

AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY AND ESCROW INSTRUCTIONS

This Agreement for Purchase and Sale of Real Property and Escrow Instructions (this “**Agreement**”) is entered into on May 7, 2025 (“**Effective Date**”) by and between the CITY OF MENIFEE, a California Municipal Corporation (“**City**”), and (i) Martin Nicholas and Sharon Nguyen Nicholas, (ii) Jun Yokota and Toshiko Yokota, Trustees of The Yokota Family Trust dated August 25, 2000, (iii) Mei Chu Chung, (iv) Sue Mei Chen, (v) Chin Yen (“**Andy**”) Hung, and (vi) Ted Hung as co-owners (collectively and joint and severally, “**Seller**”). Emerald Escrow, with its office located at 2275 S Main Street, Suite 101A Corona CA 92882, is designated to act as Escrow Holder (“**Escrow Holder**”).

RECITALS:

A. Seller is the vested owner of an undivided interest approximately three hundred ninety eight (398) acres of unimproved, vacant, real property in the City of Menifee, California bearing Assessor Parcel Numbers (APNs) 333-210-019, 333-210-020, 333-210-017, 333-210-014, 333-210-015, 333-210-016, 333-210-013, 333-220-019, 333-220-017, 333-220-018, 333-220-013, 333-220-008, 333-220-009, 333-220-005, 333-220-007, 333-220-010, 333-220-011, 333-220-012, and 333-220-006 and legally described on **Exhibit A** attached hereto and incorporated herein by this reference (“**Property**”).

B. Seller and the City agree to cooperate in Seller’s sale and the City’s purchase of the Property pursuant to the terms set forth herein.

NOW, THEREFORE, the parties agree as follows:

TERMS AND CONDITIONS

1. PURCHASE AND SALE OF PROPERTY.

1.1 Purchase and Sale. Upon the terms and conditions set forth in this Agreement, City hereby agrees to purchase from Seller, and Seller agrees to sell to City the Property.

1.2 Property Unoccupied. Seller represents and warrants to City that the Property is not leased and is unoccupied as of the Agreement Date. Seller covenants and agrees to not allow the Property to be occupied or used for any purpose, or to enter into a lease of all or any portion of the Property.

2. OPENING OF ESCROW. Within three (3) business days of execution of this Agreement, the Parties shall open an escrow (“Escrow”) with Escrow Holder by causing an executed copy of this Agreement together with a deposit of One Thousand Dollars (\$1,000) (“**Deposit**”) which shall be paid by the City to be delivered to Escrow Holder. Escrow shall be deemed open on the date that a fully executed copy of this Agreement is delivered to Escrow Holder and accepted by Escrow Holder as evidenced by Escrow Holder’s execution of this Agreement (“Opening of Escrow”).

3. **PURCHASE PRICE.**

3.1 **Purchase Price.** Subject to the terms of this Agreement, City hereby agrees to purchase the Property from Seller and Seller agrees to sell the Property to City, for the purchase price of One Million One Hundred Fifty Thousand Dollars and Zero Cents (**\$1,150,000.00**) (the “**Purchase Price**”).

3.2 **Payment of Purchase Price.** No later than one (1) business day preceding Close of Escrow, City shall deposit the Purchase Price, less the Deposit, plus any additional costs with Escrow Holder in “good funds” which is defined to mean a wire transfer of funds, cashier’s or certified check drawn on or issued by the offices of a financial institution located in the State of California, or cash.

3.3 **Purchase Price is All Inclusive.** The Parties agree that the Purchase Price constitutes full and just compensation for the Property and is inclusive of Seller’s interest in the Property and any rights or obligations which exist or may arise out of the acquisition of the same, including, without limitation, Seller’s fee interest in the Property, costs, interest, attorneys’ fees, and any claim whatsoever of Seller which might arise out of or relate to, in any respect, the acquisition of the Property by the City.

4. **ADDITIONAL FUNDS AND DOCUMENTS.**

4.1 **Seller.** Seller agrees that on or before 12:00 noon one (1) business day prior to the Closing Date (defined below), Seller will deposit with Escrow Holder such funds and other items and instruments (executed and acknowledged, if appropriate) as may be necessary in order for the Escrow Holder to comply with this Agreement, including, without limitation:

- a) Executed and recordable grant deed in the form attached hereto as **Exhibit B** (“**Grant Deed**”).
- b) A Non-Foreign Affidavit (“**Non-foreign Affidavit**”).
- c) All applicable state and federal tax documents as required by law.
- d) Any documents necessary for the Title Company (defined below) to issue the Title Policy (defined below).
- e) Such funds and other items and instruments as may be necessary in order for Escrow Holder to comply with this Agreement.

