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PURCHASE AND SALE AGREEMENT WITH
JOINT ESCROW INSTRUCTIONS

_____ (Address)

_____ CALIFORNIA

By and Between

_____ as Buyer(s)

and

_____ as Seller(s)

Dated as of _____, 20__

PURCHASE AND SALE AGREEMENT
WITH JOINT ESCROW INSTRUCTIONS

This Purchase and Sale Agreement with Joint Escrow Instructions (the "Agreement"), is made and entered into this ____ day of _____, 20____, by and between _____ ("Buyer"), and _____ ("Seller"), with respect to the purchase and sale of the Property hereinafter described, located at _____, California.

W I T N E S S E T H:

In consideration of the mutual covenants and agreements set forth herein, the parties agree as follows: Seller agrees to sell, transfer and assign, and Buyer agrees to purchase, accept and assume, subject to the terms and conditions stated herein, all of Seller's right, title and interest in and to the real and personal property as hereinafter described (collectively, the "Property"). Notwithstanding the foregoing, it is the intention of the parties that the Property will be delivered to Buyer free and clear of all monetary liens (except liens for real and personal property taxes not yet due and payable), and free and clear of all encumbrances to title voluntarily placed on the Property by Seller between the Effective Date (as defined in Section 9(n) below) and the Closing Date and, subject to Section 3(b) below, Buyer will not be assuming or taking the Property subject to any monetary liens (except liens for real and personal property taxes not yet due and payable) or assuming or taking the Property subject to any encumbrances to title voluntarily placed on the Property by Seller between the Effective Date and the Closing Date.

1. **PROPERTY.**

(A) **REAL PROPERTY.** That certain real property owned by Seller, located at _____, California, and more particularly described on Exhibit "A" attached and made part of this agreement containing an approximately _____ square foot building; land, together with all improvements, structures, and fixtures located on and all rights, privileges, tenements, hereditaments and appurtenances pertaining to including all of Seller's right, title and interest in and to all rights-of-way, open or proposed streets, alleys, easements, strips or gores of land adjacent thereto (herein collectively called the "Real Property");

(B) **PERSONAL PROPERTY.** All tangible personal property, if any, owned by Seller located on the Real Property and used in the ownership, (operation, management, if any) and maintenance of the Real Property and all non-confidential, non-proprietary books, records and files relating to the Real Property (herein collectively called the "Personal Property");

(C) **OTHER PROPERTY RIGHTS.** (a) All service, maintenance, utility, supply and any additional service, supply, security, maintenance or utility contracts entered into in accordance with the terms of this Agreement (all of the foregoing being herein collectively called the "Contracts"), which Contracts shall be terminated by Seller prior to Closing at no cost or liability to Buyer except to the extent that Buyer has advised Seller that it wishes to

assume any particular Contract(s), (b) all licenses, permits and other written authorizations necessary for the use, operation or ownership of the Real Property or Personal Property, (c) all plans and specifications proprietary to the Property, (d) all Property records dealing with current taxes, maintenance and repairs, (e) all right, title and interest of Seller in and to any reversionary rights attributable to the Real Property, and in and to all sewage capacity and water capacity, if any, to serve the Property. Seller makes no representation or warranty that it possesses any of the items described in (b) - (e) above. Seller has not assigned any of the rights described above to any other parties.

2. **TOTAL CONSIDERATION.** The Total Consideration payable by Buyer for the Property shall be _____ (_____).

3. **TERMS OF PAYMENT.** The Total Consideration shall be paid as follows:

(a) **Deposit.** Buyer shall deposit a check or wire funds in the amount of _____ (the "Deposit"), to be applied towards the Total Consideration, into an escrow with _____ (the "Escrow" and "Escrow Holder") within one (1) business day after the full execution of this Agreement by both Buyer and Seller and delivery of a signed copy to Buyer. The Deposit shall be held in an interest bearing account and be applied towards the Total Consideration. Any interest earned on the Deposit shall be considered a part of the Deposit. Such interest shall accrue for the benefit of Buyer to the end so that on the Closing Date, the Deposit, including accrued interest, shall be credited against the Total Consideration and paid to Seller. In the event that Buyer is entitled to a return of such Deposit, Buyer shall receive the Deposit plus accrued interest. In the event that Seller is entitled to Buyer's Deposit, Seller shall receive the Deposit plus accrued interest.

