

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

Escrow Junction, Inc.
12600 Hesperia Road, Suite C
Victorville, CA 92395
760-245-1966
Diane Welch
dwelch@escrowjunction.com (“**Escrow Holder**”)

Escrow No: _____

Title Order No: _____

This AGREEMENT OF PURCHASE AND SALE AND JOINT ESCROW INSTRUCTIONS (“**Agreement**”) is entered into by and between the Town of Apple Valley, a California municipal corporation (“**Buyer**”), and Equity Trust Company Custodian fbo Christopher J. Connors, IRA, as to an undivided 50% interest and Equity Trust Company Custodian FBO Mark A.J. Rowling, IRA, as to an undivided 50% interest (collectively referred to herein as the “**Seller**”). Buyer and Seller are sometimes individually referred to herein as “**Party**” and collectively as “**Parties**.” The Parties hereto have executed this Agreement on the dates set forth below next to their respective signatures. This Agreement shall be effective as of the date, following all legally required notices and hearings, this Agreement has been approved by Buyer’s governing body or its delegated representative and signed by all Parties (“**Effective Date**”).

RECITALS

A. Seller is the owner in fee of property in Apple Valley, California designated as San Bernardino County Assessor Parcel Nos. 3087-501-01 and 3087-502-81 (“**Property**”), which lies south of Nisqually Road and east of Navajo Road.

B. Buyer desires to purchase a fee simple estate of the Property from Seller. The Property Buyer desires to buy from Seller includes a total of approximately 11.48 acres, or 500,069 square feet. A depiction of the property (Plat Map) is attached hereto as Exhibit “A” and a copy of the legal description is attached hereto as Exhibit “B”.

C. Buyer is a public entity that desires to purchase the Property from Seller for present use as a natural drainage retention/detention/channel use and for possible future drainage retention/detention/channel improvements which are located on the Town of Apple Valley Master Plan of Drainage S-01 Line (“**Project**”). Seller desires to sell the Property to Buyer, upon the terms and provisions set forth herein.

NOW, THEREFORE, in consideration of the above facts and for the covenants and agreements contained herein, the Parties hereto agree as follows:

TERMS

1. PURCHASE AND SALE.

1.1 Property. Seller agrees to sell the Property to Buyer, and Buyer agrees to purchase the Property from Seller, upon the terms and conditions set forth herein.

1.2 Purchase Price. The total purchase price for the Property is TWO HUNDRED FIFTY THOUSAND DOLLARS (\$250,000.00) (“**Purchase Price**”), which includes, without limitation, full payment of just compensation, interest in complete settlement of all claims (known and unknown), causes of action and demands of Seller against the Buyer because of Buyer’s purchase of the Property, and for any and all claims (known and unknown) arising from or relating to the purchase and sale which is the subject of this Agreement.

1.3 Payment of Purchase Price. At Close of Escrow (defined below), Buyer shall pay the Purchase Price to Seller through escrow in cash, by cashier’s or certified check or by wire transfer.

1.4 Attorney’s Fees. Each Party shall be responsible for payment of its own attorney’s fees and expenses with respect to negotiation and preparation of this Agreement and processing of the Escrow. In the event any action is brought to enforce or interpret any of the provisions of this Agreement, the prevailing Party in such action or proceeding, shall be entitled to have and recover its reasonable attorney’s fees, costs and expenses.

2. RIGHT OF ENTRY.

2.1 Seller hereby grants permission to Buyer and its agents, employees, assigns and contractors the right to enter onto the Property commencing the Effective Date of this Agreement, prior to the close of escrow, for the purposes described in Recital C above. Pursuant to this Paragraph, Buyer shall indemnify, demand and hold the Seller harmless from and against any damages, liabilities, judgments, claims, expenses and penalties resulting from the Buyer’s use of this clause as well as its agents, employees, assigns and contractors.

2.2 Determination of Suitability. Buyer is acquiring the Property for the purposes described in Recital C above. Buyer’s obligation to purchase the Property is subject to Buyer’s determination, in its sole discretion, that the Property is suitable for such use. Buyer’s election to close Escrow and acquire title to the Property will constitute and be evidence of Buyer’s determination regarding the suitability of the Property for such purposes. In the event Buyer determines that the Property is not suitable for such purposes, Buyer may terminate this Agreement as provided in Section 7.1 below.

3. ESCROW.

3.1 Opening of Escrow. Within three (3) business days following the date upon which this Agreement is executed by the final party executing the same (“**Effective Date**”), Seller and Buyer shall open an escrow (“**Escrow**”) for the conveyance of the Property with Escrow Junction, Inc. (“**Escrow Holder**”). Escrow shall be deemed open on the date Escrow Holder shall have received a copy of this Agreement, fully executed by the Parties (“**Opening of Escrow**”). Escrow Holder shall notify Buyer and Seller, in writing, of the date Escrow is opened (“**Opening Date**”).

