



SPECIAL NOTICE
PUBLIC ATTENDANCE & PARTICIPATION AT PUBLIC MEETINGS
Steering Committee Meeting
Wednesday, October 22, 2025
5:00 p.m.

Your participation is always welcome. OC San offers several ways in which to interact during meetings. You will find information as to these opportunities below.

IN-PERSON MEETING ATTENDANCE

You may attend the meeting in-person at the following location:

Orange County Sanitation District
Headquarters
18480 Bandilier Circle
Fountain Valley, CA 92708

ONLINE MEETING PARTICIPATION

You may join the meeting live via Teams on your computer or similar device or web browser by using the link below:

[Join the meeting now](#)

We suggest testing joining a Teams meeting on your device prior to the commencement of the meeting. For recommendations, general guidance on using Teams, and instructions on joining a Teams meeting, [please click here](#).

Please mute yourself upon entry to the meeting. Please raise your hand if you wish to speak during the public comment section of the meeting. The Clerk of the Board will call upon you by using the name you joined with.

Meeting attendees are not provided the ability to make a presentation during the meeting. Please contact the Clerk of the Board at least 48 hours prior to the meeting if you wish to present any items. Additionally, camera feeds may be controlled by the meeting moderator to avoid inappropriate content.

HOW TO PARTICIPATE IN THE MEETING BY TELEPHONE

To join the meeting from your phone: Dial (213) 279-1455
When prompted, enter the Phone Conference ID: 201 214 661#

All meeting participants may be muted during the meeting to alleviate background noise. If you are muted, please use *6 to unmute. You may also mute yourself on your device.

Please raise your hand to speak by using *5, during the public comment section of the meeting. The Clerk of the Board will call upon you by using the last 4 digits of your phone number as identification.

NOTE: All attendees will be disconnected from the meeting at the beginning of Closed Session. If you would like to return to the Open Session portion of the meeting, please login or dial-in to the Teams meeting again and wait in the Lobby for admittance.

WATCH THE MEETING ONLINE

The meeting will be available for online viewing at:

<https://ocsd.legistar.com/Calendar.aspx>

SUBMIT A COMMENT

You may submit your comments and questions in writing for consideration in advance of the meeting by using the eComment feature available online at: <https://ocsd.legistar.com/Calendar.aspx> or sending them to OCSanClerk@ocsan.gov with the subject line "PUBLIC COMMENT ITEM # (insert the item number relevant to your comment)" or "PUBLIC COMMENT NON-AGENDA ITEM".

You may also submit comments and questions for consideration during the meeting by using the eComment feature available online at: <https://ocsd.legistar.com/Calendar.aspx>. The eComment feature will be available for the duration of the meeting.

All written public comments will be provided to the legislative body and may be read into the record or compiled as part of the record.

For any questions and/or concerns, please contact the Clerk of the Board's office at 714-593-7433. Thank you for your interest in OC San!

October 17, 2025

NOTICE OF REGULAR MEETING

STEERING COMMITTEE ORANGE COUNTY SANITATION DISTRICT

Wednesday, October 22, 2025 – 5:00 P.M.

**Headquarters
18480 Bandilier Circle
Fountain Valley, CA 92708**

ACCESSIBILITY FOR THE GENERAL PUBLIC

Your participation is always welcome. Specific information as to how to participate in this meeting is detailed on the Special Notice attached to this agenda. In general, OC San offers several ways in which to interact during this meeting: you may participate in person, join the meeting live via Teams on your computer or similar device or web browser, join the meeting live via telephone, view the meeting online, and/or submit comments for consideration before or during the meeting.

The Regular Meeting of the Steering Committee of the Orange County Sanitation District will be held at the above location and in the manner indicated on Wednesday, October 22, 2025 at 5:00 p.m.



Clerk of the Board

Serving:

Anaheim

Brea

Buena Park

Cypress

Fountain Valley

Fullerton

Garden Grove

Huntington Beach

Irvine

La Habra

La Palma

Los Alamitos

Newport Beach

Orange

Placentia

Santa Ana

Seal Beach

Stanton

Tustin

Villa Park

County of Orange

Costa Mesa
Sanitary District

Midway City
Sanitary District

Irvine Ranch
Water District

Yorba Linda
Water District

STEERING COMMITTEE & BOARD MEETING DATES

November 19, 2025 *

December 17, 2025 *

January 28, 2026

February 25, 2026

March 25, 2026

April 22, 2026

May 27, 2026

June 24, 2026

July 22, 2026

August 26, 2026

September 23, 2026

October 28, 2026

**** Meeting will be held on the third Wednesday of the month***

**ROLL CALL
STEERING COMMITTEE**

Meeting Date: October 22, 2025

Time: 5:00 p.m.

COMMITTEE MEMBERS (7)

Ryan Gallagher, Board Chair	
Jon Dumitru, Board Vice-Chair	
Pat Burns, Operations Committee Chair	
Christine Marick, Administration Committee Chair	
Glenn Grandis, Member-At-Large	
Chad Wanke, Member-At-Large	
John Withers, Member-At-Large	

OTHERS

Scott Smith, General Counsel	
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STAFF

Rob Thompson, General Manager	
Lorenzo Tyner, Assistant General Manager	
Jennifer Cabral, Director of Communications	
Mike Dorman, Director of Engineering	
Laura Maravilla, Director of Human Resources	
Riaz Moinuddin, Director of Operations & Maintenance	
Wally Ritchie, Director of Finance	
Lan Wiborg, Director of Environmental Services	
Kelly Lore, Clerk of the Board	

ORANGE COUNTY SANITATION DISTRICT
BOARD OF DIRECTORS
Complete Roster

Effective 10/1/2025

AGENCY/CITIES	ACTIVE DIRECTOR	ALTERNATE DIRECTOR
Anaheim	Carlos A. Leon	Ryan Balius
Brea	Christine Marick	Cecilia Hupp
Buena Park	Joyce Ahn	Lamiya Hoque
Cypress	VACANT	Bonnie Peat
Fountain Valley	Glenn Grandis	Ted Bui
Fullerton	Jamie Valencia	Shana Charles
Garden Grove	Stephanie Klopfenstein	Cindy Ngoc Tran
Huntington Beach	Pat Burns	Gracey Van Der Mark
Irvine	Melinda Liu	Kathleen Treseder
La Habra	Jose Medrano	Rose Espinoza
La Palma	Debbie Baker	Vikesh Patel
Los Alamitos	Jordan Nefulda	Tanya Doby
Newport Beach	Erik Weigand	Michelle Barto
Orange	Jon Dumitru	John Gyllenhammer
Placentia	Chad Wanke	Ward Smith
Santa Ana	Johnathan Ryan Hernandez	Jessie Lopez
Seal Beach	Lisa Landau	Ben Wong
Stanton	David Shawver	John D. Warren
Tustin	Ryan Gallagher	Austin Lumbard
Villa Park	Jordan Wu	Kelly McBride
Sanitary/Water Districts		
Costa Mesa Sanitary District	Bob Ooten	Art Perry
Midway City Sanitary District	Andrew Nguyen	Tyler Diep
Irvine Ranch Water District	John Withers	Dan Ferons
Yorba Linda Water District	Tom Lindsey	Gene Hernandez
County Areas		
Board of Supervisors	Doug Chaffee	Janet Nguyen



STEERING COMMITTEE
Regular Meeting Agenda - Revised
Wednesday, October 22, 2025 - 5:00 PM
Huntington Beach Room
Headquarters
18480 Bandilier Circle
Fountain Valley, CA 92708
(714) 593-7433

ACCOMMODATIONS FOR THE DISABLED: If you require any special disability related accommodations, please contact the Orange County Sanitation District (OC San) Clerk of the Board's office at (714) 593-7433 at least 72 hours prior to the scheduled meeting. Requests must specify the nature of the disability and the type of accommodation requested.

AGENDA POSTING: In accordance with the requirements of California Government Code Section 54954.2, this agenda has been posted outside OC San's Headquarters located at 18480 Bandilier Circle, Fountain Valley, California, and on the OC San's website at www.ocsan.gov not less than 72 hours prior to the meeting date and time above. All public records relating to each agenda item, including those distributed less than 72 hours prior to the meeting to a majority of the Board of Directors, are available for public inspection with the Clerk of the Board.

AGENDA DESCRIPTION: The agenda provides a brief general description of each item of business to be considered or discussed. The recommended action does not indicate what action will be taken. The Board of Directors may take any action which is deemed appropriate.

MEETING RECORDING: A recording of this meeting is available within 24 hours after adjournment of the meeting at <https://ocsd.legistar.com/Calendar.aspx> or by contacting the Clerk of the Board.

NOTICE TO DIRECTORS: To place items on the agenda for a Committee or Board Meeting, the item must be submitted to the Clerk of the Board: Kelly A. Lore, MMC, (714) 593-7433 / klore@ocsan.gov at least 14 days before the meeting. For any questions on the agenda, Board members may contact staff at:

General Manager: Rob Thompson, rthompson@ocsan.gov / (714) 593-7110
Asst. General Manager: Lorenzo Tyner, ltyner@ocsan.gov / (714) 593-7550
Director of Communications: Jennifer Cabral, jcabral@ocsan.gov / (714) 593-7581
Director of Engineering: Mike Dorman, mdorman@ocsan.gov / (714) 593-7014
Director of Environmental Services: Lan Wiborg, lwiborg@ocsan.gov / (714) 593-7450
Director of Finance: Wally Ritchie, writchie@ocsan.gov / (714) 593-7570
Director of Human Resources: Laura Maravilla, lmavilla@ocsan.gov / (714) 593-7007
Director of Operations & Maintenance: Riaz Moinuddin, rmoinuddin@ocsan.gov / (714) 593-7269

CALL TO ORDER**ROLL CALL AND DECLARATION OF QUORUM:**

Clerk of the Board

PUBLIC COMMENTS:

Your participation is always welcome. Specific information as to how to participate in a meeting is detailed in the Special Notice attached to this agenda. In general, OC San offers several ways in which to interact during meetings: you may participate in person, join the meeting live via Teams on your computer or similar device or web browser, join the meeting live via telephone, view the meeting online, and/or submit comments for consideration before or during the meeting.

REPORTS:

The Board Chairperson and the General Manager may present verbal reports on miscellaneous matters of general interest to the Directors. These reports are for information only and require no action by the Directors.

CONSENT CALENDAR:

Consent Calendar Items are considered to be routine and will be enacted, by the Committee, after one motion, without discussion. Any items withdrawn from the Consent Calendar for separate discussion will be considered in the regular order of business.

1. APPROVAL OF MINUTES**[2025-4535](#)****RECOMMENDATION:**

Approve minutes of the Regular meeting of the Steering Committee held September 24, 2025.

Originator: Kelly Lore

Attachments: [Agenda Report](#)
[09-24-2025 Steering Committee Meeting Minutes](#)

NON-CONSENT:**2. TRICKING FILTER MEDIA REPLACEMENT AT PLANT NO. 1,
PROJECT NO. P1-142****[2025-4180](#)****RECOMMENDATION:** Recommend to the Board of Directors to:

- A. Receive and file Bid Tabulation and Recommendation for Trickling Filter Media Replacement at Plant No. 1, Project No. P1-142;
- B. Award a Construction Contract Agreement to GSE Construction Company, Inc. for Trickling Filter Media Replacement at Plant No. 1, Project No. P1-142, for a

total amount not to exceed \$21,565,292; and

C. Approve a contingency of \$2,156,529 (10%).

Originator: Mike Dorman

Attachments: [Agenda Report](#)
[P1-142 Construction Contract Agreement](#)
[Presentation](#)

3. PROPERTY ACQUISITION FOR 18250 EUCLID STREET, FOUNTAIN VALLEY, CA [2025-4543](#)

RECOMMENDATION: Recommend to the Board of Directors to:

- A. Approve a Standard Offer, Agreement, and Escrow Instructions for Purchase of Real Estate (Purchase Agreement) with Rexford Industrial Realty L.P. for Property at 18250 Euclid Street, Fountain Valley, APN No. 156-171-4, in a form approved by General Counsel, for \$26,710,000; and
- B. Authorize the General Manager and General Counsel to execute the following:
1. Preliminary Title Report Consistent with the Standard Offer, Agreement, and Escrow Instructions;
 2. Title Approval Letter;
 3. Deeds and other evidence of title to the parcels of property that are the subject of the Purchase Agreement;
 4. Preliminary Change of Ownership Report;
 5. Acceptance of the Grant Deed to certain real property from Rexford Industrial Realty, L.P;
 6. Approved Estimated Closing costs;
 7. Seller's Mandatory Disclosure Statement acknowledging receipt of this document;
 8. Property Information Sheet acknowledging receipt of this document;
 9. Natural Hazard Disclosure Report acknowledging receipt of this document; and
 10. Any and all other instruments related to the transaction.

Originator: Lorenzo Tyner

Attachments: [Agenda Report](#)
[Letter of Intent - 18250 Euclid Street](#)
[DRAFT Purchase and Sale Agreement \(PSA\) *ADDED*](#)

INFORMATION ITEMS:

None.

DEPARTMENT HEAD REPORTS:**CLOSED SESSION:**

During the course of conducting the business set forth on this agenda as a regular meeting of the Board, the Chairperson may convene the Board in closed session to consider matters of pending real estate negotiations, pending or potential litigation, or personnel matters, pursuant to Government Code Sections 54956.8, 54956.9, 54957 or 54957.6, as noted.

Reports relating to (a) purchase and sale of real property; (b) matters of pending or potential litigation; (c) employment actions or negotiations with employee representatives; or which are exempt from public disclosure under the California Public Records Act, may be reviewed by the Board during a permitted closed session and are not available for public inspection. At such time the Board takes final action on any of these subjects, the minutes will reflect all required disclosures of information.

CONVENE IN CLOSED SESSION.**CS-1 CONFERENCE WITH LEGAL COUNSEL RE EXISTING LITIGATION - [2025-4555](#)
GOVERNMENT CODE SECTION 54956.9(d)(1)**

RECOMMENDATION: Convene in Closed Session:

Number of Cases: 1

Michael Oberly v. Orange County Sanitation District, Orange County Superior Court
and Does 1-25, Orange County Superior Court Case No.
30-2025-01489491-CU-OE-CJC.

Attachments: [Agenda Report](#)
[Steering CS Memo re Existing Litigation-Oberly 10-22-25](#)

**CS-2 CONFERENCE WITH REAL PROPERTY NEGOTIATORS - [2025-4564](#)
GOVERNMENT CODE SECTION 54956.8**

RECOMMENDATION: Convene in Closed Session:

Property: 18250 Euclid Street, Fountain Valley, CA - APN No.156-171-41.

Agency negotiators: General Manager Robert Thompson; Assistant General Manager Lorenzo Tyner; and Director of Finance Wally Ritchie.

Negotiating parties: Rexford Industrial Realty LP

Under negotiation: Price and Terms of payment

Attachments: [Agenda Report](#)
[Steering CS Memo re Real Property 10-22-25](#)

RECONVENE IN REGULAR SESSION.**CONSIDERATION OF ACTION, IF ANY, ON MATTERS CONSIDERED IN CLOSED SESSION:****OTHER BUSINESS AND COMMUNICATIONS OR SUPPLEMENTAL AGENDA ITEMS, IF ANY:****BOARD OF DIRECTORS INITIATED ITEMS FOR A FUTURE MEETING:**

At this time Directors may request staff to place an item on a future agenda.

ADJOURNMENT:

Adjourn the meeting until the Regular Meeting of the Steering Committee on November 19, 2025 at 5:00 p.m.

AFFIDAVIT OF PUBLICATION:

I hereby certify under penalty of perjury and as required by the State of California, Government Code § 54954.2(a), that the foregoing Agenda was posted online at www.ocsan.gov, in the lobby, and outside the main door of Orange County Sanitation District Headquarters at 18480 Bandilier Cir. Fountain Valley, CA 92708 not less than 72 hours prior to the meeting date and time above. All public records relating to each agenda item, including those distributed less than 72 hours prior to the meeting to a majority of the Board of Directors, are available for public inspection with the Clerk of the Board.

/s/ Kelly A. Lore, MMC
Clerk of the Board
October 17, 2025



STEERING COMMITTEE

Agenda Report

Headquarters
18480 Bandilier Circle
Fountain Valley, CA 92708
(714) 593-7433

File #: 2025-4535

Agenda Date: 10/22/2025

Agenda Item No: 1.

FROM: Robert Thompson, General Manager
Originator: Kelly A. Lore, Clerk of the Board

SUBJECT:

APPROVAL OF MINUTES

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION:

Approve minutes of the Regular meeting of the Steering Committee held September 24, 2025.

BACKGROUND

In accordance with the Board of Directors Rules of Procedure, an accurate record of each meeting will be provided to the Directors for subsequent approval at the following meeting.

RELEVANT STANDARDS

- Resolution No. OC SAN 24-09

ATTACHMENT

The following attachment(s) may be viewed on-line at the OC San website (www.ocsan.gov) with the complete agenda package:

- September 24, 2025 Steering Committee meeting minutes



CALL TO ORDER

A regular meeting of the Steering Committee of the Orange County Sanitation District was called to order by Board Chairman Ryan Gallagher on Wednesday, September 24, 2025 at 5:00 p.m. in the Orange County Sanitation District Headquarters.

ROLL CALL AND DECLARATION OF QUORUM:

The Clerk of the Board declared a quorum present as follows:

PRESENT: Ryan Gallagher, Jon Dumitru, Pat Burns, Christine Marick, Chad Wanke and John Withers
ABSENT: Glenn Grandis

STAFF PRESENT: Rob Thompson, General Manager; Lorenzo Tyner, Assistant General Manager; Jennifer Cabral, Director of Communications; Mike Dorman, Director of Engineering; Laura Maravilla, Director of Human Resources; Riaz Moinuddin, Director of Operations and Maintenance; Wally Ritchie, Director of Finance; Lan Wiborg, Director of Environmental Services; Kelly Lore, Clerk of the Board; Morty Caparas; Jackie Castro; Sam Choi; Daisy Covarrubias; Raul Cuellar; Don Cutler; Thys DeVries; Martin Dix; Justin Fenton; Dickie Fernandez; David Haug; Mark Kawamoto; Tom Meregillano; Rob Michaels; Cindy Murra; Becky Polcyn; Valerie Ratto; Sammady Yi; Thomas Vu; Kevin Work; and Ruth Zintzun were present in the Huntington Beach Room.

OTHERS PRESENT: Scott Smith, General Counsel, and Kevin Burton, Irvine Ranch Water District, were present in the Huntington Beach Room.

REQUEST TO ADD URGENT ITEM TO THE AGENDA:

The Clerk of the Board announced that a request to add an urgent item to the agenda had been received. A statement of facts and the proposed agenda report were provided in hard copy to the Steering Committee members and were made available to the public on our website.

Chair Gallagher asked for a motion to make the following determinations: 1) That there is an immediate need to take action; and 2) that the need arose after the posting of the agenda. It was moved, seconded and unanimously approved to add the item to the agenda.

AYES: Ryan Gallagher, Jon Dumitru, Pat Burns, Christine Marick, and John Withers
ABSENT: Glenn Grandis and Chad Wanke

Chair Gallagher directed the Clerk of the Board to add the item to the Agenda as Non-Consent Item No. 5.

PUBLIC COMMENTS:

None.

REPORTS:

Chair Gallagher and General Manager Rob Thompson did not provide reports.

CONSENT CALENDAR:**1. APPROVAL OF MINUTES**[2025-4484](#)

Originator: Kelly Lore

MOVED, SECONDED, AND DULY CARRIED TO:

Approve minutes of the Regular meeting of the Steering Committee held August 27, 2025.

AYES: Ryan Gallagher, Jon Dumitru, Pat Burns, Christine Marick and John Withers

NOES: None

ABSENT: Glenn Grandis and Chad Wanke

ABSTENTIONS: None

NON-CONSENT:**2. BAY BRIDGE PUMP STATION AND FORCE MAINS REPLACEMENT, PROJECT NO. 5-67**[2025-4455](#)

Originator: Mike Dorman

Director of Engineering Mike Dorman provided an overview of the item.

MOVED, SECONDED, AND DULY CARRIED TO: Recommend to the Board of Directors to:

- A. Consider, approve, and adopt Addendum No. 2 to the Environmental Impact Report for the Bay Bridge Pump Station and Force Mains Replacement Project No. 5-67; and
- B. Adopt Resolution No. OC SAN 25-18 titled, "A Resolution of the Board of Directors of the Orange County Sanitation District Approving and Adopting Addendum No. 2 to the Environmental Impact Report for the Bay Bridge Pump Station and Force Mains Replacement Project (Project No. 5-67) Pursuant to the California Environmental Quality Act".

AYES: Ryan Gallagher, Jon Dumitru, Pat Burns, Christine Marick and John Withers

NOES: None

ABSENT: Glenn Grandis and Chad Wanke

ABSTENTIONS: None

Director Chad Wanke arrived at the meeting at 5:05 p.m.

3. IRWD/OC SAN AGREEMENT DEAL POINTS

[2025-4474](#)

Originator: Mike Dorman

Mr. Thompson provided a brief report of the item.

MOVED, SECONDED, AND DULY CARRIED TO: Recommend to the Board of Directors to:

Authorize the preparation of two new agreements and a resolution to streamline operations, better align billing with services provided, and maximize the use of existing infrastructure in Orange County as follows:

1. Agreement No. 1 between Orange County Sanitation District (OC San) and Irvine Ranch Water District (IRWD) will realign boundaries and payment structures with current service provisions. This agreement will consolidate many prior agreements that were created as development occurred.
2. Agreement No. 2 between OC San, IRWD, and Orange County Water District (OCWD) will replace the current Green Acres Project (GAP) Agreement which expires in January 2027.
3. An OC San Board of Directors resolution will support the Orange County Local Agency Formation Commission (OC LAFCO) process to annex the former Los Alisos Water District (LAWD) area into OC San's service area.

AYES: Ryan Gallagher, Jon Dumitru, Pat Burns, Christine Marick, Chad Wanke and John Withers

NOES: None

ABSENT: Glenn Grandis

ABSTENTIONS: None

4. SIDE LETTER TO THE MEMORANDUM OF UNDERSTANDING FOR THE INTERNATIONAL UNION OF OPERATING ENGINEERS - LOCAL 501 [2025-4512](#)

Originator: Laura Maravilla

Director of Human Resources Laura Maravilla provided a brief update to the item.

MOVED, SECONDED, AND DULY CARRIED TO: Recommend to the Board of Directors to:

Authorize the execution of a Side Letter Modifying Article 19 - Standby Pay of the current Memorandum of Understanding between Orange County Sanitation District and the International Union of Operating Engineers Local 501 retroactive to the first pay period of July 2025.

AYES: Ryan Gallagher, Jon Dumitru, Pat Burns, Christine Marick, Chad Wanke and John Withers

NOES: None

ABSENT: Glenn Grandis

ABSTENTIONS: None

5. URGENT ITEM - NEWHOPE-PLACENTIA SEWER MANHOLE REPLACEMENTS, PROJECT NO. FE21-08 **2025-4530**

Originator: Mike Dorman

Mr. Dorman provided a brief report of the item.

MOVED, SECONDED, AND DULY CARRIED TO: Recommend to the Board of Directors to:

Approve a contingency increase of \$1,000,556 to the existing Construction Contract Agreement to Sancon Technologies, Inc., for Newhope-Placentia Sewer Manhole Replacements, Project No. FE21-08, for a new total contingency of \$1,081,902 (266%) due to a time sensitive finding.

AYES: Ryan Gallagher, Jon Dumitru, Pat Burns, Christine Marick, Chad Wanke and John Withers

NOES: None

ABSENT: Glenn Grandis

ABSTENTIONS: None

INFORMATION ITEMS:

None.

DEPARTMENT HEAD REPORTS:

None.

CLOSED SESSION:

The Committee did not convene in Closed Session. The item was pulled from consideration.

**CS-1 CONFERENCE WITH REAL PROPERTY NEGOTIATORS -
GOVERNMENT CODE SECTION 54956.8**[2025-4501](#)

DID NOT CONVENE IN CLOSED SESSION:

- A. Property: 10700 Spencer Street, Fountain Valley, CA - APN No.156-154-07 and 156-163-16.

Agency negotiators: General Manager Rob Thompson; Assistant General Manager Lorenzo Tyner; and Director of Finance Wally Ritchie.

Negotiating parties: Shabtai Itzhak Tr Ins Tr

Under negotiation: Price and Terms of payment

- B. Property: 18250 Euclid Street, Fountain Valley, CA - APN No.156-171-41.

Agency negotiators: General Manager Rob Thompson; Assistant General Manager Lorenzo Tyner; and Director of Finance Wally Ritchie.

Negotiating parties: Rexford Industrial Realty LP

Under negotiation: Price and Terms of payment

CONSIDERATION OF ACTION, IF ANY, ON MATTERS CONSIDERED IN CLOSED SESSION:

None.

OTHER BUSINESS AND COMMUNICATIONS OR SUPPLEMENTAL AGENDA ITEMS, IF ANY:

None.

BOARD OF DIRECTORS INITIATED ITEMS FOR A FUTURE MEETING:

None.

ADJOURNMENT:

Chair Gallagher declared the meeting adjourned at 5:35 p.m. to the next Regular Steering Committee meeting to be held on Wednesday, October 22, 2025 at 5:00 p.m.

Submitted by:

Kelly A. Lore, MMC
Clerk of the Board

STEERING COMMITTEE

Agenda Report

File #: 2025-4180

Agenda Date: 10/22/2025

Agenda Item No: 2.

FROM: Robert Thompson, General Manager
Originator: Mike Dorman, Director of Engineering

SUBJECT:

TRICKLING FILTER MEDIA REPLACEMENT AT PLANT NO. 1, PROJECT NO. P1-142

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION: Recommend to the Board of Directors to:

- A. Receive and file Bid Tabulation and Recommendation for Trickling Filter Media Replacement at Plant No. 1, Project No. P1-142;
- B. Award a Construction Contract Agreement to GSE Construction Company, Inc. for Trickling Filter Media Replacement at Plant No. 1, Project No. P1-142, for a total amount not to exceed \$21,565,292; and
- C. Approve a contingency of \$2,156,529 (10%).

BACKGROUND

Trickling Filter Nos. 1 and 2 at Plant No. 1 are part of Orange County Sanitation District's (OC San's) secondary treatment processes. This stage of the treatment uses naturally occurring microorganisms to break down and remove most of the organic material remaining in the wastewater after solids have been removed in primary treatment. These two filters were originally built in 2006 by Project No. P1-76, Trickling Filter Rehabilitation and New Clarifiers Plant No. 1.

Each trickling filter is a large circular structure that stands 30 feet tall and measures 166 feet in diameter. Inside, they contain over 800,000 cubic feet of specially designed plastic media. The media creates a large surface area that supports the growth of beneficial microorganisms. As wastewater flows over a 20-foot-tall bed of this honeycombed media, these microorganisms grow on the surface and feed on the organic pollutants, helping to clean the water. On average, each of the trickling filters treat about 10 million gallons of wastewater per day, with the ability to handle approximately 30 million gallons a day during peak wet weather conditions.