4.2 **City.** City agrees that on or before 12:00 noon one (1) business day prior to the Closing Date, City will deposit with Escrow Holder all additional funds and/or documents (executed and acknowledged, if appropriate) which are necessary to comply with the terms of this Agreement, including, without limitation:

- a) A Preliminary Change of Ownership Statement completed in the manner required in Riverside County.
- f) Certificate of Acceptance in the form attached to the Grant Deed (“**Certificate of Acceptance**”).
- g) Such funds and other items and instruments as may be necessary in order for Escrow Holder to comply with this Agreement.

5. **CLOSING DATE; TIME IS OF ESSENCE.**

5.1 Closing Date. Escrow shall close as soon as practicable but in no event later than twenty-one (21) days from the Opening of Escrow ("**Closing Date**"), unless otherwise extended in writing by the parties. The terms "**Close of Escrow**" and/or "**Closing**" are used herein to mean the date that the Grant Deed together with the Certificate of Acceptance are filed for recording by the Escrow Holder in the Official Records in accordance with the terms of this Agreement.

5.2 Time is of Essence. Time is of the essence. Unless otherwise expressly provided in this Agreement, any reference in this Agreement to time for performance of obligations or to elapsed time shall mean Pacific Standard Time and time periods shall mean consecutive calendar days, months or years, as applicable.

6. **TITLE POLICY.**

6.1 Title Policy; Possession.

(a) Preliminary Title Report. Within two (2) days of Opening of Escrow, Seller shall deliver a completed statement of information to Escrow. Promptly following execution of this Agreement but, in no event later than five (5) days following Opening of Escrow, a preliminary title report shall be issued by Lawyer's Title located at 301 E Vanderbilt Way, Suite 300, San Bernardino CA 92408, Title Officer Anna Pathe (anna.pathe@cltc.com) ("**Title Company**"), describing the state of title of the Property, together with copies of all exceptions listed therein and a map plotting all easements specified therein ("**Preliminary Title Report**"). Within five (5) days after City's receipt of the Preliminary Title Report, City shall notify Seller in writing ("**City's Title Notice**") of City's disapproval of any matters contained in the Preliminary Title Report ("**Disapproved Exceptions**"). Notwithstanding anything to the contrary herein, City shall be deemed to have automatically objected to all deeds of trust, mortgages, judgment liens, federal and state income tax liens, delinquent general and special real property taxes and assessments and similar monetary encumbrances affecting the Property, and Seller shall discharge any such non-permitted title matters of record prior to or concurrently with the Close of Escrow.

(b) Approval Process. In the event City delivers City's Title Notice within said period, Seller shall have a period of three (3) days after receipt of City's Title Notice in which to notify City of Seller's election to either (i) agree to attempt to remove the Disapproved Exceptions prior to the Close of Escrow; or (ii) decline to remove any such Disapproved Exceptions ("**Seller's Notice**"). If Seller fails to respond to City's Title Notice within the three (3) day period provided herein, Seller shall be deemed to have declined to remove the Disapproved Exceptions. If Seller declines to remove the Disapproved Exceptions, is deemed to have declined to remove the Disapproved Exceptions, or is unable to remove the Disapproved Exceptions, City may elect either to terminate this Agreement and the Escrow or to accept title to the Property subject to the Disapproved Exception(s). City shall exercise such election by delivery of written notice to Seller and Escrow Holder within five (5) days following the earlier of

(i) the date of written notice from Seller that such Disapproved Exception(s) cannot be removed; or (ii) the date Seller declines to remove such Disapproved Exception(s).

(c) Supplemental Report. Upon the issuance of any amendment or supplement to the Preliminary Title Report which adds additional exceptions, the foregoing right of review and approval shall also apply to said amendment or supplement.

(d) Issuance of Title Policy. Title Company shall be irrevocably committed to issue, at the Closing, its standard coverage owner's title insurance policy in a form satisfactory to the City, with liability equal to the Purchase Price, showing fee title to the Property vested in the City, free and clear of any and all tenancies and/or rights of third parties affecting all or any portion of the Property, subject only to the exceptions approved by the City ("**Title Policy**").

6.2 Possession. Possession and occupancy shall be delivered by Seller to City no later than 5:00 p.m. on the Closing Date free and clear of all tenancies and claims of occupancy or ownership known to Seller. Seller may elect to remove any personal property (not included in the transfer) from the Property prior to the Closing Date. Any and all personal property remaining at the Property at Closing shall be deemed transferred to City as part of the sale.

