

ALL INCLUSIVE PURCHASE AND SALE AGREEMENT
AND ESCROW INSTRUCTIONS
2110, 2222 AND 2244 S. AIRPORT WAY, STOCKTON, CA
(ASSESSOR'S PARCEL NUMBERS 169-162-01, 169-163-01 & 169-151-01)

THIS ALL INCLUSIVE PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS ("Agreement") is dated and entered into as of 12/9, 2008 by and between the REDEVELOPMENT AGENCY OF THE CITY OF STOCKTON, a public body, corporate and politic, hereinafter the "Buyer," and RALPH L. WHITE, hereinafter the "Seller," and constitutes both an agreement to purchase and sell real property between the parties and the parties' escrow instructions directed to Old Republic Title Company ("Escrow Holder").

RECITALS

A. Seller owns fee title to the real property located at 2110, 2222 and 2244 S. Airport Way, Stockton, CA (Assessor's Parcel Numbers 169-162-01, 169-163-01 & 169-151-01) (hereinafter the "Property").

B. Seller desires to sell the portion of the Property identified as APN 169-163-01 (hereinafter the "Purchase Parcel"), to donate the portion of the Property identified as APN 169-151-01 (hereinafter the "Donation Parcel"), and to sell an option to purchase of the balance of the Property identified as APN 169-162-01 (hereinafter the "Option Parcel") together with all appurtenances, thereto, on a voluntary, all-inclusive basis. Seller shall sell and donate the Property in "As-is" condition except as expressly set forth in this Agreement.

C. Buyer desires to purchase the Purchase Parcel, to accept donation of the Donation Parcel, and to purchase an option to purchase the Option Parcel for public purposes. Except as expressly set forth in this Agreement, Buyer shall purchase and accept the Property in its "As-is" condition except as expressly set forth in this Agreement.

NOW THEREFORE, in consideration of the foregoing premises, operative provisions and the Recitals which are incorporated herein by this reference, the parties hereto agree as follows:

1. **Purchase and Sale.** On the Close of Escrow (as herein defined), Seller agrees to sell the Purchase Parcel to Buyer, and Buyer agrees to buy the Purchase Parcel from Seller, on the terms and conditions hereinafter set forth.

2. **Purchase Price.** The total purchase price for the Purchase Parcel to be paid by Buyer is the sum of ONE MILLION NINE HUNDRED THOUSAND DOLLARS (\$1,900,000.00) (the "Purchase Price"), which sum shall be deposited in escrow and dispersed pursuant to the terms of the Agreement. No attempt has been made to assign value to any lesser interest in the Purchase Parcel, including any leasehold estate. The purchase price, therefore, is the total price for the Purchase Parcel without distinction or separation for various interests that may be held in that property. Seller shall be responsible for any apportionment or allocation of the purchase price if required for separately held interests that may exist and for claims, fees, costs and expenses regarding

all persons or businesses occupying the Purchase Parcel as provided in Paragraph 12, below.

3. **Donation.** On the Close of Escrow Seller agrees to donate at no cost to Buyer and Buyer agrees to accept the Donation Parcel. No attempt has been made to assign value to the Donation Parcel or to any lesser interest in that property, including any leasehold estate. Seller shall be responsible for and hold Buyer harmless from any and all claims, fees, costs and expenses regarding all persons or businesses occupying the Option Parcel as provided in Paragraph 12, below, or from any persons or entities claiming separately held interests in the Donation Parcel.

4. **Option.** In consideration of ONE HUNDRED THOUSAND DOLLARS (\$100,000.00) paid to Seller by Buyer at Close of Escrow on the Purchase Parcel, Seller hereby gives and grants to Buyer and Buyer's successors and assigns, the exclusive option to purchase the Option Parcel, together with the building(s) and all other improvements thereon, all easements, rights of way, and appurtenances thereto, and all of Seller's right, title, and interest in all public ways adjoining the property, and all the personal property belonging to Seller on or employed in connection with the Option Parcel. The option is given on the following terms and conditions:

4.1 **Price and Terms of Payment.** In addition to the amount paid to purchase the option right as stated in Paragraph No. 4, above, the purchase price for the Option Parcel shall be SEVEN HUNDRED FIFTY THOUSAND DOLLARS (\$750,000.00) which shall be paid to Seller by Buyer at the close of escrow on the Option Parcel upon exercise of this option. No attempt has been made to assign value to any lesser interest in the Option Parcel, including any leasehold estate. The purchase price as stated in this Paragraph No. 4.1, therefore, is the total price for the Option Parcel without distinction or separation for various interests that may be held in that property. Seller shall be responsible for any apportionment or allocation of the purchase price if required for separately held interests that may exist and for claims, fees, costs and expenses regarding all persons or businesses occupying the Option Parcel as provided in Paragraph 4.8, below.

4.2 **Period of Option.** This option may be exercised by giving written notice thereof to Seller at any time from the date of this Agreement until the earlier of the following dates: a) 5:00 o'clock p.m. on July 1, 2018; or b) the date three (3) months after Seller receives a "No Further Action Letter" from the State of California Regional Water Quality Control Board, Central Valley Region, stating that the Option Parcel requires no further remediation with respect to underground storage tanks and any associated contamination. Seller shall provide Buyer with a copy of said "No Further Action Letter" upon Seller's receipt of same.

4.3 **Title.** Title to the Option Parcel to be conveyed as herein provided shall be merchantable title, free and clear of all liens, encumbrances, restrictions, and easements, excepting only the following:

(a) The applicable zoning, building and development regulations of any municipality, county, state or federal jurisdiction affecting the property; and

(b) Current property taxes, including general and special taxes and assessments collected therewith, which shall be allocated pursuant to applicable sections of the Revenue and Taxation Code;

(c) The lien of supplemental taxes, if any, assessed pursuant to the provisions of Chapter 3.5 (commencing with Section 75) of the Revenue and Taxation Code of the State of California;

(d) Such other matters as may be waived in writing by Buyer.

