

SOUTH KINGS GROUNDWATER SUSTAINABILITY  
AGENCY JOINT POWERS AUTHORITY  
BOARD OF DIRECTORS  
SPECIAL MEETING AGENDA

SANGER CITY HALL  
1700 7<sup>th</sup> Street  
Sanger, CA 93657

Monday, September 18, 2023

5:30 PM

In compliance with the Americans with Disabilities Act, if you need special assistance to access or to otherwise participate at this meeting, including auxiliary aids or services, please contact the Sanger City Hall at (559) (559) 876-6300 ext. 1350. Notification at least 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to the Council meeting.

ITEMS:

1. Call to Order and roll call

2. Public Comment on Items not on Agenda

*The first 15 minutes of each regular session is set aside for members of the public to comment on any item within the jurisdiction of the Board of Directors, but not appearing on the agenda. For items appearing on the agenda, the public is invited to comment at the time the item is called for consideration by the Board. Any person addressing the Board under public comment will be limited to a 3-minute presentation to ensure that all interested parties have an opportunity to speak. Please submit any handouts to the Secretary via email prior to the meeting at [dpeters@peters-engineering.com](mailto:dpeters@peters-engineering.com).*

3. Consent Calendar

*Unless a member of the Board of Directors requests that an item be removed from the Consent Calendar, all items will be acted upon as a whole and by one vote. Items removed from the Consent Calendar will be acted upon separately.*

3.1 Approved Minutes of August 9, 2023 meeting.

3.2 Accept Monitoring Well Project and authorize Secretary to file the Notice of Completion.

4. Committee Reports

4.1 Technical Advisory Committee – Oral Report by Josh Rogers, Chair

4.2 Administrative Committee – Oral Report by David Peters, Secretary

5. General Items

5.1 Approval of Purchase Agreement for North Sanger Groundwater Recharge Project Property  
– Oral Report by Josh Rogers

5.2 Approval of Water Blueprint Invoice – Oral Report by David Peters, Secretary

6. Secretary's Report

6.1 Time and place for next meeting – September 13, 2023 at 5:30pm @ Sanger

7. Board Member Comments

8. Adjournment

SKJPA BOARD OF DIRECTORS  
MEETING MINUTES

PARLIER CITY HALL  
1100 E Parlier Ave  
Parlier, CA 93648

Wednesday, August 9, 2023  
5:30 PM

Chairman Kazarian called the meeting to order at 5:33 pm.

Board Members Present: Chairman Kazarian, E. Hurtado, D. Silva, D. Ramirez, A. Beltran

Board Members Absent: None

Staff Present: David Peters, Michael Linden, Josh Rogers

**PUBLIC PRESENTATIONS**

2.1 *Public Comment on Items not on Agenda*

Neal Costanzo makes a comment regarding a proposed ordinance for next meeting.

**CONSENT CALENDAR**

3.1 *Approve minutes of June 14, 2023 meeting.*

Member Beltran made a motion, seconded by Member Hurtado. Motion passed unanimously.

**COMMITTEE REPORTS**

4.1 *Technical Advisory Committee Meeting*

Mr. Rogers stated that TAC met on August 2nd and discussed the status of the basin construction project and that DWR has approved Kings Basin revised GSP.

4.2 *Administrative Committee Meeting*

Mr. Peters met August 3 and discussed and reviewed terms of water purchase agreement.

**GENERAL ITEMS**

5.1 *Update on 2013 Groundwater Recharge Efforts – Staff Report by David Peters, Secretary*

Mr. Peters reports that recharge water has been taken in 6 basins (approximately 3,700 acre feet).

5.2 *Update on Prop 68 North Sanger Recharge Project – Oral Report by Josh Rogers, TAC Chair*

Mr. Rogers reports that the appraisal was approved. Next step is to move forward with the purchase agreement.

5.3 *Approval of Budget Amendment for 2022-23 Kings Basin Coordination Efforts – Oral Report by David Peters, Secretary*

Motion by Member Beltran, second by Member Hurtado. Motion to approve budget amendment passes unanimously.

## **SECRETARY REPORT**

6.1 *Time and place for next meeting*

September 13 at 5:30pm in Sanger.

## **BOARD MEMBER COMMENTS**

Member Beltran thanks and praises SKGSA staff for hard work and continued efforts.

## **CLOSED SESSION**

## **ADJOURNMENT**

Having no further business Chairman Kazarian adjourned the meeting at 5:55pm.

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**STAFF REPORT**

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**TO:** CHAIRMAN KAZARIAN & BOARD MEMBERS

**FROM:** DAVID PETERS, SKGSA SECRETARY

**SUBJECT:** ACCEPT MONITORING WELLS PROJECT

**DATE:** SEPTEMBER 15, 2023

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**RECOMMENDATION / REQUESTED ACTION**

Accept the Monitoring Wells Project and authorize the Secretary to file the Notice of Completion.

**BACKGROUND**

At its meeting on March 17, 2023, the Board awarded a contract to Bradley & Sons, Inc. in the amount of \$107,000.00 for the construction of the Monitoring Wells located in Fowler and Parlier. The project has been completed to the satisfaction of the Secretary. The one year warranty period will begin upon the filing of the Notice of Completion, which will follow the Board's acceptance of the project.

Attachments:

None

**AGREEMENT FOR PURCHASE AND SALE**  
**OF REAL PROPERTY AND JOINT ESCROW INSTRUCTIONS**

THIS AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY AND JOINT ESCROW INSTRUCTIONS (“**Agreement**”) is made this \_\_\_\_ day of September, 2023, (“**Agreement Date**”) by and between the SOUTH KINGS GROUNDWATER SUSTAINABILITY AGENCY, a joint powers authority (“**Buyer**”), and KEITH LYNDON HODGE AND SUSAN TANYA HODGE, TRUSTEES OF THE KEITH LYNDON HODGE AND SUSAN TANYA HODGE FAMILY TRUST DATED JULY 21, 2017 (“**Sellers**”) with CHICAGO TITLE INSURANCE COMPANY, a California Corporation as escrow holder (“**Escrow Holder**”).

**RECITALS**

**A.** **Sellers** own all that real property situated in the City of Sanger, County of Fresno, State of California, more particularly described in Exhibit A attached hereto and made a part hereof, which is the subject of this Agreement, and which is hereunder for convenience referred to as the “**Property**,” approximately 15.5 acres of vacant land zoned for high density residential and storm drain facility uses and identified as APN 315-051-10, together with any right, title and interest of Sellers in any improvements or fixtures. The real property described is herein referred to collectively as the “**Option Property**” or “**Real Property**.”

**B.** **Buyer** wishes to buy the **Property**.

**C.** **Sellers** warrant the **Property** is not being acquired under threat of eminent domain.

**D.** **Sellers** warrant that there are no lease agreements regarding **Property**.

**E.** **Sellers** and **Buyer** wish to enter an Agreement for Purchase and Sale of Real Property and Joint Escrow Instructions upon the terms and conditions more particularly set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants set forth herein, the parties hereto agree as follows:

**TERMS AND CONDITIONS**

**1. PURCHASE AND SALE OF PROPERTY.** Pursuant to the terms and conditions of this Agreement, Buyer hereby agrees to purchase from Sellers and Sellers agree to sell to Buyer, the Property in AS-IS condition. No personal property is included in this transaction.

**2. OPENING OF ESCROW.** Pursuant to the Option Agreement the Parties opened an escrow (“**Escrow**”) at Chicago Title Insurance Company, Sue Meyer as escrow officer (“**Escrow Officer**”). Concurrently with the exercise of Option, the Parties will execute this Agreement and

deliver an executed copy of this Agreement to Escrow Holder together with Buyer's Additional Deposit (as defined in Section 3.2 below) ("**Opening of Escrow**").

### **3. PURCHASE PRICE; DEPOSIT; PAYMENT OF PURCHASE PRICE.**

**3.1 Purchase Price.** The purchase price for the Property is One Million Four Hundred Seventy-Two Thousand Dollars (\$1,472,500.00) ("**Purchase Price**")

**3.2 Additional Deposit.** Upon the Opening of Escrow under the Option Agreement Buyer deposited Ten Thousand Dollars (the "**Deposit**") with Escrow Holder. Concurrently with the exercise of the Option, the Parties will execute this Agreement and Buyer shall deposit an additional sum of Twenty-Thousand Dollars (\$20,000) (the "**Additional Deposit**") to be held by Escrow Holder for the benefit of the parties and applied against the Purchase Price at Closing (as defined in Section 5) or released, refunded or forfeited in accordance with the terms of this Agreement. The Additional Deposit shall be non-refundable to Buyer unless Sellers fail to perform but shall be applicable to the Purchase Price. If escrow fails to close due to a material breach of the Purchase and Sale Agreement by Buyer, the Additional Deposit shall be released from escrow to Sellers as liquidated damages and Sellers agree that this amount shall constitute Sellers' sole and exclusive remedy. If escrow fails to close due to a material breach of the Purchase and Sale Agreement by Sellers, the Additional Deposit shall be released from escrow to Buyer and Sellers shall return to Buyer the Deposit previously released.

**3.3 Payment of Purchase Price.** On or before 1:00 p.m. on the business day preceding the Closing Date or such earlier time as required by Escrow Holder in order to close Escrow on the Closing Date, Buyer shall deposit into Escrow the balance of the Purchase Price in Good Funds.

**3.4 Good Funds.** Prior to Closing, all funds deposited in Escrow shall be in "**Good Funds**" which shall mean a wire transfer of funds from a financial institution located in the State of California.

### **4. CLOSING FUNDS AND DOCUMENTS REQUIRED FROM BUYER AND SELLERS.**

**4.1 Sellers.** Sellers agrees that on or before 12:00 noon on the day preceding the Closing Date, Sellers will deposit or cause to be deposited with Escrow Holder all of the following:

- a. A grant deed in the form attached hereto as Exhibit B executed by Sellers ("**Grant Deed**").
- b. A Non-Foreign Affidavit as required by federal law.
- c. Such funds and other items and instruments as may be necessary in order for Escrow Holder or the Title Company to comply with this Agreement.

**4.2 Buyer.** Buyer agrees that on or before 12:00 noon on the day preceding the Closing Date, Buyer will deposit with Escrow Holder all additional funds and all of the following:

- a. A Preliminary Change of Ownership Statement completed in the manner required in Fresno County.
- b. Such funds and other items and instruments as may be necessary in order for Escrow Holder or the Title Company to comply with this Agreement.

**4.3 Recordation, Completion and Distribution of Documents.** Escrow Holder shall confirm that any documents signed in counterpart are matching documents and shall combine the signature pages thereof to create fully executed documents. Escrow Holder will date all the documents with the date of Close of Escrow. Escrow Holder will cause the Grant Deed to be recorded when it can issue the Owner's Title Policy in accordance with Section 6.2, and holds for the account of Buyer and Sellers, respectively, the funds and items described above to be delivered to Buyer and Sellers, respectively, through Escrow, less costs, expenses and disbursements chargeable to the parties pursuant to this Agreement.

**5. CLOSING DATE; OPTIONS TO EXTEND CLOSING; TIME IS OF ESSENCE.**

**5.1 Closing Date.** Escrow shall close within Thirty (30) days after Notice of Exercise of the Option ("Closing Date").

**5.2 Definition of Closing.** The terms "Close of Escrow" and/or "Closing" mean the time Grant Deed is recorded in the Official Records of Fresno County.

**5.3 Time is of Essence.** The parties specifically agree that time is of the essence of this Agreement.

**5.4 Possession.** Upon the Close of Escrow, possession of the Property shall be delivered to Buyer.

**5.5 SKGSA Payment of Certain Sellers Costs.** During the Option Term and if necessary after, SKGSA will pay 50% of the costs of Sellers in causing the 12 acre remaining parcel of Optionors' 27.6 acre parcel to be a separate developable parcel in compliance with the Subdivision Map Act. The costs of Optionor to be paid by SKGSA are for mapping and consultant services required to present a final parcel map for approval by the City of Sanger in order for the remainder parcel to be a developable parcel. Any costs associated with complying with any conditions of approval imposed on the final map by the City of Sanger for public improvements associated with the map or the proposed development are not included.

**6. TITLE POLICY.**

**6.1 Approval of Title.** Buyer has approved of Title during the Option Period. It is a condition of Buyer's close that Sellers deliver title to Buyer as agreed during the Option term.



7. **DUE DILIGENCE AND DUE DILIGENCE PERIOD.** During the Option Period, Buyer performed its due diligence. There is no further due diligence period except for Sellers to disclose to Buyer any intervening events known to Sellers.

8. **CONDITIONS PRECEDENT TO CLOSE OF ESCROW.**

8.1 **Conditions to Buyer's Obligations.** The obligations of Buyer under this Agreement are subject to the satisfaction or written waiver, in whole or in part, by Buyer of each of the following conditions precedent (“**Buyer’s Conditions Precedent**”):

- (a) Title Company will issue the Owner’s Title Policy as specified in Section 6.2.
- (b) Escrow Holder holds and will deliver to Buyer the instruments and funds, if any, accruing to Buyer pursuant to this Agreement.
- (d) Sellers are not in default of its obligations under this Agreement.

8.2 **Conditions to Sellers' Obligations.** The obligations of Sellers under this Agreement are subject to the satisfaction or written waiver, in whole or in part, by Sellers of the following conditions precedent (“**Sellers’ Conditions Precedent**”):

- (a) Escrow Holder holds and will deliver to Sellers the instruments and funds accruing to Sellers pursuant to this Agreement.
- (b) Title Company will issue the Owner’s Title Policy as specified in Section 6.2.
- (c) Buyer is not in default of its obligations under this Agreement.