7. **DUE DILIGENCE.**

7.1 Due Diligence. For a period of fifteen (15) days following the Opening of Escrow ("**Due Diligence Period**"), City shall have the right to review and inspect the Property and the NHD Report (defined below). Seller grants to City, its agents and employees, upon reasonable notice to Seller, a limited license to enter the Property for the purpose of conducting such due diligence as reasonably required by City at City's sole cost and expense. As a condition to City's entry and inspection, City shall keep the Property free and clear of all materialmen's liens, lis pendens or any other liens arising out of the entry and any work performed under this Agreement. City shall notify Seller in writing ("**City's Due Diligence Notice**") on or before the expiration of the Due Diligence Period of City's approval of the condition of the Property, which approval may be withheld in City's sole discretion.

7.2 NHD Report. Upon Opening of Escrow, Escrow Holder shall order a natural hazard disclosure report from Disclosure Source ("**NHD Report**") for the approval of City within three (3) days of receipt. The cost for the NHD Report (which NHD Report is a requirement for all residential property sales in the State of California) of one hundred dollars (\$100) will be paid from Seller's proceeds at closing.

8. **CONDITIONS PRECEDENT TO CLOSE OF ESCROW.**

8.1 Conditions to City's Obligations. The obligations of City under this Agreement shall be subject to the satisfaction or written waiver, in whole or in part, by City of each of the conditions precedent set forth below. If any such condition is not satisfied or waived by City at or prior to the Close of Escrow for any reason other than a default by City, City may, in its sole discretion and without limiting any of City's legal remedies or remedies under this Agreement, terminate this Agreement by written notice to Seller:

- a) Title Company will issue the Title Policy.
- h) City has approved all due diligence matters (defined in Section 7.1) on or before the Due Diligence Date.
- i) All Seller's representations and warranties in Section 9 are true and correct.
- j) Upon receipt of the NHD Report, City has not exercised its statutory rights of rescission.
- k) Escrow Holder holds and will deliver to City the instruments and funds, if any, accruing to City pursuant to this Agreement.
- l) There shall exist no pending or threatened actions, suits, arbitrations, claims, attachments, proceedings, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization or other proceedings, against Seller that would materially and adversely affect Seller's ability to unconditionally perform its obligations under this Agreement.
- m) The City Council of the City of Menifee has approved the terms of this Agreement consistent with Section 15.15 hereof.
- n) Seller is not in default under this Agreement.

8.2 Condition to Seller's Obligations. The obligations of Seller under this Agreement shall be subject to the satisfaction or written waiver, in whole or in part, by Seller of the following conditions precedent:

- a) Escrow Holder holds and will deliver to Seller the instruments and funds accruing to Seller pursuant to this Agreement.
- o) City is not in default under this Agreement.

9. **REPRESENTATIONS, WARRANTIES, AND COVENANTS.**

Seller represents, warrants, and covenants to City, each of which is true in all respects as of the Effective Date and shall be true in all respects on the date of Close of Escrow on the Property:

- a) The partnership identified in the preamble is duly organized and existing.
- b) Seller owns and holds title to the Property.
- c) Seller has the legal power, right, and authority to execute, deliver, and perform Seller's obligations under this Agreement and the documents executed and delivered by Seller pursuant hereto.
- d) The entering into this Agreement does not violate any provision of any other agreement to which Seller is bound.
- e) Except as set forth in the Preliminary Title Report, there are no financial obligations secured by trust deeds, mortgages, financing statements, security agreements or otherwise, against the Property.
- f) Except as set forth in the Preliminary Title Report, there are no oil, gas, geothermal and/or mineral leases, licenses, options, rights of first refusal, and/or contracts to sell, affecting the mineral rights associated with the Property, or other parties currently in possession, of the said interests on the Property.
- g) There are no outstanding utility type bills on the Property.

- h) There are no outstanding offers to purchase or rights of first refusal on the Property.
- i) There is no tenant, guest, or other third party in occupancy of the Property.
- b) There are no contracts, leases, covenants, property restrictions, liens, repairs, violations, claims or rights affecting the Property and no agreements entered into by or under Seller that shall survive the Close of Escrow.
- c) Seller has received no notice and/or has no knowledge that any governmental authority or any employee or agent thereof considers the present or proposed operation, use or ownership of the Property to violate or have violated any ordinance, rule, law, regulation or order of any government or agency, body or subdivision thereof, or that any investigation has been commenced or is contemplated respecting such possible violations.
- d) No construction or repair work has been done on the Property within six (6) months from the Effective Date.
- e) To the best of Seller's knowledge, there are no Hazardous Materials present on the Property, or any portion thereof, and Seller has not been advised or notified by any third parties, prior owners of the Property, or any federal, state or local governmental agency, of the presence of any Hazardous Materials on the Property.
- f) During the term of the Agreement, Seller shall maintain the Property in not less than the state of repair existing on the Effective Date, Seller shall not convey, grant, lease, rent, license, assign, mortgage, hypothecate, encumber, or otherwise transfer (on or off record) the Property or any interest therein to any party other than City, Seller shall not alter the physical condition of the Property or knowingly introduce or release, or permit the introduction or release, of any Hazardous Material in, from, under, or on the Property, and shall maintain up until the Closing, Seller's existing insurance on the Property.

