

PURCHASE AND SALE AGREEMENT
(Pallini Lane Remnant Parcel)

THIS PURCHASE AND SALE (this "Agreement") is made as of December __, 2012 (the "Effective Date") by and among the Successor Agency (the "Successor Agency") of the Redevelopment Agency of the County of Mendocino, a separate public entity ("Successor Agency" or "Seller") and Dennis and Carol Thurston Revocable Trust, an individual (the "Purchaser"). The Seller and the Purchaser are sometimes referred to in this Agreement individually as a "Party" and collectively as the "Parties."

RECITALS

A. The Redevelopment Agency of the County of Mendocino (the "Former Redevelopment Agency") owned fee interest title to a 3,049 square foot parcel of land (the "Property", as further described in Section 1.1) located at the terminus of Pallini Lane in an unincorporated area of Mendocino County in the vicinity of Ukiah.

B. Upon dissolution of the Former Redevelopment Agency on February 1, 2012, the ownership of the Property transferred to the Seller pursuant to Health and Safety Code Section 34175(b), and the Seller is now responsible for the disposition of the Property in accordance with the procedures and requirements of ABx1 26 and AB 1484 (the "Redevelopment Dissolution Statutes"), the statutes that govern the dissolution of the Former Redevelopment Agency and the liquidation of its former property.

C. The Seller commissioned an appraisal and determined that the owner of the land that surrounds the Property is the only potential buyer prepared to pay the appraised value of the Property.

D. In accordance with Health and Safety Code Section 34180(a), the Seller has been directed by its oversight board (the "Oversight Board") to dispose of the Property to the adjacent land owner for a purchase price equal to the Property's current appraised value and pursuant to the terms of the Purchase and Sale Agreement.

E. In accordance with Health and Safety Code Section 34191.5, the Seller prepared and the its Oversight Board has approved a "Long-Range Property Management Plan" that provides for the disposition of the Property as described herein for the distribution of the purchase price proceeds as property taxes to the affected taxing entities.

F. The Seller desires to convey fee interest to the Property to the Purchaser in a manner consistent with the Redevelopment Dissolution Statutes, and to effectuate the dissolution of the Former Redevelopment Agency by liquidating its former property.

IN CONSIDERATION of the foregoing Recitals, which are incorporated herein by this reference, and the covenants contained in this Agreement, the Parties agree as follows:

1. PURCHASE AND SALE.

1.1 Conveyance of Property. The Seller agrees to sell and convey to Purchaser, and Purchaser agrees to purchase from the Seller, subject to the terms, covenants and conditions set forth herein, the certain 3,049 square foot parcel of land (the "Property") located at the terminus of Pallini Lane in an unincorporated area of Mendocino County in the vicinity of Ukiah, as more particularly described in Exhibit A attached hereto (the "Property").

1.2 Purchase Price for the Property. The total purchase price (the "Purchase Price") to be paid by Purchaser to the Seller for the Property is Four Thousand Dollars (\$4,000). The Purchaser shall deposit the Purchase Price and other sums required hereunder to the Title Company (as defined in Section 2.1). The Purchase Price shall be in the form of a certified or cashier's check, electronic transfer of funds, or other immediately available funds, on or before the Closing Date (as defined in Section 3.3).

1.3 "As-Is" Conveyance.

(a) **THE PURCHASER SPECIFICALLY ACKNOWLEDGES AND AGREES THAT THE SELLER IS CONVEYING AND THE PURCHASER IS OBTAINING THE FEE INTEREST IN THE PROPERTY ON AN "AS IS WITH ALL FAULTS" BASIS AND THAT THE PURCHASER IS NOT RELYING ON ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND WHATSOEVER, EXPRESS OR IMPLIED, FROM THE SELLER AS TO ANY MATTERS CONCERNING THE PROPERTY, INCLUDING WITHOUT LIMITATION: (1) THE QUALITY, NATURE, ADEQUACY AND PHYSICAL CONDITION OF THE PROPERTY (INCLUDING, WITHOUT LIMITATION, TOPOGRAPHY, CLIMATE, AIR, WATER RIGHTS, WATER, GAS, ELECTRICITY, UTILITY SERVICES, GRADING, DRAINAGE, SEWERS, ACCESS TO PUBLIC ROADS AND RELATED CONDITIONS); (2) THE QUALITY, NATURE, ADEQUACY, AND PHYSICAL CONDITION OF SOILS, GEOLOGY AND GROUNDWATER; (3) THE EXISTENCE, QUALITY, NATURE, ADEQUACY AND PHYSICAL CONDITION OF UTILITIES SERVING THE PROPERTY; (4) THE DEVELOPMENT POTENTIAL OF THE PROPERTY, AND THE PROPERTY'S USE, HABITABILITY, MERCHANTABILITY, OR FITNESS, SUITABILITY, VALUE OR ADEQUACY OF THE PROPERTY FOR ANY PARTICULAR PURPOSE; (5) THE ZONING OR OTHER LEGAL STATUS OF THE PROPERTY OR ANY OTHER PUBLIC OR PRIVATE RESTRICTIONS ON THE USE OF THE PROPERTY; (6) THE COMPLIANCE OF THE PROPERTY OR ITS OPERATION WITH ANY APPLICABLE CODES, LAWS, REGULATIONS, STATUTES, ORDINANCES, COVENANTS, CONDITIONS AND RESTRICTIONS OF ANY GOVERNMENTAL OR QUASI-GOVERNMENTAL ENTITY OR OF ANY OTHER PERSON OR ENTITY; (7) THE PRESENCE OR ABSENCE OF HAZARDOUS MATERIALS ON, UNDER OR ABOUT THE PROPERTY OR THE ADJOINING OR NEIGHBORING PROPERTY; AND (8) THE CONDITION OF TITLE TO THE PROPERTY. THE PURCHASER AFFIRMS THAT THE PURCHASER HAS NOT RELIED ON THE SKILL OR JUDGMENT OF THE SELLER OR ANY OF ITS RESPECTIVE AGENTS, EMPLOYEES OR**

