

OPTION AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY

By and Between

THE CITY OF ALAMEDA, a municipal corporation

and

PACIFIC FUSION CORPORATION, a Delaware corporation

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OPTION AGREEMENT FOR PURCHASE AND SALE
OF REAL PROPERTY

This Option Agreement for Purchase and Sale of Real Property ("Agreement") is made and entered into as of _____, 2025 (the "Effective Date"), by and between THE CITY OF ALAMEDA, a municipal corporation ("City"), and PACIFIC FUSION CORPORATION, a Delaware corporation ("Optionee"). City and Optionee may be referred to individually as "Party" or collectively as "Parties."

RECITALS

A. City is the owner of certain real property located within the City of Alameda, State of California commonly referred to as the former Alameda Naval Air Station, now known as Alameda Point. The property that is the subject of this Agreement is an approximately 13.033-acre property located within the Enterprise District at Alameda Point, and is described on Exhibit A-1, attached hereto and by this reference made a part hereof .

B. In February 2014, the Alameda City Council certified an Environmental Impact Report and adopted Resolution Number 14892 approving a General Plan Amendment, Ordinance Number 3088, amending various sections of the Alameda Municipal Code, and Resolution Number 14893, approving a Master Infrastructure Plan, for the parcels comprising Alameda Point, including the Property. These documents (collectively, "Planning Documents"), as amended from time to time, relate to potential development of the Property and other parcels in Alameda Point. Optionee understands that any proposed Project (as described below) must be consistent with the Planning Documents.

C. Optionee seeks to develop the Property with a state of the art headquarters facility, which will include office, laboratory and research and development space components for its mission of powering the world with abundant, affordable, clean energy by harnessing fusion ("Project").

D. City and Optionee entered into that certain Exclusive Negotiating Agreement signed by City on February 19, 2025, with respect to the Property (the "ENA"), which ENA contemplated this Agreement might be entered into.

E. City is willing to sell the Property to Optionee and Optionee is willing to acquire an option to purchase the Property from City upon the terms and conditions contained herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the parties, the parties do hereby agree as follows:

AGREEMENT

1. Property. The "Property" consists of (i) the real property described on Exhibit A-1 hereto (the "Real Property"), (ii) the "Appurtenant Rights" related to such real property, which consist of all appurtenant easements, rights-of-way, sewer and utility rights connected with such

real property to the extent that City owns such interests, (iii) all of City's right, title and interest, if any, in and to any and all intangible personal property, to the extent assignable and related exclusively to any or all of the Real Property (the "Intangible Property"), including but not limited to, any and all such (A) warranties, guaranties and indemnities, (B) governmental or quasi-governmental entitlements, licenses, permits, authorizations, consents, variances, waivers, approvals or similar rights, and (C) any plans, drawings, specifications, surveys, engineering reports, other technical descriptions and any names by which the improvements on the Real Property may be known or identified, including its street address, and (iv) all of City's right, title and interest, if any, in and to any and all tangible personal property owned by City which is located on the Real Property (the "Personal Property").

2. Option.

2.1 Grant of Option; Exercise of Option.

2.1.1 In consideration of the Option Consideration described in Section 5.2 below, City hereby grants Optionee the exclusive right and option (the "Option") to purchase the Property, on and subject to the terms and conditions set forth in this Agreement, during the term of the Option ("Option Term"), which commences on the Effective Date and expires on February 18, 2027 at 5:00 p.m. local time at the Property (the "Expiration Date").

2.1.2 As a condition precedent to Optionee's right to exercise the Option, before the Expiration Date:

2.1.2.1 The Parties shall have negotiated and the Alameda City Council shall have approved the final terms of a Development Agreement regarding the Property ("Development Agreement") as contemplated in the ENA, as well as a "Public Improvement Agreement," and Optionee shall have reimbursed all of City's pre-development costs to date as set forth in Section 8.1 of the ENA;

2.1.2.2 The Parties shall have negotiated and the Alameda City Manager shall have approved the final terms of a completion guaranty as to the Infrastructure Improvements (the "Completion Guaranty"); and Optionee shall have identified and the City shall have approved in its sole and absolute discretion the guarantor under the Completion Guaranty; provided, however, that the person or entity providing a completion guaranty to Optionee's construction lender shall be deemed to be an approved guarantor;

2.1.2.3 Optionee shall have completed its due diligence review of the Property and the Project;

2.1.2.4 Optionee shall have obtained all its discretionary City approvals, consisting of a Development Agreement, Design Review, and Development Plan, for its project, as well as a tentative parcel map ("Project Approvals");

2.1.2.5 Optionee shall have identified its capital and/or financing sources for the Infrastructure Improvements;

2.1.2.6 The Parties shall have negotiated the final terms of the quitclaim deed for the Property (the "Quitclaim Deed");

2.1.2.7 The tentative tract map for the Property shall have received all requisite governmental approval.

2.1.2.8 Optionee shall have abandoned the pursuit of the Project on all sites other than the Property and the Site B Remainder Parcel (defined below).

2.1.2.9 Optionee shall deliver to City a written notice (the "Option Exercise Notice") that Optionee is exercising the Option, which notice shall include a certification by Optionee in favor of the City that Optionee intends to proceed with the development and construction of the Project on the Property.

2.1.3 In the event the conditions listed in Section 2.1.2 are not satisfied (or waived in writing by both City and Optionee) by the Expiration Date, the Option shall terminate and lapse automatically on the Expiration Date, and City and Optionee shall each be released from and not have any further obligations under this Agreement or the ENA, except as otherwise expressly set forth in this Agreement. Notwithstanding any other provision of this Agreement, Optionee may, in its sole and absolute discretion, terminate the Option and this Agreement at any time prior to its delivery of an Option Exercise Notice in accordance with the terms of this Agreement by giving written notice to City and Escrow Holder.

2.2 Extension of Option Term. Provided there is no uncured material default by Optionee hereunder or under the ENA, the Option Term may be extended with the consent of the City Manager not to be unreasonably withheld three (3) times for three (3) months each by Optionee providing, at least 30 days prior to the then existing Expiration Date, written notice to City and Escrow Holder ("Extension Notice") and delivering an extension payment in the amount of \$30,000 ("Extension Payment"). The Extension Payment shall be added to and become part of the Option Deposit (defined in Section 5.2 below). In the event City does not receive the Extension Notice and Extension Payment at least 30 days prior to the then existing Expiration Date, and Optionee fails to properly exercise the Option prior to the Expiration Date, the Option and this Agreement shall terminate on the then existing Expiration Date, and City shall be released from and not have any further obligation to Optionee pursuant to this Agreement or the ENA except as otherwise expressly set forth in this Agreement.

2.3 Memorandum of Option Agreement; Quitclaim. At Optionee's written request, City will execute a Memorandum of Option Agreement in the form attached hereto as Exhibit C (the "Option Memorandum"). Optionee may cause the Option Memorandum to be recorded in the Official Records of the Alameda County Recorder's Office. As a condition of City's obligation to sign the Option Memorandum, Optionee shall deliver to Escrow Holder a signed and notarized Quitclaim Deed which Escrow Holder shall record on written demand from City only if this Agreement is terminated. If the Option is exercised, the Quitclaim Deed will be returned to Optionee at the Closing.

2.4 Milestones. Optionee shall complete the pre-closing milestones with respect to the Project set forth in Exhibit B hereto which are designated thereon as being

Developer's Responsibility. Failure to complete the pre-closing material milestones which are designated as being Developer's Responsibility on Exhibit B on or before the "Binding Dates" listed on such Exhibit with respect to such milestones shall be a default hereunder and shall give City the right to terminate the Option and this Agreement on 30 days' notice to Optionee, unless Optionee cures the default during such 30-day period. The right to terminate is only applicable to the "material milestones," which are those in boldface on Exhibit B. The remedies for failure to complete the milestones which take place after the Closing shall be addressed in the Development Agreement, and are expected to include, without limitation, the obligation to develop a remedial plan, and City and lender step-in rights.

2.5 City Termination Right. If Optionee elects to exclusively pursue the development of the Project on a site other than the Property, or otherwise has abandoned pursuing the Project on the Property, Optionee shall promptly notify City of the same, and City shall thereafter have the right to terminate the Option and this Agreement.

3. Negotiation of Additional Option. During the Option Term, the Parties will endeavor to negotiate an additional option agreement for the "Site B Remainder Parcel" as shown on Exhibit A-2, for submittal to the City Council for its consideration, as described further in the ENA. Such an option agreement, should it be entered into, is referred to as the "Phase 2 Option Agreement". The terms in any Phase 2 Option Agreement are anticipated to include without limitation (i) purchase price or consideration in the form of infrastructure improvements, (ii) purchase price escalator, (iii) option consideration, (iv) conditions to exercise of Phase 2 Option (i.e. CEQA and Subdivision Map Act), (v) compliance with City Project Stabilization Ordinance, and (vi) the option term.

4. Escrow. The transaction contemplated herein shall be effected through an escrow (the "Escrow") with Commonwealth Land Title Insurance Company ("Escrow Holder"). This Agreement shall constitute the "Escrow Instructions" for this transaction. If Escrow Holder requires its standard conditions to also be used, in the event of any ambiguity or inconsistency between Escrow Holder's standard escrow conditions and the terms of this Agreement, the terms of this Agreement shall control.

5. Option Deposit and Purchase Consideration.

5.1 Purchase Consideration. In lieu of payment of a cash purchase price to City, from and after the Closing, on and subject to the terms and conditions of the Development Agreement and/or the Public Improvement Agreement, Optionee shall design and construct at Optionee's sole expense (subject to the terms of the following paragraph) those certain infrastructure improvements ("Infrastructure Improvements") described in Exhibit D, attached hereto and by this reference made a part hereof ("Purchase Consideration"). The timing, process and other requirements with respect to the Infrastructure Improvements will be described in the Development Agreement and/or the Public Improvement Agreement. In addition, the Development Agreement and/or the Quitclaim Deed shall contain a repurchase option in favor of the City which may be exercised in the event of a material default by Optionee after notice and expiration of a cure period. The repurchase option shall be subordinate to any deed of trust with respect to the Property or rights provided in the Development Agreement for the protection of the holder of the deed of trust. The repurchase option shall terminate upon issuance of building

permits for the Infrastructure Improvements and issuance of the building permits for the vertical construction.

Optionee agrees to spend up to the Estimated Cost (as defined below) on the design and construction of the Infrastructure Improvements. Prior to securing construction bids, City and Optionee shall agree upon a scope of work that is eighty percent (80%) of the Estimated Cost. Optionee shall secure at least three construction bids. Upon receipt of the construction bids for the Infrastructure Improvements, and at fifty percent (50%) and seventy-five percent (75%) of construction completion, if the total cost is projected to be in excess of the Estimated Cost, City and Optionee will establish a process, to be described in the Development Agreement and/or Public Improvement Agreement, to potentially modify the scope or otherwise reduce the additional cost. Following this process, if the total cost for the Infrastructure Improvements exceeds the Estimated Cost, City and Optionee agree to share equally the first \$5,000,000 in overruns *pari passu*, subject to, for the avoidance of doubt, a maximum additional \$2,500,000 to be paid by the City. City shall not be required to pay its contribution until after Optionee has spent the full Estimated Cost. At final completion, if the total cost to design and construct the Infrastructure Improvements is below the Estimated Cost, Optionee agrees to pay City the difference within thirty (30) days of final completion. For purposes of this Agreement, "Estimated Cost" shall mean an amount equal to the difference between (a) the product of (i) the aggregate acreage of the Real Property and (ii) \$2,215,833.33 (e.g., in the event that the aggregate acreage of the Real Property is determined to be 13.033 acres, this amount would equal \$28,878,955.80 (the "Purchase Consideration"), minus (b) the aggregate closing costs and brokerage commissions that are the responsibility of City pursuant to Sections 7.6 and 14 of this Agreement.

