.

BUYER:
JOSHUA HAGEMAN

____

____

By:____________________________

Print Name:____________________

SELLER:

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SEASIDE

By:_________________________________

Print Name:__________________________
Executive Director

Attest:

____

Print Name: _________________________
City Clerk

Approved as to Form:__________________

LIST OF EXHIBITS

EXHIBIT A

LEGAL DESCRIPTION OF THE LAND

Property Inventory Information
Parcel Data

APN: 011-301-007-000
Vista Del Rey tact
Lot 8 BLK 11

Legal Description to be Determined by the Title Company prior to the Close of Escrow

EXHIBIT B

FORM OF GRANT DEED

RECORDING REQUESTED BY,
AND WHEN RECORDED RETURN TO
(AND SEND TAX STATEMENTS TO):

____
____
____
Attn: ____________________

[SPACE ABOVE FOR RECORDER'S USE ONLY]

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

GRANT DEED

THE UNDERSIGNED GRANTOR DECLARES AS FOLLOWS:

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the Successor Agency to the Redevelopment Agency of the City of Seaside] (the "Grantor") hereby grants to ______________________ ("Grantee") the land in the City of Seaside, County of Monterey, State of California, more particularly described on **Exhibit A** attached hereto and all improvements thereon and all rights and appurtenances relating thereto (the "Property").

That the documentary transfer tax is $____________($1.10 per $1000 of consideration/purchase price); property is in the City of Seaside, County of Monterey

IN WITNESS WHEREOF, Grantor has executed this Grant Deed as of the date set forth below.

Dated: ______, 20__

SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGNECY OF THE CITY OF
SEASIDE

By: ____________________________
Print Name: _____________________
Executive Director

ACKNOWLEDGEMENT

State of California)
County of Los Angeles)

On _________________________, before me, __________________________________,
(insert name and title of the officer)
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.

Signature___________________________________ (Seal)

EXHIBIT C

CERTAIN DEFINITIONS

Environmental Condition means any condition of the Property that exists prior to or after the Closing Date, with respect to the air, land, soil, surface, subsurface strata, surface water, ground water, storm water or sediments.

Environmental Laws means all federal, state, local, or municipal laws, rules, orders, regulations, statutes, ordinances, codes, decrees, or requirements of any government authority regulating, relating to, or imposing liability or standards of conduct concerning any Hazardous Substance (as later defined), or pertaining to occupational health or industrial hygiene (and only to the extent that the occupational health or industrial hygiene laws, ordinances, or regulations relate to Hazardous Substances on, under, or about the Property), occupational or environmental conditions on, under, or about the Property, as now or may at any later time be in effect, including without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA) [42 USCS §§ 9601 et seq.]; the Resource Conservation and Recovery Act of 1976 (RCRA) [42 USCS §§ 6901 et seq.]; the Clean Water Act, also known as the Federal Water Pollution Control Act (FWPCA) [33 USCS §§ 1251 et seq.]; the Toxic Substances Control Act (TSCA) [15 USCS §§ 2601 et seq.]; the Hazardous Materials Transportation Act (HMTA) [49 USCS §§ 1801 et seq.]; the Insecticide, Fungicide, Rodenticide Act [7 USCS §§ 136 et seq.]; the Superfund Amendments and Reauthorization Act [42 USCS §§ 6901 et seq.]; the Clean Air Act [42 USCS §§ 7401 et seq.]; the Safe Drinking Water Act [42 USCS §§ 300f et seq.]; the Solid Waste Disposal Act [42 USCS §§ 6901 et seq.]; the Surface Mining Control and Reclamation Act [30 USCS §§ 1201 et seq.]; the Emergency Planning and Community Right to Know Act [42 USCS §§ 11001 et seq.]; the Occupational Safety and Health Act [29 USCS §§ 655 and 657]; the California Underground Storage of Hazardous Substances Act [H & S C §§ 25280 et seq.]; the California Hazardous Substances Account Act [H & S C §§ 25300 et seq.]; the California Hazardous Waste Control Act [H & S C §§ 25100 et seq.]; the California Safe Drinking Water and Toxic Enforcement Act [H & S C §§ 24249.5 et seq.]; the Porter-Cologne Water Quality Act [Wat C §§ 13000 et seq.] together with any amendments of or regulations promulgated under the statutes cited above and any other federal, state, or local law, statute, ordinance, or regulation now in effect or later enacted that pertains to occupational health or industrial hygiene, and only to the extent that the occupational health or industrial hygiene laws, ordinances, or regulations relate to Hazardous Substances on, under, or about the Property, or the regulation or protection of the environment, including ambient air, soil, soil vapor, groundwater, surface water, or land use.

Hazardous Substances includes without limitation:

(a) Those substances included within the definitions of hazardous substance, hazardous waste, hazardous material, toxic substance, solid waste, or pollutant or contaminant in CERCLA, RCRA, TSCA, HMTA, or under any other Environmental Law;

(b) Those substances listed in the United States Department of Transportation (DOT) Table [49 CFR 172.101], or by the Environmental Protection Agency (EPA), or any successor agency, as hazardous substances [40 CFR Part 302];

(c) Other substances, materials, and wastes that are or become regulated or classified as hazardous or toxic under federal, state, or local laws or regulations; and

(d) Any material, waste, or substance that is

(i) a petroleum or refined petroleum product,

(ii) asbestos,

(iii) polychlorinated biphenyl,

(iv) designated as a hazardous substance pursuant to 33 USCS § 1321 or listed pursuant to 33 USCS § 1317,

(v) a flammable explosive, or

(vi) a radioactive material.

CARPENTER/ROBBINS COMMERICAL REAL ESTATE, INC.
AGENCY DISCLOSURE STATEMENT

EXHIBIT D

LIST OF DOCUMENTS DELIVERED TO BUYER

Property Information Sheet

Sellers Mandatory Disclosure Form

JCP-LGS Property Information Disclosure Report

DOES THE CITY HAVE ANY OTHER DOCUMENTATION REGARDING THIS PROPERTY?

CARPENTER/ROBBINS COMMERICAL REAL ESTATE, INC.
AGENCY DISCLOSURE STATEMENT

When you enter into a discussion with a real estate agent regarding a real estate transaction, you should from the outset understand what type of agency relationship or representation you wish to have with the agent in the transaction.

SELLER'S/LANDLORD AGENT

A Seller's agent under a listing agreement with the Seller acts as the agent for the Seller only. A Seller's agent or a subagent of that agent has the following affirmative obligations:
To the Seller: A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Seller.
To the Buyer and the Seller:

(a) Diligent exercise of reasonable skill and care in performance of the agent's duties.
(b) A duty of honest and fair dealing and good faith.
(c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties.

An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

BUYER'S/TENANT AGENT

A selling agent can, with a Buyer's consent, agree to act as agent for the Buyer only. In these situations, the agent is not the Seller's agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the Seller. An agent acting only for a Buyer has the following affirmative obligations:
To the Buyer: A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Buyer.
To the Buyer and the Seller:

(a) Diligent exercise of reasonable skill and care in performance of the agent's duties.
(b) A duty of honest and fair dealing and good faith.
(c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties.

An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

AGENT REPRESENTING BOTH SELLER/lANDLORD AND BUYER/TENANT

A real estate agent, either acting directly or through one or more associate licensees, can legally be the agent of both the Seller and the Buyer in a transaction, but only with the knowledge and consent of both the Seller and the Buyer.
In a dual agency situation, the agent has the following affirmative obligations to both the Seller and the Buyer:

(a) A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either the Seller or the Buyer.
(b) Other duties to the Seller and the Buyer as stated above in their respective sections.

In representing both Seller and Buyer, the agent may not, without the express permission of the respective party, disclose to the other party that the Seller will accept a price less than the listing price or that the Buyer will pay a price greater than the price offered.

The above duties of the agent in a real estate transaction do not relieve a Seller or Buyer from the responsibility to protect his or her own interests. You should carefully read all agreements to assure that they adequately express your understanding of the transaction. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional.
Throughout your real property transaction you may receive more than one disclosure form, depending upon the number of agents assisting in the transaction. The law requires each agent with whom you have more than a casual relationship to present you with this disclosure form. You should read its contents each time it is presented to you, considering the relationship between you and the real estate agent in your specific transaction.

This disclosure form includes the provisions of Sections 2079.13 to 2079.24, inclusive, of the Civil Code set forth on the attached document hereof. Read it carefully. I/WE ACKNOWLEDGE RECIEPT OF A COPY OF THIS DISCLOSURE AND THE PORTIONS OF THE CIVIL CODE PRINTED ON A SEPARATE PAGE.

SELLER AGENT:
CARPENTER/ROBBINS COMMERCIAL REAL ESTATE, INC. ***BRE #*** 01280981

CARPENTER/ROBBINS COMMERICAL REAL ESTATE, INC.
AGENCY DISCLOSURE STATEMENT

(SIGNED) AGENT: ______________________ ***BRE#*** ***00418143***
(PRINTED NAME) *John Robbins* ***is the agent of (check one):***

(SIGNED) AGENT: ______________________ ***BRE#*** ***01169743***
(PRINTED NAME) *Alyce H. Rados*

BUYER AGENT:

(SIGNED) AGENT: ______________________ ***BRE#01521253***

(PRINTED NAME): ***Ryan Edwards, Mahoney & Associates***

CALIFORNIA CIVIL CODESECTIONS 2079.14 THROUGH 2079.24 (20179.16 APPEARS ON THE ATTACHED)

2079.13. As used in Sections 2079.14 to 2079.24, inclusive, the following terms have the following meanings:

(a) "Agent" means a person acting under provisions of Title 9(commencing with Section 2295) in a real property transaction, and includes a person who is licensed as a real estate broker under Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code, and under whose license a listings executed or an offer to purchase is obtained.(b) "Associate licensee" means a person who is licensed as a real estate broker or salesperson under Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code and who is either licensed under a broker or has entered into a written contract with a broker to act as the broker's agent in connection with acts requiring a real estate license and to function under the broker's supervision in the capacity of an associate licensee. The agent in the real property transaction bears responsibility for his or her associate licensees who perform as agents of the agent. When an associate licensee owes a duty to any principal, or to any buyer or seller who is not a principal, in a real property transaction, that duty is equivalent to the duty owed to that party by the broker for whom the associate licensee functions.(c) "Buyer" means a transferee in a real property transaction, and includes a person who executes an offer to purchase real property from a seller through an agent, or who seeks the services of an agent in more than a casual, transitory, or preliminary manner, with the object of entering into a real property transaction. "Buyer" includes vendee or lessee. (d) "Commercial real property" means all real property in the state, except single-family residential real property, dwelling units made subject to Chapter 2 (commencing with Section 1940) of Title 5, mobile homes, as defined in Section 798.3, or recreational vehicles, as defined in Section 799.29. (e) "Dual agent" means an agent acting, either directly or through an associate licensee, as agent for both the seller and the buyer in a real property transaction. (f) "Listing agreement" means a contract between an owner of real property and an agent, by which the agent has been authorized to sell the real property or to find or obtain a buyer. (g) "Listing agent" means a person who has obtained a listing of real property to act as an agent for compensation. (h) "Listing price" is the amount expressed in dollars specified in the listing for which the seller is willing to sell the real property through the listing agent. (i) "Offering price" is the amount expressed in dollars specified in an offer to purchase for which the buyer is willing to buy the real property. (j) "Offer to purchase" means a written contract executed by a buyer acting through a selling agent that becomes the contract for the sale of the real property upon acceptance by the seller. (k) "Real property" means any estate specified by subdivision (1) or (2) of Section 761 in property that constitutes or is improved with one to four dwelling units, any commercial real property, any leasehold in these types of property exceeding one year's duration, and mobile homes, when offered for sale or sold through an agent pursuant to the authority contained in Section 10131.6 of the Business and Professions Code. (l) "Real property transaction" means a transaction for the sale of real property in which an agent is employed by one or more of the principals to act in that transaction, and includes a listing or an offer to purchase. (m) "Sell," "sale," or "sold" refers to a transaction for the transfer of real property from the seller to the buyer, and includes exchanges of real property between the seller and buyer, transactions for the creation of a real property sales contract within the meaning of Section 2985, and transactions for the creation of a leasehold exceeding one year's duration. (n) "Seller" means the transferor in a real property transaction, and includes an owner who lists real property with an agent, whether or not a transfer results, or who receives an offer to purchase real property of which he or she is the owner from an agent on behalf of another. "Seller" includes both a vendor and a lessor (o) "Selling agent" means a listing agent who acts alone, or an agent who acts in cooperation with a listing agent, and who sells or finds and obtains a buyer for the real property, or an agent who locates property for a buyer or who finds a buyer for a property for which no listing exists and presents an offer to purchase to the seller. (p) "Subagent" means a person to whom an agent delegates agency powers as provided in Article 5 (commencing with Section 2349) of Chapter 1 of Title 9. However, "subagent" does not include an associate licensee who is acting under the supervision of an agent in a real property transaction.

2079.14. Listing agents and selling agents shall provide the seller and buyer in a real property transaction with a copy of the disclosure form specified in Section 2079.16, and, except as provided

in subdivision (c), shall obtain a signed acknowledgment of receipt from that seller or buyer, except as provided in this section or Section 2079.15, as follows: (a) The listing agent, if any, shall provide the disclosure form to the seller prior to entering into the listing agreement. (b) The selling agent shall provide the disclosure form to the seller as soon as practicable prior to presenting the seller with an offer to purchase, unless the selling agent previously provided the seller with a copy of the disclosure form pursuant to subdivision (a) (c) Where the selling agent does not deal on a face-to-face basis with the seller, the disclosure form prepared by the selling agent may be furnished to the seller (and acknowledgment of receipt obtained for the selling agent from the seller) by the listing agent, or the selling agent may deliver the disclosure form by certified mail addressed to the seller at his or her last known address, in which case no signed acknowledgment of receipt is required. (d) The selling agent shall provide the disclosure form to the buyer as soon as practicable prior to execution of the buyer's offer to purchase, except that if the offer to purchase is not prepared by the selling agent, the selling agent shall present the disclosure form to the buyer not later than the next business day after the selling agent receives the offer to purchase from the buyer.

2079.15. In any circumstance in which the seller or buyer refuses to sign an acknowledgment of receipt pursuant to Section 2079.14, the agent, or an associate licensee acting for an agent, shall set forth, sign, and date a written declaration of the facts of the refusal.

2079.17. (a) As soon as practicable, the selling agent shall disclose to the buyer and seller whether the selling agent is acting in the real property transaction exclusively as the buyer's agent, exclusively as the seller's agent, or as a dual agent representing both the buyer and the seller. This relationship shall be confirmed in the contract to purchase and sell real property or in a separate writing executed or acknowledged by the seller, the buyer, and the selling agent prior to or coincident with execution of that contract by the buyer and the seller, respectively. (b) As soon as practicable, the listing agent shall disclose to the seller whether the listing agent is acting in the real property transaction exclusively as the seller's agent, or as a dual agent representing both the buyer and seller. This relationship shall be confirmed in the contract to purchase and sell real property or in a separate writing executed or acknowledged by the seller and the listing agent prior to or coincident with the execution of that contract by the seller. (c) The confirmation required by subdivisions (a) and (b) shall be in the following form:

(Name of Listing Agent) Carpenter/Robbins Commercial Real Estate,Inc. is the agent of (check one): (x) the seller exclusively; or () both the buyer and seller.

(Name of Selling Agent if not the same as the Listing Agent) _Carpenter/Robbins Commercial Real Estate, Inc. is the agent of (check one):
( ) the buyer exclusively; or
(x) the seller exclusively; or ( ) both the buyer and seller.

(d) The disclosures and confirmation required by this section shall be in addition to the disclosure required by Section 2079.14.

2079.18. No selling agent in a real property transaction may act as an agent for the buyer only, when the selling agent is also acting as the listing agent in the transaction.

2079.19. The payment of compensation or the obligation to pay compensation to an agent by the seller or buyer is not necessarily determinative of a particular agency relationship between an agent and the seller or buyer. A listing agent and a selling agent may agree to share any compensation or commission paid, or any right to any compensation or commission for which an obligation arises as the result of a real estate transaction, and the terms of any such agreement shall not necessarily be determinative of a particular relationship.

2079.20. Nothing in this article prevents an agent from selecting, as a condition of the agent's employment, a specific form of agency relationship not specifically prohibited by this article if the requirements of Section 2079.14 and Section 2079.17 are complied with.

2079.21. A dual agent shall not disclose to the buyer that the seller is willing to sell the property at a price less than the listing price, without the express written consent of the seller. A dual agent shall not disclose to the seller that the buyer is willing to pay a price greater than the offering price, without the express written consent of the buyer. This section does not alter in any way the duty or responsibility of a dual agent to any principal with respect to confidential information other than price.

2079.22. Nothing in this article precludes a listing agent from also being a selling agent, and the combination of these functions in one agent does not, of itself, make that agent a dual agent.

2079.23. (a) A contract between the principal and agent may be modified or altered to change the agency relationship at any time before the performance of the act which is the object of the agency with the written consent of the parties to the agency relationship.

(b) A lender or an auction company retained by a lender to control aspects of a transaction of real property subject to this part, including validating the sales price, shall not require, as a condition of receiving the lender's approval of the transaction, the homeowner or listing agent to defend or indemnify the lender or auction company from any liability alleged to result from the actions of the lender or auction company. Any clause, provision, covenant, or agreement purporting to impose an obligation to defend or indemnify a lender or an auction company in violation of this subdivision is against public policy, void, and unenforceable.

2079.24. Nothing in this article shall be construed to either diminish the duty of disclosure owed buyers and sellers by agents and their associate licensees, subagents, and employees or to relieve agents and their associate licensees, subagents, and employees from liability for their conduct in connection with acts governed by this article or for any breach of a fiduciary duty or a duty of disclosure.

Buyers/Tenants Initials (______) (______)

Sellers/Landlords Initials (______) (______)

CARPENTER/ROBBINS COMMERICAL REAL ESTATE, INC.
AGENCY DISCLOSURE STATEMENT

Written Acknowledgement of Agency Disclosure

REQUIRED TO BE SIGNED BY SELLER/BUYER OR LANDLORD/TENANT

California Civil Code requires Commercial real estate brokers to obtain a written acknowledgement of receipt of the applicable disclosures by the seller and buyer (or landlord and tenant, as applicable). Please sign and return this form to attention of the Broker::

PROPERTY:___1511-1535 Del Monte Boulevard, Seaside, CA__

CARPENTER/ROBBINS COMMERCIAL REAL ESTATE, INC. ***BRE #*** 01280981

(SIGNED) AGENT:_John Robbins_____________________ ***BRE#*** ***00418143***

(PRINTED NAME)___*John Robbins*_____________________ ***is the agent of (check one):***

(SIGNED) AGENT:_Alyce H Rados_____________________ ***BRE#__01169743***___________

(PRINTED NAME)__*Alyce H. Rados*_____________________***is the agent of (check one):***

~~( ) the buyer/tenant exclusively~~; or (x) the seller/owner exclusively; ~~or ( ) the buyer/tenant and the seller / owner~~

OPTIONAL IF ADDITIONAL BROKER:

BROKER:______________________________________ ***BRE #*** ____________________

(SIGNED) AGENT:__________________________________ ***BRE#***____________________

(PRINTED NAME)__________________________________***is the agent of (check one):***

( ) the seller exclusively; or ( ) both the buyer and seller.

CARPENTER/ROBBINS COMMERICAL REAL ESTATE, INC.
AGENCY DISCLOSURE STATEMENT

I hereby acknowledge receipt of this disclosure,

BY: ____ (________,201__)

PRINT NAME: ______*Joshua Hageman*

RETURN TO: **3160 Crow Canyon Road, Suite 200 ▪ San Ramon, CA 94583 ▪ www.crcre.com**
Phone: 925.866-1300 ▪ Fax: 925.866-1306 ▪ CalBRE License 01280981

PURCHASE AND SALE AGREEMENT

AND

ESCROW INSTRUCTIONS

by and between the

Successor Agency to the Redevelopment Agency of the City of Seaside
(“Seller”)

and

Joshua Hageman
(“Buyer”)

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PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS

This PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS (this "Agreement") is dated as of December 15, 2016 ("the Effective Date") and is entered into by and between Joshua Hageman ("Buyer") and the Successor Agency to the Redevelopment Agency of the City of Seaside ("Seller").

RECITALS

A. Seller is the owner of the land in the City of Seaside, County of Monterey, State of California, more particularly described on **Exhibit A** attached hereto and made a part hereof, commonly known as 1533-1535 Del Monte Boulevard together with all improvements thereon (collectively, the "Property").

B. Buyer desires to purchase the Property from Seller.

C. The Seller's obligations to close the sale of the Property are conditioned upon the approval of this Agreement by the Oversight Board of the Successor Agency to the Seaside Redevelopment Agency ("OB") and either (i) the failure of the California Department of Finance ("DOF") to request review thereof within the period permitted by law; (ii) or if such review is timely requested the DOF's approval of the OB decision. Seller shall use good faith efforts to promptly obtain such OB approval.

NOW, THEREFORE, in consideration of the terms and conditions of this Agreement and for other valuable consideration, the receipt of which is hereby acknowledged, Buyer and Seller agree as follows:

1. Purchase and Sale. Subject to and in accordance with the terms and conditions hereinafter set forth, Seller agrees to sell Property to Buyer, and Buyer agrees to purchase the Property from Seller.

2. Opening and Closing of Escrow. Within three (3) business days after the Effective Date, the parties shall open an escrow ("Escrow") with Chicago Title Company ("Escrow Holder" and "Title Company"), at 250 Bonifacio Place, Monterey, CA 93940 Attn: Kimberly Verania, Escrow Officer; Phone: (831) 796-3452 Email: Kim.Verania@ctt.com; and shall deliver a copy of this fully executed Agreement to said Escrow Holder. "Close of Escrow" shall be the date that a grant deed for Property in favor of Buyer, is recorded in the Official Records of the Monterey County Recorder's Office. Close of Escrow shall occur on or before the date that is sixty (60) days after the effective date.

3. Purchase Price; Deposit.

(a) The purchase price for Property to be paid by Buyer is the sum of Twenty-One Thousand Dollars ($21,000.00) ("Purchase Price").

Seller acknowledges having received the sum of Three Thousand Dollars ($3,000.00) from Buyer (the "Initial Deposit"). On the Close of Escrow, the Deposit shall be applied toward the Purchase Price. In the event this Agreement is terminated by Buyer under

Section 5.5 below or as a result of a default by Seller, then the Deposit shall be refunded to Buyer.

Buyer acknowledges increasing the deposit in the sum of Three Thousand Dollars ($3,000.00) within three (3) business days after the removal of all contingencies (the "Increased Deposit"). On the Close of Escrow, the Deposit shall be applied toward the Purchase Price.

(c) Buyer acknowledges that an appraisal of the property will be ordered by the Seller and completed by a licensed commercial appraiser, at the sole expense of the Buyer, within thirty (30) days of the Effective Date. Said appraisal must equal or exceed the purchase price to be paid by Buyer for the Property. If closing occurs after the initial appraisal expires, then Seller shall request an updated appraisal by the original appraiser, which shall be at the sole expense of the Buyer.**IF BUYER FAILS TO COMPLETE THE PURCHASE OF THE PROPERTY AS HEREIN PROVIDED BY REASON OF DEFAULT OF BUYER, IT IS AGREED THAT THE DEPOSIT THEN HELD BY ESCROW HOLDER SHALL BE NON-REFUNDABLE AND SELLER SHALL BE ENTITLED TO SUCH DEPOSIT, WHICH AMOUNT SHALL BE ACCEPTED BY SELLER AS LIQUIDATED DAMAGES AND NOT AS A PENALTY AND AS SELLER'S SOLE AND EXCLUSIVE REMEDY. IT IS AGREED THAT SAID AMOUNT CONSTITUTES A REASONABLE ESTIMATE OF THE DAMAGES TO SELLER PURSUANT TO CALIFORNIA CIVIL CODE SECTION 1671 ET SEQ. BUYER AND SELLER AGREE THAT IT WOULD BE IMPRACTICAL OR IMPOSSIBLE TO PRESENTLY PREDICT WHAT MONETARY DAMAGES SELLER WOULD SUFFER UPON BUYER'S FAILURE TO COMPLETE ITS PURCHASE OF THE PROPERTY. BUYER DESIRES TO LIMIT THE MONETARY DAMAGES FOR WHICH IT MIGHT BE LIABLE HEREUNDER AND BUYER AND SELLER DESIRE TO AVOID THE COSTS AND DELAYS THEY WOULD INCUR IF A LAWSUIT WERE COMMENCED TO RECOVER DAMAGES OR OTHERWISE ENFORCE SELLER'S RIGHTS. IF FURTHER INSTRUCTIONS ARE REQUIRED BY ESCROW HOLDER TO EFFECTUATE THE TERMS OF THIS SECTION, BUYER AND SELLER AGREE TO EXECUTE THE SAME. THE PARTIES ACKNOWLEDGE THIS PROVISION BY PLACING THEIR INITIALS BELOW:**

____________________	____________________
SELLER'S INITIALS	**BUYER'S INITIALS**

3.1 Prorations. The following items are to be prorated as of close of escrow: (i) taxes; (ii) assessments (on a per square foot basis); and (iii) any utilities charges.

4. Title Insurance.

(a) Within five (5) business days after the opening of escrow, Seller and Buyer shall cause Title Company to furnish Buyer with an updated title report for the Property, together with copies of all documents referenced therein as exceptions to title (collectively, the Title Report").

(b) Buyer shall have until the date that is _twenty_(20) days after receipt of the Title Report to deliver to Seller and Escrow Holder written notice (the "Preliminary Title

Notice") of Buyer's approval, conditional approval or disapproval of the title exceptions disclosed in the Title Report (excluding the standard printed exceptions in the form of title policy and taxes and assessments which are liens not yet due and payable) [and any matters shown by a survey conducted by Buyer at Buyer's cost]. All matters not timely disapproved by Buyer will be deemed approved. All such exceptions disapproved by Buyer are referred to herein as "Disapproved Exceptions".

(c) Seller shall have twenty (20) days after receipt of Buyer's Preliminary Title Notice to commit to cause any such Disapproved Exceptions to be released of record, or commit to cause the Title Company to endorse over such Disapproved Exceptions pursuant to an endorsement or endorsements reasonably acceptable to Buyer, or elect not to remove or endorse over Disapproved Exceptions. If Seller fails to deliver its response notice within said twenty (20) days, Seller shall be deemed to have elected not to eliminate or endorse over all matters disapproved or conditionally approved by Buyer.

(d) If Seller elects not to commit to remove (or is deemed not to commit to remove) and elects not to cause the Title Company to endorse over (or is deemed to elect not to cause Title Company to endorse over), a Disapproved Exception (other than a monetary lien or encumbrance, as to which Seller's obligation to remove is absolute), Buyer shall have the option, to be exercised within five (5) business days after Seller's notice to elect to terminate this Agreement, in which case the Deposit shall be returned to Buyer. If (or if no notice is given, then within five business days after the end of the 20 day period) buyer fails to timely deliver the termination notice, Buyer shall be deemed to have elected take title subject to the Disapproved Exceptions.

(e) Buyer's fee title to Property shall be insured at the Close of Escrow by an CLTA Standard Coverage Owner's Policy of Title Insurance in the amount of the Purchase Price, issued by Title Company (or, at the option of Buyer, an ALTA policy if Buyer performs an ALTA survey at Buyer's cost during the period described in Section 4(b) above and requires an ALTA Extended Coverage Owner's Policy of Title Insurance) and containing exceptions in the title report issued by Title Company (the "Permitted Title Exceptions").