9. **DISCLAIMER OF WARRANTIES.** Buyer shall acquire the Property in its “AS IS” condition and shall be responsible for any and all defects in the Property, whether patent or latent, including, without limitation, the physical, environmental, and geotechnical condition of the Property, and the existence of any contamination, hazardous materials, vaults, debris, pipelines, wells, or other structures located on, under, or about the Property. Sellers makes no representation or warranty concerning the physical, environmental, geotechnical or other condition of the Property. Buyer acknowledges that, once Buyer obtains title to the Property, any liability of Sellers for the environmental condition of the Property shall be extinguished, and that Sellers shall have no liability for remediating any environmental condition of the Property. Buyer shall indemnify Sellers against any claim or liability relating to the environmental condition of the Property.

10. **ESCROW PROVISIONS.**

10.1 **Escrow Instructions.** Sections 1 through 6, inclusive; 8, 10, 13 and 14 constitute the escrow instructions to Escrow Holder. If required by Escrow Holder, Buyer and Sellers agree to execute Escrow Holder's standard escrow instructions, provided that the same are consistent with and do not conflict with the provisions of this Agreement. In the event of any such conflict, the provisions of this Agreement shall prevail. The terms and conditions in sections of this Agreement not specifically referenced above are additional matters for information of Escrow Holder, but about which Escrow Holder need not be concerned. Buyer and Sellers will receive

Escrow Holder's general provisions directly from Escrow Holder and will execute such provision upon Escrow Holder's request. To the extent that the general provisions are inconsistent or conflict with this Agreement, the general provisions will control as to the duties and obligations of Escrow Holder only. Buyer and Sellers agree to execute additional instructions, documents and forms provide by Escrow Holder that are reasonably necessary to close Escrow.

**10.2 General Escrow Provisions.** Escrow Holder shall deliver the Owner's Title Policy to the Buyer and instruct the Fresno County Recorder to mail the Grant Deed to Buyer at the address set forth in Section 14 after recordation. All funds received in this Escrow shall be deposited in one or more general escrow accounts of the Escrow Holder with any bank doing business in Fresno County, California, and may be disbursed to any other general escrow account or accounts. All disbursements shall be according to that party's instructions.

**10.3 Real Property Taxes.** All general and special real property taxes and assessments shall be paid by Sellers prior to the Close of Escrow.

**10.4 Payment of Costs.**

(a) **Cost Allocation.** Buyer shall pay the costs for the Owner's Title Policy, documentary transfer taxes, and the escrow costs and be responsible for any recording charges ("**Buyer's Charges**"). All other costs of Escrow not otherwise specifically allocated by this Agreement shall be apportioned between the parties in a manner consistent with the custom and usage of Escrow Holder for commercial real estate transactions in the Sanger area.

(b) **Closing Statement.** At least two (2) days prior to the Closing Date, Escrow Holder shall furnish Buyer and Sellers with a preliminary escrow closing statement which shall include each party's respective shares of costs. The preliminary closing statement shall be approved in writing by the parties. As soon as reasonably possible following the Close of Escrow, Escrow Holder shall deliver a copy of the final Escrow closing statement to the parties.

**10.5 Termination and Cancellation of Escrow.** If Escrow fails to close as provided above, either party may elect to cancel this Escrow upon written notice to the other party and Escrow Holder. Cancellation of Escrow, as provided herein, shall be without prejudice to whatever legal rights Buyer or Sellers may have against each other arising from the Escrow or this Agreement.

**10.6 Information Report.** Escrow Holder shall file and Buyer and Sellers agree to cooperate with Escrow Holder and with each other in completing any report ("**Information Report**") and/or other information required to be delivered to the Internal Revenue Service pursuant to Internal Revenue Code Section 6045(e) regarding the real estate sales transaction contemplated by this Agreement, including without limitation, Internal Revenue Service Form 1099-B as such may be hereinafter modified or amended by the Internal Revenue Service, or as may be required pursuant to any regulation now or hereinafter promulgated by the Treasury Department with respect thereto. Buyer and Sellers also agree that Buyer and Sellers, their respective employees and attorneys, and escrow Holder and its employees, may disclose to the

Internal Revenue Service, whether pursuant to such Information Report or otherwise, any information regarding this Agreement or the transactions contemplated herein as such party reasonably deems to be required to be disclosed to the Internal Revenue Service by such party pursuant to Internal Revenue Code Section 6045(e), and further agree that neither Buyer nor Sellers shall seek to hold any such party liable for the disclosure to the Internal Revenue Service of any such information.

**10.7 No Withholding as Foreign Sellers.** Sellers represents and warrants to Buyer that Sellers is not, and as of the Close of Escrow will not be, a foreign person within the meaning of Internal Revenue Code Section 1445 or an out-of-state Sellers under California Revenue and Tax Code Section 18805 and that it will deliver to Buyer on or before the Close of Escrow a non-foreign affidavit on Escrow Holder's standard form pursuant to Internal Revenue Code Section 1445(b)(2) and the Regulations promulgated thereunder and a California Form 590-RE.

**11. NON-COLLUSION.** No official, officer, or employee of the Sellers has any financial interest, direct or indirect, in this Agreement, nor shall any official, officer, or employee of the Sellers participate in any decision relating to this Agreement which may affect his/her financial interest or the financial interest of any corporation, partnership, or association in which (s)he is directly or indirectly interested, or in violation of any interest of any corporation, partnership, or association in which (s)he is directly or indirectly interested, or in violation of any State or municipal statute or regulation. The determination of "financial interest" shall be consistent with State law and shall not include interest found to be "remote" or "non-interest" pursuant to California Government Code Sections 1091 and 1091.5. Sellers warrants and represents that (s)he/it has not paid or given, and will not pay or give, to any third party including, but not limited to, any official, officer, or employee of Buyer, any money, consideration, or other thing of value as a result or consequence of obtaining or being awarded this Agreement. Sellers further warrants and represents that (s)he/it has not engaged in any act(s), omission(s), or other conduct or collusion that would result in the payment of any money, consideration, or other thing of value to any third party including, but not limited to, any official, officer, or employee of Buyer, as a result or consequence of obtaining or being awarded any agreement. Sellers is aware of and understands that any such act(s), omission(s) or other conduct resulting in the payment of money, consideration, or other thing of value will render this Agreement void and of no force or effect.

**Sellers's Initials:** \_\_\_\_\_ **Buyer's** \_\_\_\_\_

## **12. DEFAULT**

**12.1 DEFAULT OF BUYER; LIQUIDATED DAMAGES. IF BUYER SHOULD DEFAULT UNDER THIS AGREEMENT, THEN BUYER AND SELLERS AGREE THAT SELLERS WILL INCUR DAMAGES BY REASON OF SUCH DEFAULT BY BUYER OR FAILURE OF ESCROW TO CLOSE ON OR BEFORE THE CLOSING DATE, WHICH DAMAGES SHALL BE IMPRACTICAL AND EXTREMELY DIFFICULT, IF NOT IMPOSSIBLE, TO ASCERTAIN. BUYER AND SELLERS, IN A REASONABLE EFFORT TO ASCERTAIN WHAT SELLERS'S DAMAGES WOULD BE IN THE EVENT OF SUCH DEFAULT BY BUYER HAVE AGREED BY PLACING THEIR INITIALS BELOW THAT THE ADDITIONAL DEPOSIT SHALL BE DEEMED TO CONSTITUTE A REASONABLE ESTIMATE OF SELLERS'S DAMAGES UNDER THE**

**PROVISIONS OF SECTION 1671 OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. IN THE EVENT OF AND FOR SUCH DEFAULT BY BUYER, THE ADDITIONAL DEPOSIT SHALL BE SELLERS'S SOLE MONETARY REMEDY THEREFOR, UNLESS BUYER WRONGFULLY REFUSES TO CAUSE ESCROW HOLDER TO CANCEL THE ESCROW, IN WHICH INSTANCE SELLERS SHALL ALSO BE ENTITLED TO ALL COSTS AND EXPENSES, INCLUDING ACTUAL ATTORNEYS' FEES INCURRED BY SELLERS WHICH MAY RESULT FROM BUYER'S WRONGFUL FAILURE TO CANCEL THE ESCROW AND THIS AGREEMENT. FURTHERMORE, THE FOREGOING LIMITATION OF DAMAGES SHALL NOT APPLY TO ANY INDEMNIFICATION OBLIGATIONS OF BUYER.**

\_\_\_\_\_  
**Sellers's Initials**

\_\_\_\_\_  
**Buyer's Initials**

**12.2 Default by Sellers.** If all conditions precedent to Sellers's obligations to sell the Property have occurred but Sellers fails to Close under this Agreement for any reason other than the default by Buyer under this Agreement, Buyer shall have the right to either (i) terminate this Agreement and receive the return of the Additional Deposit; or (ii) bring an action for specific performance.

**12.3 BANKRUPTCY; INSOLVENCY.** In addition to any other grounds for default under this Agreement, the existence of any of the following shall constitute a material default under this Agreement. It shall be a material default by a party if that party shall: (i) voluntarily be adjudicated as bankrupt or insolvent; (ii) seek, consent to or not contest the appointment of a receiver or trustee for itself or for all or any part of its property; (iii) file a petition seeking relief under the bankruptcy, arrangement, reorganization or other debtor relief laws of the United States, any state or any other competent jurisdiction; or (iv) make a general assignment for the benefit of its creditors; or (v) a petition is filed against a party seeking relief under the bankruptcy, arrangement, reorganization or other debtor relief laws of the United States, any state or any other competent jurisdiction, and such petition is not dismissed within sixty (60) days immediately following the date of such filing; or (vi) a court of competent jurisdiction enters an order, judgment or decree appointing, without the party's consent, a receiver or trustee for a party, or for all or any part of a party's property; and such petition, order, judgment or decree is not discharged or stayed within sixty (60) days immediately following its entry.

**13. NOTICES.** All notices required or permitted under this Agreement shall be in writing and shall be served on the parties at the addresses set forth below. Any such notices shall, unless otherwise provided herein, be given or served (i) by depositing the same in the United States mail, postage paid, certified and addressed to the party to be notified, with return receipt requested, (ii) by overnight delivery using a nationally recognized overnight courier, or (iii) by personal delivery. Notice deposited in the mail in the manner hereinabove described shall be effective upon receipt or rejection of such notice. Notice given in any other manner shall be effective only if and when received (or rejected) by the party to be notified between the hours of 8:00 a.m. and 5:00 p.m. California time of any business day with delivery made after such hours to be deemed received the following business day. A party's address may be changed by written notice to the other party;

however, no notice of a change of address shall be effective until actual receipt of such notice. Copies of notices are for informational purposes only, and a failure to give or receive copies of any notice shall not be deemed a failure to give notice.

**To Sellers:** Keith Lyndon Hodge  
Susan Tanya Hodge  
7544 E. Church  
Sanger, CA 93737

**With a copy to:** Motschieder, Michaelides, Wishon, Brewer & Ryan, LLP  
c/o A Emory Wishon III, Esq.  
1690 West Shaw Avenue, Suite 200  
Fresno, CA 93711  
Email: [aew@mmwbr.com](mailto:aew@mmwbr.com)  
Phone: (559) 439-4000

**To Buyer:** South Kings Groundwater Sustainability Agency  
Attention: David Peters, Secretary  
128 S. Fifth Street  
Fowler, CA 93625

**To Escrow Holder:** Chicago Title Insurance Company  
7330 North Palm Avenue, Suite 101  
Fresno, CA 93711  
Attn: Sue Meyer  
Email: [meyers@CTT.com](mailto:meyers@CTT.com)  
Phone: 559-451-3727

#### 14. **GENERAL PROVISIONS.**

**14.1 Assignment.** Neither party shall have the right to assign this Agreement or any interest or right hereunder or under the Escrow without the prior written consent of the other party. This Agreement shall be binding upon and shall inure to the benefit of Buyer and Sellers and their respective heirs, personal representatives, successors and assigns.

**14.2 Attorney's Fees.** In any action between the parties hereto, seeking enforcement of any of the terms and provisions of this Agreement or the Escrow, or in connection with the Property, the prevailing party in such action shall be entitled, to have and to recover from the other party its reasonable attorneys' fees and other reasonable expenses in connection with such action or proceeding, in addition to its recoverable court costs.

**14.3 Interpretation; Governing Law.** This Agreement shall be construed according to its fair meaning and as if prepared by both parties hereto. This Agreement shall be construed in accordance with the laws of the State of California in effect at the time of the execution of this

Agreement. Titles and captions are for convenience only and shall not constitute a portion of this Agreement. As used in this Agreement, masculine, feminine or neuter gender and the singular or plural number shall each be deemed to include the others wherever and whenever the context so dictates.

**14.4 No Waiver.** No delay or omission by either party in exercising any right or power accruing upon the compliance or failure of performance by the other party under the provisions of this Agreement shall impair any such right or power or be construed to be a waiver thereof. A waiver by either party of a breach of any of the covenants, conditions or agreements hereof to be performed by the other party shall not be construed as a waiver of any succeeding breach of the same or other covenants, agreements, restrictions or conditions hereof.

**14.5 Modifications.** Any alteration, change, or modification of or to this Agreement shall be made by written instrument or endorsement thereon and in each such instance executed on behalf of each party hereto.

**14.6 Severability.** If any term, provision, condition or covenant of this Agreement or the application thereof to any party or circumstances shall, to any extent, be held invalid or unenforceable, the remainder of this instrument, or the application of such term, provisions, condition or covenant to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

**14.7 Merger.** This Agreement and other documents incorporated herein by reference contain the entire understanding between the parties relating to the transaction contemplated hereby and all prior to contemporaneous agreements, understandings, representations and statements (including letters of intent), oral or written, are merged herein and shall be of no further force or effect.

**14.8 Execution of Documents.** The parties agree to execute such instructions to Title Company and such other instruments and to do such further acts as may be reasonably necessary to carry out the provisions of this Agreement.

**14.9 Inducement.** The making, execution and delivery of this Agreement by the parties hereto have been induced by no representations, statements, warranties or agreements other than those expressly set forth herein.

**14.10 Relationship of Parties.** Notwithstanding anything to the contrary contained herein, this Agreement shall not be deemed or construed to make the parties hereto partners or joint venturers, or to render either party liable for any of the debts or obligations of the other, it being the intention of the parties to merely create the relationship of Sellers and Buyer with respect to the Property to be conveyed as contemplated hereby.

