



WEST VALLEY WATER DISTRICT
855 W. Base Line Road, Rialto, CA 92376
PH: (909) 875-1804 FAX: (909) 875-1849

**ENGINEERING, OPERATIONS AND PLANNING COMMITTEE MEETING
AGENDA**

TUESDAY, JUNE 20, 2023 - 6:00 PM

NOTICE IS HEREBY GIVEN that West Valley Water District has called a meeting of the Engineering, Operations and Planning Committee to meet in the Administrative Conference Room, 855 W. Base Line Road, Rialto, CA 92376.

BOARD OF DIRECTORS

**President Gregory Young, Chair
Director Angela Garcia**

Members of the public may attend the meeting in person at 855 W. Base Line Road, Rialto, CA 92376, or you may join the meeting using Zoom by clicking this link: <https://us02web.zoom.us/j/8402937790>. Public comment may be submitted via Zoom, by telephone by calling the following number and access code: Dial: (888) 475-4499, Access Code: 840-293-7790, or via email to administration@wvwd.org.

If you require additional assistance, please contact administration@wvwd.org.

I. CALL TO ORDER

II. PUBLIC PARTICIPATION

The public may address the Board on matters within its jurisdiction. Speakers are requested to keep their comments to no more than three (3) minutes. However, the Board of Directors is prohibited by State Law to take action on items not included on the printed agenda.

III. DISCUSSION ITEMS

1. Updates to the Engineering, Operations and Planning Committee
2. Revisions to Article 17 of the District Water Service Rules and Regulations.
3. Consider an Agreement Between West Valley Water District and Riverside Highland Water Company for the Mutual Purchase and Transfer of Water During a Bona Fide Water Emergency.
4. Fourth Amendment to Purchase and Sale Agreement for Well Site Property with Fontana 37, LLC.
5. Agreement for Purchase and Sale of APN 0256-13-110 with IDIL West Valley Logistics Center, LP.

IV. ADJOURN

DECLARATION OF POSTING:

I declare under penalty of perjury, that I am employed by the West Valley Water District and posted the foregoing Engineering, Operations and Planning Committee Agenda at the District Offices on June 14, 2023.

Elvia Dominguez

Elvia Dominguez, Board Secretary



**BOARD OF DIRECTORS
ENGINEERING, OPERATIONS AND PLANNING COMMITTEE
STAFF REPORT**

DATE: June 20, 2023
TO: Engineering, Operations and Planning Committee
FROM: Van Jew, Acting General Manager
SUBJECT: REVISIONS TO ARTICLE 17 OF THE DISTRICT WATER SERVICE RULES AND REGULATIONS

BACKGROUND:

In accordance with the requirements of the California Administrative Code, Title 17, Chapter 5, Sections 7583-7605, West Valley Water District (District) requires backflow protection on any water service where cross-connections may occur. A cross-connection is any connection between two separate water systems, one of which contains potable water from a public water system and the other water from an unknown source of questionable safety, whereby there may be a flow from one system to the other depending on the pressure differential between the two systems.

The primary objective of the cross-connection control program (program) is to protect the public potable water system at the service connection by containing within the water user's premises any actual or potential pollution or contamination which may result from backflow through cross-connections. A backflow is a reverse flow from the normal direction of flow in a piping system. The program oversees and monitors the installation, testing and maintenance of approximately 2,000 backflow prevention assemblies currently within the District's services area. Although it is the water user's responsibility to install and test these devices annually and properly maintain their backflow prevention assemblies, District staff conducts an assessment to determine the degree of hazard, if any, which is posed by certain water user's plumbing system(s).

DISCUSSION:

It is prudent to review various policies for updates periodically. In an effort to keep current with Title 17 regulations, provide clarification on appropriate protection levels, and to adopt a more uniform approach, District staff is proposing a revised Article 17, the Control of Backflow and Cross-Connections, of the District Water Service Rules and Regulations. Attached as **Exhibit A** is the Article 17 of the District Water Service Rules and Regulations.

FISCAL IMPACT:

There is no fiscal impact.

STAFF RECOMMENDATION:

Forward this agenda item to the Board of Directors to approve revisions to the District Water Service Rules and Regulations Article 17, the Control of Backflow and Cross-Connections.