3.2 Escrow Instructions. This Agreement constitutes the joint instructions of Buyer and Seller to Escrow Holder for the conveyance of the Property. Buyer and Seller shall execute, deliver and be bound by any reasonable or customary supplemental or additional escrow instructions (“**Additional Instructions**”) of Escrow Holder or other instruments as may be reasonably required by Escrow Holder in order to consummate the transaction contemplated by this Agreement. In the event of any conflict or any inconsistency between this Agreement and such Additional Instructions, this Agreement shall govern unless otherwise specifically agreed to in writing by the Parties.

3.3 Close of Escrow. Recordation of the Grant Deed conveying title to the Property from Seller to Buyer (“**Grant Deed**” – in substantially the same form attached hereto as Exhibit “C”) and disbursement of funds and distribution of other documents by Escrow Holder as described herein shall constitute “**Close of Escrow**” or “**Closing**” and the date thereof shall be the “**Closing Date.**” Close of Escrow shall occur fifteen (15) days following the Opening of Escrow. Buyer and Seller may agree to change the Closing Date by joint written notice to Escrow Holder. Closing shall be conditioned upon satisfaction, or waiver by the Party for whose benefit the condition exists, of all conditions precedent thereto.

3.4 Costs of Escrow. Buyer shall pay all costs of the Title Policy (defined below), and all Escrow fees and normal closing costs attributable to the conveyance of the Property (collectively “**Closing Costs**”). Due to Buyer’s status as a public agency, no recording fees will be payable (pursuant to Government Code Section 27383) and no documentary transfer tax will be payable (pursuant to Revenue & Taxation Code Section 11922). Escrow Holder shall provide an estimated closing statement to Buyer and Seller at least three (3) days prior to the Closing Date. Subject to Section 1.4 above, each Party shall be responsible for payment of its own attorneys’ fees with respect to the negotiation and preparation of this Agreement

3.5 Property Taxes and Assessments. Buyer is a public agency and is exempt from payment of real property taxes. Prior to Close of Escrow, Escrow Holder and the Title Company will confirm with San Bernardino County that no escaped assessments or other property tax liabilities of any type affect the Property. In the event any such liabilities do exist, Seller authorizes the satisfaction of such liabilities from funds otherwise payable to Seller at Close of Escrow. Following Close of Escrow, if, notwithstanding the above provisions, Buyer or the Property become subject to any real property tax liability for a period prior to Close of Escrow, Seller will satisfy such obligation to the taxing authority within thirty (30) days following notification of such liability from Buyer or the taxing authority. If Seller defaults in such obligation and Buyer elects to pay any such tax liability, Seller will reimburse such costs to Buyer

within thirty (30) days following receipt of a written demand therefor from Buyer, together with interest on such amount from the date of payment by Buyer at the highest legal rate.

3.6 Buyer's Conditions Precedent to Close of Escrow. Close of Escrow and Buyer's obligation to accept title to the Property and pay the Purchase Price are subject to the satisfaction of the following conditions for Buyer's benefit (or Buyer's written waiver thereof), on or prior to the Closing Date:

3.6.1 Ratification of this Agreement by Buyer's governing body and confirmation by Buyer's Planning Commission that the purchase is in conformity with Buyer's General Plan.

3.6.2 Seller shall have tendered into Escrow all payments and documents required of it pursuant to this Agreement.

3.6.3 Seller shall have completed in a timely manner all of its obligations that are to be completed prior to the Close of Escrow as provided in this Agreement.

3.6.4 Escrow Holder shall have received an irrevocable commitment from the Title Company to issue the Title Policy (defined below), subject only to the Permitted Exceptions, as described in Section 3.2 below.

3.6.5 All representations and warranties of Seller shall be true as of the Effective Date and as of Close of Escrow.

3.6.6 All property taxes and assessments attributable to the Property shall have been paid by Seller before delinquency (or paid at Closing) and shall be current as of Close of Escrow.

3.6.7 Buyer shall have approved Escrow Holder's estimated closing statement.

3.7 Seller's Conditions Precedent to Close of Escrow. Close of Escrow and Seller's obligation to convey the Property are subject to the satisfaction of the following conditions for Seller's benefit (or Seller's written waiver thereof) on or prior to the Closing Date:

3.7.1 Buyer shall have tendered into Escrow all payments and documents required of it pursuant to this Agreement.

3.7.2 Buyer shall have completed in a timely manner all of its obligations which are to be completed prior to the Close of Escrow as provided in this Agreement.

3.7.3 All representations and warranties of Buyer shall be true as of the Close of Escrow.

3.7.4 Seller shall have approved Escrow Holder's estimated closing statement.

3.8 Buyer's Payments and Documents. Not less than one (1) business day prior to Closing, Buyer shall pay or tender (as applicable) to Escrow Holder the following funds and documents (in recordable form, as necessary):

3.8.1 The Purchase Price;

3.8.2 Funds required to pay the Closing Costs payable by Buyer pursuant to Section 2.4 herein;

3.8.3 A Certificate of Acceptance (attached hereto as Exhibit "D"), accepting Grant Deed and consenting to recording of same ("**Certificate of Acceptance**") in the same form as that attached to the Grant Deed;

3.8.4 Preliminary Change of Ownership and Documentary Transfer Tax Affidavit forms; and

3.8.5 Such other documents and funds as may be required of Buyer under this Agreement and by Escrow Holder in the performance of its contractual or statutory obligations.

