

APN: 233-023-20
PROJECT: Former Fire Station 6 Parcel Sale
ADDRESS: 12111 Chapman Ave., Garden Grove, CA 92840

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

THIS AGREEMENT (“Agreement”) is entered into this 23rd day of April, 2019 (“Agreement Date”) by and between the City of Garden Grove, a California municipal corporation (“Seller”), and the undersigned buyer(s), Alfredo Jimenez and Veronica Jimenez (“Buyer”) for acquisition by Buyer of certain real property described below.

IT IS HEREBY MUTUALLY AGREED BETWEEN THE PARTIES AS FOLLOWS:

1. **Agreement to Sell and Purchase.** Seller agrees to sell to Buyer, and Buyer agrees to purchase from Seller, upon the terms and for the consideration set forth in this Agreement, that certain real property (“Property”) situated at 12111 Chapman Avenue in the City of Garden Grove, County of Orange, State of California, and legally described in Exhibit “A” attached hereto and incorporated herein by reference.
2. **Purchase Price/Settlement Price.** The total purchase price, payable in cash through escrow, shall be the sum of Five Hundred Thousand Dollars (\$500,000.00) (the “Purchase Price”). The Purchase Price shall be paid by Buyer as follows:
 - A. **Deposit.** Within five (5) business days after the Opening of Escrow, Buyer shall deposit the sum of \$10,000.00 (“Deposit”) by cash or check with the Escrow Agent. The Escrow Agent shall be instructed to place the deposit in an interest-bearing account pending the close of escrow. All interest earned on the Deposit shall be for Buyer’s account and the Deposit shall be applied against the Purchase Price.
 - B. **Liquidated Damages.** THE PARTIES AGREE THAT THE DEPOSIT AMOUNT PLUS ALL ACCRUED INTEREST, IF ANY, IS A REASONABLE SUM FOR LIQUIDATED DAMAGES SHOULD THIS TRANSACTION FAIL TO CLOSE DUE TO A MATERIAL BREACH OF THIS AGREEMENT BY BUYER, IN THAT, WHEN CONSIDERING ALL THE CIRCUMSTANCES EXISTING ON THE DATE OF THIS AGREEMENT, IT WOULD BE IMPRACTICABLE OR EXTREMELY DIFFICULT TO ESTIMATE ACTUAL DAMAGES. THE DEPOSIT SHALL BE SELLER’S SOLE AND EXCLUSIVE REMEDY SHOULD THIS TRANSACTION FAIL TO CLOSE DUE TO A MATERIAL BREACH OF THIS AGREEMENT BY BUYER. BY PLACING THEIR INITIALS AT THE PLACES PROVIDED BELOW, EACH PARTY AGREES THAT THE FOREGOING CONSTITUTES LIQUIDATED DAMAGES AND NOT A FORFEITURE OR PENALTY.

