

REAL ESTATE OPTION AGREEMENT

This **REAL ESTATE OPTION AGREEMENT** (this “Agreement”) is entered into and effective as of June ____, 2025 (the “Effective Date”), by and between **L STREET PROPERTIES LLC**, a California limited liability company (the “Optionor”), and the **CITY OF LANCASTER**, a California charter city and municipal corporation (the “Optionee”).

R E C I T A L S

A. The Optionor is the owner of certain real property situated within the jurisdictional boundaries of the Optionee, which property is legally described in the Legal Description attached hereto as Exhibit “A” and incorporated herein (the “Property”).

B. The Optionor desires to grant to the Optionee, and the Optionee desires to obtain from the Optionor, an option to purchase the Optionor’s fee simple interest in the Property on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Optionor and Optionee agree as follows:

1. Grant of Option. Optionor hereby grants to Optionee the exclusive right and option (the “Option”) to purchase the Property, upon and subject to terms and conditions as set forth herein.

2. Term of Option. The Option granted herein shall commence on the Effective Date, and shall continue in full force for a period of three (3) years (the “Initial Term”), (an including) unless earlier terminated in writing by one or both parties. Optionee shall have the right to extend the Option Period for up to two (2) additional one (1) year periods (each, an “Extension Term”) by providing written notice to Optionor of its election to extend prior to the expiration of the then-current term. The Initial Term, together with any properly exercised Extension Terms of the Option is hereinafter referred to as the “Option Period.” The Option Period shall also expire upon the earlier of the following: (a) immediately upon a breach or default by Optionee under the terms of this Agreement; or (b) the date that Optionee acquires the entirety of the Property.

3. Option Consideration. As consideration for the Option granted under this Agreement, Optionee agrees that concurrent with the execution of this Agreement, Optionee shall deposit into Escrow with First American Title Company (“Escrow Holder”), cash or other immediately available funds in the sum of One Hundred Fifty Thousand Dollars (\$150,000.00) (the “Deposit”) as consideration for the Option. The Deposit shall immediately be released from Escrow to Optionor, shall be applicable to the Purchase Price (as defined in Section 5 below) and except as otherwise set forth herein, the Deposit shall be non-refundable.

(a) In addition to the Deposit, Optionee shall pay to Optionor an annual payment in the amount of Two Hundred Fifty-Six Thousand Six Hundred Eighty Dollars (\$256,680.00) (the “Annual Option Payment”). The first payment shall be due on December 31, 2025, and shall be pro-rated to reflect a six (6) month period from the execution hereof until

December 31, 2025 and totaling One Hundred Twenty-Eight Thousand Three Hundred Forty Dollars (\$128,340.00). Thereafter, so long as the Option remains in effect, each subsequent Annual Option Payment shall be due on December 31 of each calendar year. Each Annual Option Payment shall be deemed additional consideration for the continued effectiveness of the Option and shall be non-refundable and not applicable to the Purchase Price. All payments made hereunder shall be made in such coin or currency of the United States of America as shall at the time be legal tender for the payment of public and private debts.

4. Manner of Exercise of Option.

(a) Election Notice. Provided the Optionee is not in any respect in default under the terms of this Agreement, the Option may be exercised by the Optionee at any time during the Option Period by: (i) the Optionee's delivery to the Escrow Holder and Optionor, at the address and in the manner set forth in Section 10 below, of written notice of the Optionee's election to exercise the Option (the "Election Notice"); (ii) by delivering to Escrow Holder and Optionor the fully executed Purchase Agreement, as provided for in Section 4; and (iii) delivery to Escrow Holder a Promissory Note and Deed of Trust in the amount of Three Million Seven Hundred Twenty Thousand Dollars (\$3,720,000.00).

(b) Termination of Option if not Exercised. If the Optionee fails to timely exercise the Option in accordance with the requirements of Section 3(a) above, then this Agreement and the Option shall automatically terminate and be of no further force or effect and Optionee shall have no further rights under this Agreement.

5. Purchase Price. The "Purchase Price" for the Property shall be sum of Four Million Six Hundred Fifty Thousand Dollars (\$4,650,000.00). The Purchase Price shall be paid pursuant to the Purchase Agreement (as defined below).