If the option is exercised, within fifteen (15) days after delivery to Seller of the notice of exercise as provided in Paragraph No. 4.2, above, Seller shall secure and submit to Buyer for examination evidence of merchantable title in the Option Parcel via a preliminary title report from a qualified title insurance company doing business in the State of California. Within fifteen (15) days thereafter Buyer shall give notice in writing to Seller of any defects in or objections to the title as so evidenced, and Seller shall clear the title of the defects and objections so specified. If Seller fails to clear title to the extent herein required or to submit evidence of his ability to do so prior to closing, and such failure continues for thirty (30) days after the date of exercise of the option, Buyer may clear title to the extent so required and charge the cost of clearing to Seller. Escrow Holder shall use the proceeds of the Purchase Price to obtain full reconveyance, if necessary, of any monetary liens encumbering the Option Parcel so that the property shall be free and clear of monetary liens and encumbrances at the close of escrow.

4.4 **Closing of Escrow on Option Parcel.** An escrow shall be opened with a qualified title insurance company doing business in the State of California within ten (10) days after exercise of this option. All necessary documents shall be delivered to the escrow agent and all payments required hereunder, including payment of the purchase price, shall be made to escrow agent. Seller and Buyer shall execute such escrow instructions, not inconsistent with the terms of this option, as may be requested by the escrow agent from time to time. Taxes and assessments for the current year, utilities, and rentals under existing leases and tenancies shall be prorated between the parties as of the date of closing of escrow. The escrow shall close when the escrow agent is able to record a grant deed to the Option Parcel in favor of Buyer and comply with the provisions herein stated. If closing is not accomplished within 60 days from the date of exercise of this option, at the election of Buyer the escrow shall be terminated, and all deposits made on the account of the purchase price and instruments deposited in escrow shall be returned to the respective parties entitled thereto.

4.5 **Possession and Risk of Loss.** Seller shall continue in possession of the Option parcel until close of escrow, and shall maintain the same in its present condition, reasonable wear from ordinary use excepted. Possession shall be transferred to Buyer at the close of escrow.

4.6 **Assignment and Succession.** This option and the contract resulting from the exercise thereof shall bind and inure to the benefit of the heirs,

administrators, executors, successors, and assigns of the respective parties. All rights of purchase hereunder may be assigned without restriction, but notice of each assignment shall be given in writing to Seller.

4.7 **Memorandum of Option.** The parties shall execute and have notarized a "Memorandum of Option", substantially in the form attached hereto as Exhibit "B," attached and incorporated herein, which shall be recorded with the San Joaquin County Recorder's Office immediately following close of escrow on the Purchase Property.

4.8 **Existing Tenants – Relocation.** If Buyer exercises its option to purchase the Option parcel under this Agreement then the following terms regarding relocation of Seller and/or Seller's tenants shall apply:

(a) It is understood and agreed between Seller and Buyer that the payments made to Seller as set forth in this Agreement for purchase of the option right and/or purchase of the Option Parcel represent an all inclusive settlement and are full and complete payment of compensation for the acquisition of all property interests pertaining to the Option Parcel and include and satisfy any and all other payments, if any, that may be required by law to be paid to Seller and/or Seller's tenants arising out of the acquisition of the Option Parcel and displacement of Seller, of Seller's business, and all other persons or businesses occupying the Property, and specifically includes, but is not limited to, claims for severance and other damages, attorney's fees, interest, expenses of litigation, expert's fees, precondemnation damages, inverse condemnation, owner participation rights under any Redevelopment Plan, relocation assistance and/or benefits under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4601, *et seq.*), if applicable, or under Title 1, Division 7, Chapter 1 of the Government Code of the State of California (Section 7260, *et seq.*), and loss of business goodwill under the Eminent Domain Law, Code of Civil Procedure Section 1263.510, and all costs and expenses whatever in connection therewith. Seller hereby acknowledges that Buyer has advised Seller of the possible availability of such relocation assistance rights to Seller and/or Seller's tenants and that the waiver of all rights by Seller herein set forth is free and voluntary.

(b) Buyer's purchase of the Option Parcel shall be subject to existing leases and/or rental agreements. Seller shall provide Buyer in escrow with a current list of lawful tenants occupying the Option Parcel and copies of all rental agreements or leases currently in effect together with Tenant Estoppels substantially in the form of Exhibit "A" attached hereto and incorporated by this reference. Seller agrees to assign any such leases or rental agreements to Buyer. Buyer shall provide relocation assistance and/or benefits to said lawful tenants under Title 1, Division 7, Chapter 1 of the Government Code of the State of California (Section 7260, *et seq.*), and Buyer shall provide for said tenants loss of business goodwill under the Eminent Domain Law, Code of Civil Procedure Section 1263.510. Buyer and Seller agree that it would be difficult to estimate the amount required for such assistance, benefits and/or losses; therefore, Buyer and Seller agree to withhold in the escrow for purchase of the Option Parcel a portion of the purchase price for the Option Parcel in the amount of ONE HUNDRED FIFTY

THOUSAND DOLLARS (\$150,000.00) (hereinafter "the Option Relocation Funds") to be deducted from Seller's proceeds at the close of escrow. The Option Relocation Funds shall be held in an interest bearing account by the Escrow Holder for a period of up to eighteen (18) months from the close of escrow. Buyer shall be reimbursed from the Option Relocation Funds for all costs incurred by Buyer as may be required for such tenant relocation assistance and benefits and/or tenant's loss of goodwill claims, including but not limited to costs of assistance, benefits and/or claims paid to or on behalf of any tenant displaced from the Option Parcel, costs of relocation consultants, if any, costs of legal services in connection with payment of benefits, claims or appeals. Buyer and Seller agree that Escrow Holder shall release funds to Buyer upon Buyer's submission of claims to Escrow Holder. Any amount remaining after Buyer has notified Escrow that Buyer has received full reimbursement shall be paid to Seller. Any of the Option Relocation Funds remaining at the end of the eighteen (18) month period shall be released to Seller upon both Seller and Buyer providing written instructions to the Escrow Holder agreeing to the release.