Respectfully Submitted,

Van Jew

Van Jew, Acting General Manager

VJ:jc

ATTACHMENT(S):

1. Exhibit A - Proposed Article 17 of the Water Service Rules and Regulations

EXHIBIT A

Ordinance

**ARTICLE 17. THE CONTROL OF BACKFLOW AND CROSS-CONNECTIONS-
AGRICULTURAL, IRRIGATION AND GOLF COURSE WATER SERVICE**

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1701. PURPOSE

The District is responsible for protecting its water supply from contamination by implementation of a Cross-Connection control program. The purpose of the Cross-Connection control program is (1) to protect the District's water supply against actual or potential Cross-Connection by isolating within the premise contamination that may occur because of some undiscovered or unauthorized Cross-Connection on the premises; (2) to eliminate existing connections between drinking water systems and other sources of water that are not approved as safe and potable for human consumption; (3) to eliminate Cross-Connections between drinking water systems and sources of contamination; and (4) to prevent the occurrence of Cross-Connections in the future.

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1702. AUTHORITY

Article 17 is intended to satisfy the requirements set forth in the District's operating permit issued by the State Water Resources Control Board, Health and Safety Code Sections 116275(9), 116555(a), Title 17 of the California Code of Regulations Sections 7583-7605, and Water Code Section 31027.

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1703. DEFINITIONS

The following words and phrases shall have the following meanings:

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- a. "Auxiliary Water Supply" is any water supply other than that received from a public water system.
- b. "Air-gap Separation" is a physical break between the supply line and a receiving vessel.
- c. "Cross-Connection" is an unprotected actual or potential connection between a potable water system used to supply water for drinking purposes and any source or system containing unapproved water or a substance that is not or cannot be approved as safe, wholesome, and potable. By-pass arrangements, jumper connections, removable sections, swivel or changeover devices, or other devices through which backflow could occur, shall be considered to be cross-connections.
- d. "Double Check Valve Assembly" is an assembly of at least two independently acting check valves including tightly closing shut-off valves on each side of the check valve assembly and test cocks available for testing the water tightness of each check valve.
- e. "Reduced Pressure Principle Backflow Prevention Device" is a backflow preventer incorporating not less than two check valves, an automatically operated differential relief valve located between the two check valves, a tightly closing shut-off valve on each side of the check valve assembly, and equipped with necessary test cocks for testing.
- f. "Water User" is any person obtaining water from public water supply.

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1703. WATER SYSTEM SURVEY

a. The District shall review all requests for new services to determine if backflow protection is needed. Plans and specifications must be submitted to the District upon request for review of possible Cross- Connection hazards as a condition of service for new service connections. If it is determined that a backflow prevention device is necessary to protect the public water system, the required "lead free" device must be installed before service will be rendered.

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b. The District may require an on-premise inspection to any new or existing site to evaluate Cross- Connection hazards. The District will send a written notice requesting an inspection appointment to each affected Water User. Any Water User that cannot, or will not, allow an on-premise inspection of their piping system shall be required to install a "lead free" backflow prevention device as deemed necessary by the District.

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c. The District may require a re-inspection at its discretion for Cross-Connection hazards of any premise to which it serves water. The District will contact the water user to request an inspection. Any Water User that cannot, or will not, allow an on-premise inspection of their piping system shall be required to install a "lead free" backflow prevention device as deemed necessary by the District.

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d. The District will notify the Water User in writing of the water system survey findings, listing corrective action to be taken, if any. A period of 30 days will be given to complete all corrective action required, including the installation of a new or upgraded backflow prevention devices if required. The District, at its sole discretion, may grant a time extension to perform for the corrective action. If the corrective action is not completed within the allotted time period, the District may terminate or suspend water service to the affected Water User until the required corrective actions are taken and non-compliance fees are paid in full.

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1704. WATER USER NOTIFICATION FOR TESTING AND MAINTENANCE

a. The District will send written notification to each affected Water User when it is time to test the backflow prevention device installed on their service connection. This written notification shall give the Water User 30 days to complete the required testing and submit the necessary backflow test certification to the District.

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b. After the allotted 30-day period, a second written notice will be sent to each Water User who failed to provide an acceptable backflow test certification for their backflow prevention device. The second notice will allow the Water User an additional 30-day period to have their backflow prevention device tested and an acceptable test certification submitted to the District, or allow the Water User to request termination of service. If the Water User fails to supply the District with either an acceptable test certification or a Request for Termination of Service within the two 30-day period, the

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District may suspend or terminate water service to the Water User until the required test is completed.

c. Should the backflow prevention device not pass the backflow test, the District will terminate or suspend water service to the affected Water User until the subject device is repaired, retested and shown to be operating properly.