As used in this Agreement, the term "Hazardous Material(s)" includes, without limitation, any hazardous or toxic material, substance, irritant, chemical, or waste, including without limitation (a) any material defined, classified, designated, listed or otherwise considered under any Environmental Law, including, without limitation, as defined in California Health & Safety Code Section 25260, as a "hazardous waste," "hazardous substance," "hazardous material," "extremely hazardous waste," "acutely hazardous waste," "radioactive waste," "biohazardous waste," "pollutant," "toxic pollutant," "contaminant," "restricted hazardous waste," "infectious waste," "toxic substance," or any other term or expression intended to define, list, regulate or classify substances by reason of properties harmful to health, safety or the indoor or outdoor environment, (b) any material, substance or waste which is toxic, ignitable, corrosive, reactive, explosive, flammable, infectious, radioactive, carcinogenic or mutagenic, and which is or becomes regulated by any local governmental authority, any agency of the State of California or any agency of the United States Government, (c) asbestos, and asbestos containing material, (d) oil, petroleum, petroleum based products and petroleum additives and derived substances, (e) urea formaldehyde foam insulation, (f) polychlorinated biphenyls (PCBs), (g) freon and other chlorofluorocarbons, (h) any drilling fluids, produced waters and other wastes associated with the exploration, development or production of crude oil, natural gas or geothermal resources, (i) mold, fungi, viruses or bacterial matter, and (j) lead-based paint.

As used in this Agreement, the term “Environmental Laws” means any and all federal, state and local laws, statutes, ordinances, orders, rules, regulations, guidance documents, judgments, governmental authorizations, or any other requirements of governmental authorities, as may presently exist, or as may be amended or supplemented, or hereafter enacted, relating to the presence, release, generation, use, handling, assessment, investigation, study, monitoring, removal, remediation, cleanup, treatment, storage, transportation or disposal of Hazardous Materials, or the protection of the environment or human, plant or animal health, including, without limitation, the following statutes and their underlying regulations, as they have been amended from time to time, and the following referenced common laws: the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986 (42 U.S.C. §§ 9601 et seq.), the Hazardous Materials Transportation Act (49 U.S.C. §§ 1801 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. §§ 6901 et seq.), the Federal Water Pollution Control Act (33 U.S.C. §§ 1251 et seq.), the Clean Air Act (42 U.S.C. §§ 7401 et seq.), the Toxic Substances Control Act (15 U.S.C. §§ 2601 et seq.), the Oil Pollution Act (33 U.S.C. §§ 2701 et seq.), the Emergency Planning and Community Right-to-Know Act (42 U.S.C. §§ 11001 et seq.), the Porter-Cologne Water Quality Control Act (Cal. Wat. Code, §§ 13000 et seq.), the Toxic Mold Protection Act (Cal. Health & Saf. Code, §§ 26100, et seq.), the Safe Drinking Water and Toxic Enforcement Act of 1986 (Proposition 65 – Cal. Health & Saf. Code, §§ 25249.5 et seq.), the California Hazardous Waste Control Law (Cal. Health & Saf. Code, §§ 25100 et seq.), the Hazardous Materials Release Response Plans & Inventory Act (Cal. Health & Saf. Code, §§ 25500 et seq.), the Carpenter-Presley-Tanner Hazardous Substances Account Act (Cal. Health & Saf. Code, §§ 25280 et seq.), the California Underground Storage of Hazardous Substances Laws (Cal. Health & Saf. Code, §§ 25280 et seq.) and the California common laws of nuisance, trespass, waste, and ultra-hazardous activity.

The representations, warranties, and covenants herein are provided to the actual knowledge of Seller, without any duty of inquiry of investigation. Until the Closing, if Seller learns of any fact or condition which would cause any of the warranties and representations in this Section not to be true as of the Closing, Seller shall immediately give written notice of such fact or condition to City.