Buyer Initials: _____ Seller Initials: _____

- C. Balance of Purchase Price. Buyer shall deposit sufficient funds to cover the balance of the Purchase Price, plus Buyer's share of all Escrow Costs, on or before the Close of Escrow.
3. **Conveyance of Title.** Seller agrees to convey by Grant Deed to Buyer marketable fee simple title to the Property free and clear of all recorded and unrecorded liens, encumbrances, assessments, easements, leases and taxes EXCEPT:
- A. Real property taxes for the then current tax year, which are a lien not yet due and payable.
- B. All title exceptions set forth in the Preliminary Title Report obtained pursuant to Section 4.1 below.
- C. Easements or rights-of-way over the Property for public or quasi-public utility and/or public street purposes, if any.
4. **Title Report and Title Insurance Policy.**
- 4.1 Preliminary Title Report. Seller agrees to obtain and provide Buyer with a Preliminary Title Report issued by Fidelity National Title Company on the property over, under, across and/or upon which the Property lies, together with legible copies of all documents, whether recorded or unrecorded, evidencing exceptions to title referred to therein within ten (10) calendar days of the Agreement Date. Seller agrees to pay all costs of said Preliminary Title Report.
- 4.2 Title Insurance Policy. Escrow Agent shall, following recording of deed to Buyer, provide Buyer with a standard owner's CLTA (or extended coverage ALTA, at the request of Buyer) policy of title insurance in the amount of the Purchase Price, issued by Fidelity National Title Insurance Company, showing fee simple title to the Property vested in Buyer subject only to the exceptions set forth in Paragraph 3 above and the printed exceptions and stipulations in the policy. Seller agrees to pay the premium charged for the standard owner's CLTA policy, and Buyer shall pay the additional cost for an extended coverage ALTA policy if Buyer elects to receive such a policy and for any other additional costs, including the costs of any endorsements and additional coverage.
5. **Escrow.** Seller agrees to open an escrow in accordance with this Agreement at Fidelity National Title National Commercial Services, Attn.: Jessica Avila, J.D., 555 S. Flower St. Ste. 4420, Los Angeles, CA 90071, tel. (213) 452-7132, fax (213) 452-7142, Jessica.Avila@fnf.com ("Escrow Agent"), with a copy to JessicaAvilaTeam@fnf.com. Escrow shall be deemed open on the first day after the date that Escrow Agent shall have received a fully executed copy of this Agreement from Seller and Buyer ("Opening of Escrow"). Escrow Agent shall notify Buyer and Seller, in writing, of the date Escrow is opened. This Agreement constitutes the joint escrow instructions of Buyer and Seller, and Escrow Agent to whom these instructions are delivered is hereby empowered to act under this Agreement. Buyer and Seller shall execute, deliver and be bound by any reasonable

and customary supplemental or additional escrow instructions of Escrow Agent or other instruments as may be reasonably required by Escrow Agent in order to consummate the transaction contemplated by this Agreement. The parties hereto agree to do all acts necessary to close this escrow in the shortest possible time.

- 5.1 Grant Deed. Seller shall execute and deliver a Grant Deed (the “Grant Deed”) to the Escrow Agent at least three (3) days prior to the close of escrow. Buyer agrees to deposit the Purchase Price/Settlement Price as described in Section 2 above upon demand of Escrow Agent. Buyer and Seller agree to deposit with Escrow Agent any additional instruments or funds as may be necessary to complete this transaction.
- 5.2 Insurance. Insurance policies for fire or casualty are not to be transferred, and Seller will cancel its own policies after close of escrow.
- 5.3 Escrow Account. All funds received in this escrow shall be deposited with other escrow funds in a general insured escrow account(s) and may be transferred to any other escrow trust account in any State or National Bank doing business in the State of California. All disbursements shall be made by check or by wire from the account.

6. **Tax Adjustment Procedure.**

ESCROW AGENT IS AUTHORIZED AND IS INSTRUCTED TO COMPLY WITH THE FOLLOWING TAX ADJUSTMENT PROCEDURE:

- 6.1 Delinquent Taxes. Pay and charge Seller for any unpaid delinquent property taxes and/or penalties and interest thereon, and for any delinquent assessments or bonds against the Property.
- 6.2 Proration. Real property taxes and/or assessments shall be pro-rated as of the date of the close of escrow.
- 6.3 Transfer Taxes. Seller agrees to pay any transfer taxes on recordation of the deed.

7. **Escrow Agent Authorization.**

ESCROW AGENT IS AUTHORIZED TO, AND SHALL:

- 7.1 Escrow Fees, Charges and Costs. Seller and Buyer agree to pay one-half of the usual fees, charges and costs which arise in this escrow.
- 7.2 Disbursement. Disburse funds and deliver the Grant Deed when conditions of this escrow have been fulfilled by Buyer and Seller.
- 7.3 Close of Escrow. The term “close of escrow,” if and where written in these instructions, shall mean the date the Grant Deed and other necessary instruments of conveyance are recorded in the office of the Orange County Recorder. Recordation

of instruments delivered through this escrow is authorized, if necessary or proper in the issuance of the policy of title insurance.

