

## **AGREEMENT OF SALE**

**THIS AGREEMENT OF SALE** (this “Agreement”), made as of the 3<sup>rd</sup> day of March, 2025 (“Effective Date”), by and between **L519 CA LLC**, a Delaware limited liability company, having an address at c/o Ladder Capital Finance LLC, 320 Park Avenue, 15<sup>th</sup> Floor, New York, New York 10022 (“Seller”), and **OAKLAND SCHOOL FOR THE ARTS**, a California nonprofit public benefit corporation, having an address at 530 18<sup>th</sup> Street, Oakland, California, 94612 (“Buyer”), sometimes referred to herein individually as a “Party” and collectively as the “Parties”.

### **W I T N E S S E T H :**

**WHEREAS**, Seller is desirous of selling the Property (as defined in Section 2 hereof) and Buyer is desirous of purchasing the Property on the terms and conditions hereinafter set forth.

**NOW, THEREFORE**, in consideration of the mutual promises herein made, it is agreed as follows:

**1.     RECITALS.** The recitals set forth above are incorporated by reference as if fully set forth at length herein.

**2.     SALE.** Seller agrees to sell, and Buyer agrees to purchase, for the Purchase Price (as defined in Section 3 hereof), subject to the terms and conditions of this Agreement, all of the right, title and interest of Seller in and to the following (collectively, the “Property”):

(a)     Real Property. That certain real property located at 519 17<sup>th</sup> Street, in the City of Oakland, County of Alameda, State of California (“State”), as more particularly described in Exhibit “A” attached hereto and made a part hereof (the “Land”), together with: (1) all improvements located thereon (the “Improvements”); (2) all rights, benefits, privileges, easements, tenements, hereditaments, rights-of-way and other appurtenances thereon or in any way appertaining thereto, including all mineral rights, development rights, air and water rights; and (3) any land lying in the bed of any street, road or alley, open or proposed, adjoining such Land (collectively, the “Real Property”); and

(b)     Personal Property. All of the equipment, machinery, fixtures, furniture, furnishings, supplies and other personal property, now or hereafter located on or affixed to the Real Property, and any replacements or substitutions therefor (collectively, the “Personal Property”).

**3.     PURCHASE PRICE.** The Purchase Price of the Property shall be NINE MILLION AND 00/100 DOLLARS (\$9,000,000.00) (herein referred to as the “Purchase Price”) payable as follows:

(a)     Within one (1) business day after the execution and delivery of this Agreement, Buyer shall deposit in immediately available funds with the Concord, California, office of Chicago Title Insurance Company, as “Escrow Agent,” the sum of ONE HUNDRED AND FIFTY THOUSAND AND 00/100 DOLLARS (\$150,000.00) (the “Initial Deposit”), which shall

be maintained by Escrow Agent in an interest bearing account pursuant to the provisions of Section 16 hereof;

- (b) Provided this Agreement has not theretofore been terminated in accordance with Section 17 hereof, on or before expiration of the Due Diligence Period (as hereinafter defined), Buyer shall deposit in immediately available funds, within one (1) business day after the Approval Date, the additional sum of TWO HUNDRED AND FIFTY THOUSAND AND 00/100 DOLLARS (\$250,000.00) (the "Additional Deposit") with Escrow Agent. If Buyer shall not have so terminated this Agreement and shall have failed to make the Additional Deposit in accordance with the foregoing, then at Seller's option, Buyer shall be in default of its obligations under this Agreement; provided, however, in the event that Buyer deposits the Additional Deposit with Escrow Agent prior to Seller terminating this Agreement (as provided in Section 15 hereof), then such payment of the Additional Deposit shall be deemed to cure such Buyer default and the parties shall proceed to Closing in accordance with this Agreement. The Initial Deposit and the Additional Deposit when delivered to Escrow Agent, together with all interest accrued thereon, sometimes are referred to collectively or individually herein as the "Deposit", whichever shall be applicable;
- (c) At Closing the balance of the Purchase Price shall be paid by Buyer in immediately available funds to Escrow Agent, subject to the adjustments and prorations described in Section 13 hereof; and
- (d) Escrow Agent shall release to Seller the sum of One Hundred Dollars (\$100.00) ("Independent Contract Consideration") from the Initial Deposit as independent contract consideration. Escrow Agent shall deliver the Independent Contract Consideration to Seller immediately following receipt from Buyer without the need for further instruction from the parties. The parties have bargained for and expressly agree that the rights and obligations of each party contained in this Agreement, including, without limitation, Buyer's obligations to deliver the Independent Contract Consideration to Seller and the Initial Deposit to the Escrow Holder, constitute sufficient consideration for the other party's execution, delivery, and obligations under this Agreement, including, without limitation, Buyer's exclusive right to inspect and purchase the Property pursuant to this Agreement and all contingencies and conditions of Closing for the benefit of Buyer set forth in this Agreement.

TIME IS OF THE ESSENCE for the delivery of the Deposit. After the expiration of the Due Diligence Period (provided Buyer has not exercised its right to terminate this Agreement pursuant to Section 17(g) below), the Initial Deposit and the Additional Deposit (and Extension Deposit, if applicable) shall be non-refundable and shall all be immediately released by Escrow Agent to Seller and Buyer shall have no further rights thereto, except in the event that (i) Seller fails, refuses, or is unable to perform its obligations to cause Closing to occur as provided in Section 15 of this Agreement, or (ii) as otherwise expressly set forth in this Agreement, but will at all times remain

applicable to the Purchase Price. Concurrently herewith, each Party shall notify Escrow Agent of its Federal Tax Identification number.

#### **4. CLOSING DOCUMENTS.**

(a) At Closing, Seller shall execute and/or deliver to Buyer:

(i) a deed without covenants (“Deed”) conveying the Real Property in the form of Exhibit F hereto;

(ii) an affidavit of title, the form and substance of which shall be subject to the reasonable approval of the Title Company (as defined in Section 5(a) hereof);

(iii) a bill of sale, if applicable, conveying all of Seller’s right, title and interest in and to the Personal Property, free and clear of liens or encumbrances, in the form attached hereto as Exhibit “C” (“Bill of Sale”);

(iv) such transfer tax forms, if any, as are required by state and local authorities, including without limitation, (i) one original California Form 593-C, duly executed by Seller (or its affiliate, if applicable);

(v) a completed IRS form 1099-S executed by Seller;

(vi) a closing statement;

(vii) an affidavit of Seller, in the form of Exhibit D, certifying that Seller is not a “foreign person”, as defined in the federal Foreign Investment in Real Property Tax Act of 1980, and the 1984 Tax Reform Act, as amended;

(viii) such organizational and authorizing documents of Seller as reasonably shall be required by the Title Company to evidence Seller’s authority to execute this Agreement and any documents to be executed by Seller at Closing and to consummate the transaction contemplated by this Agreement;

(ix) a certificate updating Seller’s representations and warranties set forth in this Agreement, as of the Closing Date; and

(x) such other documents and instruments as reasonably may be required by the Title Company to effectuate the within transaction.

(b) At Closing, Buyer shall execute and/or cause to be delivered to Seller:

(i) the balance of the Purchase Price, subject to the adjustments and prorations described in Section 13 hereof;

(ii) a closing statement;

(iii) such organizational and authorizing documents of Buyer as reasonably shall be required by Seller and/or the Title Company to evidence Buyer’s authority to execute this Agreement and any documents to be executed by Buyer at Closing and to consummate the transaction contemplated by this Agreement;

(iv) a certificate updating Buyer’s representations and warranties set forth in this Agreement, as of the Closing Date; and

(v) such other instruments as reasonably may be required by the Title Company to effectuate the within transaction.

## **5. TITLE.**

(a) Buyer, at its expense, shall obtain a title insurance commitment ("Title Commitment") from Chicago Title Insurance Company ("Title Company") doing business in the State insuring marketable title (as hereinafter defined) to the Real Property. For the purposes of this Agreement, "marketable title" shall be deemed to be such title as the Title Company shall insure at standard rates and subject only to the usual printed exceptions and to the title exceptions set forth on Exhibit "E" attached hereto and made a part hereof and such other exceptions as may be approved in writing by Buyer or not objected to by Buyer as hereinafter provided (collectively, the "Permitted Exceptions"). Prior to the expiration of the Due Diligence Period, Buyer shall forward to Seller a true copy of its Title Commitment and all underlying title documents and shall specify any title exceptions identified in the Title Commitment of which Buyer disapproves and any alleged defects as set forth in said Title Commitment (other than Permitted Exceptions) ("Title Defect(s)"), failing which Buyer shall be deemed to have waived all title objections, time being of the essence of Buyer's obligation to so notify Seller. No more than three (3) days after Seller's receipt of any such Title Defects from Buyer, Seller shall notify Buyer in writing of any Title Defects that Seller is unable or unwilling to cause to be removed or insured against prior to or at Closing. If Seller indicates its unwillingness or inability to cause the elimination of any Title Defect, including as a result of failing to respond within the three (3) days provided above, then Buyer will have three (3) days after its receipt of Seller's notification (or expiration of said three (3) day period for Seller's response) to either: (i) waive its objection to the Title Defect and cause this Agreement to remain in full force and effect; or (ii) terminate this Agreement in accordance with the provisions of Section 17(g) below. If Buyer fails to notify Seller of its election of one of the two options stated in the preceding sentence within such 3-day period, then Buyer will be deemed to have waived its objection to any disapproved title exception, and any such exception shall be deemed to be a Permitted Exception. Buyer shall have the right to update its title and survey examinations of the Property until the Closing Date, and in the event that such update or examinations disclose any matters not identified in the original Title Commitment (a "New Objection"), provided such New Objection was not caused by Buyer, Buyer shall deliver to Seller a statement of any New Objections, and Seller shall have until the Closing Date to cure any New Objections. If Seller fails to cure all New Objections on or before the Closing Date (as the same may be extended), (i) Buyer may terminate this Agreement and receive a full refund of the Deposit (less the Independent Contract Consideration) from Escrow Agent after written request to Escrow Agent, in which case, this Agreement shall be null and void and of no further force or effect, and neither Buyer nor Seller shall have any further rights, duties, liabilities or obligations to the other by reason hereof, except for those matters that specifically survive such termination; or (ii) Buyer may waive such objections and consummate the transaction contemplated herein without any reduction of the Purchase Price. Subject to Section 5(c) hereof, Seller shall have the right, but shall not be obligated nor required, to commence litigation or to incur any expenditure of monies: (i) to cause any such defect(s) to be removed as a Title Defect; or (ii) to cause a similarly recognized title insurance company to insure marketable title in accordance herewith without additional premium; and Buyer shall not have any claim, cause or right of action against Seller, at law or in equity, whether for damages, specific performance or otherwise, by reason of Seller's failure to clear any such Title Defects.

(b) If Seller shall be unwilling or unable to cause marketable title to be insured, Buyer shall have the right to accept such title as Seller shall be able to convey or to terminate this Agreement, by notice delivered to Seller within five (5) days following receipt of the written notice from Seller of Seller's response to Buyer's notice of the alleged Title Defects. If Buyer shall fail to so notify Seller, then Buyer shall be deemed to have elected to accept title without any abatement or reduction in the Purchase Price or in any of the other terms and conditions herein set forth. Seller agrees to convey such title as is described herein or as Buyer shall be willing or shall be deemed to accept in accordance with the provisions hereof. If Buyer elects to terminate this Agreement, the sole remaining obligations hereunder shall be upon Escrow Agent to return the Deposit pursuant to the provisions of Section 16 hereof, except for Surviving Obligations (as defined in Section 19 hereof).

(c) If, at Closing there are liens or encumbrances against the Property that are removable by the payment of monies, other than Permitted Exceptions, Seller shall satisfy and remove said liens and encumbrances at Closing which Seller may do, at its option, by either (i) delivering to Title Company instruments acceptable to Title Company in recordable form sufficient to satisfy and remove such liens or encumbrances of record, together with the cost of recording or filing said instruments; or (ii) depositing or causing to be deposited with the Title Company sufficient monies reasonably acceptable to the Title Company to insure satisfying such liens or encumbrance and obtaining and recording of such satisfactions and the issuance of title insurance to Buyer free of any such liens or encumbrances without additional premium. In neither event shall such lien or encumbrance constitute a Title Defect permitting Buyer to terminate this Agreement.

