



ADDENDUM NO. 2
September 27, 2010

**REQUEST FOR PROPOSALS FOR
THE SALE OF THE ORANGE COUNTY FAIRGROUNDS**
(RFP No. AMB – 2010-8-24)

The [August 24, 2010 Request for Proposal](#) (RFP) indicated that a Purchase and Sales Agreement (PSA) would be provided in an addendum.

This Addendum No. 2 includes a sample PSA that will be the basis for the PSA to be executed between Buyer and State. Provisions of the PSA are necessarily dependent upon details of the selected proposal, and such provisions will be incorporated into the sample PSA prior to execution.

All other aspects of the request for proposal remain unchanged.

If you have any questions please call Dave Kalemba at (916) 376-1826.

PURCHASE AND SALES AGREEMENT
Orange County Fairgrounds
Costs Mesa, CA

This Purchase and Sales Agreement (Agreement) is made and entered into on this xx day of xxxxxxxx, 2010 (Effective date), by and between the STATE OF CALIFORNIA, acting by and through the Department of General Services (“STATE”), and the _____ (“BUYER”), collectively “PARTIES”.

RECITAL

- A. The State of California** owns that certain real property located at 88 Fair Drive in the city of Costa Mesa, county of Orange, California, and more particularly described in **Exhibit A**, which is incorporated herein as if fully set forth, (“Property”) which has been authorized to be disposed of pursuant to Section 3884.2 of the California Food and Agricultural Code.
- B. BUYER** has submitted the offer to purchase the Property, deemed most acceptable to the State, from multiple offers received in response to State’s Invitation to Bid.

AGREEMENT

In consideration of the foregoing Recitals which are incorporated herein as if fully set forth and for other good and valuable consideration, the **PARTIES** agree as follows:

1. PROPERTY

1.1 Property. STATE agrees to sell and convey to **BUYER**, and **BUYER** agrees to purchase from **STATE**, the Property, including all improvements, subject to the terms and conditions set forth in this Agreement.

2. PURCHASE PRICE

2.1 Purchase Price. The total purchase price to be paid by **BUYER** to **STATE** for Property shall be _____ Dollars.

2.2 Deposit **BUYER** has made a bid deposit of FIFTY THOUSAND AND NO/100 Dollars (\$50,000.00) which will be increased to a total deposit of the greater of \$50,000 or one percent (1%) of the purchase price set forth in section 2.1 above prior to the **STATE’S** execution of this Agreement. Upon the **STATE’S** execution of the Agreement, the **BUYER’S** total deposit shall be non-refundable except upon **STATE’S** breach of agreement or **BUYER’S** right to terminate. The total deposit will applied to the purchase at the close of escrow.

2.3 Terms of Payment. *TBD – In compliance with RFP, II*

3. CONDITIONS OF SALE

3.1 Close of Escrow, Title and Escrow. The date upon which **STATE** executes this Agreement shall constitute the commencement of the escrow period during which time the **BUYER** will complete the purchase of the Property and close escrow no later than December 31, 2010 unless otherwise agreed in writing between **PARTIES**.

Title to said Property shall pass immediately upon close of escrow. The **PARTIES** shall jointly issue escrow instructions and shall also jointly govern the escrow. An escrow account has been established with Fidelity National Title Company ("Title Company"), 1300 Dove Street, Suite 310, Newport Beach, CA, 92660, 949-622-5000. Title Company has issued a Preliminary Title Report dated July 7, 2010 ("Prelim") for the Property indicating the exceptions to title. The escrow account number established for this transaction is 628685-NP.

3.2 Buyer's Costs. **BUYER** shall pay all recording fees, documentary transfer taxes, escrow fees, policies of title insurance issued by Title Company, and any other costs connected with the closing of this transaction.

3.3 Intentionally Left Blank

3.4 As-Is Purchase. **BUYER** acknowledges that **BUYER** is purchasing the Property solely in reliance on **BUYER'S** own investigations. Except as provided in paragraph 4.4, **BUYER** specifically acknowledges and agrees that **STATE** will sell and **BUYER** will purchase the Property on an "as-is with all faults" basis, and that **BUYER**, having been given the opportunity to inspect the Property and review information and documentation affecting the Property, including any investigations, studies or documents identified under section 6.3 below, is not relying on any representations or warranties of any kind whatsoever, express or implied, from **STATE** or its agents as to any matters concerning the Property, including without limitation: (i.) the quality, nature, adequacy, and physical condition of the Property including soils, geology, and any groundwater; (ii.) the existence, quality, nature, adequacy, and physical condition of utilities serving the Property; (iii.) the development potential of the Property and the Property's use, merchantability, fitness, suitability, value, or adequacy of the Property for any particular purpose; (iv.) the zoning or other legal status of the Property or any other public or private restrictions on use of the Property; (v.) 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; (vi.) the presence of Hazardous Materials (as defined in section 3.4.2) on, under, or about the Property or the adjoining or neighboring property; (vii.) the condition of title to the Property; and (viii.) the economics of the operation of the Property. **BUYER** agrees to purchase the Property in the condition that it is in at close of escrow. **BUYER** assumes the risk of loss to any improvements and structures on the Property prior to close of escrow, and in the event of damages or destructions to improvements **STATE** or the 32 DAA shall be entitled to any insurance proceeds, if any, attributable to such damage or destruction. **BUYER** shall be responsible at **BUYER'S** sole expense for all demolition and any Hazardous Materials remediation required to make Property usable for **BUYER'S** intended purpose and **BUYER** releases the State of California, **STATE**, the 32nd District Agricultural Association and their employees or

agents from any claims, damages, costs or damages related to any Hazardous Materials on, under or in the Property or releases of any Hazardous Materials from the Property.

3.4.1 Land Use Entitlements & CEQA Requirements. Pursuant to Section 3884.2 (h) of the California Food and Agricultural Code, BUYER shall be subject to any local governmental land use entitlement approval requirements and to Chapter 3 (commencing with Section 21100) to Chapter 6 (commencing with Section 21165), inclusive, of Division 13 of the California Public Resources Code.

