

SALES AND PURCHASE AGREEMENT

This Sales and Purchase Agreement, (hereinafter referred to as "Agreement"), dated for convenience as of the _____th day of August, 2007, (hereinafter referred to as "Agreement Date"), is made by and between Michael D. Kuang and Alice Kuang, husband and wife as community property with right of survivorship, as to an undivided 60% interest and King Mun Tom and Sao Lin Tom, husband and wife as community property with rights of survivorship as to an undivided 40% interest all as Tenants in Common, (hereinafter referred to as "Seller"), and the County of San Mateo, a political subdivision of the State of California, (hereinafter referred to as "County" or "Buyer"), in consideration of the mutual covenants and agreements herein contained, and is subject to the conditions set forth below, and is made with reference to the following facts:

RECITALS

A. Seller is the owner of that certain real property, known as Assessor's Parcel Number: 012-203-100, commonly known as 701 Grand Avenue, 215-217 Orange Avenue, South San Francisco, California, which is located in the County of San Mateo, consisting of approximately 6000 gross square feet, together with all improvements and fixtures and personal property thereon, and rights, hereditaments, easements, appurtenances thereto belonging, all of which is more particularly described in the attached Exhibit "A", (hereinafter referred to as "Property").

B. County desires to purchase from Seller and Seller desires to sell to County the Property pursuant to the provisions of this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants contained herein, the parties hereto agree as follows:

1. PURCHASE AND SALE.

Seller hereby agrees to sell and convey and County hereby agrees to purchase, through escrow, and for the purchase price, and upon the terms and conditions herein stated, the Property described above.

2. PURCHASE PRICE.

The purchase price for the Property shall be ONE MILLION TWO HUNDRED NINETY SEVEN THOUSAND DOLLARS (\$1,297,000.00), (hereinafter referred to as the "Purchase Price"), payable in immediately available funds as hereinafter instructed at Close of Escrow (as hereinafter defined).

- a. **Deposit.** Buyer has given a deposit in the amount of THIRTY NINE THOUSAND DOLLARS (\$39,000.00), (hereinafter referred to as the "Deposit"), by check made payable to Chicago Title Company at 355 Gellert Blvd, Suite 130 Daly City, CA, 94015

(hereinafter referred to as "Escrow Holder"), which shall be held uncashed until this Agreement is fully executed. This offer shall be deemed revoked and the Deposit shall be returned to Buyer unless this Agreement is signed by Seller and a copy of the signed Agreement is personally received by Buyer by **9:00 PM August 8, 2007**.

- b. **Cash Balance.** On or before the Closing, Buyer shall deliver into Escrow in immediately available funds the balance of the Purchase Price plus Escrow Holder's estimate of County's share of closing costs as described herein below. The Purchase Price, net of any prorations and closing costs to be paid by Seller as provided in this Agreement, shall be paid by the Title Company to Seller on the Closing Date by federal wire transfer of immediately available funds to a bank account(s) designated by Seller in a written notice to the Title Company given prior to the Closing.
- c. **Disposition of Deposit.** At the Closing (as defined below) the Deposit shall be applied and credited toward the payment of the Purchase Price. If Escrow does not close, and this Agreement is terminated, the Deposit will be returned to Buyer.

3. ESCROW INSTRUCTIONS.

A fully executed copy of this Agreement shall be deposited with Escrow Holder and such delivery shall constitute the opening of an escrow under Escrow Holder's file number 07-87303645 with respect to the sale of the Property pursuant to this Agreement. Escrow Holder shall be concerned only with the provisions of this Paragraph 3. Said escrow shall be on the following terms and conditions:

- a. **Payment of the Purchase Price.** Prior to closing, County shall cause the Purchase Price to be deposited in escrow.
- b. **Title.** Seller shall execute and deliver to Escrow Holder a Grant Deed, in a form supplied by County, conveying title to the Property to County. When all of the conditions to closing herein contained have been either satisfied or waived by the parties and so confirmed in writing, and escrow is ready to close, Escrow Holder shall cause the Grant Deed to be recorded and evidence of the County's acceptance thereof executed by the San Mateo County Manager or his designee on behalf of County. Escrow Holder shall also deliver to County a CLTA Owner's Policy of Title Insurance, in an amount equal to the Purchase Price, with endorsements requested by County, showing title to the Property vested in County, clear of all exceptions, excluding exception number _____, shown on that Preliminary Title Report, (hereinafter referred to as "Title Report"), Order No. 07-87303645, dated June 18, 2007, issued by Chicago Title Company, 355 Gellert Blvd., Suite 130 Daly City, CA 94015.
- c. **Pro-rations.** Escrow Holder is hereby instructed to segregate and pro-rate real estate taxes, assessments and similar charges and segregate and pro-rate bonded indebtedness as of the Close of Escrow, as hereinafter defined. Segregation and pro-rations of real estate taxes, assessments and similar charges shall be done based upon the most currently available information at the Close of Escrow. Seller shall be responsible for applying for any refund due for property taxes prepaid beyond Close of Escrow.

