

Resolution No. 2006-233

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ELK GROVE
AUTHORIZING THE CITY MANAGER, OR HIS DESIGNEE, TO EXECUTE A
PURCHASE AND SALE AGREEMENT TO PURCHASE REAL PROPERTY FOR USE
AS A PUBLIC LIBRARY FACILITY, ADOPT FINDINGS THAT THE ACQUISITION
AND PROPOSED USE IS IN CONFORMANCE WITH THE CITY OF ELK GROVE
GENERAL PLAN, AND TO AMEND THE 2006-2007 FISCAL BUDGET TO INCLUDE
THE LIBRARY ACQUISITION**

WHEREAS, the City of Elk Grove desires to purchase the real property located at 8900 Elk Grove Boulevard, which comprises 0.82 acres and is improved with a 13,785 square foot building (defined as two contiguous parcels identified as Assessor Parcel Numbers 125-0141-001 and 125-0141-039); within the City of Elk Grove, State of California; and

WHEREAS, the City of Elk Grove General Plan was adopted on November 19, 2003; and

WHEREAS, the California Government Code 65402, provides in part that no real property shall be acquired until the use of the property has been reported upon as to conformity with the applicable General Plan; and

WHEREAS, the City of Elk Grove proposes to use the 13,785 square foot building as a public library; and

WHEREAS, the 2006-2007 fiscal budget will be amended to include the acquisition of the building for use as a public library; and

WHEREAS, the proposed activity is allowed in the Old Town Special Planning area as described in the 2003 General Plan; and

WHEREAS, California Environmental Quality Act Guidelines Class 3 exemption applies to commercial buildings in areas on sites zoned for such use, if not involving the use of significant amounts of hazardous substances where all necessary public services and facilities are available and the surrounding area is not environmentally sensitive; and

WHEREAS, no adverse environmental effects were identified during staff review of the proposed acquisition; and

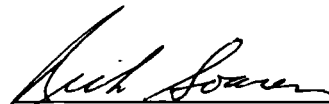
WHEREAS, no special circumstances exist that create a reasonable possibility that the activity may have a significant adverse impact on the environment.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Elk Grove hereby:

- 1) Finds the proposed use of the existing building located at 8900 Elk Grove Boulevard (two contiguous parcels known as APN's 125-0141-001 and 125-0141-039), for use as a public library, is in conformity with the City of Elk Grove 2003 General Plan; and
- 2) Finds the project qualifies for Categorical exemption in accordance with CEQA Guidelines Section 15303; and
- 3) Amends the 2006-2007 fiscal budget by \$3,800,000 to include the acquisition of the building located at 8900 Elk Grove Boulevard for use as a public library.


BE IT FURTHER RESOLVED that the City Council of the City of Elk Grove hereby authorizes the City Manager, or his designee, to execute the Purchase and Sale Agreement and Joint Escrow Instructions by and between Thomas Simas Land, LLC a California Limited Liability Company (Seller) and the City of Elk Grove, a municipal corporation (Purchaser), in substantially the form of the agreement attached hereto and incorporated into this resolution.

PASSED AND ADOPTED by the City Council of the City of Elk Grove this 13th day of September 2006.



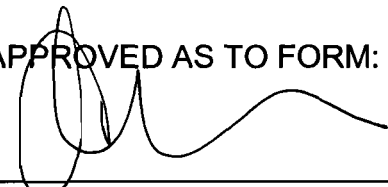
RICK SOARES, MAYOR of the
CITY OF ELK GROVE

ATTEST:



PEGGY JACKSON, CITY CLERK

APPROVED AS TO FORM:



ANTHONY B. MANZANETTI,
CITY ATTORNEY

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

This Agreement of Purchase and Sale and Joint Escrow Instructions (this "Agreement") is made and entered into as of September ____, 2006, by and between **Thomas Simas Land, LLC**, a California limited liability company ("Seller"), and the **City of Elk Grove**, a municipal corporation ("Purchaser").

RECITALS

A. Seller is the owner of the following described property (the "Property"):

(1) the real property ("Real Property") located at 8900 Elk Grove Boulevard, Elk Grove, California, legally described on Exhibit A, attached hereto and made a part hereof, together with all rights, privileges, and any easements appurtenant to the Real Property including, without limitation, all minerals, oil, gas, and other hydrocarbon substances on and under the Real Property, as well as all development rights, air rights, water, water rights, and water stock relating to the Real Property, any rights to any land lying in the bed of any existing dedicated street, road, or alleys adjoining the Real Property and to all strips and gores adjoining the Real Property, and any other easements, rights-of-way, or appurtenances used in connection with the beneficial use and enjoyment of the Real Property, to the extent owned by Seller (all of which are collectively referred to as the "Appurtenances"), and

(2) all improvements and fixtures located on the Real Property, including, but not limited to, the building in "cold shell" condition including, elevator, two finished stairwells, and two sets of men's and women's restrooms with heating and air conditioning (all of which are collectively referred to as the "Improvements"). The Real Property, Appurtenances and Improvements are hereinafter collectively referred to as the "Property."

B. Purchaser intends to purchase the Property from Seller for use as a community library and Seller intends to sell the Property to Purchaser on the terms and conditions set forth in this Agreement.

NOW THEREFORE, for good and valuable consideration, the receipt and adequacy of which are acknowledged, the parties agree as follows:

AGREEMENT

1. Purchase and Sale. Seller agrees to sell the Property to Purchaser and Purchaser agrees to purchase the Property from Seller on the terms and conditions set forth in this Agreement.

2. Effective Date. The date the last party executes this Agreement shall be the "Effective Date."

3. Purchase Price. The purchase price for the Property is **\$3,300,000.00**, subject to adjustment as set forth herein (the "Purchase Price") and shall be payable as follows:

3.1 Deposit. Within 10 business days after the Effective Date, Purchaser shall deposit with Escrow Holder (as hereafter defined and designated pursuant to Section 4.1.3 hereof) the

amount of \$50,000.00 (the "Deposit"). The Deposit shall be held, paid and applied by the Escrow Holder as set forth in this Agreement.

3.1.1 Interest. Escrow Holder shall invest the Deposit in such obligations or accounts as Purchaser may from time to time direct. Any and all interest or income earned on such investments shall inure to the benefit of Purchaser and shall be paid to Purchaser as received by or available to Escrow Holder.

3.1.2 Release by Escrow Holder. The Deposit shall be released by Escrow Agent to Seller only upon presentation of a written certification, executed by Seller, stating that a default by Purchaser has occurred under this Agreement, that Seller has given Purchaser notice of such default and a period of five business days from receipt of such notice to cure such default in the event of a monetary default and 15 business days from receipt of such notice to cure such default in the event of a non-monetary default, and that as a result of Purchaser's failure to cure such default, Seller is entitled to the Deposit under this Agreement. The Deposit shall (i) be returned to Purchaser at Close of Escrow hereunder, (ii) at Purchaser's option, be applied to the Purchase Price, or (iii) be returned to Purchaser prior to Close of Escrow, in the event this Agreement terminates in accordance with its terms for reasons not due to the fault of Purchaser.