1705. GENERAL PROVISIONS

a. Whenever backflow protection has been found necessary (including but not limited to commercial properties, landscape nurseries, manufacturing facilities, hospitals, nursing homes and facilities including any and all property having fire sprinkler systems or private fire hydrants), the District will require the Water User to install a District-approved backflow prevention device at the Water User's sole expense for continued services or before new service will be rendered. These costs shall include all labor and material necessary to construct or modify the service connection connecting to the District's water main, install the backflow device itself, construct or modify any piping work to be completed on the Water User's side of the backflow device, and the removal of any interfering vaults.

b. Wherever backflow protection has been found necessary on a water supply line entering a Water User's premises, then any and all water supply lines from the District's mains entering such premises, buildings, or structures shall be protected by a District-approved "lead free" backflow prevention device. The Water User shall only install "lead free" backflow prevention devices that have been approved by the District.

c. Each service connection from the District water system to premises having an Auxiliary Water Supply shall be protected against backflow of water from the premises into the District's water system unless the Auxiliary Water Supply is accepted as an additional source by the District, and is approved by the public health agency having jurisdiction.

d. Backflow prevention devices shall be installed on the service connection to any premises having (a) internal Cross-Connections that cannot be permanently corrected and controlled to the satisfaction of the District, or (b) intricate plumbing and piping arrangements, or where entry to all portions of the premises is not readily accessible for inspection purposes, making it impracticable or impossible to ascertain whether or not cross-connections exist.

e. Any property having two or more services supplying water from different water distribution mains to the same building, structure, or premises through which an interstreet main flow may occur, shall have at least a standard check valve on each water service to be located adjacent to and on the property side of the respective meters. Such check valves shall not be considered adequate if backflow protection is deemed necessary to protect the District's mains from pollution or contamination in

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such case the installation of a District-approved backflow devices at such service connections shall be required.

f. Backflow prevention devices shall be installed in accordance with the District's standard drawings which may be updated periodically by the District. The standard drawings also delineate the limit of the District and Water User's responsibility for maintaining the backflow service connection.

g. The District will notify affected Water Users by mail when annual testing of their device is required and supply users with the necessary documentation regarding backflow prevention device information. The affected Water User shall retain a certified tester from the list of the District approved backflow prevention assembly testers to perform the required test(s). All annual tests must be submitted to the District electronically via website data entry.

1706. BACKFLOW DEVICE REMOVAL

The Water User, or their agent, shall obtain approval from the District before removing, relocating, or replacing a backflow prevention device. Such approval will be granted at the District's sole discretion.

a. Removal: The use of a device may be discontinued and the device removed from service upon presentation of sufficient evidence to the District to verify that a hazard no longer exists, or is not likely to be created in the future.

b. Relocation: The District, at its sole discretion, may allow the relocation of a backflow prevention device, so long as the new location will continue to provide the required protection and meet the District's installation requirements. A retest of the relocated backflow prevention assembly will be required following the relocation of the device.

c. Repair: A device may be removed for repair, provided the water use is either discontinued until the repair is completed and the repaired device is reinstalled and returned to service, or the service connection is equipped with another backflow protection approved by the District. A passing/satisfactory retest will be required following every repair of the device.

d. Replacement: A device may be removed and replaced provided the water use is discontinued until the replacement device is installed. All replacement devices must be approved by the District, commensurate with the degree of hazard involved, and be "lead free." All backflow prevention device replacements, including service piping, shall be constructed up to the current District standards.

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1707. WATER SERVICE TERMINATION

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When the District encounters water uses that represent a clear and immediate hazard to the potable water supply that cannot be immediately abated, the District shall institute the procedure for discontinuing the District water service.

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a. The District will terminate service to a Water User's premise after 2 written notices have been sent specifying the corrective action needed and the time period in which it must be completed. If no action is taken within the allowed period of time, water service may be terminated. Conditions or water uses fall into this category that create a basis for water service termination shall include, but are not limited to the following items:

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- 1. Refusal to install or upgrade to a required "lead free" backflow prevention device.
- 2. Refusal to test a backflow prevention device.
- 3. Refusal to repair a failing backflow prevention device.
- 4. Refusal to replace a failing backflow prevention device.

