

DUE DILIGENCE AND EXCLUSIVE NEGOTIATING AGREEMENT

This Due Diligence and Exclusive Negotiating Agreement (this “Agreement”) is entered into as of OCTOBER 14 2026 (the “Effective Date”) by and between Ocean View School District of Orange County, a California school district (“District”), and the joint venture of Knighthall Capital and Tait and Associates, Inc. (collectively, “Developer” and, together with District, the “Parties”), with reference to the following recitals of fact:

RECITALS

A. WHEREAS, District owns a fee simple interest in approximately 10.6 net acres of real property located at 16692 Landau Lane, Huntington Beach, California, identified as Assessor’s Parcel Numbers 107-652-10 and 107-231-11 and commonly known as the Pleasant View site (“Property”);

B. WHEREAS, on or about February 24, 2026, District issued that certain Request for Statements of Qualifications and Request for Proposals for Property Exchange or Joint Occupancy of Real Property Owned by Ocean View School District with respect to the Property (the “RFP”), as supplemented by Addendum No. 1, Addendum No. 2, and the District’s written responses to proposers’ questions;

C. WHEREAS, Developer timely submitted a proposal in response to the RFP (the “Developer Submission”). Following its evaluation of the proposals received, District selected Developer as its preferred development partner for purposes of negotiating a joint occupancy arrangement pursuant to which Developer would entitle and develop the Property as a for-sale residential community currently contemplated to include one hundred fifty-two (152) homes, approximately 4 acres of soccer fields and open space, and related parking and improvements (collectively, the “Project”);

D. WHEREAS, the Parties acknowledge that additional due diligence, environmental review, project planning, and negotiation are necessary before either Party can determine whether to proceed with, or agree upon the terms of, a Joint Occupancy Agreement;

E. WHEREAS, District has agreed, upon the terms and conditions set forth herein, to provide Developer an exclusive period in which to conduct due diligence and negotiate with District concerning a possible Joint Occupancy Agreement for the Project; and

F. WHEREAS, the Parties acknowledge that this Agreement is limited to due diligence and exclusive negotiations. Any Joint Occupancy Agreement remains subject to negotiation of mutually acceptable terms, completion of all legally required proceedings and findings, approval by the District’s Board of Trustees (“Board”), and execution by both Parties. Nothing in this Agreement obligates District or Developer to approve or enter into a Joint Occupancy Agreement, grants Developer any interest in the Property, or assures approval of the Project or any entitlement.

NOW, THEREFORE, in consideration of the recitals hereof and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

AGREEMENT

1. Recitals. The above Recitals are hereby expressly incorporated herein and made a part of this Agreement by this reference.

2. Due Diligence and Exclusive Negotiations.

(a) Exclusivity. Subject to the terms of this Agreement, District grants Developer the exclusive right, during the Exclusive Negotiation Term, to conduct the authorized due diligence described in this Agreement and to negotiate with District concerning a possible Joint Occupancy Agreement for the Property (the "Exclusive Negotiation Right"). The Exclusive Negotiation Right is contractual and personal to Developer and is not an option to purchase, lease, occupy, or otherwise acquire any estate or interest in the Property.

(b) Initial Deposit. The Exclusive Negotiation Right is granted in consideration of Developer's agreement to pursue due diligence for the proposed Project and Developer's payment to District of Sixty Thousand Dollars (\$60,000) within thirty (30) days after execution of this Agreement (the "Initial Deposit").

(c) Termination. Developer may terminate this Agreement at any time by written notice to District. District may terminate this Agreement by written notice if (i) Developer materially defaults and fails to cure within the applicable period stated in Section 8, (ii) Developer fails to diligently pursue the Investigations, as defined below, or negotiations. Upon termination of this Agreement, or expiration of the Exclusive Negotiation Term without execution of a Joint Occupancy Agreement, the District shall refund the Initial Deposit. If the Parties execute a Joint Occupancy Agreement before termination of this Agreement or expiration of the Exclusive Negotiation Term, the District shall retain the Initial Deposit.

3. Exclusive Negotiation Term. The exclusive negotiation term (the "Exclusive Negotiation Term") shall commence on the Effective Date and shall continue for a term of one hundred twenty (120) days.

