

AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY

THIS PURCHASE AND SALE AGREEMENT ("Agreement") is made and entered into by and between Central California Irrigation District, a California Irrigation District, and Del Puerto Water District, a California Water District (Collectively, "Purchaser"), and Stanislaus Properties, LLC, a Colorado Corporation ("Seller"). References to Purchase and Seller shall be to the "the Parties".

PRINCIPAL TERMS

Purchase Price: One Million Five Hundred Ninety Four Thousand Two Hundred Ten Dollars (\$1,594,210.00)

Terms: Balance of the Purchase Price to be paid prior to Close of Escrow.

Close of Escrow: On or before 30 calendar days from the date this Agreement is executed by Purchaser and Seller (the date of "Full Execution").

PROPERTY

A. The Property which is the subject of this Agreement consists of the following:

Approximately 81.38 acres of land, more or less, lying within Stanislaus County, California, more particularly described in Exhibit A hereto, together with the Easement described in Exhibit B hereto.

1. To the extent owned by Seller, all road, irrigation, access, utilities, drainage and other easements appurtenant to the Land ("the Easements").

2. To the extent owned by Seller, all rights and privileges appurtenant to the Land, including, without limitation, all minerals, oil, gas and other hydrocarbon substances on and under the Land, as well as all development rights, air rights, and water rights relating to the Land ("the Appurtenances").

3. All improvements and fixtures located on the Land, including, without limitation all wells and pumps (including electrical panels), irrigation and drainage structures and permanent pipe ("the Improvements").

4. The Land, Easements, Appurtenances and Improvements are hereinafter collectively referred to as "the Property".

AGREEMENT

1. PURCHASE AND SALE.

Upon full performance of this Agreement, Seller shall sell to Purchaser and Purchaser shall purchase the Property from Seller pursuant to the terms and conditions as stated herein.

2. PURCHASE PRICE.

2.1. Total Purchase Price. The total purchase price for the Property shall be One Million Five Hundred Ninety Four Thousand Two Hundred Ten Dollars (\$1,594,210.00) hereinafter "the Purchase Price." On or before the Close of Escrow, Purchaser shall deposit with Escrow Holder by federal wire transfer or cashier's check, cash in the sum equal to the Purchase Price, together with all of Purchaser's closing costs and prorations.

2.2. CCID/ Del Puerto Payment Obligation. As between CCID and Del Puerto Water District, each Party shall pay into escrow the following sums:

2.2.1 CCID shall pay into Escrow Five Hundred Ninety Two Thousand One Hundred Five Dollars (\$592,105.00), plus half of Purchaser's escrow, tax, title, and transfer fees.

2.2.2. Del Puerto Water District shall pay into Escrow One Million Two Thousand One Hundred Five Dollars (\$1,002,105), plus half of Purchaser's escrow, tax, title, and transfer fees.

3. CLOSING CONDITIONS.

3.1. The willingness of Title Company to issue, upon the sole condition of the payment of its regularly scheduled premium, a CLTA Standard Form policy of title insurance, with such endorsements as Purchaser may reasonably require (collectively, the "Title Policy"), insuring Purchaser in the amount of the Purchase Price that fee simple title to the Real Property as vested in Purchaser as of the Close of Escrow, subject only to the standard printed conditions and exceptions and any additional Exceptions approved by Purchaser, shall be a condition of Purchaser's obligation to Close.

3.2. In the event that the Closing Condition described above in Section 3.1. has not been satisfied or waived in writing by Purchaser prior to the Close of Escrow, this Agreement shall terminate upon written notice of termination delivered by Purchaser to Seller.

4. SELLER'S REPRESENTATION AND WARRANTIES.

Seller represents and warrants to Purchaser as follows, which representations and warranties shall also be true and accurate on the close of escrow:

4.1. Authority. This Agreement and all documents executed by Seller which are to be delivered to Purchaser at the closing are or at the time of closing will be duly authorized,

executed and delivered by Seller, and do not and at the time of closing will not violate any provision of any agreement or judicial order to which Seller is a party or to which Seller or the Property is subject.