CONTRACTORS TO SELECT OR FURNISH THE PROPERTY FOR ANY PARTICULAR PURPOSE, AND THAT THE SELLER MAKES NO WARRANTY THAT THE PROPERTY IS FIT FOR ANY PARTICULAR PURPOSE. THE PURCHASER ACKNOWLEDGES THAT IT SHALL USE ITS INDEPENDENT JUDGMENT AND MAKE ITS OWN DETERMINATION AS TO THE SCOPE AND BREADTH OF ITS DUE DILIGENCE INVESTIGATION WHICH IT SHALL MAKE RELATIVE TO THE PROPERTY AND SHALL RELY UPON ITS OWN INVESTIGATION OF THE PHYSICAL, ENVIRONMENTAL, ECONOMIC AND LEGAL CONDITION OF THE PROPERTY (INCLUDING, WITHOUT LIMITATION, WHETHER THE PROPERTY IS LOCATED IN ANY AREA WHICH IS DESIGNATED AS A SPECIAL FLOOD HAZARD AREA, DAM FAILURE INUNDATION AREA, EARTHQUAKE FAULT ZONE, SEISMIC HAZARD ZONE, HIGH FIRE SEVERITY AREA OR WILDLAND FIRE AREA, BY ANY FEDERAL, STATE OR LOCAL AGENCY). THE PURCHASER UNDERTAKES AND ASSUMES ALL RISKS ASSOCIATED WITH ALL MATTERS PERTAINING TO THE PROPERTY'S LOCATION IN ANY AREA DESIGNATED AS A SPECIAL FLOOD HAZARD AREA, DAM FAILURE INUNDATION AREA, EARTHQUAKE FAULT ZONE, SEISMIC HAZARD ZONE, HIGH FIRE SEVERITY AREA OR WILDLAND FIRE AREA, BY ANY FEDERAL, STATE OR LOCAL AGENCY.

(b) Survival. The terms and conditions of this Section 1.3 shall expressly survive the Closing Date (as defined in Section 3.3). The Seller is not liable or bound in any manner by any oral or written statements, representations or information pertaining to the Property furnished by any contractor, agent, employee, servant or other person. The Purchaser acknowledges that the purchase price pursuant to this Agreement reflects the "as is" nature of this conveyance and any faults, liabilities, defects or other adverse matters that may be associated with the Property. The Purchaser has fully reviewed the disclaimers and waivers set forth in this Agreement with the Purchaser's counsel and understands the significance and effect thereof.

(c) Acknowledgment. The Purchaser acknowledges and agrees that: (1) to the extent required to be operative, the disclaimers of warranties contained in this Section 1.3 are "conspicuous" disclaimers for purposes of all applicable laws and other legal requirements; (2) the disclaimers and other agreements set forth in such sections are an integral part of this Agreement; and (3) the Purchase Price reflects the same and the Seller would not have agreed to convey the Property to the Purchaser pursuant to this Agreement without the disclaimers and other agreements set forth in this Section.

(d) Purchaser's Release of the Seller. The Purchaser, on behalf of itself and anyone claiming by, through or under the Purchaser hereby waives its right to recover from and fully and irrevocably releases the Seller, the Seller's governing board members, employees, officers, directors, representatives, and agents (the "Released Parties") from any and all claims, responsibility and/or liability that the Purchaser may have or hereafter acquire against any of the Released Parties for any costs, loss, liability, damage, expenses, demand, action or cause of action arising from or related to: (1) the condition, valuation, salability or utility of the Property, or its suitability for any purpose whatsoever; (2) any presence of hazardous materials, and (3) any information furnished by the Released Parties under or in connection with this Agreement.