4. Extensions to Exclusive Negotiation Term. Developer shall have the right to extend the Exclusive Negotiation Term for up to two additional thirty (30) day periods by providing written notice to District and paying District twenty thousand dollars (\$20,000) for each extension (each, a "Due Diligence Extension Payment") before the then-current Exclusive Negotiation Term expires. If Developer terminates the transaction during an extension period, District shall retain the Initial Deposit, all Due Diligence Extension Payments for completed extension periods, and the portion of the Due Diligence Extension Payment for the current extension period attributable to the elapsed portion of that period, prorated on a daily basis.

District shall refund the remaining balance of that Due Diligence Extension Payment to Developer.

5. Nonbinding Framework for Possible Joint Occupancy Agreement.

(a) General. The provisions of this Section 5 are nonbinding discussion points only. They identify matters the Parties presently expect to consider if they negotiate a Joint Occupancy Agreement, but they do not constitute an offer, create an agreement on any business term, or obligate either Party to accept a stated term. The Parties may supplement, modify, refine, or reject any item during negotiations. Neither Party shall be obligated to execute a Joint Occupancy Agreement unless and until (i) Developer confirms that it wishes to proceed with the Project, (ii) the Parties reach agreement on every material term, (iii) all proceedings, approvals, findings, notices, hearings, and other actions required by law have been completed, (iv) the Board approves the final Joint Occupancy Agreement in its sole legislative discretion, and (v) both Parties execute and deliver it.

(b) Principal Business Terms for Discussion. Solely as a nonbinding framework, the Parties presently anticipate discussing provisions generally addressing the subjects below. Any use in this Section 5 of “shall,” “will,” “agree,” “approval,” or similar mandatory language describes a potential term of a future Joint Occupancy Agreement only and does not make that term binding under this Agreement.

(i) Occupancy Term. The term of the Joint Occupancy Agreement shall be ninety-nine (99) years (the “Occupancy Term”).

(ii) Potential Project. As between Developer and District, Developer shall be responsible for the design, financing, entitlement, construction, and development of a for-sale residential community. The currently contemplated program includes one hundred fifty-two (152) homes, for which 99-year leases shall be sold. At least thirteen percent (13%) of the units shall be deed-restricted for purchase and occupancy by low-income households, with occupancy preferences for District employee households. The site plan, unit count, product mix, plan sizes, parking, and other Project components may be altered during due diligence and entitlement in coordination with the District and the City of Huntington Beach.

The Parties acknowledge that the final scope, site plan, building design, unit mix, affordability program, recreational improvements, parking configuration, landscaping, and other Project components may be modified during the foregoing process to address governmental requirements, Project Financing requirements, operational considerations, or District objectives.

(iii) Park and Recreational Improvements. The development program includes approximately 4 acres of soccer fields and park space for the District’s priority use, totaling approximately 174,240 square feet, including the retention of Pleasant View Park (the “Park Improvements”). The final configuration,

programming, ownership, maintenance responsibility, and long-term operation of the soccer fields and open space shall be determined by the Parties during the Due Diligence Period and through the entitlement process.

(iv) Occupancy Consideration. Base payments under the Joint Occupancy Agreement shall be made as follows:

(A) Upon execution of the Joint Occupancy Agreement, Developer shall pay the District one hundred twenty thousand dollars (\$120,000).

(B) One year after execution of the Joint Occupancy Agreement, if the District has not received its share of the "Builder Payment," as defined below, Developer shall pay the District one hundred thousand dollars (\$100,000).

(C) Two years after execution of the Joint Occupancy Agreement, if the District has not received its share of the "Builder Payment," Developer shall pay the District one hundred twenty thousand dollars (\$120,000).

(D) Three years after execution of the Joint Occupancy Agreement, if the District has not received its share of the "Builder Payment," Developer shall pay the District one hundred forty thousand dollars (\$140,000).

(E) Four years after execution of the Joint Occupancy Agreement, if the District has not received its share of the "Builder Payment," Developer shall pay the District one hundred sixty thousand dollars (\$160,000).

(F) Five years after execution of the Joint Occupancy Agreement, if the District has not received its share of the "Builder Payment," Developer shall pay the District one hundred eighty thousand dollars (\$180,000).

(G) Upon receipt of Entitlements for the Project, the right to sell and construct homes shall be sold to a merchant homebuilder. Proceeds of the sale to the merchant homebuilder (the "Builder Payment") will be distributed half to the District and half to the Developer.

