

PURCHASE AGREEMENT AND JOINT ESCROW INSTRUCTIONS

This AGREEMENT is entered into effective as of August 3, 2021, by and between The City of Beaumont (“*Seller*”), and Orum Capital, a California corporation (“*Buyer*”), for acquisition by Buyer of certain real property hereinafter described.

RECITALS

WHEREAS, Buyer is currently in escrow to acquire that certain real property identified as Assessor’s Parcel Number 418-190-003 (the “Adjacent Property”)

WHEREAS, Buyer desires to acquire all of Seller’s right, interest, and title in and to the real property (“*Property*”) located in the City of Beaumont, California, and is further identified in **Exhibit “A”** attached hereto and by this reference incorporated herein which is contiguous with the Adjacent Property; and

WHEREAS, the Property is not currently a legal parcel under the Subdivision Map Act and this Agreement calls for Property to be made a part of the Adjacent Property by means of a Lot Line Adjustment, after the Due Diligence and prior to Closing, as provided herein;

WHEREAS, the sale will be on an “as-is where-is” basis; and

WHEREAS, Seller desires to sell to Buyer and Buyer desires to buy said Property subject to the conditions and covenants set forth in this Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows.

SECTION 1 PURCHASE AND SALE

1.1 Property; Agreement to Purchase Property. Seller agrees to sell to Buyer and Buyer agrees to purchase from Seller that certain Property in accordance with the terms, covenants and conditions set forth in this Agreement and subject to the Recitals which are incorporated herein by this reference.

1.2 Purchase Price. The purchase price of the Property (“*Purchase Price*”) shall be the amount of Eleven Dollars per square foot based on the actual square footage as determined by the Lot Line Adjustment, referred to below, and which is estimated to be approximately Eighty One Thousand Four Hundred Fifty Seven Dollars and twenty cents (\$81,457.20).

1.3 Payment. The Purchase Price will be paid by federal wire transfer to Escrow Agent in immediately available funds in accordance with an estimated closing statement consistent with this Agreement, prepared by “*Escrow Agent*”, identified in **Section 9.7.1** below, and executed by Buyer and Seller (“*Closing Statement*”).

1.4 Amount and Deposit of Earnest Money. No later than 48 hours after both Buyer and Seller

have executed this agreement (“Effective Date”) , Buyer shall deposit with Escrow, an earnest money deposit in the amount of Eight Thousand Two Hundred Dollars (\$8,200.00) (hereinafter the “*Earnest Money*”). The Earnest Money shall be deposited in Escrow Agent’s non-interest bearing escrow/trust account pending disbursement pursuant to this Agreement. The sum of one hundred dollars (\$100.00) from the Earnest Money shall be nonrefundable and shall be paid to Seller in the event that Buyer cancels this Agreement in accordance with **Section 4**.

SECTION 2 ESCROW

2.1 Establishment of the Escrow. An escrow for this transaction (“*Escrow*”) shall be established with Escrow Agent, and Escrow Agent shall be engaged to administer the Escrow. The Escrow shall continue in effect until the earlier of the date that (a) Buyer has purchased the Property or (b) this Agreement terminates.

2.2 Opening and Closing of Escrow. Immediately after the execution of this Agreement by both Buyer and Seller, Seller will deliver a fully executed copy of this Agreement to Escrow Agent. The Closing of Escrow shall take place on the date Escrow Agent (i) is irrevocably committed to issue the Title Policy to Buyer pursuant to **Section 5.3**, and (ii) disburses proceeds of the sale to Seller in accordance with the approved Closing Statement. The date for the Closing (“*Closing Date*”) shall be on the date ten (10) days after Buyer has obtained approval from the City of Beaumont of a conditional use permit and plot plan for a drive through restaurant with a building area of approximately 2,000 square feet (“Buyer’s Entitlements”) and building permit on the Adjacent Property currently under escrow by Buyer but no later than 180 days after the Buyer’s approval of the Due Diligence as such one hundred and eighty (180) days may be extended under Section 2.3.

2.3 Buyer’s Entitlements. Buyer will submit to the City of Beaumont complete applications on City’s application forms along with all required applications fees and other amounts for Buyer’s Entitlements no later than the expiration of the Due Diligence Period. The Buyer shall comply with all laws applicable to the development of the Property for Buyer’s Project, including, without limitation, the City’s Municipal Code. Buyer will pay when due all fees pertaining to the review and approval of Buyer’s Entitlements. The City shall not be responsible to build and infrastructure improvements related to the Property and Buyer’s Entitlements. If Buyer fails to so apply for Buyer’s Entitlements by the expiration of the Due Diligence Period, this Agreement shall automatically terminate and Buyers Earnest Money will be returned to Buyer. If Buyer submits the completed applications for Buyer’s Entitlements as aforesaid but has not obtained Buyer’s Entitlements and related environmental review within one hundred and eighty (180) days after expiration of the Due Diligence Period, subject to any extension granted by City, Buyer or Seller may terminate this Agreement instruct Escrow to return Buyers’ Earnest Money to Buyer, and the parties shall have no further obligations to one another. However, if after such one hundred and eighty (180) days from the expiration of Due Diligence Buyer has not obtained Buyer’s Entitlements and if Buyer has been and continues to diligently and continuously seek Buyer’s Entitlements in good faith at all times, then upon the written request of Buyer, Seller may extend the time within which the Closing may occur by thirty (30) days on up to six separate occasions for a maximum total of 180 days. If Buyer does not request any such extension, this Agreement shall terminate and Buyer and Seller shall have no further