(f) Seller shall not encumber the Property during the period from Effective Date to the earlier of Close of Escrow or the date of the termination of this Agreement.

5. Due Diligence; Right Of Entry.

5.1 Buyer hereby acknowledges receipt of the documents described on Exhibit "D". Seller hereby grants Buyer and its agents, employees, contractors and subcontractors designated in writing by Buyer to Seller (collectively "Representatives") the right to enter on the Property until the date that is ______forty five (45)______ days after the Effective Date (the "Due Diligence Period") for the purpose of inspecting the physical condition of the Property, including soils and geological matters and toxic or hazardous substances and other contamination subject to scheduling and coordination with the Seller.All such investigations shall be at Buyer's expense. All work performed by Buyer and its Representatives will be performed diligently and in a manner consistent with the standards of care, diligence and skill exercised by recognized consulting firms for similar services, and in accordance with professional standards and the requirements of any governmental agency or entity and all applicable laws, and shall not disturb, or otherwise violate the rights of tenants.

5.2 Buyer and its Representatives shall promptly notify the Seller of any discovery, spill, release, or discharge of any Hazardous Substances, as defined in Exhibit C, on, under or about the Property which is discovered, encountered, or results from or is related to the Buyer's or its Representatives' access to and/or use of the Property under this Agreement.

5.3 In connection with the inspections of the Property by Buyer and its Representatives (including, without limitation, any survey), Buyer shall, at its own cost and expense, take any necessary action to keep the Property, and any improvements and personally thereon, in good order and repair and safe condition to the extent that such Property, improvements or personality were in such condition prior to its entry, and the whole of the Property, in a clean, sanitary and orderly condition, including, without limitation, ensuring that any holes, ditches or other indentations, as well as any mounds or other inclines created by any excavation by Buyer or its Representatives are regraded, resurfaced and compacted. If any portion of the Property or an adjacent property, including improvements and fixtures, suffers damage or alteration by reason of the access and activities of Buyer or its Representatives on the Property, Buyer shall, at its own cost and expense, promptly repair all such damage and restore the Property or adjacent property to as good a condition as before such damage or alteration occurred, or if it cannot be repaired, Buyer shall replace such damaged or altered property to the extent possible.

5.4 Prior to entering the Property, Buyer shall provide Seller with reasonable evidence that Buyer has reasonable insurance covering Buyer's activities on the Property. In any event, Buyer shall defend, protect, indemnify, and hold free and harmless Seller and its employees, agents, and representatives, and their successors, and assigns (individually as "Indemnitee" and collectively, "Indemnitees"), free and harmless from and against any and all damages, costs, expenses, liabilities, claims, demands, causes of action, proceedings, expenses, judgments, penalties, liens, and losses of any nature whatsoever (collectively, the "Claims"), including fees of accountants, attorneys, expert witnesses, or other professionals, and all costs associated therewith, arising or claimed to arise, directly or indirectly, out of, in connection with, resulting from, or related to any act, failure to act, error, or omission of Buyer or any of its Representatives arising or claimed to arise, directly or indirectly, out of, in connection with, resulting from, or related to entry upon the Property pursuant to this Section.

5.5 If Buyer determines, in its reasonable discretion, that the condition of the Property is not acceptable to Buyer, then Buyer may terminate this Agreement by written notice to Seller (specifying in detail the matters that are unacceptable) given on or before the end of the Due Diligence Period. If Buyer fails to so terminate this Agreement, Buyer shall be deemed to have approved all aspects of the condition of the Property.

6. Deposit of Documents and Funds in Escrow.

(a) Seller and Buyer, as applicable, hereby covenant and agree to deliver to Escrow Holder at least one (1) business day prior to Close of Escrow the following instruments, documents, and funds, the delivery of each of which shall be a condition of the Close of Escrow.

(b) Seller shall deliver:

(i) A Grant Deed in the form attached hereto as Exhibit "B" duly executed and acknowledged by Seller;

(ii) A Withholding Exemption Certificate Form 593-C as contemplated by California Revenue and Taxation Code §18662 (the "Withholding Affidavit") duly executed by Seller;

(iii) A Certification of Non-Foreign Status in accordance with Internal Revenue Code Section 1445 duly executed by Seller;

(iv) Such proof of Seller's authority and authorization to enter into this transaction as the Title Company may require in order to issue the Title Policy.

(c) Buyer shall deliver:

(i) The Purchase Price (less the Deposit) together with such funds as are required to pay for costs and expenses payable by Buyer hereunder;

(ii) Each of the Buyer and Seller may waive (in writing) any condition of the Close of Escrow set forth in this Section 6.

7. Authorization to Record Documents and Disburse Funds. Escrow Holder is hereby authorized to record the documents and disburse the funds and distribute the documents called for hereunder upon the Close of Escrow, provided each of the following conditions has then been fulfilled:

(a) The Title Company can issue the Title Policy, with a liability in the amount of the Purchase Price, showing fee title to the Property vested in Buyer, subject only to the Permitted Title Exceptions.

(b) Seller and Buyer shall have deposited in Escrow the documents and funds required pursuant to Section 6.

8. Prorations; Charges. Property taxes, assessments, and rents shall be prorated as of the close of Escrow. Buyer shall pay (i) fifty percent (50%) of the escrow fees and charges of Escrow Holder, (ii) the cost of all endorsements to the Title Policy and any extended coverage, and (iii) Buyer's share of the charges prorated under this Agreement. Seller shall pay: (i) fifty percent (50%) of the escrow fees and charges of Escrow Holder; (ii) the cost of the premium for CLTA coverage under the Title Policy; (iii) all recording charges, if any; and (iv) any documentary transfer taxes. If the Escrow shall fail to close for any reason other than Seller's default, Buyer shall pay any applicable Escrow cancellation charges.

9. Condemnation; Destruction. All risk of loss with respect to the Property shall remain with Seller until after the Close of Escrow and delivery of possession of the Property to Buyer. If at any time prior to the Close of Escrow, the Property, or any portion thereof, is damaged by fire or other casualty or taken or appropriated through eminent domain or similar

proceedings, or is condemned for any public or quasi-public use, Buyer may terminate this Agreement. If Buyer terminates this Agreement, Seller shall be entitled to receive all insurance proceeds payable to Buyer or Seller or all condemnation proceeds actually paid for that portion of the property taken. If Buyer elects to maintain this Agreement in full force and effect, then upon Close of Escrow, Buyer shall be entitled to receive all insurance proceeds payable to Seller or all condemnation proceeds actually paid for that portion of the Property taken or, if such proceeds have been paid to Seller, Buyer shall receive a credit against the Purchase Price equal to the amount of proceeds actually paid to Seller. Buyer shall not be entitled to any reduction in the Purchase Price.

10. Default. In the event of a breach or default under this Agreement by either Seller or Buyer, the non-defaulting party shall have the right to terminate this Agreement and the Escrow for the purchase and sale of the Property by delivering written notice thereof to the defaulting party and to Escrow Holder, and if Buyer is the non-defaulting party, Buyer shall thereupon promptly receive a refund of the Deposit. Such right of termination of the Escrow by the non-defaulting party shall be without prejudice to the non-defaulting party's rights and remedies against the defaulting party at law or equity, and specifically the right to specific performance of this Agreement.

11. As Is; Release. Buyer is acquiring the Property "AS IS, WHERE IS" without any representation or warranty of Seller, express, implied or statutory, as to the nature or condition of or title to the Property or its fitness for Buyer's intended use of same. Buyer is familiar with the Property. Buyer is relying solely upon its own, independent inspections, investigations and analysis of the Property as it deems necessary or appropriate in so acquiring the Property from Seller, including, without limitation, an analysis of any and all matters concerning the condition of the Property and its suitability for Buyer's intended purposes, and a review of all applicable laws, ordinances, rules and governmental regulations (including, but not limited to, those relative to building, zoning and land use) affecting the development, use, occupancy or enjoyment of the Property.

BUYER ACKNOWLEDGES AND AGREES THAT, SELLER HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY NEGATES AND DISCLAIMS ANY REPRESENTATIONS, WARRANTIES, PROMISES, COVENANTS, AGREEMENTS OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, OF, AS TO, CONCERNING OR WITH RESPECT TO THE PROPERTY OR ANY MATTER RELATED THERETO, INCLUDING, WITHOUT LIMITATION, THE HABITABILITY, MERCHANTABILITY, MARKETABILITY, PROFITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE PROPERTY, AND COMPLIANCE WITH ANY ENVIRONMENTAL LAWS OR THE PRESENCE, ABSENCE, CONDITION OR STATUS OF ANY HAZARDOUS MATERIALS. BUYER ACKNOWLEDGES AND AGREES THAT TO THE MAXIMUM EXTENT PERMITTED BY LAW, THE SALE OF THE PROPERTY AS PROVIDED FOR HEREIN IS MADE ON AN "AS IS" CONDITION AND BASIS WITH ALL FAULTS, AND THAT SELLER HAS NO OBLIGATIONS TO MAKE REPAIRS, REPLACEMENTS OR IMPROVEMENTS OR REMEDIATE ANY HAZARDOUS MATERIALS.

BY INITIALING BELOW, THE BUYER ACKNOWLEDGES THAT (i) THIS SECTION 5.2 HAS BEEN READ AND FULLY UNDERSTOOD, (ii) THE BUYER HAS HAD THE CHANCE TO ASK QUESTIONS OF ITS COUNSEL ABOUT ITS MEANING AND SIGNIFICANCE, AND (iii) THE BUYER HAS ACCEPTED AND AGREED TO THE TERMS SET FORTH IN THIS SECTION 5.2.

____
BUYER'S INITIALS

Buyer waives and releases as of the Close of Escrow any and all claims it may have against Seller relating to the physical condition of the Property (including, without limitation, the presence or release hazardous materials or substances). To the extent of such waiver and release, Buyer expressly waives its rights, if any, under California Civil Code Section 1542 which provides:

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

____
Buyer's Initials

Notices. All notices and demands shall be given in writing by certified mail, postage prepaid, and return receipt requested, or by recognized national courier service. Notices shall be considered given upon the earlier of (a) two (2) business days following deposit in the United States mail, postage prepaid, certified or registered, return receipt requested or (b) the following business day if sent by overnight courier. A copy of all notices shall be sent to Escrow Holder. Notices shall be addressed as provided below for the respective party; provided that any party may change its address for notices by written notices given to the other party. Buyer:Joshua Hageman______________________
____
____

Buyer Broker: Ryan Edwards
Mahoney & Associates
501 Abrego Street
Monterey, CA 93940
(831) 646-1000

Seller: Successor Agency to the Redevelopment Agency of City of Seaside
440 Harcourt Avenue
Seaside, California 93955
Attn.: Executive Director

Seller Broker:	Carpenter/Robbins Commercial Real Estate, Inc. 3160 Crow Canyon Road, Suite 200 San Ramon, CA 94583 Attn: John Robbins/Alyce Rados
Escrow Holder:	Chicago Title Company 250 Bonifacio Place Monterey, CA 93940 (831) 796-3452 Attn: Kimberly Verania

12. Broker's Commissions. Carpenter/Robbins Commercial Real Estate, Inc, is the real estate broker for Seller in this transaction. Mahoney & Associates is the real estate broker for the Buyer in this transaction. Seller shall pay to Carpenter/Robbins Commercial Real Estate, Inc. at close of escrow a commission of 3% of the gross sales price of the Property and to Mahoney & Associates at close of escrow a commission fee of 3% of the gross sales price of the Property. There are no other amounts owned for real estate commissions. Buyer and Seller shall hold each other harmless from any claim asserted by a real estate or other broker claiming through Buyer or Seller, respectively, for a commission in connection with this transaction.

13. Standard Instructions. Each party agrees to execute Escrow Holder's supplemental reasonable standard instructions as may be necessary or proper in order to consummate the transactions contemplated by this Agreement; provided, however, in the event of a material conflict between the terms hereof and the terms of such standard instructions, the terms hereof shall control.

14. Time is of the Essence. The parties hereto agree that time is of the essence with respect to each term, condition and covenant hereof.

15. Successors and Assigns. The provisions of this Agreement are expressly binding upon, and shall inure to the benefit of, the parties hereto and their successors in interest and assigns.

16. Entire Agreement. This Agreement, together with all exhibits hereto, integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the parties or their predecessors in interest with respect to all or any part of the subject matter hereof. Notwithstanding the foregoing, the Temporary Construction Easement shall survive the Close of Escrow.

17. Severability. Invalidation of any of the terms, conditions, covenants, or other provisions contained herein by judgment or court order shall in no way affect any of the other terms, conditions, covenants, or provisions hereof, and the same shall remain in full force and effect.

18. Amendments. Any amendments to this Agreement shall be effective only when duly executed by Seller and Buyer and deposited with Escrow Holder.

19. Attorneys' Fees. In the event that suit is brought for the enforcement of this Agreement or as the result of any alleged breach thereof, the prevailing party or parties in such suit shall be entitled to recover their reasonable attorneys' fees, costs, and expenses from the losing party or parties, and any judgment or decree rendered in such proceedings shall include an award thereof.

20. No Third Party Beneficiary Rights. This Agreement is entered into for the sole benefit of Seller and Buyer and no other parties are intended to be direct or incidental beneficiaries of this Agreement.

21. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

22. Counterparts. This Agreement may be executed simultaneously in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. For purposes of this Agreement, facsimile signatures shall be deemed to be original signatures, and shall be followed by the immediate overnight delivery of original signature pages.

23. Assignment of Agreement. Neither Buyer nor Seller may assign or transfer their respective rights or obligations under this Agreement without first obtaining the prior written consent of the other, which consent may be granted or withheld in its sole and absolute discretion.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the date first above written.

BUYER:
JOSHUA HAGEMAN

____

____

By:____________________________

Print Name:____________________

SELLER:

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SEASIDE

By:__________________________________

Print Name:__________________________
Executive Director

Attest:

____

Print Name: __________________________
City Clerk

Approved as to Form:___________________

LIST OF EXHIBITS

EXHIBIT A

LEGAL DESCRIPTION OF THE LAND

Property Inventory Information
Parcel Data

APN: 011-301-007-000
Vista Del Rey tact
Lot 8 BLK 11

Legal Description to be Determined by the Title Company prior to the Close of Escrow

EXHIBIT B

FORM OF GRANT DEED

RECORDING REQUESTED BY,
AND WHEN RECORDED RETURN TO
(AND SEND TAX STATEMENTS TO):

____
____
____
Attn: ___________________

____

[SPACE ABOVE FOR RECORDER'S USE ONLY]

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

GRANT DEED

THE UNDERSIGNED GRANTOR DECLARES AS FOLLOWS:

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the Successor Agency to the Redevelopment Agency of the City of Seaside] (the "Grantor") hereby grants to _____________________ ("Grantee") the land in the City of Seaside, County of Monterey, State of California, more particularly described on **Exhibit A** attached hereto and all improvements thereon and all rights and appurtenances relating thereto (the "Property").

That the documentary transfer tax is $____________($1.10 per $1000 of consideration/purchase price); property is in the City of Seaside, County of Monterey

IN WITNESS WHEREOF, Grantor has executed this Grant Deed as of the date set forth below.

Dated: ______, 20__

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGNECY OF THE CITY OF SEASIDE

By: ___________________________
Print Name: ____________________
Executive Director

ACKNOWLEDGEMENT

State of California)
County of Los Angeles)

On __________________________, before me, ____________________________________,
(insert name and title of the officer)

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.

Signature_____________________________________ (Seal)

EXHIBIT C

CERTAIN DEFINITIONS

Environmental Condition means any condition of the Property that exists prior to or after the Closing Date, with respect to the air, land, soil, surface, subsurface strata, surface water, ground water, storm water or sediments.

Environmental Laws means all federal, state, local, or municipal laws, rules, orders, regulations, statutes, ordinances, codes, decrees, or requirements of any government authority regulating, relating to, or imposing liability or standards of conduct concerning any Hazardous Substance (as later defined), or pertaining to occupational health or industrial hygiene (and only to the extent that the occupational health or industrial hygiene laws, ordinances, or regulations relate to Hazardous Substances on, under, or about the Property), occupational or environmental conditions on, under, or about the Property, as now or may at any later time be in effect, including without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA) [42 USCS §§ 9601 et seq.]; the Resource Conservation and Recovery Act of 1976 (RCRA) [42 USCS §§ 6901 et seq.]; the Clean Water Act, also known as the Federal Water Pollution Control Act (FWPCA) [33 USCS §§ 1251 et seq.]; the Toxic Substances Control Act (TSCA) [15 USCS §§ 2601 et seq.]; the Hazardous Materials Transportation Act (HMTA) [49 USCS §§ 1801 et seq.]; the Insecticide, Fungicide, Rodenticide Act [7 USCS §§ 136 et seq.]; the Superfund Amendments and Reauthorization Act [42 USCS §§ 6901 et seq.]; the Clean Air Act [42 USCS §§ 7401 et seq.]; the Safe Drinking Water Act [42 USCS §§ 300f et seq.]; the Solid Waste Disposal Act [42 USCS §§ 6901 et seq.]; the Surface Mining Control and Reclamation Act [30 USCS §§ 1201 et seq.]; the Emergency Planning and Community Right to Know Act [42 USCS §§ 11001 et seq.]; the Occupational Safety and Health Act [29 USCS §§ 655 and 657]; the California Underground Storage of Hazardous Substances Act [H & S C §§ 25280 et seq.]; the California Hazardous Substances Account Act [H & S C §§ 25300 et seq.]; the California Hazardous Waste Control Act [H & S C §§ 25100 et seq.]; the California Safe Drinking Water and Toxic Enforcement Act [H & S C §§ 24249.5 et seq.]; the Porter-Cologne Water Quality Act [Wat C §§ 13000 et seq.] together with any amendments of or regulations promulgated under the statutes cited above and any other federal, state, or local law, statute, ordinance, or regulation now in effect or later enacted that pertains to occupational health or industrial hygiene, and only to the extent that the occupational health or industrial hygiene laws, ordinances, or regulations relate to Hazardous Substances on, under, or about the Property, or the regulation or protection of the environment, including ambient air, soil, soil vapor, groundwater, surface water, or land use.

Hazardous Substances includes without limitation:

(a) Those substances included within the definitions of hazardous substance, hazardous waste, hazardous material, toxic substance, solid waste, or pollutant or contaminant in CERCLA, RCRA, TSCA, HMTA, or under any other Environmental Law;

(b) Those substances listed in the United States Department of Transportation (DOT) Table [49 CFR 172.101], or by the Environmental Protection Agency (EPA), or any successor agency, as hazardous substances [40 CFR Part 302];

(c) Other substances, materials, and wastes that are or become regulated or classified as hazardous or toxic under federal, state, or local laws or regulations; and

(d) Any material, waste, or substance that is

(i) a petroleum or refined petroleum product,

(ii) asbestos,

(iii) polychlorinated biphenyl,

(iv) designated as a hazardous substance pursuant to 33 USCS § 1321 or listed pursuant to 33 USCS § 1317,

(v) a flammable explosive, or

(vi) a radioactive material.

CARPENTER/ROBBINS COMMERICAL REAL ESTATE, INC.
AGENCY DISCLOSURE STATEMENT

EXHIBIT D

LIST OF DOCUMENTS DELIVERED TO BUYER

Property Information Sheet

Sellers Mandatory Disclosure Form

JCP-LGS Property Information Disclosure Report

DOES THE CITY HAVE ANY OTHER DOCUMENTATION REGARDING THIS PROPERTY?

CARPENTER/ROBBINS COMMERICAL REAL ESTATE, INC.
AGENCY DISCLOSURE STATEMENT

When you enter into a discussion with a real estate agent regarding a real estate transaction, you should from the outset understand what type of agency relationship or representation you wish to have with the agent in the transaction.

SELLER'S/LANDLORD AGENT

A Seller's agent under a listing agreement with the Seller acts as the agent for the Seller only. A Seller's agent or a subagent of that agent has the following affirmative obligations:
To the Seller: A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Seller.
To the Buyer and the Seller:

(a) Diligent exercise of reasonable skill and care in performance of the agent's duties.
(b) A duty of honest and fair dealing and good faith.
(c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties.

An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

BUYER'S/TENANT AGENT

A selling agent can, with a Buyer's consent, agree to act as agent for the Buyer only. In these situations, the agent is not the Seller's agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the Seller. An agent acting only for a Buyer has the following affirmative obligations:
To the Buyer: A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Buyer.
To the Buyer and the Seller:

(a) Diligent exercise of reasonable skill and care in performance of the agent's duties.
(b) A duty of honest and fair dealing and good faith.
(c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties.

An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

AGENT REPRESENTING BOTH SELLER/lANDLORD AND BUYER/TENANT

A real estate agent, either acting directly or through one or more associate licensees, can legally be the agent of both the Seller and the Buyer in a transaction, but only with the knowledge and consent of both the Seller and the Buyer.
In a dual agency situation, the agent has the following affirmative obligations to both the Seller and the Buyer:

(a) A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either the Seller or the Buyer.
(b) Other duties to the Seller and the Buyer as stated above in their respective sections.

In representing both Seller and Buyer, the agent may not, without the express permission of the respective party, disclose to the other party that the Seller will accept a price less than the listing price or that the Buyer will pay a price greater than the price offered.

The above duties of the agent in a real estate transaction do not relieve a Seller or Buyer from the responsibility to protect his or her own interests. You should carefully read all agreements to assure that they adequately express your understanding of the transaction. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional.
Throughout your real property transaction you may receive more than one disclosure form, depending upon the number of agents assisting in the transaction. The law requires each agent with whom you have more than a casual relationship to present you with this disclosure form. You should read its contents each time it is presented to you, considering the relationship between you and the real estate agent in your specific transaction.

This disclosure form includes the provisions of Sections 2079.13 to 2079.24, inclusive, of the Civil Code set forth on the attached document hereof. Read it carefully. I/WE ACKNOWLEDGE RECIEPT OF A COPY OF THIS DISCLOSURE AND THE PORTIONS OF THE CIVIL CODE PRINTED ON A SEPARATE PAGE.

SELLER AGENT:
CARPENTER/ROBBINS COMMERCIAL REAL ESTATE, INC. ***BRE #*** 01280981

Carpenter/Robbins
Commercial Real Estate, Inc.

CARPENTER/ROBBINS COMMERICAL REAL ESTATE, INC.
AGENCY DISCLOSURE STATEMENT

(SIGNED) AGENT: ______________________________ *BRE#* *00418143*
(PRINTED NAME) *John Robbins* ______________________________ *is the agent of (check one):*

(SIGNED) AGENT: ______________________________ *BRE#* *01169743*
(PRINTED NAME) *Alyce H. Rados* ______________________________

BUYER AGENT:

(SIGNED) AGENT: ______________________________ ***BRE#01521253***

(PRINTED NAME): ***Ryan Edwards, Mahoney & Associates***

CALIFORNIA CIVIL CODESECTIONS 2079.14 THROUGH 2079.24 (20179.16 APPEARS ON THE ATTACHED)

2079.13. As used in Sections 2079.14 to 2079.24, inclusive, the following terms have the following meanings:
(a) "Agent" means a person acting under provisions of Title 9(commencing with Section 2295) in a real property transaction, and includes a person who is licensed as a real estate broker under Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code, and under whose license a listings executed or an offer to purchase is obtained.(b) "Associate licensee" means a person who is licensed as a real estate broker or salesperson under Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code and who is either licensed under a broker or has entered into a written contract with a broker to act as the broker's agent in connection with acts requiring a real estate license and to function under the broker's supervision in the capacity of an associate licensee. The agent in the real property transaction bears responsibility for his or her associate licensees who perform as agents of the agent. When an associate licensee owes a duty to any principal, or to any buyer or seller who is not a principal, in a real property transaction, that duty is equivalent to the duty owed to that party by the broker for whom the associate licensee functions.(c) "Buyer" means a transferee in a real property transaction, and includes a person who executes an offer to purchase real property from a seller through an agent, or who seeks the services of an agent in more than a casual, transitory, or preliminary manner, with the object of entering into a real property transaction. "Buyer" includes vendee or lessee. (d) "Commercial real property" means all real property in the state, except single-family residential real property, dwelling units made subject to Chapter 2 (commencing with Section 1940) of Title 5, mobile homes, as defined in Section 798.3, or recreational vehicles, as defined in Section 799.29. (e) "Dual agent" means an agent acting, either directly or through an associate licensee, as agent for both the seller and the buyer in a real property transaction. (f) "Listing agreement" means a contract between an owner of real property and an agent, by which the agent has been authorized to sell the real property or to find or obtain a buyer. (g) "Listing agent" means a person who has obtained a listing of real property to act as an agent for compensation. (h) "Listing price" is the amount expressed in dollars specified in the listing for which the seller is willing to sell the real property through the listing agent. (i) "Offering price" is the amount expressed in dollars specified in an offer to purchase for which the buyer is willing to buy the real property. (j) "Offer to purchase" means a written contract executed by a buyer acting through a selling agent that becomes the contract for the sale of the real property upon acceptance by the seller. (k) "Real property" means any estate specified by subdivision (1) or (2) of Section 761 in property that constitutes or is improved with one to four dwelling units, any commercial real property, any leasehold in these types of property exceeding one year's duration, and mobile homes, when offered for sale or sold through an agent pursuant to the authority contained in Section 10131.6 of the Business and Professions Code. (l) "Real property transaction" means a transaction for the sale of real property in which an agent is employed by one or more of the principals to act in that transaction, and includes a listing or an offer to purchase. (m) "Sell," "sale," or "sold" refers to a transaction for the transfer of real property from the seller to the buyer, and includes exchanges of real property between the seller and buyer, transactions for the creation of a real property sales contract within the meaning of Section 2985, and transactions for the creation of a leasehold exceeding one year's duration. (n) "Seller" means the transferor in a real property transaction, and includes an owner who lists real property with an agent, whether or not a transfer results, or who receives an offer to purchase real property of which he or she is the owner from an agent on behalf of another. "Seller" includes both a vendor and a lessor (o) "Selling agent" means a listing agent who acts alone, or an agent who acts in cooperation with a listing agent, and who sells or finds and obtains a buyer for the real property, or an agent who locates property for a buyer or who finds a buyer for a property for which no listing exists and presents an offer to purchase to the seller. (p) "Subagent" means a person to whom an agent delegates agency powers as provided in Article 5 (commencing with Section 2349) of Chapter 1 of Title 9. However, "subagent" does not include an associate licensee who is acting under the supervision of an agent in a real property transaction.
2079.14. Listing agents and selling agents shall provide the seller and buyer in a real property transaction with a copy of the disclosure form specified in Section 2079.16, and, except as provided

in subdivision (c), shall obtain a signed acknowledgment of receipt from that seller or buyer, except as provided in this section or Section 2079.15, as follows: (a) The listing agent, if any, shall provide the disclosure form to the seller prior to entering into the listing agreement. (b) The selling agent shall provide the disclosure form to the seller as soon as practicable prior to presenting the seller with an offer to purchase, unless the selling agent previously provided the seller with a copy of the disclosure form pursuant to subdivision (a) (c) Where the selling agent does not deal on a face-to-face basis with the seller, the disclosure form prepared by the selling agent may be furnished to the seller (and acknowledgment of receipt obtained for the selling agent from the seller) by the listing agent, or the selling agent may deliver the disclosure form by certified mail addressed to the seller at his or her last known address, in which case no signed acknowledgment of receipt is required. (d) The selling agent shall provide the disclosure form to the buyer as soon as practicable prior to execution of the buyer's offer to purchase, except that if the offer to purchase is not prepared by the selling agent, the selling agent shall present the disclosure form to the buyer not later than the next business day after the selling agent receives the offer to purchase from the buyer.