(H) The sale to the merchant homebuilder shall be subject to District's review and approval in its sole discretion; provided, however, that if the proceeds payable to District exceed a threshold amount to be established in the Joint Occupancy Agreement, adjusted for inflation, District's approval shall not be unreasonably withheld or conditioned.

(1) The Parties currently contemplate a threshold amount of Fifteen Million Dollars (\$15,000,000), subject to ongoing underwriting review and good faith negotiation. Developer acknowledges that an acceptable financial return is material to District's decision whether to enter into the Joint Occupancy Agreement.

(2) Before the Builder Payment is distributed, certain predevelopment costs may be reimbursed. The Parties will negotiate in good faith regarding reimbursable costs.

(I) Ground Rent. Thereafter, Developer shall pay District annually an amount equal to fifty percent (50%) of the achieved ground rent (the "Ground Rent Payment"). Each homeowner's ground rent is anticipated to equal one percent (1.0%) of the initial home purchase price per year, payable monthly, with the final rate to be established in the Joint Occupancy Agreement. Ground rent shall increase by no more than three percent (3.0%) annually. Upon each resale, ground rent shall reset to the same percentage of the gross resale price applied to the original purchase price, provided that no reset shall result in a decrease in ground rent. The selling homeowner shall pay a participation payment equal to two percent (2.0%) of the gross resale price, shared fifty percent (50%) to District and fifty percent (50%) to Developer. Upon final buildout of the Project or within ten years of execution of the Joint Occupancy Agreement, whichever is sooner, the Parties currently contemplate Ground Rent Payment shall be no less than seven hundred fifty thousand dollars (\$750,000), adjusted for inflation. Developer acknowledges that an acceptable financial return is material to District's decision whether to enter into the Joint Occupancy Agreement.

(v) Entitlements. Developer shall lead and fund the entitlement process and shall be responsible for obtaining all discretionary and ministerial approvals required for the Project (collectively, the "Entitlements"). Following execution of the Joint Occupancy Agreement, District shall reasonably cooperate at no cost to District and shall not oppose a residential project materially consistent with the business plan set forth in the Joint Occupancy Agreement, provided that all applications, maps, plans, documents, instruments, and other matters requiring District's execution, consent, support, or participation shall be subject to District's review and approval. Approval authority shall be delegated to a District representative. Any materials not disapproved within 15 days shall be deemed approved.

(vi) Lender and Investor Right to Cure. Pursuant to the terms of the Joint Occupancy Agreement, upon request, District shall agree to provide notice of any defaults by Developer under the Joint Occupancy Agreement to Developer's limited partners and lenders, as applicable, and allow any such entities the right to cure any default by Developer under the Joint Occupancy Agreement.

(vii) Ownership; Homeowner Leases. District shall retain fee title to the Property. At or before the first home closing, the Joint Occupancy Agreement shall be subdivided so that each residential lot or unit is subject to a separate ground lease or sublease with the individual homeowner, coterminous with the master agreement, while common areas, private streets, and open-space areas remain under a master lease held by the community association. Upon expiration or earlier termination, the Property shall be surrendered to District and the Park Improvements shall be delivered to District in good condition.

(A) The Parties agree to conduct good faith negotiations regarding lawful mechanisms by which the Joint Occupancy Agreement can be renewed so that the master and individual home leases continue to be financeable.

(viii) Insurance and Indemnification. Developer, the merchant homebuilder, the community association, and individual homeowners, as applicable, shall maintain appropriate insurance for the Property and improvements. Developer shall indemnify, defend, and hold harmless District and its governing board, officers, employees, agents, and representatives from claims, liabilities, damages, losses, costs, and expenses arising from Developer's development, construction, use, occupancy, operation, or maintenance of the Property and improvements. The Joint Occupancy Agreement shall establish the allocation of insurance and indemnity obligations, required coverages, and limits.

(ix) Performance Security. Developer shall file a performance bond or irrevocable letter of credit for the performance of the Joint Occupancy Agreement. The amount, form, duration, draw conditions, and other requirements remain subject to negotiation and inclusion in an executed Joint Occupancy Agreement.

