

Attachment A

Agreement for Purchase and Sale of Real Property and Escrow Instructions

**AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY
AND ESCROW INSTRUCTIONS**

Escrow No. _____ Date of Opening of Escrow: _____, 2025

To: Mariners Escrow Corporation ("Escrow Holder")
270 Newport Center Drive
Suite 150
Newport Beach, California 92660
Attention: Rozelle Miyamoto
Telephone: 949-721-6491
Email: rmiyamoto@marinersescrow.com

THIS AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY AND ESCROW INSTRUCTIONS ("Agreement") is made this ____ day of August, 2025 ("Effective Date"), by and between 3848 Campus L.P., a Nevada limited partnership ("Seller"), and City of Newport Beach, a California municipal corporation and charter city ("City"). City and Seller are sometimes hereinafter individually referred to as a "Party" and collectively as the "Parties" to this Agreement.

RECITALS:

The following Recitals are a substantive part of this Agreement and are incorporated herein:

A. City is a municipal corporation duly organized and validly existing under the laws of the State of California with the power to carry on its business as it is now being conducted under the statutes of the State of California and the Charter of City.

B. Seller is the owner of that certain real property commonly known as 3848 Campus Drive, located in the City of Newport Beach, County of Orange, State of California, having County Assessor's Parcel Number 427-151-08, which, on the Effective Date, consists of a two story office building containing approximately 32,283 rentable square feet upon an approximately 53,297 square foot parcel, as more particularly described on Exhibit "A" and depicted on Exhibit "B" attached hereto and by this reference incorporated herein, together with all improvements now or hereafter constructed thereon, all easements, licenses and interests appurtenant thereto and all intangible property owned by Seller in connection with such real property, including without limitation, development rights, governmental approvals and land entitlements (collectively referred to herein as the "Property").

C. Seller desires to sell to City, and City desires to purchase from Seller, the Property, upon the terms and conditions set forth in this Agreement.

NOW, THEREFORE, for good and valuable consideration as set forth herein, the receipt and sufficiency of which is acknowledged, the Parties agree as follows:

TERMS AND CONDITIONS

1. **PURCHASE AND SALE OF PROPERTY.** City hereby agrees to purchase from Seller, and Seller agrees to sell to City, the Property, upon the terms and conditions hereinafter set forth.

2. **PURCHASE PRICE.** The total purchase price for the Property, which includes the value of the land and improvements is ELEVEN MILLION FIVE HUNDRED THOUSAND DOLLARS and 00/100 (\$11,500,000.00) ("Purchase Price").

2.1 **Payment of Purchase Price.**

(a) Not later than five (5) business days following the Opening of Escrow, as defined herein, City shall deposit in Escrow in good funds, the sum of ONE HUNDRED EIGHTY THOUSAND DOLLARS and 00/100 (\$180,000.00) ("Initial Deposit"), which Initial Deposit shall be applicable to the Purchase Price upon Closing unless (i) Seller is in default in any material respect under this Agreement and City, as its sole and exclusive remedy, elects to terminate this Agreement and have its Deposit returned within seven (7) days of such termination (provided, that City is not in Monetary Default independent of Seller's default as provided herein), (ii) this Agreement is terminated by City on or before the expiration of the Due Diligence Period, or (iii) this Agreement is terminated in accordance with either Sections 7.1, 8.3 or 13.1, in which case, the Initial Deposit shall be returned to City within seven (7) days of such termination and neither City nor Seller shall have any further obligations to the other, except for those obligations, which as outlined in this Agreement, expressly survive termination. "Good funds" shall mean a wire transfer of immediately available funds, cashier's or certified check drawn on or issued by the offices of a financial institution located in the State of California, or cash.

(i) After forty-five (45) calendar days following the Opening of Escrow, FIFTY THOUSAND DOLLARS and 00/100 (\$50,000.00) of the Initial Deposit shall be distributed to Seller from Escrow. Prior to the forty-five (45) calendar days, this sum shall be reimbursable to City. Upon release to Seller, this portion of the Initial Deposit shall become immediately non-refundable.

(ii) After ninety (90) calendar days following the Opening of Escrow, the remaining amount of ONE HUNDRED THIRTY THOUSAND DOLLARS and 00/100 (\$130,000.00) of the Initial Deposit shall be distributed to Seller from Escrow. Prior to the ninety (90) calendar days, this sum shall be reimbursable to City. Upon release to Seller, this portion of the Initial Deposit shall become immediately non-refundable.

(iii) After ninety (90) calendar days following the Opening of Escrow, the Initial Deposit shall be immediately nonrefundable and be applied to the Purchase Price upon Closing, unless (i) Seller is in default in any material respect under this Agreement and City, as its sole and exclusive remedy, elects to terminate this Agreement and have its Initial Deposit returned within seven (7) days of such termination (provided that City is not in Monetary Default independent of Seller's default as provided herein), (ii) this Agreement is terminated in accordance with either Sections 7.1, 8.3 or 13.1, in which case, the Initial Deposit shall be returned to City within seven (7) days of such termination and neither party hereto shall have any further rights or obligations hereunder other than those that expressly survive the termination of this Agreement, or (iii) as otherwise expressly provided in this Agreement.

(b) On or before the Closing Date, hereinafter defined, City shall deposit the balance of the Purchase Price, subject to any other credits or debits hereunder, with Escrow Holder in good funds.

(c) The Initial Deposit, and Extension Deposits, as defined in Section 6.2, shall collectively constitute the "Deposit."

2.2 Interest Bearing Account. If requested in writing to do so by City, Escrow Holder shall deposit and hold the Deposit funds specified in Section 2.1 above in an interest-bearing account. All interest earned on said funds shall be credited to the party receiving the Deposit pursuant to the terms of this Agreement.

3. ESCROW.

3.1 Opening Of Escrow. Within one (1) business day after the execution of this Agreement, the Parties shall open an escrow ("Escrow") with the Escrow Holder by causing an executed copy of this Agreement to be deposited with Escrow Holder. Escrow shall be deemed open on the date that Escrow Holder countersigns this Agreement. The Parties agree to perform all acts reasonably necessary to close Escrow if and when required hereby.

3.2 Escrow Holder Is Authorized To And Shall:

(a) Prior to disbursing any portion of the Purchase Price to Seller in connection with the Close of Escrow (as defined below), Escrow Holder shall pay and deduct from the Purchase Price any amount necessary to satisfy (i) any delinquent taxes on the Property together with penalties and interest thereon, and/or (ii) delinquent or non-delinquent assessments or bonds on the Property except those which title is to be taken subject to in accordance with the terms of this Agreement;

(b) Prior to disbursing any portion of the Purchase Price to Seller in connection with the Close of Escrow, Escrow Holder shall pay and deduct from the Purchase Price, all amounts necessary to cause to be released and fully reconveyed any and all Monetary Liens (as defined below);

(c) Pay and charge Seller for all recording fees incurred in this transaction related to payment of reconveyance fees and forwarding fees for partial or full reconveyances of deeds of trust or release of any mortgage by Seller;

(d) Pay and charge to Seller all premiums, fees, and charges for any CLTA owner's title policy and endorsements;

(e) Pay and charge to City all premiums, fees, and charges for any extended coverage ALTA owner's title policy or additional endorsements that may be requested by the City, that the City may wish to purchase for the Property;

(f) Pay and charge Seller and City for escrow fees, recording fees, charges, and costs payable under Section 7, in accordance with Section 9.4 below, except as otherwise expressly provided in this Section;

(g) Prorate, as between City and Seller, real estate taxes and assessments through the Close of Escrow, with City to be charged with and have the benefit of the Closing Date, as provided in Section 9.3 of this Agreement; and

(h) Disburse the Purchase Price, less any Deposits released to the Seller during escrow, in accordance with this Agreement and record the Grant Deed in the Official Records of the County Recorder of Orange County, California.

4. ADDITIONAL FUNDS AND DOCUMENTS REQUIRED FROM CITY AND SELLER.

4.1 City. Subject to City's written approval of the condition of the Property as set forth in Section 5.3, City agrees that on or before 1:00 p.m. on the business day preceding the Closing Date, City will deposit with Escrow Holder all additional funds and any other items and/or documents (executed and acknowledged, if appropriate) as may be necessary to comply with the terms of this Agreement, including without limitation, the following:

(a) The balance of the Purchase Price plus the sums necessary to pay City's share of closing costs and prorations;

(b) A Preliminary Change of Ownership Statement completed in the manner required in Orange County;

(c) Two duplicate originals of an Assignment of Leases by Seller to City in a form substantially similar to the form of Exhibit "D" attached hereto and incorporated herein by this reference ("Assignment of Leases");

(d) Two duplicate originals of an Assignment of Contracts in a form substantially similar to the form of Exhibit "E" attached hereto and incorporated herein by this reference ("Assignment of Contracts"), which Assignment of Contracts will convey all assignable contracts, warranties and guaranties in effect, if any, with respect to the Property;

(e) Two duplicate originals of a letter written on behalf of the City and in favor of the Seller, affirmatively stating that it is the City's intention to acquire the property for public agency use, with input from Seller ("Public Agency Use Letter"); and

(f) Such funds and other items and instruments as may be reasonably necessary in order for Escrow Holder to comply with this Agreement.

4.2 Seller. Seller agrees that on or before 1:00 p.m. on the business day preceding the Closing Date, Seller will deposit with Escrow Holder items and/or documents (executed and acknowledged, if appropriate) as may be necessary to comply with the terms of this Agreement, including without limitation, the following:

(a) A grant deed conveying the Property to City in a form substantially similar to the form of Exhibit "C" attached hereto and incorporated herein by this reference ("Grant Deed");

(b) A Bill of Sale in a form substantially similar to the form of Exhibit "F" attached hereto and incorporated herein by this reference ("Bill of Sale");

(c) Two duplicate originals of the Assignment of Leases;

(d) Two duplicate originals of the Assignment of Contracts;

(e) A Non-Foreign Affidavit on Escrow Holder's Standard form or a form substantially similar thereto ("Non-Foreign Affidavit"); and

(f) Such funds, if any, and other items and instruments as may be reasonably necessary in order for Escrow Holder to comply with this Agreement.

In the event an Assignment of Leases, an Assignment of Contracts, or a Bill of Sale is unnecessary, such documents shall be waived as conditions to the Closing hereunder.

4.3 Assignment of Contracts and Leases. On or before five (5) business days following the Opening of Escrow Seller shall deliver to City copies of all contracts which affect or relate to the Property and are binding on Seller and which will be assigned to the

City with the Property, including any and all (i) building service, management, supply and maintenance contracts ("Existing Contract(s)"), and (ii) leases, licenses and occupancy agreements, and terms sheets and/or letters of intent under negotiation to which Seller is a party or that affect or relate to the Property ("Leases"). City shall notify Seller on or before the expiration of the Due Diligence Period of City's approval or disapproval of each Existing Contract and Leases. City's failure to notify Seller within the time specified shall be considered disapproval. As to those Existing Contracts and Leases City elects to assume, Seller shall assign same in the Assignment of Contracts. As to those contracts City does not elect to assume, Seller shall terminate or otherwise remain responsible for same after Close of Escrow.

4.4 Miscellaneous Documents. City acknowledges that as of the Effective Date Seller has provided the due diligence items identified on Exhibit "G" (the "Due Diligence Items"). City acknowledges and understands that all such materials made available by Seller are only for City's convenience in making its own examination and determination during the Due Diligence Period, defined below, as to whether it wishes to purchase the Property, and, in so doing, City shall rely exclusively upon its own independent investigation and evaluation of the Property and not on any materials supplied by Seller except to the extent Seller is making representations and warranties under the terms of this Agreement. If City does not acquire the Property, all said documents shall be promptly returned to Seller. In addition, within thirty (30) calendar days of the Effective Date, Seller shall deliver to City (or cause Escrow Holder to deliver to City), natural hazard disclosure reports covering the Property in such form as required by law, which shall be countersigned and returned to Seller and Escrow Holder.