3.4.2 Hazardous Materials. As used herein, the term "Hazardous Materials" includes, without limitation, any flammable explosives, radioactive materials, Hazardous Materials, hazardous wastes, hazardous or toxic substances, or related materials defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C §9601 et seq.), the Hazardous Materials Transportation Act, as amended (49 U.S.C. §1801 et seq.), the Resource Conservation and Recovery Act of 1976, as amended (42 U.S.C. §6901 et seq.), Section 25117 of the California Health and Safety Code, Section 25316 of the California Health and Safety Code, and in the regulations adopted and publications promulgated pursuant to them, or any other Federal, State, or local environmental laws, ordinances, rules, or regulations concerning the environment, industrial hygiene or public health or safety now in effect or enacted after this date.

3.5 Title Conditions. BUYER has reviewed the Prelim referred to in section 3.1 above.

3.5.1 No Buyer Exceptions. BUYER agrees that a CLTA title policy will be issued by Title Company in accordance with the title exceptions identified in the Prelim, and that there are no conditions or contingencies related to title.

3.6 Further Documents and Assurances. BUYER and STATE shall each, diligently and in good faith, undertake all actions and procedures reasonably required to place the escrow in condition for closing as and when required by this Agreement. BUYER and STATE agree to execute and deliver all further documents and instruments reasonably required by Title Company. STATE shall deliver or cause to be delivered to escrow holder in time for delivery to BUYER at the closing an original ink signed Quitclaim Deed, should BUYER be a public agency, or Grant Deed, should BUYER be a private entity, duly executed and in recordable form, conveying fee title to the Property to BUYER. Deeds to be in a form substantially consistent with the sample deeds included herein as **Exhibit B**.

3.7 Personal Property. BUYER acknowledges that this Agreement pertains only to the acquisition of the Property's real property and improvements. Excluded from this Agreement are items of personal property such as furniture, vehicles, equipment and/or other items not affixed to the real property including, but not limited to, those items of personal property specifically identified in **Exhibit C**

4. SELLER'S REPRESENTATIONS, WARRANTIES, AND DISCLOSURES

In addition to any express agreements of STATE contained herein, the following constitute

representations and warranties of **STATE to BUYER**, of this Agreement:

4.1 Reliability of Information. **STATE** obtained the information contained in this Agreement from sources deemed reliable; however, **STATE** makes no representations, warranties or guarantees as to the accuracy of the information provided. **STATE** provides the information solely as an aid to **BUYER** and **BUYER** should conduct its own investigations of the Property.

4.2 Authority of State. **STATE** is a government entity, duly organized and validly existing under the laws of the State of California. **STATE** has full power and authority to sell, and convey the Property to **BUYER** and to enter into and perform its obligations pursuant to this Agreement.

4.3 Taxes. The State of California is exempt from property taxes and assessments and none are or will be owing at close of escrow.

4.4 Disclosures. **BUYER** acknowledges that **BUYER** is purchasing the Property solely in reliance on **BUYER'S** own investigations and no representations or warranties of any kind whatsoever, expressed or implied, have been made by **STATE, STATE'S** agents, or brokers (if any), including in any investigations, studies or documents identified under section 6.3 below.

4.5 Broker. **STATE** has not retained the services of any broker for the transactions contemplated under this Agreement.

4.6 Absence of Fraud and Misleading Statements. To the best of **STATE'S** knowledge, no statement of **STATE** in this Agreement or in any document, certificate, or schedule furnished or to be furnished to **BUYER** pursuant hereto or in connection with the transaction contemplated hereby contains any untrue statement of material fact.

5. BUYERS REPRESENTATIONS AND WARRANTIES

In addition to any express agreements of **BUYER** contained herein, the following constitute representations and warranties of **BUYER to STATE**, of this Agreement:

5.1 Representations Regarding BUYER'S Authority.

(a) **BUYER** has the legal power, right and authority to enter into this Agreement and the instruments referenced herein, and to consummate the transactions contemplated in this Agreement.

(b) The individual(s) executing this Agreement and the instruments referenced herein on behalf of **BUYER** have the legal power, right, and actual authority to bind **BUYER** to the terms and conditions hereof and thereof.

(c) This Agreement is, and all other instruments, documents and agreements required to be executed and delivered by **BUYER** in connection with this Agreement are and shall be, duly authorized, executed and delivered by **BUYER** and shall be valid, legally binding obligations of and enforceable against **BUYER**

in accordance with their terms.

(d) No further approvals or actions are required for **BUYER** to consummate the transactions contemplated in this Agreement and **BUYER** has the funds necessary to consummate the transaction contemplated in this Agreement.

5.2 Regulatory Authority. **BUYER** further acknowledges, represents and warrants that as of the close of escrow **BUYER** is aware of all zoning regulations, other governmental requirements, site and physical conditions, including the presence of Hazardous Materials or other adverse environmental conditions if any, and other matters affecting the use and condition of the Property.

5.3 Broker. **BUYER** has not retained the services of any broker for the transactions contemplated under this Agreement.

5.4 General Representation. No representation, warranty or statement of **BUYER** in this Agreement or in any document, certificate or schedule furnished or to be furnished to **STATE** pursuant hereto contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact necessary to make the statements or facts contained therein not misleading. **BUYER'S** representations and warranties made in this Agreement shall be continuing and shall be true and correct as of the date of the close of escrow with the same force and effect as if remade by **BUYER** in a separate certificate at that time. The truth and accuracy of **BUYER'S** representations and warranties made herein shall constitute a condition for the benefit of **STATE** to the close of escrow (as elsewhere provided herein) and shall not merge into the close of escrow or the recordation of the quitclaim in the Official Records, and shall survive the close of escrow.

6. DUE DILIGENCE

6.1 Buyer's Investigation of Property Condition. Real property often contains defects and conditions which are not readily apparent and which may affect the value or desirability of the Property. Therefore, it is the affirmative duty of **BUYER** to exercise reasonable care to discover those facts which are unknown to **BUYER** or within the diligent attention and observation of **BUYER**. **BUYER** acknowledges that **BUYER** has been given the opportunity to complete an investigation of the Property prior to the execution of this Agreement, and that **BUYER** accepts the condition of the Property "as-is" as of the date of this Agreement.

