

REAL ESTATE PURCHASE AGREEMENT

THIS REAL ESTATE PURCHASE AGREEMENT (this "Agreement") is made and entered into as of April 2, 2012 (the "Execution Date") by and between _____, a California corporation ("Buyer") and DUTRA ENTERPRISES, INC. (DEI), a California corporation ("Seller").

RECITALS

A. Seller is the owner of certain parcels of real property (collectively, the "Seller-Owned Parcels") located in the City of Hayward (the "City"), County of Alameda (the "County"), State of California, as follows:

	Street Address	Assessor's Parcel No.	Gross Acreage
1	24013 Eden Avenue	441-0087-002-02	0.9870 acres
2	1508 Middle Lane	441-0087-001-02	0.9059 acres
3	23993 Eden Avenue	441-0095-014-02	0.4991 acres
4	1505 Middle Lane	441-0095-015-02	0.4991 acres
5	Middle Lane	441-0095-016-02	0.4992 acres
6	23885 Eden Avenue	441-0095-013-02	0.9861 acres
7	23132 Saklan Road	441-0095-025-02	0.9724 acres
8	23240 Saklan Road	441-0095-024-02	0.9770 acres
	Total Approximate Gross Acreage of Seller-Owned Parcels:		6.3258 acres

B. Seller has under contract the exclusive right to purchase certain parcels of real property (collectively, the "Parcels Under Contract") located in the City of Hayward, County of Alameda, State of California, as follows:

	Street Address	Assessor's Parcel No.	Gross Acreage
1	23761 Eden Avenue	441-0095-010-02	0.9862 acres
2	23761 Eden Avenue	441-0095-011-04	0.7193 acres
3	23348 Saklan Road	441-0095-023-02	0.9770 acres

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4	Saklan Road	441-0095-022-02	0.9770 acres
5	23356 Saklan Road	441-0095-021-02	0.4938 acres
6	23464 Saklan Road	441-0095-020-02	0.4831 acres
	Total Approximate Gross Acreage of Parcels Under Contract:		4.6364 acres

C. The collective gross acreage of the Seller-Owned Parcels and Parcels Under Contract (collectively referred to as the “Property”), equals approximately 10.96 acres. The legal descriptions of each parcel are more particularly described in Exhibit A attached hereto.

D. Subject to the terms and conditions contained in this Agreement, Seller desires to sell to Buyer, and Buyer desires to purchase from Seller, the Property described herein. As used herein, the term “Property” shall include all of the right, title and interest of Seller now held and/or hereafter acquired in and to the land and all entitlements, governmental approvals, conditions, easements, mineral rights, oil and gas rights, water, water rights, air rights, development rights, utility credits and privileges appurtenant thereto and all improvements located thereon.

AGREEMENT

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements contained in this Agreement, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Buyer and Seller hereby agree as follows:

1. **Planned District/Vesting Tentative Map.** Buyer is advised that Seller has processed a Planned District/Vesting Tentative Map (the “PD/VTM”) and has obtained the appropriate entitlements for the Property. Seller shall provide Buyer with approval of the PD/VTM from the City of Hayward and submit to Buyer all documentation pertinent thereto. Buyer’s acceptance or rejection of the PD/VTM shall be in accordance with Section 20(v). The three (3) phase site plan in process is attached as Exhibit B hereto. The planned residential floor plans are attached as Exhibit C hereto. The planned elevations are attached as Exhibit D hereto.

2. **Purchase and Sale.** Subject to the terms and conditions of this Agreement, Seller hereby agrees to sell to Buyer, and Buyer hereby agrees to purchase from Seller, the Property. The parties shall not remove any individual Seller-Owned Parcel or Parcel Under Contract from the definition of Property or any of the three (3) phases (individually a “phase”) hereinafter described, except by mutual written agreement.

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SELLER’S INITIALS: _____, _____, _____

3. **Payment of Purchase Price:**

a. **Purchase Price.** The total purchase price for the Property (the “Purchase Price”), which consists of the aggregate of the purchase prices of all Seller-Owned Parcels and Parcels Under Contract and as included in the three (3) phases hereinafter described, shall be Fifteen Million Eight Hundred Sixty Five Thousand Dollars (\$15,865,000). Purchase of the Property shall be in three (3) phases with the purchase price of each phase to be as follows:

Phase I (49 Units) (\$105,0000 per unit)	\$5,145,000
Phase II (41 Units) (\$110,000 per unit)	\$4,510,000
Phase III (54 Units) (\$115,000 per unit)	\$6,210,000
Total Purchase Price	\$15,865,000

b. **Purchase of Seller-Owned Parcels.** Seller-Owned Parcels shall be purchased by Buyer from Seller by fee simple title transfer from Seller to Buyer upon their respective close of escrow.

c. **Assignment of Parcels Under Contract.** Parcels Under Contract shall be acquired by Buyer from Seller by an assignment of the respective purchase agreements. The form of the assignment agreement is attached as Exhibit E hereto. The Tilley Agreement as hereinafter described is attached as Exhibit F hereto. The Christiansen Agreement as hereinafter described is attached as Exhibit G hereto.

4. **Phases.** The purchase and acquisition by assignment of the Property shall occur in three (3) phases as hereinafter described:

a. **Phase I:** The purchase price for **Phase I** shall be Five Million One Hundred Forty Five Thousand Dollars (**\$5,145,000**) (the “Phase I Purchase Price”), payable in cash at the close of escrow for Phase I (the “Phase I Close of Escrow”). The Phase I Close of Escrow shall occur on or before **5:00 PM, Friday, June 1, 2012**. Phase I shall include the following Seller-Owned Parcels: APN 441-0095-014-02 being 0.50± acres, APN 441-0095-015-02 being 0.50± acres, APN 441-0095-016-02 being 0.50± acres, and APN 441-0095-013-02 being 0.99± acres and the following Parcels Under Contract: APN 441-095-010-02 being 0.99± acres and APN 441-0095-011-04 being 0.72± acres (collectively the “Phase I Parcels”), the collective gross acreage of which equals approximately **4.2 acres**. As stipulated by the planned PD/VTM, Phase I consists of **forty nine (49) dwelling units**. Transfer of the Phase I Seller-Owned Parcels by Seller to Buyer shall be by fee simple transfer of title at the Phase I Close of Escrow. Of the Phase I Purchase Price, the proceeds to be paid by Buyer and released from escrow to Seller as of the Phase I Close of Escrow shall be Three Million Four Hundred Sixty Five Thousand Dollars (\$3,465,000) (the “Phase I Seller-Owned Parcels Proceeds”). Seller shall assign to Buyer the purchase agreement dated March 8, 2011 between Dutra Enterprises, Inc. a California corporation, and The Gerald M. Tilley Trust of 1992 (the “Tilley Agreement”), attached as Exhibit F hereto. Of the Phase I Purchase Price, the proceeds to be paid by Buyer and released from escrow to Seller as of the as of the Phase I Close of Escrow shall be One Million Six Hundred Eighty Thousand Dollars (\$1,680,000) (the “Phase I Parcels Under

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Contract Proceeds”). Buyer shall accept the assignment of said Tilley Agreement for the Phase I Parcels Under Contract in accordance with the exact terms of the Tilley Agreement between said parties. In addition to the Phase I Purchase Price, Buyer shall reimburse Seller for all deposits paid under the terms of the Tilley Agreement as of the Phase I Close of Escrow (the “Seller-Paid Tilley Agreement Deposits”). Furthermore, Seller shall credit to Buyer the purchase price stipulated in the Tilley Agreement (the “Tilley Agreement Purchase Price”). For illustration purposes only, the cash to be paid by Buyer to Seller at the Phase I Close of Escrow shall be the Phase I Purchase Price of Five Million One Hundred Forty Five Thousand Dollars (\$5,145,000), plus Seller-Paid Tilley Agreement Deposits, less the Tilley Agreement Purchase Price of One Million Two Hundred Sixty Five Thousand Dollars (\$1,265,000), and less any and all deposits paid by Buyer under Section 5(d) which are applicable to the Phase I Purchase Price (the “Buyer’s Phase I Deposits”). The calculation would be as follows: (\$5,145,000 + Seller-Paid Tilley Agreement Deposits) – (\$1,265,000 – Buyer’s Phase I Deposits). After the Phase I Close of Escrow, Buyer shall pay the hereinafter described extension deposit due under the terms of the Tilley Agreement (the “Tilley Agreement Extension Deposit”). Seller-Paid Tilley Agreement Deposits paid by DEI, in its capacity as buyer thereunder, prior to the Phase I Close of Escrow will include an Initial Deposit of Fifty Thousand Dollars (\$50,000) released from escrow to The Gerald M. Tilley Trust of 1992, the seller under the Tilley Agreement, on July 29, 2011 three (3) Additional Deposits in the amount of Nineteen Thousand Dollars (\$19,000) which will have been paid or shall be paid on September 29, 2011, November 29, 2011 and January 29, 2012; and two (2) Additional Deposits in the amount of Twenty Five Thousand Dollars (\$25,000) which will have been paid or shall be paid on March 29, 2012 and May 29, 2012. Thereafter, Buyer shall be obligated to pay any and all deposits in accordance with the exact terms of the Tilley Agreement. Buyer is advised that as stipulated by the Tilley Agreement, the close of escrow of the Tilley Agreement is scheduled to occur no later than March 15, 2013 (the “Tilley Agreement Close of Escrow”), unless Buyer exercises the option under the Tilley Agreement to extend the close of escrow for up to three (3) six (6) month periods and pay the Tilley Agreement First Extension Deposit of Sixty Thousand Dollars (\$60,000) required on or before January 29, 2013, and, at Buyer’s option, the Tilley Agreement Second Extension Deposit of Sixty Thousand Dollars (\$60,000) on or before September 15, 2013, and, at Buyer’s option, the Tilley Agreement Third Extension Deposit of Sixty Thousand Dollars (\$60,000) on or before March 15, 2014. The escrow holder is Chicago Title Insurance Company located at 43480 Mission Blvd., Suite 270, Fremont, California. The escrow number is 11-588-07730-KS and the escrow officer is Kim Silva. She can be reached at 510-338-1875, Email kim.silva@ctt.com. Buyer shall hold Seller harmless as to the accuracy of the above requirements and provisions of the Tilley Agreement and agrees to rely solely on Buyer’s review and interpretation of said document.

b. **Phase II:** The purchase price for **Phase II** shall be Four Million Five Hundred Ten Thousand Dollars (**\$4,510,000**) (the “Phase II Purchase Price”), payable in cash at the close of escrow for Phase II (the “Phase II Close of Escrow”). The Phase II Close of Escrow shall occur on or before **5:00 PM, Friday, February 1, 2013**. Phase II shall include the following Parcels Under Contract: APN 441-0095-023-02 being 0.98± acres, APN 441-0095-022-02 being 0.98± acres, APN 441-0095-021-02 being 0.49 acres, and APN 441-0095-020-02 being 0.48 acres (collectively the “Phase II Parcels”), the collective gross acreage of which equals approximately **2.93 acres**. As stipulated by the planned PD/VTM, Phase II consists of **forty one (41) dwelling units**. Seller shall assign to Buyer the purchase agreement dated