3.2 Remainder of Purchase Price. On or before the Close of Escrow, Purchaser shall pay the remainder of the Purchase Price by (i) depositing into Escrow (defined in Section 10) \$3,250,000.00 in cash or other immediately available funds.

4. Conditions Precedent.

4.1 Conditions Precedent to Close. Purchaser's obligation to purchase the Property from Seller is subject to the following conditions precedent ("Conditions Precedent"), which are for Purchaser's benefit only:

4.1.1 Final Building Permit. Seller shall have obtained a complete final inspection related to the building permit for the Improvements.

4.1.2 Notice of Completion. Seller has filed a notice of completion for any improvements constructed on the Real Property in the Official Records of Sacramento County.

4.1.3 Title. On the Effective Date, Seller shall provide Purchaser, at Seller's expense, a current CLTA title report (the "Title Report") issued by Fidelity National Title Company, located at 3100 Oak Road, Walnut Creek, California 94596 ("Escrow Holder"), including copies of all recorded exceptions to title referred to therein ("Exceptions"), showing title to the Real Property to be vested in Seller (the Title Report, together with the Exceptions, and the Survey, as defined in Section 4.1.8 shall be collectively referred to as the "Title Documents"). Purchaser shall review the Title Documents and shall approve or disapprove, in its sole discretion, the Title Documents by delivering written notice to Seller and Escrow Holder within 10 days after the Effective Date. Purchaser's failure to give Seller and Escrow Holder written notice of Purchaser's approval or disapproval within the specified time period shall be deemed to be Purchaser's approval of the Title Documents, and all Exceptions listed thereon shall be deemed "Permitted Exceptions." If Purchaser notifies Seller of Purchaser's disapproval of the Title Documents, Seller shall have 10 calendar days after receipt of Purchaser's notice to give Purchaser written notice ("Seller's Title Notice") of those disapproved title matters, if any, which Seller is unwilling or unable after reasonable and good faith efforts to have eliminated from title to the Property by the Close of Escrow.

Notwithstanding the foregoing, Seller agrees to remove on the Close of Escrow any deeds of trust whereby Seller is the trustor or borrower which are currently recorded against the Property. If Seller is unable or unwilling to remove all of the title matters objected to by Purchaser, Purchaser shall have five business days from receipt of Seller's Title Notice to notify Seller in writing that either (i) Purchaser is willing to purchase the Property, subject to such disapproved exceptions, or (ii) Purchaser elects to terminate this transaction ("Purchaser's Notice"). Failure of Purchaser to take either one of the actions described in clause (i) or (ii) in the previous sentence shall be deemed to be Purchaser's election to take the action described in clause (i) and all exceptions shown on the contract shall be deemed permitted exceptions. If this Agreement is terminated pursuant to this Section 4.1.3, then the Deposit shall be returned to Purchaser and neither party shall have any rights or obligations arising out of this Agreement, except as otherwise set forth herein.

4.1.4 Subsequent Defect. If Seller shall be so notified of a Subsequent Defect (as hereinafter defined), Seller shall use such efforts and shall expend such amount as it may, in its sole judgment, deem appropriate to remove or cure the Subsequent Defect prior to Close of Escrow. Except as provided below, Seller shall have no obligation, however, to cure or attempt to cure any Subsequent Defect. If Seller does not or is unable to so remove or cure all Subsequent Defects prior to Close of Escrow, Purchaser may (i) waive all such uncured Subsequent Defects and accept such title as Seller is able to convey as of Close of Escrow without an abatement of the Purchase Price; or (ii) terminate this Agreement, whereupon Escrow Holder shall return the Deposit to Purchaser, and Seller and Purchaser shall be relieved of any further obligations hereunder. Notwithstanding the foregoing, (A) if a Subsequent Defect is a mortgage, deed of trust, financing statement, collateral assignment of leases or similar monetary encumbrance voluntarily placed against the Property by Seller, or if a Subsequent Defect is a judgment lien, attachment lien, or a lien for delinquent taxes or special assessments, then in either such case Seller shall be obligated to discharge the same of record at or prior to Close of Escrow (upon the failure of which Escrow Holder is hereby instructed to apply from the closing proceeds that would otherwise be payable to Seller the total amount necessary to discharge the same from record); and (B) if a Subsequent Defect constitutes a mechanic's lien against Seller's interest in the Property resulting from work contracted for by Seller or any of Seller's tenants, Seller shall be obligated to pay the underlying obligation and discharge the lien of record at or prior to Close of Escrow or, if Seller wishes to contest the mechanic's lien, Seller shall (1) cause such mechanic's lien to be bonded over and released of record pursuant to applicable law, or (2) provide through the Escrow Holder affirmative title protection as to such mechanic's lien, or (3) otherwise provide Purchaser with a mutually satisfactory form of security to assure payment of such mechanic's lien. As used herein, a "Subsequent Defect" shall mean any encumbrance, encroachment, defect in or other matter affecting title that is not one of the Permitted Exceptions and (a) of which Purchaser and Seller are notified by the Escrow Holder prior to Close of Escrow (by endorsement to the Title Policy or otherwise); or (b) which is discovered by Purchaser, and of which Purchaser notifies Seller, prior to Close of Escrow.

4.1.5 Title Policy. On or before expiration of the Inspection Period (as defined below), Purchaser shall have received evidence, as part of Purchaser's due diligence investigation of the Property, that Escrow Holder's title insurer ("Title Company") is ready, willing, and able to issue, upon payment of Title Company's regularly scheduled premium, a CLTA standard owner's policy of title insurance ("Title Policy") in the face amount of the Purchase Price with the endorsements Purchaser may require ("Endorsements"), including, but not limited to, protection from mechanic's liens, CLTA Form 101.1 or equivalent, and showing title to the Property vested in Purchaser, subject only to the Permitted Exceptions.

4.1.6 Property Documents. Within 10 days after the Effective Date, Seller shall provide Purchaser copies of the following documents that are in its possession or under its control: plans and specifications for the Improvements, a structural engineer's report regarding the floor load capacity for the Improvements, relevant studies, documents, land surveys, soils reports, licenses, maintenance contracts, utility contracts, management contracts, service contracts, warranties, and other documents and/or contracts pertaining to the Property, together with any amendments or modifications; any and all information that Seller has regarding environmental matters affecting the Property and regarding the condition of the Property, including, but not limited to, Phase I and/or Phase II Environmental Assessments, wetlands, structural, mechanical and soils conditions, the presence and location of asbestos, PCB transformers, other toxic, hazardous or contaminated substances, and underground storage tanks in, on, or about the Property; copies of leases and relative correspondence; and any and all other documents and matters relative to the Property (collectively, "Property Documents").

