

**AGREEMENT FOR PURCHASE AND SALE AND
JOINT ESCROW INSTRUCTIONS**

C.J. SEGERSTROM & SONS, APNS 415-051-04, 415-061-08, 415-061-09, 415-071-07, 415-081-21, 415-081-25, 415-091-01, 415-091-02, 415-091-04

This AGREEMENT FOR PURCHASE AND SALE AND JOINT ESCROW INSTRUCTIONS (“**Agreement**”) is made and entered into by and between the Orange County Sanitation District, a California special district (“**Buyer**” or “**DISTRICT**”), and **C.J. Segerstrom & Sons, a California general partnership** (“**Seller**”), with reference and respect to the “**Recitals**” set forth in paragraphs A through F below. Buyer and Seller are sometimes individually referred to herein as “**Party**” and collectively as “**Parties**”. The Parties hereto have executed this Agreement on the dates set forth below next to their respective signatures. This Agreement is effective when it is fully executed by the Parties (“**Effective Date**”). Buyer may, but need not, confirm the Effective Date to Seller as the later of the date indicated on the signature page below that (i) this Agreement has been approved as to form, executed and dated by Buyer and (ii) Seller has executed and dated this Agreement. Seller hereby agrees that if Seller has not dated this Agreement at the time Seller delivers the same to Buyer or Escrow Agent, then Buyer or Escrow Agent may date the same as of the date of delivery, and/or receipt.

RECITALS

A. Seller is the owner in fee simple of that certain real property located in the City of Costa Mesa, County of Orange, California, designated with Assessor’s Parcel Numbers 415-051-04, 415-061-08, 415-061-09, 415-071-07, 415-081-21, 415-081-25, 415-091-01, 415-091-02, 415-091-04, and more particularly described in EXHIBIT 1 attached hereto and incorporated herein by this reference (the “**Property**”).

B. Buyer desires to acquire a temporary interest in a certain portion of the Property in connection with the Santa Ana Trunk Sewer Rehabilitation 1-23 Project (the “**Project**”). The Project is a public project involving the rehabilitation of approximately 14,000 feet of large-diameter sewer pipelines and 32 sewer manholes throughout the City of Santa Ana and the City of Costa Mesa jurisdictions.

C. Specifically, Buyer seeks to acquire Temporary Construction Easements (“**TCE**”), pursuant to a Temporary Construction Easement Deed in the form attached hereto as EXHIBIT 2 and incorporated herein by this reference (hereinafter referred to as the “**TCE Deed**”), in, on, over, under, across, along and through that certain portions of the Property consisting of approximately 17,486 square feet, as defined in scope in that certain document titled “Temporary Construction Easement Attachment to Legal Description(s),” and as more particularly legally described in Exhibit A and depicted in Exhibit B to the TCE Deed (hereinafter referred to as the “**Temporary Construction Easement Areas**”).

D. Buyer extended to Seller a written offer dated January 21, 2025 pursuant to Government Code Section 7267.2 to purchase the TCE for the Project.

E. The Parties negotiated Buyer's acquisition of the TCE and have reached an agreement regarding the terms of Buyer's acquisition and use of the TCE.

F. Seller is willing to grant to Buyer the TCE, subject to the terms set forth in this Agreement. Seller and Buyer hereby acknowledge and agree that Buyer is acquiring the use of the TCE for a public use in connection with the Project, and that the TCE is necessary for the construction, operation, and/or maintenance of the Project. The Parties further agree and acknowledge that if the Parties had not reached an agreement for DISTRICT's acquisition of the TCE, DISTRICT staff would have recommended that DISTRICT's governing body consider the adoption of a resolution of necessity authorizing the initiation of an eminent domain proceeding to acquire the TCE in accordance with the Eminent Domain Law. DISTRICT's governing body has the sole and exclusive discretion to make the findings required by Code of Civil Procedure section 1240.030 for the adoption of a resolution of necessity pursuant to the Eminent Domain Law. (Code of Civil Procedure section 1245.220). This Agreement is not a commitment or an announcement of intent to acquire any other real property interests that DISTRICT may need for the Project. Seller is solely responsible for consulting its tax advisors or seeking a letter ruling from the Internal Revenue Service regarding the applicability of 26 U.S.C. Section 1033 to Seller's sale of the TCE to DISTRICT in connection with the Project. DISTRICT makes no express or implied representation regarding the applicability of 26 U.S.C. Section 1033 to this transaction.

NOW, THEREFORE, in consideration of the foregoing facts and circumstances, the covenants, agreements, representations and/or warranties contained herein, as well as other good and valuable consideration, the receipt and sufficiency of which is acknowledged by each of the Parties, the Parties hereby agree as follows:

TERMS/AGREEMENT

1. PURCHASE AND SALE.

1.1 Temporary Construction Easement. Seller agrees to sell and convey to Buyer, and Buyer agrees to purchase the TCE and use the TCE subject to the terms and conditions hereinafter set forth in this Agreement and the TCE Deed attached as EXHIBIT 2 to this Agreement.

1.2 Purchase Price; Severance Damage Fund.

1.2.1 The sum total purchase price for the TCE is FIVE HUNDRED NINE THOUSAND THREE HUNDRED AND NO CENTS (509,300.00) ("**Purchase Price**") a breakdown of which is attached hereto as EXHIBIT 3. It is understood and agreed between the Parties that payment of the Purchase Price includes, without limitation, payment for the TCE conveyed by TCE Deed. It is understood and agreed by and between the Parties hereto that all site improvements within the Temporary Construction Easement Areas will be protected in place or replaced by the Buyer if damaged during the period of the TCE. It is further understood and agreed to by and between the Parties hereto that the following improvements within the Temporary Construction Easement Areas will be relocated: None.

1.2.2 It is further understood that the Purchase Price does not account for Severance Damages, as defined herein. “**Severance Damages**” include damages to Seller or its successors or assigns, arising out of one or more of its tenants at one or more of the Seller’s properties, electing to terminate, abandon, or not renew at the fair market value (as described in EXHIBIT 7), its lease(s) with Seller, as a result, in whole or in part, of the Project and/or Buyer’s or any Buyer Party’s (as defined herein) acts, omissions, or use of, the Property, Temporary Construction Easement Area, or areas adjacent thereto. In accordance with the requirements of EXHIBIT 7, attached hereto, Buyer shall deposit into a separate escrow account to be agreed upon by the parties (“**Severance Escrow**”) the sum of ONE MILLION NINE THOUSAND TWO HUNDRED SEVENTY DOLLARS (\$1,009,270) (“**Severance Damage Fund**”). Payments from the Severance Damage Fund in the Severance Escrow shall be released to Seller (“**Severance Payments**”) in accordance with EXHIBIT 7.

1.3 Payment of Purchase Price. At the Closing (defined in Section 2.3 below), Buyer shall pay to Seller through Escrow (defined in Section 2 below), the Purchase Price, payable in cash, by cashier’s or certified check, or by wire transfer.

1.4 Scope and Use of the TCE. Seller’s grant of the TCE is subject to the terms and conditions set forth in this Agreement and the terms and conditions set forth in the TCE Deed.

1.4.1 Pursuant to the TCE Deed, DISTRICT has the right to access and use the TCE to facilitate the construction of the Project, and for all activities and uses necessary and convenient thereto in connection with the construction and operation of the Project and in accordance with the terms and conditions set forth in this Agreement and the terms and conditions set forth in the TCE Deed.

1.4.2 The term of the TCE shall be the period beginning on the Closing Date (as defined herein) and terminating on the earlier of the date that is (i) thirty (30) calendar days following the date of Buyer’s completion of the Permitted Activities (as defined herein), (ii) thirty-six (36) consecutive calendar months following the Closing Date, or (iii) the effective date of any termination of this Agreement (“**TCE Term**”). Buyer shall provide Seller at least thirty (30) days written notice prior to commencement of work within the Temporary Construction Easement Areas. During the TCE Term Seller agrees to cooperate with the Buyer in order to keep the Temporary Construction Easement Areas reasonably free and clear of all materials and debris that would prevent the Buyer from performing the Permitted Activities (as defined herein). However, nothing in this Agreement or the TCE Deed shall require the Seller or its tenants to alter their use or operation of the Property, unless otherwise expressly stated herein. Upon expiration of the TCE Term, Buyer shall execute, acknowledge and deliver to Seller a quitclaim deed or other instrument of termination, sufficient in Seller’s reasonable opinion to terminate the TCE.

1.4.3 Except for Severance Payments due in accordance with this Agreement, the Purchase Price includes full payment for the Buyer’s possession and use of the TCE during the TCE Term.

1.4.4 A temporary construction barrier may be installed at or near the perimeter of the Temporary Construction Easement Areas. The location and type of barrier shall be subject to the written approval of the Seller, which approval shall not be unreasonably withheld,

conditioned, or delayed. At the expiration of the TCE Term, Buyer shall, subject to reasonable wear and tear that would have been incurred at the Property in the absence of the Project and TCE, restore the Temporary Construction Easement Areas to a condition as near as practicable to the condition that existed immediately prior to construction of the Project. Buyer shall not, however, be required to restore changed condition or circumstance not resulting from construction of the Project or Buyer's use of the TCE.

1.4.5 During Project construction within the Temporary Construction Easement Areas, Buyer will comply with all applicable laws, rules and regulations. Buyer will be responsible and liable for any damage to the Property to the extent the same is proximately caused by the Project or the use or occupancy of the Property by Buyer or its agents, employees, representatives, contractors, subcontractors, suppliers, engineers, or other consultants (collectively, "**Buyer Parties**").

1.5 Reimbursement of Seller's Appraisals. Buyer shall reimburse Seller's appraisal costs in an amount equal to the direct cost to Seller for Seller's appraisal of the Property, but not to exceed \$5,000 per appraisal for up to five appraisals ("**Appraisal Reimbursement**").

1.6 Reimbursement of Seller's Legal Fees. Buyer shall reimburse Seller's legal costs in an amount equal to the direct cost to Seller for Seller's related legal costs, but not to exceed \$5,000 per parcel for up to five parcels ("**Legal Fee Reimbursement**").

2. ESCROW. Within five (5) business days of the Effective Date, DISTRICT shall engage a Title Company ("**Escrow Holder**") in order to open the escrow ("**Escrow**") required by this Agreement. This Agreement contains the joint escrow instructions of DISTRICT and Seller for the grant of the TCE.

2.1 Opening of Escrow. Buyer will deposit a copy of the fully-executed Agreement with Escrow Holder within ten (10) business days following the Effective Date. For purposes of this Agreement, the Escrow shall be deemed open on the first date after the date that Escrow Holder shall have received a fully-executed copy of this Agreement from Buyer ("**Opening of Escrow**"). Escrow Holder shall notify Buyer and Seller, in writing, of the date Escrow is opened ("**Opening Date**").

2.2 Escrow Instructions. This Agreement constitutes the joint basic escrow instructions of Buyer and Seller for grant of the TCE and payment of the Purchase Price. Buyer and Seller shall execute, deliver, and be bound by any reasonable and customary supplemental or additional escrow instructions ("**Additional Instructions**") of Escrow Holder or other instruments as may be reasonably required by Escrow Holder in order to consummate the transaction contemplated by this Agreement. However, any such Additional Instructions shall not conflict with, amend, or supersede any portions of this Agreement unless expressly consented or agreed to in writing by both Seller and Buyer. In the event of any conflict or any inconsistency between this Agreement and such Additional Instructions, this Agreement shall govern unless otherwise specifically agreed to in writing by the Parties.

2.3 Close of Escrow. For purposes of this Agreement, "**Closing**" means the closing or close of Escrow by the recordation in the Official Records of Orange County, California,

of the TCE Deed in the form attached as EXHIBIT 2 hereto, including without limitation, Exhibit A and Exhibit B thereto, which describe and depict the Temporary Construction Easement Areas, as well as the disbursement of funds (including without limitation, the Purchase Price) and distribution of any other documents by Escrow Holder, all as described in this Agreement. Subject to the satisfaction of the conditions precedent below, Closing is to occur within sixty (60) days following the Opening Date (“**Closing Date**”); provided, however, that Closing and, therefore, the Closing Date may be extended as provided in Section 8.6 below; and provided, further, that Closing may occur upon such earlier or later date as the Seller and Buyer mutually agree to in writing or as otherwise provided in this Agreement. Buyer and Seller may mutually agree to change the Closing Date by joint written notice to Escrow Holder. The Closing shall be conditioned upon satisfaction, or written waiver by the Party for whose benefit the condition exists, of all conditions precedent thereto. In the event the Escrow is not in a condition for the Closing to occur by the Closing Date due to the uncured breach of either Buyer or Seller, then the Party who is not then in default of the terms of this Agreement may terminate this Agreement as provided in Section 6. If no (and until a) notice of termination as provided in Section 6 is received by Escrow Holder, Escrow Holder is instructed to proceed with Closing as soon as possible.

2.4 Costs of Escrow. Because of Buyer’s status as a public entity, pursuant to California Revenue and Taxation Code Section 11922, no documentary transfer tax will be payable with respect to the conveyance(s) contemplated by this Agreement. Similarly, pursuant to California Government Code Section 27383, no recording fees will be payable with respect to the recording of the TCE Deed. Buyer shall pay the reasonable and customary costs of any Title Policy (defined in Section 3.2 below) that it elects to obtain. Buyer shall pay the Escrow fees and any notary fees attributable to the TCE Deed. Buyer shall also pay the additional costs, if applicable, associated with any title endorsements requested by Buyer. Escrow Holder shall provide an estimated Closing costs statement to Buyer and Seller at least three (3) days prior to the Closing Date. Buyer shall pay any additional costs required for the Closing and Project, it being the express intention of the Parties that Seller shall not be required to make any payment in connection with this Agreement, the TCE, or the TCE Deed.

2.5 Buyer’s Conditions Precedent to Close of Escrow. The Closing and Buyer’s obligation to acquire the TCE and pay the Purchase Price are subject to the satisfaction of the following conditions for Buyer’s benefit (or Buyer’s waiver thereof, it being agreed that Buyer may waive any or all of such conditions; provided, however, that the occurrence of the Closing shall not waive or release any breach of or failure to perform under this Agreement by Seller not actually known to Buyer) on or prior to the Closing Date:

2.5.1 Seller shall have tendered into Escrow all documents required of Seller pursuant to this Agreement, including without limitation, the TCE Deed.

2.5.2 Seller shall have completed all of Seller’s obligations in Sections 2.2, 2.8, and 4.2 that are to be completed prior to the Closing as provided in this Agreement.

2.5.3 If Buyer has elected, in its sole discretion, to obtain a Title Policy for the TCE, Escrow Holder shall have received an irrevocable commitment from the Title Company to issue any Title Policy required pursuant to this Agreement, subject only to the Permitted Exceptions, as set forth in more detail in Section 3 below.

2.5.4 All representations and warranties of Seller hereunder shall be true and correct as of the Effective Date and as of the Closing Date.

2.5.5 All property taxes and assessments attributable to the Temporary Construction Easement Areas and due prior to the date of Closing shall have been paid by Seller before delinquency and shall be current as of the Closing; provided, however, that, to the extent the same are available, the Purchase Price proceeds may be used to make such payments with Seller's prior written consent.

2.5.6 Buyer shall have approved Escrow Holder's estimated Closing costs statement; such approval shall not be unreasonably withheld, conditioned, or delayed.

2.5.7 Buyer shall have determined that the Temporary Construction Easement Areas is suitable for Buyer's intended use and development, as set forth in more detail in Section 4 below.

2.6 Seller's Conditions Precedent to Close of Escrow. The Closing and Seller's obligation to grant the TCE are subject to the satisfaction of the following conditions for Seller's benefit (or Seller's waiver thereof, it being agreed that Seller may waive any or all of such conditions; provided, however, that the occurrence of the Closing shall not waive or release any breach of or failure to perform under this Agreement by Buyer not actually known to Seller) on or prior to the Closing Date:

2.6.1 Buyer shall have tendered into Escrow the complete Purchase Price, and all payments and documents required of Buyer pursuant to this Agreement and as otherwise required for Closing.

2.6.2 Buyer shall have completed in a timely fashion all of its obligations that are to be completed prior to the Closing as provided in this Agreement.

2.6.3 Seller shall have approved Escrow Holder's estimated Closing costs statement, such approval shall not be unreasonably withheld, conditioned, or delayed.

2.6.4 Buyer shall have tendered into Escrow all unpaid Appraisal Reimbursement amounts due to Seller.

2.6.5 Buyer shall have tendered into Escrow all unpaid Legal Fee Reimbursement amounts due to Seller.

2.6.6 Buyer shall have opened the Severance Escrow, with Seller's approval, which approval shall not be unreasonably withheld or delayed, and tendered into the Severance Escrow the Severance Damage Fund, in accordance with EXHIBIT 7.

2.7 Buyer's Payments and Documents. Not less than one (1) day prior to Closing, Buyer shall pay or tender (as applicable) to Escrow Holder the following described funds and documents (in recordable form, as necessary or appropriate):

2.7.1 The Purchase Price.

2.7.2 Funds required to pay the Escrow fees, recording fees and notary fees attributable to the TCE Deed as well as the costs of any Title Policy that DISTRICT has elected to obtain, if any, and the additional costs, if applicable, associated with any title endorsements requested by Buyer payable by Buyer pursuant to Section 2.4 of this Agreement.

2.7.3 Funds required to pay any additional reasonable charges customarily charged to buyers in accordance with common escrow practices in the County of Orange.

2.7.4 Certificate accepting the TCE Deed.

2.7.5 Such other documents and funds required of Buyer under this Agreement and, to the extent reasonable, customary, or usual, by Escrow Holder in the performance of its contractual or statutory obligations.

2.7.6 All unpaid Appraisal Reimbursement amounts due to Seller.

2.7.7 All unpaid Legal Fee Reimbursement amounts due to Seller.

2.7.8 Confirmation that Buyer has tendered the Severance Damage Fund amount into the Severance Escrow, in accordance with EXHIBIT 7.

2.8 Seller's Documents. No less than one (1) day prior to Closing, Seller shall tender to Escrow Holder the following described documents (in recordable form, as necessary or appropriate):

2.8.1 The fully-executed and acknowledged TCE Deed.

2.8.2 A FIRPTA (Foreign Investment in Real Property Tax Act) Certificate/Non-Foreign Status Affidavit complying with Federal laws, rules and requirements and an appropriate California Form 593 (for example, Form 593-C); Seller's failure to provide either instrument shall result in tax withholding, payment, and the like in accordance with applicable laws, rules and regulations.

2.8.3 Such other documents required of Seller under this Agreement and, to the extent reasonable, customary, or usual, by Escrow Holder in the performance of its contractual or statutory obligations.

2.9 Escrow Holder Responsibilities. Upon the Closing, Escrow Holder is authorized and instructed to:

2.9.1 NOT USED.

2.9.2 Pay, and charge Buyer, any fees, charges and costs payable under this Agreement, including, but not limited to, Sections 2.7 and 2.8 above. Before such payments or charges are made, Escrow Holder shall notify Buyer and Seller of the fees, charges and costs necessary to clear title and proceed with Closing.

2.9.3 Record the TCE Deed.

2.9.4 Withhold from funds otherwise payable to Seller at Closing such amount as Buyer is required to withhold therefrom pursuant to the following: (i) California Revenue and Taxation Code Section 18662 (i.e., 3 1/3% of the total sales price) and timely submit such sums to the California Franchise Tax Board, unless Buyer is relieved of such withholding requirements under the provisions of said Section 18662; and (ii) Federal laws, rules and/or regulations and timely pay over such funds to the appropriate Federal agency or authority, unless Buyer is relieved of such withholding requirements under the provisions of such laws, rules and regulations by Seller's provision of (and Seller actually provides) the affidavit(s) and/or statement(s) identified in Section 2.8.2. Further, deliver to each Party copies of all such withholding forms, affidavits and/or certificates.

2.9.5 Disburse such other funds and deliver such other documents to the applicable Party, as required herein.

2.9.6 If applicable, cause to be issued any Title Policy that DISTRICT, in its sole discretion, has elected to obtain pursuant to Section 3.

2.10 Notices. All communications from Escrow Holder to either Buyer or Seller shall be directed to the addresses and in the manner established in Section 8.1 below for notices, demands, and communications between Buyer and Seller.

3. TITLE.

3.1 Election to Obtain Title Policy. DISTRICT may elect, at its sole discretion, to obtain a Title Policy (as defined in Section 3.2) for the Temporary Construction Easement Areas. DISTRICT shall provide written notice to Seller and Escrow of DISTRICT's election to obtain or not obtain a Title Policy within fifteen (15) calendar days of the Effective Date. If DISTRICT determines not to obtain a Title Policy, or fails to provide the notice required in this Section 3.1 within the time required herein, then the procurement of the Title Policy shall not be deemed a condition of Closing pursuant to Section 2.5.3, above.

3.2 Condition of Title; Title Policy. If DISTRICT elects, in its sole discretion, to obtain a Title Policy for the Temporary Construction Easement Areas, DISTRICT will require, as a condition of Closing for DISTRICT's benefit, that the Temporary Construction Easement Areas be subject only to the Permitted Exceptions. If DISTRICT elects to obtain said Title Policy, at and as a condition of Closing for Buyer's benefit, the Title Company of DISTRICT's choice ("**Title Company**") shall be prepared to issue to Buyer, upon Closing, a policy of title insurance (whether a CLTA, ALTA or ALTA extended coverage policy, as determined by Buyer, the "**Title Policy**") in an amount equal to the Purchase Price, showing the TCE subject only to the Permitted Exceptions. Escrow Holder shall cause Title Company to issue the Title Policy to Buyer upon the occurrence of the Closing.

3.3 Permitted Exceptions. The term "**Permitted Exceptions**" as used herein shall mean the following conditions and exceptions to title or possession:

3.3.1 Any and all liens to secure payment of general and special real property taxes and assessments, not delinquent.

3.3.2 Any and all liens of supplemental taxes assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code accruing on or after the Closing; provided, however, that, notwithstanding anything contained in this Agreement to the contrary, Seller shall be responsible and liable for all taxes that relate to any period prior to the Closing, including, without limitation, supplemental taxes which are not assessed or charged and/or which do not become due or owing until after the Closing.