4.2. Hazardous Materials. To the best of Seller's knowledge and belief there has been no discharge or release of any hazardous material, pollutant, contaminant or toxic wastes upon the Real Property or any part thereof other than those which occur, if any, as a result of the farming activities conducted on the Real Property. Seller represents and Purchaser acknowledges that Seller has no specific expertise with respect to making an environmental assessment of the Property, including without limitation, matters relating to the use, generation, manufacture, production, storage or disposition of hazardous or toxic substances or waste or material ("Hazardous Materials"). To the best of Seller's knowledge and belief there is no proceeding or inquiry by any governmental authority (including, without limitation, the California State Department of Health Services) with respect to the presence of Hazardous Materials on the Real Property.

4.3. Boundary Lines. To the best of Seller's knowledge and belief there are no boundary line disputes, adverse parties in possession in regard to the Property, or claims of prescriptive easements across the Property, and there are no actions at law or equity, or any bankruptcy proceedings affecting the interest in such real property of Seller.

4.4. Leases. The Property is currently subject to a Lease and Option between Purchaser and Seller. Such Lease and Option will terminate upon the Close of Escrow. The Property is not subject to any subleases or other contract rights.

4.5. Other Obligations. Seller has not committed nor obligated itself in any manner whatsoever to sell the Property to any party other than Purchaser. Seller has not hypothecated or assigned any rents or income from the Property in any manner.

4.6. Prior Property Taxes. Notwithstanding any other provision of this Agreement to the contrary, if Purchaser shall become liable after the closing for payment of any property taxes assessed against the Property for any period of time prior to the closing date, Seller shall immediately pay to Purchaser on demand an amount equal to such tax assessment.

4.7. "AS-IS". Except for the warranties and representations expressly contained in this Agreement, Purchaser and Seller agree the Property is sold in "**AS IS, WHERE IS, WITH ALL FAULTS**" condition.

5. SELLER'S COVENANTS.

Commencing with the full execution of this Agreement by both parties and until the Close of Escrow:

5.1. Liens. Seller shall not permit any liens, encumbrances, or easements to be placed on the Property, nor shall Seller enter into any agreement regarding the sale, rental, management, repair, improvement, or any other matter affecting the Property that would be binding on Purchaser or the Property after the Close of Escrow without the prior written consent of Purchaser.

6. PURCHASER'S REPRESENTATIONS AND WARRANTIES.

6.1. Authority. This Agreement and all documents executed by Purchaser which are to be delivered to Seller at the closing are or at the time of closing will be duly authorized, executed and delivered by Purchaser.

6.2. Financial Condition. Purchaser has adequate financial resources to make timely payment of all sums due from Purchaser hereunder and to perform all of its obligations hereunder.

6.3. "AS IS". The Property is accepted by Purchaser on and as of the Closing Date **"AS IS, WHERE IS, WITH ALL FAULTS"**, without any representation or warranty of any kind or nature whatsoever, either express or implied, except as expressly set forth in this Agreement, and with no right of setoff or reduction in the Purchase Price.

7. ESCROW.

7.1. Opening of Escrow. Escrow to be opened at the offices described below, herein referred to as "Escrow Holder", to consummate the sale of the Property pursuant to this Agreement. Such Escrow shall be subject to the standard terms and conditions for acceptance of escrow and the terms and conditions of this Agreement, with a signed copy of this document to be delivered as Escrow Instructions to Escrow Holder. In the event of any conflicts between the terms of this Agreement and the standard conditions for acceptance of escrow, the terms of this Agreement shall control.

First American Title Company
4213-3 Dale Road
Modesto, CA 95356
Attn: Curtis Muir Cmuir@firstam.com
Phone: 209-238-9580
Fax: 209-938-9364

7.2. Escrow and Title Insurance Costs.

7.2.1. Seller shall pay and Escrow Holder shall withhold from the amounts to be paid over to Seller on Close of Escrow one-half (1/2) of the cost of the CLTA title insurance policy, all closing costs, including escrow fees, document preparation charges, special handling charges, wire charges and recording fees including documentary transfer taxes.

