

LBC456 - 001
APN: 7271-020-013
TITLE REPORT NO: 43814284-M10
PROJECT: 903 Fairbanks Avenue

29609

AGREEMENT FOR ACQUISITION OF REAL PROPERTY
(ESCROW INSTRUCTIONS)

THIS AGREEMENT is entered into this 9th day of September, 2004, by and between the CITY OF LONG BEACH, A MUNICIPAL CORPORATION hereinafter called "Buyer"), and the MUNG HUOT TAING AND HUI KIEN LA TAING, Trustees of the Taing Revocable Family Trust Dated March 26, 1996 (hereinafter called "Seller") for acquisition by Buyer of certain real property hereinafter set forth.

IT IS HEREBY MUTUALLY AGREED BETWEEN THE PARTIES AS FOLLOWS:

1. AGREEMENT TO SELL AND PURCHASE. Seller agrees to sell to Buyer, and Buyer agrees to purchase from Seller, upon the terms and for the consideration set forth in this agreement, all that certain real property (hereinafter called "Property") situated in the City of Long Beach, County of Los Angeles, State of California, and legally described as follows:

SEE EXHIBIT "A" ATTACHED HERETO
AND BY THIS REFERENCE MADE A PART HEREOF

2. PURCHASE PRICE. The total purchase price, payable in cash through escrow, shall be the sum of

TWO MILLION FIFTY THOUSAND AND NO/100 DOLLARS
(\$2,050,000.00)

simple title to the Property free and clear of all recorded and unrecorded liens, encumbrances, assessments, easements, leases, and taxes EXCEPT:

- A. Taxes: 2nd Installment, Fiscal Year 2003/2004.
- B. Quasi-public utility, public alley, public street easements, and rights of way of record.
- C. Item number 4, 5, 6, 7, 8, 9 and 11 of the above numbered title report issued by Chicago Title Company dated August 04, 2004.

4. TITLE INSURANCE POLICY. Escrow Agent shall, following recording of deed to Buyer, provide Buyer with CLTA Standard Coverage Policy of Title Insurance in the amount of \$2,050,000.00, issued by Chicago Title Company, showing the title to the property vested in Buyer, subject only to the exceptions set forth in Paragraph 3 and the printed exceptions and stipulations in said policy. Buyer agrees to pay the premium charged therefore.

5. ESCROW. Buyer agrees to open an escrow in accordance with this Agreement at International City Escrow, 5000 East Spring Street, Suite 120, Long Beach, CA 90815. This Agreement constitutes the joint escrow instructions of Buyer and Seller, and Escrow Agent to whom these instructions are delivered is hereby empowered to act under this Agreement. The parties hereto agree to do all acts necessary to close this escrow in the shortest possible time.

Seller has executed and handed a deed to Buyer, concurrently with this Agreement. As soon as possible after opening of escrow, Buyer will deposit the executed deed, with Certificate of Acceptance attached, with Escrow Agent on Seller's behalf. Buyer agrees to deposit the purchase price upon demand of Escrow Agent. Buyer and Seller agree to deposit with Escrow Agent any additional instruments as may be necessary to complete this transaction.

Insurance policies for fire or casualty are not to be transferred, and Seller will cancel his own policies after close of escrow.

All funds received in this escrow shall be deposited with other escrow funds in a general escrow account(s) and may be transferred to any other such escrow trust account in any State or National Bank doing business in the State of California. All disbursements shall be made by check from such account.

ESCROW AGENT IS AUTHORIZED AND IS INSTRUCTED TO COMPLY WITH THE FOLLOWING TAX ADJUSTMENT PROCEDURE:

- A. Pay and charge Seller for any unpaid delinquent taxes and/or penalties and interest thereon, and for any delinquent or non-delinquent assessments or bonds against the property;
- B. In the event this escrow closes between July 1 and November 1, and current tax information is not available from title insurer, Escrow Agent is instructed to withhold from Seller's proceeds an amount equal to 120% of the prorated amount due based upon the previous fiscal year's second half tax bill. At such time that the tax information is available, Escrow Agent shall make a check payable to the County Tax Collector for Seller's prorated portion of taxes and forward same to the Buyer and shall refund any difference to the Seller. In the event the amount withheld is not sufficient to pay Seller's prorated portion of taxes due, the Seller herein agrees to immediately pay the difference;

In the event said tax information is available, Seller's taxes shall be prorated in accordance with Paragraph "C" below.