(b) **Existing Deed of Trust.** The Property is currently encumbered by that certain Deed of Trust and Security Agreement dated as of _____, securing a loan in the amount of approximately _____ (the "Loan") from _____ Bank, N.A., service by _____ ("Lender") to Seller. The terms of the loan are ___% fixed or ___% adjustable rate for ___ years with ___ years remaining. Payments are _____ per _____. Loan is amortized over _____ years. Loan has a term of _____ years.

Check one:

(1) This loan shall be fully satisfied and shall no longer be an encumbrance on the land as of the Close of Escrow. _____

(2) This loan shall be assumed by the Buyer at the current terms and conditions. _____

(c) **The Balance.** The balance of the Total Consideration in the amount of _____, not including closings costs or other loan costs, shall be deposited into the Escrow at or prior to the closing of the Escrow.

4. **TITLE.** Title to the Property shall be evidenced by a CLTA/ALTA (circle one) Title Insurance Policy issued by _____ Title Company, (the "Title Company"), in an amount equal to the Total Consideration, subject only to the liens for real

estate taxes not yet payable and any such other liens and encumbrances as approved in writing by Buyer during the Inspection Period, and containing any endorsements requested by Buyer and agreed to by the Title Company (the "Title Policy"). Seller shall be obligated to remove all monetary liens prior to or concurrent with the Closing Date (other than liens for real and personal property taxes not yet due and payable). Seller agrees that Seller will not voluntarily place any kind of encumbrance on the Property between the Effective Date and the Closing Date.

5. **INSPECTION PERIOD.** If Seller has any such documents listed below dated within the last 180 days, Seller shall provide copies of such documents to Buyer at no cost to Buyer. In addition to any other conditions set forth herein, this Agreement and the Escrow shall be subject to Buyer's passive approval (but in Buyer's sole and absolute discretion) of the following due diligence items through and including ___ p.m. PST on _____, 20__ (the "Inspection Period"), any of which may be waived by Buyer, in writing:

(a) Buyer's confirmation that: (i) there exists available for use on the Property all necessary utilities including, without limitation, sewers, gas, electricity, water, and telephone service sufficient to service the Property as reasonably determined by Buyer; (ii) there are no condemnation or eminent domain proceedings pending or contemplated affecting the Property; and (iii) the Property is not in violation of any antipollution or environmental laws or regulations in existence in the county or state in which the Property is located which affect the Property;

(b) Buyer's approval of a soils/geotechnical and hazardous materials test report(s) to be obtained by Buyer at Buyer's sole cost and expense;

(c) Buyer's approval of the physical condition of the land and building improvements of the Property, including, but not limited to, the structure, including approval of wood-destroying pests conditions, if any, roof, foundation, plumbing and electrical service, metering, HVAC and all mechanical systems, if applicable. Seller shall provide reasonable access to the Property upon execution of this Agreement, provided that Buyer shall give Seller at least twenty-four (24) hours prior notice of such entry and Seller shall have the right to have an agent of Seller present during any such inspections;

(d) Buyer's approval of a Preliminary Title Report (and all underlying documents), including, but not limited to, all title reservations, covenants, conditions, restrictions, rights, rights of way and easements of record, and as disclosed by survey. Title Company shall also provide with the Preliminary Title Report plots of all easements and restrictions of record. Buyer, should it so desire, and at its sole cost and expense, shall cause an ALTA survey (or other form of survey acceptable to Title Company to issue an Owner's ALTA (Extended Coverage) Title Policy) to be prepared or updated for Buyer's approval and for the issuance of an Owner's ALTA (Extended Coverage) Title Policy, and shall submit such survey to the Title Company. Seller shall cause the Title Company to issue and deliver to Buyer its Preliminary Title Report together with copies of all recorded exceptions and items affecting title and with easement plots within Seven (7) business days from the Effective Date.

(e) This transaction ___ is /___ is not contingent upon Buyer obtaining a loan in the amount of \$_____, secured by a Deed of Trust in favor of the lender, encumbering the Property, securing a note payable at maximum interest of _____ % fixed rate, or

_____ % initial adjustment rate with a maximum interest rate of _____ %, balance due in _____ years, amortized over _____ years. Buyer shall pay loan fees/points not to exceed _____ %. These terms shall apply whether the loan is conventional, FHA or VA.