5.2 Option Payment.

5.2.1 Within two (2) business days of the Effective Date, Optionee shall deposit into Escrow \$25,000, \$500.00 of which (the "Option Consideration") is non-refundable under all circumstances (such deposit, with the exception of the Option Consideration, and all interest earned thereon while on deposit in Escrow, are collectively referred to herein as the "Initial Option Deposit"). The Option Consideration shall be immediately released by Escrow Holder to the City in consideration of the grant of the Option by City to Optionee and shall be deemed fully earned by City.

5.2.2 On the earlier of (a) five business days after mutual agreement of the terms of the Development Agreement, Public Improvement Agreement, Completion Guaranty and Quitclaim Deed, or (b) December 31, 2025, Optionee shall deposit into Escrow an additional \$150,000 (the "First Additional Option Deposit"), unless this Agreement has been terminated prior to such date. On the (i) earlier of (A) submittal of the construction plans and specifications for the Infrastructure Improvements and issuance of the demolition permit or (B) June 30, 2026, or (ii) completion of the Chevron Cleanup Work (defined below) if later, Optionee shall deposit into Escrow an additional \$150,000 (the "Second Additional Option Deposit"), provided the Closing has not already taken place. The Initial Option Deposit, First Additional Option Deposit, Second Additional Option Deposit, and any Extension Payments, each if and when deposited into Escrow, and all interest earned thereon are referred to

collectively as the “Option Deposit.” The Option Deposit shall be held by Escrow Holder as be disbursed as set forth in this Agreement.

5.2.3 If Optionee terminates the Option prior to the date (the “Non-Refundable Date”) which is the earlier of (a) the date upon which the terms of the Development Agreement, Public Improvement Agreement, Completion Guaranty and Quitclaim Deed have been mutually agreed upon, the Project Approvals have been issued and the tentative map for the Property has received all requisite governmental approvals, or (b) November 30, 2026, the Option Deposit shall be refunded to Optionee. Beginning on the Non-Refundable Date, the Option Deposit is non-refundable unless the Closing does not occur due to the termination of this Agreement as a result of (i) a default by City, (ii) the failure of any condition to Optionee’s obligation to close in Section 7.3.1, or (iii) the termination of this Agreement pursuant to Section 6.1.4.

5.2.4 Release of Option Deposit. At Closing, Escrow Holder shall apply the Option Deposit to the Closing Costs to be paid by Optionee per this Agreement, with the remainder (if any) to be returned to Optionee to be used to pay expenses associated with the Project.

5.2.1 Deposit of Funds into Escrow. If the Closing Costs are greater than the Option Deposit, Optionee shall deposit into the Escrow on the Business Day prior to the Scheduled Close of Escrow, in immediately available funds, an amount (the “Balance of the Closing Costs”) equal to the difference (if any) between (i) the Closing Costs, minus (ii) the Option Deposit.

6. Title, Feasibility, and Physical Condition Review. During the Option Term, Optionee shall review the title, feasibility and physical condition of the Property, as well as perform all necessary studies as to the feasibility of the Project, as referenced below in this Section 6.

6.1 Title.

6.1.1 Promptly following the Effective Date, Optionee shall cause Commonwealth Land Title Insurance Company (the “Title Company”) to prepare a Preliminary Title Report with respect to the Property (“Title Report”), along with a copy of or hyperlink to each instrument listed as an exception therein.

6.1.2 Within 120 days following the Effective Date (“Title Review Period”), Optionee shall review: (i) the Title Report and any supplements, amendments or updates thereto received by Optionee prior to the date which is five (5) days prior to the expiration of the Title Review Period, and all exceptions to title disclosed therein, and (ii) at Optionee’s election, a survey of the Property commissioned by Optionee at Optionee’s sole expense (collectively, the “Title Matters”). Prior to the end of the Title Review Period, Optionee shall deliver to City and the Title Company written notice of Optionee’s approval or disapproval of the Title Matters (the “Title Objections”). If Optionee fails to deliver to City and Title Company prior to the expiration of the Title Review Period such notice of approval or

disapproval of the Title Matters reflected in the Title Report, Optionee shall be deemed to have accepted all Title Matters, subject to any Additional Title Objections (defined in Section 6.1.4).

6.1.3 Except as otherwise provided herein, City shall have no obligation to take any action or incur any expense to eliminate or modify any Title Objections. However, City, at its sole option, may attempt to eliminate, modify or obtain title endorsements reasonably acceptable to Optionee with respect to all or a portion of such Title Objections. City will notify Optionee in writing within 30 days of receipt of the Title Objections whether City will attempt to eliminate, modify or endorse over the Title Objections. If City does not so notify Optionee in writing within such 30-day period, City shall be deemed to have elected to not commit to eliminate, modify or endorse over the Title Objections. In the event City has not committed to eliminate or modify any or all of the Title Objections to the reasonable satisfaction of Optionee, Optionee may thereafter (i) elect to waive any uncured Title Objections, or (ii) elect to terminate this Agreement by delivering notice thereof in writing to City ("Termination Notice") no later than 40 days after delivery of the Title Objections to City. In the event that Optionee fails to deliver a timely Termination Notice, Optionee shall be deemed to have elected to waive all of the Title Objections which City has not committed to eliminate, modify or endorse over. If City elects to attempt to cure any Title Objections, but City's cure cannot be accomplished by Closing notwithstanding City's diligence in pursuit thereof, the date for Closing shall be automatically extended by a reasonable additional time to effect such a cure, but in no event shall the extension exceed thirty (30) days after the Scheduled Close of Escrow.

6.1.4 Whether or not Optionee shall have furnished to City timely written notice of any Title Objection prior to the expiration of the Title Review Period, Optionee may notify City in writing of any objections to title first disclosed after the date which is five (5) days prior to the expiration of the Title Review Period, but prior to Closing ("Additional Title Objections"), in which case, City shall have the same option to cure such Additional Title Objections and Optionee shall have the same option to accept title subject to such Additional Title Objections or to terminate this Agreement as provided in Section 6.1.3. If City elects to attempt to cure any Additional Title Objections, but City's cure cannot be accomplished by Closing notwithstanding City's diligence in pursuit thereof, the date for Closing shall be automatically extended by a reasonable additional time to effect such a cure, but in no event shall the extension exceed thirty (30) days after the Scheduled Close of Escrow.

6.2 Feasibility Review. Optionee has completed a review and analysis of market and feasibility studies, zoning and other existing entitlements for the Property. Promptly after the Effective Date, Optionee shall complete a review of the physical and legal condition of the Property and a feasibility review of the Project, including without limitation , geological and seismic studies and reports, soils reports, environmental studies and reports, engineering estimates for the Property, the Study Materials referenced in Section 6.2.1 below and the matters disclosed thereby, the matters referenced in Section 6.2.2 below, and all other matters Optionee believes pertinent to the acquisition, ownership, and development of the Property (the "Feasibility Review").

6.2.1 Study Materials. City has made available to Optionee at its offices or through an online data room such material reports, surveys, geological tests, engineering

and/or land use studies of the Property as are in City's possession (the "Study Materials"). Optionee acknowledges that the Study Materials have been and are provided or made available for inspection with no representations or warranties as to the truth, accuracy, completeness, methodology of preparation of the Study Materials (including without limitation any reports or audits or any other materials, data or other information supplied to Optionee in connection with Optionee's inspection of the Property) or otherwise of any kind, and City expressly disclaims any such representation or warranty. Optionee acknowledges that the Study Materials are provided only for Optionee's convenience as a starting point for commencing Optionee's own examination of the Property. Except as otherwise expressly provided in this Agreement, Optionee agrees that it will rely exclusively on its own independent investigation and evaluation of every aspect of the Property and not on the Study Materials supplied by City, and Optionee has no intent to rely and expressly waives any right to rely on any of the Study Materials provided to it by City, and agrees that it shall rely solely on its own independently developed or verified information.

6.2.2 Independent Investigation by Optionee. Optionee has represented to City that Optionee and/its partners and advisors have substantial experience and expertise in the development and construction of research and development projects. Optionee further represents and agrees that Optionee has made, or prior to exercising the Option, Optionee shall have made, a thorough inspection and investigation of the Property, employing its own experts and consultants for such purpose. Such inspection and investigation shall include without limitation a thorough study and analysis of the "local conditions" affecting the Property and Optionee's obligations under this Agreement, which include without limitation (a) the availability, character, quality and composition of necessary utilities, including without limitation water, sewer, drainage, electricity, natural gas, telephone and cable television services; (b) traffic conditions; (c) required governmental permits, fees and charges; (d) park and other public benefit obligations and requirements with respect to the Property; (e) geology, soil and environmental conditions of or relating to the Property; (f) the physical condition of the Property and any grading, fill, improvements or other work heretofore performed on the Property; (g) known and suspected fault lines in the area and the proximity of the Property thereto, as well as the likelihood, severity, and frequency of earthquakes; (h) market conditions; and (i) the presence on or absence from the Property of threatened or endangered species of animals, birds, insects and/or plants and/or habitat for any such threatened or endangered species. Optionee's decision to purchase the Property will be based on its own study and analysis of the Property and the "local conditions" affecting the Property. Optionee acknowledges that such items may affect the design, engineering, costs and manner of construction on the Property. In connection with the foregoing, Optionee further acknowledges the following:

6.2.2.1 AS-IS Sale. OPTIONEE ACKNOWLEDGES THAT IT WILL HAVE AN ADEQUATE OPPORTUNITY TO INSPECT AND EVALUATE THE PROPERTY, AND THAT, EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT, THE DEVELOPMENT AGREEMENT OR ANY AGREEMENT DELIVERED AT THE CLOSING (THE "CLOSING DOCUMENTS"), OPTIONEE SHALL RELY SOLELY ON ITS OWN INVESTIGATION AND EVALUATION OF THE PROPERTY, AND ACCEPTS THE RISK THAT ANY INSPECTION MAY NOT DISCLOSE ALL MATERIAL MATTERS AFFECTING THE PROPERTY. EXCEPT AS EXPRESSLY SET FORTH IN THIS

AGREEMENT OR ANY OF THE CLOSING DOCUMENTS, OPTIONEE IS EXPRESSLY PURCHASING THE PROPERTY IN ITS EXISTING CONDITION AND AGREES TO ACCEPT THE PROPERTY IN ITS CONDITION AT CLOSING, AS-IS WHERE-IS AND WITH ALL FAULTS, WITH RESPECT TO ALL FACTS, CIRCUMSTANCES, CONDITIONS AND DEFECTS, WITHOUT ANY RIGHT OF SET-OFF OR REDUCTION IN THE PURCHASE CONSIDERATION, AND CITY HAS NO OBLIGATION TO DETERMINE OR CORRECT ANY SUCH FACTS, CIRCUMSTANCES, CONDITIONS OR DEFECTS OR TO COMPENSATE OPTIONEE FOR SAME. OPTIONEE SHALL HAVE THE RESPONSIBILITY TO INVESTIGATE THE PROPERTY, LAWS AND REGULATIONS, RIGHTS, FACTS, LEASES AND USE AGREEMENTS, SERVICE CONTRACTS, VIOLATIONS, AND ALL RISKS OF ADVERSE CONDITIONS, AND HAS STRUCTURED THE PURCHASE CONSIDERATION AND OTHER TERMS OF THIS AGREEMENT IN CONSIDERATION THEREOF. BY THE CLOSING, OPTIONEE SHALL HAVE UNDERTAKEN ALL SUCH INVESTIGATIONS OF THE PROPERTY, LAWS AND REGULATIONS, RIGHTS, FACTS, USE AGREEMENTS, LEASES, SERVICE CONTRACTS, AND VIOLATIONS, AS OPTIONEE DEEMS NECESSARY OR APPROPRIATE UNDER THE CIRCUMSTANCES AS TO THE STATUS OF THE PROPERTY AND BASED UPON SAME, OPTIONEE IS AND WILL BE RELYING STRICTLY AND SOLELY UPON SUCH INSPECTIONS AND EXAMINATIONS AND THE ADVICE AND COUNSEL OF ITS OWN CONSULTANTS, AGENTS, LEGAL COUNSEL AND OFFICERS. OPTIONEE FURTHER AGREES, EXCEPT AS OTHERWISE PROVIDED HEREIN OR IN THE CLOSING DOCUMENTS, TO ACCEPT THE PROPERTY WITHOUT ANY REPRESENTATION OR WARRANTY WHATSOEVER, EXPRESS, IMPLIED OR OTHERWISE, INCLUDING WITHOUT LIMITATION AS TO THE: (A) VALUE, NATURE, QUALITY OR PHYSICAL CONDITION OF THE PROPERTY; (B) INCOME DERIVED FROM THE PROPERTY; (C) MERCHANTABILITY, MARKETABILITY, PROFITABILITY OR FITNESS OF THE PROPERTY FOR A PARTICULAR PURPOSE; (D) COMPLIANCE OF OR BY THE PROPERTY OR ITS OPERATION WITH ANY LAWS, RULES, ORDINANCES OR REGULATIONS OF ANY GOVERNMENTAL AUTHORITY OR BODY; (E) MANNER OR QUALITY OF CONSTRUCTION OR MATERIALS INCORPORATED INTO THE PROPERTY; (F) MANNER, QUALITY, STATE OF REPAIR OR LACK OF REPAIR OF THE PROPERTY; (G) THE ENVIRONMENTAL CONDITION OF THE PROPERTY; OR (H) ANY OTHER MATTER REGARDING THE PROPERTY, AND CITY EXPRESSLY DISCLAIMS EACH AND EVERY SUCH REPRESENTATION AND WARRANTY. AS OF THE CLOSING, OPTIONEE IS AND WILL BE FULLY SATISFIED THAT THE PURCHASE CONSIDERATION IS FAIR AND ADEQUATE CONSIDERATION FOR THE PROPERTY AND, BY REASON OF ALL THE FOREGOING, OPTIONEE ACKNOWLEDGES THE FULL RISK OF ANY LOSS OR DAMAGE OCCASIONED BY ANY FACT, CIRCUMSTANCE, CONDITION OR DEFECT PERTAINING TO THE PROPERTY. THE PROVISIONS OF THIS SECTION 6.2.2.1 SHALL SURVIVE THE CLOSING OR THE EARLIER TERMINATION OF THIS AGREEMENT AND SHALL NOT BE DEEMED TO HAVE BEEN MERGED INTO ANY OF THE DOCUMENTS EXECUTED OR DELIVERED AT THE CLOSING.