6. Execution and Delivery of the Purchase Agreement. Concurrently with the execution and delivery of the Election Notice as provided for in Section 3 herein, the Optionee shall deliver to the Optionor three (3) originals of an Agreement of Purchase and Sale and Joint Escrow Instructions in the form of **Exhibit "B"** attached hereto (the "Purchase Agreement") duly executed by the Optionee. Upon the Optionor's receipt of the three (3) executed originals of the Purchase Agreement, the Optionor shall execute the Purchase Agreement. The Optionor shall thereafter deliver an executed original of the Purchase Agreement to the Optionee and the Escrow Holder (as defined in the Purchase Agreement). The failure of the Optionor to execute and deliver originals of the Purchase Agreement in accordance with this Section shall not affect the validity of the Purchase Agreement, and the Purchase Agreement executed by the Optionee in accordance with the provisions of this Section shall be immediately effective and binding on all of the parties thereto without execution by the Optionor.

7. Opening of Escrow. With respect to opening and implementation of Escrow, the following shall apply:

(a) Within three (3) days after the Effective Date of this Agreement (or as soon thereafter as reasonably practicable) an escrow ("Escrow") shall be opened at the Escrow Department

of First American Title (“Escrow Holder”), and instructions (“Escrow Instructions”), consistent with this Agreement and the Purchase Agreement shall be expeditiously prepared.

(b) With respect to Escrow and Escrow Instructions, Optionor and Optionee agree that for all purposes the Escrow shall be deemed to be opened as of the Effective Date of this Agreement.

(c) Escrow Holder is instructed to attach this Agreement (with the Purchase Agreement attached as **Exhibit “B”**) to Escrow Holder’s escrow instructions, and the parties shall execute such escrow instructions with this Agreement (and the Purchase Agreement) so attached. In the event of any inconsistency between this Agreement, the Purchase Agreement and/or Escrow Instructions, the Purchase Agreement shall control. The parties shall also expeditiously execute and comply with any general instructions of Escrow Holder.

(d) If at any time during the pendency of Escrow, Escrow Holder reasonably requires further instructions respecting its duties and obligations, the parties shall expeditiously execute and deliver such instructions, provided that they do not change any of the substantive terms and provisions of this Agreement (or the Purchase Agreement).

(e) Escrow shall be scheduled to close in accordance with Section 8 below.

(f) In order to prepare for an expeditious Close of Escrow (as provided in Section 8 below), Escrow Holder is authorized, to the extent reasonably practicable, to prepare in advance (prior to exercise of the Option) all instructions and documents that Escrow Holder expects will be required to effectuate Close of Escrow (“Pre-Closing Documents”). Optionor and Optionee agree to execute in advance (prior to exercise of the Option) any appropriate Pre-Closing Documents and deliver same to Escrow Holder, with the understanding and agreement that they will not be used or released or become effective in any respect until the Option has been exercised.

8. Close of Escrow. Escrow shall close (“Close of Escrow”) as soon as logistically and practically possible subsequent to exercise by Optionee of the Option (with no more than 10 business days subsequent to exercise being a desirable goal), but in no event shall Close of Escrow occur later than thirty (30) days from the date the option was exercised (“Termination Date”), unless Optionor agrees to a Close of Escrow after that date, which Optionor may agree, without any obligation to do so, in its sole and absolute discretion. Failure of Optionee to Close Escrow by the Termination Date shall be a material default under this Agreement.

9. Representations and Warranties of the Optionee. The Optionee hereby makes the following representations and warranties for the sole and exclusive benefit of the Optionor as of the Effective Date and continuing until the Close of Escrow under the Purchase Agreement:

(a) Authorization. No other actions on the part of the Optionee are necessary to authorize the execution or delivery of this Agreement and the transactions contemplated hereunder. When fully executed, this Agreement shall constitute the legal, valid and binding obligations of the Optionee, fully enforceable against the Optionee in accordance with its terms;

