

**LETTER OF INTEREST
TO PURCHASE REAL PROPERTY**

Date: May 24, 2022

To: 310 9th Street, LLC

Subject: Clark County Assessor's Parcel Number 139-34-701-010 addressed as 302 S 9th Street, Las Vegas, Clark County, State of Nevada, 89101 commonly known as the "9th Bridge School"

The city of Las Vegas, a political subdivision of the State of Nevada (the "Buyer" or the "City") is making a proposal to purchase Assessor's Parcel Number 139-34-701-010 addressed as 302 S 9th Street, Las Vegas, Clark County, Nevada, 89101, including multiple buildings, and commonly known as the "9th Bridge School" (the "Real Property") from 310 9th Street, LLC, a Nevada limited liability company (the "Seller") in accordance with, and subject to, the terms and conditions set forth in this Letter of Interest (this "Letter of Interest"), including the following terms and conditions:

1. Buyer. City of Las Vegas, a political subdivision of the State of Nevada. Seller: 310 9th Street, LLC, a Nevada limited liability company.
2. Property. Together with the Real Property, Buyer is also purchasing all of Seller's rights, title and interest (to the extent assignable) in all of the improvements, fixtures, furniture, and equipment and other real property appurtenant thereto and personal property used in connection with, or relating solely to, the Real Property including all land use entitlements, governmental permits and allocations, and other such governmental and agency approvals as may exist concerning the Real Property, if any (collectively with the Real Property the "Property"). Pursuant to NRS 148.280, Seller shall convey title to the Property to Buyer by a duly executed Order Confirming the Sale issued by the Eighth Judicial District Court for the State of Nevada, in the matter of the Estate of Anthony Hsieh, P-20-105105-E.
3. Purchase Price. Seven Million Two Hundred Thousand United States Dollars (\$7,200,000).
4. Opening of Escrow. Escrow (the "Purchase Escrow") shall be opened at First American Title Insurance Company ("Escrow Holder") within one (1) business day following the full execution of a Purchase Contract (as defined below) by Buyer and Seller.
5. Deposit. Concurrently with the opening of the Purchase Escrow, Buyer shall place therein the sum of Fifty Thousand Dollars and No Cents (\$50,000.00) as a deposit (the "Deposit"). If, prior to the expiration of the Due Diligence Period (as defined below), Buyer sends Seller written notice that Buyer is not waiving its due diligence contingencies, then upon delivery of such notice, the Deposit shall be refunded to Buyer. Thereafter, the Deposit shall be refunded to Buyer only if (i) the Buyer's conditions precedent to Closing are not satisfied through no fault of Buyer or waived in writing by the Buyer, or (ii) the Seller defaults under the Purchase Contract due to no fault of Buyer. If the sale of the Property is consummated (the

“Closing”), the Deposit will be applied to the Purchase Price. Except as otherwise noted in this paragraph, the Deposit shall be paid to Seller.

6. Purchase Contract. A draft purchase agreement, incorporating, among other things, the terms and conditions of this Letter of Interest, shall be prepared by legal counsel to Seller and submitted to Buyer. Buyer and Seller will use commercially reasonable efforts to, within thirty (30) days following the mutual execution of this Letter of Interest (the “Contract Negotiation Period”), negotiate, develop and enter into a binding and definitive purchase agreement incorporating the terms and conditions of this Letter of Interest and otherwise in form and substance acceptable to Buyer and Seller, each in its sole discretion (the “Purchase Contract”). If the Purchase Contract has not been fully executed and delivered prior to the expiration of the Contract Negotiation Period, then this Letter of Interest shall terminate, and except as otherwise provided in this Letter of Interest with respect to matters which survive the termination hereof, neither party shall have any obligation to the other party with respect to any matters set forth in this Letter of Interest.