2079.15. In any circumstance in which the seller or buyer refuses to sign an acknowledgment of receipt pursuant to Section 2079.14, the agent, or an associate licensee acting for an agent, shall set forth, sign, and date a written declaration of the facts of the refusal.

2079.17. (a) As soon as practicable, the selling agent shall disclose to the buyer and seller whether the selling agent is acting in the real property transaction exclusively as the buyer's agent, exclusively as the seller's agent, or as a dual agent representing both the buyer and the seller. This relationship shall be confirmed in the contract to purchase and sell real property or in a separate writing executed or acknowledged by the seller, the buyer, and the selling agent prior to or coincident with execution of that contract by the buyer and the seller, respectively. (b) As soon as practicable, the listing agent shall disclose to the seller whether the listing agent is acting in the real property transaction exclusively as the seller's agent, or as a dual agent representing both the buyer and seller. This relationship shall be confirmed in the contract to purchase and sell real property or in a separate writing executed or acknowledged by the seller and the listing agent prior to or coincident with the execution of that contract by the seller. (c) The confirmation required by subdivisions (a) and (b) shall be in the following form:

(Name of Listing Agent) Carpenter/Robbins Commercial Real Estate,Inc. is the agent of (check one): (x) the seller exclusively; or () both the buyer and seller.

(Name of Selling Agent if not the same as the Listing Agent) _Carpenter/Robbins Commercial Real Estate, Inc. is the agent of (check one):
( ) the buyer exclusively; or
(x) the seller exclusively; or ( ) both the buyer and seller.

(d) The disclosures and confirmation required by this section shall be in addition to the disclosure required by Section 2079.14.

2079.18. No selling agent in a real property transaction may act as an agent for the buyer only, when the selling agent is also acting as the listing agent in the transaction.

2079.19. The payment of compensation or the obligation to pay compensation to an agent by the seller or buyer is not necessarily determinative of a particular agency relationship between an agent and the seller or buyer. A listing agent and a selling agent may agree to share any compensation or commission paid, or any right to any compensation or commission for which an obligation arises as the result of a real estate transaction, and the terms of any such agreement shall not necessarily be determinative of a particular relationship.

2079.20. Nothing in this article prevents an agent from selecting, as a condition of the agent's employment, a specific form of agency relationship not specifically prohibited by this article if the requirements of Section 2079.14 and Section 2079.17 are complied with.

2079.21. A dual agent shall not disclose to the buyer that the seller is willing to sell the property at a price less than the listing price, without the express written consent of the seller. A dual agent shall not disclose to the seller that the buyer is willing to pay a price greater than the offering price, without the express written consent of the buyer. This section does not alter in any way the duty or responsibility of a dual agent to any principal with respect to confidential information other than price.

2079.22. Nothing in this article precludes a listing agent from also being a selling agent, and the combination of these functions in one agent does not, of itself, make that agent a dual agent.

2079.23. (a) A contract between the principal and agent may be modified or altered to change the agency relationship at any time before the performance of the act which is the object of the agency with the written consent of the parties to the agency relationship.

(b) A lender or an auction company retained by a lender to control aspects of a transaction of real property subject to this part, including validating the sales price, shall not require, as a condition of receiving the lender's approval of the transaction, the homeowner or listing agent to defend or indemnify the lender or auction company from any liability alleged to result from the actions of the lender or auction company. Any clause, provision, covenant, or agreement purporting to impose an obligation to defend or indemnify a lender or an auction company in violation of this subdivision is against public policy, void, and unenforceable.

2079.24. Nothing in this article shall be construed to either diminish the duty of disclosure owed buyers and sellers by agents and their associate licensees, subagents, and employees or to relieve agents and their associate licensees, subagents, and employees from liability for their conduct in connection with acts governed by this article or for any breach of a fiduciary duty or a duty of disclosure.

Buyers/Tenants Initials (_____) (_____)

Sellers/Landlords Initials (_____) (_____)

CARPENTER/ROBBINS COMMERICAL REAL ESTATE, INC.
AGENCY DISCLOSURE STATEMENT

Written Acknowledgement of Agency Disclosure

REQUIRED TO BE SIGNED BY SELLER/BUYER OR LANDLORD/TENANT

California Civil Code requires Commercial real estate brokers to obtain a written acknowledgement of receipt of the applicable disclosures by the seller and buyer (or landlord and tenant, as applicable). Please sign and return this form to attention of the Broker::

PROPERTY:___1511-1535 Del Monte Boulevard, Seaside, CA__

CARPENTER/ROBBINS COMMERCIAL REAL ESTATE, INC. ***BRE #*** 01280981

(SIGNED) AGENT:_John Robbins_____________________________ ***BRE#*** ***______00418143***

(PRINTED NAME)___*John Robbins*_________________________________ ***is the agent of (check one):***

(SIGNED) AGENT:_Alyce H. Rados_______________________________ ***BRE#__01169743___________***

(PRINTED NAME)__*Alyce H. Rados*____________________________________***is the agent of (check one):***

~~( ) the buyer/tenant exclusively~~; or (x) the seller/owner exclusively; ~~or ( ) the buyer/tenant and the seller / owner~~

OPTIONAL IF ADDITIONAL BROKER:

BROKER:____ ***BRE #*** ______ _____________

(SIGNED) AGENT:____ ***BRE#***________ ____________

(PRINTED NAME)____***is the agent of (check one):***

( ) the seller exclusively; or ( ) both the buyer and seller.

CARPENTER/ROBBINS COMMERICAL REAL ESTATE, INC.
AGENCY DISCLOSURE STATEMENT

I hereby acknowledge receipt of this disclosure,

BY: ____ *(________,201__)*

PRINT NAME: ______*Joshua Hageman*

RETURN TO: **3160 Crow Canyon Road, Suite 200 ▪ San Ramon, CA 94583 ▪ www.crcre.com**
Phone: 925.866-1300 ▪ Fax: 925.866-1306 ▪ CalBRE License 01280981

PURCHASE AND SALE AGREEMENT

AND

ESCROW INSTRUCTIONS

by and between the

Successor Agency to the Redevelopment Agency of the City of Seaside
("Seller")

and

Bradley Zeve and Andy Runnoe
("Buyer")

TABLE OF CONTENTS

PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS

This PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS (this "Agreement") is dated as of December 15, 2016 ("the Effective Date") and is entered into by and between Bradley Zeve and Andy Runnoe("Buyer") and the Successor Agency to the Redevelopment Agency of the City of Seaside ("Seller").

RECITALS

A. Seller is the owner of the land in the City of Seaside, County of Monterey, State of California, more particularly described on **Exhibit A** attached hereto and made a part hereof, commonly known as 307 Roberts Avenue together with all improvements thereon (collectively, the "Property").

B. Buyer desires to purchase the Property from Seller.

C. The Seller's obligations to close the sale of the Property are conditioned upon the approval of this Agreement by the Oversight Board of the Successor Agency to the Seaside Redevelopment Agency ("OB") and either (i) the failure of the California Department of Finance ("DOF") to request review thereof within the period permitted by law; (ii) or if such review is timely requested the DOF's approval of the OB decision. Seller shall use good faith efforts to promptly obtain such OB approval.

NOW, THEREFORE, in consideration of the terms and conditions of this Agreement and for other valuable consideration, the receipt of which is hereby acknowledged, Buyer and Seller agree as follows:

1. Purchase and Sale. Subject to and in accordance with the terms and conditions hereinafter set forth, Seller agrees to sell Property to Buyer, and Buyer agrees to purchase the Property from Seller.

2. Opening and Closing of Escrow. Within five (5) business days after the Effective Date, the parties shall open an escrow ("Escrow") with Chicago Title Company ("Escrow Holder" and "Title Company"), at 250 Bonifacio Place, Monterey, CA 93940 Attn: Kimberly Verania, Escrow Officer; Phone: (831) 796-3452 Email: Kim.Verania@ctt.com; and shall deliver a copy of this fully executed Agreement to said Escrow Holder. "Close of Escrow" shall be the date that a grant deed for Property in favor of Buyer, is recorded in the Official Records of the Monterey County Recorder's Office. Close of Escrow shall occur on or before the date that is seven (7) days after the expiration of the Due Diligence Period, as defined in Section 5 below ("Outside Closing Date").

3. Purchase Price; Deposit.

(a) The purchase price for Property to be paid by Buyer is the sum of _Seventy Five Thousand Dollars ($75,000.00) ("Purchase Price").

Seller acknowledges having received the sum of One Thousand Dollars ($1,000.00) from Buyer (the "Deposit"). On the Close of Escrow, the Deposit shall be applied toward the Purchase Price.

In the event this Agreement is terminated by Buyer under Section 5.5 below or as a result of a default by Seller, then the Deposit shall be refunded to Buyer.

(c) Buyer acknowledges that an appraisal of the property will be ordered by the Seller and completed by a licensed commercial appraiser, at the sole expense of the Buyer, within thirty (30) days of the Effective Date. Said appraisal must equal or exceed the purchase price to be paid by Buyer for the Property. If closing occurs after the initial appraisal expires, then Seller shall request an updated appraisal by the original appraiser, which shall be at the sole expense of the Buyer.

IF BUYER FAILS TO COMPLETE THE PURCHASE OF THE PROPERTY AS HEREIN PROVIDED BY REASON OF DEFAULT OF BUYER, IT IS AGREED THAT THE DEPOSIT THEN HELD BY ESCROW HOLDER SHALL BE NON-REFUNDABLE AND SELLER SHALL BE ENTITLED TO SUCH DEPOSIT, WHICH AMOUNT SHALL BE ACCEPTED BY SELLER AS LIQUIDATED DAMAGES AND NOT AS A PENALTY AND AS SELLER'S SOLE AND EXCLUSIVE REMEDY. IT IS AGREED THAT SAID AMOUNT CONSTITUTES A REASONABLE ESTIMATE OF THE DAMAGES TO SELLER PURSUANT TO CALIFORNIA CIVIL CODE SECTION 1671 ET SEQ. BUYER AND SELLER AGREE THAT IT WOULD BE IMPRACTICAL OR IMPOSSIBLE TO PRESENTLY PREDICT WHAT MONETARY DAMAGES SELLER WOULD SUFFER UPON BUYER'S FAILURE TO COMPLETE ITS PURCHASE OF THE PROPERTY. BUYER DESIRES TO LIMIT THE MONETARY DAMAGES FOR WHICH IT MIGHT BE LIABLE HEREUNDER AND BUYER AND SELLER DESIRE TO AVOID THE COSTS AND DELAYS THEY WOULD INCUR IF A LAWSUIT WERE COMMENCED TO RECOVER DAMAGES OR OTHERWISE ENFORCE SELLER'S RIGHTS. IF FURTHER INSTRUCTIONS ARE REQUIRED BY ESCROW HOLDER TO EFFECTUATE THE TERMS OF THIS SECTION, BUYER AND SELLER AGREE TO EXECUTE THE SAME. THE PARTIES ACKNOWLEDGE THIS PROVISION BY PLACING THEIR INITIALS BELOW:

____________________	____________________
SELLER'S INITIALS	**BUYER'S INITIALS**

3.1 Prorations. The following items are to be prorated as of close of escrow: (i) taxes; (ii) assessments (on a per square foot basis); and (iii) any utilities charges.

4. Title Insurance.

(a) Within five (5) business days after the opening of escrow, Seller and Buyer shall cause Title Company to furnish Buyer with an updated title report for the Property, together with copies of all documents referenced therein as exceptions to title (collectively, the Title Report").

(b) Buyer shall have until the date that is 20 days after receipt of the Title Report to deliver to Seller and Escrow Holder written notice (the "Preliminary Title Notice") of Buyer's approval, conditional approval or disapproval of the title exceptions disclosed in the Title Report (excluding the standard printed exceptions in the form of title policy and taxes and assessments which are liens not yet due and payable) [and any matters shown by a survey conducted by Buyer at Buyer's cost]. All matters not timely disapproved by Buyer will be deemed approved. All such exceptions disapproved by Buyer are referred to herein as "Disapproved Exceptions".

(c) Seller shall have twenty (20) days after receipt of Buyer's Preliminary Title Notice to commit to cause any such Disapproved Exceptions to be released of record, or commit to cause the Title Company to endorse over such Disapproved Exceptions pursuant to an endorsement or endorsements reasonably acceptable to Buyer, or elect not to remove or endorse over Disapproved Exceptions. If Seller fails to deliver its response notice within said twenty (20) days, Seller shall be deemed to have elected not to eliminate or endorse over all matters disapproved or conditionally approved by Buyer.

(d) If Seller elects not to commit to remove (or is deemed not to commit to remove) and elects not to cause the Title Company to endorse over (or is deemed to elect not to cause Title Company to endorse over), a Disapproved Exception (other than a monetary lien or encumbrance, as to which Seller's obligation to remove is absolute), Buyer shall have the option, to be exercised within five (5) business days after Seller's notice to elect to terminate this Agreement, in which case the Deposit shall be returned to Buyer. If (or if no notice is given, then within five business days after the end of the 20 day period) buyer fails to timely deliver the termination notice, Buyer shall be deemed to have elected take title subject to the Disapproved Exceptions.

(e) Buyer's fee title to Property shall be insured at the Close of Escrow by an CLTA Standard Coverage Owner's Policy of Title Insurance in the amount of the Purchase Price, issued by Title Company (or, at the option of Buyer, an ALTA policy if Buyer performs an ALTA survey at Buyer's cost during the period described in Section 4(b) above and requires an ALTA Extended Coverage Owner's Policy of Title Insurance) and containing exceptions in the title report issued by Title Company (the "Permitted Title Exceptions").

(f) Seller shall not encumber the Property during the period from Effective Date to the earlier of Close of Escrow or the date of the termination of this Agreement.

5. Due Diligence; Right Of Entry.

5.1 Buyer hereby acknowledges receipt of the documents described on Exhibit "D". Seller hereby grants Buyer and its agents, employees, contractors and subcontractors designated in writing by Buyer to Seller (collectively "Representatives") the right to enter on the Property until the date that is 45 days after the Effective Date (the "Due Diligence Period") for the purpose of inspecting the physical condition of the Property, including soils, water and electric and other utility connections, and geological matters and toxic or hazardous substances and other contamination subject to scheduling and coordination with the Seller Buyer shall also confirm that no gas station has been on Property. All such investigations shall be at Buyer's expense. All work performed by Buyer and its Representatives will be performed diligently and in a manner consistent with the standards of care, diligence and skill exercised by recognized consulting firms for similar services, and in accordance with professional standards and the requirements of any governmental agency or entity and all applicable laws, and shall not disturb, or otherwise violate the rights of tenants.

5.2 Buyer and its Representatives shall promptly notify the Seller of any discovery, spill, release, or discharge of any Hazardous Substances, as defined in Exhibit C, on, under or about the Property which is discovered, encountered, or results from or is related to the Buyer's or its Representatives' access to and/or use of the Property under this Agreement.

5.3 In connection with the inspections of the Property by Buyer and its Representatives (including, without limitation, any survey), Buyer shall, at its own cost and expense, take any necessary action to keep the Property, and any improvements and personally thereon, in good order and repair and safe condition to the extent that such Property, improvements or personality were in such condition prior to its entry, and the whole of the Property, in a clean, sanitary and orderly condition, including, without limitation, ensuring that any holes, ditches or other indentations, as well as any mounds or other inclines created by any excavation by Buyer or its Representatives are regraded, resurfaced and compacted. If any portion of the Property or an adjacent property, including improvements and fixtures, suffers damage or alteration by reason of the access and activities of Buyer or its Representatives on the Property, Buyer shall, at its own cost and expense, promptly repair all such damage and restore the Property or adjacent property to as good a condition as before such damage or alteration occurred, or if it cannot be repaired, Buyer shall replace such damaged or altered property to the extent possible.

5.4 Prior to entering the Property, Buyer shall provide Seller with reasonable evidence that Buyer has reasonable insurance covering Buyer's activities on the Property. In any event, Buyer shall defend, protect, indemnify, and hold free and harmless Seller and its employees, agents, and representatives, and their successors, and assigns (individually as "Indemnitee" and collectively, "Indemnitees"), free and harmless from and against any and all damages, costs, expenses, liabilities, claims, demands, causes of action, proceedings, expenses, judgments, penalties, liens, and losses of any nature whatsoever (collectively, the "Claims"), including fees of accountants, attorneys, expert witnesses, or other professionals, and all costs associated therewith, arising or claimed to arise, directly or indirectly, out of, in connection with, resulting from, or related to any act, failure to act, error, or omission of Buyer or any of its Representatives arising or claimed to arise, directly or indirectly, out of, in connection with, resulting from, or related to entry upon the Property pursuant to this Section.

5.5 If Buyer determines, in its reasonable discretion, that the condition of the Property is not acceptable to Buyer, then Buyer may terminate this Agreement by written notice to Seller (specifying in detail the matters that are unacceptable) given on or before the end of the Due Diligence Period. If Buyer fails to so terminate this Agreement, Buyer shall be deemed to have approved all aspects of the condition of the Property.

6. Deposit of Documents and Funds in Escrow.

(a) Seller and Buyer, as applicable, hereby covenant and agree to deliver to Escrow Holder at least one (1) business day prior to Close of Escrow the following instruments, documents, and funds, the delivery of each of which shall be a condition of the Close of Escrow.

(b) Seller shall deliver:

(i) A Grant Deed in the form attached hereto as Exhibit "B" duly executed and acknowledged by Seller;

(ii) A Withholding Exemption Certificate Form 593-C as contemplated by California Revenue and Taxation Code §18662 (the "Withholding Affidavit") duly executed by Seller;

(iii) A Certification of Non-Foreign Status in accordance with Internal Revenue Code Section 1445 duly executed by Seller;

(iv) Such proof of Seller's authority and authorization to enter into this transaction as the Title Company may require in order to issue the Title Policy.

(c) Buyer shall deliver:

(i) The Purchase Price (less the Deposit) together with such funds as are required to pay for costs and expenses payable by Buyer hereunder;

(ii) Each of the Buyer and Seller may waive (in writing) any condition of the Close of Escrow set forth in this Section 6.

7. Authorization to Record Documents and Disburse Funds. Escrow Holder is hereby authorized to record the documents and disburse the funds and distribute the documents called for hereunder upon the Close of Escrow, provided each of the following conditions has then been fulfilled:

(a) The Title Company can issue the Title Policy, with a liability in the amount of the Purchase Price, showing fee title to the Property vested in Buyer, subject only to the Permitted Title Exceptions.

(b) Seller and Buyer shall have deposited in Escrow the documents and funds required pursuant to Section 6.

8. Prorations; Charges. Property taxes, assessments, and rents shall be prorated as of the close of Escrow. Buyer shall pay (i) fifty percent (50%) of the escrow fees and charges of Escrow Holder, (ii) the cost of all endorsements to the Title Policy and any extended coverage, and (iii) Buyer's share of the charges prorated under this Agreement. Seller shall pay: (i) fifty percent (50%) of the escrow fees and charges of Escrow Holder; (ii) the cost of the premium for CLTA coverage under the Title Policy; (iii) all recording charges, if any; and (iv) any documentary transfer taxes. If the Escrow shall fail to close for any reason other than Seller's default, Buyer shall pay any applicable Escrow cancellation charges.

9. Condemnation; Destruction. All risk of loss with respect to the Property shall remain with Seller until after the Close of Escrow and delivery of possession of the Property to Buyer. If at any time prior to the Close of Escrow, the Property, or any portion thereof, is damaged by fire or other casualty or taken or appropriated through eminent domain or similar

proceedings, or is condemned for any public or quasi-public use, Buyer may terminate this Agreement. If Buyer terminates this Agreement, Seller shall be entitled to receive all insurance proceeds payable to Buyer or Seller or all condemnation proceeds actually paid for that portion of the property taken. If Buyer elects to maintain this Agreement in full force and effect, then upon Close of Escrow, Buyer shall be entitled to receive all insurance proceeds payable to Seller or all condemnation proceeds actually paid for that portion of the Property taken or, if such proceeds have been paid to Seller, Buyer shall receive a credit against the Purchase Price equal to the amount of proceeds actually paid to Seller. Buyer shall not be entitled to any reduction in the Purchase Price.

10. Default. In the event of a breach or default under this Agreement by either Seller or Buyer, the non-defaulting party shall have the right to terminate this Agreement and the Escrow for the purchase and sale of the Property by delivering written notice thereof to the defaulting party and to Escrow Holder, and if Buyer is the non-defaulting party, Buyer shall thereupon promptly receive a refund of the Deposit. Such right of termination of the Escrow by the non-defaulting party shall be without prejudice to the non-defaulting party's rights and remedies against the defaulting party at law or equity, and specifically the right to specific performance of this Agreement.

11. As Is; Release. Buyer is acquiring the Property "AS IS, WHERE IS" without any representation or warranty of Seller, express, implied or statutory, as to the nature or condition of or title to the Property or its fitness for Buyer's intended use of same. Buyer is familiar with the Property. Buyer is relying solely upon its own, independent inspections, investigations and analysis of the Property as it deems necessary or appropriate in so acquiring the Property from Seller, including, without limitation, an analysis of any and all matters concerning the condition of the Property and its suitability for Buyer's intended purposes, and a review of all applicable laws, ordinances, rules and governmental regulations (including, but not limited to, those relative to building, zoning and land use) affecting the development, use, occupancy or enjoyment of the Property.

BUYER ACKNOWLEDGES AND AGREES THAT, SELLER HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY NEGATES AND DISCLAIMS ANY REPRESENTATIONS, WARRANTIES, PROMISES, COVENANTS, AGREEMENTS OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, OF, AS TO, CONCERNING OR WITH RESPECT TO THE PROPERTY OR ANY MATTER RELATED THERETO, INCLUDING, WITHOUT LIMITATION, THE HABITABILITY, MERCHANTABILITY, MARKETABILITY, PROFITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE PROPERTY, AND COMPLIANCE WITH ANY ENVIRONMENTAL LAWS OR THE PRESENCE, ABSENCE, CONDITION OR STATUS OF ANY HAZARDOUS MATERIALS. BUYER ACKNOWLEDGES AND AGREES THAT TO THE MAXIMUM EXTENT PERMITTED BY LAW, THE SALE OF THE PROPERTY AS PROVIDED FOR HEREIN IS MADE ON AN "AS IS" CONDITION AND BASIS WITH ALL FAULTS, AND THAT SELLER HAS NO OBLIGATIONS TO MAKE REPAIRS, REPLACEMENTS OR IMPROVEMENTS OR REMEDIATE ANY HAZARDOUS MATERIALS.

BY INITIALING BELOW, THE BUYER ACKNOWLEDGES THAT (i) THIS SECTION 5.2 HAS BEEN READ AND FULLY UNDERSTOOD, (ii) THE BUYER HAS HAD THE CHANCE TO ASK QUESTIONS OF ITS COUNSEL ABOUT ITS MEANING AND SIGNIFICANCE, AND (iii) THE BUYER HAS ACCEPTED AND AGREED TO THE TERMS SET FORTH IN THIS SECTION 5.2.

____
BUYER'S INITIALS

Buyer waives and releases as of the Close of Escrow any and all claims it may have against Seller relating to the physical condition of the Property (including, without limitation, the presence or release hazardous materials or substances). To the extent of such waiver and release, Buyer expressly waives its rights, if any, under California Civil Code Section 1542 which provides:

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

____
Buyer's Initials

12. Notices. All notices and demands shall be given in writing by certified mail, postage prepaid, and return receipt requested, or by recognized national courier service. Notices shall be considered given upon the earlier of (a) two (2) business days following deposit in the United States mail, postage prepaid, certified or registered, return receipt requested or (b) the following business day if sent by overnight courier. A copy of all notices shall be sent to Escrow Holder. Notices shall be addressed as provided below for the respective party; provided that any party may change its address for notices by written notice given to the other party.

Buyer:	Bradley Zeve and Andy Runnoe 668 Williams Avenue Seaside, CA 93955 (831) 601-5678 bradley@mcweekly.com
Buyer Broker:	David J. Zeve 2716 Hilltop Drive Newport Beach, CA 92660
Seller:	Successor Agency to the Redevelopment Agency of the City of Seaside 440 Harcourt Avenue Seaside, California 93955 Attn.: Executive Director

Seller Broker: Carpenter/Robbins Commercial Real Estate, Inc.
3160 Crow Canyon Road, Suite 200
San Ramon, CA 94583
Attn: John Robbins/Alyce Rados

Escrow Holder:
Chicago Title Company
250 Bonifacio Place
Monterey, CA 93940
(831) 796-3452
Attn: Kimberly Verania

13. Broker's Commissions. Carpenter/Robbins Commercial Real Estate, Inc, is the real estate broker for Seller in this transaction. David J. Zeve is the real estate broker for the Buyer in this transaction. Seller shall pay to Carpenter/Robbins Commercial Real Estate, Inc. at close of escrow a commission of 3% of the gross sales price of the Property and to David J. Zeve at close of escrow a commission fee of 3% of the gross sales price of the Property. There are no other amounts owned for real estate commissions. Buyer and Seller shall hold each other harmless from any claim asserted by a real estate or other broker claiming through Buyer or Seller, respectively, for a commission in connection with this transaction.

14. Standard Instructions. Each party agrees to execute Escrow Holder's supplemental reasonable standard instructions as may be necessary or proper in order to consummate the transactions contemplated by this Agreement; provided, however, in the event of a material conflict between the terms hereof and the terms of such standard instructions, the terms hereof shall control.

15. Time is of the Essence. The parties hereto agree that time is of the essence with respect to each term, condition and covenant hereof.

16. Successors and Assigns. The provisions of this Agreement are expressly binding upon, and shall inure to the benefit of, the parties hereto and their successors in interest and assigns.

17. Entire Agreement. This Agreement, together with all exhibits hereto, integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the parties or their predecessors in interest with respect to all or any part of the subject matter hereof. Notwithstanding the foregoing, the Temporary Construction Easement shall survive the Close of Escrow.

18. Severability. Invalidation of any of the terms, conditions, covenants, or other provisions contained herein by judgment or court order shall in no way affect any of the other terms, conditions, covenants, or provisions hereof, and the same shall remain in full force and effect.

19. Amendments. Any amendments to this Agreement shall be effective only when duly executed by Seller and Buyer and deposited with Escrow Holder.

20. Attorneys' Fees. In the event that suit is brought for the enforcement of this Agreement or as the result of any alleged breach thereof, the prevailing party or parties in such suit shall be entitled to recover their reasonable attorneys' fees, costs, and expenses from the losing party or parties, and any judgment or decree rendered in such proceedings shall include an award thereof.

21. No Third Party Beneficiary Rights. This Agreement is entered into for the sole benefit of Seller and Buyer and no other parties are intended to be direct or incidental beneficiaries of this Agreement.

22. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

23. Counterparts. This Agreement may be executed simultaneously in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. For purposes of this Agreement, facsimile signatures shall be deemed to be original signatures, and shall be followed by the immediate overnight delivery of original signature pages.

24. Assignment of Agreement. Neither Buyer nor Seller may assign or transfer their respective rights or obligations under this Agreement without first obtaining the prior written consent of the other, which consent may be granted or withheld in its sole and absolute discretion.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the date first above written.