(c) This Agreement is a voluntary agreement and Seller, on behalf of itself and its heirs, successors and assigns, hereby fully releases Buyer, its officials, counsel, employees, and agents, from all claims and causes of action by reason of any damage which has been sustained, or may be sustained, as a result of Buyer's efforts to acquire the Option Parcel or any preliminary steps thereto. Seller further releases and agrees to hold Buyer harmless from any and all claims and causes of action by reason of any leasehold interest in the Option Parcel.

(d) During the option period, Seller shall provide a notice substantially in the form provided in Exhibit "C," attached and incorporated by this reference to each prospective new tenant, stating that tenant acknowledges that acquisition of the Option Parcel by Buyer will require tenant to vacate and tenant waives any right to relocation assistance and/or benefits that might ordinarily be or have been available to displaced occupants.

4.9 **Covenant Not to Encumber.** Seller covenants and agrees that during the option period as provided in Paragraph No. 4.2, above, Seller shall not encumber the Option Parcel or otherwise allow liens to be placed upon the Option Parcel without written consent of Buyer. Such consent shall not be unreasonably withheld.

4.10 **License to Enter.** Seller hereby grants to Buyer and Buyer's authorized agents, contractors, consultants, assigns, attorneys, accountants and other representatives an irrevocable license to enter upon the Option Parcel during the period of the option as herein defined for the purpose of making inspections and other examinations of the Option Parcel, including, but not limited to, the right to perform soil and geological tests of the property and an environmental site assessment thereof. Buyer shall give Seller reasonable notice before going on the Option Parcel. Buyer does hereby indemnify and forever save Seller, Seller's heirs, successors and assigns, and the Option Parcel, free and harmless from and against any and all liability, loss, damages and costs and expenses, demands, causes of action, claims or judgments, whether or not arising from or occurring out of any

damage to the Option Parcel as a result of any accident or other occurrence at the Option Parcel which is in any way connected with Buyer's inspections or non-permanent improvements involving entrance onto the Option Parcel pursuant to this Paragraph. If Buyer fails to acquire the Option Parcel, this license shall terminate upon the termination of Buyer's right to purchase the Option Parcel. In such event, Buyer shall remove or cause to be removed all Buyer's personal property, facilities, tools and equipment from the Option Parcel.

5. **Title and Title Insurance.** Upon the Opening of Escrow, Escrow Holder shall obtain and issue a title commitment for the Property. Escrow Holder shall also request two copies each of all instruments identified as exceptions on said title commitment. Upon receipt of the foregoing, Escrow Holder shall deliver these instruments and the title commitment to Buyer and Seller. Buyer's fee title to the Purchase Parcel and the Donation Parcel shall be insured at the Close of Escrow by a CLTA Owner's Standard Coverage Policy of Title Insurance in the amount of the Purchase Price (the "Policy"). The Policy of title insurance provided for pursuant to this Paragraph shall insure Buyer's fee interest in the Purchase Parcel and the Donation Parcel free and clear of all liens, encumbrances, restrictions, and rights-of-way of record, subject only to the following permitted conditions of title ("Permitted Title Exceptions"):

(a) The applicable zoning, building and development regulations of any municipality, county, state or federal jurisdiction affecting the Property; and

(b) Except as otherwise provided herein, current property taxes, including general and special taxes and assessments collected therewith, which shall be allocated pursuant to applicable sections of the Revenue and Taxation Code;

(c) The lien of supplemental taxes, if any, assessed pursuant to the provisions of Chapter 3.5 (commencing with Section 75) of the Revenue and Taxation Code of the State of California;

(d) Those non-monetary exceptions approved by Buyer within fifteen (15) business days after the date Buyer receives the title commitment and legible copies of all instruments noted as exceptions therein. If Buyer unconditionally disapproves any such exceptions, Escrow shall thereupon terminate, all funds deposited therein shall be refunded to Buyer (less Buyer's share of escrow cancellation charges), and this Agreement shall be of no further force or effect. If Buyer conditionally disapproves any such exceptions, then Seller shall use Seller's best efforts to cause such exceptions to be removed by the Close of Escrow. If such conditionally disapproved non-monetary exceptions are not removed by the Close of Escrow, Buyer may, at Buyer's option, either accept the Purchase Parcel and the Donation Parcel subject to such encumbrances, or terminate the Escrow and receive a refund of all funds deposited into Escrow, including but not limited to any option monies on deposit, (less Buyer's share of escrow cancellation charges), if any, and this Agreement shall thereupon be of no further force or effect. At the Close of Escrow, Buyer's fee title to the Purchase Parcel and the Donation Parcel shall be free and clear of all monetary encumbrances.

6. **Deed.** Seller covenants and agrees to deposit with Escrow Holder prior to the Close of Escrow a Grant Deed duly executed and acknowledged by Seller, granting and conveying to Buyer fee title to the Purchase Parcel and the Donation Parcel. The Grant Deed shall be in a form provided by Buyer and shall be accepted by Buyer prior to recording.