**14.11 No Personal Liability.** No member, official, employee, agent or contractor of Sellers shall be personally liable to Buyer in the event of any default or breach by Sellers or for any amount which may become due to Buyer or on any obligations under the terms of the Agreement.

**14.12 Force Majeure.** If either party is delayed or prevented from performing any act required in this Agreement by reason of any event beyond the reasonable control of either party, including without limitation, by labor disputes, fire, unusual delay in deliveries, weather or acts of God, terrorism, delay in the issuance of permits or approvals, acts of governmental entities, unavoidable casualties or any other such causes beyond such party's control, then the time herein fixed for completion of such obligation(s) shall be extended by the number of days that such party has been delayed.

**14.13 Representation by Counsel.** Each party hereto represents and agrees with each other that it has been represented by or had the opportunity to be represented by, independent counsel of its own choosing, and that it has had the full right and opportunity to consult with its respective attorney(s), that to the extent, if any, that it desired, it availed itself of this right and opportunity, that it or its authorized officers (as the case may be) have carefully read and fully understand this Agreement in its entirety and have had it fully explained to them by such party's respective counsel, that each is fully aware of the contents thereof and its meaning, intent and legal effect, and that it or its authorized officer (as the case may be) is competent to execute this Agreement and has executed this Agreement free from coercion, duress or undue influence.

**14.14 Execution in Counterparts.** This Agreement may be executed in several counterparts, and all so executed shall constitute one agreement binding on all parties hereto, notwithstanding that all parties are not signatories to the original or the same counterpart.

**14.15 Exhibits.** Exhibit A is the Legal Description of Property. Exhibit B is the Grant Deed.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement for Purchase and Sale of Real Property and Joint Escrow Instructions as of the Agreement Date.

**Note: Sections 11 and 12.1 need to be separately initialed by the parties.**

**SELLERS:**

Keith Lyndon Hodge and Susan Tanya  
Hodge Family Trust, dated July 21, 2017

By: \_\_\_\_\_  
Keith Lyndon Hodge Trustee

\_\_\_\_\_  
Susan Tanya Hodge, Trustee

Dated: \_\_\_\_\_

**BUYER:**

SOUTH KINGS GROUNDWATER  
SUSTAINABILITY AGENCY,  
a joint powers authority

By: \_\_\_\_\_  
Karnig Kazarian, Board Chairman

\_\_\_\_\_, 2023

**ATTEST:**

\_\_\_\_\_  
David Peters, Board Secretary

Dated: \_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_  
Tax I.D. (SSN)

\_\_\_\_\_  
Michael R. Linden, SKGSA Attorney

\_\_\_\_\_, 2023

**Accepted and Agreed to:**

**ESCROW HOLDER:**

Chicago Title Insurance Company

By: \_\_\_\_\_  
Escrow Officer Sue Meyer

\_\_\_\_\_, 2023



## EXHIBIT A

### LEGAL DESCRIPTION

All that portion of the 27.53-acre Remainder Parcel of Parcel Map No. 2014-03, according to the map thereof recorded in Book 73 of Parcel Maps at Pages 45 through 46, Fresno County Records, being in the Northeast quarter of Section 15, Township 14 South, Range 22 East, Mount Diablo Base and Meridian, in the City of Sanger, County of Fresno, State of California, described as follows:

**BEGINNING** at the Northwest corner of said Remainder Parcel; thence North  $89^{\circ}45'09''$  East along the North line of said Remainder Parcel, 1137.31 feet; thence at right angles to last said course, South  $0^{\circ}14'51''$  East, 300.00 feet; thence South  $48^{\circ}48'23''$  East, 742.55 feet to the Westerly line of the Fowler Switch Canal; thence South  $35^{\circ}26'25''$  West along said Westerly line, 558.06 to the Westerly line of said Remainder Parcel and the Easterly line of the Southern Pacific Railroad; thence along the Westerly line of said Remainder Parcel and said Easterly line the following three courses:

- 1) North  $38^{\circ}12'26''$  West, 884.71 feet; thence
- 2) North  $40^{\circ}35'45''$  West, 275.69 feet to the beginning of a non-tangent curve concave to the Southwest having a radius of 1196.31 feet and to which said beginning a radial line bears North  $45^{\circ}02'30''$  East; thence
- 3) Northwesterly, 740.16 feet along said non-tangent curve through a central angle of  $35^{\circ}26'56''$  to the **POINT of BEGINNING**.

Containing an area of 15.50 acres, more or less.

**EXHIBIT B**

**GRANT DEED**

RECORDING REQUESTED BY AND  
WHEN RECORDED MAIL TO:

South Kings Groundwater Sustainability  
Agency  
Attention: David Peters, Secretary  
128 S. Fifth Street  
Fowler, CA 93625

APN: 315-051-10 (portion)

No recording fee required:

Exempt pursuant to Code 27383

No filing fee required:

Exempt pursuant to Government Code Section 6103

No payment of document transfer tax:

Exempt pursuant to Revenue and Taxation Code Section 11922

Space above this line for Recorder's Use

## GRANT DEED

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

Keith Lyndon Hodge and Susa Tanya Hodge, Trustees of the Keith Lyndon Hodge and Susan Tanya Hodge Family Trust dated July 21, 2017, (“Grantor”)

hereby GRANTS to the South Kings Groundwater Sustainability Agency, a joint powers authority, (“Grantee”)

the following real property in the City of Sanger, County of Fresno, State of California more particularly described in Exhibit “A”:

\_\_\_\_\_  
Keith Lyndon Hodge, Trustee                      Date

\_\_\_\_\_  
Susan Tanya Hodge, Trustee                      Date

## EXHIBIT "A"

### LEGAL DESCRIPTION

APN 315-051-10 (Portion)

All that portion of the 27.533 acre Remainder Parcel of Parcel Map No. 2014-03, according to the map thereof recorded in Book 73 of Parcel Maps at Pages 45 through 46, Fresno County Records, being in the Northeast quarter of Section 15, Township 14 South, Range 22 East, Mount Diablo Base and Meridian, in the City of Sanger, County of Fresno, State of California, described as follows:

**BEGINNING** at the Northwest corner of said Remainder Parcel; thence North  $89^{\circ}45'09''$  East along the North line of said Remainder Parcel, 1137.31 feet; thence at right angles to last said course, South  $0^{\circ}14'51''$  East, 300.00 feet; thence South  $48^{\circ}48'23''$  East, 742.55 feet to the Westerly line of the Fowler Switch Canal; thence South  $35^{\circ}26'25''$  West along said Westerly line, 558.06 to the Westerly line of said Remainder Parcel and the Easterly line of the Southern Pacific Railroad; thence along the Westerly line of said Remainder Parcel and said Easterly line the following three courses:

- 1) North  $38^{\circ}12'26''$  West, 884.71 feet; thence
- 2) North  $40^{\circ}35'45''$  West, 275.69 feet to the beginning of a non-tangent curve concave to the Southwest having a radius of 1196.31 feet and to which said beginning a radial line bears North  $45^{\circ}02'30''$  East; thence
- 3) Northwesterly, 740.16 feet along said non-tangent curve through a central angle of  $35^{\circ}26'56''$  to the **POINT of BEGINNING**.

Containing an area of 15.50 acres, more or less.



## ACKNOWLEDGMENT

A notary public or other office completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of \_\_\_\_\_

On \_\_\_\_\_ before me, \_\_\_\_\_  
(insert name and title of the officer)

personally \_\_\_\_\_ appeared  
\_\_\_\_\_ who proved to  
me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within  
instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized  
capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon  
behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing  
paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_ (Seal)

**OPTION AGREEMENT FOR PURCHASE AND SALE  
OF REAL PROPERTY AND JOINT ESCROW INSTRUCTIONS**

THIS OPTION AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY (“**Option Agreement**”) is made and entered as of December 30, 2020 (“**Effective Date**”) by and between SOUTH KINGS GROUNDWATER SUSTAINABILITY AGENCY, a joint powers authority (“**SKGSA**” or “**Optionee**”), and Keith Lyndon Hodge and Susan Tanya Hodge Family Trust and Hagop Soojian Testamentary Trust (collectively “**Optionors**”). The SKGSA and Optionors are sometimes referred to herein individually as a “**Party**” and collectively as the “**Parties.**”

**RECITALS**

A. Optionors own approximately 27.6 acres of vacant land zoned for High Density Residential and Public Basin uses, and identified as APN 315-051-10. The real property being considered for option consists of approximately 15.5 +/- acres of vacant land located in Sanger, California and more particularly described in **Exhibit A** attached hereto and made a part hereof, together with any right, title and interest of Optionors in any improvements or fixtures. The real property described is herein referred to collectively as the “**Option Property**” or “**Real Property.**” The Parties may reconfigure the Option Property within Optionors’ 27.6 acre parcel upon agreement of both Parties.

B. SKGSA is interested in purchasing the Option Property for a public project. However, it is necessary for the SKGSA to conduct further negotiations with third parties.

C. Optionors desire to grant the SKGSA an option to purchase the Option Property on the terms and conditions contained in this Option Agreement.

D. This Option Agreement For Purchase and Sale of Real Property and Joint Escrow Instructions (“**Agreement**”) nominates Chicago Title Insurance Company as escrow holder (“**Escrow Holder**”) and constitutes an agreement by which Optionors agree to grant to SKGSA an option to purchase fee simple title to:

(i) the Option Property described in Recital A together with any right, title and interest of Optionors in any improvements or fixtures thereon, and all rights, easements, leases, and appurtenances pertaining to the property, including any right, title and interest of Optionors in and to adjacent streets, alleys or rights-of-way, and any right, title and interest of Optionors in all mineral and water rights appurtenant thereto (the property described in this clause (i) being herein referred to collectively as the “**Real Property**”); and

(ii) any and all of Optionors’ right, title and interest in and to all assignable existing permits, licenses, approvals and authorizations issued by any governmental authority in connection with the Real Property, and any other intangible property relating to the Real Property (the property described in this clause (b) being sometimes herein

referred to collectively as the “**Intangibles**”); The Real Property and the Intangibles are hereinafter sometimes referred to collectively as the “Property”.

(iii) The date of opening of escrow shall be the execution of this Agreement by Optionors (“**Opening Date**”). Optionors shall deposit a fully executed copy of this Agreement with Escrow Holder within three (3) business days after the execution hereof by both Optionee and Optionors.

NOW, THEREFORE, in consideration of the foregoing recitals, the promises and covenants of the Parties in this Option Agreement, and other good and valuable consideration, the receipt and sufficiency of which the Parties acknowledge, the Parties agree as follows:

### **OPTION**

1. Grant of Option. Subject to the SKGSA’s timely delivery of the Option Consideration, as set forth in Section 2 below, Optionors grant to the SKGSA the right and option to purchase the Option Property (“**Option**”) for the Purchase Price which shall be the higher of an appraisal of the Option Property dated by June 30, 2021 or an appraisal of the Option Property conducted within 90 days of the date the Option is exercised. The initial appraisal shall be paid for by Optionors, and the latter appraisal shall be paid for by Optionee. Upon request by either party, either appraisal shall be subject to review by a third party MAI-designated appraiser for concurrence before becoming effective. The purchase price term is included in the Purchase Sale Agreement attached and incorporated by reference as **Exhibit B**.

2. Option Consideration. Within ten (10) business days of the Effective Date, the SKGSA shall deliver to escrow the sum of Ten Thousand and 00/100 Dollars (\$10,000.00) as consideration for the Option granted herein (“**Option Consideration**”). Upon receipt of such Option Consideration, escrow shall immediately release the Option Consideration to Optionors. This Option Consideration shall be nonrefundable.

3. Option Period. The option period within which the Option granted herein may be exercised shall commence on the Effective Date and shall terminate, if (1) Optionee does not diligently pursue the process to enable the timely exercise of the Option (“**Diligent Pursuit**”) as defined below or (2) if the Option is not exercised by the SKGSA within thirty months from the Effective Date. Upon the issuance of the Notice of Award of funding of the public project described in Recital B (“**Notice of Award**”), SKGSA shall provide Optionors a schedule of activities remaining for the exercise of the Option and Close of the Escrow including finalizing the legal description, procuring the final appraisal and making the official offer. Such schedule shall be the basis of determining the Diligent Pursuit of the Option and purchase as required of Optionee. Diligent Pursuit (not related to due diligence) shall be the timely actions of the Optionee as follows:

Within 2 months of Notice of Award, Optionee will submit to Optionors the final legal description and diagram for the Option Property. Within 2 weeks, Optionors shall review and approve in writing the legal description and diagram, or provide written comment on any reconfiguration of the Option Property. Within 2 weeks of receipt of Optionors' comments, Optionee shall submit revised legal description and diagram for approval of reconfiguration, if any, by both parties as described in Recital A.

Within 1 month of approval of the final legal description and diagram, Optionors shall submit a rezone application to the City of Sanger to reconfigure the High Density Residential and Public Basin zoning within the subject property to match the configuration of the Option Property.

Within 2 months of the execution of the project funding agreement (“**Funding**”), Optionee will procure a property appraisal from an MAI-designated appraiser.

Within 6 months of Funding, Optionee will provide a signed copy of the Purchase Sale Agreement, with compensation as determined on the basis of the appraisal, along with the Notice of Exercise, as described in Section 5 below.

4. Escrow. Upon mutual execution of this Option Agreement, the Parties shall deposit with escrow mutually agreed upon by the Parties an executed copy of this Option Agreement. SKGSA shall pay all escrow costs relating to this Option Agreement. During the Option Term and if necessary after, SKGSA will pay 50% of the costs of Optionor in causing the 12 acre remaining parcel of Optionors' 27.6 acre parcel to be a separate developable parcel in compliance with the Subdivision Map Act. The costs of Optionor to be paid by SKGSA are for mapping and consultant services required to present a final parcel map for approval by the City of Sanger in order for the remainder parcel to be a developable parcel. Any costs associated with complying with any conditions of approval imposed on the final map by the City of Sanger for public improvements associated with the map or the proposed development are not included.