(b) Brokers and Finders. Neither the Optionee nor any of the members, employees or agents of the Optionee have employed any broker, finder or similar agent or incurred any liability for any brokerage fees, commissions, finder's fees or similar payments in connection with the transactions contemplated by this Agreement;

(c) No Conflict or Violation. Neither the execution and delivery of this Agreement by the Optionee, nor the consummation by the Optionee of the transactions contemplated hereunder, nor compliance by the Optionee with any of the provisions hereof will violate, conflict with, or result in a breach of any provisions of, or constitute a material default (or an event which, with notice or lapse of time or both, would constitute a material default) under any material agreement to which the Optionee is bound; and

(d) No Bankruptcy. The Optionee has not (i) instituted proceedings to be adjudicated a voluntary bankrupt or an insolvent, (ii) consented to the filing of a bankruptcy proceeding against the Optionee, (iii) filed a petition or answer or consent seeking reorganization, readjustment, arrangement, composition or similar relief for the Optionee under the federal bankruptcy laws or any other similar applicable law or practice, (iv) consented to the filing of any such petition, or to the appointment of a receiver or liquidator or trustee or assignee in bankruptcy or insolvency for the Optionee or a substantial part of the property of the Optionee, (v) made an assignment for the benefit of the Optionee's creditors, (vi) admitted in writing the Optionee's inability to pay the Optionee's debts generally as they become due, or (vii) taken any action in furtherance of any of the aforesaid purposes.

10. Representations and Warranties of the Optionor. The Optionor hereby makes the following representations and warranties for the sole and exclusive benefit of the Optionee as of the Effective Date and continuing until the Closing of Escrow under the Purchase Agreement:

(a) Title to Property. The Optionor has good and marketable fee simple title to the Property. The Seller has not caused or permitted a Change in Condition of Title on or after the date of the Title Report (as those terms are defined in Section 11(f), below;

(b) Authorization. The Optionor has the authority to sell the Property to the Optionee in accordance with this Agreement and the Purchase Agreement. No other actions on the part of the Optionor are necessary to authorize the execution or delivery of this Agreement and the transactions contemplated hereunder. When fully executed, this Agreement shall constitute the legal, valid and binding obligations of the Optionor, fully enforceable against the Optionor in accordance with its terms;

(c) Brokers and Finders. Neither the Optionor nor any members, employees or agents of the Optionor have employed any broker, finder or similar agent or incurred any liability for any brokerage fees, commissions, finder's fees or similar payments in connection with the transactions contemplated by this Agreement;

(d) No Conflict or Violation. Neither the execution and delivery of this Agreement by the Optionor, nor the consummation by the Optionor of the transactions contemplated hereby, nor compliance by the Optionor with any of the provisions hereof will violate, conflict with,

or result in a breach of any provisions of, or constitute a material default (or an event which, with notice or lapse of time or both, would constitute a material default) under any material agreement to which the Optionor is bound;

(e) No Bankruptcy. The Optionor has not (i) instituted proceedings to be adjudicated a voluntary bankrupt or an insolvent, (ii) consented to the filing of a bankruptcy proceeding against the Optionor, (iii) filed a petition or answer or consent seeking reorganization, readjustment, arrangement, composition or similar relief for the Optionor under the federal bankruptcy laws or any other similar applicable law or practice, (iv) consented to the filing of any such petition, or to the appointment of a receiver or liquidator or trustee or assignee in bankruptcy or insolvency for the Optionor or a substantial part of the property of the Optionor, (v) made an assignment for the benefit of the Optionor's creditors, (vi) admitted in writing the Optionor's inability to pay the Optionor's debts generally as they become due, or (vii) taken any action in furtherance of any of the aforesaid purposes;

(f) Threatened Actions. There are no pending or to the Actual Knowledge of Optionor threatened actions, suits, arbitrations, claims or proceedings, at law, in equity or otherwise, affecting, or which in any way relate to, all or any portion of the Property or in which the Optionor is a party by reason of the Optionor's ownership of the Property, including, but not limited to, judicial, municipal or administrative proceedings in eminent domain, collection actions, or federal, state or local agency actions regarding environmental matters;

(g) Compliance with Law. The Optionor has not received written notice of any alleged violation of any applicable law, ordinance, rule, requirement, regulation, building code or environmental rule of any governmental agency, body or subdivision thereof concerning the Property;

(h) Hazardous Materials. To the Actual Knowledge of the Optionor, the Property is not in violation of any federal, state or local law, ordinance or regulation relating to the environmental conditions on, under or about the Property including, but not limited to, soil and groundwater condition. To the Actual Knowledge of the Optionor, there are no Hazardous Materials at, on, upon, beneath or about the Property in violation of applicable law.