7. **Authorization to Record Documents and Disburse Funds.**

Escrow Holder is hereby authorized to record the documents and disburse the funds and documents called for hereunder upon the Close of Escrow, provided each of the following conditions has then been fulfilled:

(a) Escrow Holder can issue in favor of Buyer the Policy, showing the Purchase Parcel and the Donation Parcel vested in Buyer subject only to the Permitted Title Exceptions. Escrow Holder shall use the proceeds of the Purchase Price to obtain full reconveyance, if necessary, of any monetary liens encumbering the Purchase Parcel and the Donation Parcel, so that the property shall be free and clear of monetary liens and encumbrances at the Close of Escrow.

(b) Escrow Holder shall have received Buyer's notice of approval or satisfaction or waiver of all of the contingencies to Buyer's obligations hereunder, as provided for in Paragraph 14; and

(c) Seller shall have deposited in Escrow the Grant Deed required by Paragraph No. 6.

Unless otherwise instructed in writing, Escrow Holder is authorized to record at the Close of Escrow any instrument delivered through this Escrow if necessary or proper for issuance of the Policy, including the Grant Deed.

8. **Escrow.** The parties hereby establish an escrow ("Escrow") to accommodate the purchase of the Purchase Parcel and the acceptance of the Donation Parcel as contemplated by this Agreement. For purposes of this Agreement, Opening of Escrow shall mean the date on which Escrow Holder shall have received a fully executed original of this Agreement from Buyer and Seller. Close of Escrow shall be the date upon which the Grant Deed to Buyer described in Paragraph No. 6, above, is delivered and recorded in the Official Records of the County of San Joaquin. The Close of Escrow shall be on the date which is not later than the first business day occurring sixty (60) days after the date of this Agreement. Before the Close of Escrow, all risk of loss and damage to the Purchase Parcel and the Donation Parcel Property from any source whatsoever shall be solely that of Seller. Seller agrees to deliver possession of the Purchase Parcel and the Donation Parcel and to provide Buyer with all keys at the Close of Escrow. Seller agrees that, except for any portion of the property occupied by a lawful tenant disclosed to Buyer as provided in Paragraph 12, below, at the Close of Escrow the Purchase Parcel and the Donation Parcel will be vacant and that all personal property will be removed and the Purchase Parcel and the Donation Parcel will be in a broom clean condition free from garbage or debris.

9. **Escrow Charges and Prorations.** Buyer and Seller shall share equally the cost of the CLTA Owner's Standard Coverage Policy of Title Insurance, the Escrow fees and Escrow Holder's customary out-of-pocket expenses for messenger services, long distance telephone, etc. Buyer shall pay any fees or costs relating to recording of the Grant Deed with the County of San Joaquin Recorder's Office. Seller shall pay any documentary or other local transfer taxes, and any other recording fees. Taxes, assessments, penalties, interest charges, delinquency charges, and municipal service charges of every kind levied upon or assessed against the Purchase Parcel and the Donation Parcel, except as otherwise expressly set forth herein, shall be paid by Seller to the date of recording. If the Escrow shall fail to close through no fault of either party, Buyer and Seller shall equally pay all Escrow cancellation charges.

10. **License to Enter.** Seller hereby grants to Buyer and Buyer's authorized agents, contractors, consultants, assigns, attorneys, accountants and other representatives an irrevocable license to enter upon the Purchase Parcel and the Donation Parcel for the purpose of making inspections and other examinations, including, but not limited to, the right to perform soil and geological tests of the property and an environmental site assessment thereof. Buyer shall give Seller reasonable notice before going on the property. Buyer does hereby indemnify and forever save Seller, Seller's heirs, successors and assigns, and the Purchase Parcel and the Donation Parcel, free and harmless from and against any and all liability, loss, damages and costs and expenses, demands, causes of action, claims or judgments, whether or not arising from or occurring out of any damage to the Purchase Parcel and the Donation Parcel as a result of any accident or other occurrence at that property which is in any way connected with Buyer's inspections or non-permanent improvements involving entrance onto the Purchase Parcel and the Donation Parcel pursuant to this Paragraph. If Buyer fails to acquire the Purchase Parcel and the Donation Parcel due to Buyer's default, this license shall terminate upon the termination of Buyer's right to purchase the Purchase Parcel and the Donation Parcel. In such event, Buyer shall remove or cause to be removed all Buyer's personal property, facilities, tools and equipment from the Purchase Parcel and the Donation Parcel.

11. **Warranties and Representations of Seller.** To the best of Seller's knowledge, Seller hereby represents and warrants to Buyer the following, it being expressly understood and agreed that all such representations and warranties are to be true and correct as of the Close of Escrow and shall survive the Close of Escrow:

(a) That (i) the Purchase Parcel and the Donation Parcel are in compliance with all applicable statutes and regulations, including environmental, health and safety requirements; (ii) all businesses on the Purchase Parcel and the Donation Parcel, if any, have disposed of their waste in accordance with all applicable statutes, ordinances, and regulations; and (iii) Seller has no notice of any pending or threatened action or proceeding arising out of the condition of the Purchase Parcel and the Donation Parcel or alleged violation of environmental, health or safety statutes, ordinance or regulations. To this end, it is agreed that notwithstanding the conveyance of the Purchase Parcel and the Donation Parcel to Buyer, Seller shall indemnify, protect, defend and hold harmless Buyer from and against any and all claims, liabilities, suits, losses, costs, expenses and damages relating to the cost of cleaning up the Purchase Parcel and the Donation Parcel and removing hazardous or toxic substances, materials and waste therefrom, by reason of contamination or adverse effects on the environment, or by reason of any statutes, ordinances, orders, rules or regulations of any governmental entity or agency requiring the clean-up of the Purchase Parcel and the Donation Parcel, caused by or resulting from any hazardous material, substance or waste existing on, under or about the Purchase Parcel and the Donation Parcel on the Close of Escrow. Seller hereby represents and warrants that, to the best of Seller's knowledge, during the period of Seller's ownership of the Purchase Parcel and the Donation Parcel, there has been no known existence, disposals, storage, releases or threatened releases of hazardous substances or hazardous materials on, from or under the Purchase Parcel and the Donation Parcel. Seller further represents and warrants that Seller has no knowledge of any existence, storage, disposal, release, or threatened release of hazardous substances or hazardous materials, on, from, or under the Purchase Parcel and the Donation Parcel that may have occurred prior to Seller taking title to the Purchase Parcel and the Donation Parcel.