7.2.2. Purchaser shall deposit into and pay at close of escrow one-half (1/2) of the cost of the CLTA title insurance policy, all closing costs, including escrow fees, document preparation charges, special handling charges, wire charges and recording fees including documentary transfer taxes.

8. DELIVERIES INTO ESCROW.

8.1. Seller's Deliveries Into Escrow. Seller shall deposit with Escrow Holder on or prior to the Close of Escrow the following documents:

8.1.1. A grant deed executed and acknowledged by Seller conveying to CCID and Del Puerto Water District, as Joint Tenants, good and marketable fee simple title to the

property ("Deed") subject only to the Approved Exceptions, and including the provisions set forth in Section 7.8(a) of the Parties' Lease and Option Agreement. Such Deed shall be in a format acceptable to Purchaser.

8.1.2. Copies of the most recent property tax bills for the Property.

8.1.3. Seller's affidavit of nonforeign status as contemplated by Section 1445 of the Internal Revenue Code of 1986, as amended (FIRTPA Affidavit)

8.1.4. Applicable California Franchise Tax Board Forms 593 regarding tax withholding executed by Seller.

8.2. **Purchaser's Deposits Into Escrow.** Purchaser shall deposit with Escrow Holder on or prior to the Close of Escrow:

8.2.1. The sum of One Million Five Hundred Ninety Four Thousand Two Hundred Ten Dollars (\$1,594,210.00).

8.2.2. Amounts required to be paid as determined by Escrow Holder.

8.2.3. Additional documents necessary to accomplish the purposes of this Agreement.

9. **CLOSE OF ESCROW.**

9.1. **Closing Date.** Escrow shall close no later than thirty days (30) days following the date of Full Execution at 5:00 p.m., unless extended by the Parties in writing. If escrow shall not have closed by the designated time and date, the provisions of this Agreement shall have no further force or effect, except as expressly provided herein.

9.2. **Close of Escrow.** In order for escrow to close the following shall occur:

9.2.1. Purchaser and Seller shall deposit into escrow those materials identified in Section 8 above.

9.2.2. The issuance and delivery to Escrow Holder of a standard form CLTA title insurance policy issued by an underwriting company of Purchaser's election, insuring fee simple, marketable title in Purchaser as to the Property in the full amount of the Purchase Price, subject to no exceptions other than "Approved Exceptions."

9.3. **Escrow Holder's Duties.** When the Escrow Holder has received all documents, instruments and funds required under this Agreement, Escrow Holder is authorized and instructed at the Close of Escrow to:

9.3.1. Prorate all real and personal property taxes and assessments as of the close of Escrow. The net balance of the proration shall be, if in favor of Seller, added to the cash Purchaser is required to pay at close of Escrow; and if in favor of Purchaser, deducted from such cash required.

9.3.2. Record the grant deed vesting fee simple title to the Real Property in CCID and Del Puerto Water District, as Joint Tenants, with the Stanislaus County Recorder.

Escrow Holder is instructed to request that the amount of the Documentary Transfer Tax due be shown on a separate paper and affixed to the Deed by the County Recorder after the permanent record is made.

9.3.3. Deliver to Purchaser all documents conveying title to the Property (other than the Real Property) from Seller to Purchaser, free of all encumbrances or liens except as provided in this Agreement.

9.3.4. Deliver to Seller the Purchase Price less Seller's share of prorations and costs of escrow.

9.4. Allocations. Purchaser shall be allowed to reasonably allocate the Purchase Price as between improvements and land, which allocation Seller shall review prior to close of Escrow.