(f) Buyer's approval of those documents and other items described hereinbelow (the "Review Documents"). Where form disclosures are presented to Buyer for signature, Buyer shall return same to Seller before the end of the Inspection Period. Without any representation or warranty as to accuracy or completeness (except that Seller represents that to Seller's current, actual knowledge, no such materials contain any inaccurate or untrue information), and only to the extent within the physical possession of Seller, Seller shall deliver to Buyer within Seven (7) days following the Effective Date (or make available to Buyer for Buyer's review at Seller's offices, if expressly provided) all reports, writings, correspondence, materials, documentation, (including, if the Property is a Condominium or is located in a planned unit development or other common-interest development, copies of any documents required by law; disclosure of pending or anticipated claim or litigation by or against the HOA; statement of location and number of designated parking and storage spaces; copies of the previous 12 months of HOA minutes for regular and special meetings; names and contact information of all HOAs governing the Property) financial information, statutory disclosure forms, including (if required by law) Federal Lead-Based Paint Disclosures and pamphlet (which may not be waived per California Law); disclosures or notices required by sections 1102 et. Seq. and 1103 et. Seq. of the California Civil Code (Statutory Disclosures (which may not be waived, per California Law)). Statutory Disclosures include, but are not limited to: Real Estate Transfer Disclosure Statement ("TDS"), Natural Hazard Disclosure Statement ("NHD"), notice or actual knowledge of release of illegal controlled substance, notice of special tax and/or assessments (or, if allowed, substantially equivalent notice regarding the Mello-Roos Community Facilities Act and Improvement Bond Act of 1915) and, if Seller has actual knowledge, an industrial use and military ordnance location disclosure; and non-proprietary information pertaining to the Property. Seller will provide to Buyer, on request, any other Review Documents in Seller's possession.

(g) Natural and Environmental Hazards shall, if required by Law, be disclosed to Buyer, in addition to any pamphlets, guides and/or questionnaires, which may also be required by Law. Such disclosures may include disclosure of: Property being situated in a Special Flood Hazard Area; Potential Flooding (Inundation) Area; Very High Fire Hazard Zone; State Fire Responsibility Area; Earthquake Fault Zone; Seismic Hazard Zone, and any other zone and attending information as required by law.

(h) Data Base Disclosure: NOTICE: The California Department of Justice, sheriff's departments, police departments serving jurisdictions of 200,000 or more and many other local law enforcement authorities maintain for public access a database of the locations of persons required to register pursuant to Paragraph 1 of subdivision a of Section 290.4 of the Penal Code. The database is updated on a quarterly basis and is a source of information about the presence of these individuals in any neighborhood. The Department of Justice also maintains a Sex Offender Identification Line through which inquiries about individuals may be made. This is a "900" telephone service. Callers must have specific information about individuals they are checking. Information about neighborhoods is not available through the "900" telephone service.

(i) The Property ___ is/ ___ is not a Condominium/Planned Unit Development.

In the event Seller becomes aware of adverse conditions materially affecting the Property, Seller shall disclose of all such conditions prior to Close of Escrow.

(j) Any other matter of interest to Buyer affecting the Property or its future prospects, in Buyer's sole and absolute discretion.

In the event Buyer shall disapprove any of the items above prior to the expiration of the Inspection Period, Buyer may either waive the condition or terminate and cancel this Agreement and the Escrow without any cost or liability whatsoever and the Deposit with earned interest shall be returned in full to Buyer. In the event that Buyer shall have failed to give Seller any written notice of disapproval of any of the items above prior to the expiration of the Inspection Period, Buyer shall be deemed to have waived the condition. Buyer shall not be obligated to specify reasons should Buyer elect to terminate this Agreement according to the terms and as provided herein. Buyer may simply notify Seller in writing that Buyer has elected to terminate this Agreement.

Upon termination of this Agreement, Buyer shall (i) deliver to Seller any non-proprietary third party reports, studies or other written materials obtained by Buyer, and (ii) return to Seller the Review Documents, all other written reports and any other written due-diligence items obtained from Seller, and the respective obligations of Buyer and Seller under this Agreement shall terminate; except that Buyer's indemnity obligations under Section 7 shall survive. Notwithstanding anything to the contrary contained or implied in this Agreement, the receipt by Seller of the items described in (i) and (ii) above shall be a condition precedent to the release of the Deposit from Escrow.