3.3.3 Matters affecting the condition of title created by or with the consent of Buyer.

3.3.4 Other exceptions to title disclosed by the preliminary title report listed in Exhibit 8, from the Title Company, together with copies of the underlying documents relating to the Schedule B exceptions set forth in such report (collectively, the “**Title Report**”).

3.3.5 Any and all other exceptions to title, including all existing encumbrances, mortgage(s), deed(s) of trust, and other security interests, existing on title as of (i) the Effective Date, and/or (ii) the Closing Date, subject to Buyer’s right to object in writing to Seller as to any exception to title first arising after the Effective Date and before the Closing Date and which materially impacts the Buyer’s Permitted Activities on the TCE during the TCE Term.

3.4 Title Report. Buyer has obtained Title Reports listed on Exhibit 8. Buyer hereby approves such Title Reports, including all existing superior title encumbrances. This Section 3.4 applies whether or not Buyer has elected, in its sole discretion, to obtain a Title Policy for the TCE.

4. SUITABILITY AND CONDITION OF TCE.

4.1 Determination of Suitability and Approval of Environmental and Other Conditions. It is a condition precedent to the Closing for Buyer’s benefit that Buyer has determined that the TCE is suitable for Buyer’s intended use, as determined by Buyer in its sole discretion. Prior to the Closing Date, Buyer shall determine whether the Temporary Construction Easement Areas are suitable and shall provide to Seller and Escrow Holder its written notice of such determination; provided, however, that any failure of Buyer to provide notice shall be deemed approval; and, in connection with any disapproval, Buyer may, but need not, include its election to extend the Closing Date as provided in Section 8.6 below. In the event Buyer determines that the TCE is suitable, such determination by Buyer shall not alter or diminish Seller’s covenants, agreements, representations and/or warranties made herein or under law, unless a representation or warranty is expressly and specifically waived in writing in whole or in part by Buyer. In the event Buyer determines that the Temporary Construction Easement Areas are not suitable, then Buyer may terminate this Agreement as provided in Section 6.1 below.

4.2 Inspections, Testing and Right of Entry. Prior to Closing, Buyer may conduct, at Buyer’s sole expense, such inspections and testing of the Temporary Construction Easement Areas, including, without limitation, any improvements thereon, as Buyer may desire or deem appropriate, in Buyer’s reasonable discretion, to determine the suitability of the Temporary Construction Easement Areas for Buyer’s intended use. In conducting such inspections and testing, Buyer shall endeavor to minimize, and shall be responsible for, damage to the Temporary

Construction Easement Areas, as well as any improvements thereon, and shall, in the event the Closing fails to occur for any reason other than Seller's default under this Agreement, return the Temporary Construction Easement Areas, including any improvements thereon, to their condition prior to the inspections and testing, except that Buyer shall have no responsibility or liability for returning the Temporary Construction Easement Areas to its prior condition to the extent that any change or modification resulted from (i) reasonable wear and tear, (ii) force majeure or (iii) any other cause not within the reasonable control of Buyer or any Buyer Parties, including, without limitation, the acts or omissions of any person or entity other than Buyer and/or Buyer Parties. Seller hereby grants to Buyer and its representatives permission and a license to enter upon the Temporary Construction Easement Areas at all reasonable times prior to the Closing Date for the purpose of conducting such inspections and testing; provided that Buyer provides Seller with not less than five (5) calendar days prior written notice of the specific areas of the Temporary Construction Easement Areas that Buyer is requesting access to, and Seller consents to such access in writing. In the event that any Temporary Construction Easement Areas are occupied by any person(s) other than Seller, Seller shall make arrangements with such person(s) to ensure reasonable access by Buyer, including, without limitation, Buyer's representatives, in order to conduct the inspections and testing pursuant to this Section 4.2.

Seller makes no representations or warranties with respect to, and shall not be responsible for, the condition or safety of the Temporary Construction Easement Areas accessed by Buyer or any Buyer Party. Buyer releases Seller and its tenants, and agrees to indemnify, defend, and hold harmless the same, for any claims, losses, damages, injury, death, liabilities, and/or costs incurred by Seller or its tenants to the extent arising out of Buyer's or Buyer Parties' access and use of the Property. Buyer shall not disrupt the operations or use of the Property by Seller's tenants and their invitees and employees, during all such times as Buyer or any Buyer Party may be on the Property.

5. SELLER'S ACKNOWLEDGMENT.

5.1 Full Satisfaction. Seller hereby acknowledges that it is the sole and lawful owner of the Property and the Purchase Price paid to Seller through this Agreement constitutes the full and complete compensation for Buyer's property interest obtained in the TCE in accordance with this Agreement. Seller, on behalf of itself and its successors and assigns, acknowledges that Buyer's performance under this Agreement constitutes full and complete satisfaction of Buyer's obligations to compensate Seller for the TCE in accordance with this Agreement.

5.2 Notice to Others. If Seller sells, transfers, assigns or otherwise conveys the Property or any interest in the Property affecting the TCE, Seller shall notify the purchaser, successor, assignee or other transferee of the existence and terms of this Agreement, including, without limitation, the TCE Deed and the obligations, liabilities and duties as well as the rights and remedies of the Parties. Buyer has no obligation, liability, or duty to compensate any purchaser, successor, assignee or other transferee of the Property or any interest in the Property, for the TCE, interests, rights and remedies granted to or obtained by Buyer under or pursuant to this Agreement. This Section 5.2 will survive the Close of Escrow.

6. TERMINATION, DEFAULTS AND REMEDIES.

6.1 Exercise of Rights to Terminate. In the event Buyer elects to exercise its right to terminate this Agreement and the Escrow as provided in Section 2.3, 6.3 or 8.5, then Buyer may so terminate by giving notice, in writing, of such termination to Seller and Escrow Holder. In the event Seller elects to exercise its rights to terminate this Agreement and the Escrow as provided in Section 2.3 or 6.2, then Seller may so terminate by giving notice, in writing, of such termination to Buyer and Escrow Holder. In either such event, the Party so terminating shall, except as otherwise expressly provided in Section 6.2 or 6.3 below, pay all Escrow Holder and Title Company termination fees and charges (collectively, “**Termination Costs**”).

6.2 Buyer’s Breach. In the event Buyer breaches any obligation under this Agreement which Buyer is to perform and fails to cure such breach within ten (10) business days of receipt of written notice of such breach from Seller, then, (a) in addition to pursuing any other rights or remedies which Seller may have at law or in equity, including, without limitation, any and all damages resulting from such breach, (b) Seller may, at Seller’s option, (i) terminate this Agreement and the Escrow by giving notice, in writing, of such termination to Buyer and Escrow Holder, or (ii) initiate and prosecute an action for specific performance of this Agreement. In the event of a Seller termination for Buyer’s breach, Buyer shall pay all Terminations Costs.

6.3 Seller’s Breach. In the event Seller breaches any obligation under this Agreement which Seller is to perform prior to the Closing and fails to cure such breach within ten (10) business days of receipt of written notice of such breach from Buyer, then, (a) in addition to pursuing any other rights or remedies which Buyer may have at law or in equity, including, without limitation, any and all damages resulting from such breach, (b) Buyer may, at Buyer’s option, (i) terminate this Agreement and the Escrow by giving notice, in writing, of such termination to Seller and Escrow Holder, or (ii) initiate and prosecute an action for specific performance of this Agreement. In the event of a Buyer termination for Seller’s breach, Seller shall pay all Terminations Costs.

6.4 Return of Funds and Documents; Release of Liability as to Escrow Holder. In the event Escrow Holder terminates the Escrow as a result of having received notice, in writing, from Buyer or Seller of its election to terminate the Escrow as provided herein, then Escrow Holder shall terminate the Escrow and return all funds, less Termination Costs, as appropriate, and documents to the Party depositing the same. Further, the Parties hereby release Escrow Holder, and shall hold Escrow Holder free and harmless, from all liabilities associated with such termination excepting for Escrow Holder’s obligations to return funds and documents as provided herein.

7. REPRESENTATIONS AND WARRANTIES.

7.1 Representations and Warranties. Buyer and Seller hereby represents, warrants, covenants and agrees to and for the benefit of the other Party, that the following statements are true and correct as of the Effective Date, and shall be true and correct as of Closing, and acknowledge and agree that the truth and accuracy of such statements shall constitute a condition precedent to all of the other Party’s obligations under this Agreement:

7.1.1 Authority. Seller represents and warrants that it owns the Property in fee simple and has full power and authority to grant the TCE to Buyer and to perform its

obligations pursuant to this Agreement. This Agreement and all other documents delivered by Seller or Buyer to the other Party under or pursuant to this Agreement, at or prior to the Closing, have been, or will be, duly executed and delivered by Seller or Buyer (as applicable) and are, or will be, legal, valid and binding obligations of delivering Party, sufficient for the Parties' obligation hereunder (including without limitation, Seller's conveyance of the TCE to Buyer), and are enforceable in accordance with their respective terms.

7.1.2 Possessory Interests; Requirement for Release. Seller acknowledges that there are multiple tenants on the Property. Seller shall provide notice to its tenants of the Project in a timely manner, and Buyer and Seller shall use good faith efforts to facilitate the resolution of any tenant complaints against the Buyer caused by Buyer's use of the Temporary Construction Easement Area in accordance with this Agreement.

7.1.3 No Liens or Encumbrances. Other than as is disclosed or covered by Subsections 7.1.2 above, the Title Report, or 7.1.4 below, the Property, including the portions comprising the Temporary Construction Easement Areas, is free and clear of and from liens or encumbrances that could interfere with the intended use by Buyer; and, therefore, Buyer, to the extent of its TCE interest in the Property described in the TCE Deed (once recorded pursuant to this Agreement) and subject to the requirements of this Agreement, shall quietly enjoy its rights in and to the Temporary Construction Easement Areas granted pursuant to the TCE Deed without disturbance or inference by Seller or anyone claiming by, through or under Seller.

7.1.4 Mortgage or Deed of Trust. If the Property is encumbered by a mortgage(s), deed(s) of trust and/or other security instrument(s), Seller shall be responsible and liable for payment of any demand under any authority of such security instrument(s) out of Seller's proceeds or otherwise. Such amounts may include, but are not limited to, payments of unpaid principal and interest. Seller will cooperate with Buyer in providing any documentation and/or approvals reasonably required from Seller's lenders holding any mortgage(s), deed(s) of trust, or other security instrument(s) in connection with the Property.

7.1.5 Hazardous Materials. Seller is aware of and shall comply with its obligation under California Health and Safety Code Section 25359.7 to disclose information to Buyer regarding the environmental status of the Property. To Seller's knowledge, the Property and the area comprising the TCE and any contiguous real property owned by Seller is not in violation of any federal, state or local statute, regulation or ordinance relating to industrial hygiene or to environmental conditions on, under or about the Property including, without limitation, soil and groundwater conditions underlying the Property that could affect the Property or its use. Neither Seller, nor, to Seller's knowledge, any other person or predecessor in interest, has used, generated, manufactured, stored or disposed of on, under or about the Property, or transported to or from the Property, any "**Hazardous Materials**" as defined in any state, federal or local statute, ordinance, rule or regulation applicable to the Property, including, without limitation, any flammable materials, explosives, radioactive materials, hazardous or contaminated materials or substances, toxic or noxious materials, substances or related materials or substances, as well as any substance whose nature and/or quantity of existence, use, manufacture, disposal or effect render it subject to Federal, state or local regulation, investigation, remediation or removal as potentially injurious to public health or welfare. Notwithstanding the foregoing, the above represents Seller's actual knowledge as of the date of this Agreement, and Buyer shall not be entitled to rely upon Seller's

statements herein in lieu of performing reasonable due diligence in investigating the conditions of the Project site areas related to the Property, including without limitation, any soil conditions.

Buyer shall be responsible for all Hazardous Materials introduced to the Property by Buyer or any Buyer Parties, which responsibility shall include without limitation, compliance with all applicable local, state or federal law regarding the use of, disposal of, notices regarding, and the proper handling of, such Hazardous Materials. Buyer shall indemnify, defend, and hold harmless, Seller and Seller's tenants, from and against any all claims, demands, losses, damages, disbursements, liabilities, obligations, fines, penalties, costs and expenses related to any Hazardous Materials brought to or disturbed upon the Property, in connection with the Project or TCE.

7.1.6 Litigation. There are no claims, actions, suits or proceedings continuing, pending or, to Seller's knowledge, threatened (i) against or affecting the Temporary Construction Easement Areas, or (ii) involving the validity or enforceability of this Agreement or of any other documents or instruments to be delivered by Seller at Closing, in either case, whether at law or in equity, or before or by any federal, state, municipal or other governmental department, board, commission, bureau or instrumentality. Seller is not subject to, or in default under, any notice, order, writ, injunction, decree or demand of any court or any governmental department, board, commission, bureau, or instrumentality, that may interfere with the Buyer's use of the TCE in accordance with this Agreement.

7.1.7 No Breach. The Parties represent that to the best of their knowledge, information and belief, the execution and delivery of this Agreement and the consummation of the transaction(s) contemplated by this Agreement will not violate or result in any breach of or constitute a default under or conflict with, or cause any acceleration of any obligation with respect to any provision or restriction of any lien, lease, agreement, contract, instrument, or, any order, judgment, award, decree, statute, regulation or ordinance, or any other restriction of any kind or character to which such Party is a party or by which such Party or the Temporary Construction Easement Areas is bound.

7.1.8 No Condemnation or Other Proceedings. Exclusive of any action proposed or contemplated by Buyer, Seller is not aware of any contemplated condemnation of the Property or any portion thereof by any public agency, authority, or entity. Buyer has negotiated in good faith to acquire and to pay just compensation for its acquisition of the TCE. Seller understands that, if the acquisition set forth in and contemplated by this Agreement had not been (or is not) successful, then staff for Buyer may have recommended (or may recommend) initiation of eminent domain proceedings to acquire the TCE and/or interests therein and/or portions thereof.

7.2 Survival of Representations and Warranties. The Parties acknowledge and agree that the covenants, agreements, representations, and warranties of each Party set forth in this Agreement shall be true and correct on and as of the Effective Date as well as the Closing, and each Party's liability for any breach, default or failure of the same, including, without limitation, any misrepresentation, shall survive not only the recordation of the TCE Deed, but also the Closing.

8. OTHER.

8.1 Notices and Demands. All notices or other communications required or permitted between the Parties hereunder shall be in writing, and shall be (i) personally delivered, (ii) sent by United States registered or certified mail, postage prepaid, return receipt requested, (iii) sent by email transmission, or (iv) sent by nationally recognized overnight courier service (e.g., Federal Express or United Parcel Service), addressed to the Party to whom the notice is given at the address(es) provided below, subject to the right of any Party to designate a different address for itself by notice similarly given. Any notice so given by registered or certified United States mail shall be deemed to have been given on the third business day after the same is deposited in the United States mail. Any notice not so given by registered or certified mail, such as notices delivered by personal delivery, email or courier service, shall be deemed given upon receipt, rejection, or refusal of the same by the Party to whom the notice is given. Rejection or other refusal to accept or the inability to deliver because of changed address of which no notice was given shall be deemed to constitute receipt of the notice or other communication sent.

To Buyer: Orange County Sanitation District
 Attn: General Manager c/o Victoria Pilko
 18480 Bandilier Circle
 Fountain Valley, CA 92708
 Telephone: (714) 962-2411
 Email: vpilko@ocsan.gov

To Seller: C.J. Segerstrom & Sons
 Attn: Scott Moeller
 3315 Fairview Rd.
 Costa Mesa, CA 92626
 Telephone: (714) 435-2053
 Email: MoellerS@southcoastplaza.com

8.2 [Intentionally Deleted]

8.3 Entry, Possession, Use, Construction and Operation.

8.3.1 Upon Closing in accordance with this Agreement, including without limitation, the Seller's receipt of the Purchase Price and the recordation of the TCE Deed, Buyer shall have the right of possession and use of the Temporary Construction Easement Areas to the extent provided in this Agreement and the TCE Deed. Buyer's access to, and use of the Property, shall be limited to the Temporary Construction Easement Area within the TCE, and solely for purposes of performing work and services necessary for the completion of the "**Permitted Activities**," as defined in EXHIBIT 4, attached hereto.

8.3.2 Upon Closing in accordance with this Agreement, including without limitation, the Seller's receipt of the Purchase Price and the recordation of the TCE Deed, Buyer shall have the right to enter the Property to connect any utilities or complete any utility reconnections included in the Permitted Activities and required in connection with the Project. Except for any entry required for emergency purposes in connection with utility connections or reconnections on the Property, Buyer will provide Seller with a minimum of forty-eight (48) hours written notice prior to entering the Property to complete any necessary utility connections or utility

reconnections. Buyer shall not be permitted to stop, suspend, or interrupt the utilities and services required for the full and ongoing operations of all existing improvements and facilities on the Property.

8.3.3 Buyer makes no representation, warranty, covenant, or agreement that the Project shall be constructed. In the event Buyer elects not to move forward with the Project, Buyer shall provide written notice to Seller of the same.

8.4 Brokers and Sales Commissions. Neither Buyer nor Seller shall be responsible or liable to the other Party for, and will not be required to pay, any sales or brokerage commissions and/or finder's fees for which Buyer or Seller has incurred any obligation with respect to the transaction which is the subject of this Agreement. The Parties' obligations, liabilities and duties under this Section 8.4 shall survive the Closing or the termination of this Agreement.

8.5 Damage or Destruction. Should the Temporary Construction Easement Areas be materially damaged or destroyed by fire, earthquake, or other natural disaster which renders impossible the Buyer's completion of the Project in accordance with this Agreement and TCE Deed, then the Parties shall meet and confer in good faith to address any required revisions to this Agreement and the TCE Deed.

8.6 Extension of Closing and Closing Date. Buyer may, upon written notice to Seller, extend the Closing Date and, therefore, the Closing for a reasonable period in order to satisfy or to provide time for others to satisfy the conditions to Closing in favor of Buyer set forth in this Agreement, including, without limitation, the following: (i) that, in accordance with Subsection 2.5.3 and Section 3 above, the TCE Deed is subject only to the Permitted Exceptions and that title to the same is otherwise acceptable to Buyer; (ii) that, in accordance with Subsection 2.5.7 and Section 4 above, Buyer has determined that the TCE is suitable for Buyer's intended use; and (iii) that, in accordance with Subsection 2.5.4 and Section 7 above, Seller's representations and warranties are true and accurate and Buyer has received any consent(s) and/or release(s) required by Subsections 7.1.2 and 7.1.4 above.

9. INCORPORATION OF RECITALS; WHOLE AGREEMENT.

9.1 Recitals. The preamble at the beginning of this Agreement, as well as the Recitals set forth in paragraphs A through F immediately after the preamble, are hereby incorporated into this Agreement as if set forth in full in this Section 9.1.

9.2 Whole Agreement. Consistent with Section 10.17 below, the Parties hereto acknowledge and agree that they have set forth the whole of their agreement in this instrument.

10. MISCELLANEOUS.

10.1 Authority to Bind. Each individual executing this Agreement on behalf of an entity represents and warrants that he or she has been authorized to do so by the entity on whose behalf he or she executes this Agreement, and that said entity will thereby be obligated to perform the terms of this Agreement.

10.2 Survival of Covenants. The covenants, representations and warranties of both Buyer and Seller set forth in this Agreement shall survive the Closing as well as the recordation of the TCE Deed.

10.3 Time of Essence. Time is of the essence as it pertains to each and every term, condition, obligation and provision of this Agreement.

10.4 Required Actions of Buyer and Seller. Buyer and Seller agree to execute such instruments and documents and to diligently undertake such actions as may be required in order to consummate the purchase and sale herein contemplated and shall use commercially reasonable efforts to accomplish the Closing in accordance with the provisions of this Agreement.

10.5 Counterparts; Copies. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which, together, shall constitute one and the same instrument. Except as required for recordation, the Parties as well as Escrow Holder and Title Company shall accept copies of signatures, including, without limitation, electronically transmitted (for example, by e-mail, facsimile, PDF or otherwise) signatures.

10.6 Captions. Any captions to, or headings of, the articles, sections, subsections, paragraphs, or subparagraphs or other provisions of this Agreement are solely for the convenience of the Parties, are not a part of this Agreement, and shall not be used for the interpretation or determination of the validity of this Agreement or any provision of this Agreement.

10.7 No Obligations to Third Parties. Except as otherwise expressly provided in this Agreement, the execution and delivery of this Agreement shall not be deemed to confer any rights upon, nor obligate any of the Parties to, any person or entity other than the Parties.

10.8 Exhibits. The Exhibits attached to this Agreement are hereby incorporated into this Agreement by this reference.

10.9 Waiver. The waiver or failure to enforce any provision of this Agreement shall not operate as a waiver of any future breach of any such provision or any other provision of this Agreement.

10.10 Governing Law; Venue. This Agreement shall be construed in accordance with the laws of the State of California. Any and all legal actions brought to enforce or interpret the terms and provisions of this Agreement shall be commenced exclusively in a court of competent jurisdiction in the County of Orange.

10.11 Assignment. Buyer shall not be permitted to assign this Agreement, or its rights and remedies in, to and under the TCE Deed, or any right or obligation herein and therein, to any other party without the prior written consent of the Seller.

10.12 Successors and Assigns. This Agreement, the TCE Deed, and any right or obligation herein and therein, shall inure to the benefit of the successors and assigns of the Parties.

10.13 Ratification. This Agreement is subject to the approval and ratification by the Buyer's governing body or its delegated representative in accordance with EXHIBIT 5, attached hereto.

10.14 Severability. If any term or provision of this Agreement shall be held invalid or unenforceable, the remainder of this Agreement shall not be affected.

10.15 Construction. This Agreement will be liberally construed to effectuate the intention of the Parties with respect to the transaction(s) described herein. In determining the meaning of, or resolving any ambiguity with respect to, any word, phrase or provision of this Agreement, neither this Agreement nor any uncertainty or ambiguity herein will be construed or resolved against either Party (including the Party primarily responsible for drafting and preparation of this Agreement), under any rule of construction or otherwise, it being expressly understood and agreed that the Parties have participated equally or have had equal opportunity to participate in the drafting thereof.