7. Due Diligence Period. Provided that Buyer and Seller shall have entered into the Purchase Contract or an Access and Indemnity Agreement in form and substance acceptable to Buyer and Seller, each in its sole discretion, Buyer shall have until the earlier to occur of the termination of this Letter of Interest or sixty (60) days after the mutual execution of this Letter of Interest (the “Due Diligence Period”) to perform feasibility and due diligence inspections of the Property; provided, however that Buyer shall have no right to conduct any invasive inspection of the Property, including, without limitation any Phase II environmental site assessment, without the prior written consent of Seller, which consent may be withheld in Seller’s sole and absolute discretion. Seller shall provide to Buyer (or make available to Buyer through a dropbox or datasite) at Seller’s sole expense within five (5) days after the Opening of Escrow all material written information regarding the Property which, to Seller’s actual knowledge, is in Seller’s possession or control, including without limitation on the documents to be provided to the extent that such documents, to Seller’s actual knowledge are in Seller’s possession or control: (1)¹ building plans and specifications, (2) copies of all agreements and all service contracts applicable to the Property; and (3) copies of all licenses and permits regarding the Property (the “Materials”); provided, however that the Materials shall not include, and Seller shall have no obligation to provide any of the following materials: (i) any document or correspondence which would be subject to the attorney-client privilege or covered by the attorney work-product doctrine and any memo, correspondence or other document to or from counsel, whether or not covered by the attorney-client privilege; (ii) any document or item which Seller is contractually or otherwise bound to keep confidential; (iii) any documents pertaining to the marketing of the Property for sale to prospective buyers; (iv) any internal memoranda, reports or assessments of Seller or Seller’s affiliates relating to Seller’s marketing, disposition or valuation of the Property; (v) any appraisals of the Property, whether prepared internally by Seller or Seller’s affiliates or externally; (vi) any documents or items which Seller considers proprietary (such as Seller’s or its property manager’s operation manuals, software programs or other electronic media or services that are subject to licenses or other agreements that are personal to Seller or Seller’s property manager, insurance policies, or any current operating budgets for the Property); (vii)

¹ NTD: Seller does not have the following documents: survey, environmental reports, engineering reports, soils reports, as-built plans, zoning information or certifications.

organizational, financial and other documents relating to Seller or Seller's affiliates (other than evidence of due authorization and organization as may be required under the Purchase Contract); (viii) any materials projecting or relating to the future performance of the Property; and (ix) Seller's financial analyses or projections, including Seller's pre-acquisition due diligence materials, acquisition files on the Property and the book value of the Property. During the Due Diligence Period, Buyer and Seller shall agree upon the form of the Naming Covenant, and if they are unable to agree, then the Purchase Contract may be terminated by either party. Buyer understands and agrees that (a) Buyer was a previous owner of the Property and has historical information regarding the Property; (b) Seller has limited information regarding the Property; (c) the sale of the Property shall be on an "AS-IS", "WHERE-IS" basis with very limited representations regarding the Property, and all of which representations shall be limited to the actual conscious knowledge of a to-be-determined individual, without duty of inquiry or investigation.

8. Buyer's Condition Precedent to Closing. Buyer's obligation to close the Purchase Escrow shall be subject to the following conditions:

- A. Approval and execution of the Purchase Contract by the Las Vegas City Council at a duly noticed meeting prior to the expiration of the Due Diligence Period.
- B. Title Company shall be in position to issue, upon the Closing, a policy of title insurance to Buyer in the full amount of the Purchase Price showing fee simple title vested in Buyer subject only to the Naming Covenant, non-delinquent taxes and such other exceptions to title as have been approved by Buyer during the Due Diligence Period or arise thereafter and are permitted by the terms of the Purchase Contract ("Buyer's Title Policy").
- C. Approval of the sale of the Property by the Eighth Judicial District Court for the State of Nevada, in the matter of the Estate of Anthony Hsieh, P-20-105105-E on or before June 16, 2022.

9. Seller's Conditions Precedent to Close of Escrow. Seller's obligation to close the Purchase Escrow shall be subject to the following conditions:

- A. Approval of the sale of the Property by the Eighth Judicial District Court for the State of Nevada, in the matter of the Estate of Anthony Hsieh, P-20-105105-E on or before June 16, 2022.
- B. The recordation at Closing in the Official Records of Clark County Nevada requiring that so long as the Property, or any portion thereof, shall be used for any educational purpose, whether public, private or otherwise, the Real Property campus shall be named:

"[Name of the then current school program [which name shall not be, contain or include the name of any individual] at The Tony Hsieh Education Center" (the "Name"). The Seller (or its affiliate) shall grant the Buyer,