IN THE EVENT THE CONSUMMATION OF THE TRANSACTION HEREIN CONTEMPLATED DOES NOT OCCUR AS HEREIN PROVIDED BY REASON OF ANY DEFAULT OF BUYER, BUYER AND SELLER AGREE THAT IT WOULD BE IMPRACTICAL AND EXTREMELY DIFFICULT TO ESTIMATE THE DAMAGES THAT SELLER MAY SUFFER. THEREFORE, BUYER AND SELLER AGREE THAT A REASONABLE ESTIMATE OF THE DAMAGES THAT SELLER WOULD SUFFER IN THE EVENT THAT BUYER DEFAULTS AND FAILS TO COMPLETE THE PURCHASE OF THE PROPERTY IS AND SHALL BE, AS SELLER'S SOLE AND EXCLUSIVE REMEDY (WHETHER AT LAW OR IN EQUITY), AN AMOUNT EQUAL TO THE DEPOSIT (UP TO AND INCLUDING THREE PERCENT (3%) OF THE TOTAL CONSIDERATION WHICH INCLUDES ANY ACCRUED INTEREST). THIS AMOUNT SHALL BE THE FULL, AGREED AND LIQUIDATED DAMAGES FOR THE BREACH OF THIS AGREEMENT BY BUYER, ALL OTHER CLAIMS TO DAMAGES OR OTHER REMEDIES BEING HEREIN EXPRESSLY WAIVED BY SELLER; PROVIDED THAT THE FOREGOING SHALL NOT LIMIT SELLER'S RIGHT TO RECEIVE REIMBURSEMENT FOR REASONABLE ATTORNEYS' FEES, NOR WAIVE OR AFFECT SELLER'S RIGHTS AND BUYER'S INDEMNITY OBLIGATIONS UNDER THIS AGREEMENT SHOULD LITIGATION ARISE UNDER BUYER'S INDEMNITY OBLIGATIONS OR REGARDING SELLER'S RIGHT TO RETAIN THE DEPOSIT. THE PAYMENT OF SUCH AMOUNT AS LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLER. UPON A DEFAULT BY BUYER WHICH GIVES RISE TO A TERMINATION RIGHT OF SELLER, WHEREUPON THIS AGREEMENT SHALL BE TERMINATED, AND NEITHER PARTY SHALL HAVE ANY FURTHER RIGHTS OR

OBLIGATIONS HEREUNDER, EACH TO THE OTHER, EXCEPT FOR THE RIGHT OF SELLER TO COLLECT SUCH LIQUIDATED DAMAGES FROM BUYER AND ESCROW AGENT.

Seller's Initials: _____

Buyer's Initials: _____

6. **ESCROW; SELLER/BUYER DELIVERIES:** The purchase and sale of the Property shall be consummated through an Escrow at _____ (the "Escrow Agent")

(A) Opening. Escrow shall be deemed open upon the Escrow Agent receiving this Agreement executed by both the Buyer and Seller. Buyer and Seller shall deliver executed originals of this Agreement to the Escrow Agent within two (2) days of the Effective Date.

(B) Closing. Escrow shall close (the "Closing") on or before _____, 20___. Provided all conditions precedent to Seller's obligations have been satisfied, Seller agrees to convey title to the Property to Buyer upon confirmation of receipt of the Total Consideration by the Escrow Agent as set forth below. Provided all conditions precedent to Buyer's obligations have been satisfied, Buyer agrees to pay the Total Consideration by timely delivering the same to the Escrow Agent no later than 10:00 a.m. Pacific Time on the Closing Date. If the Closing does not take place because not all conditions precedent to Buyer's obligations have been satisfied, including those conditions set forth in Section 6(c) Buyer's Conditions Precedent below, Buyer may elect that the Deposit together with earned interest shall be returned to Buyer. Subject to Buyer's and Seller's rights, if the Close of Escrow has not occurred by the Closing Date, either party which has complied with the terms of this Agreement may, by written notice to the other and the Escrow Agent, terminate this Agreement.

(C) Buyer's Conditions Precedent. The obligations of Buyer under this Agreement are subject to satisfaction of all of the conditions set forth in this Section 6(c). Buyer may waive any or all of such conditions in whole or in part but any such waiver shall be effective only if made in writing. After the Closing, any such condition that has not been satisfied shall be treated as having been waived in writing. No such waiver shall constitute a waiver by Buyer of any of its rights or remedies if Seller defaults in the performance of any covenant or agreement to be performed by Seller under this Agreement or if Seller breaches any representation or warranty made by Seller in Section 8(II) Warranties and Representations. If any condition set forth in this Section 6(c) is not fully satisfied or waived in writing by Buyer, Buyer may elect that this Agreement shall terminate, but without releasing Seller from liability if Seller defaults in the performance of any such covenant or agreement to be performed by Seller or if Seller breaches any such representation or warranty made by Seller before such termination.

(1) On the Closing Date, Seller shall not be materially in default in the performance of any material covenant to be performed by Seller.

(2) On the Closing Date, all representations and warranties made by Seller in Section 8(II) shall be true and correct in all material respects as if made on and as of the Closing Date.