4.5 Estoppel Certificate. In the event the Property will be subject to Leases as of the Closing (*i.e.*, assuming the existing tenants hold over), at least two (2) calendar days prior to the Closing Date, Seller shall deliver to Escrow Holder an original estoppel certificate, and to City, copies thereof, dated within forty-five (45) calendar days of the then-Closing Date (for the avoidance of doubt, if City exercises its right to extend the Closing Period pursuant to Section 6.2, the estoppel certificates shall be dated within ninety (90) calendar days of the Closing Date), from tenants leasing no less than 75% of the aggregate square footage of the then-occupied leased space on the Property (the "Estoppel Delivery Requirement"). Such estoppel certificates shall be substantially in the form a tenant is required to deliver under its Lease if the tenant refuses to execute the form attached hereto as Exhibit "H". Seller shall use its good faith efforts to obtain such estoppel certificates from the tenants under a Lease and Seller may provide a Seller's estoppel in order to meet the Estoppel Delivery Requirement in the event Seller is unable to obtain such estoppel certificate from the tenant under a Lease; provided, however, that (a) Seller shall not be permitted to deliver Seller estoppel certificates for more than 15% of the then-occupied leased space in the Property, and (b) City shall not be required to complete its purchase of the Property unless Seller satisfies the Estoppel Delivery Requirement. If an estoppel certificate contains any material and adverse deviations from the form of estoppel certificate a tenant is required to deliver under its Lease or the form attached hereto as Exhibit "H", as applicable (so long as such information was not previously Known by City prior to the expiration of the Due Diligence Period), then City

shall have five (5) business days from Seller's delivery to City of such estoppel certificate to object to it; provided, that City's failure to object to an estoppel certificate within such five (5) business day period shall be deemed City's approval of such estoppel certificate. The failure of Seller to satisfy the Estoppel Delivery Requirement as set forth in this Section 4.5 shall entitle City to terminate this Agreement and have its Deposits returned.

4.6 Following the opening of Escrow, Seller acknowledges that the City will be providing Property Tenants with a General Information Notice to inform Tenants of the laws protecting tenant rights under the California Relocation Assistance Law, Government Code 7260, *et seq.*, and implementing regulations, 25 Cal Code Regs §6000, *et seq.* ("CRAL") and, if applicable, the federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and implementing regulations and notices ("URA").

5. DUE DILIGENCE PERIOD.

5.1 Inspection Rights. At City's own cost and expense, it may make an independent investigation of the Property and all other aspects of this transaction, and may rely thereon and on the advice of its consultants in entering into and, if applicable, terminating this Agreement. City shall have the unqualified and unrestricted right to terminate its obligations under this Agreement on or before the expiration of the Due Diligence Period, hereinafter defined.

5.2 City Inspection. Within five (5) calendars days from the Opening of Escrow, Seller shall deposit with Escrow the Due Diligence Items identified in Exhibit "G" ("Due Diligence Items") that are within Seller's possession or control. Seller will provide any additional documents or information relating to the Property reasonably requested by the City as are in Seller's possession or control. Commencing from the Opening of Escrow and continuing thereafter for one hundred eighty (180) calendar days ("Due Diligence Period"), City, its agents, and employees shall have the right to:

(a) examine and inspect the Property including the physical condition, quality, quantity and state of repair of the Property in all respects, subject to Section 5.4 below;

(b) review all instruments, records and documents which City deems appropriate or advisable to review in connection with this transaction, including, but not by way of limitation, any and all plans, specifications, surveys, environmental assessments, existing leases, contracts, and/or easement documents, reports, and title reports; and

(c) review all applicable laws, ordinances, rules and governmental regulations (including those relating to building, zoning and land use) affecting the development, use, occupancy or enjoyment of the Property.

5.3 Approval or Disapproval of Property After Inspection. On or before the expiration of the Due Diligence Period, City may notify Seller and Escrow Holder, in writing, of its approval or disapproval of the condition of the Property. Should City fail to provide written notice of its approval or disapproval, City shall be deemed to have disapproved the condition of the Property. Upon City's delivery of written notice of its approval of the condition of the Property to Escrow Holder, and subject to the terms of Section 2.1 above, the Initial Deposit shall remain applicable to the Purchase Price but shall become non-refundable except as otherwise expressly provided in this Agreement. City may, its sole discretion, elect to terminate this Agreement based on disapproval of the condition of the Property. Upon termination of this Agreement, neither City nor Seller shall have any further obligations to the other, except for those obligations, which as outlined in this Agreement, expressly survive termination, and the Initial Deposit shall be returned to City as provided in Section 2.1 above.

5.4 Entry for Investigation. Subject to the conditions hereafter stated and the rights of tenants in possession, Seller grants to City, its agents, employees, and consultants a limited license to enter upon any portion of the Property, at a time and manner reasonably approved by Seller and to minimize disruption or interference with any tenants, for the purpose of conducting engineering surveys, soil tests, investigations or other studies reasonably necessary to evaluate the condition of the Property, which studies, surveys, investigations and tests shall be done at City's sole cost and expense. City shall (a) notify Seller at least two (2) business days prior to each entry of the date and purpose of intended entry and provide to Seller the names and affiliations of the persons entering the Property; (b) conduct all studies in a diligent, expeditious and safe manner and not allow any dangerous or hazardous conditions to occur on the Property during or after such investigation; (c) comply with all applicable laws and governmental regulations; (d) keep the Property free and clear of all materialmen's liens, lis pendens and other liens arising out of the entry and work performed under this paragraph; (e) maintain or assure maintenance of workers' compensation insurance (or state approved self-insurance) on all persons entering the property in the amounts required by the State of California; (f) provide to Seller prior to initial entry a certificate of insurance evidencing that City has procured and paid premiums for an all-risk public liability insurance policy written on a per occurrence and not claims made basis in a combined single limit of not less than TWO MILLION DOLLARS (\$2,000,000.00) which insurance names Seller and its Property Manager (as identified in Section 27) as additional insured entitled to not less than thirty (30) days cancellation notice and is primary and non-contributing with insurance carried by Seller; and (g) return the Property to its original condition following City's entry. Notwithstanding the foregoing, in the event that City's "Phase I" environmental site assessment recommends air sampling or intrusive or destructive testing of the Property, including, without limitation, a "Phase II" environmental assessment (collectively, the "Intrusive Tests"), City shall be permitted to undertake such Intrusive Tests with advance notice to the Seller. If requested by Seller in writing, City hereby agrees to provide Seller a true and complete copy of all finalized tests, reports, studies and the like generated in connection with City's inspection of the Property. City agrees to indemnify, defend, protect and hold Seller and its Property Manager (and their respective principals, members, partners, directors, officers, employees, attorneys and

agents) and the Property free and harmless from any and all loss, liability, claims, damages, liens and expenses (including but not limited to attorneys' fees and costs) arising directly or indirectly from the gross negligence or willful misconduct by City in the exercise of said license, or from City's failure to comply with the conditions to City's entry onto the Property provided herein. Such undertaking of indemnity shall expire two (2) years from the Close of Escrow or the termination of this Agreement, whichever occurs later. The limited license herein granted shall be co-extensive with the term of this Agreement or any extension thereof.

6. CLOSING DATE.

6.1 Closing. Close of Escrow shall occur on or before one (1) business day from the expiration of the Due Diligence Period ("Closing Period"), unless the City invokes its right to extend the Closing Period as provided in this Section 6. The terms the "Close of Escrow", "Closing Date" or "Closing" are used herein to mean the filing by Escrow Holder of Seller's Grant Deed for record in the Office of the County Recorder of Orange County, California. City and Seller each specifically agrees to strictly comply and perform its obligations herein in the time and manner specified and waives any and all rights to claim such compliance by mere substantial compliance with the terms of this Agreement.

6.2 Extension of Closing; Extension Deposit. City shall have the right to extend the Closing Period up to two (2) additional, consecutive periods of ninety (90) calendar days each, if both of the following conditions are met: (1) City has approved in writing its due diligence investigation pursuant to Section 5.3 above; and (2) City delivers to Escrow Holder the sum of EIGHTY SIX THOUSAND AND 00/100 DOLLARS (\$86,000.00) per extension period ("First Extension Deposit" and "Second Extension Deposit," respectively and "Extension Deposits" collectively). These Extension Deposits shall be applicable to the Purchase Price and shall be deemed consideration for such extension of the Closing Period.

6.3 Notwithstanding the foregoing, the Extension Deposits, shall be promptly returned to City if (i) Seller, in its sole discretion, elects not to proceed with the purchase and sale of the Property, (ii) Seller is in default in any material respect under this Agreement and City, as its sole and exclusive remedy, elects to terminate this Agreement and have its Deposit returned within seven (7) calendar days of such termination (provided, that City is not in Monetary Default independent of Seller's default as provided herein), (iii) this Agreement is terminated in accordance with either Sections 7.1, 8.3 or 13.1, in which case, the Extension Deposits shall be returned to City within seven (7) calendar days of such termination and neither party hereto shall have any further rights or obligations hereunder other than those that expressly survive the termination of this Agreement, or (iii) as otherwise expressly provided in this Agreement.

6.4 Distribution of Documents. Following Close of Escrow, Escrow Holder shall distribute the documents as follows:

(a) To City:

(i) One (1) certified conformed copy of the Grant Deed, the original to be mailed to City following recordation thereof;

(ii) One (1) duplicate original each of the Bill of Sale, Assignment of Lease(s) (if any), the Assignment of Contracts, and the Non-Foreign Affidavit;

(iii) One (1) original estoppel certificate of each tenant under a Lease; and

(iv) One (1) certified copy, conformed if recorded, of any other document delivered to Escrow Holder by City or Seller pursuant to the terms hereof.

(b) To Seller:

(i) One (1) duplicate original each of the Bill of Sale, the Assignment of Lease(s) (if any), the Assignment of Contracts, and the Non-Foreign Affidavit;

(ii) One (1) certified copy, conformed if recorded, of any other document delivered to Escrow Holder by City or Seller pursuant to the terms hereof; and

(iii) One (1) duplicate original of the Public Agency Use Letter.

6.5 Maintenance Obligations Prior to Close of Escrow. Seller agrees to maintain the Property in the same or substantially similar condition, free from unauthorized occupation, graffiti, and accumulation of debris or waste material (each, a "Changed Property Condition"), as it exists as of the Effective Date of this Agreement through the Close of Escrow consistent with Seller's past practices; provided, however, (i) Seller shall not be obligated to undertake any capital improvements or deferred maintenance repairs, and (ii) if any Changed Property Condition exists on the Closing Date and City has not waived such Changed Property Condition in writing, then Seller shall have the right to cure such and be entitled to extend the Closing Date for up to ten (10) calendar days for purposes of such cure. Notwithstanding the foregoing, in addition to the City's rights under Section 13.1, if Seller fails or refuses to cure such Changed Property Condition, City shall have the right at its sole and exclusive discretion to terminate this Agreement and have its Deposit returned within seven (7) calendar days of such termination.

6.6 Contracts. Subsequent to the expiration of the Due Diligence Period and assuming this Agreement has not been terminated, and assuming City has not delivered notice of its disapproval of the condition of the Property, Seller shall not enter into any new contracts or any amendments or modifications to the Existing Contracts, which new contracts or modifications shall survive Closing (collectively, "New Contracts") without

City's prior written consent, which consent may be withheld in City's reasonable discretion and will be deemed to have been given by City if City does not notify Seller in writing to the contrary within five (5) business days after Seller provides written notice to City of such New Contract; provided, that, in the case of emergency (including, without limitation, immediate repairs) or other exigent circumstances, or as required by law or required under any Lease, Seller shall have the right to enter into New Contracts with respect to the foregoing without City's consent, provided that Seller shall notify City of such New Contracts as soon as practicable. Notwithstanding the foregoing, in the event Seller executes a New Contract without first seeking the City's prior written consent and which New Contract obligates the City to cover expenses or make payments after Closing, the City may at its option elect to deduct the amount of such expenses and payments from the Purchase Price or elect not to accept assignment of such New Contract and Seller shall remain responsible for same in accordance with Section 4.3.