(x) Tolling. If litigation, an administrative proceeding, referendum, initiative, moratorium, agency-imposed processing suspension, or other legal or governmental challenge materially prevents or delays Developer's performance, only deadlines directly affected shall be tolled day for day while the impediment continues. Tolling shall not extend any period in which Developer can reasonably continue performance, and shall not suspend, reduce, or defer any payment unless District agrees in writing. Developer shall give prompt written notice, diligently pursue resolution, and continue performance to the extent reasonably practicable.

(xi) Termination. If Developer has not obtained appeal-free Entitlements within three (3) years after execution of the Joint Occupancy Agreement, the District may terminate. If the District has not received its share of the Builder Payment within five (5) years after execution of the Joint Occupancy Agreement, the District may terminate.

(xii) Additional Terms. The Joint Occupancy Agreement may include such additional terms and provisions as the Parties deem appropriate, including, but not limited to, provisions addressing title matters, conditions precedent, representations and warranties, environmental compliance, utilities, maintenance obligations, casualty, condemnation, assignment, lender protections, defaults and remedies, dispute resolution, and any other matters the Parties may mutually agree.

6. Negotiation and Possible Execution of Joint Occupancy Agreement.

(a) Negotiation of Joint Occupancy Agreement. During the Exclusive Negotiation Term, the Parties shall negotiate in good faith regarding a possible Joint

Occupancy Agreement, using the nonbinding provisions of Section 5 solely as a framework. Good-faith negotiation does not require either Party to agree to any proposal, continue negotiating after termination or expiration of this Agreement, or execute a Joint Occupancy Agreement. Any Joint Occupancy Agreement shall not become effective unless and until the Parties have agreed on all material terms, all required legal proceedings and findings have been completed, the Board has approved the final agreement, and both Parties have executed and delivered it.

(b) Good Faith Negotiation. District, in its proprietary capacity, shall cause District staff to negotiate in good faith with Developer during the Exclusive Negotiation Term with respect to the possible Joint Occupancy Agreement.

(c) Negotiation Process. Developer and District staff or a designated negotiator, as needed, shall meet or hold a conference call approximately every two (2) weeks during the Exclusive Negotiation Term to negotiate the Joint Occupancy Agreement and discuss the status of activities and tasks related to the negotiations and the project, the accomplishment of such activities and tasks and other such matters as District or Developer reasonably requests. The parties shall follow reasonable negotiation procedures, including meetings, telephone and video calls, and correspondence.

7. Property Due Diligence Matters. During the duration of this Agreement, Developer shall conduct due diligence to confirm it wishes to proceed with a project on the Property and enter a Joint Occupancy Agreement.

(a) Examination of Documentation. District has made available to Developer, through Dropbox, items regarding the Property within District's possession or control, and upon execution of this Agreement, will make additional items available (collectively, the "Property Documents"). District shall promptly deliver to Developer such other information relating to the Property as Developer may reasonably request in writing during the Investigations, in each case to the extent such information is in District's possession or control.

(b) City Discussions and Applications. During the Exclusive Negotiation Term, Developer may, at its sole cost and expense, communicate and meet with the City of Huntington Beach ("City") regarding the proposed Project, obtain preliminary comments and guidance, and prepare and submit applications, plans, studies, and other materials to the City to evaluate the Project's feasibility and pursue proposed Entitlements. Any application submitted to the City shall be subject to District's prior written approval. District shall reasonably cooperate in connection with approved applications, including executing reasonably necessary property owner authorizations, provided that such cooperation shall be at no cost to District and shall not obligate District to approve the Project, enter into a Joint Occupancy Agreement, or accept any condition or commitment affecting District or the Property.

Developer shall keep District reasonably informed of material discussions with the City and promptly provide District with copies of submitted applications and material correspondence. Activities authorized under this subsection shall constitute part of the

Investigations and remain subject to the applicable provisions of this Section 7. District's approval of an application or execution of a property owner authorization shall authorize its submission and processing only and shall not constitute approval of the Project or a commitment to proceed with its development.

(c) Investigations.

