

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): April 17, 2020 (April 13, 2020)

TERRA TECH CORP.

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction
of incorporation)

000-54258

(Commission
File Number)

26-3062661

(IRS Employer
Identification No.)

2040 Main Street, Suite 225

Irvine, California 92614

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: **(855) 447-6967**

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by checkmark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered

Item 1.01 Entry into a Material Definitive Agreement.

Asset Purchase Agreement

On April 15, 2020, MediFarm LLC, a wholly-owned subsidiary of Terra Tech Corp. (the “Company”), entered into an Asset Purchase Agreement (the “Purchase Agreement”) with Natural Medicine LLC (the “Purchaser”) pursuant to which the Company agreed to sell and the Purchaser agreed to purchase substantially all of the assets of the Company related to the Company’s dispensary located at 3650 S. Decatur Blvd., Las Vegas, NV 89103 for \$5,250,000, of which \$2,500,000 is cash and \$2,750,000 is payable by the Purchaser pursuant to a 12-month Secured Promissory Note bearing 8% interest per annum, which is secured by all of the assets sold pursuant to the Purchase Agreement. There is no material relationship between the Company or its affiliates and the Purchaser other than in respect of the transactions contemplated by the Purchase Agreement. The transaction is subject to approval by the Nevada Department of Taxation, and other customary closing conditions, and is expected to close promptly following receipt of such approval and satisfaction of all conditions to close. The Purchase Agreement contains customary conditions, representations, warranties, indemnities and covenants by, among, and for the benefit of the parties.

Standard Offer, Agreement and Escrow Instructions for Purchase of Real Estate

On April 13, 2020, 1815 Carnegie LLC, a wholly-owned subsidiary of the Company, entered into a Standard Offer, Agreement and Escrow Instructions for Purchase of Real Estate (the “PSA”) with Dyer 18 LLC (the “Buyer”) pursuant to which the Company agreed to sell and the Buyer agreed to purchase the real property located at 1815 E. Carnegie, Santa Ana, CA (the “Property”) for \$9,200,000 in cash. There is no material relationship between the Company or its affiliates and the Buyer other than in respect of the transactions contemplated by the PSA. The closing of the sale of the Property is subject to certain conditions set forth in the PSA. The PSA contains customary conditions, representations, warranties, indemnities and covenants by, among, and for the benefit of the parties.

The foregoing description of the Purchase Agreement and the PSA are qualified in their entirety by reference to the full text of such documents, a copies of which are filed as Exhibits 10.1 and 10.2 to this Current Report on Form 8-K and which are incorporated by reference herein in their entirety.

Item 8.01 Other Events

COVID-19

Due to the outbreak of coronavirus disease 2019 (“COVID-19”), the Company is filing this current report on Form 8-K to avail itself of an extension to file its Quarterly Report on Form 10-Q for the period ended March 31, 2020 (the “Quarterly Report”), originally due on May 11, 2020, relying on an order issued by the Securities and Exchange Commission (the “SEC”) on March 4, 2020 pursuant to Section 36 of the Securities Exchange Act of 1934, as amended (Release No. 34-88318) (the “Order”) regarding exemptions granted to certain public companies from specified provisions of the Securities Exchange Act of 1934, as amended, and the rules promulgated thereunder.

In December 2019, COVID-19 was reported to have surfaced in Wuhan, China, which has and is continuing to spread throughout the world, including the United States. On January 30, 2020, the World Health Organization declared the outbreak of the COVID-19 a “Public Health Emergency of International Concern,” and on March 11, 2020, the World Health Organization characterized the outbreak as a “pandemic”. Our operations are located in many states throughout the United States, including California, one of the areas of the United States hardest-hit by the COVID-19 pandemic. The Company’s corporate headquarters are located in Orange County, California.

As a result of COVID-19, the Company has been following the recommendations of local health authorities to minimize exposure risk for its employees for the past several weeks, including the temporary closures of its corporate offices and having employees work remotely to the extent possible, which has disrupted the Company's business operations. In particular, these changes have affected the collaboration of our financial reporting team and the accessibility of the Company's books and records, resulting in delays in the review, preparation and completion of its financial statements due to guidance from authorities for employees to follow work from home procedures.

As such, the Company will be relying upon the 45-day grace period provided by the Order to delay filing of its Quarterly Report. The Company will file its Quarterly Report by no later than June 25, 2020, which is 45 days after the original due date of its Quarterly Report.

The Company is supplementing its risk factors previously disclosed in the Company's public filings with the following risk factor:

Our Results of Operations May be Negatively Impacted by the COVID-19 Outbreak

In December 2019, a novel strain of coronavirus ("COVID-19") emerged in Wuhan, China. Since then, it has spread to several other countries and infections have been reported around the world. On March 11, 2020, the World Health Organization declared the outbreak of COVID-19 a global pandemic.

In response to the outbreak, governmental authorities in the United States and internationally have introduced various recommendations and measures to try to limit the pandemic, including travel restrictions, border closures, non-essential business closures, quarantines, self-isolations, shelters-in-place and social distancing. The COVID-19 outbreak and the response of governmental authorities to try to limit it are having a significant impact on the private sector and individuals, including unprecedented business, employment and economic disruptions. The continued spread of COVID-19 in the United States and globally could have an adverse impact on our business, operations and financial results, including through disruptions in our cultivation and processing activities, supply chains and sales channels, and retail sales, as well as a deterioration of general economic conditions including a possible national or global recession. Due to the speed with which the COVID-19 situation is developing and the uncertainty of its magnitude, outcome and duration, it is not possible to estimate its impact on our business, operations or financial results; however, the impact could be material.

Name and ticker symbol change

On February 18, 2020, the Company announced plans to change its name to "Onyx Group Holdings" and to continue trading on the OTC Markets Group, Inc.'s OTCQX tier under a new ticker symbol. However, due to the COVID-19 outbreak, the Company has decided to delay the name and ticker symbol changes until market conditions improve.

Forward looking statements

Statements in this Current Report on Form 8-K may be “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as “anticipate”, “believe”, “estimate”, “expect”, “intend” and similar expressions, as they relate to Terra Tech Corp. (the “Company”) or its management, identify forward-looking statements. These statements are based on current expectations, estimates and projections about the Company’s business based, in part, on assumptions made by management. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. Therefore, actual outcomes and results may, and probably will, differ materially from what is expressed or forecasted in such forward-looking statements due to numerous factors, including those described above and those risks discussed from time to time in the Company’s filings with the Securities and Exchange Commission. Any forward-looking statements speak only as of the date on which they are made, and the Company does not undertake any obligation to update any forward-looking statement to reflect events or circumstances after such date.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

[10.1](#) [Asset Purchase Agreement, dated as of April 15, 2020](#)

[10.2](#) [Standard Offer, Agreement and Escrow Instructions for Purchase of Real Estate, dated as of April 13, 2020](#)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

TERRA TECH CORP.

Date: April 17, 2020

By: /s/ Matthew Morgan

Matthew Morgan
Chief Executive Officer

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (this "*Agreement*") is entered into as of April 15, 2020 (the "*Effective Date*"), by and between Natural Medicine L.L.C., a Nevada limited liability company ("*Purchaser*"), and MEDIFARM LLC, a Nevada limited liability company ("*Seller*").

RECITALS

A. Seller is engaged in the business of selling Medical and Recreational Marijuana and all associated derivatives and products, under multiple State of Nevada Department of Taxation licenses, at the Premises, being referred to herein as the "*Business*;"

B. Purchaser is interested in purchasing, and Seller is interested in selling, certain assets related to the Business, as more fully described herein; and

C. The parties hereto desire that Seller sell, assign, transfer and convey to Purchaser, and that Purchaser purchase from Seller, the Assets (as defined below) in exchange for the consideration set forth herein, all according to the terms and subject to the conditions set forth in this Agreement (the "*Transaction*").

NOW, THEREFORE, in consideration of the representations, warranties and covenants herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows.

ARTICLE I

PURCHASE AND SALE OF ASSETS

1.1 Purchase and Sale of Assets.

(a) Upon the terms and subject to the conditions set forth in this Agreement, effective as of the Closing Date (as defined below), Seller agrees to sell, assign, transfer, convey and deliver to Purchaser, and Purchaser agrees to purchase from Seller, all of Seller's right, title and interest in and to the Assets, free and clear of all Encumbrances (other than Permitted Encumbrances).

(b) In connection with the Transaction, on the Closing Date, Seller shall take any and all actions that may be required, or reasonably requested by Purchaser, to transfer good, valid and marketable title to all of the Assets, free and clear of all Encumbrances (other than Permitted Encumbrances), to Purchaser, and Seller shall deliver possession of all of the Assets to Purchaser on the Closing Date. Seller shall further deliver to Purchaser proper assignments, bills of sale, conveyances and other instruments of sale and/or transfer in forms reasonably satisfactory to Purchaser to convey to Purchaser good title to all Assets, free and clear of all Encumbrances (other than Permitted Encumbrances), as well as such other instruments of sale and/or transfer as Purchaser may reasonably request (whether on or after the Closing Date) to evidence and effect the Transaction contemplated herein.

1.2 Assets. As used in this Agreement, the term "*Assets*" means, collectively, all of Seller's right, title and interest in and to all the assets, properties and rights, good will and including Permits issued to it by any Governmental Authority, which are used exclusively in connection with the operation of the Seller's Business, and the Seller's assignment to all rights, title and interest to the lease for the Premises (the "*Lease*"), in each case only those specifically related to or located at the Premises, excluding the Excluded Assets (as defined below).

1.3 Excluded Assets. Notwithstanding anything herein to the contrary, it is hereby expressly acknowledged and agreed that the Assets shall not include, and Seller is not selling, conveying, assigning, transferring or delivering to Purchaser, and Purchaser is not purchasing, acquiring or accepting from Seller, any of the rights, properties or assets set forth or described below (the "**Excluded Assets**"):

- (a) all rights, claims or causes of action of Seller arising under this Agreement;
- (b) all Seller bank accounts;
- (c) all Accounts Receivable;
- (d) all of Seller's inventory;
- (e) all Seller credit cards, lines of credit, or similar agreements for the extension of credit;
- (f) all Employee Benefit Plans and any assets associated with such Employee Benefit Plans; and
- (g) any contracts of Seller (other than the Lease);
- (h) the corporate charter, qualifications to conduct business as a foreign corporation, arrangements with registered agents relating to foreign qualifications, taxpayer and other identification numbers, seals, minute books, stock transfer books, blank stock certificates, and other documents relating to the organization, maintenance, and existence of Seller; and

(i) any and all obligations and liabilities of Seller not specifically assumed pursuant to Section 1.4 below.

1.4 Assumed Liabilities. Subject to and upon the terms and conditions of this Agreement, effective as of the Closing Date, Purchaser agrees to assume from Seller and to pay, perform and discharge according to their terms only the following specified Liabilities (collectively, the "**Assumed Liabilities**"), but no others: (i) all Liabilities, if any, of Seller specifically set forth herein, (ii) all Liabilities incurred with respect to the Assets from and after the Closing Date, and (iii) any Transfer Taxes, Fees and Property Taxes, in each case, to the extent specifically allocated to Purchaser pursuant to Section 5.2. Purchaser shall not assume any Liabilities of Seller, and Seller shall remain liable for and shall discharge any and all Liabilities incurred with respect to the Assets prior to the Closing.

1.5 Excluded Liabilities. Purchaser shall not assume any Liabilities of Seller other than the Assumed Liabilities (the "**Excluded Liabilities**"), which in each case shall remain obligations and Liabilities of Seller.

1.6 Purchase Consideration.

(a) The aggregate consideration for the Assets shall be \$5,250,000 (the "**Purchase Price**") and the assumption of the Assumed Liabilities, which shall be paid as follows:

(b) \$1,000,000 in cash by wire transfer of immediately available funds to an account designated by Seller upon execution of this Agreement;

(c) \$1,000,000 in cash by wire transfer of immediately available funds to an account designated by Seller upon the later of (i) the State of Nevada lifting the current prohibition on cannabis retail dispensaries from conducting in-store sales, or (ii) June 1, 2020;

(d) \$500,000 in cash by wire transfer of immediately available funds to an account designated by Seller within 2 business days of the later of (i) submission of a change of ownership application with the Nevada Department of Taxation, or (ii) July 1, 2020; provided Purchaser shall use its best efforts to make such submission prior to July 1, 2020; and

(e) \$2,750,000 in the form of a Promissory Note (the "Note") secured pursuant to a Security Agreement (the "Security Agreement"), each substantially in the form attached hereto as Exhibit A.

1.7 Consent of Third Parties. Notwithstanding anything to the contrary in this Agreement, this Agreement shall not constitute an agreement to assign or transfer any Asset, lease, Permit or other agreement or arrangement or any claim, right or benefit arising thereunder or resulting therefrom if an assignment or transfer or an attempt to make such an assignment or transfer without the consent of a third party would constitute a material breach or violation thereof or affect adversely the rights of Purchaser or Seller thereunder; and any assignment or transfer to Purchaser by Seller of any interest under any such Asset, lease, Permit or other agreement or arrangement that requires the consent of a third party shall be made subject to such consent or approval being obtained. Nothing in this Section 1.7 shall be deemed to constitute an agreement to exclude from the Assets any assets described under Section 1.2.

1.8 Allocation. Following the Closing, Seller and Purchaser shall use commercially reasonable efforts to prepare a joint schedule allocating the aggregate consideration (including the Assumed Liabilities) payable for the Assets in accordance with Section 1060 of the Internal Revenue Code of 1986, as amended (the "Code") and the Treasury regulations promulgated thereunder (and any similar provision of state, local or foreign Law, as appropriate) (the "Allocation Schedule"). If Seller and Purchaser are able to agree upon the Allocation Schedule within thirty (30) days following the Closing Date, Seller and Purchaser shall each file IRS Form 8594, and all federal, state, local and foreign tax returns, in accordance with the Allocation Schedule. If Purchaser and Seller are unable to agree upon the Allocation Schedule within 30 days after the Closing Date, any dispute or disagreement between Purchaser and Seller regarding any matter set forth in the Allocation Schedule shall be resolved promptly by the Independent Auditor, the costs of which shall be borne equally by Purchaser, on the one hand, and Seller, on the other hand. Purchaser and Seller shall prepare and file all Tax Returns and other statements in a manner consistent with the Allocation Schedule and shall not make any inconsistent statement or adjustment on any Tax Returns or otherwise during the course of an audit, investigation or other dispute with a Taxing authority, provided, however, that nothing contained herein shall prevent Purchaser or Seller from settling any proposed deficiency or adjustment by any Taxing authority based upon or arising out of the Allocation Schedule, and neither Purchaser nor Seller shall be required to litigate before any court any proposed deficiency or adjustment by any Taxing authority challenging such Allocation Schedule.

1.9 Withholding. Purchaser shall be entitled to deduct and withhold from the consideration otherwise payable pursuant to this Agreement to Seller such amounts as Purchaser is required to deduct and withhold under the Code, or any Tax Law, with respect to the making of such payment. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the Person in respect of whom such deduction and withholding was made.

ARTICLE II

THE CLOSING

2.1 Closing. The consummation of the Transaction will take place at a closing to be held at the offices of Seller (the "Closing") on the third business day after the satisfaction or waiver of all of the closing conditions to the obligations of the parties contemplated hereby (the "Closing Date").

2.2 Deliveries by Purchaser at the Closing. At the Closing, as conditions precedent to Closing, Purchaser shall deliver, or cause to be delivered, to Seller, the following:

- (a) The Note and Security Agreement, each duly executed by Purchaser; and
- (b) an Estoppel Certificate in the form required by the Nevada Department of Taxation duly executed by Purchaser.