10.16 Legal Fees. Except for Buyer's obligation to reimburse Seller's legal fees in accordance with Section 1.6, above, each Party shall be responsible for payment of its own attorneys' fees with respect to negotiation and preparation of this Agreement. However, in the event of the bringing of any action or proceeding to enforce, interpret or construe any of the provisions of this Agreement, including, without limitation, seeking damages as a result of breach of this Agreement, the prevailing Party in such action or proceeding, whether by final judgment or out of court settlement, shall be entitled to have and recover of and from the other Party all costs and expenses of suit, including actual attorneys' fees.

10.17 Entire Agreement; Amendment. This Agreement supersedes any prior agreements, negotiations and communications, oral or written, and (together with the TCE Deed) contains the entire agreement between Buyer and Seller as to the subject matter hereof. The terms of this Agreement may not be modified or amended except by an instrument in writing executed by each of the Parties hereto.

10.18 Special Provisions. The "**Special Provisions**" as they may apply to any or all portions of the Property as further described and attached hereto as EXHIBIT 6, if any, are hereby incorporated into and made a part of this Agreement by this reference as if set forth in full in this Section 10.18. In the event of any conflict or inconsistency between this Agreement and the Special Provisions, the terms of the Special Provisions shall prevail and control.

[Signatures on the following pages]

SIGNATURE PAGE TO
AGREEMENT OF PURCHASE AND SALE
AND JOINT ESCROW INSTRUCTIONS

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date(s) set forth below next to their respective signatures.

“BUYER”

**Orange County Sanitation District,
A California Special District**

By: _____
Title: Robert C. Thompson
General Manager

Date: _____

APPROVED AS TO FORM:

Best, Best & Krieger, LLP

By: _____
Scott C. Smith
General Counsel

Date: _____

“SELLER”

**C. J. SEGERSTROM & SONS, a California
general partnership**

By: Henry T. Segerstrom Management LLC,
a California limited liability company,
Manager

By

Title: Manager

By: HTS Management Co., Inc., a California
corporation, Manager

By _____

Title: Senior Vice President

Date: _____

EXHIBIT LIST

Exhibit 1 – Legal Description(s) of Property

Exhibit 2 – Form of Temporary Construction Easement Deed (including Exhibits A & B thereto)

Exhibit 3 – Purchase Price Breakdown

Exhibit 4 – Entry, Possession and Use Provisions

Exhibit 5 – District Board Certification Form

Exhibit 6 – Special Provisions

Exhibit 7 – Temporary Severance Damages

EXHIBIT 1 TO

**PURCHASE AND SALE AGREEMENT
AND JOINT ESCROW INSTRUCTIONS**

Legal Description(s) of Entire Property

[attached behind this page]

EXHIBIT "A"

ACCESSOR'S PARCEL NUMBER 415-051-04

ALL THAT CERTAIN REAL PROPERTY SITUATED IN THE CITY OF COSTA MESA, COUNTY OF ORANGE, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

PARCEL 1 OF PARCEL MAP NO. 87-451, IN THE CITY OF COSTA MESA, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN [BOOK 235, PAGES 31](#) AND 32 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

ACCESSOR'S PARCEL NUMBER 415-061-08, 415-061-09, 415-071-07

LOTS 50, 51 AND 52 OF TRACT NO. 10876, IN THE CITY OF COSTA MESA, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS PER MAP FILED IN [BOOK 486, PAGES 1](#) TO 8 INCLUSIVE, OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, LYING WITHIN THE LAND DESCRIBED AS PARCELS 1, 2 AND 3 OF THAT CERTAIN LOT LINE ADJUSTMENT NO. LL-87-04, RECORDED ON MAY 27, 1987 AS [INSTRUMENT NO. 87-296844, OFFICIAL RECORDS](#) OF SAID COUNTY.

ACCESSOR'S PARCEL NUMBER 415-081-21

PARCEL 2 OF THAT CERTAIN LOT LINE ADJUSTMENT NO. LL-84-05, RECORDED JUNE 5, 1984 AS [INSTRUMENT NO. 84-231309, OFFICIAL RECORDS](#), IN THE CITY OF COSTA MESA, COUNTY OF ORANGE, STATE OF CALIFORNIA, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

PARCELS 3 AND 7 OF PARCEL MAP NO. 81-383, IN THE CITY OF COSTA MESA, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SHOWN ON A MAP FILED IN [BOOK 163, PAGES 19](#) AND 20 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM THE FOLLOWING DESCRIBED PARCEL OF LAND:

BEGINNING AT THE SOUTHEAST CORNER OF PARCEL 1 AS SHOWN ON SAID PARCEL MAP; THENCE NORTH 88° 46' 40" EAST 35.84 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING NORTH 88° 46' 40" EAST 163.24 FEET; THENCE NORTH 1° 13' 20" WEST 102.92 FEET; THENCE SOUTH 88° 46' 40" WEST 163.24 FEET; THENCE SOUTH 1° 13' 20" EAST 102.92 FEET TO THE TRUE POINT OF BEGINNING.

ACCESSOR'S PARCEL NUMBER 415-081-25

LOT 44 OF TRACT NO. 10876, IN THE CITY OF COSTA MESA, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 486, PAGES 1 TO 8 INCLUSIVE OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

ACCESSOR'S PARCEL NUMBER 415-091-01, 415-091-02, 415-091-04

LOTS 20 AND 45 OF TRACT NO. 10876, IN THE CITY OF COSTA MESA, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN [BOOK 486, PAGES 1](#) TO 8 INCLUSIVE, OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, TOGETHER WITH PARCELS 1 AND 2 OF THAT CERTAIN LOT LINE ADJUSTMENT NO. LL-85-04 RECORDED SEPTEMBER 23, 1985 AS [INSTRUMENT NO. 85-362761, OFFICIAL RECORDS](#), IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXHIBIT 2 TO

**PURCHASE AND SALE AGREEMENT
AND JOINT ESCROW INSTRUCTIONS**

Form of Temporary Construction Easement Deed

[attached behind this page]

Recording Requested by:
ORANGE COUNTY SANITATION
DISTRICT

When Recorded Mail to:

Orange County Sanitation District
Attn: Clerk of the Board
18480 Bandilier Circle
Fountain Valley, CA 92708

"This document is recorded for the benefit of the Orange County Sanitation District and is therefore, exempt from recording fees pursuant to Gov't Code Section 27383 and exempt from Documentary transfer tax pursuant to Rev. & Tax Code Section 11922"

APNs: 415-051-04, 415-061-08,
415-061-09, 415-071-07, 415-091-04
415-091-01, 415-091-02, 415-081-21
415-081-25

Space above this line is for Recorder's Use

GRANT OF TEMPORARY CONSTRUCTION EASEMENT

C.J. SEGERSTROM & SONS, A CALIFORNIA GENERAL PARTNERSHIP ("Grantor"), is the owner of that certain real property located in the City of Costa Mesa, County of Orange, State of California, designated as Assessor's Parcel Numbers 415-051-04, 415-061-08, 415-061-09, 415-071-07, 415-091-04, 415-091-01, 415-091-02, 415-081-21, 415-081-25 ("**Grantor's Property**"). FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, Grantor hereby grants to **ORANGE COUNTY SANITATION DISTRICT, a California special district** ("**Grantee**"), a non-exclusive temporary construction easement ("**TCE**") for construction of the Santa Ana Trunk Sewer Rehabilitation 1-23 Project ("**Project**"), in, on, over, under, across, along and through that portion of Grantor's Property ("**Temporary Construction Easement Areas**") as legally described in Exhibit "A" and depicted in Exhibit "B," all of said documents are attached hereto and incorporated herein by this reference. Grantees rights, obligations, and scope of permitted limited use of the TCE and Temporary Construction Easement Area, are subject to and limited by, that certain Agreement for Purchase and Sale and Joint Escrow Instructions by and between Grantor and Grantee, dated [REDACTED], 2025 ("**PSA**"). It is understood and agreed that this TCE shall expire, terminate, and be of no force or effective, upon the earlier of the date that is (i) thirty (30) calendar days following the date of Grantee's completion of the Permitted Activities (as defined in the PSA), (ii) thirty-six (36) consecutive calendar months following the date of recordation of this TCE, or (iii) the effective date of any termination of the PSA.

Signatures appear on the following page.

GRANTOR

**C. J. SEGERSTROM & SONS, a California
general partnership**

By: Henry T. Segerstrom Management LLC,
a California limited liability company, Manager

By _____

Title: Manager

By: HTS Management Co., Inc., a California
corporation, Manager

By _____

Title: Senior Vice President

Date: _____

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 _____)

On _____ 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 signature(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 of Notary Public

(Seal)

EXHIBIT "A"
LEGAL DESCRIPTION

EXHIBIT "A"
TEMPORARY CONSTRUCTION EASEMENT (TCE)
APN: 415-061-08 & 09 AND 415-071-07

THOSE PORTIONS OF PARCELS 1, 2 AND 3 OF LOT LINE ADJUSTMENT LL 87-04, IN THE CITY OF COSTA MESA, COUNTY OF ORANGE, STATE OF CALIFORNIA, RECORDED MAY 27, 1987 AS INSTRUMENT NO. 87-296844 OF OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

A STRIP OF LAND, 3.00 FEET WIDE, THE NORTHERLY LINE OF SAID STRIP BEING DESCRIBED AS FOLLOWS:

BEGINNING AT THE WESTERLY TERMINUS OF THE NORTHERLY LINE OF SAID PARCELS 1, 2 AND 3;

THENCE, ALONG SAID NORTHERLY LINE, SOUTH 89°37'29" EAST, 712.10 FEET.

THE SOUTHERLY LINE OF SAID STRIP SHALL BE EXTENDED OR SHORTENED TO BEGIN AT THE NORTHWESTERLY LINE OF SAID PARCEL 1 OF LL 87-04.

CONTAINING 2,159 SQUARE FEET, MORE OR LESS.

ALSO AS SHOWN ON EXHIBIT "B" ATTACHED HERETO AND BY THIS REFERENCE MADE A PART HEREOF.

SUBJECT TO COVENANTS, CONDITIONS, RESTRICTIONS, RESERVATIONS, EASEMENTS, RIGHTS, RIGHTS-OF-WAY AND OTHER MATTERS OF RECORD, IF ANY.

PREPARED BY: STANTEC
UNDER THE DIRECTION OF:

MINH A. LE, PLS NO. 8543

JANUARY 5, 2024
JN: 1840 31625

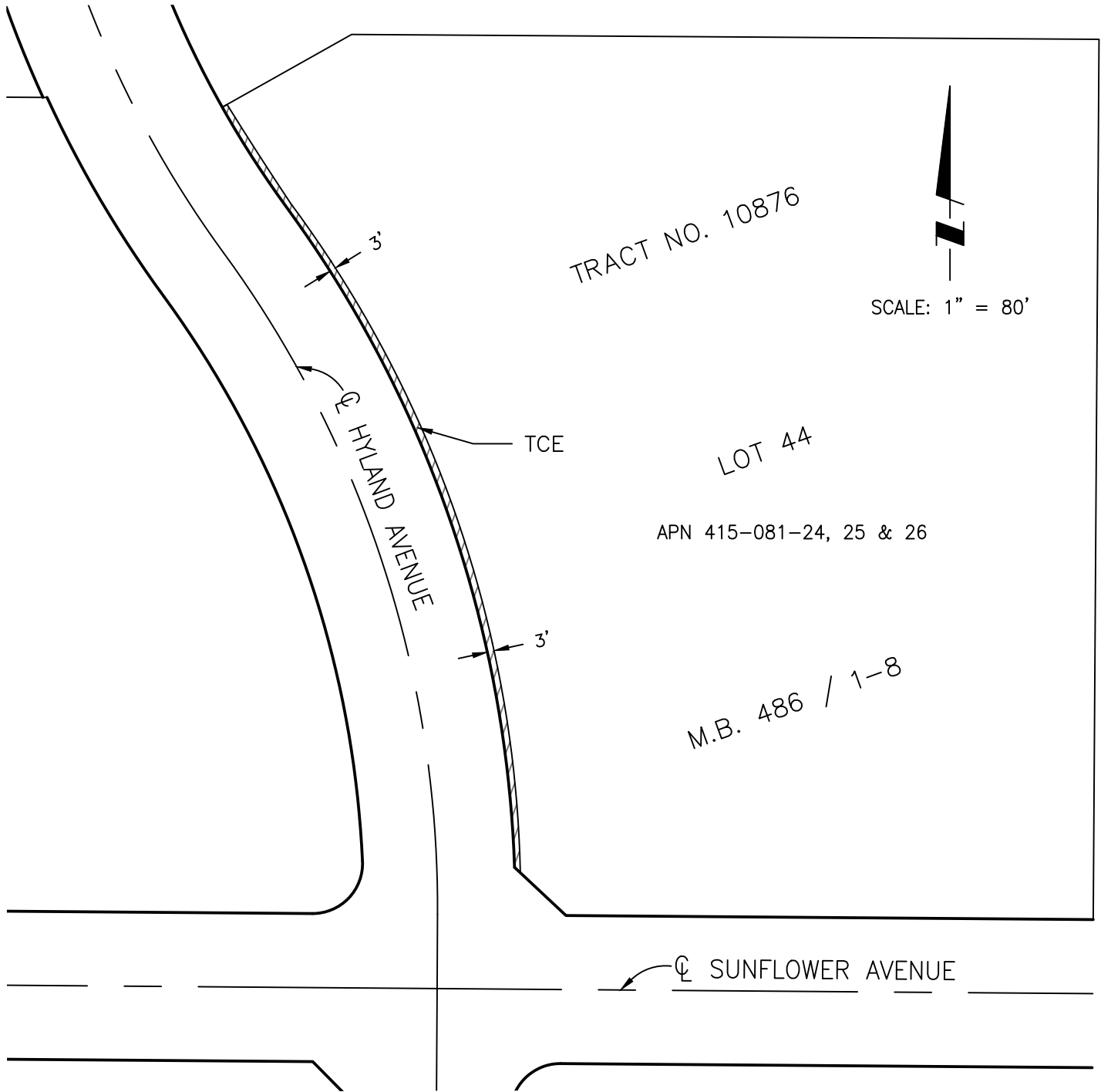
EXHIBIT “B”

PLAT MAPS

EXHIBIT "B"

A PORTION OF LOT 44 OF TRACT NO. 10876, M.B. 486 / 1-8,
IN THE CITY OF COSTA MESA, COUNTY OF ORANGE, STATE OF CALIFORNIA

TEMPORARY CONSTRUCTION EASEMENT (TCE)



SCALE: 1" = 80'

 TCE AREA = 1375 S.F.

MINH A. LE, P.L.S. 8543



Stantec

735 Carnegie Drive Suite 280
San Bernardino CA 92408-3588
909-335-6116 stantec.com

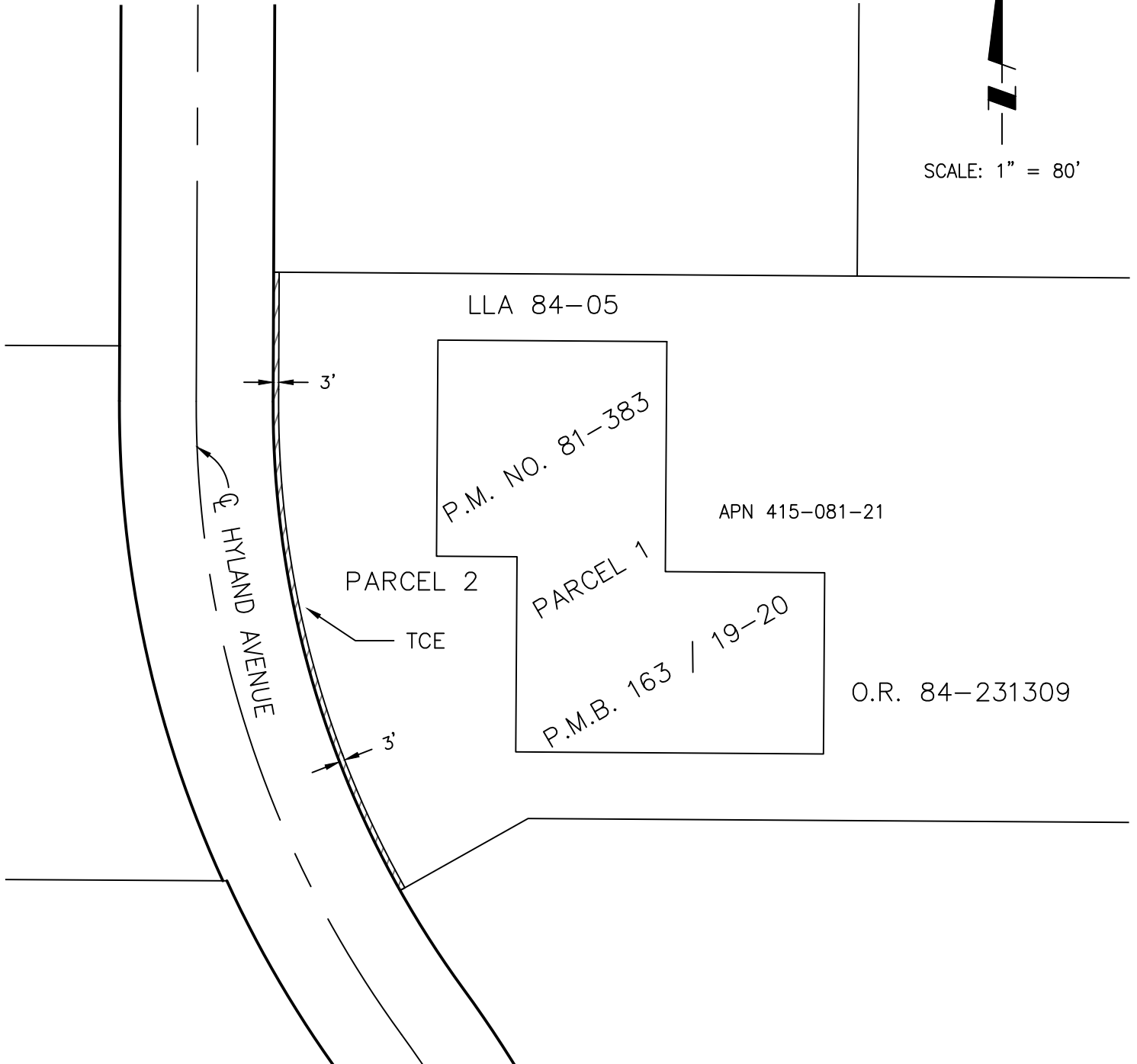
EXHIBIT "B"

A PORTION OF PARCEL 2 OF LLA 84-05, O.R. 84-231309,
IN THE CITY OF COSTA MESA, COUNTY OF ORANGE, STATE OF CALIFORNIA

TEMPORARY CONSTRUCTION EASEMENT (TCE)



SCALE: 1" = 80'



 TCE AREA = 1038 S.F.

MINH A. LE, P.L.S. 8543



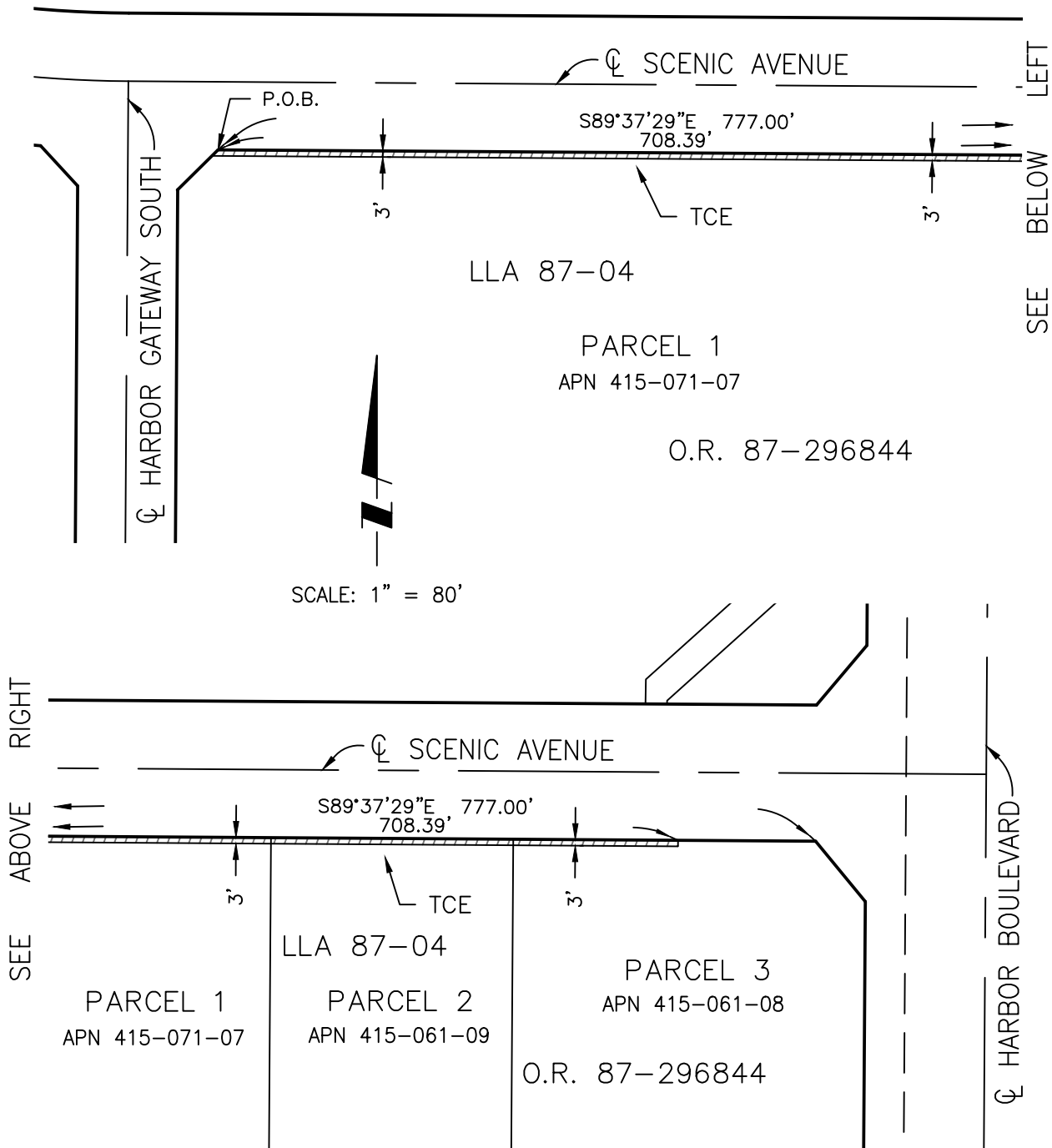
Stantec

735 Carnegie Drive Suite 280
San Bernardino CA 92408-3588
909-335-6116 stantec.com

EXHIBIT "B"

PORTIONS OF PARCELS 1, 2 & 3 OF LLA 87-04, O.R. 87-296844,
IN THE CITY OF COSTA MESA, COUNTY OF ORANGE, STATE OF CALIFORNIA

TEMPORARY CONSTRUCTION EASEMENT (TCE)



SCALE: 1" = 80'

 TOTAL TCE AREA = 10,738 S.F.