obligations to one another. Seller shall have no obligation to approve Buyer's Entitlements, but shall review the same in accordance with applicable laws, the Beaumont Municipal Code and city policies in the same manner and subject to the same requirements as other applicants. Seller will have no liability to Buyer if Buyer fails to obtain Buyer's Entitlements. The forgoing provisions of this Section 2.3 shall only apply to the Buyer Entitlements as defined above. If Buyer wishes to seek entitlements that are different from the Buyer Entitlements at any time, Buyer must obtain the advanced written consent otherwise this Agreement will terminate.

2.4 Acceptance of Escrow; Execution Date. By accepting this Escrow, Escrow Agent agrees to the terms of this Agreement solely as they relate to the duties of Escrow Agent. As soon as practical after the receipt of this Agreement, Escrow Holder shall ascertain the Execution Date and advise the Parties and Brokers, in writing, of the date ascertained.

2.5 Escrow Instructions. This Agreement constitutes escrow instructions to Escrow Agent. If Escrow Agent requires the execution of its standard form printed escrow instructions, Buyer and Seller agree to execute those instructions; however, those instructions will be construed as applying only to Escrow Agent's engagement. If there are conflicts between the terms of this Agreement and the terms of the Escrow Agent's standard form printed escrow instructions, the terms of this Agreement will control.

2.6 Escrow Cancellation Charges. If Escrow fails to close because of Seller's default, Seller will pay all customary escrow cancellation charges. If Escrow fails to close because of Buyer's default, or for any other reason, Buyer shall pay all customary escrow cancellation charges.

SECTION 3 INFORMATION SECURED BY BUYER

3.1 Seller Deliverables. Within Two (2) days of the Effective Date, Buyer shall obtain, or cause to be obtained and provided to Seller, the following:

3.1.1 Preliminary Title Report. A current preliminary title report (the "***Title Report***") for the Property prepared by Escrow Agent along with copies of all documents referenced therein. The Title Report will be updated after the recordation of the LLA.

3.1.2 Buyer is advised that Seller does cannot locate an environmental report or survey for the Property.

SECTION 4 MATTERS RELATING TO THE ESCROW PERIOD

4.1 Title and Survey Review.

4.1.1 Survey and Lot Line Adjustment. Seller shall cause the recordation of a Lot Line Adjustment ("LLA") at the Closing whereby the Property is made part of the Adjacent Property with such efforts to commence no later than within fifteen (15) days after the Buyer approves the Title and Due Diligence under Section 4.1.3 and 4.3. Upon demand Buyer shall pay or deposit with Seller one half of the surveying and fees for creating such separate legal parcel as determined by the Seller as a condition precedent to the Closing. Buyer's cost shall not exceed

\$5,000.00. Should the Buyer fail to pay or deposit such amount or amounts upon demand by Seller, Seller shall have the right to terminate this agreement and retain Buyer's Deposit provided that it gives Buyer at least ten (10) days written notice and Buyer fails to cure such default prior to the expiration of the ten day period.

4.1.2 Buyer and Seller agree that if Buyer approves title to the Property and its Due Diligence, Buyer may obtain an ALTA survey of the Property (or cause the survey for the LLA to be sufficiently revised at its sole cost) (the "**Survey**") at no cost to Seller provided that doing so does not delay the Closing. In the event Buyer obtains an ALTA survey, Buyer shall deliver a copy of the Survey to Seller and Escrow Agent promptly following its receipt of the same. In the event that escrow fails to close for any reason not due to the default of Seller, Buyer will assign and deliver the ALTA survey and any other documents produced in connection with its due diligence to Seller simultaneously with the termination of the Escrow.

4.1.3 Title Review; Cure. Buyer will have thirty (30) days from the Effective Date (the "**Title Review Period**") to approve or disapprove any title matters disclosed by the Title Report. If Buyer is dissatisfied with any exception to title as disclosed in the Title Report, in Buyer's sole and arbitrary discretion, then Buyer may, by giving notice to Seller and Escrow Agent within the Title Review Period ("**Buyer's Objection Notice**"), either:

(a) Terminate this Agreement, in which case the Earnest Money shall be returned to Buyer; or

(b) Provisionally accept title subject to Seller's removal of any disapproved matters, exceptions or objections (the "**Disapproved Items**"), in which case Seller may, within five (5) days following receipt of Buyer's Objection Notice (the "**Title Cure Period**"), agree to remove some or all of the Disapproved Items prior to Closing or obtain endorsements to the Title Policy in form satisfactory to Buyer insuring against the Disapproved Items, by giving Buyer written notice ("**Seller's Cure Notice**") of the specific Disapproved Items which Seller agrees to so remove or endorse over (the "**Cure Items**"). If, during the Title Cure Period, Seller does not timely agree to remove or endorse over all of the Disapproved Items, then, at Buyer's election by written notice given within five (5) days following expiration of the Title Cure Period (i) this Agreement will be terminated and the Earnest Money refunded to Buyer, or (ii) Buyer may waive the Disapproved Items that Seller elected not to agree to remove or endorse over, and such matters shall be deemed Approved Title Exceptions, as defined in **Section 4.1.3(d) below**. If, within such 5-day period, Buyer fails to waive in writing the Disapproved Items that Seller elected not to agree to remove or endorse over, Buyer will be deemed to have elected to terminate this Agreement.