In addition to any other indemnification obligations set forth in this Agreement, Seller agrees to indemnify, defend with counsel selected by City, protect and hold harmless City, its officers, employees and agents from and against all claims, damages, costs, liabilities and expenses of any kind whatsoever paid, incurred or suffered by or asserted against the Property or any indemnified party directly or indirectly arising from or attributable to any breach by Seller of any of its warranties or representations set forth in this Agreement. This provision together with Sections 12 and 13 shall survive Close of Escrow.

10. **ESCROW PROVISIONS.**

10.1 **Escrow Instructions.** Sections 1 through 6, inclusive, 7.1, 8, 10 & 13 shall constitute escrow instructions to Escrow Holder. The terms and conditions in sections of this Agreement not specifically referenced above are additional matters for information of Escrow Holder, but about which Escrow Holder need not be concerned. City and Seller acknowledge that Escrow Holder may request that City and Seller execute additional instructions, documents

and forms reasonably necessary to close Escrow and City and Seller agree to review and, upon their respective approval, which approval shall not be unreasonably withheld or delayed, execute such instructions, documents and forms.

10.2 Miscellaneous. At Closing, Escrow Holder shall deliver the Title Policy to the City and instruct the Riverside County Recorder to mail the Grant Deed to City at the address set forth below after recordation. All funds received in this Escrow shall be deposited in one or more general escrow accounts of the Escrow Holder with any bank doing business in Riverside County, California, and may be disbursed to any other general escrow account or accounts. All disbursements shall be according to that Party's instructions.

10.3 Proration of Real Property Taxes. All taxes (general and special) real property taxes shall be current and not in default and Seller shall pay any delinquent real property taxes. Real property taxes shall be prorated to the Closing. The provisions of this Section shall survive Close of Escrow.

10.4 Costs; Documentary Transfer Taxes; Closing Statement.

(a) Cost Allocation. City shall pay the costs for the Title Policy and one-half (1/2) of the Escrow fees. Seller shall pay all costs necessary to put title into the condition required by Section 6, the NHD Report fee, one-half (1/2) of the Escrow fee and other charges as specified in this Agreement. No documentary transfer taxes are due under Revenue and Tax Code Section 11922. As a governmental agency, City is also exempt from any recording fees for the recordation of the Grant Deed. All other costs of Escrow not otherwise specifically allocated by this Agreement shall be apportioned between the Parties in a manner consistent with the custom and usage of Escrow Holder.

(b) Closing Statement. At least three (3) business days prior to the Closing Date Escrow Holder shall furnish City and Seller with a preliminary Escrow closing statement which shall include each party's respective shares of costs. The preliminary Escrow closing statement shall be approved in writing by City and Seller. As soon as reasonably possible following the Close of Escrow, Escrow Holder shall deliver a copy of the final Escrow closing statement to City and Seller.

10.5 Termination of Escrow. If Escrow fails to close as provided above, either party may elect to terminate this Agreement and the Escrow by delivering written notice to the other party and Escrow Holder. Upon such termination of this Agreement and the Escrow not as the result of the breach by either party, Escrow Holder is instructed to return all funds and documents then in Escrow to the respective depositor of the same.

10.6 Information Report. Escrow Holder shall file and City and Seller agree to cooperate with Escrow Holder and with each other in completing any report ("**Information Report**") and/or other information required to be delivered to the Internal Revenue Service pursuant to Internal Revenue Code Section 6045(e) regarding the real estate sales transaction contemplated by this Agreement. City and Seller also agree that City and Seller, their respective employees and attorneys, and Escrow Holder and its employees, may disclose to the Internal Revenue Service, whether pursuant to such Information Report or otherwise, any information

regarding this Agreement or the transactions contemplated herein as such party reasonably deems to be required to be disclosed to the Internal Revenue Service by such party pursuant to Internal Revenue Code Section 6045(e), and further agree that neither City nor Seller shall seek to hold any such party liable for the disclosure to the Internal Revenue Service of any such information.

10.7 Brokerage Commission.

(a) No City Brokerage Commission. City represents and warrants to Seller that no third party is entitled to a broker's commission and/or finder's fee from City with respect to the transaction contemplated by this Agreement. City agrees to indemnify, and hold Seller harmless from and against all liabilities, costs, damages and expenses, including, without limitation, attorneys' fees, resulting from any claims or fees or commissions, based upon agreements by City, if any, to pay a broker's commission and/or finder's fee.

