

30086

**PURCHASE AND SALE AGREEMENT
AND ESCROW INSTRUCTIONS**

Between

**UNION PACIFIC RAILROAD COMPANY,
a Delaware corporation**

SELLER

And

**CITY OF LONG BEACH,
a municipal corporation of the State of California**

BUYER

DATED: FEB 23, 2007

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EXHIBITS:

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- EXHIBIT B - GRANT DEED
- EXHIBIT C - ASSIGNMENT AND ASSUMPTION AGREEMENT
- EXHIBIT D - PROPERTY MATERIALS
- EXHIBIT E - ENVIRONMENTAL RESPONSE AGREEMENT
- EXHIBIT F - ESCROW HOLDER GENERAL PROVISIONS
- EXHIBIT G - SEPARATE STATEMENT OF DOCUMENTARY TRANSFER TAX

Stewart Title of California, Inc.
 ("Escrow Holder")
 505 North Brand Blvd., Suite 800-A
 Glendale, California 91203
 Attention: Dody Laney
 Telephone: (818) 547-2030 ext. 211
 Facsimile: (818) 546-1374

Escrow No. 07110112

Date of Opening of
 Escrow: 2-23-2007

**PURCHASE AND SALE AGREEMENT
 AND ESCROW INSTRUCTIONS**

THIS PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS is made as of FEB 23, 2007 ("Execution Date"), by and between UNION PACIFIC RAILROAD COMPANY, a Delaware corporation ("Seller"), and CITY OF LONG BEACH, a municipal corporation of the State of California ("Buyer").

**ARTICLE 1
 PROPERTY**

Seller agrees to sell to Buyer and Buyer agrees to purchase from Seller that certain real property in Long Beach, Los Angeles County, California, shown on the print attached hereto as **Exhibit A** (the "Property"), subject to the terms and conditions set forth herein, any and all applicable federal, state and local laws, orders, rules, regulations, any and all outstanding rights of record or open and obvious on the ground, and all matters set forth in the form of Grant Deed attached hereto as **Exhibit B** (the "Deed"), including, without limitation, the following reservation:

Signboard Reservation.

(i) EXCEPTING from this sale one (1) signboard and appurtenances thereto, including, without limitation, wirelines for electrical service to such signboard, now located upon, along, under and across the Property, and RESERVING unto Seller, its successors and assigns, a PERPETUAL EASEMENT for the construction, maintenance, operation, repair, replacement, renewal and reconstruction of the signboard and appurtenances thereto (whether now or hereafter constructed) upon, along, under and across the portion of the Property which is the current location of the signboard and within a radius five feet (5') outside the perimeter of the land surface directly below the signboard (the "sign shadow") and any poles or footings if outside the sign shadow, together with (i) the right of unobstructed access, ingress and egress to and from said easement area for the purpose of exercising the rights herein reserved; (ii) an easement for roadway purposes for any existing roadway used for access to the signboard; and (iii) a sight line easement for the unobstructed view from the 7th Street Overpass to signboards now or hereafter located on said easement area.

(ii) The signboard and signboard appurtenances are located on the Property pursuant to Master Signboard Site License Agreement between Seller and Eller Media Company, now known as Clear Channel Outdoor, Inc. ("Clear Channel") dated September 30, 1997 (the "Eller Agreement"). Within one (1) year after Closing, Buyer may request Seller to withdraw the signboard site from the Eller Agreement. Seller agrees that, within thirty (30) days after receipt by Seller of written request from Buyer, Seller will send to Clear Channel notice of withdrawal of the requested signboard site on the Property from the Eller Agreement. The notice of withdrawal will be given in accordance with the provisions of the Eller Agreement, and the withdrawal will be effective not less than thirty-five (35) days after the notice of withdrawal is sent to Clear Channel. Seller will have no duty to enforce the obligations of Clear Channel with respect to withdrawal of the signboard site, including, without limitation, any obligations of Clear Channel to remove the signboard and appurtenances after the withdrawal. Seller will, upon request from Buyer, assign to Buyer any of Seller's rights to enforce any such obligations of Clear Channel. The fee of approximately \$233,623.22 (calculated using a withdrawal date of March 3, 2007, and to be recalculated by Seller based on the actual withdrawal date) required under the Eller Agreement to be paid by Seller to Clear Channel for withdrawal of such signboard site will be paid by Buyer to Seller at the time of Buyer's request to Seller to withdraw the signboard site.

ARTICLE 2 PURCHASE PRICE

2.1 Purchase Price. The purchase price ("Purchase Price") for the Property is FIVE MILLION AND NO/100th DOLLARS (\$5,000,000.00).

2.2 Payment of Purchase Price. The Purchase Price shall be paid as follows:

2.2.1 Deposit. Concurrently with Buyer's execution and delivery of this Agreement to Seller, Buyer shall deliver to Escrow Holder, for deposit into the above-referenced numbered escrow account (the "Escrow"), the sum of ONE HUNDRED THOUSAND AND NO/100th DOLLARS (\$100,000.00) as a deposit toward the Purchase Price (the "Deposit"). The Deposit shall be paid by cashier's or certified check drawn upon a California financial institution ("Major Bank Check"), or by cash deposit or a wire transfer of U.S. funds for immediate credit. The Deposit shall be applied towards the Purchase Price at Closing (as defined in Section 9.2.1) and shall become nonrefundable upon the expiration of the Feasibility Review Period described in Section 5.3, except in the event of a material default by Seller or the failure of a condition precedent to Buyer's obligations hereunder, or termination of this Agreement pursuant to Article 11.

2.2.2 Balance. At least one (1) business day prior to the Closing Date (as defined in Section 9.2.1), Buyer shall deliver a sum equal to the Purchase Price, together with Buyer's share of prorations and costs of Escrow as provided in Sections 9.6 through 9.8, less the amount of the Deposit delivered to Escrow Holder and any interest accrued thereon, such sum to

be paid by cash deposit, Major Bank Check or confirmed wire transfer of U.S. funds for immediate credit.

2.3 Investment of Deposit. The Deposit, upon receipt by Escrow Holder, shall be invested by Escrow Holder in an interest-bearing money market or a savings account with a national banking association or federally chartered savings and loan association. Interest earned on the Deposit shall accrue to the benefit of Buyer; provided, however, that in the event of any default by Buyer under this Agreement, all interest on the Deposit shall accrue to the benefit of Seller. All references to the Deposit hereafter shall include any interest accrued on the Deposit from Escrow Holder's investment thereof. Escrow Holder shall use Buyer's tax identification number which is [REDACTED] to report any interest which may accrue on the Deposit, unless the interest on the Deposit accrues to Seller as described above, in which event Escrow Holder shall report the interest using Seller's tax identification number which is [REDACTED]

2.4 Deposit as Liquidated Damages. IN THE EVENT THE SALE OF THE PROPERTY IS NOT CONSUMMATED BECAUSE OF A MATERIAL DEFAULT UNDER THIS AGREEMENT ON THE PART OF BUYER, ESCROW HOLDER MAY BE INSTRUCTED BY SELLER TO CANCEL THE ESCROW AND SELLER SHALL THEREUPON BE RELEASED FROM ITS OBLIGATIONS HEREUNDER, AND AS LIQUIDATED DAMAGES HEREUNDER, THE DEPOSIT (INCLUDING ALL INTEREST EARNED FROM THE INVESTMENT THEREOF) SHALL BE RETAINED BY SELLER AS LIQUIDATED DAMAGES AND BUYER SHALL DELIVER TO SELLER ALL OF THE MATERIALS REQUIRED TO BE DELIVERED TO SELLER PURSUANT TO SECTION 4.1 HEREOF. ESCROW HOLDER IS HEREBY AUTHORIZED AND INSTRUCTED TO RELEASE THE DEPOSIT TO SELLER. ESCROW HOLDER IS HEREBY RELIEVED OF LIABILITY FOR SO RELEASING THE DEPOSIT TO SELLER. IF BUYER ATTEMPTS TO INTERFERE WITH THE RELEASE OF THE DEPOSIT BY ESCROW HOLDER TO SELLER, THEN SELLER SHALL NOT BE LIMITED IN THE AMOUNT OF DAMAGES IT MAY RECOVER FROM BUYER. IN THE EVENT OF A MATERIAL DEFAULT BY BUYER AS AFORESAID, BUYER SHALL PAY ALL TITLE, SURVEY AND ESCROW CANCELLATION CHARGES. THE PARTIES ACKNOWLEDGE THAT SELLER'S ACTUAL DAMAGES IN THE EVENT OF A DEFAULT BY BUYER WOULD BE EXTREMELY DIFFICULT OR IMPRACTICABLE TO DETERMINE. THEREFORE, BY PLACING THEIR SIGNATURES OR INITIALS BELOW, THE PARTIES ACKNOWLEDGE THAT THE DEPOSIT (PLUS ANY ACCRUED INTEREST), THE ACTUAL TITLE, SURVEY AND ESCROW CANCELLATION CHARGES AND BUYER'S DELIVERY OF THE MATERIALS DESCRIBED IN SECTION 4.1 HEREOF HAVE BEEN AGREED UPON, AFTER NEGOTIATION, AS REASONABLE LIQUIDATED DAMAGES PURSUANT TO THE TERMS HEREOF AND CALIFORNIA CIVIL CODE SECTIONS 1671 AND 1677 AND SHALL CONSTITUTE SELLER'S EXCLUSIVE REMEDY AGAINST BUYER IN THE EVENT OF A DEFAULT ON THE PART OF BUYER PROVIDED THE DEPOSIT IS RELEASED TO SELLER AS AFORESAID. THE PAYMENT OF SUCH AMOUNT AS LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY WITHIN THE MEANING OF CALIFORNIA CIVIL CODE SECTIONS 3275 OR 3369, BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLER PURSUANT TO CALIFORNIA CIVIL CODE SECTIONS 1671, 1676 AND 1677. NOTWITHSTANDING

ANYTHING TO THE CONTRARY HEREIN CONTAINED, BUYER AND SELLER ACKNOWLEDGE AND AGREE THAT IN THE EVENT OF A DEFAULT BY BUYER, THE OBLIGATIONS OF AND INDEMNITY BY BUYER IN SECTION 4.1 HEREOF, THE CONFIDENTIALITY PROVISIONS OF SECTION 13.22 AND THE PROVISIONS OF SECTIONS 10.3 AND 13.21 HEREOF (HEREAFTER "SURVIVING OBLIGATIONS") SHALL NOT BE LIMITED, IMPAIRED OR OTHERWISE AFFECTED BY ANY TERMINATION OF THIS AGREEMENT OR ANY LIQUIDATED DAMAGES RECEIVED BY SELLER PURSUANT TO THIS PARAGRAPH AS A RESULT OF SUCH DEFAULT.

SELLER: *JEW*

BUYER: *maedstinner*

2.5 Waiver of Right to Record Lis Pendens. AS A MATERIAL CONSIDERATION FOR SELLER ENTERING INTO THIS AGREEMENT, BUYER EXPRESSLY WAIVES (A) ANY RIGHT UNDER CALIFORNIA CODE OF CIVIL PROCEDURE, PART II, TITLE 4.5 (SECTIONS 405 - 405.61) OR AT COMMON LAW OR OTHERWISE TO RECORD OR FILE A LIS PENDENS OR A NOTICE OF PENDENCY OF ACTION OR SIMILAR NOTICE AGAINST ALL OR ANY PORTION OF THE PROPERTY, (B) ITS RIGHT TO SPECIFIC PERFORMANCE IN CONNECTION WITH ANY ALLEGED DEFAULT BY SELLER HEREUNDER AND (C) ITS RIGHT TO BRING ANY ACTION THAT WOULD IN ANY WAY AFFECT TITLE TO OR THE RIGHT OF POSSESSION OF ALL OR ANY PORTION OF THE PROPERTY. BUYER HEREBY WAIVES THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 3389. BUYER ACKNOWLEDGES AND AGREES THAT PRIOR TO THE ACTUAL CLOSE OF ESCROW, BUYER DOES NOT AND SHALL NOT HAVE ANY RIGHT, TITLE AND/OR INTEREST IN THE PROPERTY OR ANY PORTION THEREOF. BUYER AND SELLER HEREBY EVIDENCE THEIR SPECIFIC AGREEMENT TO THE TERMS OF THIS WAIVER BY PLACING THEIR SIGNATURES OR INITIALS IN THE PLACE PROVIDED HEREINAFTER.