3.9 Seller's Payments and Documents. Not less than one (1) business day prior to Closing, Seller shall pay or tender (as applicable) to Escrow Holder the following funds (which amounts may be offset against funds otherwise payable to Seller through Escrow) and documents (in recordable form, as necessary):

3.9.1 Funds required to pay any sales or brokerage commissions and finder's fees payable by Seller, with respect to the transaction which is the subject of this Agreement;

3.9.2 Real property taxes and assessments, as described in Section 3.5 above;

3.9.3 The fully-executed and acknowledged Grant Deed;

3.9.4 FIRPTA Certificate and California Form 593-C, using forms to be provided by Escrow Holder; and

3.9.5 Such other documents and funds required of Seller under this Agreement and by Escrow Holder in the performance of its contractual or statutory obligations.

3.10 Escrow Holder Responsibilities. Upon the Closing, Escrow Holder is authorized and instructed to:

3.10.1 Cause the satisfaction and removal of all exceptions to title to the Property representing monetary liens or encumbrances from funds otherwise payable to Seller at Close of Escrow, including, without limitation, property taxes and assessments. Before such payments or charges are made, Escrow Holder shall notify Seller of the sums necessary to satisfy and remove such monetary liens or encumbrances.

3.10.2 Pay and charge Buyer and Seller, respectively, for any fees, charges and costs payable under this Agreement, including, but not limited to, Sections 3.8 and 3.9 herein. Before such payments or charges are made, Escrow Holder shall notify Buyer and Seller of the fees, charges and costs necessary to clear title and close the Escrow.

3.10.3 Record the Grant Deed, with Certificate of Acceptance attached thereto, and any other instruments, as appropriate, delivered through Escrow.

3.10.4 Disburse such other funds and deliver such other documents to the Parties entitled thereto.

3.10.5 Cause the Title Policy to be issued.

3.11 Notices. All communications from Escrow Holder to either Buyer or Seller shall be directed to the addresses and in the manner established in Section 9.1 herein.

3.12 Electronically Transmitted/Counterpart Documents. In the event Buyer or Seller utilizes electronically transmitted signed documents (e-mail or facsimile), the Parties hereby agree to accept and instruct Escrow Holder to rely upon such documents as if they bore original signatures. Notwithstanding the foregoing, if requested by Escrow Holder, Buyer and Seller hereby acknowledge and agree to provide such documents bearing original signatures to Escrow Holder, within seventy-two (72) hours after such request. Buyer and Seller further acknowledge and agree that electronically transmitted documents bearing non-original signatures will not be accepted for recording and that the Parties will provide originally executed documents to Escrow Holder for such purpose. Escrow Holder is authorized to utilize documents which have been signed by Buyer and Seller in counterparts.

4. TITLE.

4.1 Condition of Title; Title Policy. It is a condition to the Close of Escrow for Buyer's benefit that a fee title to the Property and the right to possession of the Property conveyed to Buyer pursuant to this Agreement (in the form of the Grant Deed) shall be subject only to the Permitted Exceptions (defined below), as evidenced by the receipt by Escrow Holder of an irrevocable commitment from First American Title Company ("**Title Company**") to issue to Buyer upon Close of Escrow its Standard Owner's Form Policy of Title Insurance ("**Title Policy**") with coverage in an amount equal to the Purchase Price. The title officers shall be Todd Enos of First American Title Company, located at 12530 Hesperia Road, Suite 209, Victorville, CA 92395, and can be contacted by telephone at 760-243-4865, and/or e-mail at teamenos@firstam.com ("**Title Officer**"). The Parties shall cause the Title Company to issue the Title Policy to Buyer upon Close of Escrow.

4.2 Permitted Exceptions. The term "**Permitted Exceptions**" as used herein shall mean the following conditions and exceptions to title or possession:

4.2.1 A lien to secure payment of general and special real property taxes and assessments, not delinquent.

4.2.2 A lien of supplemental taxes assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code accruing on or after the Close of Escrow.

4.2.3 Matters affecting the condition of title created by or with the consent of Buyer.

5. NO USE RESTRICTIONS

5.1 Buyer desires to purchase the Property for the Project. Nevertheless, in the event that Buyer's intended use changes, or if the Project does not go forward, Buyer will be able to use, sell, or transfer the Property for any purpose.

6. "AS IS"/RELEASE.