6.2 Buyer's Acceptance of Property Condition and Inspections. **BUYER'S** acceptance of the condition of the Property is not a condition to performance under this Agreement. **BUYER** accepts the "as-is" condition of the Property as of the date of this Agreement. **BUYER** may, however, continue to conduct inspections, investigations, tests, surveys, and other studies during from the date of this Agreement until Close of Escrow at **BUYER'S** expense upon execution of a Right of Entry (ROE) from **STATE** in the form attached as **Exhibit D**. **BUYER** agrees to provide to **STATE**, at no cost, upon request of **STATE**, complete copies of all inspection reports obtained by **BUYER** concerning the Property. **BUYER** shall provide to **STATE** in writing the identity of the contractor(s) or entity(s) conducting the inspections and the nature and scope of the inspections for inclusion if the ROE. **STATE PROHIBITS ENTRY ONTO THE**

PROPERTY WITHOUT AN EXECUTED ROE. Subject to the terms of the ROE, the **BUYER**, its representatives, authorized agents, or contractors may enter on the Property to make such inspections of the Property provided that **BUYER** keeps the Property free of liens and repairs all damage to the Property resulting from such inspection(s).

6.3 Scope of Buyer's Investigations. **BUYER** agrees and warrants, or by the failure to do so shall have waived any rights to do so hereunder, that prior to the execution of this Agreement **BUYER** has investigated the condition and suitability of all aspects of the Property and all matters affecting the value or desirability of the Property, including but not limited to the following:

6.3.1 Condition of systems and components. Building foundations, improvements, plumbing, siding, electrical, heating, mechanical, roof, air conditioning, built-in appliances, security, and any other structural or nonstructural systems and components, and the energy efficiency of the Property.

6.3.2 Size and age of improvements. Structure count, room count, room dimensions, square footage in improvements, lot size, and age of the improvements.

6.5.3 Lines and boundaries. Property lines and boundaries.

6.5.4 Waste disposal. Type, size, adequacy, and condition of sewer and/or septic systems and components.

6.3.5 Governmental requirements and limitations. Availability of required governmental permits, inspections, certificates, or other determinations affecting the Property, including historical significance. Any limitations, restrictions, zoning, building size requirements, or other requirements effecting the current or future use or development of the Property.

6.5.6 Rent and occupancy controls. Any restrictions that may limit the amount of rent that can legally be charged and the maximum number of persons who can lawfully occupy the Property.

6.5.7 Water and utilities; well systems and components. Availability, adequacy, and condition of public or private systems.

6.5.8 Environmental hazards. The presence of asbestos, formaldehyde, radon, methane, other gases, lead based paint, other lead contamination, fuel or chemical storage tanks, waste disposal sites, electromagnetic fields, and other substances, materials, products, or conditions.

6.5.9 Geologic conditions. Geologic/seismic conditions, soil stability/suitability, and drainage.

6.5.10 Neighborhood, area, subdivision requirements. Neighborhood or area conditions including schools; proximity and adequacy of law enforcement; proximity to commercial, industrial, or agricultural activities; crime statistics; fire protection; other governmental services; existing and proposed transportation;

construction and development which may affect noise, view or traffic; airport noise; and noise or odor from any source, wild or domestic.

6.5.11 Matters of record. Covenants, conditions, and restrictions; deed restrictions; easements; and other title encumbrances of record.

6.5.12 Other matters. Any and all other matters such as availability of suitable public infrastructure, assessment, other special service districts, and soil or other conditions on the Property, not herein listed, which are or may be pertinent to **BUYER'S** purpose for acquiring the Property.

7. INDEMNIFICATION

BUYER shall defend, indemnify, and hold the **STATE** harmless from and against any and all claims, liabilities, obligations, losses, damages, costs, and expenses, including, but not limited to, attorney's fees, court costs, and litigation expenses that **STATE** may incur or sustain by reason of or in connection with any misrepresentation made by the **BUYER** pursuant to this Agreement or by **BUYER's** or **BUYER'S** representatives, authorized agents, or contractors exercise of rights under section 6.5 of this Agreement.

8. MINERAL RESERVATIONS

The **STATE** shall except and reserve all mineral deposits, as defined in Section 6407 of the Public Resources Code, together with the right to prospect for, mine, and remove the deposits without rights of surface entry in a plane from the surface to a depth of 500 feet below the surface.

9. PRIOR AGREEMENTS

This Agreement, in effect as of the Date of Agreement, supersedes any and all prior agreements between **STATE** and **BUYER** regarding the Property.

10. NOTICES

Any notice, tender, delivery, or other communication pursuant to this Agreement shall be in writing and shall be deemed to be properly given if delivered, mailed or sent by wire or other telegraphic communication in the manner provided in this Agreement, to the following persons:

TO STATE: **DEPARTMENT OF GENERAL SERVICES**
ASSET MANAGEMENT BRANCH
707 3RD STREET, 6TH FLOOR
WEST SACRAMENTO, CA 95605
ATTN: Dave Kalemba, Senior Real Estate Officer

TO BUYER:

11. CALCULATION OF TIME

Under this Agreement, when the day upon which performance would otherwise be required or permitted is a Saturday, Sunday or holiday, then the time for performance shall be extended to the next day which is not a Saturday, Sunday or holiday. The term "holiday" shall mean all and only those State holidays specified in Sections 6700 and 7701 of the California Government Code.

12. TIME OF ESSENCE

Time is of the essence of this Agreement and each and every provision hereof.

13. ENTIRE AGREEMENT

This Agreement shall constitute the entire understanding and agreement of the **PARTIES** hereto regarding the purchase and sale of the Property and all prior agreements, understandings, representations or negotiations are hereby superseded, terminated and canceled in their entirety, and are of no further force or effect.

14. AMENDMENTS

This Agreement may not be modified or amended except in writing by the **PARTIES**.

15. APPLICABLE LAW

The **PARTIES** hereto acknowledge that this Agreement has been negotiated and entered into in the State of California. The **PARTIES** hereto expressly agree that this Agreement shall in all respects be governed by the laws of the State of California and any action to enforce the terms of this Agreement shall be commenced and maintained in the Superior Court of the County of Sacramento.