Prior to the expiration of the Inspection Period (defined in Section 4.1.7) Purchaser shall approve or disapprove the Property Documents.

4.1.7 Physical Inspection. For a period of 30 days after the Effective Date (the "Inspection Period"), upon not less than one day's advance written notice from Purchaser to Seller, Seller shall provide Purchaser and Purchaser's agents and representatives with access to the Property to make such reasonable non-destructive inspections, tests, copies, verifications, assessments, surveys and studies ("Inspections") as Purchaser considers reasonably necessary or desirable under the circumstances regarding the Property and its condition. Inspections may include, without limitation, inspections regarding zoning, building codes and other governmental regulations; imposition of governmental obligations and assessments; architectural inspections; engineering tests; economic feasibility and marketing studies; availability of sewer, water, storm drain and other utilities; availability of roads, access and services; soils, seismic, engineering and geologic reports; environmental assessments (including, but not limited to, soil borings during a Phase II environmental assessment), studies, tests and reports; structural and mechanical systems inspections; and availability of permits, land use entitlements, development rights and approvals and other governmental approvals. All Inspections shall be made at Purchaser's sole cost and expense and shall not unreasonably interfere with Seller's operations at the Property. Purchaser shall repair any damage to the Property caused by any Inspections. Prior to the expiration of the Inspection Period, Purchaser shall provide Seller with written notice of Purchaser's disapproval of the Property, in Purchaser's sole discretion. Purchaser's failure to provide Seller with written notice of Purchaser's disapproval shall be deemed to be an approval of the Property. In the event Purchaser, in its sole discretion, disapproves the Property for any reason, Purchaser or Seller may terminate this Agreement by written notice to the other. If this Agreement is terminated pursuant to this Section 4.1.7, then the Deposit shall be returned to Purchaser, and neither party shall have any rights or obligations arising out of this Agreement, except as otherwise set forth herein.

Purchaser shall indemnify, defend and hold Seller and the Property harmless from any and all claims, damages or liabilities arising out of or resulting from the entry onto or activities upon the Property by Purchaser or Purchaser's representatives or liens arising from Purchaser's due diligence review of the Property; provided, however, Purchaser's mere discovery of an adverse condition on the Property shall not trigger Purchaser's indemnification obligations hereunder.

4.1.8 Survey. Prior to the expiration of the Inspection period, Purchaser may obtain, at its sole cost and expense, an American Land Title Association ("ALTA") as-built

survey of the Property ("Survey"), and shall review and approve or disapprove the matters disclosed by the Survey at the time Purchaser provides any objections to the Title Documents.

4.1.9 Assignment of Warranties. On or before the Close of Escrow, Seller shall deliver to Purchaser an assignment of warranties ("Assignment of Warranties") in substantially the same form as that attached hereto as Exhibit B by which Seller transfers to Purchaser all of its right, title and interest in any warranties and guarantees for fixtures and equipment installed in the Property.

4.1.10 Retrofit Feasibility and Cost. Purchaser shall have received written confirmation of the feasibility of retrofitting the second floor of the building to accommodate a floor load between 125 and 150 pounds per square foot, and shall have received a reasonably acceptable written cost estimate for such retrofitting (the "Retrofit Feasibility Report and Cost Estimate") Purchaser shall approve or disapprove the Feasibility Report and Cost Estimate within five business days after Purchaser's receipt thereof.

4.1.11 Association Documents. Within 10 days after the Effective Date, Seller shall deliver to Purchaser, copies of the Articles of Incorporation and Bylaws of any community association to which the owner of the Property is a member, and the association's budget for the current year.

4.1.12 Seller's Obligations. The performance by Seller of every covenant, condition, agreement, and promise to be performed by Seller pursuant to this Agreement and the related documents executed or to be executed by Seller hereunder.

4.1.13 Seller's Representations. The truth and accuracy, in all material respects, of all Seller's representations and warranties in this Agreement and the related documents executed or to be executed by Seller.

4.2 Seller's Conditions Precedent to Closing. Seller's obligation to sell the Property to Purchaser is subject to the following conditions precedent, which are for Seller's benefit only:

4.2.1 Purchase Price. Purchaser's deposit of the Purchase Price, subject to adjustment as provided herein, into Escrow on or before the Close of Escrow.

4.2.2 Purchaser's Representations. The truth and accuracy, in all material respects, of all Purchaser's representations and warranties in this Agreement and the related documents executed or to be executed by Purchaser hereunder.

4.2.3 Purchaser's Obligations. The performance by Purchaser of every covenant, condition, agreement, and promise to be performed by Purchaser pursuant to this Agreement and the related documents executed or to be executed by Purchaser.

4.3 Failure of Conditions Precedent. In the event any of the Conditions Precedent have not been fulfilled within the applicable time periods, the party benefited by the condition may, within five business days after the date by which the condition precedent was to be satisfied, either (i) waive the condition and close Escrow in accordance with this Agreement, or (ii) terminate this Agreement by written notice to the other party.

5. Seller's Representations and Warranties. Seller hereby represents and warrants to Purchaser the following, as of the date of this Agreement and as of the Close of Escrow:

5.1 To the best of Seller's knowledge (i) it has the full power and authority to enter into this Agreement and to perform this Agreement; (ii) it is not the subject of any bankruptcy or insolvency proceedings; and (iii) this Agreement is a legal, valid and binding obligation of

Seller, enforceable against Seller in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, arrangement, moratorium or other similar laws from time to time in effect which affect the rights of creditors generally or by limitations upon the availability of equitable remedies.

5.2 To the best of Seller's knowledge, Seller has good and marketable title to the Property free and clear of liens other than the Permitted Exceptions and those liens to be released at Close of Escrow and, upon execution and delivery of the Seller's closing documents, Purchaser will have good and marketable title to the Property free and clear of liens other than the Permitted Exceptions and liens created by, under or through Purchaser.

5.3 To the best of Seller's knowledge, Seller is not a "foreign person" as defined in the Internal Revenue Code of 1986, as amended, and the Income Tax Regulations thereunder.

5.4 To the best of Seller's knowledge, except for the rights of Purchaser under this Agreement, Seller has not granted any options or rights of first refusal to purchase the Property to any person or entity, and conveyance of the rights described herein will not constitute a breach or default under any agreement to which Seller is bound and/or to which the Property is subject.

5.5 To the best of Seller's knowledge, there is no suit, action, arbitration, legal, administrative or other proceeding or inquiry pending or threatened against the Property, or any portion thereof, or pending or threatened against Seller which could (i) affect Seller's title to the Property, or any portion thereof, (ii) affect the value of the Property, or any portion thereof, or (iii) subject an owner of the Property, or any portion thereof, to liability.