(c) Title to the Property will be conveyed to Buyer at the Closing subject only to the Approved Title Exceptions as defined below. Notwithstanding anything in this Agreement to the contrary, Seller agrees that title to the Property shall, at Closing, be free and clear of all monetary liens and encumbrances (other than the lien for current real property taxes and assessments not yet due and payable), including, but not limited to, any deeds of trust or mechanics liens, and all of such liens and encumbrances are hereby deemed to be Cure Items for the purposes of this **Section 4.1**, and Buyer need not give any Buyer's Objection Notice as to those items. Seller agrees that all such monetary liens and encumbrances, regardless of the amount, will be released from the Property by Seller at Seller's sole expense on or before the Closing.

(d) If Buyer does not (1) accept in writing the condition of title in whole, or (2) accept title provisionally as set forth in in **Section 4.1.3(b)**, as disclosed by the Title Report within the Title Review Period, the Title Report shall be deemed disapproved by Buyer and this Agreement shall automatically terminate, and upon such termination, the Earnest Money shall be returned to Buyer. For purposes of this Agreement “*Approved Title Exceptions*” means:

(i) non-delinquent real property taxes and assessments due and payable in the fiscal tax year in which the Closing occurs (which shall be prorated at Closing pursuant to **Section 6.2.4 below**);

(ii) those matters approved or deemed approved by Buyer in accordance with this **Section 4.1** which are disclosed in the Title Report (other than the “standard exceptions”) and the Survey, if obtained by Buyer; and

(iii) any other matters approved by Buyer in writing.

(e) Any requirements specified in the Title Report for the issuance of the Title Policy, together with any other requirements imposed by Escrow Agent on either or both Buyer or Seller for the issuance of the Title Policy, to the extent they are reasonable and customary in Riverside County, California, are referred to herein as the “*Title Requirements*”.

4.2 Buyer’s Right to Enter and Inspect the Property. From time to time following the Effective Date, Buyer and/or Buyer’s representatives, contractors, and agents may enter the Property to examine the Property, to conduct non-invasive tests, inspections, studies.

4.2.1 Buyer Restoration and Indemnity. Buyer will restore any material physical damage to the Property caused by Buyer, and will indemnify, defend and hold harmless Seller and Seller’s public officials, Council Members and employees (“Related Parties”) from, and against any Claims, damages, liens, stop notices, liabilities, losses, costs and expenses, including reasonable attorneys’ fees and court costs caused by Buyer (unless resulting from Seller’s or its Related Parties’ negligent acts or omissions or willful misconduct) and this indemnity will survive the Closing or the termination of this Agreement. In addition, in the event Buyer and/or Buyer’s representatives enter the Property they will maintain comprehensive general liability insurance with coverage of at least one million dollars (\$1,000,000) per occurrence and provide a certificate of insurance showing Seller as an additional insured thereon prior to entering the Property.

4.3 Investigation Contingency. Buyer shall have until expiration of the Title Review Period to complete the Buyer’s inspections and approve or disapprove any and all aspects of the Property (“Due Diligence Period”). Buyer’s failure to timely approve or disapprove shall be deemed disapproval of all aspects of the Property. If Buyer disapproves the Property prior to the expiration of the Due Diligence Period, this Agreement shall terminate, and upon such termination the Earnest Money shall be returned to Buyer.

SECTION 5
CLOSING DOCUMENTS; TITLE POLICY

5.1 Seller's Closing Documents. No later than 48 hours before the Closing Date, Seller will deposit the following documents into the Escrow for delivery at the Closing, each of which will have been duly executed, endorsed and, where appropriate, acknowledged, and will be in form and substance reasonably satisfactory to Buyer, Buyer's legal counsel and Escrow Agent:

5.1.1 Closing Statement. Approval of the estimated Closing Statement.

5.1.2 FIRPTA Affidavit. An affidavit, signed and acknowledged by Seller under penalty of perjury, certifying that Seller is not a nonresident alien, foreign corporation, foreign partnership, foreign trust, foreign estate, or other foreign person within the meaning of Section 1445 and 7701 of the Internal Revenue Code of 1986 and the associated Treasury Regulations.

5.1.3 California Withholding Certificate. A duly executed California Franchise Tax Board ("*FTB*") Form 593-C Withholding Certificate and such other documents if required by Escrow Agent in order to comply with California withholding requirements.

5.1.4 Additional Documents. Such other documents as may be necessary, appropriate or reasonably required by Escrow Agent to transfer and convey the Property to Buyer and to otherwise close this transaction and issue the Title Policy to Buyer in accordance with the terms of this Agreement.