BUYER:
BRADLEY ZEVE AND ANDY RUNNOE

____

____

By: ___________________________

Print Name: ____________________

SELLER:

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SEASIDE

By:_________________________________

Print Name:__________________________
Executive Director

Approved as to Form___________________

LIST OF EXHIBITS

EXHIBIT A

LEGAL DESCRIPTION OF THE LAND

Property Inventory Information
Parcel Data

APN: 011-561-035-000

Legal Description to be Determined by the Title Company prior to the Close of Escrow

EXHIBIT B

FORM OF GRANT DEED

RECORDING REQUESTED BY,
AND WHEN RECORDED RETURN TO
(AND SEND TAX STATEMENTS TO):

____
____
____
Attn: ____________________

[SPACE ABOVE FOR RECORDER'S USE ONLY]

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

GRANT DEED

THE UNDERSIGNED GRANTOR DECLARES AS FOLLOWS:

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the Successor Agency to the Redevelopment Agency of the City of Seaside (the "Grantor") hereby grants to ______________________ ("Grantee") the land in the City of Seaside, County of Monterey, State of California, more particularly described on **Exhibit A** attached hereto and all improvements thereon and all rights and appurtenances relating thereto (the "Property").

That the documentary transfer tax is $___________($1.10 per $1000 of consideration/purchase price); property is in the City of Seaside, County of Monterey.

IN WITNESS WHEREOF, Grantor has executed this Grant Deed as of the date set forth below.

Dated: ______, 20__

SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY OF
SEASIDE

By: ____________________________
Print Name: _____________________
Executive Director

ACKNOWLEDGEMENT

State of California)
County of Los Angeles)

On _________________________, before me, __________________________________,
(insert name and title of the officer)

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.

Signature___________________________________ (Seal)

EXHIBIT C

CERTAIN DEFINITIONS

Environmental Condition means any condition of the Property that exists prior to or after the Closing Date, with respect to the air, land, soil, surface, subsurface strata, surface water, ground water, storm water or sediments.

Environmental Laws means all federal, state, local, or municipal laws, rules, orders, regulations, statutes, ordinances, codes, decrees, or requirements of any government authority regulating, relating to, or imposing liability or standards of conduct concerning any Hazardous Substance (as later defined), or pertaining to occupational health or industrial hygiene (and only to the extent that the occupational health or industrial hygiene laws, ordinances, or regulations relate to Hazardous Substances on, under, or about the Property), occupational or environmental conditions on, under, or about the Property, as now or may at any later time be in effect, including without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA) [42 USCS §§ 9601 et seq.]; the Resource Conservation and Recovery Act of 1976 (RCRA) [42 USCS §§ 6901 et seq.]; the Clean Water Act, also known as the Federal Water Pollution Control Act (FWPCA) [33 USCS §§ 1251 et seq.]; the Toxic Substances Control Act (TSCA) [15 USCS §§ 2601 et seq.]; the Hazardous Materials Transportation Act (HMTA) [49 USCS §§ 1801 et seq.]; the Insecticide, Fungicide, Rodenticide Act [7 USCS §§ 136 et seq.]; the Superfund Amendments and Reauthorization Act [42 USCS §§ 6901 et seq.]; the Clean Air Act [42 USCS §§ 7401 et seq.]; the Safe Drinking Water Act [42 USCS §§ 300f et seq.]; the Solid Waste Disposal Act [42 USCS §§ 6901 et seq.]; the Surface Mining Control and Reclamation Act [30 USCS §§ 1201 et seq.]; the Emergency Planning and Community Right to Know Act [42 USCS §§ 11001 et seq.]; the Occupational Safety and Health Act [29 USCS §§ 655 and 657]; the California Underground Storage of Hazardous Substances Act [H & S C §§ 25280 et seq.]; the California Hazardous Substances Account Act [H & S C §§ 25300 et seq.]; the California Hazardous Waste Control Act [H & S C §§ 25100 et seq.]; the California Safe Drinking Water and Toxic Enforcement Act [H & S C §§ 24249.5 et seq.]; the Porter-Cologne Water Quality Act [Wat C §§ 13000 et seq.] together with any amendments of or regulations promulgated under the statutes cited above and any other federal, state, or local law, statute, ordinance, or regulation now in effect or later enacted that pertains to occupational health or industrial hygiene, and only to the extent that the occupational health or industrial hygiene laws, ordinances, or regulations relate to Hazardous Substances on, under, or about the Property, or the regulation or protection of the environment, including ambient air, soil, soil vapor, groundwater, surface water, or land use.

Hazardous Substances includes without limitation:

(a) Those substances included within the definitions of hazardous substance, hazardous waste, hazardous material, toxic substance, solid waste, or pollutant or contaminant in CERCLA, RCRA, TSCA, HMTA, or under any other Environmental Law;

(b) Those substances listed in the United States Department of Transportation (DOT) Table [49 CFR 172.101], or by the Environmental Protection Agency (EPA), or any successor agency, as hazardous substances [40 CFR Part 302];

(c) Other substances, materials, and wastes that are or become regulated or classified as hazardous or toxic under federal, state, or local laws or regulations; and

(d) Any material, waste, or substance that is

(i) a petroleum or refined petroleum product,

(ii) asbestos,

(iii) polychlorinated biphenyl,

(iv) designated as a hazardous substance pursuant to 33 USCS § 1321 or listed pursuant to 33 USCS § 1317,

(v) a flammable explosive, or

(vi) a radioactive material.

CARPENTER/ROBBINS COMMERICAL REAL ESTATE, INC.
AGENCY DISCLOSURE STATEMENT

EXHIBIT D

LIST OF DOCUMENTS DELIVERED TO BUYER

Property Information Sheet

Sellers Mandatory Disclosure Form

JCP-LGS Property Information Disclosure Report

DOES THE CITY HAVE ANY OTHER DOCUMENTATION REGARDING THIS PROPERTY?

CARPENTER/ROBBINS COMMERICAL REAL ESTATE, INC.
AGENCY DISCLOSURE STATEMENT

When you enter into a discussion with a real estate agent regarding a real estate transaction, you should from the outset understand what type of agency relationship or representation you wish to have with the agent in the transaction.

SELLER'S/LANDLORD AGENT

A Seller's agent under a listing agreement with the Seller acts as the agent for the Seller only. A Seller's agent or a subagent of that agent has the following affirmative obligations:
To the Seller: A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Seller.
To the Buyer and the Seller:

(a) Diligent exercise of reasonable skill and care in performance of the agent's duties.
(b) A duty of honest and fair dealing and good faith.
(c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties.

An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

BUYER'S/TENANT AGENT

A selling agent can, with a Buyer's consent, agree to act as agent for the Buyer only. In these situations, the agent is not the Seller's agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the Seller. An agent acting only for a Buyer has the following affirmative obligations:
To the Buyer: A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Buyer.
To the Buyer and the Seller:

(a) Diligent exercise of reasonable skill and care in performance of the agent's duties.
(b) A duty of honest and fair dealing and good faith.
(c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties.

An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

AGENT REPRESENTING BOTH SELLER/lANDLORD AND BUYER/TENANT

A real estate agent, either acting directly or through one or more associate licensees, can legally be the agent of both the Seller and the Buyer in a transaction, but only with the knowledge and consent of both the Seller and the Buyer.
In a dual agency situation, the agent has the following affirmative obligations to both the Seller and the Buyer:

(a) A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either the Seller or the Buyer.
(b) Other duties to the Seller and the Buyer as stated above in their respective sections.

In representing both Seller and Buyer, the agent may not, without the express permission of the respective party, disclose to the other party that the Seller will accept a price less than the listing price or that the Buyer will pay a price greater than the price offered.

The above duties of the agent in a real estate transaction do not relieve a Seller or Buyer from the responsibility to protect his or her own interests. You should carefully read all agreements to assure that they adequately express your understanding of the transaction. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional.
Throughout your real property transaction you may receive more than one disclosure form, depending upon the number of agents assisting in the transaction. The law requires each agent with whom you have more than a casual relationship to present you with this disclosure form. You should read its contents each time it is presented to you, considering the relationship between you and the real estate agent in your specific transaction.

This disclosure form includes the provisions of Sections 2079.13 to 2079.24, inclusive, of the Civil Code set forth on the attached document hereof. Read it carefully. I/WE ACKNOWLEDGE RECIEPT OF A COPY OF THIS DISCLOSURE AND THE PORTIONS OF THE CIVIL CODE PRINTED ON A SEPARATE PAGE.

SELLER AGENT:

CARPENTER/ROBBINS COMMERCIAL REAL ESTATE, INC. **BRE #** 01280981

CARPENTER/ROBBINS COMMERICAL REAL ESTATE, INC.
AGENCY DISCLOSURE STATEMENT

(SIGNED) AGENT:____ **BRE#__00418143**

(PRINTED NAME)___John Robbins________________________________ **is the agent of (check one):**

(SIGNED) AGENT:_____________________________________ **BRE#__01169743______________**

(PRINTED NAME)__Alyce H. Rados____________________________________

BUYER AGENT:

(SIGNED) AGENT:____ ***BRE#***

(PRINTED NAME):_____***David J. Zeve***__

CALIFORNIA CIVIL CODESECTIONS 2079.14 THROUGH 2079.24 (20179.16 APPEARS ON THE ATTACHED)

2079.13. As used in Sections 2079.14 to 2079.24, inclusive, the following terms have the following meanings:
(a) "Agent" means a person acting under provisions of Title 9(commencing with Section 2295) in a real property transaction, and includes a person who is licensed as a real estate broker under Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code, and under whose license a listings executed or an offer to purchase is obtained.(b) "Associate licensee" means a person who is licensed as a real estate broker or salesperson under Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code and who is either licensed under a broker or has entered into a written contract with a broker to act as the broker's agent in connection with acts requiring a real estate license and to function under the broker's supervision in the capacity of an associate licensee. The agent in the real property transaction bears responsibility for his or her associate licensees who perform as agents of the agent. When an associate licensee owes a duty to any principal, or to any buyer or seller who is not a principal, in a real property transaction, that duty is equivalent to the duty owed to that party by the broker for whom the associate licensee functions.(c) "Buyer" means a transferee in a real property transaction, and includes a person who executes an offer to purchase real property from a seller through an agent, or who seeks the services of an agent in more than a casual, transitory, or preliminary manner, with the object of entering into a real property transaction. "Buyer" includes vendee or lessee. (d) "Commercial real property" means all real property in the state, except single-family residential real property, dwelling units made subject to Chapter 2 (commencing with Section 1940) of Title 5, mobile homes, as defined in Section 798.3, or recreational vehicles, as defined in Section 799.29. (e) "Dual agent" means an agent acting, either directly or through an associate licensee, as agent for both the seller and the buyer in a real property transaction. (f) "Listing agreement" means a contract between an owner of real property and an agent, by which the agent has been authorized to sell the real property or to find or obtain a buyer. (g) "Listing agent" means a person who has obtained a listing of real property to act as an agent for compensation. (h) "Listing price" is the amount expressed in dollars specified in the listing for which the seller is willing to sell the real property through the listing agent. (i) "Offering price" is the amount expressed in dollars specified in an offer to purchase for which the buyer is willing to buy the real property. (j) "Offer to purchase" means a written contract executed by a buyer acting through a selling agent that becomes the contract for the sale of the real property upon acceptance by the seller. (k) "Real property" means any estate specified by subdivision (1) or (2) of Section 761 in property that constitutes or is improved with one to four dwelling units, any commercial real property, any leasehold in these types of property exceeding one year's duration, and mobile homes, when offered for sale or sold through an agent pursuant to the authority contained in Section 10131.6 of the Business and Professions Code. (l) "Real property transaction" means a transaction for the sale of real property in which an agent is employed by one or more of the principals to act in that transaction, and includes a listing or an offer to purchase. (m) "Sell," "sale," or "sold" refers to a transaction for the transfer of real property from the seller to the buyer, and includes exchanges of real property between the seller and buyer, transactions for the creation of a real property sales contract within the meaning of Section 2985, and transactions for the creation of a leasehold exceeding one year's duration. (n) "Seller" means the transferor in a real property transaction, and includes an owner who lists real property with an agent, whether or not a transfer results, or who receives an offer to purchase real

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AGENCY DISCLOSURE STATEMENT

property of which he or she is the owner from an agent on behalf of another. "Seller" includes both a vendor and a lessor (o) "Selling agent" means a listing agent who acts alone, or an agent who acts in cooperation with a listing agent, and who sells or finds and obtains a buyer for the real property, or an agent who locates property for a buyer or who finds a buyer for a property for which no listing exists and presents an offer to purchase to the seller. (p) "Subagent" means a person to whom an agent delegates agency powers as provided in Article 5 (commencing with Section 2349) of Chapter 1 of Title 9. However, "subagent" does not include an associate licensee who is acting under the supervision of an agent in a real property transaction.

2079.14. Listing agents and selling agents shall provide the seller and buyer in a real property transaction with a copy of the disclosure form specified in Section 2079.16, and, except as provided in subdivision (c), shall obtain a signed acknowledgment of receipt from that seller or buyer, except as provided in this section or Section 2079.15, as follows: (a) The listing agent, if any, shall provide the disclosure form to the seller prior to entering into the listing agreement. (b) The selling agent shall provide the disclosure form to the seller as soon as practicable prior to presenting the seller with an offer to purchase, unless the selling agent previously provided the seller with a copy of the disclosure form pursuant to subdivision (a) (c) Where the selling agent does not deal on a face-to-face basis with the seller, the disclosure form prepared by the selling agent may be furnished to the seller (and acknowledgment of receipt obtained for the selling agent from the seller) by the listing agent, or the selling agent may deliver the disclosure form by certified mail addressed to the seller at his or her last known address, in which case no signed acknowledgment of receipt is required. (d) The selling agent shall provide the disclosure form to the buyer as soon as practicable prior to execution of the buyer's offer to purchase, except that if the offer to purchase is not prepared by the selling agent, the selling agent shall present the disclosure form to the buyer not later than the next business day after the selling agent receives the offer to purchase from the buyer.

2079.15. In any circumstance in which the seller or buyer refuses to sign an acknowledgment of receipt pursuant to Section 2079.14, the agent, or an associate licensee acting for an agent, shall set forth, sign, and date a written declaration of the facts of the refusal.

2079.17. (a) As soon as practicable, the selling agent shall disclose to the buyer and seller whether the selling agent is acting in the real property transaction exclusively as the buyer's agent, exclusively as the seller's agent, or as a dual agent representing both the buyer and the seller. This relationship shall be confirmed in the contract to purchase and sell real property or in a separate writing executed or acknowledged by the seller, the buyer, and the selling agent prior to or coincident with execution of that contract by the buyer and the seller, respectively. (b) As soon as practicable, the listing agent shall disclose to the seller whether the listing agent is acting in the real property transaction exclusively as the seller's agent, or as a dual agent representing both the buyer and seller. This relationship shall be confirmed in the contract to purchase and sell real property or in a separate writing executed or acknowledged by the seller and the listing agent prior to or coincident with the execution of that contract by the seller. (c) The confirmation required by subdivisions (a) and (b) shall be in the following form:

(Name of Listing Agent)Carpenter/Robbins Commercial Real Estate, Inc.is the agent of (check one): (x) the seller exclusively; or ( ) both the buyer and seller.

(Name of Selling Agent if not the same as the Listing Agent) _Carpenter/Robbins Commercial Real Estate, Inc. is the agent of (check one): (x) the buyer exclusively; or
(x) the seller exclusively; or ( ) both the buyer and seller.

(d) The disclosures and confirmation required by this section shall be in addition to the disclosure required by Section 2079.14.

2079.18. No selling agent in a real property transaction may act as an agent for the buyer only, when the selling agent is also acting as the listing agent in the transaction.

2079.19. The payment of compensation or the obligation to pay compensation to an agent by the seller or buyer is not necessarily determinative of a particular agency relationship between an agent and the seller or buyer. A listing agent and a selling agent may agree to share any compensation or commission paid, or any right to any compensation or commission for which an obligation arises as the result of a real estate transaction, and the terms of any such agreement shall not necessarily be determinative of a particular relationship.

2079.20. Nothing in this article prevents an agent from selecting, as a condition of the agent's employment, a specific form of agency relationship not specifically prohibited by this article if the requirements of Section 2079.14 and Section 2079.17 are complied with.

2079.21. A dual agent shall not disclose to the buyer that the seller is willing to sell the property at a price less than the listing price, without the express written consent of the seller. A dual agent shall not disclose to the seller that the buyer is willing to pay a price greater than the offering price, without the express written consent of the buyer. This section does not alter in any way the duty or responsibility of a dual agent to any principal with respect to confidential information other than price.

2079.22. Nothing in this article precludes a listing agent from also being a selling agent, and the combination of these functions in one agent does not, of itself, make that agent a dual agent.

2079.23. (a) A contract between the principal and agent may be modified or altered to change the agency relationship at any time before the performance of the act which is the object of the agency with the written consent of the parties to the agency relationship.

(b) A lender or an auction company retained by a lender to control aspects of a transaction of real property subject to this part, including validating the sales price, shall not require, as a condition of receiving the lender's approval of the transaction, the homeowner or listing agent to defend or indemnify the lender or auction company from any liability alleged to result from the actions of the lender or auction company. Any clause, provision, covenant, or agreement purporting to impose an obligation to defend or indemnify a lender or an auction company in violation of this subdivision is against public policy, void, and unenforceable.

2079.24. Nothing in this article shall be construed to either diminish the duty of disclosure owed buyers and sellers by agents and their associate licensees, subagents, and employees or to relieve agents and their associate licensees, subagents, and employees from liability for their conduct in connection with acts governed by this article or for any breach of a fiduciary duty or a duty of disclosure.

Buyers/Tenants Initials (_____) (_____)

Sellers/Landlords Initials (_____) (_____)

CARPENTER/ROBBINS COMMERICAL REAL ESTATE, INC.
AGENCY DISCLOSURE STATEMENT

Written Acknowledgement of Agency Disclosure

REQUIRED TO BE SIGNED BY SELLER/BUYER OR LANDLORD/TENANT

California Civil Code requires Commercial real estate brokers to obtain a written acknowledgement of receipt of the applicable disclosures by the seller and buyer (or landlord and tenant, as applicable). Please sign and return this form to attention of the Broker::

PROPERTY:__307 Roberts Avenue, Seaside, CA_

CARPENTER/ROBBINS COMMERCIAL REAL ESTATE, INC. **BRE #** 01280981

(SIGNED) AGENT:_John Robbins_____________ **BRE#** **00418143**

(PRINTED NAME)___John Robbins______________ **is the agent of (check one):**

(SIGNED) AGENT:_Alyce H Rados_____________ **BRE#_01169743**

(PRINTED NAME)__Alyce H. Rados______________**is the agent of (check one):**

~~( ) the buyer/tenant exclusively~~; or (x) the seller/owner exclusively; ~~or ( ) the buyer/tenant and the seller / owner~~

OPTIONAL IF ADDITIONAL BROKER:

BROKER:______________________ **BRE #** ______

CARPENTER/ROBBINS COMMERICAL REAL ESTATE, INC.
AGENCY DISCLOSURE STATEMENT

(SIGNED) AGENT:____ **BRE#________**
____

(PRINTED NAME)____**is the agent of (check one):**

( ) the seller exclusively; or ( ) both the buyer and seller.

CARPENTER/ROBBINS COMMERICAL REAL ESTATE, INC.
AGENCY DISCLOSURE STATEMENT

I hereby acknowledge receipt of this disclosure,

BY: ____ (________,201__

PRINT NAME: ___Bradley Zev and Andy Runnoe_______

RETURN TO: 3160 Crow Canyon Road, Suite 200 ▪ San Ramon, CA 94583 ▪ www.crcre.com
Phone: 925.866-1300 ▪ Fax: 925.866-1306 ▪ CalBRE License 01280981

PURCHASE AND SALE AGREEMENT

AND

ESCROW INSTRUCTIONS

by and between the

CITY OF SEASIDE,

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SEASIDE
(collectively, "Seller")

and

Early Development Services, Inc.
("Buyer")

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PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS

This PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS (this "Agreement") is dated as of _________, 20__ ("the Effective Date") and is entered into by and between _Early Development Services, Inc. ("Buyer") and the CITY OF SEASIDE, a municipal corporation [, as successor agency to the Redevelopment Agency of the City of Seaside] ("Seller").

RECITALS

A. Seller is the owner of the land in the City of Seaside, County of Monterey, State of California, more particularly described on **Exhibit A** attached hereto and made a part hereof, commonly known as the Troia Building together with all improvements thereon (collectively, the "Property").

B. Buyer desires to purchase the Property from Seller.

NOW, THEREFORE, in consideration of the terms and conditions of this Agreement and for other valuable consideration, the receipt of which is hereby acknowledged, Buyer and Seller agree as follows:

1. Purchase and Sale. Subject to and in accordance with the terms and conditions hereinafter set forth, Seller agrees to sell Property to Buyer, and Buyer agrees to purchase the Property from Seller.

(a) The Seller's obligations to close the sale of the Property are condition upon the approval of this Agreement by Oversight Board of the Successor Agency to the Seaside Redevelopment Agency ("OB") and either (i) the failure of the California Department of Finance ("DOF") to request review thereof within the period permitted by law; (ii) or if such review is timely requested the DOF's approval of the OB decision. Sellers shall use good faith efforts to promptly obtain such OB approval.

2. Opening and Closing of Escrow. Within five (5) business days after the Effective Date, the parties shall open an escrow ("Escrow") with Old Republic Title Monterey ("Escrow Holder" and "Title Company"), at 503 Abrego Street, Monterey, CA 93940 Attn: ___________, Escrow Officer; Phone: ___________ Email: ____________; and shall deliver a copy of this fully executed Agreement to said Escrow Holder. "Close of Escrow" shall be the date that a grant deed for Property in favor of Buyer, is recorded in the Official Records of the Monterey County Recorder's Office. Close of Escrow shall occur on or before the date that is ten (10) days after the expiration of the Due Diligence Period, as defined in Section 5 below ("Outside Closing Date").

3. Purchase Price; Deposit.

(a) The purchase price for Property to be paid by Buyer is the sum of Five hundred thousand dollars ($___500,000__) ("Purchase Price").

(b) Seller acknowledges having received the sum of ___ten thousand dollars__ ($10, 000) from Buyer (the "Deposit"). On the Close of Escrow, the Deposit shall be applied toward the Purchase Price. In the event this Agreement is terminated by Buyer under Section 5.5 below or as a result of a default by Seller, then the Deposit shall be refunded to Buyer.

IF BUYER FAILS TO COMPLETE THE PURCHASE OF THE PROPERTY AS HEREIN PROVIDED BY REASON OF DEFAULT OF BUYER, IT IS AGREED THAT THE DEPOSIT THEN HELD BY ESCROW HOLDER SHALL BE NON-REFUNDABLE AND SELLER SHALL BE ENTITLED TO SUCH DEPOSIT, WHICH AMOUNT SHALL BE ACCEPTED BY SELLER AS LIQUIDATED DAMAGES AND NOT AS A PENALTY AND AS SELLER'S SOLE AND EXCLUSIVE REMEDY. IT IS AGREED THAT SAID AMOUNT CONSTITUTES A REASONABLE ESTIMATE OF THE DAMAGES TO SELLER PURSUANT TO CALIFORNIA CIVIL CODE SECTION 1671 ET SEQ. BUYER AND SELLER AGREE THAT IT WOULD BE IMPRACTICAL OR IMPOSSIBLE TO PRESENTLY PREDICT WHAT MONETARY DAMAGES SELLER WOULD SUFFER UPON BUYER'S FAILURE TO COMPLETE ITS PURCHASE OF THE PROPERTY. BUYER DESIRES TO LIMIT THE MONETARY DAMAGES FOR WHICH IT MIGHT BE LIABLE HEREUNDER AND BUYER AND SELLER DESIRE TO AVOID THE COSTS AND DELAYS THEY WOULD INCUR IF A LAWSUIT WERE COMMENCED TO RECOVER DAMAGES OR OTHERWISE ENFORCE SELLER'S RIGHTS. IF FURTHER INSTRUCTIONS ARE REQUIRED BY ESCROW HOLDER TO EFFECTUATE THE TERMS OF THIS SECTION, BUYER AND SELLER AGREE TO EXECUTE THE SAME. THE PARTIES ACKNOWLEDGE THIS PROVISION BY PLACING THEIR INITIALS BELOW:

____________________	____________________
SELLER'S INITIALS	**BUYER'S INITIALS**

3.1 Prorations. The following items are to be prorated as of close of escrow: (i) taxes; (ii) assessments (on a per square foot basis); and (iii) any utilities charges.

4. Title Insurance.

(a) Within five (5) business days after the opening of escrow, Seller and Buyer shall cause Title Company to furnish Buyer with an updated title report for the Property, together with copies of all documents referenced therein as exceptions to title (collectively, the Title Report").

(b) Buyer shall have until the date that is _30 Days_ after receipt of the Title Report to deliver to Seller and Escrow Holder written notice (the "Preliminary Title Notice") of Buyer's approval, conditional approval or disapproval of the title exceptions disclosed in the Title Report (excluding the standard printed exceptions in the form of title policy and taxes and assessments which are liens not yet due and payable) [and any matters shown by a survey conducted by Buyer at Buyer's cost]. All matters not timely disapproved by Buyer will be deemed approved. All such exceptions disapproved by Buyer are referred to herein as "Disapproved Exceptions".

(c) Seller shall have twenty (20) days after receipt of Buyer's Preliminary Title Notice to commit to cause any such Disapproved Exceptions to be released of record, or commit to cause the Title Company to endorse over such Disapproved Exceptions pursuant to an endorsement or endorsements reasonably acceptable to Buyer, or elect not to remove or endorse over Disapproved Exceptions. If Seller fails to deliver its response notice within said twenty (20) days, Seller shall be deemed to have elected not to eliminate or endorse over all matters disapproved or conditionally approved by Buyer.

(d) If Seller elects not to commit to remove (or is deemed not to commit to remove) and elects not to cause the Title Company to endorse over (or is deemed to elect not to cause Title Company to endorse over), a Disapproved Exception (other than a monetary lien or encumbrance, as to which Seller's obligation to remove is absolute), Buyer shall have the option, to be exercised within five (5) business days after Seller's notice to elect to terminate this Agreement, in which case the Deposit shall be returned to Buyer. If (or if no notice is given, then within five business days after the end of the 20 day period) buyer fails to timely deliver the termination notice, Buyer shall be deemed to have elected take title subject to the Disapproved Exceptions.

(e) Buyer's fee title to Property shall be insured at the Close of Escrow by an CLTA Standard Coverage Owner's Policy of Title Insurance in the amount of the Purchase Price, issued by Title Company (or, at the option of Buyer, an ALTA policy if Buyer performs an ALTA survey at Buyer's cost during the period described in Section 4(b) above and requires an ALTA Extended Coverage Owner's Policy of Title Insurance) and containing exceptions in the title report dated ________ issued by Title Company under Order No. ______ (the "Permitted Title Exceptions").

(f) Seller shall not encumber the Property during the period from Effective Date to the earlier of Close of Escrow or the date of the termination of this Agreement.

5. Due Diligence; Right Of Entry.

5.1 Buyer hereby acknowledges receipt of the documents described on Exhibit "D". Seller hereby grants Buyer and its agents, employees, contractors and subcontractors designated in writing by Buyer to Seller (collectively "Representatives") the right to enter on the Property until the date that is _____________ days after the Effective Date (the "Due Diligence Period") for the purpose of inspecting the physical condition of the Property, including soils and geological matters and toxic or hazardous substances and other contamination subject to scheduling and coordination with the Seller (call Kurt Overmeyer at 831-899-6839). All such investigations shall be at Buyer's expense. All work performed by Buyer and its Representatives will be performed diligently and in a manner consistent with the standards of care, diligence and skill exercised by recognized consulting firms for similar services, and in accordance with professional standards and the requirements of any governmental agency or entity and all applicable laws, and shall not disturb, or otherwise violate the rights of tenants.