5.6 To the best of Seller's knowledge, there are no leases executed by Seller or its predecessors in title or other rights of occupancy or use granted by Seller or its predecessors in title of any portion of the Property.

5.7 To the best of Seller's knowledge, Seller has disclosed to Purchaser a true and complete list of all service contracts, including all modifications thereof and supplements thereto, and there have been no material defaults by any party to a service contract which have not heretofore been cured. There has been no material default (without giving effect to any notice and cure rights) by Seller under any service contract or to claim received by Seller of any such default, which has not been cured. Such documents constitute the entire agreement between Seller and each party to the service contracts and neither Seller nor Seller's predecessor in title have entered into any oral promises or agreements amending or modifying the same.

5.8 To the best of Seller's knowledge, (i) the Property, (ii) the environmental conditions on, under, or about the Property, (iii) the soil conditions of the Property, and (iv) the ground water conditions of the Property are not, as of the Effective Date of this Agreement, and as of the Close of Escrow, in violation of any federal, state or local law, ordinance or regulation relating to Hazardous Materials (as defined herein) or industrial hygiene. The term "Hazardous Materials" shall mean any flammable explosives, radioactive materials, hazardous wastes or substances, toxic wastes or substances and other related materials including, without limitation, any substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," or "toxic substances" under any applicable federal, state or local laws or regulations.

5.9 To the best of Seller's knowledge, Seller has not received any written notice that there is, and there does not now exist, any violation of any restriction, condition or agreement

contained in an easement, restrictive covenant or any similar instrument or agreement affecting the Property or any portion thereof.

5.10 To the best of Seller's knowledge, the Property is an independent unit which does not now rely on any facilities (other than facilities covered by Permitted Exceptions or facilities of municipalities or public utility and water companies and other than parking areas which the Property makes use of under a reciprocal easement agreement) located on any property not included in the Property to fulfill any municipal or governmental requirement or for the furnishing to the Property of any essential building systems or utilities, including but not limited to, water, electrical, plumbing, mechanical and heating, ventilating and air conditioning systems, drainage facilities, catch basins and retention ponds, sewage treatment facilities and the like, unless recorded easements or other rights are in effect for the benefit of the Property for the continued use and benefit thereof. Except as may be covered by the Permitted Exceptions (including, without limitation, any reciprocal easement agreement), no building or other improvements not included as part of the Property relies on any part of the Property to fulfill any governmental or municipal requirement or to provide facilities to such building or improvement for any essential building systems or utilities, including, without limitation, electrical, plumbing, mechanical, sewage treatment or heating, ventilating and air conditioning facilities or services.

5.11 To the best of Seller's knowledge, there are no material structural or other material physical defects in the Improvements or any component or system of the Improvements.

5.12 To the best of Seller's knowledge, all of the documents that have been delivered or made available to Purchaser by or on behalf of Seller are true, correct and complete copies of what they purport to be and have not been modified or amended, except as specifically noted therein.

5.13 To the best of Seller's knowledge, Seller has not received written notice that the Property or the Improvements are in violation of any federal, state, or local law, ordinance, regulation, order, decree or judgment.

At Close of Escrow, Seller shall deliver to Purchaser a certificate ("Seller's Closing Certificate") pursuant to which Seller shall reaffirm the following representations and warranties as of the date of Close of Escrow, provided that such certificate may reflect any changes to such representations and warranties of which Seller has become aware prior to Close of Escrow but subsequent to Seller's execution of the Agreement. In the event that such certificate indicates any changes to the foregoing representations and warranties, Seller shall not be deemed in default hereunder and Purchaser shall have the right to terminate the Agreement, whereupon Escrow Holder shall return the Deposit to Purchaser and both parties shall be relieved of any further obligations under the Agreement, except those that expressly survive termination. In the event any such certificate does indicate any such changes and Purchaser does not elect to terminate the Agreement, the representations and warranties made by Seller to Purchaser pursuant to the Agreement as of the date of Close of Escrow shall be deemed made subject to any such changes reflected in such certificate.

All of the foregoing representations and warranties of Seller shall survive Close of Escrow and shall not be deemed merged into any instrument of conveyance delivered at Close of Escrow; provided, however, no suit based on such representations and warranties shall be filed or otherwise commenced later than one year after the date of the Close of Escrow.

6. Disclaimer. EXCEPT AS EXPRESSLY SET FORTH HEREIN, SELLER HEREBY DISCLAIMS ALL WARRANTIES OF ANY KIND OR NATURE WHATSOEVER, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY AND FITNESS FOR PARTICULAR PURPOSE, WARRANTIES AS TO THE MATERIALS, WORKMANSHIP, OR COMPLETENESS OF THE PROPERTY, THE SUITABILITY OF THE PROPERTY FOR PURCHASER'S INTENDED USE, OR THE PRESENCE ON OR BENEATH THE PROPERTY OF HAZARDOUS SUBSTANCES OR MATERIALS. PURCHASER FURTHER ACKNOWLEDGES THAT EXCEPT AS EXPRESSLY SET FORTH HEREIN, SELLER IS CONVEYING THE PROPERTY "AS IS" IN ITS PRESENT CONDITION, WITH ALL FAULTS AND ASSUMES ANY AND ALL RISKS OF IMPERFECTIONS OR DEFECTS, LATENT OR PATENT, AND THAT PURCHASER IS NOT RELYING UPON ANY REPRESENTATION OF ANY KIND OR NATURE MADE BY SELLER OR BY SELLER'S AGENTS WITH RESPECT TO THE PROPERTY. PURCHASER ACKNOWLEDGES THAT PURCHASER'S OPPORTUNITY FOR INSPECTION AND INVESTIGATION OF THE PERSONAL PROPERTY HAS BEEN ADEQUATE TO ENABLE PURCHASER TO MAKE PURCHASER'S OWN DETERMINATION WITH RESPECT TO THE PROPERTY.

7. Purchaser's Representations and Warranties. Purchaser represents and warrants to the best of Purchaser's knowledge that as of the Effective Date and as of the Close of Escrow:

7.1 Purchaser's Authority. Purchaser has the legal right, power and authority to enter into this Agreement and to consummate the transactions contemplated hereby, and the execution, delivery and performance of this Agreement and no other action by Purchaser is requisite to the valid and binding execution, delivery and performance of this Agreement. The person executing this agreement on behalf of Purchaser has the legal right, power and authority to bind Purchaser to the terms hereof.

7.2 Enforceability. This Agreement and all documents required hereby to be executed by Purchaser are and shall be valid, legally binding obligations of and enforceable against Purchaser in accordance with their terms.