RELEVANT STANDARDS

- Comply with California Public Contract Code Section 20103.8, award construction contract to lowest responsive, responsible bidder
- Ensure the public's money is wisely spent

- Sound engineering and accounting practices, complying with local, state, and federal laws
- Operate and maintain facilities to minimize impacts on surrounding communities, including odor, noise and lighting

PROBLEM

The trickling filter media has a life expectancy of 20-25 years. The media is nearly 20 years old and is showing signs that it is reaching the end of its useful life through reduction in removal efficiency and increased odor. Recent inspections performed inside of the vessels have identified areas where the protective liners have failed and need repair. Additionally, new drainage grating below the media is required to improve ventilation and water flow through the trickling filters.

PROPOSED SOLUTION

Award a Construction Contract Agreement to replace the trickling filter media, repair any damaged sections of the protective liners inside the trickling filters, and install new drainage grating.

TIMING CONCERNS

A future capital project will be rehabilitating Activated Sludge Facilities No. 1, another portion of the secondary treatment process at Plant No. 1. Work on the activated sludge facility cannot occur at the same time the trickling filters are offline for media replacement due to treatment capacity. Delaying this project could delay the start of the future project.

RAMIFICATIONS OF NOT TAKING ACTION

If the media remains in place beyond its expected service life, treatment performance will continue to decline, and odors are likely to persist or worsen. This could lead to potential operational challenges in meeting treatment goals and increased community complaints.

PRIOR COMMITTEE/BOARD ACTIONS

N/A

ADDITIONAL INFORMATION

OC San advertised Project No. P1-142 for bids on June 17, 2025, and six sealed bids were received on July 29, 2025. A summary of the bid opening follows:

Engineer's Estimate	\$ 30,200,000
<u>Bidder</u>	<u>Amount of Bid</u>
Innovative Construction Solutions	\$ 19,972,000
Shimmick Construction Company, Inc.	\$ 20,019,620
GSE Construction Company, Inc.	\$ 21,565,292
Garney Pacific, Inc.	\$ 22,949,801

Steve P. Rados	\$ 24,840,000
Olsson Construction, Inc.	\$ 27,582,689

The bids were evaluated in accordance with the OC San's policies and procedures. A notice was sent to all bidders on October 2, 2025, informing them of the intent of OC San staff to recommend award of the Construction Contract Agreement to GSE Construction Company, Inc. Both Innovative Construction Solutions and Shimmick Construction Company, Inc. were found to be non-responsive to the minimum solicitation requirements.

Staff recommends awarding a Construction Contract Agreement to the lowest responsive and responsible bidder, GSE Construction Company, Inc., for a total amount not to exceed \$21,565,292.

CEQA

The project is exempt from CEQA under the Class 1 categorical exemptions set forth in California Code of Regulations section 15301. A Notice of Exemption will be filed with the OC Clerk-Recorder and State Clearinghouse after the OC San Board of Directors approval of the Construction Contract Agreement.

FINANCIAL CONSIDERATIONS

This request complies with the authority levels of OC San's Purchasing Ordinance. This item has been budgeted (Budget Update FY 2025-26, Page A-6, Trickling Filter Media Replacement at Plant No. 1, Project No. P1-142), and the budget is sufficient for the recommended action.

ATTACHMENT

The following attachment(s) may be viewed on-line at the OC San website (www.ocsan.gov) with the complete agenda package:

- Construction Contract Agreement
- Presentation

OP:lb

PART A
CONTRACT AGREEMENT

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CONTRACT AGREEMENT
ORANGE COUNTY SANITATION DISTRICT
PROJECT NO. P1-142

TRICKLING FILTER MEDIA REPLACEMENT AT PLANT NO. 1

This CONTRACT AGREEMENT (Contract Agreement) is made and entered into, to be effective, this October 22, 2025, by and between GSE Construction Company, Inc., hereinafter referred to as "CONTRACTOR" and the Orange County Sanitation District, hereinafter referred to as "OC SAN".

WITNESSETH

That for and in consideration of the promises and agreements hereinafter made and exchanged, OC SAN and CONTRACTOR agree as follows:

SECTION – 1 GENERAL

CONTRACTOR certifies and agrees that all the terms, conditions and obligations of the Contract Documents as hereinafter defined, the location of the job site, and the conditions under which the Work is to be performed have been thoroughly reviewed, and enters into this Contract based upon CONTRACTOR's investigation of all such matters and is in no way relying upon any opinions or representations of OC SAN. It is agreed that this Contract represents the entire agreement. It is further agreed that the Contract Documents are each incorporated into this Contract by reference, with the same force and effect as if the same were set forth at length herein, and that CONTRACTOR and its Subcontractors, if any, will be and are bound by any and all of said Contract Documents insofar as they relate in any part or in any way, directly or indirectly, to the Work covered by this Contract.

A. Contract Documents Order of Precedence

"Contract Documents" refers to those documents identified in the definition of "Contract Documents" in the General Conditions, "Definitions".

CONFORMED

C-CA-030525
PROJECT NO. P1-142
TRICKLING FILTER MEDIA REPLACEMENT AT PLANT NO. 1

1. In the event of a conflict between one Contract Document and any of the other Contract Documents, the provisions in the document highest in precedence shall be controlling. The order of precedence of the Contract Documents is as follows:
 - a. Supplemental Agreements – the last in time being the first in precedence
 - b. Addenda issued prior to the date for submittal of Bids – the last in time being the first in precedence
 - c. Contract Agreement
 - d. Permits and other regulatory requirements
 - e. Special Provisions
 - f. General Conditions (GC)
 - g. Notice Inviting Bids and Instruction to Bidders
 - h. Geotechnical Baseline Report (GBR), if attached as a Contract Document
 - i. Plans and Specifications – in these documents the order of precedence shall be:
 - i. Specifications (Divisions 01-17)
 - ii. Plans
 - iii. General Requirements (GR)
 - iv. Standard Drawings and Typical Details
 - j. CONTRACTOR's Bid
2. In the event of a conflict between terms within an individual Contract Document, the conflict shall be resolved by applying the following principles as appears applicable:
 - a. Figured dimensions on the Contract Documents shall govern. Dimensions not specified shall be as directed by the ENGINEER. Details not shown or specified shall be the same as similar parts that are shown or specified, or as directed. Full-size details shall take precedence over scale Drawings as to

shape and details of construction. Specifications shall govern as to material and workmanship.

- b. The Contract Documents calling for the higher quality material or workmanship shall prevail. Materials or Work described in words, which so applied, have a well-known technical or trade meaning shall be deemed to refer to such recognized standards. In the event of any discrepancy between any Drawings and the figures thereon, the figures shall be taken as correct.
- c. Scale Drawings, full-size details, and Specifications are intended to be fully complementary and to agree. Should any discrepancy between Contract Documents come to the CONTRACTOR's attention, or should an error occur in the efforts of others, which affect the Work, the CONTRACTOR shall notify the ENGINEER, in writing, at once. In the event any doubts or questions arise with respect to the true meaning of the Contract Documents, reference shall be made to the ENGINEER whose written decision shall be final. If the CONTRACTOR proceeds with the Work affected without written instructions from the ENGINEER, the CONTRACTOR shall be fully responsible for any resultant damage or defect.
- d. Anything mentioned in the Specifications and not indicated in the Plans, or indicated in the Plans and not mentioned in the Specifications, shall be of like effect as if indicated and mentioned in both. In case of discrepancy in the Plans or Specifications, the matter shall be immediately submitted to OC SAN's ENGINEER, without whose decision CONTRACTOR shall not adjust said discrepancy save only at CONTRACTOR's own risk and expense. The decision of the ENGINEER shall be final.

In all matters relating to the acceptability of material, machinery or plant equipment; classifications of material or Work; the proper execution, progress or sequence of the Work; and quantities interpretation of the Contract Documents, the decision of the ENGINEER shall be final and binding, and shall be a condition precedent to any payment under the Contract, unless otherwise ordered by the Board of Directors.

B. Definitions

Capitalized terms used in this Contract are defined in the General Conditions, "Definitions". Additional terms may be defined in the Special Provisions.

SECTION – 2 MATERIALS AND LABOR

CONTRACTOR shall furnish, under the conditions expressed in the Plans and Specifications, at CONTRACTOR'S own expense, all labor and materials necessary, except such as are mentioned in the Specifications to be furnished by OC SAN, to construct and complete the Project, in good workmanlike and substantial order. If CONTRACTOR fails to pay for labor or materials when due, OC SAN may settle such claims by making demand upon the Surety to this Contract. In the event of the failure or refusal of the Surety to satisfy said claims, OC SAN may settle them directly and deduct the amount of payments from the Contract Price and any amounts due to CONTRACTOR. In the event OC SAN receives a stop payment notice from any laborer or material supplier alleging non-payment by CONTRACTOR, OC SAN shall be entitled to deduct all of its costs and expenses incurred relating thereto, including but not limited to administrative and legal fees.

SECTION – 3 PROJECT

The Project is described as:

PROJECT NO. P1-142

TRICKLING FILTER MEDIA REPLACEMENT AT PLANT NO. 1

SECTION – 4 PLANS AND SPECIFICATIONS

The Work to be done is shown in a set of Plans and Specifications entitled:

PROJECT NO. P1-142

TRICKLING FILTER MEDIA REPLACEMENT AT PLANT NO. 1

Said Plans and Specifications and any revision, amendments and addenda thereto are attached hereto and incorporated herein as part of this Contract and referred to by reference.

SECTION – 5 TIME OF COMMENCEMENT AND COMPLETION

CONTRACTOR agrees to commence the Project within 15 calendar days from the date set forth in the "Notice to Proceed" sent by OC SAN, unless otherwise specified therein and shall diligently prosecute the Work to completion within eight hundred forty-two (842) calendar days from the date of the "Notice to Proceed" issued by OC SAN, excluding delays caused or authorized by OC SAN as set forth in Sections 7, 8, and 9 hereof, and applicable provisions in the General Conditions. The time for completion includes fifteen (15) calendar days determined by OC SAN likely to be inclement weather when CONTRACTOR will be unable to work. In addition, CONTRACTOR shall accomplish such milestones within the periods of performance set forth in Appendix A of the Special Provisions entitled "Work Completion Schedule."

SECTION – 6 TIME IS OF THE ESSENCE

Time is of the essence of this Contract. As required by the Contract Documents, CONTRACTOR shall prepare and obtain approval of all shop drawings, details and samples, and do all other things necessary and incidental to the prosecution of CONTRACTOR's Work in conformance with an approved construction progress schedule. CONTRACTOR shall coordinate the Work covered by this Contract with that of all other contractors, subcontractors and of OC SAN, in a manner that will facilitate the efficient completion of the entire Work and accomplish the required milestone(s), if any, by the applicable deadline(s) in accordance with Section 5 herein. OC SAN shall have the right to assert complete control of the premises on

which the Work is to be performed and shall have the right to decide the time or order in which the various portions of the Work shall be installed or the priority of the work of subcontractors, and, in general, all matters representing the timely and orderly conduct of the Work of CONTRACTOR on the premises.

SECTION – 7 EXCUSABLE DELAYS

CONTRACTOR shall only be excused for any delay in the prosecution or completion of the Project as specifically provided in General Conditions, “Extension of Time for Delay”, and the General Requirements, “By CONTRACTOR or Others – Unknown Utilities during Contract Work”. Extensions of time and extra compensation arising from such excusable delays will be determined in accordance with the General Conditions, “Extension of Time for Delay” and “Contract Price Adjustments and Payments”, and extensions of time and extra compensation as a result of incurring undisclosed utilities will be determined in accordance with General Requirements, “By CONTRACTOR or Others – Unknown Utilities during Contract Work”. OC SAN’s decision will be conclusive on all parties to this Contract.

SECTION – 8 EXTRA WORK

The Contract Price as set forth in Section 11, includes compensation for all Work performed by CONTRACTOR, unless CONTRACTOR obtains a Change Order signed by a designated representative of OC SAN specifying the exact nature of the Extra Work and the amount of extra compensation to be paid all as more particularly set forth in Section 9 hereof and the General Conditions, “Request for Change (Changes at CONTRACTOR’s Request)”, “OWNER Initiated Changes”, and “Contract Price Adjustments and Payments”.

In the event a Change Order is issued by OC SAN pursuant to the Contract Documents, OC SAN shall extend the time fixed in Section 5 for completion of the Project by the number of days, if any, reasonably required for CONTRACTOR to perform the Extra Work, as determined by OC SAN’s ENGINEER. The decision of the ENGINEER shall be final.

SECTION – 9 CHANGES IN PROJECT

OC SAN may at any time, without notice to any Surety, by Change Order, make any changes in the Work within the general scope of the Contract Document, including but not limited to changes:

1. In the Specifications (including Drawings and designs);
2. In the time, method or manner of performance of the Work;
3. In OC SAN-furnished facilities, equipment, materials, services or site; or
4. Directing acceleration in the performance of the Work.

No change of period of performance or Contract Price, or any other change in the Contract Documents, shall be binding until the Contract is modified by a fully executed Change Order.

All Change Orders shall be issued in accordance with the requirements set forth in the General Conditions, "Request for Change (Changes at CONTRACTOR's Request)" and "OWNER Initiated Changes".

SECTION – 10 LIQUIDATED DAMAGES FOR DELAY

Liquidated Damages shall be payable in the amounts and upon the occurrence of such events or failure to meet such requirements or deadlines as provided in the Special Provisions, "Liquidated Damages and Incentives."

SECTION – 11 CONTRACT PRICE AND METHOD OF PAYMENT

- A. OC SAN agrees to pay and the CONTRACTOR agrees to accept as full consideration for the faithful performance of this Contract, subject to any additions or deductions as provided in approved Change Orders, the sum of Twenty-One Million Five Hundred Sixty-Five Thousand Two Hundred Ninety-Two Dollars (\$21,565,292) as itemized on the attached Exhibit A.

Upon satisfaction of the conditions precedent to payment set forth in the General Requirements, Additional General Requirements, and General Conditions (including but not limited to Sections entitled "Mobilization Payment Requirements" and "Payment Itemized Breakdown of Contract Lump Sum Prices"), there shall be paid to the CONTRACTOR an initial Net Progress Payment for mobilization. OC SAN shall issue at the commencement of the job a schedule which shows:

1. A minimum of one payment to be made to the CONTRACTOR for each successive four (4) week period as the Work progresses, and
2. The due dates for the CONTRACTOR to submit requests for payment to meet the payment schedule.

After the initial Net Progress Payment, and provided the CONTRACTOR submits the request for payment prior to the end of the day required to meet the payment schedule, the CONTRACTOR shall be paid a Net Progress Payment on the corresponding monthly payment date set forth in the schedule.

Payments shall be made on demands drawn in the manner required by law, accompanied by a certificate signed by the ENGINEER, stating that the Work for which payment is demanded has been performed in accordance with the terms of the Contract Documents, and that the amount stated in the certificate is due under the terms of the Contract. Payment applications shall also be accompanied with all documentation, records, and releases as required by the Contract; Exhibit A, Schedule of Prices; and General Conditions, "Payment for Work – General". The Total amount of Progress Payments shall not exceed the actual value of the Work completed as certified by OC SAN's ENGINEER. The processing of payments shall not be considered as an acceptance of any part of the Work.

B. As used in this Section, the following defined terms shall have the following meanings:

1. **“Net Progress Payment”** means a sum equal to the Progress Payment less the Retention Amount and other qualified deductions (Liquidated Damages, stop payment notices, etc.).
2. **“Progress Payment”** means a sum equal to:
 - a. the value of the actual Work completed since the commencement of the Work as determined by OC SAN;
 - b. plus the value of material suitably stored at the worksite, treatment plant or approved storage yards subject to or under the control of OC SAN since the commencement of the Work as determined by OC SAN;
 - c. less all previous Net Progress Payments;
 - d. less all amounts of previously qualified deductions;
 - e. less all amounts previously retained as Retention Amounts.
3. **“Retention Amount”** for each Progress Payment means the percentage of each Progress Payment to be retained by OC SAN to assure satisfactory completion of the Contract. The amount to be retained from each Progress Payment shall be determined as provided in the General Conditions, “Retained Funds; Substitution of Securities.”

SECTION – 12 SUBSTITUTION OF SECURITIES IN LIEU OF RETENTION OF FUNDS

Pursuant to Public Contract Code Section 22300 et seq., the CONTRACTOR may, at its sole expense, substitute securities as provided in General Conditions, “Retained Funds; Substitution of Securities.”

SECTION – 13 COMPLETION

Final Completion and Final Acceptance shall occur at the time and in the manner specified in the General Conditions, “Final Acceptance and Final Completion”, “Final Payment”; and Exhibit A, Schedule of Prices.

Upon receipt of all documentation, records, and releases as required by the Contract from the CONTRACTOR, OC SAN shall proceed with the Final Acceptance as specified in General Conditions.

SECTION – 14 CONTRACTOR’S EMPLOYEES COMPENSATION

A. General Prevailing Rate:

OC SAN has been advised by the State of California Director of Industrial Relations of its determination of the general prevailing rate of per diem wages and the general prevailing rate for legal holiday and overtime Work in the locality in which the Work is to be performed for each craft or type of Work needed to execute this Contract, and copies of the same are on file in the Office of the ENGINEER of OC SAN. The CONTRACTOR agrees that not less than said prevailing rates shall be paid to workers employed on this public works Contract as required by Labor Code Section 1774 of the State of California. Per California Labor Code 1773.2, OC SAN will have on file copies of the prevailing rate of per diem wages at its principal office and at each job site, which shall be made available to any interested party upon request.

B. Forfeiture for Violation:

CONTRACTOR shall, as a penalty to OC SAN, forfeit Two Hundred Dollars (\$200.00) for each calendar day or portion thereof for each worker paid (either by the CONTRACTOR or any Subcontractor under it) less than the prevailing rate of per diem wages as set by the Director of Industrial Relations, in accordance with Sections 1770-1780 of the California Labor Code for the Work provided for in this Contract, all in accordance with Section 1775 of the Labor Code of the State of California.

C. Apprentices:

Sections 1777.5, 1777.6, 1777.7 of the Labor Code of the State of California, regarding the employment of apprentices are applicable to this Contract and the CONTRACTOR

shall comply therewith if the prime contract involves Thirty Thousand Dollars (\$30,000.00) or more.

D. Workday:

In the performance of this Contract, not more than eight (8) hours shall constitute a day's work, and the CONTRACTOR shall not require more than eight (8) hours of labor in a day from any person employed by him hereunder except as provided in paragraph (B) above. CONTRACTOR shall conform to Article 3, Chapter 1, Part 7 (Section 1810 et seq.) of the Labor Code of the State of California and shall forfeit to OC SAN as a penalty, the sum of Twenty-five Dollars (\$25.00) for each worker employed in the execution of this Contract by CONTRACTOR or any Subcontractor for each calendar day during which any worker is required or permitted to labor more than eight (8) hours in any one calendar day and forty (40) hours in any one week in violation of said Article. CONTRACTOR shall keep an accurate record showing the name and actual hours worked each calendar day and each calendar week by each worker employed by CONTRACTOR in connection with the Project.

E. Registration; Record of Wages; Inspection:

CONTRACTOR shall comply with the registration requirements of Labor Code Section 1725.5. Pursuant to Labor Code Section 1771.4, the Work is subject to compliance monitoring by the California Department of Industrial Relations. CONTRACTOR shall maintain accurate payroll records and shall submit payroll records to the Labor Commissioner pursuant to Labor Code Section 1771.4(a)(3). Penalties for non-compliance with the requirements of Section 1776 may be deducted from progress payments per Section 1776.

CONTRACTOR shall comply with the job site notices posting requirements established by the Labor Commissioner per Title 8, California Code of Regulations Section 16461(e).

SECTION – 15 SURETY BONDS

CONTRACTOR shall, before entering upon the performance of this Contract, furnish Bonds approved by OC SAN's General Counsel – one in the amount of one hundred percent (100%) of the Contract amount, to guarantee the faithful performance of the Work, and the other in the amount of one hundred percent (100%) of the Contract amount to guarantee payment of all claims for labor and materials furnished. As changes to the Contract occur via approved Change Orders, the CONTRACTOR shall assure that the amounts of the Bonds are adjusted to maintain 100% of the Contract Price. This Contract shall not become effective until such Bonds are supplied to and approved by OC SAN. Bonds must be issued by a Surety authorized by the State Insurance Commissioner to do business in California. The Performance Bond shall remain in full force and effect through the warranty period, as specified in Section 19 below. All Bonds required to be submitted relating to this Contract must comply with California Code of Civil Procedure Section 995.630. Each Bond shall be executed in the name of the Surety insurer under penalty of perjury, or the fact of execution of each Bond shall be duly acknowledged before an officer authorized to take and certify acknowledgments, and either one of the following conditions shall be satisfied:

- A. A copy of the transcript or record of the unrevoked appointment, power of attorney, by-laws, or other instrument, duly certified by the proper authority and attested by the seal of the insurer entitling or authorizing the person who executed the Bond to do so for and on behalf of the insurer, is on file in the Office of the County Clerk of the County of Orange; or
- B. A copy of a valid power of attorney is attached to the Bond.

SECTION – 16 INSURANCE

CONTRACTOR shall purchase and maintain, for the duration of the Contract, insurance against claims for injuries to persons, or damages to property which may arise from or in connection with the performance of the Work hereunder, and the results of that Work by CONTRACTOR,

its agents, representatives, employees, or Subcontractors, in amounts equal to the requirements set forth below. CONTRACTOR shall not commence Work under this Contract until all insurance required under this Section is obtained in a form acceptable to OC SAN, nor shall CONTRACTOR allow any Subcontractor to commence Work on a subcontract until all insurance required of the Subcontractor has been obtained. CONTRACTOR shall maintain all of the foregoing insurance coverages in force through the point at which the Work under this Contract is fully completed and accepted by OC SAN pursuant to the provisions of the General Conditions, "Final Acceptance and Final Completion". Furthermore, CONTRACTOR shall maintain all of the foregoing insurance coverages in full force and effect throughout the warranty period, commencing on the date of Final Acceptance. The requirement for carrying the foregoing insurance shall not derogate from the provisions for indemnification of OC SAN by CONTRACTOR under Section 17 of this Contract. Notwithstanding nor diminishing the obligations of CONTRACTOR with respect to the foregoing, CONTRACTOR shall subscribe for and maintain in full force and effect during the life of this Contract, inclusive of all changes to the Contract Documents made in accordance with the provisions of the General Conditions, "Request for Change (Changes at CONTRACTOR's Request)" and/or "OWNER Initiated Changes", the following insurance in amounts not less than the amounts specified. OC SAN reserves the right to amend the required limits of insurance commensurate with the CONTRACTOR's risk at any time during the course of the Project. No vehicles may enter OC SAN premises/worksite without possessing the required insurance coverage.

CONTRACTOR's insurance shall also comply with all insurance requirements prescribed by agencies from whom permits shall be obtained for the Work and any other third parties from whom third party agreements are necessary to perform the Work (collectively, the "Third Parties"). The Special Provisions may list such requirements and sample forms and requirements from such Third Parties may be included in an attachment to the General

Requirements. CONTRACTOR bears the responsibility to discover and comply with all requirements of Third Parties, including meeting specific insurance requirements, that are necessary for the complete performance of the Work. To the extent there is a conflict between the Third Parties' insurance requirements and those set forth by OC SAN herein, the requirement(s) providing the more protective coverage for both OC SAN and the Third Parties shall control and be purchased and maintained by CONTRACTOR.

If CONTRACTOR maintains higher limits than the minimums shown in this Section, OC SAN requires and shall be entitled to coverage for the higher limits maintained by the CONTRACTOR.

Where permitted by law, CONTRACTOR hereby waives all rights of recovery by subrogation because of deductible clauses, inadequacy of limits of any insurance policy, limitations or exclusions of coverage, or any other reason against OC SAN, its or their officers, agents, or employees, and any other contractor or subcontractor performing Work or rendering services on behalf of OC SAN in connection with the planning, development and construction of the Project. In all its insurance coverages (except for Professional Liability/Errors and Omissions coverages, if applicable) related to the Work, CONTRACTOR shall include clauses providing that each insurer shall waive all of its rights of recovery by subrogation against OC SAN, its or their officers, agents, or employees, or any other contractor or subcontractor performing Work or rendering services at the Project. Where permitted by law, CONTRACTOR shall require similar written express waivers and insurance clauses from each of its Subcontractors of every tier. A waiver of subrogation shall be effective as to any individual or entity, even if such individual or entity (a) would otherwise have a duty of indemnification, contractual or otherwise, (b) did not pay the insurance premium, directly or indirectly, and (c) whether or not such individual or entity has an insurable interest in the property damaged.

A. Limits of Insurance

1. General Liability: Five Million Dollars (\$5,000,000) per occurrence and a general aggregate limit of Ten Million Dollars (\$10,000,000) for bodily injury, personal injury and property damage. If aggregate limits apply separately to this contract (as evidenced by submission of ISO form CG 25 03 or CG 25 04), then the aggregate limit may be equivalent to the per occurrence limit. Coverage shall include each of the following:
 - a. Premises-Operations.
 - b. Products and Completed Operations, with limits of at least Five Million Dollars (\$5,000,000) per occurrence and a general aggregate limit of Ten Million Dollars (\$10,000,000) which shall be in effect at all times during the warranty period set forth in the Warranty section herein, and as set forth in the General Conditions, "Warranty (CONTRACTOR's Guarantee)", plus any additional extension or continuation of time to said warranty period that may be required or authorized by said provisions. If aggregate limits apply separately to this contract (as evidenced by submission of ISO form CG 25 03 or CG 25 04), then the aggregate limit may be equivalent to the per occurrence limit.
 - c. Broad Form Property Damage, expressly including damage arising out of explosion, collapse, or underground damage.
 - d. Contractual Liability, expressly including the indemnity provisions assumed under this Contract.
 - e. Separation of Insured Clause, providing that coverage applies separately to each insured, except with respect to the limits of liability.

f. Independent CONTRACTOR's Liability.

To the extent first dollar coverage, including defense of any claim, is not available to OC SAN or any other additional insured because of any SIR, deductible, or any other form of self insurance, CONTRACTOR is obligated to assume responsibility of insurer until the deductible, SIR or other condition of insurer assuming its defense and/or indemnity has been satisfied.

CONTRACTOR shall be responsible to pay any deductible or SIR.

g. If a crane will be used, the general liability insurance will be endorsed to add Riggers Liability coverage or its equivalent to cover the usage of the crane and exposures with regard to the crane operators, riggers and others involved in using the crane.

h. If divers will be used, the general liability insurance will be endorsed to cover marine liability or its equivalent to cover the usage of divers.

2. Automobile Liability: The CONTRACTOR shall maintain a policy of automobile liability insurance on a comprehensive form covering all owned, non-owned, and hired automobiles, trucks, and other vehicles providing the following minimum limit of liability coverage: combined single limit of One Million Dollars (\$1,000,000) for bodily injury, personal injury, and property damage.

3. Umbrella Excess Liability: The minimum limits of general liability and automobile liability insurance required, as set forth above, shall be provided for either in a single policy of primary insurance or a combination of policies of primary and umbrella excess coverage. Excess liability coverage shall be issued with limits of liability which, when combined with the primary insurance, will equal the minimum limits for general liability and automobile liability.