- C. From the date that tax information is available, as per Paragraph "B", up to and including June 30th, Seller's current taxes, if unpaid, shall be prorated to date of close of escrow on the basis of a 365 day year in accordance with Tax Collector's proration requirements, together with penalties and interest, if said current taxes are unpaid after December 10 and/or April 10. At close of escrow, check payable to the County Tax Collector for Seller's prorata portion of taxes shall be forwarded to Buyer with closing statement;
- D. Any taxes which have been paid by Seller, prior to opening of this escrow, shall not be prorated between Buyer and Seller, but Seller shall have the sole right, after close of escrow, to apply to the County Tax Collector of said county for refund. This refund would apply to the period after Buyer's acquisition, pursuant to Revenue and Taxation Code Section 5096.7.

ESCROW AGENT IS AUTHORIZED TO, AND SHALL:

- E. Pay and charge Seller, upon Seller's written approval, for any amount necessary to place title in the condition necessary to satisfy Paragraph 3 of this Agreement;
- F. Pay and charge Buyer for any escrow fees, charges, and costs payable under Paragraph 6 of this Agreement;
- G. Disburse funds and deliver deed when conditions of this escrow have been fulfilled by Buyer and Seller.

The term "close of escrow", if and where written in these instructions, shall mean the date necessary instruments of conveyance are recorded in the office of the County Recorder. Recordation of instruments delivered through this escrow is authorized if necessary or proper in the issuance of said policy of title insurance.

All time limits within which any matter herein specified is to be performed may be extended by mutual agreement of the parties hereto. Any amendment of, or supplement to, any instructions must be in writing.

TIME IS OF THE ESSENCE IN THESE INSTRUCTIONS AND ESCROW IS TO CLOSE AS SOON AS POSSIBLE. If (except for deposit of money by Buyer, which shall be made by Buyer upon demand of Escrow Agent before close of escrow) this escrow is not in condition to close within 90 days or less from date of these instructions, any party who then shall have fully complied with his instructions may, in writing, demand the return of his money or property; but if none have complied no demand for return thereof shall be recognized until five (5) days after Escrow Agent shall have mailed copies of such demand to all other parties at the respective addresses shown in these escrow instructions, and if any objections are raised within said five (5) day period, Escrow Agent is authorized to hold all papers and documents until instructed by a court of competent jurisdiction or mutual instructions. If no demands are made, proceed with closing of this escrow as soon as possible.

Responsibility for Escrow Agent under this Agreement is expressly limited to Paragraphs 1, 2, 3, 4, 5, 6, 7, 9, 10, 18 & 19 and to its liability under any policy of title insurance issued in regard to this transaction.

6. ESCROW FEES, CHARGES AND COSTS. Buyer agrees to pay all Buyer's and Seller's usual fees, charges, and costs which arise in this escrow.

7. RENTAL AND OCCUPANCY BY SELLER. Seller agrees to execute a complete, current, and correct statement of rentals on a form furnished to Seller and deliver same to Buyer within fifteen (15) days hereof with copies of any written leases or rental agreements attached. All rents will be prorated as of the close of escrow on the basis of a 30-day month consistent with that Statement, subject to approval of Buyer. Seller hereby agrees not to rent any units on the premises which are now vacant, or which may be vacated by present occupants prior to close of escrow.

Seller hereby warrants that the rental statement referred to shall include the terms of all rental agreements, tenancies, and leases (written, unwritten, recorded, or unrecorded) and Seller agrees to hold Buyer harmless from all liability from any such leases or agreements. Seller also warrants that there are no oral or written leases on all or any portion of property exceeding a period of one month, and Seller further agrees to hold Buyer harmless and reimburse Buyer for any and all of its losses and expenses occasioned by reason of any lease of said property held by any tenant of Seller for a period exceeding one month, except: None.