- d. **Payment of Monies on Deposit in Escrow.** Escrow Holder may expend any or all monies payable under this Agreement to discharge any obligations, except those shown in Paragraph 3.b., above, which are liens upon the Property, including, but not limited to, those arising from judgments, assessments, delinquent taxes, or debts secured by deeds of trust or mortgages, and/or to defray any other incidental costs to be borne by County herein. Any monies payable pursuant to a deed of trust shall be made payable to the beneficiary entitled thereunder; said beneficiary to furnish Escrow Holder with good and sufficient receipt showing said monies credited against the indebtedness secured by said deed of trust.
- e. **Costs of Escrow and Fees.** The cost of any escrow fees, the charge for preparation of escrow documents, recording costs, if any, the CLTA Policy of Title Insurance described above, and all other costs of escrow and closing are to be shared equally by the parties.
- f. **Close of Escrow.** Upon the satisfaction or waiver of all conditions hereto, Seller and County instruct Escrow Holder to close escrow, (hereinafter referred to as "Close of Escrow"), as soon as practicable once this Agreement has been executed by all parties, and when instructed to do so by County, but in no case later than September 30, 2007. Both Seller and County agree that time is of the essence in this matter, and agree to take whatever steps are necessary to ensure that all conditions of this escrow are satisfied in a timely manner.
- g. **Conditions Precedent.** The close of escrow is expressly conditioned upon the occurrence of the following events:
- (i) **To County's Obligation.** The following shall be conditions precedent to County's obligation to acquire the Property:
 - (a) Escrow Holder is ready to issue, as of the Close of Escrow, the title policy required by Paragraph 3.b, hereof, showing title subject only to those exceptions herein authorized.
 - (b) Seller's compliance with each of Seller's agreements herein, and the accuracy in all material respects of each of Seller's representations and warranties as of the Close of Escrow.
 - (c) No administrative or judicial proceeding shall have commenced as of the Close of Escrow seeking to prevent or restrain the consummation of the transaction contemplated by this Agreement, or which would materially and adversely affect the Property or its use.
 - (d) County's determination that the physical and environmental condition of the Property is suitable for the County's intended use.
 - (e) Seller agrees that any and all existing leases to which the Property may be subject shall be terminated prior to the Close of Escrow. If any such lease

is not terminated or removed, then in that event, County shall have the right to terminate this Agreement.

(f) Seller's completion of work to correct Section 1 conditions described in Wood Destroying Pests and Organisms Inspection Report #271057 by JK Control Inc, 200 Valley Drive #35 Brisbane, Ca, dated June 12, 2007 for the Property at Seller's sole cost.

(g) Seller's delivery to Buyer of a fully executed disclosure package.

(h) County's compliance with any and all Federal, State and local government statutes, laws, rules and codes relative to the purchase of the Property for County's intended use.

(ii) **To Seller's Obligation.** The following shall be conditions precedent to the Seller's obligation to convey the Property at Close of Escrow.

(a) County's compliance with each of its agreements herein stated, and the accuracy in all material respects of each of its representations and warranties as of the Close of Escrow.

h. **Commission.** Buyer represents and warrants to the Seller that no real estate broker or agent has been authorized to act on Buyer's behalf. Subject to the occurrence of the Closing, Seller shall pay through Escrow at Closing to Seller's Agent any real estate brokerage commission due pursuant to such agreement as may exist between Seller and Seller's Agent. Buyer and Seller each indemnifies the other party and agrees to defend and hold the other party harmless from any and all demands or claims which now or hereafter may be asserted against the other party for any brokerage fees, commissions or similar types of compensation which may be claimed by any broker as a result of the indemnifying party's acts in connection with this transaction, except as otherwise provided herein.

i. **Standard Escrow Instructions.** For those escrow matters not specifically addressed herein, Escrow Holder's standard escrow instructions entitled "General Provisions," a copy of which is attached hereto as Exhibit "B," shall be applicable. Where there is a conflict between the provisions of this Agreement and the provisions of Escrow Holder's standard escrow instructions, the provisions of this Agreement shall control.