at no cost to the Buyer, a non-exclusive license to use the phrase “The Tony Hsieh Education Center.” The Name or “The Tony Hsieh Education Center” shall appear, at the sole cost of Buyer, on Real Property site signage, and in all city of Las Vegas material signage, websites and other city of Las Vegas branding and marketing materials for the Real Property (the “Naming Covenant”). The Naming Covenant shall further provide that (i) upon a breach, beyond any applicable notice and cure period, of the Naming Covenant, (ii) an amendment or release of the Naming Covenant by the Buyer without Seller’s required written consent in its sole and absolute discretion, or (iii) Buyer’s failure to operate the Property for a Community Purpose (as defined below) for four (4) consecutive months, Seller shall have the right to repurchase the Property for the then mutually agreed to appraised value of the Property, (the “Purchase Option”). Upon the occurrence of (i), (ii), or (iii) above, the Seller shall exercise its Purchase Option within sixty (60) days written notice to Buyer or the Purchase Option shall automatically terminate and be of no further force and effect. In the event that the City desires to sell, transfer or otherwise convey the Real Property within six (6) years after the Closing, the Seller (or its designee which shall be a related party or affiliate of Seller) shall have a right of first refusal to purchase the Real Property (“ROFR”) subject and limited to the requirements of Nevada Revised Statutes Chapter 268 which defines the City’s ability to dispose of real property. The Naming Covenant shall automatically terminate and be of no further force or effect in the event that (x) the Real Property is owned by the City but is no longer used for a Community Purpose for a period of four (4) consecutive months and Seller fails to exercise the Purchase Option, (y) Seller requests in writing that the Naming Covenant be terminated, or (z) the City intends to sell, transfer or otherwise convey the Real Property and the Seller does not exercise its ROFR, then upon the sale or transfer of all of the Real Property to such prospective purchaser. Notwithstanding anything to the contrary, in the event that (a) the Seller reasonably determines that it does not want the name “Tony Hsieh” associated with the Real Property, then the City or other owner shall immediately cease such usage, or (b) the City decides to use the Real Property for a Community Purpose other than a school (e.g., community center, then, the City and the Seller shall reasonably agree upon an appropriate change in the name which continues to honor Tony Hsieh (e.g., “Tony Hsieh Community Center”), and the Naming Covenant shall continue to apply to the use of the Real Property for each such Community Purpose.

10. Close of Escrow. The date of Closing shall be fifteen (15) days following the expiration of the Due Diligence Period unless otherwise mutually agreed to by Seller and Buyer. The Purchase Contract shall provide for the proration of taxes and other expenses of the Property. Insurance shall not be prorated. All items being prorated shall be prorated as of 11:59

p.m. (local Las Vegas time) on the calendar date one day prior to the date on which the Closing occurs.

11. Closing Costs. Seller will pay (a) all county transfer taxes for the sale of the Real Property; and (b) one-half (½) of Escrow Holder's escrow fees and costs; Buyer will pay (w) all documentary transfer, stamp, sales and other taxes related to the transfer of the Property other than those set forth in the foregoing clause (a), (x) the cost of Buyer's Title Policy, (y) all recording fees, and (z) one-half (½) of Escrow Holder's escrow fees and costs. Other normal closing costs for Buyer and Seller pursuant to this transaction, if, and only if, Escrow successfully closes as provided herein, will be shared equally by the parties in accordance with the customary practice of Clark County, Nevada. Each party shall pay its own legal, accounting, and other professionals' fees and costs incurred by it with respect to the negotiation and preparation of the Purchase Contract and the transaction contemplated thereunder.

12. Tony Hsieh. Buyer acknowledges that the sale of the Property shall be conditioned upon Buyer agreeing to honor Tony Hsieh in such manners as the parties shall agree to in the Purchase Contract, including, that, on a date to be mutually agreed to by Seller and Buyer, and no more than four (4) months following the Closing, Seller shall hold a formal naming ceremony and dedication of the school in memory of Tony Hsieh, which ceremony and dedication shall be by invitation only. Each party shall be limited to fifty (50) invitees. Additionally, in the Purchase Contract, the parties shall reasonably agree upon other methods of honoring Tony Hsieh which may include (a) placing sculptures, murals, plaques or other artwork in or about the Real Property to be provided by Seller, (b) including information about Tony Hsieh in the parent handbooks and on its educational program website, (c) a display case by the School's on-site administrative office lobby similar to Clark County School Districts namesake displays, or (d) selecting a school day each year dedicated to honoring Tony Hsieh.

13. Post-Closing Obligations. In the Purchase Contract, Buyer shall represent, warrant and covenant to Seller that Buyer is (a) acquiring the Property with the intent to use the Real Property as a school, (b) if for whatever reason, the Buyer determines that it is not feasible to use the Real Property as a school, the Buyer shall use the Real Property for another public purpose for the benefit of the community (e.g., community center) (a "Community Purpose"), and (c) Buyer shall not remove the restrictive covenant set forth in the second paragraph of that certain Grant, Bargain and Deed dated September 19, 2012 and recorded on October 8, 2012 as Instrument No. 201210080001686 in the Office of the Clark County Recorder, State of Nevada except to the extent reasonably necessary for Buyer to use the Real Property for a Community Purpose other than a school and/or save and except for any sale, transfer, or other conveyance of the Real Property.