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January 31, 2011 between Dutra Enterprises, Inc. a California corporation, and Marc A. Christiansen (the "Christiansen Agreement"), attached as Exhibit G hereto. Buyer shall accept the assignment of said Christiansen Agreement for the Phase II Parcels in accordance with the exact terms of the Christiansen Agreement between said parties. In addition to the Phase II Purchase Price, Buyer shall reimburse to Seller the Forty Eight Thousand Dollar (\$48,000) credit to DEI as stipulated by Section 9(c) of the Christiansen Agreement (the "Christiansen Agreement Credit to DEI") and all deposits paid under the terms of the Christiansen Agreement as of the Phase II Close of Escrow (the "Seller-Paid Christiansen Agreement Deposits"). Furthermore, Seller shall credit to Buyer the purchase price stipulated in the Christiansen Agreement (the "Christiansen Agreement Purchase Price"). For illustration purposes only, the cash to be paid by Buyer to Seller at the Phase II Close of Escrow shall be the Phase II Purchase Price of Four Million Five Hundred Ten Thousand Dollars (\$4,510,000), plus the Christiansen Agreement Credit to DEI and Seller-Paid Christiansen Agreement Deposits, less the Christiansen Agreement Purchase Price of Two Million Four Hundred Thousand Dollars (\$2,400,000), and less any and all deposits paid by Buyer under Section 5(d) which are applicable to the Phase II Purchase Price (the "Buyer's Phase II Deposits"). The calculation would be as follows: $(\$4,510,000 + \$48,000 + \text{Seller-Paid Christiansen Agreement Deposits}) - (\$2,400,000 - \text{Buyer's Phase II Deposits})$. Seller-Paid Christiansen Agreement Deposits paid by DEI, in its capacity as Buyer therein, prior to the Phase II Close of Escrow will include an Initial Deposit of Seventy Five Thousand Dollars (\$75,000) released from escrow to Marc A. Christiansen, the seller under the Christiansen Agreement, on April 6, 2011 and five (5) Additional Deposits of Forty Thousand Dollars (\$40,000) each due every four (4) months commencing August 4, 2011. For the sake of clarity, said Seller-Paid Christiansen Agreement Additional Deposits paid by DEI, in its capacity as buyer thereunder, will have been paid or shall be paid on August 4, 2011, December 4, 2011, April 4, 2012, August 4, 2012 and December 4, 2012. Thereafter, Buyer shall be obligated to pay any and all deposits in accordance with the exact terms of the Christiansen Agreement. The close of escrow of the Christiansen Agreement is scheduled to occur no later than August 4, 2013 (the "Christiansen Agreement Close of Escrow"). The escrow holder is Chicago Title Insurance Company located at 43480 Mission Blvd, Suite 270, Fremont, California. The escrow number is 11-588-07571-KS and the escrow officer is Kim Silva. She can be reached at 510-338-1875, Email kim.silva@ctt.com. Buyer shall hold Seller harmless as to the accuracy of the above requirements and provisions of the Christiansen Agreement and agrees to rely solely on Buyer's review and interpretation of said document.

c. **Phase III:** The purchase price for **Phase III** shall be Six Million Two Hundred Ten Thousand Dollars (**\$6,210,000**) (the "Phase III Purchase Price"), payable in cash at the close of escrow for Phase III (the "Phase III Close of Escrow"). The Phase III Close of Escrow shall occur on or before **5:00 PM, Tuesday, October 1, 2013**. Phase III shall include the following Seller-Owned Parcels: APN 441-0095-025-02 being 0.97± acres, APN 441-0095-024-02 being 0.98± acres, APN 441-0087-002-02 being 0.99± acres, and APN 441-0087-001-02 being 0.91± acres (collectively the "Phase III Parcels"), the collective gross acreage of which equals approximately **3.85 acres**. As stipulated by the planned PD/VTM, Phase III consists of **fifty six (56) dwelling units**. Fee simple transfer of title for the Phase III Parcels from Seller to Buyer will be by grant deed at the Phase III Close of Escrow. Buyer is hereby informed that the Phase III Parcels are subject to an assumable first note secured by deed of trust in the amount of One Million Seven Hundred Thousand Dollars (\$1,700,000) (the "Winter Note"), attached as

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Exhibit H hereto. Buyer is further informed that the Winter Note is payable at the interest rate of five and one half percent (5 ½%) per annum, payable in monthly interest only installments of Seven Thousand Seven Hundred Ninety One and 67/100 Dollars (\$7,791.67), continuing until the January 30, 2015, at which time the entire unpaid principal and any accrued interest shall be due and payable. At the Phase III Close of Escrow, Buyer, at its option, may assume the Winter Note in the amount of One Million Seven Hundred Thousand Dollars (\$1,700,000) and pay to Seller the Phase III Purchase Price of Six Million Two Hundred Ten Thousand Dollars (\$6,210,000) less the amount of the Winter Note, resulting in a balance due of Four Million Five Hundred Ten Thousand Dollars (\$4,510,000). Buyer shall inform Seller prior to the Phase III Close of Escrow if it chooses to pay all cash or the balance due after an assumption of the Winter Note. Buyer shall hold Seller harmless as to the accuracy of the above requirements and provisions of the Winter Note and agrees to rely solely on Buyer's review and interpretation of said document.

5. Escrow, Deposits:

a. **Opening of Escrow.** Within two (2) business days after both Buyer and Seller have executed three (3) separate originals of this Agreement, Buyer shall deliver all three (3) executed originals to Chicago Title Insurance Company, Attn: Kim Silva (the "Escrow Holder"). Escrow Holder shall open the escrow, in contemplation of a separate close of escrow for each of the three (3) phases, and shall return one (1) original to Buyer and one (1) original to Seller, and shall retain an original for its file. The parties hereby agree that this transaction will be consummated in one escrow with a separate close of escrow for each of the three (3) phases. The parties further agree that Agreement includes the entire Property, inclusive of the Seller-Owned Parcels and Parcel Under Contract, and the purchase and sale of the Property shall occur as a result of a single transaction and in no way or manner as four separate transactions. The close of escrow for each phase shall occur no later than 5:00 PM on the following dates:

Phase	Close of Escrow
I	Friday, June 1, 2012
II	Friday, February 1, 2013
III	Tuesday, October 1, 2013

b. **Joint Escrow Instructions.** The provisions hereof shall constitute joint escrow instructions to Escrow Holder to consummate the respective purchases and assignments in accordance with the terms of this Agreement; provided, however, that the parties shall execute such additional escrow instructions, not inconsistent with this Agreement, as may be deemed reasonably necessary to carry out the intentions of the parties as expressed herein.

c. **Initial Deposit.** Within ten (10) business days of the Execution Date, Buyer shall deposit Two Hundred Fifty Thousand Dollars (\$250,000) (the "Initial Deposit") with the Escrow Holder. Said Initial Deposit, once paid, shall be released to Seller in accordance with Section 6(a). The Initial Deposit, once released, shall be nonrefundable but be applicable to the Phase I Purchase Price due at the Phase I Close of Escrow.