(3) |

Seller's Closing Deliveries. On or before the Closing Date, Seller shall deliver or cause to be delivered to Escrow Agent the following items and each shall be a closing condition for the benefit of Buyer (with all documents designated below being duly executed and acknowledged where appropriate):

(a) Deed. A grant deed, in such form as may be required by the Title Company, conveying fee title to the Real Property (the "Deed").

(b) Non-Foreign Status Affidavit and Form 593. A non-foreign status affidavit as required by Section 1445 of the Internal Revenue Code. A California Form 593 Certificate executed by Seller, for each Property located in California.

(c) Other Documents. Such other documents as may be reasonably required by the Title Company or as may be agreed upon by Seller and Buyer to consummate the Closing; provided, however, Seller shall not be obligated to incur any cost or subject itself to any liability not contemplated by this Agreement in order to provide such documents. Notwithstanding the foregoing, Seller shall be obliged to cooperate with the Title Company and sign any reasonably necessary indemnity documents which the Title Company requires relating to mechanics liens or other construction matters arising out of the current construction on the Property.

(d) Property Documents. To the extent in the possession of Seller or the current property managers of Seller, all Leases, including all amendments, rental statement, including the names of tenants, rental rates, period of rental, date of last rent increase, security deposits, rental concessions, rebates or other benefits, if any, a list of delinquent rents and their duration, and all nonproprietary, non-confidential data, files, books and records relating exclusively to the operation and management of the Property, including without limitation, tenant files, permits and licenses (collectively, the "Property Documents"). Seller represents that no tenant is entitled to any rebate, concession, or other benefit, except as set forth in these documents. Seller maintains these documents are maintained regularly in the ordinary course of business.

(1) Tenant Estoppel Certificates. Seller shall deliver to Buyer tenant estoppel certificates, prepared by Seller, and signed by tenant(s), acknowledging that the tenants' leases are in full force and effect, remain unmodified, that no lessor default exists, and stating the current rental rate and the security deposit of record.

(e) Keys. Keys to all locks on the Real Property in Seller's or Seller's building manager's possession.

(f) Evidence of Authority. If and to the extent required by the Title Company, documentation to establish, to Title Company's reasonable satisfaction, the due authorization of Seller's sale of the Property and Seller's delivery of the documents required to be delivered by Seller pursuant to this Agreement.

The items to be delivered by Seller in accordance with the terms of Subsections (a)

through (f) of this Section 6(I) shall be delivered to the Escrow Agent no later than 5:00 p.m. Pacific Time on the last business day prior to the Closing Date.

Buyer's Closing Deliveries. On or before the Closing Date, Buyer shall deliver or cause to be delivered to Escrow Agent the following items and each shall be a closing condition for the benefit of Seller:

(a) Total Consideration. The Total Consideration, as adjusted for apportionments and other adjustments required under this Agreement, plus any other amounts required to be paid by Buyer at Closing.

(b) Evidence of Authority. If and to the extent required by the Title Company, documentation to establish, to Title Company's reasonable satisfaction, the due authorization of Buyer's acquisition of the Property and Buyer's delivery of the documents required to be delivered by Buyer pursuant to this Agreement.

(c) Other Documents. Such other documents as may reasonably be required by the Title Company or may be agreed upon by Seller and Buyer to consummate the transaction contemplated by this Agreement.

The Total Consideration shall be paid in accordance with the terms of Section 6(B) Closing hereof and the items to be delivered by Buyer in accordance with the terms of Subsections (b) and (c) of this Section 6(b)(II) Buyer's Closing Deliveries shall be delivered to the Escrow Agent no later than 5:00 p.m. Pacific Time on the last business day prior to the Closing Date.

(d) Fees. Seller shall pay the cost of a CLTA Title Insurance Policy, the documentary transfer taxes, any other transfer charges, recording fees, one-half of the Escrow fee, all of Seller's attorneys' and consultants' fees and expenses and all commissions and fees payable to the Broker(s). Buyer shall pay one-half of the Escrow fee, the difference in premium between an ALTA and CLTA policy (if an ALTA policy is selected by Buyer), and any endorsements reasonably required by Buyer, and all of Buyer's attorneys' and consultants' fees and expenses. All other Escrow closing costs shall be allocated between the parties in accordance with the custom and practice in the county in which the Property is located.