(e) Scope of Release. The release set forth in this Section 1.3 includes claims of which the Purchaser is presently unaware or which the Purchaser does not presently suspect to exist which, if known by the Purchaser, would materially affect the Purchaser's release of the Released Parties. The Purchaser specifically waives the provision of any statute or principle of law that provides otherwise. In this connection and to the extent permitted by law, the Purchaser agrees, represents and warrants that the Purchaser realizes and acknowledges that factual matters now unknown to the Purchaser may have given or may hereafter give rise to causes of action, claims, demands, debts, controversies, damages, costs, losses and expenses which are presently unknown, unanticipated and unsuspected, and the Purchaser further agrees, represents and warrants that the waivers and releases herein have been negotiated and agreed upon in light of that realization and that the Purchaser nevertheless hereby intends to release, discharge and acquit the Seller from any such unknown causes of action, claims, demands, debts, controversies, damages, costs, losses and expenses. Accordingly, the Purchaser, on behalf of itself and anyone claiming by, through or under the Purchaser, hereby assumes the above-mentioned risks and hereby expressly waives any right the Purchaser and anyone claiming by, through or under the Purchaser, may have under Section 1542 of the California Civil Code, which reads as follows:

"A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

Purchaser's Initials: _____

Notwithstanding the foregoing, this release shall not apply to, nor shall the Seller be released from, the Seller's actual fraud or misrepresentation.

2. ESCROW

2.1 Opening Escrow. Promptly following execution of this Agreement, the Parties shall open an escrow (the "Escrow") with the Ukiah Office of Redwood Title Company (the "Title Company") for conveyance of the Property to the Purchaser (the "Closing", as further described in Section 3.3). The Parties may provide escrow instructions to the Title Company consistent with this Agreement.

2.2 Costs of Closing. In addition to payment of the Purchase Price, the Purchaser shall be responsible for payment of, and shall deposit into Escrow an amount equal to all fees, charges and costs necessary to close Escrow. Each party shall pay its own legal, professional fees and fees of other consultants incurred with regard to this transaction.

2.3 Title Policy. The Purchaser shall be solely responsible for any costs or premiums charged by the Title Company for the title insurance policy or special endorsements required by Purchaser.

3. CLOSING.

3.1 Conditions. The obligations of the parties to consummate the Closing is subject to the following:

(a) The Seller has delivered or causes to be delivered to the Title Company, at or prior to the Closing, a good and sufficient Grant Deed (defined below), properly executed and acknowledged by the Seller in favor of the Purchaser, the delivery and recordation of which shall vest in the Purchaser fee title in and to the Property.

(b) The Title Company is prepared to deliver to the Purchaser a standard coverage CLTA policy of title insurance in the amount of the Purchase Price insuring fee title to the Property vested in the Purchaser free and clear of any liens, encumbrances and interests, or other clouds on title except as shown on the Title Company's preliminary title report, Order No. 20121566DN, dated November 6, 2012, attached here to as Exhibit B, incorporated herein by this reference (the "Title Report").

(c) The Purchaser has delivered or causes to be delivered to the Title Company, at or prior to the Closing, the Purchase Price and all costs of Closing required pursuant to Section 2.2.

(d) The Seller has received any and all approvals required under the Redevelopment Dissolution Statutes to convey the Property to the Purchaser, as reasonably determined by the Seller.

3.2 Deed for Property. The Seller shall execute and deliver the grant deed conveying good and marketable fee title to the Property (the "Grant Deed"), substantially in the form attached hereto as Exhibit C, incorporated herein by this reference, free from any and all liens or encumbrances, except those shown as exceptions to title on the Title Report.

3.3 Closing. Closing shall occur within thirty (30) days of the date of satisfaction of the condition described in Section 3.1(d). At and through the Closing, the Title Company is authorized and directed to record the executed Grant Deed in the official records of the County of Mendocino, and to release the entire Purchase Price to the Seller. The date of recording of the Grant Deed conveying the Property from the Seller to the Purchaser shall be the "Closing Date." The Closing may be extended by mutual agreement of the Parties.

3.4 Other Documents. The Seller and the Purchaser shall execute and deliver any and all other documents necessary for the Seller to convey fee interest ownership of the Property to the Purchaser.

4. REPRESENTATIONS AND WARRANTIES.

4.1 Purchaser's Representations and Warranties. The Purchaser represents and warrants to Seller that as of the date of this Agreement and as of the Closing Date:

(a) The Purchaser has the full power and authority to execute, deliver and perform its obligations under this Agreement.

(b) This Agreement and all agreements, instruments and documents provided to be executed by the Purchaser are and as of the Closing Date will be duly authorized, executed and delivered by and are and will be binding upon the Purchaser.