10. SECTION 1031 TAX-DEFERRED EXCHANGE.

Seller may use the proceeds from the sale of the Property to affect one (or more) tax deferred exchange(s) under Internal Revenue Code Section 1031. Purchaser agrees to accommodate Seller in effecting such tax-deferred exchange(s). Seller will have the right, expressly reserved here, to elect such tax-deferred exchange(s) at any time prior to the Closing Date. Seller and Purchaser agree, however, that consummation of the purchase and sale of Property under this Agreement is not conditioned on such exchange(s). If Seller elects to make a tax-deferred exchange, Purchaser agrees to execute such additional escrow instructions, deeds, documents, agreements, or instruments to affect such exchange(s). Seller agrees to hold Purchaser harmless of any liability, damages, or costs, including reasonable attorney fees, that may arise from Purchaser's participation in such exchange.

11. DEFAULTS. If this transaction should fail to close as provided herein, the following shall occur, as applicable:

11.1. Failure to Close. If this transaction should fail to close as provided herein for any reason whatsoever, except Purchaser's default, this Agreement shall terminate, and upon such termination, all obligations and liabilities of Purchaser and Seller under this Agreement shall terminate; provided, however that any right of Purchaser to damages shall be preserved if failure to close occurred as a result of Seller's willful or intentional default.

11.2. Purchaser's Default. If this transaction should fail to close as provided herein as a result of Purchaser's default, this Agreement shall terminate upon written notice to Purchaser, and upon such written notice of termination, all obligations of Purchaser and Seller under this Agreement shall terminate.

12. NOTICES.

All notices to be given under this Agreement shall be in writing and sent via one or more of the methodologies described below to the provided addresses: (1) A nationally recognized overnight courier, in which case notice shall be deemed delivered one (1) business day after deposit with that courier; hand delivery, in which case notice shall be deemed delivered upon receipt; or (2) Fax or electronic mail, or similar means if a copy of the notice is also sent by United States Mail, in which case notice shall be deemed delivered on transmittal by telecopier

or other similar means, provided that a transmission report is generated by reflecting the accurate transmission of the notices, as follows:

Seller (Stanislaus Properties, LLC):

8240 E. Otero Circle
Centennial, Colorado 80112

Purchaser (CCID & DPWD):

Del Puerto Water District
Attn: Anthea Hansen
P.O. Box 1596
Patterson, CA 95363

Central California Irrigation District
Attn: Jarrett Martin
PO Box 1231
Los Banos, CA 93635

13. INDEMNIFICATION. Each party hereto shall defend, indemnify and hold harmless the other party (with counsel reasonably acceptable to such party) from and against any loss, cost, expense, claim, demand, liabilities or damages, including reasonable attorney's fees, resulting from any misrepresentation or breach of warranty or breach of covenant made by such indemnifying party in this Agreement or in any document, certificate, schedule or exhibit given or delivered to the other party pursuant to or in connection with this Agreement, and such indemnification obligations shall survive the Close of Escrow.

14. STANDARD PROVISIONS.

14.1. Writings Required. All modifications or extensions of this Agreement shall be in writing signed by the parties.

14.2. Previous Negotiations. This Agreement is made with specific reference to the Lease Agreement and Option To Purchase Real Property Interest executed by the Parties as of November 22, 2017 ("Lease and Option"). To the extent this Agreement is inconsistent with the Lease and Option, the Lease and Option shall control. Except as expressly set forth in this Agreement or the Lease and Option, all previous negotiations and agreements between the parties and their agents with respect to this transaction are merged into this Agreement that completely sets forth the obligations of the parties.

14.3. Survival. All obligations, covenants and indemnities of Purchaser and Seller arising out of this Agreement hereunder shall survive the execution of the grant deed and the close of Escrow. All terms, covenants and provisions of this Agreement shall be binding upon and inure to the benefit of, and be enforceable by, the respective successors and assigns of Seller and Purchaser.

The parties have executed this Purchase and Sale Agreement on the dates written opposite their signatures below. The Date of Full Execution is the date last in time.

SELLER:

By: _____ Date: _____

PURCHASER:

Central California Irrigation District

By: _____ Date: _____

Del Puerto Water District

By: _____ Date: _____