6.1 "As-Is." Buyer is, or prior to the Closing Date will be, familiar with the Property and has or will make such independent investigations as it deems necessary or appropriate concerning the use or sale of the Property, including but not limited to (i) any desired investigations or analysis of the economic value of the Property; (ii) the physical condition of the improvements to the Property ("Improvements"); (iii) the use of the Improvements for Buyer's intended purpose; (iv) the size, dimensions, location or topography of the Property; (v) the adequacy of water, sewage or any other utilities serving the Improvements; and (vi) all other matters concerning the use, development or sale of the Property. Except for the representations and warranties of Seller contained in Section 8.1, Buyer is relying solely upon its own inspection, investigation and analysis of the foregoing matters in purchasing the Property. Buyer acknowledges that it is a sophisticated purchaser and is familiar with this type of property and that it is acquiring the Property "AS IS," without representation by Seller or Seller's representatives as to any matter except for the representations and warranties of Seller contained in Section 8.1.

6.2 Release. In order to more practically implement the "as-is" nature of the conveyance of the Property, Buyer hereby waives, releases, acquits, and forever discharges Seller, and Seller's agents, directors, officers, and employees to the maximum extent permitted by law, of and from any and all claims, actions, causes of action, demands, rights, liabilities, damages, losses, costs, expenses, or compensation whatsoever, direct or indirect, known or unknown, foreseen or unforeseen, that now exist or which may arise in the future on account of or in any way growing out of or connected with the Property; including, without limitation, (i) the existence or condition of the Improvements (including any latent defects other than latent defects of which Seller has Actual Knowledge), (ii) the physical and environmental condition of the Property, (iii) the state of title to the Property, (iv) any settlement, slope failure or subsidence of any of the Property or settlement or subsidence of construction thereon, (v) any governmental laws and regulations, including, but not limited to zoning, environmental, asbestos control, hazardous or toxic waste and/or materials and real property use laws and regulations to which the Property may be subject, and (vi) Buyer's contemplated use and/or development of the Property.

6.3 Full Satisfaction. Seller acknowledges that because of Buyer's status as a public entity, certain claims may be available to Seller in connection with Buyer's acquisition of the Property. Such claims may include, without limitation, relocation, just compensation, inverse

condemnation and other benefits and claims (collectively, “**Claims**”). Seller, on behalf of itself and its heirs, executors, administrators, successors and assigns, acknowledges that Buyer’s performance under this Agreement constitutes full and complete satisfaction of Buyer’s obligations to Seller as with respect to those Claims.

6.4 Waiver of Unknown Claims. Each Party hereto acknowledges that it has read and is familiar with the provisions of California Civil Code Section 1542 which provides as follows:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

Each Party hereto acknowledges that it understands the effect and import of the provisions of this code section and of a waiver of the provisions of this code section. Effective on the Effective Date, each Party, with this knowledge and understanding, elects to and does waive the provisions of this code section and of any similar case or statutory law of other states that may be applicable, and relinquishes any rights which each may otherwise have thereunder, to the fullest extent permitted by law, and agrees that the releases herein shall remain in full force and effect notwithstanding the discovery or existence of any additional or different facts. Notwithstanding the foregoing, the releases set forth above are not intended to, and shall not, release or discharge (a) any duties, obligations, representations or warranties of Seller by reason of, or arising under, this Agreement or (b) any tortious acts or omissions of Seller in any way related to this Agreement or the Property. Seller is not released from any claims, actions, causes of action, demands, rights, liabilities, damages, losses, costs and expenses proximately caused by Seller’s failure to disclose to Buyer latent defects in the Property of which Seller has Actual Knowledge.

7. TERMINATION, DEFAULTS AND, REMEDIES.

7.1 Exercise of Rights to Terminate. If Buyer elects to exercise its rights to terminate this Agreement and the Escrow as provided in Section 7.3 herein, Buyer may do so by giving written notice of such termination to Seller and Escrow Holder prior to the Close of Escrow. If Seller elects to exercise its rights to terminate this Agreement and the Escrow as provided in Section 7.2 herein, Seller may do so by giving written notice of such termination to Buyer and Escrow Holder prior to the Close of Escrow. Upon such termination, all other obligations and liabilities of the Parties under this Agreement that do not specifically survive termination shall cease and terminate.

7.2 Buyer’s Breach. If Buyer materially defaults on its obligation to perform under this Agreement and fails to cure such default within a reasonable period of time following written notice from Seller, then Seller, as its sole and exclusive remedy, may terminate this Agreement and the Escrow by written notice to Buyer and Escrow Holder. In such event, Buyer shall pay any termination fees or charges to Escrow Holder and the Title Company (“**Termination Costs**”)

7.3 Seller's Breach. In the event Seller breaches any obligation hereunder which Seller is to perform prior to the Close of Escrow, and fails to cure such breach within a reasonable period of time following written notice from Buyer, Buyer may, at Buyer's option, (i) terminate this Agreement and the Escrow by giving written notice of such termination to Seller and Escrow Holder and, if desired by Buyer, initiate an action for damages to recover costs incurred by Buyer for attorneys' fees in connection with the negotiation and documentation of this Agreement and third party costs paid by Buyer to conduct its due diligence review, not to exceed the aggregate amount of \$10,000; or (ii) initiate an action for specific performance of this Agreement. Should Buyer elect to terminate this Agreement and the Escrow as provided herein, Seller shall pay all Termination Costs.