4.2 Seller's Representations and Warranties. Seller represents and warrants to the Purchaser that as of the date of the Closing Date:

(a) Seller has fee title to the Property and has the legal right, power, and authority to enter into this Agreement and perform all of their obligations under this Agreement, subject and conditioned upon satisfaction of the condition set forth in Section 3.1(d), which the Purchaser acknowledges and agrees requires approvals that are beyond the control of the Seller.

(b) This Agreement and all agreements, instruments and documents provided to be executed by Seller are and, as of the Closing Date, will be duly authorized, executed and delivered by and are and will be binding upon Seller.

5. NOTICES.

Any notice or other communication given by either Party to the other Party relating to this Agreement shall be sent by certified mail, return receipt requested, by reputable delivery service, with a delivery receipt, or by personal delivery, with a delivery receipt, addressed to the other Party at the respective addresses set forth below,

Seller Successor Agency
 c/o County of Mendocino Executive Office
 510 Low Gap Road
 Ukiah, CA 95482
 Attn: Chief Executive Officer

Purchaser: Dennis and Carol Thurston Revocable Trust
 2900 N. State St.
 Ukiah, CA 95482

Notice shall be deemed received by a Party on the date shown on the delivery receipt as the date of delivery, the date delivery was refused, or the date the item was returned as undeliverable.

6. BINDING EFFECT.

This Agreement shall be binding upon the Seller and the Purchaser and shall inure to the benefit of successors, and assigns of the Parties.

7. ATTORNEY'S FEES.

In the event it becomes necessary for either Party to file suit to enforce this Agreement or any provision contained in this Agreement, the Party prevailing in such suit shall be entitled to recover, in addition to all other remedies or damages, as provided in this Agreement, reasonable attorneys' fees incurred in such suit.

[The Signature Page Follows]

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

PURCHASER:

By: _____

Name: Dennis Thurston

Its: Trustee

PURCHASER:

By: _____

Name: Carol Thurston

Its: Trustee

SELLER:

Successor Agency of the Redevelopment Agency of the County of Mendocino, a separate legal entity

By: _____

Name: _____

Its: _____

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

The land referred to herein is situated in the County of Mendocino, State of California, and is described as follows:

EXHIBIT "A"
LEGAL DESCRIPTION

The land referred to herein is situated in the County of Mendocino, State of California, and is described as follows:

Being a portion of Lot 117 of Yokayo Rancho, as said parcel of land was conveyed from the State of California, by Relinquishment No. 494, to the County of Mendocino, recorded in Book 654, Official Records, Page 548, March 27, 1964, Mendocino County Records. Said parcel being, parcel 6 of said document, more particularly described as follows:

Beginning at a point from which a white oak stump 36 inches in diameter marking the southwest corner of Lot 117 of Healey's Survey and Map of Yokayo Rancho bears S. 47° 56' 59" W., 2523.37 feet and from which point of beginning Engineer's Station "0" 178+00.00 P.O.T. of the Department of Public Works' Survey from Robinson Creek to Forsythe Creek (State Highway I-Men-I-B, Uki, C) bears N. 81°31' W., 160.00 feet; thence, S. 81°31' E., 70.58 feet to the east line of the parcel of land conveyed to the State of California by deed recorded April 29, 1960 in Book 539 of Official Records, Page 181, Mendocino County Records; thence, S. 7°31'16" W., along said east line, 43.09 feet to the southeast corner of said parcel of land; thence, N. 82°28'44" W., along the south line thereof, 76.18 feet to a point that bears S. 14°44'11" W., from the point of beginning; thence, N. 14°44'11" E., 44.63 feet to the point of beginning.

Containing 3,206.88 Square Feet or 0.074 Acres more or less.

Also, any interest in a non-exclusive right of way over a strip of land 40 feet in width along the southerly boundary of the above described parcel of land, extending westerly from the existing State Highway (now North State Street) to the southerly prolongation of the westerly line of the above described parcel of land. (Per Book 539, Official Records, Page 181, Mendocino County Records)

Excepting and Reserving to the State of California any and all rights of ingress to and egress from the highway hereby relinquished in and to the adjacent and adjoining freeway lying westerly of said relinquished highway, except at such points as now are or may be established by resolution of this Commission. Per Relinquishment No. 494, parcel 6, recorded in Book 654, of Official Records, Page 548, Mendocino County Records, recorded March 27, 1964.

This real property description has been prepared by me or under my direction in conformance with the Professional Land Surveyors' Act.