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d. **Additional Deposits.** Buyer shall make additional One Hundred Fifty Thousand Dollar (\$150,000) deposits every three (3) months after the end of the Due Diligence Period to the end of the successive three (3) closings through the Phase III Close of Escrow (the "Additional Deposits"). Buyer shall deposit each Additional Deposit prior to the termination of each respective three (3) month period. All Additional Deposits, once paid, shall be immediately released to Seller, be nonrefundable and be applicable to the purchase price for that phase which the close of escrow is next scheduled to occur.

6. **Conditions to Buyer's Obligation to Purchase Property:**

a. **Due Diligence Period.** Buyer shall have thirty (30) days from the Execution Date (the "Due Diligence Period") to determine in its sole and absolute discretion whether the Property is suitable for its intended development. Should Buyer elect to waive the aforementioned buyer contingency prior to the end of the Due Diligence Period, Buyer shall instruct Escrow Holder to release the Initial Deposit to Seller. Once released, the Initial Deposit shall be nonrefundable but be applicable to the Phase I Purchase Price at the Phase I Close of Escrow. In the event that Buyer determines, in its sole and absolute discretion, that the Property is not suitable for residential development and so notifies Seller in writing prior to the end of the Due Diligence Period, Buyer shall have returned to it the entirety of the Initial Deposit. Buyer's failure to notify Seller in writing prior to the end of the Due Diligence Period of its dissatisfaction or disapproval shall be deemed to be a waiver of Buyer's right to object. After Seller's ratification of the Agreement, Buyer may enter the Property and conduct whatever physical inspections it deems necessary. In addition, Buyer shall have the right to review any title reports, surveys, toxic and soil studies and all other correspondence and documents relating to the Property. Buyer shall have the right to use all plans, including engineering and architectural. Seller agrees to provide access to such documents during the negotiation of the Agreement.

Buyer acknowledges that the information furnished to date by Seller, including but not limited to marketing materials, data, reports, financial analyses, etc., is deemed to be accurate and correct but is not guaranteed to be so. Buyer shall rely solely upon its own inspections, investigations and analysis of the Property, conduct its own comprehensive in-depth due diligence and seek the advice of an attorney, financial adviser, engineering consultant and any and all other professionals deemed by Buyer to be essential and appropriate.

b. **Condition of the Property.** Buyer agrees to purchase the Property in its physical "AS IS" condition pursuant to Section 18(d). Seller shall convey the Property to Buyer at the close of escrow of each phase in the same condition as exists on the Execution Date of the Agreement. Buyer shall not be responsible for any conditions affecting the Property that existed prior to the close of escrow of each phase.

7. **Assignment.** Seller agrees that Buyer, at Buyer's sole discretion and without Seller's consent, may assign its rights, without limitation, to any business, corporate entity, individual or collective parties of its choice. However, Buyer shall remain fully liable and obligated to Seller under the terms and condition of the Agreement and hereby guarantees to

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Seller that any such assignee(s) shall fully comply with the terms and conditions of the Agreement.

8. **Deferred Exchange.** The Agreement shall permit Seller to pursue a tax-deferred exchange of the Property, and Buyer shall cooperate with Seller in any such exchange provided that: (i) no exchange shall delay Close of Escrow or be a condition thereto; (ii) Buyer shall be reimbursed at closing for all reasonable costs incurred by Buyer in connection with Seller's exchange; (iii) Buyer shall not be obligated to take title to any other property or to assume any liabilities or obligations related to any other property; and (iv) Seller shall indemnify, defend and hold harmless Buyer from and against all claims, liabilities, losses, damages, costs and expenses (including, without limitation, attorneys' fees) arising out of or related to any such exchange.

9. **Closing Costs:**

a. All closing costs (including County transfer tax and City transfer tax, if any) shall be paid by the parties in accordance with the prevailing custom in Alameda County.

b. All real property taxes of whatsoever kind against the Property shall be prorated between Buyer and Seller at the close of escrow of each Phase.

10. **LIQUIDATED DAMAGES.** BUYER AND SELLER AGREE THAT, IF THE PURCHASE AND SALE OF THE PROPERTY IS NOT COMPLETED AND THIS AGREEMENT TERMINATES BECAUSE BUYER MATERIALLY DEFAULTS UNDER OR MATERIALLY BREACHES THIS AGREEMENT, THE DEPOSITS PREVIOUSLY MADE BY BUYER AND RELEASED TO SELLER SHALL BE RETAINED BY SELLER AS LIQUIDATED DAMAGES AND BE IN ADDITION TO ANY OTHER MONETARY RELIEF OR OTHER REMEDY AVAILABLE TO SELLER AT LAW OR IN EQUITY. THE RETENTION BY SELLER OF ANY AND ALL DEPOSITS AS LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY UNDER CALIFORNIA CIVIL CODE SECTIONS 3275 OR 3369, BUT INSTEAD IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLER PURSUANT TO SECTIONS 1671, 1676 AND 1677 OF THE CALIFORNIA CIVIL CODE. BUYER AND SELLER SPECIFICALLY ACKNOWLEDGE THEIR AGREEMENT TO THE FOREGOING LIQUIDATED DAMAGES PROVISION BY INITIALING THIS PARAGRAPH BELOW.