- 7.4 Time Limits. All time limits within which any matter specified is to be performed may be extended by mutual agreement of the parties. Any amendment of, or supplement to, any instructions must be in writing.
- 7.5 Time of the Essence. **TIME IS OF THE ESSENCE IN THESE INSTRUCTIONS AND ESCROW IS TO CLOSE AS SOON AS POSSIBLE.** If this escrow is not in condition to close within 45 days from date of these instructions, any party who then shall have fully complied with its instructions may, in writing, demand the return of its money or property; but if neither party complied, no demand for return shall be recognized until five (5) days after Escrow Agent shall have mailed copies of demand to all other parties at the respective addresses shown in these escrow instructions, and if any objections are raised within the five (5) day period, Escrow Agent is authorized to hold all papers and documents until instructed by a court of competent jurisdiction or by mutual instructions. If no demands are made, Escrow Agent shall proceed with closing of this escrow on or before 75 days from the Opening of Escrow.
- 7.6 Escrow Agent Responsibility. The responsibility of the Escrow Agent under this Agreement is expressly limited to Paragraphs 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 18, 19, 26, and 27 and to its liability under any policy of title insurance issued in regard to this escrow.
8. **Buyer's Conditions Precedent to Close of Escrow**. The obligation of the Buyer to complete the purchase of the Property is subject to the satisfaction of the following conditions:
- 8.1 Buyer shall have received and approved the Preliminary Title Report and all the exceptions set forth therein. Buyer shall deliver notice of approval or disapproval to Seller within seven (7) calendar days after receipt of the Preliminary Title Report. Failure of Buyer to disapprove the Preliminary Title Report within seven days shall be deemed approval of the Preliminary Title Report.
- 8.2 Buyer shall have had the opportunity to conduct an inspection of the property within seventeen (17) days of the Opening of Escrow. Buyer shall deliver notice of approval or disapproval of the Property's physical condition to Seller within seven (7) calendar days after the inspection. Failure of Buyer to disapprove the physical condition of the Property within seven days shall be deemed approval of the condition of the Property.
- 8.3 Seller shall deliver through escrow an executed and recordable Grant Deed sufficient to convey fee title to the Buyer as set forth in Section 5.1.
- 8.4 Seller shall deliver through escrow a duly executed Non-Foreign Transferor Declaration.

- 8.5 Seller shall deliver through escrow such funds and documents as are necessary to comply with Seller's obligations under this Agreement.
- 8.6 Seller is not in default of any of its obligations under the Terms of this Agreement.
- 8.7 Escrow Agent has committed to deliver to Buyer a title insurance policy as required by Section 4 hereof.
9. **Seller's Conditions Precedent to Close of Escrow.** The obligation of Seller to complete the sale of the Property is subject to the satisfaction of the following conditions:
- 9.1 The Buyer is not in default of any of its obligations under the terms of this Agreement.
- 9.2 The Buyer shall have deposited with the Escrow Agent immediately available funds in the amount of the Purchase Price and Settlement Price and the Buyer's costs described herein.
10. **Failure of Conditions Precedent to Closing.** In the event any of the conditions set forth in Sections 8 and 9, above, are not timely satisfied or waived, for any reason other than the default of Buyer or Seller under this Agreement:
- 10.1 This Agreement, the Escrow, and the rights and obligations of Buyer and Seller shall terminate.
- 10.2 In such event, Seller, Buyer, and Escrow Agent shall promptly return all documents and funds which are held by them on the date of said termination to the party who delivered or deposited them hereunder (reduced by, in the case of the party otherwise entitled to such funds, the amount of any cancellation fees required to be paid by such party under Section 11 below).
11. **Cancellation Fees and Expenses.** In the event Escrow terminates because of the notice or failure to satisfy any condition for a reason other than the default of Buyer or Seller under this Agreement, the cancellation charges required to be paid by and to Escrow Agent and the Title Company shall be borne wholly by Seller, and all other charges shall be borne by the party incurring them. In the event Escrow terminates because of the default of Buyer or of Seller, the defaulting party shall be responsible for all cancellation charges required to be paid by and to Escrow Agent and Title Company.
12. **Permission to Enter on Premises.** Seller hereby grants to Buyer, or its authorized agents, permission to enter upon the Property at all reasonable times prior to close of escrow for the purpose of making any inspections deemed necessary at the discretion of the Buyer.
13. **Warranties, Representations and Covenants of Seller.** Seller hereby warrants, represents and/or covenants to Buyer that:
- 13.1 **Pending Claims.** To the best of Seller's knowledge, there are no actions, suits, claims, legal proceedings, or any other proceedings affecting the Property or any