Arthur W. Colvin
Arthur W. Colvin L.S. 6112
Exp. Date: 3-31-08

B-21-07
Dated



APN: 169-113-27

(Being APN 169-113-27)



Exhibit B

Redwood Empire Title Company of Mendocino County

405 S. Orchard Avenue, P. O. Box 238
Ukiah, CA 95482
Phone: (707)462-8666 † Fax: (707)462-5010

Our No.: 20121566DN
Your No.:
Seller: County of Mendocino
Buyer: Thurston Auto Plaza

When replying Please Contact:
ESCROW OFFICER: Debbie Niesen
dniesen@redwoodtitle.com

PRELIMINARY REPORT

Property Address: **North State Street, Ukiah, CA 95482**

In response to the above referenced application for a policy of title insurance, **Redwood Empire Title Company of Mendocino County** hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a Policy or Policies of Title Insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an Exception below or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations of said Policy forms.

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said Policy or Policies are set forth in Exhibit A attached. Copies of the Policy forms should be read. They are available from the office which issued this report.

Please read the exceptions shown or referred to below and the exceptions and exclusions set forth in Exhibit A of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.

It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects and encumbrances affecting title to the land.

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

Dated as of November 6, 2012 at 07:30AM.

John Baron
Chief Title Officer

jbaron@redwoodtitle.com

The form of policy of title insurance contemplated by this report is:
CLTA Standard 1990 Owners Policy
Underwritten by Old Republic National Title Insurance Company

SCHEDULE A

1. The estate or interest in the land hereinafter described or referred to covered by this Report is:

a Fee

2. Title to said estate or interest at the date hereof is vested in:

The Successor Agency of the Redevelopment Agency of the County of Mendocino

3. The land referred to in this report is situated in the State of California, County of Mendocino and is described as follows:

Being a portion of Lot 117 of Yokayo Rancho as said parcel of land was conveyed from the State of California, by Relinquishment No. 494, to the County of Mendocino, recorded in Book 654, Official Records, Page 548, March 27, 1964, Mendocino County Records. Said parcel being, Parcel 6 of said document, more particularly described as follows:

Beginning at a point from which a white oak stump 36 inches in diameter marking the Southwest corner of Lot 117 of Healey's Survey and Map of Yokayo Rancho bears S. 47° 56' 59" W., 2523.37 feet and from which point of beginning Engineer's Station "0" 178+00.00 P.O.T. of the Department of Public Works' Survey from Robinson Creek to Forsythe Creek (State Highway I[Men-I-B, Uki, C) bears N. 81 °31' W., 160.00 feet; thence, S. 81° 31' E., 70.58 feet to the East line of the parcel of land conveyed to the State of California by deed recorded April 29, 1960 in Book 539 of Official Records, Page 181, Mendocino County Records; thence, S. 7° 31' 16" W., along said east line, 43.09 feet to the Southeast corner of said parcel of land; thence, N. 82° 28' 44" W., along the South line thereof, 76.18 feet to a point that bears S. 14° 44' 11" W., from the point of beginning; thence, N. 14° 44' 11" E., 44.63 feet to the point of beginning.

APN: 169-113-27

SCHEDULE B

At the date hereof exceptions to coverage in addition to the printed Exceptions and Exclusions in the said policy form would be as follows:

1. The lien of supplemental taxes, if any, assessed pursuant to the provisions of Section 75, et seq. of the Revenue and Taxation Code of the State of California.
2. Release and relinquishment of abutter's or access rights to and from the Highway/Freeway, upon which premises abuts in the document recorded: March 27, 1964 in Book 654, Page 538 of Official Records.
3. Redevelopment Plan, as follows:
Entitled: Statement of Institution of Redevelopment Plan
Recorded: July 10, 2003 as 2003-17702 of Official Records

Revised Statement of Institution of Redevelopment Proceedings recorded August 30, 2007 as 2007-16152 of Official Records.
4. Easement(s) for the purposes stated herein and incidental purposes as provided in the document:
Recorded: July 9, 2008 as 2008-09771 of Official Records
For: public utilities

END OF SCHEDULE B

INFORMATIONAL NOTES:

1. Taxes and assessments, general and special, for the fiscal year 2012 - 2013, as follows
Assessor's Parcel No.: 169-113-27
Code No.: 154-065
1st Installment: \$0.00, Not Billed
2nd Installment: \$0.00, Not Billed
2. NOTE: According to the public records, there have been no deeds conveying the property described in this report recorded within a period of 24 months prior to the date hereof except as follows:

A Grant Deed executed by The Redevelopment Agency of the County of Mendocino to The Successor Agency of the Redevelopment Agency of the County of Mendocino, recorded June 11, 2012 as 2012-08691 of Official Records.

