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AGREEMENT TO EXTEND CLOSE OF ESCROW

THIS AGREEMENT TO EXTEND CLOSE OF ESCROW ("Extension Agreement") is made by and between THE CITY OF SAN DIEGO, a California municipal corporation ("CITY"), and BALDWIN & SONS, LLC, a California limited liability company ("BALDWIN"), to be effective as of **August 7, 2013** (the "Extension Effective Date"), when signed by the parties and approved by the San Diego City Attorney.

RECITALS

- A. CITY and BALDWIN are parties to that certain REAL ESTATE PURCHASE AND SALE AGREEMENT ("PSA") dated June 10, 2013, relating to the purchase and sale of that certain CITY-owned real property, Assessor's Parcel Number 644-313-09, consisting of approximately 11.32 acres of land improved with water main pipelines and located south of Olympic Parkway and northwest of La Media Road in Chula Vista, California, and more particularly described in the PSA.
- B. Capitalized terms not defined in this Extension Agreement are defined in the PSA.
- C. BALDWIN's Due Diligence Period has expired and no Buyer's Contingencies exist.
- D. The PSA requires BALDWIN to provide CITY two Access Easements on, over, across and through certain real property, Assessor's Parcel Numbers 644-310-41, 644-311-17 and 644-311-18 (the "Access Property"), for ingress and egress to and from a Water Pipeline Easement to be reserved by CITY.
- E. The Closing Date under the PSA was to be on or before August 3, 2103, but the parties agreed to extend the Closing Date so that the exhibits (legal descriptions and drawings) could be updated. On August 7, 2013, BALDWIN notified CITY that pursuant to San Diego Superior Court Case No. 37-2012-00085855-CU-OR-CTL (the "BALDWIN Litigation"), a lis pendens affecting the Access Property was recorded on December 11, 2012. The BALDWIN Litigation has put ownership of the Access Property in doubt, so BALDWIN's ability to legally convey valid Access Easements to CITY is uncertain. The BALDWIN Litigation is scheduled for a civil court trial on November 22, 2013.
- F. CITY has agreed to extend the Closing Date pending a resolution of the BALDWIN Litigation that will allow BALDWIN to provide valid Access Easements. As consideration for the extension, BALDWIN will pay CITY one-twelfth (1/12) of ten percent (10%) of the Purchase Price for each month that the Closing Date is extended, commencing on the Extension Effective Date, and under the terms and conditions of this Extension Agreement.

IN CONSIDERATION OF THE FOREGOING RECITALS AND FOR OTHER VALUABLE CONSIDERATION, the sufficiency of which is acknowledged, the parties agree as follows:

- 1. Closing Extended. The parties acknowledge and agree that the Closing cannot and shall not occur until such time as the fee title to the Litigation Property is resolved in favor of

BALDWIN as the owner of such fee title, and to the City's satisfaction.

- 1.1 Extension. Pursuant to PSA section 11, Close of Escrow, the Closing shall be extended on a month-to-month basis commencing on the Extension Effective Date.
2. Extension Consideration. BALDWIN shall pay to CITY consideration ("Extension Consideration") for CITY's continuing agreement to extend the Closing Date. The Extension Consideration shall be Two Thousand Three Hundred Eighty-Seven Dollars (\$2,387), payable monthly on or before the third day of each month during the term of this Extension Agreement. The Extension Consideration shall be non-refundable, shall not be credited against the Purchase Price and shall not be prorated for any partial month.
 - 2.1 Catch-Up Payment. Upon the execution and delivery of this Extension Agreement, BALDWIN shall pay to CITY all Extension Consideration in arrears from and including the Extension Effective Date.
3. Term. The term of this Extension Agreement shall commence on the Extension Effective Date and continue on a month-to-month basis until terminated as provided below.
4. Termination. This Extension Agreement shall terminate either: (a) upon the Closing; (b) upon the termination of the PSA; or (c) by written agreement between the parties.
5. Place of Payment. All payments under this Extension Agreement shall be made payable to the City Treasurer and mailed to:

The Office of the City Treasurer
City of San Diego
P.O. Box 129030
San Diego, California 92112-9030

or hand-delivered to:

The Office of the City Treasurer
Civic Center Plaza
1200 Third Avenue, First Floor
San Diego, California 92101

CITY may change the place of payment at any time upon at least ten (10) days prior written notice to BALDWIN. Mailed payments shall be deemed paid upon the date the payment is postmarked by the postal authorities. If postmarks are illegible, the payment shall be deemed received only upon actual receipt.

6. Notices. Any notice required or permitted to be given under this Extension Agreement shall be in writing and may be served personally or by United States mail, postage prepaid, addressed as follows:

THE CITY OF SAN DIEGO
Attention: Director, Real Estate Assets
1200 Third Avenue, Suite 1700 (MS 51A)
San Diego, California 92101

BALDWIN & SONS, LLC
Attn: Stephen M. Haase
610 West Ash Suite 1500
San Diego, CA 92101

With a copy by First Class Mail to:

BALDWIN & SONS, LLC
Attn: Cheryl Hill
280 Newport Center Drive, Suite 240
Newport Beach, CA 92660

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7. Authority to Contract. Each individual executing this Extension Agreement on behalf of another person or legal entity represents and warrants that they are authorized to execute and deliver this Extension Agreement on behalf of such person or entity in accordance with duly adopted resolutions or other authorizing actions which are necessary and proper and under such legal entity's articles, charter, bylaws or other written rules of conduct or governing agreement. Each party which is not a natural person represents and warrants that it is a valid, qualified corporation, limited liability company, partnership or other unincorporated association in good standing in its home state and that it is qualified to do business in California.

IN WITNESS WHEREOF, this Extension Agreement is executed to be effective as of the Extension Effective Date.

BALDWIN & SONS, LLC, a California limited liability company

BY: [Signature]
Name: Stephen M. Haase
Title: Senior Vice President

THE CITY OF SAN DIEGO, a California municipal corporation

BY: [Signature]
Name: James F. Barwick, CCIM
Title: Director, Real Estate Assets

Approved as to form and legality:

JAN I. GOLDSMITH, City Attorney

BY: [Signature]
Name: Hilda R. Mendoza
Title: Deputy City Attorney
Date: 12-2-13