The acquisition price of the Purchase Parcel and the Donation Parcel being acquired in this transaction reflect the negotiated price for those properties without the presence of contamination. If the Purchase Parcel and/or the Donation Parcel are found to be contaminated by the presence of hazardous substances or materials which require mitigation under federal or state law, Buyer may elect to recover its cleanup costs from those who caused or contributed to the contamination. If Buyer should discover any hydrocarbonous substances or any hazardous substances or materials (as determined under federal, state or local law then in effect), asbestos or asbestos-bearing materials or other environmental condition subject to legal requirements for investigation, corrective or remedial action on, in or under the Purchase Parcel and/or the Donation Parcel, Buyer shall immediately notify Seller in writing of the same, and if such discovery is made after the close of escrow, Buyer shall cause the condition to be corrected or remedied in accordance with applicable law.

Seller hereby agrees to defend, indemnify and hold Buyer harmless from any and all past, present, and future claims, liabilities, obligations, or causes of action from any person or source arising out of or connected with Seller's disposal, storage, or release, and/or Seller's knowledge of present or past existence, disposal, storage, or release of hazardous substances or hazardous materials, in, on, or under the Property which is the subject of this Agreement including any costs of corrective or remedial work occasioned by the discovery of hazardous substances or hazardous materials after the close of escrow.

Hazardous substances or materials are defined as any substance (i) the presence of which requires investigation or remediation under any federal, state or local law, rule, regulation or policy; or (ii) which is defined as "hazardous waste," "hazardous substance," "hazardous material" or "toxic substance or material" under any federal, state or local law, rule, regulation or policy, including any environmental laws. The representations and promises made in this paragraph are intended to, and shall survive the execution, delivery and recordation of the deed referenced in Paragraph 6.

(b) That Seller is the sole owner of the Purchase Parcel and the Donation Parcel free and clear of all liens, claims, encumbrances, easements, encroachments from adjacent properties, encroachments by improvements or vegetation on the Purchase Parcel and the Donation Parcel onto adjacent property, or rights of way of any nature, other than those that may appear on the title commitment. Seller shall not further encumber the Purchase Parcel and the Donation Parcel or allow the Purchase Parcel and the Donation Parcel to be further encumbered prior to the Close of Escrow.

(c) Neither this Agreement nor anything provided to be done hereunder including the transfer of the Purchase Parcel and the Donation Parcel to Buyer, violates or shall violate any contract, agreement or instrument to which Seller is a party, or which affects Purchase Parcel and the Donation Parcel, and the sale of the Purchase Parcel and the donation of the Donation Parcel herein contemplated do not require the consent of any party not a signatory hereto.

(d) There are no mechanics', materialmen's or similar claims or liens presently claimed or which will be claimed against the Property for work performed

or commenced prior to the date of this Agreement. Seller agrees to hold Buyer harmless from all costs, expenses, liabilities, losses, charges, fees, including attorney fees, arising from or relating to any such lien or any similar lien claimed against the Purchase Parcel and the Donation Parcel and arising from work performed or commenced prior to the Close of Escrow.

(e) There are no written or oral leases or contractual right or option to rent, lease, purchase, or otherwise enjoy possession, rights or interest of any nature in and to the Purchase Parcel and the Donation Parcel or any part thereof, and no persons have any right of possession to the Purchase Parcel and the Donation Parcel or any part thereof. Prior to the Close of Escrow Seller shall not enter into any new written or oral agreements to rent or allow any portion of the Purchase Parcel and the Donation Parcel to be occupied for any reason. Seller understands and agrees that allowing new tenants to occupy the Purchase Parcel and the Donation Parcel may cause Buyer to incur relocation expenses. Seller agrees to reimburse Buyer for all relocation expenses incurred by Buyer for any occupants at the Purchase Parcel and/or the Donation Parcel on or after the Close of Escrow.

(f) Seller has no knowledge of any pending, threatened or potential litigation, action or proceeding against Seller or any other party before any court or administrative tribunal that is in any way related to the Purchase Parcel and/or the Donation Parcel.

(g) Seller agrees to indemnify, defend, and hold Buyer harmless for breach of the warranties set forth above in subsections (a) through (f) of this Paragraph 11.

12. Full Payment of All Obligations of City.

(a) It is understood and agreed between Seller and Buyer that the payments made to Seller as set forth in this Agreement represent an all inclusive settlement and is full and complete payment of compensation for the acquisition of all property interests pertaining to the Purchase Parcel and the Donation Parcel and includes and satisfies any and all other payments, if any, that may be required by law to be paid to Seller and/or Seller's tenants arising out of the acquisition of the Purchase Parcel and the acceptance of the Donation Parcel and displacement of Seller, of Seller's business, and all other persons or businesses occupying the Purchase Parcel and the Donation Parcel, and specifically includes, but is not limited to, claims for severance and other damages, attorney's fees, interest, expenses of litigation, expert's fees, precondemnation damages, inverse condemnation, owner participation rights under any Redevelopment Plan, relocation assistance and/or benefits under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4601, *et seq.*), if applicable, or under Title 1, Division 7, Chapter 1 of the Government Code of the State of California (Section 7260, *et seq.*), and loss of business goodwill under the Eminent Domain Law, Code of Civil Procedure Section 1263.510, and all costs and expenses whatever in connection therewith. Seller hereby acknowledges that Buyer has advised Seller of the possible availability of such relocation assistance rights to Seller and/or Seller's tenants and that the waiver of all rights by Seller herein set forth is free and voluntary.