2.3 Deliveries by Seller at the Closing. At the Closing, as conditions precedent to Closing, Seller shall deliver, or cause to be delivered, to Purchaser, the following:

- (a) any required consents from third parties, including the State of Nevada, Clark County and City of Las Vegas, for the transactions contemplated herein;
- (b) an assignment to Purchaser of the Lease executed by the Seller's landlord and including all previous amendments and the currently pending Second Amendment to the Lease, and providing Purchaser, as the assignee, the ability to extend the Lease Term in an amount of time sufficient for the Closing to occur;
- (c) a bill of sale, assignments and assumptions of contracts and licenses, and such other good and sufficient instruments of conveyance, assignment and transfer, duly executed by Seller and which are in form and substance reasonably satisfactory to counsel to Purchaser and are legally sufficient to vest in Purchaser, good title to the Assets; and
- (d) all Medical Marijuana or Recreational Marijuana licenses pertinent to the Business, approved by the State of Nevada and all related approvals from Governmental Authorities, including Clark County, and transferred to Purchaser.

2.4 Simultaneous Delivery. All deliveries at the Closing as provided for in Section 2.2 shall be deemed to be made and effected simultaneously with each other and with all deliveries provided for in Section 2.3, and all such deliveries shall be deemed to be in escrow until all such deliveries provided for in Section 2.2 and in Section 2.3 have been made and effected.

2.5 Termination. The parties may terminate this agreement prior to the Closing as provided below:

- (a) by mutual written consent;
- (b) the Purchaser may terminate this Agreement by giving written notice to the Seller in the event the Seller is in breach of any representation, warranty or covenant contained in this Agreement, and such breach (i) individually or in combination with any other such breach, would cause the conditions set forth in Section 2.3 not to be satisfied and (ii) is not cured within twenty (20) days following delivery by the Purchaser to the Seller of written notice of such breach;
- (c) the Seller may terminate this Agreement by giving written notice to the Purchaser in the event the Purchaser is in breach of any representation, warranty or covenant contained in this Agreement, and such breach (i) individually or in combination with any other such breach, would cause the conditions set forth in Section 2.2 not to be satisfied and (ii) is not cured within twenty (20) days following delivery by the Seller to the Purchaser of written notice of such breach; or
- (d) the Purchaser may terminate this Agreement by giving written notice to the Seller if the

Closing shall not have occurred on or before two (2) years after the Effective Date (the “*Outside Date*”) by reason of the failure of any condition precedent under Section 2.3 (unless the failure results primarily from a breach by the Purchaser of any representation, warranty or covenant contained in this Agreement); provided that if Purchaser elects not to terminate this Agreement as permitted hereunder, the Management Agreement identified in Section 5.6 shall continue and remain in effect until the Closing occurs.

2.6 Return of Purchase Price Upon Termination. The parties acknowledged, accept, and agree that in the event that this Agreement is terminated pursuant to Section 2.5 or in any manner permitted by this Agreement, Seller shall immediately return any portion of the Purchase Price paid previously by Purchaser pursuant to Section 1.6 and the parties shall have no further obligations to the other.

2.7 Failure to Obtain Regulatory Approval. The parties acknowledge, accept, and agree that if Purchaser does not obtain regulatory approval for the transactions contemplated herein, despite the reasonable diligence of the parties (including re-submitting for such approval with different principals), this Agreement shall terminate and neither party shall be deemed to be in breach and neither party shall be entitled to any damages or any other relief. Upon such termination, however, Seller shall immediately return any portion of the Purchase Price paid previously by Purchaser pursuant to Section 1.6 and the parties shall have no further obligations to each other.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF SELLER

Except as is otherwise set forth in Seller’s disclosure schedule (the “*Seller Disclosure Schedule*”) delivered by Seller to Purchaser and dated as of the date of this Agreement, Seller represents and warrants that the statements contained in this Article III are true and correct as of the date hereof. Matters disclosed by Seller in the Seller Disclosure Schedule in reference to any section of this Agreement shall be deemed to be disclosed for all purposes under this Agreement to the extent it is reasonably apparent on its face that such disclosure is applicable for such other purposes.

3.1 Organization; No Subsidiaries. Seller is a company duly organized and validly existing under the Laws of the State of Nevada and has full power and authority to carry on its business as now conducted. Seller does not have any subsidiaries, and the Business is conducted solely by Seller.

3.2 Authorization. This Agreement will constitute, a valid and binding agreement of Seller enforceable against Seller, in accordance with its terms, subject to (a) Laws of general application relating to bankruptcy, insolvency, and the relief of debtors and (b) rules of law governing specific performance, injunctive relief and other equitable remedies (collectively, the “*Enforceability Exceptions*”). Seller has all requisite power and authority to execute and deliver this Agreement, to carry out and perform its obligations hereunder and thereunder and to carry out and perform the transactions contemplated herein and therein. All requisite action on the part of Seller has been taken to authorize the execution and delivery of this Agreement.

3.3 No Conflicts; Consents. Except for the authorization, consent or approval of the State of Nevada, Clark County and City of Las Vegas and the Seller’s landlord or as set forth in the Seller Disclosure Schedule, the execution and the delivery by Seller of this Agreement does not, and the consummation of the transactions contemplated herein and therein and compliance with the provisions hereof and thereof will not (a) conflict with or violate the articles of organization or operating agreement of Seller, (b) conflict with or violate, result in a material breach of, constitute a material default (with or without notice or lapse of time, or both) under or violation of, or give to others any right of termination, amendment, acceleration or cancellation of, or result in the creation of any Encumbrance pursuant to, any note, bond, mortgage,

indenture, lease, sublease, contract or other agreement or instrument, permit, concession, franchise, license, sublicense or Law applicable to Seller or any of the Assets, (c) conflict with or violate, on the part of Seller any filing with, or any permit, authorization, consent or approval of, any Governmental Authority, (d) require any notice, consent or waiver under any agreement or contract of Seller, except for the required consents listed in Section 1.7, (e) result in the imposition of any Encumbrance upon any of the Assets (other than a Permitted Encumbrance), (f) conflict with or violate any judgment, order, writ, injunction, or decree applicable to Seller or any of the Assets, or (g) conflict with or violate any material Law applicable to Seller or any of the Assets.

3.4 Assets. Seller has, and, following the Closing, Purchaser will have, good, valid and marketable title to the Assets free and clear of all Encumbrances (other than Permitted Encumbrances). Seller has, and following the Closing, Purchaser will have, a valid and binding leasehold interest in any leased equipment, and real property included among the Assets, free and clear of all Encumbrances (other than Permitted Encumbrances). At the Closing, Seller will sell, convey, assign, transfer and deliver to Purchaser good, valid, and marketable title in, and all of Seller's right, title and interest in and to all of the Assets, free and clear of any Encumbrances (other than Permitted Encumbrances).

3.5 Litigation. Except as set forth in the Seller Disclosure Schedule, there is no litigation, claim, action, suit, arbitration, charge, demand, proceeding or investigation (each, an "*Action*") pending or, to Seller's Knowledge, threatened against Seller relating to the Business, the Assets or the Assumed Liabilities. None of the Business or the Assets is subject to (i) any continuing order, consent decree, settlement agreement or other similar written agreement with any Governmental Authority, including, for the avoidance of doubt, any arbitrator, mediator or similar person, (ii) any order, writ, judgment, injunction, decree, determination or award of any Governmental Authority or (iii) to Seller's Knowledge, any continuing investigation or inquiry by any Governmental Authority and, to Seller's Knowledge, there is no valid basis for any such investigation or inquiry.

3.6 No Brokers or Finders. Except as set forth in the Seller Disclosure Schedule, no Person has, or as a result of the transactions contemplated herein will have, any right or valid claim against Seller, the Business or any of the Assets for any commission, fee or other compensation as a finder or broker, or in any similar capacity.

3.7 Compliance with Laws. Other than federal cannabis Laws, Seller (i) is not in conflict with, or in default, breach or violation in any respect of any applicable Law, (ii) has conducted the operations of the Business in compliance with applicable Law in all respects and has not received notice of any violation or alleged violation of any applicable Law, and (iii) no event has occurred, and no condition exists, that would reasonably be likely to (with or without notice of lapse of time) constitute or result directly or indirectly in a violation by Seller of, or a failure on the part of Seller to comply with, any applicable Law.

3.8 Real Property. Seller has good and valid leasehold interest in the Premises free and clear of all Encumbrances, other than Permitted Encumbrances. With respect to the lease or other occupancy agreements affecting the Premises (each, a "*Lease*"), true and complete copies of which have been furnished by Seller to Purchaser, there exists no default by Seller or any event or circumstance which upon notice or the passage of time, or both, would give rise to any default by Seller, nor, to the Knowledge of Seller, is there any such default or events or circumstances of default by any lessor or subtenant under such Lease, other than that noted in the Seller Disclosure Schedule. No party other than Seller has the right to occupy any of the Premises. The Premises and all improvements located thereon are free from material defect, are in good operating condition and repair (normal wear and tear excepted) and are suitable for the purposes for which the Premises and improvements thereon are presently used.

3.9 Taxes. Seller has timely filed (taking into account any extensions of time for such filings

that have been properly and timely requested by Seller) all material Tax Returns that were required to be filed. All such Tax Returns are complete and accurate in all material respects. All material Taxes owed by Seller (whether or not shown on any Tax Return) have been paid. Seller is not currently the beneficiary of any extension of time within which to file any Tax Return. No written claim has ever been made by a Governmental Authority in a jurisdiction in which Seller does not file Tax Returns that Seller is or may be subject to taxation by that jurisdiction. There are no Encumbrances on any of the Assets or the Business for Taxes (other than Permitted Encumbrances).

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF PURCHASER

Purchaser represents and warrants that the statements contained in this Article IV are true and correct as of the date hereof. Matters disclosed by Purchaser in the Purchaser Disclosure Schedule in reference to any section of this Agreement shall be deemed to be disclosed for all purposes under this Agreement to the extent it is reasonably apparent on its face that such disclosure is applicable for such other purposes.

4.1 Organization and Valid Existence. Purchaser is a Nevada limited liability company duly formed, validly existing and in good standing under the Laws of the State of Nevada and has full power and authority to carry on its business as now conducted.

4.2 Authorization. This Agreement is duly and validly executed and delivered by Purchaser and constitute, or will constitute, valid and binding agreements of Purchaser, enforceable against Purchaser in accordance with their respective terms, subject to the Enforceability Exceptions. Purchaser has all requisite power and authority to execute and deliver this Agreement, to carry out and perform its obligations hereunder and thereunder and to carry out and perform the transactions contemplated herein and therein. All requisite action on the part of Purchaser has been taken to authorize the execution and delivery of this Agreement.

4.3 No Conflicts; Consents. The execution and the delivery by Purchaser of this Agreement does not, and the consummation of the transactions contemplated herein and therein and compliance with the provisions hereof and thereof will not, (a) conflict with or violate the articles of organization or operating agreement of Purchaser, (b) conflict with or violate, result in a material breach of, constitute a material default (with or without notice or lapse of time, or both) under or violation of, or give to others any right of termination, amendment, acceleration or cancellation of, or result in the creation of any lien pursuant to any note, bond, mortgage, indenture, lease, sublease, contract or other agreement or instrument, permit, concession, franchise, license, sublicense or Law applicable to Purchaser or any of its properties or assets.

ARTICLE V

COVENANTS OF THE SELLER AND PURCHASER; POST-CLOSING MATTERS

5.1 Further Assurances. Seller shall, from time to time, at the request of Purchaser, and without further consideration, execute and deliver such instruments of transfer, conveyance and assignment in addition to those delivered, and take such other actions, as may be reasonably necessary to assign, transfer, convey and vest in Purchaser, and to put Purchaser in possession of, the Assets, including but not limited to obtaining any and all required consents of third parties which Seller has not obtained as of the Closing Date. Seller will use its commercially reasonable efforts to obtain for Purchaser any and all consents of third parties which Seller has not obtained as of the Closing Date. Seller further agrees to provide information pertaining to the Assets as may be reasonably requested by Purchaser. Each Party shall

cooperate with the other to transfer all Assets, including State licenses, inventory, equipment, software, data and other information maintained by Seller, to Purchaser.

5.2 Tax Liability.

(a) Purchaser and Seller agree to furnish or cause to be furnished to the other, upon request, as promptly as practicable, such information and assistance relating to the Business and Assets, including access to books and records, as is reasonably necessary for the filing of all Tax Returns by Purchaser or Seller, the making of any election relating to Taxes, the preparation for any audit by any Taxing authority and the prosecution or defense of any claim, suit or proceeding relating to any Tax. Each of Purchaser and Seller shall retain all books and records with respect to Taxes pertaining to the Assets for a period of at least seven (7) years following the Closing Date (the "**Seven Year Period**"). At the end of the Seven Year Period, each party hereto shall provide the other with at least ten (10) days prior written notice before transferring, destroying or discarding any such books and records, during which period the party receiving such notice can elect to take possession, at its own expense, of such books and records. If Seller elects to undergo a voluntary dissolution as a corporation prior to the end of the Seven Year Period, prior to such dissolution, Seller shall notify Purchaser or one of its Affiliates or designees before such dissolution and before transferring, destroying or discarding any such books and records, during which period Purchaser or one of its Affiliates or designees receiving such notice can elect to take possession, at its own expense, of such books and records. Purchaser and Seller shall cooperate fully with each other in the conduct of any audit, litigation or other proceeding relating to Taxes involving the Assets or the Allocation Schedule.

(b) To the extent not otherwise provided in this Agreement, Seller shall be responsible for and shall promptly pay when due all Property Taxes levied with respect to the Assets attributable to the Pre-Closing Tax Period. All Property Taxes levied with respect to the Assets for the Straddle Period shall be apportioned between Purchaser and Seller based on the number of days of such Straddle Period included in the Pre-Closing Tax Period and the number of days of such Straddle Period included in the Post-Closing Tax Period. Seller shall be liable for the proportionate amount of such Property Taxes that is attributable to the Pre-Closing Tax Period, and Purchaser shall be liable for the proportionate amount of such Property Taxes that is attributable to the Post-Closing Tax Period. Upon receipt of any bill for such Property Taxes, Purchaser or Seller, as applicable, shall present a statement to the other setting forth the amount of reimbursement to which each is entitled under this Section 5.2(b) together with such supporting evidence as is reasonably necessary to calculate the proration amount. The proration amount shall be paid by the party owing it to the other within ten (10) days after delivery of such statement. In the event that Purchaser or Seller makes any payment for which it is entitled to reimbursement under this Section 5.2(b), the applicable party shall make such reimbursement promptly but in no event later than ten (10) days after the presentation of a statement setting forth the amount of reimbursement to which the presenting party is entitled along with such supporting evidence as is reasonably necessary to calculate the amount of reimbursement.

(c) All Transfer Taxes will be borne equally by Purchaser and Seller. Purchaser and Seller further agree, upon request, to use commercially reasonable efforts to obtain any certificate or other document from any Governmental Authority or any other Person as may be necessary and will otherwise cooperate so as to mitigate, reduce or eliminate any Tax that could be imposed in connection with the transactions contemplated hereby.

(d) Seller shall promptly notify Purchaser in writing upon receipt by Seller of notice of any pending or threatened Tax audits or assessments relating to the income, properties or operations of Seller that reasonably may be expected to relate to or give rise to an Encumbrance on the Assets or the Business. Each of Purchaser and Seller shall promptly notify the other in writing upon receipt of notice of any pending or threatened Tax audit or assessment challenging the Allocation Schedule.

5.3 Collection of Accounts Receivable. Seller shall be entitled to collect all Accounts Receivable pending as of the date of this Agreement.

5.4 Use of Company Name. Purchaser shall not use, and shall not permit any Affiliate to use, the name Blüm, or any name reasonably similar thereto from and after the date of this Agreement or a date when any necessary approval from the State of Nevada, Clark County, City of Las Vegas, or any Governmental Authority is needed to allow Purchaser to change the name of the Business.