6.7 Leases. Subsequent to the expiration of the Due Diligence Period and assuming this Agreement has not been terminated, and assuming City has not delivered notice of its disapproval of the condition of the Property, Seller will not enter into new Leases or any amendments or any extensions of existing Leases for a period that will survive Closing or alter the use, operation or enjoyment of the Property after Closing (collectively, "New Leases"), without City's prior written consent, which consent may be withheld in City's sole and absolute discretion.

6.8 City Financing. If requested by the City, Seller shall cooperate with City in its efforts to obtain bond financing, such as by providing documents and information to City's counsel and consultants as reasonably requested by City.

7. TITLE POLICY.

7.1 Approval of Title. Following execution of this Agreement but in no event later than five (5) calendar days following Opening of Escrow, Seller shall deliver to City a preliminary title report issued through Fidelity National Title, 4400 MacArthur Blvd., Suite 200, Newport Beach, CA 92660, Attention: Ginger McCully, (949) 230-4755, Ginger.McCully@fnf.com ("Title Company"), describing the state of title of the Property ("Preliminary Title Report"), together with Schedule B exceptions. Prior to the expiration of the Due Diligence Period, City shall notify Seller in writing of any objections City may have to title exceptions or other matters ("Disapproved Exceptions") contained in the Preliminary Title Report ("City's Objection Notice"). If City fails to deliver City's Objection Notice within the Due Diligence Period, City shall be conclusively deemed to have approved the Preliminary Title Report and all matters shown thereon. In the event City delivers City's Objection Notice within said period, Seller shall have a period of ten (10) calendar days after receipt of City's Objection Notice in which to notify City of Seller's election to either (i) agree to remove any such Disapproved Exceptions prior to the Close of Escrow; or (ii) decline to remove any such Disapproved Exceptions ("Seller's Notice"). It shall be incumbent upon City to obtain a "pro forma" or similar commitment for the Title Policy (the "Pro Forma") prior to the expiration of the Due Diligence Period. If City does not approve such Pro Forma prior to the expiration of the Due Diligence Period, City shall

have the right to terminate this Agreement (in which case City shall be entitled to a return of the Deposit). If City fails to so terminate this Agreement, City shall be deemed to have approved such Pro Forma. City agrees that it will take title to the Property subject to the items set forth in the Pro Forma and any other Permitted Exceptions. Notwithstanding anything in this Agreement to the contrary, Seller shall remove from title of the Property, at or before the Close of Escrow, any (a) deeds of trust or mortgages securing loans made to Seller, and (b) other Monetary Liens or encumbrances encumbering the Property.

Upon the issuance of any amendment or supplement to the Preliminary Title Report which adds additional exceptions, the foregoing right of review and approval shall also apply to said amendment or supplement, provided, however, that City's initial period of review and approval or disapproval of any such additional exceptions shall be limited to fifteen (15) calendar days following receipt of notice of such additional exceptions along with a legible copy of the underlying document comprising the basis for each such additional exception.

"Monetary Liens" shall mean all (i) liens secured by deeds of trust securing loans which are secured by an interest in the Property, (ii) federal tax liens due to failure to timely pay taxes which have been imposed on or secured by the Property, and (iii) mechanics' or materialmen's liens relating to work contracted for and performed at the Property and recorded against title to the Property. Such Monetary Lien amounts may be up to and including the total amount of unpaid principal and interest on note(s) secured by mortgage(s) or deed(s) of trust, if any, and all other amounts due and payable in accordance with the terms and conditions of said trust deed(s) or mortgage(s) or liens including late charges, if any.

7.2 Title Policy to be Issued to City. When Escrow Holder holds for City the Grant Deed in favor of City executed and acknowledged by Seller covering the Property, Escrow Holder shall cause to be issued and delivered to City and Seller as of the Closing a CLTA standard coverage policy of title insurance, or, upon City's request therefor, an ALTA standard coverage policy of title insurance ("Title Policy"), issued by Title Company, with liability in the amount of the Purchase Price, covering the Property and showing title vested in City free of all liens and encumbrances, except (collectively, "Permitted Exceptions"):

(a) All nondelinquent general and special real property taxes and assessments for the current fiscal year;

(b) Easements, encumbrances, covenants, conditions, restrictions, reservations, rights-of-way and other matters of record, as approved or deemed approved by City pursuant to Section 7.1 above;

(c) The standard printed exceptions and exclusions contained in the CLTA or ALTA form policy;

(d) Any exceptions created or consented to in writing by City, including without limitation, any exceptions resulting from City's possession of or entry on the Property;

(e) if City fails to provide an ALTA survey for the Property acceptable to the Title Company for purposes of issuing the Title Policy, a general survey exception; and

(f) such other exceptions as Title Company shall commit to insure over, with City's prior written consent or approval of same, without any additional cost to City, whether such insurance is made available in consideration of payment, bonding, indemnity by Seller or otherwise.

8. CONDITIONS PRECEDENT TO CLOSE OF ESCROW.

8.1 Conditions Precedent to City's Obligations. The obligations of City under this Agreement to proceed with Close of Escrow shall be subject to the satisfaction or written waiver, in whole or in part, by City of each of the following conditions precedent:

(a) Seller is not in default with the terms of this Agreement.

(b) Seller has satisfied the Estoppel Delivery Requirement.

(c) Subject to Section 10.3, all representations and warranties specified in Section 10.1 are true and correct in all material respects as if made on and as of the Closing Date except to the extent such representations and warranties expressly relate to an earlier date.

(d) Title Company has irrevocably committed to issue an CLTA or ALTA Title Policy, consistent in all material respects with the Pro Forma, as required by Section 7 of this Agreement insuring title to the Property vested in City or other vestee designated by City for vesting purposes only, subject to payment of the Title Policy premium as provided herein.

8.2 Conditions Precedent to Seller's Obligations. The obligations of Seller under this Agreement to proceed with Close of Escrow shall be subject to the satisfaction or written waiver, in whole or in part, by Seller of the following condition precedent:

(a) City is not in default in any material respect under the terms of this Agreement.

(b) City shall have timely delivered the balance of the Purchase Price pursuant to the provisions of Section 2 above and all other items set forth in Section 4.1 above.

(c) All representations and warranties specified in Section 10.4 are true and correct in all material respects as if made on and as of the Closing Date except to the extent such representations and warranties expressly relate to an earlier date.

8.3 Return of Deposit; Seller Default. In the event Seller fails to satisfy any of the conditions specified in Section 8.1, above, and those conditions are not waived by City or cured within ten (10) calendar days after Seller's receipt of a written notice from City specifying such default in writing prior to Closing, this Agreement shall terminate automatically without further action by any Party or Escrow Holder, and Escrow Holder and Seller shall promptly return the Deposit together with any and all interest accrued thereon to City; provided, however, that if the nature of Seller's default is such that more than ten (10) calendar days are reasonably required for its cure, then Seller shall not be deemed to be in default if Seller commences such cure within said ten (10) calendar day period and thereafter diligently prosecutes such cure to completion.

9. ESCROW PROVISIONS.

9.1 Escrow Instructions. This Agreement, when signed by City and Seller, shall also constitute escrow instructions to Escrow Holder. Escrow Holder, to whom these instructions are delivered, is hereby authorized, directed, and empowered to act under and in strict accordance with this Agreement. If required by Escrow Holder, City and Seller agree to execute Escrow Holder's standard escrow instructions, provided that the same are consistent with and do not conflict with the provisions of this Agreement. In the event of any such conflict, the provisions of this Agreement shall prevail.

9.2 General Escrow Provisions. Escrow Holder shall cause the Grant Deed to be recorded (but in no event after the expiration of the Closing Period) when Title Company is in a position to issue the Title Policy in the form described in Section 7 above, and Escrow Holder will hold for the account of Seller and City, respectively, the items described in Sections 4.1 and 4.2 above, to be delivered to Seller and City, respectively, through Escrow, less costs, expenses and disbursements chargeable to Seller and City, respectively, pursuant to the terms hereof. Escrow Holder shall deliver the Title Policy to the City and instruct the Orange County Recorder to mail the Grant Deed to City at the address set forth in Section 27 after recordation. All funds received in this Escrow shall be deposited in one or more general escrow accounts of the Escrow Holder with any bank doing business in Orange County, California, and may be disbursed to any other general escrow account or accounts. All disbursements shall be made by Escrow Holder's check or wire transfer.

9.3 Proration of Real Property Taxes; Rents. All nondelinquent general and special real property taxes applicable to the Property shall be prorated to the Close of Escrow on the basis of a thirty (30) day month and a three hundred sixty day (360) year. In the event that property taxes are assessed on a parcel of real property which includes land other than the Property, such proration shall include only taxes attributable to the Property, calculated in terms of total gross square feet of land assessed pursuant to the

tax statement versus total gross square footage of the Property. Any supplemental tax bills received after Close of Escrow shall be paid by Seller to the extent they relate to a period prior to Close of Escrow, and by City, to the extent they relate to a period after Close of Escrow. If a supplemental tax bill covers a period commencing before and continuing after Close of Escrow, the Party named in the bill will pay the tax and the other Party shall reimburse the first Party its pro rata share of the portion of such supplemental tax bill that pertains to the Property within thirty (30) calendar days after receipt of a copy of the tax bill and evidence of the second Party's payment of same. The provisions of this Section 9.3 shall survive Close of Escrow. If either Party fails to pay its pro rata share of taxes by the times herein provided, interest shall accrue on all unpaid amounts from when owing until paid at five percent (5%) over the Federal Discount Rate quoted by the Federal Reserve Bank of San Francisco on the 25th day of the month preceding the date interest commences to accrue. Rents of tenants under Leases, if any, shall be prorated to the Closing Date based on rents actually collected. Any such rents collected after the Closing Date by City which are attributable to the period prior to the Closing Date shall be paid to Seller upon collection. Rents collected after the Closing Date from tenants whose rent was delinquent at Closing and/or constituting reimbursements for operating expenses paid by Seller shall be deemed to first apply to costs of collecting such rents, second to the rental period in which closing occurred, third to rents which accrued after the Closing and fourth to rents accruing prior to the Closing Date. City shall have no obligation to commence litigation or to collect rents or to terminate the tenant's right to occupancy based upon tenant's failure to pay rentals which were delinquent at Closing and/or such reimbursements; however, City shall use reasonable efforts to collect such delinquent rents and shall reasonably and in good faith cooperate with Seller's attempts to collect such rents at no cost or expense to City.

9.4 Payment of Costs. Seller shall pay charges for drawing the Grant Deed, all premiums, fees and charges for the CLTA Title Policy and endorsements, and one-half (1/2) of the escrow fee. City shall pay charges for recording the Grant Deed, any additional premium or endorsements for ALTA coverage, and one-half (1/2) of the escrow fee. All other costs of Escrow not otherwise specifically allocated by this Agreement (including rent) shall be apportioned between the Parties in a manner consistent with the custom and usage of Escrow Holder, and shall be calculated as of the Closing Date. Seller and City each shall pay its respective attorney's fees. This transaction is exempt from payment of documentary transfer taxes.

9.5 Termination and Cancellation of Escrow; Remedies. Time is of the essence of this Agreement. If Close of Escrow fails to occur within the Closing Period, then either party may terminate Escrow by written notice thereof to Escrow Holder and the other party. Upon such termination, Escrow Holder is hereby instructed, without further notice or instructions from either Party to (i) disburse the Deposit and any interest earned on the Deposit, and all other funds then in Escrow, if any, to City if Closing did not occur because of Seller's uncured default or nonperformance or to Seller if Closing did not occur because of City's uncured default or nonperformance; and (ii) return all documents deposited into Escrow, if any, to the Party that deposited the same with Escrow Holder. Cancellation of Escrow, as provided herein, and return of such funds and documents shall be without

prejudice to whatever legal rights City or Seller may have against each other arising from the Escrow or this Agreement.