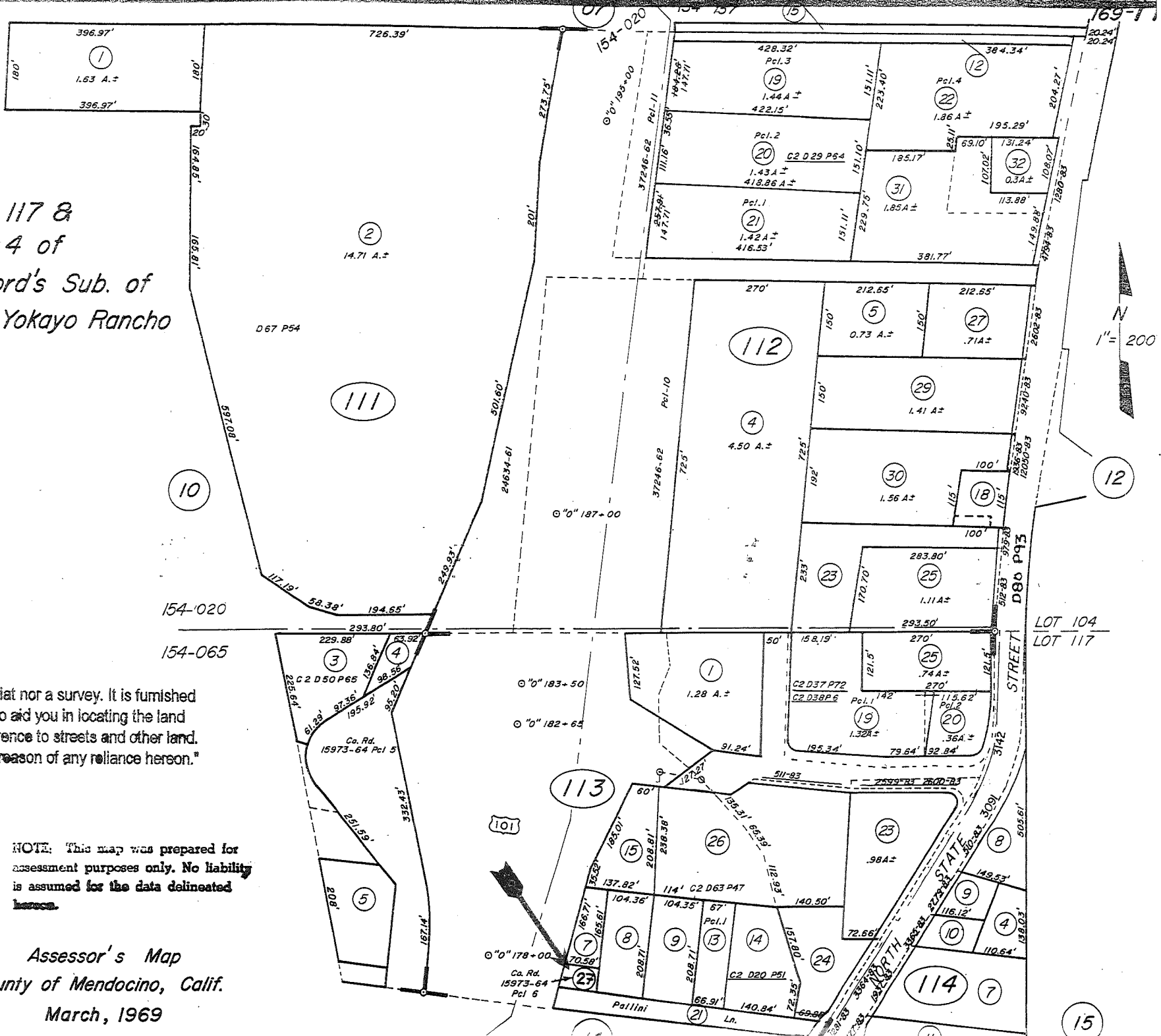
154-020
 154-157
 154-065
 154-128

*Por. of Lot 117 &
 Por. of Lot 4 of
 Poage & Ford's Sub. of
 Lot 104 of Yokayo Rancho*

"Notice: This is neither a plat nor a survey. It is furnished merely as a convenience to aid you in locating the land indicated hereon with reference to streets and other land. No liability is assumed by reason of any reliance hereon."

NOTE: This map was prepared for assessment purposes only. No liability is assumed for the data delineated hereon.

Assessor's Map
 County of Mendocino, Calif.
 March, 1969



CLTA PRELIMINARY REPORT FORM (EXHIBIT A) (01-01-08)

**CALIFORNIA LAND TITLE ASSOCIATION
STANDARD COVERAGE POLICY - 1990**

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building or zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien, or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
 - (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
 - (c) resulting in no loss or damage to the insured claimant;
 - (d) attaching or created subsequent to Date of Policy; or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate of interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART I

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.

2006 ALTA LOAN POLICY (06-17-06)

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
(b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters:
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;

- (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13, or 14); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
 5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
 6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
 7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).
The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.

2006 ALTA OWNER'S POLICY (06-17-06)

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;
 or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters:
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
 - (a) a fraudulent conveyance or fraudulent transfer; or
 - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown in the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and that are not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.