5.5 Conduct of Business Pending the Closing. After the execution and delivery of this Agreement and until the Closing, except as otherwise permitted by this Agreement or as provided by the prior written consent of the Purchaser, the Business will be conducted and the Assets operated only in the ordinary course of business consistent with past practices, which shall include, without limitation, operating in compliance with all applicable Laws, regulations and administrative orders of Governmental Authorities.

5.6 Management Agreement. On the date hereof, Seller and Purchaser shall enter into a Management Agreement for the Business on terms and conditions mutually acceptable to Seller and Purchaser. This Agreement and the Management Agreement are contingent upon each other. If the parties terminate this Agreement pursuant to the terms of this Agreement, then the Management Agreement will also terminate.

ARTICLE VI

DEFINITIONS

As used in this Agreement, the following terms shall have the meanings set forth or referenced below:

6.1 “*Accounts Receivable*” shall mean all accounts and notes receivable payable to Seller solely to the extent generated by the Business as conducted by Seller prior to the Closing Date, and other rights to payment and the full benefit of any security therefor, whether billed or unbilled.

6.2 “*Affiliate*” shall mean a Person that directly or indirectly through one or more intermediaries is controlled by, or is under common control with, another Person.

6.3 “*Encumbrances*” shall mean any and all restrictions on or conditions to transfer or assignment, claims, liabilities, licenses, liens, pledges, mortgages, options, restrictions, rights of first refusal, security interests and encumbrances of any kind, whether accrued, absolute, contingent or otherwise and whether voluntarily or involuntarily incurred or arising by operation of Law.

6.4 “*GAAP*” shall mean generally accepted accounting principles in the United States. ⁽¹⁾_(b)

6.5 “*Governmental Authority*” shall mean any court, or any federal, state, municipal, ⁽¹⁾_(a) provincial or other governmental authority, department, commission, board, service, agency, political subdivision or other instrumentality.

6.6 “*Knowledge*” shall mean, with respect to Seller, the current actual knowledge, after reasonable inquiry, of the following officers of Seller: Derek Peterson and Michael Nahass; provided, however, that any such reasonable inquiry shall not include any inquiry, investigation or review of any third party docket search, including patent or trademark records or any other similar third party source of information.

6.7 “**Law**” shall mean all applicable federal, state, provincial and local laws, ordinances, rules, statutes, regulations, and all orders, writs, injunctions, awards, judgments or decrees.

6.8 “**Liability**” or “**Liabilities**” shall mean any direct or indirect liability, indebtedness, obligation, guarantee or endorsement, whether known or unknown, whether accrued or unaccrued, whether absolute or contingent, whether due or to become due, or whether liquidated or unliquidated.

6.9 “**Permits**” shall mean any and all licenses, permits, authorizations, certificates, franchises, variances, waivers, consents, and other approvals from any Governmental Authority.

6.10 “**Permitted Encumbrances**” shall mean statutory liens for Taxes that are not yet due and payable or liens for Taxes being contested in good faith by any appropriate proceedings for which adequate reserves have been established, non-exclusive licenses of software or licenses granted by Seller in the ordinary course of its business consistent with past practice.

6.11 “**Person**” shall mean an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization or a Governmental Authority.

6.12 “**Post-Closing Tax Period**” means any Tax period beginning after the Closing Date and that portion of a Straddle Period beginning after the Closing Date.

6.13 “**Pre-Closing Tax Period**” means any Tax period ending on or before the Closing Date and that portion of any Straddle Period ending on the Closing Date.

6.14 “**Premises**” shall mean the facilities located at 3650 S. Decatur, Units 6 & 7, Las Vegas, Nevada 89103.

6.15 “**Property Taxes**” shall mean all real property Taxes, personal property Taxes and similar ad valorem Taxes.

6.16 “**Securities Act**” shall mean the Securities Act of 1933, as amended.

6.17 “**Straddle Period**” shall mean any Tax period beginning before or on and ending after the Closing Date.

6.18 “**Tax**” or “**Taxes**” shall mean any federal, state, provincial, territorial, local, or foreign income, profits, gross receipts, capital gains taxes, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental, customs duties, capital stock, franchise, profits, withholding, social security (or similar), unemployment, disability, real property, personal property, sales, use, transfer, registration, business license, occupation, value added, goods and service, alternative or add-on minimum, estimated, or other tax or governmental charge of any kind whatsoever, including any interest, penalty, or addition thereto, whether disputed or not.

6.19 “**Tax Return**” shall mean a declaration, statement, report, return or other document or information with respect to Taxes.

6.20 “**Transfer Taxes**” shall mean any transfer, stamp, documentary, sales, use, registration, value-added and other similar taxes imposed by any state or political subdivision thereof on the sale of the Assets under this Agreement, or the use of the Assets immediately following the sale under this Agreement, regardless of whether the legal obligation to pay, collect or remit such taxes falls on Seller or Purchaser.

ARTICLE VII

GENERAL

7.1 Law Governing. This Agreement shall be governed by, and construed in accordance with, the Laws of the State of Nevada without regard to choice or conflict of law principles that would result in the application of any Laws other than the Laws of the State of Nevada. All Actions arising out of or relating to this Agreement shall be heard and determined exclusively in the Courts of the State of Nevada and any state appellate court therefrom within the State of Nevada. The parties hereto hereby (a) submit to the exclusive jurisdiction of the Courts of the State of Nevada and any state appellate court therefrom within the State of Nevada for the purpose of any Action arising out of or relating to this Agreement brought by any party hereto, and (b) irrevocably waive, and agree not to assert by way of motion, defense, or otherwise, in any such Action, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that the Action is brought in an inconvenient forum, that the venue of the Action is improper, or that this Agreement or the Transaction may not be enforced in or by any of the above-named courts.

7.2 Assignment; Binding upon Successors and Assigns. None of the parties hereto may assign any of its rights or obligations hereunder without the prior written consent of the other party, which consent shall not be unreasonably withheld. Notwithstanding the foregoing, Purchaser may assign its rights and obligations under this Agreement to any Affiliate or a third party in the event the Necessary Approvals are not obtained without obtaining Seller's consent. Except as otherwise provided herein, this Agreement will be binding upon and inure to the benefit of the parties hereto and their respective permitted successors and assigns.

7.3 Severability. If any provision of this Agreement, or the application thereof, shall for any reason and to any extent be held to be invalid or unenforceable, the remainder of this Agreement and the application of such provision to other Persons or circumstances shall be interpreted so as best to reasonably effect the intent of the parties hereto. The parties further agree to replace such invalid or unenforceable provision of this Agreement with a valid and enforceable provision which will achieve, to the extent possible, the economic, business and other purposes of the invalid or unenforceable provision.

7.4 Entire Agreement. This Agreement, the exhibits and schedules hereto, the certificates referenced herein, the exhibits thereto, constitute the entire understanding and agreement of the parties hereto with respect to the subject matter hereof and thereof and supersede all prior and contemporaneous agreements or understandings, inducements or conditions, express or implied, written or oral, between the parties with respect hereto and thereto. This Agreement (including the documents and the instruments referred to herein and therein) is not intended to confer upon any Person other than the parties hereto and thereto any rights or remedies hereunder or thereunder.

7.5 Counterparts; Facsimile. This Agreement may be executed electronically, in any number of counterparts, each of which shall constitute an original and all of which together shall constitute one and the same instrument. Execution and delivery of this Agreement by .pdf transmission shall be deemed for all purposes to be due execution and delivery by the signing Persons.

7.6 Other Remedies. Except as otherwise provided herein, any and all remedies herein expressly conferred upon a party hereto shall be deemed cumulative with and not exclusive of any other remedy conferred hereby or by Law on such party, and the exercise of any one remedy shall not preclude the exercise of any other.

7.7 Amendment and Waivers. Any term or provision of this Agreement may be amended,

and the observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively) only by a writing signed by the party to be bound thereby. The waiver by a party of any breach hereof for default in payment of any amount due hereunder or default in the performance hereof shall not be deemed to constitute a waiver of any other default or any succeeding breach or default.

7.8 Waiver. Each party hereto may, by written notice to the others: (a) waive any of the conditions to its obligations hereunder or extend the time for the performance of any of the obligations or actions of the others, (b) waive any inaccuracies in the representations of the others contained in this Agreement or in any documents delivered pursuant to this Agreement, (c) waive compliance with any of the covenants of the others contained in this Agreement or (d) waive or modify performance of any of the obligations of the others. No action taken pursuant to this Agreement, including any investigation by or on behalf of any party, shall be deemed to constitute a waiver by the party taking such action of compliance with any representation, warranty, condition or agreement contained herein. Waiver of the breach of any one or more provisions of this Agreement shall not be deemed or construed to be a waiver of other breaches or subsequent breaches of the same provisions.

7.9 Notices. All notices and other communications hereunder will be in writing and will be deemed given (a) upon receipt if delivered personally (or if mailed by registered or certified mail), (b) the day after dispatch if sent by overnight courier, (c) upon dispatch if transmitted by telecopier, email, or other means of facsimile transmission (and confirmed by a copy delivered in accordance with clause (a) or (b)), properly addressed to the parties at the following addresses:

If to Purchaser:

Natural Medicine, LLC
3025 East Sahara Avenue, Las Vegas, Nevada 89104
Donald Forman
don@formanautomotive.com

With copy to:
Jeffery A. Bendavid, Esq.
7301 Peak Drive
Suite 150
Las Vegas, NV 89128
jbendavid@bendavidfirm.com

If to Seller:

MEDIFARM LLC
2040 Main Street, Suite 225
Irvine, CA 92614
ATTN: CEO
Email: Derek@terratechcorp.com

Any party may change its address for such communications by giving notice thereof to the other party in conformity with this Section.

7.10 Construction and Interpretation of Agreement.

(a) The parties hereto and their respective attorneys have negotiated this Agreement, and the language hereof shall not be construed for or against any party by reason of its having drafted such language.

(b) The titles and headings herein are for reference purposes only and shall not in any manner limit the construction of this Agreement, which shall be considered as a whole.

(c) As used in this Agreement, any reference to any state of facts, event, change or effect being "material" with respect to any entity means a state of facts that is material to the current condition (financial or otherwise), properties, assets, liabilities, business or operations of such entity.

(d) Unless the context clearly indicates otherwise, (a) each definition in this Agreement includes the singular and the plural; (b) each reference in this Agreement to any gender includes the masculine, feminine and neuter where appropriate; (c) the words "include" and "including" and variations thereof shall not be deemed terms of limitation, but rather shall be deemed to be followed by the words "without limitation"; (d) the words "hereof," "herein," "hereto," "hereby," "hereunder" and derivative or similar words refer to this Agreement as an entirety and not solely to any particular provision of this Agreement; and (e) each reference in this Agreement to a particular Article, Section, Exhibit or Schedule means an Article or Section of, or an Exhibit or Schedule to, this Agreement, unless another agreement is specified.

(e) Capitalized terms shall have the meanings ascribed to them in this Agreement.

7.11 No Joint Venture. Nothing contained in this Agreement shall be deemed or construed as creating a joint venture or partnership between any of the parties hereto. No party hereto is by virtue of this Agreement authorized as an agent, employee or legal representative of any other party hereto. No party hereto shall have the power to control the activities and operations of any other and their status is, and at all times, will continue to be, that of independent contractors with respect to each other. No party hereto shall have any power or authority to bind or commit any other. No party hereto shall hold itself out as having any authority or relationship in contravention of this Section.

7.12 Absence of Third Party Beneficiary Rights. No provisions of this Agreement are intended, nor shall be interpreted, to provide or create any third party beneficiary rights or any other rights of any kind in any client, customer, affiliate, shareholder, partner, or employee of any party hereto or any other Person or entity unless specifically provided otherwise herein, and, except as so provided, all provisions hereof shall be personal solely between the parties to this Agreement.

7.13 Waiver of Jury Trial. Each of the parties hereto hereby waives to the fullest extent permitted by applicable Law any right it may have to a trial by jury with respect to any litigation directly or indirectly arising out of, under or in connection with this Agreement or the Transaction. Each of the parties hereto (a) certifies that no representative, agent or attorney of any other party has represented, expressly or otherwise, that such other party would not, in the event of litigation, seek to enforce that foregoing waiver and (b) acknowledges that it and the other hereto have been induced to enter into this Agreement and the Transaction, as applicable, by, among other things, the mutual waivers and certifications in this Section 7.13.

7.14 Attorneys' Fees. Except as otherwise specifically provided herein, in any suit, action or appeal (including arbitration) to enforce this Agreement or any term or provision of this Agreement, or to interpret this Agreement, the prevailing party shall be entitled to recover its costs incurred, including reasonable attorneys' fees at trial or on appeal.

7.15 Fees and Expenses. Except as set forth in Section 7.14, all fees and expenses incurred in connection with this Agreement and the transactions contemplated by this Agreement shall be paid by the

party incurring such expenses, whether or not the transaction is consummated.

7.16 Confidentiality and Publicity. Unless otherwise permitted by this Agreement or as required by applicable law, rule or regulation, Seller and Purchaser shall consult with each other before issuing any press release or otherwise making any public statement or making any other public (non-confidential) disclosure (whether or not in response to an inquiry) regarding the terms of this Agreement and the transactions contemplated hereby, and neither shall issue any such press release or make any such statement or disclosure without the prior approval of the other (which approval shall not be unreasonably withheld); provided, however, that Purchaser and Seller have the right to disclose the Transaction to third parties as may be necessary in order to obtain any necessary third party consents or permissions to take any other actions necessary to consummate the Transaction.

7.17 Bulk Transfer Laws. Notwithstanding anything to the contrary herein, Purchaser acknowledges that Seller will not comply with any bulk transfer Laws of any jurisdiction in connection with the transactions contemplated hereunder.

7.18 Force Majeure. Neither party shall be deemed in breach of this Agreement or liable for any failure or delay in performance of its obligations under this Agreement arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including, without limitation, acts of God; earthquakes; fires; floods; wars; civil or military disturbances; local, state, or federal halt or cessation of business activities; acts of terrorism; sabotage; strikes; epidemics; pandemics; riots; power failures; loss or malfunction of utility, transportation, basic services, computer (hardware, software, or internet) or telephone communication service; accidents; labor disputes; acts of civil or military authority; actions by Governmental Authorities; or inability to obtain labor, material, equipment or transportation; provided, however, that in the event of a failure or delay, the parties shall use their best efforts to ameliorate the effects of any such failure or delay.

[The remainder of this page is intentionally left blank.]

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

MEDIFARM LLC

By:  _____

Name: Derek Peterson

Its: Manager

NATURAL MEDICINE L.L.C.

By:  _____

Name: Donald C. Forman

Its: Manager

Exhibit A

Note and Security Agreement



STANDARD OFFER, AGREEMENT AND ESCROW INSTRUCTIONS
FOR PURCHASE OF REAL ESTATE
(Non-Residential)

Dated: April 13, 2020

1. Buyer.

1.1 Dyer 18, LLC ("Buyer") hereby offers to purchase the real property, hereinafter described, from the owner thereof ("Seller") (collectively, the "Parties" or individually, a "Party"), through an escrow ("Escrow") to close 60 or _____ days after the waiver or expiration of the Buyer's Contingencies, ("Expected Closing Date") to be held by Mariners Escrow (Rozelle Miyamoto) ("Escrow Holder") whose address is 270 Newport Center Drive, Suite 150, Newport Beach, CA 92660, Phone No. (949) 721-6491, Facsimile No. _____ upon the terms and conditions set forth in this agreement ("Agreement"). Buyer shall have the right to assign Buyer's rights hereunder, but any such assignment shall not relieve Buyer of Buyer's obligations herein unless Seller expressly releases Buyer.

1.2 The term "Date of Agreement" as used herein shall be the date when by execution and delivery (as defined in paragraph 20.2) of this document or a subsequent counteroffer thereto, Buyer and Seller have reached agreement in writing whereby Seller agrees to sell, and Buyer agrees to purchase, the Property upon terms accepted by both Parties.