(i) License to Enter. To conduct due diligence, Developer may enter the Property, and may permit its employees, agents, consultants, engineers, architects, surveyors, contractors, subcontractors, and other persons acting on Developer's behalf to enter the Property, solely for the purpose of conducting tests, investigations, inspections, surveys, studies, and other due diligence reasonably necessary or appropriate to evaluate the proposed Project (collectively, the "Investigations"), at Developer's sole cost and expense. Developer shall be fully responsible for the acts and omissions of all such persons and for ensuring their compliance with this Section. Developer's right to enter the Property constitutes a temporary, revocable license only, creates no leasehold, easement, possessory interest, or other property interest, and may be suspended, conditioned, or revoked by District to the extent reasonably necessary to protect public safety, prevent material interference with authorized uses of the Property, or address Developer's material breach of this Agreement.

(ii) Access to Property. All entry upon the Property shall be subject to District's prior written approval regarding the date, time, duration, scope, and nature of the proposed activities, which approval shall not be unreasonably withheld, conditioned, or delayed. District may reasonably reschedule or limit requested access to avoid interference with District maintenance activities, American Youth Soccer Organization activities, other authorized uses of the Property, or other legitimate operational or safety concerns. Except as otherwise approved by District in writing, all Investigations shall be conducted during reasonable hours and while accompanied by a District representative designated by District. Developer shall conduct the Investigations in a safe and workmanlike manner, shall comply with all applicable laws and all reasonable District requirements governing access to the Property, and shall not unreasonably interfere with any authorized use of the Property.

(iii) Invasive Testing. Developer shall provide District with written notice at least five (5) calendar days before conducting any borings, excavations, trenching, coring, environmental sampling, or other invasive or destructive testing and shall not undertake any such activities without District's prior written approval, which may be granted or withheld in District's reasonable discretion. Such notice shall reasonably describe the nature, location, scope, and anticipated duration of the proposed testing. As a condition of any approval, Developer shall maintain any additional insurance reasonably required by District based upon the nature of the proposed activities, promptly backfill all borings and excavations, remove all equipment and debris, repair any damage, and restore the Property to

substantially the same condition existing immediately prior to the approved work, to District's reasonable satisfaction.

(iv) Insurance. Prior to any entry upon the Property, Developer shall furnish District with certificates of insurance reasonably satisfactory to District evidencing commercial general liability insurance with limits of not less than One Million Dollars (\$1,000,000.00) per occurrence and Two Million Dollars (\$2,000,000.00) in the aggregate, naming District, its Board members, officers, employees, and agents as additional insureds with respect to Developer's activities on the Property. Such insurance shall be primary and non-contributory with respect to any insurance maintained by District and shall include a waiver of subrogation in favor of District to the extent commercially available. Developer shall require all persons entering the Property on its behalf to maintain insurance customary for the activities they will perform on the Property.

(v) Indemnity. Developer shall indemnify, defend, and hold harmless District and its Board members, officers, employees, agents, and representatives from and against any and all claims, demands, causes of action, liabilities, losses, damages, costs, expenses, fines, penalties, judgments, and reasonable attorneys' fees, whether or not asserted by a third party, arising out of or relating to Developer's entry upon the Property or the Investigations, including any invasive or destructive testing, except to the extent finally determined by a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of District. Without limiting the foregoing, Developer shall be responsible for all damage to the Property caused by the Investigations, all costs of restoring the Property substantially to the condition existing before such damage, any environmental contamination or other condition caused or negligently exacerbated by Developer, and all losses or expenses incurred by District in responding thereto. Nothing in this subsection shall make Developer responsible solely for the discovery of pre-existing hazardous materials or other conditions not caused or negligently exacerbated by Developer. Developer's obligations under this subsection shall not be limited by the amount or existence of any insurance maintained by Developer. The indemnification and defense obligations of Developer contained herein shall survive the expiration or earlier termination of this Agreement for a period of (1) year.

(vi) Notice of Material Conditions; Suspension of Work. Developer shall immediately notify District orally upon discovering any hazardous or toxic materials, environmental contamination, archaeological or cultural resources, endangered or protected species, utility conflicts, structural deficiencies, or other material condition that could materially affect the Property or the proposed Project. Upon discovery of any such condition, Developer shall immediately suspend that portion of the Investigations directly affected by the discovery until the Parties have had a reasonable opportunity to confer regarding the appropriate course of action and any legally required notifications have been addressed; provided, however, that nothing herein shall require Developer to violate applicable law or the lawful direction of any governmental agency. To the extent

legally permissible, Developer and District shall cooperate in good faith regarding the timing and content of any legally required notification to a governmental agency relating to such condition.