8. REPRESENTATIONS AND WARRANTIES.

8.1 Seller's Representations and Warranties. Seller hereby represents and warrants to Buyer that the following statements are true and correct as of the Effective Date, and shall be true and correct as of Close of Escrow, and the truth and accuracy of such statements shall constitute a condition precedent to all of Buyer's obligations under this Agreement:

8.1.1 Authority. Seller has full power and authority to sell and convey the Property to Buyer and to perform its obligations pursuant to this Agreement. This Agreement and all other documents delivered by Seller to Buyer now or at Close of Escrow have been or will be duly executed and delivered by Seller and are or will be legal, valid and binding obligations of Seller, sufficient to convey title to the Property to Buyer and are enforceable in accordance with their respective terms.

8.1.2 No Unrecorded Possessory Interests; No Agreements or Undertakings. To Seller's current actual knowledge, there are no agreements for occupancy in effect for the Property and no unrecorded possessory interests or unrecorded agreements that would adversely affect Buyer's title to or use of the Property. Seller will not enter into any agreements or undertake any obligations prior to Close of Escrow which will in any way burden, encumber or otherwise affect the Property without the prior written consent of Buyer, including, without limitation, any agreements for occupancy for the Property.

8.1.3 Hazardous Materials. Seller is aware of its obligation under California Health and Safety Code Section 25359.7 to disclose information to Buyer regarding the environmental status of the Property. Seller warrants to Buyer that the Property and any contiguous real property owned by Seller is not in violation of any federal, state or local statute, regulation or ordinance relating to industrial hygiene or to environmental conditions on, under or about the Property, including, without limitation, soil and groundwater conditions underlying the Property which could affect the Property or its use or development. Neither Seller nor any other person or predecessor in interest has used, generated, manufactured, stored or disposed of on, under or about the Property or transported to or from the Property any "Hazardous Materials" as defined in any state, federal or local statute, ordinances, rules or regulation applicable to the Property, including without limitation any flammable materials, explosives, radioactive materials, hazardous or contaminated materials or substances, toxic or noxious materials, substances or related materials or substances.

8.1.4 Litigation. Except as disclosed in the Title Report, there are no claims, actions, suits or proceedings continuing, pending or threatened against or affecting Seller or the Property, or involving the validity or enforceability of this Agreement or of any other documents or instruments to be delivered by Seller at Close of Escrow, at law or in equity, or before or by any federal, state, municipal or other governmental department, board, commission, bureau, or instrumentality. Seller is not subject to or in default under any notice, order, writ, injunction, decree or demand of any court or any governmental department, board, commission, bureau, or instrumentality.

8.1.5 No Breach. The execution and delivery of this Agreement and the consummation of the transaction contemplated hereby will not violate or result in any breach of or constitute a default under or conflict with or cause any acceleration of any obligation with respect to any provision or restriction of any lien, lease, agreement, contract, instrument, or any order, judgment, award, decree, statute, regulation or ordinance, or any other restriction of any kind or character to which Seller is a party or by which Seller or the Property are bound.

8.1.6 No Condemnation or Other Proceedings. There is no contemplated condemnation of the Property or any portion thereof by any public entity other than Buyer.

8.2 Buyer's Representations and Warranties. Buyer hereby represents and warrants to Seller that the following statements are true and correct as of the Effective Date, and shall be true and correct as of Close of Escrow, and the truth and accuracy of such statements shall constitute a condition precedent to all of Buyer's obligations under this Agreement:

8.2.1 Authorization. Buyer has or, on or before Close of Escrow, will have full power and authority to purchase the Property from Seller and to perform its obligations pursuant to this Agreement. This Agreement and all other documents delivered by Buyer to Seller now or at Close of Escrow have been or will be duly executed and delivered by Buyer and are or will be legal, valid and binding obligations of Buyer, enforceable in accordance with their respective terms.

8.2.2 No Breach. The execution and delivery of this Agreement and the consummation of the transaction contemplated hereby will not violate or result in any breach of or constitute a default under or conflict with or cause any acceleration of any obligation with respect to any provision or restriction of any lien, lease, agreement, contract, instrument, or, any order, judgment, award, decree, statute, regulation or ordinance, or any other restriction of any kind or character to which Buyer is a party or by which Buyer is bound.

8.3 Survival of Representations and Warranties. The covenants, representations and warranties of Seller and Buyer under this Agreement shall be true on and as of the Close of Escrow and shall survive the recordation of the Grant Deed and the Close of Escrow for 90 days after the Close of Escrow. Each Party shall defend, indemnify and hold the other Party harmless from and against any and all claims, liabilities, obligations, losses, damages, costs and expenses, including, without limitation, reasonable attorney's fees, court costs and litigation expenses, which the indemnified Party may reasonably incur or sustain by reason of or in connection with any misrepresentation made by the indemnifying Party pursuant to this Article 8.