7.3 Conflicting Documents. Neither the execution and delivery of this Agreement and the documents and instruments referenced herein, nor the occurrence of the obligations set forth herein, nor the consummation of the transaction contemplated herein, nor compliance with the terms of this Agreement and the documents and instruments referenced herein conflict with or result in the material breach of any terms, conditions or provisions of, or constitute a default under, any bond, note, or other evidence of indebtedness or any contract, indenture, mortgage, deed of trust, loan, partnership agreement, lease or other agreement or instrument to which Purchaser is a party.

8. Indemnification. For a period of two years after the Close of Escrow, Seller shall indemnify, protect, defend and hold harmless Purchaser (and Purchaser's officials, representatives, agents and employees), with counsel reasonably acceptable to Purchaser, against and in respect of any and all claims, demands, damages, liabilities, losses, judgments, costs and expenses, experts' fees and costs and all court costs arising out of or relating to property damage or personal injury on or about the Property, occurring before the Close of Escrow. Seller shall not effect any compromise of any third-party claim without the consent of Purchaser, and Purchaser shall have no liability with respect to any compromise or settlement of any third-party claim effected without its consent.

9. Seller's Covenants. Seller agrees as follows:

9.1 Payment of All Obligations. Seller shall have discharged all mechanics' and materialmen's liens arising from labor and materials furnished prior to the Close of Escrow. Seller will discharge, as due, all of Seller's obligations and liabilities under the Property Documents arising prior to the Close of Escrow.

9.2 Tenant Leases. Seller shall not enter into any tenant lease between Effective Date of this Agreement and the Close of Escrow without Purchaser's prior written approval.

9.3 Litigation. Seller shall immediately notify Purchaser of any lawsuits, condemnation proceedings, rezoning, or other governmental order or action, or any threat thereof, known to Seller which might affect the Property or any interest of Purchaser.

9.4 Operation of Property in Normal Course. After the Effective Date and prior to Close of Escrow, Seller agrees: (i) to pay, prior to delinquency, all property taxes which become due and payable with respect to the Property; (ii) to cause to be maintained all property and liability insurance historically carried in connection with the Property; (iii) to promptly advise Purchaser of the commencement of any litigation by or against Seller pertaining to the Property; and (iv) to deliver to Purchaser copies of all notices relating to the Property and received by Seller after the date hereof from governmental authorities.

10. Escrow. Purchaser shall provide Escrow Holder with a fully executed copy of this Agreement within five days after the Effective Date ("Escrow"). This Agreement shall, to the extent possible, act as escrow instructions. The parties agree to execute all further escrow instructions required by Escrow Holder, which further instructions shall be consistent with this Agreement, and shall provide that as between the parties, the terms of this Agreement shall prevail if there is any inconsistency. "Close of Escrow" is defined to be date of the recordation of a Grant Deed from Seller to Purchaser for the Property. The Close of Escrow shall occur on **October 15, 2006.**

11. Closing. On or before Close of Escrow, Seller and Purchaser shall deposit with Escrow Holder the following documents and funds and shall close Escrow as follows:

11.1 Seller's Deposits. Seller shall deposit with Escrow Holder the following:

11.1.1 Deed. The original executed and acknowledged Grant Deed conveying the Property to Purchaser ("Grant Deed") in the form attached hereto as Exhibit C;

11.1.2 Non-Foreign Affidavit. An original Nonforeign Affidavit executed by Seller;

11.1.3 California Tax Form. A California Franchise Tax Board Form 593-C regarding the withholding of California taxes on the sale of California real estate;

11.1.4 Settlement Statement. A settlement statement reflecting the Purchase Price and all adjustments and prorations to be made pursuant to this Agreement.

11.1.5 Assignment of Warranties. An assignment of warranties, by which Seller shall assign to Purchaser all warranties and guarantees related to any building, building component, structure, fixture, machinery, equipment, or material related to the Property to Purchaser at Close of Escrow in substantially the same form as that attached hereto as Exhibit B; and

11.1.6 Additional Documents. Any other documents or funds required by Escrow Holder from Seller to close Escrow in accordance with this Agreement.

11.2 Purchaser's Deposits. On or before the Close of Escrow, Purchaser shall deposit with Escrow Holder the following:

11.2.1 Purchase Price. The cash portion of the Purchase Price in cash or immediately available funds;

11.2.2 Closing Costs. Additional cash in the amount necessary to pay Purchaser's share of closing costs, as set forth in Section 12;

11.2.3 Settlement Statement. A settlement statement reflecting the Purchase Price and all adjustments and prorations to be made pursuant to this Agreement.

11.2.4 Additional Documents. Any other documents or funds required of Purchaser to close Escrow in accordance with this Agreement.

12. Closing Costs.

12.1 Seller's Costs. Seller shall pay (i) the premium for the CLTA Owner's Policy in the amount of the Purchase Price and the cost of a mechanic's lien endorsement, CLTA Form 101.1 or equivalent; (ii) any county real property transfer taxes and documentary transfer taxes payable upon recordation of the Deed; (iii) any sales, use, and ad valorem taxes connected with the Close of Escrow; and (iv) one-half of the fees of Escrow Holder.

12.2 Purchaser's Costs. Purchaser shall pay one-half of the fees of Escrow Holder, the cost for any extended coverage or title endorsement Purchaser may require, and the reasonable cost of the Feasibility Report and Cost Estimate.

12.3 Miscellaneous Costs. All adjustments and proration of taxes, rent and any other charges to be adjusted between Seller and Purchaser shall be made at the Close of Escrow. For the purposes of this section, the term "Proration Date" shall be defined as 11:59 p.m. on the day preceding the Close of Escrow. All prorations shall be made on the basis of the actual number of days of the year and month which have elapsed as of the Proration Date.

12.3.1 Purchaser's Tax Exempt Status. Purchaser is exempt from real estate taxes and certain assessments pursuant to the California Constitution. All ad valorem real property taxes on the Property shall be apportioned and paid at Close of Escrow as provided in California Revenue and Taxation Code section 5086. If Seller has prepaid any of the ad valorem real property taxes, which are cancelled pursuant to Section 5086, Seller shall seek and retain any refunds to which it is entitled from such taxing agencies. Purchaser shall be responsible for its pro-rata share of any non-exempt assessments.

12.4 Utility Charges. Seller will cause all utility and water meters to be read on the Close of Escrow and will be responsible for the cost of all utilities and water used prior to that time.