(vii) Confidentiality: Public Statements. All Property Documents furnished by District, together with all reports, studies, surveys, analyses, test results, photographs, data, maps, plans, drawings, and other information generated or obtained by Developer in connection with the Investigations (collectively, the "Investigation Materials"), together with all of Developer's underwriting analyses, pro formas, cost estimates, financing terms, and investor and lender documentation furnished to the District in connection with this Agreement (collectively, the "Developer Confidential Documentation" and, together with the Investigation Materials, the "Confidential Information"), shall be treated as confidential by the Party receiving the same (the "Receiving Party") and shall not be disclosed, published, distributed, or otherwise disseminated by the Receiving Party except as expressly permitted by this Agreement or as required by applicable law. Except as required by applicable law or after compliance with subsection (vi), neither Party shall disclose any hazardous or toxic materials, environmental contamination, archaeological or cultural resources, endangered or protected species, utility conflicts, structural deficiencies, or other material conditions identified during the Investigations without the other Party's prior written consent. Each Party may disclose Confidential Information to its consultants, contractors, attorneys, prospective lenders, investors, equity partners, insurers, and governmental agencies having jurisdiction to the extent reasonably necessary for the proposed Project, provided that such recipients are informed of the confidential nature of the Confidential Information. Except as required by applicable law, neither Party shall issue any press release or other public statement regarding the Property, the Project, the results of the Investigations, or the status of the Parties' negotiations without the other Party's prior written consent. The restrictions set forth in this clause shall not apply to Confidential Information to the extent such Confidential Information (A) is now, or hereafter becomes, through no act or failure to act on the part of the Receiving Party, publicly known or available, (B) is known by the Receiving Party at the time of receiving such information, as evidenced by the Receiving Party's records, (C) is independently developed by the Receiving Party without any breach of this Agreement and without any use of, or access to, the disclosing Party's Confidential Information, as evidenced by the Receiving Party's records, or (D) is the subject of a written permission to disclose provided by the disclosing Party to the Receiving Party.

(viii) Delivery of Investigation Materials. Upon the expiration or earlier termination of this Agreement for any reason, Developer shall automatically deliver to District, without further request, copies of all non-privileged Investigation Materials, including surveys, title reports, environmental reports, geotechnical reports, engineering reports, utility studies, traffic studies, feasibility studies, plans, drawings, maps, photographs, and similar due diligence materials prepared in connection with the Investigations. District may retain the

Investigation Materials and use them for its own evaluation of the Property and proposed Project, including review by District's legal counsel and other professional advisors. Except for disclosures to such advisors or as required by applicable law or court order, District shall not disclose or provide the Investigation Materials to any third party without Developer's prior written consent. Upon District's request, Developer shall also return or destroy all Property Documents and other confidential information furnished by District, except for one archival copy retained solely for legal or regulatory compliance purposes. All such materials and information are delivered by Developer without representation or warranty.

(ix) No Reliance. District makes no representation or warranty regarding the accuracy, completeness, or sufficiency of any Property Documents or other information furnished to Developer. Developer acknowledges that it is relying solely upon its own Investigations in evaluating the Property and determining the suitability of the Property for the proposed Project.

(x) Survival. The provisions of this Section, including each Party's obligations regarding confidentiality and Developer's obligations regarding insurance, restoration, indemnification, notice, and delivery of Investigation Materials, shall survive one (1) year after the expiration or earlier termination of this Agreement.

8. Default. Failure by any Party to perform its material obligations under this Agreement shall constitute an event of default. The non-defaulting Party shall give written notice specifying the nature of the default and the action required to cure it. If a monetary default remains uncured ten (10) days after receipt of such notice, or if a non-monetary default remains uncured thirty (30) days after receipt of such notice, or for such longer period as may be reasonably necessary to effect cure so long as the defaulting Party commences cure within such thirty (30)-day period and thereafter diligently prosecutes such cure to completion, the non-defaulting Party may pursue its rights and remedies under this Agreement and applicable law.

9. Remedies. Each covenant of the Parties under this Agreement is a material inducement to the other Party's execution of this Agreement. The Parties acknowledge that a breach of this Agreement may cause irreparable harm for which monetary damages alone would be an inadequate remedy. Accordingly, subject to the terms of this Agreement, either Party shall be entitled to seek specific performance, injunctive relief, and any other rights or remedies available at law or in equity. Each Party's rights and remedies under this Agreement shall be cumulative and not exclusive of any other rights or remedies except as otherwise expressly provided in this Agreement.