5.2 Buyer's Closing Deliveries. No later than 24 hours before the Closing Date, Buyer will deposit into the Escrow the following funds and documents for delivery to Seller at the Closing, each of which, where appropriate, will have been duly executed and acknowledged and will be in form and substance satisfactory to Seller and Seller's legal counsel and Escrow Agent:

5.2.1 Closing Statement. Approval of the estimated Closing Statement.

5.2.2 Preliminary Change of Ownership Report. A Preliminary Change of Ownership Report as required by law.

5.2.3 Additional Documents. Such other documents as may be necessary, appropriate or reasonably required by Escrow Agent to close this transaction in accordance with the terms of this Agreement.

5.2.4 Buyer's Closing Funds. The cash portion of the Purchase Price, less the Earnest Money, plus Buyer's Closing costs in accordance with the approved Closing Statement, will be paid at Closing by federal wire transfer to Escrow Agent in immediately available funds.

5.3 Title Policy. Closing is contingent upon Escrow Agent's issuance of the Title Policy. Seller, at Seller's expense, will satisfy all of Escrow Agent's Title Requirements (as defined in 4.1.3(e) above) for issuance of the Title Policy other than those, if any, within Buyer's control or those which Buyer is obligated to satisfy under this Agreement. Buyer, at Buyer's expense, will satisfy all of Escrow Agent's Title Requirements for issuance of the Title Policy other than

those, if any, which Seller is obligated to satisfy under this Agreement. If the Title Policy is issued against any portion of the Adjacent Property, Buyer shall be responsible for the cost of and any exceptions to coverage the Title Policy attributable to the Adjacent Property. Seller will only be responsible for assuring there are no monetary liens or encumbrances on the Property, and shall not be responsible for any exception to coverage related to the Adjacent Property.

SECTION 6 CLOSING THE TRANSACTION

6.1 Closing Deadline. The Closing shall occur on or before the Closing Date.

6.2 Closing Costs and Prorations.

6.2.1 Escrow Fees. Seller and Buyer will each pay one-half (1/2) of the Escrow fees.

6.2.2 Title Insurance Fees. Seller will pay the premium for a ALTA standard coverage owner's Title Policy and Buyer shall pay the portion of the Title Policy premium attributable to upgrading to ALTA extended coverage, the cost of any endorsements, if requested by Buyer.

6.2.3 Recording Fees. Seller will pay the recording fees for recording the Grant Deed, the documentary transfer tax.

6.2.4 Prorations. Seller is responsible for paying all taxes, assessments, fees, and other charges for years prior to the year of Closing and any supplemental taxes attributable to periods prior to Closing, if any. All such items due and payable in the year of the Closing will be prorated in Escrow as of Closing, based upon the most current information then available to Escrow Agent.

6.2.5 Miscellaneous Closing Costs. Any other closing costs not otherwise expressly provided for in this Agreement will be paid by Buyer and Seller as they shall mutually agree or, in the absence of such agreement, according to the usual and customary practice in Riverside County, California.

6.3 Seller's Obligation to Deposit Additional Funds. Seller hereby authorizes Escrow Agent to use so much of the proceeds otherwise payable to Seller at Closing as is necessary to pay all costs and other amounts payable by or otherwise chargeable to Seller pursuant to this Agreement.

6.4 Buyer's Obligation to Deposit Additional Funds. On or before the Closing Date, Buyer will deposit with Escrow Agent cash in an amount sufficient to pay all costs and other amounts payable by or otherwise chargeable to Buyer pursuant to this Agreement.

SECTION 7 ADDITIONAL COVENANTS

7.1 Possession. At the Closing, Seller shall deliver possession of the Property to Buyer.

7.2 Risk of Loss. Except as to any matter caused by the act, omission, negligence or willful

misconduct of a party hereunder, in which cases such party shall be responsible; except as provided in **Section 4.2** and **Section Error! Reference source not found.**; and subject to the express indemnities contained in this Agreement with respect to the Property, the risk of loss or damage to the Property and all liability to a Third Party will be with the party that owns fee simple title to the Property at the time the loss, damage or liability is suffered or incurred. In the event of loss or damage to the Property prior to the Closing, the parties agree that if such loss is greater than ten percent (10%) of the Purchase Price, Buyer shall have the right, but not the obligation, to terminate this Agreement in which event Buyer shall be entitled to a return of its Earnest Money. Alternatively, Buyer may proceed to the Closing with no reduction in the Purchase Price and accept the Property in its then current condition subject to such loss or damage. In the event the loss or damage to Property is less than ten percent (10%) of the Purchase Price, Seller may repair the damage prior to the Closing. In the event Seller does not make the repairs to Buyer's reasonable satisfaction, Buyer shall be entitled to a reduction in the purchase price or an assignment of insurance proceeds, if any, in an amount equal to the loss or damage.

7.3 Condemnation. If all or any portion of the Property is condemned (or sold and conveyed in lieu of condemnation) prior to the Closing or if such a condemnation proceeding is commenced or threatened prior to Closing, Seller shall notify Buyer in writing (a "***Condemnation Notice***") and Buyer may terminate this Agreement by giving written notice of termination to Seller within ten (10) days following receipt of a Condemnation Notice. If Buyer elects to terminate pursuant to this **Section 7.3** the Earnest Money will be returned to Buyer and the Agreement will be canceled. If Buyer does not elect to terminate pursuant to this Section then (i) this Agreement shall continue in effect, (ii) Seller shall not settle or compromise any condemnation or convey any portion of the Property in lieu of condemnation without Buyer's prior written consent, (iii) if Closing occurs Buyer will receive all awards or payments made by the condemning authority to which Seller would otherwise be entitled and (iv) to the extent Seller receives an award with respect to the Property prior to Closing, Seller shall pay the entire award to Escrow Agent to be held in Escrow pending (i) the Closing, in which case the award shall be applied to the Purchase Price due at Closing and paid to Seller, or (ii) in the event of termination of this Agreement the award shall be disbursed to Seller. Seller shall notify Buyer of any notice it receives pertaining to eminent domain, taking, condemnation of the Property.