As used herein, the term "Hazardous Material(s)" includes, without limitation, any hazardous or toxic material, substance, irritant, chemical, or waste, including without limitation (a) any material defined, classified, designated, listed or otherwise considered under any Environmental Law as a "hazardous waste," "hazardous substance," "hazardous material," "extremely hazardous waste," "acutely hazardous waste," "radioactive waste," "bio-hazardous waste," "pollutant," "toxic pollutant," "contaminant," "restricted hazardous waste," "infectious waste," "toxic substance," or any other term or expression intended to define, list, regulate or classify substances by reason of properties harmful to health, safety or the indoor or outdoor environment, (b) any material, substance or waste which is toxic, ignitable, corrosive, reactive, explosive, flammable, infectious, radioactive, carcinogenic or mutagenic, and which is or becomes regulated by any local governmental authority, any agency of the state of California or any agency of the United States Government, (c) asbestos, (d) oil, petroleum, petroleum based products and petroleum additives and derived substances, (e) urea formaldehyde foam insulation, (f) polychlorinated

biphenyls (PCBs), (g) Freon and other chlorofluorocarbons, (h) any drilling fluids, produced waters and other wastes associated with the exploration, development or production of crude oil, natural gas or geothermal resources, (i) lead-based paint, and (j) mold, fungi, viruses or bacterial matter.

For purposes of this Agreement, the term “Environmental Law” means any and all federal, state and local, statutes, ordinances, orders, rules, regulations, guidance documents, judgments, governmental authorizations, or any other requirements of governmental authorities, as may presently exist, or as may be amended or supplemented, or hereafter enacted or promulgated, relating to the presence, release, generation, use, handling, treatment, storage, transportation or disposal of Hazardous Materials, or the protection of the environment or human, plant or animal health, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986 (42 U.S.C.A. § 9601 *et seq.*), the Hazardous Materials Transportation Act (49 U.S.C. § 1801 *et seq.*), the Resource Conservation and Recovery Act (42 U.S.C. § 6901 *et seq.*), the Federal Water Pollution Control Act (33 U.S.C. § 1251 *et seq.*), the Clean Air Act (42 U.S.C. § 7401 *et seq.*), the Toxic Substances Control Act (15 U.S.C. § 2601 *et seq.*), the Oil Pollution Act (33 U.S.C. § 2701 *et seq.*), the Emergency Planning and Community Right-to-Know Act (42 U.S.C. § 11001 *et seq.*), the Porter-Cologne Water Quality Control Act (Cal. Wat. Code § 13020 *et seq.*), the Safe Drinking Water and Toxic Enforcement Act of 1986 (Cal. Health & Safety Code § 25249.5 *et seq.*), the Hazardous Waste Control Act (Cal. Health & Safe Code § 25100 *et seq.*), the Hazardous Materials Release Response Plans & Inventory Act (Cal. Health & Safety Code § 25500 *et seq.*), and the Carpenter-Presley-Tanner Hazardous Substances Account Act (California Health and Safety Code, Section 25300 *et seq.*); and

The term “Actual Knowledge of the Optionor,” or similar phrases, as used in this Agreement shall refer to the actual, present knowledge of any member, officer, employee, or agent of Optionor as of the date of this Agreement without any duty of investigation or inquiry of any kind or nature whatsoever.