2. Property.

2.1 The real property ("Property") that is the subject of this offer consists of (insert a brief physical description) an approximate 29,503 square foot industrial building is located in the County of Orange, is commonly known as (street address, city, state, zip) 1815 E. Carnegie, Santa Ana, CA 92705 and is legally described as: to be determined through escrow (APN: 430-021-02).

2.2 If the legal description of the Property is not complete or is inaccurate, this Agreement shall not be invalid and the legal description shall be completed or corrected to meet the requirements of Stewart Title (Stephanie Zapalac) ("Title Company"), which shall issue the title policy hereinafter described.

2.3 The Property includes, at no additional cost to Buyer, the permanent improvements thereon, including those items which pursuant to applicable law are a part of the property, as well as the following items, if any, owned by Seller and at present located on the Property: electrical distribution systems (power panel, bus ducting, conduits, disconnects, lighting fixtures); telephone distribution systems (lines, jacks and connections only); space heaters; heating, ventilating, air conditioning equipment ("HVAC"); air lines; fire sprinkler systems; security and fire detection systems; carpets; window coverings; wall coverings; and _____ (collectively, the "Improvements").

2.4 The fire sprinkler monitor: [] is owned by Seller and included in the Purchase Price, [] is leased by Seller, and Buyer will need to negotiate a new lease with the fire monitoring company, [X] ownership will be determined during Escrow, or [] there is no fire sprinkler monitor.

2.5 Except as provided in Paragraph 2.3, the Purchase Price does not include Seller's personal property, furniture and furnishings, and _____ all of which shall be removed by Seller prior to Closing.

3. Purchase Price.

3.1 The purchase price ("Purchase Price") to be paid by Buyer to Seller for the Property shall be \$9,200,000.00, payable as follows: (Strike any not applicable)

- (a) Cash down payment, including the Deposit as defined in paragraph 4.3 (or if an all cash transaction, the Purchase Price): \$2,100,000.00
(b) Amount of "New Loan" as defined in paragraph 5.1, if any: TBD

(c) Buyer shall take title to the Property subject to and/or assume the following existing deed(s) of trust ("Existing Deed(s) of Trust") securing the existing promissory note(s) ("Existing Note(s)):

(i) An Existing Note ("First Note") with an unpaid principal balance as of the Closing of approximately: _____

Said First Note is payable at _____ per month, including interest at the rate of _____ % per annum until paid (and/or the entire unpaid balance is due on _____).

(ii) An Existing Note ("Second Note") with an unpaid principal balance as of the Closing of approximately: _____

Said Second Note is payable at _____ per month, including interest at the rate of _____ % per annum until paid (and/or the entire unpaid balance is due on _____).

(d) Buyer shall give Seller a deed of trust ("Purchase Money Deed of Trust") on the property to secure the promissory note of Buyer to Seller described in paragraph 6 ("Purchase Money Note") in the amount of: _____

Total Purchase Price: \$9,200,000.00

3.2 If Buyer is taking title to the Property subject to, or assuming, an Existing Deed of Trust and such deed of trust permits the beneficiary to demand payment

[Signature]

[Signature]

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~~of fees including, but not limited to, points, processing fees, and appraisal fees as a condition to the transfer of the Property. Buyer agrees to pay such fees up to a maximum of 1.6% of the unpaid principal balance of the applicable Existing Note.~~

4. Deposits.

4.1 ~~Buyer has delivered to Broker a check in the sum of _____, payable to Escrow Holder, to be delivered by Broker to Escrow Holder within 2 or _____ business days after both Parties have executed this Agreement and the executed Agreement has been delivered to Escrow Holder, or _____ Within 2 or _____ business days after both Parties have executed this Agreement and the executed Agreement has been delivered to Escrow Holder Buyer shall deliver to Escrow Holder a check in the sum of \$ 100,000.00 . If said check is not received by Escrow Holder within said time period then Seller may elect to unilaterally terminate this transaction by giving written notice of such election to Escrow Holder whereupon neither Party shall have any further liability to the other under this Agreement. Should Buyer and Seller not enter into an agreement for purchase and sale, Buyer's check or funds shall, upon request by Buyer, be promptly returned to Buyer. See attached Addendum for additional information.~~

4.2 ~~Additional deposits:~~

~~(a) Within 5 business days after the Date of Agreement, Buyer shall deposit with Escrow Holder the additional sum of _____ to be applied to the Purchase Price at the Closing.~~

~~(b) Within 5 business days after the contingencies discussed in paragraph 9.1(a) through (m) are approved or waived, Buyer shall deposit with Escrow Holder the additional sum of _____ to be applied to the Purchase Price at the Closing.~~

~~(c) If an Additional Deposit is not received by Escrow Holder within the time period provided then Seller may notify Buyer, Escrow Holder, and Brokers, in writing that, unless the Additional Deposit is received by Escrow Holder within 2 business days following said notice, the Escrow shall be deemed terminated without further notice or instructions.~~

4.3 Escrow Holder shall deposit the funds deposited with it by Buyer pursuant to paragraphs 4.1 and 4.2 (collectively the "Deposit"), in a State or Federally chartered bank in an interest bearing account whose term is appropriate and consistent with the timing requirements of this transaction. The interest therefrom shall accrue to the benefit of Buyer, who hereby acknowledges that there may be penalties or interest forfeitures if the applicable instrument is redeemed prior to its specified maturity. Buyer's Federal Tax Identification Number is _____. NOTE: Such interest bearing account cannot be opened until Buyer's Federal Tax Identification Number is provided.

4.4 Notwithstanding the foregoing, within 5 days after Escrow Holder receives the monies described in paragraph 4.1 above, Escrow Holder shall release \$100 of said monies to Seller as and for independent consideration for Seller's execution of this Agreement and the granting of the contingency period to Buyer as herein provided. Such independent consideration is non-refundable to Buyer but shall be credited to the Purchase Price in the event that the purchase of the Property is completed.

4.5 Upon waiver of all of Buyer's contingencies the Deposit shall become non-refundable but applicable to the Purchase Price except in the event of a Seller breach, or in the event that the Escrow is terminated pursuant to the provisions of Paragraph 9.1(n) (Destruction, Damage or Loss) or 9.1(o) (Material Change).

5. Financing Contingency. ~~(Strike if not applicable)~~

5.1 This offer is contingent upon Buyer obtaining from an insurance company, financial institution or other lender, a commitment to lend to Buyer a sum equal to at least TBD % of the Purchase Price, on terms reasonably acceptable to Buyer. Such loan ("New Loan") shall be secured by a first deed of trust or mortgage on the Property. If this Agreement provides for Seller to carry back junior financing, then Seller shall have the right to approve the terms of the New Loan. Seller shall have 7 days from receipt of the commitment setting forth the proposed terms of the New Loan to approve or disapprove of such proposed terms. If Seller fails to notify Escrow Holder, in writing, of the disapproval within said 7 days it shall be conclusively presumed that Seller has approved the terms of the New Loan.

5.2 If Buyer shall fail to notify its Broker, Escrow Holder and Seller, in writing within 7 days following the Date of Agreement, that the New Loan has not been obtained, it shall be conclusively presumed that Buyer has either obtained said New Loan or has waived this New Loan contingency.

5.3 If Buyer shall notify its Broker, Escrow Holder and Seller, in writing, within the time specified in paragraph 5.2 hereof, that Buyer has not obtained said New Loan, this Agreement shall be terminated, and Buyer shall be entitled to the prompt return of the Deposit, plus any interest earned thereon, less only Escrow Holder and Title Company cancellation fees and costs, which Buyer shall pay.

~~6. Seller Financing (Purchase Money Note). (Strike if not applicable)~~

~~6.1 If Seller approves Buyer's financials (see paragraph 6.5) the Purchase Money Note shall provide for interest on unpaid principal at the rate of _____ % per annum, with principal and interest paid as follows: _____. The Purchase Money Note and Purchase Money Deed of Trust shall be on the current forms commonly used by Escrow Holder, and be junior and subordinate only to the Existing Note(s) and/or the New Loan expressly called for by this Agreement.~~

~~6.2 The Purchase Money Note and/or the Purchase Money Deed of Trust shall contain provisions regarding the following (see also paragraph 10.3(b)):~~

~~(a) Prepayment. Principal shall be prepaid in whole or in part at any time without penalty, at the option of the Buyer.~~

~~(b) Late Charge. A late charge of 6% shall be payable with respect to any payment of principal, interest, or other charges, not made within 10 days after it is due.~~

~~(c) Due On Sale. In the event the Buyer sells or transfers title to the Property or any portion thereof, then the Seller may, at Seller's option, require the entire unpaid balance of said Note to be paid in full.~~

~~6.3 If the Purchase Money Deed of Trust is to be subordinate to other financing, Escrow Holder shall, at Buyer's expense prepare and record on Seller's behalf a request for notice of default and/or sale with regard to such mortgage or deed of trust to which it will be subordinate.~~

~~6.4 WARNING: CALIFORNIA LAW DOES NOT ALLOW DEFICIENCY JUDGMENTS ON SELLER FINANCING. IF BUYER ULTIMATELY DEFAULTS ON THE LOAN, SELLER'S SOLE REMEDY IS TO FORECLOSE ON THE PROPERTY.~~

~~6.5 Seller's obligation to provide financing is contingent upon Seller's reasonable approval of Buyer's financial condition. Buyer to provide a current financial statement and copies of its Federal tax returns for the last 3 years to Seller within 10 days following the Date of Agreement. Seller has 10 days following receipt of such documentation to satisfy itself with regard to Buyer's financial condition and to notify Escrow Holder as to whether or not Buyer's financial condition is acceptable. If Seller fails to notify Escrow Holder, in writing, of the disapproval of this contingency within said time period, it shall be conclusively presumed that Seller has approved Buyer's financial condition. If Seller is not satisfied with Buyer's financial condition or if Buyer fails to deliver the required documentation then Seller may notify Escrow Holder in writing that Seller Financing will not be available, and Buyer shall have the option, within 10 days of the receipt of such notice, to either terminate this transaction or to purchase the Property without Seller financing. If Buyer fails to notify Escrow Holder within said time period of its election to terminate this transaction then Buyer shall be conclusively presumed to have elected to purchase the Property without Seller financing. If Buyer elects to terminate, Buyer's Deposit shall be refunded less Title Company and Escrow Holder cancellation fees and costs, all of which shall be Buyer's obligation.~~

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7. Real Estate Brokers.

7.1 Each Party acknowledges receiving a Disclosure Regarding Real Estate Agency Relationship, confirms and consents to the following agency relationships in this transaction with the following real estate broker(s) ("Brokers") and/or their agents ("Agent(s)"):

Seller's Brokerage Firm CBRE, Inc. License No. 00409987 is the broker of (check one): the Seller; or both the Buyer and Seller (dual agent).

Seller's Agent Ross Fippinger License No. 01450571 is (check one): the Seller's Agent (salesperson or broker associate); or both the Seller's Agent and the Buyer's Agent (dual agent).

Buyer's Brokerage Firm CBRE, Inc. License No. _____ is the broker of (check one): the Buyer; or both the Buyer and Seller (dual agent).

Buyer's Agent Ross Fippinger License No. 01450571 is (check one): the Buyer's Agent (salesperson or broker associate); or both the Buyer's Agent and the Seller's Agent (dual agent).

The Parties acknowledge that other than the Brokers and Agents listed above, there are no other brokers or agents representing the Parties or due any fees and/or commissions under this Agreement. See paragraph 24 regarding the nature of a real estate agency relationship. Buyer shall use the services of Buyer's Broker exclusively in connection with any and all negotiations and offers with respect to the Property for a period of 1 year from the date inserted for reference purposes at the top of page 1.

7.2 Buyer and Seller each represent and warrant to the other that he/she/it has had no dealings with any person, firm, broker, agent or finder in connection with the negotiation of this Agreement and/or the consummation of the purchase and sale contemplated herein, other than the Brokers and Agents named in paragraph 7.1, and no broker, agent or other person, firm or entity, other than said Brokers and Agents is/are entitled to any commission or finder's fee in connection with this transaction as the result of any dealings or acts of such Party. Buyer and Seller do each hereby agree to indemnify, defend, protect and hold the other harmless from and against any costs, expenses or liability for compensation, commission or charges which may be claimed by any broker, agent, finder or other similar party, other than said named Brokers and Agents by reason of any dealings or act of the indemnifying Party.

8. Escrow and Closing.

8.1 Upon acceptance hereof by Seller, this Agreement, including any counteroffers incorporated herein by the Parties, shall constitute not only the agreement of purchase and sale between Buyer and Seller, but also instructions to Escrow Holder for the consummation of the Agreement through the Escrow. Escrow Holder shall not prepare any further escrow instructions restating or amending the Agreement unless specifically so instructed by the Parties or a Broker herein. Subject to the reasonable approval of the Parties, Escrow Holder may, however, include its standard general escrow provisions. In the event that there is any conflict between the provisions of the Agreement and the provisions of any additional escrow instructions the provisions of the Agreement shall prevail as to the Parties and the Escrow Holder.

8.2 As soon as practical after the receipt of this Agreement and any relevant counteroffers, Escrow Holder shall ascertain the Date of Agreement as defined in paragraphs 1.2 and 20.2 and advise the Parties and Brokers, in writing, of the date ascertained.

8.3 Escrow Holder is hereby authorized and instructed to conduct the Escrow in accordance with this Agreement, applicable law and custom and practice of the community in which Escrow Holder is located, including any reporting requirements of the Internal Revenue Code. In the event of a conflict between the law of the state where the Property is located and the law of the state where the Escrow Holder is located, the law of the state where the Property is located shall prevail.

8.4 Subject to satisfaction of the contingencies herein described, Escrow Holder shall close this escrow (the "Closing") by recording a general warranty deed (a grant deed in California) and the other documents required to be recorded, and by disbursing the funds and documents in accordance with this Agreement.

8.5 Buyer and Seller shall each pay one-half of the Escrow Holder's charges and Seller shall pay the usual recording fees and any required documentary transfer taxes. Seller shall pay the premium for a standard coverage owner's or joint protection policy of title insurance. (See also paragraph 11.)

8.6 Escrow Holder shall verify that all of Buyer's contingencies have been satisfied or waived prior to Closing. The matters contained in paragraphs 9.1 subparagraphs (b), (c), (d), (e), (g), (i), (n), and (o), 9.4, 12, 13, 14, 16, 18, 20, 21, 22, and 24 are, however, matters of agreement between the Parties only and are not instructions to Escrow Holder.

8.7 If this transaction is terminated for non-satisfaction and non-waiver of a Buyer's Contingency, as defined in Paragraph 9.2 or disapproval of any other matters subject to Buyer's approval, then neither of the Parties shall thereafter have any liability to the other under this Agreement, except to the extent of a breach of any affirmative covenant or warranty in this Agreement. In the event of such termination, Buyer shall, subject to the provisions of paragraph 8.10, be promptly refunded all funds deposited by Buyer with Escrow Holder, less only the \$100 provided for in paragraph 4.4 and the Title Company and Escrow Holder cancellation fees and costs, all of which shall be Buyer's obligation. If this transaction is terminated as a result of Seller's breach of this Agreement then Seller shall pay the Title Company and Escrow Holder cancellation fees and costs.

8.8 The Closing shall occur on the Expected Closing Date, or as soon thereafter as the Escrow is in condition for Closing; provided, however, that if the Closing does not occur by the Expected Closing Date and said Date is not extended by mutual instructions of the Parties, a Party not then in default under this Agreement may notify the other Party, Escrow Holder, and Brokers, in writing that, unless the Closing occurs within 5 business days following said notice, the Escrow shall be deemed terminated without further notice or instructions.

8.9 Except as otherwise provided herein, the termination of Escrow shall not relieve or release either Party from any obligation to pay Escrow Holder's fees and costs or constitute a waiver, release or discharge of any breach or default that has occurred in the performance of the obligations, agreements, covenants or warranties contained therein.