5.2 Buyer and its Representatives shall promptly notify the Seller of any discovery, spill, release, or discharge of any Hazardous Substances, as defined in Exhibit C, on, under or about the Property which is discovered, encountered, or results from or is related to the Buyer's or its Representatives' access to and/or use of the Property under this Agreement.

5.3 In connection with the inspections of the Property by Buyer and its Representatives (including, without limitation, any survey), Buyer shall, at its own cost and expense, take any necessary action to keep the Property, and any improvements and personally thereon, in good order and repair and safe condition to the extent that such Property, improvements or personality were in such condition prior to its entry, and the whole of the Property, in a clean, sanitary and orderly condition, including, without limitation, ensuring that any holes, ditches or other indentations, as well as any mounds or other inclines created by any excavation by Buyer or its Representatives are regraded, resurfaced and compacted. If any portion of the Property or an adjacent property, including improvements and fixtures, suffers damage or alteration by reason of the access and activities of Buyer or its Representatives on the Property, Buyer shall, at its own cost and expense, promptly repair all such damage and restore the Property or adjacent property to as good a condition as before such damage or alteration occurred, or if it cannot be repaired, Buyer shall replace such damaged or altered property to the extent possible.

5.4 Prior to entering the Property, Buyer shall provide Seller with reasonable evidence that Buyer has reasonable insurance covering Buyer's activities on the Property. In any event, Buyer shall defend, protect, indemnify, and hold free and harmless Seller and its employees, agents, and representatives, and their successors, and assigns (individually as "Indemnitee" and collectively, "Indemnitees"), free and harmless from and against any and all damages, costs, expenses, liabilities, claims, demands, causes of action, proceedings, expenses, judgments, penalties, liens, and losses of any nature whatsoever (collectively, the "Claims"), including fees of accountants, attorneys, expert witnesses, or other professionals, and all costs associated therewith, arising or claimed to arise, directly or indirectly, out of, in connection with, resulting from, or related to any act, failure to act, error, or omission of Buyer or any of its Representatives arising or claimed to arise, directly or indirectly, out of, in connection with, resulting from, or related to entry upon the Property pursuant to this Section.

5.5 If Buyer determines, in its reasonable discretion, that the condition of the Property is not acceptable to Buyer, then Buyer may terminate this Agreement by written notice to Seller (specifying in detail the matters that are unacceptable) given on or before the end of the Due Diligence Period. If Buyer fails to so terminate this Agreement, Buyer shall be deemed to have approved all aspects of the condition of the Property.

6. Deposit of Documents and Funds in Escrow.

(a) Seller and Buyer, as applicable, hereby covenant and agree to deliver to Escrow Holder at least one (1) business day prior to Close of Escrow the following instruments, documents, and funds, the delivery of each of which shall be a condition of the Close of Escrow.

(b) Seller shall deliver:

(i) A Grant Deed in the form attached hereto as Exhibit "B" duly executed and acknowledged by Seller;

(ii) A Withholding Exemption Certificate Form 593-C as contemplated by California Revenue and Taxation Code §18662 (the "Withholding Affidavit") duly executed by Seller;

(iii) A Certification of Non-Foreign Status in accordance with Internal Revenue Code Section 1445 duly executed by Seller;

(iv) Such proof of Seller's authority and authorization to enter into this transaction as the Title Company may require in order to issue the Title Policy.

(c) Buyer shall deliver:

(i) The Purchase Price (less the Deposit) together with such funds as are required to pay for costs and expenses payable by Buyer hereunder;

(ii) Each of the Buyer and Seller may waive (in writing) any condition of the Close of Escrow set forth in this Section 6.

7. <u>Authorization to Record Documents and Disburse Funds</u>. Escrow Holder is hereby authorized to record the documents and disburse the funds and distribute the documents called for hereunder upon the Close of Escrow, provided each of the following conditions has then been fulfilled:

(a) The Title Company can issue the Title Policy, with a liability in the amount of the Purchase Price, showing fee title to the Property vested in Buyer, subject only to the Permitted Title Exceptions.

(b) Seller and Buyer shall have deposited in Escrow the documents and funds required pursuant to Section 6.

8. <u>Prorations; Charges</u>. Property taxes, assessments, and rents shall be prorated as of the close of Escrow. Buyer shall pay (i) fifty percent (50%) of the escrow fees and charges of Escrow Holder, (ii) the cost of all endorsements to the Title Policy and any extended coverage, and (iii) Buyer's share of the charges prorated under this Agreement. Seller shall pay: (i) fifty percent (50%) of the escrow fees and charges of Escrow Holder; (ii) the cost of the premium for CLTA coverage under the Title Policy; (iii) all recording charges, if any; and (iv) any documentary transfer taxes. If the Escrow shall fail to close for any reason other than Seller's default, Buyer shall pay any applicable Escrow cancellation charges.

9. <u>Condemnation; Destruction</u>. All risk of loss with respect to the Property shall remain with Seller until after the Close of Escrow and delivery of possession of the Property to Buyer. If at any time prior to the Close of Escrow, the Property, or any portion thereof, is damaged by fire or other casualty or taken or appropriated through eminent domain or similar proceedings, or is condemned for any public or quasi-public use, Buyer may terminate this Agreement. If Buyer terminates this Agreement, Seller shall be entitled to receive all insurance proceeds payable to Buyer or Seller or all condemnation proceeds actually paid for that portion of the property taken. If Buyer elects to maintain this Agreement in full force and effect, then upon Close of Escrow, Buyer shall be entitled to receive all insurance proceeds payable to Seller

or all condemnation proceeds actually paid for that portion of the Property taken or, if such proceeds have been paid to Seller, Buyer shall receive a credit against the Purchase Price equal to the amount of proceeds actually paid to Seller. Buyer shall not be entitled to any reduction in the Purchase Price.

10. Default. In the event of a breach or default under this Agreement by either Seller or Buyer, the non-defaulting party shall have the right to terminate this Agreement and the Escrow for the purchase and sale of the Property by delivering written notice thereof to the defaulting party and to Escrow Holder, and if Buyer is the non-defaulting party, Buyer shall thereupon promptly receive a refund of the Deposit. Such right of termination of the Escrow by the non-defaulting party shall be without prejudice to the non-defaulting party's rights and remedies against the defaulting party at law or equity, and specifically the right to specific performance of this Agreement.

11. As Is; Release. Buyer is acquiring the Property "AS IS, WHERE IS" without any representation or warranty of Seller, express, implied or statutory, as to the nature or condition of or title to the Property or its fitness for Buyer's intended use of same. Buyer is familiar with the Property. Buyer is relying solely upon its own, independent inspections, investigations and analysis of the Property as it deems necessary or appropriate in so acquiring the Property from Seller, including, without limitation, an analysis of any and all matters concerning the condition of the Property and its suitability for Buyer's intended purposes, and a review of all applicable laws, ordinances, rules and governmental regulations (including, but not limited to, those relative to building, zoning and land use) affecting the development, use, occupancy or enjoyment of the Property.

BUYER ACKNOWLEDGES AND AGREES THAT, SELLER HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY NEGATES AND DISCLAIMS ANY REPRESENTATIONS, WARRANTIES, PROMISES, COVENANTS, AGREEMENTS OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, OF, AS TO, CONCERNING OR WITH RESPECT TO THE PROPERTY OR ANY MATTER RELATED THERETO, INCLUDING, WITHOUT LIMITATION, THE HABITABILITY, MERCHANTABILITY, MARKETABILITY, PROFITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE PROPERTY, AND COMPLIANCE WITH ANY ENVIRONMENTAL LAWS OR THE PRESENCE, ABSENCE, CONDITION OR STATUS OF ANY HAZARDOUS MATERIALS. BUYER ACKNOWLEDGES AND AGREES THAT TO THE MAXIMUM EXTENT PERMITTED BY LAW, THE SALE OF THE PROPERTY AS PROVIDED FOR HEREIN IS MADE ON AN "AS IS" CONDITION AND BASIS WITH ALL FAULTS, AND THAT SELLER HAS NO OBLIGATIONS TO MAKE REPAIRS, REPLACEMENTS OR IMPROVEMENTS OR REMEDIATE ANY HAZARDOUS MATERIALS.

BY INITIALING BELOW, THE BUYER ACKNOWLEDGES THAT (i) THIS SECTION 5.2 HAS BEEN READ AND FULLY UNDERSTOOD, (ii) THE BUYER HAS HAD THE CHANCE TO ASK QUESTIONS OF ITS COUNSEL ABOUT ITS MEANING AND SIGNIFICANCE, AND (iii) THE BUYER HAS ACCEPTED AND AGREED TO THE TERMS SET FORTH IN THIS SECTION 5.2.

BUYER'S INITIALS

Buyer waives and releases as of the Close of Escrow any and all claims it may have against Seller relating to the physical condition of the Property (including, without limitation, the presence or release hazardous materials or substances). To the extent of such waiver and release, Buyer expressly waives its rights, if any, under California Civil Code Section 1542 which provides:

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

Buyer's Initials

12. Notices. All notices and demands shall be given in writing by certified mail, postage prepaid, and return receipt requested, or by recognized national courier service. Notices shall be considered given upon the earlier of (a) two (2) business days following deposit in the United States mail, postage prepaid, certified or registered, return receipt requested or (b) the following business day if sent by overnight courier. A copy of all notices shall be sent to Escrow Holder. Notices shall be addressed as provided below for the respective party; provided that any party may change its address for notices by written notice given to the other party.

Buyer:	Early Development Services, Inc. PO Box 1747 1450 Elm Avenue Seaside, CA 93955
Seller:	City of Seaside 440 Harcourt Avenue Seaside, California 93955 Attn.: City Manager
Escrow Holder:	Old Republic Title Monterey 503 Abrego Street Monterey, CA 93940

13. Broker's Commissions. The parties hereto acknowledge that this transaction did not involve a broker, salesperson or finder ("Broker") representing either Buyer or Seller. Each party shall defend, indemnify and hold the other party harmless from and against any and all claims for any broker's commissions or similar compensation that may be payable to a Broker

based on communications between the indemnifying party and such Broker. The provisions of this Section shall survive the Close of Escrow.

14. Standard Instructions. Each party agrees to execute Escrow Holder's supplemental reasonable standard instructions as may be necessary or proper in order to consummate the transactions contemplated by this Agreement; provided, however, in the event of a material conflict between the terms hereof and the terms of such standard instructions, the terms hereof shall control.

15. Time is of the Essence. The parties hereto agree that time is of the essence with respect to each term, condition and covenant hereof.

16. Successors and Assigns. The provisions of this Agreement are expressly binding upon, and shall inure to the benefit of, the parties hereto and their successors in interest and assigns.

17. Entire Agreement. This Agreement, together with all exhibits hereto, integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the parties or their predecessors in interest with respect to all or any part of the subject matter hereof. Notwithstanding the foregoing, the Temporary Construction Easement shall survive the Close of Escrow.

18. Severability. Invalidation of any of the terms, conditions, covenants, or other provisions contained herein by judgment or court order shall in no way affect any of the other terms, conditions, covenants, or provisions hereof, and the same shall remain in full force and effect.

19. Amendments. Any amendments to this Agreement shall be effective only when duly executed by Seller and Buyer and deposited with Escrow Holder.

20. Attorneys' Fees. In the event that suit is brought for the enforcement of this Agreement or as the result of any alleged breach thereof, the prevailing party or parties in such suit shall be entitled to recover their reasonable attorneys' fees, costs, and expenses from the losing party or parties, and any judgment or decree rendered in such proceedings shall include an award thereof.

21. No Third Party Beneficiary Rights. This Agreement is entered into for the sole benefit of Seller and Buyer and no other parties are intended to be direct or incidental beneficiaries of this Agreement.

22. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

23. Counterparts. This Agreement may be executed simultaneously in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. For purposes of this Agreement, facsimile signatures shall be deemed to be original signatures, and shall be followed by the immediate overnight delivery of original signature pages.

24. Assignment of Agreement. Neither Buyer nor Seller may assign or transfer their respective rights or obligations under this Agreement without first obtaining the prior written consent of the other, which consent may be granted or withheld in its sole and absolute discretion.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the date first above written.

BUYER:

Shannan Watkins
President
Early Development Services, Inc.
PO Box 1747
Seaside, CA 93955

SELLER:

CITY OF SEASIDE

By:______________________________

Print Name:_________________________
Mayor

Attest:

____

Print Name: _______________________
City Clerk

Approved as to Form:

____

LIST OF EXHIBITS

EXHIBIT A

LEGAL DESCRIPTION OF THE LAND

EXHIBIT B

FORM OF GRANT DEED

RECORDING REQUESTED BY,
AND WHEN RECORDED RETURN TO
(AND SEND TAX STATEMENTS TO):

Early Development Services, Inc.
PO Box 1747
Seaside, CA 93955
Attn: Shannan Watkins

[SPACE ABOVE FOR RECORDER'S USE ONLY]

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

GRANT DEED

THE UNDERSIGNED GRANTOR DECLARES AS FOLLOWS:

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the CITY OF SEASIDE, a municipal corporation [, as successor agency to the Redevelopment Agency of the City of Seaside] (the "Grantor") hereby grants to ______________________ ("Grantee") the land in the City of Seaside, County of Monterey, State of California, more particularly described on **Exhibit A** attached hereto and all improvements thereon and all rights and appurtenances relating thereto (the "Property").

IN WITNESS WHEREOF, Grantor has executed this Grant Deed as of the date set forth below.

Dated: ______, 20__

CITY OF SEASIDE

By: ____________________________
Print Name: ____________________
Mayor

ACKNOWLEDGEMENT

State of California)
County of Los Angeles)

On _________________________, before me, __________________________________,
(insert name and title of the officer)
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.

Signature___________________________________ (Seal)

ACKNOWLEDGEMENT

State of California)
County of Los Angeles)

On _________________________, before me, __________________________________,
(insert name and title of the officer)
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.

Signature___________________________________ (Seal)

EXHIBIT A

Legal Description of the Land

(Attached.)

EXHIBIT C

CERTAIN DEFINITIONS

Environmental Condition means any condition of the Property that exists prior to or after the Closing Date, with respect to the air, land, soil, surface, subsurface strata, surface water, ground water, storm water or sediments.

Environmental Laws means all federal, state, local, or municipal laws, rules, orders, regulations, statutes, ordinances, codes, decrees, or requirements of any government authority regulating, relating to, or imposing liability or standards of conduct concerning any Hazardous Substance (as later defined), or pertaining to occupational health or industrial hygiene (and only to the extent that the occupational health or industrial hygiene laws, ordinances, or regulations relate to Hazardous Substances on, under, or about the Property), occupational or environmental conditions on, under, or about the Property, as now or may at any later time be in effect, including without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA) [42 USCS §§ 9601 et seq.]; the Resource Conservation and Recovery Act of 1976 (RCRA) [42 USCS §§ 6901 et seq.]; the Clean Water Act, also known as the Federal Water Pollution Control Act (FWPCA) [33 USCS §§ 1251 et seq.]; the Toxic Substances Control Act (TSCA) [15 USCS §§ 2601 et seq.]; the Hazardous Materials Transportation Act (HMTA) [49 USCS §§ 1801 et seq.]; the Insecticide, Fungicide, Rodenticide Act [7 USCS §§ 136 et seq.]; the Superfund Amendments and Reauthorization Act [42 USCS §§ 6901 et seq.]; the Clean Air Act [42 USCS §§ 7401 et seq.]; the Safe Drinking Water Act [42 USCS §§ 300f et seq.]; the Solid Waste Disposal Act [42 USCS §§ 6901 et seq.]; the Surface Mining Control and Reclamation Act [30 USCS §§ 1201 et seq.]; the Emergency Planning and Community Right to Know Act [42 USCS §§ 11001 et seq.]; the Occupational Safety and Health Act [29 USCS §§ 655 and 657]; the California Underground Storage of Hazardous Substances Act [H & S C §§ 25280 et seq.]; the California Hazardous Substances Account Act [H & S C §§ 25300 et seq.]; the California Hazardous Waste Control Act [H & S C §§ 25100 et seq.]; the California Safe Drinking Water and Toxic Enforcement Act [H & S C §§ 24249.5 et seq.]; the Porter-Cologne Water Quality Act [Wat C §§ 13000 et seq.] together with any amendments of or regulations promulgated under the statutes cited above and any other federal, state, or local law, statute, ordinance, or regulation now in effect or later enacted that pertains to occupational health or industrial hygiene, and only to the extent that the occupational health or industrial hygiene laws, ordinances, or regulations relate to Hazardous Substances on, under, or about the Property, or the regulation or protection of the environment, including ambient air, soil, soil vapor, groundwater, surface water, or land use.

Hazardous Substances includes without limitation:

(a) Those substances included within the definitions of hazardous substance, hazardous waste, hazardous material, toxic substance, solid waste, or pollutant or contaminant in CERCLA, RCRA, TSCA, HMTA, or under any other Environmental Law;

(b) Those substances listed in the United States Department of Transportation (DOT) Table [49 CFR 172.101], or by the Environmental Protection Agency (EPA), or any successor agency, as hazardous substances [40 CFR Part 302];

(c) Other substances, materials, and wastes that are or become regulated or classified as hazardous or toxic under federal, state, or local laws or regulations; and

(d) Any material, waste, or substance that is

(i) a petroleum or refined petroleum product,

(ii) asbestos,

(iii) polychlorinated biphenyl,

(iv) designated as a hazardous substance pursuant to 33 USCS § 1321 or listed pursuant to 33 USCS § 1317,

(v) a flammable explosive, or

(vi) a radioactive material.

EXHIBIT D

LIST OF DOCUMENTS DELIVERED TO BUYER

RESOLUTION NO. 16-___

A JOINT RESOLUTION OF SUCCESSOR AGENCY OF THE SUCCESSOR AGENCY OF THE CITY OF SEASIDE REDEVELOPMENT AGENCY AND THE CITY OF SEASIDE

APPROVING THE TERMS OF PURCHASE AND SALE AGREEMENTS AND ESCROW INSTRUCTIONS FOR BETWEEN THE CITY OF SEASIDE, THE SUCESSOR AGENCY OF THE CITY OF SEASIDE REDEVELOPMENT AGENCY (COLLECTIVELY THE SELLER) AND KB BAKEWELL SEASIDE VENTURE (BUYER) FOR THE SALE OF FORMER REDEVELOPMENT AGENCY PROPERY AND CITY OWNED PROPERTY COMMONLY KNOWN AS 26 ACRES AND SURPLUS II

WHEREAS, Seller and Buyer upon receiving the required approval from the Successor Agency Board, Oversight Board and California Department of Finance entered into an Exclusive Negotiating Agreement with an effective date of March 13, 2014 (the "ENA") pertaining to the development of the Site; and

WHEREAS, The ENA was amended on March 5, 2015 and again on March 5, 2016; and

WHEREAS, The City solicited offers on the six properties listed as "For Sale" in the Long Range Property Management Plan; and

WHEREAS, pursuant to Health and Safety Code Section 34175(b) and the California Supreme Court's decision in California Redevelopment Association, et al. v. Ana Matosantos, et al. (53 Cal.4th 231(2011)), on February 1, 2012, all assets, properties, contracts, leases, books and records, buildings, and equipment of the former Redevelopment Agency of the City of Seaside (the "Agency") transferred to the control of the Successor Agency of the Redevelopment Agency of the City of Seaside (the "Successor Agency") by operation of law; and

WHEREAS, the Successor Agency staff has negotiated the terms and conditions of a Purchase and Sale Agreement and Escrow Instructions (the "PSA") between the Seller and Buyer for the properties; and

WHEREAS, the Successor Agency does not plan to execute the PSA unless and until it is approved by the Oversight Board and the California Department of Finance has approved such action by the Oversight Board or failed to respond in the time provided under California Health and Safety Code Section 34181(f).

NOW, THEREFORE, the Successor Agency hereby finds, determines and resolves as follows:

Section 1. The Agency hereby approves the terms and conditions of the six PSA(s), and all other documents reasonably required to implement the PSA(s), as substantially set forth in the form of PSA attached to this resolution.

Section 2. The Agency directs staff to forward the PSA to the Oversight Board for consideration with a recommendation of approval.

Section 3. Upon receipt of Oversight Board and California Department of Finance approval, the Executive Director of the Agency is hereby authorized to execute the PSA, to execute any other agreements and instruments reasonably necessary to affect these resolutions, and to make such reasonable modifications thereto as recommended by the Agency's legal counsel and Executive Director as required to implement the terms of this Resolution.

Section 4. The Agency Secretary shall certify to the adoption of this Resolution.

PASSED AND ADOPTED at a regular meeting of the Successor Agency of the former Redevelopment Agency of the City of Seaside held on the 15th day of December, 2016 by the following vote:

AYES:	__	COUNCIL/AGENCY MEMBERS
NOES:	__	COUNCIL/AGENCY MEMBERS
ABSENT:	__	COUNCIL/AGENCY MEMBERS
ABSTAIN:	__	COUNCIL/AGENCY MEMBERS

____
Ralph Rubio, Mayor

ATTEST:

____
Lesley E. Milton, City Clerk

PURCHASE AND SALE AGREEMENT

AND

ESCROW INSTRUCTIONS

by and between the

CITY OF SEASIDE,

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SEASIDE
(collectively, "Seller")

and

[KB-BAKEWELL SEASIDE VENTURE, LLC, a California limited liability company]
("Buyer")

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PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS

This PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS (this "Agreement") is dated as of _________, 20__ ("the Effective Date") and is entered into by and between KB-BAKEWELL SEASIDE VENTURE, LLC, a California limited liability company ("Buyer"), and the CITY OF SEASIDE and the SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SEASIDE (collectively, "Seller").

RECITALS

A. Seller is the owner of the land in the City of Seaside, County of Monterey, State of California, more particularly described on Exhibit A attached hereto and made a part hereof, commonly known as "Surplus II" and "26 Acre Parcels" together with all improvements thereon (collectively, the "Property").

B. Buyer desires to purchase the Property from Seller and Seller desires to sell the Property to Buyer.

NOW, THEREFORE, in consideration of the terms and conditions of this Agreement and for other valuable consideration, the receipt of which is hereby acknowledged, Buyer and Seller agree as follows:

1. Conditions Precedent; Purchase and Sale.

(a) The Seller's obligations to close the sale of the Property are condition upon the approval of this Agreement by Oversight Board of the Successor Agency to the Seaside Redevelopment Agency ("OB") and either (i) the failure of the California Department of Finance ("DOF") to request review thereof within the period permitted by law; (ii) or if such review is timely requested the DOF's approval of the OB decision. Sellers shall use good faith efforts to promptly obtain such OB approval.

(b) Subject to and in accordance with the terms and conditions hereinafter set forth, Seller agrees to sell Property to Buyer, and Buyer agrees to purchase the Property from Seller. The Purchase and sale of the Property shall be completed in two phases (each a "Phase" and together the "Phases"). The first Phase to be acquired by Buyer hereunder shall be "Phase 1" and the second Phase to be acquired by Buyer shall be "Phase 2". Prior to Close of Escrow (as defined below) for Phase 1, Buyer and Seller shall act in good faith and agree in writing upon the portion of the Property to be acquired by Buyer as Phase 1 ("Phase 1 Property") and the portion of the Property to be acquired by Buyer as Phase 2 ("Phase 2 Property").

2. Opening and Closing of Escrow. Within five (5) business days after the Effective Date, the parties shall open an escrow ("Escrow") with Chicago Title Company ("Escrow Holder" and "Title Company"), at 250 Bonifacio Place, Monterey, CA 93940 Attn: Kimberly Verania, Escrow Officer; Phone: (831) 646-8544 Email: kim.verania@ctt.com; and shall deliver a copy of this fully executed Agreement to said Escrow Holder. "Close of Escrow" shall be the date that a grant deed for the applicable Phase of the Property in favor of Buyer, is recorded in the Official Records of the Monterey County Recorder's Office. Subject to the satisfaction of the conditions contained in Section 6, below, Close of Escrow for Phase 1 ("Phase 1 Closing") shall

occur on or before the date that is thirty (30) days after the Approval of the Entitlements (as contemplated in Section 5.6, below); provided, however, in no event shall Close of Escrow occur after the date that is five (5) years after the expiration of the Due Diligence Period (as defined in Section 5.5 below) ("Phase 1 Outside Closing Date"). Subject to the satisfaction of the conditions contained in Section 6, below, Close of Escrow for Phase 2 ("Phase 2 Closing") shall occur on at date designated by Buyer in writing at least five (5) business days in advance that is on or before one (1) year after the Phase 1 Closing.

3. Purchase Price; Deposit.

(a) The purchase price to be paid by Buyer for the Phase 1 Property at the Phase 1 Closing shall be the greater of the sum of NINE MILLION AND 00/100THS DOLLARS ($9,000,000.00) or the fair market value as determined by Appraisal within 6 months prior to closing ("Phase 1 Purchase Price"). The purchase price to be paid by Buyer for the Phase 2 Property at the Phase 2 Closing shall be the greater of the sum of NINE MILLION AND 00/100THS DOLLARS ($9,000,000 or the fair market value as determined by Appraisal within 6 months prior to closing ("Phase 2 Purchase Price"). Should the fair market value exceed NINE MILLION AND 00/100THS DOLLARS ($9,000,000.00) for either Phase or for each Phase, the City shall provide a credit against the purchase price for the City land (Phase I) in the amount by which the appraised value for a phase exceeds $9,000,000 for that phase; provided, however, that if such credit exceeds $100,000, the City shall first comply with Government Code Section 53083 and may decide not to give the credit, in which case Developer shall have the right to terminate this Agreement by written notice to Seller. The Phase 1 Purchase Price and the Phase 2 Purchase Price are each a "Phase Purchase Price" and together the "Phase Purchase Prices". In making a determination of the "fair market value" as contemplated in this Section 3(a), the appraiser conducting each Appraisal shall assume, notwithstanding the actual entitlements and zoning for the Property as of the appraisal date, that the Property has the same entitlements and zoning that existed as of the Effective Date.

(b) First Purchase Deposit. Within five (5) business days after the opening of Escrow, Buyer shall deposit with Escrow Holder by wire transfer or its company check the sum of FIFTY THOUSAND DOLLARS AND 00/100THS DOLLARS ($50,000.00) (the "First Purchase Deposit"). The First Deposit shall remain fully refundable to Buyer unless and until Buyer has delivered the Due Diligence Approval Notice. Upon receipt by Escrow Holder, Escrow Holder shall deposit the First Purchase Deposit into a federally insured interest bearing account with on penalty for early withdrawal. The First Purchase Deposit shall be fully refundable to Buyer unless and until Buyer delivers its Due Diligence Approval Notice (as defined below).

(c) Second Purchase Deposit. If this Agreement has not been previously terminated, then within five (5) business days after the Tentative Map (as defined in Section 5.6 below) and all documents required in accordance with the California Environmental Quality Act have been Approved (as defined in Section 5.6), Buyer shall deposit with Escrow Holder by wire transfer or its company check the additional sum of FIFTY THOUSAND DOLLARS AND 00/100THS DOLLARS ($50,000.00) (the "Second Purchase Deposit"). Upon receipt by Escrow Holder, Escrow Holder shall deposit the Second Purchase Deposit into the same federally insured interest bearing account as the First Purchase Deposit.

(d) Deposit Generally. For purposes of this Agreement, the term Deposit shall mean the First Purchase Deposit plus, once delivered by Buyer, the Second Purchase Deposit and all "Reimbursable Costs Deposits" delivered to Escrow Holder by Buyer in accordance with Section 5.7 below; provided that the Reimbursable Costs Deposits shall not be applied to the Phase 2 Purchase Price, but shall be considered part of the Deposit for all other purposes hereunder. At the Phase 2 Closing, the Deposit (other than the Reimbursable Costs Deposits) shall be applied toward the Phase 2 Purchase Price. In the event this Agreement is terminated by Buyer under Section 5.5 below, Section 6.3 below, or as a result of a default by Seller, then the Deposit (as defined below) shall be refunded to Buyer, this Agreement and Escrow shall terminate and the parties shall have no further obligation to one another with respect to this Agreement.