11. Covenants of the Optionor. The Optionor hereby covenants with the Optionee, as follows:

(a) Purchase Agreement. The Optionor will not take any action which would interfere with its ability to sell the Property to the Optionee pursuant to the Purchase Agreement;

(b) Service Contracts. During the term of this Agreement and the Purchase Agreement if the Option is exercised, the Optionor shall not, without the prior written consent of the Optionee, which consent the Optionee may withhold in its sole, absolute and subjective discretion, enter into any maintenance contract, service contract, listing agreement or any other contract affecting or relating to the Property that would be binding upon the Optionee if the Optionee exercises the Option and purchases the Property;

(c) Insurance. The Optionor shall not cancel any insurance policies carried by the Optionor that are in effect as of the date of this Agreement with respect to the Property during the term of this Agreement and/or the Purchase Agreement if the Optionee exercises the Option;

(d) Contract Amendments. From and after the date of this Agreement, the Optionor shall not amend, modify, extend, alter, replace or supplement any contracts relating to the Property (the "Contracts") without the prior written consent of the Optionee, which approval shall not be unreasonably withheld;

(e) Compliance with Contracts. During the term of this Agreement and the Purchase Agreement if the Option is exercised by the Optionee, the Optionor shall perform when due, and otherwise comply with, all of the Optionor's obligations and duties under the Contracts. If the Optionee exercises the Option, the Personal Property and Intangible Property shall be conveyed to the Optionee by the Optionor free from any liens, encumbrances or security interests of any kind or nature; and

(f) Condition of Title. Within fifteen (15) calendar days following the Effective Date, Optionor shall cause _____ to deliver a current preliminary title report for the Property (the "Title Report"). The Title Report shall be dated no earlier than thirty (30) days prior to the Effective Date. During the term of this Agreement, and the Purchase Agreement if the Option is exercised, the Optionor shall not alienate, lien, encumber, grant any easements, create any restrictions or otherwise change the current condition of title to the Property or transfer all or any portion of the Property (other than to the Optionee if the Option is exercised) (collectively, a "Change in Condition of Title") without the prior written consent of the Optionee, which consent may be withheld by the Optionee in its sole, absolute and subjective discretion.

12. Optionee's Right to Inspect Property. At any time during the Option Period, the Optionee shall have the right to enter onto the Property, at the Optionee's sole cost and expense, during normal business hours, with a minimum of forty-eight (48) hours advance written notice to the Optionor as to each entry, for the purpose of preparing surveys and conducting soils, geotechnical, and other environmental inspections and tests, and any other inspections, studies, or tests reasonably related to determining the feasibility of purchasing the Property (collectively, "Investigations"). The Optionor acknowledges and hereby consents to the Optionee conducting any environmental and geotechnical tests and borings. The Optionee shall conduct all Investigations at the Property in a manner which does not unreasonably interrupt or disturb the Optionor's use of the Property. The Optionee shall provide the Optionor with the name and affiliation of each person or entity entering onto the Property. The Optionor shall have the right to have one of its representatives accompany the Optionee or the Optionee's agent(s) during any on-site inspection.

(a) Optionee's Covenants. As consideration for the Optionor's granting permission to the Optionee to enter onto the Property, the Optionee agrees (i) that in the event the Property is damaged in any material way as a result of the Optionee's or the Optionee's agent's entry thereon, the Optionee shall restore the Property as nearly as practicable to the same condition that existed immediately prior to such entry, (ii) to keep the Property free and clear of mechanic's and materialmen's liens or any other liens, (iii) to conduct all Investigations in a diligent, expeditious, and safe manner, and (iv) to ensure that the Optionee's activities (or the activities of the Optionee's agents) do not cause dangerous or hazardous conditions to occur on the Property.

(b) Indemnification and Insurance. Optionee agrees to and shall defend, indemnify and hold Optionor (and the Property) free and harmless from any loss, damage, claim,

cost, lien, action, liability, or judgment including, without limitation, actual attorneys fees and defense costs, incurred by Optionor as a result of the Investigations or any activities related thereto or connected therewith. Prior to the time that Optionee, its employees, agents or consultants make any entry on the Property, Optionee agrees to cause to be put into effect a policy of general liability insurance with a combined single liability limit of One Million Dollars (\$1,000,000.00) covering all claims for damage to property, bodily injury or deaths occurring in connection with the Investigations on the Property. Such policy of insurance shall name Optionor as an additional insured. Upon the commencement of coverage under such insurance policy, Optionee shall provide Optionor with a copy of such insurance policy and evidence that the cost of the premium for such insurance policy has been paid by Optionee. In addition, Optionee shall at all times comply with any applicable Worker's Compensation insurance requirements. The provisions of this Section 12(b) shall apply only to the Investigations, if any, conducted by the Optionee.