SELLER: *JEW*

BUYER: *maedstinner*

**ARTICLE 3
TITLE TO PROPERTY**

3.1 Title. At the Closing (as defined in Section 9.2.1), Seller shall execute and deliver to Buyer the Deed to the Property in the form of **Exhibit B** attached hereto. Title shall be evidenced by the issuance by Stewart Title Guaranty Company (the "Title Company") of an ALTA Standard Coverage Owner's Policy of Title Insurance with Western Regional Exceptions in the full amount of the Purchase Price (the "Title Policy"), insuring fee simple title to the Property in Buyer, subject only to:

3.1.1 A lien to secure payment of real property taxes and assessments, not delinquent;

3.1.2 Matters affecting the condition of title created or permitted to be created by or with the written consent of Buyer;

APPROVED AS TO FORM

2/15/07
ROBERT E. SHANNON, City Attorney
By *[Signature]*
CITY ATTORNEY

3.1.3 That certain Lease of Property dated November 22, 2005 between Seller and The Original 620 Cisco, Inc., a California corporation, identified in the records of Seller as Audit No. 238788, Folder 2355-77 (the "Lease"). At Closing, the Lease will be assigned by Seller to, and assumed by, Buyer by duly executed Assignment and Assumption Agreement (the "Assignment") in the form attached hereto as **Exhibit C** and hereby made a part hereof.

3.1.4 Standard exceptions in the Title Policy, and exceptions which are disclosed by the Title Report described in Section 5.1 or any supplementary report and which are approved or deemed approved by Buyer in accordance with Section 5.1; and

3.1.5 Any other exceptions or reservations set forth in the Deed.

3.2 Extended Coverage. Buyer, at its option and at its sole cost and expense, shall have the right to obtain ALTA extended coverage and/or an ALTA survey, provided, however, that the failure to obtain such extended coverage shall not be a condition to nor delay the Close of Escrow beyond the Closing Date set forth in Section 9.2.1 below.

ARTICLE 4 INSPECTION

4.1 Inspection.

(a) During the term of the Feasibility Review Period (as defined in Section 5.3), Buyer and its representatives (including architects and engineers) have the right to enter upon and inspect the Property and conduct such boundary and topographic surveys, soil and engineering tests and environmental assessments with engineers or consultants licensed in the State of California as Buyer may reasonably require; provided that such inspections and tests must not materially damage the Property in any respect; provided, further, that such tests and inspections are conducted in accordance with standards customarily employed in the industry and in compliance with all governmental laws, rules and regulations, and if Buyer wishes to perform any environmental sampling, then Buyer shall (i) before conducting any sampling, provide Seller with Buyer's work plan for sampling and shall modify the work plan as reasonably requested by Seller, (ii) give Seller reasonable advance notice of the dates when sampling will be conducted so that Seller and/or its consultants have the opportunity to be present, (iii) conduct any sampling in accordance with the work plan referred to under (i) above and with generally accepted environmental engineering standards, and (iv) provide Seller with the draft report on such sampling for Seller's review and comments prior to the report being placed in final form, and give reasonable consideration to such comments; provided, still further, that Buyer notifies Seller in writing at least forty-eight (48) hours prior to the date that each and every of such testing or inspections are to be conducted on the Property and provides evidence, satisfactory to Seller, of the availability of adequate public liability and other insurance, which insurance must name Seller as an additional insured.

(b) Following each entry by Buyer on the Property, Buyer shall promptly restore the Property to its original condition as existed prior to any such inspections and/or tests. If Buyer, its agents, representatives or employees undertakes any boring or other disturbance of

the soil, the soil so disturbed must be recompact to the original condition of the Property and Buyer shall obtain at its own expense a certificate from a soils engineer which certifies that such soil so disturbed has been recompact to the original condition of the Property.

(c) Buyer agrees to indemnify, hold harmless and defend (with counsel reasonably acceptable to Seller) Seller and Seller's affiliates ("Seller's affiliates" means any corporation which directly or indirectly controls or is controlled by or is under common control with Seller), its and their officers, agents, servants and employees against and from any and all liability, loss, cost, damage or expense (including attorneys' fees) of whatsoever nature growing out of or in connection with personal injury to or death of persons whomsoever (including, without limitation, exposure to hazardous or toxic substances), or loss or destruction of or damage to property whatsoever (including, without limitation, contamination by hazardous or toxic substances and any required testing, removal or cleanup thereof), where such personal injury, death, loss, destruction or damage arises in any way in connection with or incident to the occupation or use of the Property by, or the presence thereon of, Buyer, its officers, agents or employees and occurs from any such cause.

(d) The indemnity obligations of Buyer under this Section will survive any termination of this Agreement or the delivery of the Deed and the transfer of title. If Buyer discovers any hydrocarbon substances or any other hazardous or toxic substances, asbestos or asbestos-bearing materials, waste or materials subject to legal requirements or corrective action, Buyer shall immediately notify Seller of the same. As a material consideration for Seller entering into this Agreement, Buyer shall, upon request by Seller, promptly deliver to Seller, without charge therefor, the results and copies of any and all surveys, reports, tests, studies or assessments made by or for Buyer, development approvals and correspondence with governmental entities with respect to the Property.

4.2 Liens. Buyer agrees to pay in full for all materials joined or affixed to the Property and to pay in full all persons who perform labor upon the Property, and not to permit or suffer any mechanic's or materialman's lien of any kind or nature to be enforced against the Property for any work done or materials furnished thereon at the instance or request or on behalf of Buyer; and Buyer agrees to indemnify, hold harmless and defend (with counsel acceptable to Seller) Seller and Seller's affiliates, its and their officers, agents, servants and employees against and from any and all liens, claims, demands, costs and expenses of whatsoever nature in any way connected with or growing out of such work done, labor performed or materials furnished before Closing.

ARTICLE 5 BUYER'S CONDITIONS TO CLOSING

The following are conditions precedent to Buyer's obligation to purchase the Property:

5.1 Approval of Title.

(a) Buyer acknowledges receipt of a Preliminary Report on the Property issued by Title Company, dated as of January 15, 2006, Order No. 040271254 ("Title Report"), together with copies of the documents underlying the exceptions contained therein. Within the earlier to occur of (i) ten (10) days after receipt by Buyer of the survey referred to in Section 5.2 below, or (ii) forty (40) days after Opening of Escrow ("Title Contingency Date"), Buyer shall deliver written notice to Seller ("Buyer's Title Notice") of all matters of title to the Property disapproved by Buyer ("Disapproved Items"). Buyer's failure to deliver Buyer's Title Notice by the Title Contingency Date will be deemed to be Buyer's approval of the survey and all existing title matters. If Buyer timely notifies Seller of Disapproved Items and all or some of the Disapproved Items (except for those Disapproved Items, if any, which will be removed upon the Close of Escrow in accordance with the terms of this Agreement) are not cured or deleted as exceptions to title within ten (10) days after Seller's receipt of Buyer's Title Notice ("Seller's Cure Period"), Buyer will have the option of either waiving its disapproval of such Disapproved Items and proceeding to the Close of Escrow or terminating this Agreement, in which event the provisions of Section 5.1(b) will govern. The procurement by Seller of a commitment for the issuance of the Title Policy, or an endorsement thereto, insuring Buyer against any Disapproved Item set forth in Buyer's Title Notice, will be deemed a cure by Seller of such Disapproved Item. In the event Buyer elects to terminate this Agreement pursuant to this Section 5.1, Buyer shall notify Seller of its election by written notice no later than five (5) days after expiration of Seller's Cure Period. Buyer's failure to timely deliver written notice to Seller of its election will be deemed to be Buyer's election to proceed to the Close of Escrow and to waive its disapproval of such Disapproved Items. In no event will Seller's failure to cure or delete as exceptions to the Title Policy any Disapproved Items be deemed to be a breach of this Agreement by Seller or entitle Buyer to any offset against the Purchase Price.

(b) If this Agreement is terminated pursuant to this Section 5.1, Escrow Holder shall immediately return the Deposit less an amount equal to one-half (1/2) of the "cost of cancellation of the Escrow" (as hereinafter defined) to Buyer, and neither party will have any further rights or obligations under this Agreement (other than the Surviving Obligations). The term "cost of cancellation of the Escrow", as used herein shall be the costs accrued and charged by Escrow Holder and the Title Company for the cancellation of Escrow and the preparation of the Title Report, only.

5.2 Survey. Buyer acknowledges receipt of a survey of a portion of the Property, prepared and certified by Irby and Associates, identified as Job No. CO-641, dated October 2000 (the "Survey"). Buyer may elect, at its sole cost and expense, to cause an update to the Survey to be prepared and certified by a public surveyor registered in the State of California, which updated Survey may include all of the Property. If Buyer so elects, Buyer shall furnish a copy of the updated Survey to Seller and Title Company within thirty (30) days after Opening of Escrow. The Survey or updated Survey, as approved by Buyer as set forth in Section 5.1 above and as approved by Seller, shall be used by Seller as the basis for preparation of the metes and bounds description of the Property.

5.3 Feasibility Review. Buyer shall have approved, within forty (40) days after Opening of Escrow ("Feasibility Review Period"), the condition of the Property and the feasibility of Buyer's development plan therefor. Buyer's feasibility review pertains to Buyer's review of and satisfaction with the following:

- (i) The availability of approvals by all governmental bodies having jurisdiction over the Property for Buyer's intended development thereof; and
- (ii) Buyer's engineering studies, soils investigations, environmental assessments, surveys and physical inspection of the Property.

Buyer may elect, at any time prior to the expiration of the Feasibility Review Period, to terminate this Agreement as a result of Buyer's disapproval of any of the foregoing matters, provided, however, that if Buyer fails to notify Seller of Buyer's disapproval of the feasibility of Buyer's proposed development of the Property by written notice delivered to Seller no later than the date of expiration of the Feasibility Review Period, Buyer will be deemed to have approved the feasibility and this condition will be deemed satisfied. If this Agreement is terminated pursuant to the foregoing provisions of this Section 5.3, Escrow Holder shall immediately return the Deposit and any interest accrued thereon, less an amount equal to the cost of the cancellation of Escrow, to Buyer, and neither party will have any further rights or obligations under this Agreement (except for the Surviving Obligations).

5.4 Seller's Documents. Seller agrees to deliver to Buyer, within thirty (30) days after the Execution Date, copies of all agreements covering the Property that are disclosed by Seller's Standard Real Estate Search. Seller's Standard Real Estate Search means the following procedure: Seller's Real Estate Department (i) determines the Mile Posts of the property in question and converts the information into a data base inquiry which is run against Seller's Real Estate Management System data base of over 594,000 documents to generate a list of documents affecting the property in question as revealed by the data base, and (ii) searches for the listed documents in the Real Estate Department records in Omaha, Nebraska, which location is where documents in Seller's Real Estate Management System data base are stored and maintained in the ordinary course of Seller's business. If any agreement that affects the Property is identified during Seller's Standard Real Estate Search, Seller's rights (including, without limitation, any income) and obligations under such agreement, to the extent such agreement affects the Property, will be assigned to and assumed by Buyer at Closing. Seller makes no representations or warranties with respect to the accuracy or completeness of the list of agreements generated by Seller's Standard Real Estate Search.

5.5 Compliance by Seller. Seller shall have complied with each and every condition and material covenant of this Agreement to be kept or complied with by Seller.

**ARTICLE 6
SELLER'S CONDITION TO CLOSING**

It is a condition precedent to Seller's obligation to sell the Property that Buyer shall have complied with each and every condition and material covenant of this Agreement to be kept or complied with by Buyer.

**ARTICLE 7
MUTUAL CONDITION TO CLOSING**

7.1 HHRA. Seller shall (a) prepare a Human Health Risk Assessment (the "HHRA") that addresses soil and groundwater exposure pathways, and will allow that portion of the Property located north of Fairbanks Avenue to be used for certain park purposes and provide for closure of the Soil Vapor Extraction System on the Property, (b) submit the HHRA to the California Regional Water Quality Control Board ("RWQCB") for approval, and (c) use commercially reasonable efforts to obtain RWQCB approval of the HHRA ("HHRA Approval") on or before March 30, 2007. If for any reason Seller does not obtain HHRA Approval on or before March 30, 2007, or if either Seller or Buyer objects to any of the conditions to HHRA Approval imposed by RWQCB ("HHRA Conditions"), which objections must be given by the objecting party to the other party in writing within ten (10) days after receipt by the objecting party of the HHRA Conditions, then this Agreement shall automatically terminate. If this Agreement is terminated pursuant to this Section 7.1, Escrow Holder shall immediately return the Deposit and any interest accrued thereon, less an amount equal to the cost of the cancellation of Escrow, to Buyer, and neither party shall have any further rights or obligations under this Agreement (except for the Surviving Obligations).