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b. The District will make reasonable effort to contact and advise the Water User of record of the intent to terminate water service and terminate water supply and lock service valve. The water service will remain inactive until the District has approved correction of violations. Conditions or water uses fall into this category that create a basis for water service termination shall include, but are not limited to the following items:

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- 1. Direct or indirect connection between the public water system and a sewer line.
- 2. Unprotected direct or indirect connection between the public water system and a system or equipment containing contaminants.
- 3. Unprotected direct or indirect connection between the public water system and an Auxiliary Water System.
- 4. A situation which presents an immediate health hazard to the public water system public health.

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1708. RATE

The Water user and/or owner will be charged a monthly fee per assembly on their utility bill beginning the following month in accordance with the District. See exhibit C.

WATER SERVICE REGULATIONS
EXHIBIT “C” (Revised 06/03/2023)

2001. APPLICABILITY. Applicable to all new or transferred accounts for water service.

2002. TERRITORY. Within the boundaries of the West Valley Water District.

2003. REFUNDABLE SERVICE DEPOSITS

Residential

2003.1(a)	¾” to 1” meter size	\$95 each	Can be refunded following Article 9, Section 902
2003.1(b)	¾” to 1” meter size	\$240	In lieu of the required deed, property managers pay this higher refundable deposit (approved 2/07/2008)

Commercial

2003.2	¾” to 1” meter size	\$140 each	Can be refunded following Article 9, Section 902
2003.3	Fire Service Meter	\$140 each	Can be refunded following Article 9, Section 902

Fire Hydrants

2003.4(a)	Minimum Water Use	\$350 each	Can be refunded at the time meter/RP is returned, less any unpaid charges
2003.4(b)	2” Reduced Pressure Principal Backflow Prevention Assembly	\$500 each	
2003.4(c)	3” Meter	\$950 each	
2003.4(d)	4” Meter	\$2,000 each	

Developer Meters

2003.5(a)	¾” and 1” meter size	\$350 each	Can be refunded at the time of final inspection, less any charges for repairs to meter or any water usage
2003.5(b)	1 ½” and 2” meters	\$1,350 each	
2003.5(c)	3” Meters and larger	Actual cost, plus 20% for repairs	

WATER SERVICE REGULATIONS
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Construction and Development Deposits

2003.6(a)	Valve Box	\$120 each valve	Can be refunded at closing
2003.6(b)	Irrigation Use	\$350 each	
2003.6(c)	Temporary Water Service from Fire Hydrant	Appropriate deposits from Fire Hydrants and Developer Meters	
2003.6(d)	Temporary Water Service Requiring Installation of Service and Meter	Appropriate Service Installation Charge (Section 2006)	
2003.6(e)	Lot Deposit	\$60 each lot	Can be refunded after property ownership transfers

2004. FRONTAGE CHARGE. The water main construction charge, as prescribed in Article 5, Section 512 hereof, shall be fixed in the amount of \$20 per front foot for the street frontage for which water service has been requested, except in areas where a charge has been previously established.

2005. CAPACITY CHARGES. Charges are hereby established as follows and effective June 3, 2021 and payable prior to installation of meters.

Type of Development

Apartment, Business, Commercial (light use), Condominium, Mobile Home Units, irrigation services and single-family residences.

Those single family dwellings being constructed on lots of less than 10,000 sq. ft. and being required to install a one (1”) inch meter and service to meet fire requirements shall pay a capacity charge equal to a 3/4 inch single family residence meter and a one (1”) inch fire line service.

Those single-family dwellings being constructed on lots consisting of 10,000 sq. ft. or more shall install a minimum of one (1”) inch meter and service.

Meter Size	Safe Maximum Operating Flow	System Demand Factor	Facility Charge
3/4”	30 gpm	1.0	\$15,302
1”	50 gpm	1.7	\$25,555
1 1/2”	100 gpm	3.3	\$50,957
2”	160 gpm	5.3	\$81,562
3”	350 gpm	11.7	\$153,025
4”	600 gpm	20.0	\$255,093
6”	1,250 gpm	41.7	\$510,032
8”	1,800 gpm	60.0	\$816,082

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(Flows are based on safe maximum operating per AWWA Standards C701-88)

Industrial and Commercial (other than light use)

Industrial and Commercial (other than light use) users shall pay based on the demand of the development (calculated and approved by the District) prorated with the District's demand for an equivalent dwelling unit (EDU) of the various components of the Capacity Charge times the dollar amount of the various components of the Capacity Charge for a 3/4-inch meter size, added together, but not less than the Capacity Charges listed above for Commercial (light use) for the various meter sizes.