(c) Minor Changes. Optionee may make minor changes to the Property in connection with Investigations, *e.g.*, soil borings, provided, however, any such change shall be (i) only temporary, (ii) reasonably necessary to accommodate the Investigations, and (c) repaired and restored to original condition promptly upon completion.

(d) Compliance with Laws. Optionee shall comply with all applicable governmental laws, ordinances, and regulations in the conduct of any Investigations or activities on the Property.

(e) Hazardous Materials. When entering onto the Property to perform Investigations or activities as allowed under this Section, neither Optionee, nor any agent, employee, consultant, guest, invitee or licensee of Optionee shall use, generate, manufacture, store or dispose of, on, under or about the Property or transport to or from the Property, any Hazardous Materials, except in absolute compliance with all laws, regulations and ordinances applicable thereto ("Hazardous Materials Laws"). As used herein "Hazardous Materials" shall include, but not be limited to, the following: any flammable explosives, radioactive materials, similar pollutants or contaminants, or any substances defined as "hazardous substances," "hazardous materials," or "toxic substances" in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Section 9601 *et seq.*, the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, *et seq.*, the Resources Conservation and Recovery Act, 42 U.S.C. Section 6901 *et seq.*, and any substances defined as "hazardous wastes" in Section 25117 of the California Health and Safety Code or as "hazardous substances" in Section 25316 of the California Health and Safety Code; and in the regulations adopted and publications promulgated pursuant to said Hazardous Materials Laws.

13. Notices. All notices or other communications required or permitted hereunder shall be in writing and shall be delivered or sent, as the case may be, by any of the following methods: (i) personal delivery; (ii) overnight commercial carrier or delivery service; (iii) registered or certified mail (with postage prepaid and return receipt requested); or (iv) telegraph, telex, telecopy, or cable. Any such notice or other communication shall be deemed received and effective upon the earlier of (a) if personally delivered, the date of delivery to the address of the party to receive such notice; (b) if delivered by overnight commercial carrier or delivery service, one (1) day following the receipt of such communication by such carrier or service from the sender, as shown on the sender's delivery

invoice from such carrier or service, as the case may be; (c) if mailed, forty-eight (48) hours after the date of posting as shown on the sender's registry or certification receipt; (d) if given by telegraph or cable, when delivered to the telegraph company with charges prepaid; or (e) if given by telex or telecopy, when sent. Any notice or other communication sent by cable, telex, or telecopy must be confirmed within forty-eight (48) hours by letter mailed or delivered in accordance with the foregoing. Any reference herein to the date of receipt, delivery or giving, as the case may be, of any notice or other communication shall refer to the date such communication becomes effective under the terms of this Section. The addresses for purposes of the giving of notices hereunder are as follows:

To Optionee: City of Lancaster
 Attn: City Manager
 44933 Fern Avenue
 Lancaster, California 93534

with a copy to: Stradling Yocca Carlson & Rauth LLP
 660 Newport Center Drive, Suite 1600
 Newport Beach, CA 92660
 Attention: Allison E. Burns, Esq.

To Optionor: L Street Properties LLC
 Attn: Frank Visco
 44824 Cedar Avenue
 Lancaster, California 93534

Notice of change of address shall be given by written notice in the manner detailed in this Section. Rejection or other refusal to accept, or the inability to deliver, because of a changed address of which no notice was given shall be deemed to constitute receipt of the notice or other communication sent.

14. Miscellaneous.

(a) Further Acts. Each party hereto agrees to perform any further acts, and to execute and deliver (with acknowledgment, verification, and/or affidavit, if required) any further documents and instruments, as may be reasonably necessary or desirable to implement and/or accomplish the provisions of this Agreement and the transactions contemplated herein.