**ARTICLE 8
"AS IS"; RELEASE AND INDEMNITY;
BUYER'S AFFIRMATIVE ENVIRONMENTAL OBLIGATIONS**

8.1 As Is Sale; Release and Indemnity.

8.1.1 "As Is" Sale. Buyer and its representatives, prior to the Closing Date, will have been afforded the opportunity to make such inspections of the Property and matters related thereto as Buyer and its representatives desire, including, without limitation, governmental laws and regulations to which the Property is subject. Buyer shall accept the Property upon the basis of its review and determination of the applicability and effect of such laws and regulations. Buyer acknowledges and agrees that the Property is to be sold and conveyed to and accepted by Buyer in an "as is" condition with all faults. Buyer acknowledges that the Property was formerly used as an electric railroad car house, an aboveground bulk chemical storage facility, and for other industrial uses, that a groundwater monitoring system ("Monitoring System") is in operation on the Property, that certain limited remediation of the soil on the Property has been conducted as a voluntary action under the jurisdiction of the RWQCB, that various spills of xylene, transmix, propylene glycol methyl ether, sulfuric acid and other contaminants have occurred on the Property, and that chlorinated and aromatic volatile organic compounds (VOCs), arsenic, lead and other contaminants have been detected on or under the Property and in the


groundwater under the Property. Buyer acknowledges and Seller agrees that the documents listed on **Exhibit D** attached hereto and made a part hereof (collectively, the "Property Materials") are available for Buyer's review at the offices of (i) Seller's Real Estate Department at 150 North Santa Anita Avenue, Suite 300, Arcadia, California, and/or (ii) Environmental Resources Management ("ERM"), 3 Hutton Centre, Suite 600, South Coast Metro, California. Seller makes no representation or warranty as to the accuracy or completeness of the Property Materials. Except as set forth in Section 10.1 below, Seller does not make any representations or warranties of any kind whatsoever, either express or implied, with respect to the Property or any of such related matters; in particular, but without limitation except as set forth in Section 10.1 below, Seller makes no representations or warranties with respect to the use, condition, title, occupation or management of the Property, compliance with applicable statutes, laws, codes, ordinances, regulations or requirements relating to leasing, zoning, subdivision, planning, building, fire, safety, health or environmental matters, compliance with covenants, conditions and restrictions (whether or not of record), other local, municipal, regional, state or federal requirements, or other statutes, laws, codes, ordinances, regulations or requirements (collectively, "Condition of the Property"). Buyer acknowledges that it is entering into this Agreement on the basis of Buyer's own investigation of the physical and environmental conditions of the Property, including the subsurface conditions and Buyer assumes the risk that adverse physical and environmental conditions may not have been revealed by its investigation.

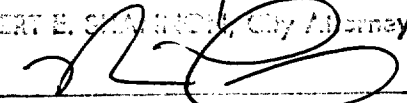
8.1.2 Release. BUYER, FOR ITSELF, ITS SUCCESSORS AND ASSIGNS, HEREBY WAIVES, RELEASES, REMISES, ACQUITS AND FOREVER DISCHARGES SELLER, SELLER'S EMPLOYEES, AGENTS, OR ANY OTHER PERSON ACTING ON BEHALF OF SELLER, OF AND FROM ANY CLAIMS, ACTIONS, CAUSES OF ACTION, DEMANDS, RIGHTS, DAMAGES, COSTS, EXPENSES, PENALTIES, FINES OR COMPENSATION WHATSOEVER, DIRECT OR INDIRECT, WHICH BUYER NOW HAS OR WHICH BUYER MAY HAVE IN THE FUTURE ON ACCOUNT OF OR IN ANY WAY ARISING OUT OF OR IN CONNECTION WITH THE CONDITION OF THE PROPERTY, INCLUDING, WITHOUT LIMITATION, THE KNOWN OR UNKNOWN PHYSICAL OR ENVIRONMENTAL CONDITION OF THE PROPERTY (INCLUDING, WITHOUT LIMITATION, ANY CONTAMINATION IN, ON, UNDER OR ADJACENT TO THE PROPERTY BY ANY HAZARDOUS OR TOXIC SUBSTANCE OR MATERIAL), OR ANY FEDERAL, STATE OR LOCAL LAW, ORDINANCE, RULE OR REGULATION APPLICABLE THERETO, INCLUDING, WITHOUT LIMITATION, THE TOXIC SUBSTANCES CONTROL ACT, THE COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION AND LIABILITY ACT, AND THE RESOURCE CONSERVATION AND RECOVERY ACT. THE FOREGOING SHALL APPLY REGARDLESS OF ANY NEGLIGENCE OR STRICT LIABILITY OF SELLER, ITS AFFILIATES, THEIR EMPLOYEES, AGENTS, OFFICERS, SUCCESSORS OR ASSIGNS. WITH RESPECT TO THE FOREGOING RELEASE, BUYER EXPRESSLY WAIVES THE BENEFITS AND PROTECTIONS OF SECTION 1542 OF THE CIVIL CODE OF THE STATE OF CALIFORNIA, WHICH READS AS FOLLOWS:

1542. Certain Claims Not Affected by General Release. A general release does not extend to claims which the creditor does not know or suspect to exist

in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

BUYER HEREBY EVIDENCES ITS SPECIFIC AGREEMENT TO THE TERMS OF THIS RELEASE BY PLACING ITS SIGNATURE OR INITIALS ~~IN THE PLACE PROVIDED~~ HEREINAFTER.


 Buyer's Initials


 ROBERT E. STARNICK, City Attorney
 2/15/07
 by

8.1.3 Indemnity. FROM AND AFTER CLOSING, BUYER SHALL, TO THE MAXIMUM EXTENT PERMITTED BY LAW, INDEMNIFY, DEFEND AND SAVE HARMLESS SELLER, ITS AFFILIATES, THEIR EMPLOYEES, AGENTS, OFFICERS, SUCCESSORS AND ASSIGNS, FROM AND AGAINST ANY AND ALL SUITS, ACTIONS, CAUSES OF ACTION, LEGAL OR ADMINISTRATIVE PROCEEDINGS, CLAIMS, DEMANDS, FINES, PUNITIVE DAMAGES, LOSSES, COSTS, LIABILITIES AND EXPENSES, INCLUDING ATTORNEY'S FEES, IN ANY WAY ARISING OUT OF OR CONNECTED WITH THE CONDITION OF THE PROPERTY, INCLUDING, WITHOUT LIMITATION, THE KNOWN OR UNKNOWN PHYSICAL OR ENVIRONMENTAL CONDITION OF THE PROPERTY (INCLUDING, WITHOUT LIMITATION, ANY CONTAMINATION IN, ON, UNDER OR ADJACENT TO THE PROPERTY BY ANY HAZARDOUS OR TOXIC SUBSTANCE OR MATERIAL), OR ANY FEDERAL, STATE OR LOCAL LAW, ORDINANCE, RULE OR REGULATION APPLICABLE THERETO, INCLUDING, WITHOUT LIMITATION, THE TOXIC SUBSTANCES CONTROL ACT, THE COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION AND LIABILITY ACT, AND THE RESOURCE CONSERVATION AND RECOVERY ACT. THE FOREGOING SHALL APPLY REGARDLESS OF ANY NEGLIGENCE OR STRICT LIABILITY OF SELLER, ITS AFFILIATES, THEIR EMPLOYEES, AGENTS, OFFICERS, SUCCESSORS OR ASSIGNS.

8.2 Buyer's Affirmative Environmental Obligations. The following, which are in addition to and not in limitation of Section 8.1, are Buyer's post-Closing affirmative obligations with respect to the environmental condition of the Property:

8.2.1 HHRA/NFR. Buyer shall comply with the HHRA and the HHRA Conditions. If HHRA Approval does not include a closure or "no further remediation" letter ("NFR"), Buyer shall obtain a comprehensive NFR from the RWQCB before using the Property for any purpose. Buyer shall comply with all conditions to the NFR.

8.2.2 Groundwater. Buyer shall maintain and operate the Monitoring System on the Property as required by RWQCB, and perform any and all environmental investigation, monitoring, response, remediation or other action with respect to groundwater as may be required by RWQCB or any other governmental agency with jurisdiction.

8.2.3 Restrictions on Use. The Property must not be used for any residential, day care, preschool, school, dormitory, nursing home, hotel, motel, hospital or retirement center

purposes. The Property may be used for parks, playgrounds, athletic fields or picnic grounds but only if soils on the Property containing arsenic or any other contaminants are managed to prevent dermal contact or ingestion. The foregoing restrictions are in addition to, and not in limitation of, the HHRA Conditions.

8.3 Survival; Environmental Response Agreement. The provisions of Sections 8.1 and 8.2 shall survive the Closing and the delivery of the Deed, and shall run with the title to the Property and bind Buyer's successors and assigns and each and every subsequent owner of all or any portion of the Property. The provisions of Sections 8.1.2, 8.1.3, and 8.2 shall be contained in a Notice of Contamination and Environmental Response Agreement in the form of **Exhibit E** attached and by reference made a part hereof, which shall be executed, acknowledged and delivered by Buyer at Closing.

ARTICLE 9 OPENING AND CLOSING OF ESCROW

9.1 Opening of Escrow and Escrow Instructions. Upon execution of this Agreement, the parties shall deposit three (3) executed counterparts of this Agreement (and Buyer shall deposit the Deposit) with Escrow Holder and this instrument will serve as the instructions to Escrow Holder for consummation of the purchase and sale contemplated hereby, including Escrow Holder's general provisions which are contained in **Exhibit F** attached hereto to the extent said general provisions do not conflict with the provisions contained in these Escrow Instructions. Escrow Holder shall insert the date of the Opening of Escrow on the upper right hand corner of the first page of this Agreement on each of the three counterparts. The Opening of Escrow is the date upon which Escrow Holder has received executed counterparts of this Agreement from both Buyer and Seller and has received the Deposit from Buyer. Escrow Holder shall deliver to both Buyer and Seller a set of counterparts of the Agreement executed by Buyer, Seller and Escrow Holder and shall retain a set in Escrow. Escrow Holder is only responsible for undertaking such matters in connection with the Closing as are specifically provided for herein or in any additional or supplementary escrow instructions delivered by the parties. If the Opening of Escrow has not occurred by February 23, 2007, this Agreement, and the terms and conditions contained herein, will be null and void and of no further force and effect.

9.2 Closing.

9.2.1 Closing Date. The consummation of the transaction contemplated by this Agreement and recording of the Deed (the "Closing" or "Close of Escrow") will occur and delivery of all items to be made at the Closing under the terms of this Agreement will be made within thirty (30) days after receipt of HHRA Approval, but in no event later than April 30, 2007 (the "Closing Date").

9.2.2 Preclosing Conditions. Provided that Escrow Holder can comply with these instructions, that Escrow Holder has received the deliveries described in Sections 9.3 and 9.4 below, that Escrow Holder has not received prior written notice from a party that any condition to such party's obligations has not been fulfilled, or that Buyer has elected to terminate

its rights and obligations hereunder pursuant to Articles 5 or 7 or Seller has elected to terminate its rights and obligations hereunder pursuant to Articles 6 or 7 and the Title Company has issued or is unconditionally prepared to issue to Buyer, as of the Closing Date, the Title Policy, then Escrow Holder is authorized and instructed to (a) record the Deed and Environmental Response Agreement, (b) deliver the Purchase Price to Seller, less prorations and costs of Escrow in accordance with Section 9.6 below, (c) deliver a conformed copy of the recorded Deed and Environmental Response Agreement and a fully executed counterpart of the Assignment to Buyer and Seller, and (d) deliver the closing statements to Buyer and Seller in accordance with Section 9.2.4 below. Escrow Holder is instructed to request that the amount of the documentary transfer tax due, if any, be shown on a separate paper and affixed to the Deed by the County Recorder after the permanent record is made, which request shall be in the form of **Exhibit G**.

9.2.3 Failure to Close. If the Closing does not occur on or before the Closing Date, then either party not then in default may elect to terminate this Agreement and cancel Escrow by giving written notice of such termination and cancellation to the other party and to Escrow Holder. In the event of such termination and cancellation, neither party will have any further obligations hereunder (other than the Surviving Obligations) and, unless the Escrow fails to close due to (a) a material default by Seller, (b) the failure of a condition precedent to Buyer's obligations hereunder, or (c) termination of this Agreement pursuant to Article 11, the Deposit and any interest accrued thereon shall be paid to or retained by Seller and all documents and other instruments must be returned to the party depositing the same into Escrow. In the event neither party is in default, then Buyer and Seller shall share equally the cost of cancellation of Escrow. In the event only one of the parties hereto is in default or if this Agreement expressly so provides, then such defaulting party shall pay for the entire cost of cancellation of Escrow. The termination of this Agreement and cancellation of Escrow, as provided herein, will be without prejudice to whatever legal rights, as said rights may be limited by the terms contained in this Agreement, that Buyer or Seller may have against each other arising out of this Agreement and the Escrow. If neither party so elects to terminate this Agreement and cancel Escrow, Escrow Holder shall close the Escrow as soon as possible.