8.10 If this sale of the Property is not consummated for any reason other than Seller's breach or default, then at Seller's request, and as a condition to any obligation to return Buyer's deposit (see paragraph 21), Buyer shall within 5 days after written request deliver to Seller, at no charge, copies of all surveys, engineering studies, soil reports, maps, master plans, feasibility studies and other similar items prepared by or for Buyer that pertain to the Property. Provided, however, that Buyer shall not be required to deliver any such report if the written contract which Buyer entered into with the consultant who prepared such report specifically forbids the dissemination of the report to others.

9. Contingencies to Closing.

9.1 The Closing of this transaction is contingent upon the satisfaction or waiver of the following contingencies. **IF BUYER FAILS TO NOTIFY ESCROW HOLDER, IN WRITING, OF THE DISAPPROVAL OF ANY OF SAID CONTINGENCIES WITHIN THE TIME SPECIFIED THEREIN, IT SHALL BE CONCLUSIVELY PRESUMED THAT BUYER HAS APPROVED SUCH ITEM, MATTER OR DOCUMENT.** Buyer's conditional approval shall constitute disapproval, unless provision is made by the Seller within the time specified therefore by the Buyer in such conditional approval or by this Agreement, whichever is later, for the satisfaction of the condition imposed by the Buyer. Escrow Holder shall promptly provide all Parties with copies of any written disapproval or conditional approval which it receives. With regard to subparagraphs (a)

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through (m) the pre-printed time periods shall control unless a different number of days is inserted in the spaces provided.

(a) *Disclosure.* Seller shall make to Buyer, through Escrow, all of the applicable disclosures required by law (See AIR CRE ("AIR") standard form entitled "Seller's Mandatory Disclosure Statement") and provide Buyer with a completed Property Information Sheet ("Property Information Sheet") concerning the Property, duly executed by or on behalf of Seller in the current form or equivalent to that published by the AIR within 2 days following the Date of Agreement. Buyer has 7 days from the receipt of said disclosures to approve or disapprove the matters disclosed.

(b) *Physical Inspection.* Buyer has 7 days following the receipt of the Property Information Sheet or the Date of Agreement, whichever is later, to satisfy itself with regard to the physical aspects and size of the Property.

(c) *Hazardous Substance Conditions Report.* Buyer has 7 or _____ days following Date of Agreement, to satisfy itself with regard to the environmental aspects of the Property. Seller recommends that Buyer obtain a Hazardous Substance Conditions Report concerning the Property and relevant adjoining properties. Any such reports shall be paid for by Buyer. A "Hazardous Substance" for purposes of this Agreement is defined as any substance whose nature and/or quantity of existence, use, manufacture, disposal or effect, render it subject to Federal, state or local regulation, investigation, remediation or removal as potentially injurious to public health or welfare. A "Hazardous Substance Condition" for purposes of this Agreement is defined as the existence on, under or relevantly adjacent to the Property of a Hazardous Substance that would require remediation and/or removal under applicable Federal, state or local law.

(d) *Soil Inspection.* Buyer has 7 or _____ days following the Date of Agreement, to satisfy itself with regard to the condition of the soils on the Property. Seller recommends that Buyer obtain a soil test report. Any such report shall be paid for by Buyer. Seller shall provide Buyer copies of any soils report that Seller may have within 10 days following the Date of Agreement.

(e) *Governmental Approvals.* Buyer has 7 or _____ days following the Date of Agreement to satisfy itself with regard to approvals and permits from governmental agencies or departments which have or may have jurisdiction over the Property and which Buyer deems necessary or desirable in connection with its intended use of the Property, including, but not limited to, permits and approvals required with respect to zoning, planning, building and safety, fire, police, handicapped and Americans with Disabilities Act requirements, transportation and environmental matters.

(f) *Conditions of Title.* Escrow Holder shall cause a current commitment for title insurance ("Title Commitment") concerning the Property issued by the Title Company, as well as legible copies of all documents referred to in the Title Commitment ("Underlying Documents"), and a scaled and dimensioned plot showing the location of any easements to be delivered to Buyer within 7 or _____ days following the Date of Agreement. Buyer has 7 days from the receipt of the Title Commitment, the Underlying Documents and the plot plan to satisfy itself with regard to the condition of title. The disapproval by Buyer of any monetary encumbrance, which by the terms of this Agreement is not to remain against the Property after the Closing, shall not be considered a failure of this contingency, as Seller shall have the obligation, at Seller's expense, to satisfy and remove such disapproved monetary encumbrance at or before the Closing.

(g) *Survey.* Buyer has 7 or _____ days following the receipt of the Title Commitment and Underlying Documents to satisfy itself with regard to any ALTA title supplement based upon a survey prepared to American Land Title Association ("ALTA") standards for an owner's policy by a licensed surveyor, showing the legal description and boundary lines of the Property, any easements of record, and any improvements, poles, structures and things located within 10 feet of either side of the Property boundary lines. Any such survey shall be prepared at Buyer's direction and expense. If Buyer has obtained a survey and approved the ALTA title supplement, Buyer may elect within the period allowed for Buyer's approval of a survey to have an ALTA extended coverage owner's form of title policy, in which event Buyer shall pay any additional premium attributable thereto.

(h) *Existing Leases and Tenancy Statements.* Seller shall within 7 days following the Date of Agreement provide both Buyer and Escrow Holder with legible copies of all leases, subleases or rental arrangements (collectively, "Existing Leases") affecting the Property, and with a tenancy statement ("Estoppel Certificate") in the latest form or equivalent to that published by the AIR, executed by Seller and/or each tenant and subtenant of the Property. Sellers shall use its best efforts to have each tenant complete and execute an Estoppel Certificate. If any tenant fails or refuses to provide an Estoppel Certificate then Seller shall complete and execute an Estoppel Certificate for that tenancy. Buyer has 10 days from the receipt of said Existing Leases and Estoppel Certificates to satisfy itself with regard to the Existing Leases and any other tenancy issues.

(i) *Owner's Association.* Seller shall within 7 or _____ days following the Date of Agreement provide Buyer with a statement and transfer package from any owner's association servicing the Property. Such transfer package shall at a minimum include: copies of the association's bylaws, articles of incorporation, current budget and financial statement. Buyer has 7 days from the receipt of such documents to satisfy itself with regard to the association.

(j) *Other Agreements.* Seller shall within 7 or _____ days following the Date of Agreement provide Buyer with legible copies of all other agreements ("Other Agreements") known to Seller that will affect the Property after Closing. Buyer has 7 days from the receipt of said Other Agreements to satisfy itself with regard to such Agreements.

(k) *Financing.* If paragraph 5 hereof dealing with a financing contingency has not been stricken, the satisfaction or waiver of such New Loan contingency.

(l) *Existing Notes.* If paragraph 3.1(c) has not been stricken, Seller shall within 7 or _____ days following the Date of Agreement provide Buyer with legible copies of the Existing Notes, Existing Deeds of Trust and related agreements (collectively, "Loan Documents") to which the Property will remain subject after the Closing. Escrow Holder shall promptly request from the holders of the Existing Notes a beneficiary statement ("Beneficiary Statement") confirming: (1) the amount of the unpaid principal balance, the current interest rate, and the date to which interest is paid, and (2) the nature and amount of any impounds held by the beneficiary in connection with such loan. Buyer has 7 or _____ days following the receipt of the Loan Documents and Beneficiary Statements to satisfy itself with regard to such financing. Buyer's obligation to close is conditioned upon Buyer being able to purchase the Property without acceleration or change in the terms of any Existing Notes or charges to Buyer except as otherwise provided in this Agreement or approved by Buyer, provided, however, Buyer shall pay the transfer fee referred to in paragraph 3.2 hereof. Likewise if Seller is to carry back a Purchase Money Note then Seller shall within 7 or _____ days following the Date of Agreement provide Buyer with a copy of the proposed Purchase Money Note and Purchase Money Deed of Trust. Buyer has 7 or _____ days from the receipt of such documents to satisfy itself with regard to the form and content thereof.

(m) *Personal Property.* In the event that any personal property is included in the Purchase Price, Buyer has 7 days following the Date of Agreement to satisfy itself with regard to the title condition of such personal property. Seller recommends that Buyer obtain a UCC-1 report. Any such report shall be paid for by Buyer. Seller shall provide Buyer copies of any liens or encumbrances affecting such personal property that it is aware of within 7 or _____ days following the Date of Agreement.

(n) *Destruction, Damage or Loss.* Subsequent to the Date of Agreement and prior to Closing there shall not have occurred a destruction of, or damage or loss to, the Property or any portion thereof, from any cause whatsoever, which would cost more than \$10,000.00 to repair or cure. If the cost of repair or cure is \$10,000.00 or less, Seller shall repair or cure the loss prior to the Closing. Buyer shall have the option, within 10 days after receipt of written notice of a loss costing

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more than \$10,000.00 to repair or cure, to either terminate this Agreement or to purchase the Property notwithstanding such loss, but without deduction or offset against the Purchase Price. If the cost to repair or cure is more than \$10,000.00, and Buyer does not elect to terminate this Agreement, Buyer shall be entitled to any insurance proceeds applicable to such loss. Unless otherwise notified in writing, Escrow Holder shall assume no such destruction, damage or loss has occurred prior to Closing.

(o) **Material Change.** Buyer shall have 10 days following receipt of written notice of a Material Change within which to satisfy itself with regard to such change. "Material Change" shall mean a substantial adverse change in the use, occupancy, tenants, title, or condition of the Property that occurs after the date of this offer and prior to the Closing. Unless otherwise notified in writing, Escrow Holder shall assume that no Material Change has occurred prior to the Closing.

(p) **Seller Performance.** The delivery of all documents and the due performance by Seller of each and every undertaking and agreement to be performed by Seller under this Agreement.

(q) **Brokerage Fee.** Payment at the Closing of such brokerage fee as is specified in this Agreement or later written instructions to Escrow Holder executed by Seller and Brokers ("Brokerage Fee"). It is agreed by the Parties and Escrow Holder that Brokers are a third party beneficiary of this Agreement insofar as the Brokerage Fee is concerned, and that no change shall be made with respect to the payment of the Brokerage Fee specified in this Agreement, without the written consent of Brokers.

9.2 All of the contingencies specified in subparagraphs (a) through (m) of paragraph 9.1 are for the benefit of, and may be waived by, Buyer, and may be elsewhere herein referred to as "Buyer's Contingencies."

9.3 If any of Buyer's Contingencies or any other matter subject to Buyer's approval is disapproved as provided for herein in a timely manner ("Disapproved Item"), Seller shall have the right within 10 days following the receipt of notice of Buyer's disapproval to elect to cure such Disapproved Item prior to the Expected Closing Date ("Seller's Election"). Seller's failure to give to Buyer within such period, written notice of Seller's commitment to cure such Disapproved Item on or before the Expected Closing Date shall be conclusively presumed to be Seller's Election not to cure such Disapproved Item. If Seller elects, either by written notice or failure to give written notice, not to cure a Disapproved Item, Buyer shall have the right, within 10 days after Seller's Election to either accept title to the Property subject to such Disapproved Item, or to terminate this Agreement. Buyer's failure to notify Seller in writing of Buyer's election to accept title to the Property subject to the Disapproved Item without deduction or offset shall constitute Buyer's election to terminate this Agreement. The above time periods only apply once for each Disapproved Item. Unless expressly provided otherwise herein, Seller's right to cure shall not apply to the remediation of Hazardous Substance Conditions or to the Financing Contingency. Unless the Parties mutually instruct otherwise, if the time periods for the satisfaction of contingencies or for Seller's and Buyer's elections would expire on a date after the Expected Closing Date, the Expected Closing Date shall be deemed extended for 3 business days following the expiration of: (a) the applicable contingency period(s), (b) the period within which the Seller may elect to cure the Disapproved Item, or (c) if Seller elects not to cure, the period within which Buyer may elect to proceed with this transaction, whichever is later.

9.4 The Parties acknowledge that extensive local, state and Federal legislation establish broad liability upon owners and/or users of real property for the investigation and remediation of Hazardous Substances. The determination of the existence of a Hazardous Substance Condition and the evaluation of the impact of such a condition are highly technical and beyond the expertise of Brokers. The Parties acknowledge that they have been advised by Brokers to consult their own technical and legal experts with respect to the possible presence of Hazardous Substances on the Property or adjoining properties, and Buyer and Seller are not relying upon any investigation by or statement of Brokers with respect thereto. The Parties hereby assume all responsibility for the impact of such Hazardous Substances upon their respective interests herein.

10. Documents and Other Items Required at or Before Closing.

10.1 Five days prior to the Closing date Escrow Holder shall obtain an updated Title Commitment concerning the Property from the Title Company and provide copies thereof to each of the Parties.

10.2 Seller shall deliver to Escrow Holder in time for delivery to Buyer at the Closing:

(a) Grant or general warranty deed, duly executed and in recordable form, conveying fee title to the Property to Buyer.
(b) If applicable, the Beneficiary Statements concerning Existing Note(s).
(c) If applicable, the Existing Leases and Other Agreements together with duly executed assignments thereof by Seller and Buyer. The assignment of Existing Leases shall be on the most recent Assignment and Assumption of Lessor's Interest in Lease form published by the AIR or its equivalent.
(d) If applicable, Estoppel Certificates executed by Seller and/or the tenant(s) of the Property.
(e) An affidavit executed by Seller to the effect that Seller is not a "foreign person" within the meaning of Internal Revenue Code Section 1445 or successor statutes. If Seller does not provide such affidavit in form reasonably satisfactory to Buyer at least 3 business days prior to the Closing, Escrow Holder shall at the Closing deduct from Seller's proceeds and remit to the Internal Revenue Service such sum as is required by applicable Federal law with respect to purchases from foreign sellers.

(f) If the Property is located in California, an affidavit executed by Seller to the effect that Seller is not a "nonresident" within the meaning of California Revenue and Tax Code Section 18662 or successor statutes. If Seller does not provide such affidavit in form reasonably satisfactory to Buyer at least 3 business days prior to the Closing, Escrow Holder shall at the Closing deduct from Seller's proceeds and remit to the Franchise Tax Board such sum as is required by such statute.

(g) If applicable, a bill of sale, duly executed, conveying title to any included personal property to Buyer.

(h) If the Seller is a corporation, a duly executed corporate resolution authorizing the execution of this Agreement and the sale of the Property.

10.3 Buyer shall deliver to Seller through Escrow:

(a) The cash portion of the Purchase Price and such additional sums as are required of Buyer under this Agreement shall be deposited by Buyer with Escrow Holder, by federal funds wire transfer, or any other method acceptable to Escrow Holder in immediately collectable funds, no later than 2:00 P.M. on the business day prior to the Expected Closing Date provided, however, that Buyers shall not be required to deposit such monies into Escrow if at the time set for the deposit of such monies Seller is in default or has indicated that it will not perform any of its obligations hereunder. Instead, in such circumstances in order to reserve its rights to proceed Buyer need only provide Escrow with evidence establishing that the required monies were available.

(b) If a Purchase Money Note and Purchase Money Deed of Trust are called for by this Agreement, the duly executed originals of those documents, the Purchase Money Deed of Trust being in recordable form, together with evidence of fire insurance on the improvements in the amount of the full replacement cost naming Seller as a mortgagee loss payee, and a real estate tax service contract (at Buyer's expense), assuring Seller of notice of the status of payment of real property taxes during the life of the Purchase Money Note.

(c) The Assignment and Assumption of Lessor's Interest in Lease form specified in paragraph 10.2(c) above, duly executed by Buyer.

(d) Assumptions duly executed by Buyer of the obligations of Seller that accrue after Closing under any Other Agreements.

(e) If applicable, a written assumption duly executed by Buyer of the loan documents with respect to Existing Notes.

(f) If the Buyer is a corporation, a duly executed corporate resolution authorizing the execution of this Agreement and the purchase of the Property.