(b) Buyer shall purchase the Purchase Parcel and accept the Donation Parcel subject to existing leases and/or rental agreements. Seller shall provide Buyer in escrow with a current list of lawful tenants occupying the Purchase Parcel and the Donation Parcel and copies of all rental agreements or leases currently in effect together with Tenant Estoppels substantially in the form of Exhibit "A" attached hereto and incorporated by this reference. Seller agrees to assign any such leases or rental agreements to Buyer. Buyer shall provide relocation assistance and/or benefits to said lawful tenants under Title 1, Division 7, Chapter 1 of the Government Code of the State of California (Section 7260, *et seq.*), and Buyer shall provide for said tenants loss of business goodwill under the Eminent Domain Law, Code of Civil Procedure Section 1263.510. Buyer and Seller agree that it would be difficult to estimate the amount required for such assistance, benefits and/or losses; therefore, Buyer and Seller agree to withhold in escrow a portion of the purchase price in the amount of ONE HUNDRED FIFTY THOUSAND DOLLARS (\$150,000.00) (hereinafter "the Purchase Relocation Funds") to be deducted from Seller's proceeds at the Close of Escrow. The Purchase Relocation Funds shall be held in an interest bearing account by the Escrow Holder for a period of up to eighteen (18) months from the Close of Escrow. Buyer shall be reimbursed from the Purchase Relocation Funds for all costs incurred by Buyer as may be required for such tenant relocation assistance and benefits and/or tenant's loss of goodwill claims, including but not limited to costs of assistance, benefits and/or claims paid to or on behalf of any tenant displaced from the Purchase Parcel and/or the Donation Parcel, costs of relocation consultants, if any, costs of legal services in connection with payment of benefits, claims or appeals. Buyer and Seller agree that Escrow Holder shall release funds to Buyer upon Buyer's submission of claims to Escrow Holder. Any amount remaining after Buyer has notified Escrow that Buyer has received full reimbursement shall be paid to Seller. Any of the Purchase Relocation Funds remaining at the end of the eighteen (18) month period shall be released to Seller upon both Seller and Buyer providing written instructions to the Escrow Holder agreeing to the release.

(c) This Agreement is a voluntary agreement and Seller, on behalf of itself and its heirs, successors and assigns, hereby fully releases Buyer, its officials, counsel, employees, and agents, from all claims and causes of action by reason of any damage which has been sustained, or may be sustained, as a result of Buyer's efforts to acquire the Purchase Parcel and/or the Donation Parcel or any preliminary steps thereto. Seller further releases and agrees to hold Buyer harmless from any and all claims and causes of action by reason of any leasehold interest in the Purchase Parcel and/or the Donation Parcel.

(d) Seller acknowledges that it may have sustained damage, loss, costs or expenses which are presently unknown and unsuspected, and such damage, loss, costs or expense which may have been sustained, may give rise to additional damages, loss, costs or expenses in the future. Nevertheless, Seller hereby acknowledges that this Agreement has been negotiated and agreed upon in light of that situation, and hereby expressly waives any and all rights which Seller may have under California Civil Code Section 1542, or under any statute or common law or equitable principle of similar effect. California Civil Code Section 1542 provides as follows:

"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.”

Seller's Initials *RW*

Buyer's Initials _____

(e) This Paragraph shall survive the Close of Escrow.

13. **“AS IS”.** Buyer is capable of ascertaining and analyzing all facts material to its decision to purchase the Purchase Parcel and accept the Donation Parcel. Buyer acknowledges that the Escrow period will give Buyer the opportunity to conduct such investigations and evaluations as Buyer deems necessary. Buyer agrees and acknowledges that, except as expressly set forth in this Agreement including without limitation Paragraph No. 11, above, neither Seller, nor anyone on Seller's behalf has made any representation or warranty respecting the Purchase Parcel and/or the Donation Parcel, or otherwise, in connection with the transaction contemplated herein. Without limiting the generality of the foregoing, Buyer hereby acknowledges that, above it will be purchasing the Purchase Parcel and accepting the Donation Parcel in an “AS-IS” condition, and further that:

(1) Buyer has made or will make Buyer's own independent investigation respecting the Purchase Parcel and the Donation Parcel and all other aspects of this transaction, and is relying entirely thereon and on the advice of Buyer's consultants in entering into this Agreement.

(2) Buyer has reviewed or will review all instruments, records, and documents which Buyer deems appropriate or advisable to review in connection with this transaction, and Buyer has determined or will determine prior to the Close of Escrow that the information and data contained therein or evidenced thereby is satisfactory to Buyer.

(3) Buyer acknowledges and agrees that Seller has made no representations or warranties regarding any future use or development on any other property, including property uses, the amount of traffic or traffic patterns, parking, parcel sizes or configurations, property boundaries, locations of improvements, parking and common areas, or any future plan of development.