OPTIONEE'S INITIALS: 

6.2.2.2 Release. Except for any claims expressly arising under this Agreement and/or the Closing Documents or any other contracts between Optionee and City, by executing this Agreement, Optionee for itself and its successors, assigns, partners, officers, directors and each of them, does hereby unconditionally and forever release, acquit and discharge City and its officials and employees from any and all claims, causes of action, damages, liabilities, costs, expenses and demands ("Claims"), whether known or unknown, liquidated or contingent or foreseeable or unforeseeable, consisting of, arising out of, related to or in any manner connected with City's ownership and/or sale of the Property including but not limited to the Study Materials. By executing this Agreement, Optionee acknowledges that it has been informed of the provisions of Section 1542 of the California Civil Code and hereby expressly waives and relinquishes all rights and benefits which it has or may have under said Section as to the Claims released under this Agreement. Section 1542 of the Civil Code reads as follows:

“A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.”

OPTIONEE'S INITIALS:

Initial
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6.3 Hazardous Materials.

6.3.1 The Parties acknowledge that there is existing contamination on the Property as described in the Final Remedial Alternatives Analysis for the Tarry Material Site, Operable Unit Site A, as submitted to the San Francisco Bay Regional Water Quality Control Board (“Water Board”) on November 24, 2024. A Chevron company is responsible for the clean-up work required in connection with such contamination (the “Chevron Clean-up Work”). The Corrective Action Plan is expected to be submitted to the Water Board on July 18, 2025, and a completion date will be established upon acceptance of such plan by the Water Board.

6.3.2 The Parties acknowledge and agree that City is not responsible for and shall have no liability to Optionee for any environmental contamination at, under, in, above or about the Property by Hazardous Materials (defined below), however and whenever occurring, and any other contamination by Hazardous Materials of the soil or surface or ground water at, under, in, above or about the Property, the prior, present or future existence of any underground or aboveground storage tanks (including all attendant piping, product dispensers, and other systems) at, under or in the vicinity of any part of the Property, and the violation or alleged violation by City or any prior owner, tenant, subtenant or other user of any part of the Property, or by any contractor or agent of City or any prior owner or user, of any environmental law applicable to the Property or the use or occupancy of any portion of the Property, or other conditions affecting the Property or any portion thereof). For purposes of this Agreement, “Hazardous Materials” includes, but is not limited to, substances defined as “hazardous substances, hazardous materials, or toxic substances” in the Comprehensive Environmental

Response, Compensation and Liability Act of 1980, as amended (42 United States Code §§9601 et seq.); the Hazardous Materials Transportation Act (49 United States Code §§1801 et seq.); the Resource Conservation and Recovery Act (42 United States Code §§6901 et seq.); the substances defined as “hazardous wastes” in California Health and Safety Code §25117 or as “hazardous substances” in California Health and Safety Code §25316; and the chemicals known to cause cancer or reproductive toxicity as published in the Safe Drinking Water and Toxic Enforcement Act of 1986 (California Health and Safety Code §25249.5 et seq.); and in the regulations adopted and publications promulgated under each of the aforesaid laws.

6.3.3 City shall use commercially reasonable efforts to cause the remediation of the tarry refinery waste material to be completed prior to Closing, with the understanding that remediation is the responsibility of Chevron, and can only be approved and deemed completed by the San Francisco Regional Water Quality Control Board. City shall work in good faith with Optionee to identify demolition and site phasing solutions that reduce the schedule impacts of remediation work on construction.

6.4 Compliance with Site Management Plan. The Property is within an area known as the former Naval Air Station Alameda, portions of which were conveyed to the City by the United States of America, acting by and through the Department of the Navy by quitclaim deeds recorded June 6, 2013 as Series No. 2013-199829, 2013-199830, 2013-199831 and 2013-199832 of Official Records in the Office of the County Recorder, Alameda County, California (collectively, the “**Quitclaim Deed**”). Said Quitclaim Deed conveyed the Property subject to certain covenants, conditions, restrictions, easements, and encumbrances as set forth therein. The Property is further encumbered by those certain restrictions set forth in the Declaration of Restrictions (Former Naval Air Station Alameda) dated June 4, 2013, and recorded June 6, 2013, as Series No.: 2013-199782 in the Office of the County Recorder of Alameda County (“**Declaration of Restrictions**”). Copies of the Quitclaim Deed and Declaration of Restrictions have been delivered or made available to Optionee and should be included in the Title Report. Use of the Property is further restricted by the Covenants to Restrict Use of Property Environmental Restrictions recorded June 6, 2013, as Series No. 2013-199784 and 2013-199839 in the office of the County Recorder, Alameda County, CA (collectively, the “**CRUP**”), the National Environmental Protection Act Record of Decision (“**ROD**”) for the disposal and reuse of the former Naval Air Station Alameda, and all applicable conditions contained therein. A copy of the ROD is available for review at City’s office during normal business hours. The covenants, conditions, restrictions, easements, rights-of-way, reservations, rights, agreements, and encumbrances set forth in the Quitclaim Deed, Declaration of Restrictions and the ROD, as they affect the Property, are collectively referred to herein as the “**Restrictions.**” Any use of the Property is required to comply with the Restrictions and this obligation shall be a covenant in the Quitclaim Deed and/or the Development Agreement.

6.5 Marsh Crust Ordinance. In Optionee’s investigations of the Property and after the Closing, if it occurs, Optionee shall, to the extent relating to the Property or its development and the development of the Infrastructure Improvements, be responsible for complying with the provisions of the City of Alameda’s Marsh Crust Ordinance, as well as the applicable provisions of the Covenant to Restrict Use of Property Environmental Restrictions recorded June 6, 2013 as Series No. [2013- 199839] of Official Records of the County of

Alameda, the applicable provisions of the Site Management Plan for Alameda Point and, if required, shall obtain a Marsh Crust Permit. The obligations in this Section 6.5 shall survive the Closing and may be incorporated into the Quitclaim Deed and/or the Development Agreement.

6.6 Authorized Entry. Following the mutual execution of this Agreement, Optionee shall have the right to enter onto the Property for the purpose of performing Optionee's inspections of the Property, on and subject to the terms and conditions of that certain Right of Entry between the parties dated _____, 2025.

7. Closing.

7.1 Scheduled Close of Escrow/Close of Escrow. Provided the Option has been timely and properly exercised, Escrow shall close ("Close" or "Closing") on the date mutually agreed upon by City and Optionee not later than thirty (30) days after City's receipt of the Option Exercise Notice (herein referred to as the "Scheduled Close of Escrow"). The actual date on which the Escrow closes, as evidenced by recordation of the Quitclaim Deed, shall be the "Close of Escrow".

7.2 Deposit of Documents and Funds Into Escrow. The parties shall make the following deposits into the Escrow at the times indicated:

7.2.1 Deposits By Optionee.

7.2.1.1 No later than one (1) Business Day prior to the Scheduled Close of Escrow, Optionee shall deposit the following documents into the Escrow, each duly executed and, if appropriate, acknowledged, by Optionee:

- (a) One (1) original counterpart of the Quitclaim Deed;
- (b) Two (2) counterparts of the Development Agreement;
- (c) Two (2) counterparts of the Public Improvement Agreement;
- (d) One (1) original of the Completion Guaranty;
- (e) Two (2) counterparts of the Bill of Sale and General Assignment in the form attached hereto as Exhibit F ("Bill of Sale");
- (f) A settlement statement, showing the application of the Option Deposit against the Closing Costs, and other prorrations set forth in this Agreement, all consistent with the terms and conditions of this Agreement.
- (g) Such authorizing documents of Optionee as shall be reasonably required by the Title Company to evidence Optionee's authority to consummate the transactions contemplated by this Agreement and the power and authority of the individual(s) executing and/or delivering any instruments, documents or certificates on behalf of Optionee to act for and bind Optionee.

(h) Such other documents as may be required by the terms of this Agreement or any of the foregoing listed agreements or by Escrow Holder.

7.2.1.2 No later than one (1) Business Day prior to the Scheduled Close of Escrow, Optionee shall deposit into the Escrow in immediately available funds (a) the Balance of the Closing Costs, (b) any additional funds necessary to pay Optionee's share of prorations, if any.

7.2.2 Deposits by City. No later than one (1) Business Day prior to the Scheduled Close of Escrow, City shall deposit the following documents into the Escrow, each duly executed and, if appropriate, acknowledged by City:

- (a) One (1) original counterpart of the Quitclaim Deed;
- (b) Two (2) counterparts of the Development Agreement;
- (c) Two (2) counterparts of the Public Improvement Agreement;
- (d) Two (2) counterparts of the Bill of Sale;
- (e) An owner's affidavit in form reasonably approved by the Title Company;
- (f) If required by applicable law, a certificate relieving Optionee from any withholding obligation under Section 1445 of the Internal Revenue Code, in form reasonably approved by Optionee, duly executed by City, and a California Form 593, in form sufficient to relieve Optionee from any withholding obligation, duly executed by City;
- (g) A settlement statement, showing the prorations set forth in this Agreement, all consistent with the terms and conditions of this Agreement; and
- (h) Such other documents as may be required by the terms of this Agreement or any of the foregoing listed agreements or by Escrow Holder.

7.3 Conditions to Closing; Title Policy.

7.3.1 Conditions Precedent to Optionee's Obligation to Close. From and after Optionee's delivery of an Option Exercise Notice, Optionee's obligation hereunder to close Escrow and purchase the Property is expressly conditioned upon the satisfaction of the conditions listed below. If any such condition is not satisfied at or prior to the Scheduled Close of Escrow for any reason other than the default of Optionee, Optionee may terminate this Agreement by written notice to City, in which event the Option Deposit shall be returned to Optionee within ten (10) Business Days after such termination.

7.3.1.1 Title Policy. The Title Company has committed and stands ready to issue to Optionee the Buyer's Title Policy (as defined below), subject to any deliveries required of Optionee.