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SELLER'S INITIALS: _____, _____, _____

11. **Dispute Resolution:**

a. **Mediation.** Buyer and Seller agree to mediate any dispute or claim arising between them out of this Agreement, or any resulting transaction, before resorting to arbitration. **Buyer and Seller also agree to mediate any disputes or claims with Broker(s), who, in writing, agree to such mediation prior to, or within a reasonable time after, the dispute or claim is presented to the Broker.** Mediation fees, if any, shall be divided equally among the parties involved. If, for any dispute or claim to which this paragraph applies, any

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party (i) commences an action without first attempting to resolve the matter through mediation, or (ii) before commencement of an action, refuses to mediate after a request has been made, then that party shall not be entitled to recover attorney fees, even if they would otherwise be available to that party in any such action. THIS MEDIATION PROVISION APPLIES WHETHER OR NOT THE ARBITRATION PROVISION IS INITIALED. Exclusions from this mediation agreement are specified in Section 11(c).

b. **Arbitration of Disputes.** Buyer and Seller agree that any dispute or claim in Law or equity arising between them out of this Agreement or any resulting transaction, which is not settled through mediation, shall be decided by neutral, binding arbitration. Buyer and Seller also agree to arbitrate any disputes or claims with Broker(s), who, in writing, agree to such arbitration prior to, or within a reasonable time after, the dispute or claim is presented to the Broker. The arbitrator shall be a retired judge or justice, or an attorney with at least 5 years of residential real estate Law experience, unless the parties mutually agree to a different arbitrator. The parties shall have the right to discovery in accordance with Code of Civil Procedure §1283.05. In all other respects, the arbitration shall be conducted in accordance with Title 9 of Part 3 of the Code of Civil Procedure. Judgment upon the award of the arbitrator(s) may be entered into any court having jurisdiction. Enforcement of this agreement to arbitrate shall be governed by the Federal Arbitration Act. Exclusions from this arbitration agreement are specified in Section 11(c).

“NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE ‘ARBITRATION OF DISPUTES’ PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE ‘ARBITRATION OF DISPUTES’ PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY.”

“WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE ‘ARBITRATION OF DISPUTES’ PROVISION TO NEUTRAL ARBITRATION.”

BUYER’S INITIALS: _____, _____

SELLER’S INITIALS: _____, _____, _____

BUYER’S INITIALS: _____, _____

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c. **Additional Mediation and Arbitration Terms:**

i. **Exclusions.** The following matters shall be excluded from mediation and arbitration: (i) a judicial or non-judicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage or installment land sale contract as defined in Civil Code §2985; (ii) an unlawful detainer action; (iii) the filing or enforcement of a mechanic's lien; and (iv) any matter that is within the jurisdiction of a probate, small claims or bankruptcy court. The filing of a court action to enable the recording of a notice of pending action, for order of attachment, receivership, injunction, or other provisional remedies, shall not constitute a waiver or violation of the mediation and arbitration provisions.

ii. **Brokers.** Brokers shall not be obligated or compelled to mediate or arbitrate unless they agree to do so in writing. Any Broker(s) participating in mediation or arbitration shall not be deemed a party to the Agreement.

12. **Right of Entry.** Within five (5) business days after the Execution Date, Seller shall deliver to Buyer true and complete copies of all plans and specifications, reports, studies, investigations and other materials, and all environmental impact reports, negative declarations and zoning, land use or development agreements, relating to the Property that are in Seller's possession. Buyer, its agents, employees, contractors and nominees are granted the right to enter the Property for the purpose of making a survey and conducting environmental, engineering and feasibility studies (including soil tests) and further engineering, geological, surveying or feasibility work as Buyer deems appropriate for Buyer's evaluation of the Property. Any entry shall be at reasonable times in a reasonable manner. Buyer shall observe all appropriate safety precautions in conducting such work and shall hold Seller harmless and defend Seller at the sole cost of Buyer for any claims, lawsuits or damages resulting from the negligence or willful misconduct of Buyer in conjunction with any such entry, including but not limited to the imposition of mechanics' liens arising from work at Buyer's request. If Buyer does not purchase the Property for any reason other than a default by Seller, Buyer shall restore any change in condition of the Property caused by Buyer to the condition that existed prior to Buyer's entry. Notwithstanding any other provisions of this Agreement, in no event shall Buyer have any liability or responsibility for (i) any pre-existing adverse conditions or defects on the Property (including those discovered by Buyer in the course of its investigations), or (ii) any claims, lawsuits or damages attributable to any action or inaction or negligence of Seller, its tenants, agents, employees' contractors or invitees or any other prospective purchaser(s) of the Property. At all times prior to the close of escrow for the respective phases, Buyer shall secure, maintain and provide evidence to Seller, of the following: (a) workers' compensation insurance for Buyer's employees as required by law; (b) a general policy in an amount not less than One Million Dollars (\$1,000,000) combined single limit insuring against any and all liability or damage that might arise out of or be related to any work done by Buyer or at Buyer's request on or relating to all or any portion of the Property, with Seller named as an additional insured, and an umbrella policy, on an occurrence basis form, including broad form completed operations insurance coverage that, with the general policy, will increase the total coverage to an amount not less than Three Million Dollars (\$3,000,000); and (c) and automobile liability insurance, including liability for all owned, hired and non-owned vehicles, with minimum limits of One

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Million Dollars (\$1,000,000) for bodily injury per person, One Million Dollars (\$1,000,000) property damage and One Million Dollars (\$1,000,000) combined single limit per occurrence.

13. **Right to Data.** Buyer shall make available to Seller all engineering, planning, studies, and correspondence with governmental agencies data obtained by Buyer in connection with the development of the property. This data will be given to Seller as that data becomes available in final form, and Seller shall accept such data in their "AS IS" condition. In no event, however, shall Buyer be obliged to provide to Seller any information deemed by Buyer, at its sole discretion, to be proprietary information.