16. SEVERABILITY

Nothing contained herein shall be construed as to require the commission of any act contrary to law, and wherever there is any conflict between any provision contained herein and any present statute, law, ordinance or regulation as to which the **PARTIES** have no legal right to contract, the latter shall prevail, but the affected provisions of this Agreement shall be limited only to the extent necessary to bring them within the requirements of such law.

17. SEPARATE COUNTERPARTS

This Agreement may be executed in separate counterparts, each of which when so executed shall be deemed to be an original. Such counterparts shall, together, constitute and be one and the same instrument.

18. EXHIBITS

The following Exhibits are attached to this Agreement and incorporated by reference herein.

- Exhibit A. Legal Description
- Exhibit B: Sample Deeds
- Exhibit C: Partial List of Personal Property
- Exhibit D: Right of Entry Agreement

19. SURVIVAL

All terms and conditions in this Agreement, which represent continuing obligations and duties of the **PARTIES**, that have not been satisfied prior to close of escrow shall survive close of escrow and transfer of title to **BUYER** and shall continue to be binding on the respective obligated party in accordance with their terms. All representations and warranties and statements made by the respective parties contained herein or made in writing pursuant to this Agreement are intended to be, and shall remain, true and correct as of the close of escrow, shall be deemed to be material, and, together with all conditions, covenants and indemnities made by the respective parties contained herein or made in writing pursuant to this Agreement (except as otherwise expressly limited or expanded by the terms of this Agreement), shall survive the execution and delivery of this Agreement and the close of escrow, or, to the extent the context requires, beyond any termination of this Agreement.

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

BUYER

By: _____

By: _____

STATE

STATE OF CALIFORNIA
DEPARTMENT OF GENERAL SERVICES
REAL ESTATE SERVICES DIVISION

BY: _____

707 Third Street, 5th Floor
West Sacramento, CA 95605
(916) 376-1814

Date: _____

SAMPLE

EXHIBIT A

LEGAL DESCRIPTION

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

PARCEL 1:

THAT PORTION OF LOT A OF THE BANNING TRACT, IN THE CITY OF COSTA MESA, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SHOWN ON A MAP OF SAID TRACT FILED IN THE CASE OF HANCOCK BANNING VS. MARY H. BANNING FOR PARTITION AND BEING CASE NO. 6385 UPON THE REGISTER OF ACTIONS OF THE SUPERIOR COURT OF THE STATE OF CALIFORNIA IN AND FOR THE COUNTY OF LOS ANGELES, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE CENTER LINE OF THE OLD SANTA ANA ROAD WITH THE NORTH LINE OF LOT A OF SAID BANNING TRACT, AS SHOWN ON A MAP FILED IN BOOK 20 PAGE 31 OF RECORD OF SURVEYS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID ORANGE COUNTY, THENCE ALONG THE NORTH LINE OF SAID LOTA OF BANNING TRACT; SOUTH 89' 56' 13" EAST 876.58 FEET TO THE TRUE POINT OF BEGINNING; THENCE SOUTH 2400.86 FEET; THENCE EAST 2087.88 FEET TO THE NORTHWESTERLY LINE OF A 50 FOOT RIGHT OF WAY, FORMERLY THE SOUTHERN PACIFIC RAILROAD RIGHT OF WAY, AS PER DEED TO THE STATE OF CALIFORNIA, RECORDED NOVEMBER 20, 1935 IN BOOK 790, PAGE 155 OF OFFICIAL RECORD OF SAID ORANGE COUNTY, AS SHOWN ON SAID MAP FILED IN BOOK 20 PAGE 31 OF RECORD OF SURVEYS; THENCE ALONG THE NORTHWESTERLY BOUNDARY OF SAID RIGHT OF WAY, NORTH 40' 15' 50" EAST 3140.18 FEET TO THE NORTH LINE OF SAID LOT A OF BANNING TRACT; THENCE ALONG THE NORTH LINE OF SAID LOT A OF BANNING TRACT; NORTH 89' 56' 13" WEST 4121.55 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPT ALL MAIN LINES OF THE POWER SYSTEM, ALL MAIN LINES OF THE WATER SYSTEM AND ALL MAIN LINES OF THE SEWAGE SYSTEM NOW LOCATED THEREON, AS RESERVED BY THE UNITED STATES OF AMERICA IN DEED RECORDED AUGUST 19, 1949 IN BOOK 1891, PAGE 112, OFFICIAL RECORDS, TOGETHER WITH THE APPURTENANCE PERTAINING TO SAID MAIN LINES.

ALSO EXCEPT ALL OIL, GAS AND OTHER ASSOCIATED HYDROCARBON SUBSTANCES LOCATED THEREIN, TOGETHER WITH EASEMENTS FOR DRILLING SITES ADEQUATE FOR DRILLING, OPERATING, EXTRACTING AND PRODUCING SAID SUBSTANCES, EASEMENTS FOR NECESSARY EXPLORATION, PIPE LINES AND OTHER STRUCTURES NECESSARY FOR THE DEVELOPMENT OF SAID RESERVED MINERALS, WITH EASEMENTS FOR NECESSARY MEANS OF INGRESS TO AND EGRESS FROM SAID IMPROVEMENTS, AS RESERVED BY THE UNITED STATES OF AMERICA IN DEED RECORDED AUGUST 19, 1949 IN BOOK 1891, PAGE 112, OFFICIAL RECORDS.