9. MISCELLANEOUS.

9.1 Notices and Demands. All notices or other communications required or permitted between the Parties hereunder shall be in writing, and shall be (i) personally delivered, (ii) sent by United States registered or certified mail, postage prepaid, return receipt requested, (iii) sent by facsimile transmission with confirmation of receipt, or (iv) sent by nationally recognized overnight courier service (e.g., Federal Express or United Parcel Service), addressed to the Party to whom the notice is given at the addresses provided below, subject to the right of any Party to designate a different address for itself by notice similarly given. Any notice so given by registered or certified United States mail shall be deemed to have been given on the third business day after the same is deposited in the United States mail. Any notice not so given by registered or certified mail, such as notices delivered by personal delivery, facsimile transmission or courier service, shall be deemed given upon receipt, rejection or refusal of the same by the Party to whom the notice is given. Rejection or other refusal to accept or the inability to deliver because of changed address of which no notice was given shall be deemed to constitute receipt of the notice or other communication sent. A copy of all notices or other communications shall also be sent via email.

To Buyer: Best Best & Krieger LLP
Attn: Thomas A. Rice
2855 E Guasti Rd, Suite 400
Ontario, CA 91761
909-466-4913
thomas.rice@bbklaw.com

To Seller: Equity Trust Company Custodian FBO
Mark A.J. Rowling, IRA
16235 Crown Valley Drive
Apple Valley CA 92307
760-220-0262
markalexanderhomes@gmail.com

Equity Trust Company Custodian FBO
Christopher J. Connors, IRA
17260 Bear Valley Road, Suite 110
Victorville, CA 92395
877-252-1522 or 760-275-3102
chris@cjholdings.com

To Escrow Holder: Escrow Junction, Inc.
Attn: Diane Welch, Escrow Officer
12600 Hesperia Road, Suite C.
Victorville, CA 92395
760-245-1966
dwelch@escrowjunction.com

9.2 Mutual Indemnification. Buyer agrees to defend, indemnify and hold Seller free and harmless from and against any and all claims, damages and liabilities related to Buyer's use of the Property and arising from facts and circumstances occurring following Close of Escrow. Seller agrees to defend, indemnify and hold Buyer free and harmless from and against any and all claims, damages and liabilities related to Seller's use of the Property and arising from facts and circumstances occurring prior to Close of Escrow. The indemnity obligations described above will be for the benefit of and binding upon the Parties, their successors and assigns, officers, employees and representatives and will survive Close of Escrow and the recordation of the Grant Deed.

9.3 Possession; Risk of Loss. Buyer shall be entitled to sole possession of the Property immediately upon Close of Escrow and telephonic confirmation of recording. All risk of loss or damage to the Property will pass from the Seller to the Buyer at the Close of Escrow. If any improvements on the Property are damaged or destroyed prior to the earlier of (a) Close of Escrow; or (b) such earlier date upon which Buyer obtains the possession and use of the Property, due to an insured casualty, Seller will assign to Buyer all insurance proceeds related thereto and the Purchase Price will be reduced by the amount of any deductible. If Seller fails to keep the Property fully insured and insurance proceeds are not available following what would have been an insured casualty, the Purchase Price will be reduced by the reduction in the value of the Property, if any, resulting from such casualty. If improvements on the Property are damaged or destroyed prior to the earlier of (a) Close of Escrow; or (b) such earlier date upon which Buyer obtains possession and use of the Property, due to an uninsured casualty and if such improvements constituted a portion of the Purchase Price, the Purchase Price will be reduced by an amount equal to the reduction in the value of the Property resulting from such uninsured casualty.

9.4 Brokers and Sales Commissions. Buyer and Seller each represent and warrant that it has not retained a broker in connection with this transaction. Neither Buyer nor Seller will be responsible or be required to pay any sales or brokerage commissions and/or finder's fees for which the other party has incurred any obligation with respect to the transaction which is the subject of this Agreement. Seller shall indemnify, protect, defend and hold harmless Buyer and its successors hereunder from and against any and all claims, liabilities, obligations, losses, damages, costs and expenses, including, without limitation, reasonable attorney's fees, court costs and litigation expenses, arising from or in connection with any sales or brokerage commissions, finder's fees or other commissions which are (or are claimed to be) payable in connection with the transaction which is the subject of this Agreement by reason of the actions (or alleged actions) of such indemnifying Party. Buyer shall indemnify, protect, defend and hold harmless Seller and its successors hereunder from and against any and all claims, liabilities, obligations, losses, damages, costs and expenses, including, without limitation, reasonable attorney's fees, court costs and litigation expenses, arising from or in connection with any sales or brokerage commissions, finder's fees or other commissions which are (or are claimed to be) payable in connection with the transaction which is the subject of this Agreement by reason of the actions (or alleged actions) of such indemnifying Party.