14. **Title.** Promptly after the Execution Date, Buyer shall obtain preliminary title reports (the "Title Reports") for the Property, issued by Escrow Holder. Buyer shall have thirty (30) days after its receipt of the Title Reports and the documents listed as exceptions therein to review the same. On or before the last day of that thirty (30) day period (the "Title Approval Deadline"), Buyer shall deliver to Seller written notice approving or disapproving (in Buyer's sole discretion) of the Title Reports and the exceptions listed therein. Buyer's failure to deliver to Seller such notice disapproving of the Title Report and the exceptions therein on or before the Title Approval Deadline shall be conclusively deemed Buyer's approval thereof. Notwithstanding the foregoing provisions of this section or any other contrary provision in this Agreement, Buyer and Seller agree as follows with respect to any delinquent property taxes, deeds of trust, mortgages, judgments, mechanics' or material men's liens and all other monetary liens (collectively, "Monetary Liens"): (i) Buyer has no obligation to approve or assume any Monetary Lien or to accept title to the Property subject to any Monetary Lien; (ii) Buyer has no obligation to object to any Monetary Lien; and (iii) Seller shall be obligated to satisfy in full and remove from title all Monetary Liens, unless assumed by Buyer, on or prior to the Close of Escrow. Buyer and Seller agree that, for the purposes of this Agreement, the term "Permitted Exceptions" shall solely mean (i) a lien for all current but non-delinquent real property taxes affecting the Property as of Close of Escrow; and (ii) the exceptions shown in the Title Report that are approved by Buyer in accordance with this section. Immediately following recordation of the grant deed, Escrow Holder shall issue to Buyer a CLTA standard coverage owner's policy of title insurance (unless Buyer, at its option and its cost for the incremental premium attributable thereto, elects to obtain an ALTA extended policy), with coverage in the amount of the Purchase Price for the Property, showing fee simple title to the Property vested in Buyer, subject only to the Permitted Exceptions (the "Title Policy").

15. **Cooperation in Obtaining Entitlements.** It is hereby agreed that Seller, at Buyer's request, shall cooperate with Buyer including, without limitation, executing all documents necessary to subdivide the property by processing one or more subdivision maps and to obtain all other entitlements desired by Buyer (collectively, the "Entitlements"). In no event shall Seller interfere in any way with Buyer's processing efforts and shall not conduct, attend, or participate in any public or private meetings, discussions, and/or hearings regarding the Entitlements, the Property and/or intended development thereof without the prior written consent of Buyer and, if Buyer so consents, Seller shall comply with all conditions imposed by Buyer with respect to Seller's attendance at, participation in, or conduct at, any such meeting.

BUYER'S INITIALS: _____, _____

SELLER'S INITIALS: _____, _____, _____

16. **Possession of Property and Seller Retention of Rents.** Until the close of escrow of the respective Seller-Owned Parcels, Seller shall be required to maintain and keep any and all improvements on the Property in the same order and condition as existed on the Execution Date. Prior to the close of escrow of the respective Seller-Owned Parcels, Seller shall terminate all leases and other use or occupancy agreements affecting any part of the Property. Seller shall deliver to Buyer possession of title to the Property, free and clear of all liens and encumbrances, except for the Permitted Exceptions. Seller shall be entitled to and retain all rental income of any kind whatsoever prior to the close of escrow of the respective Seller-Owned Parcels. Seller agrees that it will not further encumber the Property in any fashion and, unless assumed by Buyer, all existing liens shall be fully paid or released at or prior to the close of escrow of the respective phases.

17. **Seller's Representations and Warranties.** Except as to such matters that Seller has advised Buyer to the contrary, all of Seller's express representations and warranties set forth herein, to the best of Seller's knowledge, shall be true and correct as of the Execution Date and at the close of escrow of the respective phases. The representations and warranties of Seller in this Agreement are a material inducement for Buyer to enter into this Agreement. Buyer would not purchase the Property from Seller without such representations and warranties of Seller. Seller shall notify Buyer in writing immediately if Seller receives actual knowledge that any representation or warranty made by Seller herein has become untrue. Seller warrants and represents to Buyer, to the best of it's knowledge as of the Agreement Date as follows:

i. There are no claims, actions, suits or proceedings continuing, pending or threatened which would affect Seller, Buyer, the Property or this transaction.

ii. All documents delivered to Buyer by Seller and its agents are complete originals or true and correct copies thereof.

iii. No Hazardous Materials (as hereinafter defined) have been stored on or under the Property, used or disposed of on the Property; nor have Hazardous Materials migrated on or into the Property, unless otherwise disclosed in writing to the Buyer and attached to this Agreement. As used herein, the term "Hazardous Materials" shall mean any substance, material, waste, chemical, mixture or compound which: (i) is flammable, ignitable, radioactive, hazardous, toxic, corrosive or reactive, and which is regulated under law or by a public entity, (ii) is a "Hazardous Substance" as defined or listed under the federal Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA), or any regulations promulgated there under, as amended, (iii) is crude oil, petroleum, natural gas, or distillates or fractions thereof, and/or (iv) damages or threatens to damage health, safety, or the environment, or is required by any law or public entity to be remediated, including remediation which such law or public entity requires in order for property to be put to any lawful purpose.

iv. The Property is not in violation of any federal, state or local law, statute, regulation or ordinance, and there is no special assessment, condemnation action or other proceedings pending or threatened against the Property or any part thereof.

BUYER'S INITIALS: _____, _____

SELLER'S INITIALS: _____, _____, _____

v. There are no leases, licenses, or other occupancy or use rights affecting the Property, except as disclosed to Buyer or as shown in the Title Report or as disclosed by Seller under Exhibit I.

vi. At the closing of each Seller-Owned Parcel, the transfer of title shall be by fee simple title transfer of the Seller-Owned Parcels (subject only to the Permitted Exceptions) to Buyer or its nominee by a grant deed executed by Seller and deposited with the Escrow Holder. At the close of escrow of each Parcel Under Contract, the transfer shall be by assignment of the Parcels Under Contract by assignment of said purchase agreements in accordance with the exact terms and conditions contained therein.

vii. Seller is not a “foreign person” as defined in section 1445 of the Internal Revenue Code of 1986, as amended, and the Income Tax Regulations there under.

viii. No California withholding of tax or reporting pursuant to California Revenue and Taxation Code sections 18805, 18815 and 26131 will be required with respect to the sale of the Property by Seller.