10.4 At Closing, Escrow Holder shall cause to be issued to Buyer a standard coverage (or ALTA extended, if elected pursuant to 9.1(g)) owner's form policy of title insurance effective as of the Closing, issued by the Title Company in the full amount of the Purchase Price, insuring title to the Property vested in Buyer, subject only to

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the exceptions approved by Buyer. In the event there is a Purchase Money Deed of Trust in this transaction, the policy of title insurance shall be a joint protection policy insuring both Buyer and Seller.

IMPORTANT: IN A PURCHASE OR EXCHANGE OF REAL PROPERTY, IT MAY BE ADVISABLE TO OBTAIN TITLE INSURANCE IN CONNECTION WITH THE CLOSE OF ESCROW SINCE THERE MAY BE PRIOR RECORDED LIENS AND ENCUMBRANCES WHICH AFFECT YOUR INTEREST IN THE PROPERTY BEING ACQUIRED. A NEW POLICY OF TITLE INSURANCE SHOULD BE OBTAINED IN ORDER TO ENSURE YOUR INTEREST IN THE PROPERTY THAT YOU ARE ACQUIRING.

11. Prorations and Adjustments.

11.1 *Taxes.* Applicable real property taxes and special assessment bonds shall be prorated through Escrow as of the date of the Closing, based upon the latest tax bill available. The Parties agree to prorate as of the Closing any taxes assessed against the Property by supplemental bill levied by reason of events occurring prior to the Closing. Payment of the prorated amount shall be made promptly in cash upon receipt of a copy of any supplemental bill.

11.2 *Insurance.* **WARNING:** Any insurance which Seller may have maintained will terminate on the Closing. Buyer is advised to obtain appropriate insurance to cover the Property.

11.3 *Rentals, Interest and Expenses.* Scheduled rentals, interest on Existing Notes, utilities, and operating expenses shall be prorated as of the date of Closing. The Parties agree to promptly adjust between themselves outside of Escrow any rents received after the Closing.

11.4 *Security Deposit.* Security Deposits held by Seller shall be given to Buyer as a credit to the cash required of Buyer at the Closing.

11.5 *Post-Closing Matters.* Any item to be prorated that is not determined or determinable at the Closings shall be promptly adjusted by the Parties by appropriate cash payment outside of the Escrow when the amount due is determined.

11.6 *Variations in Existing Note Balances.* In the event that Buyer is purchasing the Property subject to an Existing Deed of Trust(s), and in the event that a Beneficiary Statement as to the applicable Existing Note(s) discloses that the unpaid principal balance of such Existing Note(s) at the closing will be more or less than the amount set forth in paragraph 3.1(c) hereof ("Existing Note Variation"), then the Purchase Money Note(s) shall be reduced or increased by an amount equal to such Existing Note Variation. If there is to be no Purchase Money Note, the cash required at the Closing per paragraph 3.1(a) shall be reduced or increased by the amount of such Existing Note Variation.

11.7 *Variations in New Loan Balance.* In the event Buyer is obtaining a New Loan and the amount ultimately obtained exceeds the amount set forth in paragraph 5.1, then the amount of the Purchase Money Note, if any, shall be reduced by the amount of such excess.

11.8 *Owner's Association Fees.* Escrow Holder shall: (i) bring Seller's account with the association current and pay any delinquencies or transfer fees from Seller's proceeds, and (ii) pay any up front fees required by the association from Buyer's funds.

12. Representations and Warranties of Seller and Disclaimers.

12.1 Seller's warranties and representations shall survive the Closing and delivery of the deed for a period of 3 years, and any lawsuit or action based upon them must be commenced within such time period. Seller's warranties and representations are true, material and relied upon by Buyer and Brokers in all respects. Seller hereby makes the following warranties and representations to Buyer and Brokers:

(a) *Authority of Seller.* Seller is the owner of the Property and/or has the full right, power and authority to sell, convey and transfer the Property to Buyer as provided herein, and to perform Seller's obligations hereunder.

(b) *Maintenance During Escrow and Equipment Condition At Closing.* Except as otherwise provided in paragraph 9.1(n) hereof, Seller shall maintain the Property until the Closing in its present condition, ordinary wear and tear excepted.

(c) *Hazardous Substances/Storage Tanks.* Seller has no knowledge, except as otherwise disclosed to Buyer in writing, of the existence or prior existence on the Property of any Hazardous Substance, nor of the existence or prior existence of any above or below ground storage tank.

(d) *Compliance.* Seller has no knowledge of any aspect or condition of the Property which violates applicable laws, rules, regulations, codes or covenants, conditions or restrictions, or of improvements or alterations made to the Property without a permit where one was required, or of any unfulfilled order or directive of any applicable governmental agency or casualty insurance company requiring any investigation, remediation, repair, maintenance or improvement be performed on the Property.

(e) *Changes in Agreements.* Prior to the Closing, Seller will not violate or modify any Existing Lease or Other Agreement, or create any new leases or other agreements affecting the Property, without Buyer's written approval, which approval will not be unreasonably withheld.

(f) *Possessory Rights.* Seller has no knowledge that anyone will, at the Closing, have any right to possession of the Property, except as disclosed by this Agreement or otherwise in writing to Buyer.

(g) *Mechanics' Liens.* There are no unsatisfied mechanics' or materialmen's lien rights concerning the Property.

(h) *Actions, Suits or Proceedings.* Seller has no knowledge of any actions, suits or proceedings pending or threatened before any commission, board, bureau, agency, arbitrator, court or tribunal that would affect the Property or the right to occupy or utilize same.

(i) *Notice of Changes.* Seller will promptly notify Buyer and Brokers in writing of any Material Change (see paragraph 9.1(o)) affecting the Property that becomes known to Seller prior to the Closing.

(j) *No Tenant Bankruptcy Proceedings.* Seller has no notice or knowledge that any tenant of the Property is the subject of a bankruptcy or insolvency proceeding.

(k) *No Seller Bankruptcy Proceedings.* Seller is not the subject of a bankruptcy, insolvency or probate proceeding.

(l) *Personal Property.* Seller has no knowledge that anyone will, at the Closing, have any right to possession of any personal property included in the Purchase Price nor knowledge of any liens or encumbrances affecting such personal property, except as disclosed by this Agreement or otherwise in writing to Buyer.

12.2 Buyer hereby acknowledges that, except as otherwise stated in this Agreement, Buyer is purchasing the Property in its existing condition and will, by the time called for herein, make or have waived all inspections of the Property Buyer believes are necessary to protect its own interest in, and its contemplated use of, the Property. The Parties acknowledge that, except as otherwise stated in this Agreement, no representations, inducements, promises, agreements, assurances, oral or written, concerning the Property, or any aspect of the occupational safety and health laws, Hazardous Substance laws, or any other act, ordinance or law, have been made by either Party or Brokers, or relied upon by either Party hereto.

12.3 In the event that Buyer learns that a Seller representation or warranty might be untrue prior to the Closing, and Buyer elects to purchase the Property anyway then, and in that event, Buyer waives any right that it may have to bring an action or proceeding against Seller or Brokers regarding said representation or warranty.

12.4 Any environmental reports, soils reports, surveys, and other similar documents which were prepared by third party consultants and provided to Buyer by Seller or Seller's representatives, have been delivered as an accommodation to Buyer and without any representation or warranty as to the sufficiency, accuracy, completeness, and/or validity of said documents, all of which Buyer relies on at its own risk. Seller believes said documents to be accurate, but Buyer is advised to retain appropriate consultants to review said documents and investigate the Property.

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13. Possession.

Possession of the Property shall be given to Buyer at the Closing subject to the rights of tenants under Existing Leases.

14. Buyer's Entry.

At any time during the Escrow period, Buyer, and its agents and representatives, shall have the right at reasonable times and subject to rights of tenants, to enter upon the Property for the purpose of making inspections and tests specified in this Agreement. No destructive testing shall be conducted, however, without Seller's prior approval which shall not be unreasonably withheld. Following any such entry or work, unless otherwise directed in writing by Seller, Buyer shall return the Property to the condition it was in prior to such entry or work, including the re-compaction or removal of any disrupted soil or material as Seller may reasonably direct. All such inspections and tests and any other work conducted or materials furnished with respect to the Property by or for Buyer shall be paid for by Buyer as and when due and Buyer shall indemnify, defend, protect and hold harmless Seller and the Property of and from any and all claims, liabilities, losses, expenses (including reasonable attorneys' fees), damages, including those for injury to person or property, arising out of or relating to any such work or materials or the acts or omissions of Buyer, its agents or employees in connection therewith.

15. Further Documents and Assurances.

The Parties shall each, diligently and in good faith, undertake all actions and procedures reasonably required to place the Escrow in condition for Closing as and when required by this Agreement. The Parties agree to provide all further information, and to execute and deliver all further documents, reasonably required by Escrow Holder or the Title Company.

16. Attorneys' Fees.

If any Party or Broker brings an action or proceeding (including arbitration) involving the Property whether founded in tort, contract or equity, or to declare rights hereunder, the Prevailing Party (as hereafter defined) in any such proceeding, action, or appeal thereon, shall be entitled to reasonable attorneys' fees and costs. Such fees may be awarded in the same suit or recovered in a separate suit, whether or not such action or proceeding is pursued to decision or judgment. The term "Prevailing Party" shall include, without limitation, a Party or Broker who substantially obtains or defeats the relief sought, as the case may be, whether by compromise, settlement, judgment, or the abandonment by the other Party or Broker of its claim or defense. The attorneys' fees award shall not be computed in accordance with any court fee schedule, but shall be such as to fully reimburse all attorneys' fees reasonably incurred.

17. Prior Agreements/Amendments.

- 17.1 This Agreement supersedes any and all prior agreements between Seller and Buyer regarding the Property.
- 17.2 Amendments to this Agreement are effective only if made in writing and executed by Buyer and Seller.

18. Broker's Rights.

~~18.1 If this sale is not consummated due to the default of either the Buyer or Seller, the defaulting Party shall be liable to and shall pay to Brokers the Brokerage Fee that Brokers would have received had the sale been consummated. If Buyer is the defaulting party, payment of said Brokerage Fee is in addition to any obligation with respect to liquidated or other damages.~~

18.2 Upon the Closing, Brokers are authorized to publicize the facts of this transaction.

19. Notices.

19.1 Whenever any Party, Escrow Holder or Brokers herein shall desire to give or serve any notice, demand, request, approval, disapproval or other communication, each such communication shall be in writing and shall be delivered personally, by messenger, or by mail, postage prepaid, to the address set forth in this agreement or by facsimile transmission, electronic signature, digital signature, or email.

19.2 Service of any such communication shall be deemed made on the date of actual receipt if personally delivered, or transmitted by facsimile transmission, electronic signature, digital signature, or email. Any such communication sent by regular mail shall be deemed given 48 hours after the same is mailed. Communications sent by United States Express Mail or overnight courier that guarantee next day delivery shall be deemed delivered 24 hours after delivery of the same to the Postal Service or courier. If such communication is received on a Saturday, Sunday or legal holiday, it shall be deemed received on the next business day.

19.3 Any Party or Broker hereto may from time to time, by notice in writing, designate a different address to which, or a different person or additional persons to whom, all communications are thereafter to be made.

20. Duration of Offer.

20.1 If this offer is not accepted by Seller on or before 5:00 P.M. according to the time standard applicable to the city of Santa Ana, CA on the date of April 15, 2020, it shall be deemed automatically revoked.

20.2 The acceptance of this offer, or of any subsequent counteroffer hereto, that creates an agreement between the Parties as described in paragraph 1.2, shall be deemed made upon delivery to the other Party or either Broker herein of a duly executed writing unconditionally accepting the last outstanding offer or counteroffer.

21. LIQUIDATED DAMAGES. (This Liquidated Damages paragraph is applicable only if initialed by both Parties).

THE PARTIES AGREE THAT IT WOULD BE IMPRACTICABLE OR EXTREMELY DIFFICULT TO FIX, PRIOR TO SIGNING THIS AGREEMENT, THE ACTUAL DAMAGES WHICH WOULD BE SUFFERED BY SELLER IF BUYER FAILS TO PERFORM ITS OBLIGATIONS UNDER THIS AGREEMENT. THEREFORE, IF, AFTER THE SATISFACTION OR WAIVER OF ALL CONTINGENCIES PROVIDED FOR THE BUYER'S BENEFIT, BUYER BREACHES THIS AGREEMENT, SELLER SHALL BE ENTITLED TO LIQUIDATED DAMAGES IN THE AMOUNT OF \$100,000.00. UPON PAYMENT OF SAID SUM TO SELLER, BUYER SHALL BE RELEASED FROM ANY FURTHER LIABILITY TO SELLER, AND ANY ESCROW CANCELLATION FEES AND TITLE COMPANY CHARGES SHALL BE PAID BY SELLER.

RB
Buyer's Initials

JM
Seller's Initials

22. ARBITRATION OF DISPUTES. (This Arbitration of Disputes paragraph is applicable only if initialed by both Parties.)

22.1 ANY CONTROVERSY AS TO WHETHER SELLER IS ENTITLED TO THE LIQUIDATED DAMAGES AND/OR BUYER IS ENTITLED TO THE RETURN OF DEPOSIT MONEY, SHALL BE DETERMINED BY BINDING ARBITRATION BY, AND UNDER THE COMMERCIAL RULES OF THE AMERICAN ARBITRATION ASSOCIATION ("COMMERCIAL RULES"). ARBITRATION HEARINGS SHALL BE HELD IN THE COUNTY WHERE THE PROPERTY IS LOCATED. THE NUMBER OF ARBITRATORS SHALL BE AS PROVIDED IN THE

RB
INITIALS

JM
INITIALS

COMMERCIAL RULES AND EACH SUCH ARBITRATOR SHALL BE AN IMPARTIAL REAL ESTATE BROKER WITH AT LEAST 5 YEARS OF FULL TIME EXPERIENCE IN BOTH THE AREA WHERE THE PROPERTY IS LOCATED AND THE TYPE OF REAL ESTATE THAT IS THE SUBJECT OF THIS AGREEMENT. THE ARBITRATOR OR ARBITRATORS SHALL BE APPOINTED UNDER THE COMMERCIAL RULES AND SHALL HEAR AND DETERMINE SAID CONTROVERSY IN ACCORDANCE WITH APPLICABLE LAW, THE INTENTION OF THE PARTIES AS EXPRESSED IN THIS AGREEMENT AND ANY AMENDMENTS THERETO, AND UPON THE EVIDENCE PRODUCED AT AN ARBITRATION HEARING. PRE-ARBITRATION DISCOVERY SHALL BE PERMITTED IN ACCORDANCE WITH THE COMMERCIAL RULES OR STATE LAW APPLICABLE TO ARBITRATION PROCEEDINGS. THE AWARD SHALL BE EXECUTED BY AT LEAST 2 OF THE 3 ARBITRATORS, BE RENDERED WITHIN 30 DAYS AFTER THE CONCLUSION OF THE HEARING, AND MAY INCLUDE ATTORNEYS' FEES AND COSTS TO THE PREVAILING PARTY PER PARAGRAPH 16 HEREOF. JUDGMENT MAY BE ENTERED ON THE AWARD IN ANY COURT OF COMPETENT JURISDICTION NOTWITHSTANDING THE FAILURE OF A PARTY DULY NOTIFIED OF THE ARBITRATION HEARING TO APPEAR THEREAT.

22.2 BUYER'S RESORT TO OR PARTICIPATION IN SUCH ARBITRATION PROCEEDINGS SHALL NOT BAR SUIT IN A COURT OF COMPETENT JURISDICTION BY THE BUYER FOR DAMAGES AND/OR SPECIFIC PERFORMANCE UNLESS AND UNTIL THE ARBITRATION RESULTS IN AN AWARD TO THE SELLER OF LIQUIDATED DAMAGES, IN WHICH EVENT SUCH AWARD SHALL ACT AS A BAR AGAINST ANY ACTION BY BUYER FOR DAMAGES AND/OR SPECIFIC PERFORMANCE.