7.4 Brokerage. Buyer and Seller each represent and warrant that they have not engaged the services of any broker, agent or other Person entitled to receive a commission, finder's fee or other such compensation in connection with the execution of this Agreement or the consummation of the transactions contemplated by this Agreement. If any other Person asserts a claim to a finder's fee, brokerage commission or other compensation on account of alleged employment as a finder or broker or performance of services as a finder or broker in connection with this transaction, the party under whom the finder or broker is claiming will indemnify, defend and hold the other party and the other party's Related Parties harmless for, from, and against any Claims related thereto. This indemnity will survive the Closing or the termination of this Agreement.

7.5 Property Sold "As Is".

7.5.1 Limitation of Seller Representations and Warranties. Except for Seller's express representations and warranties set forth in this Agreement, Seller hereby specifically disclaims

any warranty (oral or written) or obligation to disclose information concerning: (i) the nature and condition of the Property and the suitability thereof for any and all activities and uses that Buyer elects to conduct thereon; (ii) the manner, construction, condition and state of repair or lack of repair of any improvements on the Property; (iii) the compliance of the Property with any laws, rules, ordinances or regulations of any government or other body; and (iv) the content or accuracy of any documents or materials delivered by Seller to Buyer. Buyer is relying solely upon, and will have conducted, its own, independent inspection, investigation and analysis of the Property as it deems necessary or appropriate in so acquiring the Property from Seller, including, without limitation, an analysis of any and all matters concerning the condition of the Property and its suitability for Buyer's intended purposes, and a review of all applicable laws, ordinances, rules and governmental regulations (including, but not limited to, those relative to building, taxes, zoning and land use) affecting the development, use, occupancy or enjoyment of the Property. If the Buyer discovers any material information regarding the Property that is different than what has been represented by Seller or that was not disclosed by Seller, Buyer as its sole and only remedy shall have the right terminate this Agreement and recover its Earnest Money. *Except for Seller's express representations and warranties set forth in this Agreement* (i) the sale of the Property is made on a strictly "AS IS", "WHERE IS", "WITH ALL FAULTS" basis as of the date of Closing, and (ii) Seller makes no warranty or representation, express or implied, or arising by operation of law, including, but in no way limited to, any warranty of quantity, quality, condition, habitability, merchantability, suitability or fitness for a particular purpose of the Property, any improvements located thereon or any soil or environmental conditions related thereto.

7.5.2 Buyer Waiver and Release. Buyer specifically acknowledges that Buyer is not relying on (and Seller hereby disclaims and renounces) any representations or warranties made by or on behalf of Seller of any kind or nature whatsoever, except for those particular representations and warranties expressly provided in this Agreement. Except for Claims related to breach of Seller's express representations and warranties in this Agreement, Buyer, for Buyer and Buyer's successors and assigns, hereby releases Seller from, and waives any and all Claims and liabilities against Seller for, related to, or in connection with, any environmental or physical condition at the Property (or the presence of any matter or substance relating to the environmental condition of the Property), including, but not limited to, Claims and/or liabilities relating to (in any manner whatsoever) any Hazardous Substances, toxic or dangerous materials or substances located in, at, about or under the Property, or for any and all Claims or causes of action (actual or threatened) based upon, in connection with, or arising out of any Environmental Law, or any other claim or cause of action including any federal or state based statutory, regulatory or common law cause of action related to environmental matters or liability with respect to, or affecting, the Property. Buyer represents to Seller that Buyer has conducted, or will conduct prior to Closing, such investigations of the Property, including but not limited to, the physical and environmental conditions thereof, as Buyer deems necessary to satisfy itself as to the condition of the Property and the existence or nonexistence of, or curative action to be taken with respect to, any Hazardous Substances or toxic substances on or discharged from the Property, and will rely solely upon same and not upon any information provided by, or on behalf of, Seller, its agents and employees with respect thereto. Hazardous Substance means any chemical, substance, medical or other waste, living organism or combination thereof which is or may be hazardous to the environment or human or animal health or safety due to its radioactivity, ignitability, corrosivity, reactivity, explosivity, toxicity, carcinogenicity, mutagenicity, phytotoxicity, infectiousness or other harmful or potentially harmful properties

or effects. For purposes of this Agreement “Hazardous Substance” shall include, but not be limited to, petroleum hydrocarbons, including crude oil or any fraction thereof, asbestos, radon, polychlorinated biphenyls (PCBs), methane and all substances which now or in the future may be defined as “hazardous substances,” “hazardous wastes,” “extremely hazardous wastes,” “hazardous materials,” “toxic substances,” “infectious wastes,” “biohazardous wastes,” “medical wastes,” “radioactive wastes” or which are otherwise listed, defined or regulated in any manner pursuant to any Environmental Laws.