4. Drone Liability Insurance: If a drone will be used, drone liability insurance must be maintained by CONTRACTOR in the amount of One Million Dollars (\$1,000,000) in a form acceptable to OC SAN.
5. Workers' Compensation/Employer's Liability: CONTRACTOR shall provide such workers' compensation insurance as required by the Labor Code of the State of California, including employer's liability with a minimum limit of One Million Dollars (\$1,000,000) per accident for bodily injury or disease. If an exposure to Jones Act liability may exist, the insurance required herein shall include coverage with regard to Jones Act claims.

B. Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to and approved by OC SAN. At the option of OC SAN, either: the Insurer shall reduce or eliminate such deductibles or self-insured retentions as respects OC SAN, its Directors, officers, agents, consultants, and employees; or CONTRACTOR shall provide a financial guarantee satisfactory to OC SAN guaranteeing payment of losses and related investigations, claim administration, and defense expenses.

C. Other Insurance Provisions

1. Each such policy of general liability insurance and automobile liability insurance shall be endorsed to contain, the following provisions:
 - a. OC SAN, its directors, officers, agents, consultants, and employees, and all public agencies from whom permits will be obtained, and their directors, officers, agents, and employees are hereby declared to be additional insureds under the terms of this policy, but only with respect to the operations of CONTRACTOR at or from any of the sites of OC SAN in connection with this

Contract, or acts and omissions of the additional insured in connection with its general supervision or inspection of said operations related to this Contract.

- b. Insurance afforded by the additional insured endorsement shall apply as primary insurance, and other insurance maintained by OC SAN shall be excess only and not contributing with insurance provided under this policy.

2. Cancellation and Policy Change Notice.

The CONTRACTOR is required to notify OC SAN in writing of any insurance cancellation notice it receives or other knowledge of pending or actual insurance policy cancellation within two (2) working days of receipt of such notice or acquisition of such knowledge. Additionally, the CONTRACTOR is required to notify OC SAN in writing of any change in the terms of insurance, including reduction in coverage or increase in deductible/SIR, within two (2) working days of receipt of such notice or knowledge of same.

Said notices shall be mailed to OC SAN at:

ORANGE COUNTY SANITATION DISTRICT
18480 Bandilier Circle
Fountain Valley, CA 92708
Attention: Contracts, Purchasing & Materials Management Division

3. Coverage shall not extend to any indemnity coverage for the active negligence of any additional insured in any case where an agreement to indemnify the additional insured would be invalid under California Civil Code Section 2782(b).
4. If required by a public agency from whom permit(s) will be obtained, each policy of general liability insurance and automobile liability insurance shall be endorsed to specify by name the public agency and its legislative members, officers, agents, consultants, and employees, to be additional insureds.

D. Acceptability of Insurers

Insurers must have an "A-", or better, Policyholder's Rating, and a Financial Rating of at least Class VIII, or better, in accordance with the most current A.M. Best Rating Guide.

OC SAN recognizes that State Compensation Insurance Fund has withdrawn from participation in the A.M. Best Rating Guide process. Nevertheless, OC SAN will accept State Compensation Insurance Fund for the required policy of worker's compensation insurance, subject to OC SAN's option, at any time during the term of this Contract, to require a change in insurer upon twenty (20) days written notice. Further, OC SAN will require CONTRACTOR to substitute any insurer whose rating drops below the levels herein specified. Said substitution shall occur within twenty (20) days of written notice to CONTRACTOR by OC SAN or its agent.

E. Verification of Coverage

CONTRACTOR shall furnish OC SAN with original certificates and mandatory endorsements affecting coverage. Said policies and endorsements shall conform to the requirements herein stated. All certificates and endorsements are to be received and approved by OC SAN before Work commences. OC SAN reserves the right to require complete, certified copies of all required insurance policies, including endorsements, affecting the coverage required by these Specifications at any time.

F. Subcontractors

CONTRACTOR shall be responsible to establish insurance requirements for any Subcontractors hired by CONTRACTOR. The insurance shall be in amounts and types reasonably sufficient to deal with the risk of loss involving the Subcontractor's operations and work. OC SAN and any public agency issuing permits for the Project must be named as "Additional Insured" on any general liability or automobile liability policy obtained by a Subcontractor. The CONTRACTOR must obtain copies and maintain current versions of

all Subcontractors' policies, certificate of liability and mandatory endorsements effecting coverage. Upon request, CONTRACTOR must furnish OC SAN with the above referenced required documents.

G. Required Forms and Endorsements

1. Required ACORD Form

- | | | |
|----|--------------------------|---|
| a. | Certificate of Liability | ACORD Form 25 or other equivalent certificate of insurance form |
|----|--------------------------|---|

2. Required Insurance Services Office, Inc. Endorsements (when alternative forms are shown, they are listed in order of preference)

In the event any of the following forms are cancelled by Insurance Services Office, Inc. (ISO), or are updated, the ISO replacement form or equivalent must be supplied.

- | | | |
|----|---|--|
| a. | Commercial General Liability | Form CG 00 01 |
| b. | Additional Insured Including Products-Completed Operations | Form CG 20 10 and
Form CG 20 37
All other additional insured endorsements must be submitted for approval by OC SAN, and OC SAN may reject alternatives that provide different or less coverage to OC SAN. |
| c. | Waiver of Transfer of Rights of Recovery Against Others to Us/
Waiver of Subrogation | Form CG 24 04 |

3. Required State Compensation Insurance Fund Endorsements

- | | | |
|----|-----------------------|---|
| a. | Waiver of Subrogation | Submit workers' compensation waiver of subrogation endorsement provided by carrier for OC SAN approval. |
| b. | Cancellation Notice | No endorsement is required. However, CONTRACTOR is responsible for notifying OC SAN of any pending or actual insurance policy cancellation, as described in Article C.2., Cancellation and Policy Change Notice, above. |

4. Additional Required Endorsements

a. Notice of Policy Termination

Manuscript Endorsement

SECTION – 17 RISK AND INDEMNIFICATION

All Work covered by this Contract done at the site of construction or in preparing or delivering materials to the site shall be at the risk of CONTRACTOR alone. CONTRACTOR shall save, indemnify, defend, and keep OC SAN and others harmless as more specifically set forth in General Conditions, “General Indemnification”.

SECTION – 18 TERMINATION

This Contract may be terminated in whole or in part in writing by OC SAN in the event of substantial failure by the CONTRACTOR to fulfill its obligations under this Contract Agreement, or it may be terminated by OC SAN for its convenience provided that such termination is effectuated in a manner and upon such conditions set forth more particularly in General Conditions, “Termination for Default” and/or “Termination for Convenience”, provided that no termination may be effected unless proper notice is provided to CONTRACTOR at the time and in the manner provided in said General Conditions. If termination for default or convenience is effected by OC SAN, an equitable adjustment in the price provided for in this Contract shall be made at the time and in the manner provided in the General Conditions, “Termination for Default” and “Termination for Convenience”.

SECTION – 19 WARRANTY

The CONTRACTOR agrees to perform all Work under this Contract in accordance with the Contract Documents, including OC SAN’s designs, Drawings and Specifications.

The CONTRACTOR guarantees for a period of at least one (1) year from the date of Final Acceptance of the Work, pursuant to the General Conditions, “Final Acceptance and Final Completion” that the completed Work is free from all defects due to faulty materials, equipment

or workmanship and that it shall promptly make whatever adjustments or corrections which may be necessary to cure any defects, including repairs of any damage to other parts of the system resulting from such defects. OC SAN shall promptly give notice to the CONTRACTOR of observed defects. In the event that the CONTRACTOR fails to make adjustments, repairs, corrections or other work made necessary by such defects, OC SAN may do so and charge the CONTRACTOR the cost incurred. The CONTRACTOR's warranty shall continue as to any corrected deficiency until the later of (1) the remainder of the original one-year warranty period; or (2) one year after acceptance by OC SAN of the corrected Work. The Performance Bond and the Payment Bond shall remain in full force and effect through the guarantee period.

The CONTRACTOR's obligations under this clause are in addition to the CONTRACTOR's other express or implied assurances under this Contract, including but not limited to specific manufacturer or other extended warranties specified in the Plans and Specifications, or state law and in no way diminish any other rights that OC SAN may have against the CONTRACTOR for faulty materials, equipment or Work.

SECTION – 20 ASSIGNMENT

No assignment by the CONTRACTOR of this Contract or any part hereof, or of funds to be received hereunder, will be recognized by OC SAN unless such assignment has had prior written approval and consent of OC SAN and the Surety.

SECTION – 21 RESOLUTION OF DISPUTES

OC SAN and the CONTRACTOR shall comply with the provisions of California Public Contract Code Section 20104 et. seq., regarding resolution of construction claims for any Claims which arise between the CONTRACTOR and OC SAN, as well as all applicable dispute and Claims provisions as set forth in the General Conditions and as otherwise required by law.

SECTION – 22 SAFETY & HEALTH

CONTRACTOR shall comply with all applicable safety and health requirements mandated by federal, state, city and/or public agency codes, permits, ordinances, regulations, and laws, as well as these Contract Documents, including but not limited to the General Requirements, Section entitled “Safety” and Exhibit B Contractor Safety Standards. OC SAN reserves the right to stop Work for violations of safety and health standards until the hazardous conditions are corrected. The right to stop Work includes the right to remove a contractor or its employees from the worksite.

SECTION – 23 CALIFORNIA VOLUNTARY PROTECTION PROGRAM ANNUAL REPORTING REQUIREMENT

If CONTRACTOR will potentially work 1,000 combined hours in a quarter, for the term of the Contract Agreement, CONTRACTOR shall provide an annual report detailing its safety and health information, including, but not limited to, its total number of employees, work hours, number of injuries and illnesses, and number of injury and illness cases involving days away from work, restricted work activity and/or job transfer. CONTRACTOR shall furnish this report to OC SAN no later than January 20th each calendar year. Failure to provide this data by the required due date may result in suspension of CONTRACTOR’s services with OC SAN. Any delay arising out of or resulting from such suspension shall be CONTRACTOR’s sole responsibility and considered CONTRACTOR caused delay, which shall not be compensable by OC SAN.

SECTION – 24 HUMAN RESOURCES POLICIES

CONTRACTOR and its Subcontractors shall comply with and ensure their employees adhere to OC SAN’s Human Resources Policies attached hereto as Exhibit C.

SECTION – 25 NOTICES

Any notice required or permitted under this Contract shall be served by personal delivery or by certified mail, return receipt requested, at the address set forth below. Unless specified elsewhere in the Contract Documents or otherwise required by law, any notice may alternatively be given by electronic telecommunication to the email address set forth below. Any party whose address changes shall notify the other party in writing.

TO OC SAN:	Orange County Sanitation District 18480 Bandilier Circle Fountain Valley, California 92708 Attn: Clerk of the Board ocsanclerk@ocsan.gov
Copy to:	Orange County Sanitation District 18480 Bandilier Circle Fountain Valley, California 92708 Attn: Construction Manager rcuellar@ocsan.gov Scott C. Smith Best Best & Krieger LLP 18101 Von Karman Avenue, Suite 1000 Irvine, California 92612 scott.smith@bbklaw.com
TO CONTRACTOR:	Dennis Gutierrez, President GSE Construction Company, Inc. 7633 Southfront Road, Suite 160 Livermore, CA 94551 estimating@gseconstruction.com

IN WITNESS WHEREOF, the parties hereto have executed this Contract Agreement as the date first hereinabove written.

CONTRACTOR: GSE Construction Company, Inc.
7633 Southfront Road, Suite 160
Livermore, CA 94551

By _____ Date _____

Printed Name

Its _____

CONTRACTOR's State License No. 401498 (Expiration Date – 3/31/2027)

OC SAN: Orange County Sanitation District

By _____ Date _____

Ryan P. Gallagher
Board Chairman

By _____ Date _____

Kelly A. Lore
Clerk of the Board

By _____ Date _____

Kevin Work
Purchasing & Contracts Manager

CONFORMED

C-CA-030525

PROJECT NO. P1-142

TRICKLING FILTER MEDIA REPLACEMENT AT PLANT NO. 1

EXHIBIT A
SCHEDULE OF PRICES

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SCHEDULE OF PRICES

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EXHIBIT A

SCHEDULE OF PRICES

EXA-1 BASIS OF COMPENSATION

CONTRACTOR will be paid the Contract Price according to the Schedule of Prices, and all other applicable terms and conditions of the Contract Documents.

EXA-2 PROGRESS PAYMENTS

Progress payments will be made in accordance with all applicable terms and conditions of the Contract Documents, including, but not limited to:

1. Contract Agreement – Section 11 – “Contract Price and Method of Payment;”
2. General Conditions – “Payment – General”;
3. General Conditions – “Payment – Applications for Payment”;
4. General Conditions – “Payment – Mobilization Payment Requirements;”
5. General Conditions – “Payment – Itemized Breakdown of Contract Lump Sum Prices”;
6. General Conditions – “Contract Price Adjustments and Payments”;
7. General Conditions – “Suspension of Payments”;
8. General Conditions – “OC SAN’s Right to Withhold Certain Amounts and Make Application Thereof”; and
9. General Conditions – “Final Payment.”

EXA-3 RETENTION AND ESCROW ACCOUNTS

A. Retention:

OC SAN shall retain a percentage of each progress payment to assure satisfactory completion of the Work. The amount to be retained from each progress payment shall be determined as provided in General Conditions – “Retained Funds; Substitution of Securities”. In all contracts between CONTRACTOR and its Subcontractors and/or Suppliers, the retention may not exceed the percentage specified in the Contract Documents.

B. Substitution of Securities:

CONTRACTOR may, at its sole expense, substitute securities as provided in General Conditions – “Retained Funds; Substitution of Securities.” Payment of Escrow Agent:

In lieu of substitution of securities as provided above, the CONTRACTOR may request and OC SAN shall make payment of retention earned directly to the escrow agent at the expense of the CONTRACTOR. At the expense of the CONTRACTOR, the CONTRACTOR may direct the investment of the payments into securities consistent with Government Code §16430 and the CONTRACTOR shall receive the interest earned on the investments upon the same terms provided for in this article for securities deposited by the CONTRACTOR. Upon satisfactory completion of the Contract, the CONTRACTOR shall receive from the escrow agent all securities, interest and payments received by the escrow agent from OC SAN, pursuant to the terms of this article. The CONTRACTOR shall pay to each Subcontractor, not later than twenty (20) calendar days after receipt of the payment, the respective amount of interest earned, net of costs attributed to retention withheld from each Subcontractor, on the amount of retention withheld to ensure the performance of the Subcontractor. The escrow agreement used by the escrow agent pursuant to this article shall be substantially similar to the form set forth in §22300 of the California Public Contract Code.

C. Release of Retention:

Upon Final Acceptance of the Work, the CONTRACTOR shall submit an invoice for release of retention in accordance with the terms of the Contract.

D. Additional Deductibles:

In addition to the retentions described above, OC SAN may deduct from each progress payment any or all of the following:

1. Liquidated Damages that have occurred as of the date of the application for progress payment;
2. Deductions from previous progress payments already paid, due to OC SAN's discovery of deficiencies in the Work or non-compliance with the Specifications or any other requirement of the Contract;
3. Sums expended by OC SAN in performing any of the CONTRACTOR'S obligations under the Contract that the CONTRACTOR has failed to perform, and;
4. Other sums that OC SAN is entitled to recover from the CONTRACTOR under the terms of the Contract, including without limitation insurance deductibles and assessments.

The failure of OC SAN to deduct any of the above-identified sums from a progress payment shall not constitute a waiver of OC SAN's right to such sums or to deduct them from a later progress payment.

EXA-4 STOP PAYMENT NOTICE

In addition to other amounts properly withheld under this article or under other provisions of the Contract, OC SAN shall retain from progress payments otherwise due the CONTRACTOR an amount equal to one hundred twenty-five percent (125%) of the amount claimed under any stop payment notice under Civil Code §9350 et. seq. or other lien filed against the CONTRACTOR for labor, materials, supplies, equipment, and any other thing of value claimed to have been furnished to and/or incorporated into the Work; or for any other alleged contribution thereto. In addition to the foregoing and in accordance with Civil Code §9358 OC SAN may also satisfy its duty to withhold funds for stop payment notices by refusing to release funds held in escrow pursuant to public receipt of a release of stop payment notice executed by a stop payment notice claimant, a stop payment notice release bond, an order of a court of competent jurisdiction, or other evidence satisfactory to OC SAN that the CONTRACTOR has resolved such claim by settlement.

EXA-5 PAYMENT TO SUBCONTRACTORS

Requirements

1. The CONTRACTOR shall pay all Subcontractors for and on account of Work performed by such Subcontractors, not later than seven (7) days after receipt of each progress payment as required by the California Business and Professions Code §7108.5. Such payments to Subcontractors shall be based on the measurements and estimates made pursuant to article progress payments provided herein.
2. Except as specifically provided by law, the CONTRACTOR shall pay all Subcontractors any and all retention due and owing for and on account of Work performed by such Subcontractors not later than seven (7) days after CONTRACTOR'S receipt of said retention proceeds from OC SAN as required by the California Public Contract Code §7107.

EXA-6 PAYMENT OF TAXES

Unless otherwise specifically provided in this Contract, the Contract Price includes full compensation to the CONTRACTOR for all taxes. The CONTRACTOR shall pay all federal, state, and local taxes, and duties applicable to and assessable against any Work, including but not limited to retail sales and use, transportation, export, import, business, and special taxes. The CONTRACTOR shall ascertain and pay the taxes when due. The CONTRACTOR will maintain auditable records, subject to OC SAN reviews, confirming that tax payments are current at all times.

EXA-7 FINAL PAYMENT

After Final Acceptance of the Work, as more particularly set forth in the General Conditions, "Final Acceptance and Final Completion"; and after authorization by the General Manager of the final payment and satisfaction of the requirements as more particularly set forth in General Conditions – "Final Payment", a final payment will be made as follows:

1. Prior to Final Acceptance, the CONTRACTOR shall prepare and submit an application for Final Payment to OC SAN, including:
 - a. The proposed total amount due the CONTRACTOR, segregated by items on the payment schedule, amendments, Change Orders, and other bases for payment;
 - b. Deductions for prior progress payments;
 - c. Amounts retained;
 - d. A conditional waiver and release on final payment for each Subcontractor (per Civil Code Section 8136);
 - e. A conditional waiver and release on final payment on behalf of the CONTRACTOR (per Civil Code Section 8136);
 - f. List of Claims the CONTRACTOR intends to file at that time or a statement that no Claims will be filed,
 - g. List of pending unsettled claims, stating claimed amounts, and copies of any and all complaints and/or demands for arbitration received by the CONTRACTOR; and
 - h. For each and every claim that resulted in litigation or arbitration which the CONTRACTOR has settled, a conformed copy of the Request for Dismissal with prejudice or other satisfactory evidence the arbitration is resolved.
2. The application for Final Payment shall include complete and legally effective releases or waivers of liens and stop payment notices satisfactory to OC SAN, arising out of or filed in connection with the Work. Prior progress payments shall be subject to correction in OC SAN's review of the application for Final Payment. Claims filed with the application for Final Payment must be otherwise timely under the Contract and applicable law.
3. Within a reasonable time, OC SAN will review the CONTRACTOR'S application for Final Payment. Any recommended changes or corrections will then be forwarded to the CONTRACTOR. Within ten (10) calendar days after receipt of recommended changes from OC SAN, the CONTRACTOR will make the changes, or list Claims that will be filed as a result of the

changes, and shall submit the revised application for Final Payment. Upon acceptance by OC SAN, the revised application for Final Payment will become the approved application for Final Payment.

4. If no Claims have been filed with the initial or any revised application for Final Payment, and no Claims remain unsettled within thirty-five (35) calendar days after the date of recordation of the Notice of Completion by OC SAN, and agreements are reached on all issues regarding the application for Final Payment, OC SAN, in exchange for an executed release, satisfactory in form and substance to OC SAN, will pay the entire sum found due on the approved application for Final Payment, including the amount, if any, allowed on settled Claims.
5. The release from the CONTRACTOR shall be from any and all Claims arising under the Contract, except for Claims that with the concurrence of OC SAN are specifically reserved, and shall release and waive all unreserved Claims against OC SAN and its officers, directors, employees and authorized representatives. The release shall be accompanied by a certification by the CONTRACTOR that:
 - a. It has resolved all Subcontractors, Suppliers and other Claims that are related to the settled Claims included in the Final Payment;
 - b. It has no reason to believe that any party has a valid claim against the CONTRACTOR or OC SAN which has not been communicated in writing by the CONTRACTOR to OC SAN as of the date of the certificate;
 - c. All warranties are in full force and effect, and;
 - d. The releases and the warranties shall survive Final Payment.
6. If any claims remain open, OC SAN may make Final Payment subject to resolution of those claims. OC SAN may withhold from the Final Payment an amount not to exceed one hundred fifty percent (150%) of the sum of the amounts of the open claims, and one hundred twenty-five percent (125%) of the amounts of open stop payment notices referred to in article entitled Stop Payment Notice herein.
7. The CONTRACTOR shall provide an unconditional waiver and release on final payment from each Subcontractor and Supplier providing Work under the Contract (per Civil Code Section 8138) and an unconditional waiver and release on final payment on behalf of the CONTRACTOR (per Civil Code Section 8138) within thirty (30) days of receipt of Final Payment.

EXA-8 DISCOVERY OF DEFICIENCIES BEFORE AND AFTER FINAL PAYMENT

Notwithstanding OC SAN's acceptance of the application for Final Payment and irrespective of whether it is before or after Final Payment has been made, OC SAN shall not be precluded from subsequently showing that:

1. The true and correct amount payable for the Work is different from that previously accepted;
2. The previously accepted Work did not in fact conform to the Contract requirements, or;
3. A previous payment or portion thereof for Work was improperly made.

OC SAN also shall not be stopped from demanding and recovering damages from the CONTRACTOR, as appropriate, under any of the foregoing circumstances as permitted under the Contract or applicable law.

ATTACHMENT 1 – CERTIFICATION FOR REQUEST FOR PAYMENT

I hereby certify under penalty of perjury as follows:

That the claim for payment is in all respects true, correct; that the services mentioned herein were actually rendered and/or supplies delivered to OC SAN in accordance with the Contract.

I understand that it is a violation of both the federal and California False Claims Acts to knowingly present or cause to be presented to OC SAN a false claim for payment or approval.

A claim includes a demand or request for money. It is also a violation of the False Claims Acts to knowingly make use of a false record or statement to get a false claim paid. The term "knowingly" includes either actual knowledge of the information, deliberate ignorance of the truth or falsity of the information, or reckless disregard for the truth or falsity of the information. Proof of specific intent to defraud is not necessary under the False Claims Acts. I understand that the penalties under the Federal False Claims Act and State of California False Claims Act are non-exclusive, and are in addition to any other remedies which OC SAN may have either under contract or law.

I hereby further certify, to the best of my knowledge and belief, that:

1. The amounts requested are only for performance in accordance with the Specifications, terms, and conditions of the Contract;
2. Payments to Subcontractors and Suppliers have been made from previous payments received under the Contract, and timely payments will be made from the proceeds of the payment covered by this certification;
3. This request for progress payments does not include any amounts which the prime CONTRACTOR intends to withhold or retain from a Subcontractor or Supplier in accordance with the terms and conditions of the subcontract; and
4. This certification is not to be construed as Final Acceptance of a Subcontractor's performance.

Name

Title

Date

CONFORMED

C-EXA-013025
PROJECT NO. P1-142
TRICKLING FILTER MEDIA REPLACEMENT AT PLANT NO. 1

ATTACHMENT 2 – SCHEDULE OF PRICES

See next pages from the Bid Submittal Forms (GSE Construction Company, Inc.)

BF-14 Schedule of Prices, Pages 1-3

BF-14 SCHEDULE OF PRICES

INSTRUCTIONS

A. General

For Unit Prices, it is understood that the following quantities are approximate only and are solely for the purpose of estimating for the comparison of Bids and that the actual value of Work will be computed based upon the actual quantities in the completed Work, whether they be more or less than those shown. CONTRACTOR's compensation for the Work under the Contract Documents will be computed based upon the lump sum amount of the Contract at time of award, plus any additional or deleted costs approved by OC SAN via approved Change Orders, pursuant to the Contract Documents.

Bidder shall separately price and accurately reflect costs associated with each line item, leaving no blanks. Any and all modifications to the Bid must be initialed by an authorized representative of the Bidder in accordance with the Instructions to Bidders, Preparation of Bid.

Bidders are reminded of section entitled Discrepancies in Bid Items in the Instructions to Bidders, which, in summary, provides that the total price for each item shall be based on the Unit Price listed for each item multiplied by the quantity; and the correct Total Price for each item shall be totaled to determine the Total Amount of Bid.

All applicable costs including overhead and profit shall be reflected in the respective unit costs and the TOTAL AMOUNT OF BID. The Bid price shall include all costs to complete the Work, including profit, overhead, etc., unless otherwise specified in the Contract Documents. All applicable sales taxes, state and/or federal taxes, and any other special taxes, patent rights, or royalties shall be included in the prices quoted in this Bid.

B. Basis of Award

AWARD OF THE CONTRACT WILL BE MADE ON THE BASIS OF THE LOWEST RESPONSIVE AND RESPONSIBLE BID.

Note 1: Base Bid. Includes all costs necessary to furnish all labor, materials, equipment, and services for the construction of the Project in accordance with the Contract Documents.