(e) Prorations. All receipts and disbursements of the Property shall be prorated as of 11:59 p.m. on the day immediately preceding the Closing Date and the Total Consideration shall be adjusted on the following basis:

(f) Taxes. All non-delinquent real estate taxes and assessments on the Real Property shall be prorated as of the Closing based on the actual current tax bills, but if one or more tax bills has not yet been received by Seller by the Closing, then the current year's taxes shall be deemed to be based on the previous year's tax bill(s). All delinquent taxes and all delinquent assessments, if any, on the Real Property shall be paid at the Closing from funds accruing to Seller. All supplemental taxes billed after the Closing for periods prior to the Closing shall be the responsibility of Seller; provided, however, that such supplemental taxes shall be paid promptly by Buyer, and Seller shall promptly reimburse Buyer for the portion of such taxes attributable to periods prior to the Closing. In no event shall Seller be charged with or be responsible for any increase in the taxes on the Real Property resulting from the sale of the Real Property or improvements made to the Real

Property after the Closing. Seller shall be entitled to retain the full amount of any tax refund received by Buyer or Seller after the Closing and attributable to a period prior to the Closing. Buyer shall promptly deliver the full amount of such tax refund to Seller if it is received by Buyer.

(g) Utilities. Seller shall attempt to cause the utility and water meters to be read by the applicable utility provider on the day prior to the Closing or as close to the Closing as is possible if a reading on the day prior to the Closing cannot be obtained, and shall be responsible for the cost of all utilities and water due in accordance with such reading and final billing. To the extent utility readings cannot be taken on the day prior to the Closing, Buyer and Seller shall reasonably estimate what the readings are likely to have been as of the Closing based on the actual reading, when the actual reading occurred and such information as may be available to Buyer and Seller relating to daily usage rates. Any security or service deposits delivered by Seller to utility providers, and any interest required to be paid thereon, shall be and remain the sole property of Seller, and any refund of such security deposits shall be made directly to Seller except to the extent such deposits are assigned to Buyer by Seller in which case Buyer shall be debited and Seller credited the amount of such assigned deposits. On the Closing, Seller shall cause all accounts with utility companies to be closed, and all utility bills for periods from and after the Closing shall be re-opened and paid by Buyer.

(h) Liens. Any bonds or assessments that are a current lien against the Real Property shall be prorated as of the Closing Date, unless incurred for a period prior to Closing which shall be paid by Seller.

(i) Tenant Deposits; Security Deposits. At Closing, Buyer shall be credited and Seller shall be charged with the amount of all tenant deposits and security deposits received and/or owed under the Leases in effect as of the Closing.

7. **POSSESSION.** Possession shall be delivered to Buyer upon the Closing. Pursuant to the provisions of Section 5 Inspection Period, Buyer and Buyer's agents may enter on to the Property for the purpose of performing engineering, soil tests and surveying, provided that Buyer shall not perform any intrusive testing without Seller's prior written approval, which shall not be unreasonably withheld. Buyer does hereby indemnify, defend and hold harmless Seller (and Seller's mortgagee) from any and all costs, expenses and liability in connection with Buyer's or its authorized representatives' or contractors' entry onto and/or inspections of the Property prior to the Closing (unless caused by the gross negligence or willful misconduct of Seller, its agents or employees); provided, however, that Buyer shall not be required to indemnify Seller for claims, demands, liabilities, losses, damages, costs and expenses (including reasonable attorneys' fees and disbursements) arising out of or relating to any existing conditions that are merely discovered by Buyer. In the event the transaction contemplated does not close, Buyer shall restore in good and workmanlike fashion, free of liens, the Property to its original condition. Such obligations of indemnity and restoration shall survive any termination of this Agreement.

8. **RISK OF LOSS.** In the event prior to the Close of Escrow, of any damage to, destruction of (including acts of nature) or condemnation as to twenty percent (20%) or more of the Property, Buyer may elect within five (5) business days following receipt of written notice to Buyer of such loss together with all then available information and documentation pertaining

thereto, to terminate its obligation to purchase the Property, in which event this Agreement shall be terminated, the Deposit shall be returned to Buyer and, thereafter, neither party shall have any further rights or obligations except as provided in any section that by its terms expressly provides that it survives any termination of this Agreement.

I. PERSONAL PROPERTY, FIXTURES AND IMPROVEMENTS. All personal property, fixtures and improvements of any type whatsoever existing on the Property during the Inspection Period shall, at the close of Escrow, automatically become the property of the Buyer, and Buyer shall have the right to dispose of same in any manner whatsoever without any further notice to Seller; provided however that Seller shall, at Seller's sole cost and expense, properly dispose of any Hazardous Materials owned or used by Seller at the Property prior to Closing.