(e) Independent Consideration. Buyer and Seller have bargained for and agree that One Hundred Dollars ($100.00) of the Deposit (the "Independent Consideration") is consideration for Buyer's rights under this Agreement and for Seller providing the Due Diligence Period (defined below) to Buyer. Upon receipt, the Escrow Holder shall immediately release the Independent Consideration to Seller, and notwithstanding any provision in this Agreement to the contrary, the Independent Consideration shall be nonrefundable to Buyer in all circumstances. Any time that this Agreement provides that the Deposit is to be returned to Buyer, the amount returned to Buyer shall be net of the Independent Consideration.

(f) **IF BUYER FAILS TO PERFORM A MATERIAL OBLIGATION HEREUNDER AFTER THE EXPIRATION OF THE DUE DILIGENCE PERIOD AND DOES NOT CURE SUCH FAILURE WITHIN TEN (10) DAYS AFTER WRITTEN NOTICE IS GIVEN BY SELLER TO BUYER, IT IS AGREED THAT THE DEPOSIT THEN HELD BY ESCROW HOLDER SHALL BE NON-REFUNDABLE AND SELLER SHALL BE ENTITLED TO SUCH DEPOSIT AS LIQUIDATED DAMAGES AND NOT AS A PENALTY OR FORFEITURE WITHIN THE MEANING OF CALIFORNIA CIVIL CODE SECTIONS 3275 OR 3369. RETENTION OF THE DEPOSIT AS LIQUIDATED DAMAGES SHALL BE SELLER'S SOLE AND EXCLUSIVE REMEDY AND SELLER WAIVES ANY AND ALL RIGHT TO SEEK OTHER RIGHTS OR REMEDIES AGAINST BUYER, INCLUDING WITHOUT LIMITATION, SPECIFIC PERFORMANCE. IT IS AGREED THAT SAID AMOUNT CONSTITUTES A REASONABLE ESTIMATE OF THE DAMAGES TO SELLER PURSUANT TO CALIFORNIA CIVIL CODE SECTION 1671 ET SEQ. SELLER WAIVES THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 3389. BUYER AND SELLER AGREE THAT IT WOULD BE IMPRACTICAL OR IMPOSSIBLE TO PRESENTLY PREDICT WHAT MONETARY DAMAGES SELLER WOULD SUFFER UPON BUYER'S FAILURE TO COMPLETE ITS PURCHASE OF THE PROPERTY. BUYER DESIRES TO LIMIT THE MONETARY DAMAGES FOR WHICH IT MIGHT BE LIABLE HEREUNDER AND BUYER AND SELLER DESIRE TO AVOID THE COSTS AND DELAYS THEY WOULD INCUR IF A LAWSUIT WERE COMMENCED TO RECOVER DAMAGES OR OTHERWISE ENFORCE SELLER'S RIGHTS. IF FURTHER INSTRUCTIONS ARE REQUIRED BY ESCROW HOLDER TO EFFECTUATE THE TERMS OF THIS SECTION, BUYER AND SELLER AGREE TO EXECUTE THE SAME. THE PARTIES ACKNOWLEDGE THIS PROVISION BY PLACING THEIR INITIALS BELOW:**

SELLER'S INITIALS **BUYER'S INITIALS**

3.1 Prorations. The following items are to be prorated as of each Close of Escrow with respect to the Phase then acquired by Buyer: (i) taxes; (ii) assessments (on a per square foot basis); and (iii) any utilities charges.

4. Title Insurance.

(a) Within five (5) business days after the opening of escrow, Seller and Buyer shall cause Title Company to furnish Buyer with an updated title report for the Property, together with copies of all documents referenced therein as exceptions to title (collectively, the Title Report").

(b) Buyer shall have until the date that is thirty (30) days after receipt of the Title Report to deliver to Seller and Escrow Holder written notice (the "Preliminary Title Notice") of Buyer's approval, conditional approval or disapproval of the title exceptions disclosed in the Title Report (excluding the standard printed exceptions in the form of title policy and taxes and assessments which are liens not yet due and payable) [and any matters shown by a survey conducted by Buyer at Buyer's cost]. All matters not timely disapproved by Buyer will be deemed approved. All such exceptions disapproved by Buyer are referred to herein as "Disapproved Exceptions". Notwithstanding anything to the contrary herein, all monetary liens or encumbrances and all claims to fee title or leasehold or other possessory interests in the Property shall be "Disapproved Exceptions".

(c) Seller shall have twenty (20) days after receipt of Buyer's Preliminary Title Notice to commit to cause any such Disapproved Exceptions to be released of record, or commit to cause the Title Company to endorse over such Disapproved Exceptions pursuant to an endorsement or endorsements reasonably acceptable to Buyer, or elect not to remove or endorse over Disapproved Exceptions. If Seller fails to deliver its response notice within said twenty (20) days, Seller shall be deemed to have elected not to eliminate or endorse over all matters disapproved or conditionally approved by Buyer.

(d) If Seller elects not to commit to remove (or is deemed not to commit to remove) and elects not to cause the Title Company to endorse over (or is deemed to elect not to cause Title Company to endorse over) a Disapproved Exception (other than a monetary lien or encumbrance and all claims to fee title or leasehold or other possessory interests in the Property, as to which Seller's obligation to remove is absolute), Buyer shall have the option, to be exercised within five (5) business days after Seller's notice to elect to terminate this Agreement, in which case the Deposit shall be returned to Buyer. If (or if no notice is given, then within five business days after the end of the 20 day period) buyer fails to timely deliver the termination notice, Buyer shall be deemed to have elected to terminate this Agreement.

(e) Buyer's fee title to the applicable portion of the Property shall be insured at each Close of Escrow by an CLTA Standard Coverage Owner's Policy of Title Insurance in the amount of the applicable Phase Purchase Price (or, at the option of Buyer, an ALTA policy or ALTA Extended Coverage Owner's Policy of Title Insurance) issued by Title Company with a mechanic's lien endorsement no. 101.4, insuring against mechanic's liens on account of work performed prior to the Closing (excluding work performed by or on behalf of Buyer) and an access endorsement no. 103.7 insuring that the Property has physical, legal, unencumbered access to an open public street and such other endorsements as Buyer may require, and Title Company commits to provide, and containing only those title exceptions approved or deemed approved by Buyer pursuant to this Section 4 (the "Permitted Title Exceptions").

(f) Seller shall not encumber the Property (or any portion thereof) during the period from the Effective Date to the earlier of the Phase 2 Closing or the date of the termination of this Agreement.

5. Due Diligence; Right Of Entry; Entitlements.

5.1 Buyer hereby acknowledges receipt of the documents described on Exhibit B. Seller hereby grants Buyer and its agents, employees, contractors and subcontractors (collectively "Representatives") the right, at any time during the term of this Agreement upon twenty-four (24) advance notice to Seller (call ____________________ at ___-___-____), to enter on the Property for the purpose of inspecting the physical condition of the Property and performing such tests, evaluations and inspections as Buyer deems necessary to evaluate the condition and suitability of the Property for the development contemplated by Buyer, including, without limitation, soils and geological matters and toxic or hazardous substances and other contamination. All such investigations shall be at Buyer's expense. All work performed by Buyer and its Representatives will be performed diligently and in a manner consistent with all applicable laws and shall not disturb, or otherwise violate the rights of tenants.

5.2 Buyer and its Representatives shall promptly notify the Seller of any discovery, spill, release, or discharge of any Hazardous Substances (as that term is defined below), on, under or about the Property which is discovered, encountered, or results from or is related to the Buyer's or its Representatives' access to and/or use of the Property under this Agreement.

5.3 If any portion of the Property or an adjacent property, including improvements and fixtures, suffers damage or alteration by reason of the access and activities of Buyer or its Representatives on the Property, Buyer shall, at its own cost and expense, promptly repair all such damage and restore the Property or adjacent property to as good a condition as before such damage or alteration occurred, or if it cannot be repaired, Buyer shall replace such damaged or altered property to the extent possible.

5.4 Prior to entering the Property, Buyer shall provide Seller with reasonable evidence that Buyer has reasonable insurance covering Buyer's activities on the Property. In any event, Buyer shall defend, protect, indemnify, and hold free and harmless Seller and its employees, agents, and representatives, and their successors, and assigns (individually as "Indemnitee" and collectively, "Indemnitees"), free and harmless from and against any and all damages, costs, expenses, liabilities, claims, demands, causes of action, proceedings, expenses, judgments, penalties, liens, and losses of any nature whatsoever (collectively, the "Claims"), including fees of accountants, attorneys, expert witnesses, or other professionals, and all costs associated therewith, arising or claimed to arise, directly or indirectly, out of, in connection with, resulting from, or related to any act, failure to act, error, or omission of Buyer or any of its Representatives arising or claimed to arise, directly or indirectly, out of, in connection with, resulting from, or related to entry upon the Property pursuant to this Section. The foregoing indemnity, defense and hold harmless obligations do not apply to (a) any loss, liability cost, claim, damage, injury or expense to the extent arising from or related to the acts or omissions of Seller, (b) any diminution in value in the Property arising from or relating to matters discovered by Buyer during its investigation of the Property, (c) any latent defects in the Property discovered by Buyer, and (d) the release or spread of any Hazardous Materials that are discovered (but not deposited) on or under the Property by Buyer.

5.5 Buyer shall have until 5:00 P.M. Pacific Time on the date that is ninety (90) days after the Opening of Escrow (the "Due Diligence Period") to review the suitability of the Property for Buyer's use and development, including, without limitation, any governmental land regulations, zoning ordinances, development costs, financial and market feasibility, all covenants, conditions and restrictions and other contracts, agreements or documents affecting the Property, proposed or existing assessment districts affecting the Property, the status of the entitlement or development condition of the Property, the physical condition of the Property, including soil and geological assessments and a Phase I environmental audit (the "Due Diligence Matters"), and to deliver to Seller and Escrow Holder, in Buyer's sole and absolute discretion, written notice (the "Due Diligence Approval Notice") of Buyer's approval of the Due Diligence Matters. If Buyer does not deliver the Due Diligence Approval Notice before the expiration of the Due Diligence Period, then (a) Buyer shall have disapproved of the Due Diligence Matters, (b) the Deposit and all interest accrued thereon shall be returned to Buyer, (c) this Agreement and the Escrow shall terminate, (d) Seller and Buyer shall share any Escrow termination charges and (e) the parties shall have no further obligation to one another with respect to this Agreement, except as otherwise expressly provided herein.

5.6 Entitlements Processing. From and after the Opening of Escrow, Buyer shall have the right to process all applications, plans, maps, agreements, documents, and other instruments or entitlements, and applicable grading and improvement plans (collectively, the "Entitlements"), necessary or appropriate for the development and sale of the mixed-use project ("Project") generally depicted in that certain conceptual land use plan attached hereto as Exhibit C ("Conceptual Plan"). Buyer shall utilize commercially reasonable efforts (a) to cause its initial application for the Entitlements to be delivered to the city on or before _________ (__) months after the expiration of the Due Diligence Period and (b) to thereafter pursue the Entitlements with reasonable diligence. The Entitlements include, but are not limited to, the following:

(a) a General Plan amendment (if required), Specific Plan approval (if required), Planned Development approval, or other zoning approvals as necessary, authorizing and permitting the construction, development and sale of the Project under terms and conditions that are satisfactory to Buyer in the exercise of Buyer's reasonable discretion;

(b) An Approved vesting tentative map ("Tentative Map");

(c) one or more Approved final subdivision tract maps ("Final Map(s)"), in conformance with the Tentative Map and the other Entitlements;

(d) all final grading and subdivision improvement plans (collectively, the "Improvement Plans") consistent with the Tentative Map, the Final Map and the other Entitlements, including, without limitation, on-site and off-site grading, street, water, sewer, storm drain, dry utility and landscaping plans;

(e) all environmental and biological permits and approvals required by any governmental authorities or otherwise required for the development of the Project, including without limitation, to the extent applicable, Department of Fish & Game 2081 Permit, Department of Fish and Game Section 1602 Streambed Alteration Agreement, Regional Water Quality Control Board Section 401 Water Quality Certification, and/or US Army Corps of Engineers Nationwide Section 404 Permit, all in form and content satisfactory to Buyer.

(f) All easements, licenses, and permits required from any third party to construct improvements to service the Property and/or to grade and develop the Property, in form and content satisfactory to Buyer in its sole discretion.

Buyer acknowledges that, as part of processing the Entitlements, Buyer shall be required by the City to develop conceptual project plans including site plans, building elevations, building massings, internal circulation and any other documents required for submittal of development applications to the City, and shall submit those plans and document for review and approval through the applicable City review processes. The specific review processes will depend on the nature of the project proposal and the required entitlements, and will include completion of the appropriate review process as required by the California Environmental Quality Act (CEQA), Public Resources Code Section 21000 *et seq* ("CEQA"). Seller shall cooperate with and assist Buyer in the processing of the Entitlements and all such items, including without limitation attending meetings with governmental authorities relating to the same, and to the extent necessary or appropriate, executing all such items and materials.

As used herein, the Entitlements (except for the Tentative Map and the Final Map) shall be deemed "Approved" when they have been prepared and approved by all applicable governmental agencies, and all time periods for initiating a legal challenge (by administrative or legal appeal, writ, referendum or otherwise) (a "Challenge") of the approval of such Entitlements have passed without a Challenge having been initiated, or, if a Challenge has been initiated, the Challenge has been finally resolved in a manner acceptable to Buyer in its sole and absolute discretion; and, in the case of third party easements, licenses and permits, such documents have been prepared and signed by all applicable third parties.

As used in this Agreement, the Tentative Map shall be deemed to be Approved when: (i)(a) the Tentative Map has been prepared in compliance with the California Subdivision Map Act (commencing at Section 66410 of the Government Code), (b) the Tentative Map provides for the development of the Property into the Project, (c) the City has issued its final written decision approving the Tentative Map and establishing all of the conditions of approval for the Final Map conforming to the Tentative Map, (d) the Tentative Map and conditions of approval of the Final Map have been approved by Buyer in its sole and absolute discretion, (e) the Property is zoned to permit the Project, and (f) all time periods for initiating a Challenge of the approval of the Tentative Map have passed without a Challenge having been initiated, or, if a

Challenge has been initiated, it has been resolved on terms and conditions satisfactory to Buyer in its sole and absolute discretion.

As used in this Agreement, the Final Map shall be deemed to be Approved when: (a)(i) the Final Map has been prepared in compliance with the California Subdivision Map Act (commencing at Section 66410 of the Government Code), (ii) the form of subdivision agreement and the amount of the security for the Final Map have been approved by all applicable governmental agencies, (iii) the Final Map can record (or, as applicable, be submitted for final acceptance prior to recording) upon Buyer's posting of subdivision security, execution of the subdivision agreement and payment of all fees necessary to be paid to record the Final Map, including the recording fee, and (iv) all improvement plans for on-site and off-site development have been stamped approved, (b) all conditions to approval of the Tentative Map that are required to be satisfied as a condition to recordation of the Final Map have been satisfied, and (c) all time periods for initiating a Challenge of the approval of the Final Map have passed without a Challenge having been initiated, or, if a Challenge is initiated, it has been resolved on terms and conditions satisfactory to Buyer in its sole and absolute discretion.

5.7 Reimbursable Costs and Reimbursable Costs Deposits. Commencing after Buyer's delivery of the Due Diligence Approval Notice, Buyer shall reimburse Seller for its actual out-of-pocket costs and expenses (including legal fees and costs) incurred after the expiration of the Due Diligence Period and prior to the Phase 1 Closing (or earlier termination of this Agreement) in fulfilling Seller's obligations under Section 5.6 of this Agreement, including, but not limited to: (i) the cost of developing, reviewing and processing any general plan amendments and/or specific plan amendments for the Property; (ii) the cost of preparing, reviewing and processing the CEQA Documents (as defined below); and (iii) the costs of staff review of Buyer submittals and the costs of consultants retained by the Seller in order to perform its obligations under Section 5.6 of this Agreement (including, without limitation, reasonable attorneys' fees and costs) at the rates set forth on Schedule 5.7 attached hereto (collectively, the "Reimbursable Costs"). The term "CEQA Documents" shall mean, to the extent applicable, an environmental impact report, supplemental environmental impact report and/or other reports or analyses required to comply with the requirements of CEQA. Within five (5) business days after Buyer's delivery of the Due Diligence Approval Notice, Buyer shall deposit with Escrow Holder the sum of Twenty Five Thousand and No/100 Dollars ($25,000.00) less any amounts previously deposited with the City by Buyer pursuant to that certain expired Exclusive Negotiating Agreement between Buyer and Seller dated March 12, 2014 ("First Reimbursable Costs Deposit"). Escrow Holder shall deposit the First Reimbursable Costs Deposit and all other Reimbursable Costs Deposits (as defined below) into a federally insured interest bearing account that is separate from the Purchase Deposit ("Reimbursable Cost Escrow Account"). From time to time after Buyer's delivery of the First Reimbursable Costs Deposit until the Phase 1 Closing or earlier termination of this Agreement, Escrow Holder shall notify Buyer and Seller when there is a balance remaining of less than Five Thousand Dollars ($5,000.00) in the Reimbursable Cost Escrow Account and include in such notice (each an "Additional Funds Notice") the current balance in the Reimbursable Cost Escrow Account. Within five (5) business days after Buyer receives an Additional Funds Notice from Escrow Holder, Buyer shall deliver to Escrow Holder for deposit into the Reimbursable Cost Escrow Account the difference between the current balance in the Reimbursable Cost Escrow Account (as listed in the applicable Additional Funds Notice) and Twenty Five Thousand Dollars ($25,000.00). The First Reimbursable Costs Deposit and each additional deposit delivered by Buyer to Escrow Holder in accordance with this Section 5.7 shall be referred to individually as a "Reimbursable Costs Deposit" and collectively as the "Reimbursable Costs Deposits". As set forth in Section 3(b) above, each of the Reimbursable Costs Deposits shall become a part of the Deposit for all purposes under this Agreement except that no portion of the Reimbursable Costs Deposits shall be applied as a credit to the Phase 2 Purchase Price.

Seller shall have the right to request withdrawals from the Reimbursable Cost Escrow Account from time to time (no more frequently than once per month) to reimburse Seller for Reimbursable Costs required to be paid to Seller by Buyer hereunder. In order to do so, Seller shall send to Buyer and Escrow Holder a written request for withdrawal together with an itemization of all Reimbursable Costs to be reimbursed, reasonable evidence of Seller's payment thereof and other documentation reasonably requested by Buyer to substantiate the amounts requested as Reimbursable Costs (collectively, a "Disbursement Request"). If Buyer, in Buyer's reasonable discretion does not deliver to Seller and Escrow Holder Buyer's written disapproval of or objection to the Disbursement Request along with Buyer's reasons for disapproval or objection and the amount objected to or disapproved within five (5) business days after Seller delivers a Disbursement Request to Buyer and Escrow Holder, then Escrow Holder shall disburse from the Reimbursable Cost Escrow Account the amount requested by Seller in such Disbursement Request without further instruction by Buyer. If, however, Buyer does deliver to Seller and Escrow Holder Buyer's written disapproval of or objection to the Disbursement Request along with Buyer's reasons for disapproval or objection and the amount objected to or disapproved within five (5) business days after Seller delivers a Disbursement Request to Buyer and Escrow Holder, then Escrow Holder shall (a) disburse from the Reimbursable Cost Escrow Account the portion of the amount requested by Seller in such Disbursement Request that is not objected to or disapproved by Buyer and (b) retain the remainder of the amount requested by Seller in such Disbursement Request in the Reimbursable Cost Escrow Account unless and until Buyer and Seller jointly instruct Escrow Holder otherwise in writing. Upon the Phase 1 Closing or earlier termination of this Agreement, the Reimbursable Cost Escrow Account shall be terminated and any amount remaining in the Reimbursable Cost Escrow Account shall be delivered to the Buyer without further instruction from Seller.

5.8 <u>Seller Work</u>. During the term of this Agreement and, except as provided below, prior to the Phase 1 Closing, Seller shall, at its sole cost and expense:

(a) Deconstruct, demolish and remove in conformance with all applicable laws all buildings, structures and improvements on the Property; and

(b) Cause the Property to be free of Hazardous Materials (defined below) or be remediated to residential standards at no cost to Buyer, such that residential development may proceed without any further environmental restrictions, soil vapor mitigation measures, clean-up, remediation, testing or monitoring (in the case of such remediation, all governmental and/or regulatory agencies asserting jurisdiction over the development or remediation of the Property shall have issued final and unqualified "no further action" letters, site closure letters, and/or similar written determination (in a form and substance satisfactory to Buyer in Buyer's sole and absolute discretion).

The term “Hazardous Material” as used herein shall mean any hazardous or toxic substances, materials, chemicals, or wastes in any form and in any concentration that is or becomes, prior to the close of escrow, regulated by the United States or any state or local government authority having jurisdiction over the Property (including any present order or agreement imposing liability or standards concerning any such substances, materials, chemicals, or wastes and any future such order or agreement that becomes effective prior to the close of escrow), and includes without limitation: any “hazardous substance,” as that term is defined in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA) (42 United States Code sections 9601-9675); any “hazardous waste,” as that term is defined in the Resource Conservation and Recovery Act of 1976 (RCRA) (42 United States Code sections 6901-6992k); petroleum products; volatile organic compounds; radioactive materials; asbestos and lead paint, in any form or condition; and substances or compounds containing PCBs. The term “Environmental Law” as used herein shall mean any federal, state, or local law, ordinance or regulation, or any order, demand or guidance document of any governmental agency, relating to Hazardous Materials.

Notwithstanding the foregoing, Seller shall be required to deconstruct, demolish and remove in conformance with all applicable laws those structures and improvements within the Phase 2 Property that are depicted and designated on Exhibit E attached hereto as the “Hammerhead Buildings” (“Hammerhead Buildings”) prior to the Phase 2 Closing (not the Phase 1 Closing), including any related removal of Hazardous Materials and compliance with Environmental Laws as may be required or as may be necessary to permit unrestricted development of the Property in accordance with the Entitlements and satisfy the requirements of paragraph 5.8(b) above. In addition to its other rights and remedies hereunder, if Seller fails to deconstruct, demolish and remove the Hammerhead Buildings in conformance with all applicable laws and Buyer elects, in its sole and absolute discretion, to consummate the Phase 2 Closing despite such failure, then Buyer shall have the right to elect by written notice to Seller to take over the responsibility for such deconstruction, demolition and removal of the Hammerhead Buildings after the Phase 2 Closing, in which case Buyer shall be entitled to a credit against the Phase 2 Purchase Price in the amount of One Hundred Percent (100%) of Buyer’s designated subcontractor(s)’ and consultant(s)’ written estimate of all costs, fees and expenses to be paid by Buyer in connection with the deconstruction, demolition and removal of the Hammerhead Buildings in accordance with all applicable laws, including any related removal of Hazardous Materials and compliance with Environmental Laws as may be required or as may be necessary to permit unrestricted development of the Property in accordance with the Entitlements and/or satisfy the requirements of paragraph 5.8(b) above (collectively, “Buyer’s Self-Help Costs”) plus an administrative fee in the amount of ten percent (10%) of Buyer’s Self-Help Costs.

5.9 Required Buyer Actions. Buyer covenants and agrees to use commercially reasonable efforts to do the following after Buyer’s delivery of the Due Diligence Approval Notice and prior to Close of Escrow for Phase 1:

(a) Pursue the Approval of the Entitlements on terms and conditions satisfactory to Buyer in its sole and absolute discretion;

(b) Negotiate and enter into with the city a Statutory Development Agreement for the Project pursuant Government Code Sections 65864 *et seq* containing terms and conditions reasonably satisfactory to both Buyer and Seller; and

(c) Complete the tasks in the "Schedule of Performance" attached hereto as Schedule 5.9 in a timely manner, subject to extension for delays caused by the Seller or other circumstances or events beyond the reasonable control of Buyer.

(d) Buyer agrees to pay prevailing wages and otherwise comply with Labor Code Sections 1720 *et seq.* in connection with Buyer's development of the Property

6. Conditions of Closing.

6.1 Conditions to Buyer's Obligations. Buyer's obligation to purchase each Phase of the Property is subject to the satisfaction of the following conditions or Buyer's written waiver of the conditions on or before the applicable Closing Date. Buyer may waive in writing any or all of the conditions in its sole and absolute discretion.

(a) The Entitlements (including, without limitation, the Tentative Map and Final Map) have been Approved and the Final Map has been recorded;

(b) Buyer shall have timely delivered the Due Diligence Approval Notice;

(c) Seller shall have timely performed all obligations to be performed by Seller pursuant to this Agreement;

(d) Seller's representations, warranties and covenants set forth herein shall be true as of the Close of Escrow;

(e) There shall be no material adverse change in the physical condition of the Property, from the condition in which it existed as of the date of this Agreement, that would render the Property unsuitable for the Project;

(f) There shall be no enacted or proposed building or utility hook-up moratoria, ordinances, laws or regulations that were not existing and enforced as of the date of this Agreement, and that would prohibit or materially delay or hinder the issuance of building permits or certificates of occupancy for residences within the Property;

(g) The City shall have secured sewer and water allocations from all applicable entities sufficient for the completion of the Project;

(h) There shall be no suit, action or arbitration, judgment or legal, administrative, or other proceeding or governmental investigation, formal or informal, including but not limited to eminent domain, condemnation, assessment district or zoning change proceeding, pending or threatened, that affects the Property or the Project;

(i) The Property shall be free of Hazardous Materials or shall have been remediated to residential standards at no cost to Buyer, such that residential development may proceed without any further environmental restrictions, soil vapor mitigation measures, clean-up, remediation, testing or monitoring (in the case of such remediation, all governmental and/or regulatory agencies asserting jurisdiction over the development or remediation of the Property shall have issued final and unqualified "no further action" letters, site closure letters, and/or similar written determination (in a form and substance satisfactory to Buyer in Buyer's sole and absolute discretion);

(j) Buyer and Seller shall have entered into a Statutory Development Agreement for the Project pursuant Government Code Sections 65864 *et seq*. containing terms and conditions reasonably satisfactory to both Buyer and Seller;

(k) All easements, right-of-ways, licenses, permits and agreements required from any third party to access the Property, construct improvements to service the Property, to grade and develop the Property and/or to cause the Entitlements to be Approved shall have been obtained in form and content satisfactory to Buyer in Buyer's reasonable discretion;

(l) All leases, tenancies, third party occupancy agreements, service contracts, utility contracts and other contracts that are not Permitted Exceptions and that affect the Property shall have been terminated, all tenants and other parties shall have vacated the Property, and all personal property shall have been removed from the Property;

(m) The Property shall be one or more legally subdivided parcels;

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

(o) The Phase 1 and Phase 2 property shall each consist of one or more legally subdivided parcels.

6.2 Conditions to Seller's Obligations. Seller's obligation to consummate the transactions contemplated by this Agreement is subject to the satisfaction of the conditions (or Seller's written waiver of such conditions) on or before the applicable Closing Date. Seller may waive in writing any or all of the conditions in its sole and absolute discretion.

(a) Buyer shall have performed all of Buyer's obligations hereunder, and Buyer's representations, warranties, and covenants set forth herein shall be true as of the Close of Escrow; and

(b) Buyer shall have timely delivered the Due Diligence Approval Notice.