EXCEPT TO THE EXTENT EXPRESSLY PROVIDED OTHERWISE IN THIS AGREEMENT, BUYER ACKNOWLEDGES AND AGREES THAT UPON CLOSING SELLER SHALL SELL AND CONVEY TO BUYER AND BUYER SHALL ACCEPT THE PROPERTY “AS IS, WHERE IS, WITH ALL FAULTS”, AND THAT BUYER HAS NOT RELIED AND WILL NOT RELY ON, AND SELLER IS NOT LIABLE FOR OR BOUND BY, ANY EXPRESS OR IMPLIED WARRANTIES, GUARANTIES, STATEMENTS, REPRESENTATIONS OR INFORMATION PERTAINING TO THE PROPERTY OR RELATING THERETO (INCLUDING SPECIFICALLY, WITHOUT LIMITATION, ANY PROSPECTUS DISTRIBUTED WITH RESPECT TO THE PROPERTY) MADE OR FURNISHED BY SELLER, THE MANAGERS OF THE PROPERTY, OR ANY REAL ESTATE BROKER OR AGENT REPRESENTING OR

PURPORTING TO REPRESENT SELLER, TO WHOMEVER MADE OR GIVEN, DIRECTLY OR INDIRECTLY, ORALLY OR IN WRITING, UNLESS SPECIFICALLY SET FORTH IN THIS AGREEMENT. BUYER ALSO ACKNOWLEDGES THAT THE PURCHASE PRICE REFLECTS AND TAKES INTO ACCOUNT THAT THE PROPERTY IS BEING SOLD "AS-IS", PURSUANT TO THE TERMS OF THIS AGREEMENT.

14. **Buyer's Contingencies.** For the benefit of Buyer, the Closing of Escrow and the Buyer's obligation to consummate purchase of the Purchase Parcel and acceptance of the Donation Parcel shall be contingent upon and subject to the occurrence of all of the following (or Buyer's written waiver thereof, it being agreed that Buyer can waive any or all such contingencies) on or before the Close of Escrow:

(a) That as of the Close of Escrow the representations and warranties of Seller contained in this Agreement are all true and correct.

(b) The delivery of all documents pursuant to Paragraph 6 hereof.

(c) Escrow Holder's commitment to issue in favor of Buyer of a CLTA Standard Coverage Owner's Policy of Title Insurance with liability equal to the Purchase Price showing Buyer's fee interest in the Purchase Parcel and the Donation Parcel subject only to the Permitted Title Exceptions.

(d) Buyer's approval prior to the Close of Escrow of any environmental site assessment, soils or geological reports, or other physical inspections of the Purchase Parcel and/or the Donation Parcel or the underlying real property that Buyer might perform prior to the Close of Escrow.

15. **Certification of Non-Foreign Status.** Seller covenants to deliver to Escrow a certification of Non-Foreign Status in accordance with I.R.C. Section 1445, and a similar notice pursuant to California Revenue and Taxation Code Sections 18805 and 26131, prior to the Close of Escrow.

16. **Default.** In the event of a breach or default under this Agreement by either Buyer or Seller, the non-defaulting party shall have, in addition to all rights available at law or equity, the right to terminate this Agreement and the Escrow for the purchase and sale of the Purchase Parcel and the acceptance of the Donation Parcel, 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 all prior deposits, if any. Such termination of the Escrow by a non-defaulting party shall be without prejudice to the non-defaulting party's rights and remedies at law or equity.

17. **Notices.** All notices and demands shall be given in writing by certified mail, postage prepaid, and return receipt requested, or by personal delivery. Notices shall be considered given upon the earlier of (a) personal delivery, (b) two (2) business days following deposit in the United States mail, postage prepaid, certified or registered, return receipt requested, or (c) one (1) business day following deposit with an overnight carrier service. A copy of all notices shall be sent to Escrow Holder. Notices shall be addressed as provided below for the respective party; provided that if any party

gives notice in writing of a change of name or address, notices to such party shall thereafter be given as demanded in that notice:

BUYER: Redevelopment Agency of the City of Stockton
 425 N. El Dorado Street
 Stockton, CA 95202
 Attn: Executive Director

SELLER: Ralph L. White
 2201 E. Eighth Street
 Stockton, CA 95206

ESCROW
HOLDER: Old Republic Title Company
 3461 Brookside Road, Suite A
 Stockton, California 95219
 Attn: Nancy Furtado

18. **Broker's Commissions.** Seller shall be responsible at Seller's sole expense for any real estate brokerage fees, commissions, and claims of brokers, agents or finders, licensed or unlicensed, and all claims of real estate or other consultants which exist or may arise as a result of acquisition of the Property. Buyer shall not be liable for any real estate brokerage fees, commissions or claims in this transaction and Seller shall indemnify Buyer its officers, employees and agents, from any and all costs, liabilities or judgments, including attorneys' fees, incurred in defending or paying any such claims.

19. **Further Instructions.** Each party agrees to execute such other and further escrow instructions as may be necessary or proper in order to consummate the transaction contemplated by this Agreement.

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

21. **Miscellaneous**

(a) **Applicable Law.** This Agreement shall be construed and interpreted under, and governed and enforced according to the laws of the State of California.

(b) **Entire Agreement.** This Agreement supersedes any prior agreement, oral or written, and together with the Exhibits hereto and any agreements delivered pursuant hereto, contains the entire agreement between Buyer and Seller on the subject matter hereof. No subsequent agreement, representation or promise made by either party hereto, or by or to any employee, officer, agent or representative of either party, shall be of any effect unless it is in writing and executed by the party to be bound thereby. No person is authorized to make, and by execution hereof Seller and Buyer acknowledge that no person has made, any representation, warranty, guaranty or promise except as set forth herein; and no agreement, statement, representation or promise made by any such person which is not contained herein shall be valid or binding on Seller or Buyer.

(c) **Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of the parties hereto.