II. WARRANTIES AND REPRESENTATIONS. Seller makes the following warranties and representations to Buyer, which shall be true and correct as of the Effective Date and in all material respects as of the Closing Date:

(a) To Seller's actual knowledge, except as disclosed in the Review Documents, neither the Property nor the operation thereof violates in any material way any laws, regulations or building codes of any governmental or municipal authority having jurisdiction over the Property.

(b) To Seller's actual knowledge, all documents delivered to Buyer by and on behalf of Seller will be true, correct and complete copies of the originals.

(c) As of the Closing, except as disclosed in the Review Documents, there will be no outstanding contracts for any improvements to the Property which have not been paid in full by Seller. Seller shall cause to be discharged any mechanic's liens caused by or on behalf of Seller and arising prior to the Closing.

(d) To Seller's actual knowledge, except as disclosed in the Review Documents, no litigation or other proceedings are pending or threatened against the Property, its operation or Seller relating to the Property. If Buyer is joined in any litigation or liens are placed upon the Property based on claims arising from facts occurring during Seller's ownership of the Property, Seller will indemnify and hold Buyer harmless from all damages, judgments, awards, etc. arising from such litigation including attorneys' fees and court costs. Seller shall be entitled to defend such actions, and Buyer shall cooperate with Seller and Seller's counsel. This representation and warranty shall survive the Closing for the applicable period of the statute of limitation relevant to any claim.

(e) Seller agrees to remove any monetary liens (except for real and personal property taxes not yet due and payable) prior to or concurrent with the Closing.

(f) Seller currently owns the Property and Seller holds in its sole possession indefeasible fee title to the Property.

(g) Seller has full power and authority to enter into this Agreement, and no agreements entered into by Seller with respect to the Property prior to the execution date of this Agreement by Seller currently affect (i) title to or the right to possession of the Property, (ii) Seller's right to enter into this Agreement or its performance of its obligations, or (iii) Buyer's

right to acquire the Property as provided for herein. Seller agrees to indemnify, hold harmless, and defend Buyer from any claims and liabilities asserted directly against Buyer or indirectly against Buyer through Seller by a third party arising out of any prior agreements entered into by Seller and said third party.

(h) Seller has entered into this Agreement on the Effective Date, and this Agreement is in full force and effect, constitutes a valid, binding obligation upon Seller, and neither party has defaulted, nor has any event occurred which but for the passage of time or giving of notice would constitute or result in a default. Seller further agrees from time to time, upon Buyer's request and prior to the Closing, at no out-of-pocket cost to Seller, to confirm to Buyer that this Agreement is in full force and effect with no defaults, and that Seller is proceeding diligently to consummate the transaction. Seller shall also state whether, to Seller's knowledge, any conditions for the closing of the transaction contemplated remain unsatisfied.

(i) To Seller's actual knowledge, Seller has received no notice of, and Seller has no actual knowledge of, any violation of any applicable zoning, regulation, ordinance or other law relating to the use or occupancy of the Property.

(j) To Seller's actual knowledge Seller has received no notice of, and Seller has no actual knowledge of, any pending eminent domain proceeding affecting the Property.

(k) Seller ___ is/ ___ is not a "foreign person" within the meaning of Section 1445 of the Internal Revenue Code of 1986, as amended.

(l) To Seller's actual knowledge there is no agreement to which Seller is a party or to which Seller is otherwise bound which is in conflict with this Agreement.

9. **BUYER'S REPRESENTATIONS AND WARRANTIES.** Buyer makes the following warranties and representations to Seller, which shall be true and correct in all material respects as of the Effective Date and as of the Closing Date:

(a) Buyer has full power and authority to enter into this Agreement, and no agreements entered into by Buyer with respect to the Property prior to the execution date of this Agreement by Buyer currently affect (i) Buyer's right to enter into this Agreement or its performance of its obligations, or (ii) Buyer's right to acquire the Property as provided for herein. Buyer agrees to indemnify, hold harmless, and defend Seller from any claims and liabilities asserted directly against Seller or indirectly against Seller through Buyer by a third party arising out of any of prior agreements entered into by Buyer and a third party.

(b) Buyer has entered into this Agreement on the Effective Date, and this Agreement is in full force and effect, constitutes a valid, binding obligation upon Buyer, and that neither party has defaulted, nor has any event occurred which but for the passage of time or giving of notice would constitute or result in a default. Buyer further agrees from time to time, upon Seller's request and prior to the Closing, at no out-of-pocket cost to Buyer, to confirm to Seller that this Agreement is in full force and effect with no defaults, and that Buyer is proceeding diligently to consummate the transaction. Buyer shall also state whether, to Buyer's knowledge, any conditions for the closing of this transaction remain unsatisfied.