ALSO EXCEPT IN ACCORDANCE WITH EXECUTIVE ORDER 9908 APPROVED DECEMBER 5, 1947 (12 F. R. 8223), ALL URANIUM, THORIUM AND ALL OTHER MATERIALS DETERMINED PURSUANT TO SECTION 5 (B) (1) OF THE ATOMIC ENERGY ACT OF 1946 (60 STAT. 761). TO BE PECULIARLY ESSENTIAL TO THE PRODUCTION

OF FISSIONABLE MATERIAL, CONTAINED, IN WHATEVER CONCENTRATION, IN DEPOSITS IN THE LANDS COVERED BY THIS INSTRUMENT, TOGETHER WITH THE RIGHT OF THE UNITED STATES THROUGH ITS AUTHORIZED AGENTS OR REPRESENTATIVES AT ANY TIME TO ENTER UPON THE LAND AND PROSPECT FOR, MINE AND RESERVE THE SAME, MAKING JUST COMPENSATION FOR ANY DAMAGE OR INJURY, OCCASIONED THEREBY. HOWEVER, SUCH LAND MAY BE USED, AND ANY RIGHTS OTHERWISE ACQUIRED BY THIS DISPOSITION MAY BE EXERCISED, AS IF NO RESERVATION OF SUCH MATERIALS HAD BEEN MADE, EXCEPT THAT, WHEN SUCH USE RESULTS IN THE EXTRACTION OF ANY SUCH MATERIAL FROM THE LAND IN QUANTITIES WHICH MAY NOT BE TRANSFERRED OR DELIVERED WITHOUT A LICENSE UNDER THE ATOMIC ENERGY ACT OF 1946, AS IT NOW EXISTS OR MAY HEREAFTER BE AMENDED, SUCH MATERIAL SHALL BE THE PROPERTY OF THE UNITED STATES ATOMIC ENERGY COMMISSION, AND THE COMMISSION MAY REQUIRE DELIVERY OF SUCH MATERIAL TO IT BY ANY POSSESSOR THEREOF AFTER SUCH MATERIAL HAS BEEN SEPARATED AS SUCH FROM THE ORES IN WHICH IT WAS CONTAINED. IF THE COMMISSION REQUIRES THE DELIVERY OF SUCH MATERIAL TO IT, IT SHALL PAY TO THE PERSON MINING OR EXTRACTING THE SAME, OR TO SUCH OTHER PERSON AS THE COMMISSION DETERMINES TO BE ENTITLED THERETO, SUCH SUMS, INCLUDING PROFITS AS THE COMMISSION DEEMS FAIR AND REASONABLE FOR THE DISCOVERY, MINING, DEVELOPMENT, PRODUCTION, EXTRACTION, AND OTHER SERVICES, PERFORMED WITH RESPECT TO SUCH MATERIAL PRIOR TO SUCH DELIVERY, BUT SUCH PAYMENT SHALL NOT INCLUDE ANY AMOUNT ON ACCOUNT OF THE VALUE OF SUCH MATERIAL BEFORE REMOVAL FROM ITS PLACE OF DEPOSIT IN NATURE, IF THE COMMISSION DOES NOT REQUIRE DELIVERY OF SUCH MATERIAL TO IT, THE RESERVATION HEREBY MADE SHALL BE OF NO FURTHER FORCE OR EFFECT, AS RESERVED BY THE UNITED STATES OF AMERICA, IN DEED RECORDED AUGUST 19, 1949 IN BOOK 1891, PAGE 112, OFFICIAL RECORDS.

ALSO EXCEPT THAT PORTION THEREOF CONVEYED TO SOUTHERN CALIFORNIA BIBLE COLLEGE BY QUIT CLAIM DEED RECORDED FEBRUARY 4, 1955 IN BOOK 2946, PAGE 337 OF OFFICIAL RECORDS OF SAID ORANGE COUNTY.

ALSO EXCEPT THEREFROM THAT PORTION THEREOF DESCRIBED IN THE AGREEMENT FOR TRANSFER OF CONTROL AND POSSESSION OF LAND OWNED BY THE STATE FOR HIGHWAY PURPOSES RECORDED JANUARY 22, 1962 IN BOOK 5982, PAGE 815 OF OFFICIAL RECORDS.

ALSO EXCEPT THEREFROM THAT PORTION THEREOF DESCRIBED IN THE AGREEMENT FOR THE TRANSFER OF CONTROL AND POSSESSION OF STATE-OWNED LAND FOR HIGHWAY PURPOSES NEWPORT FREEWAY ORA-55 RECORDED AUGUST 5, 1971 IN BOOK 9748, PAGE 806 OF OFFICIAL RECORDS.

PARCEL 2:

THAT PORTION OF LOT A OF BANNING TRACT, IN THE CITY OF COSTA MESA, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SHOWN ON A MAP FLIED IN THE CASE OF HANCOCK BANNING VS. MARY H. BANNING FOR PARTITION IN CASE NO. 6385, UPON THE REGISTER OF ACTION OF THE SUPERIOR COURT OF THE STATE OF CALIFORNIA, IN AND FOR THE COUNTY OF LOS ANGELES, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE CENTER LINE OF THE OLD SANTA ANA ROAD WITH THE NORTH LINE OF LOT A OF SAID BANNING TRACT AS SHOWN ON A MAP FILED IN BOOK 20 PAGE 31 OF RECORD OF SURVEYS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID ORANGE COUNTY; THENCE SOUTH 89' 56' 13" EAST 876.98 FEET ALONG THE NORTH LINE OF SAID LOT A; THENCE SOUTH 1775.86 FEET TO THE NORTHERLY LINE OF THE 100 FOOT STRIP OF LAND DESCRIBED IN DEED OF RIGHT OF WAY FOR "FAIR DRIVE" TO ORANGE COUNTY, RECORDED AUGUST 2, 1950 IN BOOK 2050, PAGE 59 OF OFFICIAL RECORDS OF SAID ORANGE COUNTY; THENCE NORTH 89' 56' 13" WEST 881.63 FEET TO THE CENTER LINE OF SAID OLD SANTA ANA ROAD; THENCE NORTH 1775.86 FEET TO THE POINT OF BEGINNING.

SAID LAND IS INCLUDED WITHIN THE AREA SHOWN ON A MAP FILED IS. BOOK 20 PAGE 31 OF RECORD OF SURVEYS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID ORANGE COUNTY.