Stantec

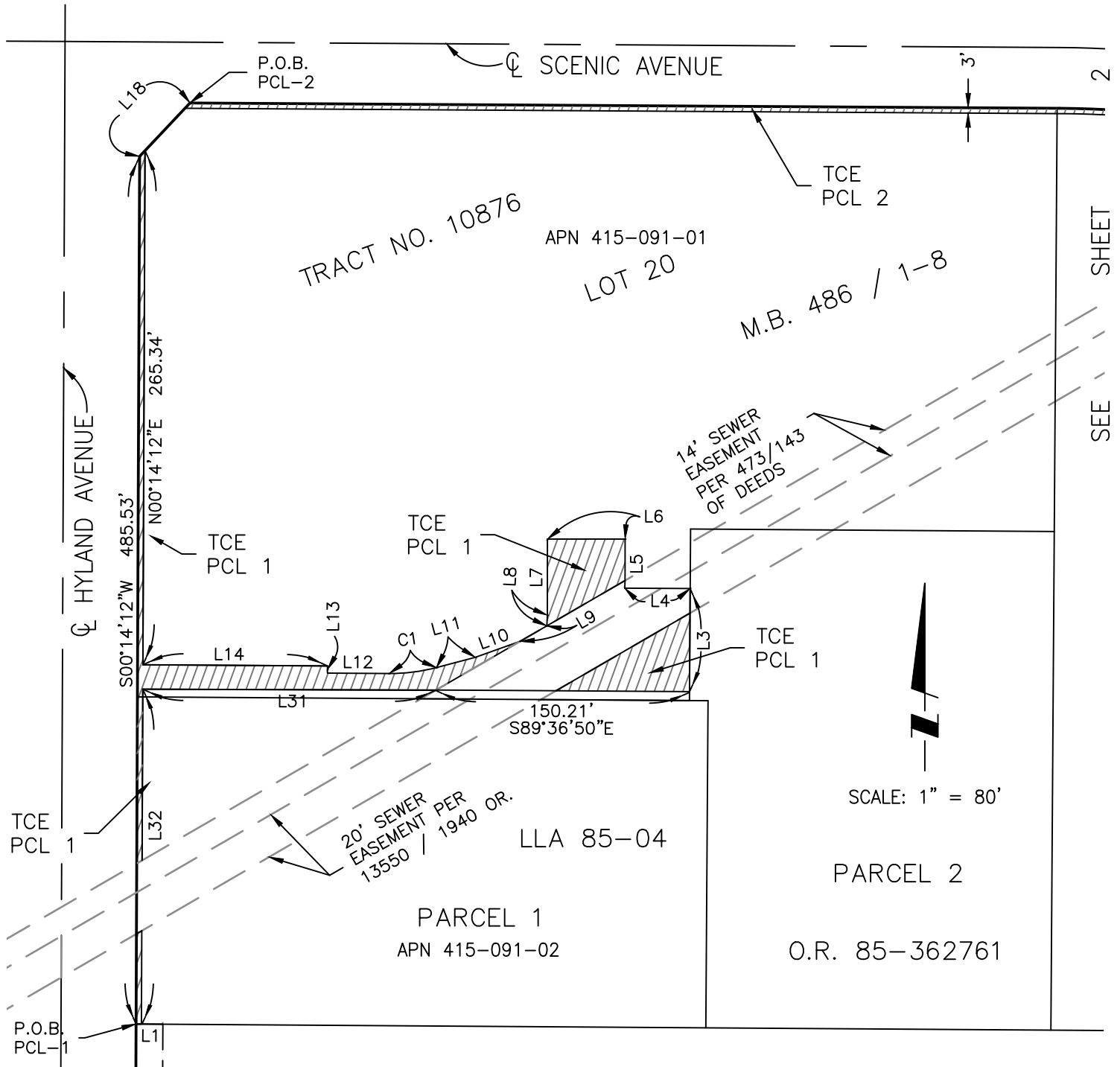
735 Carnegie Drive Suite 280
San Bernardino CA 92408-3588
909-335-6116 stantec.com

MINH A. LE, P.L.S. 8543

EXHIBIT "B"

PORTIONS OF LOTS 20 & 45 OF TR. NO. 10876, M.B. 486 / 1-8; PARCEL 1 OF LLA 85-04, O.R. 85-362761, IN THE CITY OF COSTA MESA, COUNTY OF ORANGE, STATE OF CALIFORNIA

TEMPORARY CONSTRUCTION EASEMENT (TCE)



 TOTAL TCE AREA = 28,786 S.F.



Stantec

735 Carnegie Drive Suite 280
San Bernardino CA 92408-3588
909-335-6116 stantec.com

MINH A. LE, P.L.S. 8543

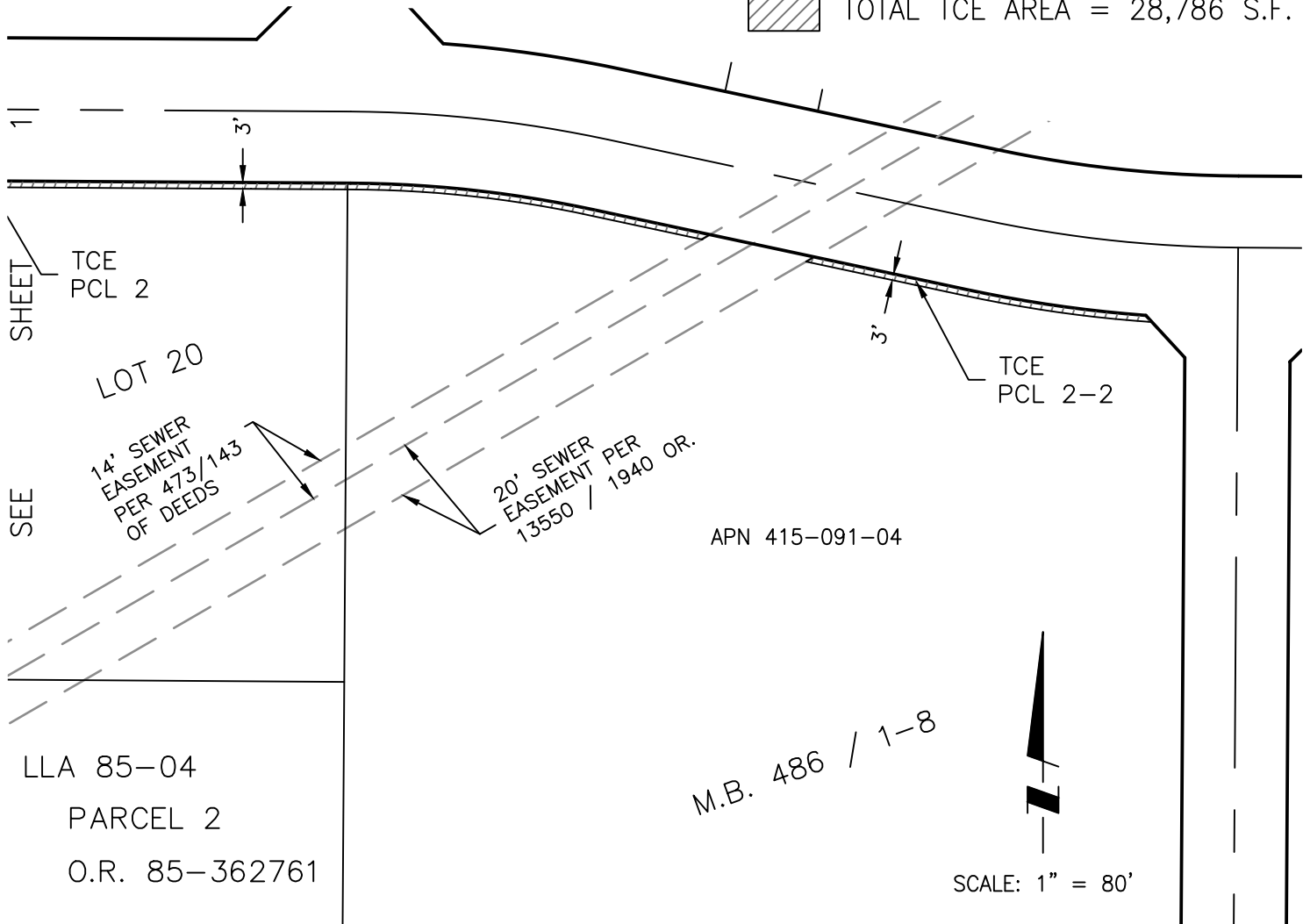
EXHIBIT "B"

PORTIONS OF LOTS 20 & 45 OF TR. NO. 10876, M.B. 486 / 1-8; PARCEL 1 OF LLA 85-04, O.R. 85-362761,
IN THE CITY OF COSTA MESA, COUNTY OF ORANGE, STATE OF CALIFORNIA

TEMPORARY CONSTRUCTION EASEMENT (TCE)



TOTAL TCE AREA = 28,786 S.F.



SHEET
SEE

TCE
PCL 2

LOT 20

14' SEWER
EASEMENT
PER 473/143
OF DEEDS

20' SEWER
EASEMENT PER
13550 / 1940 OR.

TCE
PCL 2-2

APN 415-091-04

M.B. 486 / 1-8

LLA 85-04

PARCEL 2

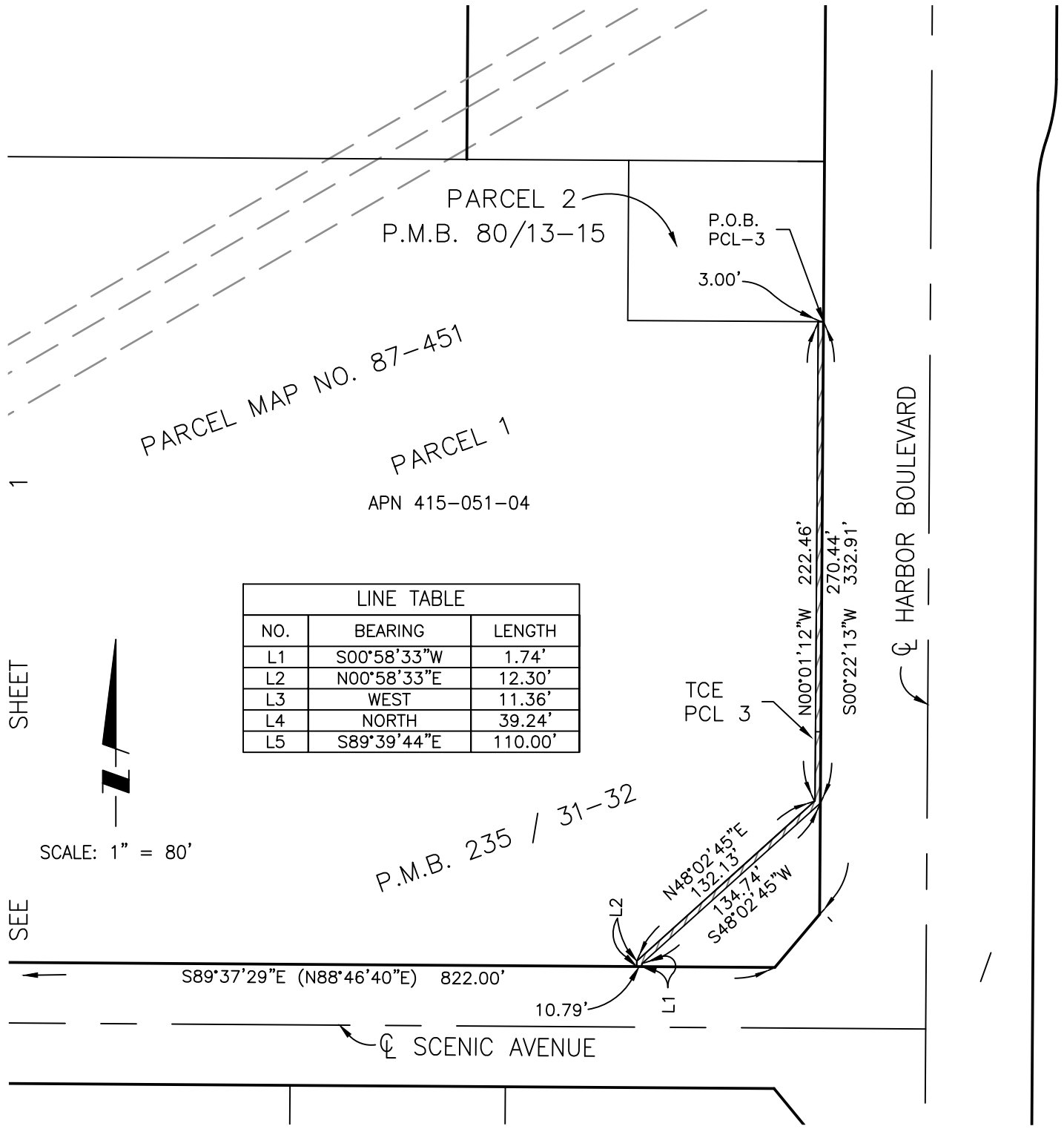
O.R. 85-362761

SCALE: 1" = 80'

EXHIBIT "B"

PORTIONS OF PARCEL 1 OF P.M. NO. 87-451, P.M.B. 236 / 31-32,
IN THE CITY OF COSTA MESA, COUNTY OF ORANGE, STATE OF CALIFORNIA

TEMPORARY CONSTRUCTION EASEMENT (TCE)



 TOTAL TCE AREA = 12,583 S.F.

EXHIBIT "B"

PORTIONS OF PARCEL 1 OF P.M. NO. 87-451, P.M.B. 236 / 31-32,
IN THE CITY OF COSTA MESA, COUNTY OF ORANGE, STATE OF CALIFORNIA

TEMPORARY CONSTRUCTION EASEMENT (TCE)

() RECORD DATA PER P.M. NO. 87-451.



SCALE: 1" = 80'

PARCEL MAP NO. 87-451

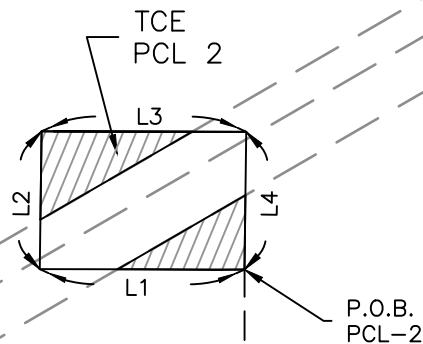
SEWER EASEMENTS PER BOOK 473, PAGE 143 OF DEEDS; BOOK 2781, PAGE 207; BOOK 13550, PAGE 1933; AND BOOK 13550, PAGE 1940, ALL OF OFFICIAL RECORDS.

APN 415-051-04

SHEET 2

14' SEWER EASEMENT (SEE NOTES)

20' SEWER EASEMENT (SEE NOTES)



P.M.B. 235 / 31-32

154.74' NORTH

180.72' N77°55'24" W
(N79°28' 13" W)

L=116.11'
R=566.00'
Δ=11°45'12"

182.81' S89°37'29"E (N88°46'40"E) 822.00'

SEE

SCENIC AVENUE

 TOTAL TCE AREA = 1,979 S.F.

MINH A. LE, P.L.S. 8543



Stantec

735 Carnegie Drive Suite 280
San Bernardino CA 92408-3588
909-335-6116 stantec.com

EXHIBIT “C”

DEPICTION OF TEMPORARY CONSTRUCTION EASEMENT AREA

[Insert maps and sheets necessary to clearly indicate all boundaries of the easement area.]

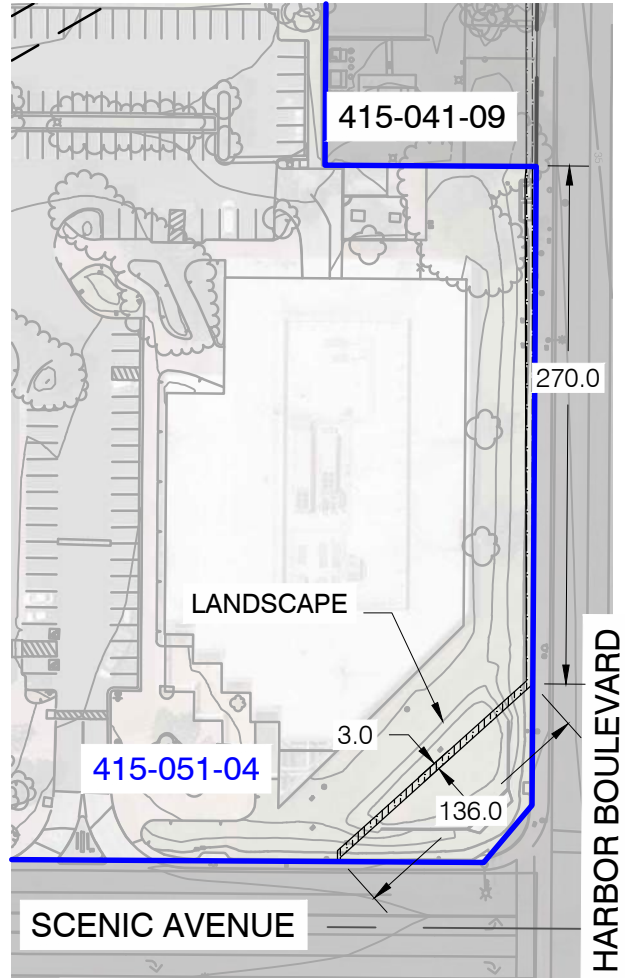
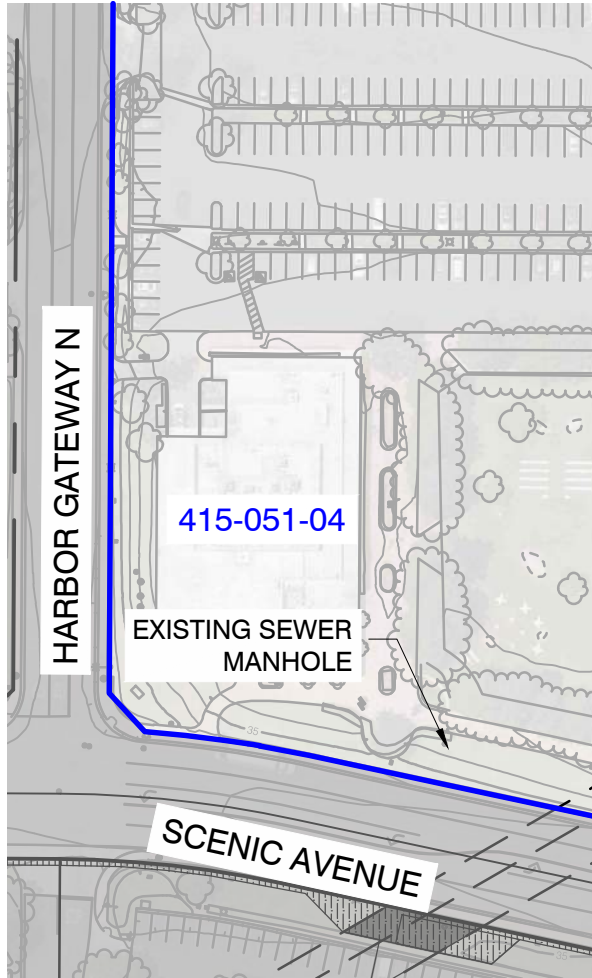
FINAL

APN 415-051-04






ADDRESS: 3565 HARBOR BOULEVARD, COSTA MESA, CA 92626

OWNER: C.J. SEGERSTROM AND SONS

BYPASS PIPE/PUMP SETUP, SEE OTHER SHEET FOR NEW MANHOLE



LEGEND

-  Property Line/Right of Way
-  OCSAN Existing Easement
-  Work within OCSAN existing easement
-  Construction work area
-  Access for construction ingress/egress

NOTES:

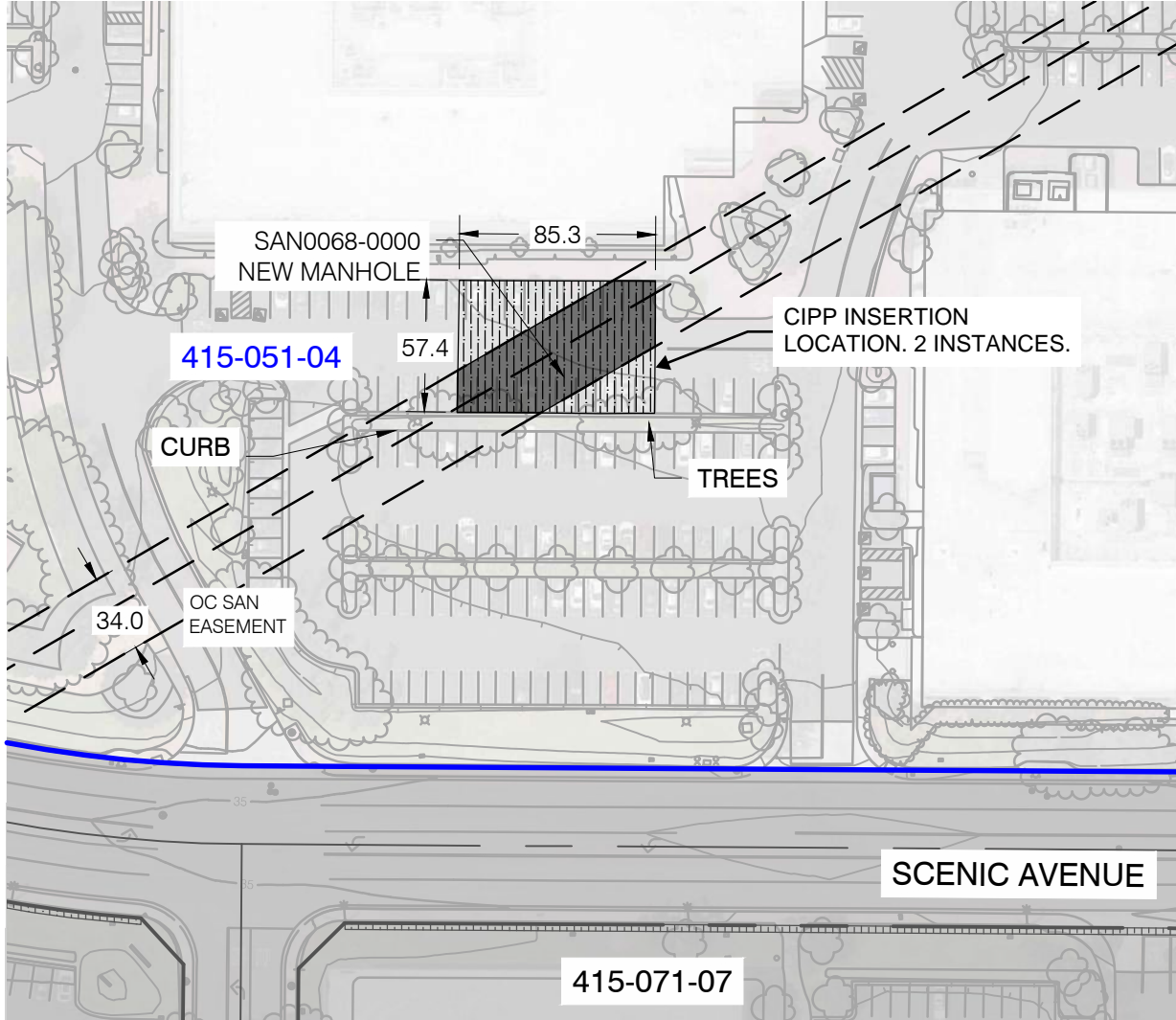
TOTAL AREA AND IMPACTS:
CONSTRUCTION WORK AREA: 2,098 S.F.
WORK WITHIN OC SAN EASEMENT: 0 S.F.
0 PARKING STALLS IMPACTED

APN 415-051-04






ADDRESS: 3565 HARBOR BOULEVARD, COSTA MESA, CA 92626

OWNER: C.J. SEGERSTROM AND SONS

NEW MANHOLE, SEE OTHER SHEET FOR BYPASS PIPE/PUMP SETUP



LEGEND

-  Property Line/Right of Way
-  OCSAN Existing Easement
-  Work within OCSAN existing easement
-  Construction work area
-  Access for construction ingress/egress

NOTES:

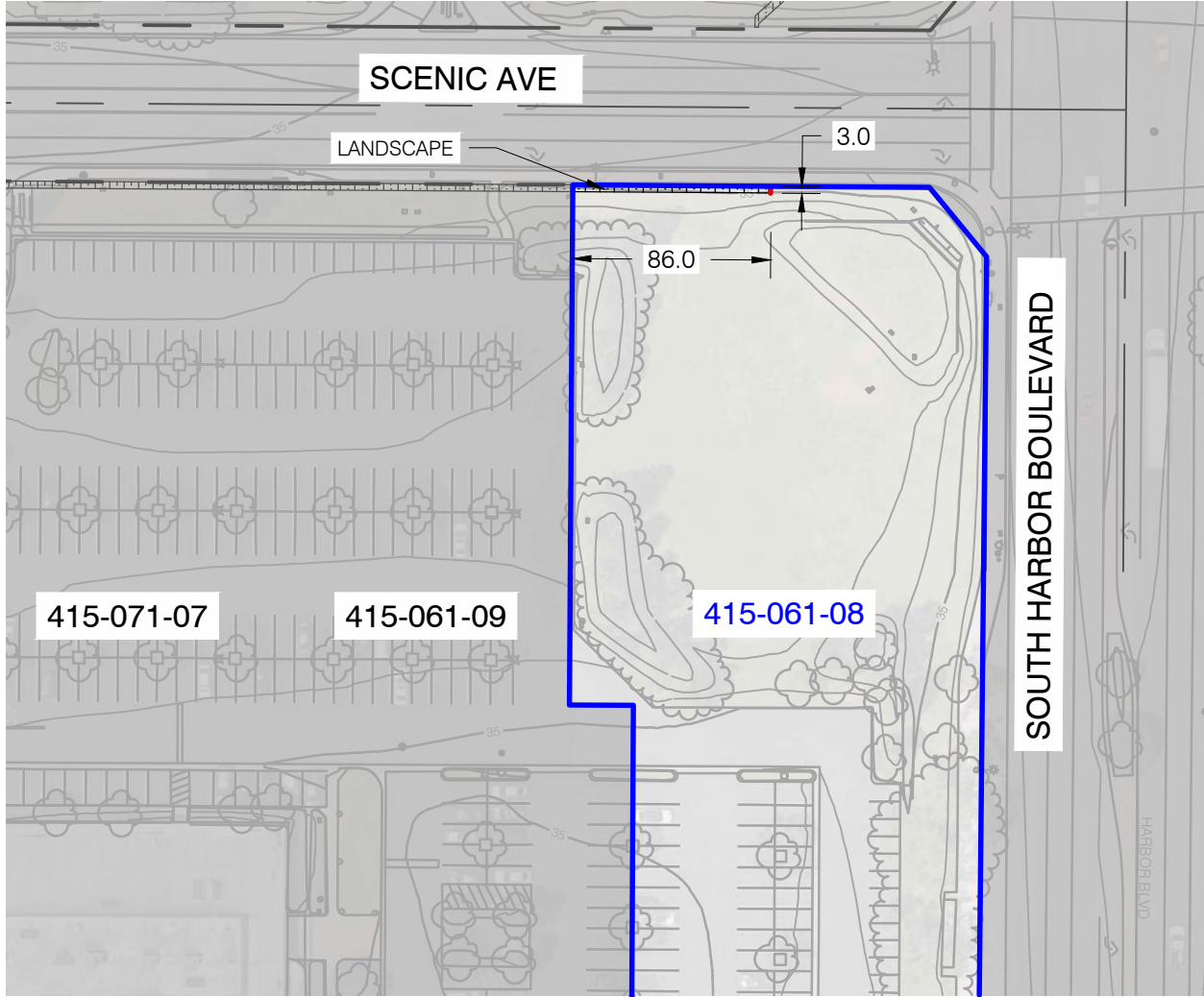
TOTAL AREA AND IMPACTS:
CONSTRUCTION WORK AREA: 2,098 S.F.
WORK WITHIN OC SAN EASEMENT: 2,798 S.F.
20 PARKING STALLS IMPACTED

APN 415-061-08






ADDRESS: NO SITUS ADDRESS, COSTA MESA, CA (WEST OF HARBOR BLVD)

OWNER: C.J. SEGERSTROM AND SONS

BYPASS PIPE INSTALLATION



LEGEND

-  Property Line/Right of Way
-  OCSAN Existing Easement
-  Work within OCSAN existing easement
-  Construction work area
-  Access for construction ingress/egress

NOTES:

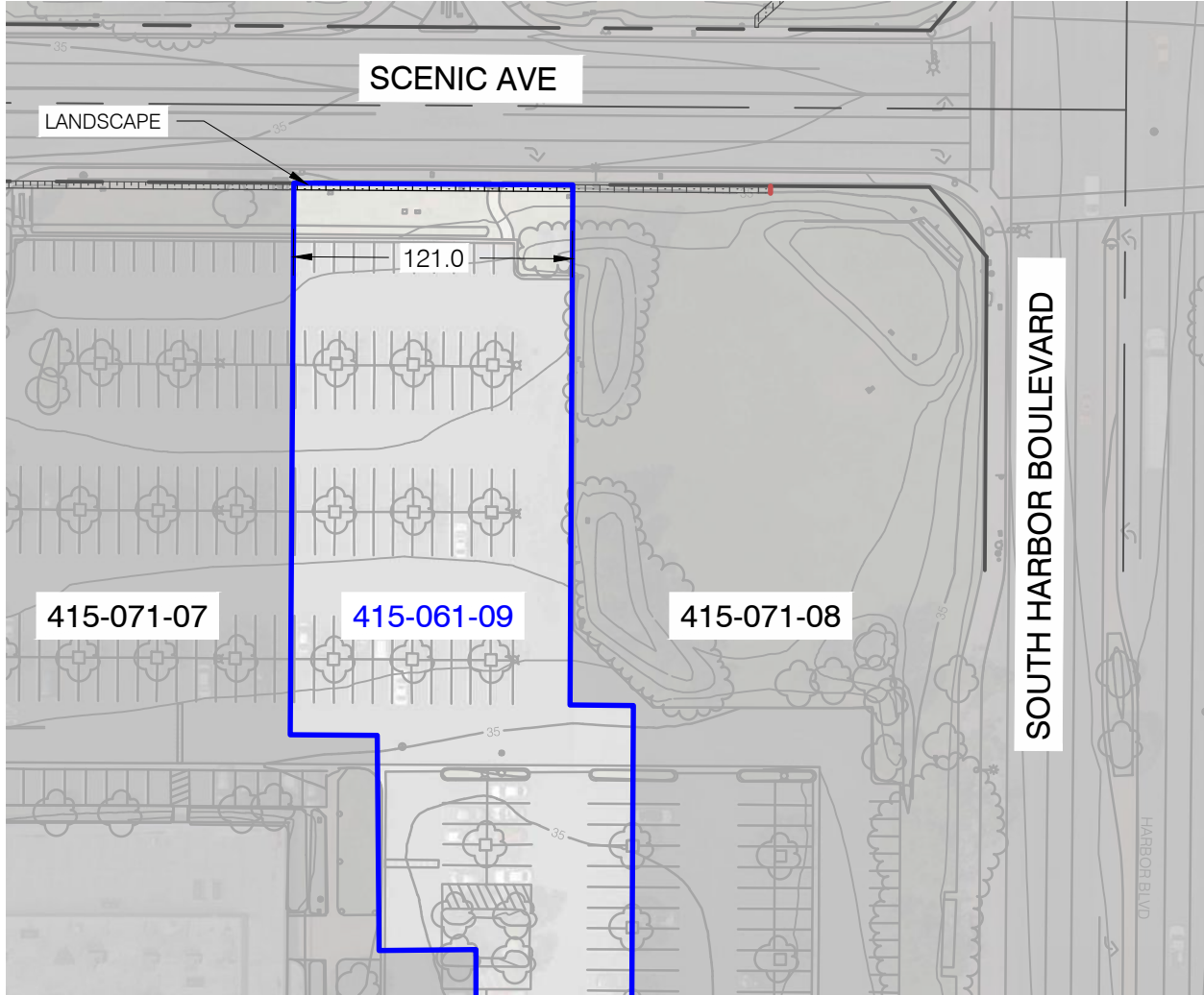
TOTAL AREA AND IMPACTS:
CONSTRUCTION WORK AREA: 258 S.F.
WORK WITHIN OCSAN EASEMENT: 0 S.F.
0 PARKING STALLS IMPACTED

APN 415-061-09






ADDRESS: NO SITUS ADDRESS, COSTA MESA, CA (WEST OF HARBOR BLVD)

OWNER: C.J. SEGERSTROM AND SONS

BYPASS PIPE INSTALLATION



LEGEND

-  Property Line/Right of Way
-  OCSAN Existing Easement
-  Work within OCSAN existing easement
-  Construction work area
-  Access for construction ingress/egress

NOTES:

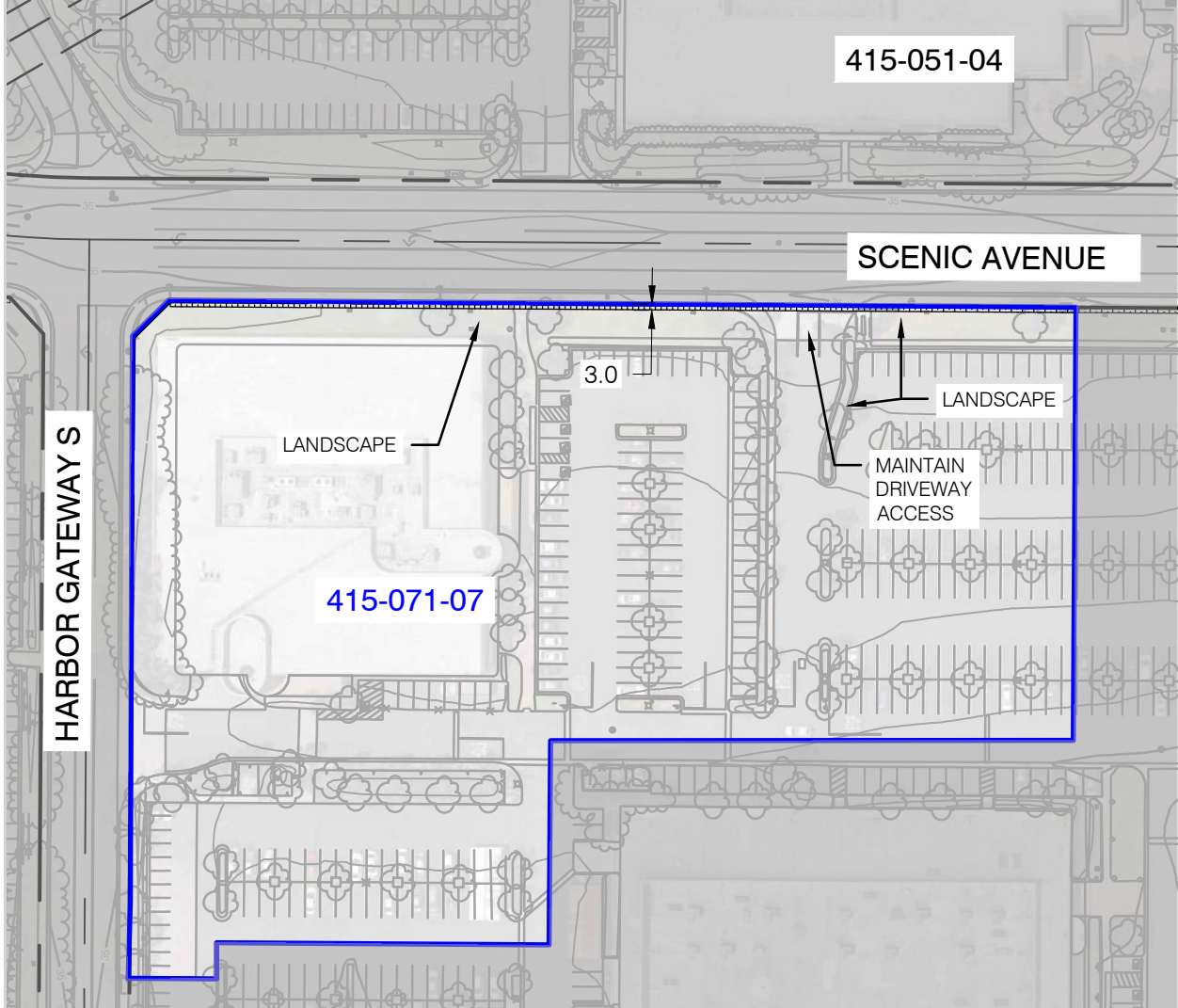
TOTAL AREA AND IMPACTS:
CONSTRUCTION WORK AREA: 363 S.F.
WORK WITHIN OC SAN EASEMENT: 0 S.F.
0 PARKING STALLS IMPACTED

APN 415-071-07






ADDRESS: 1535 SCENIC AVENUE, COSTA MESA, CA 92626

OWNER: C.J. SEGERSTROM AND SONS

BYPASS PIPE INSTALLATION



LEGEND

-  Property Line/Right of Way
-  OCSAN Existing Easement
-  Work within OCSAN existing easement
-  Construction work area
-  Access for construction ingress/egress

NOTES:

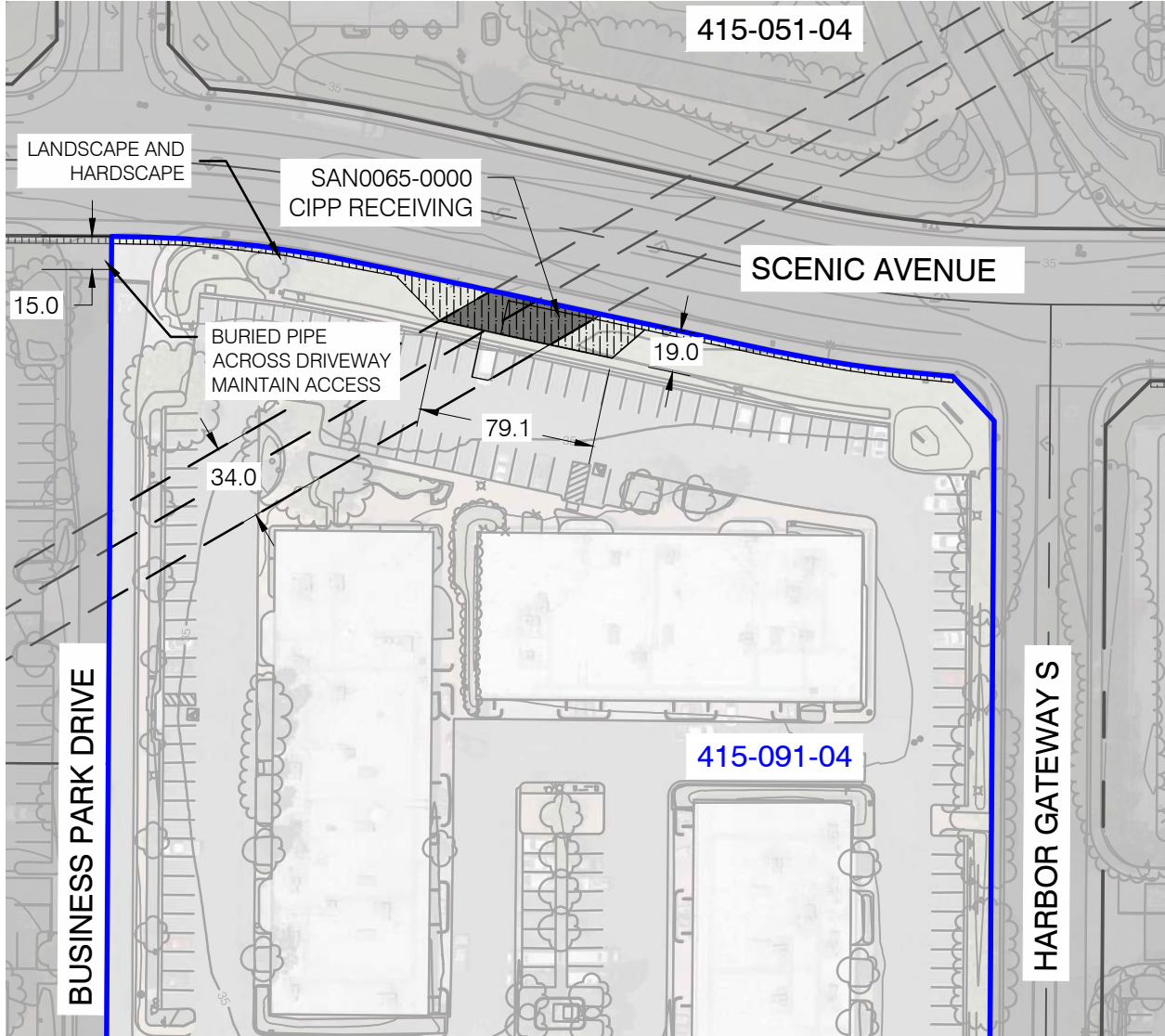
TOTAL AREA AND IMPACTS:
CONSTRUCTION WORK AREA: 1,548 S.F.
WORK WITHIN OC SAN EASEMENT: 0 S.F.
0 PARKING STALLS IMPACTED

APN 415-091-04

ADDRESS: 1570 CORPORATE DRIVE, COSTA MESA, CA 92626

OWNER: C.J. SEGERSTROM AND SONS

CIPP RECEIVING AND BYPASS PIPE SETUP



LEGEND

- Property Line/Right of Way
- OCSAN Existing Easement
- Work within OCSAN existing easement
- Construction work area
- Access for construction ingress/egress

NOTES:

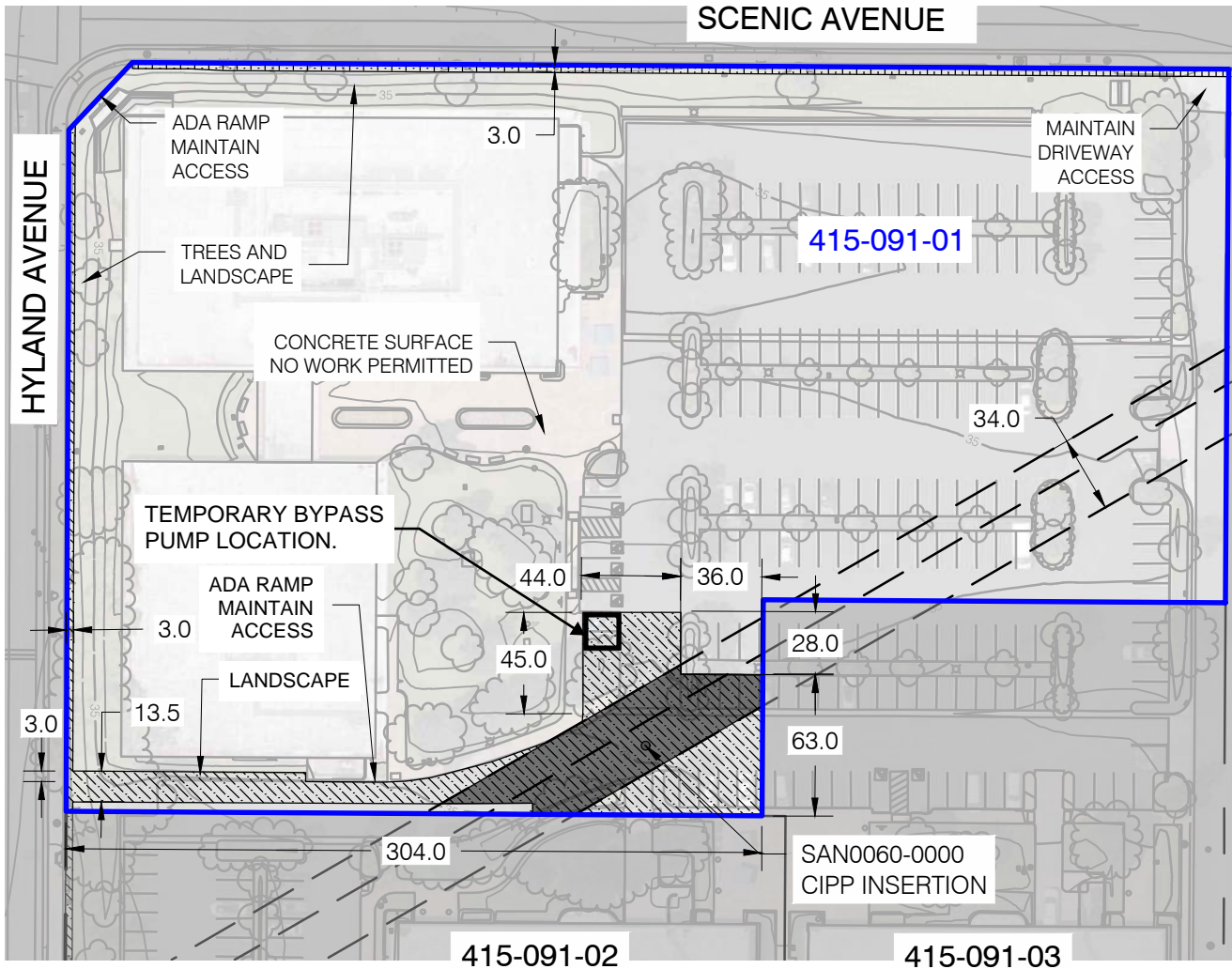
TOTAL AREA AND IMPACTS:
 CONSTRUCTION WORK AREA: 1,641 S.F.
 WORK WITHIN OC SAN EASEMENT: 923 S.F.
 0 PARKING STALLS IMPACTED

APN 415-091-01






ADDRESS: 3560 HYLAND AVENUE, COSTA MESA, CA 92626

OWNER: C.J. SEGERSTROM AND SONS

CIPP INSERTION AND BYPASS PIPE/PUMP SETUP



LEGEND

-  Property Line/Right of Way
-  OCSAN Existing Easement
-  Work within OCSAN existing easement
-  Construction work area
-  Access for construction ingress/egress

NOTES:

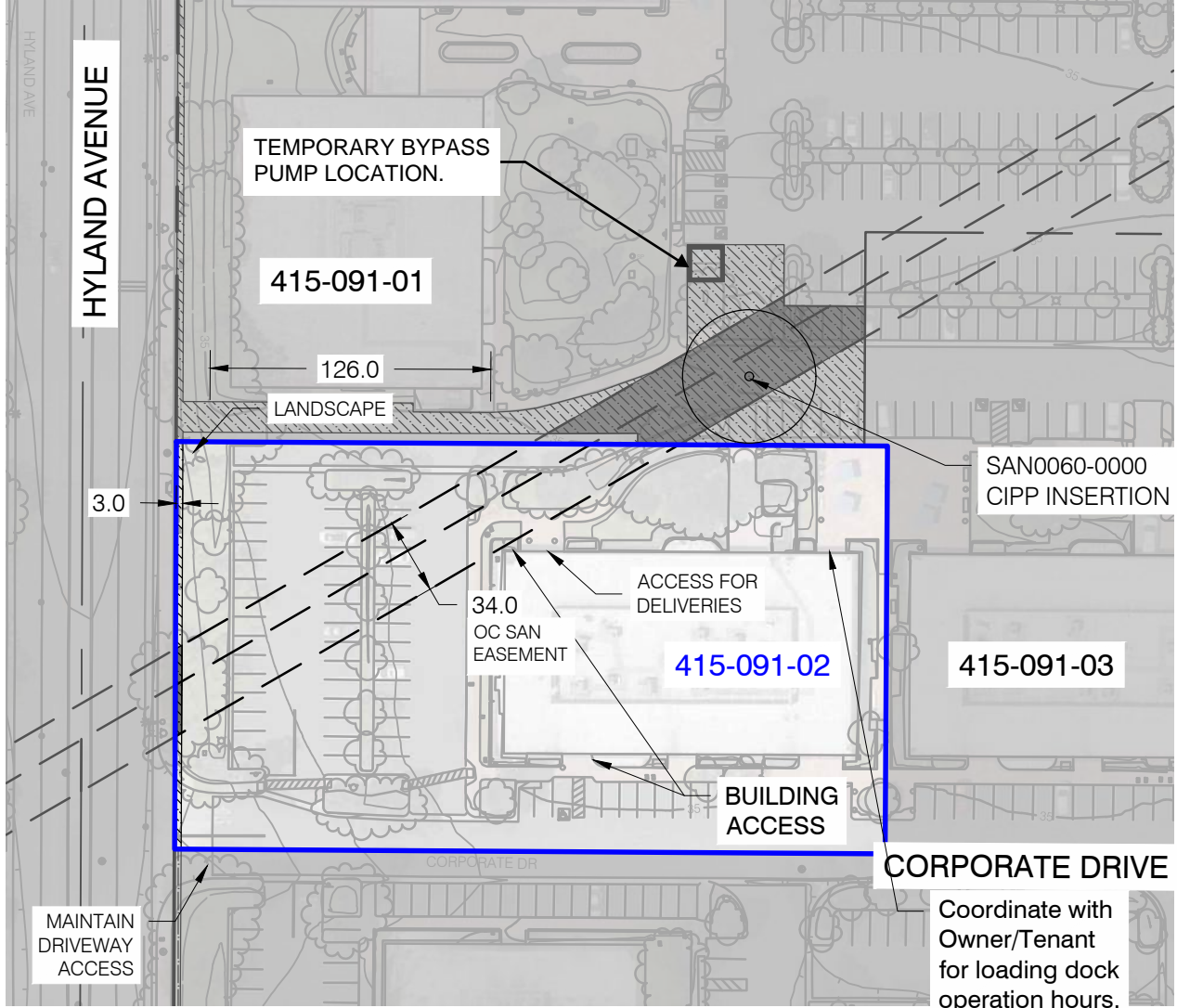
TOTAL AREA AND IMPACTS:
CONSTRUCTION WORK AREA: 8,195 S.F.
WORK WITHIN OC SAN EASEMENT: 3,842 S.F.
11 PARKING STALLS IMPACTED

APN 415-091-02

ADDRESS: 1590 CORPORATE DRIVE, COSTA MESA, CA 92626

OWNER: C.J. SEGERSTROM AND SONS

CIPP INSERTION AND BYPASS PIPE/PUMP SETUP



LEGEND

- Property Line/Right of Way
- OCSAN Existing Easement
- Work within OCSAN existing easement
- Construction work area
- Access for construction ingress/egress

NOTES:

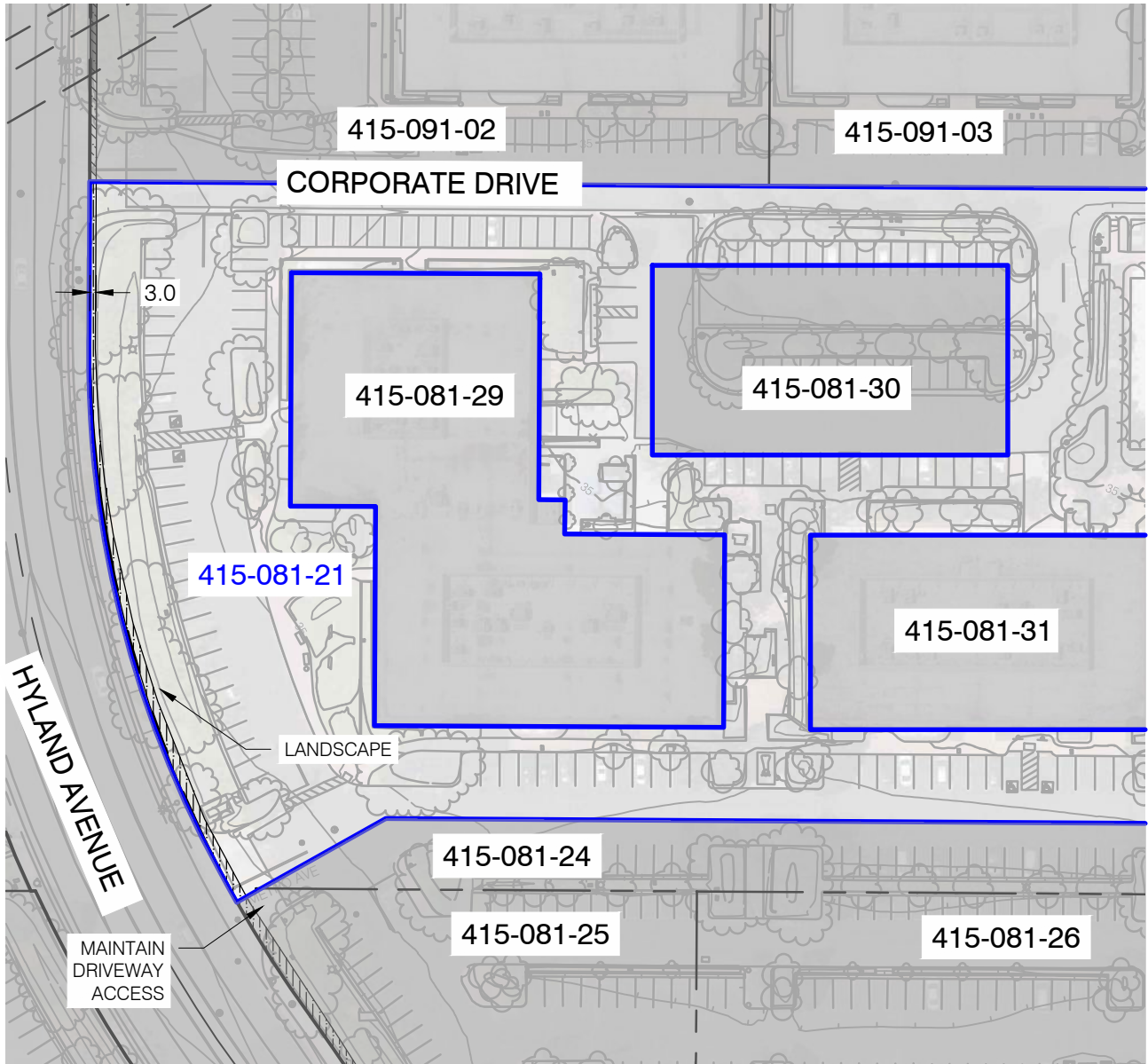
TOTAL AREA AND IMPACTS:
 CONSTRUCTION WORK AREA: 423 S.F.
 WORK WITHIN OC SAN EASEMENT: 117 S.F.
 0 PARKING STALLS IMPACTED

APN 415-081-21



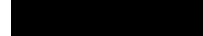


ADDRESS: NO SITUS ADDRESS, COSTA MESA, CA (EAST OF HYLAND AVENUE)

OWNER: C.J. SEGERSTROM AND SONS

BYPASS PIPE INSTALLATION



LEGEND

-  Property Line/Right of Way
-  OCSAN Existing Easement
-  Work within OCSAN existing easement
-  Construction work area
-  Access for construction ingress/egress

NOTES:

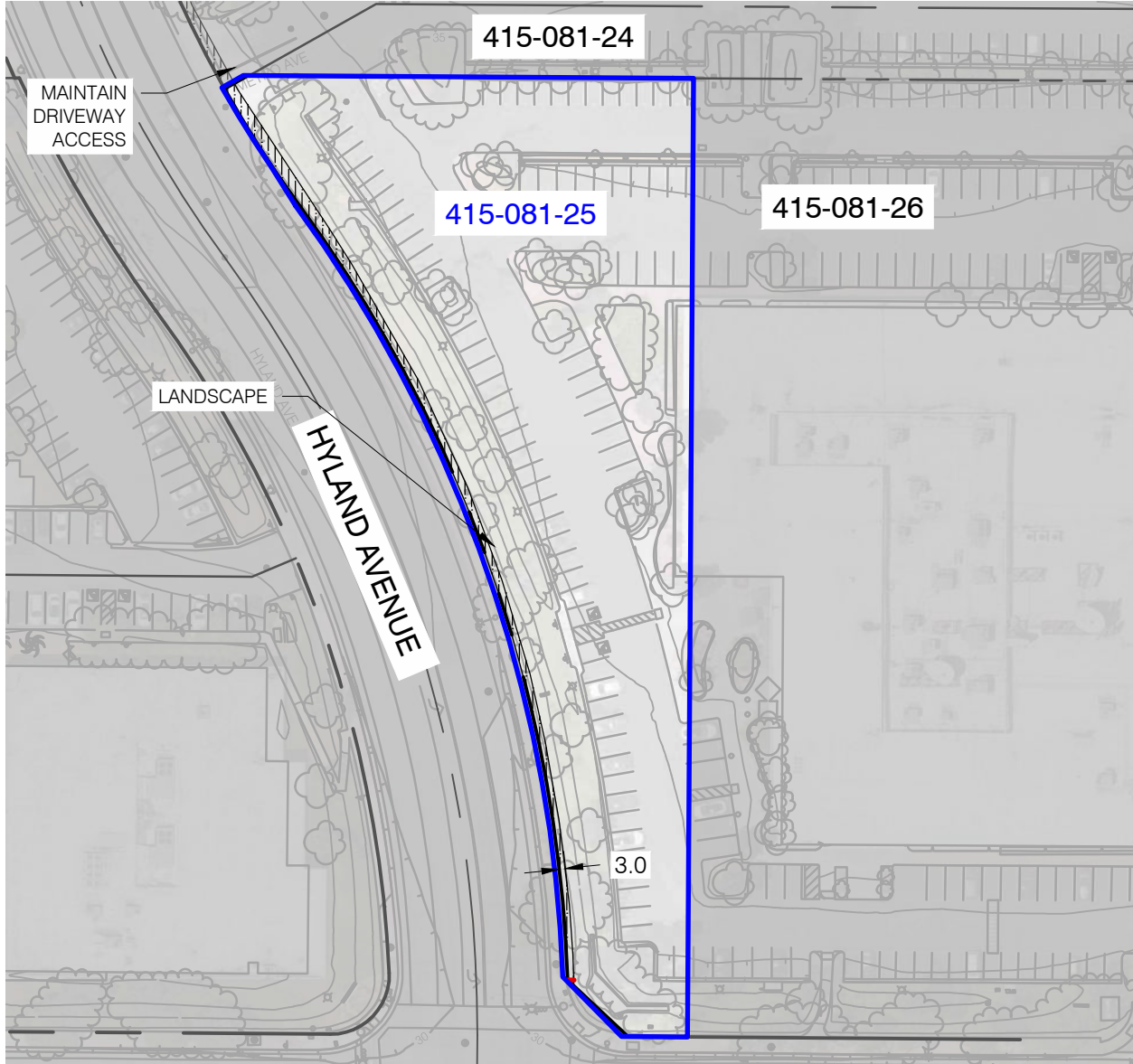
TOTAL AREA AND IMPACTS:
CONSTRUCTION WORK AREA: 1,303 S.F.
WORK WITHIN OC SAN EASEMENT: 0 S.F.
0 PARKING STALLS IMPACTED

APN 415-081-25






ADDRESS: 3500 HYLAND AVENUE, COSTA MESA, CA 92626

OWNER: C.J.SEGERSTROM AND SONS

BYPASS PIPE INSTALLATION



LEGEND

-  Property Line/Right of Way
-  OCSAN Existing Easement
-  Work within OCSAN existing easement
-  Construction work area
-  Access for construction ingress/egress

NOTES:

NOTES:

TOTAL AREA AND IMPACTS:
CONSTRUCTION WORK AREA: 1,657 S.F.
WORK WITHIN OC SAN EASEMENT: 0 S.F.
0 PARKING STALLS IMPACTED

EXHIBIT 3 TO
PURCHASE AND SALE AGREEMENT
AND JOINT ESCROW INSTRUCTIONS

Purchase Price Breakdown

Project 1-23: CJ. Segerstrom & Sons Temporary Construction Easements
Summary of Properties

Just Compensation for Land Value - Area outside of OC San Easement

Total TCE Duration	36	months
Value of CBRE Appraisal	\$ 13,052	\$/month
Value of CW Appraisal	\$ 13,421	\$/month
Value Used for Just Compensation	\$ 13,236	\$/month
Land Value Compensation	\$ 476,500.00	Rounded

Parking Impacts - Temporary Construction Easements

Compensation per stall	\$ 400	See Note 1
Area 1 - 3565 Harbor Boulevard		
Stalls Impacted	20	
Duration of Impact	3	See Note 2
Compensation	\$ 24,000	
Area 2 - 3560 Hyland Avenue		
Stalls Impacted	11	
Duration of Impact	2	See Note 2
Compensation	\$ 8,800	
TOTAL Compensation	\$ 32,800	

Note 1 - Compensation per stall per Cushman and Wakefield appraisal

Note 2 - Assumed duration. Additional compensation, if needed, included in temporary severance damages.

EXHIBIT 4 TO

**PURCHASE AND SALE AGREEMENT
AND JOINT ESCROW INSTRUCTIONS**

Entry, Possession, and Use Provisions

Following the successful Closing, including without limitation, the recordation of the completed TCE Deed and Seller's receipt of the Purchase Price, the following, without limitation to the other requirements of the Agreement and TCE Deed, shall apply:

A. Use of the TCE. Buyer shall have the right to enter upon and use the Temporary Construction Easement Areas described in the Agreement solely for performing the following activities during the TCE Term (the "**Permitted Activities**"):

1. APN 415-051-04
 - Installation of temporary sewer bypass pipe
 - Installation of new sewer manhole over existing trunk sewer
2. APN 415-061-08
 - Installation of temporary sewer bypass pipe
3. APN 415-061-09
 - Installation of temporary sewer bypass pipe
4. APN 415-071-07
 - Installation of temporary sewer bypass pipe
5. APN 415-081-21
 - Installation of temporary sewer bypass pipe
6. APN 415-081-25
 - Installation of temporary sewer bypass pipe
7. APN 415-091-01
 - Installation of temporary sewer bypass pipe
 - Installation and operation of temporary bypass pump and associated equipment
 - Installation of sewer liner through existing manhole
8. APN 415-091-02
 - Installation of temporary sewer bypass pipe
9. APN 415-091-04
 - Installation of temporary sewer bypass pipe
 - Installation and operation of temporary bypass pump and associated equipment
 - Installation of sewer liner through existing manhole

All Permitted Activities shall be performed in accordance with the site plan attached hereto as Exhibit 4-1 ("**Site Plan**"), including without limitation, the location of all temporary pumps, temporary bypass piping lines, and Restricted Construction Zone (as defined in Exhibit 6).

B. No Cost to Seller. Buyer shall bear all costs and expenses in connection with Buyer's use of the Temporary Construction Easement Areas.

C. Parties' Intent to Be Bound. Seller acknowledges and agrees that it is important for Buyer to have assurances that the Project may be constructed in a timely manner, and that the rights granted to Buyer in this Agreement are crucial to the Project's success. In the event of any dispute concerning the Buyer's right of entry, possession and use set forth above in this Agreement, the Parties agree that monetary damages will not be adequate to make them whole, and intend for the terms of such right of entry, possession, and use provisions to be specifically enforceable.

D. Construction, Operation, Maintenance. The Parties acknowledge and agree that Seller shall have no responsibility or liability for, design, construction, operation, use, and/or maintenance of the Permitted Activities or Project, prior to, during, or after completion of the Permitted Activities. Buyer, at no cost to Seller, shall be responsible for the means and methods of executing the Project in accordance with this Agreement.

E. Phasing, Scheduling, and Coordination.

1. As soon as reasonably possible, but not less than sixty (60) calendar days prior to the Buyer's commencement of any Permitted Activities on the Property, Buyer shall provide for Seller's approval, which approval shall not be unreasonably withheld, a detailed phasing plan regarding the schedule, phasing, dates, and durations of the Permitted Activities ("**Phasing Plan**"). The Phasing Plan shall be developed in accordance with the requirements of this Agreement, including without limitation, the Site Plan and Special Provisions set forth in Exhibit 6. The Parties acknowledge and agree that the Phasing Plan may require reasonable modifications to address Buyer's Project needs and Seller's Property needs, and that the Parties shall use good faith efforts to agree upon any required modifications to the Phasing Plan.

2. Buyer shall provide fifteen (15) business days prior written notice to Seller, prior to commencement of each phase ("**Phase**") of the Permitted Activities described in the Phasing Plan.

F. Insurance. Buyer shall maintain, and shall cause its separate contractors to procure and maintain the insurance, and Buyer shall comply with all requirements, set forth in EXHIBIT 4-2, attached hereto. Seller shall have no obligation to insure any portion of the Project, or any liabilities or risks arising out of or related in any way to, the Project, the TCE, or any Buyer Parties.

G. Operational Facilities and Tenants. Buyer acknowledges and agrees that the structures and improvements on the Property are and shall continue to be occupied by tenants of Seller, and, subject to the Permitted Construction Impacts (defined below), such tenants shall be permitted the continued use and enjoyment of their respective leased facilities in accordance with their respective lease agreements. Subject to the Permitted Construction Impacts, the Purchase Price does not include, and Buyer is not permitted to allow, any activities or disruption on or to the Property that would impair, prevent, or disturb the ongoing operations of, and use of the Property by, the present and future tenants of the Property. The parties acknowledge and agree that the Permitted Activities, performed in accordance with this Agreement, will include certain necessary and unavoidable construction noise and dust, temporary facilities and fencing off of areas to the extent described in the Site Plan, and the presence of construction personnel and equipment on the Property during permitted hours of the Buyer's work ("**Permitted Construction Impacts**"). From 6:00am through 8:00pm Sunday through Saturday, Buyer shall not park vehicles or store materials

or equipment on the Property, except for the Manhole Installation Area (as defined in Agreement Exhibit 6, Section A.5.(c)) within APN 415-051-04. All storage of equipment and vehicles in APN 415-051-04 will be limited to within the Manhole Installation Area.