9.6 Information Report. The "Reporting Person" within the meaning of Treasury Regulation Section 1.6045-4(e)(5) with respect to the transactions contemplated by this Agreement shall be Escrow Holder. It is agreed that Escrow Holder is an eligible person under Section 1.6045-4(e)(5)(ii) of said Regulations. Escrow Holder hereby agrees to be responsible for complying with the reporting and other requirements of Internal Revenue Code Section 6045(e) and the income tax regulations promulgated thereunder. Pursuant to said regulations, the address for the transferor and transferee are as set forth for Seller and City below, and the identifying information regarding the real estate transferred is the legal description for the Property set forth herein. Escrow Holder agrees to file the form required by said regulations between the end of the calendar year in which the Close of Escrow occurs and February 28 of the following calendar year. City and Seller agree (i) to cooperate with Escrow Holder and with each other in completing any report and/or other information required to be delivered to the Internal Revenue Service pursuant to Internal Revenue Code Section 6045(e) regarding the real estate sales transaction contemplated by this Agreement, including without limitation, Internal Revenue Service Form 1099-S as such may be hereinafter modified or amended by the Internal Revenue Service, or as may be required pursuant to any regulation now or hereinafter promulgated by the Treasury Department with respect thereto; (ii) that City and Seller, their respective employees and attorneys, and Escrow Holder and its employees may disclose to the Internal Revenue Service, any information regarding this Agreement or the transaction contemplated herein as such Party reasonably deems to be required to be disclosed to the Internal Revenue Service by such Party pursuant to Internal Revenue Code Section 6045(e); (iii) that neither City nor Seller shall seek to hold any such Party liable for the disclosure to the Internal Revenue Service of any such information; and (iv) to retain this Agreement for at least four (4) years following the close of the calendar year in which the Close of Escrow occurs.

10. REPRESENTATIONS AND WARRANTIES.

10.1 Representations and Warranties. Seller hereby makes the following representations and warranties to City, each of which (i) is material and relied upon by City in making its determination to enter into this Agreement; and (ii) is true in all material respects as of the date hereof and shall be true in all material respects on the date of Close of Escrow on the Property (except to the extent any such representation and warranty expressly relates to an earlier date); and (iii) is subject to disclosures by Seller and provided in writing to the City, contained in the Due Diligence Items transmitted to City pursuant to the documents outlined in Exhibit G, and matters of public record:

(a) Seller has received no written notice that any governmental authority or any employee or agent thereof considers the Property or the operation, use or ownership of the Property to violate in any material respect any ordinance, rule, law, regulation or order of any government or agency, body or subdivision thereof

(including, without limitation, environmental laws), or that any investigation has been commenced or is contemplated respecting possible violations.

(b) As of the Effective Date, Seller has not received written notice of any pending or, to Seller's knowledge, threatened litigation or lawsuits or claims, whether for personal injury, property damage, landlord-tenant disputes, property taxes, contractual disputes or otherwise, which do or may materially and adversely affect the Property or the operation or value thereof, and there are no actions or proceedings pending or, to the best of Seller's knowledge, threatened against Seller before any court or administrative agency in any way connected with the Property that would materially and adversely affect the Property or the market value of the Property. Neither the entering into of this Agreement nor the consummation of the transactions contemplated hereby will constitute or result in a violation or breach by Seller of any judgment, order, writ, injunction or decree issued against or imposed upon it. There is no action, suit, proceeding or investigation pending or threatened against Seller which would become a cloud on City's title to and have a material adverse impact upon the Property or any portion thereof or which questions the validity or enforceability of the transaction contemplated by this Agreement or any action taken pursuant hereto in any court or before or by any federal, district, county, or municipal agency, entity, department, commission, board, bureau, agency or other governmental instrumentality.

(c) There are no contracts, leases, claims or rights affecting the Property and no agreements entered into by or under Seller that would be binding on the City after the Close of Escrow, or materially and adversely affect City's rights with respect to the Property except as heretofore disclosed in writing by Seller to City or disclosed in the Preliminary Title Report, and/or which City has elected to assume pursuant to the terms of this Agreement.

(d) Seller has the unimpeded power and authority to execute, deliver and perform this Agreement, the Seller's obligations under this Agreement, and the documents executed and delivered by Seller pursuant hereto.

(e) Seller is not a "foreign person" within the meaning of Section 1445 of the Internal Revenue Code of 1986, as amended.

(f) This Agreement is the legal, valid and binding obligation of Seller, enforceable against Seller in accordance with its terms.

(g) To Seller's knowledge, there is not present in, on, or under the Property and Seller has not used, stored or disposed of, on, under, or about the Property or transported to or from the Property any "Hazardous Materials" at the Property in violation of environmental laws during the period of Seller ownership of the Property. "Hazardous Materials" shall mean and include any hazardous substance, pollutant, contaminant, material, waste, by-product or constituent

which is or becomes regulated by any local government authority, the State of California or the United States Government, including, without limitation, any substance, material, waste, or by-product regulated by any governmental laws. To Seller's actual knowledge, but without duty of investigation, Seller, as of the Effective Date, is not required by any applicable laws and/or governmental regulations to take any action to remediate any environmental condition affecting the Property.

For purposes of this Section 10.1 and the Seller's obligation to notify the City of the representations and warranties as outlined in this Agreement, a breach of such shall be considered material when the associated cost, loss, expense, liability, and/or obligation is equivalent to or in an amount of at least twenty-five thousand dollars (\$25,000) or more.

All representations and warranties made hereunder are in addition to any representations and warranties implied by law and in no event shall this Section 10.1 be construed to limit, diminish, or reduce any obligation of disclosure implied upon Seller by law. The representations and warranties of Seller set forth in Section 10.1 hereof shall survive Closing. Seller shall have no liability to City for a breach of any representation or warranty (a) unless written notice containing a description of the specific nature of such breach shall have been given by City to Seller and an action shall have been commenced by City against Seller or (b) if the breach in question results from or is based on a condition, state of facts or other matter that was Known by City prior to Closing. For purposes hereof, any condition, state of facts or other matter shall be "Known by City" if it was (A) actually known by City, (B) contained in any Due Diligence Items and reasonably discoverable by City, (C) disclosed as a result of City's due diligence (including, without limitation, in any reports obtained by any representative, agent or consultant of City), (D) disclosed in writing by Seller or Seller's agents and employees, or (E) a matter of public record.

10.2 Disclaimer of Representations and Warranties. City acknowledges that as of Close of Escrow it will have had an adequate opportunity to inspect the Property and to investigate its physical characteristics and conditions. Upon the Close of Escrow, City shall be deemed to have waived any and all objections to the physical characteristics and conditions of the Property which would be disclosed by a reasonable and diligent inspection subject to City's right to rely upon Seller's express representations and warranties set forth in this Agreement and/or the other documents signed and delivered by Seller hereunder. City acknowledges that, except as specifically provided herein, neither Seller nor any of its employees, agents, or representatives has made any representations, warranties or agreements to or with City on behalf of Seller as to any matters concerning the Property, the present use thereof, or the suitability of City's intended use of the Property.

The foregoing disclaimer includes, without limitation, topography, climate, air, water rights, utilities, present and future zoning, soil, subsoil, the acreage of the Property or square footage of buildings located thereon, the purpose to which the Property is

suited, drainage, and access to public roads. City further acknowledges and agrees that the Property is to be purchased, conveyed, and accepted by City in its present condition, "AS-IS," and that no patent or latent physical condition of the Property, whether or not known or discovered, shall affect the rights of either Party hereto. City has investigated and has knowledge of operative or imposed governmental laws and regulations (including, but not limited to, zoning, environmental, including specifically the regulations of the Environmental Protection Agency, and land use laws and regulations) to which the Property may be subject, and is acquiring the Property on the basis of its review and determination of the application and effect of such laws and regulations. City has neither received nor relied upon any representations concerning such laws and regulations made by Seller, Seller's employees, agents, or any other person acting on behalf of Seller. Any agreements, warranties or representations not expressly contained in this Agreement shall in no way bind Seller.

10.3 Changed Circumstances. If Seller becomes aware of any fact or circumstance which would materially and adversely change or render incorrect, in whole or in part, any representation or warranty made by Seller under this Agreement (a "Material Exception Matter", whether as of the date given or any time thereafter until the Close of Escrow and whether or not such representation or warranty was based upon Seller's knowledge and/or belief as of a certain date, Seller will give written notice of such changed fact or circumstance to City within three (3) business days of becoming aware of such, but such notice shall not release Seller of its liabilities or obligations with respect thereto. Upon City becoming aware of any Material Exception Matter (other than if City became aware from a Seller notice pursuant to the immediately preceding sentence), City shall notify Seller of same within ten (10) business days after obtaining such knowledge (but, in any event, prior to the Closing). If any Material Exception Matter is capable of being cured, Seller shall have the right to cure such Material Exception Matter and be entitled to extend the Closing Date for up to fifteen (15) business days for purposes of such cure. Should Seller not cure such Material Exception Matter to the City's reasonable satisfaction, City shall, as its sole and exclusive remedy, have the right to terminate this Agreement and the Deposit shall be returned to City within seven (7) days of such termination and neither City nor Seller shall have any further obligations to the other, except for those obligations, which as outlined in this Agreement, expressly survive termination. In no event shall any change in circumstance with respect to a tenant or a Lease (e.g., default, termination, bankruptcy, or other adverse matter) constitute a Material Exception Matter, subject to Seller providing updated rent roll reports, accounts receivable reports, and notice of any change in tenant status that Seller becomes aware of (including, but not limited to, defaults, terminations, notice of bankruptcy, or other adverse matter) at regular intervals during the Due Diligence Period, and five (5) business days before the expiration of the Due Diligence Period.

10.4 City represents and warrants to Seller as of the Effective Date as follows:

(a) California Constitution Article 1, Section 5, and Article 2 of the Newport Beach Charter authorize the City to execute, deliver and perform this Agreement.

(b) Subject to City Council approval of this Agreement and compliance with applicable local, state, and federal laws, this Agreement is the legal, valid and binding obligation of City, enforceable against City in accordance with its terms.

11. INDEMNITY BY SELLER AND CITY.

11.1 Seller ("Indemnitor") shall hold harmless, indemnify and defend City ("Indemnitee") from and against any and all obligations, liabilities, claims, damages, costs, expenses, suits, judgments, liens or encumbrances and all expenses related thereto, including reasonable attorney's fees ("Indemnification Claim") (i) arising out of or in any way related to an encumbrance on title to the Property caused by or known to Seller and not covered by City's title policy issued for the Property, whether direct, contingent or consequential, and arising or accruing on or before the Effective Date; (ii) arising out of or in any way related to Seller's active negligence or willful misconduct related to the Property, and arising or accruing from or after Seller's acquisition of the Property until the Effective Date; (iii) arising out of or in any way related to Seller's active negligence or willful misconduct, whether an act, omission, or commitment, including any contract disclosed pursuant to Section 10.1 above, any obligation of Seller to any third party, any damage to the Property, or injury to or death of any person, employees or agents of Seller, that occurred or was entered into on or before the date of the Close of Escrow, except for obligations, liabilities, claims, liens and encumbrances disclosed herein or which City specifically agrees to assume or take subject to; (iv) resulting from any material inaccuracy or material breach of any representation or warranty of Seller contained in this Agreement; and (v) resulting from any breach or default by Seller under this Agreement, or any other agreements relating to this transaction.

11.2 As a condition to the Indemnitor's obligation to provide indemnification under this Section 11, Indemnitee will give written notice to Indemnitor of any Indemnification Claim actually brought stating in reasonable detail the basis for which indemnification is being sought hereunder as soon as reasonably possible after Indemnitee's knowledge thereof ("Indemnification Notice"); provided, however, Indemnitee's failure to provide such Indemnification Notice to Indemnitor will not relieve Indemnitor of or from any of its obligations hereunder unless and only to the extent that Indemnitor suffers prejudice as a result of such failure. Notwithstanding anything in this Agreement to contrary, Indemnitor's indemnification obligations under this Section 11 shall expire four (4) years from the Close of Escrow except that any Indemnification Claim based upon fraud and/or misrepresentation shall extend an additional three (3) years after the facts alleging fraud and/or misrepresentation are discovered.