ALSO EXCEPT IN ACCORDANCE WITH EXECUTIVE ORDER NO. 9908, APPROVED ON DECEMBER 5, 1947 (12 F. R. 8223), BY DEED RECORDED JUNE 12, 1948 IN BOOK 1652, PAGE 267 OF OFFICIAL RECORDS, ALL URANIUM, THORIUM; AND ALL OTHER MATERIALS DETERMINED PURSUANT TO SECTION 5 (B) (1) OF THE ATOMIC ENERGY ACT OF 1946 (60 STAT. 761) TO BE PECULIARLY ESSENTIAL, TO THE PRODUCTION OF FISSIONABLE MATERIAL, CONTAINED, IN WHATEVER CONCENTRATION, IN DEPOSITS IN THE LANDS COVERED BY THIS INSTRUMENT ARE HEREBY RESERVED FOR THE USE OF THE UNITED STATES, TOGETHER WITH THE RIGHT OF THE UNITED STATES THROUGH ITS AUTHORIZED AGENTS OR REPRESENTATIVE AT ANY TIME TO ENTER UPON THE LAND AND PROSPECT FOR, MINE AND REMOVE THE SAME, MAKING JUST COMPENSATION FOR ANY DAMAGE OR INJURY OCCASIONED THEREBY. HOWEVER, SUCH LAND MAY BE USED, AND ANY RIGHTS OTHERWISE ACQUIRED BY THIS DISPOSITION MAY BE EXERCISED, AS IF NO RESERVATION OF SUCH MATERIALS HAD BEEN MADE; EXCEPT THAT, WHEN SUCH USE RESULTS IN THE EXTRACTION OF ANY SUCH MATERIAL FROM THE LAND IN QUANTITIES WHICH MAY NOT BE TRANSFERRED OR DELIVERED WITHOUT A LICENSE UNDER THE ATOMIC ENERGY ACT OF 1946, AS IT NOW EXISTS OR MAY HEREAFTER BE AMENDED, SUCH MATERIAL SHALL BE THE PROPERTY OF THE UNITED STATES ATOMIC ENERGY COMMISSION, AND THE COMMISSION MAY REQUIRE DELIVERY OF SUCH MATERIAL TO IT BY ANY POSSESSOR THEREOF AFTER SUCH MATERIAL HAS BEEN SEPARATED AS SUCH FROM THE ORES IN WHICH IT WAS CONTAINED. IF THE COMMISSION REQUIRED THE DELIVERY OF SUCH MATERIAL, TO IT, IT SHALL PAY TO THE PERSON MINING OR EXTRACTING THE SAME, OR TO SUCH OTHER PERSONS AS THE COMMISSION DETERMINES TO BE ENTITLED THERETO, SUCH SUMS, INCLUDING PROFITS, AS THE COMMISSION DEEMS FAIR AND REASONABLE FOR THE DISCOVERY, MINING, DEVELOPMENT, PRODUCTION, EXTRACTION, AND OTHER SERVICES PERFORMED WITH RESPECT TO SUCH MATERIAL PRIOR TO SUCH DELIVERY, BUT SUCH PAYMENT SHALL NOT INCLUDE ANY AMOUNT ON ACCOUNT OF THE VALUE OF SUCH MATERIAL BEFORE REMOVAL FROM ITS PLACE OF DEPOSIT IN NATURE. IF THE COMMISSION DOES NOT REQUIRE DELIVERY OF SUCH MATERIALS TO IT, THE RESERVATION HEREBY MADE SHALL BE OF NO FURTHER FORCE OR EFFECT, AS RESERVED BY THE UNITED STATES OF AMERICA, IN THE DEED RECORDED MARCH 9, 1949 IN BOOK 1812, PAGE 313 OF OFFICIAL RECORDS.

ALSO EXCEPT ALL MAIN LINES OF THE POWER SYSTEM AND ALL MAIN LINES OF THE WATER SYSTEM AND ALL MAIN LINES OF THE SEWAGE SYSTEM NOW LOCATED THEREON, AND AS RESERVED BY THE UNITED STATES OF AMERICA, IN DEED

RECORDED MARCH 9, 1949 IN BOOK 1812, PAGE 313 OF OFFICIAL RECORDS OF SAID ORANGE COUNTY, WHICH RECITES "AS SHOWN ON RECORD OF SURVEY MAP FILED IN BOOK 20 PAGE 31 OF RECORDS OF SURVEYS OF SAID ORANGE COUNTY."

ALSO EXCEPT THE OIL, GAS AND OTHER ASSOCIATED HYDROCARBON SUBSTANCES LOCATED THEREIN, TOGETHER WITH EASEMENTS FOR DRILLING SITES ADEQUATE FOR DRILLING, OPERATING, EXTRACTING AND PRODUCING SAID SUBSTANCES, EASEMENTS FOR NECESSARY EXPLORATION, PIPE LINES AND OTHER STRUCTURES NECESSARY FOR THE DEVELOPMENT OF SAID RESERVED MINERALS, WITH EASEMENTS FOR NECESSARY MEANS OF INGRESS TO AND EGRESS FROM SAID IMPROVEMENTS, AS RESERVED BY THE SOUTHERN CALIFORNIA BIBLE COLLEGE IN DEED RECORDED FEBRUARY 4, 1955 IN BOOK 2946, PAGE 325 OF OFFICIAL RECORDS.

PARCEL 3:

THAT PORTION OF LOT A OF THE BANNING TRACT, IN THE RANCHO SANTIAGO DE SANTA ANA, CITY OF COSTA MESA, COUNTY OF ORANGE, AS SHOWN ON A MAP RECORDED IN CASE NO. 6385 UPON THE REGISTER OF ACTIONS IN THE SUPERIOR COURT OF CALIFORNIA, IN AND FOR THE COUNTY OF LOS ANGELES, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTHWESTERLY LINE OF A 50 FOOT STRIP OF LAND, FORMERLY THE SOUTHERN PACIFIC RIGHT OF WAY, AS DESCRIBED IN DEED TO THE STATE OF CALIFORNIA RECORDED IN BOOK 790, PAGE 155, OFFICIAL RECORDS OF ORANGE COUNTY, WITH THE NORTHERLY LINE OF FAIR DRIVE, 100 FEET WIDE, DESCRIBED IN DEED TO ORANGE COUNTY RECORDED IN BOOK 2050, PAGE 59, OFFICIAL RECORDS OF SAID ORANGE COUNTY; THENCE ALONG SAID NORTHERLY LINE NORTH 89° 39' 07" WEST 1108.66 FEET TO A POINT OF TANGENCY, IN THE NORTHERLY LINE OF SAID FAIR DRIVE AS RELOCATED, OF A CURVE CONCAVE SOUTHWESTERLY WITH A RADIUS OF 1050 FEET, THENCE SOUTHEASTERLY ALONG THE LINE OF SAID CURVE TO AN ANGLE POINT WITH A NON-TANGENT LINE IN THE NORTHERLY LINE OF THE LAND OF THE STATE OF CALIFORNIA FOR NEWPORT FREEWAY; THENCE ALONG SAID NON-TANGENT LINE TO ITS INTERSECTION WITH A CURVE CONCAVE SOUTHERLY AND HAVING A RADIUS OF 830 FEET; THENCE CONTINUING ALONG THE NORTHERLY LINE OF SAID FREEWAY AND ALONG SAID CURVE TO THE INTERSECTION OF THE NORTHERLY LINE OF FAIR DRIVE AS CONVEYED TO THE COUNTY OF ORANGE BY DEED RECORDED IN BOOK 2050, PAGE 59, OFFICIAL RECORDS OF SAID ORANGE COUNTY; THENCE NORTH 89° 39' 07" WEST ALONG SAID NORTHERLY LINE 514.34 FEET TO THE POINT OF BEGINNING.

SAID LAND IS ALSO SHOWN ON THAT CERTAIN RESOLUTION NO. 842 OF THE CITY COUNCIL OF COSTA MESA WHICH RECORDED MAY 18, 1961 AS INSTRUMENT NO. 12646 IN BOOK 5725, PAGE 604 OF OFFICIAL RECORDS.

APN: 141-342-38, 141-342-39, 141-342-40 and 141-342-41

EXHIBIT B
SAMPLE DEEDS
(FORTHCOMING)

SAMPLE

EXHIBIT C

PARTIAL LIST OF PERSONAL PROPERTY NOT INCLUDED IN SALE

Number of Items	Description	Number of Items	Description
1	Pac Amp Production Equipment	1	Storage Container (SN #BZ12NAP004)
1	Time Clock Upgrade	1	Genie Scissor Lift (SN #47787)
1	Backhoe	1	Taylor-Dunn Cart (SN #151092)
1	Info Booth Improvements	1	Taylor-Dunn Cart (SN #151091)
1	Forklift	2	Taylor-Dunn Carts (SN #151089/151090)
1	Ford Escape	1	Taylor-Dunn Cart (SN #151088)
1	Portable Traffic Reader Board	1	Bobcat Loader
1	Ford F-150 Pick Up Truck	1	Backhoe
1	Gas Cart - Parking Dept.	1	Dell PowerEdge 2550 Server
1	Trash Compactor Refurbishment	1	Cardboard Baler
1	Exhibit Display Walls	2	Electric Carts
14	Copiers	3	Electric Carts
1	Striping Spray Rig	1	Electrical Generator
1	Hussongs Design	1	80' Man Lift
1	Generator	1	Portable Reader Board
3	Ticket Booths	2	Light Tower
1	Exhibit Wall System	1	Floor Scrubber
1	Floor Scrubber	1	Ungerboeck Systems - Software
1	Parking Cart	1	Laminator
1	Asphalt roller	1	Panel Fencing
1	Dump Truck	2	Utility Trailers
1	Electronic Readerboard - S/N: 1M9BM14105C570590	1	Yamaha Cart (Seats/Roof)
1	LaserFiche and Scantuit Image Processing software	1	2000 GMC Sierra Pickup Truck
1	Color Scanner - S/N: 003944	1	Tent #8 Fabric Replacement
1	Admissions Cart - Serial No. 042044154	1	2000 GMC Sierra Pickup Truck
1	Community Relations Cart Model #B2-48	1	Automated Ticketing System
1	Maintenance Operation Cart Model #B2-48	1	Carnival POP Ticketing System
1	Maintenance Operation Cart Model #B2-48	1	2000 Heli Forklift
1	Parking Department Cart - Yamaha G-16AL	2	Taylor-Dunn Carts (Tugs)
1	Postage/Folding Machine	1	Taylor-Dunn Cart (Flatbed)
1	Livestock Fencing	1	Jeep Cherokee
1	Automated Time Clock System	1	Tractor - Eberhard Euip
1	Rider Sweeper/Scrubber	1	1999 Lasher GMC/Dodge Truck
1	Centennial Farm Cart	1	1999 Lasher GMC/Dodge Truck
1	Forklift	1	Trash Compactor
1	Dell PowerEdge 2650 Server / Software	1	Photo ID system
2	Taylor-Dunn 4 Wheel Elec Burden Carrier	1	Riding Lawn Mower
1	8-Port Serial & Ethernet Communication Server (HR)	1	1998 GMC Pick-up Truck
3	Ticket Booths (SN #2236/2237/2238)	6	Taylor-Dunn Electric Carts
		2	Trash Compactor containers, 40 cubic yds

EXHIBIT D
RIGHT OF ENTRY (ROE) AGREEMENT

RIGHT OF ENTRY

**STATE OF CALIFORNIA
DEPARTMENT OF GENERAL SERVICES
ORANGE COUNTY FAIR AND EVENT CENTER
COSTA MESA, CALIFORNIA**

This *Right of Entry* is made and entered into on this _____ day of _____, 2009, between the State of California, acting by and through its Director of General Services hereinafter called **STATE**, and _____ hereinafter called **PERMITEE**.

WHEREAS, STATE is in the process of offering for sale the improved property consisting of approximately 150 acres located at 88 Fair Drive, Costa Mesa, California, and more commonly referred to as the Orange County Fair and Event Center

WHEREAS, as a part of the due diligence process, **STATE** will allow interested parties access to the property where designated herein and approved by **STATE** to inspect the property or to conduct inspections, studies and evaluations including, but not limited to: paleontological, archeological, geotechnical, historical, hazardous materials and other studies and investigations on the property to assist them in making certain decisions concerning the property.