22.3 NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS SUCH RIGHTS ARE SPECIFICALLY INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY.

WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION TO NEUTRAL ARBITRATION.



Buyer's Initials



Seller's Initials

23. Miscellaneous.

23.1 **Binding Effect.** This Agreement shall be binding on the Parties without regard to whether or not paragraphs 21 and 22 are initialed by both of the Parties. Paragraphs 21 and 22 are each incorporated into this Agreement only if initialed by both Parties at the time that the Agreement is executed. Signatures to this Agreement accomplished by means of electronic signature or similar technology shall be legal and binding.

23.2 **Applicable Law.** This Agreement shall be governed by, and paragraph 22.3 is amended to refer to, the laws of the state in which the Property is located. Any litigation or arbitration between the Parties hereto concerning this Agreement shall be initiated in the county in which the Property is located.

23.3 **Time of Essence.** Time is of the essence of this Agreement.

23.4 **Counterparts.** This Agreement may be executed by Buyer and Seller in counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. Escrow Holder, after verifying that the counterparts are identical except for the signatures, is authorized and instructed to combine the signed signature pages on one of the counterparts, which shall then constitute the Agreement.

23.5 **Waiver of Jury Trial.** THE PARTIES HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING INVOLVING THE PROPERTY OR ARISING OUT OF THIS AGREEMENT.

23.6 **Conflict.** Any conflict between the printed provisions of this Agreement and the typewritten or handwritten provisions shall be controlled by the typewritten or handwritten provisions. **Seller and Buyer must initial any and all handwritten provisions.**

23.7 **1031 Exchange.** Both Seller and Buyer agree to cooperate with each other in the event that either or both wish to participate in a 1031 exchange. Any party initiating an exchange shall bear all costs of such exchange. The cooperating Party shall not have any liability (special or otherwise) for damages to the exchanging Party in the event that the sale is delayed and/or that the sale otherwise fails to qualify as a 1031 exchange.

23.8 **Days.** Unless otherwise specifically indicated to the contrary, the word "days" as used in this Agreement shall mean and refer to calendar days.

24. Disclosures Regarding The Nature of a Real Estate Agency Relationship.

24.1 The Parties and Brokers agree that their relationship(s) shall be governed by the principles set forth in the applicable sections of the California Civil Code, as summarized in paragraph 24.2.

24.2 When entering into a discussion with a real estate agent regarding a real estate transaction, a Buyer or Seller should from the outset understand what type of agency relationship or representation it has with the agent or agents in the transaction. Buyer and Seller acknowledge being advised by the Brokers in this transaction, as follows:

(a) **Seller's Agent.** A Seller's agent under a listing agreement with the Seller acts as the agent for the Seller only. A Seller's agent or subagent has the following affirmative obligations: (1) *To the Seller:* A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Seller. (2) *To the Buyer and the Seller:* a. Diligent exercise of reasonable skills and care in performance of the agent's duties. b. A duty of honest and fair dealing and good faith. c. A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the Parties. An agent is not obligated to reveal to either Party any confidential information obtained from the other Party which does not involve the affirmative duties set forth above.

(b) **Buyer's Agent.** A selling agent can, with a Buyer's consent, agree to act as agent for the Buyer only. In these situations, the agent is not the Seller's agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the Seller. An agent acting only for a Buyer has the following affirmative obligations. (1) *To the Buyer:* A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Buyer. (2) *To the Buyer and the Seller:* a. Diligent exercise of reasonable skills and care in performance of the agent's duties. b. A duty of honest and fair dealing and good faith. c. A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the Parties. An agent is not obligated to reveal to either Party any confidential information obtained from the other Party which does not involve the affirmative duties set forth above.

(c) **Agent Representing Both Seller and Buyer.** A real estate agent, either acting directly or through one or more associate licenses, can legally be the agent of both the Seller and the Buyer in a transaction, but only with the knowledge and consent of both the Seller and the Buyer. (1) In a dual agency situation, the agent has the following affirmative obligations to both the Seller and the Buyer: a. A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either Seller or the Buyer. b. Other duties to the Seller and the Buyer as stated above in their respective sections (a) or (b) of this paragraph 24.2. (2) In representing both Seller and Buyer, the agent may not, without the express permission of the respective Party, disclose to the other Party confidential information, including, but



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not limited to, facts relating to either Buyer's or Seller's financial position, motivations, bargaining position, or other personal information that may impact price, including Seller's willingness to accept a price less than the listing price or Buyer's willingness to pay a price greater than the price offered. (3) The above duties of the agent in a real estate transaction do not relieve a Seller or Buyer from the responsibility to protect their own interests. Buyer and Seller should carefully read all agreements to assure that they adequately express their understanding of the transaction. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional. Buyer has the duty to exercise reasonable care to protect Buyer, including as to those facts about the Property which are known to Buyer or within Buyer's diligent attention and observation. Both Seller and Buyer should strongly consider obtaining tax advice from a competent professional because the federal and state tax consequences of a transaction can be complex and subject to change.

(d) *Further Disclosures.* Throughout this transaction Buyer and Seller may receive more than one disclosure, depending upon the number of agents assisting in the transaction. Buyer and Seller should each read its contents each time it is presented, considering the relationship between them and the real estate agent in this transaction and that disclosure. Buyer and Seller each acknowledge receipt of a disclosure of the possibility of multiple representation by the Broker representing that principal. This disclosure may be part of a listing agreement, buyer representation agreement or separate document. Buyer understands that Broker representing Buyer may also represent other potential buyers, who may consider, make offers on or ultimately acquire the Property. Seller understands that Broker representing Seller may also represent other sellers with competing properties that may be of interest to this Buyer. Brokers have no responsibility with respect to any default or breach hereof by either Party. The Parties agree that no lawsuit or other legal proceeding involving any breach of duty, error or omission relating to this transaction may be brought against Broker more than one year after the Date of Agreement and that the liability (including court costs and attorneys' fees), of any Broker with respect to any breach of duty, error or omission relating to this Agreement shall not exceed the fee received by such Broker pursuant to this Agreement; provided, however, that the foregoing limitation on each Broker's liability shall not be applicable to any gross negligence or willful misconduct of such Broker.

24.3 *Confidential Information.* Buyer and Seller agree to identify to Brokers as "Confidential" any communication or information given Brokers that is considered by such Party to be confidential.

25. *Construction of Agreement.* In construing this Agreement, all headings and titles are for the convenience of the Parties only and shall not be considered a part of this Agreement. Whenever required by the context, the singular shall include the plural and vice versa. 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 prepared it.

26. *Additional Provisions.*

Additional provisions of this offer, if any, are as follows or are attached hereto by an addendum or addenda consisting of paragraph see attached Addendum.. (If there are no additional provisions write "NONE".)

ATTENTION: NO REPRESENTATION OR RECOMMENDATION IS MADE BY AIR CRE OR BY ANY BROKER AS TO THE LEGAL SUFFICIENCY, LEGAL EFFECT, OR TAX CONSEQUENCES OF THIS AGREEMENT OR THE TRANSACTION TO WHICH IT RELATES. THE PARTIES ARE URGED TO:

1. SEEK ADVICE OF COUNSEL AS TO THE LEGAL AND TAX CONSEQUENCES OF THIS AGREEMENT.
2. RETAIN APPROPRIATE CONSULTANTS TO REVIEW AND INVESTIGATE THE CONDITION OF THE PROPERTY. SAID INVESTIGATION SHOULD INCLUDE BUT NOT BE LIMITED TO: THE POSSIBLE PRESENCE OF HAZARDOUS SUBSTANCES, THE ZONING OF THE PROPERTY, THE INTEGRITY AND CONDITION OF ANY STRUCTURES AND OPERATING SYSTEMS, AND THE SUITABILITY OF THE PROPERTY FOR BUYER'S INTENDED USE.

WARNING: IF THE PROPERTY IS LOCATED IN A STATE OTHER THAN CALIFORNIA, CERTAIN PROVISIONS OF THIS AGREEMENT MAY NEED TO BE REVISED TO COMPLY WITH THE LAWS OF THE STATE IN WHICH THE PROPERTY IS LOCATED.

NOTE:

1. THIS FORM IS NOT FOR USE IN CONNECTION WITH THE SALE OF RESIDENTIAL PROPERTY.
2. IF EITHER PARTY IS A CORPORATION, IT IS RECOMMENDED THAT THIS AGREEMENT BE SIGNED BY TWO CORPORATE OFFICERS.

The undersigned Buyer offers and agrees to buy the Property on the terms and conditions stated and acknowledges receipt of a copy hereof.

BROKER

CBRE, Inc.

Attn: Ross Fippinger
Title: Senior Vice President

Address: 3501 Jamboree Road, Suite 100,
Newport Beach, CA 92660

Phone: (949) 725-8481

Fax: (949) 725-8545

Email: ross.fippinger@cbre.com

Federal ID No.: 95-2743174

Broker DRE License #: 00409987

Agent DRE License #: 01450571

RF

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OFA-20.12, Revised 06-10-2019

Date: 4/14/20

BUYER

Dyer 18, LLC

By: 
Name Printed: Ryan Ogulnick

Title: Manager

Phone: (310) 508-4083

Fax: _____

Email: ryan@vineyardsc.com

By: _____

Name Printed: _____

Title: _____

Phone: _____

Fax: _____

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Email: _____
Address: _____
Federal ID No.: _____

27. Acceptance.

27.1 Seller accepts the foregoing offer to purchase the Property and hereby agrees to sell the Property to Buyer on the terms and conditions therein specified.

27.2 In consideration of real estate brokerage service rendered by Brokers, Seller agrees to pay Brokers a real estate Brokerage Fee in a sum equal to _____% of the Purchase Price to be divided between the Brokers as follows: Seller's Broker _____% and Buyer's Broker _____%. This Agreement shall serve as an irrevocable instruction to Escrow Holder to pay such Brokerage Fee to Brokers out of the proceeds accruing to the account of Seller at the

Closing. **Seller agrees to pay CBRE, Inc. a real estate Brokerage Fee equal to \$410,000.00**

27.3 Seller acknowledges receipt of a copy hereof and authorizes Brokers to deliver a signed copy to Buyer.

NOTE: A PROPERTY INFORMATION SHEET IS REQUIRED TO BE DELIVERED TO BUYER BY SELLER UNDER THIS AGREEMENT.

BROKER

CBRE, Inc.

Attn: Ross Fippinger

Title: Senior Vice President

Address: 3501 Jamboree Road, Suite 100,
Newport Beach, CA 92660

Phone: (949) 725-8481

Fax: (949) 725-8545

Email: ross.fippinger@cbre.com

Federal ID No.: 95-2743174

Broker DRE License #: 00409987

Agent's DRE License #: 01450571

Date: _____

SELLER

1815 Carnegie LLC

By: _____

Name Printed: ~~Derek Peterson~~ Michael Nahass

Title: Managing Member/CFO

Phone: (855) 447-6967

Fax: _____

Email: _____

By: _____

Name Printed: _____

Title: _____

Phone: _____

Fax: _____

Email: _____

Address: 2040 Main Street Suite 225, Irvine,
CA 92614

Federal ID No.: _____

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**ADDENDUM TO STANDARD OFFER, AGREEMENT AND ESCROW INSTRUCTIONS FOR
PURCHASE OF REAL ESTATE (NON-RESIDENTIAL)**

This Addendum to Standard Offer, Agreement and Escrow Instructions for Purchase of Real Estate (Non-Residential) ("**Addendum**") is attached to that *Standard Offer, Agreement and Escrow Instructions for Purchase of Real Estate (Non-Residential)* dated April 13, 2020 (the "**Agreement**") by and between 1815 Carnegie, LLC, a California limited liability company ("**Seller**") and Dyer 18, LLC, a California ("**Buyer**"), with respect to the purchase and sale of that certain real property and improvements commonly known as 1815 E, Carnegie, Santa Ana, California 92705 ("**Property**"). Buyer and Seller agree that, notwithstanding anything to the contrary contained in the Agreement, the provisions set forth in this Addendum will be deemed to be part of the Agreement and will supersede any contrary provisions in the Agreement and the provisions herein in this Addendum shall prevail and control for all purposes. Without limiting the foregoing, in the event there is any inconsistency or conflict between the provisions of this Addendum and the provisions contained in the Agreement, such inconsistency or conflict shall be resolved in favor of the provision(s) contained in this Addendum.

- A. **BUYER CONTINGENCIES AND CLOSING.** Notwithstanding anything to the contrary set forth in this Agreement, but expressly subject to Paragraph B below, the parties agree that Buyer shall have until April 20, 2020 ("**Due Diligence Deadline Date**") to conduct its due diligence and, in Buyer's sole and absolute discretion, to determine whether the Property is acceptable to Buyer and to approve or waive all of Buyer's contingencies in Section 9 of this Agreement ("**Contingencies**"), all of which may be approved or disapproved in Buyer's sole and absolute discretion for any reason or no reason. If Buyer approves of the Property and elects to purchase the Property in accordance with the Agreement, Buyer shall give Seller a written notice of approval ("**Notice of Approval**") on or before the Due Diligence Deadline. Buyer may, for any or no reason, terminate the Agreement by giving written notice of termination to Seller on or before the Due Diligence Deadline ("**Notice of Cancellation**"). If Buyer does not timely give a Notice of Approval on or before the Due Diligence Deadline Date, Buyer shall be conclusively deemed to have elected to give (and shall be deemed to have given) a Notice of Cancellation. In the event that Buyer timely gives or is deemed to have given a Notice of Cancellation, the Deposit shall be immediately returned to Buyer and neither party shall have any further rights or obligations hereunder, except for the obligations expressly deemed, pursuant to the terms and provisions of the Agreement and this Addendum, to survive the termination of the Agreement. If Buyer timely gives the Notice of Approval as aforesaid, and Seller, Corp. and Terra Tech Corp. ("**TTC**") have executed and delivered to Buyer that certain Secured Promissory Note, Letter Agreement, Consulting Agreement and Security Agreement attached hereto, then within 2 Business days thereafter, Buyer shall deposit an additional \$1,900,000 into Escrow (such amount to be added to the existing \$100,000 amount of the Deposit and together such \$2,000,000 shall thereafter be deemed the Deposit) and thereafter, the Deposit shall either be applied to the Purchase Price at Closing in the event that Buyer completes its purchase of the Property or it shall be deemed a loan ("**Loan**") to Seller pursuant to the aforementioned documents in the event that Buyer does not complete its purchase of the Property. For clarification purposes, it is expressly agreed that in the event that Buyer timely gives a Notice of Approval, at no time thereafter shall Seller be entitled to any liquidated damages (under Paragraph 21 of the Agreement or otherwise), or any other damages, costs or fees or any kind or nature, in the event that Buyer subsequently fails to purchase the Property, as Seller expressly agrees instead to accept the Loan from Buyer in lieu of any damages or claims which Seller might otherwise be entitled to as a result of Buyer's failure to purchase the Property after the giving of the Notice of Approval.
- B. **TRANSFER OF LICENSES AND PERMITS.** Notwithstanding anything to the contrary set forth herein, Buyer's obligation to close is expressly conditioned upon (a) the City of Santa Ana, California amending its applicable ordinances, rules and regulations to allow for (i) the transfer of

locations for dispensaries, or allow the relocation and transfer of regulatory safety permits, and specifically to allow for the relocation and transfer of the regulatory safety permit of the Property currently issued and owned by Seller or its affiliate 1815 Carnegie Santa Ana Corp. (“**Corp**”) (being permit number RSP-2018-23, issued on November 27, 2019 (the “**Property RSP**”) and (ii) waiving or extending the 90 day nonoperation requirement or the Property RSP will be abandoned, (iii) agreeing to the lease of the Property by Buyer and its proposed tenant, and related documents, for the operation of a homeless shelter on the Property (“**Lease Documents**”) and (iv) such other terms and conditions as Buyer may require to assure Buyer that (X) in the event that Buyer purchases the Property that Buyer’s proposed tenant will lease the Property from Buyer and that the City will permit the operation of a homeless shelter there and (Y) in the event that there are any defaults under any of the Additional Documents (defined herein below), Buyer may realize upon its security therefore and own, sell or transfer the Property RSP and that the Property RSP shall remain in full force and effect for a substantial period of time after any such default, or (b) Buyer’s receipt of a letter(s) from the City of Santa Ana, acceptable to Buyer, that the Property RSP may be transferred to another location or person, that upon Buyer’s purchase of the Property and Seller’s or Corp.’s cessation of operations at the Property, the Property RSP shall not be deemed abandoned within 90 days thereafter (or such 90 day period is waived or substantially extended) and such other terms and conditions required by Buyer and that the City has approved of the Lease Documents and will permit the operation of a homeless shelter on the Property by said tenant. In the event that such conditions are not timely satisfied or waived by Buyer (in its sole and absolute discretion) on or before the Expected Closing Date, Buyer shall have the right to terminate the Agreement and the Deposit shall be immediately returned to Buyer and neither party shall have any further rights or obligations hereunder, except for the obligations expressly deemed, pursuant to the terms and provisions of this Agreement to survive the termination of the Agreement provided however, in the event that the Deposit has already been released to Seller pursuant to Paragraph A above, the Deposit shall then be deemed a Loan to Seller as set forth in Paragraph A above. Notwithstanding anything to the contrary set forth herein or in the Agreement, in the event that The conditions to Buyer’s obligations to close under this Paragraph B have not been satisfied or waived by Buyer prior to the Expected Closing Date, Buyer shall have the right to extend the Expected Closing Date and closing for a period not to exceed 30 days by written notice thereof to Seller and Escrow Holder.