Fire Line Services Capacity Charges

Meter Size	Safe Maximum Operating Flow	System Demand Factor	Facility Charge
1”	50 gpm	1.0	\$1,507
1 ½”	100 gpm	2.0	\$3,013
2”	160 gpm	3.2	\$4,821
3”	350 gpm	7.0	\$9,040
4”	600 gpm	12.0	\$15,066
6”	1,400 gpm	28.0	\$30,133
8”	2,400 gpm	48.0	\$48,212
10”	3,800 gpm	76.0	\$69,305
12”	5,000 gpm	100.0	\$129,571

(Flows through fire services shall not exceed 16 F.P.S. in velocity.)

There will be a fee of \$200 for the turn off of a fire service.

2006. SERVICE INSTALLATION CHARGE.

Meters

Where new meters are installed for the first time, the following charges or deposits shall be payable prior to installation:

Meter Size	Meter Only	Meter and Service
¾”	\$496	\$4,657
1”	\$568	\$4,729
1 ½”	\$1,632	Time & Materials
2”	\$1,811	Time & Materials
3” and larger	Time & Materials	Time & Materials

Time & Materials: If actual costs are less than the paid estimate, the customer will be refunded the difference. If installation costs exceed the deposit amount, the customer will

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be billed the difference.

Backflow Prevention Assemblies: (See Article 8, Sections 807 and 808, 810 and 811)

Non-compliant backflow prevention assemblies shall be subject to a fine in the amount of \$200 for each month of non-compliance.

Optional fees for installation of assemblies when required and when the customer requests the District to do the installation.

Meter Size	Double Check	R.P.
1"	\$203	\$339
1 1/2"	\$443	\$614
2"	\$486	\$665

All other sizes shall be for cost of all labor, materials, and street repairs, plus twenty percent (20%). Only duly authorized employees or agents of the District will be authorized to install service connections.

2007. INSPECTION FEES AND DEPOSITS. Inspection fees are hereby established as follows:

- a. For pipelines, service and fire hydrant laterals constructed by the District, the inspection fee shall be \$1.00 per foot.
- b. For pipelines, service and fire hydrant laterals constructed by the developer per a waiver of the District's standards, the inspection fee shall be a deposit estimated by the engineer. If the actual costs are less than the paid estimate, the developer will be refunded the difference.
- c. For single service laterals such as fire services and fire hydrants a minimum fee of \$300 shall be paid by developer/owner.
- d. There will be a fee of \$20 per lot for inspection of service prior to meter installation.
- e. For inspection of meters and facilities after installation, an additional fee of \$20.00 per lot shall be paid by developer/owner.

2009. COMBINATION BACKFLOW/DETECTOR CHECK. Full recorded costs of installation plus twenty percent (20%).

2010. SAME DAY, NEXT WORKING DAY & AFTER HOURS SERVICE. Any customer who desires same-day, next working day or after hour's service, for other than emergencies, shall pay the following charges:

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Same Day	Next Working Day	After Hours (4:30 p.m. – 8:00 p.m. Daily, 4 p.m. on Friday) & 8:00 a.m. - 5:00 p.m. Weekends/Holidays
\$25	No Charge	\$50

Same day rates are based on ¼ hour office and ¼ hour field personnel. After Hours Rates are based on two hour minimum for field personnel with a vehicle at the overtime rate.

2011. METER TESTING.

If a customer desires to have the meter servicing his premises tested, he shall first make a deposit. Should the meter register more than two percent (2%) fast, this deposit shall be refunded. Should the meter register less than two percent (2%) fast, the deposit shall be forfeited to the District. (Article 10, Section 1005).

Meters

1" and smaller	\$100
Over 1"	Recorded Cost, Plus 20%

Backflow Prevention Assembly

3/4" to 2"	\$60
3" to 8"	\$75
Fire Service	\$90

Fire Flow Testing

A request for testing of a non-certified fire flow shall have a charge of \$150 per test. For a certified test, the deposit will be the District's estimated costs plus 20%. If the actual cost is less than the paid deposit, the District will refund the payer.