Bid Submitted By: GSE Construction Company, Inc
(Name of Firm)

SCHEDULE OF PRICES

BASE BID ITEMS (Refer to Note 1 in the Instructions):

Item No.	Description	Unit of Measurement	Approx Qty		Unit Price		Total Price
1.	Mobilization as described in Section 01155, Measurement and Payment and in conformance with the Contract Documents for the lump sum price of...	Lump Sum				=	\$900,000
2.	PVC Weld Strip Repair and PVC Tie-Hole Anchor Repair as described in Section 01155, Measurement and Payment and in conformance with the Contract Documents for the unit price and total price of...	Linear Feet	4,800	X	\$ 238	=	\$ 1,142,400
3.	PVC Patch (up to 6" x 6") Repair as described in Section 01155, Measurement and Payment and in conformance with the Contract Documents for the unit price and total price of...	Each	2,020	X	\$ 230	=	\$ 464,600
4.	Coating (Spray-on Lining) Repairs as described in Section 01155, Measurement and Payment and in conformance with the Contract Documents for the unit price and total price of...	Square Feet	10,020	X	\$ 136	=	\$ 1,362,720
5.	Joint Sealant Repairs – Beam to Column as described in Section 01155, Measurement and Payment and in conformance with the Contract Documents for the unit price and total price of...	Each	884	X	\$ 733	=	\$ 647,972
6.	Joint Sealant Repairs – Beam to Wall as described in Section 01155, Measurement and Payment and in conformance with the Contract Documents for the unit price and total price of...	Linear Feet	120	X	\$ 970	=	\$ 116,400
7.	Sheeting, Shoring and Bracing as described in Section 01155, Measurement and Payment and in conformance with the Contract Documents for the lump sum price of...	Lump Sum				=	\$ 20,000

Bid Submitted By: GSE Construction Company, Inc
(Name of Firm)

SCHEDULE OF PRICES (Continued)

Item No.	Description	Unit of Measurement	Approx Qty		Unit Price		Total Price
8.	All Other Portions of the Work, Except the Work of Item Nos. 1 through 7 and Item Nos. 9 through 12 as described in Section 01155, Measurement and Payment and in conformance with the Contract Documents for the lump sum price of...	Lump Sum				=	\$ 15,728,200
9.	Demobilization as described in Section 01155, Measurement and Payment and in conformance with the Contract Documents for the lump sum price of...	Lump Sum				=	\$300,000
10.	Additional PVC Weld Strip Repair and PVC Tie-Hole Anchor Repair as described in Section 01155, Measurement and Payment and in conformance with the Contract Documents for the unit price and total price of...	Linear Feet	2,400	X	\$ 239	=	\$ 573,600
11.	Additional PVC Patch (up to 6" x 6") Repair as described in Section 01155, Measurement and Payment and in conformance with the Contract Documents for the unit price and total price of...	Each	900	X	\$238	=	\$ 214,200
12.	Spalled Concrete Repairs – at Trickling Filter 1 and Trickling Filter 2 as described in Section 01155, Measurement and Payment and in conformance with the Contract Documents for the unit price and total price of...	Square Feet	800	X	\$119	=	\$ 95,200

TOTAL AMOUNT OF BID (BASIS OF AWARD) \$ 21,565,292

Trickling Filter Media Replacement at Plant No. 1, Project No. P1-142

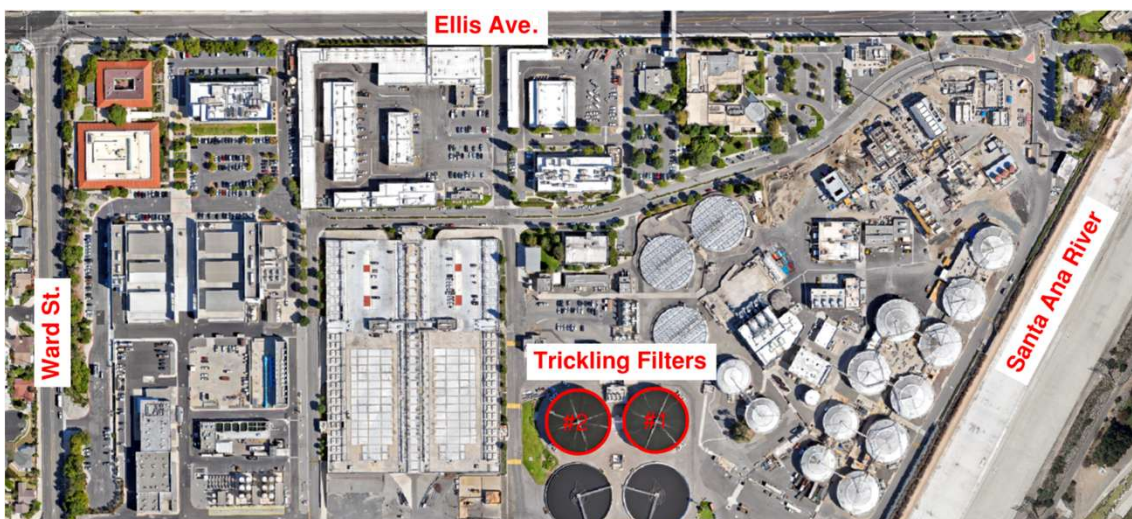
Presented by:
Mike Dorman
Director of Engineering

Steering Committee
October 22, 2025

OC SAN
ORANGE COUNTY SANITATION DISTRICT

1

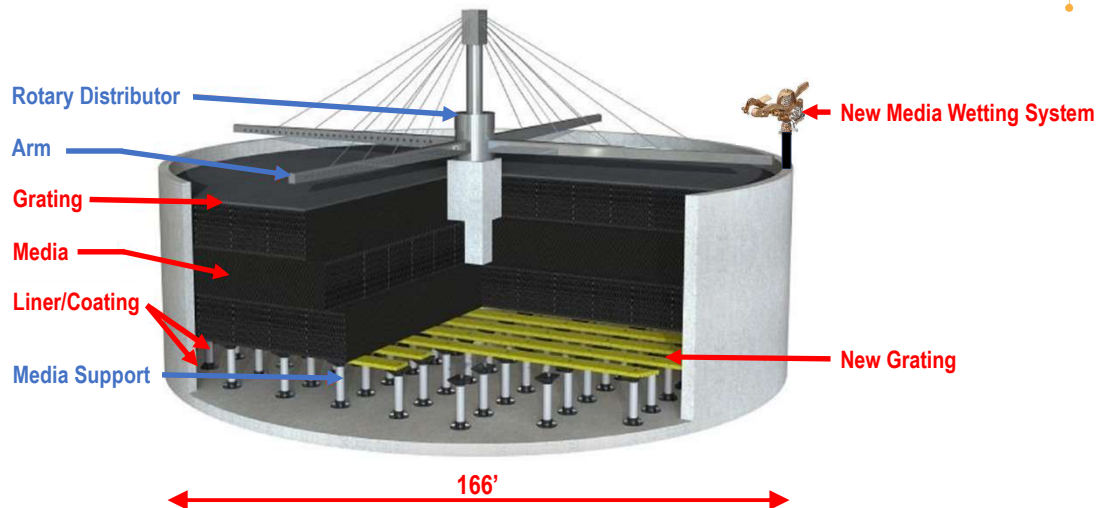
Project Location: Plant No. 1



2

2

Secondary Treatment: Trickling Filters

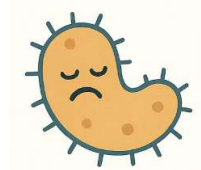


3

3

Reasons for the Project

- ✓ Age and wear
- ✓ Clogging and uneven flow
- ✓ Reduced performance
- ✓ Poor air flow and odor complaints
- ✓ Coating and concrete liner failure



4

4

Media Replacement

- Nearly 10 Olympic swimming pools of media
- New media wetting system

Example of media



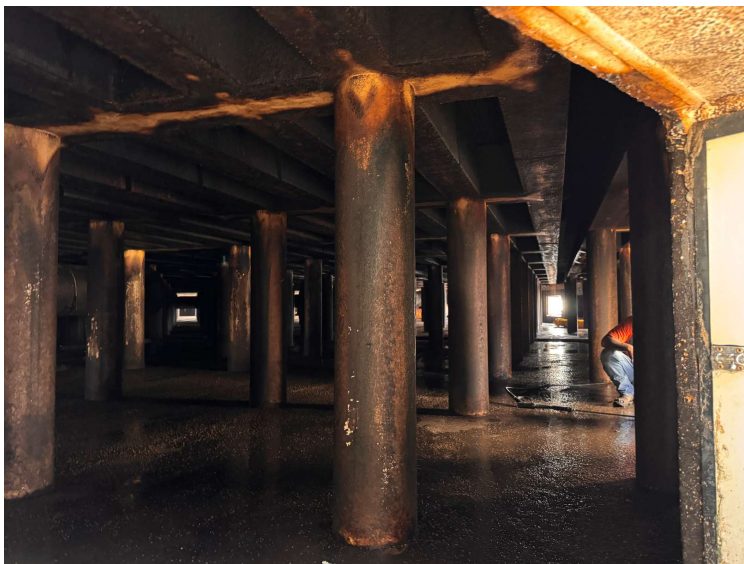
Media Installation at Plant No. 2



5

5

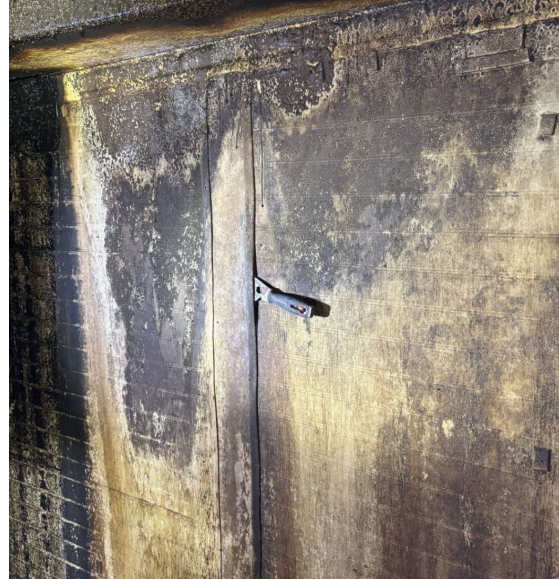
Coating Repair



6

6

Liner Repair



7

7

Bid Results

Engineer's Estimate: \$30,200,000

Bidder	Amount of Bid
Innovative Construction Solutions	\$ 19,972,000
Shimmick Construction Company, Inc.	\$ 20,019,620
* GSE Construction Company, Inc.	\$ 21,565,292
Garney Pacific, Inc.	\$ 22,949,801
Steve P. Rados	\$ 24,840,000
Olsson Construction, Inc.	\$ 27,582,689

* Lowest, responsible, responsive bidder

8

8

Recommendation

Recommend to the Board of Directors to:

- A. Receive and file Bid Tabulation and Recommendation for Trickling Filter Media Replacement at Plant No. 1, Project No. P1-142;
- B. Award a Construction Contract Agreement to GSE Construction Company, Inc. for Trickling Filter Media Replacement at Plant No. 1, Project No. P1-142, for a total amount not to exceed \$21,565,292; and
- C. Approve a contingency of \$2,156,529 (10%).

9

9

Questions?

10

10

STEERING COMMITTEE

Agenda Report

File #: 2025-4543

Agenda Date: 10/22/2025

Agenda Item No: 3.

FROM: Robert Thompson, General Manager
Originator: Lorenzo Tyner, Assistant General Manager

SUBJECT:

PROPERTY ACQUISITION FOR 18250 EUCLID STREET, FOUNTAIN VALLEY, CA

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION: Recommend to the Board of Directors to:

- A. Approve a Standard Offer, Agreement, and Escrow Instructions for Purchase of Real Estate (Purchase Agreement) with Rexford Industrial Realty L.P. for Property at 18250 Euclid Street, Fountain Valley, APN No. 156-171-4, in a form approved by General Counsel, for \$26,710,000; and
- B. Authorize the General Manager and General Counsel to execute the following:
 - 1. Preliminary Title Report Consistent with the Standard Offer, Agreement, and Escrow Instructions;
 - 2. Title Approval Letter;
 - 3. Deeds and other evidence of title to the parcels of property that are the subject of the Purchase Agreement;
 - 4. Preliminary Change of Ownership Report;
 - 5. Acceptance of the Grant Deed to certain real property from Rexford Industrial Realty, L.P.;
 - 6. Approved Estimated Closing costs;
 - 7. Seller's Mandatory Disclosure Statement acknowledging receipt of this document;
 - 8. Property Information Sheet acknowledging receipt of this document;
 - 9. Natural Hazard Disclosure Report acknowledging receipt of this document; and
- 10. Any and all other instruments related to the transaction.

BACKGROUND

The Orange County Sanitation District (OC San) has been actively pursuing opportunities to acquire additional real estate near Plant No. 1 to support future operational needs, specifically additional warehousing space. Recent supply chain issues and increased lead time for critical space parts have resulted in the need for additional warehouse space. In February 2022, OC San staff sent prospecting letters to property owners in the surrounding area-covering properties that were for sale, for lease, or not currently on the market-to gauge interest in potential sales.

Initial negotiations took place with the owner of 10700 Spencer Street; however, those discussions have since concluded. As part of ongoing outreach, OC San inquired about a nearby property that was listed for lease. While that specific lease opportunity was not pursued, the listing broker representing the lease property contacted OC San regarding another nearby parcel. OC San learned that the owners of this third property-referred to here as the subject property-were open to selling due to changes in their portfolio strategy.

OC San staff provided an update during a closed-session Board meeting in August regarding the concluded negotiations for 10700 Spencer Street and requested authorization to initiate negotiations for a new potential property located at 18250 Euclid Street. The Board authorized staff to enter into negotiations with the property owner within a provided not-to-exceed amount.

On September 12, 2025, OC San submitted an unsolicited Letter of Intent (LOI) for the subject property. The owner responded with a counter offer on September 25, 2025. Negotiations have concluded and an agreement has been reached for the purchase of the property for \$26,710,000, which is within the not-to-exceed amount authorized by the Board.

RELEVANT STANDARDS

- 1, 5, 20 year planning horizons
- 24/7/365 treatment plant reliability

PROBLEM

OC San is real estate limited in its current and future operations. There is a need for additional space for construction and new treatment process areas to replace end-of-life facilities and provide treatment facilities for new regulatory requirements.

PROPOSED SOLUTION

Approve the acquisition of the property at 18250 Euclid Street, Fountain Valley, CA

TIMING CONCERNS

N/A

RAMIFICATIONS OF NOT TAKING ACTION

N/A

PRIOR COMMITTEE/BOARD ACTIONS

August 2025 - Staff presented in closed session at the Steering Committee and Board meetings regarding real property negotiations for 18250 Euclid Street, Fountain Valley, CA - APN No. 156-171-41.

ADDITIONAL INFORMATION

N/A

CEQA

OC San will perform all environmental reviews required under the California Environmental Quality Act before the close of escrow.

FINANCIAL CONSIDERATIONS

This request complies with authority levels of OC San's Purchasing Ordinance and is within the Board authorization given in August 2025. This item has been budgeted (Budget Update FY 2025-26, Page A-17) and the budget is sufficient for the recommended action.

ATTACHMENT

The following attachment(s) may be viewed on-line at the OC San website (www.ocsan.gov) with the complete agenda package:

- Letter of Intent
- DRAFT Purchase and Sale Agreement



10844 Ellis Avenue
Fountain Valley, CA 92708
714.962.2411
www.ocsan.gov

VIA EMAIL: Wade.Tift@jll.com

October 13, 2025

Rexford Industrial Realty, L.P.
9150 Wilshire Blvd #1950
Los Angeles, CA 90017-3467

RE: 18250 Euclid Street, Fountain Valley, California (the "Property")

Dear Rexford Industrial Realty, L.P.

This letter constitutes OC San's response to the Letter of Intent ("LOI") dated October 10, 2025, regarding the purchase of the property located at 18250 Euclid Street, Fountain Valley, CA, 92708. After reviewing the terms outlined in the LOI, we agree to all terms and conditions as stated, except for the following proposed changes:

DUE DILIGENCE:

- a. The due diligence period for Buyer's review of the Property shall commence upon the signing of the Purchase and Sale Agreement, and end at 5:00 pm Pacific Time forty-five (45) days thereafter ("Due Diligence Period"). Buyer shall have the right to terminate the Purchase and Sale Agreement for any reason or no reason whatsoever during the Due Diligence Period. Seller shall deliver to Buyer the following items requested by Buyer to the extent that they are in Seller's possession or control and without representation or warranty ("Due Diligence Materials"): leases, operating statements for the current year and prior year, Seller's existing survey, if any, building plans, environmental reports and other non-confidential items reasonably requested by Buyer that may be in Seller's possession or control.
- b. Buyer shall be entitled to a limited one-time extension of the Due Diligence Period for thirty (30) additional days solely for the purpose of completing its environmental due diligence provided that: (1) Buyer has waived all other due diligence contingencies; and (2) Buyer provides written notice to Seller of its intent to extend the Due Diligence Period no later than three (3) business days prior to the expiration of the Due Diligence Period, which written notice shall specify the nature of the issue requiring additional review.

Serving:

Anaheim

Brea

Buena Park

Cypress

Fountain Valley

Fullerton

Garden Grove

Huntington Beach

Irvine

La Habra

La Palma

Los Alamitos

Newport Beach

Orange

Placentia

Santa Ana

Seal Beach

Stanton

Tustin

Villa Park

County of Orange

Costa Mesa
Sanitary District

Midway City
Sanitary District

Irvine Ranch
Water District

Yorba Linda
Water District

October 13, 2025



- c. Prior to accessing the Property, Buyer shall execute and deliver to Seller an access agreement on the form which Seller has delivered to Buyer contemporaneously with the execution of the Purchase and Sale Agreement. The scope of Buyer's inspection shall be as set forth in such Access Agreement and the Purchase and Sale Agreement.

CLOSING OF ESCROW:

The purchase shall close on the date that is fifteen (15) days following expiration of the Due Diligence Period; however, Seller, in Seller's sole discretion, shall have the one-time right to extend Closing for a period up to sixty (60) days, provided that written notice of such extension is delivered to Buyer no later than five (5) business days prior to the original Closing date. During the extended Closing period, Seller may then accelerate the Closing upon written notice to Buyer, at which time Buyer shall be required to close within fifteen (15) days upon receipt of such written notice to accelerate Closing.

AS-IS SALE:

The Property shall be sold "As-Is, Where-Is." The parties shall include customary representations and warranties in the Purchase and Sale Agreement, including the Seller's authority to sell the property, no pending lawsuits or eminent domain proceedings, and no knowledge of any environmental contamination.

CLOSING COSTS:

Buyer shall be responsible for its own legal fees, costs of any and all inspections or reports it obtains, the title insurance premium associated with any extended coverage (including, without limitation, endorsements) and one-half of the escrow fee. Seller shall be responsible for its own legal fees, standard owner's title insurance policy, documentary transfer tax, real estate commission per paragraph 11 below and one half of the escrow fee. Current income and expenses, taxes, and assessments shall be prorated as of the date of closing. Rents shall be prorated as current at close of escrow. All other costs will be allocated between Buyer and Seller in accordance with the customary practice in the County of Orange.

NON-BINDING:

Buyer and Seller acknowledge that, except for Section 13 (Confidentiality) below, this proposal is non-binding and is merely intended as the basis for negotiating a transaction for the Property.



Following the mutual execution of this document, the business points of this proposal shall be incorporated into a Purchase and Sale Agreement and only a mutually executed Purchase and Sale Agreement shall be deemed binding on either party. Either party may terminate these discussions for any reason or no reason. Execution of this document shall not imply a duty to negotiate in good faith or to negotiate at all. Each party shall bear their respective costs of negotiation.

We appreciate the written acknowledgment of your acceptance of the terms of this Letter by 5:00 pm PST on Wednesday, October 15, 2025 ("Acceptance Deadline"), after which time this offer shall automatically expire. If the terms of this proposal are acceptable to you, kindly sign a copy of this letter and return it to the undersigned before the Acceptance Deadline.

If the above terms are acceptable, please indicate your acceptance by signing a copy of this proposal in the space provided below and returning it to me.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Lorenzo Tyner", is written over a horizontal line.

Lorenzo Tyner, Assistant General Manager

AGREED AND ACCEPTED:

Seller

REXFORD INDUSTRIAL REALTY, L.P.
a Maryland limited partnership

By: A handwritten signature in black ink, appearing to read "John Nahas", is written over a horizontal line.

Name: John Nahas

Date: Oct 14, 2025 | 1:24 PM PDT



**Rexford
Industrial**

October 10, 2025

Mr. Wade Tift
JLL
17877 Von Karaman Ave. Ste. 500
Irvine, CA 92614

Re: 18250 Euclid St., Fountain Valley, CA 92708

Dear Wade:

Thank you for your offer to purchase 18250 Euclid St. in Fountain Valley, California ("Property"). The Property is comprised of an approximately 62,838 square foot building on approximately 3.54 acres of land.

The following in this letter ("Letter") outlines the general terms and conditions under which REXFORD INDUSTRIAL REALTY L.P. ("Seller") may sell the above referenced Property to ORANGE COUNTY SANITATION DISTRICT ("Buyer"):

1. PURCHASE PRICE: The total purchase price payable from Buyer to Seller for the Property shall be **Twenty-Six Million Seven Hundred Ten Thousand Dollars (\$26,710,000) ("Purchase Price")**. The Purchase Price shall be paid on an all-cash basis upon the close of escrow.
2. DEPOSIT: A deposit of **Eight Hundred Thousand Dollars (\$800,000)** (the "Initial Deposit") will be placed in escrow with the Escrow Holder (defined below) within two (2) business days following the execution of the Purchase and Sale Agreement (defined below) and shall be refundable until the expiration of the due diligence period. Following the expiration of the Due Diligence Period, the Initial Deposit shall become non-refundable and shall be applied to the Purchase Price subject to the terms and conditions of the Purchase and Sale Agreement or released to Seller if the Buyer fails to complete this transaction as intended.
3. PURCHASE & SALE AGREEMENT: Buyer and Seller shall expeditiously work toward entering into a purchase and sale agreement with respect to the transaction contemplated hereby ("Purchase and Sale Agreement") within ten (10) business days. The form of Purchase and Sale Agreement is to be provided by Seller.
4. DUE DILIGENCE PERIOD:
 - a. The due diligence period for Buyer's review of the Property shall commence upon the signing of the Access Agreement described below, provided Buyer has executed and delivered this Letter

11620 Wilshire Boulevard, 10th Floor
Los Angeles, California 90025
P 310.966.1680 | F 310.966.1690
www.rexfordindustrial.com

to Seller prior to the expiration of this Letter, and end at 5:00 pm Pacific Time forty-five (45) days thereafter (“Due Diligence Period”). Buyer shall have the right to terminate the Purchase and Sale Agreement for any reason or no reason whatsoever during the Due Diligence Period. Upon mutual execution of this Letter and Seller’s form of Standard Confidentiality and Nondisclosure Agreement, Seller shall deliver to Buyer the following items requested by Buyer to the extent that they are in Seller’s possession and without representation or warranty (“Due Diligence Materials”): leases, operating statements for the current year and prior year, Seller’s existing survey, if any, building plans, and other non-confidential items reasonably requested by Buyer that may be in Seller’s possession. If Buyer does not execute a Purchase and Sale Agreement for any reason or no reason whatsoever, then Buyer agrees to promptly destroy all such documents provided by Seller.

- b. Buyer shall be entitled to a limited one-time extension of the Due Diligence Period for thirty (30) additional days solely for the purpose of completing its environmental due diligence provided that: (1) Buyer has waived all other due diligence contingencies; (2) a commercially reasonable condition or issue arises which reasonably warrants further investigation; (3) Buyer and Seller has mutually agreed upon the scope and parameters of any intrusive testing on the Property; and (4) Buyer provides written notice to Seller of its intent to extend the Due Diligence Period no later than five (5) business days prior to the expiration of the Due Diligence Period, which written notice shall specify the nature of the issue requiring additional review.
 - c. Prior to accessing the Property, Buyer shall execute and deliver to Seller an access agreement on the form which Seller has delivered to Buyer contemporaneously with this Letter (the “Access Agreement”). The scope of Buyer’s inspection shall be as set forth in such Access Agreement and the Purchase and Sale Agreement.
5. CLOSE OF ESCROW: The purchase shall close on the date that is fifteen (15) days following expiration of the Due Diligence Period; however, Seller, in Seller’s sole discretion, shall have the one-time right to extend Closing for a period up to sixty (60) days, provided that written notice of such extension is delivered to Buyer no later than five (5) days prior to the original Closing date. During the extended Closing period, Seller may then accelerate the Closing upon written notice to Buyer, at which time Buyer shall be required to close within fifteen (15) days upon receipt of such written notice to accelerate Closing.
6. AS-IS SALE: The Property shall be sold “As-Is, Where-Is.” Seller will not provide any representations or warranties regarding the physical, environmental, legal or other condition of the Property, or the Due Diligence Materials. The parties shall include customary representations and warranties in the Purchase and Sale Agreement, including, Seller’s authority to sell the property and no knowledge of any pending lawsuits or eminent domain proceedings.
7. MAINTENANCE: Until the close of escrow, Seller shall maintain the Property in substantially the same condition as exists on the date of the Agreement, including maintenance of insurance, leases and service contracts. During the Due Diligence Period, Seller may enter into agreements affecting the Property; however, Seller shall not enter into any new leases, nor may Seller amend the existing lease to either extend

the term of the lease or reduce any monetary obligations of the tenant without Buyer's prior written consent. Upon expiration of the Due Diligence Period, the Buyer shall not enter into any new leases, service contracts or other agreements that would obligate the owner of the Property beyond the close of escrow, except with Buyer's consent, not to be unreasonably withheld.

8. ESTOPPEL THRESHOLD: Seller shall use commercially reasonable efforts to cause the single, occupying tenant to provide a tenant estoppel in accordance with its lease obligations, the receipt of such estoppel by Buyer shall be a contingency to Closing.
9. ESCROW/TITLE: The escrow company shall be Chicago Title Company, Los Angeles, Attention: Michael Slinger, 725 South Figueroa Street, Suite 200, Los Angeles, California 90017 (Telephone: (213) 612-4131; E-Mail: mike.slinger@ctt.com) ("Escrow Holder") and the title company shall be Chicago Title Company, Attention: Michael Slinger, 725 South Figueroa Street, Suite 200, Los Angeles, California 90017 (Telephone: (213) 612-4131; E-Mail: mike.slinger@ctt.com). Seller shall provide a CLTA policy, and Buyer shall pay for any applicable update or premium for ALTA insurance to the extent that premium exceeds the premium cost of a CLTA policy of title insurance.
10. CLOSING COSTS: Buyer shall be responsible for its own legal fees, costs of any and all inspections or reports it obtains, the title insurance premium associated with any extended coverage (including, without limitation, endorsements) and one-half of the escrow fee. Seller shall be responsible for its own legal fees, standard owner's title insurance policy, documentary transfer tax, real estate commission per paragraph 10 below and one half of the escrow fee. Current income and expenses, taxes and assessments shall be prorated as of the date of closing. Rents shall be prorated as current at close of escrow. All other costs will be allocated between Buyer and Seller in accordance with the customary practice in the County of Orange.
11. BROKERAGE COMMISSION: Buyer and Seller represent and warrant to each other that no brokerage commission, finder's fee, or other compensation is due or payable with respect to the transaction contemplated hereby other than commissions to be paid by Seller to JLL under a separate agreement.
12. NON-BINDING/SUBJECT TO SELLER APPROVAL: Buyer and Seller acknowledge that, except for Section 4 (Due Diligence Period) and Section 13 (Confidentiality) below, this proposal is non-binding and is merely intended as the basis for negotiating a transaction for the Property. Following the mutual execution of this document, the business points of this proposal shall be incorporated into a Purchase and Sale Agreement and only a mutually executed Purchase and Sale Agreement shall be deemed binding on either party. Either party may terminate these discussions for any reason or no reason. Execution of this document shall not imply a duty to negotiate in good faith or to negotiate at all. Each party shall bear their respective costs of negotiation.
13. CONFIDENTIALITY: Except as required by law, the terms of this Letter and the proposed transaction shall be kept strictly confidential by both parties; provided, however, that either party may disclose such terms to its employees, officers, shareholders, financial advisors, consultants, partners, affiliates, lenders and attorneys who need to know such terms for purposes of evaluating the proposed transaction.

14. 1031 EXCHANGE: The parties agree to reasonably cooperate with each other in the event either or both parties wish to affect the purchase and/or sale of the Property through a tax-deferred (Section 1031) exchange, provided that such exchange shall not modify the parties' liabilities or obligations under the Purchase and Sale Agreement.

We appreciate the written acknowledgment of your acceptance of the terms of this Letter by 5:00 pm PST on Friday, October 17, 2025 ("Acceptance Deadline"), after which time this offer shall automatically expire. If the terms of this proposal are acceptable to you, kindly sign a copy of this letter and return it to the undersigned prior to the Acceptance Deadline.