4. REPRESENTATIONS, WARRANTIES AND COVENANTS OF SELLER.

a. Seller warrants that they are the owner(s) in fee simple of the Property and that they have the exclusive right to sign this Agreement and convey the Property.

b. To the best of Seller's knowledge and belief, Seller represents, warrants and covenants to County that the following are true as of the Agreement Date and shall continue to be true as of the Close of Escrow:

- (i) Seller has not received notice of any material violation of any federal, state, county or other governmental or quasi-governmental statute, ordinance, regulation or administrative or judicial order with respect to the Property.
- (ii) There is no action, suit or proceeding, which is pending or threatened against the Property or any portion thereof relating to or arising out of the ownership or use of the Property, in any court or before or by any federal, state, county or municipal department, commission, board, bureau, agency or other governmental instrumentality.
- (iii) Except for such matters of record as may be disclosed in the Title Report, or any amendment thereto issued prior to Close of Escrow, (i) there are no leases, licenses, prescriptive easements or other third party rights to use or occupy any portion of the Property; (ii) there are no adverse parties in possession of any portion of the Property; and (iii) there are no rights to purchase the Property or any portion thereof prior to those set forth herein which are held or claimed by any third party; or if there are any of the foregoing interests, rights or claims, Seller has disclosed any and all of them, and shall provide to County copies of any written agreements and other documents evidencing such matters.
- (iv) As of the Close of Escrow, there shall be no unpaid bills or claims by Seller in connection with any work on the Property.
- (v) During the period of Seller's ownership of the Property, there has been no litigation or governmental administrative action or proceeding maintained or threatened against Seller, nor any settlements reached by Seller with any party or parties, alleging the presence, disposal, release or threatened release of any hazardous waste or hazardous substance on, from or under the Property. The Property is not subject to any "Superfund" or similar lien, or any claim by any government regulatory agency or third party related to the release or threatened release of any toxic or hazardous substance, material or waste.
- (vi) Notwithstanding anything in the Agreement to the contrary, in the event either party becomes aware, between the Agreement Date and the Close of Escrow, of any substantive matter which would make any of Seller's representations or warranties untrue, the parties shall have the right, within fifteen (15) days following their discovery of such matter or their receipt of notice of such matter, as appropriate, (i) to proceed to close this transaction with a mutually-acceptable indemnity from Seller or County, as applicable, as to any liability arising out of the matter discovered, or (ii) to treat such matter as a failure of a condition and terminate this Agreement.
- (vii) There are no leases affecting the Property requiring termination prior to the satisfaction of any condition to this Agreement.

5. RISK OF LOSS.

In the event that any loss or damage to the Property, which materially and adversely affects the County's intended use of the Property or the value of the Property, occurs prior to closing, County may, without liability hereunder, terminate this Agreement or it alternatively may elect to accept the conveyance of title to such Property, or in its discretion, a portion thereof, in which case there shall be an equitable adjustment of the Purchase Price based on the change in circumstance.

6. ENVIRONMENTAL INSPECTION; SELLER'S COOPERATION.

While escrow is pending, County, its employees, agents and contractors shall have the right to enter upon the Property at reasonable times to perform such inspection of its physical and environmental conditions (which may include, but shall not be limited to, obtaining soil and water samples on and beneath the surface of the Property, and conducting analyses of such samples) as it deems necessary, and for any other reasonable purposes related to this transaction. Insofar as it lawfully may County hereby agrees to defend, protect, indemnify and hold Seller harmless from any and all liens imposed against the Property and from all claims, demands, liabilities and costs, including reasonable attorney's fees, arising out of any injury to the Property or to any person caused directly by County's activities on the Property. In the event that the closing does not occur for any reason, County shall: restore the Property to the condition it was in prior to County's entry, and deliver to Seller upon demand all reports prepared by or for County concerning the Property's physical condition. In the event of any adverse environmental report, County may, without liability, refuse to accept the conveyance of title, or alternatively may elect to accept conveyance of title to such Property or a portion thereof, in which case, there shall be an equitable adjustment of the purchase price based on the change in circumstance.