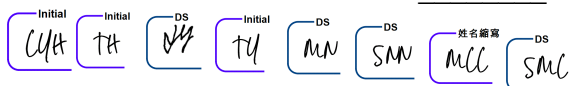
(b) Seller Brokerage Commission. Seller represents and warrants that it has agreed to pay a three percent (3%) brokerage commission paid from Seller's proceeds at Closing to Martin Nicholas, a Licensed California Real Estate Broker ("Broker") pursuant to a separate written agreement between Seller and Broker. Seller shall be solely responsible for all amounts payable to Broker in connection with this Agreement, and City shall have no liability or responsibility for any amounts payable to Broker pursuant to Seller's agreement with Broker or otherwise. Broker shall not have any rights by reason of this Agreement. Seller further represents and warrants to City that, apart from the commission due to Broker as set forth in this Paragraph 10.7 (b), no third party is entitled to a broker's commission and/or finder's fee from Seller with respect to the transaction contemplated by this Agreement. Seller further agrees to indemnify, and hold City harmless from and against all liabilities, costs, damages and expenses, including, without limitation, attorneys' fees, resulting from any claims or fees or commissions to pay a broker's commission and/or finder's fee.

11. LIQUIDATED DAMAGES.

IF CITY SHOULD DEFAULT UNDER THIS AGREEMENT, CITY AND SELLER AGREE THAT SELLER WILL INCUR DAMAGES BY REASON OF SUCH DEFAULT WHICH DAMAGES SHALL BE IMPRACTICAL AND EXTREMELY DIFFICULT, IF NOT IMPOSSIBLE, TO ASCERTAIN. THEREFORE, CITY AND SELLER, IN A REASONABLE EFFORT TO ASCERTAIN WHAT SELLER'S DAMAGES WOULD BE IN THE EVENT OF SUCH DEFAULT BY CITY HAVE AGREED BY PLACING THEIR INITIALS BELOW THAT THE DEPOSIT OF ONE THOUSAND DOLLARS (\$1,000) SHALL CONSTITUTE A REASONABLE ESTIMATE OF SELLER'S DAMAGES UNDER THE PROVISIONS OF SECTIONS 1671 AND 1677 OF THE CALIFORNIA CIVIL CODE FOR A BREACH PRIOR TO THE CLOSING. THIS PROVISION DOES NOT APPLY TO OR LIMIT IN ANY WAY THE INDEMNITY OBLIGATIONS OF CITY UNDER THIS AGREEMENT.

Seller's Initials _____

City's Initials _____

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12. **RISK OF PHYSICAL LOSS.**

Risk of physical loss to the Property shall be borne by Seller prior to the Close of Escrow and by City thereafter. In the event that the Property shall be damaged by fire, flood, earthquake or other casualty City shall have the option to terminate this Agreement, provided notice of such termination is delivered to Seller within ten (10) days following the date City learns of the occurrence of such casualty. If City fails to terminate this Agreement pursuant to the foregoing sentence within said ten (10) day period, City shall complete the acquisition of the Property, in which case Seller shall assign to City the interest of Seller in all insurance proceeds relating to such damage. Seller shall consult with City regarding any proposed settlement with the insurer and City shall have the reasonable right of approval thereof. Seller shall hold such proceeds until the Close of Escrow. In the event this Agreement is terminated for any reason, City shall have no right to any insurance proceeds.

13. **NON-COLLUSION.**

No official, officer, or employee of City has any financial interest, direct or indirect, in this Agreement, nor shall any official, officer, or employee of City participate in any decision relating to this Agreement which may affect his/her financial interest or the financial interest of any corporation, partnership, or association in which (s)he is directly or indirectly interested, or in violation of any interest of any corporation, partnership, or association in which Seller is directly or indirectly interested, or in violation of any State or municipal statute or regulation. The determination of "financial interest" shall be consistent with State law and shall not include interest found to be "remote" or "non interest" pursuant to California Government Code Sections 1091 and 1091.5. Seller warrants and represents that Seller has not paid or given, and will not pay or give, to any third party including, but not limited to, City or any of its officials, officers, or employees, any money, consideration, or other thing of value as a result or consequence of obtaining this Agreement. Seller further warrants and represents that Seller has not engaged in any act(s), omission(s), or other conduct or collusion that would result in the payment of any money, consideration, or other thing of value to any third party including, but not limited to, any official, officer, or employee of City, as a result or consequence of obtaining this Agreement. Seller is aware of and understands that any such act(s), omission(s) or other conduct resulting in the payment of money, consideration, or other thing of value will render this Agreement void and of no force or effect.