11.3 Should Indemnitor fail to discharge or undertake to defend Indemnitee against an Indemnification Claim where Indemnitee provides Indemnification Notice pursuant to this Section 11, then Indemnitee may settle such Indemnification Claim and Indemnitor's liability to Indemnitee shall be conclusively established by such settlement, the amount of such liability to include both the settlement consideration and the reasonable expenses, including attorney's fees, incurred by Indemnitee in effecting such

settlement. Indemnitor shall otherwise have the right to control and direct the investigation, preparation, defense, trial and settlement of each such Indemnification Claim and Indemnitee shall reasonably cooperate in the defense of such claim and shall furnish such records, information and testimony and attend to such proceedings as may be reasonably requested in connection therewith, provided Indemnitor has received Indemnitee's prior written consent, which consent shall not be unreasonably withheld or delayed. Indemnitor shall make no admission or settlement of any such Indemnification Claim which would give rise to liability on the part of Indemnitee without its prior written consent, which consent shall not be unreasonably withheld or delayed.

12. SETTLEMENT OF CLAIMS.

12.1 Release of Claims by Seller. In exchange for the promises contained in this Agreement, and except as to the obligations provided for in this Agreement, Seller hereby waives, releases and forever discharges, and agrees to the extent permitted by law that it will not in any manner institute, prosecute or pursue, any and all complaints, charges, claims for relief, demands, damages, suits, actions or causes of action, of any kind, whether in law or in equity, which it asserts or could assert, at common law or under any statute, rule, regulation, order or law, whether federal, state or local, or on any grounds whatsoever, against the City and/or any of its current or former officers, council members, agents, representatives, employees, successors and assigns with respect to any event, matter, claim, damage or injury, of any kind related to the Property as of the Effective Date and/or the Closing Date.

12.2 Release of Claims by City. In exchange for the promises contained in this Agreement, and except as to the obligations, representations, and warranties expressly made by Seller contained in this Agreement, and/or in the other documents, instruments, and agreements signed and delivered by Seller in connection with the transaction in this Agreement, and as otherwise expressly set forth herein that survive the Close of Escrow, effective upon Close of Escrow, City hereby waives, releases and forever discharges, and agrees to the extent permitted by law that it will not in any manner institute, prosecute or pursue, any and all complaints, charges, claims for relief, demands, damages, suits, actions or causes of action, of any kind, whether in law or in equity, which it asserts or could assert, at common law or under any statute, rule, regulation, order or law, whether federal, state or local, or on any grounds whatsoever, against Seller and/or any of its or their current or former owners, trusts, trustees, officers, directors, shareholders, affiliates, agents, representatives, employees, attorneys, successors, predecessors, insurers, and assigns with respect to any event, matter, claim, damage or injury of any kind related to the Property as of the Effective Date and/or the Closing Date.

12.3 Waiver of Unknown Claims. With respect to the subject matter of this Agreement, including, but not limited to the Property, it is agreed and understood that the releases being provided by each of the Parties above apply to all injuries and damages, whether now known or unknown, and whether now existing or which may result in the future due to the actions or omissions of the Parties on or before the Effective Date. With respect to the subject matter of this Agreement, the Parties acknowledge that they have

each been fully advised of and understand the provisions of Section 1542 of the California Civil Code which reads:

"A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party."

In further consideration of the promises and payments pursuant to this Agreement, each Party agrees to, and does hereby, waive and relinquish all rights afforded to it under California Civil Code Section 1542, or any similar law of any State or territory of the United States or other jurisdiction with respect to the matters of this Agreement. Notwithstanding the above, nothing in this Agreement shall be deemed to waive or release either Party as to (i) any of its obligations or rights under this Agreement and/or any other documents, instruments, or agreements signed and delivered by City or Seller pursuant to the terms of this Agreement, or (ii) any claims arising from such Party's own actual or alleged fraud, gross negligence, or wrongful conduct of the other Party, or (iii) claims for personal injury or property damage occurring on the Property during that Party's ownership of the Property, or claims against a Party based on a breach of contract by that Party concerning the Property and/or its own property and occurring during such Party's ownership of the Property.

The foregoing provisions shall survive the Close of Escrow.

SELLER'S INITIALS

CITY'S INITIALS

13. DAMAGE, DESTRUCTION AND CONDEMNATION.

13.1 Risk of Physical Loss. Risk of physical loss to the Property shall be borne by Seller prior to the Close of Escrow and by City thereafter. In the event the Property shall be damaged by fire, flood, earthquake or other casualty, and the estimated cost to repair same exceeds TWO HUNDRED FIFTY THOUSAND DOLLARS and 00/100 (\$250,000.00), City may, at its option, elect not to acquire the Property. If City does not so elect or the estimated cost to repair the damage is less than TWO HUNDRED FIFTY THOUSAND DOLLARS and 00/100 (\$250,000.00), City shall complete the acquisition of the Property, and Seller shall assign to City the interest of Seller in all insurance proceeds relating to such damage. Seller shall maintain property insurance against all risks of loss (including earthquake). In the event that such damage occurs and City elects not to purchase the Property as above provided, then this Agreement shall be terminated and City shall be entitled to the return of all funds and documents (including the entirety of the Deposit) that City deposited into the Escrow hereunder.

13.2 Condemnation. In the event that, prior to the Close of Escrow, any governmental entity (other than City or any agencies that City controls) shall commence any actions of eminent domain or similar type proceedings to take any material portion of

each been fully advised of and understand the provisions of Section 1542 of the California Civil Code which reads:

"A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party."

In further consideration of the promises and payments pursuant to this Agreement, each Party agrees to, and does hereby, waive and relinquish all rights afforded to it under California Civil Code Section 1542, or any similar law of any State or territory of the United States or other jurisdiction with respect to the matters of this Agreement. Notwithstanding the above, nothing in this Agreement shall be deemed to waive or release either Party as to (i) any of its obligations or rights under this Agreement and/or any other documents, instruments, or agreements signed and delivered by City or Seller pursuant to the terms of this Agreement, or (ii) any claims arising from such Party's own actual or alleged fraud, gross negligence, or wrongful conduct of the other Party, or (iii) claims for personal injury or property damage occurring on the Property during that Party's ownership of the Property, or claims against a Party based on a breach of contract by that Party concerning the Property and/or its own property and occurring during such Party's ownership of the Property.

The foregoing provisions shall survive the Close of Escrow.


SELLER'S INITIALS

CITY'S INITIALS

13. DAMAGE, DESTRUCTION AND CONDEMNATION.

13.1 Risk of Physical Loss. Risk of physical loss to the Property shall be borne by Seller prior to the Close of Escrow and by City thereafter. In the event the Property shall be damaged by fire, flood, earthquake or other casualty, and the estimated cost to repair same exceeds TWO HUNDRED FIFTY THOUSAND DOLLARS and 00/100 (\$250,000.00), City may, at its option, elect not to acquire the Property. If City does not so elect or the estimated cost to repair the damage is less than TWO HUNDRED FIFTY THOUSAND DOLLARS and 00/100 (\$250,000.00), City shall complete the acquisition of the Property, and Seller shall assign to City the interest of Seller in all insurance proceeds relating to such damage. Seller shall maintain property insurance against all risks of loss (including earthquake). In the event that such damage occurs and City elects not to purchase the Property as above provided, then this Agreement shall be terminated and City shall be entitled to the return of all funds and documents (including the entirety of the Deposit) that City deposited into the Escrow hereunder.

13.2 Condemnation. In the event that, prior to the Close of Escrow, any governmental entity (other than City or any agencies that City controls) shall commence any actions of eminent domain or similar type proceedings to take any material portion of

the Property, or if any other governmental entity (other than City or any agencies that City controls) shall commence any efforts toward a conveyance in lieu of a condemnation action as to a material portion of the Property, City shall have the option either to (i) elect not to acquire the Property, or (ii) complete the acquisition of the Property, in which case City shall be entitled to all the proceeds of such taking. In the event that City elects not to purchase the Property as above provided, then this Agreement shall be terminated and City shall be entitled to the return of all funds and documents (including the entirety of the Deposit) that City deposited into the Escrow hereunder. In the event that either (i) a taking is not for a material portion of the Property, or (ii) City elects to purchase the Property as above provided, then City shall complete the acquisition of the Property, in which case City shall be entitled to all the proceeds of such taking.

14. DEFAULT.

14.1 Default by City. IN THE EVENT CITY FAILS TO TENDER THE PURCHASE PRICE, INITIAL DEPOSIT, OR EXTENDED DEPOSIT(S) AS REQUIRED IN SECTIONS 2, 2.1(a), 2.1(b), OR 6.2, OR INDEMNIFY SELLER RELATED TO CITY'S INVESTIGATIONS ON THE PROPERTY AS REQUIRED IN SECTION 5.4 HEREINAFTER DEFINED AS "MONETARY DEFAULT," CITY AND SELLER AGREE THAT IT WOULD BE IMPRACTICAL AND EXTREMELY DIFFICULT TO ESTIMATE THE DAMAGES THAT SELLER MAY SUFFER. THEREFORE CITY AND SELLER DO HEREBY AGREE THAT A REASONABLE ESTIMATE OF THE TOTAL NET DETRIMENT THAT SELLER WOULD SUFFER IN THE EVENT OF A MONETARY DEFAULT BY CITY HEREUNDER SHALL BE AN AMOUNT EQUAL TO THE INITIAL DEPOSIT; AND, AS SELLER'S SOLE AND EXCLUSIVE REMEDY (WHETHER AT LAW OR IN EQUITY), SAID AMOUNT SHALL BE DISBURSED TO SELLER AS THE FULL, AGREED AND LIQUIDATED DAMAGES FOR SUCH A BREACH OF THIS AGREEMENT BY CITY, ALL OTHER CLAIMS TO DAMAGES OR OTHER REMEDIES IN RESPECT OF CITY'S BREACH OF THIS AGREEMENT BEING HEREIN EXPRESSLY WAIVED BY SELLER. SUCH PAYMENT OF THE DEPOSIT IS NOT INTENDED AS A PENALTY, BUT AS FULL LIQUIDATED DAMAGES.

15. POSSESSION. Possession of the Property shall be delivered to City as of Close of Escrow. In the event any personal property remains on the Property following the Close of Escrow, it shall automatically become the property of City.

16. ASSIGNMENT. City shall not have the right to assign this Agreement or any interest or right hereunder or under the Escrow or to nominate another party to take title to the Property without the prior written consent of Seller, which Seller may withhold in Seller's sole discretion. In no event shall City be released of liability in the event of an assignment or nomination.

17. COOPERATION. City and Seller agree to cooperate with one another, at no cost or expense to the cooperating Party, in satisfying the conditions precedent to Close of Escrow. City shall be responsible for proceeding with diligence and in good faith to satisfy the conditions to City's performance set forth in Section 8.1 and Seller shall be

responsible for proceeding with diligence and in good faith to satisfy the conditions to Seller's performance set forth in Section 8.2.

18. QUALIFICATION; AUTHORITY. Each Party represents and warrants that it is duly formed, is authorized to do business in the state in which the Property is located and that it has been duly authorized to enter into and perform this Agreement.

19. NO ATTORNEYS' FEES. In any action between the Parties hereto seeking enforcement of any of the terms and provisions of this Agreement or the Escrow, or in connection with the Property, the prevailing Party in such action shall not be entitled to have and to recover from the other Party its reasonable attorneys' fees and other expenses and costs in connection with such action or proceeding.

20. INTERPRETATION; GOVERNING LAW. This Agreement shall be construed according to its fair meaning and as if prepared by both Parties hereto. This Agreement shall be construed in accordance with the laws of the State of California in effect on the Effective Date of this Agreement. Titles and captions are for convenience only and shall not constitute a portion of this Agreement. As used in this Agreement, masculine, feminine or neuter gender and the singular or plural number shall each be deemed to include the others wherever and whenever the context so dictates. The venue for any litigation shall be the County of Orange, California.