7.3.1.2 Final Map. The final parcel map, to the extent required, shall have been approved and recorded.

7.3.1.3 Representations and Warranties. Each of City's representations and warranties set forth in Section 9.1 is true and accurate as of the Close of Escrow.

7.3.1.4 City Obligations. City is not in default under this Agreement and each obligation of City to be performed prior to Close of Escrow thereunder has been performed as required, including without limitation delivery of each of the items required under Section 7.2.2.

7.3.2 Conditions Precedent to City's Obligation to Close. City's obligation hereunder to Close and sell the Property is expressly conditioned upon the satisfaction of the conditions listed below. If any such condition is not satisfied at or prior to the Scheduled Close of Escrow for any reason other than the default of City, City may terminate this Agreement by written notice to Optionee, in which event, subject to the terms of Section 11, the Option Deposit shall be returned to Optionee within ten (10) Business Days after such termination.

7.3.2.1 Representations and Warranties. Each of Optionee's representations and warranties set forth in this Agreement is true and accurate in all material respects as of the Close of Escrow.

7.3.2.2 Optionee's Obligations. Optionee is not in default under this Agreement and each obligation of Optionee to be performed prior to the Close of Escrow thereunder has been, in all material respects, performed as required, including without limitation delivery of each of the items required under Section 7.2.1.

7.3.2.3 Final Map. The final parcel map, to the extent required, shall have been approved and recorded.

7.3.2.4 Project Stabilization Agreement. Optionee shall have negotiated and executed a project labor agreement related to the development of the Project and the Infrastructure Improvements consistent with the City's Project Stabilization Agreement resolutions, as adopted on February 2, 2021, or any succeeding ordinance, resolution or policy.

7.3.2.5 Financing Commitment. Optionee shall have obtained capital commitments and/or financing commitments for the Infrastructure Improvements and Optionee's development on the Real Property, and City shall be reasonably satisfied such capital commitments and/or financing commitments are sufficient to complete the Infrastructure Improvements. In connection therewith, Optionee shall have executed construction financing documents for the Project, which shall include the Infrastructure Improvements.

7.3.2.6 Construction Contract. City shall have received a copy of the construction contract and verified the plans and specifications are those approved by the

City Manager or his or her designee pursuant to Section 8.1 and the Completion Guaranty for the Infrastructure Improvements and the payment and performance bonds.

7.3.2.7 No Other Default. Neither Optionee nor any affiliated entity is in material default under any other agreement with City with respect to the Property or the Project.

7.3.3 Buyer's Title Policy. Title to the Property shall be insured for the benefit of Optionee by a standard form ALTA Owner's Policy of Title Insurance in favor of Optionee (the "Standard Policy"), the cost of which shall be payable by Optionee. Notwithstanding the foregoing, if Optionee shall so elect, title to the Property shall be insured for the benefit of Optionee by an extended coverage ALTA Owner's Policy of Title Insurance insuring fee title to the Property in Optionee (the "Extended Policy"), provided that Optionee shall be entitled to elect extended coverage only if Optionee timely provides Title Company with an ALTA survey of the Real Property. Any such Standard Policy or Extended Policy in favor of Optionee may exclude coverage for any mechanics or similar liens arising out of work done or performed by or on behalf of Optionee. The title policy to be obtained by Optionee (the Standard Policy, or if so elected by Optionee pursuant to and in accordance with this Section, the Extended Policy) issued by the Title Company to Optionee insuring Optionee as the vested owner of fee simple title to the Real Property, subject only to the title exceptions approved by Optionee pursuant to Section 6.1, in the policy amount of the Estimated Cost, is herein referred to as the "Buyer's Title Policy."

7.4 Closing Actions by Escrow Holder. When all conditions to the Close of Escrow have been satisfied, including without limitation all deliveries required under Section 7.2 above, Escrow Holder shall Close this transaction by taking the actions listed below in the order indicated. Escrow Holder is authorized and instructed to assemble counterparts delivered to it by the Parties into fully executed originals.

7.4.1 Escrow Holder shall record in the Official Records of Alameda County the Quitclaim Deed and the Development Agreement, in that order.

7.4.2 Escrow Holder shall deliver to City (i) the Completion Guaranty, (ii) one original of the Public Improvement Agreement and the Bill of Sale, and (iii) a copy of the Quitclaim Deed and Development Agreement conformed by the Alameda County Recorder and showing the recording information for the Quitclaim Deed and Development Agreement.

7.4.3 Escrow Holder shall deliver to Optionee (i) one original of the Public Improvement Agreement and Bill of Sale, and (ii) a copy of the Quitclaim Deed and Development Agreement conformed by the Alameda County Recorder and showing the recording information for the Quitclaim Deed; and (iii) within five (5) business days of the Closing, the original Buyer's Title Policy.

7.5 Prorations.

7.5.1 Property Taxes. Optionee is responsible for all general and special real property taxes and assessments levied against the Property for the period from and after the

Closing. City is exempt from the payment of real property taxes and therefore is not responsible for any real estate taxes for the period prior to the Closing.

7.5.2 Utility Charges. Charges for utilities, including water, sewer, electric, and gas (“Utilities”), shall be pro-rated as of the Closing date based on the then most recent bills for such services. City or its tenants or users shall pay for all utility services to the Property for all periods before the Closing and Optionee shall pay for all utility services to the Property for the Closing date and all periods thereafter. Optionee shall be responsible for making its own arrangements with respect to future utility billings and deposits. If the Closing shall occur before the actual amount of utilities and all other operating expenses with respect to the Property for the month in which the Closing occurs are determined, the apportionment of such utilities and other operating expenses shall be upon the basis of a reasonable estimate by City of such utilities and other operating expenses for such month, and thereafter, shall be adjusted as provided herein. The Parties shall reasonably cooperate with each other in order to obtain meter readings with respect to Utilities as of the Closing; and, to the extent they are successful, charges for Utilities shall not be pro-rated.

7.5.3 Insurance. City’s existing liability and property insurance pertaining to the Property shall be canceled as of the Close of Escrow, and City shall receive any premium refund due thereon.

7.6 Expenses of Escrow. Optionee and City shall pay the following costs, fees and other charges and expenses associated with the Escrow:

7.6.1 Optionee shall pay the cost of the Buyer's Title Policy. Optionee shall also pay the cost of any such additional endorsements and the cost of any survey and other work required to obtain the issuance of the Buyer’s Title Policy.

7.6.2 The cost, if any, of recording the Quitclaim Deed and the Development Agreement and any other recorded documents at the Closing in the Official Records of Alameda County shall be paid for by Optionee.

7.6.3 All county transfer taxes and one-half of the city transfer taxes are the responsibility of City.

7.6.4 One-half of the city transfer taxes shall be paid by Optionee.

7.6.5 All escrow fees shall be paid Optionee.

7.6.6 All other expenses of Escrow shall be shared by Optionee and City.

The closing costs and the brokerage commission which are the responsibility of City pursuant to this Section 7.6 and Section 14 below will be funded by Optionee providing the funds at the Closing through Escrow. Such amount shall be deducted from the Purchase Consideration to determine the Estimated Cost, per Section 5.1 above.

7.7 General. In the event that the Escrow shall fail to close (except by reason of any act or omission of City or as otherwise expressly provided for herein) Optionee shall pay any and all Escrow cancellation fees and charges. Upon the Closing, City shall deliver possession of the Property to Optionee.

8. Additional Covenants.

8.1 City Construction Protection. In connection with the selection of a contractor and subsequent negotiation of the construction contract for the Infrastructure Improvements, Optionee shall keep the City reasonably informed as to the minimum qualifications for the contractor, receipt of construction bids and any advisable material scope refinements, and the status of the construction contract negotiation as well as relevant drafts and proposed material terms of such construction contract (collectively, the “Construction Contract Matters”). If Optionee selects the lowest responsible bidder, (after taking into account any gaps in the bid, scope refinements, etc. in an effort to “equalize” the bids (the “Lowest Bid”) or bidder within 10% of the Lowest Bid, the approval of the City is not required. If Optionee desires to select a bid that is between 10% and 25% of the Lowest Bid, Optionee shall consult with the City regarding its decision process in awarding the construction contract; provided, however, the approval of the City shall not be required. If Optionee desires to select a bid that is 25% or higher than the Lowest Bid or does not find a suitable bid it desires to accept, Optionee may restart the bidding process or otherwise obtain written approval of the City Manager if it desires to accept any bid 25% or more of the Lowest Bid. The plans and specifications for the Infrastructure Improvements, and any material changes thereto, are subject to the approval of the City Manager or his or her designee, which approval shall not be unreasonably withheld, conditioned or delayed. Optionee shall evaluate and consider any requests or revisions proposed by the City to the Construction Contract Matters, and, to the extent feasible and advisable in the Optionee’s business judgment, attempt to incorporate such items as appropriate. Prior to the execution of the construction contract, Optionee shall provide the City with the latest draft of the construction contract for the City to be satisfied that the proposed construction contract is consistent with the terms of the proposed Development Agreement and proposed Public Improvement Agreement. As a condition precedent to the commencement of construction, the Optionee shall submit to the City the proposed construction contract for the Infrastructure Improvements in order that the City Manager or his or her designee may verify the plans and specifications are those he or she has approved. The construction contract shall include prevailing wage requirements, as and to the extent required by the City’s Project Stabilization Ordinance, to be specified in the Development Agreement (the “Required Construction Contract Elements”).

City and Optionee shall meet when the bids for the Infrastructure Improvements are received and will establish critical milestones where they shall meet further so that City is kept informed of the progress of the Infrastructure Improvements. In addition, at fifty percent (50%) and seventy-five percent (75%) completion, City and Optionee shall meet to review the projected cost and how it compares with the Estimated Cost and if it does not, to discuss potentially modifying the scope of work.

In order to ensure that Optionee will construct the Infrastructure Improvements in accordance with the milestones, following the Closing, Optionee shall be required to obtain payment and performance bonds as part of the Public Improvement Agreement, and City shall be an additional obligee under such bonds. City shall have the right to require Optionee to develop a remedial plan if Optionee fails to achieve milestones. City shall be a third-party beneficiary with respect to the indemnity provided by the contractor pursuant to the construction contract. The matters in this Section 8.1 shall be addressed in greater detail in the Development Agreement and/or other agreements negotiated prior to Closing.

8.2 City's Obligations Prior and/or Post-Closing. If Optionee properly exercises the Option, City shall:

8.2.1 Prior or post-Closing, City intends to annex the Property into CFD-17-1 subject to the approval of qualified electors. City and Optionee agree to reasonably cooperate in the process to annex the Property to CFD-17-1. If the annexation has not occurred prior to the Closing, this obligation shall survive the Closing and recording of the Quitclaim Deed.

8.2.2 Prior to Closing, terminate all existing leases, permits, franchises, concessions or occupancy agreement ("Use Agreements") and Contracts (defined below) effective as of the Closing, and cause all parties which have (or had) occupancy rights pursuant to the Use Agreements to have vacated the Property prior to the Closing.

8.3 Indemnification. Optionee agrees to defend (with counsel chosen by the City and reasonably acceptable to Optionee), indemnify, release, and hold harmless the City and its elected and appointed officials and employees ("Indemnified Parties") from any third party litigation, claim, action, administrative proceeding or court proceeding ("Claim") brought against any of the Indemnified Parties arising out of or in connection with the City's approval of this Agreement, including the environmental review process therefor pursuant to CEQA and any combination thereof relating to the Project or a portion thereof ("Third-Party Challenge"). This indemnification shall include, without limitation, reasonable fees of attorneys, consultants and experts and related costs. The City shall not settle any Third-Party Challenge without consulting with Optionee consistent with Government Code Section 66474.9. Optionee shall reimburse the City for its actual and reasonable costs in defense of the Third-Party Challenge, including but not limited to the time and expenses of the City Attorney's Office and any consultants as such costs are incurred and bills transmitted; provided, however, (i) Optionee shall have the right to monthly invoices for all such costs, and (ii) Optionee may elect at any time to terminate this Agreement by giving the City written notice of such election with any such termination being effective thirty (30) days after the City's receipt of such notice of termination, and upon any such termination being effective, Optionee's and City's obligations to defend the Third-Party Challenge shall cease. If this Agreement is the subject of a Third-Party Challenge and Optionee fails to comply with the requirements of this section with regards to the payment of the Indemnified Parties' attorney's fees or other costs associated with such Third-Party Challenge, the City shall have no obligation to defend the Agreement from such Third-Party Challenge. Optionee shall control its participation and conduct in the litigation in all respects permitted by law, including the ability to settle the Third Party Challenge, so long as such settlement does not

require any affirmative action by the City and does not subject the City to any additional costs. Prior to any such settlement, Optionee shall provide the City with notice of the settlement and provide the City with an opportunity to comment on any non-confidential settlement terms.