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 Seller's Initials

14. **WAIVER OF DAMAGES; SPECIFIC PERFORMANCE.**

In the event a party defaults under this Agreement, the non-defaulting party's sole and exclusive remedy will be for specific performance of this Agreement. EACH PARTY HEREBY WAIVES ANY RIGHT TO PURSUE DAMAGES RESULTING FROM A DEFAULT OR BREACH OF THIS AGREEMENT, AND IN NO EVENT SHALL THE DEFAULTING PARTY BE LIABLE FOR DAMAGES FOR A DEFAULT OR BREACH OF DEFAULTING PARTY'S OBLIGATION UNDER THIS AGREEMENT, ALL OF WHICH RIGHTS ARE HEREBY WAIVED AND RELINQUISHED BY THE NON-DEFAULTING PARTY. The parties agree that the foregoing limitation on their respective remedies and measure of damages

is reasonable under all of the circumstances of this Agreement, and is material consideration for the parties entering into this Agreement.




15. **MISCELLANEOUS.**

15.1 **Assignment.** Seller may not assign this Agreement or any of its rights or obligations hereunder (including, without limitation, its rights and duties of performance) to any third party or entity without the prior written consent of City. This Agreement will be binding upon and inure to the benefit of each of the Parties hereto and, except as otherwise provided herein, their respective legal successors and permitted assigns.

15.2 **Administration of Agreement.** This Agreement shall be administered on behalf of City by the City Manager of the City of Menifee, or his or her designated representative, following approval of this Agreement by the City Council. The City Manager (or his or her authorized representative) shall have the authority to act on behalf of the City to issue interpretations, waive provisions, agree to extensions, and enter into amendments of this Agreement on behalf of City so long as such actions do not substantially add to the costs of City as specified herein.

15.3 **Nonliability of City Officials.** No officer, official, member, employee, agent, or representative of City shall be liable for any amounts due hereunder, and no judgment or execution thereon entered in any action hereon shall be personally enforced against any such officer, official, member, employee, agent, or representative.

15.4 **Notices.** Any notices, demands or communications under this Agreement between the parties shall be in writing, and may be given either by (i) personal service, (ii) overnight delivery, or (iii) mailing via United States mail, certified mail, postage prepaid, return receipt requested (“**U.S. Mail**”), addressed to each party as set forth below or such other address as may be furnished in writing by a party, and such notice or communication shall, if properly addressed, be deemed to have been given as of the date so delivered, or three (3) business days after deposit into the U.S. Mail.

To City: City of Menifee
 29844 Haun Rd
 Menifee, California 92586
 Email.: avilla@cityofmenifee.us
 Phone: (951) 672-6777
 Attention: City Manager

Copy to: Rutan & Tucker, LLP
18575 Jamboree Rd, 9th Floor
Irvine, California 92612
Email: jmelching@rutan.com
Phone: (714) 641-3422
Attention: Jeffrey T. Melching, Esq.

To Seller:

Copy to: Marty Nicholas
Broker DRE #00991175
OCEAN REAL ESTATE & MORTGAGE
28241 Crown Valley Pkwy., Suite F 240, Laguna Niguel, Ca 92677
(949) 306-2873 Cell MartyNicholas@Gmail.com

15.5 Severability. If any term of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, then this Agreement, including all of the remaining terms, will remain in full force and effect as if such invalid or unenforceable term had never been included.

15.6 Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of California. If any legal action is necessary to enforce the terms and conditions of this Agreement, the Parties agree that a court of competent jurisdiction in Riverside County shall be the sole venue and jurisdiction for the bringing of such action.

15.7 Legal Fees and Costs. In the event of any litigation or other legal proceeding including, but not limited to, arbitration or mediation between the Parties arising from this Agreement, the prevailing party will be entitled to recover, in addition to any other relief awarded or granted, its reasonable costs and expenses (including attorney's fees) incurred in the proceeding.

15.8 Final Agreement. This Agreement supersedes all prior agreements and understandings between the parties with respect to such subject matter as set forth in this Agreement.

15.9 Construction. In determining the meaning of, or resolving any ambiguity with respect to, any word, phrase or provision of this Agreement, no uncertainty or ambiguity shall be construed or resolved against a Party under any rule of construction, including the Party primarily responsible for the drafting and preparation of this Agreement. Headings used in this Agreement are provided for convenience only and shall not be used to construe meaning or intent. As used in this Agreement, masculine, feminine or neuter gender and the singular or

plural number shall each be deemed to include the others wherever and whenever the context so dictates.

15.10 Qualification: Authority. Each individual executing this Agreement on behalf of a party which is an entity, represents, warrants and covenants to the other party that (a) such person is duly authorized to execute and deliver this Agreement on behalf of such entity in accordance with authority granted under the organizational documents of such entity, and (b) such entity is bound under the terms of this Agreement.

15.11 Force Majeure. Each Party's performance under this Agreement shall be excused to the extent that such performance is hindered, delayed or made commercially impractical by causes beyond that Party's reasonable control; provided, however, that changes in economic conditions shall not be a cause for an extension pursuant to this Section.