portion thereof, at law, or in equity before any court or governmental entity, domestic or foreign.

- 13.2 Encroachments. To the best of Seller's knowledge, there are no encroachments onto the Property by improvements on any adjoining property, nor do any buildings or improvements located on the Property encroach on other properties.
- 13.3 Condition of Property. Until the vacation of the Property by Seller, Seller shall maintain the Property in good condition and state of repair and maintenance, and shall perform all of its obligations under any service contracts or other contracts affecting the Property. Seller shall cancel any service contracts or maintenance agreements as of the date Seller vacates the Property.
- 13.4 Seller's Title. Until the close of escrow, Seller shall not do anything which would impair Seller's title to any of the real property.
- 13.5 Conflict with Other Obligation. To the best of Seller's knowledge, neither the execution of this Agreement nor the performance of the obligations herein will conflict with, or breach any of the provisions of any bond, note, evidence of indebtedness, contract, lease, covenants, conditions and restriction, or other agreement or instrument to which Seller or Seller's Property may be bound.
- 13.6 Change of Situation. Until the close of escrow, Seller shall, upon learning of any fact or condition which would cause any of the warranties and representations in this Section not to be true as of the close of escrow, immediately give written notice of such fact or condition to Buyer.
- 13.7 Authority. Seller is the owner of and has the full right, power, and authority to sell, convey, and transfer the Property to Buyer as provided herein and to carry out Seller's obligations hereunder.
- 13.8 Bankruptcy. Neither Seller nor any related entity is the subject of a bankruptcy proceeding and permission of a bankruptcy court is not necessary for Seller to be able to transfer the Property as provided herein.
- 13.9 Representations and Warranties Survive Close of Escrow. All of the Representations and Warranties of Seller set forth herein shall survive the Close of Escrow.
14. **Warranties, Representations and Covenants of Buyer**. Buyer hereby warrants, represents and/or covenants to Seller that:
 - 14.1 Authorization. Buyer represents and warrants that its entry into this Agreement has been duly authorized by all requisite action on the part of Buyer and each person signing this Agreement as or on behalf of Buyer is duly authorized to do so. Buyer further represents that it has full right and authority to enter into this Agreement and consummate the transactions described herein. The execution, consent or acknowledgment of no other person or entity is necessary in order to validate the

execution of this Agreement by Buyer or permit the consummation of the transactions described herein.