Sincerely,

SELLER:

REXFORD INDUSTRIAL REALTY L.P.
a Maryland limited partnership

By: REXFORD INDUSTRIAL REALTY, INC.,
a Maryland corporation,
Its General Partner

By: _____
John Nahas
Managing Director, Asset Management

ACCEPTED & AGREED TO:

BUYER:

ORANGE COUNTY SANITATION DISTRICT

By: _____
Name: _____
Title: _____

Date: _____

PURCHASE AND SALE AGREEMENT

(18250 Euclid Street, Fountain Valley California)

BASIC TERMS

Seller: Rexford Industrial Realty, L.P., a Maryland limited partnership

Notice Address:

Rexford Industrial Realty, L.P.
11620 Wilshire Boulevard, Suite 1000
Los Angeles, California 90025
Attention: Jeffrey Yang, SVP, Legal
Facsimile: (310) 966-1690
Email: jyang@rexfordindustrial.com

Copy to:

Greenberg Glusker Fields Claman & Machtinger, LLP
2049 Century Park East, Ste 2600
Los Angeles, California 90067
Attention: Kenneth S. Fields, Esq.
Facsimile: (310) 201-2376
Email: kfields@ggfirm.com

Buyer: ORANGE COUNTY SANITATION DISTRICT a sanitation district organized and existing under the County Sanitation District Act, Health & Safety Code §§ 4700 et seq.

Notice Address:

Orange County Sanitation District
18480 Bandilier Circle
Fountain Valley, CA 92708
Attention: Jessica E. Frazier
Facsimile: _____
Email: _____

Escrow Holder: Chicago Title Company

Notice Address:

Chicago Title Company
725 S. Figueroa Street, Suite 200
Los Angeles, California 90017
Attention: Mike Slinger
Facsimile: (213) 612-4133
Email: mike.slinger@ctt.com

Broker(s): JLL (Wade Tift), on behalf of Buyer. Seller is not represented by a broker or agent.

Purchase Price: \$26,710,000.00

Deposit: \$800,000.00

Inspection Deadline: 5:00 p.m. Pacific Time on the date that is forty-five (45) days after the Effective Date (as defined below), subject to Buyer's right to extend as set forth in Section 4.B(2) below.

Closing Date: The date that is fifteen (15) days after the Inspection Deadline, subject to Seller's right to extend as set forth in Section 5 below.

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (this “**Agreement**”) is made and entered into by and between Buyer and Seller and is dated for reference purposes as of October [REDACTED], 2025, but shall be effective as of the last date set forth below the signatures of Buyer and Seller below, or if blank, then as of the date set forth in this sentence immediately above (such date, the “**Effective Date**”).

RECITALS

A. Buyer desires to purchase the Property (as defined below) from Seller, and Seller desires to sell the Property to Buyer, on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual undertakings of the parties hereto and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is hereby agreed as follows:

1. Basic Terms. The Basic Terms set forth above are incorporated hereby. In the event of any conflict between the Basic Terms and the terms herein, the Basic Terms shall control. The term “**Agreement**” includes the Basic Terms and the terms herein.

2. Purchase and Sale. Seller shall sell to Buyer, and Buyer shall purchase from Seller, the Property upon the terms, covenants and conditions hereinafter set forth. As used herein, “**Property**” means collectively all of Seller’s right, title and interest, if any, in and to (a) the land described in Exhibit “A” attached hereto (the “**Land**”), located in the City of Fountain Valley, County of Orange, State of California, (b) all easements, interests in roadways, strips and other rights appurtenant to the Land, (c) all buildings (including, without limitation, the building commonly known as 18250 Euclid Street, Fountain Valley, California), improvements, structures, hardscaping, parking areas, fixtures and related amenities located upon the Land (collectively, the “**Improvements**”; together with the Land, the “**Project**”), (d) any and all tangible personal property (including, without limitation, any and all equipment) now or on the Closing Date located on and used in connection with the Project (collectively, the “**Personal Property**”), and (e) to the extent they are in effect on the Closing Date and can be assigned without the need for any consent from any third party or payment of any fees in connection therewith, any and all intangible property pertaining to the Project or Personal Property, including, without limitation, governmental permits, licenses, development rights, entitlements, approvals, warranties, guarantees, plans, specifications, advertising materials, the lease set forth in Exhibit “B” attached hereto, as well as those leases entered into as expressly permitted herein (individually, a “**Lease**” and collectively, the “**Leases**”) and the Assumed Contracts (as defined below) (collectively, the “**Intangible Property**”). Notwithstanding anything herein or in any document executed at Closing (as defined below) to the contrary, the Property shall not include any (i) cash on hand or on deposit in any operating account, (ii) fixtures, personal property, equipment, artwork, trademarks or other intellectual property or other assets that are owned or leased by a supplier, vendor or tenant or leased by Seller, (iii) insurance claims arising out of or related to events that occur prior to Closing, subject to the casualty provision set forth below, (iv) claims against former tenants or occupants of the Project, (v) proprietary materials, internal books and records of Seller, tradenames, service marks, domain names, logos or other identifiers relating to Seller, “Rexford Industrial” or any affiliates or variations thereof, and/or (vi) computers and/or software of Seller or any equipment or furniture of Seller in any onsite management office (collectively, the “**Excluded Assets**”).

3. Payment of Purchase Price. The Purchase Price shall be paid by Buyer to Seller as follows:

A. Escrow Deposit. Upon the mutual execution and delivery of this Agreement, Buyer and Seller shall open escrow with Escrow Holder and shall cause Escrow Holder to execute and deliver Escrow Holder’s signature to this Agreement to Buyer and Seller. Within one (1) business day after the mutual execution and delivery of this Agreement to Escrow Holder and Escrow Holder’s acceptance hereof, Buyer shall deliver the Deposit to Escrow Holder by wire of immediately available funds or by bank or cashier’s check drawn on a national or regional bank. Notwithstanding anything to the contrary, the parties acknowledge and agree that \$100.00 of the Deposit shall be retained by Seller as full and satisfactory independent consideration for Seller’s agreement to enter into this Agreement and be bound by the terms hereof, which amount shall be credited against the Purchase Price at Closing. The Deposit, together with all interest earned thereon while being held by Escrow Holder is hereinafter referred to as the “**Escrow Deposit**”. The Escrow Deposit shall be held by Escrow Holder as a deposit against the Purchase Price in accordance with the terms and provisions of this Agreement. At all times that Escrow Holder is holding the Escrow

Deposit, Escrow Holder shall invest the same in an interest-bearing, federally insured account. Effective upon the occurrence of the Inspection Deadline, unless Buyer timely delivers the Termination Notice (as defined in Section 4.B(2) below) as provided herein, the Escrow Deposit shall become non-refundable to Buyer, except as expressly stated herein to the contrary.

B. Closing Payment. The Purchase Price, as adjusted by the application of the Escrow Deposit and by the prorations and credits specified herein, shall be paid by wire of immediately available funds as provided herein (the amount to be paid under this Section being herein called the “**Closing Payment**”).

C. LIQUIDATED DAMAGES; DISPOSITION OF ESCROW DEPOSIT. IF THE CLOSING DOES NOT OCCUR FOR ANY REASON OTHER THAN THE FAILURE OF THE CONDITIONS BENEFITTING BUYER UNDER SECTION 4 HEREOF OR THE TERMINATION OF THIS AGREEMENT IN ACCORDANCE WITH SECTION 8 AND/OR SECTION 9.A BELOW, THEN THE ESCROW DEPOSIT SHALL BE DELIVERED TO SELLER AS FULL COMPENSATION AND LIQUIDATED DAMAGES UNDER THIS AGREEMENT. THE PARTIES AGREE THAT IT WOULD BE IMPRACTICAL AND EXTREMELY DIFFICULT TO ESTIMATE THE DAMAGES WHICH SELLER MAY SUFFER AND THAT A REASONABLE ESTIMATE OF THE TOTAL NET DETRIMENT THAT SELLER WOULD SUFFER IN SUCH EVENT IS AND SHALL BE THE RIGHT TO RETAIN THE ESCROW DEPOSIT AS LIQUIDATED DAMAGES, AS SELLER’S SOLE AND EXCLUSIVE REMEDY UNDER THIS AGREEMENT. THE PARTIES ACKNOWLEDGE THAT THE PAYMENT OF SUCH LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY WITHIN THE MEANING OF CALIFORNIA CIVIL CODE SECTIONS 3275 OR 3369, BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLER PURSUANT TO CALIFORNIA CIVIL CODE SECTIONS 1671, 1676 AND 1677. IT IS AGREED THAT IN ORDER TO IMPLEMENT THE PROVISIONS OF THIS SECTION, SELLER MAY UNILATERALLY INSTRUCT ESCROW HOLDER TO CANCEL THE ESCROW AND DELIVER ALL FUNDS DEPOSITED THEREIN TO SELLER. NOTHING CONTAINED IN THIS SECTION SHALL BE DEEMED OR CONSTRUED TO LIMIT BUYER’S INDEMNIFICATION OBLIGATIONS UNDER THIS AGREEMENT, ANY ACCESS AGREEMENT OR BUYER’S OBLIGATIONS WITH RESPECT TO REIMBURSEMENT OF ATTORNEYS’ FEES, WHICH SHALL BE IN ADDITION TO THE LIQUIDATED DAMAGES PROVIDED HEREIN. IF THE CLOSING OCCURS IN ACCORDANCE WITH THE TERMS OF THIS AGREEMENT, THE ESCROW DEPOSIT SHALL BE APPLIED AS A CREDIT TOWARD THE PURCHASE PRICE. THIS PROVISION SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT AND THE CLOSING.

BUYER’S INITIALS

SELLER’S INITIALS

4. Conditions Precedent. The obligation of Buyer to purchase, and Seller to sell, the Property is subject to satisfaction of each of the following conditions precedent (any of which may be waived in writing and only by the party in whose favor such condition exists) on or before the applicable date specified for satisfaction of the applicable condition. If any of such conditions is not fulfilled (or so waived in writing) pursuant to the terms of this Agreement, then the party in whose favor such condition exists may terminate this Agreement and, in connection with any such termination made in accordance with this Section, Seller and Buyer shall be released from further obligation or liability hereunder (except for those obligations and liabilities which, pursuant to the terms of this Agreement, survive such termination), and the Escrow Deposit shall be promptly handled as provided in Section 3.C above (unless otherwise expressly stated in this Section 4 below).

A. Title and Survey Matters.

(1) Title Report; Survey. Seller has delivered, or shall deliver, to Buyer (i) a preliminary title report covering the Project issued by Chicago Title Company (Mike Slinger; 725 South Figueroa Street, Suite 200, Los Angeles, California 90017; email: mike.slinger@ctt.com; facsimile: (213) 612-4133) (which company, in its capacity as title insurer hereunder is herein called the “**Title Company**”), together with copies of the documents referenced therein (collectively, the “**Title Report**”), and (ii) any ALTA/NSPS survey of the Project in Seller’s possession. Buyer may update any survey provided to Buyer or obtain a new survey (such update or new survey is hereinafter referred to as the “**Survey**”) of the Project. Buyer shall have the right, prior to 5:00 p.m. Pacific Time on the date that is ten (10) days before the Inspection Deadline (the “**Title Notice Date**”), to deliver to Seller

written notice (the “**Title Objection Notice**”) of any exceptions to title shown in the Title Report or other items that would be disclosed by an accurate Survey of the Project, which are disapproved by Buyer. If Buyer fails to deliver the Title Objection Notice on or before the Title Notice Date, then Buyer shall be deemed to have approved the exceptions to title shown on the Title Report, any matters that would be disclosed by an accurate Survey of the Project and all other title or survey matters. If Buyer timely delivers the Title Objection Notice to Seller, then Seller shall have five (5) days after receipt of the Title Objection Notice to advise Buyer in writing that Seller shall either (a) cause (i) such exceptions objected to by Buyer to be satisfied or discharged on or before the Closing, or (ii) the Title Company to issue an endorsement affirmatively insuring against such exception, at Seller’s sole cost and expense, or (b) be unable or unwilling to remove, discharge or endorse the exception(s) (Seller’s failure to notify Buyer being Seller’s election to proceed as provided in clause (b) above), in which case Buyer will have until the Inspection Deadline to elect to (x) proceed with the purchase of the Property subject to such exception(s), or (y) cancel this Agreement by delivering the Termination Notice, in which case the Escrow Deposit (minus Escrow Holder’s and the Title Company’s cancellation fees) shall be returned to Buyer, and neither party shall have any further rights or liabilities hereunder, except for those provisions which expressly survive the termination of this Agreement. Buyer’s failure to notify Seller of its election between (x) and (y) in the immediately preceding sentence shall be deemed to be Buyer’s election to proceed as provided in (x).

(2) Additional Title Matters. Approval by Buyer of any additional exceptions to title created by Seller and disclosed after the Inspection Deadline (“**Additional Title Matters**”) shall be a condition precedent to Buyer’s obligations to purchase the Property (Buyer hereby agreeing that its approval of Additional Title Matters shall not be unreasonably withheld, conditioned or delayed, and that Buyer shall not have any right to object to any deed of trust or other monetary lien of a known amount to secure debt voluntarily entered into by Seller, provided Seller agrees to remove or discharge same at Closing). With respect to any other exceptions to title disclosed after the Inspection Deadline, Buyer shall rely upon a title commitment to insure against such matters. Unless Buyer gives written notice (“**Title Disapproval Notice**”) that it disapproves any Additional Title Matters, stating the Additional Title Matters so disapproved, before the sooner to occur of the Closing Date or five (5) days after notice of such Additional Title Matters, Buyer shall be deemed to have approved such Additional Title Matters. Seller shall have five (5) days after its receipt of any Title Disapproval Notice within which to advise Buyer in writing that Seller shall either (a) cause (i) such Additional Title Matters objected to by Buyer to be satisfied or discharged on or before the Closing, or (ii) the Title Company to issue an endorsement affirmatively insuring against such exception, at Seller’s sole cost and expense, or (b) be unable or unwilling to remove, discharge or endorse the exception(s) (Seller’s failure to notify Buyer being Seller’s election to proceed as provided in clause (b) above), in which case Buyer will have three (3) days after such notification by Seller to elect to (x) proceed with the purchase of the Property subject to such exception(s), or (y) cancel this Agreement, in which case the Escrow Deposit (minus Escrow Holder’s and the Title Company’s cancellation fees) shall be returned to Buyer, and neither party shall have any further rights or liabilities hereunder, except for those provisions which expressly survive the termination of this Agreement. Buyer’s failure to notify Seller of its election between (x) and (y) in the immediately preceding sentence shall be deemed to be Buyer’s election to proceed as provided in (x). In the event Seller determines at any time that it is unable or unwilling to remove any one or more of disapproved title matters, Seller may give written notice to Buyer to such effect and Buyer may, at its option, terminate this Agreement upon written notice to Seller, but only if given prior to the sooner to occur of the Closing Date or five (5) days after Buyer receives Seller’s notice, in which case the Escrow Deposit (minus Escrow Holder’s and the Title Company’s cancellation fees) shall be returned to Buyer. If Buyer fails to give such termination notice by such date, Buyer shall be deemed to have waived its objection to, and approved, such matters. The Closing Date shall be extended as necessary to provide for the lapse of the time periods provided in this Section.

(3) Permitted Exceptions; Owner’s Policy. Buyer shall be obligated to accept title to the Project, subject to the following exceptions (the “**Permitted Exceptions**”): (a) real estate taxes and assessments not yet due and payable (prorated as provided herein), (b) the printed exceptions which appear in the standard form owner’s policy of title insurance issued by the Title Company in the State of California, (c) any Leases, (d) any exceptions or liens created by Buyer or Buyer’s employees, agents or contractors, (e) applicable laws and ordinances, and (f) such other exceptions to title or survey exceptions as may be approved or deemed approved by Buyer pursuant to the above provisions of this Section or otherwise expressly permitted under this Agreement.

Conclusive evidence of the availability of such title shall be the willingness of the Title Company, subject to the payment of the premium, to issue to Buyer on the Closing a CLTA standard owner’s title insurance policy in the standard form issued in the State of California (“**Owner’s Policy**”) in the face amount of the

Purchase Price, which policy shall show title to the Project to be vested in Buyer. Buyer agrees that its receipt of the Owner's Policy will fully satisfy any express or implied warranty by Seller as to the condition of title and any defects in title, and Buyer shall look solely to the remedies available under the Owner's Policy and Seller shall have no responsibility or liability for any of the foregoing.

(4) Endorsements to Owner's Policy. It is understood that Buyer may request a number of endorsements to the Owner's Policy. Buyer shall satisfy itself prior to the Inspection Deadline that the Title Company will be willing to issue any extended ALTA coverage and any such endorsements in connection with the Owner's Policy at Closing. The issuance of such endorsements shall not be a condition to Closing. Notwithstanding anything in this Agreement to the contrary, Buyer shall be solely responsible for (a) obtaining and paying for any new surveys of the Project or updates of existing surveys, (b) the difference in premium between a CLTA standard coverage owner's policy of title insurance and an ALTA extended coverage owner's policy of title insurance, and (c) any endorsements (except as expressly provided in Section 4.A(1) or 4.A(2) above).

B. Due Diligence. Except for title and survey matters (which shall be governed by the provisions of Section 4.A above), and subject to the provisions hereinafter set forth, Buyer shall have until the Inspection Deadline within which to perform and complete all of Buyer's due diligence examinations, reviews and inspections of all matters pertaining to the purchase of the Property, at Buyer's sole cost and expense, including, without limitation, all agreements, all physical, environmental, zoning, governmental and compliance matters, all conditions respecting the Property and all Due Diligence Materials (as defined below). Subject to the terms set forth herein and the rights of any tenant(s) of the Project, until the Inspection Deadline, Seller shall provide Buyer with reasonable access to the Property upon reasonable advance notice and may make available to Buyer (unless Seller has already delivered the same to Buyer) certain documents and materials pertaining to the Property ("**Due Diligence Materials**") to the extent within Seller's possession, provided that (i) the Due Diligence Materials shall, at minimum, include copies of the Lease(s), Seller's statements of cash flow for the Property for calendar years 2024 and 2025 year to date (in the form customarily relied upon by Seller in Seller's ownership and operation of the Property), building plans and final versions of environmental reports generated by third parties, in each case to the extent within Seller's possession and (ii) Seller disclaims any and all representations and warranties with respect to the Due Diligence Materials, including, without limitation, their accuracy or completeness. In no event shall Seller be obligated to make available any proprietary or confidential documents, attorney-client documents, internal communications regarding the Property or materials pertaining to the value of the Property.

(1) Review Standards. Buyer shall at all times ensure that its entry onto the Project and its due diligence review, inspections and examinations are in full compliance with all applicable laws and governmental regulations and any Lease(s), in a manner so as to not cause any Claims (as defined below) to Seller or the Property and so as to not interfere with or disturb Seller, any tenants or any other occupants or users of the Property, and Buyer shall indemnify, defend, and hold Seller and the Property harmless from and against any and all Claims arising out of or related to any entry by Buyer or its employees, agents or contractors. Prior to entry upon the Project, Buyer shall provide Seller with copies of certificates of insurance evidencing commercial general liability insurance policies (naming Seller and Seller's property manager as additional insureds), which shall be maintained by Buyer and its agents and contractors in connection with its entry upon the Project, with limits, coverages and insurers under such policies reasonably satisfactory to Seller. Without limitation of the foregoing, in no event shall Buyer: (a) conduct any on-site activity, including any physical testing (environmental, structural or otherwise) at the Project (such as soil borings, air samplings, water samplings or the like) without Seller's express written consent, which consent, as to physical testing, may be given or withheld in Seller's sole and absolute discretion (and Buyer shall in all events promptly return the Property to its prior condition and repair thereafter) and which may be further conditioned upon, among other things, Seller's approval of the following: (i) the insurance coverage of the agent or contractor who will be conducting such testing, (ii) the scope and nature of the testing to be performed by such contractor, (iii) the requirement that split samples be made, and (iv) a written confidentiality agreement (in form reasonably satisfactory to Seller), (b) contact any consultant or other professional engaged by Seller without Seller's express written consent, or (c) contact any tenant or any other occupant or user of the Property, or any governmental authority having jurisdiction over the Property, without Seller's express written consent (other than for routine plan and permit checks). Seller shall have the right, at its option, to cause a representative of Seller to be present at all inspections, reviews and examinations conducted hereunder. Buyer shall schedule any entry (by it or its designees) onto the Project in advance with Seller and shall follow any and all regulations or rules of Seller in connection therewith. Upon written request by Seller, Buyer shall promptly deliver to Seller accurate and complete copies of any

written reports, data or other information regarding the Property and/or derived from any investigation activities, including, without limitation, environmental inspections and testing relating to the Property prepared for or on behalf of Buyer by any third party (other than reports regarding the value of the Property or attorney-client protected materials). In the event of any termination of this Agreement, Buyer shall immediately return all documents and other materials furnished by Seller hereunder (and destroy and delete any copies thereof made by Buyer or its agents or representatives) and deliver copies of any written reports, data or other information to Seller to the extent expressly requested as set forth above. Buyer shall keep all information or data received or discovered in connection with any of the inspections, reviews or examinations strictly confidential, except for disclosures to representatives, investors, lenders, counsel and agents, provided such disclosures are on an as needed basis for Buyer's acquisition and such persons are instructed by Buyer to keep the information strictly confidential. Buyer shall be responsible for any breaches of the foregoing confidentiality restrictions by any person or entity to whom information was given by or through Buyer as though the breach were committed by Buyer itself. The provisions of this Section shall survive any termination of this Agreement or the Closing, and this Section shall supplement any terms and conditions of any access and/or confidentiality agreement entered into by and between Buyer (or Buyer's affiliate) and Seller, with the more stringent provisions governing Buyer's obligations.

(2) Termination Notice; Assumed Contracts. If, on or before the Inspection Deadline, based upon such review, examination or inspection, Buyer determines that it no longer intends to proceed with the acquisition of the Property, then Buyer shall promptly (but in all events prior to the Inspection Deadline) notify Seller and Escrow Holder of such determination in writing (such notice being herein called the "**Termination Notice**"). In the event that Buyer fails to deliver the Termination Notice to Seller and Escrow Holder on or before the Inspection Deadline, Buyer shall be deemed to have agreed that the foregoing matters are acceptable to Buyer and that it intends to proceed with the acquisition of the Property (and thereafter Buyer shall have no further right to terminate this Agreement pursuant to this Section 4.B).

Provided that Buyer both is not then in default under this Agreement and has waived, in writing, all other approvals and contingencies of Buyer which would otherwise expire as of the Inspection Deadline (such as, but not limited to, waiver of any and all Title Objections other than those which Seller has expressly agreed to cure in as provided in Section 4.A), Buyer shall have the right to extend the Inspection Deadline solely with respect to its inspection of whether the Property has been impacted by Hazardous Materials (as defined in Section 11.A) by an up to additional thirty (30) day period. Buyer shall exercise the foregoing extension right, if at all, by written notice (an "Inspection Deadline Extension Notice") received by Seller by or before the date which is no later than three (3) business days before the then current Inspection Deadline. If Buyer properly exercises the foregoing right to extend the Inspection Deadline as provided in this Section 4.B(s), then all references to the Inspection Deadline contained in this Agreement shall refer to the date stated by Buyer in the Inspection Deadline Extension Notice; Inspection Deadline, provided, however, that (a) the new Inspection Deadline may not be more than thirty (30) days after the Inspection Deadline originally established by this Agreement and (b) the extension of the Inspection Deadline shall pertain solely to Buyer's physical inspection of whether the Property has been impacted by Hazardous Materials. For clarity, the scope of any inspections of the Property with respect to Hazardous Materials shall be subject to Seller's review and approval of the scope thereof, which Seller may grant or withhold in its sole and absolute discretion as provided in Section 4.B(1) above.

On or prior to the Inspection Deadline, Buyer shall have the right to notify Seller in writing of any and all vendors under any service contracts pertaining to the Project or Personal Property (the "**Service Contracts**") to which Buyer wants Seller to send termination notices at Closing (the "**Terminated Contracts**") as provided herein (with any other Service Contracts and any Service Contracts that cannot be terminated being hereinafter referred to as the "**Assumed Contracts**"). At Closing, Seller agrees to notify the vendors under the Terminated Contracts of the termination thereof, provided that Buyer shall be solely responsible for any fees in connection with such termination and any costs or charges thereunder from and after Closing until so terminated.

C. Estoppel Certificate. Seller agrees to use commercially reasonable efforts to cause the tenant under the Lease to execute and deliver to Buyer tenant estoppel certificates substantially in the form of Exhibit "G" attached hereto, or in such other form as may be required by the applicable Lease or if the tenant under the applicable Lease is a national or regional tenant, such form as is generally used by such tenant (the "**Estoppel Certificate**"). It shall be a condition to Closing that Buyer receives Estoppel Certificates from the tenant under the Lease. Seller's sole obligation hereunder shall be to utilize commercially reasonable efforts to obtain the Estoppel

Certificates from said tenant (as used in this Agreement, commercially reasonable efforts shall not include any obligation to institute legal proceedings, declare a default under the Lease or to expend any sums). If on or before the Closing Date Buyer has not received the Estoppel Certificate required hereunder, Seller shall have the right, but not the obligation, to extend the Closing Date by up to ten (10) business days in order to attempt to obtain such Estoppel Certificate(s). Notwithstanding anything to the contrary herein, in the event Seller fails to obtain an Estoppel Certificate from the tenant under the Lease, Seller may deliver to Buyer a certificate (“**Seller Certificate**”) substantially in the form of Exhibit “G” attached hereto, but executed by Seller, certifying that the information set forth therein, to “Seller’s knowledge” (as defined below), is correct in all material respects, and in such event, Seller shall be deemed to have delivered an Estoppel Certificate with respect to such tenant for purposes of satisfying the terms set forth in this Section. Any Seller Certificate shall be subject to the limitations set forth herein, and Seller shall be released from any liability with respect to any Seller Certificate upon the delivery (whether before or after Closing) to Buyer of an Estoppel Certificate from the tenant for which Seller has delivered such Seller Certificate. If and only if any Estoppel Certificate or Seller Certificate (i) identifies a material reduction in the aggregate rental income for the Project relative to that shown or provided for in the Lease, (ii) alleges an uncured, material default of Seller (as landlord) under the Lease, and/or (iii) discloses a pending, material dispute between the landlord and the tenant in connection with the Lease, then, at any time prior to earlier of the Closing Date or three (3) business days after Buyer’s receipt of the executed Estoppel Certificate or Seller Certificate (and provided that such fact was not disclosed in any Due Diligence Materials or otherwise disclosed to Buyer prior to the Inspection Deadline), Buyer shall have the right to terminate this Agreement by delivering written notice thereof to Seller within such period of time set forth above, unless Seller cures or agrees in writing to cure or credit such discrepancy or otherwise obtains an updated Estoppel Certificate or delivers an updated Seller Certificate, as applicable, removing or indicating the cure of any item previously giving rise to any termination right hereunder (and Seller shall have the right to extend the Closing by up to ten (10) business days to effectuate same). As used in this Section “**material reduction**” means a reduction in the annual rental income as shown in the applicable Lease(s) by more than the greater of (a) \$50,000.00, or (b) ten percent (10%) of the annual rental income under the applicable Lease(s). If Buyer so terminates this Agreement pursuant to this Section, then no party hereto shall have any further obligation in connection herewith, except under those provisions that expressly survive a termination of this Agreement.