13. Liquidated Damages. PURCHASER RECOGNIZES THAT THE PROPERTY WILL BE REMOVED BY THE SELLER FROM THE MARKET DURING THE EXISTENCE OF THIS AGREEMENT, AND THAT IF THIS AGREEMENT IS NOT CONSUMMATED BECAUSE OF PURCHASER'S DEFAULT, IT WOULD BE EXTREMELY DIFFICULT AND IMPRACTICAL TO ASCERTAIN THE EXTENT OF THE DETRIMENT TO SELLER. THE PARTIES HAVE DETERMINED AND AGREED THAT THE ACTUAL AMOUNT OF DAMAGES THAT WOULD BE SUFFERED BY SELLER AS A RESULT OF ANY SUCH DEFAULT IS DIFFICULT OR IMPRACTICABLE TO DETERMINE AS OF THE DATE OF THIS AGREEMENT AND THAT THE AMOUNT OF THE DEPOSIT IS A REASONABLE ESTIMATE OF THE AMOUNT OF SUCH DAMAGES. FOR THESE REASONS, THE

PARTIES AGREE THAT IF THE PURCHASE AND SALE IS NOT CONSUMMATED BECAUSE OF PURCHASER'S DEFAULT, THE DEPOSIT SHALL BE FORFEITED TO SELLER AS LIQUIDATED DAMAGES.

Seller's Initials _____ Purchaser's Initials _____

14. Right to Assign. Except as otherwise provided in this Agreement, the parties shall not have the right, power, or authority to assign this Agreement or any portion of this Agreement or to delegate any duties or obligations arising under this Agreement, voluntarily, involuntarily or by operation of law, except as provided in this section without the other party's prior written approval, which shall not be unreasonably withheld or delayed.
15. Successors and Assigns. All of the rights, benefits, duties, liabilities, and obligations of the parties shall inure to the benefit of, and be binding upon, their respective successors and assigns.
16. Notices. All notices, demands, consents, requests or other communications required or permitted to be given pursuant to this Agreement shall be in writing and shall be conclusively deemed to have been delivered upon receipt or refusal, if: (a) hand delivered; (b) sent by facsimile to the number set forth below (so long as evidence can be presented by the sending party of receipt by the receiving party); (c) deposited in an authorized receptacle of the United States Postal Service, registered or certified mail, postage prepaid; or (d) deposited with any commercially-recognized overnight carrier that routinely issues receipts, addressed to the parties as set forth below:

If to Seller: Thomas Simas Land, LLC
3100 Oak Road, Suite 140
Walnut Creek, CA 94596
Telephone: 925-945-6266
Facsimile: 925-945-8753

With a copy to: Timothy Clack, Esq.
The Law Office's of Timothy Clack
2500 Old Crow Canyon Road, Suite 123
San Ramon, CA 94583
Telephone: 925-855-1355
Facsimile: 925-855-3720

If to Purchaser: City of Elk Grove
Development Services
8400 Laguna Palms Way
Elk Grove, CA 95758
Attn: Real Property Manager
Telephone: 478-3617
Facsimile: 691-6411

With a copy to: Kronick, Moskovitz, Tiedemann & Girard
400 Capitol Mall, 27th Floor
Sacramento, CA 95814
ATTN: Matthew R. Berrien
Telephone: 916-321-4500
Facsimile: 916-321-4555

Any notice delivered after 5:00 p.m. or on a non-business day shall be deemed delivered on the next business day. A party may change or supplement the addresses given above, or designate additional addressees, for purposes of this section by delivering to the other party written notice in the manner set forth above.

17. Possession. The right to possession of the Property shall transfer to Purchaser at the Close of Escrow.

18. Attorney Fees; Litigation Costs. If any legal action or other proceeding, including arbitration or an action for declaratory relief, is brought to enforce this Agreement or because of a dispute, breach, default, or misrepresentation in connection with this Agreement, the prevailing party shall be entitled to recover reasonable attorney fees and other costs, in addition to any other proper relief. Prevailing party includes (a) a party who dismisses an action in exchange for sums allegedly due; (b) the party that receives performance from the other party of an alleged breach of covenant or a desired remedy, if it is substantially equal to the relief sought in an action; or (c) the party determined to be prevailing by a court of law.

19. Damage and Destruction.

19.1 Notice and Estimate. In the event that the Improvements should be damaged by any casualty prior to Close of Escrow, Seller shall promptly give Purchaser written notice of such occurrence, and as soon thereafter as practicable, shall provide Purchaser with an estimate made by an architect, engineer or contractor selected by Seller and approved by Purchaser (which approval shall not be unreasonably withheld or delayed) of the cost and amount of time required to repair such damage.

19.2 Minor Damage. If such damage is not "Major Damage," as hereinafter defined, or if the damage is "Major Damage" and Purchaser does not elect to terminate this Agreement pursuant to Section 19.3, then Seller shall promptly contract for and commence the repairs and complete so much thereof as may be accomplished prior to the Close of Escrow, all in a manner reasonably satisfactory to Purchaser. If it is so estimated that it will take longer than until the Close of Escrow to repair such damage, then Purchaser shall be given an opportunity to review and approve any construction contract which Seller proposes to enter into to have such damage repaired and Purchaser shall not unreasonably withhold or delay such approval. In the event such repairs are not completed on or before the Close of Escrow, Seller shall assign to Purchaser the proceeds of insurance payable to Seller plus the amount of any deductible provided for in such insurance policy, and provide Purchaser with any additional funds necessary to complete the repairs.

19.3 Major Damage. If the estimated cost of such repairs is greater than 5% of the Purchase Price ("Major Damage"), then Purchaser may elect to terminate this Agreement upon written notice to Seller within 10 calendar days after Purchaser's receipt of the estimate. In the event of such termination, Escrow Holder shall return the Deposit to Purchaser and both parties shall be relieved of any further obligations hereunder; however, if Purchaser does not elect to so

terminate this Agreement, then this Agreement shall remain in full force and effect and the parties shall proceed in accordance with Section 19.2 above.

19.4 Like-Kind Systems and Components. Any building systems and components of the Property and Improvements (e.g., heating, plumbing, etc.) that fail or are damaged shall be repaired or replaced with a unit of similar size and quality.

20. Condemnation.

20.1 Notice. If prior to Close of Escrow Seller learns of any actual or threatened taking in condemnation or by eminent domain (or a sale in lieu thereof) of all or any portion of the Property, Seller will notify Purchaser promptly thereof.

20.2 Termination. Other than with respect to an "Immaterial Taking" (as defined below), actual or threatened taking or condemnation for any public or quasi-public purpose or use by any competent authority in appropriate proceedings or by any right of eminent domain of all or any part of the Property between the date of this Agreement and Close of Escrow shall, at Purchaser's option, cause a termination of this Agreement. In the event of such termination, Escrow Holder shall return the Deposit to Purchaser and both parties shall be relieved of further obligations hereunder. The election to terminate provided hereby must be exercised by Purchaser (or will be deemed to have been waived) by notice to Seller to that effect given within 15 days following Purchaser's receipt of Seller's notice pursuant to Section 20.1 above. If Purchaser shall not elect to so terminate this Agreement, or in the event of an Immaterial Taking, Seller shall be relieved of all obligations under this Agreement with respect to the portion of the real property so taken or condemned, but Purchaser will be entitled to receive all proceeds of any such taking or condemnation, and Seller agrees that it will not make any adjustment or settlement of any such taking or condemnation proceeding without Purchaser's consent and will take at Close of Escrow all action necessary to assign its entire interest in such award to Purchaser. Any taking or condemnation for any public or quasi-public purpose or use which does not affect access, reduce parking, take any part of the Improvements shall be deemed an "Immaterial Taking."