5. Exercise of Option. The SKGSA shall exercise its Option by delivering to Optionors, on or before the expiration of the Option Period, signed and written notice of the SKGSA's intent to exercise the Option (“**Notice of Exercise**”) in accordance with the Purchase Sale Agreement attached to this Option Agreement as **Exhibit B.**

6. Termination of Option. If the Option is not exercised timely by the SKGSA or Diligent Pursuit is not satisfied, the Option shall expire and this Option Agreement shall be of no further force or effect.

7. Possession and Control of Property. Optionors shall have the exclusive possession and control of the Option Property for the term of this Option Agreement and maintain the same unless and until the SKGSA exercises its Option.



8. Failure of the SKGSA to Exercise Option. If the SKGSA fails to exercise the Option within the Option Period or fails to satisfy Diligent Pursuit and in accordance with the terms and conditions stated herein, then the Option and the rights of the SKGSA shall automatically and immediately terminate without notice. In such event, except for obligations which specifically survive termination, neither party shall have any further obligation to the other party. Thereafter, the SKGSA shall, upon ten (10) days' written request, properly execute, acknowledge, and deliver to Optionors any additional release, quitclaim deed, and/or any other document required by Escrow or a title insurance company to establish and verify the termination of this Option Agreement and the end of its legal effect. The obligations set forth in the foregoing sentence survive termination of the Option Agreement.

9. Due Diligence following the Opening of Escrow

9.1 Approval of Title.

(a) Promptly following execution of this Option Agreement but in no event later than fifteen (15) days following Opening of Escrow, a preliminary title report shall be issued by Chicago Title Company ("**Title Company**"), describing the state of title of the Property, together with legible copies of all exceptions and a map plotting all easements ("**Preliminary Title Report**"). Within Ten (10) business days after the Optionee's receipt of the Preliminary Title Report, Optionee shall notify Optionors in writing ("**Optionee's Title Notice**") of Optionee's disapproval of any matters contained in the Preliminary Title Report ("**Disapproved Exceptions**").

(b) In the event Optionee delivers Optionee's Title Notice within said period, Optionors shall have a period of ten (10) days after receipt of Optionee's Title Notice in which to notify Optionee of Optionors's election to either (i) agree to attempt to remove the Disapproved Exceptions prior to the Close of Escrow; or (ii) decline to remove any such Disapproved Exceptions ("**Optionors' Notice**"). If Optionors notify Optionee of its election to decline to remove the Disapproved Exceptions, or if Optionors are unable to remove the Disapproved Exceptions (other than any obligations of Optionee under Section 7), Optionee may elect either to terminate this Agreement and the Escrow or to accept title to the Property subject to the Disapproved Exception(s). Optionee shall exercise such election by delivery of written notice to Optionors and Escrow Holder within five (5) days following the earlier of (i) the date of written advice from Optionors that such Disapproved Exception(s) cannot be removed; or (ii) the date Optionors decline to remove such Disapproved Exception(s).

(c) Upon the issuance of any amendment or supplement to the Preliminary Title Report which adds additional exceptions, the foregoing right of review and approval shall also apply to said amendment or supplement; provided, however, that Optionee's initial period of review and approval or disapproval of any such additional exceptions shall be limited to five (5) days following receipt of notice of such additional exceptions.

(d) Nothing to the contrary herein withstanding, Optionee shall be deemed to have automatically objected to all leases, deeds of trust, mortgages, judgment liens, federal and state income tax liens, delinquent general and special real property taxes and assessments and similar monetary encumbrances affecting the Property (excluding any such items caused by Optionee), and Optionors shall discharge any such non-permitted title matter of record prior to or concurrently with the Close of Escrow except as otherwise specifically provided in this Agreement.

9.2 Owner's Title Policy. At the Close of Escrow, an ALTA owner's non-extended policy of title insurance shall be furnished to Optionee ("**Owner's Title Policy**") insuring title to the Property vested in Optionee, containing only (i) non-delinquent real property taxes and assessments and (ii) exceptions approved by Optionee in accordance with Section 9.1. The amount of the insurance coverage shall be in the amount of the Purchase Price. The cost of the Owner's Title Policy shall be paid by Optionors. If Optionee elects to obtain an extended ALTA owner's policy, Optionee shall be responsible to secure a survey at its own cost and expense which shall be delivered to the Title Company not less than thirty (30) days prior to Closing and Optionee shall be responsible to pay for any additional premium. The Title Policy shall include extended coverage or endorsements that Optionee may request but at Optionee's expense. Optionors shall pay for the preliminary title report only if the escrow does not close solely for Sellers not delivering the Property with title satisfactory to Buyer. In all other events, the Buyer pays for the costs of the preliminary title report.

10. Due Diligence Following the Earlier of Notice of Award and July 31, 2021 - The Due Diligence Period. For a period beginning with the earlier of (1) the date of Notice of Award or (2) July 31, 2021 and extending for a period of (60) sixty days thereafter (the "**Due Diligence Period**"), Optionee shall have the right to perform any investigations, inspections, and review of documents as Optionee may reasonably determine in order to assess its willingness to purchase the Property pursuant to the terms of the Purchase Agreement. The Due Diligence Period may be extended by mutual agreement of the parties.

10.1 Review and Approval of Documents and Materials. Within five (5) days of the beginning of the Due Diligence Period, Optionors shall deliver to Optionee any and all documents, reports, surveys, environmental assessments, engineering reports for the Property and other materials in Optionors' possession or under its control or that of its agents, respecting the Property, including any hazardous substance conditions report concerning the Property, any natural hazard zone disclosure report, (collectively, "**Materials**"). During the Due Diligence Period, Optionee may review and evaluate the Materials to determine whether the Property is appropriate for Optionee's proposed use, in its sole discretion. Optionee is advised that there are no leases affecting the Property and there are no third parties in possession of the Property.

10.2 Optionee's Due Diligence. During the Due Diligence Period, Optionee and its agents may, at Optionee's sole expense, conduct tests and physical inspections of the property, including building inspections and environmental site assessments desired by Optionee. Optionee shall also conduct such investigations regarding zoning, building codes, and availability of permits and approvals for its intended construction and use of the Property, as it deems prudent in its sole discretion. Optionee shall provide evidence to Optionors that Optionee has procured and paid premiums for an all-risk public liability insurance policy written on a per occurrence and not claims made basis in a combined single limit of not less than One Million Dollars (\$1,000,000) which insurance names Optionors as additional insured. Optionee shall keep the Property free and clear of all mechanic liens, lis pendens and other liens arising out of the entry and work performed under this paragraph and shall maintain or assure maintenance of workers' compensation insurance (or state approved self-insurance) on all persons entering the Property in the amounts required by the State of California. Optionee shall promptly restore the Property to the condition that it was in prior to those tests and inspections and shall indemnify, defend and hold Optionors harmless from all damages, costs, loss, expense (including attorney fees) and liability resulting from Optionee's activities, acts, and omissions on the Property, including, but not limited to, mechanic liens.

Notwithstanding anything to the contrary contained in this Agreement, (i) the defense, indemnity, and hold harmless provision contained in this Section shall not apply to the extent such liabilities arise in connection with the sole negligence or willful misconduct of Optionors, its employees, agents, contractors, licensees or invitees and (ii) provided further that Optionee shall have no liability to Optionors or to its employees, agents, or contractors by reason of, nor shall Optionee have any duty to indemnify, defend, or hold any person or entity harmless from or against, any liabilities, including, without limitation, any claim for diminution in value of the Property or for environmental remediation or clean-up costs, resulting directly from Optionee having merely discovered and/or reported (to the extent required by applicable law) any adverse physical condition, title condition, environmental condition, or other defect with respect to the Property. The foregoing provisions shall survive the Closing or any termination of this Agreement. At Closing, Optionee shall take the Property subject to any title exceptions caused by Optionee exercising this license to enter the Property.

Copies of any final non-privileged, non-attorney-client work product reports including any survey prepared for Optionee this Agreement shall be delivered to Optionors (at no cost to Optionors) and, if the Closing does not occur, Optionors shall be entitled to use without the consent of the preparer.

10.3 Optionee's Termination Right. Optionee shall have the right at any time on or before the expiration of the Due Diligence Period to terminate this Option Agreement if, during the course of Optionee's due diligence investigations of the Property, Optionee determines in its sole and absolute discretion that the Property is not acceptable to Optionee.

Optionee may exercise its right to terminate by delivering written notice of termination to Optionors and Escrow Agent (“**Termination Notice**”) on or before the expiration of the Due Diligence Period. Upon the timely delivery of such Termination Notice this Agreement shall automatically terminate and be of no further force or effect and neither party shall have any further rights or obligations hereunder. Notwithstanding anything contained herein to the contrary, if Optionee fails to provide a Termination Notice, then Optionee shall be conclusively deemed to have elected to approve its Due Diligence of the Property.

11. Memorandum of Option. Concurrently with the execution and delivery of this Option Agreement, Optionors and the SKGSA shall execute a memorandum of option in the form attached hereto as **Exhibit C** (“**Memorandum**”). The Parties shall cause the Memorandum to be recorded in the Official Records of the Fresno County Recorder upon the SKGSA’s payment of the Option Consideration.

12. Notice. Any and all notices, demands or other communications required or desired to be given hereunder by any party shall be in writing and shall be validly given or made to any another party if served either personally or if deposited in the U.S. mail, certified or registered, postage prepaid, return receipt requested or delivered by overnight mail by a reputable overnight courier. If such notice, demand or other communication be served personally, service shall be conclusively deemed made at the time of such personal service. If such notice, demand or other communication be given by mail, such shall be conclusively deemed given forty-eight (48) hours after the deposit thereof in the U.S. mail addressed to the party to whom such notice, demand or other communication is to be given as hereinafter set forth:

To Optionors: Keith Lyndon Hodge  
Susan Tanya Hodge  
7544 E. Church  
Fresno, CA 93737

With a copy to: Motschiedler, Michaelides, Wishon, Brewer & Ryan, LLP  
Attn: A. Emory Wishon III, Esq.  
1690 West Shaw Avenue, Suite 200  
Fresno, CA 93711  
Email: [aew@mmwbr.com](mailto:aew@mmwbr.com)  
Phone: (559) 439-4000

To SKGSA: South Kings Groundwater Sustainability Agency  
Attn: David Peters, Secretary  
128 S. Fifth Street  
Fowler, CA 93625

Any party hereto may change its address for the purpose of receiving notices, demands or other communications as herein provided by a written notice given in the manner aforesaid to the other party or parties hereto.

13. Successors. This Option Agreement shall inure to the benefit of and be binding upon the parties to this Option Agreement, their respective heirs, and personal representatives. Until such time as the SKGSA delivers the Notice of Exercise, the SKGSA shall not assign its rights or obligations under this Option Agreement to any party without the prior written consent of Span.

14. Remedies. Provided the SKGSA timely delivers the Notice of Exercise and is not otherwise in default of this Option Agreement, if Optionors materially default under this Option Agreement, then the SKGSA shall be entitled to pursue its right to specifically enforce this Option Agreement or to terminate this Agreement. In the event the SKGSA terminates this Option Agreement under this section, Optionors shall immediately return all sums paid by the SKGSA and except as otherwise provided, neither Party will have any further obligations under this Option Agreement.

15. Attorneys' Fees. Should either party hereto be required to retain counsel for the purposes of enforcing or preventing the breach of any provision hereof, the prevailing party shall be entitled, in addition to such other relief as may be granted, to be reimbursed by the losing party for all costs and expenses incurred thereby, including, but not limited to, reasonable attorneys' fees and costs for the services rendered to such prevailing party.

16. Governing Law. This Option Agreement has been negotiated and entered into in the State of California and shall be governed by the laws of the State of California. Venue shall be in Fresno County.

17. Time is of the Essence. Time is expressly declared to be of the essence of this Option Agreement.

18. Effective Date. Effective Date is the last date set forth opposite the signatures of the parties at the end of this Option Agreement.