D. Performance by Seller. The performance and observance, in all material respects, by Seller of all covenants and agreements of this Agreement to be performed or observed by Seller prior to or on the Closing Date shall be a condition precedent to Buyer’s obligation to purchase the Property.

E. Performance by Buyer. The performance and observance, in all material respects, by Buyer of all covenants and agreements in this Agreement to be performed or observed by Buyer prior to or on the Closing Date shall be a condition precedent to Seller’s obligation to sell the Property.

5. Closing. The closing (“**Closing**”) of the sale and purchase herein provided shall be consummated on the Closing Date, or such other date mutually agreed upon in writing by Buyer and Seller through escrow pursuant to the terms herein and such supplemental escrow instructions to Escrow Holder and Title Company which are mutually and reasonably agreeable to both Seller and Buyer. Notwithstanding anything to the contrary contained in this Agreement, by written notice (a “**Seller Closing Extension Notice**”) delivered to Buyer at least five (5) business days before the then scheduled Closing Date, Seller may elect to delay the Closing Date by up to an additional sixty (60) days. Furthermore, if Seller delivers a Seller Closing Extension Notice, then Seller may thereafter deliver written notice (a “**Seller Closing Acceleration Notice**”) to Buyer electing to accelerate the Closing Date to a date which is no earlier than fifteen (15) days after delivery of the Seller Closing Acceleration Notice. If Seller delivers a Seller Closing Extension Notice and/or a Seller Closing Acceleration Notice, then all references to the Closing Date and/or the date of the Closing contained in this Agreement shall thereafter refer to the Closing Date so extended or accelerated by Seller in the Seller Closing Extension Notice or Seller Closing Acceleration Notice, as applicable..

A. Escrow. Except as otherwise provided herein, on or before the day that is one (1) business day prior to the Closing Date, the parties shall deliver to Escrow Holder the following:

(1) By Seller. Seller shall deliver (a) a duly executed and acknowledged original grant deed executed by Seller in the form of Exhibit “C” attached hereto (the “**Deed**”), (b) two (2) duly executed originals or electronic PDF of the quitclaim bill of sale executed by Seller in the form of Exhibit “D” attached hereto covering any Personal Property to be assigned hereunder (the “**Bill of Sale**”), (c) two (2) duly executed original

counterparts or electronic PDF counterpart of an assignment and assumption executed by Seller in the form of Exhibit "E" attached hereto (the "**Assignment**"), (d) a certificate of Seller respecting the "non-foreign" status of Seller and any required state withholding or non-foreign status certificate executed by Seller, (e) an executed original or electronic PDF of a notice to the tenant(s) under the Lease(s) in the form of Exhibit "F" attached hereto (the "**Tenant Notice**") executed by Seller, (f) evidence reasonably satisfactory to Title Company that all necessary authorizations of the transaction provided herein have been obtained by Seller, (g) such other customary and commercially reasonable documents and instruments as Escrow Holder or Title Company shall reasonably require in order to consummate the transaction contemplated hereby, and (h) a settlement statement (the "**Closing Statement**") to be prepared by Escrow Holder and signed or initialed by Seller.

(2) By Buyer. Buyer shall deliver (a) the Closing Payment by wire transfer of immediately available funds, (b) two (2) duly executed original counterparts or electronic PDF counterpart of the Bill of Sale executed by Buyer, (c) two (2) duly executed original counterparts or electronic PDF counterpart of the Assignment executed by Buyer, (d) evidence reasonably satisfactory to Title Company that all necessary authorizations of the transaction provided herein have been obtained by Buyer, and such other documents and instruments as may be reasonably requested by Escrow Holder or Title Company in order to consummate the transaction contemplated hereby and issue the Owner's Policy, and (e) a Closing Statement signed or initialed by Buyer.

B. Closing by Escrow Holder; Delivery to Parties. Upon the satisfaction of the above conditions, then Escrow Holder shall take the following actions:

(1) Date any undated documents described in Section 5.A above as of the date of Closing and assemble counterparts of all of the documents described in Section 5.A above.

(2) Deliver the respective amounts due to third parties (e.g., brokers) under the Closing Statement in accordance with the respective instructions from such third parties.

(3) Wire the amount due Seller and Buyer under the Closing Statement in accordance with wiring instructions from Seller and Buyer respectively.

(4) Cause Title Company to record in the official records of the county in which the Project is situated (or file, as appropriate) the Deed together with any other documents required to be recorded with respect to the transactions contemplated by this Agreement.

(5) Cause Title Company to issue the Owner's Policy (with an effective date that is the same as the date and time of the recordation of the Deed).

(6) File all information returns required under Section 6045 of the Internal Revenue Code and take all other reporting actions as may be required in connection therewith.

(7) Deliver an electronic copy of the recorded Deed and electronic copies of all of the documents listed in Section 5.A above (other than Buyer's Closing Statement) to Seller.

(8) Deliver an electronic copy of the recorded Deed and electronic copies of all of the documents listed in Section 5.A above (other than Seller's Closing Statement) to Buyer.

C. Closing Costs. Seller shall pay (i) all documentary transfer taxes payable in connection with the transfer contemplated herein, (ii) 50% of Escrow Holder's fees (provided that if this Agreement is terminated due to a party's default hereunder, the defaulting party shall be responsible for Escrow Holder's fees), (iii) the title insurance premium for the "standard" CLTA portion of the Owner's Policy and any charges to insure over or delete any title defects Seller has elected to remove pursuant to Section 4.A above, (iv) the cost of the Disclosure Statement (as defined below), and (v) any amounts charged by any owners' association as a result of the transfer of the Property contemplated hereby. Buyer shall pay (a) 50% of Escrow Holder's fees (provided that if this Agreement is terminated due to a party's default hereunder, the defaulting party shall be responsible for Escrow Holder's fees), (b) the costs of

extended coverage and any endorsements to the Owner's Policy (other than set forth above) to the extent the same exceed the costs of the CLTA premium, (c) the cost to obtain the Survey, (d) all sales taxes, (e) the recording fees for the Deed, and (f) the cost of any of its examinations and inspections of the Property. All other closing costs not specifically allocated herein shall be paid by the parties as is customary in the county in which the Project is located. Seller and Buyer shall each pay their respective (I) legal fees and expenses (subject to Section 16.E below), and (II) share of prorations (as provided below).

D. Prorations. The following shall be prorated between Seller and Buyer as of the Closing Date (on the basis of the actual number of days elapsed over the applicable period), with Buyer being responsible for, and entitled to such income and expenses applicable to, the Closing Date.

(1) Real Estate Taxes. All real estate taxes and assessments on or applicable to the Property for the current year shall be prorated as of the Closing Date. Seller shall not be charged with or responsible for any increase in taxes on the Property resulting from the sale of the Property or any improvements made from and after the Closing Date. Seller shall retain all rights to tax, assessment and other refunds, rebates, credits and claims thereto with respect to any real estate taxes and assessments due and owing on the Property prior to the Closing Date and Buyer shall promptly notify Seller of Buyer's receipt of, and shall promptly pay to Seller, any such refunds received by Buyer at any time. Further, any reduction in the assessed value of the Property or any such tax reduction for any period after the Closing which is in the nature of a credit for any payment or overpayment of taxes made for any period prior to the Closing shall belong to Seller and Buyer shall promptly notify Seller of any such reduction in the assessed value of the Property or any such tax reduction and shall promptly pay to Seller the amount of any such credit. Buyer shall reasonably cooperate with Seller in connection with contesting any such assessed value or seeking such reduction in taxes for the period prior to the Closing. If any assessments on the Property are payable in installments, then the installment for the current period shall be prorated (with Buyer assuming the obligation to pay any installments due from and after the Closing Date).

(2) Base Rents. Any and all collected minimum and/or base rents ("**Base Rents**") paid under the Lease as of the Closing Date shall be prorated as of the Closing Date. Pursuant to such proration, Buyer shall receive a credit at the Closing equal to the amount of Base Rents allocable to the day of Closing and any period thereafter which have been paid to and received by Seller. The parties shall promptly adjust between themselves outside of escrow any Base Rents received after the Closing. All rights to Base Rents which are unpaid as of the Closing Date allocable to any period prior to Closing ("**Delinquent Rent**") shall be and remain the property of Seller, and Buyer shall include such Delinquent Rent in its normal billing and shall use good faith efforts to collect same (provided that nothing herein shall require Buyer to litigate or institute any formal proceedings against tenants). To the extent Buyer receives any Delinquent Rent on or after the Closing, such payments shall be applied first toward the Delinquent Rent owed for the month in which the Closing occurs to be prorated between Buyer and Seller based on the date on which the Closing Date occurs, then to the Delinquent Rent owed to Seller in connection with the Lease for the period prior to the Closing Date and then to any Delinquent Rent owed to Buyer for any period after the Closing Date, with Seller's share thereof being promptly delivered to Seller. Seller shall have the right to pursue collection of such pre-Closing Delinquent Rent, provided that Seller shall not have the right to terminate the Lease or commence or pursue any unlawful detainer or eviction action. Buyer may not waive any Delinquent Rent nor modify the Lease so as to reduce or otherwise affect amounts owed thereunder for any period in which Seller is entitled to receive a share of charges or amounts without first obtaining Seller's written consent. Until such time as Seller has received all Delinquent Rent, Buyer shall provide to Seller, upon Seller's request, a report of all Base Rents collected by those tenants owing Seller Delinquent Rent.

(3) Security Deposits. Buyer shall receive a credit for all unapplied, refundable security deposits or advance rent paid by any tenants at the Project at the Closing. Seller shall transfer to Buyer, at Buyer's cost, any security deposits which are held in the form of letters of credit if the same are transferable and Seller shall request tenants to cause new letter(s) of credit to be issued in favor of Buyer in replacement thereof, and in the event such new letter(s) of credit are not issued in favor of Buyer by Closing, Buyer shall diligently pursue such replacement after Closing and Seller shall take such reasonable action, as directed by Buyer and at Buyer's expense, in connection with the presentment of such letter(s) of credit for payment as permitted under the terms of the applicable Lease, and in consideration of Seller's agreement as aforesaid, Buyer shall indemnify, defend and hold Seller harmless from any Claims arising out of the letter(s) of credit after the Closing.

(4) Operating Expenses. Any and all operating expenses, common area expenses and other charges or costs under any of the Leases (“**Operating Expenses**”) shall be prorated as of the Closing Date, subject to the following procedure designed to simplify the payment of such Operating Expenses on a calendar month basis and the collection of tenant reimbursements on a similar basis:

(a) Seller’s Payment of Operating Expenses and Collection of Tenant Reimbursements for Closing Calendar Month. Seller shall pay all of the normal Operating Expenses pertaining to the Property for the calendar month in which the Closing occurs (the “**Closing Calendar Month**”), and Seller shall be entitled to receive all estimated and/or actual payments made by any tenants for such expenses pursuant to the terms of any Leases for the period through and including the last day of Closing Calendar Month, subject to the post-closing reconciliation and proration set forth below.

(b) Post-Closing Reconciliation of Reimbursable Operating Expenses Through Closing Calendar Month. Seller shall prepare, on or about the last day of the calendar month following the Closing Calendar Month, a reconciliation of all Operating Expenses owed by tenants of the Project reconciled against actual payment of such expenses recovered by Seller through the Closing Calendar Month (the “**Reconciliation**”). Seller shall be responsible for the financial settlements with each tenant to be made as a result of the Reconciliation, with amounts due tenants paid promptly by Seller and amounts owed by tenants to be collected and retained by Seller. Buyer will reasonably cooperate with Seller in collecting any said amounts owed by tenants.

(c) Post-Closing Proration of Non-Reimbursed Operating Expenses. Following completion of the Reconciliation, Operating Expenses that are not reimbursable by tenants of the Project (“**Non-Reimbursable Expenses**”) shall be prorated as of the Closing Date, and any required payments shall be made by the applicable party upon receipt of said proration. Pursuant to such proration, Buyer shall be charged for all Non-Reimbursable Expenses accruing on or after the Closing Date, and Seller shall be charged for all Non-Reimbursable Expenses accruing prior to the Closing Date. Buyer and Seller shall cooperate with one another in collecting any Operating Expenses that are payable, but were not otherwise reimbursed by tenants of the Property and shall remit any sums so collected to the appropriate party.

(5) Utilities. Buyer shall take all steps necessary to effectuate the transfer of all utilities to its name as of the Closing Date, and where necessary, post deposits with the utility companies. Seller shall use commercially reasonable efforts to cause all utility meters to be read as of the Closing Date. Seller shall be entitled to recover any and all deposits held by any utility company as of the Closing Date. All charges for utilities shall be prorated outside of the escrow contemplated herein.

(6) Other Income and Expenses. All other income and expense items related to the Property shall be prorated as of the Closing Date (including any costs under any Assumed Contracts and any amounts owed to any owner’s association) as is customary in the city, county and state in which the Project is located.

(7) Tenant Obligations. Notwithstanding anything to the contrary contained in this Agreement, if and to the extent that any cost or expense attributable to the Project would be charged to Seller under this Section 5.D is payable by the tenant under this Lease, then such cost or expense shall not be charged to Seller and, instead, after the Closing Buyer shall look solely to the tenant under the Lease for payment of such cost or expense.

If any of the prorations made under this Section 5 prove to be incorrect for any reason, then either party hereto shall be entitled to an adjustment to correct the same, subject to the limitations set forth herein. If any of the foregoing cannot be apportioned at the Closing because of the unavailability of the amounts which are to be apportioned, such items shall be apportioned by the parties outside escrow as soon as practicable after the Closing Date, but in all events within six (6) months after Closing, except for property taxes, which shall be within thirty (30) days after the information is received from the taxing authority, but in no event later than twelve (12) months after Closing. If Buyer transfers its interest in the Property prior to the expiration of the dates in the immediately preceding sentence, then, on or before the transfer of such interest, Buyer shall in writing expressly obligate such successor-in-interest to be bound by the provisions of this Section 5 and deliver written notice of such transfer to Seller. The post-Closing covenants of the parties set forth in this Section 5 shall survive the Closing. The prorations and payments shall be made on the basis of a statement prepared by Seller (which shall be deemed final and binding absent manifest error) and which shall be submitted to Escrow Holder prior to the Closing Date.

E. Deliveries Outside Escrow. Within three (3) business days after the Closing, Seller shall deliver to Buyer all keys and security codes for all Improvements on the Property, to the extent within Seller's possession.

6. Representations and Warranties; Certain Covenants.

A. Representations and Warranties of Seller. Seller hereby represents and warrants the following to Buyer as of the Effective Date:

(1) Authority; No Conflict. Seller is duly organized, validly existing, is in good standing under the laws of the State of Maryland, is qualified to do business in the state in which the Project is located, has, or will as of the Closing Date have, full authority to enter into and perform this Agreement and the person or persons signing this Agreement and any documents executed pursuant hereto on Seller's behalf have full power and authority to bind Seller. The execution, delivery and performance of this Agreement do not, and the consummation of the transaction contemplated hereby will not, violate the organizational documents, or other agreements made by or binding upon, Seller.

(2) No Bankruptcy. (a) Seller has not filed for protection or relief under any applicable bankruptcy or creditor protection statute that is currently pending, and (b) to Seller's knowledge, Seller is not currently the subject of any filing of a petition under the federal bankruptcy law or any federal or state insolvency laws or laws for composition of indebtedness or for the reorganization of debtors.

(3) Leases. Seller has not entered into any Leases that affect the Project, other than the Leases set forth in Exhibit "B" attached hereto.

(4) No Litigation; Condemnation. To Seller's knowledge, there is no litigation pending or threatened in writing: (a) against or relating to the Property, and/or (b) against or relating to Seller that affects the Property or Seller's ability to consummate the transactions contemplated by this Agreement. To Seller's knowledge, there is no pending eminent domain or similar proceeding with respect to the Project that would adversely affect the Project.

(5) No Preferential Rights. Seller has not entered into any executory contracts for the sale of the Property that remain in effect or granted any rights of first refusal, option rights or other preferential rights to purchase the Property that remain in effect, except as may be set forth in the Due Diligence Materials.

(6) Hazardous Materials. To Seller's knowledge, Seller has not received any written notice from any governmental agency that any Hazardous Materials have been used, manufactured, generated, treated, stored, disposed of, released or discharged in, on, under or about the Project in violation of applicable laws or codes, except as may be set forth or reasonably inferable from the Due Diligence Materials.

As used herein, "**to Seller's knowledge**" means the present, actual knowledge as of the date hereof, without any duty of inquiry and without taking into account any constructive or imputed knowledge, of Michelle Quach, property manager, provided such individual shall not have any personal liability in connection herewith.

Notwithstanding the foregoing, Seller shall have no liability, and Buyer shall make no claim against Seller, for (and Buyer shall be deemed to have waived) a failure of any condition or a breach of any representation or warranty, covenant or other obligation of Seller under this Agreement or any document executed by Seller in connection with this Agreement (a) if the failure or breach in question constitutes or results from a condition, state of facts or other matter that was known to Buyer or disclosed to Buyer in the Due Diligence Materials or any reports generated by or for Buyer prior to the Inspection Deadline, or (b) if the failure or breach in question constitutes or results from a condition, state of facts or other matter that was known to Buyer prior to Closing and Buyer proceeds with the Closing, or (c) to the extent, in the case of a representation and warranty of Seller, the same is confirmed by any Estoppel Certificate. Additionally, if during the pendency of this Agreement prior to Closing, Seller discloses to Buyer in writing any matters which make any of Seller's representations and warranties untrue in any material respect, such representations and warranties shall be deemed modified to reflect such matters and Seller shall bear no liability

for such matters, but if such update has a Material Adverse Effect, then Buyer shall have the right to elect in writing within five (5) days after Seller notifies Buyer of such matter, but in no event later than the Closing Date, (i) to terminate this Agreement (in which event the Escrow Deposit, minus Escrow Holder's and the Title Company's cancellation fees, shall be returned to Buyer), or (ii) to waive such matter and complete the purchase of the Property without reduction of the Purchase Price in accordance with the terms of this Agreement (and any failure to give notice under clause (i) shall be deemed to constitute such a waiver). For purposes of this grammatical paragraph, "**Material Adverse Effect**" means any fact or condition affecting the Project which, after the Closing, will result in a reduction in the value of, or the revenues generated by, the Project in excess of \$100,000.00 or Buyer having to incur in excess of \$100,000.00 in costs in connection with the ownership or operation of the Project following the Closing which Buyer would not have otherwise been required to incur in the absence of such fact or condition.

Seller's representations and warranties contained in this Section shall survive the Closing and recordation of the Deed for a period of six (6) months (the "**Survival Period**"), after which time Buyer shall be barred from commencing any action or proceeding for a breach of the same. Upon the expiration of the Survival Period, each and every Seller's representation and warranty contained herein shall be automatically null and void and of no further force or effect, unless within the Survival Period, Buyer has formally commenced an arbitration proceeding in accordance with the terms of Section 10 below (and any representation and warranty not specified therein shall otherwise be null and void and of no further force or effect).

B. Representations and Warranties of Buyer. Buyer hereby represents and warrants the following to Seller as of the Effective Date:

(1) Authority: No Conflict. Buyer is duly organized, validly existing, is in good standing under the laws of the State of California is qualified to do business in the state in which the Project is located, has, or will as of the Closing Date have, full authority to enter into and perform this Agreement and the person or persons signing this Agreement and any documents executed pursuant hereto on Buyer's behalf have full power and authority to bind Buyer. The execution, delivery and performance of this Agreement do not, and the consummation of the transaction contemplated hereby will not, violate the organizational documents, or other agreements made by or binding upon, Buyer.

(2) No Bankruptcy. (a) Buyer has not filed for protection or relief under any applicable bankruptcy or creditor protection statute that is currently pending, and (b) to Buyer's knowledge, Buyer is not currently the subject of any filing of a petition under the federal bankruptcy law or any federal or state insolvency laws or laws for composition of indebtedness or for the reorganization of debtors.

(3) OFAC. Buyer hereby represents and warrants that, to the best of its knowledge, neither Buyer nor any of its entities owned or controlled by Buyer, nor any persons or entities holding any legal or beneficial interest whatsoever in such parties are, a person or entity who: (a) is the target of any laws, sanctions or executive orders administered by the United States, the United Nations, the European Union or the United Kingdom, including without limitation, the U.S. Department of the Treasury's Office of Foreign Asset Control ("**OFAC**") or any other governmental entity imposing economic sanctions, trade embargoes or anti-money laundering laws (collectively, "**Asset Controls**"), (b) is located, organized, or resident in a country or territory that is, or whose government is, the target of Asset Controls, (c) is directly or indirectly owned or controlled by any person or entity currently included on OFAC's Specially Designated Nationals and Blocked Persons List or the Consolidated Sanctions List maintained by OFAC or other Asset Controls, including, without limitation, lists maintained by the United Nations Security Council, the Foreign Sanctions Evaders list and the US Department of Commerce's Entity List, or (d) is directly or indirectly owned or controlled by any person or entity who is located, organized, or resident in a country or territory that is, or whose government is, the target of Asset Controls. In the event of any breach of this Section (or in the event that Buyer or any of its entities, subsidiaries or affiliates or beneficial owners (is included in any of the foregoing lists), (i) Buyer shall immediately notify Seller in writing, and (ii) Buyer shall immediately remove such party from any interest in Buyer or Seller may, without limitation of its other remedies, terminate this Agreement and retain so much of the Escrow Deposit necessary to reimburse Seller for any and all costs incurred by Seller in connection with this Agreement, which amount Escrow Holder shall release to Seller upon demand without the need for further instruction.

C. Certain Interim Covenants of Seller. Until the Closing Date or the sooner termination of this Agreement pursuant to the terms herein:

(1) Seller shall continue to operate and maintain the Property in the same manner as it has prior to the date hereof, subject to ordinary wear and tear, provided that Seller shall not be required to incur any capital expenses in connection with same.

(2) Seller shall maintain its existing insurance policies for the Project (or replacements containing similar coverage or coverage similar to that currently being maintained by Seller or its affiliates for properties similar to the Project).

(3) Seller will substantially comply with the obligations of landlord under terms of the Leases, but shall not be required to make any capital expenses in connection with same. Seller shall, upon request, keep Buyer reasonably informed as to the status of the leasing of the Project prior to the Closing Date. Seller shall give Buyer notice of all new leases and material modifications of existing Leases entered into after the Effective Date, but prior to the Inspection Deadline. From and after the Inspection Deadline, Seller shall not enter into any new leases or material modifications of existing Leases without the consent of Buyer, which consent shall not be unreasonably withheld or conditioned. Buyer must notify Seller in writing within three (3) days of Buyer's receipt of the proposed lease terms of any reasonable objections thereto, or Buyer shall be deemed to have approved the same. Notwithstanding anything herein to the contrary, if the Closing occurs, Buyer shall bear all costs and expenses related to any new leases or modifications, extensions, expansions, options or renewals of existing Leases entered into after the date hereof (including tenant improvement costs, architects' fees, attorneys' fees, moving allowances and leasing commissions, but excluding free rent allocable to any period prior to the Closing Date) and, without limitation on the foregoing, the prorations at Closing shall include an appropriate credit to Seller consistent with the foregoing.

7. Broker(s). Each party represents and warrants to the other that it has not dealt with any real estate broker, agent or finder in connection with this transaction, other than the Broker(s) set forth in the Basic Terms, which acted as the agent(s) of the party(ies) as set forth in the Basic Terms. Buyer agrees to indemnify and hold Seller harmless from and against any and all claims, losses, costs, damages, liabilities or expenses, including, without limitation, reasonable attorneys' fees, arising out of a claim to a commission or finder's fee by any party claiming by or through Buyer. Seller agrees to indemnify and hold Buyer harmless from and against any and all claims, losses, costs, damages, liabilities or expenses, including, without limitation, reasonable attorneys' fees, arising out of a claim to a commission or finder's fee by any party, including, without limitation, Broker(s), claiming by or through Seller. Notwithstanding the foregoing, Seller shall be responsible to pay Broker(s) a commission pursuant to a separate agreement between Seller and Broker(s). Seller hereby discloses to Buyer that certain officers of, and other persons associated with, Seller, including, without limitation, Howard Schwimmer and Michael Frankel, are licensed real estate brokers or salespersons in the State of California, provided such individuals shall not have any personal liability in connection herewith.

8. Condemnation; Destruction. In the event that all or any portion of the Project is damaged or destroyed by any casualty or is the subject of a taking or condemnation under the provisions of eminent domain law after the Effective Date, but prior to the Closing Date, Seller shall have no obligation to repair or replace any such damage, destruction or taken property. Seller shall, upon consummation of the transaction herein provided, assign to Buyer (except to the extent any condemnation proceeds or insurance proceeds are attributable to rents or other items applicable to any period prior to the Closing and subject to the terms of any Leases) all claims of Seller respecting any condemnation or casualty insurance coverage, as applicable, and all condemnation proceeds or proceeds from any such casualty insurance received by Seller on account of any casualty (except to the extent of collection costs or repairs by Seller prior to the Closing Date), as applicable. In connection with any assignment of insurance proceeds hereunder, Seller shall credit Buyer with an amount equal to the lesser of the applicable deductible amount under Seller's insurance or the cost as of the Closing Date to repair the damage (but in either event, less any collection costs or repairs by Seller prior to the Closing Date). In the event the condemnation award or the cost of repair of damage to the Property on account of a casualty (as reasonably determined by Seller in either case), as applicable, shall exceed Two Million and 00/100 Dollars (\$2,000,000.00), Buyer or Seller may, at its option, terminate this Agreement by notice to the other, given on or before the earlier of (a) the Closing Date, or (b) ten (10) days after Seller notifies Buyer of the reasonable cost to repair or the reasonable estimation of the condemnation award. In the event of any termination in accordance with the preceding sentence, Buyer shall receive a refund of the Escrow Deposit (and neither

party hereto shall have any further obligation in connection herewith except under those provisions that expressly survive a termination of this Agreement). Each of Seller and Buyer hereby expressly waives the provisions of California Civil Code Section 1662 and agrees that the provisions of this Section shall govern their obligations in the event of damage, destruction or condemnation.

9. Default; Limitation on Remedies.

A. Default by Seller. In the event the Closing fails to occur due to a default by Seller hereunder (and provided that all conditions precedent to Seller's obligations have been satisfied), Buyer shall be entitled to exercise one (but not both) of the following remedies as its exclusive remedy hereunder: (i) Buyer may elect to bring an action for specific performance of this Agreement, subject to the terms set forth herein, or (ii) Buyer may elect to terminate this Agreement and obtain the return of the Escrow Deposit. Any action by Buyer pursuant to subsection (i) above must be brought within thirty (30) days after the earlier of the scheduled Closing Date or Seller's alleged default and as a condition precedent to any such proceeding, Buyer must have tendered all of its deliveries on or before the scheduled Closing Date as provided above, including, without limitation, the Closing Payment. This provision shall survive the termination of this Agreement.