8.4 Reserved.

8.5 Maintenance, Leasing and Contracts.

8.5.1 From the Effective Date through the Closing or earlier termination of this Agreement, City shall continue to operate, manage and maintain the Property in the ordinary course of business in a manner consistent with City's practices in effect prior to the Effective Date.

8.5.2 From the Effective Date through the Closing or earlier termination of this Agreement, City shall not enter into any new Use Agreement or any other agreement which will encumber the Property, except as follows: (a) prior to the date upon which Optionee makes the First Additional Option Deposit, provided that no Option Exercise Notice has been delivered to City, City shall have the right to enter into negotiations with prospective users of the Property and to execute new agreements, and amendments and modifications of the same, in the nature of licensing agreements with aggregate terms, including extension rights, of not more than six (6) months (but not other forms of Use Agreements), (b) after the date upon which Optionee makes the First Additional Option Deposit, City shall have the right to enter into any extensions and amendments of any such licensing agreement with terms, including extension right, of not more than six (6) additional months, subject to obtaining the prior written consent of Optionee, not to be unreasonably withheld (provided that if an Option Exercise Notice has been delivered to City, such consent may be withheld by Optionee in its sole and absolute discretion), and (c) notwithstanding the foregoing, City shall have the right to enter into any agreement reasonably required in connection with the Chevron Clean-up Work, subject to obtaining the prior written consent of Optionee, not to be unreasonably withheld. Consent shall be deemed given if no written objection is received within five (5) Business Days after written request therefor is made. City shall provide Optionee with copies of all agreements, licenses and any amendments or modifications of the same entered into in accordance with this Section 8.5.2 upon execution thereof in accordance with this Section 8.5.2.

8.5.3 Subject to Section 8.2.2 above, prior to Optionee's proper exercise of the Option, City shall have the right to enter into new contracts affecting the Property ("Contracts") and enter into extensions and amendments of existing Contracts; provided, however, except as otherwise expressly agreed to by Optionee, in its sole and absolute discretion, in no event shall Optionee be required to assume any such Contract and no such Contract or any extensions and amendments of the same shall be binding on Optionee or be binding upon or otherwise encumber the Property following the Closing. City shall provide Optionee with a copy of any new contract or contract extension or amendment entered prior to receipt of the Option Exercise Notice. After receipt of the Option Exercise Notice, City will not enter into any new Contracts or extend, renew, modify or replace any of the existing Contracts relating to the Property, without the prior written consent of Optionee, which consent may be withheld in Optionee's sole and absolute discretion, and which consent will be deemed to have been given

by Optionee if Optionee does not notify City in writing to the contrary within five (5) Business Days after City provides written notice to Optionee of such new Contract (or such renewal, modification or replacement of any existing Contract). City will provide Optionee with copies of all new Contracts or all such renewals, modifications or replacements of any existing Contract upon execution thereof in accordance with this Section 8.5.3.

8.5.4 City will advise Optionee promptly after learning of any litigation which is instituted after the Effective Date and which concerns or affects Optionee or the Property.

9. Representations and Warranties by the Parties.

9.1 City's Representations and Warranties. City hereby warrants and represents to Optionee and agrees that the statements set forth in this Section 9.1 are true and correct as of the date hereof and shall be true and correct as of the Close of Escrow. When any Representation and Warranty is limited to City's "actual knowledge," such Representation and Warranty shall encompass only the actual knowledge of Abigail Thorne-Lyman, without such persons having any duty of inquiry or investigation as to such matter. Subject to the foregoing, City makes the following representations and warranties:

9.1.1 Authority. The persons signing this Agreement and all documents contemplated hereby for City are authorized to act for City and to enter into this Agreement, open the Escrow, perform the terms of this Agreement and deliver a fully executed Quitclaim Deed to the Property through Escrow. The execution, delivery and performance of this Agreement by City have been duly and validly authorized by all necessary action on the part of City and all required consents or approvals have been duly obtained.

9.1.2 No Conflict. The execution, delivery and performance of this Agreement by City does not and will not conflict with, or constitute a violation or breach of, or constitute a default under (a) the City Charter, (b) any law, ordinance, rule or regulation binding upon or applicable to City, or (c) any material agreements to which City is a party.

9.1.3 No Violation. The execution of this Agreement and the incurrence of the obligations set forth in this Agreement do not violate any order or ruling of any court, law or regulation binding on City or any provision of any indenture, agreement or other instrument to which City is a party or may be bound. Neither the entry into nor the performance of this Agreement by City will result in the violation, or conflict with, or invalidate, cancel or make inoperative, constitute a default or require a consent of any person under the City Charter or any indenture, contract, judgment, decree, order, law or regulation applicable to City.

9.1.4 Litigation. To City's Knowledge, as of the Effective Date, there are no actions, suits, litigation or proceedings with which City has been served affecting the Property or affecting the right, power or authority of City to enter into and perform this Agreement in accordance with its terms, or which question the validity or enforceability of this Agreement or of any action taken by City under this Agreement, in any court or before any governmental authority, referee or arbitrator. "City's Knowledge" means the actual knowledge of current employees of the City whose primary work is in the Naval Base Reuse division.

9.1.5 Possessory Rights. City has not entered into any Use Agreements or Contracts other than the agreements set forth on Exhibit G, attached hereto (as the same may be supplemented by any new agreements entered into in accordance with Section 8.5.2). To City's knowledge, no person has a right to use or occupy the Property other than pursuant to the Use Agreements or pursuant to agreements recorded against the Property in the Official Records of Alameda County and disclosed in the Title Report.

9.2 Optionee's Representations and Warranties. Optionee hereby represents and warrants to City and agrees that as of the date hereof and as of the date of the Close of Escrow:

9.2.1 Authority. Optionee is a corporation, duly formed and validly existing and in good standing under the laws of the State of Delaware and is qualified to do business and is in good standing in the State of California. If Optionee assigns this Agreement as permitted in this Agreement, as of the date of Close of Escrow, the representation in the previous sentence shall be updated to correspond to its type of entity and jurisdiction of formation of the assignee. Optionee has full power and authority to enter into this Agreement and to perform the terms and conditions of this Agreement. The execution, delivery and performance of this Agreement by Optionee have been duly and validly authorized by all necessary action on the part of Optionee and all required consents or approvals have been duly obtained. This Agreement is a legal, valid and binding obligation of Optionee, enforceable against Optionee in accordance with its terms, subject to the effect of applicable bankruptcy, insolvency, reorganization, arrangement, moratorium or other similar laws affecting the rights of creditors generally.

9.2.2 No Conflict. The execution, delivery and performance of this Agreement by Optionee does not and will not conflict with, or constitute a violation or breach of, or constitute a default under the organizational documents of Optionee, any law, rule or regulation binding upon or applicable to Optionee, or any material agreements to which Optionee is a party.

9.2.3 No Violation. The execution of this Agreement and the incurrence of the obligations set forth in this Agreement do not violate any order or ruling of any court binding on Optionee or any provision of any indenture, agreement or other instrument to which Optionee is a party or may be bound. Neither the entry into nor the performance of this Agreement by Optionee will result in the violation, or conflict with, or invalidate, cancel or make inoperative, or constitute a default under, any charter, bylaw, partnership, joint venture or limited liability company agreement, trust agreement, mortgage, deed of trust, indenture, contract, credit agreement, judgment, decree, order restriction or other charge, right or interest applicable to Optionee.

9.2.4 Litigation. There are no actions, suits, litigation or proceedings to Optionee's knowledge threatened or with which Optionee has been served affecting the right, power or authority of Optionee to enter into and to perform Optionee's obligations and covenants of this Agreement in accordance with its terms, or which question the validity or enforceability of this Agreement or of any action taken by Optionee under this Agreement, in any court or before any governmental authority, domestic or foreign.

9.2.5 No Reliance. Other than the specific representations and warranties made by City pursuant to this Agreement, Optionee is not relying on any representations or warranties of City with respect to the physical condition of the Property, condition of title to the Property, or any other matter pertaining to the Property.

9.3 Survival of Representations and Warranties. The representations and warranties set forth in this Section 9 will survive the expiration or earlier termination of this Agreement for the period of the statute of limitations, however the representations and warranties in Sections 9.1.4 and 9.1.5 shall terminate 12 months from the Closing, except with respect to any suit for breach thereof filed prior to such date. If Optionee or its employees or agents has actual knowledge prior to the Closing that any representation or warranty hereunder is untrue, and Optionee nonetheless proceeds to close on the purchase of the Property, then Optionee shall be deemed to have irrevocably and absolutely waived, relinquished and released all rights and claims against City for any damage or other loss arising out of or resulting from such untrue representation or warranty.

10. Intentionally Omitted.

11. Default and Remedies. If Optionee materially breaches its obligations under the ENA which survive execution of this Agreement, City may terminate this Agreement and the Option if Optionee fails to cure such breach with 30 days' notice from City. If, following Optionee's delivery of an Option Exercise Notice in accordance with the terms of this Agreement, the Closing fails to occur as a result of Optionee's breach of this Agreement, City and Optionee agree that it would be impractical and extremely difficult to estimate the damages which City may suffer and agree that a reasonable estimate of the total net detriment that City would suffer in the event of such a default by Optionee is and shall be, as City's sole and exclusive remedy (whether at law or in equity) for such breach, an amount equal to the Option Deposit. Such amount shall be the full, agreed and "liquidated damages" for such a breach of this Agreement by Optionee, all other claims to damages or other remedies with respect to such a breach by Optionee, including without limitation, any action for specific performance, being herein expressly waived by City. Upon such a failure of the Closing to occur by reason of a breach of this Agreement by Optionee, this Agreement shall be terminated and, except for those provisions which expressly survive termination of this Agreement, neither party shall have any further rights or obligations hereunder.

INITIALS: City _____ Optionee 

If the Closing does not occur by reason of any breach of this Agreement by City, Optionee may either (i) terminate this Agreement, in which event the Option Deposit shall be refunded to Optionee and City shall pay Optionee its out-of-pocket expenses associated with negotiation of this Agreement and development of the Project, not to exceed \$250,000, or (ii) bring an action for specific performance, which action must be filed within 60 days of City's failure to close in accordance with this Agreement. The parties acknowledge that, upon any consummation of the transactions contemplated by this Agreement pursuant to an action for specific performance, both the Optionee and the City shall be required to perform all of their respective obligations pursuant to this Agreement in connection with the consummation of such transactions.

12. Surplus Land Act.

12.1 The City Council has acted by resolution to declare the Property and Site B Remainder Parcel exempt surplus land under CA Government Code Section 54221(f)(1)(M). The City has submitted its exempt surplus application to the California Department of Housing and Community Development (HCD), and received confirmation of the compliance of this property with the Surplus Land Act and acceptance of the form of draft resolution on May 5, 2025. The City agrees to submit the approved resolution to HCD within two days of Council approval of such resolution. The Parties agree not to execute or record this Agreement until HCD has submitted to the City its findings letter accepting the City's surplus exempt resolution for the Property.