**6. POSSESSION.** Seller shall deliver to Buyer, and Buyer shall accept, possession of the Property from Seller at the time of Closing (subject to the Lease described in Sections 10 and 17(g) below, if applicable) and thereafter, Buyer shall be entitled to take any rents, issues and profits of the Property to its own use.

**7. RISK OF LOSS AND CONDEMNATION.**

(a) If Buyer exercises the Lease Closing Option as provided in Sections 10 and 17(g) below, then as from the commencement of the term of the Lease, the Lease shall govern insurance and the application of insurance proceeds in the event of a casualty, and in such case, Seller only assumes the risk of any loss or damage to the Property until the commencement of the term of the Lease.

(b) If Buyer does not exercise the Lease Closing Option as provided in Sections 10 and 17(g) below and Closing is scheduled for the date which is ten (10) days after the Approval Date, then Seller assumes the risk of any loss or damage to the Property beyond ordinary wear and tear until the Closing Date and in such event the terms of this Section 9(b) shall govern in the event of a casualty affecting all or any part of the Property. In the event of any casualty which materially damages any part of the Property prior to the Closing Date, then Buyer shall have the right to either (i) terminate this Agreement by written notice to Seller, in which event Buyer will receive a refund of the Deposit and neither Party shall have any further obligations or liability hereunder, except for the Surviving Obligations; or (ii) proceed to Closing. If Buyer elects to proceed to Closing either (i) Buyer shall receive an abatement towards the Purchase Price in an amount equal to such

damage as determined by an independent contractor selected by Seller and reasonably approved by Buyer, or (ii) Seller shall assign to Buyer all interest of Seller, if any, in and to the insurance proceeds and Buyer shall receive a credit towards the Purchase Price in an amount equal to any deductible under such policies. If any insurance proceeds in connection with a casualty to any part of the Property are assigned, or will be assigned, to Buyer at Closing in accordance with this Section, Seller shall not compromise, settle or adjust any claims to such proceeds without Buyer's prior written consent, which shall not be unreasonably withheld, conditioned or delayed. As used herein, the term "materially damages" means any damage, in a single instance or in the aggregate, which either (i) results in costs of repair equal to or greater than ONE MILLION AND 00/100 DOLLARS (\$1,000,000.00), as determined by an independent contractor selected by Seller and reasonably approved by Buyer, or (ii) materially impedes the means of ingress or egress to the Real Property for more than sixty (60) days. In the event of any loss or damage to the Property beyond ordinary wear and tear which does not rise to the level of materially damaging any part of the Property, then Buyer shall proceed to Closing and Buyer shall receive an assignment of the insurance proceeds and a credit against the Purchase Price equal to any deductible as set forth above.

(c) If, prior to Closing, all or substantially all of the Real Property shall be condemned or taken as the result of the exercise of the power of eminent domain, then this Agreement shall be null and void and of no further force and effect, except that Escrow Agent shall release the Deposit to Buyer. If prior to Closing, less than all or substantially all of the Real Property shall be so condemned or taken, then Buyer and Seller shall proceed to Closing, without any change in the Purchase Price, the Parties shall have the right to participate jointly in the condemnation proceedings (and neither party shall reach any agreement with the condemning authority with the consent in writing of the other party) and the proceeds thereof shall belong to Seller, but Buyer shall be entitled to a credit against the Purchase Price in an amount equal to said proceeds unless such condemnation proceedings shall be pending on the Closing Date, in which event there shall be no such credit and, at Closing Seller shall assign all of its rights and interest in said proceedings to Buyer.

## **8. REPRESENTATIONS.**

(a) In order to induce Buyer to enter into this Agreement, Seller warrants and represents the following:

(i) Seller is a limited liability company duly organized and in good standing under the laws of the State of Delaware and qualified to do business in the State of California;

(ii) Seller has the right, power and authority, without the joinder of any other person or entity, to enter into, execute and deliver this Agreement, and to perform all duties and obligations imposed on it under this Agreement;

(iii) this Agreement is a valid obligation of Seller and is binding upon it in accordance with the terms hereof; the persons or parties executing this Agreement on its behalf have been duly authorized and empowered to bind it to this Agreement;



(iv) neither the execution nor the delivery of this Agreement, nor the consummation of the purchase and sale contemplated hereby, nor the compliance with the terms and conditions of this Agreement conflict with or will result in the breach of any of the terms, conditions or provisions of any agreement to which Seller is a party or by which it is bound;

(v) Seller has not received notice of any pending condemnation or municipal improvement assessments affecting the Property;

(vi) to its actual knowledge, Seller has not received any written notices of zoning change or special assessments or uncorrected violations of the applicable housing, building, safety or fire ordinances with respect to the Property;

(vii) to its actual knowledge, there are no existing or pending litigation or insolvency actions or claims with respect to the Property;

(viii) Except for the Lease described in Section 17(g), Seller has not entered into any agreements that will be binding on the Property or Buyer from and after the Closing;

(ix) Seller has not: (a) made a general assignment for the benefit of creditors; (b) filed any voluntary petition in bankruptcy or suffered the filing of any involuntary petition by Seller's creditors; (c) suffered the appointment of a receiver to take possession of all, or substantially all, of its assets; (d) suffered the attachment or other judicial seizure of all, or substantially all, of its assets; (e) admitted in writing its inability to pay its debts as they come due; or (f) made an offer of settlement, extension or composition to its creditors generally;

(x) (A) Seller presently is and at all times during the term hereof shall remain in compliance with all regulations and requirements of OFAC (as hereinafter defined), and any authorizing statute, law or executive order, including without limitation, the Executive Order (as hereinafter defined) relating to money laundering, anti-terrorism, trade embargos and/or economic sanctions; (b) Seller and each person or entity owning an interest in Seller is: (i) not currently identified on the Specially Designated Nationals and Blocked Persons List maintained by the Office of Foreign Assets Control, Department of the Treasury ("OFAC") and/or on any other similar list maintained by OFAC pursuant to any authorizing statute, executive order or regulation (collectively, the "List"); and (ii) not a person or entity with whom a citizen of the United States is prohibited to engage in transactions by any trade embargo, economic sanction, or other prohibition of United States law, regulation, or executive order of the President of the United States; (c) none of the funds or other assets of Seller constitute property of, or are beneficially owned, directly or indirectly, by any Embargoed Person (as hereinafter defined); (d) no Embargoed Person has any interest of any nature whatsoever in Seller (whether directly or indirectly); (e) none of the funds of Seller have been derived from any unlawful activity with the result that the investment in Seller is prohibited by law or that this Agreement is in violation of law; and (f) Seller has implemented procedures, and will consistently apply those procedures, to ensure the foregoing representations and warranties remain true and correct at all applicable times. The term "Embargoed Person" means any person, entity or government subject to trade restrictions pursuant to United States law, including but not limited to, the International Emergency Economic Powers Act, 50 U.S.C. §1701 et seq., The Trading with the Enemy Act, 50 U.S.C. App. 1 et seq., and any

executive orders or regulations promulgated thereunder, and all amendments thereto, with the result that the investment in Seller is prohibited by law or that Seller is in violation of law;

(B) Seller covenants and agrees: (a) to comply with all requirements of law relating to money laundering, anti-terrorism, trade embargos and economic sanctions, now or hereafter in effect; (b) to immediately notify Buyer if any of the representations, warranties or covenants set forth in this subparagraph (B) no longer is true or has been breached or if Seller has a reasonable basis to believe that they no longer may be true or have been breached; (c) not to use funds from any "Prohibited Person" (as such term is defined in the September 24, 2001 Executive Order Blocking Property and Prohibiting Transactions With Persons, Who Commit, Threaten to Commit, or Support Terrorism and all amendments thereto) (herein referred to as "Executive Order") to make any payment due to Buyer under this Agreement; and (d) at the request of Buyer, to provide such information as may be requested by Buyer to determine such compliance by Seller with the terms hereof;

(C) Seller hereby acknowledges and agrees that its inclusion on the List at any time prior to Closing, shall be a default of this Agreement. The representations of subparagraphs (A), and (B) shall survive Closing;

(xi) Seller is not a "foreign person" as defined in Section 1445 of the Internal Revenue Code of 1986, as amended (the "Code") and any related regulations; and

(xii) Seller is not an "Employee Benefit Plan" (within the meaning of Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA")) that is subject to Title I of ERISA, a "Plan" described in and subject to Section 4975 of the Tax Code, nor an entity holding "Plan Assets" of any such Employee Benefit Plan or Plan (within the meaning of the regulations issued by the Department of Labor under Section 29 C.F.R. Section 2510.3-101, as modified by Section 3(42) of ERISA (the "Plan Asset Regulation")).

**EXCEPT FOR THE EXPRESS REPRESENTATIONS IN SECTION 8(a), SELLER HAS NOT MADE AND DOES NOT MAKE, ANY REPRESENTATIONS, WARRANTIES OR COVENANTS OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, WITH RESPECT TO THE QUALITY OR CONDITION OF THE PROPERTY, THE SUITABILITY OF THE PROPERTY FOR ANY AND ALL ACTIVITIES AND USES WHICH BUYER MAY CONDUCT THEREON, COMPLIANCE BY THE PROPERTY WITH ANY LAWS, RULES, ORDINANCES OR REGULATIONS OF ANY APPLICABLE GOVERNMENTAL AUTHORITY OR HABITABILITY, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND SPECIFICALLY, SELLER DOES NOT MAKE ANY REPRESENTATIONS REGARDING HAZARDOUS WASTE, AS DEFINED BY THE LAWS OF THE STATE IN WHICH THE PROPERTY IS LOCATED AND ANY REGULATIONS ADOPTED PURSUANT THERETO OR THE U. S. ENVIRONMENTAL PROTECTION AGENCY REGULATIONS AT 40 C.F.R., PART 261, OR THE DISPOSAL OF ANY HAZARDOUS WASTE OR ANY OTHER HAZARDOUS SUBSTANCES IN OR ON THE PROPERTY. EXCEPT FOR THE EXPRESS REPRESENTATIONS IN SECTION 8(a), BUYER AGREES TO ACCEPT THE PROPERTY AT CLOSING WITH THE PROPERTY BEING IN ITS PRESENT AS IS CONDITION WITH ALL FAULTS.**



**BUYER ACKNOWLEDGES AND AGREES THAT BUYER IS, OR HAS ENGAGED AND IS RELYING ON PERSONS WHO ARE, EXPERIENCED IN THE OWNERSHIP, DEVELOPMENT AND/OR OPERATION OF PROPERTIES SIMILAR TO THE PROPERTY AND THAT BUYER PRIOR TO THE CLOSING WILL HAVE INSPECTED THE PROPERTY OR CAUSED THE PROPERTY TO BE INSPECTED TO ITS SATISFACTION AND IS/ITS AGENTS ARE QUALIFIED TO MAKE SUCH INSPECTION. BUYER ACKNOWLEDGES THAT, EXCEPT FOR THE EXPRESS REPRESENTATIONS IN SECTION 8(a), IT IS FULLY RELYING ON BUYER'S (OR BUYER'S REPRESENTATIVES') INSPECTIONS OF THE PROPERTY AND NOT UPON ANY STATEMENT (ORAL OR WRITTEN) WHICH MAY HAVE BEEN MADE OR MAY BE MADE (OR PURPORTEDLY MADE) BY SELLER OR ANY OF ITS REPRESENTATIVES. BUYER ACKNOWLEDGES THAT BUYER HAS (OR BUYER'S REPRESENTATIVES HAD), OR PRIOR TO THE CLOSING WILL HAVE, THE OPPORTUNITY TO THOROUGHLY INSPECT AND EXAMINE THE PROPERTY TO THE EXTENT DEEMED NECESSARY BY BUYER IN ORDER TO ENABLE BUYER TO EVALUATE THE CONDITION OF THE PROPERTY AND ALL OTHER ASPECTS OF THE PROPERTY (INCLUDING, BUT NOT LIMITED TO, THE ENVIRONMENTAL AND GEOLOGICAL CONDITION OF THE PROPERTY); AND BUYER ACKNOWLEDGES THAT, EXCEPT FOR THE EXPRESS REPRESENTATIONS IN SECTION 8(a), BUYER IS RELYING SOLELY UPON ITS OWN (OR ITS REPRESENTATIVES') INSPECTION, EXAMINATION AND EVALUATION OF THE PROPERTY.**