(b) Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original Agreement, but all of which, taken together, shall constitute one (1) and the same Agreement, binding on the parties hereto. The signature of any party hereto to any counterpart hereof shall be deemed a signature to, and may be appended to, any other counterpart hereof.

(c) Severability. Every provision of this Agreement is intended to be severable. If any term or provision hereof is declared by a court of competent jurisdiction to be illegal or

invalid, such illegal or invalid term or provision shall not affect the other terms and provisions hereof, which terms and provisions shall remain binding and enforceable.

(d) No Waiver. The waiver or failure to enforce any provision of this Agreement shall not operate as a waiver of any future breach of any such provision or any other provision hereof.

(e) Entire Agreement. This Agreement, together with the Exhibits attached hereto, contains and constitutes the entire agreement between the parties hereto with respect to the subject matter hereof, and supersede all prior understandings, if any, with respect thereto.

(f) Attorneys' Fees. If any proceeding is brought by any party hereto against any other party hereto, to enforce, or for the breach of, any of the provisions of this Agreement, then the prevailing party shall be entitled in such proceeding to recover reasonable attorneys' and expert witness fees, together with the costs of such proceeding therein incurred.

(g) Amendment. The terms of this Agreement may not be modified, amended or otherwise changed in any manner, except by an instrument in writing executed by each of the parties hereto.

(h) Assignment. Optionee may assign its rights or delegate obligations under this Agreement without the prior written approval of Optionor.

(i) No Third-Party Beneficiaries. This agreement is solely for the benefit of the parties hereto and no other person or entity is entitled to rely upon or benefit from this Agreement or any term hereof.

(j) Rules of Construction. The Section headings used in this Agreement are for reference purposes only, and are not intended to be used in construing this Agreement. Each of the Recitals set forth herein and each of the Exhibits attached hereto is incorporated herein by this reference and expressly made a part of this Agreement for all purposes. References to any Recital set forth herein or any Exhibit attached hereto made in this Agreement shall be deemed to include this reference and incorporation. As used in this Agreement, where the context so requires, the use of the neuter gender shall include the masculine and the feminine genders, the masculine gender shall include the feminine and neuter, the feminine gender shall include the masculine and neuter, and the singular number shall include the plural, and vice versa. The provisions of this Agreement shall be construed and enforced in accordance with the laws of the State of California. Each party hereto acknowledges, represents and warrants that (i) each party hereto is of equal bargaining strength; (ii) each such party has actively participated in the drafting, preparation and negotiation of this Agreement; and (iii) any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement, or any portion hereof.

(k) Time is of the Essence. Time is of the essence with respect to each and every obligation to be performed pursuant to this Agreement.

(l) Memorandum of Option Agreement. Within five (5) business days following the Effective date, the parties shall execute a Memorandum of this Option Agreement in substantially the form attached hereto as **Exhibit “C”** and shall cause the Memorandum of Option Agreement to be recorded against the Property in the official records of Los Angeles County, California.

(m) Exhibits Incorporated Herein. The following Exhibits are attached hereto and incorporated herein by this reference:

Exhibit A Legal Description of the Property

Exhibit B Purchase Agreement

Exhibit C Memorandum of Option Agreement

(n) Ambiguities Not to Be Construed Against Drafting Party. The parties have jointly participated in the negotiation and drafting of this Agreement and each related agreement. No provision of this Agreement or any related agreement will be interpreted in favor of, or against, any of the parties hereto by reason of the extent to which any such party or its counsel participated in the drafting thereof or by reason of the extent to which any such provision is inconsistent with any prior draft hereof or thereof.

15. Levine Act Disclosure. California Government Code section 84308 (“Levine Act”) requires a party to a contract other than competitively bid, labor, or personal employment contract, to disclose any contribution of more than \$250 that the party (or their agent) has made to a member of the City Council or any other officer of the City as defined in the Levine Act within the prior 12 months. The Levine Act also prohibits for 12 months following a final decision, a party (or their agent) from making a contribution of more than \$250 to any member of the City Council or any other officer as defined in the Levine Act who may participate in the making of this Agreement.