2012. DELINQUENT CHARGE. \$20.00 (See Article 11, Sections 1105 and 1106)

2013. SHUT OFF NOTICE FEE. The District will follow the notification guidelines in California Government Code Section 60373. If a customer was mailed a shut off notice and water is scheduled for shut off, a \$50 fee is applied. When the account is paid in full, the water will be turned back on the same day, unless it is after 5:00 PM. If paid after 5:00 PM, and the customer wants the water turned back on after hours, the customer will have to pay the after hours fee.

2013.1 PULLED METER CHARGE. If meter needs to be pulled from setting due to customer tampering, there will be a charge of \$125. Fee includes reinstallation of water meter.

2014. RESPONSE TO A NO WATER CALL. A fee of \$100 shall be applied when District

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EXHIBIT "C" (Revised 06/03/2023)

personnel respond to a call for no water and the customer valve is the cause.

2015. RESPONSE TO A SECOND LEAK CALL. A fee of \$100 shall be applied when District personnel respond to a duplicate leak call.

2016. METER OBSTRUCTION CHARGE. A fee of \$75 shall be applied when District personnel are unable to access the meter.

2017. RETURNED PAYMENTS. A fee of \$25.00 shall be applied for all returned payments.

2018. PLAN CHECK AND INVESTIGATION FEE. A fee shall be charged for plan check and investigation of pipeline extensions and subdivisions as outlined in Article 6, Section 601(b) and Article 7, Section 707.

An investigation fee of \$500 will apply to all projects regardless of size. Projects shall be charged a plan check fee of \$408 per sheet and includes two (2) plan check submittals. The third and subsequent plan checks shall be charged a rate of \$102 per hour.

At the request of developers for phased projects, the charges, as stated above, shall be collected for the entire project and as the phases progress, a fee of \$500 per phase shall be collected for phase coordination and updating.

For small projects consisting of one (1) sheet, typically single services, single fire hydrants or fire services, a minimum fee of \$500 shall be applied.

2019. COPY CHARGE. Copies of public documents up to 10 continuous pages are free, as are emailed copies, and copies printed by the public from our website. The charge for copies of individual public documents is 25 cents per side on 8 ½ x 11" paper in black and white ink. Actual costs are charged for copies of individual public documents printed in color, are oversized, or are plotter prints or blue prints. Postage and long distance fax charges must be paid in advance. For documents already in electronic format, the charge is \$5 on CD-ROM.

2020. OVERHEAD CHARGE. Overhead charges for projects as described in Article 2 shall be as follows:

- a. 20% of all recorded costs
- b. Construction contracts in an amount up to:

\$75,000	10%
\$124,000	\$7,500 + 7.5% over \$75,000
\$200,000	\$11,175 + 5.0% over \$124,000
Over \$200,000	\$14,975 + 3.5% over \$200,000

WATER SERVICE REGULATIONS
EXHIBIT "C" (Revised 06/03/2023)

c. The appropriate charges set forth above shall be applied.

2021. CONSTRUCTION CONTINGENCY DEPOSIT. Owner/Developer shall deposit with the District an amount equal to ten (10%) percent of the construction cost estimate, for contingency during construction, said construction contingency deposit shall be refunded to the Owner/Developer at time of final inspection, less any necessary charges due to unexpected change orders.

2022. RELEASE OF OVERLYING RIGHT-OF-WAYS AND EASEMENTS. Release of overlying right-of-ways and easements shall be \$50.00 per acre or any portion thereof with a minimum fee of \$500.

2023. HOURLY LABOR RATE. Hourly labor rates are adjusted on an annual basis by averaging employees' salaries and benefits. (See Exhibit "A" in back of the Manual.)

2024. VEHICLE/EQUIPMENT HOURLY RATE. The hourly rate is established utilizing the State of California Labor Surcharge and Equipment Rental Rate on an annual basis, prior to the beginning of the fiscal year. (See Exhibit "B" in back of the manual.)