10. Limitation of Damages. Notwithstanding anything to the contrary contained in this Agreement, neither Party shall be liable to the other Party for any consequential, punitive, exemplary, speculative, remote, special, or indirect damages, including lost profits, lost business opportunities, diminution in value, or loss of anticipated tax credits, subsidies, financing, or investment returns. Nothing in this Section shall limit either Party's right to seek specific performance, injunctive relief, declaratory relief, or other equitable remedies with respect to a

breach of this Agreement, nor shall it limit any amounts payable pursuant to an express indemnity obligation contained in this Agreement to the extent arising from third-party claims.

11. Assignment. Because District selected Developer through the RFP process based on Developer's qualifications, Developer may not assign this Agreement, the Exclusive Negotiation Right, or its due diligence access rights without District's prior written consent, which District may grant or withhold in its sole discretion. Developer may propose in a future Joint Occupancy Agreement that specified rights be assigned to an affiliate, merchant homebuilder, financing party, community association, or homeowner, but no such future assignment right exists unless expressly included in a Board-approved and executed Joint Occupancy Agreement. Any attempted assignment in violation of this Section is void and does not release Developer from its obligations.

12. Notices. All notices or other communications made pursuant to this Agreement shall be in writing and shall be deemed properly delivered, given, or served to the Parties at the following addresses when (i) mailed by certified mail, postage prepaid, return receipt requested; (ii) sent by express delivery service, charges prepaid with a delivery receipt; or (iii) personally delivered with a delivery receipt obtained:

District: Ocean View School District
Business Services Office
17200 Pinehurst Lane
Huntington Beach, CA 92647
Attn: Keith Farrow

Developer: Knighthall Capital
3 Corporate Plaza, Suite 140
Newport Beach, CA 92660
Attn: Pete Zak and Kory Kramer

Tait and Associates, Inc.
701 N. Parkcenter Drive
Santa Ana, CA 92705
Attn: Trevor Tait

All notices so delivered, mailed, or sent shall be deemed received as of the date shown on the delivery receipt as the date of delivery, the date delivery was refused, or the date the notice was returned as undeliverable. Either Party may change its address for purposes of this Section by giving prior written notice of the change to the other Party in the manner provided in this Section.

13. Binding Effect. The provisions of this Agreement governing due diligence, access, deposits and fees, confidentiality, indemnification, exclusivity, negotiation procedures, default, remedies, and other express procedural obligations are binding upon the Parties and their permitted successors and assigns. Section 5 and all proposed terms for a possible Joint

Occupancy Agreement are nonbinding and create no obligation except to negotiate in good faith during the Exclusive Negotiation Term, subject to each Party's express right not to agree to or execute a Joint Occupancy Agreement.

14. Time. Time is of the essence of this Agreement. If the deadline for any notice to be provided hereunder is a Saturday, Sunday or a state or federal holiday under the laws of the State of California or the United States of America, as applicable, or a banking holiday, such date shall be extended to the first business day thereafter that is not a Saturday, Sunday or such holiday.

15. Further Documents. Upon reasonable request, each Party will execute and deliver documents reasonably necessary to implement the binding due diligence and exclusive-negotiation provisions of this Agreement. Nothing in this Section requires either Party to execute a Joint Occupancy Agreement, approve an entitlement, convey or encumber any interest in the Property, or agree to any proposed business term.

16. Commission. Each Party represents to the other Party that it has not engaged or used the services of any person, firm, or corporation that may claim a broker's commission or finder's fee in connection with this Agreement or the transactions contemplated hereby, and each Party agrees to hold the other Party harmless from any loss, damage, expense, or liability, including attorneys' fees, resulting from any claim by any person, firm, or corporation based upon its having acted as broker or finder on behalf of such indemnifying Party.

17. Exclusivity. During the Exclusive Negotiation Term, District shall not, directly or indirectly, (i) solicit, encourage, negotiate, or enter into discussions with any person or entity other than Developer regarding the sale, long-term lease, joint occupancy, financing, development, exchange, or other material disposition of all or any portion of the Property for a competing development proposal (each, a "Competing Transaction"); or (ii) enter into any letter of intent, agreement, commitment, or arrangement with another person concerning such a transaction. This restriction does not prohibit District from maintaining, operating, licensing, or permitting temporary or short-term uses of the Property that would not interfere with any Joint Occupancy Agreement; responding to governmental inquiries; complying with law; evaluating District needs; or taking action reasonably necessary to protect the Property or District interests, so long as District does not negotiate a Competing Transaction during the Exclusive Negotiation Term.