21. NO WAIVER. No delay or omission by either Party hereto in exercising any right or power accruing upon the compliance or failure of performance by the other Party hereto under the provisions of this Agreement shall impair any such right or power or be construed to be a waiver thereof. A waiver by either Party hereto of a breach of any of the covenants, conditions or agreements hereof to be performed by the other Party shall not be construed as a waiver of any contemporaneous or succeeding breach of the same or other covenants, agreements, restrictions or conditions hereof.

22. MODIFICATIONS. Any alteration, change or modification of or to this Agreement, or any time limits contained herein, in order to become effective, shall be made by written instrument or endorsement thereon and in each such instance executed on behalf of each Party hereto.

23. SEVERABILITY. If any term, provision, condition or covenant of this Agreement or the application thereof to any Party or circumstances shall, to any extent, be held invalid or unenforceable, the remainder of this Agreement, or the application of such term, provision, condition or covenant to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

24. COVENANTS TO SURVIVE ESCROW. The covenants and agreements contained herein shall survive the Close of Escrow and, subject to the limitations on assignment contained in Section 16 above, shall be binding upon and inure to the benefit

of the Parties hereto and their representatives, heirs, successors and assigns. Without limitation of the foregoing, all indemnity obligations set forth herein shall survive the Close of Escrow or termination of this Agreement with respect to the claims that have accrued thereunder prior to such Close of Escrow or termination, as applicable for a period of five year (5) years beginning upon the termination or expiration of all contracts or leases which affect or relate to the Property and were entered into and binding on Seller.

25. TIME IS OF THE ESSENCE. Time is hereby expressly made of the essence of this Agreement.

26. EXECUTION IN COUNTERPART. This Agreement may be executed in several counterparts, and all so executed shall constitute one (1) agreement binding on all Parties hereto, notwithstanding that all Parties are not signatories to the original or the same counterpart.

27. NOTICES. Any notice which either Party may desire to give to the other Party or to the Escrow Holder must be in writing and shall be effective upon delivery if sent via overnight mail with tracking; upon delivery, if delivered by confirmed facsimile or email (with a backup sent by first class mail); when personally delivered, if sent by messenger service; or when delivered if sent postage prepaid by registered or certified mail, return receipt requested; three (3) business days after deposit in the United States mail, registered, certified, postage fully prepaid; and in each case addressed to the respective Parties as set forth below or to such other address and to such other persons as the Parties may hereafter designate by written notice to the other Party hereto and Escrow Holder:

To Seller: 3848 Campus, L.P.
Attn: John Saunders
4040 MacArthur Blvd., Suite 300
Newport Beach, CA 92660

To City: City of Newport Beach
Attn: City Manager
100 Civic Center Drive
Newport Beach, CA 92660

With Copies to: City of Newport Beach
Attn: City Attorney
100 Civic Center Drive
Newport Beach, CA 92660

City of Newport Beach
Attn: Real Property Administrator
100 Civic Center Drive
Newport Beach, CA 92660

28. NO BROKERS. City and Seller each acknowledge and represent to the other that licensed California real estate brokers Lauren Wooding Whitlinger (License No. 01943711) and Seimone Jurjis (License No. 01876897) employed by the City have been involved with the transaction provided in this Agreement, and that no broker commissions shall be paid. City and Seller agree to indemnify one another against any claims, suits, damages, and costs incurred or arising or resulting from the claims of any person for any commission, fee, or other remuneration that such person claims is owed in respect with this transaction pursuant to a written agreement made with said claimant.

29. CONTINGENCY. It is understood and agreed between the Parties hereto that the completion of this purchase and sale transaction provided for herein, and Close of Escrow created hereby, is contingent upon the specific acceptance and approval of City and Seller. The execution of this Agreement and the other documents required for Closing, and the delivery of same to Escrow Holder constitute said acceptance and approval.

30. CEQA. By its execution of this Agreement, the City is not committing itself or agreeing to undertake any activity requiring the subsequent exercise of discretion by the City or any department thereof, including, but not limited to, the approval of any CEQA documents, the approval of any development project or land use regulation governing the Property, or any other act or approval. The City reserves the right to exercise in good faith its discretion as to all matters which it is, by law, entitled or required to exercise its discretion, including, but not limited to, the consideration of CEQA documents, the consideration of any and all plans, permits, licenses, or regulatory approvals, or any other acts or activities requiring the subsequent independent exercise of discretion by the City or any agency or department thereof. The City may in good faith, in its sole and absolute discretion, certify or not certify a CEQA document and approve, approve with modifications, or not approve, or consider other alternatives, including those presented in the CEQA documents.

31. ENTIRE AGREEMENT, WAIVER AND MODIFICATION. This Agreement is the entire Agreement between the Parties with respect to the subject matter of this Agreement. It supersedes all prior agreements and understanding, whether oral or written, between the Parties with respect to the matters contained in this Agreement. Any waiver, modification, consent or acquiescence with respect to any provision of this Agreement shall be set forth in writing and duly executed by or on behalf of the Party to be bound thereby.

32. CITY AUTHORIZATION. The City Manager of the City of Newport Beach is hereby authorized, on behalf of the City, to sign all documents necessary and appropriate to carry out and implement this Agreement and to administer the City's obligations, responsibilities and duties to be performed under this Agreement and as may be required for Closing.

33. CONFIDENTIALITY. City agrees that except (a) as otherwise provided or required by valid law, including the California Public Records Act, Government Code

section 6250 *et seq.*, and the Brown Act, Government Code section 54950 *et seq.*, and (b) to the extent reasonably necessary to deliver such documents or information to City and/or its employees, agents, consultants, managers, current or potential investors, contractors and counsel (collectively, "City Representatives") in connection with City's (and City's lender's) evaluation of this transaction, City and City Representatives shall keep (x) the contents of any documents, data, and other materials and information related to the transaction contemplated hereby, including, without limitation, the Due Diligence Items, (y) any information obtained, analyzed, or synthesized by City Representatives arising from any inspections, observations, examinations, surveys, and tests of the Property conducted by or at the request of City, and (z) all information regarding City's acquisition or ownership of the Property strictly confidential. City acknowledges that significant portions of the Due Diligence Items are proprietary in nature and that Seller would suffer significant and irreparable harm in the event of the misuse of the Due Diligence Items. Without affecting any other rights or remedies that either party may have, City acknowledges and agrees that Seller shall be entitled to seek the remedies of injunction, specific performance and other equitable relief for any breach, threatened breach or anticipatory breach of the provisions of this Section 33 pertaining to misuse of Due Diligence Items by City or any of City Representatives. The provisions of this Section 33 shall survive any termination of this Agreement but shall not survive the Closing.

34. 1031 EXCHANGE. The City agrees to reasonably cooperate with Seller in connection with Seller's intent to effectuate a tax-deferred exchange pursuant to Section 1031 of the Internal Revenue Code of 1986, as amended ("1031 Exchange"). The City shall execute such documents as may be reasonably required to facilitate the 1031 Exchange; provided, however, that: (a) the City makes no representation or warranty regarding the qualification of the transaction as a valid 1031 Exchange, (b) the successful completion of the 1031 Exchange shall not delay the Close of Escrow as set forth herein, (c) the City shall not be required to incur any additional cost, expense, or liability as a result of the 1031 Exchange, (d) any documents required of the City in connection with the 1031 Exchange shall be factually accurate and truthful and shall be delivered to the City no later than five (5) business days prior to the Close of Escrow, and (e) Seller shall indemnify, defend, and hold harmless the City from and against any and all claims, damages, costs, and liabilities (including, without limitation, attorneys' fees and costs) arising out of or related to the 1031 Exchange.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement for Purchase and Sale of Real Property and Escrow Instructions as of the date set forth above.

SELLER: **3848 Campus L.P.**, a Nevada limited partnership

By: Birch Tract, LLC a Nevada limited liability company

Its: General Partner

Date

John Saunders
Manager

CITY: **CITY OF NEWPORT BEACH**, a California municipal corporation and charter city

APPROVED AS TO FORM:
CITY ATTORNEY'S OFFICE

Date

Jose Montoya for
Aaron C. Harp
City Attorney

Grace K. Leung
City Manager

ATTEST:


Molly Perry
Interim City Clerk

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement for Purchase and Sale of Real Property and Escrow Instructions as of the date set forth above.

SELLER: 3848 Campus L.P., a Nevada limited partnership
By: Birch Tract, LLC a Nevada limited liability company

Its: General Partner

7/24/25
Date

 *John Saunders*
John Saunders
Manager

CITY: CITY OF NEWPORT BEACH, a California municipal corporation and charter city

APPROVED AS TO FORM:
CITY ATTORNEY'S OFFICE

Date

Jose Montoya for
Aaron C. Harp
City Attorney

Grace K. Leung
City Manager

ATTEST:

Molly Perry
Interim City Clerk

JOINDER BY ESCROW HOLDER

Escrow Holder hereby acknowledges that it has received this Agreement executed by the Seller and City and accepts the obligations of and instructions for the Escrow Holder set forth herein. Escrow Holder agrees to disburse and/or handle the Deposit, the Purchase Price and all closing documents in accordance with this Agreement.

Dated: _____, 2025

Fidelity National Title

By: _____
Name: _____
Title: _____

[END OF SIGNATURES]

ATTACHMENTS: Exhibit A – Property Legal Description
Exhibit B – Property Depiction
Exhibit C – Form of Grant Deed
Exhibit D – Form of Assignment of Leases
Exhibit E – Form of Assignment of Contracts
Exhibit F – Form of Bill of Sale
Exhibit G – Due Diligence Items
Exhibit H – Form of Estoppel Certificate

EXHIBIT "A"

PROPERTY LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF NEWPORT BEACH, COUNTY OF ORANGE, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

LOT 10 OF TRACT NO. 3201, IN THE CITY OF NEWPORT BEACH, COUNTY OF ORANGE, STATE OF CALIFORNIA,

AS SHOWN ON A MAP RECORDED IN BOOK 130, PAGES 25 THROUGH 30, INCLUSIVE, OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM ANY AND ALL OIL, OIL RIGHTS, MINERALS, MINERAL RIGHTS, NATURAL GAS RIGHTS, AND OTHER HYDROCARBONS BY WHATSOEVER NAME KNOWN, GEOTHERMAL STEAM, AND ALL PRODUCTS DERIVED FROM ANY OF THE FOREGOING, THAT MAY BE WITHIN OR UNDER THE LAND, TOGETHER WITH THE PERPETUAL RIGHT OF DRILLING, MINING, EXPLORING AND OPERATING THEREFOR AND STORING IN AND REMOVING THE SAME FROM THE LAND OR ANY OTHER LAND, INCLUDING THE RIGHT TO WHIPSTOCK OR DIRECTIONALLY DRILL AND MINE FROM LANDS OTHER THAN THOSE CONVEYED HEREBY, OIL OR GAS WELLS, TUNNELS AND SHAFTS INTO, THROUGH OR ACROSS THE SUBSURFACE OF THE LAND, AND TO BOTTOM SUCH WHIPSTOCKED OR DIRECTIONALLY DRILLED WELLS, TUNNELS AND SHAFTS UNDER AND BENEATH OR BEYOND THE EXTERIOR LIMITS THEREOF, AND TO REDRILL, RETUNNEL, EQUIP, MAINTAIN, REPAIR, DEEPEN AND OPERATE ANY SUCH WELLS OR MINES; WITHOUT, HOWEVER, THE RIGHT TO DRILL, MINE, STORE, EXPLORE, AND OPERATE THROUGH THE SURFACE OR THE UPPER 500 FEET OF THE SUBSURFACE OF THE LAND, AS RESERVED BY THE IRVINE COMPANY, A MICHIGAN CORPORATION IN THE DEED RECORDED MAY 29, 1992 AS INSTRUMENT NO. 92-358907, OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM ANY AND ALL WATER, RIGHTS OR INTERESTS THEREIN, NOW MATTER HOW ACQUIRED BY GRANTOR, AND OWNED OR USED BY GRANTOR IN CONNECTION WITH OR WITH RESPECT TO THE LAND, TOGETHER WITH THE RIGHT AND POWER TO EXPLORE, DRILL, REDRILL, REMOVE AND STORE THE SAME FROM THE LAND OR TO DIVERT OR OTHERWISE UTILIZE SUCH WATER, RIGHTS OR INTERESTS ON ANY OTHER PROPERTY OWNED OR LEASED BY GRANTOR, WHETHER SUCH WATER RIGHTS SHALL BE RIPARIAN, OVERLYING, APPROPRIATIVE, LITTORAL, PERCOLATING, PRESCRIPTIVE, ADJUDICATED, STATUTORY OR CONTRACTUAL; BUT WITHOUT, HOWEVER, ANY RIGHT TO ENTER UPON THE SURFACE OF THE LAND IN THE EXERCISE OF SUCH RIGHTS, AS RESERVED BY THE IRVINE COMPANY, A

MICHIGAN CORPORATION IN THE DEED RECORDED MAY 29, 1992 AS
INSTRUMENT NO. 92-358907, OFFICIAL RECORDS.