H. Mitigation of Impacts to Tenants. Upon Seller's receipt of any tenant complaint asserting that the Project or Buyer's acts or omissions on or adjacent to the Property are impacting the tenants reasonable use of the tenant's leased space and associated common areas, including without limitation, any complaint by the tenant alleging that such disturbance may contribute to a termination or non-renewal of the tenant's lease, Seller shall promptly provide Buyer with written notice of the same, unless Seller determines, in its reasonable discretion, that the matter can be resolved with the tenant without Buyer's involvement. Following Buyer's receipt of Seller's notice of the tenant complaint, Buyer and Seller shall meet and confer to determine Buyer's appropriate acts to be taken to eliminate, reduce and/or mitigate the disturbance to the tenant, in a manner reasonably acceptable to Seller and the applicable tenant.

I. Property Rules, Noise, Dust, Odor. The Permitted Activities shall be subject to all reasonable property construction rules and requirements applicable to the areas in which the Permitted Activities will be performed. Without limitation to Exhibit 6 to the Agreement, Buyer Parties' use of the Temporary Construction Easement Area shall not produce, and the Permitted Construction Impacts shall not include, unreasonable levels of noise, dust, or odor, that may prohibit the standard operations and uses of the Property facilities, including without limitation, the Seller's ability to lease any vacated existing facilities thereon.

J. Repairs and Restoration. Buyer shall be responsible for promptly repairing or replacing any damaged or destroyed portions of the Property, resulting from the acts or omissions of any Buyer Parties. Notwithstanding anything contained herein to the contrary, the Buyer shall be responsible for the complete restoration and repair of any displaced, destroyed, or damaged portions of the Property, including without limitation, any landscaping, hardscaping, facilities, buildings, utilities, and/or other improvements or property, on the Property. Such restoration and repair shall include installation of functionally and aesthetically equivalent materials and equipment, as necessary to restore the Property to the condition that existed prior to commencement of the Permitted Activities or Buyer Parties' use of the Property. Such restoration and repair shall occur on the earlier of, termination of this Agreement, the end of the TCE Term, the completion of the Permitted Activities, or as otherwise expressly required in this Agreement.

K. Utilities. Neither Buyer Parties nor the Permitted Activities shall stop, suspend, or limit the utilities and services to the Property, except as expressly permitted Exhibit 6 to the Agreement and required for the proper performance of the Project. In the event of any unavoidable disruption to the utilities or services to or on the Property, Buyer shall provide Seller with at least fifteen (15) business days prior written notice of such disruption (and the length thereof). In the event Seller objects to such disruption, the parties shall meet and confer in good faith to determine an appropriate mutually agreeable solution.

L. Indemnity. To the fullest extent permitted by law, Buyer shall indemnify, defend and hold harmless, the Seller and its lenders, tenants, directors, officers, employees, principals, partners, trustees, members and managers (collectively referred to as "**Indemnitees**") from and against any claim, demand, liability, loss, damage, lien, stop payment notice, cost, expense,

including attorneys' fees, awards, penalties, fines, or judgments (collectively "**Liabilities**") arising out of the Project, Permitted Activities, or Buyer Parties use of the Temporary Construction Easement Area. This indemnity shall survive the expiration or termination of this Agreement and shall remain in effect until such time as an action on account of any matter covered by such indemnity is barred by applicable statute of limitations.

M. Liens. Buyer shall ensure the Property remains free and clear of any liens, stop payments notices, or claim or encumbrance on the Property arising out of or related to the Project or any Buyer Parties' use of the Temporary Construction Easement Area. Upon Buyer's receipt of notice of such a lien, stop payment notice, or other claim or encumbrance, for payment, the Buyer shall notify the Seller of the same, and remove the same within fifteen (15) calendar days.

N. Laws. Buyer shall ensure that all Permitted Activities and Buyer Parties' use of the Temporary Construction Easement Area comply with all applicable Federal, State, and local laws, statutes, ordinances, codes, rules, orders, regulations, and requirements of governmental entities.

O. Safety. Buyer and Buyer Parties shall be responsible for all safety requirements and best practices in connection with this Agreement, the Project, and/or TCE Deed, including without limitation, all safety laws and regulations related to roads and other areas of public access affected by the Project, as well as all applicable fencing, signage, security training and surveillance, safety equipment, and permit requirements.

Exhibit 4-1

Site Plan

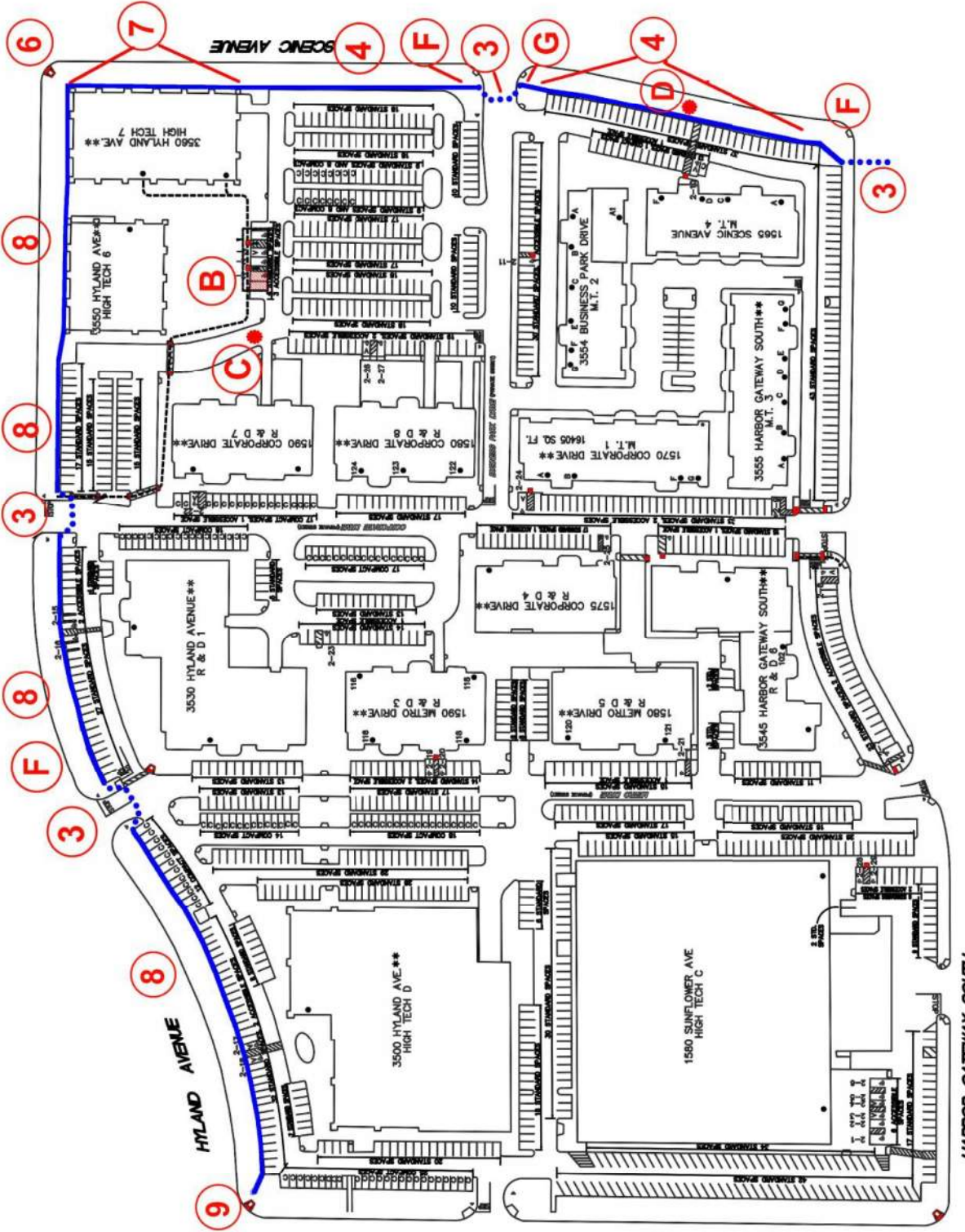


Exhibit 4-1
Page 3 of 4

3560 HYLAND AVENUE
PATH OF TRAVEL PLAN

APPROVALS	BY	DATE

BENCH MARK	APTS BY	DATE

NO.	DATE	DESCRIPTION

LINSCOTT, LAW & GREENSPAN, ENGINEERS
 TRANSPORTATION PLANNING - TRAFFIC ENGINEERING - PARKING
 400 South Lake St., Suite 200, Pasadena, CA 91106 (818) 798-2322
 2150 Wilshire Blvd., Suite 200, Los Angeles, CA 90061 (310) 552-8170
 10000 Wilshire Blvd., Suite 100, Los Angeles, CA 90024 (310) 552-8170
[Signature]
 ROYAL E. BARNETT

4/24/17 DATE

Keynote Schedule

Symbol	Description
A	Manhole installation area + CIPP insertion location
B	Bypass line pump area (2 parking spaces)
C	CIPP insertion location @ existing manhole
D	Existing manhole with accompanying bypass line pump
E	Bypass line to run beneath pedestrian sidewalk
F	Bypass line to run behind existing monument sign on building side
G	Bypass line to run in front of existing planter wall on road-side
1	Bypass line to be placed as close as possible to the east side of existing landscape shrubs
2	Bypass line to be buried in existing lawn area at dashed lines and shall be covered by artificial turf until natural turf is restored at conclusion of project
3	Bypass line to be buried beneath asphalt road surface
4	Bypass line to be placed as close as possible to the existing landscape shrubs on the road-side
5	Bypass line to be placed in the middle of landscape setback area to hide from view as much as possible
6	Bypass line to be placed as close as possible to the concrete light well at base of monument sign on the road-side at corner
7	Bypass line to be placed as close as possible to base of the landscape shrubs at top of slope on the road-side
8	Bypass line to be placed at base of trees on building side to minimize view from buildings
9	Bypass line to go under sidewalk, curb, and gutter to connect to existing sewer in roadway intersection

Exhibit 4-2

Insurance Requirements

Buyer and each of its contractors shall procure and continuously maintain, with insurers lawfully permitted to do business in California, at least the following coverages, from commencement of the work and services on the Property until the expiration of applicable statutes of limitation and repose.

Insurance Coverage Summary:	Policy Limits Summary:	
Workers' Compensation	California required limits	Statutory
Employer's Liability	Injury by accident or disease:	\$1,000,000
Commercial general liability, with no deductible or self-insured retention limits	Each Occurrence:	\$5,000,000
	General Aggregate:	\$10,000,000
Pollution/Contractor's Pollution Liability	Each Occurrence	\$2,000,000
	Aggregate	\$2,000,000
Business auto liability, with no deductible or self-insured retention limits	Per accident/aggregate:	\$2,000,000

1. Workers' Compensation and Employer's Liability Insurance. Workers' compensation insurance in accordance with applicable law, and employer's liability insurance with limits not less than \$1,000,000 per bodily injury by accident and disease. Such policies shall contain a waiver of subrogation in favor of the Seller, its tenants and other parties as may reasonably be designated by Seller (collectively, "Seller Parties").

2. Commercial General Liability Insurance. Commercial general liability ("CGL") insurance, written on an occurrence policy form at least as broad as ISO form CG 00 01 04 13, providing coverage for bodily injury, property damage, personal injury and advertising injury, including independent contractors, premises-operations (including, without limitation, explosion, collapse and underground coverage) and products-completed operations coverages, with limits of not less than \$5,000,000 per occurrence limit and \$10,000,000 general aggregate limit, or limits carried, whichever are greater. The CGL policy shall include, without limitation, severability of interests (full separation of insureds) without "cross-suits" exclusions, contractual liability coverage, broad form property damage coverage (including completed operations), coverage for earth movement and subsidence (no form of earth movement or subsidence exclusion or limitation), waiver of insurer's rights of recovery (including, without limitation, subrogation) against Seller Parties, and a duty to defend in addition to (without reducing) the limits of the policies. Seller Parties shall be named as additional insured on the CGL policies, including

coverage for both ongoing and completed operations, on forms reasonably acceptable to Seller. CGL policies shall be primary to any other applicable insurance.

3. Automobile Liability Insurance. Commercial or business automobile liability insurance, including, without limitation, liability arising out of “any auto” or all owned, non-owned, leased, and hired automobiles, trucks and trailers, or semi-trailers, including, but not limited to, any machinery or apparatus attached thereto, with limits required of subcontractor of not less than \$2,000,000 each accident, or limits carried, whichever are greater. The commercial automobile liability insurance shall be written on the most recent edition of ISO form CA 00 01 or equivalent and shall include, without limitation, additional insured status for Seller Parties. If any Buyer Party transports any hazardous materials, the automobile liability policy shall include ISO endorsement forms MCS-90 and ISO CA 99 48 or equivalent endorsements providing coverage for environmental and pollution claims. Buyer waives all rights against Seller Parties for recovery of loss, injury and/or damages to the extent such loss, injury and/or damages are covered by the commercial automobile liability insurance maintained by any Buyer Parties.

4. Professional Liability Insurance. District’s design-build contractors, architects, engineers, and professional consultants for the Permitted Activities shall procure and maintain professional liability insurance, with limits reasonably acceptable to Seller.

5. Contractors Pollution Liability Insurance. District and its contractors shall procure and maintain contractors pollution liability (“CPL”) insurance covering claims and suits due to pollution conditions or incidents arising out of the Project, with limits of not less than \$2,000,000 per occurrence and \$2,000,000 annual aggregate. Seller Parties shall be named as additional insureds on such policies.

6. Primary Coverage. All insurance required herein shall be primary and non-contributory insurance, and shall not seek contribution from any insurance maintained by or available to the Seller Parties, which latter insurance shall be excess, including, but not limited to, with respect to all applicable deductibles and self-insured retentions.

7. Insurance Documents. Prior to entry onto the Property and commencement of the Permitted Activities, Buyer shall deliver to Seller certificates of insurance and additional insured endorsements (naming the Seller as an additional insured), evidencing satisfaction of the insurance requirements herein. In the event of any claim or dispute potentially involving any such insurance, Buyer shall promptly provide copies of such policies to the Seller.

8. Risk of Loss. Buyer and Buyer parties shall hold and maintain all risk of loss associated with the Project and/or TCE, including without limitation, all risks to be addressed by insurance described above, as well as all other risk of loss as to all materials, supplies, equipment and/or fixtures. Seller shall not be liable for Buyer Parties’ injury, loss or damage to, or theft of, any property, person, materials, supplies, equipment and/or fixtures.

EXHIBIT 5 TO

**PURCHASE AND SALE AGREEMENT
AND JOINT ESCROW INSTRUCTIONS**

District Board Certification Form

CERTIFICATE OF ACCEPTANCE
(Government Code Section 27281)

This is to certify that the interest in real property conveyed by the TEMPORARY CONSTRUCTION EASEMENT DEED dated _____, from **CJ Segerstrom & Sons, a California general partnership**, to the undersigned **Orange County Sanitation District**, a California special district (“GRANTEE”), by the within instrument, the provisions of which instrument are incorporated by this reference as though fully set forth in this Certificate, is hereby accepted by order of the Board of Directors of the Orange County Sanitation District, pursuant to the authority conferred by the Board of Directors of the Orange County Sanitation District, by Resolution No. OCSD 98-15, on July 1, 1998, and the Orange County Sanitation District consents to the recordation thereof by its duly authorized officer.

APN: 415-051-04, 415-061-08, 415-061-09, 415-071-07, 415-081-21, 415-081-25, 415-091-01, 415-091-02, 415-091-04

By: _____
Kelly A. Lore
Clerk of the Board

Date: _____

EXHIBIT 6 TO
PURCHASE AND SALE AGREEMENT
AND JOINT ESCROW INSTRUCTIONS

Special Provisions

The following special provisions apply to all parcels included in this Agreement. The District shall be responsible for ensuring all use of, and all work and services on or otherwise affecting, the Property in connection with the District's Project or the TCE, satisfies the requirements set forth in, or reasonably inferable from, this Agreement, including without limitation, this Exhibit 6:

A. General Requirements for all Permitted Activities:

1. **Noise-Generating Construction Work**
Unless explicitly stated otherwise in these special provisions (including as set forth in the Special Construction Restrictions section below), all noise-generating construction activities shall be conducted during "Nighttime Hours" only. "Nighttime Hours" are defined as 8:00 PM to 6:00 AM, and such activities may be performed up to seven (7) days per week.
2. **Pavement and Landscaping Restoration**
The restoration of pavement and landscaping at the facility shall be completed no later than ninety (90) days following the completion of construction activities in each of the designated work area described in the Site Plan attached to Exhibit 4 to this Agreement.
3. **Temporary Bypass Piping**
Temporary bypass piping will be installed near the perimeter of the Property as indicated in the Site Plan in Exhibit 4-1 to this Agreement. All piping will be buried across driveways to allow for day-time access to all parking lots. The temporary bypass piping will be placed and be online for up to, but not more than, 9 months. The bypass pumping equipment shall be located at the pump locations designated on the Site Plan. Except as expressly permitted in the Site Plan, no bypass pumping equipment will be located within 100-ft of the 1570 Scenic Ave. property. The bypass pumping equipment to be located on the south side of Scenic Avenue, directly across from 1570 Scenic Ave., and shall be shut-off during the period commencing Friday at 3:00pm and ending Sunday 11:59pm each week. Buyer will not be permitted to access areas outside of the limits identified in this Agreement for the installation of bypass pumping equipment. All pumps associated with the bypass sewer line shall be enclosed in a sound-proofing shroud to minimize the noise emanating from the pumps.
4. **Cured-in-place (CIPP) Installation**
During CIPP installation, a continuous 58-hour construction period is required (the "CIPP Period"). Noise generating construction activities will occur

throughout the CIPP Period. The anticipated schedule for CIPP Period work is as follows:

- Day 1: Start at 8pm (-4 hours of work)
- Day 2: Constant work (24 hours of work)
- Day 3: Constant work (24 hours of work)
- Day 4: End by 6am (6 hours of work)

5. **Special Construction Restrictions.** Except for the CIPP installation work, all construction activities conducted within the “**Restricted Construction Zone**,” as depicted on the attached Exhibit 6-1, attached hereto, shall be conducted during Nighttime Hours and shall be subject to the following restrictions:

- (a) All construction work shall be performed during the period commencing on Sunday evening at midnight and shall be concluded by no later than Thursday morning at 6:00AM (the “**Construction Period**”).
- (b) All CIPP installation work shall be conducted during the Construction Period, but due to the required continuous nature thereof, may be conducted all hours of the day and not restricted to Nighttime hours.
- (c) All work associated with the installation of a new manhole in the parking lot directly adjacent to and south of the building located at 1540 Scenic Avenue, Costa Mesa, shall be conducted within a fenced and screened area identified as the “Manhole Installation Area” on the attached Exhibit 6-2. Such fencing shall be no less than 7’ high, shall include a green screen mesh to block visibility into the Manhole Installation Area. The total size of the Manhole Installation Area shall not exceed 57.4 ft. (north to south) by 85.3 ft. (east to west). The Manhole Installation Area shall not extend further east than the most westerly corner of the building near the east entry to the building and shall not extend further south than the northerly edge of the landscape planter at the southern edge of the parking drive aisle closest to the building. Buyer shall be responsible for all required traffic routing and rerouting requirements, including without limitation, any necessary permits, barricades, and safety requirements.

B. Parcel Specific Requirements:

- 1. The following special provisions apply to work within APN 415-051-04
 - a. **Temporary Bypass Piping**
The temporary bypass piping will be placed and be online for up to 9 months.
 - b. **Cured-in-place-pipe (CIPP) Installation**
Two (2) independent CIPP Installations are anticipated as part of this Agreement.

The Buyer will provide a minimum of 14-days notice prior to CIPP installation activities.

CIPP Installation can occur over a weekend, except for work in the Restricted Construction Zone, which shall be conducted during the Construction Period, only.

c. **Construction of New Manhole**

The construction of a new manhole in the parking lot located south of 1550 Scenic Avenue shall be completed within a single continuous period of three (3) months. The Buyer shall provide the Seller with a minimum of thirty (30) days' written notice prior to the commencement of the proposed three-month construction period. During such construction, all noise-generating activities shall be restricted to the Construction Period. The Buyer shall secure the site with chain-link fencing during daytime hours. Access to the site will be restricted, and it shall not be available for use by the Seller during the three-month construction period.

2. The following special provisions apply to work within APN 415-091-01, 415-091-02, and 415-091-04

a. **Noise Generating Construction Work**

During the hours where Buyer is not performing any construction or Project work, the construction area will be restored with recessed steel plates to allow for vehicle access to loading docks, parking lots, parking lot drive aisles, and walkways within the property. Parking stalls impacted by the proposed area will not be restored daily.

b. **Temporary Bypass Piping**

The temporary bypass piping will be placed and be online for up to 9 months.

c. **Cured-in-place (CIPP) Installation**

Two (2) independent CIPP Installations are anticipated as part of this Agreement.

The Buyer will provide a minimum of 14-days notice prior to CIPP installation activities.