7. PRESERVATION OF PROPERTY.

Seller agrees that the Property herein described shall remain as it now is until closing, and that Seller will prevent and refrain from any use of the Property for any purpose or in any manner which would adversely affect the value of the Property. Except as otherwise provided in paragraph 3.b., above, Seller shall not transfer, lease or encumber any interest in the Property prior to the Close of Escrow. In the event of any of the forgoing actions, County may, without liability, refuse to accept the conveyance of title, or alternatively may elect to accept conveyance of title to the Property or, in it discretion, a portion thereof, in which case there shall be an equitable adjustment of the Purchase Price based on the change in circumstance.

8. POSSESSION.

Unless otherwise agreed to in a writing signed by the parties, Seller will deliver possession of the Property to County at the Close of Escrow. Title to the Property shall pass immediately upon Close of Escrow.

9. BINDING.

The terms and conditions of this Agreement shall inure to the benefit of and be binding upon the heirs, executors, administrators, successors and assigns of the parties hereto.

10. TIME.

Time is of the essence of this Agreement and the obligations of the parties to perform hereunder.

11. SELLER'S CERTIFICATION REGARDING NON-FOREIGN STATUS.

Seller understands that Sections 7701 and 1445 of the Internal Revenue Code, as amended, provides that a transferee of a United States real property interest must withhold tax if the transferor is a foreign person. To inform County and Escrow Holder that withholding of tax is not required upon the disposition by Seller

of the Property pursuant to this Agreement, Seller hereby certifies the following and understands that this certification may be disclosed to the Internal Revenue Service by County:

- a. Seller is not a foreign corporation, foreign partnership, foreign trust or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations).
- b. Seller's United States Employer Identification Number, or in the case of an individual, their Social Security Number, shall be provided to Seller, by separate instrument prior to Close.
- c. Seller's address is _____.

Additionally, Seller shall provide evidence satisfactory to County and Escrow Holder that Seller is exempt from withholding provisions of the California Revenue and Taxation Code, as amended, and that neither County nor Escrow Holder is required to withhold any amounts from the Purchase Price pursuant to such provisions.

12. EMINENT DOMAIN.

County has the power of eminent domain. Seller hereby agrees and consents to the dismissal of any eminent domain action by County filed in the Superior Court wherein the Property, or any portion thereof is included. The Seller waives any and all claims to any money that may have been deposited in the Superior Court or with the State Treasurer in said action and waives any and all claims arising by virtue of the dismissal of the action pursuant to Section 1268.610 of the Code of Civil Procedure.

13. NOTICE.

All notices or other communications required or permitted hereunder shall be in writing, and shall be personally delivered or sent by registered or certified mail, postage prepaid, return receipt requested, or sent by electronic facsimile and shall be deemed received upon the earlier of (i) if personally delivered, the date of delivery to the address of the person to receive such notice, (ii) if mailed, on the date of posting by the United States Post Office, or (iii) if given by electronic facsimile, when received by the other party.

TO SELLER:

Telephone: () _____
Facsimile: () _____

TO COUNTY:

Real Property Division
455 County Center 5th Floor
Redwood City, CA 94063
Telephone: (650) 363-7814
Facsimile: (650) 363-4832

TO ESCROW HOLDER:

Chicago Title Company
355 Gellert blvd, Suite 130
Daly City, CA 94015
Telephone: (650) 310-8000
Facsimile: (650) 755-4864

Notice of change of address shall be given by written notice in the manner described in this Paragraph.

