

ARTICLE 4

ESCROW

The escrow has been opened at the Bank of America, Hermosa Beach, California, being Escrow #63-14258 (a copy of which is attached as Exhibit B) and shall be continued and shall be utilized to consummate the sale of this property except that the escrow instructions are hereby modified to conform to the provisions of this agreement.

4.01 The title shall be transferred to the City free and clear of all encumbrances, liens, reservations, restrictions incorporated therein or other impediments of title except as those set forth in this agreement and the attachments thereto and those set forth in the title report.

4.02 The contingencies set forth in the first and second pages of the escrow instructions are either satisfied or modified as follows:

- a. Contingencies number one, two, three, eight and nine have been satisfied.
- b. Contingency number four has been amended as set forth in Paragraph 5.03 below.
- c. Contingencies number five, six and seven remain in full force and effect.

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