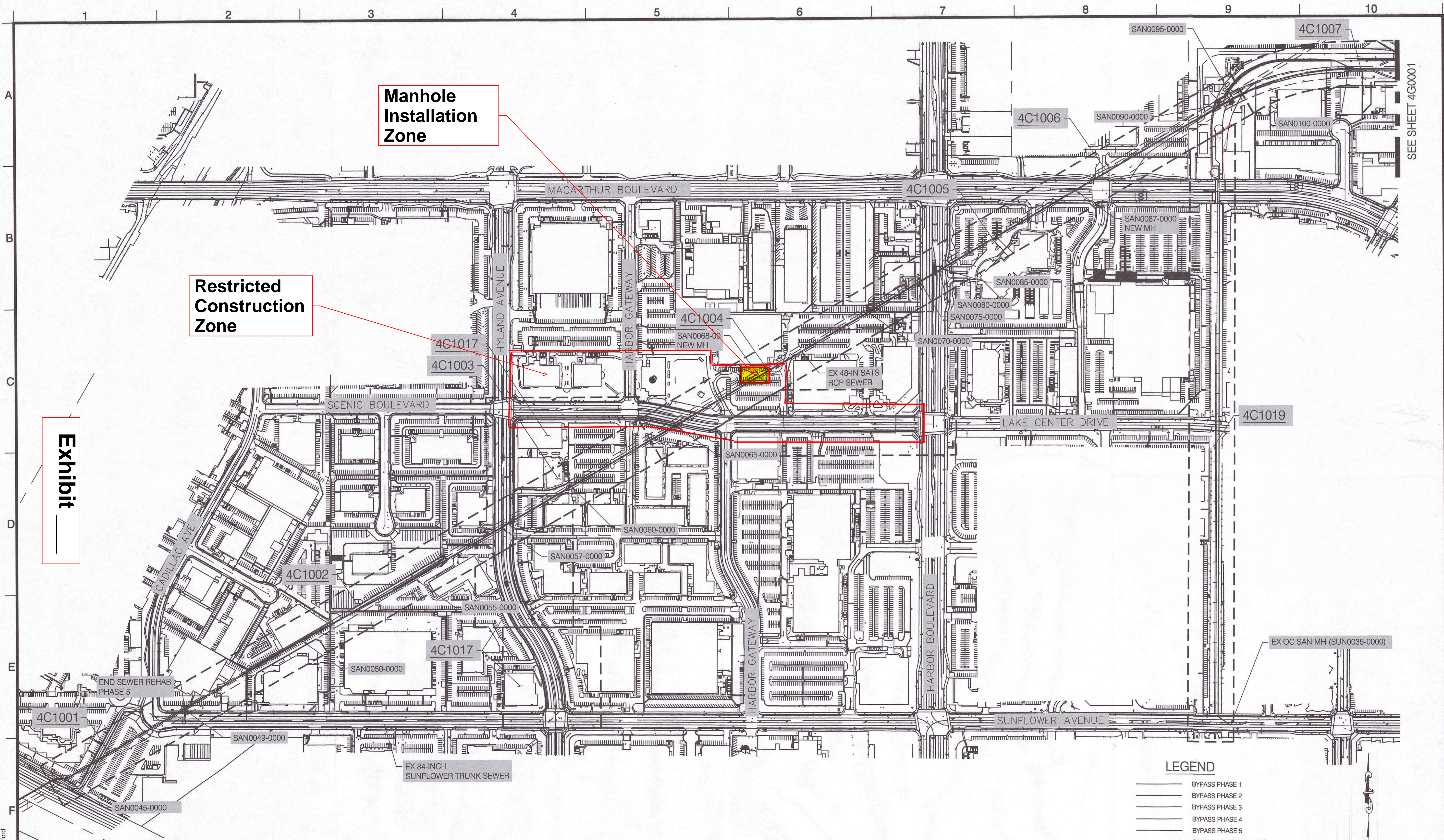
CIPP Installation can occur over a weekend, except for work in the Restricted Construction Zone, which shall be conducted during the Construction Period, only.

d. **Temporary Bypass Pumping**

Construction activities for CIPP installation will require temporary bypass pumping of sewer laterals entering into the existing manholes. Temporary bypass pumps will be placed within parking stalls within the limits of the work area requested as part of this Agreement. During bypass pumping operation, the Buyer will require constant 24 hours per day access to the pump for maintenance.

Exhibit 6-1

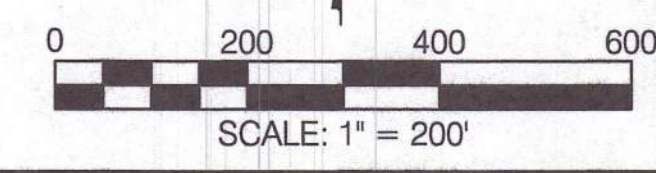
Restricted Construction Zone



SEE SHEET 4G0001

LEGEND

- BYPASS PHASE 1
- BYPASS PHASE 2
- BYPASS PHASE 3
- BYPASS PHASE 4
- BYPASS PHASE 5
- SANTA ANA TRUNK SEWER
- EX OC SAN SEWER

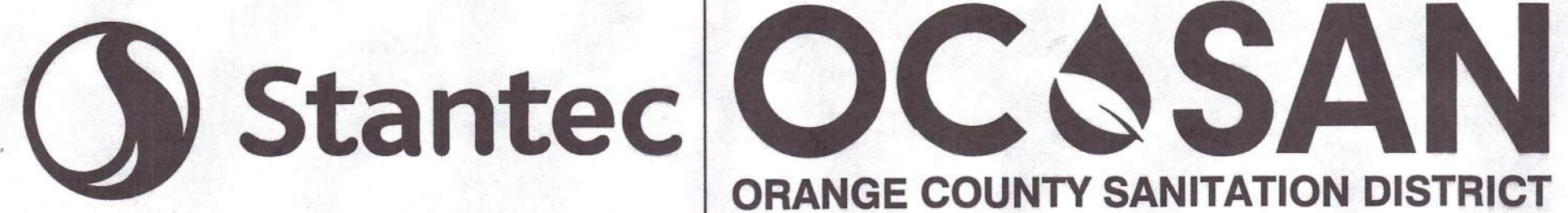


PAVEMENT RESTORATION KEY MAP

THIS PLAN SET IS INTENDED TO BE VIEWED AND PRINTED IN COLOR

DESIGNED BY: T. TUSSEY
 DRAWN BY: J. JELEY
 CHECKED BY: P. STAHL
 LINE IS 2 INCHES AT FULL SIZE
 (IF NOT 2" SCALE ACCORDINGLY)

DS#3
 [10/14/2024]
 NOT FOR CONSTRUCTION



SANTA ANA TRUNK SEWER REHABILITATION

PAVEMENT RESTORATION KEY MAP

1-23

SHEET NO.

4G0002

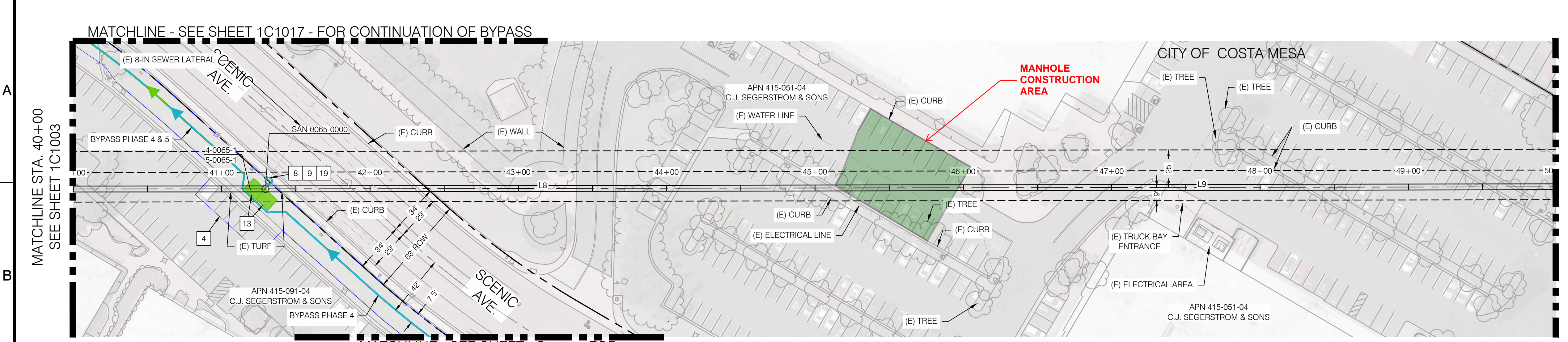
15 OF 159

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 DATE: Oct 14, 2024 2:28pm
 USER: gcr\wfr

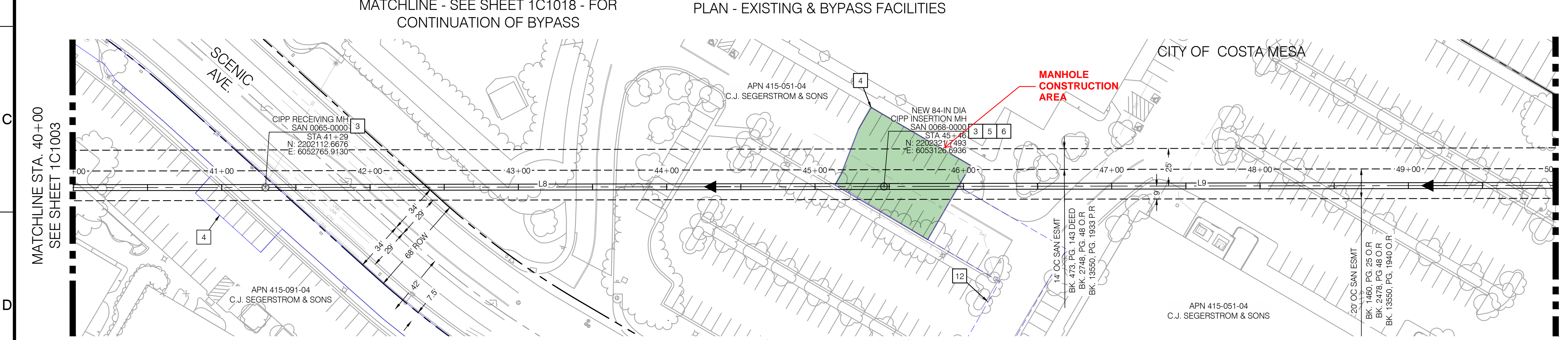
MARK	DESCRIPTION	DATE	APPR.

Exhibit 6-2

Manhole Installation Area



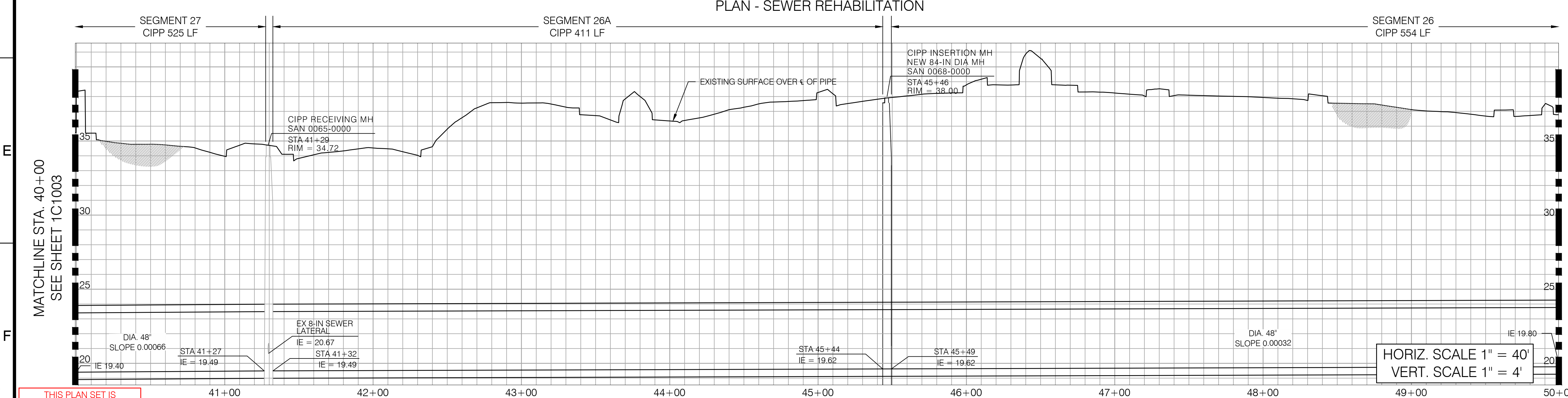
- KEY NOTES**
- 3 PROVIDE A 30' DIAMETER EXCLUSION ZONE AT MANHOLE. UTILIZE A 10-FOOT TALL EXHAUST STACK AT THE RECEIVING MANHOLE WHEN CURING WITH STEAM. REFER TO SPECIFICATION 02531 FOR ADDITIONAL INFORMATION.
 - 4 PROPOSED WORK AREA LIMITS FOR PRIVATE PROPERTY.
 - 5 REFER TO SHEET 2G6001 FOR MH REHABILITATION REQUIREMENTS FOR CIPP INSERTION MANHOLES. PROVIDE TEMPORARY STEEL PLATE OVER MH OPENING DURING NON-WORK HOURS WHEN COVER IS NOT REPLACED.
 - 6 INSTALL NEW PERMANENT 84-INCH MANHOLE PER DETAIL S-050B ON SHEET 2C5001. REFER TO SHEET 236001 FOR REQUIREMENTS.
 - 8 INSTALL TEMPORARY MANHOLE. FIELD COORDINATE ACTUAL LOCATION.
 - 9 MONITOR CLEANOUT/MANHOLE UPSTREAM OF BYPASS SUCTION MANHOLE.
 - 12 CONSTRUCTION ACCESS ROUTE. (NON-EXCLUSIVE)
 - 13 BYPASS PUMP SETUP AREA.
 - 19 POTHOLE AT TEMPORARY MH TO IDENTIFY SITE CONSTRAINTS. IF TEMPORARY MH IS NOT FEASIBLE DUE TO SITE CONSTRAINTS, SUBMIT ALTERNATE BYPASS DESIGN OF LATERAL FLOWS DISCHARGING TO MH SAN0065-0000 WITHIN TEMPORARY HANDLING OF FLOW PLAN FOR OC SAN REVIEW.



LINE/CURVE DATA TABLE

NO.	BEARING/DELTA	RADIUS	LENGTH	TANGENT
L7	N59°58'11"E	--	529.82	--
L8	N59°54'24"E	--	416.99	--
L9	N59°54'24"E	--	560.25	--

- LEGEND**
- BYPASS PHASE 1
 - BYPASS PHASE 2
 - BYPASS PHASE 3
 - BYPASS PHASE 4
 - BYPASS PHASE 5
 - SANTA ANA TRUNK SEWER
 - EX OC SAN SEWER



VICINITY MAP
N.T.S.

Underground Service Alert
of Southern California
Call: TOLL FREE
1-800-422-4133
TWO WORKING DAYS BEFORE YOU DIG

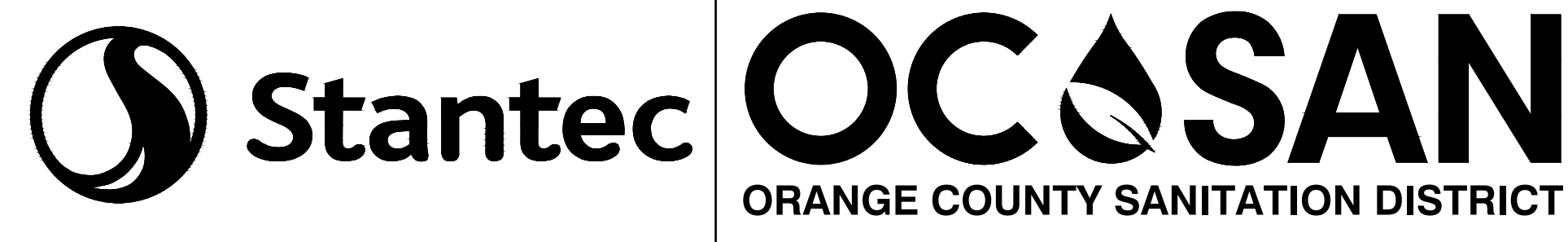
SCALE: 1" = 40'

THIS PLAN SET IS INTENDED TO BE VIEWED AND PRINTED IN COLOR

DESIGNED BY: J. TUSSEY
DRAWN BY: G. CRAWFORD
CHECKED BY: P. STAHL

LINE IS 2 INCHES AT FULL SIZE (IF NOT 2" SCALE ACCORDINGLY)

FDS
[04/25/2025]
NOT FOR CONSTRUCTION



SANTA ANA TRUNK SEWER REHABILITATION
TRUNK SEWER PLAN AND PROFILE
STA. 40+00 TO STA. 50+00

1-23
SHEET NO.
1C1004
21 OF 162

DWG: C:\p\working\1c1004\1c1004.dwg DATE: Apr 24, 2025 12:42pm USER: gcraxford

EXHIBIT 7 TO
PURCHASE AND SALE AGREEMENT
AND JOINT ESCROW INSTRUCTIONS

Severance Damages

1. General. The Parties acknowledge and agree that the Project and the Buyer’s acts and use of the Property and adjacent areas may result in Severance Damages to the Seller, and that the Purchase Price does not include any compensation for potential Severance Damages. In order to avoid an upfront payment by Buyer for potential Severance Damages, and in order to protect the Seller from realized Severance Damages, the Parties desire to establish the Severance Escrow, tender the Severance Damage Fund to the Severance Escrow, and cause distribution of Severance Payments to the Seller in the manner described herein. The Parties shall execute such further documentation as may be required to facilitate the intent of this Exhibit 7, including any further agreement with the Severance Escrow to establish the Severance Escrow, fund the Severance Damage Fund, and permit timely disbursement of Severance Payments to Seller.

2. Potentially Impacted Tenants. Seller’s right to Severance Payments shall apply to the Severance Damages related to the following Seller tenants (including their lawful successors and assigns to their leasehold interests under the tenant’s lease with Seller) and properties:

List of Potentially Impacted Tenants				
Tennant Name:	Address	Square Footage	Marketing Window Begins	Lease Expiration
Stacks Bowers	1550 Scenic Avenue, Suite 150	23,793	3/1/2026	8/31/2027
Stacks Bowers	1540 Scenic Avenue, Suite 100	12,691	3/1/2026	8/31/2027
Ultra Mobile	1550 Scenic Avenue, Suite 200	30,838	10/30/2025	4/30/2027
Vacant*	3560 Hyland Avenue, Suite 100	19,401	10/1/2025	N/A
Delphi Display	3550 Hyland Avenue	13,144	5/1/2026	4/30/2027
Helton Law	1590 Corporate Drive	13,714	11/1/2025	10/31/2026
NPI	1580 Corporate Drive, Suite 124	5,880	9/30/2027	6/30/2028
Stowell Construction*	1565 Scenic Avenue, Suites A & B	5,338	10/1/2025	N/A
Parking Contingency	Area 1 - 1550 Scenic Avenue			
Parking Contingency	Area 2 - 3550 Hyland Avenue			

*OC Sanitation District project will make space harder to lease

Marketing has begun

This document sets forth the procedures to be followed for disbursement of Severance Payments to Seller in the event of Severance Damage in connection with one of the above tenants or properties.

3. Severance Escrow Holding. Buyer shall deposit into the separate Severance Escrow the Severance Damage Fund amount of ONE MILLION NINE THOUSAND TWO HUNDRED SEVENTY DOLLARS (\$1,009,270). This amount has been calculated as the aggregate of potential Severance Damages applicable to the above tenants.

4. Seller's Severance Payment Draw Request.

a. In the event the Seller incurs Severance Damages applicable to one or more of the above tenants or properties, Seller shall issue a Severance Payment draw request ("**Severance Payment Draw Request**") to the Severance Escrow and Buyer.

b. The Severance Payment Draw Request shall include reasonable evidence that the Buyer's Project or other acts or omission on or adjacent to the Property, contributed to the tenant(s) terminating its lease or electing not to renew its lease at the fair market value of the applicable leased portion of the Property (which fair market value determination shall not include any depreciated or reduced value arising out of the Project or Buyer's access to or use of the applicable Property or adjacent areas) ("**Evidence of Impact**"). The Severance Payment Draw Request shall include a reasonable description of the amount requested.

c. In the event Seller's tenant submits a written acknowledgement that the Project or Buyer's involvement at or near the Property site was a substantial contributing factor to the tenant's termination or non-renewal of the lease, such acknowledgement shall satisfy the Seller's obligation to provide Evidence of Impact.

d. Buyer shall have ten (10) business days to object, in writing, to the Seller's Severance Payment Draw Request, which objection shall include a written description of the specific basis for Buyer's objection, and shall be submitted to Seller and Severance Escrow. Buyer's failure to provide a written objection within such ten (10) business days shall be deemed as Buyer having no objection to the Severance Payment Draw Request.

e. Severance Escrow shall release the amount of the Severance Payment included in Seller's Severance Payment Draw Request to Seller within fifteen (15) business days of Severance Escrow's receipt of such Severance Payment Draw Request, unless Severance Escrow receives Buyer's timely objection, as described above.

f. In the event Buyer timely objects to Seller's Severance Payment Draw Request, the Parties shall meet and confer within five (5) business days and use good faith efforts to resolve the Buyer's objection. Buyer and Seller shall provide notice to Severance Escrow of the resolution of the objection, and any revisions to the applicable Severance Payment Draw Request.

g. Following receipt of such notice of resolution, Severance Escrow shall release the amount of the Severance Payment included in the revised Severance Payment Draw Request to Seller within ten (10) business days.

5. Opportunity to Mitigate. Nothing in this Exhibit 7 shall limit Buyer's rights to mitigate the impact of the Project on tenants, as set forth in Exhibit 4, Section H, to the Agreement.

EXHIBIT 8 TO
PURCHASE AND SALE AGREEMENT
AND JOINT ESCROW INSTRUCTIONS

List of Accepted Title Reports

- Preliminary Title Report APN 415-051-04 by Commonwealth dated June 6, 2023. File No. 92021073
- Preliminary Title Report APN 415-061-08, 415-061-09, 415-071-03, 415-071-07, 415-071-08 by Commonwealth dated June 6, 2023. File No. 92021084
- Preliminary Title Report APN 415-081-21, 415-081-22 by Commonwealth dated June 6, 2023. File No. 92021065.
- Preliminary Title Report APN 415-081-25 by Commonwealth dated June 20, 2023. File No. 92021083.
- Preliminary Title Report APN 415-091-01, 415-091-02, 415-091-03, 415-091-04 by Commonwealth dated June 6, 2023. File No. 92021059.