6.3 Failure to Close; Termination.

(a) Failure to Close Without Default. If either the Phase 1 Closing or the Phase 2 Closing of Escrow does not occur because one or more of the conditions precedent to the Close of Escrow set forth in Section 6.1 or Section 6.2 have not been satisfied or waived by the party benefitted by such condition, and neither party is in default, then the party benefitted by such condition may elect to terminate this Agreement by giving written notice to the other party and Escrow Holder, in which event:

(i) Escrow Holder shall automatically return to Buyer the Deposit and any other sums deposited by Buyer still being held by Escrow Holder, and all accrued interest thereon, by unilateral instruction from Buyer;

(ii) Seller shall have no further obligation to sell to Buyer, and Buyer shall have no further obligation to purchase, the Property, and

(iii) This Agreement shall terminate and the parties shall have no further obligations hereunder (except rights and obligations relating to the Phase 1 Property if the Phase 1 Closing has occurred).

(b) <u>Buyer's Default</u>. If after Buyer has delivered the Due Diligence Approval Notice, Buyer fails to perform any material obligation under this Agreement, and Buyer does not cure such failure to perform within ten (10) days after Buyer's receipt of written notice of the same from Seller, then Buyer shall be in default, Seller shall have the right to terminate this Agreement, and the Deposit shall constitute liquidated damages pursuant to Section 3(d), above.

(c) <u>Seller's Default</u>. If Seller materially defaults under this Agreement, then Buyer may pursue any of the following remedies:

(i) If the default occurs prior to the Phase 2 Closing, Buyer may (i) extend the time period for Seller's performance, (ii) terminate this Agreement (except rights and obligations relating to the Phase 1 Property shall survive such termination if the Phase 1 Closing has occurred), provided such termination shall be effective only upon delivery of written notice of termination from Buyer to Escrow Holder and Seller, in which event Escrow Holder shall automatically return to Buyer the Deposit and all accrued interest thereon and any other sums deposited by Buyer, or (iii) keep this Agreement in effect and pursue any and all other remedies available to it against Seller including the specific performance of this Agreement and Buyer may record a notice of pendency of action against the Property.

(ii) If the default occurs following the Phase 2 Closing or if Buyer becomes aware of any breach of any representation or warranty of Seller following the Phase 2 Closing hereunder, Buyer may pursue any or all of the remedies available to it under this Agreement and/or at law or in equity.

(d) <u>Escrow Fees on Default</u>. If the failure to close is due to the default of one of the parties, the defaulting party shall bear the sole and full liability for paying any escrow cancellation fee.

(e) <u>Interest on Delinquent Amounts</u>. If any party owes the other party money hereunder and does not pay or return such money to the other party within five (5) business days after written demand therefore, the unpaid amount shall thereafter accrue interest at the lesser of (a) ten percent (10%) per annum or (b) the highest rate permitted by law, from the date such amount was due until the date it is paid in full.

(f) <u>Cure Period</u>. No party shall be deemed in default unless the other party has first delivered to such party a written notice of the default, and the party receiving such notice has not cured the default within ten (10) days after receipt of the written notice.

7. Deposit of Documents and Funds in Escrow.

(a) Seller and Buyer, as applicable, hereby covenant and agree to deliver to Escrow Holder at least one (1) business day prior to Close of Escrow for the applicable Phase the following instruments, documents, and funds, the delivery of each of which shall be a condition of the Close of Escrow for such Phase.

(b) Seller shall deliver:

(i) A Grant Deed in the form attached hereto as Exhibit D duly executed and acknowledged by Seller;

(ii) A Withholding Exemption Certificate Form 593-C as contemplated by California Revenue and Taxation Code §18662 (the "Withholding Affidavit") duly executed by Seller;

(iii) A Certification of Non-Foreign Status in accordance with Internal Revenue Code Section 1445 duly executed by Seller;

(iv) Such proof of Seller's authority and authorization to enter into this transaction as the Title Company may require in order to issue the Title Policy for such Phase.

(c) Buyer shall deliver:

(i) The Phase Purchase Price (less, in the case of the Phase 2 Closing, the Purchase Deposit) together with such funds as are required to pay for costs and expenses payable by Buyer hereunder;

8. Authorization to Record Documents and Disburse Funds. Escrow Holder is hereby authorized to record the documents and disburse the funds and distribute the documents called for hereunder upon a Close of Escrow, provided each of the following conditions has then been fulfilled:

(a) The Title Company can issue the Title Policy for the Phase, with a liability in the amount of the Phase Purchase Price, showing fee title to the applicable portion of the Property vested in Buyer, subject only to the Permitted Title Exceptions.

(b) Seller and Buyer shall have deposited in Escrow the documents and funds required pursuant to Section 6.

9. Prorations; Charges. Property taxes, assessments, and rents relating to each Phase shall be prorated as of the Close of Escrow for such Phase. Buyer shall pay (i) fifty percent (50%) of the escrow fees and charges of Escrow Holder, (ii) the cost of all endorsements to the Title Policy and any extended coverage, and (iii) Buyer's share of the charges prorated under this Agreement. Seller shall pay: (i) fifty percent (50%) of the escrow fees and charges of Escrow Holder; (ii) the cost of the premium for CLTA coverage under the Title Policy; (iii) all recording charges, if any; and (iv) any documentary transfer taxes. If the Escrow shall fail to close for any reason other than Seller's default, Buyer shall pay any applicable Escrow cancellation charges.

10. Condemnation; Destruction. All risk of loss with respect to each Phase of the Property shall remain with Seller until such Phase is acquired by Buyer and delivery of possession of such Phase of the Property to Buyer. If at any time prior to the Phase 2 Closing, the Property, or any portion thereof not yet acquired by Buyer, is damaged by fire or other casualty or taken or appropriated through eminent domain or similar proceedings, or is condemned for any public or quasi-public use, Buyer may terminate this Agreement. If Buyer terminates this Agreement, Seller shall be entitled to receive all insurance proceeds payable to Buyer or Seller or all condemnation proceeds actually paid for that portion of the property taken (but not as to any portion of the Property previously acquired by Buyer). If Buyer elects to maintain this Agreement in full force and effect, then upon the next Close of Escrow, Buyer shall be entitled to receive all insurance proceeds payable to Seller or all condemnation proceeds actually paid for that portion of the Property taken or, if such proceeds have been paid to Seller, Buyer shall receive a credit against the Phase Purchase Price equal to the amount of proceeds actually paid to Seller. Buyer shall not be entitled to any reduction in the Phase Purchase Price.

11. Representations, Warranties and Covenants.

11.1 Seller's Representations, Warranties and Covenants. In addition to the representations, warranties and covenants of Seller contained in other Sections of this Agreement, Seller represents, warrants and covenants to Buyer as follows, all of which shall survive the Close of Escrow for each of Phase 1 and Phase 2:

(a) Seller is the sole owner in fee simple of the Property and has the full right, capacity, power, and authority to enter into and carry out the terms of this Agreement. This Agreement has been duly authorized and entered into by Seller and the parties signing on behalf of Seller, and upon delivery to and execution by Buyer, shall be a valid and binding agreement of Seller.

(b) Except as identified in the Title Report, Seller has not alienated, encumbered, transferred, assigned or otherwise conveyed its interest in the Property or any portion thereof, nor entered into any agreement to do so, nor shall Seller do so. By entering into and performing the transactions contemplated by this Agreement, Seller will not violate or breach any agreement, covenant or obligation binding on Seller, and Seller may convey the Property to Buyer without the consent of any third party.

(c) To Seller's actual knowledge, there are no mechanic's or materialman's liens or similar claims or liens now asserted against the Property for work performed or commenced prior to the date hereof other than as described in the Title Report.

(d) To Seller's actual knowledge, as of Close of Escrow for each Phase, the Property is not in violation or is not currently under investigation for violation of any Environmental Law.

(e) There is no suit, action or arbitration, or legal, administrative, or other proceeding or governmental investigation, formal or informal, including but not limited to eminent domain, condemnation, assessment district or zoning change proceeding, pending or, to Seller's actual knowledge, threatened, or any judgment, moratorium or other government policy or practice that affects the Property or Buyer's anticipated development of the Property, or that adversely affects Seller's ability to perform hereunder, nor does Seller know of any fact that might give rise to an action, investigation or proceeding.

(f) Seller is not in default under any encumbrance, lien or restriction on the Property.

(g) Except as disclosed in the Title Report, Seller has not made any commitment, agreement or representation to any government authority, or any adjoining or surrounding property owner or any other third party, that would in any way be binding on Buyer or would interfere with Buyer's ability to develop and improve the Property and will not make any commitment or representation that would affect the Property or any portion thereof prior to the Close of Escrow, without Buyer's written consent.

(h) As used herein, the phrase "to Seller's actual knowledge" or words of similar import shall mean the actual knowledge of the City Manager of the City without any duty of further inquiry or investigation. Each of the representations and warranties made by Seller in this Agreement, or in any Exhibit, or on any document or instrument delivered pursuant hereto shall be continuing representations and warranties that shall be true and correct in all material respects on the date hereof, and shall be deemed to be made again as and at the date of the Close of Escrow for each Phase and shall then be true and correct in all material respects. The truth and accuracy of each of the representations and warranties, and the performance of all covenants of Seller contained in this Agreement, are conditions precedent to the Close of Escrow for each Phase. Seller shall notify Buyer immediately of any facts or circumstances that would make untrue any of the foregoing representations and warranties contained in this Section 11.1.

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

(a) Buyer is a corporation duly organized, validly existing and in good standing in the State of California, and has the capacity and full power and authority to enter into and carry out the agreements contained in, and the transactions contemplated by, this Agreement, and that this Agreement has been duly authorized and executed by Buyer and, upon delivery to and execution by Seller, shall be a valid and binding Agreement of Buyer.

(b) Each of the representations and warranties made by Buyer in this Agreement, shall be true and correct in all material respects on the date hereof, and shall be deemed to be made again as of the Close of Escrow for each Phase, and shall then be true and correct in all material respects. The truth and accuracy of each of the representations and warranties, and the performance of all covenants of Buyer contained in this Agreement, are conditions precedent to the Close of Escrow for each Phase. Buyer shall notify Seller immediately of any facts or circumstances that are contrary to the foregoing representations and warranties contained in this Section 11.2.

12. As Is; Release. Buyer is acquiring the Property "AS IS, WHERE IS" without any representation or warranty of Seller, express, implied or statutory, as to the nature or condition of

or title to the Property or its fitness for Buyer's intended use of same. Buyer is familiar with the Property. Buyer is relying solely upon its own, independent inspections, investigations and analysis of the Property as it deems necessary or appropriate in so acquiring the Property from Seller, including, without limitation, an analysis of any and all matters concerning the condition of the Property and its suitability for Buyer's intended purposes, and a review of all applicable laws, ordinances, rules and governmental regulations (including, but not limited to, those relative to building, zoning and land use) affecting the development, use, occupancy or enjoyment of the Property.

EXCEPT FOR THOSE SET FORTH IN THIS AGREEMENT, BUYER ACKNOWLEDGES AND AGREES THAT, SELLER HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY NEGATES AND DISCLAIMS ANY REPRESENTATIONS, WARRANTIES, PROMISES, COVENANTS, AGREEMENTS OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, OF, AS TO, CONCERNING OR WITH RESPECT TO THE PROPERTY OR ANY MATTER RELATED THERETO, INCLUDING, WITHOUT LIMITATION, THE HABITABILITY, MERCHANTABILITY, MARKETABILITY, PROFITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE PROPERTY, AND COMPLIANCE WITH ANY ENVIRONMENTAL LAWS OR THE PRESENCE, ABSENCE, CONDITION OR STATUS OF ANY HAZARDOUS MATERIALS. BUYER ACKNOWLEDGES AND AGREES THAT TO THE MAXIMUM EXTENT PERMITTED BY LAW, THE SALE OF THE PROPERTY AS PROVIDED FOR HEREIN IS MADE ON AN “AS IS” CONDITION AND BASIS WITH ALL FAULTS, AND THAT SELLER HAS NO OBLIGATIONS TO MAKE REPAIRS, REPLACEMENTS OR IMPROVEMENTS OR REMEDIATE ANY HAZARDOUS MATERIALS.

BY INITIALING BELOW, THE BUYER ACKNOWLEDGES THAT (i) THIS SECTION 5.2 HAS BEEN READ AND FULLY UNDERSTOOD, (ii) THE BUYER HAS HAD THE CHANCE TO ASK QUESTIONS OF ITS COUNSEL ABOUT ITS MEANING AND SIGNIFICANCE, AND (iii) THE BUYER HAS ACCEPTED AND AGREED TO THE TERMS SET FORTH IN THIS SECTION 5.2.

____
BUYER’S INITIALS

Excluding any claims that Buyer may have against Seller as a result of a breach by Seller of any express representations, warranties, covenants, or agreements set forth in this Agreement, or resulting from any intentional or negligent acts of Seller or Seller’s agents, Buyer waives and releases as of the Close of Escrow for a Phase any and all claims it may have against Seller relating to the physical condition of the portion of the Property within such Phase (including, without limitation, the presence or release hazardous materials or substances). To the extent of such waiver and release, Buyer expressly waives its rights, if any, under California Civil Code Section 1542 which provides:

> “A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR

HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

____

Buyer's Initials

13. Notices. All notices and demands shall be given in writing by certified mail, postage prepaid, and return receipt requested, by personal delivery, by facsimile. e-mail or by private overnight courier service providing evidence of delivery to the address or facsimile number set forth below for the respective party. Notices shall be considered given upon the earlier of (a) receipt by the party to whom notice or demand is given, two (2) business days following deposit in the United States mail, postage prepaid, certified or registered, return receipt requested or (b) the following business day if sent by overnight courier. A copy of all notices shall be sent to Escrow Holder. Notices shall be addressed as provided below for the respective party; provided that any party may change its address for notices by written notice given to the other party.

Buyer:

KB-BAKEWELL SEASIDE VENTURE, LLC
c/o KB Home South Bay Inc.
5000 Executive Parkway, Suite 125
San Ramon, CA 94583
Attention: Jeffrey McMullen
Telephone: (925) 983-4530
Facsimile: (925) 983-4590
Email: jmcmullen@kbhome.com

KB-BAKEWELL SEASIDE VENTURE, LLC
c/o The Bakewell Company
Danny J. Bakewell, Jr.
3800 Crenshaw Boulevard
Los Angeles, CA 90008
(323) 291-6803
(323) 291-6804 fax

With a copy to:

KB Home
5000 Executive Parkway, Suite 125
San Ramon, CA 94583
Attention: Michael L. MacDonald, Esq.
Telephone: (925) 983-4507
Facsimile: (925) 983-4590
Email: mmacdonald@kbhome.com

Seller: City of Seaside
440 Harcourt Avenue
Seaside, California 93955
Attn.: City Manager

Successor Agency to the Redevelopment
Agency of the City of Seaside

____
____
____

Escrow Holder: Chicago Title Company
250 Bonifacio Place,
Monterey, CA 93940
Attn: Kimberly Verania,
(831) 646-8544
kim.verania@ctt.com;

14. Broker's Commissions. The parties hereto acknowledge that this transaction did not involve a broker, salesperson or finder ("Broker") representing either Buyer or Seller. Each party shall defend, indemnify and hold the other party harmless from and against any and all claims for any broker's commissions or similar compensation that may be payable to a Broker based on communications between the indemnifying party and such Broker. The provisions of this Section shall survive each Close of Escrow.

15. Standard Instructions. Each party agrees to execute Escrow Holder's supplemental reasonable standard instructions as may be necessary or proper in order to consummate the transactions contemplated by this Agreement; provided, however, in the event of a material conflict between the terms hereof and the terms of such standard instructions, the terms hereof shall control.

16. Time is of the Essence. The parties hereto agree that time is of the essence with respect to each term, condition and covenant hereof.

17. Successors and Assigns. The provisions of this Agreement are expressly binding upon, and shall inure to the benefit of, the parties hereto and their successors in interest and assigns.

18. Entire Agreement. This Agreement, together with all exhibits hereto, integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the parties or their predecessors in interest with respect to all or any part of the subject matter hereof.

19. Severability. Invalidation of any of the terms, conditions, covenants, or other provisions contained herein by judgment or court order shall in no way affect any of the other terms, conditions, covenants, or provisions hereof, and the same shall remain in full force and effect.

20. Amendments. Any amendments to this Agreement shall be effective only when duly executed by Seller and Buyer and deposited with Escrow Holder.

21. Attorneys' Fees. In the event that suit is brought for the enforcement of this Agreement or as the result of any alleged breach thereof, the prevailing party or parties in such suit shall be entitled to recover their reasonable attorneys' fees, costs, and expenses from the losing party or parties, and any judgment or decree rendered in such proceedings shall include an award thereof.

22. No Third Party Beneficiary Rights. This Agreement is entered into for the sole benefit of Seller and Buyer and no other parties are intended to be direct or incidental beneficiaries of this Agreement.

23. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

24. Counterparts. This Agreement may be executed simultaneously in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. For purposes of this Agreement, facsimile signatures shall be deemed to be original signatures, and shall be followed by the immediate overnight delivery of original signature pages.

25. Assignment of Agreement. Neither Buyer nor Seller may assign or transfer their respective rights or obligations under this Agreement without first obtaining the prior written consent of the other, which consent may be granted or withheld in its sole and absolute discretion. Notwithstanding the foregoing, Buyer may assign, convey, or otherwise transfer its rights and obligations hereunder, without Seller's consent or prior notice, to (i) a partnership in which Buyer is one of the general partners, (ii) a limited liability company in which Buyer is a managing member or holds at least 50% of the voting or equity interests, (iii) a corporation in which Buyer holds at least 50% of the voting or equity interests, (iv) a person or entity that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the Buyer, (v) a successor by way of merger or consolidation or the acquisition of all or substantially all of Buyer's assets, or (vi) a third party to effectuate a land banking arrangement pursuant to which Buyer has the right to develop and reacquire the Property.

26. Memorandum of Agreement. Within ten (10) days after Opening of Escrow, Buyer and Seller shall execute a memorandum of agreement (in the form of Exhibit E attached hereto). If Buyer timely delivers the Due Diligence Approval Notice, then Escrow Holder shall promptly record the memorandum of agreement in the Official Records of the County. In the event the Memorandum is recorded and this Agreement is terminated prior to the Close of Escrow for Phase 2, provided that the Deposit is returned to Buyer if required pursuant to the terms of this Agreement, Buyer shall promptly execute, acknowledge and deliver to Seller a release of the Memorandum as to all portions of the Property not acquired by Buyer and shall execute any further documents necessary to clear such portions of the Property free of the Memorandum.

27. Survival. The respective warranties, representations, covenants, agreements, obligations and undertakings of each party hereunder shall be construed as dependent upon and given in consideration of those of the other party and shall survive each Close of Escrow and delivery of the deed.

[NO FURTHER TEXT ON THIS PAGE]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the date first above written.

BUYER:

KB-BAKEWELL SEASIDE VENTURE, LLC, a California limited liability company

By:_________________________________

Print Name: ________________________

Its: _______________________________

SELLER:

CITY OF SEASIDE

By:_________________________________

Print Name:_________________________
Mayor

Attest:

____

Print Name: ________________________
City Clerk

Approved as to Form:

____

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SEASIDE

By:_________________________________

Print Name: ________________________

Its: _______________________________

LIST OF EXHIBITS

Exhibit A	Legal Description of the Property
Exhibit A-1	Legal Description of Phase 1 Property
Exhibit A-2	Legal Description of Phase 2 Property
Exhibit B	List of Documents
Exhibit C	Conceptual Plan
Exhibit D	Form of Grant Deed
Exhibit E	Hammerhead Buildings
Exhibit F	Memorandum of Agreement
Schedule 5.7	Staff Hourly Rates
Schedule 5.9	Schedule of Performance

EXHIBIT A

LEGAL DESCRIPTION OF THE LAND

PARCEL I:
The portion of the former Fort Ord Military Reservation in Rancho Noche Buena, in the City of Seaside, County of Monterey, State of California described as follows:

A portion of Parcel 3 as per map recorded in Volume 21, Page 83 of Surveys in the Office of the County Recorder of said county, more particularly described as follows:

Beginning at the northwest corner of said Parcel 3 as per said map, designated and shown a point seventy-four (74) on page 4 of 9 thereon; thence along the northerly boundary of said Parcel 3 the following three (3) courses

1) North 88° 00' 00" East, 1,473.85 feet to the beginning of a curve, concave south, having a radius of 895.00 feet; thence

2) Easterly 224.55 feet along said curve, through a central angle of 14° 22' 30"; thence

3) South 77° 37' 30" East, 21.77 feet to the beginning of a curve, concave southwest, having a radius of 260.00 feet; thence leaving said boundary of said Parcel 3

4) Southeasterly 461.03 feet along said curve, through a central angle of 101° 35' 49"; thence

5) South 23° 58' 19" West, 195.81 feet to the beginning of a non-tangent curve, concave to the south, having a radius of 131.30 feet, and from which beginning a radial bears North 16° 47' 48"; thence

6) Westerly, 171.15 feet along said curve, through a central angle of 74° 40' 59" to the beginning of a reverse curve, concave northwest, having a radius of 120.00 feet; thence

7) Southwesterly, 123.06 feet along said curve, through a central angle of 58° 45' 31" to the beginning of a reverse curve, concave south, having a radius of 413.66 feet; thence

8) Westerly, 215.22 feet along said curve, through a central angle of 29° 48' 34"; thence

9) South 61° 03' 46" West, 142.81 feet; thence

10) North 02° 32' 34" East, 249.44 feet to the beginning of a curve, concave to the southwest, having a radius of 50.55 feet; thence

11) Northwesterly, 79.79 feet along said curve, through a central angle of 90° 26' 36"; thence

12) North 87° 54' 02" West, 1,363.25 feet to a point on the westerly boundary of said Parcel 3; thence along said westerly boundary the following three (3) courses

13) North 37° 50' 06" East, 151.61 feet to the beginning of a curve, concave to the west, having a radius of 357.00 feet; thence

14) Northerly, 271.09 feet along said curve, through a central angle of 43° 30' 36"; thence

15) North 05° 40' 29" West, 18.97 feet to the Point of Beginning. The bearing North 87° 33' 00" West as measured between monuments found along the westerly boundary of Parcel 3 as per Volume 21, Page 83 of Surveys, records of Monterey County, California, is the basis of bearings for this description.

Excepting therefrom mineral rights with right of surface entry in a manner that does not unreasonably interfere with Grantee's development and quiet enjoyment of the property as reserved in the "Quitclaim Deed..." executed by United States of America, recorded August 28, 2008, Instrument No. 2008057085, Official Records, Monterey County.

PARCEL II:
That portion of the former Fort Ord Military Reservation in Rancho Noche Buena, in the City of Seaside, County of Monterey, State of California described as follows:

A portion of Parcel 3 as per map recorded in Volume 21, Page 83 of Surveys in the Office of the County Recorder of said county, more particularly described as follows:

Beginning at the most northeasterly corner of said Parcel 3 as per said map designated and shown as point seventy-seven (77) on page 4 of 9 thereon; thence along the easterly boundary of said Parcel 3

1) South 02° 10' 30" West, 158.83 feet; thence leaving said easterly boundary

2) North 87° 49' 30" West, 248.60 feet; thence

3) South 23° 58' 19" West, 334.69 feet; thence

4) North 66° 01' 41" West, 120.00 feet; thence

5) North 23° 58' 19" East, 195.81 feet to the beginning of a curve, concave to the southwest, having a radius of 260.00 feet; thence

6) Northwesterly 461.03 feet along said curve, through a central angle of 101° 35' 49"; thence

7) South 77° 37' 30" East, 616.70 feet to the Point of Beginning.

The bearing of North 87° 33' 00" West along the westerly boundary of Parcel 3 as per Volume 21, Page 83 of Surveys, records of Monterey County, California, is the basis of bearings for this description.

Excepting therefrom mineral rights with right of surface entry in a manner that does not unreasonably interfere with Grantee's development and quiet enjoyment of the property as reserved in the "Quitclaim Deed..." executed by United States of America, recorded August 28, 2008, Instrument No. 2008057085, Official Records, Monterey County.

PARCEL III:
That portion of the former Fort Ord Military Reservation in Rancho Noche Buena, in the City of Seaside, County of Monterey, State of California described as follows:

A portion of Parcel 3 as per map recorded in Volume 21, Page 83 of Surveys in the Office of the County Recorder of said county, more particularly described as follows:

Beginning at a point that bears South 02° 10' 30" West, 158.83 feet from the most northeasterly corner of said Parcel 3 as per said map, designated and shown as point seventy-seven (77) on page 4 of 9 thereon; thence along the easterly boundary of said Parcel 3,

(1) South 02° 10' 30" West, 1,074.09 feet to a point designated and shown as point seventy-eight (78) on page 4 of 9 thereon; thence leaving said boundary of said Parcel 3

(2) North 87° 48' 54" West, 147.32 feet; thence

(3) North 01° 36' 08" East, 8.35 feet; thence

(4) North 87° 47' 46" West, 438.71 feet to the beginning of a curve, concave northeast, having a radius of 60.00 feet; thence

(5) northwesterly 117.04 feet along said curve, through a central angle of 111° 46' 04"; thence

(6) North 23° 58' 19" East, 1,058.92 feet; thence

(7) South 87° 49' 30" East, 248.60 feet to the Point of Beginning.
The bearing of North 87° 33' 00" West along the westerly boundary of Parcel 3 as per Volume 21, Page 83 of Surveys, records of Monterey County, California, is the basis of bearings for this description.

Excepting therefrom mineral rights with right of surface entry in a manner that does not unreasonably interfere with Grantee's development and quiet enjoyment of the property as reserved in the "Quitclaim Deed..." executed by United States of America, recorded August 28, 2008, Instrument No. 2008057086, Official Records, Monterey County.

PARCEL IV:
All that certain real property situate in Rancho Noche Buena, Monterey City Lands, Tract No. 1, City of Seaside, County of Monterey, State of California, being a portion of Parcel 1, as said Parcel 1 is shown and so designated on map filed for record in Volume 19, "Surveys", at Page 1, Records of Monterey County, California, said portion being more particularly described as follows:

Beginning at the northerly terminus of the most westerly line of Parcel 1, as said Parcel 1 is shown and so designated on the map filed for record in Volume 23, "Surveys", at Page 96, Records of Monterey County, California; thence from said Point of Beginning,

(1) South 87° 46' 00" East, 334.96 feet; thence

(2) North 2° 08' 00" East, 159.92 feet; thence

(3) North 87° 46' 00" West, 334.84 feet; thence

(4) South 2° 10' 30" West, 159.92 feet, to the Point of Beginning.

Excepting therefrom all mineral rights with the right of surface entry in a manner that does not unreasonably interfere with the development and quiet enjoyment of the property, as reserved in the Quitclaim Deed executed by United States of America, and recorded April 21, 2004, Instrument No. 2004038303, Official Records.

PARCEL V:
All that certain real property situate in Rancho Noche Buena, Monterey City Lands No. 1, City of Seaside, County of Monterey, State of California, being Parcel 12, as said Parcel 12 is shown and so designated on the map filed for record in Volume 22, "Surveys", at Page 24, Records of Monterey County, California, said parcel being more particularly described as follows:

Beginning at the northwesterly corner of Parcel 12; thence

(1) South 87° 45' 04" East, 821.44 feet; thence

(2) South 2° 13' 00" West, 202.37 feet; thence

(3) North 87° 46' 00" West, 819.31 feet; thence

(4) North 2° 09' 00" East, 171.10 feet; thence, non-tangentially

(5) Northwesterly, along the arc of a curve to the left, concave to the southwest, the center of which bears North 87° 56' 56" West, 289.24 feet, through a central angle of 6° 15' 08", a distance of 31.56 feet, to the Point of Beginning.