APN: 427-151-08

EXHIBIT "B"
PROPERTY DEPICTION



EXHIBIT "C"

FORM OF GRANT DEED

RECORDING REQUESTED BY:
CITY OF NEWPORT BEACH

AND WHEN RECORDED MAIL TO:

Attn: City Clerk
City of Newport Beach
100 Civic Center Drive
Newport Beach, CA 92660

ORDER: _____
ESCROW NO.: _____

*Exempt from recording fee per Government Code §§ 6103 and 27383
(Space Above This Line For Recorder's Use Only)*

Parcel No: 427-221-06

GRANT DEED

THE UNDERSIGNED GRANTOR(S) DECLARE(s):

- ☐ City of Newport Beach
- ☐ unincorporated area

Documentary Transfer Tax is \$0.00
City Transfer Tax is \$0.00
☐ computed on full value of interest or
property conveyed, or
☐ full value less value of liens or
encumbrances remaining at the time of sale

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, **3848 Campus L.P.**, a Nevada limited partnership ("Grantor"), hereby GRANTS in fee simple interest to the **City of Newport Beach**, a municipal corporation and charter city ("Grantee"), all of that certain real property located at **3848 Campus Drive** in the City of Newport Beach, County of Orange, State of California ("Land") as more particularly described in EXHIBIT "A" and depicted on EXHIBIT "B," which exhibits are attached hereto and incorporated herein by reference and are made a part of this Grant Deed, all of Grantor's right, title and interest in and to the rights, benefits, privileges, easements, tenements, hereditaments, and appurtenances to the extent belonging or appertaining to the Land with any and all structures, improvements and fixtures, together with equipment and personal property, if any, located on or under the Land (collectively the "Property").

This conveyance is made and accepted subject to all real property taxes and assessments that are not yet delinquent, rights of tenants, as tenants only, under unrecorded leases, all matters of record, and all matters that would be reflected on an accurate survey or shown by a physical inspection of the Property, as of the date hereof.

[END OF DOCUMENT. SIGNATURES ON NEXT PAGE.]

IN WITNESS WHEREOF, the undersigned has executed this Grant Deed as of _____, 2025.

GRANTOR:

3848 Campus L.P., a Nevada limited partnership

By: Birch Tract, LLC a Nevada limited liability company

By: _____
John Saunders
Manager

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of _____ } ss.

On _____, 20____ before me, _____,
Notary Public, personally appeared _____, who
proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same in
his/her/their authorized capacity(ies), and that by his/her/their signatures(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing
paragraph is true and correct.

WITNESS my hand and official seal.

Signature

(seal)

EXHIBIT "A"

PROPERTY LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF NEWPORT BEACH, COUNTY OF ORANGE, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

LOT 10 OF TRACT NO. 3201, IN THE CITY OF NEWPORT BEACH, COUNTY OF ORANGE, STATE OF CALIFORNIA,

AS SHOWN ON A MAP RECORDED IN BOOK 130, PAGES 25 THROUGH 30, INCLUSIVE, OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM ANY AND ALL OIL, OIL RIGHTS, MINERALS, MINERAL RIGHTS, NATURAL GAS RIGHTS, AND OTHER HYDROCARBONS BY WHATSOEVER NAME KNOWN, GEOTHERMAL STEAM, AND ALL PRODUCTS DERIVED FROM ANY OF THE FOREGOING, THAT MAY BE WITHIN OR UNDER THE LAND, TOGETHER WITH THE PERPETUAL RIGHT OF DRILLING, MINING, EXPLORING AND OPERATING THEREFOR AND STORING IN AND REMOVING THE SAME FROM THE LAND OR ANY OTHER LAND, INCLUDING THE RIGHT TO WHIPSTOCK OR DIRECTIONALLY DRILL AND MINE FROM LANDS OTHER THAN THOSE CONVEYED HEREBY, OIL OR GAS WELLS, TUNNELS AND SHAFTS INTO, THROUGH OR ACROSS THE SUBSURFACE OF THE LAND, AND TO BOTTOM SUCH WHIPSTOCKED OR DIRECTIONALLY DRILLED WELLS, TUNNELS AND SHAFTS UNDER AND BENEATH OR BEYOND THE EXTERIOR LIMITS THEREOF, AND TO REDRILL, RETUNNEL, EQUIP, MAINTAIN, REPAIR, DEEPEN AND OPERATE ANY SUCH WELLS OR MINES; WITHOUT, HOWEVER, THE RIGHT TO DRILL, MINE, STORE, EXPLORE, AND OPERATE THROUGH THE SURFACE OR THE UPPER 500 FEET OF THE SUBSURFACE OF THE LAND, AS RESERVED BY THE IRVINE COMPANY, A MICHIGAN CORPORATION IN THE DEED RECORDED MAY 29, 1992 AS INSTRUMENT NO. 92-358907, OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM ANY AND ALL WATER, RIGHTS OR INTERESTS THEREIN, NOW MATTER HOW ACQUIRED BY GRANTOR, AND OWNED OR USED BY GRANTOR IN CONNECTION WITH OR WITH RESPECT TO THE LAND, TOGETHER WITH THE RIGHT AND POWER TO EXPLORE, DRILL, REDRILL, REMOVE AND STORE THE SAME FROM THE LAND OR TO DIVERT OR OTHERWISE UTILIZE SUCH WATER, RIGHTS OR INTERESTS ON ANY OTHER PROPERTY OWNED OR LEASED BY GRANTOR, WHETHER SUCH WATER RIGHTS SHALL BE RIPARIAN, OVERLYING, APPROPRIATIVE, LITTORAL, PERCOLATING, PRESCRIPTIVE, ADJUDICATED, STATUTORY OR CONTRACTUAL; BUT WITHOUT, HOWEVER, ANY RIGHT TO ENTER UPON THE SURFACE OF THE LAND IN THE

EXERCISE OF SUCH RIGHTS, AS RESERVED BY THE IRVINE COMPANY, A MICHIGAN CORPORATION IN THE DEED RECORDED MAY 29, 1992 AS INSTRUMENT NO. 92-358907, OFFICIAL RECORDS.

APN: 427-151-08

EXHIBIT "B"
PROPERTY DEPICTION



CERTIFICATE OF ACCEPTANCE

This **CERTIFICATE OF ACCEPTANCE** is to certify that the interest in real property set forth in that certain Grant Deed by and between the **City of Newport Beach**, a California municipal corporation and charter city, as Grantee, and **3848 Campus L.P.**, a Nevada limited partnership, as Grantor, for property located at **3848 Campus Drive [APN: 427-151-08]**, located in the City of Newport Beach is hereby accepted on _____, 2025, by the undersigned officer on behalf of the City of Newport Beach pursuant to authority conferred by Resolution No. 1992-82 of the City Council adopted on July 27, 1992. The City of Newport Beach consents to the recordation of said document in the Office of the Recorder of Orange County, State of California.

**APPROVED AS TO FORM:
CITY ATTORNEY'S OFFICE**

Date: _____

By: _____
Aaron C. Harp
City Attorney

ATTEST:

Date: _____

By: _____
Molly Perry
Interim City Clerk

CITY OF NEWPORT BEACH,
a California municipal corporation and
charter city

Date: _____

By: _____
Grace K. Leung
City Manager

**RECOMMENDED FOR ACCEPTANCE:
COMMUNITY DEVELOPMENT
DEPARTMENT**

Date: _____

By: _____
Seimone Jurjis
Assistant City Manager / Community
Development Director

ACKNOWLEDGEMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of ORANGE)

On _____ before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity(ies), and that by his signature on the instrument the person, or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

(Seal)

EXHIBIT "D"

FORM OF ASSIGNMENT OF LEASES

ASSIGNMENT OF LEASES

THIS ASSIGNMENT OF LEASES ("**Assignment**") is made this ____ day of _____, 2025 ("**Assignment Date**") by and between 3848 Campus L.P., a Nevada limited partnership ("**Assignor**"), and City of Newport Beach, a California municipal corporation and charter city ("**Assignee**"). Assignor and Assignee are sometimes hereinafter individually referred to as a "Party" and collectively as the "Parties" to this Assignment.

W I T N E S S E T H:

A. Assignor and Assignee entered into that certain Agreement for Purchase and Sale of Real Property and Escrow Instructions, dated as of _____, 2025 ("**Agreement**"), respecting the sale of the Property (as defined in the Agreement). Concurrently with the delivery of this Assignment, Assignor has conveyed to Assignee all of Assignor's interest in the real Property. Capitalized terms used herein and not separately defined have the meanings ascribed to them in the Agreement.

B. Under the Agreement, Assignor is obligated to assign to Assignee all of Assignor's right, title and interest in and to the Leases for which Assignee has agreed to assume, which are listed on Exhibit "A" attached hereto.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Assignment of Contracts. Effective as of the Assignment Date, Assignor hereby assigns, sells, transfers, conveys, sets over and delivers unto Assignee all of Assignor's estate, right, title and interest in and to the Leases and Assignee hereby accepts such assignment. Notwithstanding the foregoing or anything to the contrary contained herein, Assignor shall retain all rights, title and interest in and to all rentals and other amounts payable by tenants under the Leases, and other rights and claims against any parties under the Leases, for the period of time prior to the Assignment Date.

2. Assumption. Assignee hereby accepts the foregoing assignment of the Leases included on Exhibit "A" and assumes the Leases and agrees to timely keep, perform and discharge all of the terms, covenants and conditions imposed upon Assignor as landlord under the Leases accruing or arising on or after the Assignment Date.

3. Assignment Date. The Assignment Date of this Assignment shall be the date that Assignee acquires the Property, as evidenced by the recordation of a grant deed to Assignee.

4. No Attorney's 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, conditions, agreements or provisions on the part of the other party arising out of this Assignment, then in that event the prevailing party shall not be entitled to have and recover of and from the other party any costs and expenses of the action or suit, nor attorneys' fees.

5. Counterparts. This Assignment may be executed in counterparts (including facsimile and electronic copies), each of which shall be deemed an original, but all of which, together, shall constitute one and the same instrument.

6. Successors and Assigns. This Assignment shall be binding upon and inure to the benefit of the successors, assignees, personal representatives, heirs and legatees of all the respective parties hereto.

7. Governing Law. This Assignment shall be governed by, interpreted under, and construed and enforceable in accordance with, the laws of the State of California.

8. Severability. If any terms or provisions of this Assignment is, to any extent, held to be invalid or unenforceable, the remainder of this Assignment will not be affected, and each term or provision of this Assignment will be valid and be enforced to the fullest extent permitted by law.

9. The provisions of Section 10.2 of the Agreement are incorporated by reference into this Assignment as if fully set forth herein.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, Assignor and Assignee have executed and delivered this Assignment as of the day and year hereinabove written.