(a) By its signature on this Agreement, Optionor represents and warrants [select one]:

- ☐ Neither Optionor nor any agent acting on behalf of Optionor has, within the 12 months preceding the commencement of negotiations of this Agreement, made any political contribution of more than \$250 to any member of the City Council or any other officer as defined in the Levine Act who may have participated in the making of this Agreement.

[or]

- ☐ Optionor (or an agent acting on behalf of Optionor) has made a political contribution of more than \$250 to:

Identify the person(s) or agent(s) who made the contribution:

Identify the City officer(s) who received the contribution:

(b) By its signature on this Agreement, Optionor further represents and warrants
[select one]:

- ☐ Neither Optionor nor any agent or principal acting on behalf of Optionor intends, within the 12 months following the execution of this Agreement, to make any political contribution of more than \$250 to any member of the City Council or any other officer as defined in the Levine Act who may have participated in the making of this Agreement.

[or]

- ☐ Optionor (or an agent acting on behalf of Optionor) intends to make a political contribution of more than \$250 to:

Identify the person(s) or agent(s) who will make the contribution:

Identify the City officer(s) who will receive the contribution:

[SIGNATURES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first written above.

OPTIONOR:

L STREET PROPERTIES LLC,
a California limited liability company

By: _____
Its: _____

By: _____
Its: _____

OPTIONEE:

CITY OF LANCASTER,
a California charter city and municipal corporation

By: _____
Its: _____

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

EXHIBIT "A"

LEGAL DESCRIPTION OF THE PROPERTY

APN: 3128-004-025

That portion of Parcel 2 of Parcel Map No. 068266 in the City of Lancaster, County of Los Angeles, State of California filed in Parcel Map Book 352, Pages 61 through 63, in the office of the County Recorder of said County lying easterly of a line 927.00 feet westerly and parallel with the most Easterly line of said parcel.

EXHIBIT “B”

FORM OF PURCHASE AGREEMENT

[See Attached]

EXHIBIT "C"

MEMORANDUM OF OPTION AGREEMENT

**RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:**

City of Lancaster
Attn: City Manager
44933 Fern Avenue
Lancaster, California 93534

This document is exempt from the payment of a recording fee
pursuant to Government Code Section 27383

MEMORANDUM OF OPTION AGREEMENT

This **MEMORANDUM OF OPTION AGREEMENT** ("Memorandum") is hereby executed as of June [REDACTED], 2025 (the "Effective Date"), by and between **L STREET PROPERTIES LLC**, a California limited liability company (the "Optionor"), and the **CITY OF LANCASTER**, a California charter city and municipal corporation (the "Optionee").

R E C I T A L S

A. The Optionee and the Optionor have entered into that certain Option Agreement dated as of June [REDACTED], 2025 (the "Option Agreement"), pursuant to which the Optionor agreed to convey to the Optionee an Option to purchase certain real property described in the legal description attached hereto as Attachment No. 1 and incorporated herein (the "Property").

B. The Option Agreement provides that a short form memorandum of the Option granted therein shall be executed and recorded against the Property in the official records of Los Angeles County, California.

C. All terms used herein have the meanings set forth in the Option Agreement.

NOW, THEREFORE, the parties hereto certify as follows:

Pursuant to the Option Agreement the Optionor has granted to the Optionee an Option to purchase the Property upon the terms and conditions provided for therein. This Memorandum is not a complete summary of the Option Agreement, and shall not be used to interpret the provisions of the Option Agreement.

IN WITNESS WHEREOF, the Optionor and the Optionee have executed this Memorandum of Option Agreement as of the date first set forth above.

OPTIONOR:

L STREET PROPERTIES LLC,
a California limited liability company

By: _____
Its: _____

By: _____
Its: _____

OPTIONEE:

CITY OF LANCASTER,
a California charter city and municipal corporation

By: _____
Its: _____

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

ATTACHMENT NO. 1

DESCRIPTION OF PROPERTY

APN: 3128-004-025

That portion of Parcel 2 of Parcel Map No. 068266 in the City of Lancaster, County of Los Angeles, State of California filed in Parcel Map Book 352, Pages 61 through 63, in the office of the County Recorder of said County lying easterly of a line 927.00 feet westerly and parallel with the most Easterly line of said parcel.