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

*[signature page follows]*

**OPTIONEE:**

**SOUTH KINGS GROUNDWATER  
SUSTAINABILITY AGENCY**  
a Joint powers authority

By: 12/30/20  
Karnig Kazarian, Board Chairman


Dated: \_\_\_\_\_

**ATTEST:**

By: \_\_\_\_\_  
David Peters, Board Secretary

APPROVED AS TO FORM:

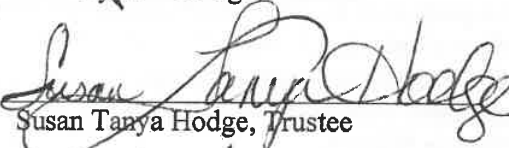
LOZANO SMITH

By:   
Michael R. Linden, SKGSA  
Attorney

**OPTIONORS:**

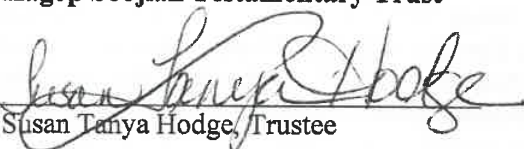
**Keith Lyndon Hodge and Susan Tanya  
Hodge Family Trust**

By:   
Keith Lyndon Hodge, Trustee

By:   
Susan Tanya Hodge, Trustee

Dated: 12/29/20

**Hagop Soojian Testamentary Trust**

  
Susan Tanya Hodge, Trustee

Dated: 12/29/20


**OPTIONEE:**

**SOUTH KINGS GROUNDWATER  
SUSTAINABILITY AGENCY**  
a Joint powers authority

By: \_\_\_\_\_  
Karnig Kazarian, Board Chairman

Dated: \_\_\_\_\_

**ATTEST:**

By:  \_\_\_\_\_  
David Peters, Board Secretary

**APPROVED AS TO FORM:**

LOZANO SMITH

By: \_\_\_\_\_  
Michael R. Linden, SKGSA  
Attorney

**OPTIONORS:**

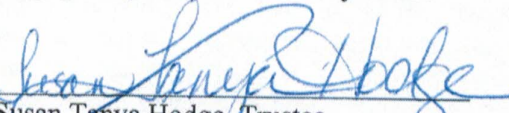
**Keith Lyndon Hodge and Susan Tanya  
Hodge Family Trust**

By:  \_\_\_\_\_  
Keith Lyndon Hodge, Trustee

By:  \_\_\_\_\_  
Susan Tanya Hodge, Trustee

Dated: 12/29/20

**Hagop Soojian Testamentary Trust**

 \_\_\_\_\_  
Susan Tanya Hodge, Trustee

Dated: 12/29/20

## EXHIBIT A

### LEGAL DESCRIPTION

APN 315-051-10 (Portion)

All that portion of the 27.53 Acre Remainder Parcel of Parcel Map No. 2014-03, according to the map thereof recorded in Book 73 of Parcel Maps at Pages 45 through 46, Fresno County Records, being in the Northeast quarter of Section 15, Township 14 South, Range 22 East, Mount Diablo Base and Meridian, in the City of Sanger, County of Fresno, State of California, described as follows:

**BEGINNING** at the Northwest corner of said Remainder Parcel;  
Thence North  $89^{\circ}26'23''$  East, 1275.93 feet along the North line of said Remainder Parcel;  
Thence South  $0^{\circ}33'37''$  East, 484.00 feet at right angles to last said course;  
Thence South  $38^{\circ}47'26''$  East, 539.99 feet to the Easterly line of said Remainder Parcel, said Easterly line also being the Westerly line of the Fowler Switch Canal;  
Thence South  $35^{\circ}07'50''$  West, 414.35 feet along said Easterly line and said Westerly line to the Southernmost corner of said Remainder Parcel, said Southernmost corner also being a point on the Easterly line of the Southern Pacific Railroad;  
Thence along the Westerly line of said Remainder Parcel and said Easterly line of the Southern Pacific Railroad the following three courses:

- 1) North  $38^{\circ}31'10''$  West 884.69 feet
- 2) North  $40^{\circ}54'29''$  West, 275.68 feet to the beginning of a non-tangent curve concave to the Southwest having a radius of 1,196.28 feet and to which said beginning a radial line bears North  $44^{\circ}43'46''$  East
- 3) Northwesterly, 740.14 feet along said non-tangent curve through a central angle of  $35^{\circ}26'56''$  to the **POINT of BEGINNING**.



**EXHIBIT B**

**EXHIBIT B**  
**AGREEMENT FOR PURCHASE AND SALE**  
**OF REAL PROPERTY AND JOINT ESCROW INSTRUCTIONS**

THIS AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY AND JOINT ESCROW INSTRUCTIONS (“**Agreement**”) is made this \_\_\_\_ day of December, 2020, (“**Agreement Date**”) by and between the SOUTH KINGS GROUNDWATER SUSTAINABILITY AGENCY, a joint powers authority (“**Buyer**”), and KEITH LYNDON HODGE AND SUSAN TANYA HODGE FAMILY TRUST and HAGOP SOOJIAN TESTAMENTARY TRUST (collectively “**Sellers**”) with CHICAGO TITLE INSURANCE COMPANY, a California Corporation as escrow holder (“**Escrow Holder**”).

**RECITALS**

**A.** **Sellers** own all that real property situated in the City of Sanger, County of Fresno, State of California, more particularly described in Exhibit A attached hereto and made a part hereof, which is the subject of this Agreement, and which is hereunder for convenience referred to as the “**Property**,” approximately 15.5 acres of vacant land zoned for high density residential and public basin uses and identified as APN 315-051-10, together with any right, title and interest of Sellers in any improvements or fixtures. The real property described is herein referred to collectively as the “**Option Property**” or “**Real Property**.”

**B.** **Buyer** wishes to buy the **Property**.

**C.** **Sellers** warrant the **Property** is not being acquired under threat of eminent domain.

**D.** **Sellers** warrant that there are no lease agreements regarding **Property**.

**E.** **Sellers** and **Buyer** wish to enter an Agreement for Purchase and Sale of Real Property and Joint Escrow Instructions upon the terms and conditions more particularly set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants set forth herein, the parties hereto agree as follows:

**TERMS AND CONDITIONS**

**1. PURCHASE AND SALE OF PROPERTY.** Pursuant to the terms and conditions of this Agreement, Buyer hereby agrees to purchase from Sellers and Sellers agree to sell to Buyer, the Property in AS-IS condition. No personal property is included in this transaction.

**2. OPENING OF ESCROW.** Pursuant to the Option Agreement the Parties opened an escrow (“**Escrow**”) at Chicago Title Insurance Company, Sue Meyer as escrow officer (“**Escrow**”).

**Officer**”). Concurrently with the exercise of Option, the Parties will execute this Agreement and deliver an executed copy of this Agreement to Escrow Holder together with Buyer’s Additional Deposit (as defined in Section 3.2 below) (“**Opening of Escrow**”).

**3. PURCHASE PRICE; DEPOSIT; PAYMENT OF PURCHASE PRICE.**

**3.1 Purchase Price.** The purchase price for the Property is \_\_\_\_\_ Dollars (\$\_\_\_\_\_) (“**Purchase Price**”) to be determined in accordance with the Option Agreement.

**3.2 Additional Deposit.** Upon the Opening of Escrow under the Option Agreement Buyer deposited Ten Thousand Dollars (the “**Deposit**”) with Escrow Holder. Concurrently with the exercise of the Option, the Parties will execute this Agreement and Buyer shall deposit an additional sum of Twenty-Thousand Dollars (\$20,000) (the “**Additional Deposit**”) to be held by Escrow Holder for the benefit of the parties and applied against the Purchase Price at Closing (as defined in Section 5) or released, refunded or forfeited in accordance with the terms of this Agreement. The Additional Deposit shall be non-refundable to Buyer unless Sellers fail to perform but shall be applicable to the Purchase Price. If escrow fails to close due to a material breach of the Purchase and Sale Agreement by Buyer, the Additional Deposit shall be released from escrow to Sellers as liquidated damages and Sellers agree that this amount shall constitute Sellers’ sole and exclusive remedy. If escrow fails to close due to a material breach of the Purchase and Sale Agreement by Sellers, the Additional Deposit shall be released from escrow to Buyer and Sellers shall return to Buyer the Deposit previously released.

**3.3 Payment of Purchase Price.** On or before 1:00 p.m. on the business day preceding the Closing Date or such earlier time as required by Escrow Holder in order to close Escrow on the Closing Date, Buyer shall deposit into Escrow the balance of the Purchase Price in Good Funds.

**3.4 Good Funds.** Prior to Closing, all funds deposited in Escrow shall be in “**Good Funds**” which shall mean a wire transfer of funds from a financial institution located in the State of California.

**4. CLOSING FUNDS AND DOCUMENTS REQUIRED FROM BUYER AND SELLERS.**

**4.1 Sellers.** Sellers agrees that on or before 12:00 noon on the day preceding the Closing Date, Sellers will deposit or cause to be deposited with Escrow Holder all of the following:

- a. A grant deed in the form attached hereto as Exhibit B executed by Sellers (“**Grant Deed**”).
- b. A Non-Foreign Affidavit as required by federal law.
- c. Such funds and other items and instruments as may be necessary in order for Escrow Holder or the Title Company to comply with this Agreement.

**4.2 Buyer.** Buyer agrees that on or before 12:00 noon on the day preceding the Closing Date, Buyer will deposit with Escrow Holder all additional funds and all of the following:

- a. A Preliminary Change of Ownership Statement completed in the manner required in Fresno County.
- b. Such funds and other items and instruments as may be necessary in order for Escrow Holder or the Title Company to comply with this Agreement.

**4.3 Recordation, Completion and Distribution of Documents.** Escrow Holder shall confirm that any documents signed in counterpart are matching documents and shall combine the signature pages thereof to create fully executed documents. Escrow Holder will date all the documents with the date of Close of Escrow. Escrow Holder will cause the Grant Deed to be recorded when it can issue the Owner's Title Policy in accordance with Section 6.2, and holds for the account of Buyer and Sellers, respectively, the funds and items described above to be delivered to Buyer and Sellers, respectively, through Escrow, less costs, expenses and disbursements chargeable to the parties pursuant to this Agreement.

## **5. CLOSING DATE; OPTIONS TO EXTEND CLOSING; TIME IS OF ESSENCE.**

**5.1 Closing Date.** Escrow shall close within Thirty (30) days after Notice of Exercise of the Option ("Closing Date").

**5.2 Definition of Closing.** The terms "Close of Escrow" and/or "Closing" mean the time Grant Deed is recorded in the Official Records of Fresno County.

**5.3 Time is of Essence.** The parties specifically agree that time is of the essence of this Agreement.

**5.4 Possession.** Upon the Close of Escrow, possession of the Property shall be delivered to Buyer.

**5.5 SKGSA Payment of Certain Sellers Costs.** During the Option Term and if necessary after, SKGSA will pay 50% of the costs of Sellers in causing the 12 acre remaining parcel of Optionors' 27.6 acre parcel to be a separate developable parcel in compliance with the Subdivision Map Act. The costs of Optionor to be paid by SKGSA are for mapping and consultant services required to present a final parcel map for approval by the City of Sanger in order for the remainder parcel to be a developable parcel. Any costs associated with complying with any conditions of approval imposed on the final map by the City of Sanger for public improvements associated with the map or the proposed development are not included.

## **6. TITLE POLICY.**

**6.1 Approval of Title.** Buyer has approved of Title during the Option Period. It is a condition of Buyer's close that Sellers deliver title to Buyer as agreed during the Option term.

7. **DUE DILIGENCE AND DUE DILIGENCE PERIOD.** During the Option Period, Buyer performed its due diligence. There is no further due diligence period except for Sellers to disclose to Buyer any intervening events known to Sellers.

8. **CONDITIONS PRECEDENT TO CLOSE OF ESCROW.**

8.1 **Conditions to Buyer's Obligations.** The obligations of Buyer under this Agreement are subject to the satisfaction or written waiver, in whole or in part, by Buyer of each of the following conditions precedent (“**Buyer’s Conditions Precedent**”):

- (a) Title Company will issue the Owner’s Title Policy as specified in Section 6.2.
- (b) Escrow Holder holds and will deliver to Buyer the instruments and funds, if any, accruing to Buyer pursuant to this Agreement.
- (d) Sellers are not in default of its obligations under this Agreement.

8.2 **Conditions to Sellers' Obligations.** The obligations of Sellers under this Agreement are subject to the satisfaction or written waiver, in whole or in part, by Sellers of the following conditions precedent (“**Sellers’ Conditions Precedent**”):

- (a) Escrow Holder holds and will deliver to Sellers the instruments and funds accruing to Sellers pursuant to this Agreement.
- (b) Title Company will issue the Owner’s Title Policy as specified in Section 6.2.
- (c) Buyer is not in default of its obligations under this Agreement.

9. **DISCLAIMER OF WARRANTIES.** Buyer shall acquire the Property in its “AS IS” condition and shall be responsible for any and all defects in the Property, whether patent or latent, including, without limitation, the physical, environmental, and geotechnical condition of the Property, and the existence of any contamination, hazardous materials, vaults, debris, pipelines, wells, or other structures located on, under, or about the Property. Sellers makes no representation or warranty concerning the physical, environmental, geotechnical or other condition of the Property. Buyer acknowledges that, once Buyer obtains title to the Property, any liability of Sellers for the environmental condition of the Property shall be extinguished, and that Sellers shall have no liability for remediating any environmental condition of the Property. Buyer shall indemnify Sellers against any claim or liability relating to the environmental condition of the Property.

10. **ESCROW PROVISIONS.**

10.1 **Escrow Instructions.** Sections 1 through 6, inclusive; 8, 10, 13 and 14 constitute the escrow instructions to Escrow Holder. If required by Escrow Holder, Buyer and Sellers agree to execute Escrow Holder's standard escrow instructions, provided that the same are consistent with and do not conflict with the provisions of this Agreement. In the event of any such conflict, the provisions of this Agreement shall prevail. The terms and conditions in sections of this Agreement not specifically referenced above are additional matters for information of Escrow Holder, but about which Escrow Holder need not be concerned. Buyer and Sellers will receive

Escrow Holder's general provisions directly from Escrow Holder and will execute such provision upon Escrow Holder's request. To the extent that the general provisions are inconsistent or conflict with this Agreement, the general provisions will control as to the duties and obligations of Escrow Holder only. Buyer and Sellers agree to execute additional instructions, documents and forms provide by Escrow Holder that are reasonably necessary to close Escrow.

**10.2 General Escrow Provisions.** Escrow Holder shall deliver the Owner's Title Policy to the Buyer and instruct the Fresno County Recorder to mail the Grant Deed to Buyer at the address set forth in Section 14 after recordation. All funds received in this Escrow shall be deposited in one or more general escrow accounts of the Escrow Holder with any bank doing business in Fresno County, California, and may be disbursed to any other general escrow account or accounts. All disbursements shall be according to that party's instructions.

**10.3 Real Property Taxes.** All general and special real property taxes and assessments shall be paid by Sellers prior to the Close of Escrow.

**10.4 Payment of Costs.**

(a) **Cost Allocation.** Buyer shall pay the costs for the Owner's Title Policy, documentary transfer taxes, and the escrow costs and be responsible for any recording charges ("**Buyer's Charges**"). All other costs of Escrow not otherwise specifically allocated by this Agreement shall be apportioned between the parties in a manner consistent with the custom and usage of Escrow Holder for commercial real estate transactions in the Sanger area.

(b) **Closing Statement.** At least two (2) days prior to the Closing Date, Escrow Holder shall furnish Buyer and Sellers with a preliminary escrow closing statement which shall include each party's respective shares of costs. The preliminary closing statement shall be approved in writing by the parties. As soon as reasonably possible following the Close of Escrow, Escrow Holder shall deliver a copy of the final Escrow closing statement to the parties.