15.12 Modifications in Writing. Any modification or amendment of any provision of this Agreement must be in writing and executed by both parties. A copy of any such modification or amendment shall be promptly provided to Escrow Holder. The City Manager shall have the authority to agree to and execute any modification or amendment which the City Manager determines will not result in a substantial change to the terms and conditions of this Agreement.

15.13 No Waiver. The failure of either party to enforce any term, covenant, or condition of this Agreement on the date it is to be performed shall not be construed as a waiver of that party's right to enforce this, or any other, term, covenant, or condition of this Agreement at any later date or as a waiver of any term, covenant, or condition of this Agreement.

15.14 No Third Party Beneficiaries. This Agreement is only between the Parties, and is not intended to be nor shall it be construed as being for the benefit of any third party.

15.15 City Council Approval. The Closing, and all rights and obligations of City under this Agreement are contingent on the City Council of the City of Menifee's approval of this Agreement, to be granted, conditioned, or withheld in the City Council's discretion. If the City Council does not approve the Agreement on or before the Closing Date, the Closing shall not occur, and this Agreement shall terminate unless extended by mutual agreement of the Parties. In the event of termination pursuant to this Section 15.15, City shall have no obligations hereunder, the Deposit shall be returned in full to City, and all costs of escrow, title matters, and otherwise accruing to the date of termination shall be borne exclusively by Seller. Seller acknowledges that this provision is required to proceed with this Agreement prior to City Council review of the provisions hereof.

15.16 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original but all of which shall be deemed but one and the same instrument, and a facsimile copy of such execution shall be deemed an original.

15.17 Exhibits and Recitals. The Recitals and Exhibits to this Agreement are incorporated by this reference as though fully set forth herein.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the Effective Date.

SELLER:

DocuSigned by:
By: Martin Nicholas 5/7/2025
8605EE345B43419...
Martin Nicholas

DocuSigned by:
By: Sharon Nguyen Nicholas 5/7/2025
8605EE345B43419...
Sharon Nguyen Nicholas

DocuSigned by:
By: Toshiko Yokota 5/7/2025
08AA8C82FBD44EF...
Signed by: Toshiko Yokota 5/7/2025
08AA8C82FBD44EF...
Jun Yokota and Toshiko Yokota
Trustees of The Yokota Family Trust
dated August 25, 2000

簽署人:
By: Mei Chu Chung 5/7/2025
2DC4E1D6A9CB4E2...
Mei Chu Chung

DocuSigned by:
By: Sue Mei Chen 5/7/2025
185D941G9A9C4B1...
Sue Mei Chen

Signed by:
By: Chin Yen ("Andy") Hung 5/7/2025
B9F5D2E1319E491...
Chin Yen ("Andy") Hung

Signed by:
By: Ted Hung 5/7/2025
B9F5D2E1319E491...
Ted Hung

CITY:

CITY OF MENIVEE, a California
municipal corporation

By: _____
Armando G. Villa, City Manager

ATTEST:

Stephanie Roseen, Acting City Clerk

APPROVED AS TO FORM:
RUTAN & TUCKER, LLP

Jeffrey T. Melching, City Attorney

ESCROW HOLDER:
Accepted and agreed to:

By: _____
Its: Escrow Officer

EXHIBIT "A"

LEGAL DESCRIPTION OF PROPERTY

PARCELS 1, 4, 6 THROUGH 21 AND 23, INCLUSIVE, AS SHOWN BY PARCEL MAP 13118, ON FILE IN BOOK 80 PAGES 90 THROUGH 94, OF PARCEL MAPS, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

EXCEPTING ALL THE COAL AND OTHER MINERALS IN SAID LAND, TOGETHER WITH THE RIGHT TO PROSPECT FOR, MINE AND REMOVE THE SAME, PURSUANT TO THE PROVISIONS AND LIMITATIONS OF THE ACT OF DECEMBER 29, 1916 (39 STAT/862 AS EXCEPTED AND RESERVED IN PATENT FROM UNITED STATES TO JESSA A. CRAINK, RESERVED JUNE 17, 1929 IN BOOK 9 PAGE 395 OF PATENTS.

Formerly known as:

The West half of the Northeast quarter and the West half of the Southeast quarter and the West half of Section 26, Township 5 South, Range 3 West, San Bernardino Base and Meridian.

Assessor's Parcel Nos: 333-210-013, 014, 015, 016, 017, 019, 020, 333-220-005, 006, 007, 008; 009, 010, 011, 012, 013, 017, 018 and 019