8. PERMISSION TO ENTER ON PREMISES. Seller hereby grants to Buyer, or its authorized agents, permission to enter upon the Property at all reasonable times prior to close of escrow for the purpose of making necessary or appropriate inspections.

9. COUNTERPARTS. This agreement may be executed in counterparts, each of which so executed shall, irrespective of the date of its execution and delivery, be deemed an original, and all such counterparts together shall constitute one and the same instrument.

10. CLOSING STATEMENT. Seller instructs Escrow Agent to release a copy of Seller's statement to Buyer and to Overland Pacific & Cutler, Inc., 100 W. Broadway, Suite 500, Long Beach, CA 90802; purpose being to ascertain if any reimbursements are due Seller.

11. LOSS OR DAMAGE TO IMPROVEMENTS. Loss or damage to the real property or any improvements thereon, by fire or other casualty, occurring prior to the recordation of the Deed shall be at the risk of Seller. In the event that loss or damage to the real property or any improvements thereon, by fire or other casualty, occurs prior to the recordation of the Deed, Buyer may elect to require that the Seller pay to Buyer the proceeds of any insurance which may become payable to Seller by reason thereof, or to permit such proceeds to be used for the restoration of the damage done, or to reduce the total price by an amount equal to the diminution in value of said property by reason of such loss or damage or the amount of insurance payable to Seller, whichever is greater.

12. POSSESSION OF REAL PROPERTY AND DISPOSITION OF SELLER'S FURNITURE. Possession of real property shall be given to Buyer upon the recording of Seller's deed. All Seller's furniture and furnishings shall remain the property of Seller and Seller shall have the right at any time to remove or otherwise dispose of all or any portion of same, provided that all tenants occupying the premises at the time Seller's deed is recorded shall be entitled to continue to use the furniture and furnishings then being used by them until they vacate each of their respective apartments, living spaces, or places of business and provided that within ten (10) days after notice from Buyer that the premises have been vacated, Seller will remove or otherwise dispose of all such furniture and furnishings. All furniture and furnishings remaining on the premises after ten (10) days shall become the property of Buyer and Buyer may dispose of same without liability as it alone sees fit. Buyer shall not be liable for any loss of or damage to said furniture or furnishings, regardless of when such loss or damage occurs.

13. WARRANTIES, REPRESENTATIONS, AND COVENANTS OF SELLER. Seller hereby warrants, represents, and/or covenants to Buyer that:

- A. To the best of Seller's knowledge, there are no actions, suits, material claims, legal proceedings, or any other proceedings affecting the property or any portion thereof, at law, or in equity before any court or governmental agency, domestic or foreign;

14. HAZARDOUS WASTE. Neither Seller nor, to the best of Seller's knowledge, any previous owner, tenant, occupant, or user of the Property used, generated, released, discharged, stored, or disposed of any hazardous waste, toxic substances, or related materials ("Hazardous Materials") on, under, in, or about the Property, or transported any Hazardous Materials to or from the Property. Seller shall not cause or permit the presence, use, generation, release, discharge, storage, or disposal of any Hazardous Materials on, under, in, or about, or the transportation of any Hazardous Materials to or from, the Property. The term "Hazardous Material" shall mean any substance, material, or waste which is or becomes regulated by any local governmental authority, the State of California, or the United States Government, including, but not limited to, any material or substance which is (i) defined as a "hazardous waste", "extremely hazardous waste", or "restricted hazardous waste" under Section 25115, 25117 or 25122.7, or listed pursuant to Section 25140 of the California Health and Safety Code, Division 20, Chapter 6.5 (Hazardous Waste Control Law), (ii) defined as "hazardous substance" under Section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8 (Carpenter-Presley-Tanner Hazardous Substance Account Act), (iii) defined as a "hazardous material", "hazardous substance", or "hazardous waste" under Section 25501 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory), (iv) defined as a "hazardous substance" under Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances), (v) petroleum, (vi) asbestos, (vii) polychlorinated byphenyls, (viii) listed under Article 9 or defined as "hazardous" or "extremely hazardous" pursuant to Article 11 of Title 22 of the California Administrative Code, Division 4, Chapter 20, (ix) designated as a "hazardous substances" pursuant to Section 311 of the Clean Water Act, (33 U.S.C. S1317), (x) defined as a "hazardous waste" pursuant to Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. S6901 et seq. (42 U.S.C. S6903) or (xi) defined as a "hazardous substances" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, as amended by Liability Act, 42. U.S.C. S9601 et seq. (42 U.S.C. S9601).