**NATURAL HAZARD DISCLOSURE REQUIREMENT COMPLIANCE. BUYER AND SELLER ACKNOWLEDGE THAT SELLER IS REQUIRED TO DISCLOSE IF THE PROPERTY LIES WITHIN THE FOLLOWING NATURAL HAZARD AREAS OR ZONES: (A) A SPECIAL FLOOD HAZARD AREA DESIGNATED BY THE FEDERAL EMERGENCY MANAGEMENT AGENCY (CAL. GOV. CODE SECTION 8589.3); (B) AN AREA OF POTENTIAL FLOODING (CAL. GOV. CODE SECTION 8589.4); (C) A VERY HIGH FIRE HAZARD SEVERITY ZONE (CAL. GOV. CODE SECTION 51183.5); (D) A WILD LAND AREA THAT MAY CONTAIN SUBSTANTIAL FOREST FIRE RISKS AND HAZARDS (PUB. RESOURCES CODE SECTION 4136); (E) AN EARTHQUAKE FAULT ZONE (PUB. RESOURCES CODE SECTION 2621.9); OR (F) A SEISMIC HAZARD ZONE (PUB. RESOURCES CODE SECTION 2694). FOLLOWING THE OPENING OF ESCROW, SELLER SHALL INSTRUCT ESCROW HOLDER TO CAUSE A NATURAL HAZARD REPORT TO BE PREPARED FOR THE PROPERTY. SUCH NATURAL HAZARD REPORT SHALL FULLY AND COMPLETELY DISCHARGE SELLER FROM ITS DISCLOSURE OBLIGATIONS, IF ANY, UNDER THE NATURAL HAZARD DISCLOSURE ACT, THE ABOVE-REFERENCED STATUTES AND ANY SUCCESSOR ANY SUCCESSOR LAW, AND, FOR THE PURPOSES OF THIS AGREEMENT, THE PROVISIONS OF CIVIL CODE SECTION 1103.4 REGARDING THE NON-LIABILITY OF SELLER FOR ERRORS AND/OR OMISSIONS NOT WITHIN ITS PERSONAL KNOWLEDGE SHALL BE DEEMED TO APPLY AND THE PREPARER OF THE REPORT SHALL BE DEEMED TO BE AN EXPERT, DEALING WITH MATTERS WITHIN THE SCOPE OF ITS EXPERTISE WITH RESPECT TO THE EXAMINATION**

**AND REPORT. NOTHING SET FORTH IN THE REPORT SHALL (A) REQUIRE SELLER TO REMEDIATE ANY MATTER REFERRED TO THEREIN OR (B) CREATE ANY LIABILITY BY SELLER TO BUYER THEREFOR AND SELLER SHALL IN NO EVENT BE REQUIRED TO EXPEND FUNDS TO REMEDIATE ANY MATTERS DISCLOSED IN THE REPORT. FOLLOWING THE CLOSING, BUYER SHALL BE SOLELY RESPONSIBLE FOR PREPARING AND DELIVERING ITS OWN REPORT TO ANY SUBSEQUENT PROSPECTIVE BUYERS OF THE PROPERTY. UNLESS OTHERWISE SET FORTH IN SECTION 8(a) OF THIS AGREEMENT, IN NO EVENT SHALL SELLER HAVE ANY RESPONSIBILITY FOR MATTERS NOT ACTUALLY KNOWN TO SELLER, NOR SHALL SELLER BE RESPONSIBLE FOR THE CONTENT OF THE REPORT NOR SHALL SUCH REPORT ALTER THE REPRESENTATIONS MADE BY SELLER UNDER SECTION 8(a) HEREOF.**

(b) Excluding Seller's representations and warranties that expressly survive Closing, if Buyer elects to Close pursuant to Section 10(a) hereof then Seller's representations and warranties shall survive for a period of six (6) months from the Closing Date (the "Survival Period"), provided, however, if the Buyer elects the Lease Closing Option (pursuant to Section 10(b) hereof) then (except as otherwise set forth in this Agreement) the above stated representations and warranties of Seller will not survive Closing unless Closing occurs within six (6) months of the Approval Date, in which event the Survival Period will be extended to the date which is six (6) months after the Approval Date. Notwithstanding anything to the contrary in this Agreement, Buyer acknowledges and agrees that it shall have no claim (whether in contract, tort or otherwise) against Seller for any breaches of the representations and warranties contained in this Section 8 unless the aggregate amount of all losses incurred by Buyer exceeds an amount equal to Twenty-Five Thousand and 00/100 (\$25,000.00) Dollars (the "Threshold") and, in all events, Seller shall not be liable to Buyer (in contract, tort or otherwise) for the amount of any losses which exceed Five Hundred Thousand and 00/100 (\$500,000.00) Dollars (the "Cap"). Notwithstanding the foregoing, if the losses claimed by Buyer exceeds the Threshold then Buyer may recover all of its losses from the first One Dollar of losses up to the Cap. All liabilities and obligations under the representations and warranties of Seller contained in this Agreement shall lapse and be of no further force or effect after the last day of the Survival Period, except with respect of which Buyer has both (i) sent Seller written notice of a claim on or before the last day of the Survival Period and (ii) commenced litigation against Seller with respect to such claim on or before the date that is thirty (30) days after the end of the Survival Period. Notwithstanding the foregoing, Seller shall remain liable for any claim arising from any intentional misrepresentations, willful misconduct, or act of fraud by Seller, which claims shall survive the Closing for a period of six (6) months..

(c) As used herein, the terms "best of Seller's knowledge", "Seller's actual knowledge", "Seller's knowledge", and any similar phrase shall mean the current actual knowledge of Robert Perelman, who is the individual having primary responsibility for asset management of the Property on behalf of Seller, as of the date hereof; provided, however, that Robert Perelman shall not have any personal liability in connection with, or arising out of, any representation made by Seller in this Agreement.

(d) In order to induce Seller to enter into this Agreement, Buyer warrants and represents the following:

(i) it has the full power and authority to perform all of its obligations under this Agreement, and has been duly organized, is validly existing and is in good standing under the laws of the State of California;

(ii) it has the right, power and authority, without the joinder of any other person or entity, to enter into, execute and deliver this Agreement and to perform all duties and obligations imposed on it under this Agreement;

(iii) this Agreement is a valid obligation of Buyer and is binding upon it in accordance with the terms hereof; the persons or parties executing this Agreement on its behalf have been duly authorized and empowered to bind it to this Agreement;

(iv) it has not: (a) made a general assignment for the benefit of creditors; (b) filed any voluntary petition in bankruptcy or suffered the filing of any involuntary petition by its creditors; (c) suffered the appointment of a receiver to take possession of all, or substantially all, of its assets; (d) suffered the attachment or other judicial seizure of all, or substantially all, of its assets; (e) admitted in writing its inability to pay its debts as they come due; or (f) made an offer of settlement, extension or composition to its creditors generally;

(v) neither the execution nor the delivery of this Agreement, nor the consummation of the purchase and sale contemplated hereby, nor the compliance with the terms and conditions of this Agreement conflict with or will result in the breach of any of the terms, conditions or provisions of any agreement to which it is a party or by which it is bound;

(vi) to its actual knowledge, there are no existing or pending litigation or insolvency actions or claims with respect to its ability to consummate the proposed transaction;

(vii) it has the financial capacity to pay the Purchase Price and all other costs and expenses in connection with the purchase of the Property;

(viii) (A) Buyer presently is and at all times during the term hereof shall remain in compliance with all regulations and requirements of OFAC, and any authorizing statute, law or executive order, including without limitation, the Executive Order (as hereinafter defined) relating to money laundering, anti-terrorism, trade embargos and/or economic sanctions; (b) Buyer and each person or entity owning an interest in Buyer is: (i) not currently identified on the Specially Designated Nationals and Blocked Persons List maintained by OFAC and/or on any other similar list maintained by OFAC pursuant to the List; and (ii) not a person or entity with whom a citizen of the United States is prohibited to engage in transactions by any trade embargo, economic sanction, or other prohibition of United States law, regulation, or executive order of the President of the United States; (c) none of the funds or other assets of Buyer constitute property of, or are beneficially owned, directly or indirectly, by any Embargoed Person (as hereinafter defined); (d) no Embargoed Person has any interest of any nature whatsoever in Buyer (whether directly or indirectly); (e) none of the funds of Buyer have been derived from any unlawful activity with the result that the investment in Buyer is prohibited by law or that this Agreement is in violation of law; and (f) Buyer has implemented procedures, and will consistently apply those procedures, to ensure the foregoing representations and warranties remain true and correct at all applicable times. The term "Embargoed Person" means any person, entity or government subject

to trade restrictions pursuant to United States law, including but not limited to, the International Emergency Economic Powers Act, 50 U.S.C. §1701 et seq., The Trading with the Enemy Act, 50 U.S.C. App. 1 et seq., and any executive orders or regulations promulgated thereunder, and all amendments thereto, with the result that the investment in Buyer is prohibited by law or that Buyer is in violation of law;

(A) Buyer covenants and agrees: (a) to comply with all requirements of law relating to money laundering, anti-terrorism, trade embargos and economic sanctions, now or hereafter in effect; (b) to immediately notify Seller if any of the representations, warranties or covenants set forth in this subparagraph (B) no longer is true or has been breached or if Buyer has a reasonable basis to believe that they no longer may be true or have been breached; (c) not to use funds from any "Prohibited Person" (as such term is defined in the September 24, 2001 Executive Order Blocking Property and Prohibiting Transactions With Persons, Who Commit, Threaten to Commit, or Support Terrorism and all amendments thereto) (herein referred to as "Executive Order") to make any payment due to Seller under this Agreement; and (d) at the request of Seller, to provide such information as may be requested by Seller to determine such compliance by Buyer with the terms hereof;

(B) Buyer hereby acknowledges and agrees that its inclusion on the List at any time prior to Closing, shall be a default of this Agreement. The representations of subparagraphs (A), and (B) shall survive Closing; and

(ix) Buyer is not an Employee Benefit Plan, a Plan, nor an entity holding Plan Assets of any such Employee Benefit Plan or Plan (within the meaning of the Plan Asset Regulation); Buyer is acquiring the Property for Buyer's own personal account and, to the best of Buyer's knowledge, the Property shall not constitute Plan Assets subject to ERISA upon conveyance of the Property by Seller.