NOW, THEREFORE, STATE does hereby give permission to **PERMITEE** to enter upon those lands outlined, on the attached Exhibit "A", consisting of one (1) page, and by this reference made a part hereof, for the purpose of conducting those inspections, evaluations and studies identified herein.

This Right of Entry is subject to the following terms and conditions:

1. **PERMITEE'S** entry onto said property shall be allowed by **STATE** only upon **STATE'S** and **PERMITEE'S** execution of this *Right of Entry*.
2. **PERMITEE** acknowledges that entry onto the property under this *Right of Entry* shall be at **PERMITEE'S** own expense and risk.
3. **PERMITEE** may conduct the following inspections, studies and/or evaluations of the property:
 - A. Paleontological, archeological, geotechnical, historical, hazardous materials and other physical studies and/or investigations.
4. Only **PERMITEE'S** contractors or the entities identified below shall conduct the inspections, studies, and/or evaluations of the property specified herein. (*Attach additional sheets if necessary.*):

- A. Entity/Contractor _____, Telephone _____
Address _____, City _____, State _____
Personnel _____, Telephone _____
Personnel _____, Telephone _____
- B. Entity/Contractor _____, Telephone _____
Address _____, City _____, State _____
Personnel _____, Telephone _____
Personnel _____, Telephone _____

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C. Entity/Contractor _____, Telephone _____
 Address _____, City _____, State _____
 Personnel _____, Telephone _____
 Personnel _____, Telephone _____

In the event **PERMITTEE** wishes to bring additional contractors or entities, other than those named on this *Right of Entry*, onto said property, **PERMITTEE** shall provide the **STATE** the same information, as outlined above, for all such contractors or entities as part the notification process as described in item 5. below. This Right of Entry is subject to existing contracts, leases, licenses, encumbrances and claims which may affect said property.

5. Entry onto the property will be available on a daily basis, Monday through Friday, between the hours of 8:00 a.m. and 5:00 p.m. Prior to each entry onto said property at the specified times, **PERMITTEE** shall contact by E-Mail and telephone Dave Kalembo, Senior Real Estate Officer, Department of General Services, Asset Management Branch, Asset Enhancement Section, Appraisals, E-MAIL: dave.kalembo@dgs.ca.gov, TELEPHONE: (916) 376-1826 at least Forty Eight (48) hours prior to the expected date and time of inspection. Fax notice shall include the name of company or person requesting access under this agreement, a general description of the equipment to be brought to the site for the inspection as well as a description of the inspection to be performed on that date. Access to said property shall be as designated by State.
6. **PERMITTEE** waives all claims against **STATE**, its officers, agents, and employees, for loss or damage caused by, arising out of, or in any way connected with the exercise of this *Right of Entry* and **PERMITTEE** agrees to protect, save harmless, indemnify, and defend **STATE**, its officers, agents, and employees from any and all loss, damage, or liability, including, without limitation, all legal fees, expert witness or consultant fees and expenses related to the response to, settlement of, or defense of any claims or liability, which may be suffered or incurred by **STATE**, its officers, agents and employees caused by, arising out of, or in any way connected with exercise by **PERMITTEE** of the rights hereby granted, except those arising out of the sole negligence of the **STATE**. **PERMITTEE** shall be solely responsible and liable for any damage to crops, equipment, structures, personal property, or persons caused by, arising out of, or in any way connected with the exercise of the rights hereby granted to **PERMITTEE**.
7. Following any such entry or work, unless otherwise directed by **STATE**, **PERMITTEE** shall return the property to the condition it was in prior to such entry or work, including the recompaction or removal of any disrupted soil or material as **STATE** may direct. All such work and any other work conducted or materials furnished with respect to the property by and for **PERMITTEE** shall be paid for by **PERMITTEE**. In the event, **PERMITTEE** fails to leave the property in the condition it was in prior to such entry, **STATE** may restore property to its original condition and all costs of such restoration shall be paid by **PERMITTEE** upon demand by **STATE**.
8. **PERMITTEE** may use only that equipment on the property approved by **STATE** and necessary to conduct the inspections or studies specified herein. **PERMITTEE** agrees to remove all equipment from the property within twenty-four (24) hours of completion of work and, upon completion of all work, agrees to provide **STATE** with lien releases or waivers from all contractors authorized to conduct such inspections and/or studies. List all equipment below (*Attach additional sheets if necessary*):

1.	<u>Cars/pickups</u>	Approved	Yes	_____	No	_____
2.	<u>Truck</u>	Approved	Yes	_____	No	_____
3.	<u>Utility locator & vehicle (1-2)</u>	Approved	Yes	_____	No	_____
9. **PERMITTEE** acknowledges its sole responsibility for identifying easements encumbering the property. **PERMITTEE** may conduct only visual inspections in the easement areas. **PERMITTEE**

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shall not allow heavy equipment over any easement area of the property or conduct any study or investigation in any easement area without the express written permission of the easement owner. **PERMITTEE** shall provide such permission to **STATE** upon request. **PERMITTEE** shall abide by the conditions set forth by the easement owners when conducting investigations in the easement areas.

10. **STATE** reserves the right to use said property in any manner, provided such use does not unreasonably interfere with **PERMITTEE'S** rights herein.
11. As a condition to this **RIGHT OF ENTRY**, **PERMITTEE** agrees to provide to **STATE** copies of all reports, evaluations, studies and analyses prepared for or by **PERMITTEE** as a result of **PERMITTEE'S** inspection of the property, as well as any communications between **PERMITTEE** and its consultants and/or agents regarding the content, conclusions and/or recommendations contained in such reports, evaluations, studies and analyses.
12. **STATE** reserves the right to temporarily prevent entry upon said lands in the event of an emergency.
13. **PERMITTEE'S** entry onto the property for the purposes stated herein shall constitute acceptance by **PERMITTEE** of all the terms and conditions of this *Right of Entry*.
14. This *Right of Entry* shall be for a period beginning on _____ 2009, and ending on _____, 2009.

APPROVED:

[Name of Entity]

BY: _____
NAME

TITLE

APPROVED:

DEPARTMENT OF GENERAL SERVICES
Real Estate Services Division
Asset Management Branch

JOE MUGARTEGUI, Branch Chief

DRK:drk

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