Buyer further agrees that in the event Buyer obtains, from former or present owners of the Property or any other persons or entities, releases from liability, indemnities, or other forms of hold harmless relating to the subject matter of this section, Buyer shall use its diligent efforts to obtain for Seller the same releases, indemnities and other comparable provisions.

For purposes of this Section, the following terms shall have the following meanings.

(a) “Environmental Claim” means any claim for personal injury, death and/or property damage made, asserted or prosecuted by or on behalf of any third party, including, without limitation, any governmental entity, relating to the Property or its operations and arising or alleged to arise under any Environmental Law.

(b) “Environmental Cleanup Liability” means any cost or expense of any nature whatsoever incurred to contain, remove, remedy, clean up, or abate any contamination or any Hazardous Substances on or under all or any part of the Property, including the ground water thereunder, including, without limitation, (A) any direct costs or expenses for investigation, study, assessment, legal representation, cost recovery by governmental agencies, or ongoing monitoring in connection therewith and (B) any cost, expense, loss or damage incurred with respect to the Property or its operation as a result of actions or measures necessary to implement or effectuate any such containment, removal, remediation, treatment, cleanup or abatement.

(c) “Environmental Compliance Cost” means any cost or expense of any nature whatsoever necessary to enable the Property to comply with all applicable Environmental Laws in effect. “Environmental Compliance Cost” shall include all costs necessary to demonstrate that the Property is capable of such compliance.

(d) “Environmental Law” means any federal, state or local statute, ordinance, rule, regulation, order, consent decree, judgment or common-law doctrine, and provisions and conditions of permits, licenses and other operating authorizations relating to (A) pollution or protection of the environment, including natural resources, (B) exposure of persons, including employees, to Hazardous Substances or other products, raw materials, chemicals or other substances, (C) protection of the public health or welfare from the effects of by-products, wastes, emissions, discharges or releases of chemical substances from industrial or commercial activities, or (D) regulation of the manufacture, use or introduction into commerce of chemical substances, including, without limitation, their manufacture, formulation, labeling, distribution, transportation, handling, storage and disposal.

Notwithstanding any other provision of this Agreement, Buyer's release and indemnification as set forth in the provisions of this Section, as well as all provisions of this Section, shall survive the termination of this Agreement and shall continue in perpetuity.

SECTION 8 REMEDIES

8.1 Seller's Remedies. If the Closing does not occur due to any default by Buyer, then Seller shall provide Buyer and Escrow Agent with written notice specifying the nature of Buyer's Default. If Buyer has not cured the default within five (5) days after receipt of Seller's notice, then Seller shall have the right as Seller's sole and exclusive remedy to terminate this Agreement by giving written notice of cancellation to Buyer and Escrow Agent and the Earnest Money shall be paid to Seller with no further instruction to Escrow Holder from Buyer.

BUYER AND SELLER HEREBY AGREE THAT IF SELLER TERMINATES THIS AGREEMENT DUE TO BUYER'S DEFAULT, THEN IN SUCH EVENT THE EXACT AMOUNT OF SELLER'S DAMAGES WOULD BE EXTREMELY DIFFICULT TO ASCERTAIN AND THEREFORE THE EARNEST MONEY DEPOSITED INTO ESCROW SHALL BE DEEMED TO CONSTITUTE A REASONABLE ESTIMATE OF SELLER'S DAMAGES UNDER THE PROVISIONS OF SECTION 1671 OF THE CALIFORNIA CIVIL CODE AND SELLER'S SOLE AND EXCLUSIVE REMEDY IN THE EVENT OF BUYER'S DEFAULT SHALL BE LIMITED TO TERMINATION OF THIS AGREEMENT AND COLLECTION OF SUCH LIQUIDATED DAMAGES.

BUYER'S INITIALS: _____

SELLER'S INITIALS: _____

8.2 Buyer's Remedies. If Seller fails to perform when due any act required by this Agreement to be performed or otherwise breaches this Agreement and such failure or breach continues for a period of thirty (30) days after Seller receives written notice thereof, then, Buyer may as its sole and only remedy terminate this Agreement and the Escrow, such cancellation to be effective immediately upon Buyer giving written notice of cancellation to Seller and Escrow Agent, and the entire Earnest Money shall be returned to Buyer and the parties shall have no further liability to one another. Buyer hereby waives the rights and remedies not specifically provided to Buyer under this Section 8.2 including, but not limited to actual damages, consequential damages and specific performance.

SECTION 9 GENERAL PROVISIONS

9.1 Assignment. This Agreement may not be assigned in whole or part without the express written consent of both parties. However, Buyer shall have the right to assign this Agreement to an affiliated entity to be formed by Buyer, without Seller's written consent, by providing notice to Seller provided that the original party shall remain liable hereunder. Subject to the forgoing, this Agreement may only be assigned to a person or entity which owns fee title to the Adjacent Property.

9.2 Binding Effect. The provisions of this Agreement are binding upon and will inure to the benefit of the parties and their respective heirs, personal representatives, successors and

permitted assigns, including, without limitation, all members of Seller irrespective of any dissolution of Seller after execution of this Agreement or after consummation of a Closing.

9.3 Attorneys' Fees. If any action is brought by either party in respect to its rights under this Agreement, the prevailing party will be entitled to reasonable attorneys' fees and court costs as determined by the court.