Excepting therefrom all mineral rights with the right of surface entry in a manner that does not unreasonably interfere with the development and quiet enjoyment of the property, as reserved in the Quitclaim Deed executed by United States of America, and recorded April 21, 2004, Instrument No. 2004038303, Official Records.

PARCEL VI: :
All that certain real property situate in Rancho Noche Buena, Monterey City Lands Tract No. 1, City of Seaside, County of Monterey, State of California described as follows:

A portion of Parcel 1, as said Parcel 1 is shown and so designated on the map filed for record in Volume 23 of "Surveys", at Page 96, Records of Monterey County, California, said portion being more particularly described as follows:

Beginning at the northerly terminus of the westerly most line of Parcel 1, as shown on said map; thence, from said Point of Beginning,

(1) South 87° 46' 00" East, 394.96 feet to a point on the westerly line of Parcel 2, as shown on said map; thence, along the westerly and southerly lines of said Parcel 2,

(2) South 02° 08' 23" West, 200.07 feet to a 1-1/4" iron pipe tagged "RCE 15310"; thence

(3) South 87° 46' 30" East, 464.58 feet to a 1-1/4" iron pipe tagged "RCE 15310"; thence

(4) South 02° 15' 21" West, 23.02 feet to a 1-1/4" iron pipe tagged "RCE 15310"; thence

(5) South 87° 46' 00" East, 473.29 feet to a 1/1/4" iron pipe tagged "RCE 15310"; thence, leaving said boundary of said Parcel 2,

(6) South 02° 14' 00" West, 263.17 feet to a point on the southerly boundary of said Parcel 1; thence along the southerly and westerly boundary of said Parcel 1,

(7) North 87° 49' 30" West, 187.15 feet to a 1-1/4" iron pipe tagged "RCE 15310"; thence

(8) South 02° 10' 12" West, 224.79 feet to a 1-1/4" iron pipe tagged "RCE 15310"; thence

(9) North 87° 49' 37" West, 1103.28 feet to a brass tag in walk stamped "RCE 15310"; thence

(10) North 02° 14' 12" East, 12.99 feet to a 1-1/4" iron pipe tagged "RCE 15310"; thence

(11) North 87° 49' 30" West, 42.25 feet; thence

(12) North 02° 10' 30" East, 699.39 feet to the Point of Beginning.

Excepting therefrom all mineral rights with the right of surface entry in a manner that does not unreasonably interfere with the development and quiet enjoyment of the property, as reserved in the Quitclaim Deed executed by United States of America, and recorded October 17, 2002, Instrument No. 2002097675, Official Records, and amended February 23, 2011, Instrument No. 2011010801, Official Records.

PARCEL VII:

All that certain real property situate in Rancho Noche Buena, Monterey City Lands Tract No. 1, City of Seaside, County of Monterey, State of California, being a portion of Parcel 4, as said Parcel 4 is shown and so designated on map filed for record in Volume 23, "Surveys", at Page 96, Records of Monterey County, California, said portion being more particularly described as follows:

Beginning at the northeasterly corner of Parcel 4, as shown on said map; thence from said Point of Beginning,

(1) South 2° 14' 00" West, 324.24 feet; thence

(2) North 87° 46' 00" West, 392.97 feet; thence

(3) South 15° 36' 00" West, 312.79 feet; thence

(4) North 87° 23' 00" West, 197.15 feet; thence

(5) South 60° 24' 00" West, 56.50 feet; thence

(6) South 87° 12' 30" West, 117.57 feet; thence

(7) North 02° 10' 21" East, 81.94 feet; thence

(8) South 87° 49' 30" East, 184.43 feet; thence

(9) North 10° 27' 00" West, 236.04 feet; thence

(10) North 30° 43' 16" West, 36.81 feet; thence

(11) North 87° 47' 21" West, 109.80 feet; thence

(12) North 02° 14' 00" East, 205.98 feet; thence

(13) South 87° 46' 00" East, 274.63 feet; thence

(14) North 02° 14' 00" East, 118.10 feet; thence

(15) South 87° 46' 00" East, 550.23 feet, to the Point of Beginning.

Excepting therefrom mineral rights with right of surface entry in a manner that does not unreasonably interfere with Grantee's development and quiet enjoyment of the property as reserved in the "Quitclaim Deed..." executed by United States of America, recorded April 21, 2004, Instrument No. 2004038303, Official Records, Monterey County.

PARCEL VIII:

All that certain real property situate in Rancho Noche Buena, Monterey City Lands Tract No. 1, City of Seaside, County of Monterey, State of California, being a portion of the "Seaside V" parcel, as said parcel is shown and so designated on the map filed for record in Volume 23, "Surveys", at Page 96, Records of Monterey, California, said portion being more particularly described as follows:

Beginning at the northeasterly corner of the "Seaside V" parcel; thence,

(1) South 02° 12' 30" West, 60.00 feet; thence

(2) North 87° 45' 49" West, 414.88 feet; thence

(3) South 02° 14' 47" West, 155.03 feet; thence

(4) South 87° 46' 07" East, 414.99 feet; thence

(5) South 02° 12' 30" West, 653.19 feet; thence

(6) North 87° 49' 30" West, 1025.78 feet; thence

(7) North 02° 14' 01" East, 779.15 feet; thence, non-tangentially,

(8) Northwesterly, along the arc of a curve to the left, concave to the southwest, the center of which bears North 87° 46' 17" West, 30.00 feet, through a central angle of 90° 00' 00", a distance of 47.12 feet; thence

(9) North 87° 46' 17" West, 201.00 feet; thence

(10) South 02° 14' 00" West, 809.37 feet; thence

(11) North 87° 49' 19" West, 855.18 feet; thence

(12) North 02° 10' 21" East, 142.85 feet; thence

(13) North 87° 12' 30" East, 117.57 feet; thence

(14) North 60° 24' 00" East, 56.50 feet; thence

(15) South 87° 23' 00" East, 197.15 feet; thence

(16) North 15° 36' 00" East, 312.79 feet; thence

(17) South 87° 46' 00" East, 392.97 feet; thence

(18) North 02° 14' 00" East, 324.24 feet; thence

(19) North 87° 46' 00" West, 550.23 feet; thence

(20) South 02° 14' 00" West, 118.10 feet; thence

(21) North 87° 46' 00" West, 274.63 feet; thence

(22) South 02° 14' 00" West, 205.98 feet; thence

(23) South 87° 47' 21" East, 109.80 feet; thence

(24) South 30° 43' 16" East, 36.81 feet; thence

(25) South 10° 27' 00" East, 236.04 feet; thence

(26) North 87° 49' 42" West, 851.79 feet; thence

(27) North 02° 13' 56" East, 556.13 feet; thence, non-tangentially,

(28) Northwesterly, along the arc of a curve to the left, concave to the southwest, the center of which bears North 87° 46' 24" West, 30.00 feet, through a central angle of 90° 00' 22", a distance of 47.13 feet to a point of cusp; thence; thence

(29) North 87° 45' 57" West, 878.30 feet; thence, non-tangentially

(30) Southwesterly, along the arc of a curve to the left, concave to the southeast, the center of which bears South 02° 11' 48" West, 30.00 feet; through a central angle of 90° 09' 38", a distance of 47.21 feet to a point of cusp; thence

(31) South 02° 08' 23" West, 69.85 feet; thence

(32) North 87° 46' 00" West, 60.00 feet; thence

(33) North 02° 08' 00" East, 159.92 feet; thence

(34) South 87° 46' 00" East, 874.31 feet; thence

(35) North 02° 15' 00" East, 202.37 feet; thence

(36) South 87° 46' 09" East, 256.86 feet; thence

(37) South 02° 15' 00" West, 202.38 feet; thence

(38) South 87° 45' 59" East, 1112.75 feet; thence

(39) South 87° 46' 17" East, 1533.74 feet, to the Point of Beginning.

Excepting Therefrom a 0.41 acre parcel of land, more particularly known as "F5.2", as designated for Economic Development Conveyance, more particularly described as follows: All that certain real property situate in Rancho Noche Buena, Monterey City Lands Tract No. 1, City of Seaside, County of Monterey, State of California, being Parcel 2, as said Parcel 2 is shown and so designated on the map filed for record in Volume 20, "Surveys", at Page 71, Records of Monterey County, California, said portion being more particularly described as follows:

Commencing at the northeasterly corner of the "Seaside V" parcel, as said parcel is shown and so designated on the map filed for record in Volume 23, "Surveys", at Page 96, Records of Monterey County, California;

thence, westerly along the northerly line of Colonel Durham Road as shown on said map, North 87° 46' 17" West, 1533.74 feet to a 1-1/4" iron pipe with plastic plug marked "RCE 15310"; thence, North 87° 45' 59" West, 1035.84 feet; thence, South 02° 40' 54" West, 60.00 feet to the True Point of Beginning; thence from said True Point of Beginning,

(1) South 02° 40' 54" West, 120,15 feet; thence

(2) North 87° 47' 08" West, 18.45 feet; thence

(3) North 87° 45' 13" West, 130.27 feet; thence

(4) North 02° 14' 30" East, 90.12 feet; thence, non-tangentially

(5) Northeasterly, along the arc of a curve to the right, concave to the southeast, the center of which bears South 87° 56' 13" East, 30.00 feet, through a central angle of 90°01'46", a distance of 47.14 feet to a point of cusp; thence

(6) South 87° 43' 34" East, 119.72 feet, to the True Point of Beginning.

Also Excepting Therefrom a 1.16 acre parcel of land, more particularly known as "L15.1", as designated for Economic Development Conveyance, more particularly described as follows:
All that certain real property situate in Rancho Noche Buena, Monterey City Lands Tract No. 1, City of Seaside, County of Monterey, State of California, being Parcel 1, as said Parcel 1 is shown and so designated on the map filed for record in Volume 21, "Surveys", at Page 96, Records of Monterey County, California, said portion being more particularly described as follows:

Commencing at the northeasterly corner of the "Seaside V" parcel, as said parcel is shown and so designated on the map filed for record in Volume 23, "Surveys", at Page 96, Records of Monterey County, California; thence westerly along the northerly line of Colonel Durham Road as shown on said map, North 87° 46' 17" West, 1533.74 feet to a 1-1/4" iron pipe with plastic plug marked "RCE 15310"; thence, North 87° 45' 59" West, 1035.38 feet; thence, South 02° 40' 54" West, 60.00 feet to the True Point of Beginning; thence from said True Point of Beginning,

(1) South 87° 46' 19" East, 180.23 feet; thence, non-tangentially

(2) Southeasterly, along the arc of a curve to the right, concave to the southwest, the center of which bears South 02° 13' 56" West, 30.00 feet, through a central angle of 90°00'42", a distance of 47.13 feet to a point of cusp; thence,

(3) South 02° 12' 56" West, 299.03 feet; thence

(4) North 87° 47; 27" West, 229.51 feet; thence

(5) North 02° 10' 34" East, 208.96 feet; thence

(6) South 87° 47' 08" East, 18.45 feet; thence

(7) North 02° 40' 54" East, 120.15 feet to the True Point of Beginning.

Also Excepting Therefrom a 1.16 acre parcel of land, more particularly known as "L36", as designated for Economic Development Conveyance, more particularly described as follows:

All that certain real property situate in Rancho Noche Buena, Monterey City Lands Tract No. 1, City of Seaside, County of Monterey, State of California, being a portion of Parcel 4 (Exception), as said Parcel 4 is shown and so designated on the map filed for record in Volume 23, "Surveys", at Page 96, Records of Monterey County, California, said portion being more particularly described as follows:

Commencing at the northeasterly corner of the "Seaside V" parcel, as said parcel is shown and so designated on the map filed for record in Volume 23, "Surveys", at Page 96, Records of Monterey County, California; thence, westerly along the northerly line of Colonel Durham Road as shown on said map, North 87° 46' 17" West, 1533.74 feet to a 1-1/4" iron pipe with plastic plug marked "RCE 15310"; thence, North 87° 45' 59" West, 605.36 feet; thence South 02° 14' 32" West, 60.03 feet to a 3/4" iron pipe with plastic plug marked "RCE 15310", said point being the True Point of Beginning; thence, from said True Point of Beginning,

(1) South 02° 14' 01" West, 118.08 feet; thence,

(2) South 02° 14' 50" West, 205.76 feet; thence,

(3) North 87° 47' 14" West, 156.10 feet; thence,

(4) North 02° 12' 53" East, 293.91 feet; thence, non-tangentially,

(5) Northeasterly, along the arc of a curve to the right, concave to the southeast, the center of which bears South 87° 47' 14" East, 30.00 feet, through a central angle of 90° 03' 54", a distance of 47.16 feet to a point of cusp; thence

(6) South 87° 45' 22" East, 126.23 feet to the True Point of Beginning.

Also Excepting therefrom mineral rights with right of surface entry in a manner that does not unreasonably interfere with Grantee's development and quiet enjoyment of the property as reserved in the "Quitclaim Deed..." executed by United States of America, recorded December 15, 2004, Instrument No. 2004132661, and re-recorded February 8, 2005, Instrument No. 2005012847, Official Records, Monterey County.

PARCEL IX:
Certain real property situate in the City of Seaside, County of Monterey, State of California, being a portion of the Fort Ord Military Reservation, Parcel 1, as shown on that map filed September 7, 1994, in Volume 19 Surveys, Page 1, at records of Monterey County, California, being more particularly described as follows:

Beginning at a point on the north side of a sixty foot wide road shown as Colonel Durham Road on that map filed August 25, 2003, in Volume 26 Surveys at Page 102, from which the southeast corner of Parcel "1" as shown on that map filed September 27, 1996, in Volume 20 of Surveys at Page 71, records of Monterey County, California, bears South 2° 13' 43" East, 1290.75 feet; thence leaving said road,

(1) North 2° 13' 43" East, 87.03 feet; thence,

(2) South 87° 46' 17" East, 168. 05 feet; thence

(3) South 2° 13' 43" West, 87.03 feet to a point on the north side of said road; thence,

(4) along the north line of said road, South 87° 46' 17" East, 168.05 feet to the point of beginning.

Excepting therefrom mineral rights with right of surface entry in a manner that does not unreasonably interfere with Grantee's development and quiet enjoyment of the property as reserved in the "Quitclaim Deed..." executed by United States of America, recorded December 15, 2004, Instrument No. 2004132661, and re-recorded February 8, 2005, Instrument No. 2005012847, Official Records, Monterey County.

PARCEL X:
Certain real property situate in the City of Seaside, County of Monterey, State of California, being a portion of the Fort Ord Military Reservation, Parcel 1, as shown on that map filed September 7, 1994, in Volume 19, Surveys, at Page 1, records of Monterey County, California, being more particularly described as follows: Beginning at a point on the north side of a sixty foot wide road shown as Colonel Durham Road on that map filed August 25, 2003, in Volume 26 Surveys at Page 102, from which the southeast corner of Parcel "1" as shown on that map filed September 27, 1996, in Volume 20, of Surveys at Page 71, records of Monterey County, California, bears South 2° 13' 43" East, 672.77 feet; thence leaving said road,

(1) North 2° 13' 43" East, 87.03 feet; thence

(2) South 87° 46' 17" East, 168.03 feet; thence

(3) South 2° 13' 43" West, 87.03 feet to a point on the north side of said road; thence,

(4) along the north line of said road, South 87° 46' 17" East, 168.03 feet to the point of beginning.

Excepting therefrom mineral rights with right of surface entry in a manner that does not unreasonably interfere with Grantee's development and quiet enjoyment of the property as reserved in the "Quitclaim Deed..." executed by United States of America, recorded December 15, 2004, Instrument No. 2004132661,and re-recorded February 8, 2005, Instrument No. 2005012847, Official Records, Monterey County. APN: 031-151-054 (Parcel I), 031-151-056 (Parcel II), 031-151-055 (Parcel III), 031-151-032 (Parcel IV) 031-151-031 (Parcel V), 031-151-029 (Parcel VI), 031-151-039 (Parcel VII), 031-151-040 (Parcel VIII), 031-261-004 (Parcel IX), 031-261-003 (Parcel X)

EXHIBIT B

LIST OF DOCUMENTS DELIVERED TO BUYER

EXHIBIT C

CONCEPTUAL PLAN

[SEE ATTACHED]

A. 152 Single Family Homes
B. Park
C. 162 Large SFD Cluster Homes
D. 24 Large SFD Cluster Homes
E. 168 Townhomes
F. 45 Single Family Homes
G. 181 Apartments
H. Neighborhood Commercial & Regional Commercial
I. Flex-Tech Commercial
J. Hotel

Neighborhood Commercial = 119,730 SF
399 Parking Stalls Required / 457 Provided

Regional Commercial = 226,311 SF
754 Parking Stalls Required / 827 Provided

Flex-Tech Commercial Buildings = 57,400 SF

Totals	
Single Family Detached	=383 units
Townhomes	=168 units
Total Housing Units	=551 units
Apartments	=181 units

SURPLUS II, Seaside, CA
October 12, 2016

KB - BAKEWELL SEASIDE VENTURES, LLC

CONCEPTUAL LAND USE EXHIBIT

3361 Walnut Blvd. Suite 120 Brentwood, CA 94513

EXHIBIT D

FORM OF GRANT DEED

RECORDING REQUESTED BY,
AND WHEN RECORDED RETURN TO
(AND SEND TAX STATEMENTS TO):

____
____
____
Attn: ____________________

[SPACE ABOVE FOR RECORDER'S USE ONLY]

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

GRANT DEED

THE UNDERSIGNED GRANTOR DECLARES AS FOLLOWS:

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the CITY OF SEASIDE, a municipal corporation [, as successor agency to the Redevelopment Agency of the City of Seaside] (the "Grantor") hereby grants to ______________________ ("Grantee") the land in the City of Seaside, County of Monterey, State of California, more particularly described on **Exhibit A** attached hereto and all improvements thereon and all rights and appurtenances relating thereto (the "Property").

IN WITNESS WHEREOF, Grantor has executed this Grant Deed as of the date set forth below.

Dated: ______, 20__

CITY OF SEASIDE

By: ____________________________
Print Name: ____________________
Mayor

ACKNOWLEDGEMENT

State of California)
County of Los Angeles)

On _________________________, before me, ____________________________________,
(insert name and title of the officer)
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.

Signature___________________________________ (Seal)

ACKNOWLEDGEMENT

State of California)
County of Los Angeles)

On _________________________, before me, ____________________________________,
(insert name and title of the officer)
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.

Signature___________________________________ (Seal)

EXHIBIT A

Legal Description of the Land

(Attached)

EXHIBIT E

DEPICTION OF HAMMERHEAD BUILDINGS

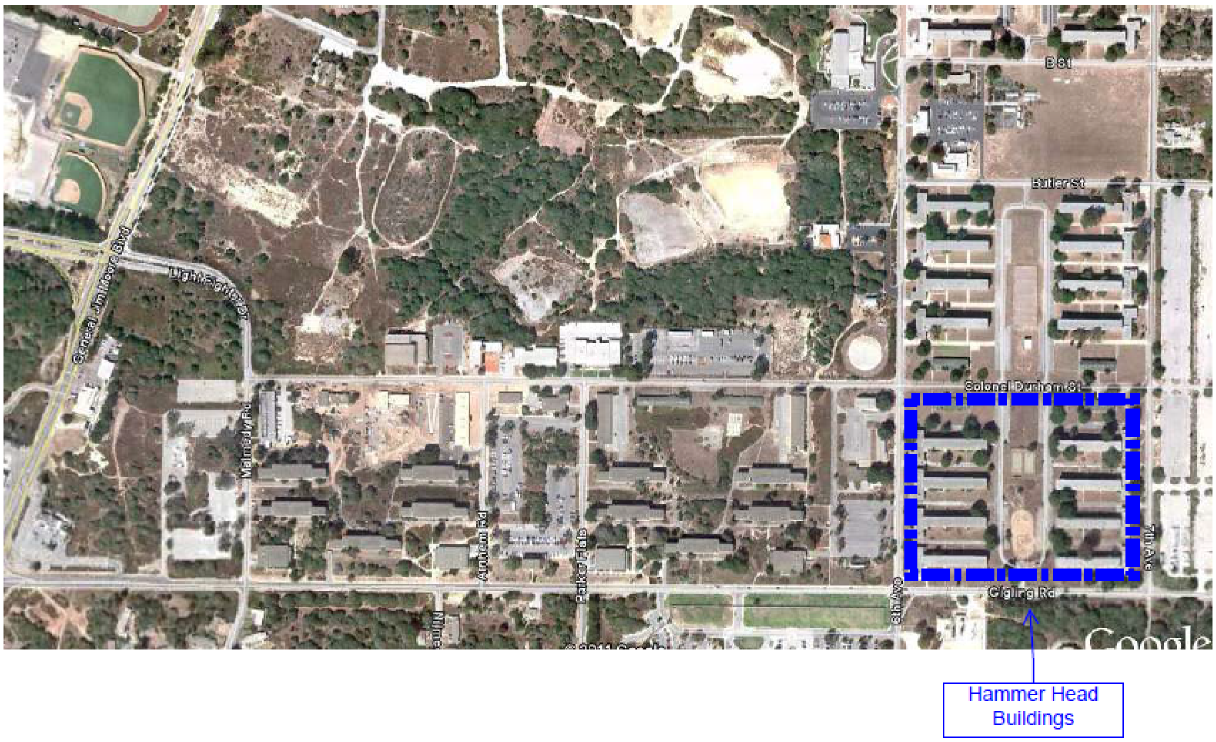

EXHIBIT F

MEMORANDUM OF AGREEMENT

Recording requested by,
and when recorded return to:

____
____
____
Attn: _________________

Memorandum of Agreement

THIS MEMORANDUM OF AGREEMENT ("Memorandum") is executed as of _____________, 201_, by and between [SELLER], a [status] ("Seller"), and [BUYER], a [status] ("Buyer").

1. The parties have entered into that certain Purchase and Sale Agreement and Escrow Instructions dated as of ___________, 201_ (the "Agreement"), which is incorporated herein by reference as if fully set forth herein. All capitalized terms not defined herein shall have the meanings ascribed to them set forth in the Agreement.

2. Pursuant to the Agreement, Seller has agreed to sell to Buyer certain real property described on Exhibit A hereto (the "Property").

3. The parties desire to make Buyer's right to purchase the Property a matter of public record and therefore have caused this Memorandum to be recorded in the Official Records of [County], California. If there is any inconsistency between the Agreement and the Memorandum, the Agreement shall control and govern the rights and duties of Buyer and Seller.

IN WITNESS WHEREOF, the parties have signed this Memorandum as of the date first above written.

BUYER:

[BUYER],
a [status]

By: ______________________________
Name: ___________________________
Title: _____________________________

SELLER:

[SELLER],
a [status]

By: ______________________________
Name: ___________________________
Title: _____________________________

EXHIBIT A

Legal Description of the Land

(Attached)

SCHEDULE 5.7

STAFF HOURLY RATES

(Attached)

CITY OF SEASIDE - Resource Management Services Department			
Cost Reimbursement Billing Rates - July 1, 2016 through December 31, 2016			
NAME		***FULLY BURDENED HOURLY BILLING RATE (FY 2016-2017)***	***INDIRECT * COST ALLOCATION RATE (FY 2016-2017)***
Resources Management Services Administration, includes planning & Econ Dev			
DAVE FORTUNE	01-0046	**$ 90.21**	**11.37%**
LEE MURRAY	01-1004	**$ 58.67**	**11.37%**
KURT OVERMYER	01-1113	**$ 69.67**	**11.37%**
STEARNS, GLORIA	01-1116	**$ 61.73**	**11.37%**
SHARON MIKESELL	01-1014	**$ 58.73**	**11.37%**
RICK MEDINA	01-0094	**$ 75.36**	**11.37%**
Engineering Services:			
RICK RIEDL	01-0713	**$ 93.40**	**17.59%**
SCOTT OTTMAR	01-0770	**$ 66.38**	**17.59%**
LESLIE LLANTERO	01-0145	**$ 73.86**	**17.59%**

* The indirect cost allocation amount is billed as a separate line item. It is an allowable reimbursement cost per the City of Seaside Full Cost Allocation Plan, which was prepared by Mahoney & Associates Consulting, LLC.

SCHEDULE 5.9

SCHEDULE OF PERFORMANCE

1. Within one (1) month after execution of the Agreement, the Seller (City) shall provide the Buyer (Developer) with the City of Seaside Development Application Submittal Checklist which includes all submittal requirements for a complete Specific Plan and/or Planned Development application and a Tentative Map application. The list of submittal requirements shall be of sufficient scope and detail so that when Developer completes the requirements, the City can make a finding that the entire application is "deemed complete".

2. Within six (6) months after the date Buyer (Developer) has delivered the Due Diligence Approval Notice, Developer shall deliver to the City a fully completed and executed development application for City staff to review and consider approval consisting of the following:

    i. An application for a new Specific Plan and/or Planned Development for the "Surplus II" and "26 Acre Parcels" development area which is inclusive of all of the Property in accordance with the submittal requirements of the City for a complete application (i.e. requirements provided by the City in item 1 above).

    ii. A "Project Description" for use in establishing the scope of the CEQA review process.

    iii. A Tentative Map Application showing all lots and parcels of land to be subdivided and the preliminary grading, improvements and utility designs serving each lot.

    iv. A Preliminary Phasing Plan for the Project

    v. Supporting studies as necessary for a complete application of the items above.

3. Within ten (10) months after the Developer has submitted the completed Specific Plan and/or Planned Development Application and Tentative Map application, the City (in cooperation with Developer) shall prepare a draft Development Agreement and draft set of conditions of approval for the Project. Developer shall promptly provide comments to the City on the initial draft of the Agreement and subsequent drafts submitted by the City.

4. Within twelve (12) months after the Developer has submitted the completed Specific Plan Application and other documents in item 2, the City staff shall complete the CEQA analysis, project review and conduct all public hearings to consider approval of all discretionary entitlements necessary for construction of the Project including but not limited to, the Specific Plan, Planned Development, the CEQA review, the Tentative Map and the Development Agreement ("The Entitlement Approvals").

5. Within two (2) months after the Entitlement Approvals, Developer shall deliver to the City for City staff review and approval the following items:

    i) Evidence of financing and a financing plan showing sources and uses as to how the Developer is capitalized and qualified to build the project. ("the Financing Plan")

    ii) A schedule of development setting forth the proposed timetable for the commencement, substantial completion and final completion of the Project inclusive of any phasing and phase delivery schedules for the proposed project ("the Development Schedule").

    iii) An organizational chart of the Developer that corresponds to the proposed Development Program ("the Organizational Chart").

6. Within nine (9) months after the Entitlement Approvals, Developer shall submit final grading plan, improvement plans and Final Map prepared substantially in conformance with the Approved Tentative Map for the project. If the project is Phased this shall pertain to the first Phase only as may be applicable.

7. Within three (3) months of submittal of the final grading plans, improvement plans and final map, the City shall review and approve these plans. The Final Map will be presented to the City Council for approval and recorded as soon as possible thereafter.

CITY OF SEASIDE
STAFF REPORT

Item No.: 5.B.

TO: City Council

FROM: Craig Malin, City Manager

BY:

DATE: December 15, 2016

SUBJECT: **CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.9 (c) - POTENTIAL LITIGATION**

PURPOSE

Conference with legal counsel regarding the potential initiation of litigation (one potential case).

RECOMMENDATION

BACKGROUND

FISCAL IMPACT

ATTACHMENTS

Reviewed for Submission to the
City Council by:

Meeting Date: December 15, 2016

____
Craig Malin, City Manager