10. **COVENANTS OF SELLER.** Seller covenants as follows:

(a) **Maintenance of Property.** Between the Effective Date and the Closing Date, Seller shall at its sole cost and expense maintain and keep the Property in a manner consistent with Seller's past practices with respect to the Property and at least in as good condition and repair as on the Effective Date, reasonable wear and tear excepted; provided that Seller shall have no duty to repair, replace or restore any of the Property in the event of damage or destruction or condemnation except as specifically set forth in this Agreement.

(b) **Operations Prior to Closing.** Between the Effective Date and the Closing Date, Seller shall not grant, create, modify or permit the creation of, any easement, right-of-way, encumbrance, restriction or covenant affecting the Property or any part thereof.

11. **MISCELLANEOUS.**

(a) Time is of the essence of all the Terms of this Agreement.

(b) This Agreement contains the entire agreement between the parties respecting the matters set forth.

(c) In the event of any litigation between the parties regarding this Agreement or the transactions contemplated, the prevailing party shall be entitled to its reasonable attorneys' fees and court costs, as determined by the court.

(d) This Agreement shall be governed by the laws of the State of California.

(e) This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective representatives, successors and assigns.

(f) Seller shall assign all warranties and guarantees it possesses, if any, with regards to any construction performed by Seller or its contractors to Buyer at the time of Closing.

(g) This Agreement may be executed in several counterparts, each of which may be deemed an original, and all of such counterparts together shall constitute one and the same Agreement. For purposes of this Agreement, facsimile signatures shall be deemed to be original signatures, and shall be followed by the prompt overnight delivery of original signature pages.

(h) All notices, requests, demands or other communications shall be in writing and shall be deemed given on the day of receipt or refusal of receipt after (a) personal delivery, (b) deposit with a nationally recognized overnight courier service for guaranteed next business day delivery, (c) deposit with U.S. mail, if sent by first class registered or certified mail, postage prepaid and return receipt requested, or (d) fax transmission; provided however, that if such communication is given via fax transmission, then (i) an original counterpart of such communication shall concurrently be sent, and (ii) such notices shall be deemed given on the date of fax confirmation (provided that the foregoing requirements in connection with such fax transmission are satisfied). All such notices shall be addressed as follows:

If to Seller:

Fax No.: _____

Telephone No.: _____

E-mail: _____

If to Buyer:

Fax No. _____

Telephone No.: _____

E-Mail: _____

or to such other address as the parties may from time to time designate by notice in the manner required herein.

(i) If Seller defaults in its obligations under this Agreement to sell the Property to Buyer on the Closing Date through no fault of Buyer, then Buyer at its option may have the right to specific performance of this Agreement or the right to recover the Deposit and all of its general and specific damages. If, after the Closing Date, Buyer determines that Seller has breached any representation or warranty set forth in this Agreement, and Buyer is within the survival period for that representation and warranty, then Buyer shall have the right to bring an action for general and specific damages to Buyer.

(j) Buyer and Buyer’s representatives, agents, and designees shall have the right at all reasonable times until Closing to enter the Property after reasonable notice to Seller.

(k) Seller shall promptly notify Buyer of any material change in any condition with respect to the Property or of any material event or circumstance that makes any representation or warranty of Seller under this Agreement untrue or misleading.

(l) Seller covenants and agrees that before the Closing Date it shall terminate all Contracts related to the Property except any that Buyer has specifically elected to assume under the terms of this Agreement. Buyer shall have no liability for any termination fees or for any Contracts costs allocable to any period after the Closing with regard to such terminated Contracts.

(m) The obligations of Seller under this Agreement shall be joint and several.

(n) For purposes of this Agreement, “Effective Date” shall be the date upon which both Buyer and Seller shall have executed this Agreement.

This Agreement consists of _____ pages.

Signature of Seller

Name of Seller

Signature of Seller

Name of Seller

Dated: _____, 20__

Signature of Buyer

Name of Buyer

Signature of Buyer

Name of Buyer

Dated: _____, 20__

Escrow Company acknowledges receipt of a copy of this Agreement executed by both Buyer and Seller.

Date: _____, 20__ _____ (Escrow)

By: _____

Name: _____

Its: _____

EXHIBIT "A"

LEGAL DESCRIPTION OF THE PROPERTY

The property located at _____ in the
City of _____,
County of _____, California.

LEGALLY DESCRIBED AS:

APN: _____