18. Captions. The captions of the paragraphs of this Agreement are for convenience and reference only, and the words contained in the captions shall in no way explain, modify, amplify, or aid in the interpretation, construction, or meaning of the provisions of this Agreement.

19. Entire Agreement. This Agreement constitutes the entire agreement between the Parties concerning due diligence and exclusive negotiations for the Property and supersedes prior and contemporaneous negotiations, discussions, representations, and understandings concerning those subjects. The Developer Submission, term sheets, site plans, and other materials are background and negotiation materials only and are not binding except to the extent a provision of this Agreement expressly incorporates a specific obligation. Each Party acknowledges that it has

had the opportunity to consult legal counsel. This Agreement has been negotiated at arm's length by sophisticated Parties, and any rule construing ambiguities against the drafter, including Civil Code section 1654, shall not apply.

20. District Authority and Required Findings. District represents only that, following Board approval, it has authority to execute and perform this due diligence and exclusive-negotiation Agreement. Before entering any Joint Occupancy Agreement, District must undertake all proceedings and obtain all approvals, findings, notices, hearings, and other actions required by applicable law, including the California Education Code provisions governing joint occupancy of school district property. Nothing in this Agreement predetermines any finding, commits the Board to a future exercise of discretion, or requires District to approve or execute a Joint Occupancy Agreement.

21. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

22. Board Approval. Notwithstanding anything to the contrary contained herein, this Agreement shall not become effective unless and until it has been approved by the District's Board and executed by both Parties.

23. Attorneys' Fees. If legal action is commenced to enforce or declare the effect of any provision of this Agreement, the prevailing Party shall be entitled to recover from the non-prevailing Party reasonable attorneys' fees and other litigation costs. In addition to the foregoing award of attorneys' fees and other litigation costs to the prevailing Party, the prevailing Party in any lawsuit on this Agreement shall be entitled to recover its attorneys' fees and other litigation costs incurred in any post-judgment proceedings to collect or enforce the judgment. This provision is separate and severable and shall survive the merger of this Agreement into any judgment on this Agreement. This provision shall survive the expiration or termination of this Agreement.

24. Counterparts. This Agreement and any modifications, amendments, or supplements hereto may be executed in several counterparts, and all so executed shall constitute one agreement binding on all Parties, notwithstanding that all Parties are not signatories to the original or the same counterpart. The Parties may also deliver executed copies of this Agreement to each other by electronic mail, including PDF or any electronic signature complying with the U.S. federal ESIGN Act of 2000, including DocuSign, or other transmission method, and any counterpart so delivered shall be deemed duly and validly delivered and valid and effective for all purposes. No Party may raise the use of any image transmission device or method, or the fact that any signature was transmitted as an image, as a defense to the enforcement of this Agreement. At the request of either Party, the Parties will confirm signatures by signing and delivering an original document.

25. Joint and Several Responsibility. Knighthall Capital and Tait and Associates, Inc., are jointly and severally liable for all obligations of Developer under this Agreement. All representations and warranties expressly made by Developer in this Agreement shall be deemed made by each of them. Each reference to "Developer" in this Agreement refers to each of them individually and both of them collectively. Either entity, acting through its authorized

representative, may give notices, approvals, consents, and directions on behalf of Developer under this Agreement, and District may rely upon those communications as binding upon both entities. Any amendment to this Agreement or execution of a Joint Occupancy Agreement shall require execution by both entities.

IN WITNESS WHEREOF, the Developer and the District have executed this Agreement as of the Effective Date.

DISTRICT:

OCEAN VIEW SCHOOL DISTRICT,
a California school district

By: 
Name: KEITH FARROW
Title: ASST. SUPT, ADMIN SVCS

DEVELOPER:

KNIGHTHALL CAPITAL,

By: 
Name: Pete Zak
Title: Member

TAIT AND ASSOCIATES, INC.

By: 
Name: Trevor Tait
Title: CEO