9.4 Waivers. No waiver of any of the provisions of this Agreement will constitute a waiver of any other provision, whether or not similar, nor will any waiver be a continuing waiver. No waiver will be binding unless executed in writing by the party making the waiver. Either party may waive any provision of this Agreement intended for its benefit; provided, however, such waiver will in no way excuse the other party from the performance of any of its other obligations under this Agreement.

9.5 Construction. This Agreement will be construed according to the laws of the State of California, without giving effect to its conflict of laws principles. References in this Agreement to "Sections" are to the Sections in this Agreement, unless otherwise noted. This Agreement shall not be construed as if prepared by one of the parties, but rather according to its fair meaning as a whole, as if both parties had an equal role in its negotiation and preparation.

9.6 Time of the Essence. Time is of the essence of this Agreement.

9.7 Notices.

9.7.1 Any demand, notice or communication required or permitted to be given under this Agreement must be in writing and is deemed given on (a) the day personally delivered, (b) the third business day after the date of mailing by certified or registered first class mail, postage prepaid, return receipt requested, or (c) one business day after accepted for next business day delivery by a national commercial delivery service which provides package tracking services ("**Overnight Delivery**"), or (d) when transmitted by e-mail or telephone facsimile (provided that such Notice is confirmed on the same day by sending a copy to the addressee(s) by Overnight Delivery), in each case addressed to the parties at their respective addresses set forth below (or to such other address as the Parties hereto may designate by notice in the manner set forth herein). Notices which are rejected or refused or which cannot be delivered because of changed address of which no notice was given shall be deemed delivered.

Notice to Seller shall be sent to:

City of BEAUMONT
Attn: City Manager
Beaumont Civic Center
550 E. Sixth St.
Beaumont, CA 92223
Email: tparton@beaumontca.gov

Notice to Buyer shall be sent to:

Orum Capital
Attn: Jonathan Hanasab
606 S. Olive Street, #1030
Los Angeles, CA 90104
Email: Jonathan@orumcapital.com
Tel: 213-514-5201

Notice to Escrow Agent shall be sent to:

Commerce Escrow
Raul Zuniga | *Escrow Officer II - Commercial*
1055 Wilshire Blvd Suite 1000, Los Angeles, CA 90017
General Line (213) 484-0855x4016
Fax: 213-484-0417 / eFax: 213-201-5191

Each party may change their address for the purpose of this Section by giving written notice of such change to the other party in the manner provided in this Section.

9.8 Further Documentation. Each party agrees in good faith to execute such further or additional documents as may be necessary or appropriate to fully carry out the intent and purpose of this Agreement.

9.9 Time Periods. Except as expressly provided for in this Agreement, the time for performance of any obligation or taking any action under this Agreement will be deemed to expire at 5:00 p.m. (California time) on the last day of the applicable time period provided for in this Agreement. If the time for the performance of any obligation or taking any action under this Agreement expires on a Saturday, Sunday or legal holiday, the time for performance or taking such action will be extended to the next succeeding day which is not a Saturday, Sunday or legal holiday. Any reference in this Agreement to “days” shall mean calendar days unless the Agreement expressly states “business” days.

9.10 No Third Party Beneficiary. No term or provision of this Agreement is intended to, or shall, be for the benefit of any Person not a party hereto and no such Person shall have any right or cause of action hereunder.

9.11 Headings and Counterparts. The headings of this Agreement are for purposes of reference only and will not limit or define the meaning of any provision of this Agreement. This Agreement may be executed in any number of counterparts, each of which will be an original but all of which will constitute one and the same instrument.

9.12 Entire Agreement. This Agreement, which includes the Exhibits constitutes the entire agreement between the parties pertaining to the subject matter contained in this Agreement. All prior and contemporaneous agreements, representations and understandings of the parties, oral

or written, are superseded by and merged in this Agreement. No supplement, modification or amendment of this Agreement will be binding unless in writing and executed by Buyer and Seller.

9.13 Counterparts and Facsimile Signatures. This Agreement may be executed in any number of counterparts and via physical signature or Docusign, Cudasign or a similar electronic signature application, each of which shall be deemed an original, and facsimile copies or photocopies of any such signatures shall be as valid as originals.

9.14 Limited Consent to Apply for Entitlements. Seller hereby authorizes Buyer to submit the application for the Entitlements relative to the Property during the term of this Agreement. Upon the termination of this Agreement in the absence of the Closing, this consent shall immediately terminate relative to the Property as will any Entitlement or building permit that may have been issued as it applies to the Property only.

9.15 Effect of Escrow. Buyer's rights under this Agreement shall remain in effect only so long as the escrow for the Adjacent Property is pending or the escrow closes. If the escrow and underlying contract for the Adjacent Property terminates for any reason Buyer will notify Seller in writing within 48 hours of the termination, this Agreement will terminate and Buyer's Earnest Money will be returned to Buyer and the Buyer and Seller shall have no further obligations to one another.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date set forth above.