9.2.4 Notification; Closing Statements. If Escrow Holder cannot comply with the instructions herein and to be provided, Escrow Holder is not authorized to cause the recording of the Deed or close this Escrow. If Escrow Holder is unable to cause the recording of the Deed, Escrow Holder shall notify Michael P. Conway at (562) 570-5282 and Don Caldwell at (626) 821-1881, without delay. If Escrow Holder is able to comply with the instructions herein and to be provided, at the Closing Escrow Holder shall deliver to Seller at the addresses provided in Section 13.9 a true, correct and complete copy of the Seller's closing statement, in the form customarily prepared by Escrow Holder and shall deliver to Buyer at the address provided in Section 13.9 a true, correct and complete copy of Buyer's closing statement, in the form customarily prepared by Escrow Holder.

9.3 Deliveries by Seller. Not later than one business day prior to the Closing Date, Seller shall deposit with Escrow Holder the following items:

9.3.1 Deed. The Deed in the form of **Exhibit B** duly executed and acknowledged by Seller.

9.3.2 Assignment. The Assignment in the form of **Exhibit C** duly executed by Seller.

9.3.3 Environmental Response Agreement. The Environmental Response Agreement in the form of **Exhibit D** duly executed and acknowledged by Seller.

9.3.4 Transfer Tax Letter. The Transfer Tax Letter duly executed by Seller in the form of **Exhibit G**.

9.3.5 Non-Foreign Status Certificate. A Non-Foreign Status Certificate pursuant to Internal Revenue Code Section 1445 duly executed by Seller.

9.3.6 California Form 593-C. California Form 593-C (Real Estate Withholding Certificate) duly executed by Seller.

9.3.7 Other Documents. Any other documents, instruments, data, records, correspondence or agreements called for hereunder which have not previously been delivered.

9.4 Deliveries by Buyer. Not later than one (1) business day prior to the Closing Date (or such other time specified below), Buyer shall deposit with Escrow Holder the following items:

9.4.1 Purchase Price. A sum, including the Deposit and any interest accrued thereon, in an amount equal to the Purchase Price, plus Buyer's share of the prorations and costs of Escrow which are required pursuant to this Article to close Escrow.

9.4.2 Assignment. The Assignment in the form of **Exhibit C** duly executed by Buyer.

9.4.3 Environmental Response Agreement. The Environmental Response Agreement in the form of **Exhibit D** duly executed and acknowledged by Buyer.

9.4.4 Other Documents. Any other documents, instruments, data, records, correspondence or agreements called for hereunder which have not been previously delivered.

9.5 Other Instruments. Seller and Buyer shall each deposit such other instruments and take such other actions as are reasonably required by Escrow Holder or otherwise required to close the Escrow and consummate the purchase of the Property in accordance with the terms of this Agreement.

9.6 Prorations. All revenues and expenses of the Property, including, without limitation, real property taxes, special taxes, assessments and utility fees and/or deposits, and rental under the Lease, will be prorated and apportioned between Buyer and Seller as of 12:01 a.m. on the Closing Date, so that Seller bears all expenses with respect to the Property and has the benefit of all income with respect to the Property through and including the date immediately

preceding the Closing Date. Seller and Buyer agree that any of the aforesaid prorations which cannot be calculated accurately as of the Closing Date will be prorated on the basis of the parties' reasonable estimates, and will be recomputed between Seller and Buyer when actual tax statements for the year of Closing are received, and either party owing the other party a sum of money based on such subsequent proration adjustment will promptly pay said sum to the other party, and, if payment is not made within ten (10) days after delivery of a bill therefor, will pay interest thereon at the lesser of the rate of ten percent (10%) per annum or the highest rate permitted by law, from the Closing Date to the date of payment.

9.7 Special Taxes, Bonds or Assessments. If, at the time of Closing, any portion of the Property is affected by an assessment or other charge, whether for taxes or bonds, or interest thereon, which is or may become payable in installments, and an installment payment of such assessment is then a lien, then such installment will be prorated as of midnight at the end of the day preceding the Close of Escrow. All installments not then yet due whether or not the same have been prepaid will not be prorated and Buyer shall assume such bonds or assessments. Any prepaid assessments made in advance of its due date will be credited to Seller. In addition, Buyer shall assume any and all future bonds, assessments, special taxes, fees or charges applicable to the Property for liabilities now or hereafter imposed by any governmental authority (collectively referred to as "Governmental Requirements") including, without limitation, any such Governmental Requirements imposed by the City of Long Beach, and those for (a) common area improvements, whether or not specifically set forth in this Agreement, (b) local assessment or improvement districts, (c) any special tax assessments, (d) traffic mitigation improvements, (e) park and recreation fees, and/or (f) any other public facility infrastructure or traffic mitigation required or imposed by the City of Long Beach. Buyer shall assume all such bonds or future assessments without offset or adjustment.

9.8 Costs and Expenses. The costs and expenses of Escrow upon Close of Escrow will be paid by Buyer, including, without limitation, the premium for the Title Policy, the cost of any documentary or other transfer taxes applicable to the sale, all recording charges, and all other standard costs and charges of the Escrow.

9.9 Disbursement of Funds. On the Close of Escrow, Escrow Holder shall disburse the Purchase Price less (a) Seller's share of prorations as determined pursuant to Section 9.6; and (b) Seller's share of costs of Escrow pursuant to Section 9.8; in immediately available funds, and, unless otherwise instructed by Seller, Escrow Holder shall cause such funds to be sent by wire transfer as follows:

US Bank
 Omaha, Nebraska 68102
 ABA Routing # [REDACTED]
 For Credit Union Pacific Railroad Company
 Account No. [REDACTED]

Such funds are to be wired as of 11:00 a.m. on such date in order that such funds may be received by Seller on the Close of Escrow; provided, however, that if such funds cannot be wired

to Seller on the Close of Escrow, Escrow Holder shall, unless otherwise directed in writing by Seller, invest the funds overnight in an interest-bearing account.

9.10 Delivery of Documents. Upon the Close of Escrow, Escrow Holder shall promptly deliver all instruments and documents to such party's attorney specified in Section 13.9, and if no attorney is specified, then to such party directly. Escrow Holder shall promptly deliver to the party entitled thereto the recorded originals of such instruments or documents upon Escrow Holder's receipt of the same.

9.11 Supplemental Taxes. Seller and Buyer acknowledge that the Property may be subject to supplemental taxes due as a result of change of ownership taking place through this Escrow. Any necessary adjustment due either party on receipt of a supplemental tax bill will be made by the parties outside of this Escrow and Escrow Holder is released of any liability in connection with same.

ARTICLE 10 REPRESENTATIONS, WARRANTIES AND COVENANTS

10.1 Representations, Warranties and Covenants of Seller. Seller hereby represents, warrants and covenants to Buyer as of the date of this Agreement, as follows:

10.1.1 Organization. Seller is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and qualified to do business in California.

10.1.2 Enforceability. This Agreement and all documents executed by Seller which are to be delivered to Buyer at the Closing are intended, provided Buyer has duly executed those documents requiring Buyer's signature, to be legal, valid, and binding obligations of Seller, and do not and at the time of Closing will not violate any provisions of any agreement or judicial order to which Seller is a party or to which Seller or the Property is subject.

10.1.3 Bankruptcy. No petition in bankruptcy (voluntary or otherwise), assignment for the benefit of creditors, or petition seeking reorganization or arrangement or other action under federal or state bankruptcy or insolvency laws is pending against or contemplated by Seller.

10.2 Representations, Warranties and Covenants of Buyer. Buyer hereby represents, warrants and covenants to Seller as of the date of this Agreement, as follows:

10.2.1 Organization. Buyer is a municipal corporation, duly organized, validly existing and in good standing under the laws of the State of California and qualified to do business in California, with full power and authority to enter into and comply with the terms of this Agreement.

10.2.2 Enforceability. This Agreement and all documents executed by Buyer which are to be delivered to Seller at the Closing are intended, provided Seller has duly executed

those documents requiring Seller's signature, to be legal, valid, and binding obligations of Buyer, and do not and at the time of Closing will not violate any provisions of any agreement or judicial order to which Buyer is a party or to which it is subject.

10.2.3 Bankruptcy. No petition in bankruptcy (voluntary or otherwise), assignment for the benefit of creditors, or petition seeking reorganization or arrangement or other action under federal or state bankruptcy or insolvency laws is pending against or contemplated by Buyer.

10.3 Mutual Representations and Covenants, Brokers and Finders. No broker's fee, finder's fee, commission or similar compensation will be paid to principals of Buyer or Seller in connection with this Agreement. In the event of a claim for broker's fee, finder's fee, commission or other similar compensation in connection herewith, Buyer, if such claim is based upon any agreement alleged to have been made by Buyer, agrees to indemnify and hold Seller harmless against any and all liability, loss, cost, damage or expense (including reasonable attorneys' fees and costs) which Seller may sustain or incur by reason of such claim; and Seller, if such claim is based upon any agreement alleged to have been made by Seller, agrees to indemnify and hold Buyer harmless against any and all liability, loss, cost, damage or expense (including reasonable attorneys' fees and costs) which Buyer may sustain or incur by reason of such claim. The provisions of this Section will survive the Close of Escrow or termination of this Agreement.

ARTICLE 11 CONDEMNATION

If, prior to the Close of Escrow, a governmental agency commences or imminently threatens in writing to commence any eminent domain proceedings to take any material portion of the Property, Buyer and Seller shall each have the unilateral right, exercisable by giving notice of such decision to the other party within thirty (30) days after receiving written notice of such actual or threatened condemnation proceedings, to terminate this Agreement, in which case the Deposit shall be returned to Buyer and Buyer and Seller shall pay one-half (1/2) of the cost of cancellation of Escrow and neither party shall have any further rights or obligations under this Agreement (other than the Surviving Obligations). If neither party elects to terminate pursuant to this Article 11, the Purchase Price will be determined (if not already fixed) as though such condemnation had not occurred, and the net proceeds of condemnation awards paid or payable to Seller by reason of such condemnation of the Property shall be paid or assigned to Buyer upon the Close of Escrow.

ARTICLE 12 POSSESSION

Possession of the Property will be delivered to Buyer on the Close of Escrow, subject to the Lease or any Licenses.

**ARTICLE 13
MISCELLANEOUS**

13.1 Agreement Expenses. The parties agree to bear their respective expenses, incurred or to be incurred in negotiating and preparing this Agreement and in Closing and carrying out the transactions contemplated by this Agreement.

13.2 Satisfaction or Waiver of Contingencies. The consummation of the Closing will be conclusive evidence that the contingencies and conditions to Closing have been fully satisfied or waived.

13.3 Successors and Assigns. This Agreement will be binding upon, and inure to the benefit of, the parties hereto and their respective successors, heirs, administrators and assigns, except that Buyer's interest under this Agreement may not be assigned, encumbered or otherwise transferred, whether voluntarily, involuntarily, by operation of law or otherwise. Any assignment, encumbrance or other transfer in violation of the foregoing will be void and Buyer will be deemed in default hereunder.

13.4 Parties in Interest. Except as expressly provided in this Agreement, nothing in this Agreement, whether express or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any persons other than the parties to it and their respective successors and assigns, nor is anything in this Agreement intended to relieve or discharge the obligation or liability of any third persons to any party to this Agreement, nor will any provision give any third persons any right to subrogation or action over against any party to this Agreement.

13.5 Entire Agreement. This Agreement constitutes the entire agreement between the parties pertaining to the subject matter contained in it and supersedes all prior or contemporaneous oral or written agreements, representations, statements, documents, or understandings of the parties.

13.6 Amendment. No supplement, modification, or amendment of this Agreement will be binding unless executed in writing by the party to be bound.

13.7 Waiver. No waiver of any of the provisions of this Agreement will be deemed, or will constitute, a waiver of any other provision, whether or not similar, nor will any waiver constitute a continuing waiver. No waiver will be binding unless executed in writing by the party making the waiver.

13.8 Timeliness. Seller and Buyer acknowledge and agree that time is strictly of the essence with respect to each and every term, condition, obligation and provision of this Agreement and that failure to timely perform any of the terms, conditions, obligations or provisions of this Agreement by either party shall constitute a material breach of and a non-curable (but waivable) default under this Agreement by the party so failing to perform.