B. Limit on Liability. Notwithstanding anything to the contrary contained herein, (i) the total liability of Seller under this Agreement and any and all documents executed by Seller in connection herewith shall not exceed, in the aggregate, an amount equal to Two Hundred Sixty-Seven Thousand One Hundred and 00/100 Dollars (\$267,100.00) (the "**Cap**"), (ii) Seller shall have no liability (and Buyer shall make no claim against Seller) for a breach of any representation or warranty or any other obligation of Seller under this Agreement or any document executed by Seller in connection with this Agreement, unless the valid claims for all such breaches collectively aggregate to more than Eighty Thousand and 00/100 Dollars (\$80,000.00) (the "**Threshold**"), in which event the amount of such valid claims against Seller in excess of the Threshold shall be actionable up to the Cap, provided such action or proceeding is commenced within the Survival Period, (iii) in no event shall Seller be liable for any consequential, exemplary or punitive damages, and (iv) none of the Seller's Parties (as defined below) shall be personally liable for the performance of Seller's obligations hereunder and no individual or other assets of the Seller's Parties shall be subject to any Claims by Buyer.

10. ARBITRATION. THE PARTIES AGREE THAT ANY AND ALL DISPUTES, CLAIMS OR CONTROVERSIES ARISING OUT OF, OR RELATING TO, THIS AGREEMENT SHALL BE SUBMITTED TO FINAL AND BINDING ARBITRATION BEFORE JAMS OR ITS SUCCESSOR ("**JAMS**"). EITHER PARTY MAY COMMENCE THE ARBITRATION PROCESS CALLED FOR IN THIS AGREEMENT BY FILING A WRITTEN DEMAND FOR ARBITRATION WITH THE ARBITRATOR, WITH A COPY TO THE OTHER PARTY. THE ARBITRATION WILL BE CONDUCTED IN ACCORDANCE WITH THE PROVISIONS OF JAMS COMPREHENSIVE ARBITRATION RULES IN EFFECT AT THE TIME OF FILING OF THE DEMAND FOR ARBITRATION. THE PARTIES WILL COOPERATE WITH THE ARBITRATOR AND WITH ONE ANOTHER IN SELECTING A SINGLE ARBITRATOR FROM JAMS' PANEL OF NEUTRALS (WHICH ARBITRATOR SHALL BE A CURRENT OR RETIRED JUDGE OR ATTORNEY WITH AT LEAST SEVEN (7) YEARS OF EXPERIENCE IN COMMERCIAL REAL ESTATE DISPUTES), AND IN SCHEDULING THE ARBITRATION PROCEEDINGS. SUCH ARBITRATION SHALL TAKE PLACE IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA. THE PARTIES COVENANT THAT THEY SHALL PARTICIPATE IN THE ARBITRATION IN GOOD FAITH, AND THAT THEY SHALL SHARE EQUALLY IN ITS COSTS, PROVIDED THAT THE PREVAILING PARTY IN SUCH ARBITRATION SHALL BE ENTITLED TO RECOVER, IN ADDITION TO ANY OTHER RELIEF, THE COSTS OF SUCH ARBITRATION AND THEIR REASONABLE ATTORNEYS' FEES AND EXPERT FEES AS AWARDED BY THE ARBITRATOR IN THE PROCEEDINGS IN ACCORDANCE WITH SECTION 16.E BELOW, SUBJECT TO ANY EXPRESS LIMITATIONS SET FORTH HEREIN. THE AWARD OF THE ARBITRATOR MAY BE ENFORCED BY ANY COURT OF COMPETENT JURISDICTION. BY INITIALING IN THE SPACE BELOW, THE PARTIES ACKNOWLEDGE AND AGREE TO HAVE ANY DISPUTE ARISING OUT OF THIS AGREEMENT DECIDED BY NEUTRAL, BINDING ARBITRATION AND ARE WAIVING ANY RIGHTS THEY MAY POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR BY JURY TRIAL. EACH PARTY'S AGREEMENT TO THIS SECTION IS VOLUNTARY. THE PARTIES HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THIS AGREEMENT TO NEUTRAL, BINDING

ARBITRATION IN ACCORDANCE WITH THE TERMS HEREOF. THIS PROVISION SHALL SURVIVE ANY TERMINATION OF THIS AGREEMENT AND THE CLOSING.

BUYER'S INITIALS

SELLER'S INITIALS

11. AS-IS; RELEASE. AS AN ESSENTIAL INDUCEMENT TO SELLER TO ENTER INTO THIS AGREEMENT, AND AS PART OF THE DETERMINATION OF THE PURCHASE PRICE, BUYER ACKNOWLEDGES, UNDERSTANDS AND AGREES AS OF THE EFFECTIVE DATE AND AS OF THE CLOSING TO THE PROVISIONS SET FORTH BELOW.

A. AS-IS; WHERE-IS. EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN SECTION 6.A ABOVE, BUYER ACKNOWLEDGES AND AGREES THAT (I) THE SALE OF THE PROPERTY HEREUNDER IS AND WILL BE MADE ON AN "AS IS, WHERE IS, WITH ALL FAULTS" BASIS, WITH BUYER ASSUMING THE PROPERTY IN SUCH CONDITION AND AGREEING THAT SELLER SHALL NOT HAVE ANY RESPONSIBILITY FOR THE CONDITION OF THE PROPERTY (OR OTHERWISE, INCLUDING, WITHOUT LIMITATION, THE REPAIR OF ANY PORTION OF THE PROPERTY, THE CONSTRUCTION OF ANY IMPROVEMENTS AND/OR THE ENVIRONMENTAL CONDITION OF THE PROPERTY), (II) SELLER HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY NEGATES AND DISCLAIMS ANY REPRESENTATIONS, WARRANTIES OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE OF, AS TO, CONCERNING OR WITH RESPECT TO THE PROPERTY OR ANY OTHER MATTER WHATSOEVER (INCLUDING, WITHOUT LIMITATION ANY REPRESENTATIONS OR WARRANTIES REGARDING THE ENVIRONMENTAL CONDITION OR ANY HAZARDOUS MATERIALS (AS DEFINED BELOW) IN, ON, UNDER OR ABOUT THE PROPERTY OR THE CONSTRUCTION OF ANY IMPROVEMENTS), (III) PRIOR TO THE INSPECTION DEADLINE, BUYER SHALL HAVE CONFIRMED INDEPENDENTLY ALL INFORMATION THAT IT CONSIDERS MATERIAL TO ITS PURCHASE OF THE PROPERTY OR THE TRANSACTION CONTEMPLATED HEREBY (INCLUDING, WITHOUT LIMITATION, THE CONDITION OF THE PROJECT AND TITLE TO THE PROPERTY), (IV) BUYER IS A SOPHISTICATED BUYER AND ACKNOWLEDGES THAT TO THE FULLEST EXTENT AT LAW, SELLER SHALL NOT BE RESPONSIBLE FOR ANY MATTERS AFFECTING THE PROPERTY, INCLUDING, WITHOUT LIMITATION, THE ENVIRONMENTAL CONDITION THEREOF OR CONSTRUCTION OF ANY IMPROVEMENTS OR OTHERWISE WITH RESPECT TO THE PROPERTY, AND (V) ANY INFORMATION PROVIDED WITH RESPECT TO THE PROPERTY (INCLUDING, WITHOUT LIMITATION, THE DUE DILIGENCE MATERIALS) IS SOLELY FOR BUYER'S CONVENIENCE AND SELLER HAS NOT MADE ANY INDEPENDENT INVESTIGATION OR VERIFICATION OF SUCH INFORMATION AND EXPRESSLY DISCLAIMS ALL REPRESENTATIONS AS TO THE ACCURACY OR COMPLETENESS OF THE SAME. AS USED HEREIN, "**HAZARDOUS MATERIALS**" MEANS ANY HAZARDOUS, TOXIC OR DANGEROUS WASTE, SUBSTANCE OR MATERIAL, POLLUTANT OR CONTAMINANT, AS DEFINED FOR PURPOSES OF THE COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION AND LIABILITY ACT OF 1980 (42 U.S.C. SECTION 9601 ET SEQ.), AS AMENDED, OR THE RESOURCE CONSERVATION AND RECOVERY ACT (42 U.S.C. SECTION 6901 ET SEQ.), AS AMENDED, OR ANY OTHER LAWS, OR ANY SUBSTANCE WHICH IS TOXIC, EXPLOSIVE, CORROSIVE, FLAMMABLE, INFECTIOUS, RADIOACTIVE, CARCINOGENIC, MUTAGENIC, OR OTHERWISE HAZARDOUS, OR ANY SUBSTANCE WHICH CONTAINS GASOLINE, DIESEL FUEL OR OTHER PETROLEUM HYDROCARBONS, POLYCHLORINATED BIPHENYLS (PCBS), OR RADON GAS, UREA FORMALDEHYDE, ASBESTOS OR LEAD.

B. RELEASE. AS A MATERIAL PART OF THE CONSIDERATION TO SELLER FOR THE SALE OF THE PROPERTY, BUYER WAIVES, RELEASES, ACQUITS AND DISCHARGES SELLER AND SELLER'S MEMBERS, SHAREHOLDERS, PARTNERS, PRINCIPALS, SUBSIDIARIES, PARENT COMPANIES, AFFILIATES, DIRECTORS, OFFICERS, EMPLOYEES, AGENTS AND ATTORNEYS, AND THEIR RESPECTIVE DIRECTORS, OFFICERS, EMPLOYEES, AFFILIATES, AGENTS AND ATTORNEYS (COLLECTIVELY "**SELLER'S PARTIES**") FROM ANY AND ALL LOSSES, COSTS, CLAIMS, LIABILITIES, EXPENSES, CAUSES OF ACTION, DEMANDS, FEES (INCLUDING, WITHOUT LIMITATION, ATTORNEYS' FEES) AND OBLIGATIONS (COLLECTIVELY, "**CLAIMS**"), WHETHER OR NOT LATENT, KNOWN AND UNKNOWN, FORESEEN AND UNFORESEEN AND WHETHER OR NOT NOW ACCRUED, INCLUDING,

WITHOUT LIMITATION, ANY RIGHTS TO, OR CLAIM FOR, CONTRIBUTIONS OR INDEMNITY THAT ARE BASED DIRECTLY OR INDIRECTLY ON, ARISE FROM OR IN CONNECTION WITH, OR ARE RELATED TO (IN ANY WAY) (I) ANY PAST, PRESENT OR FUTURE CONDITION OF THE PROPERTY (INCLUDING, WITHOUT LIMITATION, THE PRESENCE OF ANY HAZARDOUS MATERIALS IN, ON, UNDER OR ABOUT THE PROPERTY OR THE CONSTRUCTION OF ANY IMPROVEMENTS), (II) ANY AND ALL STATEMENTS, REPRESENTATIONS, WARRANTIES, DETERMINATIONS, CONCLUSIONS, ASSESSMENTS, ASSERTIONS OR ANY OTHER INFORMATION CONTAINED IN ANY OF THE DUE DILIGENCE MATERIALS, (III) ANY DEFECT, INACCURACY OR INADEQUACY IN TITLE OF THE PROPERTY OR THE CONSTRUCTION OF ANY IMPROVEMENTS, AND (IV) THE PROPERTY OR THE USE, TENANCY, OCCUPANCY OR OPERATION THEREOF. BUYER HEREBY ACKNOWLEDGES AND AGREES THAT (A) BUYER MAY HEREAFTER DISCOVER FACTS DIFFERENT FROM, OR IN ADDITION TO, THOSE NOW OR AS OF THE CLOSING KNOWN OR BELIEVED TO BE TRUE REGARDING THE PROPERTY AND/OR DUE DILIGENCE MATERIALS, AND SELLER SHALL HAVE NO LIABILITY IN CONNECTION THEREWITH (BUYER HEREBY BEING SOLELY RESPONSIBLE FOR THE SAME), AND (B) BUYER'S AGREEMENT TO WAIVE, RELEASE, ACQUIT AND DISCHARGE SELLER AND SELLER'S PARTIES AS SET FORTH HEREIN SHALL REMAIN IN FULL FORCE AND EFFECT, NOTWITHSTANDING THE EXISTENCE OR DISCOVERY OF ANY SUCH DIFFERENT OR ADDITIONAL FACTS.

WITH RESPECT TO THE RELEASES AND WAIVERS SET FORTH IN THIS SECTION, BUYER EXPRESSLY WAIVES THE BENEFITS OF SECTION 1542 OF THE CALIFORNIA CIVIL CODE, WHICH PROVIDES AS FOLLOWS:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

BUYER HAS BEEN ADVISED BY ITS LEGAL COUNSEL AND UNDERSTANDS THE SIGNIFICANCE OF THIS WAIVER OF SECTION 1542 RELATING TO UNKNOWN, UNSUSPECTED AND CONCEALED CLAIMS. BY ITS INITIALS BELOW, BUYER ACKNOWLEDGES THAT IT FULLY UNDERSTANDS, APPRECIATES AND ACCEPTS ALL OF THE TERMS OF THIS SECTION 11.

BUYER'S INITIALS

C. Survival. This Section 11 shall survive the termination of this Agreement and the Closing.

12. Exchange. Either party may decide to have this transaction qualify as part of a tax deferred exchange under Section 1031 of the Internal Revenue Code, in which case the other party agrees to cooperate with such exchange; provided, however, the exchanging party(ies) shall indemnify and hold the non-exchanging parties harmless from any additional third party cost or expense incurred in connection with such exchange, and no party will be required to any way act as a purchaser or seller of any property other than the Property. The inability of any party to effect an exchange shall not relieve that party of its obligation to conclude the transactions contemplated by this Agreement.

13. Energy Disclosures. Buyer acknowledges that the Project may be subject to laws pertaining to the energy efficiency, benchmarking, efficiency updates and/or utility usage (the "**Energy Laws**"). Buyer waives, to the maximum extent allowed by applicable law, any and all obligations of Seller to deliver any information or other reporting under the Energy Laws whether such failure occurs prior to execution and delivery of this Agreement or prior to the Closing. This provision shall survive the Closing.

14. Natural Hazard Disclosure. As used herein, the term "**Act**" shall mean the Natural Hazard Disclosure Act, California Government Code Sections 8589.3, 8589.4 and 51183.5, and California Public Resources Code Sections 2621.9, 2694 and 4136, and any successor statutes or laws. Buyer hereby acknowledges and agrees that (a) Seller has retained, or shall retain, the services of a third party company to examine the maps and other information made available to the public by government agencies for the purpose of enabling Seller to fulfill its

disclosure obligations with respect to the Act and to prepare the written report of the result of its examination (the “**Report**”), (b) Seller has provided, or shall provide, Buyer with a natural hazard disclosure statement (the “**Disclosure Statement**”) in a form required by the Act, (c) the Report fully and completely discharges Seller from its disclosure obligations under the Act and under California Civil Code Sections 1102 through 1102.17 and all other laws, and (d) the matters set forth in the Disclosure Statement or Report may change on or prior to the Closing and that Seller has no obligation to update, modify or supplement the Disclosure Statement or Report.

15. California Health and Safety Code Section 78700 Disclosure. California Health and Safety Code Section 78700 requires owners of nonresidential property who know or have reasonable cause to believe that a release of a hazardous material has come to be located on or beneath real property to provide written notice of that condition to a buyer of said real property. By Buyer’s execution of this Agreement, Buyer (a) acknowledges Buyer’s receipt of the foregoing disclosure and notice given pursuant to Section 78700 of the California Health and Safety Code, (b) confirms that it has become or will become fully aware prior to the Inspection Deadline of the condition of the Property, and (c) confirms that it has received advice of legal counsel concerning same and as of the Closing waives any and all rights or remedies whatsoever, express, implied, statutory or by operation of law, Buyer may have against Seller arising under Section 78700 of the California Health and Safety Code and/or with respect to the condition of the Property, and/or to terminate this Agreement as a result thereof.

[ADDITIONAL ENVIRONMENTAL DISCLOSURES TO BE ADDED HERE]

16. Miscellaneous.

A. Construction. The exhibits attached hereto are hereby incorporated herein as if fully set forth in this Agreement. This Agreement contains the entire agreement between the parties respecting the matters herein set forth and supersedes all prior agreements between the parties hereto respecting such matters. Words used in the singular shall include the plural, and vice versa. Whenever the words “including”, “include” or “includes” are used in this Agreement, they shall be interpreted in a non-exclusive manner. The captions and headings of the Sections of this Agreement are for convenience only. Except as otherwise indicated, all Exhibit and Section references in this Agreement shall be deemed to refer to the Exhibits and Sections in this Agreement. Each party acknowledges and agrees that this Agreement is the product of negotiations between the parties and shall not be deemed prepared or drafted by any one party. In the event of any dispute between the parties concerning this Agreement, the parties agree that any ambiguity in the language of the Agreement is to not to be resolved against Seller or Buyer, but shall be given a reasonable interpretation in accordance with the plain meaning of the terms of this Agreement and the intent of the parties as manifested hereby. This Agreement may be amended only by a written agreement executed by all parties. In no event shall any draft of this Agreement create any obligations or liabilities, it being intended that only a fully executed and delivered copy of this Agreement will bind the parties hereto. This Agreement does not and shall not be construed to create a partnership, joint venture or other relationship between Buyer and Seller, except the relationship of the buyer and seller established hereby. If Buyer is comprised of more than one person or party, all persons or parties constituting Buyer shall be jointly and severally liable hereunder.

B. Successors and Assigns. Buyer may not assign or transfer its rights or obligations under this Agreement either directly or indirectly (whether by outright transfer, transfer of ownership interests or otherwise) without the prior written consent of Seller (which may be given or withheld in Seller’s sole and absolute discretion); provided, however, Seller shall not be entitled to withhold its consent to any assignment by Buyer of its interest in this Agreement on or before the Closing to an entity in which Buyer has control and has more than a fifty percent (50%) ownership interest so long as Buyer gives Seller at least seven (7) business days’ advance written notice thereof and Buyer and the assignee execute and deliver an assignment and assumption agreement in form reasonably satisfactory to Seller (which shall include, without limitation, such assignee making any and all representations and warranties of Buyer hereunder and an express acknowledgement to the terms and conditions of Section 11 hereof). In the event of a transfer, the transferee shall assume in writing all of the transferor’s obligations hereunder, but such transferor shall not be released from its obligations hereunder. No consent given by Seller to any transfer or assignment of Buyer’s rights or obligations hereunder shall be construed as a consent to any other transfer or assignment of Buyer’s rights or obligations hereunder. No transfer or assignment in violation of the provisions hereof shall be valid or enforceable. Subject to the foregoing, this Agreement and the terms and provisions hereof shall inure to the benefit of and be binding upon the successors and assigns of the parties.

C. Notices. Any notice which a party is required or may desire to give the other shall be in writing and shall be sent by (i) personal delivery, (ii) United States registered or certified mail, return receipt requested, postage prepaid, or (iii) by FedEx or similar generally recognized overnight courier regularly providing proof of delivery, addressed as set forth in the Basic Terms of this Agreement (subject to the right of a party to designate a different address for itself by notice similarly given at least five (5) days in advance). Any notice given by mail shall be deemed to have been given as of the date of delivery (whether accepted or refused) established by U.S. Post Office return receipt; and any notice given by overnight courier shall be deemed to have been given as of the date of the overnight courier's proof of delivery. Notices may be given by facsimile transmission and/or as an electronic PDF file sent via email and shall be deemed given upon the sending of the same (provided no bounceback/failure to deliver is received), and provided a hard copy notice by mail or overnight courier is sent concurrently therewith as provided above. An attorney may provide notices on behalf of its client.

D. Press Releases; Confidentiality. Buyer shall not disclose the terms and conditions of this Agreement to any third party, except as required by applicable laws or to its employees, agents, legal counsel or advisors as reasonably necessary to facilitate the transaction contemplated herein, provided that Buyer shall be responsible for any disclosures by its employees, agents, legal counsel or advisors. Upon the occurrence of the Closing, Seller shall have the right to make one or more announcements or press releases concerning the sale of the Property. Buyer shall not make any press release or public announcement regarding this Agreement or the transaction contemplated herein without coordinating same with Seller in advance. This provision shall survive any termination of this Agreement and the Closing.

E. Legal Costs/Attorneys' Fees. In the event any arbitration or proceeding is instituted by a party related to, or to enforce, this Agreement, the prevailing party in such action (as determined by the arbitrator, judge, agency or other authority before which such proceeding is commenced), shall be entitled to such reasonable attorneys' fees (including, without limitation, reasonable outside counsel fees and in-house paralegals' and attorneys' time computed at similar rates), costs and expenses as may be fixed by the decision maker. This Agreement shall be construed and enforced in accordance with the internal laws of the State of California (without regard to conflicts of law). The parties hereby irrevocably waive their respective rights to a jury trial of any claim or cause of action based upon or arising out of this Agreement. This provision shall survive any termination of this Agreement and the Closing.

F. Further Instruments. Each party will, whenever it shall be requested so to do by the other, cause to be executed, acknowledged and delivered any and all such further reasonable instruments and documents as may be reasonably required in order to carry out the intent and purpose of this Agreement.

G. Time of the Essence. Time is of the essence of this Agreement. Whenever action must be taken under this Agreement during a certain period of time that ends on a non-business day, then such period shall be extended until the immediately following business day. As used herein, "**business day**" means any day other than a Saturday, Sunday or federal or California state holiday.

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

I. No Waiver. Any party may waive any of the conditions to its obligations hereunder, but any such waiver shall be effective only if contained in a writing signed by such party. No such waiver shall reduce the rights or remedies of a party by reason of any breach by the other party hereunder. No failure or delay by one party to exercise any right it may have by reason of the default of the other party shall operate as a waiver of default of this Agreement or shall prevent the exercise of any right by such party.

J. Third Party Beneficiaries. No third party shall be entitled to enforce or otherwise shall acquire any right, remedy or benefit by reason of this Agreement.

K. Counterparts. This Agreement may be executed in one or more counterparts (by original, facsimile or electronic signatures), each of which shall be deemed to constitute an original, but all of which, when taken together, shall constitute one and the same instrument. The parties intend to treat any facsimile or electronic PDF signature as if it were an original.

L. **Blocking Event.** Notwithstanding anything to the contrary contained in this Agreement, to the extent a Blocking Event (as defined below) has occurred on the Closing Date or during the two (2) business days immediately preceding the Closing Date, the Closing Date shall be extended until the date that is two (2) business days following a Blocking Event Cure (as defined below). A “**Blocking Event**” shall mean an event, development, condition or state of facts that is not within the reasonable control of the party claiming a Blocking Event and that: (i) prevents an overnight courier service from being able to pick up packages from, or deliver packages to, Buyer, Seller, Escrow Holder or Title Company, (ii) results in the inability of the Escrow Holder or Title Company to perform its duties as contemplated herein, provided that it shall not be a Blocking Event if a replacement escrow agent and/or title officer, as applicable, within a national title insurance company agrees to act as escrow agent or title officer, as applicable, pursuant to the terms of this Agreement at no additional liability to either party, (iii) results in any lienholder needed to cause the satisfaction or removal of any lien required to be satisfied or removed prior to Closing pursuant to this Agreement being closed for operations and unable to timely release or discharge such lien, (iv) results in the local recording office being unable to record documents and the Title Company being unwilling or unable to provide gap coverage, or (v) prevents banks from sending wire transfers. “**Blocking Event Cure**” shall mean with respect to any Blocking Event (A) described in clause (i) of the definition above, the resumption of deliveries by any nationally recognized overnight courier, (B) described in clause (ii) of the definition above, the ability of the Escrow Holder and Title Company to perform its duties as contemplated herein have resumed, (C) described in clause (iii) of the definition above, the reopening of such lien holder, (D) described in clause (iv) of the definition above, the ability of such local recording office to record documents has resumed, and (E) described in clause (v) of the definition above, the ability of wires to be sent and processed has recommenced.

[END OF TEXT; SIGNATURES ON FOLLOWING PAGE]

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

SELLER:

REXFORD INDUSTRIAL REALTY, L.P.,
a Maryland limited partnership

By: Rexford Industrial Realty, Inc.,
a Maryland corporation
Its General Partner

By: _____
Name: _____
Its: _____
Date: _____, 2025

BUYER:

ORANGE COUNTY SANITATION DISTRICT a sanitation
district organized and existing under the County Sanitation District Act,
Health & Safety Code §§ 4700 et seq.

By: _____
Name: Ryan P. Gallagher,
Its: Board Chairman
Date: _____, 2025

Approved to form by: _____
Name: Scott C. Smith
Its: General Counsel

Attest by: _____
Name: Kelly A. Lore
Its: Clerk of the Board
Date: _____ 2025

If Buyer is a CALIFORNIA CORPORATION, the authorized officers must sign on behalf of the corporation and indicate the capacity in which they are signing. The Purchase Agreement must be executed by the president or vice-president and the secretary or assistant secretary, unless the bylaws or a resolution of the board of directors shall otherwise provide, in which event, the bylaws or a certified copy of the resolution, as the case may be, must be delivered to Seller.

ESCROW HOLDER'S ACKNOWLEDGEMENT

The undersigned hereby executes this Agreement to evidence its receipt of executed originals or electronic PDF copies of this Agreement and its agreement to act as Escrow Holder in accordance with the terms of this Agreement.

ESCROW HOLDER:

CHICAGO TITLE COMPANY

By: _____
Name: _____
Its: _____
Date: _____ 2025

EXHIBIT LIST

Exhibit "A"	-	Description of Land
Exhibit "B"	-	List of Leases
Exhibit "C"	-	Form of Deed
Exhibit "D"	-	Form of Bill of Sale
Exhibit "E"	-	Form of Assignment
Exhibit "F"	-	Form of Tenant Notice
Exhibit "G"	-	Form of Estoppel Certificate

Draft

EXHIBIT "A"

DESCRIPTION OF LAND

All that certain real property situated in the City of Fountain Valley, County of Orange, State of California, described as follows:

THAT PORTION OF THE WEST HALF OF THE NORTHWEST QUARTER OF SECTION 33, TOWNSHIP 5 SOUTH, RANGE 10 WEST, IN THE RANCHO LAS BOLSAS, IN THE CITY OF FOUNTAIN VALLEY, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 51, PAGE 12 OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF ORANGE COUNTY, CALIFORNIA, WHICH IS SHOWN AS PARCEL 2 ON PARCEL MAP RECORDED OCTOBER 10, 1972 IN BOOK 47, PAGE 1 OF PARCEL MAPS OF SAID COUNTY.

APN: 156-171-41

END OF LEGAL DESCRIPTION

EXHIBIT “B”

LIST OF LEASES

That certain Standard Industrial Single Tenant Lease – Net dated December 20, 2019 by and between Seller, as “landlord,” and Seller’s predecessor owner of the Property (or its affiliate), PPM Investments, LLC, a Delaware limited liability company.

END OF EXHIBIT

EXHIBIT "C"

FORM OF DEED

RECORDING REQUESTED BY,
WHEN RECORDED MAIL TO &
MAIL TAX STATEMENTS TO:

Attention: _____

APN: _____

SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE

Escrow Order No. _____

GRANT DEED

THE UNDERSIGNED GRANTOR DECLARES THAT DOCUMENTARY TRANSFER TAX IS COUNTY
TRANSFER TAX \$ _____; CITY TRANSFER TAX \$ _____.