18. **Buyer’s Representation and Warranties.** Buyer hereby makes the representations and warranties set forth in this Section 13 for the benefit of Seller and its successors and assigns. Buyer shall notify Seller in writing immediately if Buyer becomes aware that any representation or warranty has become untrue or misleading in light of information obtained by Buyer after the Execution Date. Buyer shall indemnify, protect, defend and hold harmless Seller from and against all claims arising from or relating to any misrepresentation made by Buyer in this Agreement or in any document, certificate or exhibit given or delivered in connection herewith.

a. **Authority.** Buyer is a corporation duly organized, validly existing and in good standing under the laws of the State of California. Buyer has all requisite power and authority to enter into this Agreement and to perform its obligations hereunder. The execution of delivery of this Agreement by Buyer has been duly authorized.

b. **No Conflict.** The execution and delivery of this Agreement and the consummation of the transactions contemplated hereunder on the part of Buyer do not and will not violate any applicable law, ordinance, statute, rule, regulation, order, decree or judgment, conflict with or result in the breach of any material terms or provisions of, or constitute a default under, or result in the creation or imposition of any lien, charge, or encumbrance upon any of the property or assets of Buyer by reason of the terms of any contract, mortgage, lien, lease, agreement, indenture, instrument or judgment to which Buyer is a part or which is or purports to be binding upon Buyer or which otherwise affects Buyer, which will not be discharged, assumed or released at the Close of Escrow.

c. **Litigation.** There are no claims, actions, suits or proceeding continuing, pending or threatened, which would materially adversely affect Buyer or this transaction.

BUYER’S INITIALS: _____, _____

SELLER’S INITIALS: _____, _____, _____

d. **AS-IS.** Buyer is a sophisticated residential builder and/or real estate investor and, prior to the Close of Escrow, Buyer will have had the opportunity and will have conducted such review and inspection of all aspects of the Property as Buyer deemed prudent. Except for the express representations and warranties of Seller made in this Agreement, Buyer is relying solely upon its own inspections, investigations and analysis of the Property, and is acquiring the Property "AS IS, WITH ALL FAULTS". Buyer acknowledges that neither Seller nor any of its employees, agents, partners or representatives has made any representations, warranties or agreements as to any matters concerning the Property and the present use thereof, or the suitability of the Property for Buyer's intended use, except for the express representations and warranties of Seller made in this Agreement.

e. **Development Activities.** Buyer's activities in connection with Buyer's intent to develop the Property, including Buyer's filing of applications for applicable development permits, maps and other entitlements for the Property, meeting with City staff, design review board, Planning Commission and City Council Members, are at Buyer's sole determination, risk and expense, and Seller is not obligated to seek or obtain any other approvals other than the PD/VTM described herein. Buyer shall indemnify and hold Seller harmless from and against any and all claims, expenses, liabilities, actions, damages, costs and other detriment or loss arising from or related to Buyer's site development activities. Buyer shall, upon Seller's request, deliver and assign over to Seller all permits, approvals, maps, plans, designs, reports, studies, surveys, blueprints and applications for the development of the Property undertaken in Buyer's name or on its behalf, in the event this Agreement is terminated for any reason except the material default of Seller.

19. **Condemnation.** If, after the Execution Date and prior to Close of Escrow, all or ten percent (10%) or more of the Property is taken or threatened to be taken by eminent domain or condemnation, Buyer may elect either (i) to terminate this Agreement, or (ii) to consummate the purchase of the Property as herein provided, in which event Seller shall pay or assign to Buyer all condemnation awards or payments in respect of the Property. If this Agreement is terminated in full pursuant to this paragraph, neither party shall have any further rights, duties, obligations or liabilities, at law or in equity, arising out of or relating to this Agreement except for those that specifically survive termination of this Agreement pursuant to other paragraphs hereof.

20. **Conditions Precedent.** The obligations of Buyer under this Agreement are subject to satisfaction of all of the conditions set forth in this section. Buyer may waive any or all of such conditions in whole or in part but any such waiver shall be effective only if made in writing. After the closing, any such condition that has not been performed by Seller, unless otherwise agreed to in writing, shall be performed by Seller under this Agreement or if Seller breaches any representation or warranty made by Seller in this Agreement.

i. As of the Close of Escrow of each Phase, to the best of Seller's knowledge, Seller shall not be in default in any material respect in the performance of any covenant or agreement to be performed by Seller under this Agreement.

BUYER'S INITIALS: _____, _____

SELLER'S INITIALS: _____, _____, _____

ii. On the closing of each Phase, to the best of Seller's knowledge, all representations and warranties made by Seller in this Agreement shall be true and correct as if made on and as of the closing.

iii. On the closing of each Phase, to the best of Seller's knowledge, no judicial or administrative suit, action, investigation, inquiry or other proceeding by any person shall have been instituted against Seller which challenges the validity or legality of any of the transactions contemplated by this Agreement.

iv. Upon the close of escrow of each phase, Chicago Title Insurance Company shall be unconditionally and irrevocably committed to issue to Buyer the Title Policy, containing such CLTA form endorsements as Buyer may reasonably require, insuring Buyer that fee simple absolute title to the Seller-Owned Parcels is vested in Buyer subject only to the Permitted Exceptions.

v. Buyer's obligation to purchase the Property is specifically contingent upon the transfer to Buyer of the PD/VTM for the Property from the City of Hayward. In the event that Buyer fails to notify Seller in writing of Buyer's disapproval of the PD/VTM prior to the end of the Due Diligence Period, Buyer shall be deemed to have waived its right to object. . In the event that Buyer notifies Seller in writing prior to the end of the Due Diligence Period that the PD/VTM is not satisfactory to Buyer, this Agreement shall be null and void and Buyer shall have returned to it the entirety of its Initial Deposit.

21. **Agreement Binding.** This Agreement shall be binding upon and shall inure to the benefit of the parties hereto, their respective legal representatives, heirs, successors in interest and permitted assigns.

22. **Confidentiality.** Buyer and Seller agree to keep the terms of this transaction, including this Agreement, strictly confidential, except to the extent disclosure to the parties' respective principals, attorneys, consultants and financial sources is required by law.

23. **Attorney's Fees.** In the event any litigation is commenced between the parties hereto with respect to the Property or the interpretation or enforcement of this Agreement, in addition to such other relief as may be granted, the prevailing party shall be entitled to a reasonable sum of attorneys' fees and for the cost and expenses of litigation, including any fee for expert witnesses.