14. Lease. Strong Start Academy Elementary School (the "School") and Seller shall enter into a lease pursuant to which Seller shall lease to School exclusive use of the Property (the "Lease") for a lease term which commences on or about June 13, 2022, and shall expires upon the earliest to occur of (i) the determination of Seller not to move forward with the sale of the Property to Buyer or the determination of Buyer not to move forward with the purchase of the Property from Seller provided that the effective termination date of the Lease shall be June 30, 2023, and (ii) June 30, 2023, and (iii) should the Nevada State Public Charter School Authority fails to consent to the Real Property as the location of the School. During the term of the Lease,

School shall pay rent in advance, on a gross basis in the amount of \$10,000 per month, which amount shall be prorated for any partial month. At Closing, Seller shall assign Lease to Buyer.

15. Confidentiality. The Seller acknowledges that the Buyer is a political subdivision of the State of Nevada and is subject to the Nevada Public Records Act codified in Nevada Revised Statutes Chapter 239. Therefore, all of Buyer's records are open for inspection by the public unless declared confidential by law.

16. Assignment. Buyer shall have no right to assign this Letter of Interest or the Purchase Contract.

17. Binding and Non-Binding Provisions. This Letter of Interest is only a list of proposed points that may or may not become part of an eventual Purchase Contract. Except as provided in paragraphs 15-18 (the "Binding Provisions"), this Letter of Interest is not intended as, and does not constitute, a binding agreement by any party, nor an agreement by any party to enter into a binding agreement, but is merely intended to specify some of the proposed terms and conditions of the transaction contemplated herein. Except as provided in the Binding Provisions, neither party may claim any legal rights against the other by reason of the signing of this Letter of Interest or by taking any action in reliance thereon. Both parties acknowledge that further negotiations are required in order to finalize a legally binding agreement. However, neither party is bound to continue such negotiations or negotiate in good faith. Except as provided in the Binding Provisions, each party hereto fully understands that no party will have any legal obligations to the other, or with respect to the proposed transaction, unless and until all of the terms and conditions of the proposed transaction have been negotiated and agreed to by all parties in their respective sole discretion and set forth in a Purchase Contract which has been signed and delivered by all parties. Except as provided in the Binding Provisions, the only legal obligations that any party will have will be those contained in such signed and delivered Purchase Contract.

18. Brokerage. Each of Seller and Buyer represents to the other party that it has not dealt with any broker in connection with the transaction contemplated hereby.

19. Exclusive Dealing. Immediately upon execution of this Letter of Interest and until the expiration of the Contract Negotiation Period, Seller shall not solicit or accept any offers (other than from Buyer) for the sale of the Property; provided, however, that if the parties enter into the Purchase Contract, then Seller shall not solicit or accept any offers (other than from Buyer) for the sale of the Property as long as the Purchase Contract is in effect.

20. Expiration of Offer. This Letter of Interest shall constitute an open offer until 5:00 pm local Las Vegas time on Wednesday, May 25, 2022 at 5:00 pm local Las Vegas time, at which time it shall be automatically terminated if not executed by both Seller and Buyer.

21. Counterparts; Electronic Delivery. This Letter of Interest may be executed in counterparts, all such counterparts will constitute the same contract and the signature of any party to any counterpart will be deemed a signature to, and may be appended to, any other counterpart. Executed copies hereof may be delivered by facsimile or e-mail and upon receipt

will be deemed originals and binding upon the Buyer and Seller, regardless of whether originals are delivered thereafter.

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If the above terms and conditions are acceptable, please indicate by signing below. The Buyer and Seller agree to proceed in accordance with terms and conditions outlined in this Letter of Interest.

**“BUYER”
CITY OF LAS VEGAS**

By: Jorge Cervantes

Printed Name: Jorge A. Cervantes

Title: City Manager

Date: 5/25/2022

ACCEPTED AND AGREED:

SELLER:

310 9TH STREET, LLC,
a Nevada limited liability company

By: Richard Hsieh

Printed Name: Richard Hsieh

Title: Manager

Date: 05/25/2022