13.9 Notices. Any notice or other communication required or permitted to be given under this Agreement ("Notices") must be in writing and must be (a) personally delivered; (b) delivered by a reputable overnight courier; or (c) delivered by certified mail, return receipt requested and deposited in the U.S. Mail, postage prepaid. Notices will be deemed received at the earlier of (a) actual receipt or (b) one business day after deposit with an overnight courier as evidenced by a receipt of deposit; or (c) three business days following deposit in the U.S. Mail, as evidenced by a return receipt. Notices must be directed to the parties at their respective addresses shown below, or such other address as either party may, from time to time, specify in writing to the other in the manner described above:

If to Seller: UNION PACIFIC RAILROAD COMPANY
 ATTN: Don Caldwell
 150 North Santa Anita Avenue, Suite 300
 Arcadia, California 91006
 Telephone: (626) 821-1881

With copy to: UNION PACIFIC RAILROAD COMPANY
 ATTN: Christine M. Smith, Assistant General Counsel
 1400 Douglas Street, Mail Stop 1580
 Omaha, Nebraska 68179
 Telephone: (402) 544-5761

If to Buyer: CITY OF LONG BEACH
 ATTN: Michael P. Conway
 Manager Property Services Bureau
 Community Development Dept.
 333 West Ocean Blvd., 3rd Floor
 Long Beach, California 90802
 Telephone: (562) 570-5282

13.10 Governing Law and Venue. This Agreement is to be construed in accordance with, and governed by, the laws of the State of California, and any action or proceeding brought by any party in which this Agreement is subject, will be brought in the county in which the Property is located.

13.11 Effect of Headings. The headings of the paragraphs of this Agreement are included for purposes of convenience only, and will not affect the construction or interpretation of any of its provisions.

13.12 Invalidity. Any provision of this Agreement which is invalid, void, or illegal, will not affect, impair, or invalidate any other provision of this Agreement, and such other provisions of this Agreement will remain in full force and effect

13.13 Counterparts. This Agreement may be executed simultaneously in one or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

13.14 Number and Gender. When required by the context of this Agreement, each number (singular and plural) will include all numbers, and each gender will include all genders.

13.15 Joint and Several Liability. In the event either party hereto now or hereafter consists of more than one person, firm, or corporation, then and in such event, all such persons, firms, or corporations will be jointly and severally liable as parties under this Agreement.

13.16 Recording. Neither party may record this Agreement or any memorandum thereof.

13.17 Further Assurances. Each party to this Agreement agrees to execute, acknowledge, and deliver such further instruments as may be necessary or desirable to accomplish the intent and purpose of this Agreement, provided that the party requesting such further action bears all costs and expenses related thereto.

13.18 Advice of Professionals. Each party has had the opportunity to be advised by legal counsel and other professionals in connection with this Agreement, and each party has obtained such advice as each party deems appropriate.

13.19 Negotiated Terms. The parties agree that the terms and conditions of this Agreement are the result of negotiations between the parties and that this Agreement will not be construed in favor of or against any party by reason of the extent to which any party or its professionals participated in the preparation of this Agreement.

13.20 Recitals and Exhibits. The recitals and contents of all Exhibits to this Agreement are incorporated by reference and constitute a material part of this Agreement.

13.21 Fees and Costs. If any legal or equitable action, bankruptcy, reorganization, or other proceeding, whether on the merits, application, or motion, are brought or undertaken, or an attorney retained, to enforce this Agreement or any closing document, or because of an alleged dispute, breach, default, or misrepresentation in connection with any of the provisions of this Agreement or any closing document, then the prevailing party or parties in such undertaking (or the party that would prevail if an action were brought) will be entitled to recover reasonable attorney's fees, expert witness fees, court costs and other expenses incurred in such action or proceeding, in addition to any other relief to which such party may be entitled. The parties intend this provision to be given the most liberal construction possible and to apply to any circumstances in which such party reasonably incurs expenses. The provisions of this Section will survive the Close of Escrow or the termination of this Agreement.

13.22 Confidentiality. All information, studies and reports relating to the property obtained by Buyer, either by the observations and examinations of its agents and representatives or as disclosed to it by Seller, must remain confidential and Buyer shall not disclose any such matters to any person or governmental agency except as unconditionally required by law, including the Public Records Act. If the transaction contemplated herein fails to close for any reason, Buyer shall deliver and return to Seller, at no cost to Seller, all such information, reports

and studies, and Buyer shall make no further distributions or disclosures of any such information, reports and studies. The provisions of this Section will survive the termination of this Agreement.

13.23 Not an Offer. The submission of this Agreement to Buyer for review or signature does not constitute an offer to sell the Property to Buyer or the granting of an option or other rights with respect to the Property to Buyer. No agreement with respect to the purchase and sale of the Property will exist, and this writing will have no binding force or effect, until executed and delivered by both Seller and Buyer.

13.24 Back-Up Offers. Until the Close of Escrow, Seller will have the right to continue to present the Property for sale and accept "back-up" offers contingent on Buyer's failure to perform under the terms of this Agreement.


13.25 Severability. Any provision of this Agreement which is determined by a court of competent jurisdiction to be invalid or unenforceable will be invalid or unenforceable only to the extent of such determination, which will not invalidate or otherwise render ineffective any other provision of this Agreement.

13.26 Merger. Except as otherwise expressly provided herein, the covenants, representations and warranties of Buyer and Seller herein will merge into the Deed to be delivered by Seller to Buyer at Closing and will not survive the Closing of Escrow.

13.27 Tax-Deferred Exchange. Seller may arrange for the exchange upon the Closing of Escrow of one or more parcels of property for the Property in order to effect a tax-deferred exchange within the meaning of Section 1031 of the Internal Revenue Code of 1986, as amended, and comparable provisions of state statutes. Buyer agrees to cooperate with Seller in connection with any such exchange. Such cooperation by Buyer shall include, but is not limited to, executing documents as reasonably may be required by Seller.

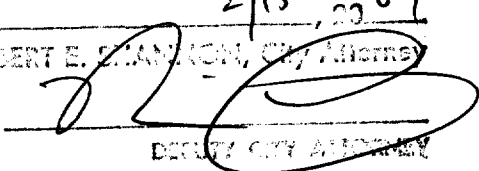
SELLER:

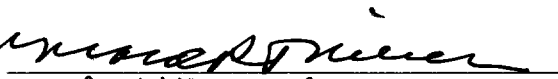
**UNION PACIFIC RAILROAD COMPANY,
a Delaware corporation**

By: 
Title: Assistant Vice President - Law

BUYER:

**CITY OF LONG BEACH, a municipal
corporation of the State of California**

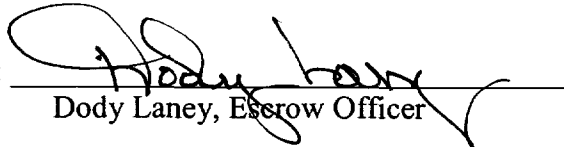
APPROVED AS TO FORM
2/15, 2007
ROBERT E. SHANNON, City Attorney
By: 
CITY ATTORNEY

By: 
Title: CITY MANAGER

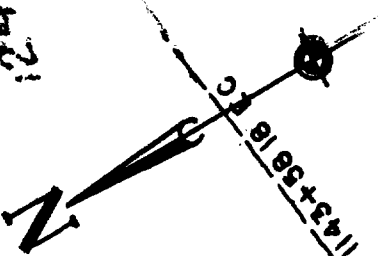
THE UNDERSIGNED ESCROW HOLDER ACKNOWLEDGES ITS RECEIPT OF THE DEPOSIT AND THREE (3) EXECUTED COPIES OF THIS AGREEMENT AND AGREES TO ACT IN ACCORDANCE THEREWITH, WITH THE UNDERSTANDING THAT ESCROW HOLDER WILL REQUIRE MUTUALLY AGREED WRITTEN INSTRUCTIONS AT THE TIME ANY REQUEST FOR CANCELLATION MAY OCCUR, AND AT THE TIME ANY DISBURSEMENT OF FUNDS IS REQUESTED TO BE RELEASED PRIOR TO THE SUCCESSFUL CLOSING OF THIS TRANSACTION.

ESCROW HOLDER:

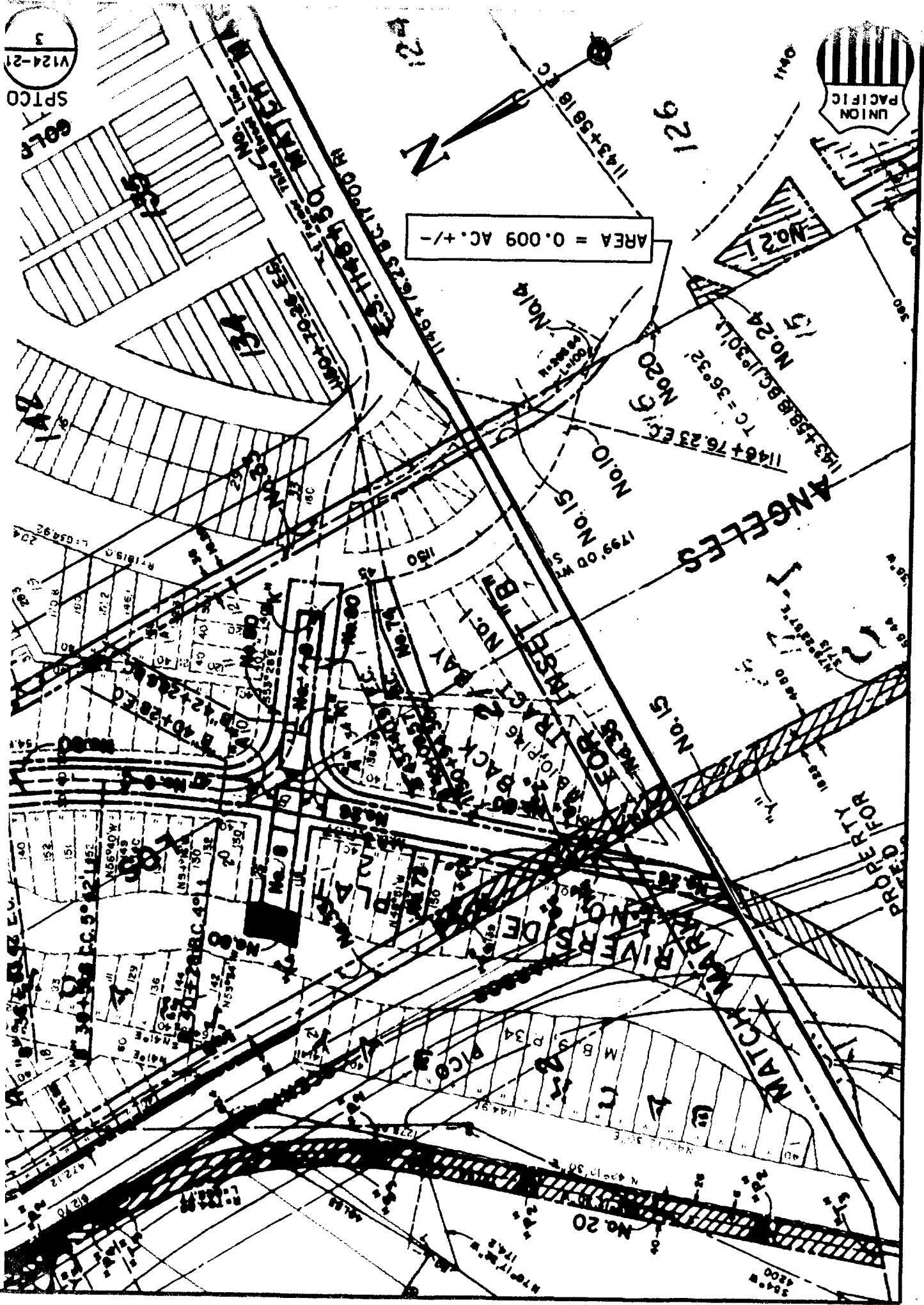
STEWART TITLE GUARANTY COMPANY

By: 
Dody Laney, Escrow Officer

SPICG
V124-21
3



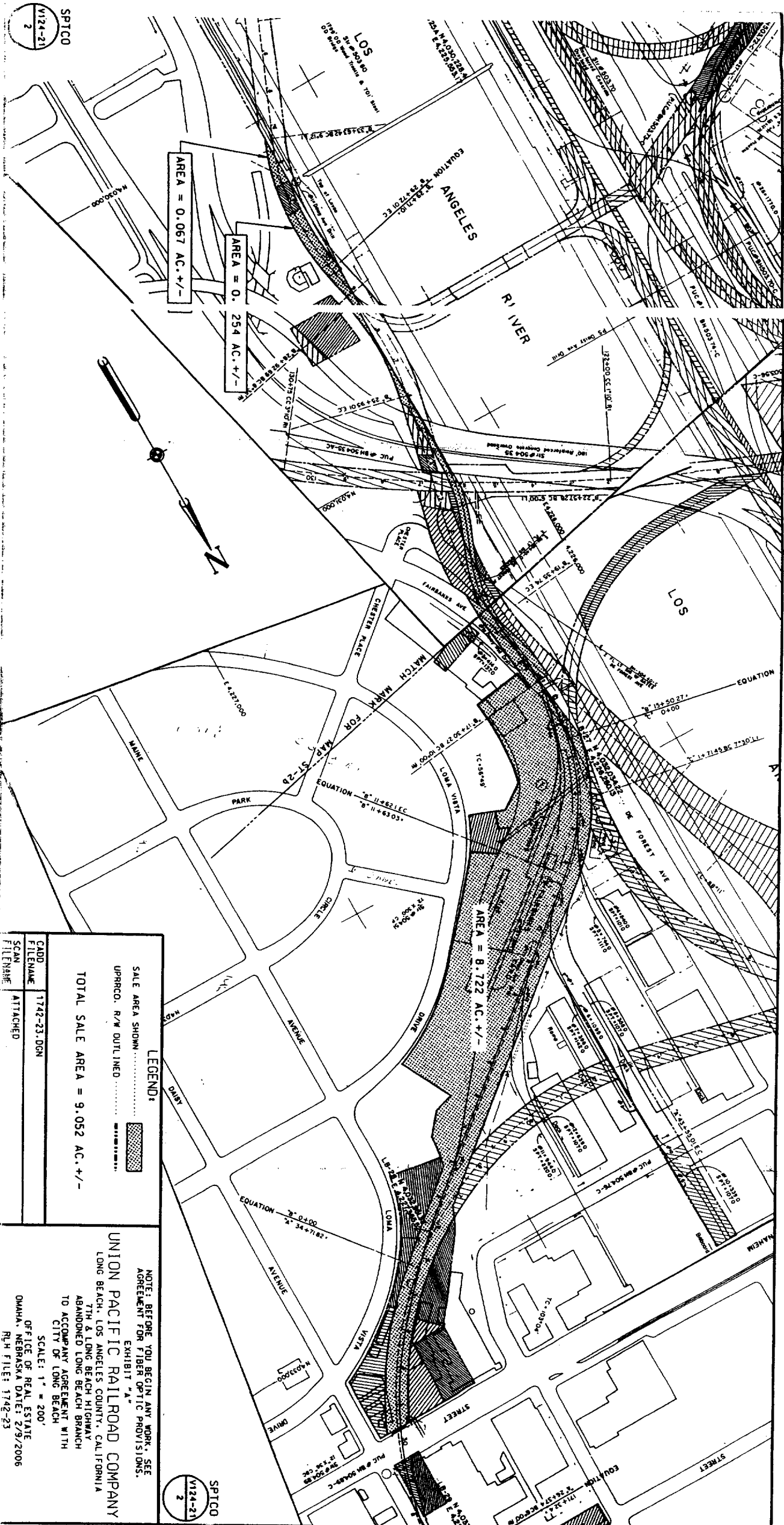
AREA = 0.009 AC. +/-



LOS ANGELES

PREPARED BY

1954



LEGEND:

SALE AREA SHOWN [Hatched Box]

UPRRCO. R/W OUTLINED [Dashed Line]

TOTAL SALE AREA = 9.052 AC. +/-

CADD FILENAME	1742-23.DGN
SCAN FILENAME	ATTACHED

NOTE: BEFORE YOU BEGIN ANY WORK, SEE AGREEMENT FOR FIBER OPTIC PROVISIONS. EXHIBIT "A"

UNION PACIFIC RAILROAD COMPANY

LONG BEACH, LOS ANGELES COUNTY, CALIFORNIA

7TH & LONG BEACH HIGHWAY

ABANDONED LONG BEACH BRANCH

TO ACCOMPANY AGREEMENT WITH CITY OF LONG BEACH

OFFICE OF REAL ESTATE

OMAHA, NEBRASKA DATE: 2/9/2006

R/H FILE: 1742-23

SPTCO
V174-21
2

SPTCO
V174-21
2

EXHIBIT B

**RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:**

MAIL TAX STATEMENTS TO:

(Space above line for Recorder's use only)

APN _____

GRANT DEED

FOR VALUE RECEIVED, UNION PACIFIC RAILROAD COMPANY, a Delaware corporation ("Grantor"), grants to CITY OF LONG BEACH, a municipal corporation of the State of California ("Grantee"), all of its right, title, and interest in and to that certain real property (the "Property") situated in the City of Long Beach, County of Los Angeles, State of California, described in **Exhibit A** attached hereto and incorporated by reference.

EXCEPTING from this conveyance and RESERVING unto Grantor, its successors and assigns (including, without limitation, lessees and licensees of Grantor), forever, the following:

One (1) signboard and appurtenances thereto, including, without limitation, wirelines for electrical service to such signboard, now located upon, along, under and across the Property, and a PERPETUAL EASEMENT for the construction, maintenance, operation, repair, replacement, renewal and reconstruction of the signboard and appurtenances thereto (whether now or hereafter constructed) upon, along, under and across the portion of the Property which is the current location of the signboard and within a radius five feet (5') outside the perimeter of the land surface directly below the signboard (the "sign shadow") and any poles or footings if outside the sign shadow, together with (i) the right of unobstructed access, ingress and egress to and from said easement area for the purpose of exercising the rights herein reserved; (ii) an easement for

roadway purposes for any existing roadway used for access to the signboard; and (iii) a sight line easement for the unobstructed view from the 7th Street Overpass to signboards now or hereafter located on said easement area.

THE PROPERTY IS CONVEYED TO GRANTEE SUBJECT TO:

- A. All liens, encumbrances, easements, covenants, conditions and restrictions of record, including, without limitation, the Notice of Contamination and Environmental Response Agreement dated _____, 2007 between Grantor and Grantee, recorded concurrently with this Deed;
- B. All matters which would be revealed or disclosed in an accurate survey of the Property;
- C. All matters which would be revealed or disclosed by a physical inspection of the Property;
- D. A lien not yet delinquent for taxes for real property and personal property, and any general or special assessments against the Property; and
- E. Zoning ordinances and regulations and any other notices, orders, laws, ordinances, and governmental regulations and restrictions regulating the use, occupancy or enjoyment of the Property, and amendments and additions thereto, now or hereafter in force or effect.

IN WITNESS WHEREOF, the undersigned has executed this Deed as of _____, 2007.

Attest:

**UNION PACIFIC RAILROAD COMPANY,
a Delaware corporation**

Assistant Secretary

By: _____
Title: _____

(SEAL)

STATE OF NEBRASKA)
)
COUNTY OF DOUGLAS)

On _____, 2007, before me, a Notary Public in and for said County and State, personally appeared _____ and _____, _____ and Assistant Secretary, respectively, of UNION PACIFIC RAILROAD COMPANY, a Delaware corporation, personally known to me (or proved to me on the basis of satisfactory evidence) to be the persons whose names are subscribed to the within instrument, and acknowledged to me that they executed the same in their authorized capacities, and that by their signatures on the instrument the persons, or the entity upon behalf of which the persons acted, executed the instrument.

WITNESS my hand and official seal.

Notary Public

(SEAL)

EXHIBIT A TO EXHIBIT B

**LEGAL DESCRIPTION OF PROPERTY
TO BE ATTACHED**

EXHIBIT C**ASSIGNMENT AND ASSUMPTION AGREEMENT**

FOR VALUE RECEIVED, UNION PACIFIC RAILROAD COMPANY, a Delaware corporation ("Assignor"), acting by and through its duly authorized officers, has ASSIGNED AND TRANSFERRED, and by these presents does ASSIGN AND TRANSFER unto CITY OF LONG BEACH, a municipal corporation of the State of California ("Assignee"), all of Assignor's right, title and interest in and to that certain Lease of Property dated November 22, 2005 between Assignor and The Original 620 Cisco, Inc., a California corporation, identified in the records of Assignor as Audit No. 238788, Folder 2355-77 ("Lease"), now or hereafter affecting the real property described in **Exhibit A** (the "Property"), together with all security deposits and other deposits held by Assignor under the terms of the Lease.

TO HAVE AND TO HOLD the Lease unto Assignee, its successors and assigns. This Assignment is made and accepted without recourse against Assignor as to the performance by any party under the Lease.

Assignee agrees to (a) perform all of the obligations of Assignor pursuant to the Lease as it relates to the Property accruing on and after the date hereof, and (b) indemnify and hold Assignor harmless from and against any and all claims, causes of actions and expenses (including reasonable attorney's fees) incurred by Assignor and arising out of (1) Assignee's failure to comply with terms of the Lease as it relates to the Property on and after the date hereof, or (2) claims under the Lease as it relates to the Property by the tenant named in the Lease accruing on and after the date hereof.

All exhibits attached to this Agreement are incorporated herein for all purposes.

This Assignment and Assumption of Lease shall inure to and be binding upon the parties, their successors and assigns.

Dated the ____ day of _____, 2007.

**UNION PACIFIC RAILROAD COMPANY,
a Delaware corporation**

By: _____
Title: _____

**CITY OF LONG BEACH, a municipal
corporation of the State of California**

By: _____
Title: _____

EXHIBIT A TO EXHIBIT C

**LEGAL DESCRIPTION OF PROPERTY
TO BE ATTACHED**

EXHIBIT D**PROPERTY MATERIALS**

DATE	WRITTEN BY	REPORT NAME
11/00	ERM	Source Removal Corrective Action Plan 960 DeForest Avenue
03/01	ERM	UPRR Groundwater Monitoring Well Installation & Groundwater Monitoring, 960 DeForest Avenue
07/27/01	ERM	Groundwater Monitoring Data Transmittal April 2001 Monitoring Event, 960 DeForest Avenue File No. 681, PCA No. 2048H
___/05/01	ERM	Groundwater Monitoring Data Transmittal July 2001 Monitoring Event, 960 DeForest Avenue File No. 681, PCA No. 2048H
10/01/02	ERM	Groundwater Monitoring Data Transmittal June 2002 Monitoring Event, 960 DeForest Avenue File No. 681, PCA No. 2048H
10/31/02	ERM	UPRR 2001 Annual Groundwater Monitoring Report Long Beach
06/03	ERM	2002 Annual Groundwater Monitoring Report Long Beach
06/01/04	ERM	Groundwater Monitoring Data Transmittal December 2003 Monitoring Event
3/12/98	ERM	Underground Storage Tank Removal, 985 DeForest Avenue
09/99	ERM	UPRR Soil & Groundwater Investigation Report, 960 DeForest Avenue
03/00	ERM	UPRR Groundwater Monitoring Well Installation & Groundwater Monitoring, 960 DeForest Avenue
8/10/00	ERM	Work Plan for Installation and Sampling of a Groundwater Monitoring Well at 960 DeForest Avenue
8/18/00	ERM	Groundwater Monitoring Events and Data Transmittal, 960 DeForest Avenue File No. 681, PCA No. 2048H
11/00	ERM	Source Removal Corrective Action Plan, 960 DeForest Avenue
9/25/01	ERM	Groundwater Monitoring Data Transmittal July 2001 Monitoring Event, 960 DeForest Avenue File No. 681, PCA No. 2048H
10/01/02	ERM	Groundwater Monitoring Data Transmittal June 2002 Monitoring Event, 960 DeForest Avenue File No. 681, PCA No. 2048H
10/31/02	ERM	UPRR 2001 Annual Groundwater Monitoring Report Long Beach

3/2003	ERM	Corrective Action Plan Investigation & Pilot Study Results, 960 DeForest Avenue
01/30/06	ERM	Summary of 2005 Activities, 960 DeForest Avenue, Long Beach, CA, File No. 681, PCA No. 2048H - Letter from Deborah Taege, Project Manager, to California EPA, RWQCB
10/20/2005	SCS Engineers File 01205196.00	Phase I Environmental Assessment, Three Union Pacific Railroad Parcels (APNs 7278-012-803/804 and 7278-013-800), Long Beach, California

EXHIBIT E**Recording Requested By and
When Recorded Return to:**

Union Pacific Railroad Company
 Attn: Christine M. Smith, Esq.
 1400 Douglas Street, Mail Stop 1580
 Omaha, Nebraska 68179

(ABOVE SPACE FOR RECORDER'S USE ONLY)

**NOTICE OF CONTAMINATION AND
 ENVIRONMENTAL RESPONSE AGREEMENT**

THIS NOTICE OF CONTAMINATION AND ENVIRONMENTAL RESPONSE AGREEMENT ("Agreement") dated _____, 2007 ("Effective Date"), is entered into by and between UNION PACIFIC RAILROAD COMPANY, a Delaware corporation ("Union Pacific"), and CITY OF LONG BEACH, a municipal corporation of the State of California ("City").