**10.5 Termination and Cancellation of Escrow.** If Escrow fails to close as provided above, either party may elect to cancel this Escrow upon written notice to the other party and Escrow Holder. Cancellation of Escrow, as provided herein, shall be without prejudice to whatever legal rights Buyer or Sellers may have against each other arising from the Escrow or this Agreement.

**10.6 Information Report.** Escrow Holder shall file and Buyer and Sellers agree to cooperate with Escrow Holder and with each other in completing any report ("**Information Report**") and/or other information required to be delivered to the Internal Revenue Service pursuant to Internal Revenue Code Section 6045(e) regarding the real estate sales transaction contemplated by this Agreement, including without limitation, Internal Revenue Service Form 1099-B as such may be hereinafter modified or amended by the Internal Revenue Service, or as may be required pursuant to any regulation now or hereinafter promulgated by the Treasury Department with respect thereto. Buyer and Sellers also agree that Buyer and Sellers, their respective employees and attorneys, and escrow Holder and its employees, may disclose to the

Internal Revenue Service, whether pursuant to such Information Report or otherwise, any information regarding this Agreement or the transactions contemplated herein as such party reasonably deems to be required to be disclosed to the Internal Revenue Service by such party pursuant to Internal Revenue Code Section 6045(e), and further agree that neither Buyer nor Sellers shall seek to hold any such party liable for the disclosure to the Internal Revenue Service of any such information.

**10.7 No Withholding as Foreign Sellers.** Sellers represents and warrants to Buyer that Sellers is not, and as of the Close of Escrow will not be, a foreign person within the meaning of Internal Revenue Code Section 1445 or an out-of-state Seller under California Revenue and Tax Code Section 18805 and that it will deliver to Buyer on or before the Close of Escrow a non-foreign affidavit on Escrow Holder's standard form pursuant to Internal Revenue Code Section 1445(b)(2) and the Regulations promulgated thereunder and a California Form 590-RE.

**11. NON-COLLUSION.** No official, officer, or employee of the Sellers has any financial interest, direct or indirect, in this Agreement, nor shall any official, officer, or employee of the Sellers participate in any decision relating to this Agreement which may affect his/her financial interest or the financial interest of any corporation, partnership, or association in which (s)he is directly or indirectly interested, or in violation of any interest of any corporation, partnership, or association in which (s)he is directly or indirectly interested, or in violation of any State or municipal statute or regulation. The determination of "financial interest" shall be consistent with State law and shall not include interest found to be "remote" or "non-interest" pursuant to California Government Code Sections 1091 and 1091.5. Sellers warrants and represents that (s)he/it has not paid or given, and will not pay or give, to any third party including, but not limited to, any official, officer, or employee of Buyer, any money, consideration, or other thing of value as a result or consequence of obtaining or being awarded this Agreement. Sellers further warrants and represents that (s)he/it has not engaged in any act(s), omission(s), or other conduct or collusion that would result in the payment of any money, consideration, or other thing of value to any third party including, but not limited to, any official, officer, or employee of Buyer, as a result or consequence of obtaining or being awarded any agreement. Sellers is aware of and understands that any such act(s), omission(s) or other conduct resulting in the payment of money, consideration, or other thing of value will render this Agreement void and of no force or effect.

**Sellers's Initials:** \_\_\_\_\_ **Buyer's** \_\_\_\_\_

## **12. DEFAULT**

**12.1 DEFAULT OF BUYER; LIQUIDATED DAMAGES. IF BUYER SHOULD DEFAULT UNDER THIS AGREEMENT, THEN BUYER AND SELLERS AGREE THAT SELLERS WILL INCUR DAMAGES BY REASON OF SUCH DEFAULT BY BUYER OR FAILURE OF ESCROW TO CLOSE ON OR BEFORE THE CLOSING DATE, WHICH DAMAGES SHALL BE IMPRACTICAL AND EXTREMELY DIFFICULT, IF NOT IMPOSSIBLE, TO ASCERTAIN. BUYER AND SELLERS, IN A REASONABLE EFFORT TO ASCERTAIN WHAT SELLERS'S DAMAGES WOULD BE IN THE EVENT OF SUCH DEFAULT BY BUYER HAVE AGREED BY PLACING THEIR INITIALS BELOW THAT THE ADDITIONAL DEPOSIT SHALL BE DEEMED TO CONSTITUTE A REASONABLE ESTIMATE OF SELLERS'S DAMAGES UNDER THE**

**PROVISIONS OF SECTION 1671 OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. IN THE EVENT OF AND FOR SUCH DEFAULT BY BUYER, THE ADDITIONAL DEPOSIT SHALL BE SELLERS'S SOLE MONETARY REMEDY THEREFOR, UNLESS BUYER WRONGFULLY REFUSES TO CAUSE ESCROW HOLDER TO CANCEL THE ESCROW, IN WHICH INSTANCE SELLERS SHALL ALSO BE ENTITLED TO ALL COSTS AND EXPENSES, INCLUDING ACTUAL ATTORNEYS' FEES INCURRED BY SELLERS WHICH MAY RESULT FROM BUYER'S WRONGFUL FAILURE TO CANCEL THE ESCROW AND THIS AGREEMENT. FURTHERMORE, THE FOREGOING LIMITATION OF DAMAGES SHALL NOT APPLY TO ANY INDEMNIFICATION OBLIGATIONS OF BUYER.**

\_\_\_\_\_  
**Sellers's Initials**

\_\_\_\_\_  
**Buyer's Initials**

**12.2 Default by Sellers.** If all conditions precedent to Sellers's obligations to sell the Property have occurred but Sellers fails to Close under this Agreement for any reason other than the default by Buyer under this Agreement, Buyer shall have the right to either (i) terminate this Agreement and receive the return of the Additional Deposit; or (ii) bring an action for specific performance.

**12.3 BANKRUPTCY; INSOLVENCY.** In addition to any other grounds for default under this Agreement, the existence of any of the following shall constitute a material default under this Agreement. It shall be a material default by a party if that party shall: (i) voluntarily be adjudicated as bankrupt or insolvent; (ii) seek, consent to or not contest the appointment of a receiver or trustee for itself or for all or any part of its property; (iii) file a petition seeking relief under the bankruptcy, arrangement, reorganization or other debtor relief laws of the United States, any state or any other competent jurisdiction; or (iv) make a general assignment for the benefit of its creditors; or (v) a petition is filed against a party seeking relief under the bankruptcy, arrangement, reorganization or other debtor relief laws of the United States, any state or any other competent jurisdiction, and such petition is not dismissed within sixty (60) days immediately following the date of such filing; or (vi) a court of competent jurisdiction enters an order, judgment or decree appointing, without the party's consent, a receiver or trustee for a party, or for all or any part of a party's property; and such petition, order, judgment or decree is not discharged or stayed within sixty (60) days immediately following its entry.

**13. NOTICES.** All notices required or permitted under this Agreement shall be in writing and shall be served on the parties at the addresses set forth below. Any such notices shall, unless otherwise provided herein, be given or served (i) by depositing the same in the United States mail, postage paid, certified and addressed to the party to be notified, with return receipt requested, (ii) by overnight delivery using a nationally recognized overnight courier, or (iii) by personal delivery. Notice deposited in the mail in the manner hereinabove described shall be effective upon receipt or rejection of such notice. Notice given in any other manner shall be effective only if and when received (or rejected) by the party to be notified between the hours of 8:00 a.m. and 5:00 p.m. California time of any business day with delivery made after such hours to be deemed received the following business day. A party's address may be changed by written notice to the other party;



however, no notice of a change of address shall be effective until actual receipt of such notice. Copies of notices are for informational purposes only, and a failure to give or receive copies of any notice shall not be deemed a failure to give notice.

**To Sellers:** Keith Lyndon Hodge  
Susan Tanya Hodge  
7544 E. Church  
Sanger, CA 93737

**With a copy to:** Motschieder, Michaelides, Wishon, Brewer & Ryan, LLP  
c/o A Emory Wishon III, Esq.  
1690 West Shaw Avenue, Suite 200  
Fresno, CA 93711  
Email: [aw@mmwbr.com](mailto:aw@mmwbr.com)  
Phone: (559) 439-4000

**To Buyer:** South Kings Groundwater Sustainability Agency  
Attention: David Peters, Secretary  
128 S. Fifth Street  
Fowler, CA 93625

**To Escrow Holder:** Chicago Title Insurance Company  
7330 North Palm Avenue, Suite 101  
Fresno, CA 93711  
Attn: Sue Meyer  
Email: [meyers@CTT.com](mailto:meyers@CTT.com)  
Phone: 559-451-3727

#### **14. GENERAL PROVISIONS.**

**14.1 Assignment.** Neither party shall have the right to assign this Agreement or any interest or right hereunder or under the Escrow without the prior written consent of the other party. This Agreement shall be binding upon and shall inure to the benefit of Buyer and Sellers and their respective heirs, personal representatives, successors and assigns.

**14.2 Attorney's Fees.** In any action between the parties hereto, seeking enforcement of any of the terms and provisions of this Agreement or the Escrow, or in connection with the Property, the prevailing party in such action shall be entitled, to have and to recover from the other party its reasonable attorneys' fees and other reasonable expenses in connection with such action or proceeding, in addition to its recoverable court costs.

**14.3 Interpretation; Governing Law.** This Agreement shall be construed according to its fair meaning and as if prepared by both parties hereto. This Agreement shall be construed in accordance with the laws of the State of California in effect at the time of the execution of this

Agreement. Titles and captions are for convenience only and shall not constitute a portion of this Agreement. As used in this Agreement, masculine, feminine or neuter gender and the singular or plural number shall each be deemed to include the others wherever and whenever the context so dictates.

**14.4 No Waiver.** No delay or omission by either party in exercising any right or power accruing upon the compliance or failure of performance by the other party under the provisions of this Agreement shall impair any such right or power or be construed to be a waiver thereof. A waiver by either party of a breach of any of the covenants, conditions or agreements hereof to be performed by the other party shall not be construed as a waiver of any succeeding breach of the same or other covenants, agreements, restrictions or conditions hereof.

**14.5 Modifications.** Any alteration, change, or modification of or to this Agreement shall be made by written instrument or endorsement thereon and in each such instance executed on behalf of each party hereto.

**14.6 Severability.** If any term, provision, condition or covenant of this Agreement or the application thereof to any party or circumstances shall, to any extent, be held invalid or unenforceable, the remainder of this instrument, or the application of such term, provisions, condition or covenant to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

**14.7 Merger.** This Agreement and other documents incorporated herein by reference contain the entire understanding between the parties relating to the transaction contemplated hereby and all prior to contemporaneous agreements, understandings, representations and statements (including letters of intent), oral or written, are merged herein and shall be of no further force or effect.

**14.8 Execution of Documents.** The parties agree to execute such instructions to Title Company and such other instruments and to do such further acts as may be reasonably necessary to carry out the provisions of this Agreement.

**14.9 Inducement.** The making, execution and delivery of this Agreement by the parties hereto have been induced by no representations, statements, warranties or agreements other than those expressly set forth herein.

**14.10 Relationship of Parties.** Notwithstanding anything to the contrary contained herein, this Agreement shall not be deemed or construed to make the parties hereto partners or joint venturers, or to render either party liable for any of the debts or obligations of the other, it being the intention of the parties to merely create the relationship of Sellers and Buyer with respect to the Property to be conveyed as contemplated hereby.

**14.11 No Personal Liability.** No member, official, employee, agent or contractor of Sellers shall be personally liable to Buyer in the event of any default or breach by Sellers or for any amount which may become due to Buyer or on any obligations under the terms of the Agreement.

**14.12 Force Majeure.** If either party is delayed or prevented from performing any act required in this Agreement by reason of any event beyond the reasonable control of either party, including without limitation, by labor disputes, fire, unusual delay in deliveries, weather or acts of God, terrorism, delay in the issuance of permits or approvals, acts of governmental entities, unavoidable casualties or any other such causes beyond such party's control, then the time herein fixed for completion of such obligation(s) shall be extended by the number of days that such party has been delayed.

**14.13 Representation by Counsel.** Each party hereto represents and agrees with each other that it has been represented by or had the opportunity to be represented by, independent counsel of its own choosing, and that it has had the full right and opportunity to consult with its respective attorney(s), that to the extent, if any, that it desired, it availed itself of this right and opportunity, that it or its authorized officers (as the case may be) have carefully read and fully understand this Agreement in its entirety and have had it fully explained to them by such party's respective counsel, that each is fully aware of the contents thereof and its meaning, intent and legal effect, and that it or its authorized officer (as the case may be) is competent to execute this Agreement and has executed this Agreement free from coercion, duress or undue influence.

**14.14 Execution in Counterparts.** This Agreement may be executed in several counterparts, and all so executed shall constitute one agreement binding on all parties hereto, notwithstanding that all parties are not signatories to the original or the same counterpart.

**14.15 Exhibits.** Exhibit A is the Legal Description of Property. Exhibit B is the Grant Deed.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement for Purchase and Sale of Real Property and Joint Escrow Instructions as of the Agreement Date.