Privacy Statement

July 1, 2001

We recognize and respect the privacy expectations of today's consumers and the requirements of applicable federal and state privacy laws. We believe that making you aware of how we use your non-public personal information ("Personal Information"), and to whom it is disclosed, will form the basis for a relationship of trust between us and the public we serve. This Privacy Statement provides that explanation. We reserve the right to change this Privacy Statement from time to time consistent with applicable privacy laws.

In the course of our business, we may collect Personal Information about you from the following sources:

- From applications or other forms we receive from you or your authorized representative;
- From your transactions with, or from the services being performed by us, our affiliates, or others;
- From our Internet web sites;
- From the public records maintained by governmental entities that we either obtain directly from those entities, or from our affiliates or others; and
- From consumer or other reporting agencies.

Our Policies Regarding the Protection of the Confidentiality and Security of Your Personal Information

We maintain physical, electronic and procedural safeguards to protect your Personal Information from unauthorized access or intrusion. We limit access to the Personal Information only to those employees who need such access in connection with providing products or services to you or for other legitimate business purposes.

Our Policies and Practices Regarding the Sharing of Your Personal Information

We may share your Personal Information with our affiliates, such as insurance companies, agents, and other real estate settlement providers. We may also disclose your Personal Information:

- to agents, brokers or representatives to provide you with services you have requested.
- to third-party contractors or service providers who provide services or perform marketing or other functions on our behalf; and
- to others with whom we enter into joint marketing agreements for products or services that we believe you may find of interest.

In addition, we will disclose your Personal Information when you direct or give us permission, when we are required by law to do so, or when we suspect fraudulent or criminal activities. We may also disclose your Personal Information when otherwise permitted by applicable privacy laws such as, for example, when disclosure is needed to enforce our rights arising out of any agreement, transaction or relationship with you.

One of the important responsibilities of some of our affiliated companies is to record documents in the public domain. Such documents may contain your Personal Information.

Right to Access Your Personal Information and Ability to Correct Errors or Request Changes or Deletion

Certain states afford you the right to access your Personal Information and, under certain circumstances, to find out to whom your Personal Information has been disclosed. Also, certain states afford you the right to request correction, amendment or deletion of your Personal Information. We reserve the right, where permitted by law, to charge a reasonable fee to cover the costs incurred in responding to such requests.

All requests must be made in writing to the following address:

Privacy Compliance Officer
Redwood Empire Title Company
P.O. Box 238
Ukiah, CA 95482

Multiple Products or Services

If we provide you with more than one financial product or service, you may receive more than one privacy notice from us. We apologize for any inconvenience this may cause you.

EXHIBIT C

FORM OF GRANT DEED

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Successor Agency of the
Redevelopment Agency of the
County of Mendocino
510 Low Gap Road
Ukiah, CA 95482
Attn: Chief Executive Officer

No fee for recording pursuant to
Government Code Section 27383

GRANT DEED

For valuable consideration, the receipt of which is hereby acknowledged, the Successor Agency (the "Successor Agency") of the Redevelopment Agency of the County of Mendocino, a separate public entity ("Grantor"), acting to carry out redevelopment purposes pursuant to the Community Redevelopment Law of the State of California, hereby grants to Dennis and Carol Thurston Revocable Trust, an individual (the "Grantee"), the real property (the "Property") described in Attachment No. 1 attached hereto and incorporated in this grant deed (this "Grant Deed") by this reference, subject to the terms and conditions set forth in this Grant Deed.

1. The Property is conveyed subject to the Purchase and Sale Agreement (the "Purchase Agreement") entered into by and between Grantor and Grantee dated as of December __, 2012. Capitalized terms used but not defined in this Grant Deed shall have the meanings set forth in the Purchase Agreement and any amendments thereto.

2. The Grantee covenants and agrees, for itself and its successors and assigns that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sexual orientation, sex, marital status, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property, nor shall the Grantee itself or any person claiming under or through it establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, vendees or employees in the Property.

All deeds, leases or other real property conveyance contracts made relative to the Property shall contain or be subject to substantially the following non-discrimination clauses:

a. In deeds: "The grantee herein covenants by and for itself, its heirs, executors, administrators, and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sexual orientation, sex, physical or mental disability, marital status, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the land herein conveyed, nor shall the grantee or any person claiming under or through the grantee establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, vendees or employees in the land herein conveyed. The foregoing covenants shall run with the land."

b. In leases: "The lessee herein covenants by and for itself, its heirs, executors, administrators and assigns, and all persons claiming under or through the Grantee, and this lease is made and accepted upon and subject to the following conditions:

"That there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sexual orientation, sex, physical or mental disability, marital status, national origin or ancestry in the leasing, subleasing, transferring, use, occupancy, tenure or enjoyment of the land herein leased, nor shall the lessee, or any person claiming under or through the lessee, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, vendees or employees in the land herein leased."

c. In contracts: "There shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sexual orientation, sex, physical or mental disability, marital status, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the land, nor shall the transferee, or any person claiming under or through the transferee, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, vendees or employees in the land."