21. Time of the Essence. Time is of the essence in this Agreement and every provision contained in this Agreement.

22. Construction. The title and headings of the sections in this Agreement are intended solely for reference and do not modify, explain, or construe any provision of this Agreement. All references to sections, recitals, and the preamble shall, unless otherwise stated, refer to the sections, recitals, and preamble of this Agreement. This Agreement shall not be construed as if it had been prepared by one of the parties, but rather as if both parties have prepared the Agreement.

23. Integration. This Agreement, all attached exhibits, and all related documents referred to in this Agreement, constitute the entire agreement between the parties. There are no oral or parole agreements which are not expressly set forth in this Agreement and the related documents being executed in connection with this Agreement. This Agreement may not be modified, amended, or otherwise changed except by a writing executed by the party to be charged.

24. Third-Party Rights. Nothing in this Agreement, express or implied, is intended to confer upon any person, other than the parties and their respective successors and assigns, any rights or remedies.

25. Severability. If any term or provision of this Agreement shall, to any extent, be held invalid or unenforceable, the remainder of this Agreement shall not be affected, so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner adverse to either party. Upon such determination that any term or provision is illegal, invalid or incapable of being enforced, a provision substantially the same in all material respects will be added to this Agreement, if possible, which is legal, valid and capable of being enforced.

26. Waivers. No waiver or breach of any provision shall be deemed a waiver of any other provision, and no waiver shall be valid unless it is in writing and executed by the waiving party. No extension of time for performance of any obligation or act shall be deemed an extension of time for any other obligation or act.

27. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which taken together shall constitute one and the same instrument. The execution of this Agreement shall be deemed to have occurred, and this Agreement shall be enforceable and effective, only upon the complete execution of this Agreement by Seller and Purchaser.

28. Brokers. Purchaser warrants to Seller that it is not represented by a real estate broker and that no person or entity can properly claim a right to a commission, finder's fee, or other compensation with respect to the transaction contemplated by this Agreement. Seller warrants to Purchaser that except for Steven Griffin of Grubb & Ellis Company ("Seller's Broker"), no other person or entity can properly claim a right to a commission, finder's fee, or other compensation with respect to the transaction contemplated by this Agreement. Seller shall pay Purchaser's Broker pursuant to a separate agreement between Purchaser's Broker and Seller. If any other broker or finder makes any claim for a commission or finder's fee, the party through which the broker or finder makes such claim shall indemnify, defend and hold the other party harmless from all liabilities, expenses, losses, damages or claims (including the indemnified party's reasonable attorneys' fees) arising out of such broker's or finder's claims.

29. Tax-Deferred Exchange. If Seller desires to involve the Property in a tax-deferred exchange under the provisions of Section 1031 of the Internal Revenue Code ("Exchange"), Purchaser agrees to cooperate with the Purchaser in the Exchange. Such cooperation may include the involvement of a qualified intermediary and the execution by the Purchaser of documents and instruments deemed reasonably necessary by the Seller in order to effect the Exchange. The Seller agrees to be liable and to pay for all costs that may be incurred by the Purchaser, including Purchaser's attorneys' fees or other similar or dissimilar costs so incurred. The Seller shall indemnify Purchaser against any and all liability or other obligation that may arise in connection with such cooperation. Purchaser shall not be required to accept title to any exchange property.

30. Governing Law. This Agreement shall be governed by and construed in accordance with California law.

31. Days of Week. If any date for performance herein falls on a Saturday, Sunday or holiday (as defined in Section 6700 of the California Government Code), the time for such performance shall be extended to 5:00 p.m. on the next day that is not a Saturday, Sunday or a holiday.

32. Arbitration. Any claim, controversy or dispute arising out of or relating to this Agreement, or the breach thereof, shall be resolved fully and finally by binding arbitration under the Commercial Rules, but not the administration, of the American Arbitration Association, except to the extent that the Commercial Rules conflict with this provision, in which event, this

Agreement shall control. The arbitration shall be conducted in Sacramento, California and the laws of California shall govern the construction and interpretation of this Agreement, except the provisions related to conflict of laws. Within 10 calendar days of service of a demand for arbitration, the parties may agree upon a sole arbitrator, or if a sole arbitrator cannot be agreed upon, a panel of three arbitrators shall be named. One arbitrator shall be selected by Seller and one shall be selected by Purchaser. A knowledgeable, disinterested and impartial arbitrator shall be selected by the two arbitrators so appointed by the parties. If the arbitrators appointed by the parties cannot agree upon the third arbitrator within 10 calendar days, then either party may apply to any judge in any court of competent jurisdiction for appointment of the third arbitrator. There shall be no discovery during the arbitration other than the exchange of information that is provided to the arbitrator(s) by the parties. The arbitrator(s) shall have the authority only to award equitable relief and compensatory damages, and shall not have the authority to award punitive damages or other non-compensatory damages. The decision of the arbitrator(s) shall be rendered within 60 calendar days after the date of the selection of the arbitrator(s) or within such period as the parties may otherwise agree. Each party shall be responsible for the fees, expenses, and costs incurred by the arbitrator appointed by each party, and the fees, expenses and costs of the third arbitrator (or single arbitrator) shall be borne equally by the parties. The decision of the arbitrator(s) shall be final and binding and may not be appealed. Any party may apply to any court having jurisdiction to enforce the decision of the arbitrator(s) and to obtain a judgment thereon.

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the dates set forth below, to be effective on the Effective Date.

SELLER:

Thomas Simas Land, LLC,
a California limited liability company

By: _____
Name: _____
Title: _____
Date: _____

PURCHASER:

City of Elk Grove,
a municipal corporation

By: _____
Name: _____
Title: _____
Date: _____

RECOMMEND FOR APPROVAL:

By: _____
Real Property Manager

APPROVED AS TO FORM:

By: _____
Anthony Manzanetti, City Attorney
Date: _____

ATTEST:

By: _____
Peggy Jackson, City Clerk
Date: _____

Exhibit A

Legal Description of Property

Exhibit B

ASSIGNMENT OF WARRANTIES

This Assignment of Contracts, Warranties and Guaranties, and Other Intangible Property (“Assignment”) is entered as of _____, 2006 between **Thomas Simas Land, LLC**, a California limited liability company (“Assignor”) and **City of Elk Grove**, a California municipal corporation (“Assignee”).

Recitals

A. Assignor and Assignee have entered into an Agreement of Purchase and Sale and Joint Escrow Instructions, dated _____ (“Purchase Agreement”) in which Assignee has agreed to purchase improved real property, located at 8900 Elk Grove Boulevard, Elk Grove, California (the “Property”), as described in attached Exhibit B-1 and incorporated in this Assignment.