☒ [X] computed on full value of property conveyed, or

☐ [] computed on full value less value of liens or encumbrances remaining at time of sale.

☐ [] unincorporated area ☐ [] City of _____, AND

FOR VALUE RECEIVED, _____, a _____ ("Grantor"), hereby GRANTS to
_____, all that certain real property situated in the City of _____, County of
_____, State of California, described on Schedule 1 attached hereto and by this reference incorporated
herein together with all of Grantor's right, title and interest in and to the improvements and structures thereon and all
privileges, easements, appurtenances, rights-of-way and hereditaments appertaining to the same, subject to all matters
of record and all matters that would be reflected on an accurate survey as of the time of recordation of this deed.

[END OF TEXT; SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the undersigned hereby execute(s) this instrument effective as of the ____ day of _____ 202__.

GRANTOR:

[INSERT GRANTOR'S SIGNATURE BLOCK]

INSERT SCHEDULE 1 (LEGAL DESCRIPTION) PRIOR TO CLOSING

INSERT APPLICABLE NOTARY ACKNOWLEDGEMENT(S)

EXHIBIT ONLY – DO NOT SIGN

EXHIBIT "D"

FORM OF BILL OF SALE

QUITCLAIM BILL OF SALE

THIS QUITCLAIM BILL OF SALE ("**Bill of Sale**"), is made effective as of _____, 202__ (the "**Effective Date**"), by _____, a _____ ("**Seller**"), to and for the benefit of _____, a _____ ("**Buyer**"), and is made with reference to the following facts, which are a material part of this Bill of Sale:

A. Seller and Buyer (or Buyer's predecessor in interest) entered into that certain Purchase and Sale Agreement dated _____, 202__ (as amended, the "**Purchase Agreement**") for the purchase and sale of certain real property as more particularly described in the Purchase Agreement, which also provides for the ancillary Bill of Sale of Personal Property to the extent provided in the Purchase Agreement. All capitalized terms not defined herein have the meanings assigned to such terms in the Purchase Agreement.

B. This Bill of Sale is being made pursuant to the terms of the Purchase Agreement for the purpose of assigning to Buyer all of Seller's rights, title and interest in and to the Personal Property, if any, as described in the Purchase Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller hereby quitclaims to Buyer all of Seller's right, title and interest in the Personal Property.

BUYER ACKNOWLEDGES AND AGREES THAT SELLER HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY DISCLAIMS ANY REPRESENTATIONS, WARRANTIES, PROMISES, COVENANTS, AGREEMENTS OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, OF, AS TO, CONCERNING OR WITH RESPECT TO (A) THE NATURE, QUALITY OR CONDITIONS OF THE PERSONAL PROPERTY, (B) THE SUITABILITY OF THE PERSONAL PROPERTY FOR ANY AND ALL ACTIVITIES AND USES WHICH BUYER MAY CONDUCT, (C) THE COMPLIANCE OF OR BY THE PERSONAL PROPERTY OR ITS OPERATION WITH ANY LAWS, RULES, ORDINANCES OR REGULATIONS OF ANY APPLICABLE GOVERNMENTAL AUTHORITY OR BODY, (D) THE HABITABILITY, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE PERSONAL PROPERTY, OR (E) ANY OTHER MATTER WITH RESPECT TO THE PERSONAL PROPERTY. BUYER FURTHER ACKNOWLEDGES, AGREES AND AFFIRMS THAT: (I) HAVING BEEN GIVEN THE OPPORTUNITY TO INSPECT THE PERSONAL PROPERTY, BUYER IS RELYING SOLELY ON ITS OWN INVESTIGATION OF THE PERSONAL PROPERTY AND NOT ON ANY INFORMATION PROVIDED OR TO BE PROVIDED BY SELLER, (II) THAT ANY INFORMATION PROVIDED OR TO BE PROVIDED WITH RESPECT TO THE PERSONAL PROPERTY WAS OBTAINED FROM A VARIETY OF SOURCES AND THAT SELLER HAS NOT MADE ANY INDEPENDENT INVESTIGATION OR VERIFICATION OF SUCH INFORMATION, AND (III) THAT THE SALE OF THE PERSONAL PROPERTY AS PROVIDED FOR HEREIN IS MADE ON AN "AS IS, WHERE IS, WITH ALL FAULTS" CONDITION AND BASIS. THIS QUITCLAIM BILL OF SALE IS SUBJECT TO THE AGREEMENTS AND LIMITATIONS SET FORTH IN THE PURCHASE AGREEMENT.

In the event any arbitration or proceeding is instituted by a party related to, or to enforce, this Bill of Sale, the prevailing party in such action (as determined by the arbitrator, judge, agency or other authority before which such proceeding is commenced), shall be entitled to such reasonable attorneys' fees (including, without limitation, reasonable outside counsel fees and in-house paralegals' and attorneys' time computed at similar rates), costs and expenses as may be fixed by the decision maker.

This Bill of Sale shall inure to the benefit of and shall be binding upon Seller, Buyer and their respective successors and assigns, and shall be governed by, interpreted under, and construed in accordance with the laws of the State of California, without regard to the choice of laws provision said state. This Bill of Sale may be executed in

one or more counterparts (by original, facsimile or electronic signatures), each of which shall be deemed an original, but all of which shall constitute one and the same document.

[END OF TEXT; SIGNATURES ON FOLLOWING PAGE]

Draft

IN WITNESS WHEREOF, the undersigned hereby execute this Bill of Sale as of the Effective Date.

SELLER:

[INSERT SELLER'S SIGNATURE BLOCK]

BUYER:

[INSERT SELLER'S SIGNATURE BLOCK]

EXHIBIT ONLY – DO NOT SIGN

Draft

EXHIBIT "E"

FORM OF ASSIGNMENT

ASSIGNMENT AND ASSUMPTION

THIS ASSIGNMENT AND ASSUMPTION ("**Assignment**") is made effective as of _____, 202__ (the "**Effective Date**"), by and between _____, a _____ ("**Assignor**"), and _____, a _____ ("**Assignee**"), and is made with reference to the following facts, which are a material part of this Assignment.

A. Assignor and Assignee (or Assignee's predecessor in interest) are parties to that certain Purchase and Sale Agreement dated _____, 202__ (as amended, the "**Purchase Agreement**"), whereby Assignee is purchasing the Property (as defined in the Purchase Agreement) and this Assignment is being delivered in furtherance of the parties' performance under the Purchase Agreement. All capitalized terms not defined herein have the meanings assigned to such terms in the Purchase Agreement.

B. The Property is leased to certain tenants pursuant to the leases set forth on Schedule 1 attached hereto (the "**Leases**").

C. As used herein, "**Leases**" shall exclude and Assignor hereby reserves unto itself all rights and claims of Assignor with respect to indemnities and liability insurance claims of Assignor and its affiliates that relate to or arise from events or circumstances arising, occurring or existing prior to the Effective Date under or with respect to the Leases.

D. Assignor may have used or acquired certain Intangible Property in connection with the ownership and/or operation of the Property, including, without limitation, contract rights, including without limitation, those Assumed Contracts set forth on Schedule 2 hereto.

E. Assignor desires to assign all of the right, title and interest of and as the landlord under the Leases and any refundable security deposits thereunder, including, without limitation, those security deposits set forth on Schedule 3 attached hereto (collectively, the "**Security Deposits**"), and Assignee desires to accept the assignment thereof and assume the obligations of Assignor as the landlord under the Leases, all as more particularly provided in this Assignment.

F. Assignor desires to assign all of its right, title and interest in and to the Intangible Property to Assignee, and Assignee desires to accept the assignment thereof, all as more particularly provided in this Assignment.

NOW, THEREFORE, in consideration of the promises and conditions contained herein, the parties hereby agree as follows:

1. Assignment. Subject to the terms of the Purchase Agreement, Assignor hereby assigns and transfers to Assignee, effective as of the Effective Date, all of Assignor's right, title and interest in and to the Leases, the Security Deposits and, to the extent assignable, the Intangible Property (including, without limitation, and to the extent assignable, any Assumed Contracts).

2. Assumption. Assignee hereby agrees to and accepts the assignment of Assignor's rights under the Leases and the Intangible Property, and assumes and agrees to perform all obligations required to be kept and performed by Assignor with respect to the Leases (including, without limitation, the accounting of the Security Deposits thereunder to tenants) and the Intangible Property (including, without limitation, the Assumed Contracts) arising or accruing from and after the Effective Date.

3. Construction. The language in all parts of this Assignment shall be in all cases construed simply according to its fair meaning and not strictly for or against any of the parties hereto. Each party acknowledges that the terms and conditions of this Assignment resulted from arms-length negotiations between the parties, and each

party agrees that any rule of construction or interpretation providing for any uncertain provision to be construed against the draftsperson of this Assignment shall not apply. The use of the terms “include” or “including” is intended to be inclusive, not exclusive, and should not be construed to limit the application of any provision of this Assignment. The captions of the sections of this Assignment are for convenience only, and shall not be relied upon in interpreting this Assignment. Notwithstanding anything to the contrary, the covenants, agreements and limitations provided in the Purchase Agreement with respect to the property conveyed hereunder are hereby incorporated herein by this reference as if herein set out in full.

4. Counterparts. This Assignment may be executed in multiple counterparts (by original, facsimile or electronic PDF signatures), each of which shall be deemed an original Assignment, and all of which shall constitute one (1) Assignment notwithstanding that all of the parties are not signatories to the original or the same counterpart, to be effective as of the date provided in this Assignment.

5. Governing Law. This Assignment shall be construed according to the laws of the State of California, without regard to the conflict of laws provisions of such laws.

6. Validity. Should any portion of this Assignment be declared invalid and unenforceable, then such portion shall be deemed to be severable from this Assignment and shall not affect the remainder hereof.

7. Attorneys’ Fees/Legal Expenses. In the event any arbitration or proceeding is instituted by a party related to, or to enforce, this Assignment, the prevailing party in such action (as determined by the arbitrator, judge, agency or other authority before which such proceeding is commenced), shall be entitled to such reasonable attorneys’ fees (including, without limitation, reasonable outside counsel fees and in-house paralegals’ and attorneys’ time computed at similar rates), costs and expenses as may be fixed by the decision maker.

[END OF TEXT; SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the undersigned hereby execute this Assignment as of the Effective Date.

ASSIGNOR:

[INSERT ASSIGNOR'S SIGNATURE BLOCK]

ASSIGNEE:

[INSERT ASSIGNEE'S SIGNATURE BLOCK]

*INSERT SCHEDULE 1 (LEASES), SCHEDULE 2 (ASSUMED CONTRACTS) AND
SCHEDULE 3 (SECURITY DEPOSITS) PRIOR TO CLOSING*

EXHIBIT ONLY – DO NOT SIGN

EXHIBIT "F"

FORM OF TENANT NOTICE

_____, 202__

Re: _____, _____, California.

Dear Tenant:

Please be advised that, effective as of the date hereof, _____, a _____ ("Seller"), sold its interest in the above-referenced property and assigned its interest in your lease and any security deposit(s) at such property (the "**Lease**") to _____, a _____ ("**Buyer**"). Consequently, Buyer is now your landlord and the referenced security deposit(s), if any, under the Lease has been transferred to and received by Buyer. Buyer is now responsible to account to you under the Lease and at law for the security deposit(s) transferred by Seller. All future notices and other communication to the landlord under the Lease, and all rent and other charges due on or after the date hereof, should be delivered to Buyer at the following address:

Attention: _____

_____ can be contacted by phone at _____ or by email at _____ in the event of any questions pertaining to the matters set forth herein.

Thank you for your cooperation.

Very truly yours,

a _____

By: _____
Name: _____
Its: _____

EXHIBIT ONLY – DO NOT SIGN

EXHIBIT "G"

FORM OF ESTOPPEL CERTIFICATE

_____, ("Tenant"), hereby certifies to _____ ("Landlord"), and _____ ("Buyer") as follows:

1. Tenant is the tenant of certain space (the "**Premises**") in the building commonly known as _____ (the "**Building**"), known as Suite No. _____, under a lease dated _____, _____ (the "**Lease**") entered into between Tenant and Landlord or Landlord's predecessor.

2. The Lease is presently in full force and effect and, to Tenant's actual knowledge, Tenant is not in default thereunder.

3. The Lease and all amendments thereto, as listed on Schedule 1 attached hereto, constitutes the entire agreement between Landlord and Tenant regarding the Premises and there has been no amendment, written or oral, to the Lease except as follows: _____, ("none" will apply unless otherwise indicated).

4. Tenant has accepted the Premises. Tenant has not entered into any sublease or assignment transferring any of Tenant's interest in the Lease or the Premises except as follows: _____ ("none" will apply unless otherwise indicated).

5. The term of the Lease commenced on _____, _____, and will end on _____. Tenant has no right or option to extend the Lease term except as follows: _____ ("none" will apply unless otherwise indicated).

6. The monthly rental for lease year _____ - _____ is _____ Dollars (\$ _____), which amount has been paid through _____.

7. To Tenant's actual knowledge, there are no existing defenses, offsets, claims or credits which Tenant has against the enforcement of the Lease.

8. Tenant is required to pay its pro rata share of operating expenses of the Building and its pro rata share of the Building's real property taxes and insurance costs, which amount is currently \$ _____ per month. The base year under the Lease, if applicable, is _____.

9. Tenant has no option or preferential right to purchase all or any part of the Premises, except as follows: _____ ("none" will apply unless otherwise indicated).

10. All tenant improvement work to be performed by Landlord under the Lease as of the date hereof has been completed, all promises given by Landlord of an inducement nature have been performed, and all reimbursements and allowances (including improvement allowances, free rent and/or other concessions) due to Tenant under the Lease as of the date hereof have been paid (or credited to Tenant) in full except as follows: _____ ("none" will apply unless otherwise indicated).

11. To Tenant's actual knowledge, Landlord is not in default under the Lease.

12. The amount of the security deposit paid under the terms of the Lease is _____ Dollars (\$ _____). No rent under the Lease has been paid more than one month in advance, and no other sums have been deposited with Landlord.

13. Tenant acknowledges the right of Buyer to rely upon the certifications and agreements contained in this certificate in purchasing the property.

Dated this _____ day of _____, 202__.

TENANT:

[INSERT TENANT SIGNATURE BLOCK]

*INSERT SCHEDULE 1 (COPY/DESCRIPTION OF LEASE)
PRIOR TO EXECUTION OF ESTOPPEL CERTIFICATE*

EXHIBIT ONLY – DO NOT SIGN

STEERING COMMITTEE

Agenda Report

Headquarters
18480 Bandilier Circle
Fountain Valley, CA 92708
(714) 593-7433

File #: 2025-4555

Agenda Date: 10/22/2025

Agenda Item No: CS-1

FROM: Robert Thompson, General Manager

SUBJECT:

CONFERENCE WITH LEGAL COUNSEL RE EXISTING LITIGATION - GOVERNMENT CODE SECTION 54956.9(D)(1)

RECOMMENDATION: Convene in Closed Session:

Number of Cases: 1

Michael Oberly v. Orange County Sanitation District, Orange County Superior Court and Does 1-25, Orange County Superior Court Case No. 30-2025-01489491-CU-OE-CJC.

BACKGROUND

During the course of conducting the business set forth on this agenda as a regular meeting of the Board, the Chairperson may convene the Board in closed session to consider matters of pending real estate negotiations, pending or potential litigation, or personnel matters.

Reports relating to (a) purchase and sale of real property; (b) matters of pending or potential litigation; (c) employment actions or negotiations with employee representatives; or which are exempt from public disclosure under the California Public Records Act, may be reviewed by the Board during a permitted closed session and are not available for public inspection. At such time the Board takes final action on any of these subjects, the minutes will reflect all required disclosures of information.

RELEVANT STANDARDS

- Government Code Sections 54956.8, 54956.9, 54957, or 54957.6, as noted

ATTACHMENT

The following attachment(s) may be viewed on-line at the OC San website (www.ocsan.gov) with the complete agenda package:

- Memorandum from General Counsel



Scott C. Smith
(949) 263-6561
scott.smith@bbklaw.com

Memorandum

To: Honorable Chair and Members of the Orange County Sanitation District Steering Committee

From: General Counsel

Date: October 22, 2025

Re: Closed Session Items

The Steering Committee will hold a closed session on October 22, 2025, for the purpose of conferring with its legal counsel regarding existing litigation to which the Orange County Sanitation District is a party. The title of the matter is Michael Oberly v. Orange County Sanitation District and Does 1-25, Orange County Superior Court Case No. 30-2025-01489491-CU-OE-CJC. The closed session will be held pursuant to the authority of California Government Code Section 54956.9(d)(1).

Respectfully submitted,

SCOTT C. SMITH



STEERING COMMITTEE

Agenda Report

Headquarters
18480 Bandilier Circle
Fountain Valley, CA 92708
(714) 593-7433

File #: 2025-4564

Agenda Date: 10/22/2025

Agenda Item No: CS-2

FROM: Robert Thompson, General Manager

SUBJECT:

CONFERENCE WITH REAL PROPERTY NEGOTIATORS - GOVERNMENT CODE SECTION 54956.8

RECOMMENDATION: Convene in Closed Session:

Property: 18250 Euclid Street, Fountain Valley, CA - APN No.156-171-41.

Agency negotiators: General Manager Robert Thompson; Assistant General Manager Lorenzo Tyner; and Director of Finance Wally Ritchie.

Negotiating parties: Rexford Industrial Realty LP

Under negotiation: Price and Terms of payment

BACKGROUND

During the course of conducting the business set forth on this agenda as a regular meeting of the Board, the Chairperson may convene the Board in closed session to consider matters of pending real estate negotiations, pending or potential litigation, or personnel matters.

Reports relating to (a) purchase and sale of real property; (b) matters of pending or potential litigation; (c) employment actions or negotiations with employee representatives; or which are exempt from public disclosure under the California Public Records Act, may be reviewed by the Board during a permitted closed session and are not available for public inspection. At such time the Board takes final action on any of these subjects, the minutes will reflect all required disclosures of information.

RELEVANT STANDARDS

- Government Code Sections 54956.8, 54956.9, 54957, or 54957.6, as noted

ATTACHMENT

The following attachment(s) are included in hard copy and may also be viewed on-line at the OCSD website (www.ocsd.com) with the complete agenda package:

- Memorandum from General Counsel



Scott C. Smith
(949) 263-6561
scott.smith@bbklaw.com

Memorandum

To: Honorable Chair and Members of the Orange County Sanitation District
Steering Committee

From: General Counsel

Date: October 22, 2025

Re: Closed Session Item

The Steering Committee will hold a closed session on October 22, 2025, for the purpose of holding a conference with its real property negotiators regarding the acquisition of real property located at 18250 Euclid Street in Fountain Valley, California. The closed session will be held pursuant to the authority of California Government Code section 54956.8.

Respectfully submitted,

SCOTT C. SMITH

ORANGE COUNTY SANITATION DISTRICT COMMON ACRONYMS

ACWA	Association of California Water Agencies	LOS	Level Of Service	RFP	Request For Proposal
APWA	American Public Works Association	MGD	Million Gallons Per Day	RWQCB	Regional Water Quality Control Board
AQMD	Air Quality Management District	MOU	Memorandum of Understanding	SARFPA	Santa Ana River Flood Protection Agency
ASCE	American Society of Civil Engineers	NACWA	National Association of Clean Water Agencies	SARI	Santa Ana River Interceptor
BOD	Biochemical Oxygen Demand	NEPA	National Environmental Policy Act	SARWQCB	Santa Ana Regional Water Quality Control Board
CARB	California Air Resources Board	NGOs	Non-Governmental Organizations	SAWPA	Santa Ana Watershed Project Authority
CASA	California Association of Sanitation Agencies	NPDES	National Pollutant Discharge Elimination System	SCADA	Supervisory Control And Data Acquisition
CCTV	Closed Circuit Television	NWRI	National Water Research Institute	SCAP	Southern California Alliance of Publicly Owned Treatment Works
CEQA	California Environmental Quality Act	O & M	Operations & Maintenance	SCAQMD	South Coast Air Quality Management District
CIP	Capital Improvement Program	OCCOG	Orange County Council of Governments	SOCWA	South Orange County Wastewater Authority
CRWQCB	California Regional Water Quality Control Board	OCHCA	Orange County Health Care Agency	SRF	Clean Water State Revolving Fund
CWA	Clean Water Act	OCSD	Orange County Sanitation District	SSMP	Sewer System Management Plan
CWEA	California Water Environment Association	OCWD	Orange County Water District	SSO	Sanitary Sewer Overflow
EIR	Environmental Impact Report	OOBS	Ocean Outfall Booster Station	SWRCB	State Water Resources Control Board
EMT	Executive Management Team	OSHA	Occupational Safety and Health Administration	TDS	Total Dissolved Solids
EPA	US Environmental Protection Agency	PCSA	Professional Consultant/Construction Services Agreement	TMDL	Total Maximum Daily Load
FOG	Fats, Oils, and Grease	PDSA	Professional Design Services Agreement	TSS	Total Suspended Solids
gpd	gallons per day	PFAS	Per- and Polyfluoroalkyl Substances	WDR	Waste Discharge Requirements
GWRS	Groundwater Replenishment System	PFOA	Perfluorooctanoic Acid	WEF	Water Environment Federation
ICS	Incident Command System	PFOS	Perfluorooctanesulfonic Acid	WERF	Water Environment & Reuse Foundation
IERP	Integrated Emergency Response Plan	POTW	Publicly Owned Treatment Works	WIFIA	Water Infrastructure Finance and Innovation Act
JPA	Joint Powers Authority	ppm	parts per million	WIIN	Water Infrastructure Improvements for the Nation Act
LAFCO	Local Agency Formation Commission	PSA	Professional Services Agreement	WRDA	Water Resources Development Act

ORANGE COUNTY SANITATION DISTRICT GLOSSARY OF TERMS

ACTIVATED SLUDGE PROCESS – A secondary biological wastewater treatment process where bacteria reproduce at a high rate with the introduction of excess air or oxygen and consume dissolved nutrients in the wastewater.

BENTHOS – The community of organisms, such as sea stars, worms, and shrimp, which live on, in, or near the seabed, also known as the benthic zone.

BIOCHEMICAL OXYGEN DEMAND (BOD) – The amount of oxygen used when organic matter undergoes decomposition by microorganisms. Testing for BOD is done to assess the amount of organic matter in water.

BIOGAS – A gas that is produced by the action of anaerobic bacteria on organic waste matter in a digester tank that can be used as a fuel.

BIOSOLIDS – Biosolids are nutrient rich organic and highly treated solid materials produced by the wastewater treatment process. This high-quality product can be recycled as a soil amendment on farmland or further processed as an earth-like product for commercial and home gardens to improve and maintain fertile soil and stimulate plant growth.

CAPITAL IMPROVEMENT PROGRAM (CIP) – Projects for repair, rehabilitation, and replacement of assets. Also includes treatment improvements, additional capacity, and projects for the support facilities.

COLIFORM BACTERIA – A group of bacteria found in the intestines of humans and other animals, but also occasionally found elsewhere, used as indicators of sewage pollution. E. coli are the most common bacteria in wastewater.

COLLECTIONS SYSTEM – In wastewater, it is the system of typically underground pipes that receive and convey sanitary wastewater or storm water.

CERTIFICATE OF PARTICIPATION (COP) – A type of financing where an investor purchases a share of the lease revenues of a program rather than the bond being secured by those revenues.

CONTAMINANTS OF POTENTIAL CONCERN (CPC) – Pharmaceuticals, hormones, and other organic wastewater contaminants.

DILUTION TO THRESHOLD (D/T) – The dilution at which the majority of people detect the odor becomes the D/T for that air sample.

GREENHOUSE GASES (GHG) – In the order of relative abundance water vapor, carbon dioxide, methane, nitrous oxide, and ozone gases that are considered the cause of global warming ("greenhouse effect").

GROUNDWATER REPLENISHMENT SYSTEM (GWRS) – A joint water reclamation project that proactively responds to Southern California's current and future water needs. This joint project between the Orange County Water District and OCSD provides 70 million gallons per day of drinking quality water to replenish the local groundwater supply.

LEVEL OF SERVICE (LOS) – Goals to support environmental and public expectations for performance.

N-NITROSODIMETHYLAMINE (NDMA) – A N-nitrosamine suspected cancer-causing agent. It has been found in the GWRS process and is eliminated using hydrogen peroxide with extra ultra-violet treatment.

NATIONAL BIOSOLIDS PARTNERSHIP (NBP) – An alliance of the NACWA and WEF, with advisory support from the EPA. NBP is committed to developing and advancing environmentally sound and sustainable biosolids management practices that go beyond regulatory compliance and promote public participation to enhance the credibility of local agency biosolids programs and improved communications that lead to public acceptance.

PER- AND POLYFLUOROALKYL SUBSTANCES (PFAS) – A large group (over 6,000) of human-made compounds that are resistant to heat, water, and oil and used for a variety of applications including firefighting foam, stain and water-resistant clothing, cosmetics, and food packaging. Two PFAS compounds, perfluorooctanesulfonic acid (PFOS) and perfluorooctanoic acid (PFOA) have been the focus of increasing regulatory scrutiny in drinking water and may result in adverse health effects including developmental effects to fetuses during pregnancy, cancer, liver damage, immunosuppression, thyroid effects, and other effects.

PERFLUOROOCTANOIC ACID (PFOA) – An ingredient for several industrial applications including carpeting, upholstery, apparel, floor wax, textiles, sealants, food packaging, and cookware (Teflon).

PERFLUOROOCTANESULFONIC ACID (PFOS) – A key ingredient in Scotchgard, a fabric protector made by 3M, and used in numerous stain repellents.

PLUME – A visible or measurable concentration of discharge from a stationary source or fixed facility.

PUBLICLY OWNED TREATMENT WORKS (POTW) – A municipal wastewater treatment plant.

SANTA ANA RIVER INTERCEPTOR (SARI) LINE – A regional brine line designed to convey 30 million gallons per day of non-reclaimable wastewater from the upper Santa Ana River basin to the ocean for disposal, after treatment.

SANITARY SEWER – Separate sewer systems specifically for the carrying of domestic and industrial wastewater.

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT (SCAQMD) – Regional regulatory agency that develops plans and regulations designed to achieve public health standards by reducing emissions from business and industry.

SECONDARY TREATMENT – Biological wastewater treatment, particularly the activated sludge process, where bacteria and other microorganisms consume dissolved nutrients in wastewater.

SLUDGE – Untreated solid material created by the treatment of wastewater.

TOTAL SUSPENDED SOLIDS (TSS) – The amount of solids floating and in suspension in wastewater.

ORANGE COUNTY SANITATION DISTRICT GLOSSARY OF TERMS

TRICKLING FILTER – A biological secondary treatment process in which bacteria and other microorganisms, growing as slime on the surface of rocks or plastic media, consume nutrients in wastewater as it trickles over them.

URBAN RUNOFF – Water from city streets and domestic properties that carry pollutants into the storm drains, rivers, lakes, and oceans.

WASTEWATER – Any water that enters the sanitary sewer.

WATERSHED – A land area from which water drains to a particular water body. OCSD's service area is in the Santa Ana River Watershed.