24. **Time of Essence.** Time is of the essence of this Agreement and each provision herein contained.

25. **Severability.** It is agreed that if any terms, covenants, provisions, paragraphs or conditions of this Agreement shall be illegal or unenforceable, such illegibility or unenforceability shall not invalidate the rest of the terms of this Agreement, but the Agreement shall be construed as if not containing the illegal or unenforceable part and the rights and obligations of the parties shall be construed and enforced accordingly.

BUYER'S INITIALS: _____, _____

SELLER'S INITIALS: _____, _____, _____

26. **Waiver.** The waiver by either party of any breach of any term, covenant or condition of this Agreement shall not be deemed a waiver of such term, covenant or condition as to any subsequent breach of the same or of any other term, covenant or condition of this Agreement.

27. **Entire Understanding.** This Agreement represents the entire understanding of the parties hereto with respect to the subject matter hereof and supersedes all prior written or oral agreements or representations, if any, relative to the subject matter involved. This Agreement may be amended, in whole or in part, only by further written agreement executed by each of the parties hereto.

28. **California Law.** The interpretation and performance of this Agreement shall be governed by the laws of the State of California.

29. **Captions.** The captions inserted herein are inserted only as a matter of convenience and for reference only and in no way define, limit or describe the scope of this Agreement nor the intent of any of the provisions hereof.

30. **Exhibits.** All exhibits attached hereto are incorporated as though fully set forth where referred to herein.

31. **Further Assurances.** From and after the Execution Date of this Agreement, Buyer and Seller agree to do such things, perform such acts, and make, execute, acknowledge and deliver such documents as may be reasonably necessary or proper and usual to complete the transactions contemplated by this Agreement and to carry out the purpose of this Agreement in accordance with this Agreement.

32. **Counterparts.** This Agreement may be executed in multiple counterparts which, when signed by all parties, shall constitute a binding agreement.

33. **Commissions.** Buyer represents to Seller that it has not dealt with any broker, agent, or finder for which a commission or fee is payable in connection with this transaction. Buyer shall indemnify, defend, and hold harmless Seller from any claims, demands, or judgments for commissions or fees arising from this transaction. Seller is advised that John A. Dutra, John J. Dutra, Anthony F. Dutra, Dominic D. Dutra, Pei Liao, Hilda Furtado, Joseph Furtado, and Blaise Lofland are real estate brokers and/or agents acting in this transaction solely as principals and only in their capacity as Officers and Stockholders of Dutra Enterprises, Inc. Seller agrees to not interpret, claim or suggest any actions by any principal of Dutra Enterprises, Inc. be regarded in any way to be other than acting only as principals in this transaction.

34. **Seller's Remedies.** If Buyer defaults on its obligation as required by this Agreement, or if Buyer otherwise breaches this Agreement, Seller shall be entitled to pursue all available legal and equitable remedies, including without limitation claims for all damages attributable to Buyer's breach or default and specific performance of this Agreement.

BUYER'S INITIALS: _____, _____

SELLER'S INITIALS: _____, _____, _____

35. **Notices.** All notices to be given shall be given in writing and may be delivered by mail, commercial courier, or facsimile transmission (provided that receipt by facsimile is confirmed telephonically or otherwise). Notices shall be addressed as follows, unless the party to whom the notice has been delivered has provided written notice of a new address, in which case such new address shall apply.

Buyer:

Seller:

John J. Dutra
President/CEO
Dutra Enterprises, Inc.
43430 Mission Blvd., Suite 210
Fremont, California 94539
Office: 510-353-9984 x1
Cell: 510-364-0764
johnj@dutraenterprises.com

John A. Dutra
Chairman of the Board
Dutra Enterprises, Inc
Office: 510-353-9984 x2
Cell: 510-543-6678
Fax: 510-683-9025
john@dutraenterprises.com

Tony F. Dutra
Vice President
Dutra Enterprises, Inc.
43430 Mission Blvd., Suite #210
Fremont, California 94539
Office: 510-353-9984 x3
Cell: 510-299-7611
Fax: 510-353-9980
tony@dutraenterprises.com

With a copy to:

David Bonaccorsi
Bernard, Balgley & Bonaccorsi
3900 Newpark Mall Road, Third Floor
Newark, California 94560
Office: 510-791-1888 x241
Fax: 510-791-8008
dbonaccorsi@3blawfirm.com

BUYER'S INITIALS: _____, _____

SELLER'S INITIALS: _____, _____, _____

Each notice shall be deemed delivered upon actual receipt or refusal of delivery.

This Agreement for Purchase and Sale of Real Property shall be deemed to be void and of no force or effect if not fully ratified by Buyer and Seller prior to 5:00 P.M. Pacific Time, Friday,

_____.

IN WITNESS HEREOF, the parties hereto have executed this Agreement.

Buyer:

Date: _____

Seller: DUTRA ENTERPRISES, INC.

John J. Dutra
President/CEO

Date: _____

John A. Dutra
Chairman of the Board

Date: _____

Tony F. Dutra
Vice President

Date: _____

BUYER'S INITIALS: _____, _____

SELLER'S INITIALS: _____, _____, _____

EXHIBIT "A"

Legal Descriptions of the Property

BUYER'S INITIALS: _____, _____

SELLER'S INITIALS: _____, _____, _____

EXHIBIT “ ”

Subdivision Floor Plans

<i>Plan</i>	<i>Square Footage</i>	<i>Bed/Bath Count</i>	<i>Quantity</i>	<i>Notes</i>
1	1,366	3 / 2.5	17	Triplex 1 & 2
1-1	1,440	3 / 2.5	7	Duplex
2	1,367	3 / 2.5	12	Triplex 1
2-1	1,500	3 / 2.5	29	Triplex 1 & 2
3	1,650	3 / 2.5	17	
4	1,932	3 / 2.5	20	
5	1,960	4 / 2.5	14	
6	2,242	4 / 2.5	14	
7	2,358	4 / 3	14	
Total			144	

BUYER'S INITIALS: _____, _____

SELLER'S INITIALS: _____, _____, _____