12.2 If third-party litigation is filed against City and/or Optionee asserting failure to comply with the Surplus Land Act after HCD approval, Optionee shall indemnify and defend (with counsel chosen by the City Attorney's Office and reasonably acceptable to Optionee) and hold harmless the Indemnified Parties against any such challenge, provided, however, Optionee's indemnification obligations herein shall not extend to any fines or monetary damages imposed upon the City pursuant to Government Code Section 54230.5(a) only to the extent the City may meet such fines or monetary damages obligations by transferring monies between City controlled funds as contemplated by Section 54230.5(a) as it exists as of the Effective Date, but shall include any and all other award of damages, fines, penalties, assessments, costs and/or attorneys' fees against the City. Optionee's obligation to indemnify, defend and hold harmless under this Section 12.2 shall survive termination of this Agreement and shall be interpreted broadly so as to apply to all legal or administrative proceedings, arbitration, or enforcement actions. In the event that Optionee fails to defend the City in accordance with this Section 12, the City shall have the right to terminate the Agreement and recover from Optionee all costs incurred by the City regarding defense of any such challenge prior to the effective date of any such termination and all award of damages, fines, penalties, assessments, costs and/or attorneys' fees against the City as specified above.

12.3 The provisions of this Section 12 shall survive the termination of this Agreement, to the extent authorized by law.

13. Publicity. Any publicity regarding the project planned by Optionee for the Property or the terms of this transaction, including without limitation any press releases or other written information to be released to the press or media by any party hereto, shall be subject to the reasonable approval of the other party before the same is released, and City and Optionee agree to cooperate on a reasonable basis in respect of the publicity and public relations for this transaction and the project planned by Optionee for the Property.

14. Broker Compensation. Neither Party shall be liable for any marketing fees, real estate commissions or brokerage fees that may arise from this Agreement, the Development Agreement or any other agreement resulting from this Agreement, other than any such Party's obligations to Cushman & Wakefield pursuant to a separate written agreement. In the event that Optionee exercises the Option and the Closing occurs, City is responsible for the marketing fee due to Cushman & Wakefield pursuant to a separate agreement between Cushman & Wakefield and City. City is also responsible for the buyer's commission due to Cushman & Wakefield

pursuant to the agreement between City and Cushman & Wakefield. The Parties represent and warrant that they have not engaged any brokers, agents or finders in connection with this transaction other than Cushman & Wakefield. Optionee shall defend (with counsel acceptable to City) and hold City harmless from any claims by any broker, agent or finder retained by Optionee other than Cushman & Wakefield. City shall defend and hold Optionee harmless from any claims by any broker, agent or finder retained by City other than Cushman & Wakefield.

15. Miscellaneous.

15.1 Time. Time is of the essence of each and all of the provisions of this Agreement. If the last day of any time period stated herein shall fall on a Saturday, Sunday or legal holiday, then the duration of such time period shall be extended so that it shall end on the next succeeding day which is not a Saturday, Sunday or legal holiday. Unless preceded by the word "business" or "Business," the word "day" shall mean a calendar day. The phrase "Business Day" shall mean a day on which the Superior Court of Alameda County is open for business.

15.2 Notice. All notices, requests, demands and other communication given or required to be given or permitted under this Agreement shall be delivered in person; by facsimile, email or overnight courier with written confirmation of receipt, or by registered or certified mail, postage prepaid, return receipt requested, to such Party at its address shown below, or to such other address designated in writing by such Party:

To City:

City of Alameda
2263 Santa Clara Avenue
Alameda, CA 94501
Attn: Jennifer Ott, City Manager and
Abby Thorne-Lyman, Director, Base Reuse and Economic Development
Telephone: (510) 872-2686
Email: athornelyman@alamedaca.gov and econdev@alamedaca.gov

With copies to:

City of Alameda
2263 Santa Clara Avenue
Alameda, CA 94501
Attn: Yibin Shen, City Attorney and
Len Aslanian, Assistant City Attorney
Telephone: (510) 747-4773
Email: laslanian@alamedacityattorney.org

To Optionee:

Pacific Fusion Corporation
Attn: Courtney Richardson, Infrastructure Lead
E-mail: courtney@pacificfusion.com
Attn: Mindy Eihusen, Head of Finance
E-mail: mindy@pacificfusion.com

With copies to:

Hines Interests Limited Partnership
Attn: Shawn Hardy
101 California Street, Suite 1000
San Francisco, CA 94111
E-mail: shawn.hardy@hines.com

and

Cox, Castle & Nicholson LLP
50 California Street, Suite 3200
San Francisco, CA 94111
Attn: Kevin Crabtree
Telephone: (415) 262-5155
E-mail: kcrabtree@coxcastle.com

and

Hines Interests Limited Partnership
845 Texas Avenue, Suite 3300
Houston, TX 77002
Attn: Corporate Counsel
Email: corporate.counsel@hines.com

To Escrow Holder:

Commonwealth Land Title Insurance Company
4400 MacArthur Blvd., Suite 800
Newport Beach, CA 92660
Attn: William Wagasy
E-mail: william.wagasy@cltic.com

To Title Company:

Commonwealth Land Title Insurance Company
4400 MacArthur Blvd., Suite 800
Newport Beach, CA 92660
Attn: William Wagasy
E-mail: william.wagasy@cltic.com

Notice shall be deemed received and effective on delivery, if delivered personally or upon receipt of confirmation if by facsimile, email or overnight courier; or three (3) days after deposit into the United States mail if delivered by registered or certified mail. Any party may change its address for purposes of this Section by giving notice to the other party and to Escrow Holder as herein provided.

15.3 Assignment. Optionee shall not voluntarily or by operation of law assign, or otherwise transfer or encumber all or any part of Optionee's interest in this Agreement without City's prior written consent, which consent shall not be unreasonably withheld. Any attempt by Optionee to so assign, transfer, or encumber without such consent of City shall be void and shall be a breach of the Agreement. Consent to one assignment shall not be deemed consent to any subsequent assignment. Notwithstanding the foregoing, this Agreement may be assigned by Optionee to any affiliate of Optionee or "Developer" (as defined in the ENA). For purposes of this Agreement, "affiliate" of a person or entity shall mean any corporation, partnership, limited liability company, trust or other person or entity controlling, controlled by or under common control with the person or entity in question (whether directly or indirectly through one or more intermediaries).

15.4 Risk of Loss. Possession of the Property, and all risks of loss, or damage with respect to the Property except as specifically provided otherwise in this Agreement, shall pass from City to Optionee upon the Close of Escrow.

15.5 Binding Effect. This Agreement shall be binding on and inure to the benefit of the Parties hereto and their respective successors and assigns. The foregoing sentence does not affect any restrictions on assignment contained elsewhere in this Agreement.

15.6 Entire Agreement. This Agreement, together with the Exhibits attached hereto, as well as the ENA, represent the entire agreement of the Parties with respect to the subject matter hereof and supersedes all prior agreements, documents, understandings, discussions, negotiations and commitments between the Parties, including without limitation any letter or letters of intent. No rights under this Agreement shall be waived except in a writing signed by the party to be charged.

15.7 Amendments. This Agreement may be amended only by means of a writing signed by the Parties, and pursuant to an ordinance approved by the City Council.

15.8 Counterparts; Electronic Execution. This Agreement may be executed simultaneously or in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement. Signatures may be delivered by

facsimile transmission or by e-mail in a portable document format (e.g. “pdf,” “tif,” “jpg” or “DocuSign”) or other electronic format and the signatures on such copies shall be deemed to be effective and valid as original signatures.

15.9 Severability. Should any part, term or provision of this Agreement be declared to be invalid, void or unenforceable, all remaining parts, terms and provisions hereof shall remain in full force and effect, and shall in no way be invalidated, impaired or affected thereby.

15.10 Survival. All representations, warranties, covenants and agreements of the Parties herein shall survive the delivery and recordation of the Quitclaim Deed and the Close of Escrow.

15.11 Governing Law. This Agreement shall be governed by and interpreted in accordance with the laws of the State of California. Any action to enforce or interpret this Agreement shall be brought in a court of competent jurisdiction in Alameda County or, in the case of any federal claims, in federal court for the Northern District of California.

15.12 Attorneys' Fees. In any action or other legal or administrative proceeding to enforce this Agreement, or that otherwise may arise out of this Agreement, each Party shall pay its own attorneys' fees and costs.

15.13 Assignment of Plans. In the event that this Agreement is terminated for any reason other than City's default, Optionee shall, subject to the rights of third parties, deliver to City copies of all final third party reports regarding the physical condition of the Property prepared for and received by Optionee (provided that Optionee shall be entitled to withhold any attorney-client privileged, attorney work product, confidential, and/or proprietary materials) and, if City reimburses the costs of preparing the same, shall, subject to the contractual rights of third parties, without representation or warranty and at no additional out-of-pocket cost to Optionee, use commercially reasonable efforts to assign to City in writing its rights to such materials.

15.14 Exhibits. The documents and materials attached hereto as Exhibits are approved as to form and changes to them shall be made only if mutually agreed by the parties. The terms of such documents are incorporated herein by this reference.

15.15 Construction. The Parties agree that this Agreement is a result of the negotiation of the parties and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement or any amendments or exhibits hereto. No indemnity obligation of either party under this Agreement shall require payment as condition precedent to the performance of such indemnity obligation.

15.16 Captions. The captions of the articles, sections and subsections of this Agreement are for convenience and reference only, and such captions shall in no way be held to explain, modify, amplify, or aid in the interpretation, construction or meaning of the provisions of this Agreement. Words of any gender used in this Agreement shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, and vice versa, unless the context requires otherwise.

15.17 Further Acts. In addition to the acts recited in this Agreement to be performed by the Parties, each Party agrees to perform or cause to be performed any and all further acts as may be reasonably necessary to consummate the transactions contemplated hereby.

15.18 No Third-Party Beneficiaries. No third-party beneficiaries are intended to be created by this Agreement.

15.19 Independent Capacity. Nothing in this Agreement is intended to or does establish the Parties as partners, co-venturers or principal and agent with each another.

15.20 Conflict of Interest. No officer or employee of City shall hold any financial interest in this Agreement (California Government Code § 1090).

[Signatures on the following page.]

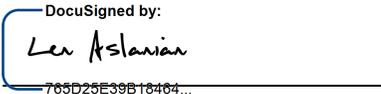
IN WITNESS WHEREOF, each of the parties hereto have executed and delivered this Agreement on the date first above written.

CITY:

CITY OF ALAMEDA,
a California municipal corporation

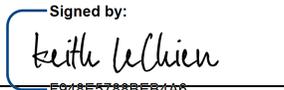
By: _____
Jennifer Ott
City Manager

APPROVED AS TO FORM:
CITY ATTORNEY

By:  _____
763D25E39B18464...
Len Aslanian
Assistant City Attorney

OPTIONEE:

PACIFIC FUSION CORPORATION,
a Delaware corporation

By:  _____
F948E5788BEB4A6...
Name: Keith LeChien
Title: Chief Technology Officer

ACCEPTANCE BY ESCROW HOLDER

The undersigned hereby agrees to act as Escrow Holder pursuant to and in accordance with the foregoing Option Agreement for Purchase and Sale of Real Property.

COMMONWEALTH LAND TITLE INSURANCE COMPANY

By: _____
Escrow Officer

EXHIBIT A-1

Legal Description of the Property



**EXHIBIT "A-1"
DESCRIPTION**

Real property in the City of Alameda, County of Alameda, State of California, described as follows:

BEING a portion of Parcel Two of the Phase 1 Agreed Non-Trust Lands and Parcel Four of the Phase 1 Trust Termination Lands as described in the State of California, Patent and Trust Termination (Phase 1 Trust Termination Lands and Phase 1 Agreed Non-Trust Lands) recorded June 30, 2014, as Document Number 2014154597, Official Records of Alameda County, and as shown as ANTL2 (Parcel Two, 2014154597) and TTL4 (Parcel Four, 2014154597) on that certain map entitled "Record of Survey, RS No. 2565", filed September 17, 2014, in Book 39 of Records of Survey, at Pages 88 through 100, inclusive, in the Office of the Recorder of Alameda County, being more particularly described as follows:

COMMENCING at the easterly termination of that certain course described as "South 73°08'54" West 1282.46 feet" along the southerly line of said Parcel Four (2014154597);

THENCE, westerly along said southerly line of Parcel Four, South 73°08'54" West 358.60 feet;

THENCE, leaving said southerly line of Parcel Four, North 04°47'18" East 277.03 feet to the **POINT OF BEGINNING**;

THENCE, South 85°12'42" East 348.30 feet;

THENCE, North 04°47'18" East 197.68 feet;

THENCE, South 85°12'42" East 277.11 feet;

THENCE, South 04°47'18" West 438.04 feet to the northerly terminus of that certain course delineated as "North 03°14'46" East 350.00 feet" along the general easterly line of said lands (2014154597) on said record of survey (39 RS 88);

THENCE, South 04°47'18" West 579.87 feet;

THENCE, North 85°13'00" West 611.40 feet;

THENCE, along a tangent curve to the right having a radius of 14.00 feet, through a central angle of 90°00'18", an arc distance of 21.99 feet;

THENCE, North 04°47'18" East 806.28 feet to the **POINT OF BEGINNING**.