14. MISCELLANEOUS.

- a. **Partial Invalidity.** If any term of provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, or is found to be prohibited by law, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable or prohibited, shall not be affected thereby, and each such term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.
- b. **Waivers.** No waiver of any breach of any covenant or provision hereof shall be deemed a waiver of any preceding or succeeding breach hereof, or of any other covenant or provision herein contained. No extension of time for performance of any obligation or act shall be deemed an extension of the time for performance of any other obligation or act except those of the waiving party, which shall be extended by a period of time equal to the period of delay.
- c. **Entire Agreement.** This Agreement (including all exhibits attached hereto) is the final expression of, and contains the entire agreement between the parties with respect to the subject matter hereof and supercedes all prior understanding with respect thereto. This Agreement may not be modified, changed, supplemented, superseded, canceled or terminated, nor may any obligations hereunder be waived, except by written instrument signed by the party to be charged or by its agent duly authorized in writing or as otherwise expressly permitted herein. The parties do not intend to confer any benefit hereunder on any person, firm or corporation other than the parties hereto and lawful assignees.
- d. **Authority of Signators.** Each party to this Agreement warrants to the other that it is duly organized and existing and each signatory hereto represents to the other party that it has full right and authority to enter into and consummate this Agreement and all related documents.
- e. **Survival of Representations.** Notwithstanding any provisions of this Agreement, the covenants, representations, warranties, hold harmless and indemnification obligations made by each party herein shall survive (1) the Close of Escrow and shall not merge into the Grant Deed and the recordation thereof, and (2) the termination and/or cancellation of this Agreement.
- f. **Additional Documents.** Seller agrees to execute such other documents and instruments as may be reasonably requested by County or Escrow Holder.
- g. **Professional Fees.** In the event of the bringing of any action or suit by a party hereto against another party hereunder by reason of any breach of any of the covenants, agreements or provisions arising out of this Agreement, then in that event the prevailing party shall be entitled to have and recover of and from the other party all costs and

expenses of the action or suit, including reasonable attorneys' fees, accounting and engineering fees, and any other professional fees resulting therefrom. For purposes of this Agreement, attorneys' fees of the Buyer, when the services are provided by County Counsel, shall be based on the fees regularly charged by private attorneys with the equivalent number of years of experience in the subject matter area of the law for which the County Counsel's services were rendered, who practice in the Greater San Francisco bay Area.

- h. **Governing Law.** This Agreement shall be governed by the laws of the State of California.
- i. **Successors and Assigns.** This Agreement shall be binding upon and shall inure to the benefit of the permitted successors and assigns or the parties hereto.
- j. **Time of Essence.** Seller and Buyer hereby acknowledge and agree that time is strictly of the essence with respect to each and every term, condition, obligation and provision hereof and that failure to timely perform any of the terms, conditions, obligations or provisions hereof 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.
- k. **Relationship of Parties.** Nothing contained in this Agreement shall be deemed or construed by the parties to create the relationship of principal and agent, a partnership, joint venture or any other association between Buyer and Seller.
- l. **Construction.** Headings at the beginning of each paragraph and subparagraph are solely for the convenience of the parties and are not a part of the Agreement. Whenever required by the context of this Agreement, the singular shall include the plural and the masculine shall include the feminine and vice versa. It is agreed and acknowledged by the parties hereto that the provisions of this Agreement have been arrived at through negotiation, and that each of the parties has had a full and fair opportunity to revise the provisions of this Agreement and to have such provisions reviewed by legal counsel. Therefore, the normal rule of construction that any ambiguities are to be resolved against the drafting party shall not apply in construing or interpreting this Agreement. All exhibits referred to in this Agreement are attached and incorporated by this reference.
- m. **Counterparts.** This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, by all of which, together, shall constitute one and the same instrument.

15. EFFECTIVE DATE.

Notwithstanding anything to the contrary contained in this Agreement, this Agreement shall become effective only on the date upon which County's Board of Supervisors, in its sole and absolute discretion, adopts a resolution approving this Agreement in accordance with all applicable laws and this Agreement is duly executed and delivered by the parties hereto. Approval of this Agreement by any department, commission or agency of County shall not be deemed to imply that such Resolution will be enacted, nor will any such approval create any binding obligations on County.

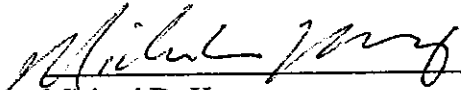
This Agreement shall bind the respective heirs, personal representatives, successors, and assigns of the parties hereto.

IN WITNESS WHEREOF, the parties have executed the Agreement the day and year first above written as follows:

SELLER:

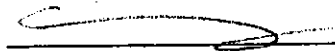
BUYER:

County of San Mateo, a political
subdivision of the State of California

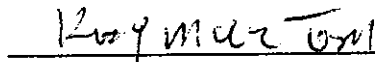


Michael D. Kuang


Chair of the Board of Supervisors
of San Mateo County



Alice Kuang



King Mun Tom



Sao Lin Tom

ATTEST:

Clerk, Board of Supervisors