RECITALS:

A. Union Pacific has sold certain real property ("Property") in the City of Long Beach, County of Los Angeles, California, designated on **Exhibit A** attached hereto and incorporated herein by reference, to City by Grant Deed dated _____, 2007 (the "Deed"), recorded on _____, 2007 as Instrument No. _____ in the Official Records of Los Angeles County, California.

B. The parties desire to set forth the obligations and agreement of City, its successors and assigns, with respect to the environmental condition of the Property.

NOW, THEREFORE, for valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

1. Notice of Contamination of Property. City, and each subsequent owner of all or any portion of the Property, is hereby notified that the Property was formerly used as an electric railroad car house, an aboveground bulk chemical storage facility, and for other industrial uses, that a groundwater monitoring system ("Monitoring System") is in operation on the Property, that certain limited remediation of the soil on the Property has been conducted as a voluntary action under the jurisdiction of the California Regional Water Quality Control Board ("RWQCB"), that various spills of xylene, transmix, propylene glycol methyl ether, sulfuric acid and other contaminants have occurred on the Property, and that chlorinated and aromatic volatile

organic compounds (VOCs), arsenic, lead and other contaminants have been detected on or under the Property and in the groundwater under the Property.

2. Release. CITY, FOR ITSELF, ITS SUCCESSORS AND ASSIGNS, HEREBY WAIVES, RELEASES, REMISES, ACQUITS AND FOREVER DISCHARGES UNION PACIFIC, UNION PACIFIC'S EMPLOYEES, AGENTS, OR ANY OTHER PERSON ACTING ON BEHALF OF UNION PACIFIC, OF AND FROM ANY CLAIMS, ACTIONS, CAUSES OF ACTION, DEMANDS, RIGHTS, DAMAGES, COSTS, EXPENSES, PENALTIES, FINES OR COMPENSATION WHATSOEVER, DIRECT OR INDIRECT, WHICH CITY NOW HAS OR WHICH CITY MAY HAVE IN THE FUTURE ON ACCOUNT OF OR IN ANY WAY ARISING OUT OF OR IN CONNECTION WITH THE CONDITION OF THE PROPERTY, INCLUDING, WITHOUT LIMITATION, THE KNOWN OR UNKNOWN PHYSICAL OR ENVIRONMENTAL CONDITION OF THE PROPERTY (INCLUDING, WITHOUT LIMITATION, ANY CONTAMINATION IN, ON, UNDER OR ADJACENT TO THE PROPERTY BY ANY HAZARDOUS OR TOXIC SUBSTANCE OR MATERIAL), OR ANY FEDERAL, STATE OR LOCAL LAW, ORDINANCE, RULE OR REGULATION APPLICABLE THERETO, INCLUDING, WITHOUT LIMITATION, THE TOXIC SUBSTANCES CONTROL ACT, THE COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION AND LIABILITY ACT, AND THE RESOURCE CONSERVATION AND RECOVERY ACT. THE FOREGOING SHALL APPLY REGARDLESS OF ANY NEGLIGENCE OR STRICT LIABILITY OF UNION PACIFIC, ITS AFFILIATES, THEIR EMPLOYEES, AGENTS, OFFICERS, SUCCESSORS OR ASSIGNS. WITH RESPECT TO THE FOREGOING RELEASE, CITY EXPRESSLY WAIVES THE BENEFITS AND PROTECTIONS OF SECTION 1542 OF THE CIVIL CODE OF THE STATE OF CALIFORNIA, WHICH READS AS FOLLOWS:

1542. Certain Claims Not Affected by General Release. A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

CITY HEREBY EVIDENCES ITS SPECIFIC AGREEMENT TO THE TERMS OF THIS RELEASE BY PLACING ITS SIGNATURE OR INITIALS IN THE PLACE PROVIDED HEREINAFTER.

City's Initials

3. Indemnity. FROM AND AFTER THE EFFECTIVE DATE, CITY SHALL, TO THE MAXIMUM EXTENT PERMITTED BY LAW, INDEMNIFY, DEFEND AND SAVE HARMLESS UNION PACIFIC, ITS AFFILIATES, THEIR EMPLOYEES, AGENTS, OFFICERS, SUCCESSORS AND ASSIGNS, FROM AND AGAINST ANY AND ALL SUITS, ACTIONS, CAUSES OF ACTION, LEGAL OR ADMINISTRATIVE PROCEEDINGS, CLAIMS, DEMANDS, FINES, PUNITIVE DAMAGES, LOSSES, COSTS, LIABILITIES AND EXPENSES, INCLUDING ATTORNEY'S FEES, IN ANY WAY ARISING OUT OF OR CONNECTED WITH THE CONDITION OF THE PROPERTY, INCLUDING, WITHOUT

LIMITATION, THE KNOWN OR UNKNOWN PHYSICAL OR ENVIRONMENTAL CONDITION OF THE PROPERTY (INCLUDING, WITHOUT LIMITATION, ANY CONTAMINATION IN, ON, UNDER OR ADJACENT TO THE PROPERTY BY ANY HAZARDOUS OR TOXIC SUBSTANCE OR MATERIAL), OR ANY FEDERAL, STATE OR LOCAL LAW, ORDINANCE, RULE OR REGULATION APPLICABLE THERETO, INCLUDING, WITHOUT LIMITATION, THE TOXIC SUBSTANCES CONTROL ACT, THE COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION AND LIABILITY ACT, AND THE RESOURCE CONSERVATION AND RECOVERY ACT. THE FOREGOING SHALL APPLY REGARDLESS OF ANY NEGLIGENCE OR STRICT LIABILITY OF UNION PACIFIC, ITS AFFILIATES, THEIR EMPLOYEES, AGENTS, OFFICERS, SUCCESSORS OR ASSIGNS.

4. City's Affirmative Environmental Obligations. The following, which are in addition to and not in limitation of Sections 2 and 3, are City's affirmative obligations with respect to the environmental condition of the Property:

4.1 HHRA/NFR. City shall comply with the Human Health Risk Assessment dated _____, 2007 ("HHRA") and any conditions to the HHRA imposed by the RWQCB ("HHRA Conditions"). If RWQCB approval of the HHRA does not include a closure or "no further remediation" letter ("NFR"), City shall obtain a comprehensive NFR from the RWQCB before using the Property for any purpose. City shall comply with all conditions to the NFR.

4.2 Groundwater. City shall maintain and operate the Monitoring System on the Property as required by RWQCB, and perform any and all environmental investigation, monitoring, response, remediation or other action with respect to groundwater as may be required by RWQCB or any other governmental agency with jurisdiction.

4.3 Restrictions on Use. The Property must not be used for any residential, day care, preschool, school, dormitory, nursing home, hotel, motel, hospital or retirement center purposes. The Property may be used for parks, playgrounds, athletic fields or picnic grounds but only if soils on the Property containing arsenic or any other contaminants are managed to prevent dermal contact or ingestion. The foregoing restrictions are in addition to, and not in limitation of, the HHRA Conditions.

5. Survival. The provisions of Sections 2, 3 and 4 shall run with the title to the Property and bind Buyer's successors and assigns and each and every subsequent owner of all or any portion of the Property.

6. Notices. Any notice or other communication required or permitted to be given under this Agreement ("Notices") must be in writing and must be (a) personally delivered; (b) delivered by a reputable overnight courier; or (c) delivered by certified mail, return receipt requested and deposited in the U.S. Mail, postage prepaid. Notices will be deemed received at the earlier of (a) actual receipt or (b) one business day after deposit with an overnight courier as evidenced by a receipt of deposit; or (c) three business days following deposit in the U.S. Mail, as evidenced by a return receipt. Notices must be directed to the parties at their respective

addresses shown below, or such other address as either party may, from time to time, specify in writing to the other in the manner described above:

If to Union Pacific: UNION PACIFIC RAILROAD COMPANY
 ATTN: Don Caldwell
 150 North Santa Anita Avenue, Suite 300
 Arcadia, California 91006
 Telephone: (626) 821-1881

With copy to: UNION PACIFIC RAILROAD COMPANY
 ATTN: Assistant General Counsel (CMS)
 1400 Douglas Street, Mail Stop 1580
 Omaha, Nebraska 68179
 Telephone: (402) 544-5761

If to City: CITY OF LONG BEACH
 ATTN: Michael P. Conway
 Manager Property Services Bureau
 Community Development Dept.
 333 West Ocean Blvd., 3rd Floor
 Long Beach, California 90302
 Telephone: (562) 570-5282

7. Miscellaneous.

(a) Should any action be brought to enforce or interpret this Agreement, the prevailing party shall be entitled to its reasonable attorneys' fees and costs.

(b) This Agreement may be modified only by a writing executed by each of the parties hereto. This Agreement may be executed in counterparts, each of which shall be deemed an original.

(c) This Agreement shall be binding on and inure to the benefit of the parties and their successors and assigns, and shall run with the title to the Property.

(d) This Agreement will be governed by the laws of the State of California.

Remainder of page intentionally left blank

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

**UNION PACIFIC RAILROAD COMPANY,
a Delaware corporation**

By: _____
Title: _____

**CITY OF LONG BEACH, a municipal
corporation of the State of California**

By: _____
Title: _____

EXHIBIT A TO EXHIBIT E

**LEGAL DESCRIPTION OF PROPERTY
TO BE ATTACHED**

EXHIBIT F**STEWART TITLE OF CALIFORNIA, INC.****GENERAL PROVISIONS****1. FUNDS AND PRORATIONS**

All funds received in this escrow shall be deposited in accordance with the Purchase and Sale Agreement. Close of escrow is subject to compliance with California Insurance Code Section 12413.1, 12413.2 and 12413.5 regarding collected funds. Funds deposited to escrow are insured only to the limit provided by Federal Deposit Insurance Corporation. Escrow Holder shall not be liable for interest on subject funds, unless Escrow has received specific instructions to place said funds into an interest bearing account, AND, if applicable, depositor has tendered a fully executed W-9 Form into Escrow.

Escrow Holder will NOT be held responsible for lost interest due to wire delays caused by a bank or the Federal Reserve System, and recommends that all parties make themselves aware of banking regulations with regards to placement of wires.

If for any reason, funds are retained or remain in escrow following the close of escrow, following the close of escrow, you are to deduct therefrom a MONTHLY charge as custodian, of not less than \$25.00 per month, unless otherwise specified.

The parties acknowledge that they have been advised that the financial institutions in which monies in this escrow are being deposited are paying for certain of Escrow's accounting and computer services. Those services directly benefit the parties which further reduce costs and fees to the escrow.

All prorations and/or adjustments called for in this escrow shall be made on the basis of a 30 day month or 360 day year, unless otherwise instructed in writing. Proration of real property taxes will be made on the basis of the latest available figures provided to Escrow Holder.

The phrase close of escrow (COE) as used herein means the date on which instruments/documents are recorded.

Disbursements from this escrow will be made in accordance with the Purchase and Sale Agreement. Unless otherwise instructed in writing, checks will be issued jointly to the parties designated as payees. Signatures (including initials) of principals or their duly authorized agents on any document/instrument and/or instruction pertaining to this escrow indicate approval of same.

2. SPECIAL RECORDINGS

If a "SPECIAL RECORDING" is arranged and completed, meaning recording the documents called for in this escrow, at any time other than the standard recording time for title insurance companies, then each party hereto shall represent and warrant that during the period of time between the standard recording time and the time the documents are actually recorded pursuant to the "SPECIAL RECORDING", it will cause no additional liens, encumbrances, or exceptions to the title whether involuntary or voluntary, of any kind or nature to attach to, or be recorded against the subject property, nor will it transfer or convey the subject property. Each party hereby expressly agrees to indemnify and hold Escrow Holder harmless from all claims, losses or damages and attorney's fees resulting from its breach of such representation and warranty.

3. AUTHORIZATION TO DELIVER

If it is necessary, proper or convenient for the consummation of this escrow, Escrow Holder is authorized to deposit or have deposited funds or documents, or both, handed to Escrow Holder under these escrow instructions with any duly authorized sub-escrow agent, including, but not limited to, any bank, trust company, title insurance company, title company, savings and loan association, or licensed escrow agent, at or before close of escrow in connection with closing this escrow, **provided that such sub-escrow agent is approved in writing in advance by Seller and Buyer.**

4. AUTHORIZATION TO FURNISH COPIES

Furnishing copies of any/all escrow instructions, amendments, supplements, preliminary reports, notices of cancellation and closing statements in this escrow to the real estate broker(s), lender(s) and/or attorney(s) representing principals to this escrow is authorized. Escrow holder shall not incur any liability to the parties for delivery of said copies.

5. TIME AND WRITTEN NOTIFICATION

Time is of the essence. No notice, demand or change of instructions shall be of any effect to alter, amend, supplement, or vary the terms of these instructions unless given in writing and signed by all parties affected thereby.