"ASSIGNOR"

3848 Campus L.P., a Nevada
limited partnership
By: Birch Tract, LLC,
a Nevada limited liability company

By: _____
Name: John Saunders
Title: Manager

"ASSIGNEE"

CITY OF NEWPORT BEACH,
a California municipal corporation and charter city

By: _____
Name: _____
Title: _____

ATTEST:

Molly Perry, Interim City Clerk

APPROVED AS TO FORM:

Aaron C. Harp, City Attorney

Exhibit "A"
LIST OF ASSIGNED LEASES

EXHIBIT "E"

FORM OF ASSIGNMENT OF CONTRACTS

ASSIGNMENT OF CONTRACTS AND ASSUMPTION AGREEMENT

This Assignment of Contracts and Assumption Agreement (the "**Assignment**") is made and entered into as of this ____ day of _____, 2025 ("**Assignment Date**"), by and between 3848 Campus L.P., a Nevada limited partnership ("**Assignor**"), and City of Newport Beach, a California municipal corporation and charter city ("**Assignee**"), with reference to the following facts. Assignor and Assignee are sometimes hereinafter individually referred to as a "Party" and collectively as the "Parties" to this Assignment.

R E C I T A L S :

A. Assignor and Assignee are parties to that certain Agreement for Purchase and Sale of Real Property and Escrow Instructions, made and entered into as of _____, 2025 (the "**Purchase Agreement**"), pursuant to which Assignor agreed to sell to Assignee, and Assignee agreed to purchase from Assignor, the Property (as defined in the Purchase Agreement). Concurrently with the delivery of this Assignment, Assignor has conveyed to Assignee all of Assignor's interest in the real Property. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Purchase Agreement.

B. Assignee has acquired fee title to the Real Property from Assignor on the Assignment Date. Assignor now desires to assign and transfer to Assignee all of Assignor's rights and interests in, to and under the Approved Contracts, as hereinafter defined.

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

1. Assignment and Assumption. Effective as of the Assignment Date, Assignor hereby grants, transfers, conveys, assigns and delegates to Assignee all of its rights, obligations and interests in, to and under the contracts that are set forth in Schedule 1 attached hereto and made a part hereof (the "**Approved Contracts**"); provided, however, such assignment, transfer and sale shall not include any rights or claims arising prior to the Assignment Date that Assignor may have against any party to the Approved Contracts. Assignee hereby accepts such assignment and delegation by Assignor and agrees to fully perform and hereby assumes all the obligations of Assignor under the Approved Contracts first arising from and after the Assignment Date.

2. No Warranties. Assignee does hereby covenant with Assignor, and represents and warrants to Assignor, that Assignor is transferring each of the Approved Contracts to Assignee (to the extent the terms of any of the Approved Contracts do not limit or restrict such right) without any warranty of any kind or nature. This Assignment shall not be construed as a representation or warranty by Assignor as to the transferability or enforceability of the Approved Contracts, and Assignor shall have no liability to

Assignee in the event that any or all of the Approved Contracts (a) are not transferable to Assignee or (b) are canceled or terminated by reason of this Assignment or any acts of Assignee.

3. Dispute Costs. In the event of any dispute between Assignor and Assignee arising out of the obligations of the parties under this Assignment or concerning the meaning or interpretation of any provision contained herein, each party shall pay its own costs and expenses of such dispute, including, without limitation, its own attorneys' fees and costs.

4. Counterparts. This Assignment may be executed in counterparts (including facsimile and electronic copies), each of which shall be deemed an original, and all of which shall taken together be deemed one document.

5. Survival. This Assignment and the provisions hereof shall inure to the benefit of and be binding upon the parties to this Assignment and their respective successors, heirs and permitted assigns.

6. No Third-Party Beneficiaries. Except as otherwise expressly set forth herein, Assignor and Assignee do not intend, and this Assignment shall not be construed, to create a third-party beneficiary status or interest in, nor give any third-party beneficiary rights or remedies to, any other person or entity not a party to this Assignment.

7. Governing Law. This Assignment shall be governed by, interpreted under, and construed and enforceable in accordance with, the laws of the State of California.

8. Severability. If any terms or provisions of this Assignment is, to any extent, held to be invalid or unenforceable, the remainder of this Assignment will not be affected, and each term or provision of this Assignment will be valid and be enforced to the fullest extent permitted by law.

9. Limitation. The provisions of Section 10.2 of the Purchase Agreement are incorporated by reference into this Assignment as if fully set forth herein.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Assignment as of the Assignment Date.

ASSIGNOR:

3848 Campus L.P.,
a Nevada limited partnership

By: Birch Tract, LLC,
a Nevada limited liability company
Its General Partner

By: _____
Name: John Saunders
Title: Manager

ASSIGNEE:

CITY OF NEWPORT BEACH,
a California municipal corporation and charter city

By: _____
Name: _____
Title: _____

ATTEST:

By: _____

Molly Perry, Interim City Clerk

APPROVED AS TO FORM:

By: _____

Aaron C. Harp, City Attorney

SCHEDULE 1 TO ASSIGNMENT OF CONTRACTS
LIST OF APPROVED CONTRACTS

EXHIBIT "F"
FORM OF BILL OF SALE

BILL OF SALE

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, 3848 Campus L.P., a Nevada limited partnership ("**Seller**"), does hereby GRANT, SELL, CONVEY, TRANSFER AND DELIVER to CITY OF NEWPORT BEACH, a California municipal corporation and charter city ("**Buyer**"), without any warranty of any kind, all of Seller's rights, title and interest in and to the personal property described on Exhibit "A" attached hereto (the "**Personal Property**") owned by Seller and used exclusively in the operation of the real property at 3848 Campus Drive, located in the City of Newport Beach, County of Orange, State of California; provided, however, such transfer, assignment and sale shall not include any rights or claims arising prior to the date hereof which Seller may have against any person with respect to such personal property nor any right to use the name "Angelo Gordon," "Angelo Gordon Real Estate," and/or any other similar name relating to any of such names.

From and after the date of this Bill of Sale, it is intended by the parties that Buyer and its successors and assigns shall have the right to use, have, hold and own the Personal Property forever. This Bill of Sale may be executed in counterparts, each of which shall be deemed an original, and all of which shall taken together be deemed one document. Seller and Buyer agree that the delivery of an executed copy of this Bill of Sale by electronic mail shall be legal and binding and shall have the same full force and effect as if an original executed copy of this Bill of Sale had been delivered.

Seller does hereby covenant to Buyer that Seller is the lawful owner of such Personal Property, that such Personal Property is owned and not leased by Seller and that Seller has good right to sell the same, and that such Personal Property is free of liens and that Seller will warrant and defend the title thereto unto Buyer, its successors and assigns, against the claims and demands thereon.

Buyer hereby acknowledges, covenants, represents and warrants that Seller has made absolutely no representations or warranties (express, implied, or statutory) concerning the Personal Property including, without limitation, any warranty of merchantability or condition, or warranty of fitness for a particular purpose.

This Assignment shall be governed by, interpreted under, and construed and enforceable in accordance with, the laws of the State of California.

The provisions of Section 10.2 of that certain Agreement for Purchase and Sale of Real Property and Escrow Instructions, made and entered into as of _____, 2025, by and between Seller and Buyer are incorporated by reference into this Bill of Sale as if fully set forth herein.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, this Bill of Sale has been executed as of this ____ day
of _____, 2025.

SELLER:

3848 Campus L.P.,
a Nevada limited partnership

By: Birch Tract, LLC,
a Nevada limited liability company
Its General Partner

By: _____
Name: John Saunders
Title: Manager

BUYER:

CITY OF NEWPORT BEACH,
a California municipal corporation and charter city

By: _____
Name: _____
Title: _____

ATTEST:

By: _____

Molly Perry, Interim City Clerk

APPROVED AS TO FORM:

By: _____

Aaron C. Harp, City Attorney

EXHIBIT A
TO BILL OF SALE
DESCRIPTION OF PERSONAL PROPERTY

EXHIBIT "G"
DUE DILIGENCE ITEMS

Financial statements and operating statements for last 2 years

Rent roll

Copies of leases

Third party reports in Seller's possession

Tax bills

Utility bills last 12 months

List of service contracts

EXHIBIT "H"
FORM OF ESTOPPEL CERTIFICATE
TENANT ESTOPPEL CERTIFICATE

TO: _____

RE: [_____] (the "**Premises**")

The undersigned (the "**Tenant**") hereby certifies to CITY OF NEWPORT BEACH, a California municipal corporation and charter city, and its successors and assigns (the "**Buyer**"), Buyer's lender(s) and to _____, a _____ (the "**Landlord**"), the following information with respect to that certain lease agreement, dated _____, _____, [list any other lease documents, including any amendments, modifications or side letters, etc.] (collectively, the "**Lease**"), and Tenant agrees that Landlord, Buyer and Buyer's lender may rely upon the same:

1. The Tenant is the tenant under the Lease covering the Premises. A description of the Lease, with all amendments, is attached hereto as Exhibit A. The Lease is in full force and effect and has not been assigned, modified, supplemented or amended except as shown on Exhibit A.

2. The Tenant has accepted possession and now occupies the Premises and is currently open for business.

3. The Tenant asserts no claim of default or offset or defense against the payment of rent or other charges payable by the Tenant and asserts no claim against the Landlord under the Lease in regard to the Premises. To the best of Tenant's knowledge and belief, there is no default by Landlord under the Lease.

4. All fixed base rental has been paid to the end of the current calendar month, which is _____, and no rent under the Lease has been paid more than one month in advance of its due date except for any security deposits referenced herein. Current monthly fixed base rental for the Premises is \$ _____.

5. The Lease term began on _____, and the current Lease term expires on _____. The Lease provides for an option to renew the Lease term as follows: _____. The Lease contains no first right of refusal to lease or purchase, option to expand, option to terminate, or option to purchase, except as follows: _____.

6. Landlord is presently holding a [security deposit][letter of credit] in the amount of \$_____.

7. There are no unfinished tenant improvements required to be completed by Landlord as of the date hereof or any outstanding and unpaid tenant improvement allowances owing to Tenant as of the date hereof except:
_____.

8. The Tenant is not in default under the Lease. The Tenant is current in the payment of any taxes, utilities, common area maintenance payments, or other charges required to be paid by the undersigned.

9. The Tenant certifies that it is required to pay a pro rata share of real property taxes and insurance, as well as a pro rata share of the common area expenses. The Tenant currently pays to Landlord \$_____ for real property taxes and operating expenses [on a monthly/annual basis].

10. In accordance with Section 107.6 of the California Revenue and Taxation Code, Tenant is specifically informed, and hereby acknowledges and agrees, that the Premises or Project and any fixtures, equipment, or other improvements installed or constructed thereon shall be subject to possessory interest taxes and assessments, and that such taxes and assessments shall be paid by Tenant prior to delinquency. Tenant shall include a statement in all Subleases to the effect that the interests created therein are derive from the Tenant's interest under this Lease and that Tenant's interest requires the payment of a possessory interest tax.

11. The Tenant has not entered into any sublease, assignment or any other agreement transferring any of its interest in the Lease or the Premises leased by the Tenant under the Lease.

12. No actions, whether voluntary or otherwise, are pending against Tenant under the bankruptcy laws of the United States or any state thereof. Tenant has not, at the Premises, generated, stored, handled or otherwise dealt with any hazardous or toxic waste or material, radioactive materials, or other contaminants, the removal of which is required or the maintenance of which is prohibited, regulated or penalized by any local, state or federal agency, authority or government unit except as expressly permitted in the Lease and except for those materials that are contained in prepackaged office supplies, cleaning materials or personal grooming items or other items that are sold for consumer or commercial use.

13. The Tenant recognizes and acknowledges it is executing this Tenant Estoppel Certificate with the intent that Landlord, the Buyer and Buyer's lender(s) may rely hereon.

Dated: _____, 2025

Very truly yours,

_____,
a _____

By: _____
Its: _____