## **9. CONDITION OF PROPERTY.**

(a) Except for the representations made in Section 8(a) above, Buyer acknowledges and agrees that Seller has not made, does not make and specifically negates and disclaims any representations, warranties, promises, covenants, agreements or guaranties of any kind or character whatsoever, whether expressed or implied, oral or written, past, present or future (other than as otherwise represented pursuant to and as limited by this Agreement or the documents delivered at Closing), of, as to, concerning or with respect to: (i) the value, nature, quality or condition of the Property, including, without limitation, the water, soil and geology; (ii) the income to be derived from the Property; (iii) the suitability of the Property for any and all activities and uses which Buyer or any tenant may conduct thereon; (iv) the compliance of or by the Property or its operation with any laws, rules, ordinances or regulations of any applicable governmental authority or body; (v) the habitability, merchantability, marketability, profitability or fitness for a particular purpose of the Property; (vi) the manner or quality of the construction or materials incorporated into the Property; (vii) the manner, quality, state of repair or lack of repair of the Property; (viii) compliance with any environmental protection, pollution, safety or land use laws, rules, regulations, orders or requirements, including the existence in or on the Property of Hazardous Materials (as hereinafter defined); or (ix) any other matter with respect to the Property. Additionally, no person acting on behalf of Seller is authorized to make, and by execution hereof

Buyer acknowledges that no person has made, except as set forth in this Agreement or in the documents to be delivered at Closing, any representation, agreement, statement, warranty, guaranty or promise regarding Seller and/or the Property or the transaction contemplated herein; and no such representation, warranty, agreement, guaranty, statement or promise if any, made by any person acting on behalf of Seller shall be valid or binding upon Seller unless expressly set forth herein or in the documents to be delivered at Closing. Buyer further acknowledges and agrees that having been given the opportunity to inspect the Property, Buyer is relying and shall rely solely on its own investigation of the Property and not on any information provided or to be provided by Seller except as otherwise set forth herein, and agrees to accept the Property at Closing and waive all objections or claims against Seller arising from or related to the Property or to any Hazardous Materials on the Property, except with respect to a breach of any representation or warranty set forth herein. Except as otherwise set forth herein, Buyer further acknowledges and agrees that any information provided or to be provided with respect to the Property was obtained from a variety of sources and that Seller has not made any independent investigation or verification of such information and makes no representations as to the accuracy, truthfulness or completeness of such information except with respect to a breach of any representation or warranty set forth herein. Seller is not liable or bound in any manner by any verbal or written statement, representation or information pertaining to the Property, or the operation thereof, furnished by any real estate broker, contractor, agent, employee, servant or other person except with respect to a breach of any representation or warranty set forth herein. Except as otherwise set forth herein, Buyer further acknowledges and agrees that to the maximum extent permitted by law, it is purchasing the Property on an "AS IS", "WHERE IS" and "WITH ALL FAULTS" basis. The provisions of this Section 9 shall survive Closing or any termination hereof.

(b) "Hazardous Materials" shall mean any substance which is or contains: (i) any "hazardous substance" as now or hereafter defined in §101(14) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (42 U.S.C. §9601 et seq.) or any regulations promulgated thereunder, "CERCLA"; (ii) any "hazardous waste" as now or hereafter defined in the Resource Conservation and Recovery Act (42 U.S.C. §6901, et seq.) or regulations promulgated thereunder, "RCRA" or in any other applicable state or local law, ordinance, rule or regulation; (iii) any substance regulated by the Toxic Substances Control Act (15 U.S.C. §2601 et seq.) or in any other applicable state or local law, ordinance, rule or regulation; (iv) any gasoline, diesel fuel, or other petroleum hydrocarbons; (v) any asbestos and asbestos containing materials, in any form, whether friable or non -friable; (vi) any polychlorinated biphenyls; (vii) any radon gas; or (viii) any additional substances or materials which now are or hereafter shall be classified or considered to be hazardous or toxic under Environmental Requirements (as defined in Section 9(c) hereof), or the common law, or any other applicable laws relating to the Property. Hazardous Materials shall include, without limitation, any substance, the presence of which on the Property: (A) requires reporting, investigation or remediation under Environmental Requirements; (B) causes or threatens to cause a nuisance on the Property or adjacent property or poses or threatens to pose a hazard to the health or safety of persons on the Property or adjacent property; or (C) which, if it emanated or migrated from the Property, could constitute a trespass.

(c) "Environmental Requirements" shall mean all laws, ordinances, statutes, codes, rules, regulations, agreements, judgments, orders, and decrees, now or hereafter enacted, promulgated, or amended, of the United States, the states, the counties, the cities, or any other

political subdivisions in which the Property is located, and any other political subdivision, agency or instrumentality exercising jurisdiction over the owner of the Property, the Property, or the use of the Property, relating to pollution, the protection or regulation of human health, natural resources, or the environment, or the emission, discharge, release or threatened release of pollutants, contaminants, chemicals, or industrial, toxic or hazardous substances or waste or Hazardous Materials into the environment (including, without limitation, ambient air, surface water, ground water or land or soil).

(d) By proceeding with this transaction following the expiration of the Due Diligence Period, Buyer shall be deemed to have made its own independent investigation of the Property, the Property Documents (as defined in Section 17(c) hereof) and the presence of Hazardous Materials on the Property as Buyer deems appropriate. Accordingly, subject to a claim for the breach of any of the representations and warranties of Seller, whether set forth herein or in any document delivered in connection with Closing, or any other breach of this Agreement or any other agreement to be delivered in connection with Closing, which claim(s) (subject to Seller's limitation of liability hereunder) is expressly reserved to Buyer, Buyer, on behalf of itself and all of its officers, directors, shareholders, employees, members, partners, representatives and affiliated entities (collectively, the "Releasors"), hereby expressly releases Seller Parties (as hereinafter defined) from, and waives and relinquishes any and all rights and remedies Releasors now or hereafter may have against Seller, Seller's affiliates, Seller's investment advisors, the partners, trustees, beneficiaries, shareholders, members, managers, directors, officers, employees, agents and representatives of each of them, and their respective heirs, successors, personal representatives and assigns (the "Seller Parties"), whether known or unknown, which may arise from or be related to: (a) the physical condition, quality, quantity and state of repair of the Property and the prior management and operation of the Property; (b) the Property Documents; (c) the Property's compliance or lack of compliance with any federal, state or local laws or regulations; and (d) any past, present or future presence or existence of Hazardous Materials on, under or about the Property or with respect to any past, present or future violation of any Environmental Requirements now or hereafter enacted, regulating or governing the use, handling, storage or disposal of Hazardous Materials, including, without limitation, (i) any and all rights and remedies Releasors now or hereafter may have pursuant to any Environmental Requirements and (ii) any and all claims, whether known or unknown, now or hereafter existing, with respect to the Property under any Environmental Requirements.

Buyer further agrees and acknowledges that, in giving the foregoing waivers, it has with its legal counsel considered any statute or other law that might apply to and limit the effect of Buyer's waiver herein and hereby knowingly waives the benefits of any such law and intends that it shall not be applicable here, including, but not limited to the provisions of California Civil Code Section 1542, which has been duly and explained and 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 AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."**



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Buyer's Initials

Buyer, on behalf of itself and the other Releasors, hereby assumes all risk and liability resulting or arising from, or relating to the ownership, use, condition, location, maintenance, repair, or operation of, the Property after Closing and Seller Parties shall not be liable for any special, direct or indirect, consequential, punitive or other damages resulting or arising from or relating to the ownership, use, condition, location, maintenance, repair or operation of the Property.

The foregoing waivers, releases and agreements by Buyer, on behalf of itself and Releasors, shall survive Closing and the recordation of the Deed and shall not be deemed merged into the Deed upon its recordation.

(e) Notwithstanding anything to the contrary contained herein, Seller shall not be responsible for curing any governmental violations, notice of which hereafter is received, either prior to or subsequent to Closing, nor shall Buyer be entitled to any abatement, reduction or other modification in the Purchase Price or in any of the other terms and conditions hereunder in the event of the occurrence and/or the receipt of notice of any such governmental violation, nor shall Seller prior to Closing, be responsible for performing any work or fulfilling any other obligation in connection with obtaining a Certificate of Occupancy or any other governmental approval in connection with the sale of the Property or resulting from the use or physical condition of the Property. At its sole cost and expense, Buyer shall be responsible for performing any work or fulfilling any other obligation in connection with obtaining a Certificate of Occupancy or any other governmental approval in connection with the purchase of the Property, or resulting from the use or physical condition of the Property.

**10. CLOSING OF TITLE.** At the election of Buyer, the closing of title herein sometimes referred to as the "Closing" shall take place on that date (the "Closing Date") which is either the first business day falling on:

- (a) ten (10) days after the Approval Date; or
- (b) a date selected by Buyer, upon at least ten (10) business days' prior written notice to Seller, which date is not later than the first anniversary of the Approval Date, provided, however that the election by Buyer under this Section 10(b) shall be conditioned upon Buyer signing and delivering to Seller the Lease pursuant to Section 17(g) below (the election under this subsection (b) being the "**Lease Closing Option**").

The Closing shall be held in escrow through the Escrow Agent by delivery of the closing documents to the Title Company on or prior to the Closing or such other place or manner as the parties hereto may mutually agree. If Buyer exercises the right under the Lease Closing Option, then Buyer shall have an additional right to extend such date by a further six (6) months (i.e., a total of eighteen (18) months after the Approval Date) (the "**Outside Closing Date**") by satisfying the following no later than two (2) business days prior to the date then scheduled for the Closing: (i) providing written notice to Seller that Buyer is exercising such extension right (which notice shall also be deemed an election by Buyer to extend the Lease for an additional six (6) month period as provided therein), and (ii) depositing in immediately available funds, an additional deposit of TWO HUNDRED THOUSAND AND 00/100 DOLLARS (\$200,000.00) ("Extension

Deposit”) with Escrow Agent, which, once paid, shall be included within the definition of “Deposit” for the purposes of this Agreement. Notwithstanding the foregoing, if Buyer exercises the Lease Closing Option and there is a casualty at the Property during the term of the Lease and the casualty is of a severity that such casualty delays the ability of Buyer to close under its bond financing for the acquisition of the Property prior to the Outside Closing Date, then any extension or suspension of the running of the term of the Lease pursuant to Section 14(e) thereof shall equally delay the Outside Closing Date by the period of the extension or suspension of the running of the term of the Lease under Section 14(e) thereof. Notwithstanding anything to the contrary contained in this Agreement, notice to extend the Closing and the Lease term as provided herein may be sent in writing or email by Buyer or Buyer’s attorney. Any Closing Date determined in accordance with this Section 10 shall be TIME BEING OF THE ESSENCE.

**11. ASSIGNMENT.** This Agreement may not be assigned, pledged or otherwise transferred by Buyer without the prior consent of Seller, which consent may be withheld in Seller’s sole discretion, provided, however, this Agreement may be assigned by Buyer to an entity (i) in which Buyer and/or its principals maintains at least a fifty-one (51%) percent interest in such entity or (ii) which is controlling, controlled by, or under common control with Buyer, provided that concurrently with any such assignment, Buyer notifies Seller thereof and of the name and address of the assignee and sends to Seller a true copy of such executed assignment, together with a written agreement by the assignee to assume all of the terms, promises and conditions of this Agreement on the part of Buyer, and an agreement by Buyer (in form satisfactory to Seller) that it shall remain liable for all of the terms, promises and conditions of this Agreement on Buyer’s part to be performed hereunder.

**12. BROKERAGE.** CBRE, Inc. (“Broker”) shall be paid a commission pursuant to a separate written agreement. Except as set forth above with respect to Broker, neither Seller nor Buyer has authorized any broker or finder to act on Seller’s or Buyer’s behalf in connection with the sale and purchase hereunder and neither Seller nor Buyer has dealt with any broker or finder purporting to act on behalf of any other Party. Buyer and Seller agree to indemnify, defend and hold harmless the other from and against any and all claims, losses, damages, costs or expenses of any kind or character arising out of or resulting from any agreement, arrangement or understanding alleged to have been made by it or on its behalf with any broker or finder (other than Broker) in connection with this Agreement or the transaction contemplated hereby, together with any and all losses, damages, costs and expenses, including reasonable attorneys’ fees and disbursements and expert fees, relating to such claims or arising therefrom or incurred the other in connection with this indemnification provision.

**13. COSTS AND PRORATIONS.**

(a) Buyer will pay the following costs of Closing this transaction:

(i) one-half of all customary closing fees and other charges of the Title Company due in connection with the closing of this transaction;

(ii) the premiums relating to the issuance of the title policy in excess of the standard coverage title insurance coverage, and any and all special endorsements issued in connection with this transaction, whether pursuant to the Title Commitment or otherwise;

(iii) the cost of any survey obtained by Buyer;

(iv) the fees and disbursements of Buyer's counsel and any other expenses(s) incurred by Buyer or its representative(s) in inspecting or evaluating the Property or closing of this transaction; and

(v) any and all charges, fees, costs and expenses in connection with Buyer obtaining or recording any financing for the purchase of the Property.