Containing an area of 13.033 acres, more or less.

A plat showing the above described easement is attached hereto and made a part hereof as Exhibit "B".

This property description has been prepared in conformance with the requirements of the Land Surveyors' Act and shall not be utilized in any conveyance which violates the Subdivision Map Act of the State of California or local ordinances.

EXHIBIT A-2

Depiction of Site B Remainder Parcel

EXHIBIT B

Milestones

Exhibit B: Option Milestone Checklist & Schedule of Performance

	Milestone*	Description	Goal Dates	Binding Date	Responsibility	Priority Review Times**
1.	Due Diligence Completion	Developer completes environmental, title, and site feasibility assessments.		Within 120 days of Option agreement execution or receipt of required encroachment permits, whichever occurs later.	Developer	
2.	Developer Submits Development Plan and Design Review Package to City	Complete Package responds to outstanding items in City's Incomplete Letter as Required for Planning Board Review	Next Submittal: June 15, 2025 Final Submittal Goal: August 15, 2025	November 30, 2025	Developer	City response to submittal is <= 30 days. ** Applicant turnaround time for resubmittal of entitlement package is <=30 days from receiving comments
3.	Developer Submits First Draft Tentative Map		Same as #3 above	November 30, 2025	Developer	Same as #3 above
4.	City Submits First Draft Development Agreement (DA) or Other		June 30, 2025	November 30, 2025	City	Both parties shall submit responses within 30 days of receipt of first draft, comments and/or revisions
5.	Planning Board Action on Development Plan, Design Review, Tentative Map, Development Agreement	Planning Board approves all discretionary approvals (inclusive of tentative map) and DA recommendation	October 13, 2025 (Tentative – assuming Staff prepared to recommend)	June 30, 2026	City	Up to 60 days from final submittal to public hearing date. (8/15 submittal > 10/13 PB)
6.	Council Action on Development Agreement		December 31, 2025	August 30, 2026	City	

7.	Execution of Development Agreement			Within 45 days of Council approval	Contingent on Council approval and no objections	
8.	Infrastructure Drawings	Developer submits preliminary plans for utilities, grading, and roadway alignments (both on and offsite)		Submittal shall be made within 4 months of Council DA approval or October 31, 2026 - whichever is later	Developer	City response to submittal is <= 30 days. ** Applicant turnaround time for resubmittal of entitlement package is <=30 days from receiving comments
9.	Draft Construction Drawings	Developer submits draft conceptual on-site construction documents for review by City		Submittal shall be made within 5 months of entitlement approval or November 30, 2026 - whichever is later	Developer	Same as #8 above
10.	Final Parcel Map	Submittal of Final Parcel Map Drawings for City Review	Concurrent with Infrastructure Drawings.	Timing of the approval and recordation of map shall occur prior to property conveyance.	Developer	Same as above
		POST CLOSING MILESTONES (TO BE INCORPORATED IN FUTURE AGREEMENTS)				
11.	Horizontal Construction Commences	Demolition and Horizontal Infrastructure Work		Substantial completion within 18-24 months of developer or buyer receiving building permits for horizontal construction, subject to Force Majeure	Developer	
12.	Vertical Construction Commences	Commencement of vertical construction (groundbreaking).		Vertical construction shall commence upon or before substantial completion of the horizontal improvements, which shall not be later than 18 months from the notice to proceed for the horizontal improvements	Developer	Anticipate a similar priority review of documents however subject to confirmation from Building dept.

13.	Substantial Completion of Public Improvements	Installation of required infrastructure per infrastructure agreement.		Prior to Certificate of Occupancy; the Building Department can issue a Temporary Certificate of Occupancy (TCO) earlier, when requirements for a TCO are met.	Developer	Public improvements will be inspected during construction.
14.	Certificate of Occupancy	Confirms the project is built per code and is safe to occupy.		36 months from construction commencement	City	Subject to confirmation from Building dept.

* Milestones in boldface are material milestones.

** The following bullets describe processing expectation:

- Council approval of Development Agreement entails two readings, and a 30-day period following approval of the second reading
- City team is working diligently to review and advance entitlement material expeditiously.
- Applicant is working diligently to respond to completeness items and preliminary comments.
- Both parties shall submit responses within 30 days of receipt of comments / revisions
- Expectation is that by the 3rd submittal, package will be complete and adequately respond to comments enabling public hearing at Planning Board.

EXHIBIT C

Memorandum of Option Agreement

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

City of Alameda
2263 Santa Clara Avenue
Alameda, CA 94501
Attn: Abby Thorne-Lyman, Base Reuse
Director

SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE

APN: _____

This instrument is exempt from Recording Fees (Govt. Code § 27383)

**MEMORANDUM OF OPTION AGREEMENT FOR PURCHASE AND SALE OF REAL
PROPERTY**

This Memorandum of Option Agreement for Purchase and Sale of Real Property ("Memorandum") is made as of the _____ day of _____, 2025, by THE CITY OF ALAMEDA, a municipal corporation ("Optionor"), and PACIFIC FUSION CORPORATION, a Delaware corporation ("Optionee"), pursuant to that certain Option Agreement for Purchase and Sale of Real Property of even date herewith between the parties which is incorporated herein by this reference (the "Option Agreement") with respect to that certain real property in the County of Alameda, State of California, more fully described in Exhibit A and shown on Exhibit B attached hereto and by this reference incorporated herein ("Property").

1. Grant of Option. Optionor grants to Optionee an option ("Option") to purchase the Property, subject to all of the terms and conditions stated in the Option Agreement.

2. Option Period. As more fully set forth in the Option Agreement, (a) the term of the Option (“Option Term”) shall commence on the Effective Date and must be exercised no later than 5:00 pm on February 18, 2027 (“Expiration Date”) unless earlier terminated in accordance with the Option Agreement and (b) in the event that such option is exercised, the closing will occur within 30 days thereafter. Provided there is no uncured material default by Optionee, the Option Term and Expiration Date may be extended three (3) times for three (3) months each pursuant to terms and conditions set forth in the Option Agreement.

3. Exercise of Option. The Option shall be exercisable by Optionee at any time during the Option Term in the manner and on the terms and conditions set forth in the Option Agreement with respect to the Option.

4. Expiration of Option Term. If Optionee fails to exercise the Option in accordance with the terms and conditions set forth in the Option Agreement by the Expiration Date, then this Memorandum and the Option Agreement and the rights of Optionee thereunder shall automatically terminate without notice.

5. Interpretation. The purpose of this Memorandum is to give notice of the existence of the Option Agreement and the rights of Optionee under the Option Agreement with respect to the Option. If there is any inconsistency between the provisions of this Memorandum and the provisions of the Option Agreement, the provisions of the Option Agreement shall control.

6. Counterparts. This Memorandum may be executed simultaneously or in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Memorandum.

[Signatures on the following page.]

IN WITNESS WHEREOF, each of the parties hereto have executed and delivered this Memorandum on the date first above written.

OPTIONOR:

CITY OF ALAMEDA,
a California municipal corporation

By: _____
Jennifer Ott
City Manager

APPROVED AS TO FORM:
CITY ATTORNEY

By: _____
Len Aslanian
Assistant City Attorney

OPTIONEE:

PACIFIC FUSION CORPORATION,
a Delaware corporation

By: _____
Name: _____
Title: _____

EXHIBIT A
LEGAL DESCRIPTION OF PROPERTY

EXHIBIT B
DEPICTION OF PROPERTY

EXHIBIT D

Infrastructure Improvements

Exhibit D – Conceptual Infrastructure Scope

Conceptual Street Improvements:

New Backbone Streets (public rights-of-way) may be established with a Parcel or Tract Map in the locations generally shown on Attachment D-1. All streets within the Infrastructure Package shall be constructed in substantial conformance with the Alameda Point Master Infrastructure Plan (MIP), the Pacific Fusion Development Plan and the following:

Orion Street improvements shall consist of a 72-foot width right-of-way and extend from the southern side of the intersection with Pacific Avenue, southerly to and include full intersection improvements at W. Ticonderoga Avenue. The new right-of-way will conflict with existing on-site tenant parking which support Building 169 west of the development area and Building 397. The parking layouts for Building 169 and 397 parking shall be reasonably modified to maintain access and functionality. The improvements shall extend northerly to the intersection with Pacific Avenue, which shall be partially improved with interim improvements to provide transitions to existing conditions and safe intersection operation.

W. Ticonderoga Avenue improvements shall consist of a 72-foot width right-of-way and include full intersection improvements at Orion Street and conform to the existing roadways south and west of the intersection. The improvements shall extend eastward to the intersection with Skyhawk Street which shall be partially improved with interim improvements.

Each 72-foot width right-of-way shall include one travel lane in each direction, parking lane and/or area for stormwater treatment on both sides of the street, separated and elevated bike lanes, sidewalks, curb and gutter, public utilities including storm drainage, sanitary sewer, water (potable and recycled) improvements, joint trench, street lighting, and landscaping as generally shown on Attachment D-1. The work will include the removal/abandonment of all existing improvements within the roadway.

Pacific Avenue, Skyhawk Street and W. Oriskany Avenue shall remain open and passable to the public and consist of a minimum 24-foot width of asphalt pavement, signage, and striping in fair to good condition.

The development shall have no responsibility for any surface improvements to Main Street, Central Avenue, Pacific Avenue or W. Ticonderoga east Skyhawk Street.

Conceptual Storm Drain Improvements:

Storm drain improvements shall be constructed in all new Backbone Streets identified above and consistent with the ultimate storm drain system presented in MIP and generally shown in Attachment D-1. Drainage shall generally flow west and south through the development area to the planned future Outfall "O" to San Francisco Bay south of W. Hornet Avenue. All surface and subsurface drainage within the development area shall be directed to the new storm drain system.

The developer may elect to defer construction of Outfall "O" and make an interim connection to the existing storm drain system which flows west, paralleling Oriskany Avenue to an existing outfall in Seaplane Lagoon. The interim connection can consist of a parallel pipe outside of the new right-of-way reversing flow from the Orion / W. Ticonderoga intersection to the north or through a direct connection near Oriskany Avenue. If a direct connection is made at Oriskany Avenue, on-site drainage shall be directed to this connection point and interim connections provided for the southern portion of Orion Street and Ticonderoga Avenue. Regardless of the interim condition, the ultimate storm drain shall be installed in the southern portion of Orion Street and Ticonderoga Avenue. The existing pipe condition is unknown and must be inspected during the design process, spot repairs may be required.

Invert elevations and other critical design information is not known at this time and may affect the ability to complete the interim connection as noted above. If the interim connection is made, the developer would have no further financial obligation related to the ultimate configuration or Outfall "O". Existing pipe conditions and invert elevations may complicate the design to the point where construction of ultimate configuration and Outfall "O" may be only incrementally more expensive. The City and developer may mutually decide to construct the ultimate storm drain configuration and any additional expense would be credited against project contingency.

Conceptual Sanitary Sewer Improvements

Sanitary sewer improvements shall be constructed in all new Backbone Streets identified above and consistent with the ultimate sewer system presented in MIP and generally shown in Attachment D-1. Sewage shall generally flow from the development area and Enterprise District to an ultimate connection to the sewer pump station near Orion Street and Trident Avenue recently constructed at part of Site "A".