9.5 Survival of Covenants. The covenants of both Buyer and Seller set forth in this Agreement shall survive the recordation of the Grant Deed and the Close of Escrow.

9.6 Time of Essence. Time is of the essence of each and every term, condition, obligation and provision hereof.

9.7 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which, together, shall constitute one and the same instrument. Each counterpart may consist of a number of copies of this Agreement, each signed by less than all, but together signed by all, of the Parties. A copy of this Agreement, with signature pages bearing original signatures or signatures delivered by a Party by facsimile or e-mail transmission of an Adobe® file format document (also known as a PDF file) shall, in each such instance, be deemed to be, and shall constitute and be treated as, an original signed document or counterpart, as applicable.

9.8 No Obligations to Third Parties. Except as otherwise expressly provided herein, the execution and delivery of this Agreement shall not be deemed to confer any rights upon, nor obligate any of the Parties to, any person or entity other than the Parties.

9.9 Applicable Law. All questions with respect to this Agreement, and the rights and liabilities of the Parties and venue hereto, shall be governed by the laws of the State of California. Any and all legal actions sought to enforce the terms and provisions of the Agreement shall be brought in the courts of the County of Riverside.

9.10 Assignment. Neither Buyer nor Seller shall have the right to assign this Agreement without the consent of the other party, which consent shall not be unreasonably withheld, conditioned or delayed.

9.11 Successors and Assigns. Subject to the provisions of Section 9.10 above, this Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto.

9.12 Construction. This Agreement will be liberally construed to effectuate the intention of the Parties with respect to the transaction described herein. In determining the meaning of, or resolving any ambiguity with respect to, any word, phrase or provision of this Agreement, neither this Agreement nor any uncertainty or ambiguity herein will be construed or resolved against either Party (including the Party primarily responsible for drafting and preparation of this Agreement), under any rule of construction or otherwise, it being expressly understood and agreed that the Parties have participated equally or have had an equal opportunity to participate in the drafting thereof. Any captions to, or headings of, the paragraphs or subparagraphs of this Agreement are solely for the convenience of the Parties, are not a part of this Agreement, and shall not be used for the interpretation or determination of the validity of this Agreement or any provision hereof. If any term or provision of this Agreement shall be held invalid or unenforceable, the remainder of this Agreement shall not be affected.

9.13 Legal Fees. In the event of the bringing of any action or proceeding to enforce or construe any of the provisions of this Agreement, the prevailing Party in such action or proceeding, whether by final judgment or out of court settlement, shall be entitled to have and recover of and from the other Party all costs and expenses of suit, including reasonable attorney's fees.

9.14 Entire Agreement. This Agreement supersedes any prior agreements, negotiations and communications, oral or written, and contains the entire agreement between Buyer and Seller as to the subject matter hereof. No subsequent agreement, representation, or promise made by either Party hereto, or by or to an employee, officer, agent or representative of either Party, shall be of any effect unless it is in writing and executed by the Party to be bound thereby.

9.15 Amendment to this Agreement. The terms of this Agreement may not be modified or amended except by an instrument in writing executed by each of the Parties hereto.

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK

SIGNATURES SET FORTH ON FOLLOWING PAGES

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date set forth below next to their respective signatures. When this Agreement is executed by the final party it shall become effective (“**Effective Date**”).

Date: _____, 2024

BUYER:

TOWN OF APPLE VALLEY, a California
municipal corporation

By: _____
Douglas B. Robertson, Town Manager

APPROVED AS TO FORM:

BEST BEST & KRIEGER LLP

By: _____

SIGNATURES CONTINUED ON FOLLOWING PAGES

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date set forth below next to their respective signatures. When this Agreement is executed by the final party it shall become effective (“**Effective Date**”).

Date: _____, 2024

SELLERS:

Equity Trust Company, Custodian FBO Mark A.J. Rowling, IRA, as to an undivided 50% interest

By: Mark A.J. Rowling, Account Holder

Equity Trust Company, Custodian FBO Christopher J. Connors, IRA, as to an undivided 50% interest

By: Christopher J. Connors, Account Holder

SIGNATURES CONTINUED ON FOLLOWING PAGE

ESCROW AGENT:

The undersigned Escrow Holder hereby accepts the foregoing Agreement of Purchase and Sale and Joint Escrow Instructions, agrees to act as Escrow Holder under this Agreement in strict accordance with its terms, agrees to insert as the “Agreement Date” on page 1 hereof, if not otherwise dated, the latest date this Agreement was signed by Seller and Buyer and delivered to Escrow Holder, and agrees to comply with the applicable provisions of the Internal Revenue Code with respect to the transactions contemplated hereby.

Escrow Junction, Inc.