(b) Seller will pay the following costs of closing this transaction:

(i) all Deed recordation fees and expenses and all mansion, realty transfer fee or similar taxes or any other fees or taxes due in connection with the transfer of the Property or recordation of the Deed and whether or not the same are not required by statute to be paid by Seller;

(ii) one-half of all customary closing fees and other charges of the Title Company due in connection with the closing of this transaction;

(iii) the premiums, title search fees and all other costs relating to the issuance of an ALTA title policy; and

(iv) all fees and disbursements of Seller's counsel.

(c) All other costs, expenses, fees, taxes and disbursements not allocated in Sections 13(a) or (b) shall be allocated between Buyer and Seller in accordance with local custom where the Property is located.

(d) Seller and Buyer agree that all rents and other income, utility charges, real estate and personal property taxes and assessments shall be prorated on a calendar-year basis as of midnight on the day immediately preceding the date of Closing (or the Approval Date, if Buyer elects the Lease Closing Option), provided, however, that rent shall only be pro-rated to the extent paid. If Closing shall occur before the actual taxes and special assessments payable during such year are known, the apportionment of taxes shall be upon the basis of taxes for the Property payable during the immediately preceding year, provided that if the taxes and special assessments payable during the year in which Closing occurs are thereafter determined to be more or less than the taxes payable during the preceding year, Seller and Buyer promptly shall adjust the proration of such taxes and special assessments, and Seller or Buyer, as the case may be, shall pay to the other any amount required as a result of such adjustment and this covenant shall not merge with the deed delivered hereunder but shall survive the Closing.

(e) Except as expressly provided herein, the purpose and intent of the provisions for prorations and apportionments set forth in this Section 13 and elsewhere in this Agreement are for Seller to bear all expenses of ownership and operation of the Property and to receive all income therefrom accruing through midnight of the day preceding Closing and for Buyer to bear all expenses and receive all such income accruing thereafter. All of the provisions contained in this Section 13 shall survive Closing for one (1) year.

**14. NOTICES.** All notices, requests, consents, approvals, responses, waivers or other communications ("notice(s)") required or permitted to be given hereunder shall be given in writing and shall be delivered either by (i) a commercial overnight courier that guarantees next business

day delivery and provides a receipt, or (ii) by electronic mail, and such notices shall be addressed as follows:

To Seller:	c/o Ladder Capital Finance LLC 320 Park Avenue, 15th Floor New York, New York 10022 Attention: Robert Perelman email: Robert.Perelman@LadderCapital.com
with a copy to:	Ladder Capital Finance LLC 320 Park Avenue, 15th Floor New York, New York 10022 Attention: Micheal Alexander email: Michael.Alexander@LadderCapital.com
with a copy to:	Cole Schotz P.C. Court Plaza North 25 Main Street Hackensack, New Jersey 07602-0800 Attention: W. John Park email: jpark@coleschotz.com
To Buyer:	Oakland School for the Arts 530 18 <sup>th</sup> Street Oakland, CA 94612 Attention: Michael Oz email: moz@oakarts.org
with a copy to:	Musick Peeler & Garrett LLP, 333 South Hope Street Suite 2900 Los Angeles, CA 90071 Attention: Jacob Bedingfield email: j.bedingfield@musickpeeler.com
To Escrow Agent:	Chicago Title NCS California 1200 Concord Ave, Suite 400 Concord, CA 94520 Attention: Terina Kung email: Terina.Kung@ctt.com

or to such other address as any party from time to time may specify in writing to the other Parties. Any notice sent by the attorney representing a Party, shall qualify as notice under this Agreement.

## **15. DEFAULT; REMEDIES.**

(a) If Buyer shall default in any manner under this Agreement or shall default under the Lease beyond any applicable notice and cure period set forth therein (other than an

immaterial, non-monetary, default under the Lease which under applicable California landlord-tenant laws, would not entitle Seller, as the landlord under the Lease, to terminate the Lease as a result of such default), then, Seller shall have the right to terminate this Agreement and the Lease and, in the event of such termination, Buyer shall forfeit to Seller all of its right, title and interest in and to the Deposit paid hereunder; and Buyer shall have no further liability to Seller (except for the Surviving Obligations and except as set forth in the Lease). Notwithstanding the foregoing, in the event that Seller seeks to terminate this Agreement for a default under the Lease, prior to any termination of this Agreement and the Lease, Seller shall (i) deliver notice to Buyer of such default under the Lease, and (ii) provide Buyer with the same notice and cure periods for such default as is allowed Tenant under the Lease. The Parties have agreed that the actual damages suffered by Seller would be extremely difficult or impracticable to ascertain. After negotiation, the Parties have agreed that, considering all the circumstances existing on the date of this Agreement, the amount of the Deposit is a reasonable estimate of the damages that Seller would incur in such an event and that the aforesaid payment of the Deposit is liquidated damages hereunder and not a penalty. The provisions of this Section 15(a) shall not limit or affect any of Buyer's indemnities as provided in Sections 12, 17 and 34 of this Agreement.

**THE DELIVERY TO SELLER OF THE DEPOSIT (OR ALL OR ANY PORTION OF THE TOTAL DEPOSIT) IN ACCORDANCE WITH THE TERMS OF THIS SECTION 15(a) IS INTENDED NOT 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 UNDER CALIFORNIA CIVIL CODE SECTIONS 1671, 1676 AND 1677.**

SELLER'S INITIALS:  BUYER'S INITIALS: \_\_\_\_\_

(b) If Seller shall refuse or fail to convey the Property to Buyer in violation of Seller's obligations hereunder, for any reason other than a default by Buyer under this Agreement, or otherwise shall be in default of its obligations hereunder, Buyer, as its sole remedies hereunder, shall have the right to: (i) terminate this Agreement and receive a return of the Deposit; or (ii) seek specific performance; or (iii) waive such breach or default and proceed to Closing. In the event that Buyer elects to seek specific performance under (ii) above, Buyer shall bring such action within ninety (90) days after the scheduled Closing Date, or else such remedy shall be deemed waived; and unless otherwise expressly required pursuant to this Agreement, in no event shall Seller be obligated to undertake any of the following: (1) change the condition of the Property or restore the same after any fire or casualty; (2) expend money or post a bond to remove or insure over a Title Defect or encumbrance or to correct any matter shown on a survey of the Property; (3) secure any permit, approval, or consent with respect to the Property or Seller's conveyance thereof; or (4) expend any money to repair, improve, remediate or alter the Property or any portion thereof. If Buyer shall not institute an action for specific performance within ninety (90) days after the scheduled Closing Date, time being of the essence, and Buyer has not elected to waive such default by Seller, Buyer shall be deemed to have elected to terminate set forth in (i) above.

(c) In no event shall either party be liable to the other for any punitive, speculative or consequential damages.

#### **16. ESCROW AGENT.**

immaterial, non-monetary, default under the Lease which under applicable California landlord-tenant laws, would not entitle Seller, as the landlord under the Lease, to terminate the Lease as a result of such default), then, Seller shall have the right to terminate this Agreement and the Lease and, in the event of such termination, Buyer shall forfeit to Seller all of its right, title and interest in and to the Deposit paid hereunder; and Buyer shall have no further liability to Seller (except for the Surviving Obligations and except as set forth in the Lease). Notwithstanding the foregoing, in the event that Seller seeks to terminate this Agreement for a default under the Lease, prior to any termination of this Agreement and the Lease, Seller shall (i) deliver notice to Buyer of such default under the Lease, and (ii) provide Buyer with the same notice and cure periods for such default as is allowed Tenant under the Lease. The Parties have agreed that the actual damages suffered by Seller would be extremely difficult or impracticable to ascertain. After negotiation, the Parties have agreed that, considering all the circumstances existing on the date of this Agreement, the amount of the Deposit is a reasonable estimate of the damages that Seller would incur in such an event and that the aforesaid payment of the Deposit is liquidated damages hereunder and not a penalty. The provisions of this Section 15(a) shall not limit or affect any of Buyer's indemnities as provided in Sections 12, 17 and 34 of this Agreement.

**THE DELIVERY TO SELLER OF THE DEPOSIT (OR ALL OR ANY PORTION OF THE TOTAL DEPOSIT) IN ACCORDANCE WITH THE TERMS OF THIS SECTION 15(a) IS INTENDED NOT 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 UNDER CALIFORNIA CIVIL CODE SECTIONS 1671, 1676 AND 1677.**

SELLER'S INITIALS: \_\_\_\_\_ BUYER'S INITIALS: 

(b) If Seller shall refuse or fail to convey the Property to Buyer in violation of Seller's obligations hereunder, for any reason other than a default by Buyer under this Agreement, or otherwise shall be in default of its obligations hereunder, Buyer, as its sole remedies hereunder, shall have the right to: (i) terminate this Agreement and receive a return of the Deposit; or (ii) seek specific performance; or (iii) waive such breach or default and proceed to Closing. In the event that Buyer elects to seek specific performance under (ii) above, Buyer shall bring such action within ninety (90) days after the scheduled Closing Date, or else such remedy shall be deemed waived; and unless otherwise expressly required pursuant to this Agreement, in no event shall Seller be obligated to undertake any of the following: (1) change the condition of the Property or restore the same after any fire or casualty; (2) expend money or post a bond to remove or insure over a Title Defect or encumbrance or to correct any matter shown on a survey of the Property; (3) secure any permit, approval, or consent with respect to the Property or Seller's conveyance thereof; or (4) expend any money to repair, improve, remediate or alter the Property or any portion thereof. If Buyer shall not institute an action for specific performance within ninety (90) days after the scheduled Closing Date, time being of the essence, and Buyer has not elected to waive such default by Seller, Buyer shall be deemed to have elected to terminate set forth in (i) above.

(c) In no event shall either party be liable to the other for any punitive, speculative or consequential damages.

**16. ESCROW AGENT.**



(a) The Deposit shall be held in escrow by Escrow Agent in one or more interest-bearing, federally insured bank accounts selected by Escrow Agent on the terms hereinafter set forth.

(b) When Closing has occurred, Escrow Agent shall deliver the Deposit to Seller. If Escrow Agent receives a request for the Deposit signed by Buyer on or prior to 3:00 p.m. Pacific Time on the Approval Date, Escrow Agent shall deliver the Deposit to Buyer.

(c) If Escrow Agent receives a request for the Deposit signed by Seller stating that Buyer has defaulted in the performance of its obligations under this Agreement, Escrow Agent shall submit a copy of such request to Buyer. If Escrow Agent shall not have received notice of objection from Buyer within five (5) business days after Escrow Agent has forwarded such request, Escrow Agent shall deliver the Deposit to Seller. If Escrow Agent shall receive a timely notice of objection from Buyer as aforesaid, Escrow Agent promptly shall submit a copy thereof to Seller.

(d) If Escrow Agent receives a request signed by Buyer stating that this Agreement has been canceled or terminated, or that Seller has defaulted in the performance of its obligations hereunder, and that Buyer is entitled to the Deposit, Escrow Agent shall submit a copy of such request to Seller. If Escrow Agent shall not have received notice of objection from Seller within five (5) business days after Escrow Agent has forwarded such request, Escrow Agent shall deliver the Deposit to Buyer. If Escrow Agent shall receive a timely notice of objection from Seller as aforesaid, Escrow Agent promptly shall submit a copy thereof to Buyer.

(e) Any notice to Escrow Agent may be sent by email by a Party or their attorney.

(f) If Escrow Agent receives notice signed by Seller instructing Escrow Agent to pay the Deposit to Buyer, or if Escrow Agent receives notice signed by Buyer instructing Escrow Agent to pay the Deposit to Seller, Escrow Agent shall deliver the Deposit in accordance with such instructions.

(g) If Escrow Agent shall have received a notice of objection as provided for in Sections 16(c) or 16(d) hereof within the time therein prescribed, Escrow Agent shall not comply with any requests or demands it may have received and shall continue to hold the Deposit until Escrow Agent receives either: (i) a written notice signed by both Seller and Buyer stating who is entitled to the Deposit; or (ii) a final order of a court of competent jurisdiction directing disbursement of the Deposit in a specific manner; in either of which events, Escrow Agent then shall disburse the Deposit in accordance with such notice or order. Escrow Agent shall not be or become liable in any way or to any person for its refusal to comply with any such requests or demands until and unless it has received a direction of the nature described in (i) or (ii) above.