15. COMPLIANCE WITH ENVIRONMENTAL LAWS. To the best of Seller's knowledge the Property complies with all applicable laws and governmental regulations including, without limitation, all applicable federal, state, and local laws pertaining to air and water quality, hazardous waste, waste disposal, and other environmental matters, including, but not limited to, the Clean Water, Clean Air, Federal Water Pollution Control, Solid Waste Disposal, Resource Conservation Recovery and Comprehensive Environmental Response Compensation and Liability Acts, and the California Environment Quality Act, and the rules, regulations, and ordinances of the city within which the subject property is located, the California Department of Health Services, the Regional Water Quality Control Board, the State Water Resources Control Board, the Environmental Protection Agency, and all applicable federal, state, and local agencies and bureaus.

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16. INDEMNITY. Seller agrees to indemnify, defend and hold Buyer harmless from and against any claim, action, suit, proceeding, loss, cost, damage, liability, deficiency, fine, penalty, punitive damage, or expense (including, without limitation, attorneys' fees), resulting from, arising out of, or based upon (i) the presence, release, use, generation, discharge, storage, or disposal of any Hazardous Material on, under, in or about, or the transportation of any such materials to or from, the Property, or (ii) the violation, or alleged violation, of any statute, ordinance, order, rule, regulation, permit, judgment, or license relating to the use, generation, release, discharge, storage, disposal, or transportation of Hazardous Materials on, under, in, or about, to or from, the Property. This indemnity shall include, without limitation, any damage, liability, fine, penalty, punitive damage, cost, or expense arising from or out of any claim, action, suit or proceeding for personal injury (including sickness, disease, or death, tangible or intangible property damage, compensation for lost wages, business income, profits or other economic loss, damage to the natural resource or the environment, nuisance, pollution, contamination, leak, spill, release, or other adverse effect on the environment). This indemnity extends only to liability created prior to or up to the date this escrow shall close. Seller shall not be responsible for acts or omissions to act post close of this escrow.

17. FULL AND COMPLETE SETTLEMENT. Seller hereby acknowledges that the compensation paid to Seller through this Agreement constitutes the full and complete settlement of any and all claims against Buyer, by reason of Buyer's acquisition of the property and any dislocation of Seller from same, specifically including, but not limited to, any and all rights to participation in the redevelopment of property in the Redevelopment Project Area, the value of improvements pertaining to the realty, leasehold improvements, any and all claims for rental or leasehold value and loss of business goodwill, if any, and any and all claims in inverse condemnation and for pre-condemnation damages, any and all relocation benefits which Seller may be entitled, the nature and extent of which Seller acknowledges he has been fully advised, and any and all other claim that Seller may have, whether or not specifically mentioned here, relating directly or indirectly to the acquisition by Buyer of this subject property, however Seller and Buyer, and each and all of their individual collective agents' representatives, attorneys, principals, predecessors, successors, assigns, administrators, executors, heirs, and beneficiaries, hereby release the other party, and each of them from any and all obligations, liabilities, claims, costs, expenses, demands, debts, controversies, damages, causes of action, including without limitations those relating to just compensation, damages, relocation benefits, which any of them now have, or might hereafter have by reason of any matter or thing arising out or in any way relating to any condemnation action affecting the subject property.

18. CONTINGENCY. It is understood and agreed between the parties hereto that the completion of this transaction, and the escrow created hereby, is contingent upon the specific acceptance and approval of the Buyer herein. The execution of these documents and the delivery of same to Escrow Agent constitute said acceptance and approval.