**Note: Sections 11 and 12.1 need to be separately initialed by the parties.**

**SELLERS:**

Keith Lyndon Hodge and Susan Tanya  
Hodge Family Trust

By: \_\_\_\_\_  
Keith Lyndon Hodge Trustee

\_\_\_\_\_  
Susan Tanya Hodge, Trustee

Dated: \_\_\_\_\_

Hagop Soojian Testamentary Trust

**BUYER:**

SOUTH KINGS GROUNDWATER  
SUSTAINABILITY AGENCY,  
a joint powers authority

By: \_\_\_\_\_  
Karnig Kazarian, Board Chairman

\_\_\_\_\_, 2020

**ATTEST:**

\_\_\_\_\_  
David Peters, Board Secretary

\_\_\_\_\_  
Susan Tanya Hodge, Trustee

APPROVED AS TO FORM:

Dated: \_\_\_\_\_

\_\_\_\_\_  
Michael R. Linden, SKGSA Attorney

\_\_\_\_\_  
Tax I.D. (SSN)

\_\_\_\_\_, 2020

**Accepted and Agreed to:**

**ESCROW HOLDER:**

Chicago Title Insurance Company

By: \_\_\_\_\_  
Escrow Officer Sue Meyer

\_\_\_\_\_, 2020

**M E M O R A N D U M**

**Date:** July 5, 2023 Appraisal Review: 23-0107R  
Project No.11946

**To:** Kelle Adair, Appraisal Sr. Specialist  
Department of Water Resources (DWR)  
Division of Engineering/Real Estate Branch  
715 P Street, 4th  
Sacramento, CA 95814

**From:** Department of General Services – Real Estate Services Division  
Professional Services Branch  
The Ziggurat, 707 Third Street, 5<sup>th</sup> Floor, West Sacramento, CA 95605

**Subject:** APPRAISAL REVIEW – South Kings GSA Project, Hodge Property  
Academy Avenue, Sanger, Fresno County, CA APN 315-051-10  
Appraisal Firm: James G. Palmer Appraisals, Inc.  
Value Under Review: See Valuation Summary  
Date of Value: June 7, 2023  
Date of Report: June 8, 2023

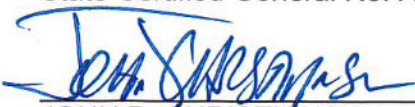
We have performed an appraisal review of the above referenced appraisal report. The review process was conducted within the context of market conditions expressed in the appraisal report and does not rely on the introduction of new information. The scope of work in this assignment is limited to review of the appraisal report and preparation of this appraisal review memorandum. In performing this review, We have formed an opinion as to the appraisal:

- Completeness of the report.
- Accuracy and adequacy of information and comparable data relied upon.
- Relevance and appropriateness of the appraisal methods and techniques employed.
- Reasonableness of the analysis, conclusions, and value rendered.

The value opinions stated in the report provided are adequately supported. The content, analysis, and conclusions stated in the report under review are in compliance with applicable DGS specifications. This review applies to the ownership as of the effective date of the appraisal. This review is based on the assumptions and limiting conditions presented on pages 68-70 (PDF) in the addenda section of the appraisal report dated June 8, 2023, and page 8 of this Appraisal Review Memorandum.



CHERYL L. JONES  
Senior Real Estate Officer  
State Certified General No. AG004824



JOHN D. CHRISTIANSEN  
Senior Real Estate Officer  
State Certification No. AG024826  
Attachment (Legal Description of 15.50-acre parcel)

**APPRAISAL REVIEW**

**Introduction**

- Date of Appraisal Review** July 5, 2023
- Client of Review** Kelle Adair Appraisal Senior Specialist, Department of Water Resources, Division of Engineering/Real Estate
- Intended Users** This report is intended for use only by the State of California. Use of this report by others is not intended.
- Intended Use of Review** The intended use of this review memorandum is to determine the credibility of the final opinion of market value rendered in the appraisal report for use in a potential real estate transaction by the State of California for internal decision-making process.
- Purpose of Review** The purpose of the review is to determine the credibility of the final opinion of value provided in the reviewed appraisal report.

| <b>Scope of The Review Process</b>  |     |
|---|-----|
| Entire appraisal report was read thoroughly   | Yes |
| All pertinent mathematical calculations were verified   | Yes |
| Reasonableness and accuracy of DCF analysis and appropriateness of software, were verified                      | N/A |
| Appraised property was field reviewed   | No  |
| Comparable market data reported in the appraisal under review were field reviewed                               | No  |
| Limited confirmation of market data reported in the appraisal under review was attempted through public records | Yes |
| Full confirmation of market data reported in the appraisal under review was attempted                           | No  |
| Additional comparable market data were researched and analyzed by the review appraiser                          | No  |
| All known pertinent information was included in the reporting of the results of the appraisal review            | Yes |
| The preparation of an Amended Value Analysis (corrective review) was required                                   | No  |

*Reviewer Comment: One of the reviewers, Cheryl Jones, has completed two prior review Memorandums on the subject property which were not approved. The first report was dated March 19, 2021, and the second report was dated August 24, 2021. Both appraisal reports have a March 11, 2021 date of value.*

## Identification of Reviewed Appraisal

|                                    |  |
|------------------------------------|--|
| <b>Appraisal Prepared by</b>       | Gregg Palmer, MAI; CA #AG002880<br>Joshua J. Palmer, CA Certified Appraiser 3002843<br>James G. Palmer, Appraisals Inc.<br>1285 W. Shaw, Suite 108<br>Fresno, CA 93711<br>559-226-5020 |
| <b>Date of Appraisal Report</b>    | June 8, 2023   |
| <b>Effective Date of Value</b>     | June 7, 2023   |
| <b>Market Value Opinion</b>        | See Valuation Summary  |
| <b>Stated Type of Value</b>        | Fair Market Value  |
| <b>Interest Appraised</b>          | Fee Simple   |
| <b>Client of Appraisal</b>         | Keith Hodge (property owner)   |
| <b>Intended Users of Appraisal</b> | Keith Hodge and/or his assignees.  |
| <b>Intended Use of Appraisal</b>   | To aid the client in financial decisions to facilitate the sale of a portion of the property to the South Kings Groundwater Sustainability Agency.                                     |

## Extraordinary Assumptions and Hypothetical Conditions

|                                  |  |
|----------------------------------|--|
| <u>Extraordinary Assumptions</u> | An extraordinary assumption is defined as an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions. |
|----------------------------------|--|

Comment: Uncertain information might include physical, legal, or economic characteristics of the subject property; or conditions external to the property, such as, market conditions or trends; of the integrity of data used in an analysis.<sup>1</sup>

Two extraordinary assumptions for the future alignment of California Avenue were cited in the appraisal :

1. The improvements will be constructed in a timely manner.
2. The subject has direct access to California Avenue once the alignment and street improvements are installed.

*Reviewers Comments: The City of Sanger approved the California Avenue alignment during the City of Sanger*

<sup>1</sup> USPAP 2020-2021 Edition, pg. 3.

*Public Hearing Meeting that occurred on March 16, 2023. The alignment will run along the northern line of the subject property and giving direct access and frontage to California Avenue.*

*No extraordinary assumptions were included in the appraisal review memo.*

Hypothetical Conditions

A hypothetical condition is defined a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results but is used for the purpose of analysis.

Comment: Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.<sup>2</sup>

One hypothetical condition (HC) was cited in the appraisal under review:

1. The subject parcel is divided up into two legal parcels having 15.50-acres and 12.03-acres.

**PROPERTY INFORMATION**

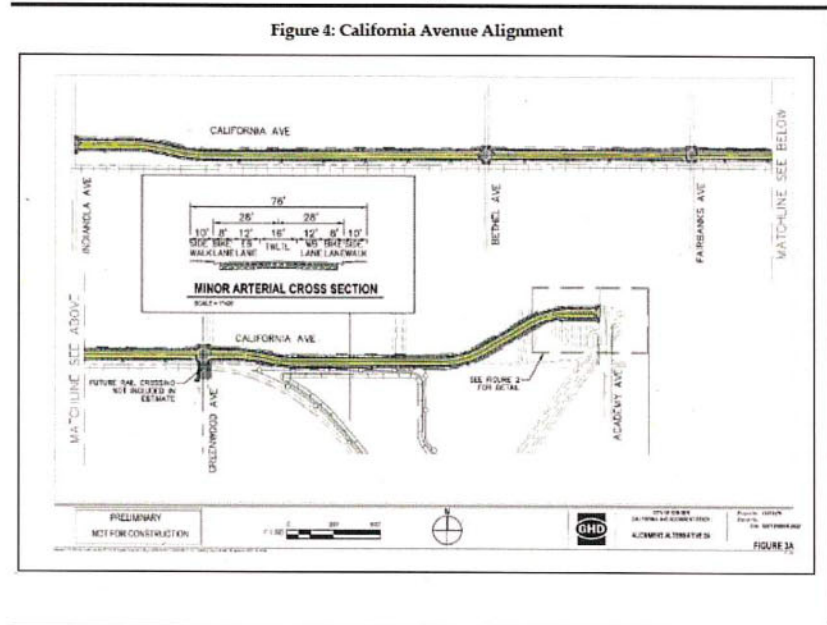
|                              |   |
|------------------------------|---|
| <b>Property Owner</b>        | Keith Lyndon Hodge and Susan Tanya Hodge, Trustees of the Keith Lyndon Hodge and Susan Tanya Hodge Family Trust dated July 21, 2017.  |
| <b>Sale History</b>          | Reportedly has not been involved in any market transactions in the past three years.  |
| <b>Location</b>              | Undefined address, Academy Avenue, Sanger, California 93657. Located in the northern portion of the City of Sanger on the west side of the Fowler Switch Canal west of Academy Avenue near the intersection of California Avenue which runs east of the subject parcel. |
| <b>Assessor's Parcel No.</b> | 315-051-10  |
| <b>County</b>                | Fresno  |
| <b>Site Areas Valued</b>     | 15.50 +/- acres (per Hypothetical Condition)<br>12.03 +/- acres (per Hypothetical Condition)  |
| <b>Access &amp; Exposure</b> | The subject has no legal street frontage. Access is by way of an adjacent parcel along the west side of the Fowler Switch Canal   |

<sup>2</sup> USPAP 2020-2021 Edition, pg. 3.



west of Academy Avenue. The current orientation has limited exposure.

The future alignment of California Avenue was approved during the City of Sanger Public Hearing Meeting that occurred on March 16, 2023. The alignment will run along the northern line of the subject property and giving direct access and frontage to California Avenue. A copy of the "Finding of Consistency" document was included in the addenda of the appraisal.



|                                  |  |
|----------------------------------|--|
| <b>Shape</b>                     | Irregular  |
| <b>Utilities</b>                 | Reportedly, public and municipal utilities and services are available to the property.   |
| <b>Topography &amp; Drainage</b> | Generally level and slightly above street grade. Drainage was considered typical for the area.   |
| <b>Improvements</b>              | None. No offsite improvements are included with the subject property. Extraordinary assumption 3 in the appraisal under review states that California Avenue extension will run along the northern line of the subject. Partial offsite improvements will be included once the alignment improvements are installed. |
| <b>Flood Zone</b>                | Zone X per FEMA panel number 06019C2160H dated 2/18/2009. Zone X is defined areas of minimal flooding outside the 500 year flood plain.  |

*Reviewers comments: There appears to be a small portion in the northwestern tip of the subject property in FEMA panel number 06019C2155H dated 2/18/2003 as indicated by blue arrow below. The FEMA map is located between pages 29 and 30 in the appraisal report.*



**Zoning/General Plan**

ML (Light manufacturing). The 2035 General Plan has the subject property designated for Residential and Storm Drain development. A letter from the City of Sanger dated January 19, 2023 from David Brletic, Community Development Director, stating that the city is in process of amending the current zoning map as well as the general plan to have the subject rezoned. As of the date of this report the city of Sanger has recently amended the zoning map as well as the general plan. The changed designations include RM-1 zoning has a minimum 10,000 sf lot area, and the RSC (Recreation, Schools, and Conservation) designation which is for public use facilities and reportedly there is no zoning requirements.

**Preliminary Title Report**

An Amended Preliminary Title Report (PTR) was provided and reviewed by the appraisers. The PTR was prepared by Chicago Title Company and dated September 15, 2022. A copy of the PTR was included in the addenda of the report. Reportedly the PTR does not include any known easements, restrictions, reservations, covenants, contracts, special assessments, ordinances or other items of similar nature that could affect the value or marketability of the property.

**Easements/Encumbrances**

Reportedly there are no extraordinary easements that may adversely affect or influence the property per the title report provided to the appraisers.

**Toxic or Hazardous Waste**

As of the date of the appraisal, the appraisers had no knowledge of hazardous materials on the property and appraisers are not to be considered experts in this field. Any further inquiries as to hazardous waste on the property should be directed to knowledgeable and experienced professionals. If any materials are discovered, it may have a negative effect on the overall value as reported within the appraisal under review.

**Seismic Activity**                      Reportedly the subject property is not within a special study zone based on the Alquist-Priolo earthquake fault-zoning act.

**Implied Dedication**                      Implied dedication is the public’s right to use the property based on historical prescriptive use. Historically a process to limit trespassing has likely been in place as it is privately owned parcel. However, this issue is technically a legal matter which is ultimately beyond the scope of the appraisal assignment as well as the expertise of the appraiser and this reviewer.

**Highest and Best Use**                      Under recognized appraisal theory, the validity of highest and best use requires that the following elements must apply to the property under appraisal:

1. The use must be physically possible.
2. The use must be legally permissible.
3. The use must be financially feasible.
4. The use must provide maximum profitability to the property.

As vacant                                      Based on the above tests, the appraiser concluded that the highest and best use as vacant of the subject property would be for medium or high density residential development for both of the hypothetical parcels.

As Improved                                      Not applicable as unimproved vacant land.

*Reviewer Conclusions: Based on the discussion on pages 30-32 of the appraisal report under review, the analysis and resulting conclusion is reasonable.*

**Approaches to Value**                      The Sales Comparison Approach was used to arrive at market value. The subject property is neither developed nor income producing. The Cost Approach and the Income Approach were not utilized in this appraisal.

**VALUATION**

The two hypothetical sites, a 15.50-acre site with designation for public uses and a 12.03-acre site with a residential designation. Because public uses designation does not meet the highest and best use analysis for this portion of the subject sites the Across the Fence Method was utilized for valuing the 15.50-acre site.

The subject has no legal street frontage. Access is by way of an adjacent parcel along the west side of the Fowler Switch Canal west of Academy Avenue. The future alignment of California Avenue was approved during the City of Sanger Public Hearing Meeting that occurred on March 16, 2023. The alignment will run along the northern line of the subject property and giving direct access and frontage to California Avenue. The appraiser has utilized two extraordinary assumptions for the purpose of this appraisal report: The improvements will be constructed in a timely manner and the subject has direct access to California Avenue once the alignment and street improvements are installed. Qualitative adjustments were applied to consider the subject current lack of street access and frontage.