(h) Notwithstanding the foregoing provisions of Section 16(g) above, if Escrow Agent shall have received a notice of objection as provided for in Sections 16(c) or 16(d) hereof within the time therein prescribed, or shall have received at any time before actual disbursement of the Deposit a notice from either Seller or Buyer advising that litigation between Seller and Buyer over entitlement to the Deposit has been commenced, or otherwise shall believe in good faith at any time that a disagreement or dispute has arisen between the Parties hereto over entitlement to

the Deposit (whether or not litigation has been instituted), Escrow Agent shall have the right, upon notice to both Seller and Buyer, (i) to deposit the Deposit with the Clerk of the Court in which any litigation is pending, and/or (ii) to take such affirmative steps, at its option, as it may elect in order to terminate its duties as Escrow Agent, including, but not limited to, the depositing of the Deposit with a court of competent jurisdiction and the commencement of an action for interpleader, the costs thereof to be borne by whichever of Seller or Buyer is the losing party, and thereupon Escrow Agent shall be released of and from all liability hereunder except for any previous gross negligence or willful default.

(i) Escrow Agent shall have no duty to invest all or any portion of the Deposit during any period of time Escrow Agent may hold the same prior to disbursement thereof except in one or more interest-bearing accounts as aforesaid, and any disbursements or deliveries of the Deposit required herein to be made by Escrow Agent shall be with such interest, if any, as shall have been earned thereon.

(j) Escrow Agent shall be under no obligation to deliver any instrument or documents to a court or take any other legal action in connection with this Agreement or towards its enforcement, or to appear in, prosecute or defend any action or legal proceeding which, in Escrow Agent's opinion, would or might involve it in any cost, expense, loss or liability unless, as often as Escrow Agent may require, Escrow Agent shall be furnished with security and indemnity satisfactory to it against all such costs, expenses, losses or liability.

(k) Escrow Agent shall not be liable for any error or judgment or for any act done or omitted by it in good faith, or for any mistake of fact or law, and is released and exculpated from all liability hereunder except for willful misconduct or gross negligence.

(l) Escrow Agent's obligations hereunder shall be as a depository only, and Escrow Agent shall not be responsible or liable in any manner whatever for the sufficiency, correctness, genuineness or validity of any notice, written instructions or other instrument furnished to it or deposited with it, or for the form of execution thereof, or for the identity or authority of any person depositing or furnishing same.

(m) Escrow Agent shall not have any duties or responsibilities except those set forth in this Agreement and shall not incur any liability in acting upon any signature, notice, request, waiver, consent, receipt or other paper or document believed by it to be genuine, and Escrow Agent may assume that any person purporting to give any notice or advice on behalf of any Party in accordance with the provisions hereof has been duly authorized to do so. Seller and Buyer hereby jointly and severally agree to indemnify and to hold and save Escrow Agent harmless from and against any and all loss, damage, cost or expense Escrow Agent may suffer or incur as Escrow Agent hereunder unless caused by its gross negligence or willful misconduct.

(n) The terms and provisions of this Section 16 shall create no right in any person, firm or corporation other than the Parties hereto and their respective successors and permitted assigns, and no third party shall have the right to enforce or benefit from the terms hereof.

(o) The provisions of this Section 16 shall survive Closing or the termination of this Agreement for any reason.

## **17. INSPECTIONS AND APPROVALS.**

(a) Buyer shall have a period (the “Due Diligence Period”) commencing on the date hereof and expiring at 3:00 p.m. Pacific Time on April 17, 2025 (the “Approval Date”), in which to conduct the inspections and studies described in this Section 17.

(b) During the Due Diligence Period, Seller shall permit Buyer and/or Buyer’s agents or representatives reasonable access to the Property (during normal business hours) for purposes of conducting non-intrusive physical or environmental inspections of the Property. Buyer shall give Seller reasonable (but in no event less than two (2) business days’) prior notice of Buyer’s intention to conduct any inspection of the Property, and, if the intended inspection includes or involves intrusive physical or environmental testing of the Property, or any portion thereof, such notice shall include a reasonably detailed description of the type, scope, manner and duration of the inspections to be conducted. Buyer shall not undertake any physically intrusive inspections or environmental testing of the Property without Seller’s prior consent, which may be given, withheld or conditioned in Seller’s sole and absolute discretion. Seller reserves the right to have a representative present during any or all inspections of the Property conducted by Buyer or its agents. All inspections shall be conducted in compliance with all applicable laws. Buyer shall take all actions and implement all protections necessary to ensure that the inspections of the Property and the equipment, materials, and substances generated, used or brought onto the Property in connection therewith, pose no threat to the safety or health of persons or the environment, and cause no damage to the Property or other property of Seller or any persons. Immediately upon the completion of any physical inspection of the Property, Buyer, at its sole expense, shall cause any portion of the Property damaged or altered by or in connection with such inspection to be repaired and/or restored to the condition it was in prior to the inspection. Any inspections undertaken by or on behalf of Buyer pursuant to this Section 17 shall be at Buyer’s sole risk and expense.

(c) Within two (2) business days following the Effective Date, Seller will make available to Buyer (either directly by access to a database established by Seller or by delivery to Buyer or Buyer’s counsel directly), copies of the Property Documents (defined below). If providing copies is not feasible, Seller shall provide access to those documents (at the Property) and materials listed below of which Seller has actual knowledge and actual possession, that relate directly to the Property, or the operation and maintenance thereof, and that are not and/or have not been previously deemed and treated by Seller as privileged, proprietary or confidential (collectively the “Property Documents”):

(A) Any notices, studies, inspections, or reports regarding the Property, including, but not limited to zoning;

(B) The most recent real property tax bills for the Property;

(C) Seller’s most current survey of the Property;

(D) Seller’s most recent title insurance policy or commitment for the Property; and

(E) Any environmental reports prepared by outside consultants;

provided, however, in no event shall Seller be obligated to make available: (1) any document or correspondence which would be subject to the attorney-client privilege; (2) any document or item which Seller is contractually or otherwise bound to keep confidential; (3) any documents pertaining to the marketing of the Property for sale or lease to prospective purchasers or tenants; (4) any internal memoranda, reports or assessments relating to the Property; or (5) appraisals of the Property whether prepared internally by Seller or Seller's affiliates or externally.

(d) Buyer agrees to provide to Seller, as and when the same are prepared and provided to Buyer, promptly upon request of Seller, copies of all environmental, structural, engineering and other reports or studies prepared by outside consultants (other than such reports prepared by legal counsel that are subject to an attorney-client privilege) undertaking inspections of the Property Documents and/or the Property, or any portion or component thereof or condition affecting the same, for or on behalf of Buyer (collectively, the "Property Inspection Reports"). All information regarding or relating to: (i) Seller; (ii) the Property, or the ownership, operation or maintenance thereof, that is obtained by Buyer during any inspection of the Property or the Property Documents, or in any other manner, or from any other source, including the Property Documents and Property Inspection Reports (collectively, the "Proprietary Information") shall be held, maintained and treated as private, confidential and privileged information pursuant to Section 18 hereof.

(e) Prior to undertaking any inspections of the Property, Buyer or Buyer's agents will obtain and maintain not less than Two Million and 00/100 (\$2,000,000.00) Dollars comprehensive general liability insurance with a contractual liability endorsement which insures Buyer's indemnity obligations hereunder and which names Seller and Seller's property manager at the Property, as additional insureds thereunder (a copy of which policy and proof of premium payment shall be provided by Buyer to Seller prior to undertaking any inspections under this Section 17). Such insurance coverage shall be maintained by Buyer for a period of no less than one (1) year after Closing or any termination of this Agreement for any reason. Buyer agrees to indemnify and hold and save Seller and each of the Seller Parties harmless from any claim, loss, injury, liability, damage or expense, including reasonable attorneys' fees and costs, arising out of: (i) a breach by Buyer and/or any of the Releasors (as defined in Section 9(d) hereof) of any applicable laws, rules, regulations or ordinances, or the agreements set forth in this Section 17 in connection with any inspections of the Property, including the failure to restore the Property in accordance with Section 17(b) above; (ii) any access to, entry upon or activity conducted by, or on behalf of, Buyer or any Releasors with respect to or on the Property in connection with any inspections of the Property, whether or not such access, entry or activity is permitted by, in compliance with or in violation of any applicable laws, rules, regulations or ordinances, or this Section 17; (iii) any lien, claim or levy, including construction, mechanic's, materialmen's and judgment liens, filed or pending against any portion of the Property, or title thereto, by any contractor, sub-contractor or other party having a claim against or through Buyer or any Releasor in connection with any inspections of the Property without limiting the foregoing indemnity, Buyer hereby acknowledges and agrees that Buyer's failure to cause any such lien to be released or bonded to the reasonable satisfaction of Seller within ten (10) days after receipt of notice thereof shall constitute a default hereunder); and (iv) any claims, suits, actions or the assertion of any other rights by or on behalf of any tenant, invitee, guest or other party alleging personal injury, property

damage, interruption of business, nuisance or any other allegation of negligence or wrong doing in connection with any inspection of the Property, and including any and all damages, losses, obligations, liabilities, costs and expenses incurred by or asserted or claimed against Seller or any Seller Party, as a result of, caused by, or arising out of any matters set forth in Sections 17(b), 17(c) and/or 17(d) above (collectively, the “Indemnity Obligations”).

(f) Except as otherwise expressly set forth in this Agreement, Seller makes no representations or warranties as to the truth, accuracy or completeness of any materials, data or other information, including, without limitation, the contents of Seller’s or its property manager’s books and records, the environmental reports, rent rolls, income and expense statements or any other Property Documents supplied to Buyer in connection with Buyer’s inspection of the Property. All of the Property Documents and any other such materials are provided by Seller solely for Buyer’s convenience in making its own examination and determination prior to the Approval Date as to whether it wishes to purchase the Property, and, in making such examination and determination, Buyer shall rely exclusively on its own independent investigation and evaluation of the Property and not on the Property Documents or other such materials supplied by Seller or its agents or representatives.

(g) Buyer shall have the right to terminate this Agreement, for any or no reason whatsoever, by providing to Seller notice of such termination before 3:00 p.m. Pacific Time, on the Approval Date, **TIME BEING OF THE ESSENCE**. Buyer also shall have the right to waive the foregoing right to terminate this Agreement, by providing to Seller notice of Buyer’s election to so waive such right and depositing the Additional Deposit with Escrow Agent, in escrow, all before 3:00 p.m. Pacific Time, on the Approval Date, **TIME BEING OF THE ESSENCE**. In the event that, by such date and time, Buyer fails to deliver any notice to Seller whatsoever, such failure shall be deemed to be the election of Buyer to waive its right to terminate this Agreement pursuant to this Section 17. If Buyer timely terminates this Agreement pursuant to this Section 17, the Initial Deposit shall be promptly returned to Buyer and neither Party shall have any further obligations or liability hereunder, except for the Surviving Obligations. If Buyer waives its right to terminate this Agreement pursuant to this Section 17(g), then simultaneously with such waiver Buyer shall notify Seller in writing pursuant to Section 10 hereof whether Buyer elects to exercise the Lease Closing Option and if Buyer does elect the Lease Closing Option such notice shall include a signed lease for the Property in the form of lease attached hereto as Exhibit B (the “Lease”) (provided, however, that the insurance clauses in the form of the Lease attached hereto as Exhibit B are subject to the reasonable approval of the parties during the Due Diligence Period) which Lease shall apply as from the Approval Date until the Closing shall occur. If Buyer fails to notify Seller of such election by the Approval Date, **TIME BEING OF THE ESSENCE**, then Buyer shall be deemed to have elected to close within ten (10) days after the Approval Date.