B. Pursuant to the Purchase Agreement, Assignor has agreed to assign to Assignee all rights in the Warranties and Guaranties (as defined in this Assignment).

NOW THEREFORE, for good and valuable consideration, Assignor and Assignee agree as follows:

1. Assignment. Assignor assigns all of Assignor's rights in all warranties and guaranties made by or received from any third party for any building, building component, structure, fixture, machinery, equipment, or material situated on or contained in any building or other improvement situated on or comprising a part of the Property (collectively, “Warranties and Guaranties”)
2. Assignor's Covenants. To the best of Assignor’s knowledge, Assignor covenants that (i) the Warranties and Guaranties are in full force, and that Assignor has the power and authority to assign the Warranties and Guaranties, (ii) that there are no defaults under the Warranties and Guaranties, and (iii) that no acts or events have occurred that upon the giving of notice or the passage of time or both could become defaults under the Warranties and Guaranties.
3. Successors. This Assignment shall be binding on and inure to the benefit of the parties to it, their heirs, executors, administrators, successors in interest, and assigns.
4. Severability. If any term or provision of this Assignment shall be held invalid or unenforceable, the remainder of this Assignment shall not be affected.
5. Waivers. No waiver or breach of any covenant or provision shall be deemed a waiver of any other covenant or provision, and no waiver shall be valid unless in writing and executed by the waiving party.
6. Construction. Headings are solely for the parties' convenience, are not a part of this Assignment, and shall not be used to interpret this Assignment. The singular form shall include the plural and vice versa. This Assignment shall not be construed as if it had been prepared by

one of the parties, but rather as if both parties have prepared it. Unless otherwise indicated, all references to sections are to this Assignment.

7. Counterparts. This Assignment may be executed in one or more counterparts, each of which shall be deemed an original and all of which taken together shall constitute one and the same instrument.

8. Amendment. This Assignment may not be amended or altered except by a written instrument executed by Assignor and Assignee.

9. Further Assurances. Whenever requested to do so by the other party, each party shall execute, acknowledge, and deliver any further conveyances, assignments, confirmations, satisfactions, releases, powers of attorney, instruments of further assurance, approvals, consents, and any further instruments or documents that are necessary, expedient, or proper to complete any conveyances, transfers, sales, and assignments contemplated by this Assignment. In addition, each party shall do any other acts and execute, acknowledge, and deliver any requested documents in order to carry out the intent and purpose of this Assignment.

10. Third-Party Rights. Nothing in this Assignment, express or implied, is intended to confer upon any person, other than the parties and their respective successors and assigns, any rights or remedies.

11. Attorney's Fees. In the event of any litigation between Assignor and Assignee arising out of the obligations of Assignor under this Assignment or concerning interpretation of any of its provisions, the losing party shall pay the prevailing party's costs and expenses of the litigation, including reasonable attorney's fees.

12. Governing Law. This Assignment shall be governed and construed in accordance with California law.

IN WITNESS WHEREOF, the parties have executed this Assignment as of the date first written above.

ASSIGNOR:

Thomas Simas Land, LLC, a California limited liability company

By: _____

Name: _____

Its: _____

ASSIGNEE:

City of Elk Grove, a municipal corporation

By: _____

Name: _____

Title: _____

RECOMMEND FOR APPROVAL:

By: _____

Julie Cline, Real Property Manager

APPROVED AS TO FORM:

By: _____
Anthony Manzanetti, City Attorney

ATTEST:

By: _____
Peggy Jackson, City Clerk
Date: _____

Exhibit B-1

Legal Description of Property

Exhibit C

Grant Deed

NO FEE DOCUMENT

Government Code §6103 & §27383

RECORDING REQUESTED BY AND

WHEN RECORDED MAIL TO:

City Clerk

CITY OF ELK GROVE

8380 Laguna Palms Way
Elk Grove, CA 95758

The Above Space For Recorder's Use Only

OK to Accept: _____
Date: _____

Project Name: [Project Name]
Address: 8900 Elk Grove Boulevard
Elk Grove, CA
APN: [APN]
Project No.: [ACQ #]
Title Order No. [Title Order #]
Escrow No. [Escrow #]

THIS TRANSACTION IS EXEMPT FROM CALIFORNIA DOCUMENTARY TRANSFER TAX PURSUANT TO SECTION 11922 OF THE CALIFORNIA REVENUE AND TAXATION CODE. THIS DOCUMENT IS EXEMPT FROM RECORDING FEES PURSUANT TO SECTIONS 6103 AND 27383 OF THE CALIFORNIA GOVERNMENT CODE.

GRANT DEED

FOR A VALUABLE CONSIDERATION, receipt and sufficiency is hereby acknowledged, Thomas Simas Land, LLC, a California limited liability company ("Grantor"), hereby grants to the City of Elk Grove, a municipal corporation, Grantee, the following described real property situated in the City of Elk Grove, County of Sacramento, State of California; as described in Exhibit "A" and depicted in Exhibit "B."

Executed this ____ day of _____, 20____

Thomas Simas Land, LLC,
a California limited liability company

By: _____
[Name of Signatory]

By: _____
[Name of Signatory]

Mail Tax Statements To:
Finance Department
City of Elk Grove
8401 Laguna Palms Way
Elk Grove, CA 95758

STATE OF CALIFORNIA)
) ss
COUNTY OF _____)

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

WITNESS my hand and official seal.

Affix Official Seal below

By: _____
Notary Public Signature

Certificate of Acceptance

This is to certify that the interest in real property conveyed to the City of Elk Grove, a municipal corporation, by the within instrument, the provisions of which are incorporated by this reference as though fully set forth in this certification, is hereby accepted by the undersigned officer(s) on behalf of the City pursuant to authority conferred by the Elk Grove City Council Resolution No. 2000-52 adopted on November 1, 2000, and the Grantee consents to recordation thereto by its duly authorized officer.

Dated: _____

By: _____
John Danielson, City Manager

CERTIFICATION
ELK GROVE CITY COUNCIL RESOLUTION NO. 2006-233

STATE OF CALIFORNIA)
COUNTY OF SACRAMENTO) ss
CITY OF ELK GROVE)


I, Peggy E. Jackson, City Clerk of the City of Elk Grove, California, do hereby certify that the foregoing resolution was duly introduced, approved, and adopted by the City Council of the City of Elk Grove at a regular meeting of said Council held on September 13, 2006 by the following vote:

AYES : COUNCILMEMBERS: Soares, Scherman, Briggs, Cooper

NOES : COUNCILMEMBERS: None

ABSTAIN : COUNCILMEMBERS: None

ABSENT: COUNCILMEMBERS: Leary



Peggy E. Jackson, City Clerk
City of Elk Grove, California