3. The covenants contained in Section 2 of this Grant Deed shall remain in effect in perpetuity.

4. The covenants contained in this Grant Deed shall be, without regard to technical classification or designation, legal or otherwise specifically provided in this Grant Deed, to the fullest extent permitted by law and equity, binding for the benefit and in favor of and enforceable by the Grantor, its successor and assigns, and any successor in interest to the Property or any part thereof, and such covenants shall run in favor of the Grantor and such aforementioned parties for the entire period during which such covenants shall be in force and effect, without regard to whether the Grantor is or

remains an owner of any land or interest therein to which such covenants relate. In the event of any breach of any of such covenants, the Grantor and such aforementioned parties shall have the right to exercise all of the rights and remedies, and to maintain any actions at law or suits in equity or other property proceedings to enforce the curing of such breach. The covenants contained in this Grant Deed shall be for the benefit of and shall be enforceable only by the Grantor, its successors, and such aforementioned parties.

5. This Grant Deed may be executed and recorded in two or more counterparts, each of which shall be considered for all purposes a fully binding agreement between the parties.

IN WITNESS WHEREOF, the parties hereto have executed this Grant Deed this ____ day of _____, 2012.

GRANTEE:

By: _____

Name: Dennis Thurston

Its: Trustee

GRANTEE:

By: _____

Name: Carol Thurston

Its: Trustee

GRANTOR:

SUCCESSOR AGENCY OF THE
REDEVELOPMENT AGENCY OF THE
COUNTY OF MENDOCINO, a separate legal
entity

By: _____

Name: _____

Its: _____

STATE OF CALIFORNIA)
)
COUNTY OF _____)

On _____, before me, _____, Notary Public, 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.

Name: _____
Notary Public

STATE OF CALIFORNIA)
)
COUNTY OF _____)

On _____, before me, _____, Notary Public, 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.

Name: _____
Notary Public

ATTACHMENT NO. 1 TO GRANT DEED

LEGAL DESCRIPTION OF THE PROPERTY

The land referred to herein is situated in the County of Mendocino, State of California, and is described as follows:

EXHIBIT "A"
LEGAL DESCRIPTION

The land referred to herein is situated in the County of Mendocino, State of California, and is described as follows:

Being a portion of Lot 117 of Yokayo Rancho as said parcel of land was conveyed from the State of California, by Relinquishment No. 494, to the County of Mendocino, recorded in Book 654, Official Records, Page 548, March 27, 1964, Mendocino County Records. Said parcel being, parcel 6 of said document, more particularly described as follows:

Beginning at a point from which a white oak stump 36 inches in diameter marking the southwest corner of Lot 117 of Healey's Survey and Map of Yokayo Rancho bears S. 47° 56' 59" W., 2523.37 feet and from which point of beginning Engineer's Station "0" 178+00.00 P.O.T. of the Department of Public Works' Survey from Robinson Creek to Forsythe Creek (State Highway I-Men-1-B, Uki, C) bears N. 81°31' W., 160.00 feet; thence, S. 81°31' E., 70.58 feet to the east line of the parcel of land conveyed to the State of California by deed recorded April 29, 1960 in Book 539 of Official Records, Page 181, Mendocino County Records; thence, S. 7°31'16" W., along said east line, 43.09 feet to the southeast corner of said parcel of land; thence, N. 82°28'44" W., along the south line thereof, 76.18 feet to a point that bears S. 14°44'11" W., from the point of beginning; thence, N. 14°44'11" E., 44.63 feet to the point of beginning.

Containing 3,206.88 Square Feet or 0.074 Acres more or less.

Also, any interest in a non-exclusive right of way over a strip of land 40 feet in width along the southerly boundary of the above described parcel of land, extending westerly from the existing State Highway (now North State Street) to the southerly prolongation of the westerly line of the above described parcel of land. (Per Book 539, Official Records, Page 181, Mendocino County Records)

Excepting and Reserving to the State of California any and all rights of ingress to and egress from the highway hereby relinquished in and to the adjacent and adjoining freeway lying westerly of said relinquished highway, except at such points as now are or may be established by resolution of this Commission. Per Relinquishment No. 494, parcel 6, recorded in Book 654, of Official Records, Page 548, Mendocino County Records, recorded March 27, 1964.

This real property description has been prepared by me or under my direction in conformance with the Professional Land Surveyors' Act.

Arthur W. Colvin
Arthur W. Colvin L.S. 6112
Exp. Date: 3-31-08

B-21-07
Dated



APN: 169-113-27

(Being APN 169-113-27)