- C. **ADDITIONAL CONDITION TO SELLER’S OBLIGATIONS.** Notwithstanding anything to the contrary set forth herein, in the event that Buyer has given a Notice of Approval pursuant to Paragraph A above, Seller’s obligation to close shall then be conditioned upon Seller’s (and Buyer’s) receipt of a letter from the City of Santa Ana, acceptable to Seller in its good faith discretion, that the Property RSP may be transferred to another location or person and that upon Buyer’s purchase of the Property and Seller’s or Corp.’s cessation of operations at the Property, the Property RSP shall not be deemed abandoned within 90 days thereafter (or such 90 day period is waived or substantially extended); provided however, that this condition shall be deemed satisfied and waived by Seller upon the City’s agreement to the a letter in the form attached hereto as Exhibit A.
- D. **ADDITIONAL DOCUMENTS TO CLOSING.** Notwithstanding anything to the contrary set forth herein, Buyer’s obligation to close is expressly conditioned Seller, Corp. and Terra Tech Corp. (“**TTC**”) executing and delivering to Buyer that certain Secured Promissory Note, Letter Agreement, Consulting Agreement and Security Agreement attached hereto (collectively, the “**Additional Documents**”) and, as a condition to Buyer’s closing hereunder, there shall be no default by Seller or Corp thereunder, nor shall there have occurred any event which with the passage of time or the giving of notice or both would be a default by Seller or Corp. thereunder.
- E. **ADDITIONAL POST CLOSING OBLIGATIONS.** Notwithstanding anything to the contrary herein or in any Additional Document, in the event of any default by Seller, Corp., or TTC under

any Additional Document, each of Seller, Corp., and TTC agree to fully cooperate with Buyer, at no cost to Buyer, in transferring the Property RSP to Buyer (or any assignee of Buyer), free and clear of any claims, liens or rights of others, and to timely execute and deliver all necessary instruments or documents to so effectuate such transfer. Additionally, each of Seller, Corp., or TTC expressly covenant and agree that it (i) shall timely take all necessary actions, timely execute and file all necessary documents and applications and timely pay all fees and costs necessary to cause the Property RSP (as defined in PSA) to be renewed, without condition and (ii) will not, from and after the date hereof, and including during the time of any default by Seller, Corp. or TTC hereunder or under an Additional Document, take any action, or permit any action, which will transfer, alienate, modify, amend, invalidate, encumber, lien, suspend, surrender, terminate or otherwise affect the Property RSP in any manner whatsoever or take any actions which cause, or with the giving of notice or the passage of time or both cause, a default under the Property RSP or which would permit the City of Santa Ana to invalidate, revoke, terminate or renew the Property RSP without the prior written consent of Dyer, which such consent may be given or denied in Dyer's sole and absolute discretion. The obligations of Seller, Corp., and TTC under this Paragraph shall expressly survive the closing of the sale of the Property to Buyer, the recordation of the deed, any termination of this Agreement or any Additional Document

- F. SELLER REPRESENTATIONS AND WARRANTIES AND COVENANTS. In addition to all other representations and warranties and covenants of Seller herein, Seller further represents, warrants and covenants that: (1) the Property RSP and Seller's or Corp's rights in and to the Property RSP are owned free and clear of any and all liens, encumbrances, claims, covenants, conditions, restrictions, or other matters, or rights or interests of others, and that Seller shall not grant or cause or allow the Property RSP to be subject to any and all liens, encumbrances, claims, covenants, conditions, restrictions, or other matters, or rights or interests of others, or to enter into any agreement which may create any of the foregoing, through and until Seller has paid in full all monies due Buyer pursuant to, and performed all obligations of Seller, pursuant to the Additional Documents, (2) Seller shall execute and deliver, and shall cause Corp. to execute and deliver, as an additional condition to Buyer's obligations to close hereunder, such Additional Documents as to which they are a party, (3) neither Seller nor Corp. have entered into any contracts for the sale, exchange or other disposition of the Property RSP or any portion thereof, nor do there exist any rights of first refusal, options or other rights of any other party to purchase all or any portion of the Property RSP; (4) neither Seller nor Corp. have received any written notice from any governmental entity that the Property RSP, or the operation or use of the same, does not comply with any law, ordinance or regulation in any respect; (5) neither Seller nor Corp. shall take any actions which cause, or with the giving of notice or the passage of time or both cause, a default under the Property RSP or which would permit the City of Santa Ana to invalidate, revoke, terminate or renew the Property RSP; (6) Seller and Corp. shall timely take all necessary actions, timely execute and file all necessary documents and applications and timely pay all fees and costs necessary to cause the Property RSP to be renewed, without condition; and (7) Seller shall not, nor shall Seller take any act which would cause Seller or Corp. to (i) make a general assignment for the benefit of creditors, (ii) file any voluntary petition in bankruptcy or suffer the filing of any involuntary petition by any creditors against it, (iii) suffer, cause, permit or allow the appointment of a receiver to take possession of all, or substantially all, of Seller's or Corp.'s assets, or (iv) suffer, permit, cause or allow the attachment or other judicial seizure of all, or substantially all, of Seller's or Corp.'s assets. The foregoing representations and warranties shall be continuing and shall be true and correct in all material respects as of the Close of Escrow with the same force and effect as if remade by Seller at that time. The truth and accuracy of Seller's representations and warranties and performance of covenants made herein shall constitute a condition for the benefit of Buyer to the closing of the transaction and shall survive the Close of Escrow for a period of fourteen (14) months.

- G. **BUYER'S TITLE APPROVAL RIGHTS.** Paragraph 9.1(f) of the Agreement is amended to provide as follows: "Buyer shall have the right to approve or disapprove all encumbrances, easements, covenants, conditions, restrictions, rights and other matters, whether of record or not on or before the Due Diligence Deadline. Seller shall cause all mortgages, deeds of trust and monetary liens (including liens for delinquent taxes, mechanics' liens and judgement liens) affecting the Property and all indebtedness secured thereby (the "**Existing Liens**", but which does not include any such mortgages, deeds of trust and monetary liens created by or with the written consent of Buyer or which are caused or created by Buyer (or any person or entity working by, under or through Buyer), to be fully satisfied, released and discharged of record on or prior to the close of escrow so that Buyer shall take title to the Property free of the same. All costs related to the extinguishment of the Existing Liens shall be borne by Seller."
- H. **ACCESS TO PROPERTY.** Buyer shall have reasonable access to the Property at all times during the term of the Agreement, subject to the rights of tenants therein, upon prior written notice to Seller at least 1 Business Day prior to the requested access, any such access to be on a Business Day during Seller's normal working hours (unless otherwise agreed to in writing by Seller).
- I. **INDEMNIFICATION.** Notwithstanding anything the contrary set forth in the Agreement, from and after the Close of Escrow, Seller hereby agrees to indemnify Buyer and Buyer's members, managers, representatives, successors and assigns, and each of them (collectively, "Buyer's Representatives") against, and to defend and hold Buyer and Buyer's Representatives harmless from, all claims, demands, actions, causes of action, lawsuits, losses, damages, costs, expenses and other liabilities, including, with-out limitation, reasonable legal fees and disbursements, incurred by Buyer and Buyer's Representatives which arise or result from acts, occurrences or matters that take place on or after the Close of Escrow, or arise or result from a breach by Seller of its agreements, covenants, representations or warranties hereunder, or arise after the Close of Escrow with regard to any obligations or liabilities assumed by Buyer hereunder, including, without limitation, any inability of Buyer to own, transfer, sell or otherwise realize on the Property RSP in the event that Seller or Corp. defaults hereunder or any of the Additional Documents. The obligations of Seller under this Paragraph shall survive the Close of Escrow indefinitely.
- J. **BROKERS.** Notwithstanding anything to the contrary in this Agreement, Seller shall be responsible for, and shall pay, any and all commissions, fees or other sums due or payable to the Brokers arising from the transactions contemplated by this Agreement.
- K. **COVID-19.** Buyer and Seller acknowledge that the current spread of novel coronavirus (COVID-19) may cause delays or render it impossible or commercially unreasonable for Buyer to perform its contractual obligations, including closing in a timely manner. Therefore, if Buyer is unable to meet a specific deadline in the Agreement due to any of the following: (a) a quarantine ordered by a government authority or an attending physician; (b) hospitalization of Buyer or any manager or member of Buyer (or a member of their immediate family); (c) inability of a vendor, agent, lender, escrow company, title insurer, attorney, insurance company, utility, or governmental agency whose cooperation is required to perform or provide a necessary service; or (d) a similar impediment related to the COVID-19 emergency that is outside the reasonable control of Buyer (collectively, "Condition"), then as soon as reasonably possible, Buyer may give notice of the Condition to Seller and all deadlines and times for performance by Buyer contained in the Agreement shall automatically be extended for a period of 30 days ("Extension"). In the event that the Extension expires before the Condition is resolved, then the parties may agree in writing to an additional extension of time, or Buyer may terminate this Agreement in writing within one (1) business day of the expiration of the Extension, all Deposit monies shall be returned to the Buyer, and Buyer and Seller shall have no further obligations under this Agreement except those specifically state they survive any termination hereof.

- L. FAILURE OF BUYER'S CONDITIONS TO CLOSE OF ESCROW. In the event any of the conditions to closing are not timely satisfied or waived, for a reason other than the default of Buyer under the Agreement, and such condition is not waived by Buyer, Buyer shall have the right to terminate this Agreement, the Escrow and the rights and obligations of Buyer and Seller shall terminate, except as otherwise provided herein; and Escrow Holder shall return the Deposit to Buyer, Escrow Holder is hereby instructed to promptly return to Seller and Buyer any funds and documents deposited by them, respectively, into Escrow which are held by Escrow Holder on the date of said termination (less, in the case of the party otherwise entitled to such funds, however, the amount of any cancellation charges required to be paid by such party hereunder). In the event the Escrow terminates because of the non-satisfaction of any condition for a reason other than the default of Buyer, or Seller, the cancellation charges required to be paid by and to Escrow Holder and the Title Company shall be borne one-half (½) by Seller and one-half (½) by Buyer, and all other charges shall be borne by the party incurring same. In the event the Escrow terminates because of the default of Buyer or Seller, the defaulting party shall pay all such cancellation charges.
- M. FAILURE OF BUYER TO CLOSE FOR ANY REASON OTHER THAN A SELLER DEFAULT OR FAILURE OF BUYER'S CONDITION HEREUNDER. Notwithstanding anything to the contrary in the Agreement or this Addendum, in the event Buyer fails to close the purchase of the Property for any reason other than a failure of a condition to close or a Seller default hereunder, then, Paragraph 21 of this Agreement shall not apply, and as stated above, instead, Seller and Buyer agree that its Deposit shall then be deemed a loan to Seller, subject to Seller's, Corp's and TTC's executing and delivering the Additional Documents to Buyer (with such modifications thereto to increase the loan amount from \$1,000,000 to \$2,000,000, change the commencement and maturity dates and the interest rate and as otherwise required by Buyer) and this Agreement shall be terminated and neither party shall have any further rights or obligations hereunder, except for the obligations expressly deemed, pursuant to the terms and provisions of this Agreement to survive the termination of the Agreement. In such event, the cancellation charges required to be paid by and to Escrow Holder and the Title Company shall be borne one-half (½) by Seller and one-half (½) by Buyer, and all other charges shall be borne by the party incurring same.
- N. LIKE-KIND EXCHANGE. Subject to the terms and conditions of this Section, each party agrees to cooperate with the other party in effecting for the benefit of such party a simultaneous or delayed like-kind exchange of real property pursuant to Section 1031 of the United States Internal Revenue Code and similar provisions of applicable state law, provided that (i) either party shall incur additional costs, expenses or liabilities as a result of, or in connection with, the exchange of the other party; (ii) the closing of the escrow for the sale of the Property to Buyer shall not be delayed as a result of the exchange but shall occur within the time period contemplated by this Agreement; (iii) the cooperating party shall not be required to acquire or take title to any substitute property; and (iv) such exchange shall not affect the representations, warranties, liabilities, covenants and obligations of the parties to each other under this Agreement. Seller and Buyer agree that the closing of the Escrow relating to the purchase and sale of the Property is not conditioned on the simultaneous consummation of the exchange for the benefit of either party and that in the event that the escrow relating to the exchange property is not ready to close as a simultaneous exchange but the escrow relating to this transaction is ready to close, then this transaction shall nevertheless close within the time period agreed upon in this Agreement.

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O. COUNTERPARTS. This Addendum and the Agreement may be executed in one or more counterparts and each of such counterparts shall, for all purposes, be deemed to be an original, but all of such counterparts shall constitute one and the same instrument. A fully executed .pdf or facsimile copy of this Addendum and the Agreement shall be effective as an original.

1815 CARNEGIE, LLC

By: 
Name: Michael Nahass
Title: Manager

DYER 18, LLC

By: 
Name:
Title:

Continued next page

The undersigned, affiliates of Seller herein, and acknowledging that each of them are benefiting from the sale of the Property from Seller to Buyer, and now intending to be legally bound, do hereby enter into this Agreement and Addendum for the purposes of expressly (a) agreeing to the terms herein and to the sale of the Property by Seller to Buyer, (b) agreeing to be bound by Paragraphs A, B, D, E and F herein, (c) agreeing that any representation, warranty, or covenant herein made by Seller regarding the Property RSP shall also be deemed and construed as a representation, warranty or covenant by each of the undersigned, and each of the undersigned do hereby so agree. The undersigned also hereby indemnify, defend and hold Buyer and Buyer's representatives harmless on the same terms and conditions as set forth in Paragraph I herein above. This agreement of the undersigned shall expressly survive the closing of the sale of the Property to Buyer, the recordation of the deed, any termination of this Agreement or any Additional Document.

TERRA TECH CORP.

By: 
Name: Michael Nahass
Title: President/COO

1815 CARNEGIE SANTA ANA CORP.

By: 
Name: Michael Nahass
Title: President

EXHIBIT A
LETTER TO CITY OF SANTA ANA
see attached