(d) **Time of Essence.** The parties acknowledge that time is of the essence in this Agreement, notwithstanding anything to the contrary in the Escrow company's general Escrow instructions.

(e) **Remedies Not Exclusive and Waivers.** No remedy conferred by any of the specific provisions of this Agreement is intended to be exclusive of any other remedy and each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise. The election of any one or more remedies shall not constitute a waiver of the right to pursue other available remedies.

(f) **Interpretation and Construction.** The parties agree that each party has reviewed this Agreement and that each have had the opportunity to have their counsel and real estate advisors review and revise this agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement or any amendments or Exhibits thereto. In this Agreement the neuter gender includes the feminine and masculine, and singular number includes the plural, and the words "person" and "party" include corporation, partnership, firm, trust, or association wherever the context so requires. The recitals and captions of the sections and subsections of this Agreement are for convenience and reference only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

22. **Attorneys' Fees.** If either party hereto incurs attorneys' fees in order to enforce, defend or interpret any of the terms, provisions or conditions of this Agreement or because of a breach of this Agreement by the other party, the prevailing party, whether by suit, negotiation, arbitration or settlement shall be entitled to recover reasonable attorneys' fees from the other party.

23. **Assignment.** Buyer may assign its rights under this Agreement or may designate a nominee to acquire title to the Property, provided, however, that any such assignment or designation shall not relieve Buyer of any of its obligations under this Agreement.

/

/

/

/

/

/

/

24. **Escrow Holder Need Not Be Concerned.** Escrow Holder is not to be concerned with Paragraphs 10, 11, and 12 hereof, and Buyer and Seller release Escrow Holder from liability or obligation as to Paragraphs 10, 11, and 12 hereof.

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


SELLER



RALPH L. WHITE

BUYER

REDEVELOPMENT AGENCY OF THE
CITY OF STOCKTON, a public body,
corporate and politic

By: 

J. GORDON PALMER, JR.
Executive Director of the Redevelopment
Agency of the City of Stockton

APPROVED AS TO FORM
OFFICE OF THE CITY ATTORNEY

By: 

EXHIBIT "A"
TENANT ESTOPPEL CERTIFICATE

DATE: _____ at _____, California

FACTS: *(Items left blank or unchecked are not applicable)*

- Lease
- Month-to-month rental agreement
- Other: _____

Dated _____, at _____, California

Entered into by:

Landlord: _____

Tenant: _____

Recorded as document No. _____, _____ County Records, California

Regarding real estate premises referred to as: _____

STATEMENT: Tenant certifies as follows:

1. The lease or rental agreement is:

- Unmodified and in effect.
- Modified and in effect under a modification agreement dated _____

2. Tenant is in possession of the premises, and has not assigned or sublet any portion of the premises.

3. If the agreement is a lease, the current term is for _____ years, ending _____

3.1 Lease renewal/extension option term(s) run until _____

4. The amount of monthly rent is \$ _____

4.1 No incentives, bonuses, free rent, discounts or refunds on the rental amount were given Tenant, exempt: _____

4.2 Rent is paid through the period ending _____

4.3 Tenant has not prepaid future rent, except the amount of \$ _____ for the rental period.

4.4 No Tenant liens, claims, offsets or charges exist against Landlord, except: _____

5. A security deposit of \$ _____ is held by Landlord to cover any expenses or losses caused by Tenant's breach of the agreement.

6. Any improvements required to have been made by Landlord or Tenant have been satisfactorily completed.

7. No breach of the agreement by Landlord or Tenant presently exists.

8. Tenant holds no contract, option or right to buy any interest in the real estate.

8.1 Tenant holds no right to lease additional or substitute space in the real estate.

9. Tenant has caused no lien or encumbrance to attach to the leasehold interest in the property.

10. Tenant understands this certificate will be relied on by a buyer of the property or a lender secured by the real estate.

TENANT:

I certify the above is true and correct.

Date: _____

Name: _____

Phone: () _____ Fax: () _____

Signature: _____

EXHIBIT "B"
MEMORANDUM OF OPTION

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

City of Stockton Redevelopment Agency
City Hall, Third Floor
425 N. El Dorado Street
Stockton, California 95202

SPACE ABOVE THIS LINE FOR RECORDER'S USE

MEMORANDUM OF OPTION

This Memorandum of Option ("**Memorandum**"), dated for reference purposes as _____, 2008 is executed in connection with that certain **All Inclusive Purchase And Sale Agreement And Escrow Instructions** ("**Agreement**") dated _____, 2008, by RALPH L. WHITE ("**Optionor**"), and the REDEVELOPMENT AGENCY OF THE CITY OF STOCKTON, a public body, corporate and politic, ("**Optionee**").

For good and valuable consideration, Optionor hereby grants to Optionee an option ("**Option**") to purchase the Property described in the Agreement and as described in Schedule 1, attached hereto, at a price and pursuant to the terms and conditions specifically set forth in the Agreement. The Option shall remain in full force and effect until terminated in accordance with the terms and conditions set forth in the Agreement.

This Memorandum is solely for providing constructive notice of the Option Agreement and shall not be construed to supplement, amend, or otherwise modify the terms and conditions contained in the Option Agreement.

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

OPTIONOR:

By: _____
RALPH L. WHITE

Date: _____

OPTIONEE:

REDEVELOPMENT AGENCY OF THE
CITY OF STOCKTON, a public body,
corporate and politic

By: _____
J. GORDON PALMER, JR.
Executive Director of the Redevelopment
Agency of the City of Stockton

Date: _____

Schedule 1

Description of 2110 S. Airport Way, Stockton, CA (Assessor's Parcel Numbers 169-162-01)