Five sales of residential land were analyzed. The sales occurred between March 2021 and June 2022. The sales ranged from 5.61 acres up to 15.10 acres in size. They show a range per acre from \$79,450 to \$124,007 per acre. All sales have superior street access in comparison with the subject.

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Sale 1 (page 42) states that there are "overall no adjustments", however the following sentences state, "...has a superior zoning designation when compared to the subject. Lastly, the property has superior access when compared to the subject." This was concluded to require an overall downward consideration. The final analysis also states that sale 1 has zero adjustments. This inconsistency does not provide a major impact on the valuation. Most weight was given to sales 2 (<\$101,604), sale 4 (= \$79,450), and sale 5 (>\$99,852). After analysis a unit value of \$95,000 per acre was concluded. The value conclusion is reasonable and supported.

15.50 Acres x \$95,000/Acre                    **\$1,472,500**

12.03 Acres x \$95,000/Acre                    **\$1,143,000**

### REVIEWER'S COMMENTS

The analysis and conclusions stated in the report under review are in compliance with applicable Department of General Services appraisal specifications and the Uniform Standards of Professional Appraisal Practice (2020 Edition). The value opinions stated in the appraisal report are adequately supported or credible. The current values stated in the appraisal report are based on the best available market information as of the date of value.

## REVIEW MEMORADUM ASSUMPTIONS AND LIMITING CONDITIONS

This review memorandum is subject to the Assumptions and limiting Conditions presents in the appraisal report under review and the following:

1. The appraiser, in the process of conducting the appraisal review analysis, relied upon information provided by third party professionals. The appraiser is unable to prove the reliability of such data and accepts no responsibility for the accuracy of such data. The reviewer, during the course of the review, relied upon information provided by the appraiser. Other than as specified in the memorandum, the reviewer is unable to prove the reliability of such data and, by reference, accepts no responsibility for the accuracy of such data.
2. The property appraised was valued as if free and clear of bond indebtedness. If it is later reported that this is not the case, value adjustment may be warranted.
3. This review assumes clear and marketable title with no easements, encroachments, or encumbrances that pose a negative market influence.
4. This appraisal review assumes professional property management and maintenance.
5. The existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, or other environmental conditions, were not called to the attention of nor did the appraiser become aware of such during the inspection of the subject property. The review appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The review appraiser, however, is not qualified to test for the presence of such substances or conditions. If the presence of such substances, such as asbestos, urea formaldehyde, foam insulation, or other hazardous substances or environmental conditions, may affect the value of the property, the market value opinion is predicated on the assumption that there is no such condition on or in the property or in such proximity thereto that it would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. If questions in these areas are critical to the decision process of the client and intended user of this review memorandum, the advice of competent engineering or environmental consultants should be obtained and considered. If engineering or environmental consultants retained should report negative factors, of a material nature, relative to the condition of the property, such negative information could have a substantial negative impact on market value.

**CERTIFICATION**

I certify that, to the best of my knowledge and belief:

- The facts and data reported by the review appraiser and used in the review process are true and correct.
- The analyses, opinions and conclusions in this review report are limited only by the assumptions and limiting conditions stated in this review report, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
- I have performed two prior review memorandum services, as a review appraiser and have not provided any other services in any other capacity, regarding the Properties that are the Subject of the work under review within the three-year period immediately preceding acceptance of this assignment.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment is not contingent upon developing or reporting predetermined results.
- My compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in, or the use of, this review.
- My analysis, opinions, and conclusions were developed, and this review was prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- I did not make a personal inspection of the property that is the subject of this report.
- No one provided significant professional assistance to the person signing this report.
- The undersigned has met the requirements for certification as a general real estate appraiser in the State of California and is therefore entitled to use the title "Certified General Real Estate Appraiser". The appraisers Bureau of Real Estate Appraiser (BREA) license number is AG004824. The issuance date of this state license is January 10, 2023 which is valid until January 9, 2025.



CHERYL L JONES  
Senior Real Estate Officer

**CERTIFICATION**

I certify that, to the best of my knowledge and belief:

1. The statements of fact contained in this review report are true and correct.
2. The reported analyses, opinions, and conclusions in this review report are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of the work under review and no personal interest with respect to the parties involved.
4. I have performed no other services, as an appraiser or in any other capacity, regarding the Property that is the Subject of the work under review within the three-year period immediately preceding acceptance of this assignment.
5. I have no bias with respect to the property that is the subject of the work under review or to the parties involved with this assignment.
6. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. My compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in this review or from its use.
8. My compensation for completing this assignment is not contingent upon the development or reporting of predetermined assignment results or assignment results that favor the cause of the client, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this review.
9. My analysis, opinions, and conclusions were developed and this review report was prepared in conformity with the *Uniform Standards of Professional Appraisal Practice*.
10. I did not make a personal inspection of the property that is the subject of this report.
11. No one provided significant appraisal or appraisal review assistance to the persons signing this certification.
12. The undersigned has met the requirements for certification as a general real estate appraiser in the State of California and is therefore entitled to use the title "Certified General Real Estate Appraiser", Bureau of Real Estate Appraisal (BREA) Identification Number AG024826. The issuance date of the State license is May 3, 2023 and is valid until May 2, 2025.



John D. Christiansen  
Senior Real Estate Officer

Legal Description for 15.50-acre Site

**EXHIBIT 'A'**  
**LEGAL DESCRIPTION**

Being a portion of the designated "remainder" of Parcel Map No. 2014-03 recorded in book 73 of Parcel Maps, at pages 45-46, Fresno County Records, also being in the northeast quarter of Section 15, Township 14 South, Range 22 East, Mount Diablo Base and Meridian, in the City of Sanger, County of Fresno, State of California. Being more particularly described as follows:

All that portion of said designated "remainder" lying southwesterly of the following described line, Commencing at the north quarter corner of said Section 15, thence North 89°45'09" East along the north line of said Section 15 a distance of 158.15 feet to the most westerly corner of said designated "remainder",

Thence, continuing along the north line of said Section 15 North 89°45'09" East a distance of 1137.31 feet, also being North 89°45'09" East a distance of 1292.67 feet from the northeast corner of said Section 15, to the True Point of Beginning,

Thence, leaving said north line South 0°14'51" East a distance of 300.00 feet,

Thence, South 48°48'23" East a distance of 742.55 feet to the northwesterly line of the Fowler Switch Canal as shown on said Parcel Map No. 2014-03, also being the southeasterly line of said designated "remainder".

Containing 15.5 acres, more or less.



# Water Blueprint

## for the San Joaquin Valley

July 24, 2023

RE: 2023 Membership and Accomplishments

The Water Blueprint for the San Joaquin Valley (Blueprint) is a broad coalition of stakeholders that is working to solve one of the San Joaquin Valley's greatest challenges. California regulations, water policy, and dwindling water supplies create the need for a thoughtful dialog among diverse interest groups to develop and advance a pragmatic set of solutions.

Strategically aligned with the Governor's water resilience portfolio, the Blueprint strives for a comprehensive, balanced, and diversified approach to meet all of the Central Valley's water needs, while simultaneously protecting and enhancing natural ecosystems. By establishing crucial connections to improve water conveyance, our efforts are grounded in a resilient framework that can adapt to the challenges posed by climate change and extreme hydrologic cycles. At the core of the Blueprint plan lies a simple yet powerful objective: to more effectively manage water resources to serve multiple purposes. A key element of the plan is diverting a portion of the surplus wet-year water into groundwater storage, ensuring its availability for use during dry years. This objective has been our driving force from the inception of our initiative, and it continues to guide the projects/efforts we wholeheartedly support. Over the past year the Blueprint has accomplished the following:

### **Reclamation Funding for Valley Water Plan**

The Water Blueprint secured one million dollars in funding from the Bureau of Reclamation for the implementation of the Valley Water Plan. This funding played a crucial role in supporting the initiatives and projects outlined in the Plan, such as infrastructure development, conservation efforts, and sustainable water management practices.

### **Hundreds of Participants Attend Blueprint Meetings with Elected Officials & Policy Makers**

The Water Blueprint fostered strong collaboration among various elected officials, local governments, including cities and counties, farmers, public water agencies, environmental organizations, and other interest groups. Through regular meetings, workshops, and forums, the initiative promoted dialogue and cooperation, resulting in better decision-making processes for sustainable water management.

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[info@waterblueprintca.com](mailto:info@waterblueprintca.com)

[www.waterblueprintca.com](http://www.waterblueprintca.com)



These meetings also provided a platform for open discussions, information sharing, and collaboration, allowing policymakers to stay informed about the progress of the initiative and provide valuable input.

### **Engagement and Planning with Governor's Infrastructure Czar**

The Water Blueprint established a productive engagement with Antonio Villaraigosa, the Infrastructure Advisor to the State of California, who will play a prominent role in water management and policy decisions. Through regular consultations and discussions, the initiative benefited from his expertise and guidance, ensuring that the strategies and actions taken aligned with best practices and innovative approaches.

### **Contracting with the Hallmark Group for Consulting Services**

The Water Blueprint has contracted with the Hallmark Group, a renowned consulting firm, to provide expert services and guidance with the goal of achieving the Blueprint's water supply objectives. Their expertise in water management, policy analysis, and strategic planning enhanced the effectiveness of Blueprint initiatives and contributed to the development of actionable and impactful recommendations.

### **Development Toward 2-million acre-feet of Additional Water Supply for the Valley**

In February 2020, David Sunding, Ph.D., and David Roland-Holst, Ph.D., released an economic analysis of current and anticipated water supply restrictions affecting the San Joaquin Valley that was prepared on behalf of the Blueprint. The report concluded that without actions to improve water supply, up to one million acres may be fallowed in the San Joaquin Valley over a period of two to three decades. Based on this analysis the Blueprint has set an ambitious goal to create an additional 2-million acre-feet of water supply for the Valley. In furtherance of that goal, we developed an inventory of projects the implementation of which will contribute to meeting existing and future demands for water in the Valley. To make the most efficient use of resources, the Blueprint developed criteria to evaluate projects, rank, and subsequently prioritize projects that provide the greatest benefits in the shortest amount of time at a reasonable cost per acre-foot. Those with the highest score will be fully supported by the Blueprint on the path toward implementation.

### **Development of Project Ranking Tool**

These ranking criteria were developed with the input of numerous experts, from a wide range of water agencies and groundwater sustainability agencies, engineers, water project operators, disadvantaged communities, housing experts, and environmental scientists. This tool will be made available for use by the public to evaluate water projects that may contribute to the Blueprint water supply goal.

Early projects that have been identified include improving groundwater recharge, increasing off stream surface storage, and constructing new or expanding existing regional water conveyance facilities.

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[www.waterblueprintca.com](http://www.waterblueprintca.com)



### **Breaking News: Participation in the Delta Reconsultation Effort**

The Blueprint has developed a plan to engage in the reconsultation on long-term coordinated operations of the Central Valley Project and State Water Project initiated by the Biden administration in September 2021 to review the 2019 biological opinions. The Blueprint will provide its perspective on the need for operational flexibility, the importance of basing decisions on the best available science, and the efficacy of proposed changes in operations to protect listed species. The Blueprint will also seek to inform the public and elected officials of potential impacts of any water supply shortages. The Blueprint believes that creating a resilient Valley water supply demands efficient operations of the CVP and SWP. The current biological opinions for operations of these projects were issued in 2019 and restored operational flexibility, including the elimination of an April – May inflow/export ratio and modification of actions to avoid entrainment of listed species in the Delta. The 2019 biological opinions restored more than 400,000 acre-feet on average to the projects' south-of-Delta delivery capability, compared to operations under the 2008 and 2009 biological opinions. The Blueprint will work diligently to support efforts to maintain these operational improvements and to identify and pursue other common-sense changes in operations.

**Your contribution will enable the Blueprint to develop implementation plans for these projects to move them from concept to completion. Our two-year objective is to increase water supply to the Valley by 400,000 acre-feet.**

As we reflect upon these accomplishments, we remain resolute in our commitment to further advance the Water Blueprint for the San Joaquin Valley. With unwavering determination, we will continue to advocate for sustainable water management practices, champion effective policies, and foster collaborations that promote the well-being of our farms, communities, and ecosystems. We are grateful for your support and engagement in our shared mission. Together, we can ensure a prosperous and sustainable future for the San Joaquin Valley.

Please feel free to visit the Water Blueprint for the San Joaquin Valleys' website at [waterblueprintca.com](http://waterblueprintca.com). If you have any questions, please reach out to Austin Ewell at [austin@ewellgroup.com](mailto:austin@ewellgroup.com) or (559) 437-1990.

Sincerely,



Austin Ewell, Executive Director  
Water Blueprint for the San Joaquin Valley

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[info@waterbluprintca.com](mailto:info@waterbluprintca.com)  
[www.waterblueprintca.com](http://www.waterblueprintca.com)





# Invoice

| Date     | Invoice # |
|----------|-----------|
| 8/7/2023 | 08-2023   |
| Due      |           |
| Net 30   |           |

|                                       |
|---------------------------------------|
| <b>Bill to:</b>                       |
| South Kings GSA<br>Attn: David Peters |

| For:  |
|---|
| Water Blueprint for the<br>San Joaquin Valley<br>Education Fund |

| Description   | Amount            |
|---|-------------------|
| 2023 Water Blueprint Education Fund Annual Contribution | 2,500.00          |
| <b>Total</b>  | <b>\$2,500.00</b> |

Make all checks payable to "Water Blueprint for the San Joaquin Valley"

Please indicate in the memo if your contribution should be directed to the Education Fund or Advocacy Fund

The Water Blueprint for the San Joaquin Valley Education Fund is a 501(c)3 Organization

Remit Payment to: 7086 N. Maple Ave., Suite 104, Fresno, CA 93720

**Thank You for your support!**