6. CANCELLATION PROVISIONS

Any principal instructing Escrow Holder to cancel escrow shall file notice of cancellation in Escrow Holder's office in writing and so state the reason for cancellation. Upon receipt of same, Escrow Holder shall prepare cancellation instructions for signatures of the principals and shall forward same to the principals. Upon receipt of mutually agreeable cancellation instructions signed by all principals and after payment of escrow holder's cancellation charges, Escrow Holder is authorized to comply with such instructions and cancel the escrow. If written objection is filed, Escrow Holder is authorized to hold all money and instruments in this escrow and take no further action until otherwise directed, either by the principals' mutual written instructions or final order of a court of competent jurisdiction.

7. ACTION IN INTERPLEADER OR OTHER COURT OR LEGAL PROCEEDINGS

The principals hereto expressly agree that Escrow Holder has the absolute right, at its election, to file an action in interpleader requiring the principals to answer and litigate their several claims and rights among themselves and Escrow Holder is authorized to deposit with the clerk of the court, all documents, instruments and funds held in escrow. In the event such action is filed, the principals jointly and severally agree to pay Escrow Holder's cancellation charges and costs, expenses and reasonable attorney's fees it is required to expend or incur in such interpleader action, the amount thereof to be fixed and judgment therefore to be rendered by the court. Upon filing of such action, Escrow Holder is thereupon fully released and discharged from all obligations to further perform any duties or obligations otherwise imposed by the terms of this escrow, **provided such filing is meritorious.**

8. PERSONAL PROPERTY TAX

Escrow Holder is not responsible for any personal property tax which may be assessed to any former owner of the property that is the subject of this escrow, nor for the corporation or license tax of any corporation as a former owner. No examination or insurance as to the amount of payment of personal taxes is required unless specifically requested.

9. LIMITATION ON DUTY TO INFORM

It is agreed by the parties hereto, that so far as Escrow Holder's rights and liabilities are involved, this transaction is an escrow and not any other legal relation and STEWART TITLE OF CALIFORNIA, INC. is an escrow holder only on the within expressed terms, and Escrow Holder shall have no responsibility of notifying me or any of the parties of this escrow of any sale, resale, loan exchange or other transaction involving any property herein described or of the profit realized by any person, firm or corporation (broker, agent and parties to this and/or other escrow included), in connection therewith, regardless of the fact that such transaction(s) may be handled concurrently by Escrow Holder in this escrow or in another escrow.

10. LEGAL ADVICE

The parties acknowledge and understand that Escrow Holder is not authorized to practice law, nor give financial advice. The parties are hereby advised to seek legal and financial counsel and advice concerning the effect of these escrow instructions. The parties acknowledge that no representations are made by Escrow Holder about the legal sufficiency, legal consequences, financial effect or tax consequences of the within escrow instructions.

11. INTENTIONALLY OMITTED

12. STATE/FEDERAL CODE NOTIFICATION

According to Federal law, the Seller(s), when applicable, will be required to complete a 1099-S Worksheet that will be utilized to generate a 1099 reporting statement to the Internal Revenue Service.

Pursuant to State Law, prior to the close of escrow, Buyer(s) will provide Escrow Holder with a Preliminary Change of Ownership Report. In the event said report is not handed to Escrow Holder for submission to the County in which subject property is located, upon recording of the Grant Deed, Buyer(s) acknowledge that the applicable fee will be assessed by said County and Escrow Holder shall debit the account of Buyer(s) for same at the close of escrow.

You are released from and shall have no liability, obligations or responsibility with respect to (a) withholding of funds pursuant to Section 1445 of the Internal Revenue Code of 1984, "Foreign Investors in Real Property Act" (FIRPTA), as amended (b) advising of requirements, (c) determining whether the seller is a foreign person, under such Section, or (d) obtaining a non-

foreign affidavit or other exemption from withholding under such Section nor otherwise making any inquiry concerning compliance with such Section by any party to this transaction.

IN ACCORDANCE WITH SECTION 18662 AND 18668 OF THE REVENUE AND TAXATION CODE, A BUYER MAY BE REQUIRED TO WITHHOLD AN AMOUNT EQUAL TO 3-1/3 PERCENT OF THE SALES PRICE IN THE CASE OF A DISPOSITION OF CALIFORNIA REAL PROPERTY INTEREST, BY EITHER: 1) A SELLER WHO IS AN INDIVIDUAL WITH A LAST KNOWN STREET ADDRESS OUTSIDE OF CALIFORNIA, OR WHEN THE DISBURSEMENT INSTRUCTIONS AUTHORIZE THE PROCEEDS BE SENT TO A FINANCIAL INTERMEDIARY OF THE SELLER, OR; 2) A CORPORATE SELLER WHICH HAS NO PERMANENT PLACE OF BUSINESS IN CALIFORNIA.

THE BUYER MAY BECOME SUBJECT TO A PENALTY FOR FAILURE TO WITHHOLD AN AMOUNT EQUAL TO THE LESSER OF 10 PERCENT OF THE AMOUNT REQUIRED TO BE WITHHELD OR FIVE HUNDRED DOLLARS (\$500.00).

HOWEVER, NOTWITHSTANDING ANY OTHER PROVISIONS INCLUDED IN THE CALIFORNIA STATUTES REFERENCED ABOVE, NO BUYER WILL BE REQUIRED TO WITHHOLD ANY AMOUNT OR BE SUBJECT TO PENALTY FOR FAILURE TO WITHHOLD IF:

1) THE SALE PRICE OF THE CALIFORNIA REAL PROPERTY CONVEYED DOES NOT EXCEED \$100,000.00, OR; 2) THE SELLER EXECUTES A WRITTEN CERTIFICATE, UNDER THE PENALTY OF PERJURY, CERTIFYING THAT THE SELLER IS A RESIDENT OF CALIFORNIA, OR IF A CORPORATION, HAS A PERMANENT PLACE OF BUSINESS IN CALIFORNIA, OR; 3) THE SELLER WHO IS AN INDIVIDUAL EXECUTES A WRITTEN CERTIFICATE UNDER PENALTY OF PERJURY THAT THE REAL PROPERTY BEING CONVEYED IS THE SELLER'S PRINCIPAL RESIDENCE (AS DEFINED IN SECTION 1034 OF INTERNAL REVENUE CODE).

THE SELLER IS SUBJECT TO PENALTY FOR KNOWINGLY FILING A FRAUDULENT CERTIFICATE FOR THE PURPOSE OF AVOIDING THE WITHHOLDING REQUIREMENT.

13. NO ACTIVITY

If there is no written activity by a principal to this escrow within any six-month period after the time limit date as set forth in the escrow instructions or written extension thereof, Escrow Holder may terminate Escrow Holder's escrow relationship at Escrow Holder's option. All documents, monies or other items deposited with Escrow Holder shall be returned to the respective parties entitled thereto, less fees and charges herein provided.

14. CAPTIONS AND COUNTERPARTS

Captions in these escrow instructions are inserted for convenience of reference only and do not define, describe or limit the scope of the intent of these instructions or any of the terms hereof. These instructions 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 said counterparts together shall constitute one and the same instrument.

15. BINDING

All terms of these escrow instructions shall be binding upon and inure to the benefit and be enforceable by the parties hereto and their respective legal representatives, successors and assigns. In the event any term, covenant, condition, provision or agreement herein contained is held to be invalid or void by any court of competent jurisdiction, the invalidity of any such term, covenant, condition, provision or agreement shall in no way affect any other term, covenant, condition, provision or agreement herein contained.

16. USURY

Escrow Holder is not to be concerned with any question of usury in any loan or encumbrance involved in the processing of this escrow and is hereby released of any liability or responsibility therefor.

17. CONFLICTING DEMANDS/INTERPLEADER

No notice, demand or change of instructions shall be of any effect in this escrow unless given in writing by all parties affected thereby. If conflicting demands are made in connection with this escrow, Escrow Holder shall have the absolute right to either withhold and stop all proceedings, or file suit in the interpleader and obtain an order from the court requiring the parties to interplead their several claims and rights amongst themselves.

18. FACSIMILE

In the event the principals of this transaction, their agents, or assigns, utilize "facsimile (FAX)" transmitted instructions, Escrow Holder may rely and act upon such instructions in the same manner as if original signed instructions were in the possession of Escrow Holder. Any instructions for release of funds will require original signatures prior to said release.

19. DISCRETIONARY TERMINATION

At the sole discretion of Escrow Holder, Escrow Holder may elect to terminate its escrow relationship with the principals to the escrow. Funds and documents will be returned upon mutual instructions of the appropriate parties.

20. INTENTIONALLY OMITTED**21. INTENTIONALLY OMITTED****22. ADDITIONAL DOCUMENTS HANDED TO ESCROW HOLDER**

Buyer agrees to hand Escrow Holder applicable documentation to establish their authority to act.

Seller agrees to hand Escrow Holder a Secretary's Certificate (not Corporate Resolution) for Seller, certifying that the sale has been authorized and setting forth the officers authorized to execute documents to complete the transaction.

23. UNCLAIMED FUNDS

Notwithstanding the disposition of any other funds as specified or pertaining to this escrow, there may be funds that remain unclaimed such as, but not limited to, sale proceeds, refunds, rebates, or amounts for specified services ("Unclaimed Funds").

Stewart Title is required to comply with the State of California reporting and notification requirements as regulated by the California State Controller ("Controller"). These requirements necessarily result in Stewart Title incurring administrative costs such as, but not limited to, publication and utilizing personnel to notify the Principals.

The Principals understand that it would be impractical and/or costly for Stewart Title to incur such costs for Unclaimed Funds that are less than \$50.00 ("Minimum Amount"). Accordingly, the Principals agree to fully waive any right to claim any Unclaimed Funds below the Minimum Amount, and further permit Stewart Title to deposit same in their own general account(s).

With regard to any funds in excess of the Minimum Amount, which shall be reported by Stewart Title to the Controller ("Reported Amount"), Stewart Title shall be entitled to an administrative fee of one percent (1%) of the Reported Amount. The principals recognize this is a reasonable best estimate for administrative costs incurred by Stewart Title. The Principals recognize that it would be impractical or difficult to estimate such costs and fees each time Stewart complies with the aforementioned requirements.

If the Principals have any questions regarding the disposition of Unclaimed Funds, in excess of \$50.00, the Principals should contact the Controller or successor agency for the State of California.

24. DESTRUCTION OF RECORDS

Escrow Holder is authorized to destroy or otherwise dispose of any and all documents, papers, instructions, correspondence and other materials pertaining to this escrow at the expiration of seven (7) years from the close of escrow or cancellation thereof.

THIS AGREEMENT IN ALL PARTS APPLIES TO, INURES TO THE BENEFIT OF, AND BINDS ALL PARTIES HERETO, THEIR HEIRS, LEGATEES, DEVISEES, ADMINISTRATORS, EXECUTORS, SUCCESSORS AND ASSIGNS, AND WHENEVER THE CONTEXT SO REQUIRES THE MASCULINE GENDER INCLUDES THE FEMININE AND NEUTER, AND THE SINGULAR NUMBER INCLUDES THE PLURAL. THESE INSTRUCTIONS AND ANY OTHER AMENDMENTS MAY BE EXECUTED IN ANY NUMBER OF COUNTERPARTS, EACH OF WHICH SHALL BE CONSIDERED AS AN ORIGINAL AND BE EFFECTIVE AS SUCH.

MY/OUR INITIAL(S) HERETO CONSTITUTES INSTRUCTION TO ESCROW HOLDER OF ALL TERMS AND CONDITIONS CONTAINED IN THIS AND ALL PRECEDING PAGES AND FURTHER SIGNIFIES THAT I/WE HAVE READ AND UNDERSTAND THESE GENERAL PROVISIONS.

EXHIBIT G

**SEPARATE STATEMENT OF
DOCUMENTARY TRANSFER TAX**

County Recorder
Los Angeles County
12400 East Imperial Highway
Glendale, California 90650

_____, 2007

Ladies and Gentlemen:

In accordance with Revenue and Taxation Code section 11932, it is requested that this statement of documentary transfer tax not be recorded with the attached deed, but affixed to the deed after recordation and before return as directed on the deed.

The deed names UNION PACIFIC RAILROAD COMPANY, a Delaware corporation, as Grantor, and CITY OF LONG BEACH, a municipal corporation of the State of California, as Grantee. The property being transferred is located in the City of Long Beach, County of Los Angeles, State of California.

The amount of documentary transfer tax due on the attached deed is _____ Dollars (\$ _____), computed on the full value of the property (less the value of any liens and encumbrances remaining on the property at the time of sale).

Very truly yours,

**UNION PACIFIC RAILROAD COMPANY,
a Delaware corporation**

By: _____
Title: _____