(h) All obligations and agreements of, and indemnifications by, Buyer contained in this Section 17 shall survive Closing or any termination of this Agreement for any reason.

**18. PROPRIETARY INFORMATION; CONFIDENTIALITY.** Buyer agrees that, unless Seller specifically and expressly otherwise agrees in writing, all information regarding or relating to:

(i) Seller;



- (ii) the Property, or the ownership, operation or maintenance thereof, that is obtained by Buyer from the Property Inspection Reports; and
- (iii) the terms of this Agreement;

(collectively, the “Proprietary Information”) is and shall be deemed and treated by Buyer and all of the Releasors as proprietary, privileged and confidential and neither Buyer nor any Releasor shall disclose same to any other person except those Releasors assisting Buyer with the transaction contemplated herein, Buyer’s counsel, or Buyer’s lender, if any, and then only on a need-to-know basis, and upon Buyer or Releasor making each such person aware of the confidential nature of the Proprietary Information. Notwithstanding the foregoing, Buyer shall not be deemed to have violated the provisions of this Section 18 if Buyer or any Releasor is required to disclose any Proprietary Information pursuant to a judicial order validly issued and served upon Buyer or any Releasor by a court with competent jurisdiction over the Property and the Proprietary Information which is the subject of such order and Buyer, to the extent permitted by applicable law: (i) promptly, and in no event less than five (5) business days after Buyer’s or any Releasor’s receipt of such court order, delivers a copy of same, together with any notices or other documents which were served on Buyer or any Releasor with such court order, to Seller; and (ii) reasonably cooperates, at no cost to Buyer, in any effort (provided that neither Buyer nor any Releasor thereby is placed in breach of such court order) instituted by Seller to prevent such disclosure. In the event the purchase and sale contemplated hereby fails to close for any reason whatsoever, Buyer agrees to deliver to Seller, or cause to be delivered to Seller, all Proprietary Information in the possession of Buyer and/or any Releasor(s) and any Proprietary Information for any purpose other than to determine whether Buyer shall proceed with the contemplated purchase, or if the purchase and sale is consummated, in connection with the operation of the Property post-Closing. In lieu of returning Proprietary Information Buyer may destroy the same. Information provided electronically may be deleted. Notwithstanding anything contained herein to the contrary, Buyer and Releasors may retain copies of the Proprietary Information in accordance with their internal document retention policies or as otherwise required by applicable law or regulation. All obligations of Buyer and Releasors under this Section 18 shall be referred to as the “Confidentiality Obligations”. Notwithstanding any other term of this Agreement, the provisions of this Section 18 shall survive Closing and the termination of this Agreement, provided, however that the provisions of this Section 18 with respect to the Property Inspection Reports shall expire at Closing. Notwithstanding the foregoing, Buyer is permitted to disclose the Proprietary Information to Buyer’s owners, members, managers, officers, investors, attorneys, accountants or other consultants; or to any existing or proposed lender (and their rating agencies); or to any existing or proposed investors in Buyer; or if Buyer’s legal counsel advises Buyer in good faith that disclosure is required by law or regulation.

**19. SURVIVING OBLIGATIONS.** The term “Surviving Obligations” as used herein shall mean, collectively, the Indemnity Obligations, the Confidentiality Obligations and the indemnities set forth in Sections 12 and 17 hereof, together with other obligations of the Parties which expressly survive the termination of this Agreement for any reason.

**20. ENTIRE AGREEMENT.** This Agreement constitutes the final and entire agreement between the Parties and neither Party shall be bound by any terms, conditions, statements, warranties or representations, oral or written, not contained herein. All understandings and agreements heretofore made between the Parties are merged in this Agreement, which alone



fully and completely expresses the agreement of the Parties and may not be changed, modified, varied or terminated except by a written instrument signed by the Parties or their respective counsel. The Parties agree that, except as and to the extent expressly provided herein, the Parties agree that none of the terms and provisions of this Agreement shall survive the delivery of the Deed and all such terms and provisions of this Agreement shall be merged into the Deed.

**21. BINDING EFFECT.** This Agreement shall be binding upon and shall inure to the benefit of Seller and Buyer and their respective successors and assigns, except as otherwise provided herein.

**22. CONSTRUCTION.** The interpretation, construction and performance of this Agreement shall be governed by the laws of the State, without regard to principles of conflict of laws.

**23. FURTHER ASSURANCES.** Each Party, at any time and from time to time, shall execute, acknowledge when appropriate, and deliver such further instruments and documents and take such other action as reasonably may be requested by the other Party in order to carry out the intent and purpose of this Agreement; provided, however, that the requested modifications shall be ministerial in scope and, without limitation, shall not: (i) modify or alter in any form or manner the monetary obligation of either Party hereto; or (ii) materially increase any non-monetary obligations or materially and adversely affect the rights (monetary or non-monetary) of either Party under this Agreement, as determined by the affected Party in its reasonable judgment. Further, Seller: (i) shall not be obligated to agree in any form or manner, to any additional indemnity agreements or any representations, warranties or guaranties which are not already expressly agreed upon in this Agreement; (ii) shall not be obligated to agree to any changes to the environmental agreements set forth herein or in any other document; and (iii) shall not allow others to act as attorney-in-fact for Seller. The provisions of this Section 23 shall survive Closing or the termination of this Agreement for any reason.

**24. CAPTIONS.** The captions preceding the Sections of this Agreement are intended only as a matter of convenience and for reference and in no way define, limit or describe the scope of this Agreement or the intent of any provision hereof.

**25. WAIVER OF CONDITIONS.**

(a) Buyer and Seller each shall have the right, in the sole and absolute exercise of its discretion, to waive any of the terms or conditions of this Agreement which are strictly for its respective benefits and to complete Closing in accordance with the terms and conditions of this Agreement which have not been so waived. Unless otherwise specifically provided herein, any such waiver shall be effective and binding only if in writing and if made and delivered at or prior to Closing.

(b) No waiver by either Party of any failure or refusal by the other Party to comply with its obligations hereunder shall be deemed a waiver of any other or subsequent failure or refusal by the other Party so to comply.

**26. SEVERABILITY.** The terms, conditions, covenants and provisions of this Agreement shall be deemed to be severable. If any clause or provision herein contained shall be

adjudged to be invalid or unenforceable by a court of competent jurisdiction or by operation of any applicable law, the same shall be deemed to be severable and shall not affect the validity of any other clause or provision herein, but such other clauses or provisions shall remain in full force and effect, unless such provisions shall relate to the Purchase Price or other monies to be paid hereunder. In such event, either Party, on not less than ten (10) days' notice to the other, shall have the right to terminate this Agreement on the date specified in such notice, whereupon the Deposit shall be released to Buyer and neither Party shall have any further obligation to the other, except for Surviving Obligations.

**27. GENDER.** As used in this Agreement, the masculine gender shall include the feminine or neuter genders and the neuter gender shall include the masculine or feminine genders, the singular shall include the plural and the plural shall include the singular, wherever appropriate to the context.

**28. NO PUBLIC DISCLOSURE.** Prior to Closing, all press releases or other dissemination of information to the media or responses to requests from the media for information relating to the transaction contemplated herein shall be subject to the prior consent of both Parties hereto. After Closing, this covenant shall terminate and no longer be binding on either Party.

**29. NO PARTNERSHIP.** Nothing contained in this Agreement shall be construed to create a partnership or joint venture between the Parties or their successors in interest.

**30. INTENTIONALLY OMITTED.**

**31. RECORDATION.** Buyer and Seller agree not to record this Agreement or any memorandum hereof.

**32. PROPER EXECUTION.** The submission by Seller to Buyer of this Agreement in an unsigned form shall be deemed to be a submission solely for Buyer's consideration and not for acceptance and execution. Such submission shall have no binding force and effect, shall not constitute an option or an offer, and shall not confer any rights or obligations upon Buyer or impose any obligations upon Seller irrespective of any reliance thereon, change of position or partial performance. The submission by Seller to Buyer of this Agreement for execution by Buyer and the actual execution thereof and delivery to Seller by Buyer similarly shall have no binding force and effect on Seller or Buyer unless and until Seller shall have executed this Agreement and the Deposit shall have been received by Escrow Agent.

**33. BUSINESS DAYS.** If any date herein set forth for the performance of any obligations by Seller or Buyer or for the delivery of any instrument or notice as herein provided should fall on a Saturday, Sunday or Legal Holiday (as hereinafter defined), the compliance with such obligations or delivery shall be deemed acceptable on the next business day following such Saturday, Sunday or Legal Holiday. As used herein, the term "Legal Holiday" shall mean any local or federal holiday on which post offices are closed in the jurisdiction in which the Property is located.

### 34. LIKE-KIND EXCHANGE.

(a) Buyer, at the request of Seller (but in all cases at no cost or expense of Buyer), agrees to cooperate reasonably with Seller so that Seller may dispose of the Property in a transaction intended to qualify in whole or in part as a tax-deferred exchange pursuant to Section 1031 of the Internal Revenue Code of 1986, as amended (the "Tax Code"). In order to implement such exchange: (i) Seller, upon notice to Buyer, shall assign its rights, but not its obligations, under this Agreement to a third party designated by Seller to act as a qualified intermediary (as such phrase is defined in applicable regulations issued under the Tax Code); (ii) Buyer shall, and hereby agrees to, acknowledge such assignment and make all payments due hereunder to or as may be directed by such intermediary; and (iii) at Closing, Seller shall convey the Property directly to Buyer; provided, however, that: (w) Buyer's cooperation shall be limited to the actions specifically contemplated by the foregoing sentence; (x) none of Buyer's rights or obligations hereunder shall be affected or modified in any way, nor shall any time periods contained herein be affected in any way; (y) Buyer shall have no responsibility or liability to Seller or any other person for the qualification of Seller's purported exchange transaction under Section 1031 of the Tax Code other than as a result of Buyer's failure to perform the actions specifically contemplated in this Section; and (z) Buyer shall not be required to incur any additional expense (unless reimbursed by Seller) or liability (other than to a *de minimis* extent) as a result of such cooperation, exchange or assignment. Seller hereby agrees to and shall save, defend, indemnify and hold Buyer harmless from and against any and all liability incurred by Buyer as a result of any such cooperation, exchange or assignment.

(b) Seller, at the request of Buyer, agrees to cooperate reasonably with Buyer so that Buyer may acquire the Property as "replacement property" in a transaction intended to qualify in whole or in part as a tax-deferred exchange pursuant to Section 1031 of the Tax Code. In order to implement such exchange: (i) Buyer, upon notice to Seller, shall assign its rights, but not its obligations, under this Agreement to a third party designated by Buyer to act as a qualified intermediary; (ii) Seller shall, and hereby agrees to, acknowledge such assignment and to accept payment of all or a portion of the Purchase Price from the intermediary; and (iii) at Closing, Seller shall convey the Property directly to Buyer; provided, however, that: (w) Seller's cooperation shall be limited to the actions specifically contemplated by the foregoing; (x) none of Seller's rights or obligations hereunder shall be affected or modified in any way, nor shall any time periods contained herein be affected in any way; (y) Seller shall have no responsibility or liability to Buyer or any other person for the qualification of Buyer's purported exchange transaction under Section 1031 of the Tax Code, other than solely as a result of Seller's failure to perform the actions specifically contemplated in this Section; and (z) Seller shall not be required to incur any additional expense (unless reimbursed by Buyer) or liability (other than to a *de minimis* extent) as a result of such cooperation, exchange or assignment. Buyer hereby agrees to and shall save, defend, indemnify and hold Seller harmless from and against any and all liability incurred by Seller as a result of any such cooperation, exchange or assignment.

(c) The provisions of this Section 34 shall survive Closing.

**35. CONDITIONS PRECEDENT.**

(a) Seller's obligation to deliver title to the Property shall be subject to compliance by Buyer with the following conditions precedent on and as of the date of Closing:

(i) Buyer shall deliver to Escrow Agent on the Closing Date the remainder of the Purchase Price, subject to adjustment of such amount pursuant to Section 3 hereof; and

(ii) The representations and warranties of Buyer contained in this Agreement shall have been true when made and shall be true in all material respects at and as of the date of Closing as if such representations and warranties were made at and as of the Closing, and Buyer shall have performed and complied in all material respects with all covenants, agreements and conditions required by this Agreement to be performed or complied with by Buyer prior to or at the Closing.