The existing sanitary sewer line in Viking Way which flows north to the existing Site "A" pump station may be used as an interim connection. The existing pipe condition is unknown and must be inspected during the design process. It should be expected that this line must be slip-lined or rehabilitated with a cured in place process from Oriskany to the recently replaced sewer main within Site "A".

Invert elevations and other critical design information is not known at this time and may affect the ability to connect to the existing Viking Way sewer line by gravity. A new interim sewer lift station and/or force main is likely and will be assumed for budgetary purposes. Existing invert elevations and design considerations may result in a situation where construction of the permanent lift station and/or force main may be only incrementally more expensive. The City and developer may mutually decide to construct a permanent pump station, and any additional expense would be credited against the Phase 2 purchase price or a scope reduction to the Infrastructure Package.

Flows from City Sewer Lift Station #8 shall be intercepted and connected, by gravity if possible, to the new sewer in W. Ticonderoga. Ideally, Lift Station #8 will be removed

Conceptual Water, Gas, Electric (Joint Trench) Improvements

Water service will be provided by East Bay Municipal Water District (EBMUD) and new water mains and hydrants will be required within the backbone streets and as determined by the EBMUD main extension application process. The developers engineering consultant should coordinate with EBMUD regarding water requirements including any need to upsize the existing 6" water serving in Central Avenue. Existing water connections through the EBMUD water loop shall be maintained to the north, south, and west of the development area. Where fire service to new hydrants and existing hydrants remaining will be disrupted by the new water mains, private fire services shall be provided.

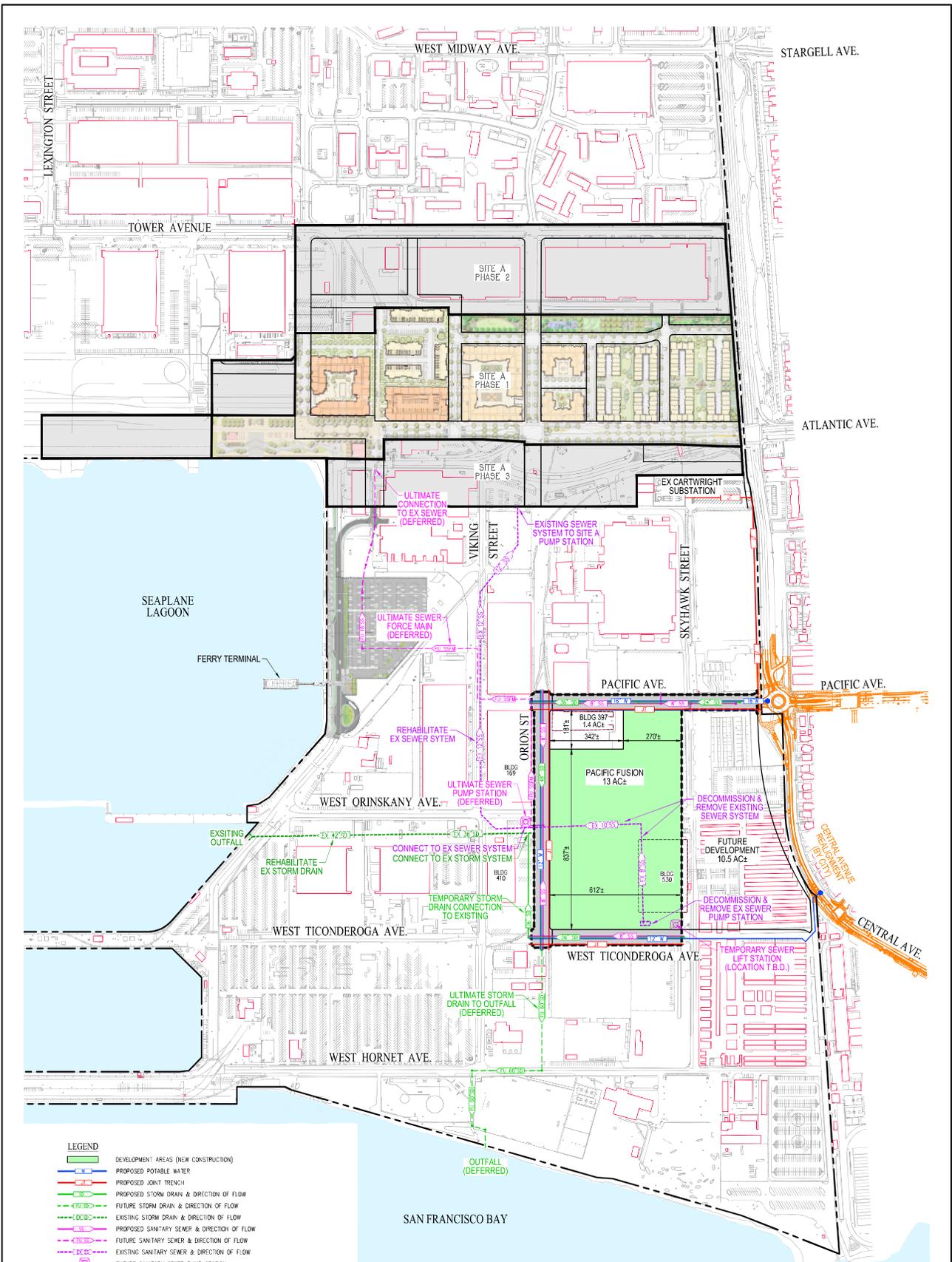
If needed, gas service will be provided by Pacific Gas and Electric (PG&E) and new gas lines may be provided within the backbone streets; any off-site connections shall be maintained. The developers engineering consultant should coordinate with PG&E regarding any additional requirements.

Electricity will be provided by Alameda Municipal Power (AMP) and the developer should coordinate directly with AMP regarding power requirements and service. A new joint trench and conduit package for power and communications shall be designed and constructed within the backbone streets constructed with this project as generally shown in Attachment D-1.

A joint trench plan shall be developed and constructed along the backbone streets of Orion St, and W. Ticonderoga Ave. Dry utilities required along Pacific Avenue and extending northerly to connect to the Cartwright Substation can be installed on joint poles with overhead wires. The joint trench consultant shall coordinate with AMP, PG&E, City of Alameda, and telecommunication providers and accommodate within the conduit package.

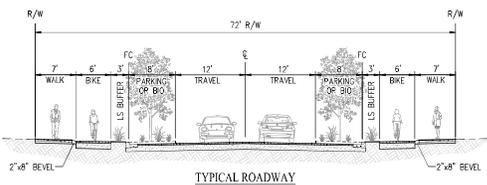
Site Preparation

The developer shall assume all responsibility for site investigation, design, and construction for both on-site and backbone infrastructure development. Responsibilities include, but are not limited to, geotechnical investigation and any geotechnical site preparation, identifying and locating all existing utilities, demolition of existing buildings, foundations, and underground utilities to be abandoned, grading including any import or export of fill, and maintaining or rerouting of affected utilities serving adjacent uses.



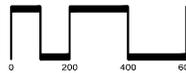
- LEGEND**
- DEVELOPMENT AREAS (NEW CONSTRUCTION)
 - PROPOSED POTABLE WATER
 - PROPOSED JOINT TRENCH
 - PROPOSED STORM DRAIN & DIRECTION OF FLOW
 - - - FUTURE STORM DRAIN & DIRECTION OF FLOW
 - - - EXISTING STORM DRAIN & DIRECTION OF FLOW
 - PROPOSED SANITARY SEWER & DIRECTION OF FLOW
 - - - FUTURE SANITARY SEWER & DIRECTION OF FLOW
 - - - EXISTING SANITARY SEWER & DIRECTION OF FLOW
 - FUTURE SANITARY SEWER PUMP STATION
 - CONNECT TO EXISTING WATER MAIN
 - SITE A DEVELOPMENT AREAS (PHASE 1 AND FUTURE PHASES 2 & 3)

*Diagram conceptual and subject to change, consistent with the Option Agreement



ALAMEDA POINT IMPROVEMENT PACKAGE ENTERPRISE DISTRICT (PACIFIC FUSION)

CITY OF ALAMEDA ALAMEDA COUNTY CALIFORNIA
SCALE: 1" = 200' DATE: APRIL, 2025



SAN RAMON • (925) 866-0322
ROSEVILLE • (916) 788-4456
WWW.CBANDS.COM
CIVIL ENGINEERS • SURVEYORS • PLANNERS

EXHIBIT E

Reserved

EXHIBIT F

Bill of Sale

BILL OF SALE AND GENERAL ASSIGNMENT

THIS BILL OF SALE AND GENERAL ASSIGNMENT (“Agreement”) is entered into as of this ____ day of _____, 202_, by THE CITY OF ALAMEDA, a municipal corporation (the “Assignor”), in favor of PACIFIC FUSION CORPORATION, a Delaware corporation (“Assignee”), in connection with the sale of certain real property located within the City of Alameda, State of California commonly referred to as the former Alameda Naval Air Station, now known as Alameda Point, as more particularly described on Exhibit “A” attached hereto (the “**Real Property**”), by Assignor to Assignee.

NOW, THEREFORE, in consideration of the covenants and conditions contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Assignor and Assignee agree as follows:

1. Bill of Sale. Assignor hereby grants, sells, transfers, assigns, conveys and delivers to Assignee all of Assignor’s right, title and interest, if any, in and to any and all tangible personal property owned by Assignor which is located on the Real Property (collectively, the “**Personal Property**”). This transfer is made without representation, warranty or guaranty by, or recourse against, Assignor of any kind whatsoever. Further, any implied warranties of quality, fitness or merchantability are hereby disclaimed.

2. Assignment. Assignor hereby unconditionally assigns and transfers to Assignee all of Assignor’s right, title and interest, if any, in and to the following (collectively, the “**Assigned Rights**”):

(a) “Appurtenant Rights” related to the Real Property, which consist of all appurtenant easements, rights-of-way, sewer and utility rights connected with such real property to the extent that Assignor owns such interests; and

(b) All intangible personal property, to the extent assignable and related exclusively to any or all of the Real Property, *including but not limited to*, any and all such (A) warranties, guaranties and indemnities, (B) governmental or quasi-governmental entitlements, licenses, permits, authorizations, consents, variances, waivers, approvals or similar rights, and (C) any plans, drawings, specifications, surveys, engineering reports, other technical descriptions and any names by which the improvements on the Real Property may be known or identified, including its street address.

3. Successors. This Agreement shall be binding upon and inure to the benefit of the successors, assigns, personal representatives, heirs and legatees of Assignor and Assignee.

4. Further Assurances. Assignor shall execute and deliver to the Assignee any additional instrument or other document that Assignee reasonably requests to evidence the assignment of the Assigned Rights and the Assigned Property hereunder promptly upon request.

Assignor shall reasonably cooperate and assist Assignee in obtaining any consents required to effectuate this Agreement.

5. Counterparts; Electronic Execution. This Agreement may be executed simultaneously or in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement. Signatures may be delivered by facsimile transmission or by e-mail in a portable document format (e.g. “pdf,” “tif,” “jpg” or “DocuSign”) or other electronic format and the signatures on such copies shall be deemed to be effective and valid as original signatures.

6. Governing Law. This Agreement shall be governed by and interpreted in accordance with the laws of the State of California. Any action to enforce or interpret this Agreement shall be brought in a court of competent jurisdiction in Alameda County or, in the case of any federal claims, in federal court for the Northern District of California.

[signature page follows]

IN WITNESS WHEREOF, the Assignor has executed this Agreement as of the year and date first above written.

ASSIGNOR:

CITY OF ALAMEDA,
a California municipal corporation

By: _____
Jennifer Ott
City Manager

APPROVED AS TO FORM:
CITY ATTORNEY

By: _____
Len Aslanian
Assistant City Attorney

ASSIGNEE:

PACIFIC FUSION CORPORATION,
a Delaware corporation

By: _____
Name: _____
Title: _____

EXHIBIT G

List of Use Agreements and Contracts

Site Access Agreement with Chevron Environmental Management Company signed by the City on May 4, 2023, as amended by the Reinstatement and First Amendment to Site Access Agreement (which is not yet signed).