SELLER:

CITY OF BEAUMONT

By: _____

Its: _____

Date: _____



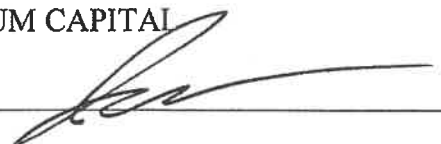
MAYOR
8/17/21

BUYER:

ORUM CAPITAL

By: _____

Date: _____



7/15/2021

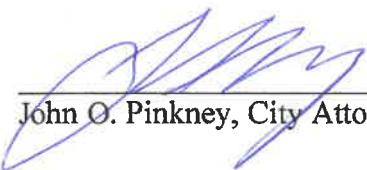
ATTEST:



Nicole Wheelright, Deputy City Clerk

APPROVED AS TO FORM:

SBEMP LLP



John O. Pinkney, City Attorney

**ACCEPTED AND AGREED TO SOLELY
FOR PURPOSES OF ACTING AS
ESCROW AGENT:**

By: _____

EXHIBIT A

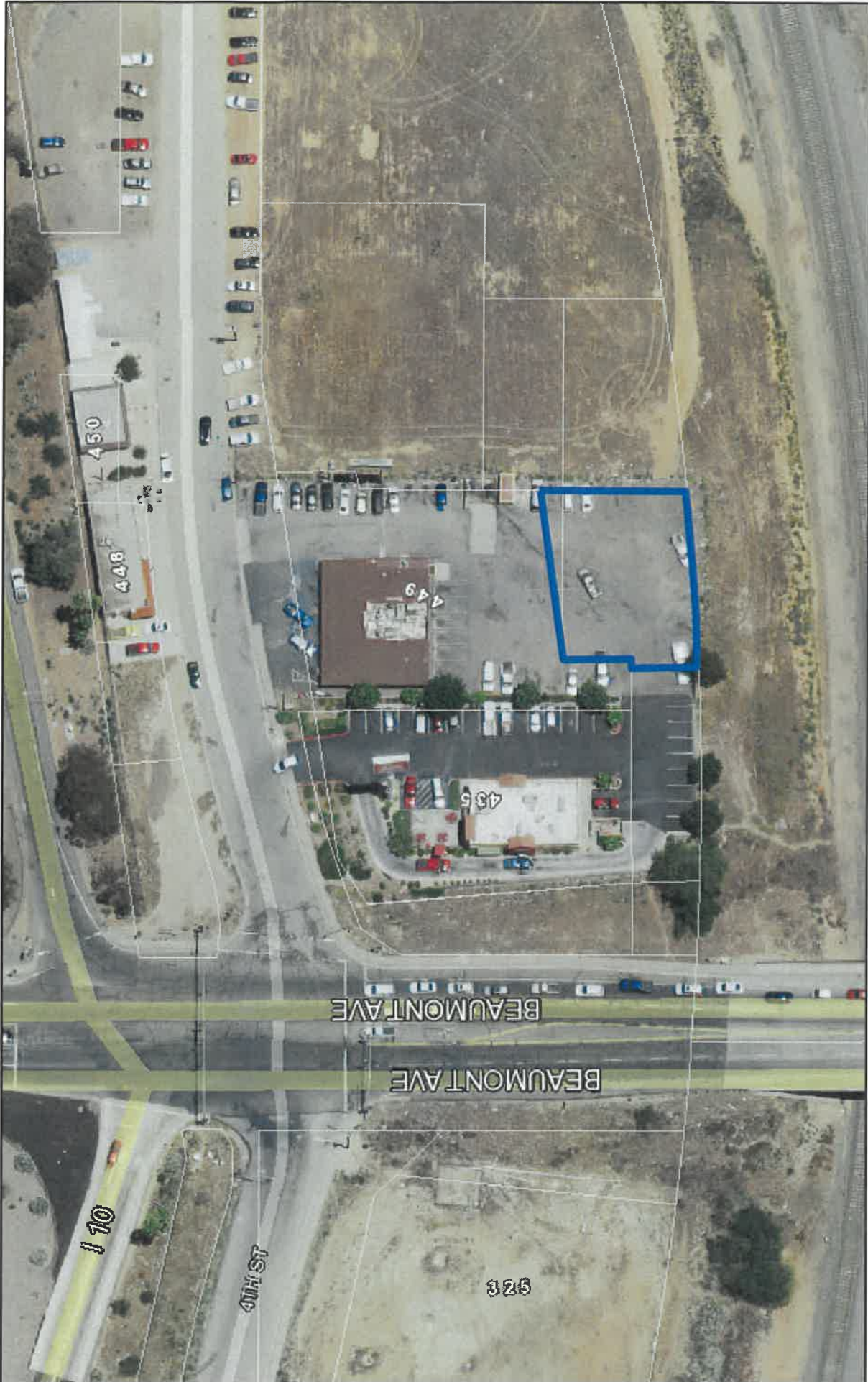
LEGAL DESCRIPTION OF THE PROPERTY

Approximately .17 acres of real property being portions of APN's 418-190-004 and 418-190-005 in the City of Beaumont, County of Riverside, State of California, generally and approximately described as follows:

SEE DIAGRAM ATTACHED HERETO

Upon recordation of LLA, as defined in this Agreement, by Seller the Property description shall be deemed to be the description in the LLA.

City of Beaumont



7/26/2021, 4:01:56 PM

1:1,128



- Parcels
- Minor Streets
- Highways/Major Streets
- City Boundary
- Labels