(b) Buyer's obligation to consummate the purchase of the Property shall be subject to compliance by Seller with the following conditions precedent on and as of the date of Closing:

(i) Seller shall deliver to Buyer on the Closing Date each of the documents listed in Section 4(a) hereof; and

(ii) The representations and warranties of Seller contained in this Agreement shall have been true when made and shall be true in all material respects at and as of the date of Closing as if such representations and warranties were made at and as of the Closing, and Seller shall have performed and complied in all material respects with all covenants, agreements and conditions required by this Agreement to be performed or complied with by Seller prior to or at the Closing.

**36. LIMITED LIABILITY.** The obligations of Seller under this Agreement or any documents executed pursuant hereto or in connection herewith, including, without limitation, the Deed and the Bill of Sale are intended to be binding only on the Property of Seller and shall not be personally binding upon, nor shall any resort be had to any other property of Seller or any properties of the Seller Parties. The provisions of this Section 36 shall survive Closing or termination of this Agreement, for any reason.

**37. NO THIRD PARTY BENEFICIARY.** The provisions of this Agreement are not intended to benefit any third parties.

**38. EQUITABLE OWNERSHIP.** Prior to the conveyance of the Property hereunder, Buyer shall not acquire, obtain or assume any equitable ownership of or title to the Property by reason of this Agreement.

**39. PREPARATION OF AGREEMENT.** This Agreement shall not be construed more strongly against either Party regardless of who is responsible for its preparation.

**40. JOINT OBLIGATIONS.** All obligations and liabilities of Seller and Buyer set forth herein shall be joint and several if more than one Seller or Buyer is named herein.

**41. COUNTERPARTS.** This Agreement may be executed and delivered in any number of counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which shall constitute one and the same instrument.

**42. EXHIBITS.** All Exhibits referred to herein are a part of the Agreement.

**[no further text on this page; signature page follows]**

**IN WITNESS WHEREOF**, the Parties hereto have caused this Agreement to be executed and delivered by duly authorized persons on the day and year first above written.

SELLER:

**L519 CA LLC**,  
a Delaware limited liability company

By:  \_\_\_\_\_  
Name: Robert Perelman  
Title: Managing Director

PURCHASER:

**OAKLAND SCHOOL FOR THE ARTS**,  
a California nonprofit public benefit corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**JOINDER AND CONSENT OF ESCROW AGENT**

An original, fully executed copy of this Agreement, together with the Initial Deposit, has been received by Escrow Agent this \_\_\_\_ day of \_\_\_\_\_, 2025, and by execution hereof Escrow Agent covenants and agrees to be bound by the terms of this Agreement.

Chicago Title Insurance Company,

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_



**IN WITNESS WHEREOF**, the Parties hereto have caused this Agreement to be executed and delivered by duly authorized persons on the day and year first above written.

SELLER:

**L519 CA LLC**,  
a Delaware limited liability company

By: \_\_\_\_\_  
Name:  
Title:

PURCHASER:

**OAKLAND SCHOOL FOR THE ARTS**,  
a California nonprofit public benefit corporation

By:  \_\_\_\_\_  
Name:  
Title:

**JOINDER AND CONSENT OF ESCROW AGENT**

An original, fully executed copy of this Agreement, together with the Initial Deposit, has been received by Escrow Agent this \_\_\_\_ day of \_\_\_\_\_, 2025, and by execution hereof Escrow Agent covenants and agrees to be bound by the terms of this Agreement.

Chicago Title Insurance Company,

By: \_\_\_\_\_  
Name:  
Title:

## **LIST OF EXHIBITS**

EXHIBIT “A”	Legal Description
EXHIBIT “B”	Form of Lease
EXHIBIT “C”	Bill of Sale
EXHIBIT “D”	Form of Certification of Non-Foreign Status
EXHIBIT “E”	Permitted Exceptions
EXHIBIT “F”	Form of Deed

**EXHIBIT "A"**

**Legal Description**

Commencing at a point on the Southern line of Seventeenth Street, distant thereon 100 feet Westerly from the Westerly line of Telegraph Avenue; and running thence Westerly along said Southerly line of Seventeenth Street 100 feet; thence at right angles Southerly 105 feet; thence at right angles Easterly 100 feet; and thence at right angles Northerly 105 feet to the point of commencement.

Being Lots 9, 11, 13 and 15, Block "B", Map of a Survey made for G.C. Potter, March 28, filed April 23, 1877,

Map Book 2, Page 14, Alameda County Records.

APN: 008-0620-019

**EXHIBIT “B”**

## **EXHIBIT “C”**

### **Bill of Sale**

**L519 CA LLC**, a Delaware limited liability company (“Assignor”), in accordance with the Agreement for Sale dated \_\_\_\_\_, 2025 (the “Agreement”), between Assignor and Assignee (defined below), and in consideration of the sum of Ten Dollars (\$10.00) (the sufficiency and receipt of which are hereby acknowledged), does hereby grant, bargain, sell, convey, assign, transfer, set over and deliver (collectively, “assign”) unto \_\_\_\_\_, a \_\_\_\_\_ (“Assignee”), all of Assignor’s right, title and interest in and to all of the furniture, furnishings, fixtures, equipment and other tangible personal property, that is now affixed to and/or located on the Real Property described on Exhibit A attached hereto and used in connection with the management, operation, or repair of that Real Property (collectively, “Personal Property”).

TO HAVE AND TO HOLD the Personal Property unto Assignee and Assignee’s heirs, legal representatives, successors and assigns forever.

**EXCEPT AS EXPRESSLY PROVIDED IN THE AGREEMENT: (i) THE PERSONAL PROPERTY IS BEING ASSIGNED “AS IS”, “WHERE IS”, AND “WITH ALL FAULTS” AS OF THE DATE OF THIS BILL OF SALE, WITHOUT ANY REPRESENTATION OR WARRANTY WHATSOEVER AS TO ITS CONDITION, FITNESS FOR ANY PARTICULAR PURPOSE, MERCHANTABILITY OR ANY OTHER WARRANTY, EXPRESS OR IMPLIED AND (ii) ASSIGNEE IS HEREBY ACQUIRING THE PERSONAL PROPERTY BASED SOLELY UPON ASSIGNEE’S OWN INDEPENDENT INVESTIGATIONS AND INSPECTIONS OF THAT PROPERTY AND NOT IN RELIANCE ON ANY INFORMATION PROVIDED BY ASSIGNOR OR ASSIGNOR’S AGENTS OR CONTRACTORS. ASSIGNOR HAS MADE NO AGREEMENT TO ALTER, REPAIR OR IMPROVE ANY OF THE PERSONAL PROPERTY. EXCEPT AS EXPRESSLY PROVIDED IN THE AGREEMENT, ASSIGNOR SPECIFICALLY DISCLAIMS ANY WARRANTY, GUARANTY OR REPRESENTATION, ORAL OR WRITTEN, PAST OR PRESENT, EXPRESS OR IMPLIED, CONCERNING THE PERSONAL PROPERTY OR ASSIGNOR’S TITLE THERETO.**

This Bill of Sale shall be binding upon and inure to the benefit of the successors and permitted assigns of Purchaser and Seller.

This Bill of Sale shall be governed by, interpreted under, and construed and enforceable in accordance with, the laws of the state of California, without regard to the application of choice of law principles.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Assignor has executed and delivered this Bill of Sale as of  
the \_\_\_\_ day of \_\_\_\_\_, 2025.

**SELLER:**

**L519 CA LLC**, a Delaware limited liability  
company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_



**EXHIBIT “D”**

**FORM OF CERTIFICATION OF NON-FOREIGN STATUS**

**NON-FOREIGN CERTIFICATION**

Section 1445 of the Internal Revenue Code provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a foreign person. For U.S. tax purposes (including section 1445), the owner of a disregarded entity (which has legal title to a U.S. real property interest under local law) will be the transferor of the property and not the disregarded entity. To inform the transferee that withholding of tax is not required upon the disposition of a U.S. real property interest by **L519 CA LLC**, a Delaware limited liability company (“**Transferor**”), the undersigned hereby certifies the following:

1. **L519 CA LLC**, a Delaware limited liability company, is a disregarded entity as defined in § 1.1445-2(b)(2)(iii);
2. **LADDER CAPITAL CORP.** is the indirect owner of **L519 CA LLC**, a Delaware limited liability company;
3. **LADDER CAPITAL CORP** is not a disregarded entity as defined in §1.1445-2(b)(2)(iii);
4. **LADDER CAPITAL CORP** is not a foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations).
5. **LADDER CAPITAL CORP’s** U.S. employer identification number is 80-0925494;  
and
6. Transferor’s office address is c/o Ladder Capital Finance, 320 Park Avenue, 15<sup>th</sup> Floor, New York, New York 10022

**LADDER CAPITAL CORP** understands that this certification may be disclosed to the Internal Revenue Service by transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

Under penalties of perjury I declare that I have examined this certification and to the best of my knowledge and belief it is true, correct, and complete, and I further declare that I have authority to sign this document on behalf of **LADDER CAPITAL CORP**.

Date: \_\_\_\_\_, 202\_\_

Signature \_\_\_\_\_,  
\_\_\_\_\_ on behalf of  
**LADDER CAPITAL CORP**

## **EXHIBIT “E”**

### **Permitted Exceptions**

1. Building restrictions and zoning regulations and ordinances and amendments and additions thereto adopted by any governmental authority having or asserting jurisdiction thereover, affecting the Property at the date hereof provided same are not violated.
2. Any easement or right of use created in favor of any public utility corporation for electricity, steam, gas, telephone or other service in any street or avenue abutting the Property and the right of said utility companies to use and maintain cables, terminal boxes, lines, service connections, poles, mains and other facilities in, upon and across the Property.
3. Covenants, restrictions, agreements and easements of record, affecting the Property that are approved by Buyer in accordance with Section 5(a) and provided same are not violated. Any state of facts as an accurate survey may show, provided the same do not render title unmarketable.
4. Taxes not yet due and payable.
5. Any other matter disclosed by Buyer's title commitment and not objected to by Buyer.
6. Any encumbrance created by Buyer or the acts or omissions of Buyer.

**EXHIBIT "F"**

**Form of Deed**

RECORDING REQUESTED BY,  
AND WHEN RECORDED RETURN TO:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_

MAIL TAX STATEMENTS TO:

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
(Space above this line for Recorder's use)

APN: \_\_\_\_\_

The undersigned grantor(s) declare(s):

Documentary Transfer Tax is \$ \_\_\_\_\_

- “ Computed on full value of property conveyed, or
- “ Computed on full value less value of liens and encumbrances remaining at time of sale.
- “ Unincorporated area / “ City of \_\_\_\_\_

**GRANT DEED**

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, **L519 CA LLC**, a Delaware limited liability company, whose address is c/o Ladder Capital Finance LLC, 320 Park Avenue, 15<sup>th</sup> Floor, New York, New York 10022 (“**Grantor**”), hereby GRANTS to \_\_\_\_\_, a \_\_\_\_\_ (“**Grantee**”), whose address is \_\_\_\_\_, that certain real property which is more particularly described on Exhibit A which is attached hereto (the “**Property**”):

*[signature page follows]*

IN WITNESS WHEREOF, the Grantor has executed this instrument as of the \_\_\_\_ day of \_\_\_\_\_, 2025.

**GRANTOR:**

**L519 CA LLC**, a Delaware limited liability company

By: \_\_\_\_\_  
Name:  
Title:

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

STATE OF \_\_\_\_\_ )  
 ) ss:  
COUNTY OF \_\_\_\_\_ )

On \_\_\_\_\_, 2025, before me, \_\_\_\_\_ Notary Public, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature: \_\_\_\_\_

[Seal]

**EXHIBIT “A”  
TO GRANT DEED**