The terms and conditions, covenants, and agreements set forth herein shall apply to and bind the heirs, executors, administrators, assigns and successors of the parties hereto.

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This Agreement contains the entire agreement between both parties, neither party relies upon any warranty or representation not contained in this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year set forth hereinabove.

MAILING ADDRESS OF SELLER

5332 Polis Drive
La Palma, CA 90623

SELLER

MUNG HUOT TAING AND HUI KIEN LA TAING,
TRUSTEE OF THE TAING REVOCABLE
FAMILY TRUST

BY: Mung Huot Taing Trustee
MUNG HUOT TAING, TRUSTEE

BY: Hui Kien La Taing Trustee
HUI KIEN LA TAING, TRUSTEE

MAILING ADDRESS OF BUYER

333 W. OCEAN BLVD. 3RD FL
LONG BEACH, CA 90802

BUYER

THE CITY OF LONG BEACH
A MUNICIPAL CORPORATION

BY: [Signature]

BY: Gerald R. Miller

APPROVED AS TO FORM

9/8, 2004
ROBERT E. SHANNON, City Attorney

By [Signature]
HEATHER A. MAHOOD
ASSISTANT CITY ATTORNEY

LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN IS SITUATED IN THE CITY OF LONG BEACH, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

LOTS 1 TO 8 INCLUSIVE IN BLOCK 2 OF KNOLL PARK ADDITION, IN THE CITY OF LONG BEACH, AS PER MAP RECORDED IN BOOK 6 PAGE 142 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, TOGETHER WITH THAT PORTION OF THE EAST ONE-HALF OF FAIRBANKS AVENUE THAT WOULD PASS IN A CONVEYANCE OF SAID LOTS 1 TO 8.

EXCEPT ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER LOTS 1 TO 4, 6, 7 AND 8, TOGETHER WITH RIGHT OF INGRESS AND EGRESS UNDER AND THROUGH THE SUBSURFACE OF SAID LAND AT A DEPTH OF NOT LESS THAN 200 FEET BELOW THE SURFACE OF SAID MENTIONED LOTS AT ANY AND ALL TIMES FOR THE PURPOSE OF MINING AND DEVELOPING SAID LANDS FOR OIL, GAS AND OTHER HYDROCARBON SUBSTANCES, AND OF DRILLING OIL WELL BORE HOLES THROUGH AND UNDER, AND OF COMPLETING THE SAME THROUGH AND UNDER SAID LANDS AND TO PRODUCE, SAVE AND EXTRACT THE SAME, AN UNDIVIDED ONE-HALF INTEREST THEREOF GRANTED TO EDWARD C. SIMMONS BY DEED RECORDED MARCH 12, 1947 IN BOOK 24360 PAGE 142 OF OFFICIAL RECORDS, AND AN UNDIVIDED ONE-HALF INTEREST THEREOF GRANTED TO R. F. INGOLD, BY DEED RECORDED MARCH 12, 1947 IN BOOK 24276 PAGE 419 OF OFFICIAL RECORDS.

ALSO EXCEPT FROM SAID LOT 5 ALL OIL OR MINERAL RIGHTS UNDERLYING SAID LOT 5; ALSO THE RIGHT TO PRODUCE OIL, GAS AND OTHER HYDROCARBON SUBSTANCES FROM SAID LAND BY DIRECTIONAL OR ANY MEANS NOT REQUIRING THE OCCUPANCY OF THE SURFACE OF SAID LAND OR ANY PORTION THEREOF, INCLUDING THE RIGHT TO COMBINE SAID PROPERTY IN ANY COMMUNITY OIL LEASE BUT NOT INCLUDING THE RIGHT TO ENTER UPON OR OCCUPY ANY PORTION OF THE SURFACE OF SAID PROPERTY FOR SUCH PURPOSES, AS RESERVED IN THE DEED FROM THE PACIFIC ELECTRIC LAND COMPANY, A CORPORATION, RECORDED DECEMBER 2, 1948 AS INSTRUMENT NO. 1172 IN BOOK 28853 PAGE 328, OFFICIAL RECORDS.

EXHIBIT "A"