By _____

Its _____

Date: _____, 2024

LIST OF EXHIBITS

- Exhibit A - Plat Map
- Exhibit B - Legal Description
- Exhibit C - Grant Deed
- Exhibit D - Certificate of Acceptance

EXHIBIT "A"

PLAT MAP

PLAT MAP



EXHIBIT "B"
LEGAL DESCRIPTION

LEGAL DESCRIPTION

REAL PROPERTY IN THE TOWN OF APPLE VALLEY, COUNTY OF SAN BERNARDINO,
STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

PARCEL 1: (APN: 3087-502-81)

LOT A OF NAVAJO MANOR NO. 2, TRACT 7804, IN THE TOWN OF APPLE VALLEY, AS
PER PLAT RECORDED IN BOOK 99 OF MAPS, PAGES 22 THROUGH 25 INCLUSIVE,
RECORDS OF SAID COUNTY.

PARCEL 2: (APN: 3087-501-01)

THE EAST 30 FEET OF THE WEST 1/2 OF THE NORTHEAST QUARTER OF THE
NORTHWEST QUARTER OF SECTION 34, TOWNSHIP 5 NORTH, RANGE 3 WEST, IN
THE TOWN OF APPLE VALLEY, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPTING THE NORTH 40 FEET THEREOF.

TOTAL AREA CONTAINING 11.42 ACRES, MORE OR LESS.

PREPARED BY:


AMÉLIA PAULA PEREIRA - P.L.S. NO. 8493

May 14TH, 2024
DATE



EXHIBIT "C"

GRANT DEED

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

Town of Apple Valley
14955 Dale Evans Parkway
Apple Valley, CA 92307

This instrument is for the benefit of the Town of Apple Valley, and is entitled to be recorded without fee or tax. (Govt. Code 6103, 27383 and Rev. & Tax Code 11922)

Order No.:
Escrow No.:

APNs: 3087-502-81 and 3087-501-01

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE

GRANT DEED

THE UNDERSIGNED GRANTOR(S) DECLARE(S):

DOCUMENTARY TRANSFER TAX IS \$ 0

Computed on full value of property conveyed, or

Computed on full value less liens and encumbrances remaining at time of sale.

Unincorporated area City of Apple Valley

For valuable consideration, receipt of which is hereby acknowledged,

Equity Trust Company, Custodian FBO Mark A. J. Rowling, IRA, as to an undivided 50% interest and Equity Trust Company, Custodian FBO Christopher J. Connors, IRA, as to an undivided 50% interest,

hereby GRANT(S) to

TOWN OF APPLE VALLEY, a California Municipal Corporation

the real property situated in the County of San Bernardino, State of California, more particularly described as follows:

See Exhibit "A", Legal Description, attached hereto.

Dated: _____

ALL-PURPOSE ACKNOWLEDGMENT NOTARY FOR CALIFORNIA

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA
COUNTY OF SAN BERNARDINO

On _____, 2024, before me, _____,
personally appeared _____,

who 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.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER

- Individual
- Corporate Officer

Title(s)

- Partner(s) Limited General
- Attorney-In-Fact
- Trustee(s)
- Guardian/Conservator
- Other: _____

DESCRIPTION OF ATTACHED DOCUMENT

Title or Type of Document

Number Of Pages

_____, 2024
Date Of Document

Signer is representing:
Name Of Person(s) Or Entity(ies)

Signer(s) Other Than Named Above

EXHIBIT "A"

LEGAL DESCRIPTION

REAL PROPERTY IN THE TOWN OF APPLE VALLEY, COUNTY OF SAN BERNARDINO,
STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

PARCEL 1: (APN: 3087-502-81)

LOT A OF NAVAJO MANOR NO. 2, TRACT 7804, IN THE TOWN OF APPLE VALLEY, AS
PER PLAT RECORDED IN BOOK 99 OF MAPS, PAGES 22 THROUGH 25 INCLUSIVE,
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THE EAST 30 FEET OF THE WEST 1/2 OF THE NORTHEAST QUARTER OF THE
NORTHWEST QUARTER OF SECTION 34, TOWNSHIP 5 NORTH, RANGE 3 WEST, IN
THE TOWN OF APPLE VALLEY, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPTING THE NORTH 40 FEET THEREOF.

TOTAL AREA CONTAINING 11.42 ACRES, MORE OR LESS.

PREPARED BY:


AMÉLIA PAULA PEREIRA - P.L.S. NO. 8493

May, 14TH, 2024
DATE



EXHIBIT D
TOWN OF APPLE VALLEY

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the Grant Deed to which this Certificate of Acceptance is attached:

From: **Equity Trust Company, Custodian FBO Christopher Connors, IRA, as to an undivided 50% interest in and to, AND, Custodian FBO Mark A.J. Rowling, IRA, as to an undivided 50% interest, (“Grantor”)**

To: **Town of Apple Valley**, a California municipal corporation (“Grantee”)

Said Grant Deed is hereby accepted by the undersigned officer on behalf of Grantee pursuant to authority conferred by the Grantee’s governing body, and Grantee hereby consents to recordation of said Grant Deed.

Dated: _____

TOWN OF APPLE VALLEY, a California
municipal corporation

By: _____
Douglas B. Robertson, Town Manager