- 14.2 **Conflicting Obligations.** Buyer represents and warrants that its entry into this Agreement and the performance of its obligations hereunder does not contravene or constitute breach of any agreement, contract or indenture to which Buyer is a party or by which Buyer or its assets are bound.
- 14.3 **Representations and Warranties Survive Close of Escrow.** All of the Representations and Warranties of Buyer set forth herein shall survive the Close of Escrow.
15. **Hazardous Waste/Hazardous Substances; "As-Is" Sale.** Buyer acknowledges that it has had the opportunity to test and inspect the Property and is accepting the Property in an "as-is" condition. Buyer shall be responsible for any and all Hazardous Substances or Hazardous Wastes on the Property. As used herein, the terms "Hazardous Substances" and "Hazardous Wastes" shall have the same meaning as under any federal and/or state law or regulation.
16. **Compliance with Environmental Laws.** To the best of Seller's knowledge, the Property complies with all applicable laws and governmental regulations including, without limitation, all applicable federal, state and local laws pertaining to air and water quality, hazardous waste, waste disposal and other environmental matters, including, but not limited to, the Clean Water Act, Clean Air Act, Federal Water Pollution Control Act, Solid Waste Disposal Act, Resource Conservation Recovery Act and Comprehensive Environmental Response, Compensation and Liability Act, and the rules, regulations and ordinances of the City of Garden Grove, the California Department of Health Services, the Regional Water Quality Control Board, the State Water Resources Control Board, and the Environmental Protection Agency. Seller has not received any notices of violation of any such laws and regulations.
17. **Broker's Commission.** Seller has not engaged the services of any agent, finder or broker in connection with the transaction which is the subject of this Agreement, and it is not liable for any real estate commissions, broker's fees or finder's fees which may accrue by means of the sale of the Property. Buyer has engaged Matt Thomas (Lic. 01943206) of Nationwide Real Estate Execs (Lic. 01909400), 4425 Atlantic Ave. Bldg. C, Long Beach, CA, 90807, Tel. (424) 347-2995, matthomasproperties@gmail.com, as their agent, finder or broker in connection with the transaction which is subject to this Agreement. Seller agrees to pay Twelve Thousand Five Hundred Dollars (\$12,500.00) towards Buyer's agent commission. Buyer will be liable to pay any commission due Matt Thomas and Nationwide Real Estate Execs in excess of said sum. Seller and Buyer each agree to indemnify, defend and hold harmless the other Party from and against any loss, cost, expense, including attorney's fees, or liability incurred by such Party, and against any claims, causes of action or the like brought by any other broker, finder, or similar agent for any commission or fee relating to this Agreement.
18. **Waiver, Consent and Remedies.** Each provision of this Agreement to be performed by Buyer and Seller shall be deemed both a covenant and a condition and shall be a material

consideration for Seller's and Buyer's performance hereunder, as appropriate, and any breach thereof by Buyer or Seller shall be deemed a material default hereunder. The parties may specifically and expressly waive any portion of this Agreement or any breach thereof through a written amendment signed by both parties, but no such waiver shall constitute a further or continuing waiver of a preceding or succeeding breach of the same or any other provision. A waiving party may at any time thereafter require further compliance by the other party with any breach or provision so waived. The consent by one party to any act by the other for which such consent was required shall not be deemed to imply consent or waiver of the necessity of obtaining such consent for the same or any similar acts in the future. No waiver or consent shall be implied from silence or any failure of a party to act, except as otherwise specified in this Agreement. All rights, remedies, undertakings, obligations, options, covenants, conditions and agreements contained in this Agreement shall be cumulative and no one of them shall be exclusive of any other. Except as otherwise specified herein, either party hereto may pursue any one or more of its rights, options or remedies hereunder or may seek damages or specific performance in the event of the other party's breach hereunder, or may pursue any other remedy at law or equity, whether or not stated in this Agreement.

19. **Attorney's Fees.** In the event any declaratory or other legal or equitable action is instituted between Seller, Buyer and/or Escrow Agent in connection with this Agreement, then as between Buyer and Seller, the prevailing party shall be entitled to recover from the losing party all of its costs and expenses, including court costs and reasonable attorney's fees, and all fees, costs and expenses incurred on any appeal or in collection of any judgment.
20. **Notices.** Any notice, request, demand, consent, approval or other communication required or permitted hereunder or by law shall be validly given or made only if in writing and delivered in person to an officer or duly authorized representative of the other party or deposited in the United States mail, duly certified or registered (return receipt requested), postage prepaid, and addressed to the party for whom intended, as follows:

If to Buyer: Matt Thomas
Nationwide Real Estate Execs
4425 Atlantic Ave. Bldg C
Long Beach, CA 90807
mattthomasproperties@gmail.com
(424) 347-2955

If to Seller: City of Garden Grove
11222 Acacia Parkway
Garden Grove, CA 92840
Attention: Shawn Park
shawnp@ggcity.org
(714) 741-5371

Any party may from time to time, by written notice to the other, designate a different address, which shall be substituted for that specified above. If any notice or other

document is sent by mail as aforesaid, the same shall be deemed fully delivered and received forty-eight (48) hours after mailing as provided above.

21. **Default.** Failure or delay by either party to perform any covenant, condition or provision of this Agreement within the time provided herein constitutes default under this Agreement. The injured party shall give written notice of default to the party in default, specifying the nature of such default. The defaulting party shall immediately commence to cure such default and shall diligently complete such cure within fifteen (15) days from the date of the notice or such longer period if the nature of the default is such that more than fifteen (15) days is required to cure such default. The injured party shall have the right to terminate this Agreement by written notice to the other party in the event of a default, which is not cured within the time set forth herein.
22. **Entire Agreement.** This Agreement and its exhibits constitute the entire agreement between the parties hereto pertaining to the subject matter hereof, and the final, complete and exclusive expression of the terms and conditions thereof. All prior agreements, representations, negotiations and understanding of the parties hereto, oral or written, express or implied, are hereby superseded.
23. **Captions.** The captions used herein are for convenience only and are not a part of this Agreement and do not in any way limit or amplify the terms and provisions hereof.
24. **Governing Law.** This Agreement and the exhibits attached hereto have been negotiated and executed in the State of California and shall be governed by and construed under the laws of the State of California.
25. **Severability.** In the event that any term, covenant, condition or provision of this Agreement shall be held by a court of competent jurisdiction to be invalid or against public policy, the remaining provisions shall continue in full force and effect.
26. **Amendments.** No addition to or modification of any provision contained in this Agreement shall be effective unless fully set forth in writing by Buyer and Seller.
27. **Binding Upon Successors.** The terms and conditions, covenants and agreements set forth herein shall apply to and bind the heirs, executors, administrators, assigns and successors of the parties hereof.
28. **Counterparts.** This Agreement may be executed in counterparts, each of which when executed shall, regardless of the date of its execution and delivery, be deemed an original, and all counterparts together shall constitute one and the same instrument.
29. **Legal Advice.** Each party represents and warrants to the other the following: they have carefully read this Agreement, and in signing this Agreement, they do so with full knowledge of any right which they may have; they have received independent legal advice from their respective legal counsel as to the matters set forth in this Agreement, or have knowingly chosen not to consult legal counsel as to the matters set forth in this Agreement; and, they have freely signed this Agreement without any reliance upon any agreement, promise, statement or representation by or on behalf of the other party, or their respective

agents, employees, or attorneys, except as specifically set forth in this Agreement, and without duress or coercion, whether economic or otherwise.

30. **Cooperation.** Each party agrees to cooperate with the other in the closing of this transaction and, in that regard, to sign any and all documents which may be reasonably necessary, helpful, or appropriate to carry out the purposes and intent of this Agreement including, but not limited to, releases or additional agreements.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year set forth herein above.

“Seller”

“Buyer”

CITY OF GARDEN GROVE

**ALFREDO JIMENEZ and
VERONICA JIMENEZ**

By: _____
City Manager

By: _____

Attest:

By: _____

By: _____
City Clerk

APPROVED AS TO FORM:

By: _____
City Attorney

EXHIBIT "A"

LEGAL DESCRIPTION OF PROPERTY

APN: 233-023-20

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

LOT 17 OF TRACT NO. 2212, IN THE CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 63, PAGES 45 AND 46 OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.