2025. FINES FOR VIOLATION OF DISTRICT'S SERVICE REGULATIONS.

1. Unauthorized and/or illegal use of public fire hydrants
 - Fine of \$275.00

2. Unauthorized and/or illegal use and consumption on private fire systems and/or of fire hydrants:
 - Fine of \$275.00
 - Plus the cost of water at the rate of 50 times the recorded consumption rate.

3. Unlawful service connection
 - Fine of \$275
 - Plus the estimated monthly services Charges and estimated water consumption

4. Contamination of District's water system through backflow
 - Fine of \$550.00
 - Plus recorded costs

2023. HYDRANT WATER.

WATER SERVICE REGULATIONS
EXHIBIT “C” (Revised 06/03/2023)

Monthly service charge per meter:	\$73.17
Consumption Rate:	\$2.76 / 100 cf
Minimum monthly charge:	\$115.78

2024. FIRE SERVICE.

Monthly service charge	\$10.54 / diameter inch
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Examples:

4”	\$42.16
6”	\$63.24
8”	\$84.32

2025. BACKFLOW PREVENTION ASSEMBLY. Monthly service charge of \$2.84.

2026. WATER SERVICE APPLICATION FEE. Applicants for water service shall pay an application fee of \$25. This charge is due when the application is submitted, in advance of the water service being provided. The application fee is charged for residential, commercial, and fire hydrant application. The application fee is in addition to any deposit, and is not refundable.

2027. DELINQUENT COLLECTIONS FEE. Accounts that are submitted to a collection agency will be charged \$20 each. The \$20 Collection Fee will be added to the amount submitted to the collection agency.

2028. LIEN FEE. Accounts that are submitted to the tax collector for lien will be charged \$30 each. The \$30 Lien Fee will be added to the amount submitted for the lien.

2029 CUSTOMER REQUESTED RE-READ FEE. Customers requesting a re-read of their water meter within six months of the last customer requested re-read shall be charged \$20 at the time of their request. The \$20 will appear on their next bill. It is refundable only if the District determines that there was a reading error.

WATER SERVICE REGULATIONS

“EXHIBIT D”

2101. RATE SCHEDULE. Rates for all users shall hereby be established as follows:

a. Monthly Service Charge

Meter Size	1/1/2013	1/1/2014	1/1/2015
5/8" & 3/4"	\$16.79	\$19.31	\$22.21
1"	\$25.01	\$28.76	\$33.07
1 1/2"	\$36.88	\$42.41	\$48.77
2"	\$50.80	\$58.42	\$67.18
3"	\$73.74	\$84.80	\$97.52
4"	\$97.21	\$111.79	\$128.56
6"	\$147.46	\$169.58	\$195.02
8"	\$197.71	\$227.37	\$261.48

b. Monthly Consumption Commodity Charge

Per Unit	1/1/2013	1/1/2014	1/1/2015
0-10 Units	\$1.60	\$1.85	\$2.13
11-50 Units	\$1.75	\$2.00	\$2.30
51 Units & up	\$1.90	\$2.20	\$2.53

A unit is 748 gallons.

- c. Out-of-District rates and charges shall be one and one-half (1 1/2) times regular In-District rates.
- d. Golf Course, Agricultural, and Non-Potable

Rates for monthly service charge, water use, and any other charges will be assessed as reflected in the tables above.



**BOARD OF DIRECTORS
ENGINEERING, OPERATIONS AND PLANNING COMMITTEE
STAFF REPORT**

DATE: June 20, 2023
TO: Engineering, Operations and Planning Committee
FROM: Van Jew, Acting General Manager
SUBJECT: CONSIDER AN AGREEMENT BETWEEN WEST VALLEY WATER DISTRICT AND RIVERSIDE HIGHLAND WATER COMPANY FOR THE MUTUAL PURCHASE AND TRANSFER OF WATER DURING A BONA FIDE WATER EMERGENCY

DISCUSSION:

West Valley Water District (District) provides water service to customers within its service area. Riverside Highland Water Company (RHWC) is a mutual water company providing water service to its stockholders within its service area. Both Parties hold rights to pump water from the Lytle Creek Basin.

The District and RHWC desire and believe it is in the best interests of their respective customers to have the right to purchase available water supplies from the other Party in case of a bona fide water emergency - creating a “purchasing Party” and “selling Party” during each transaction. To that end, the Parties wish to enter into a Transfer of Water Agreement (Agreement) attached as Exhibit A. Subject to the terms of the Agreement, each party will agree to make available, for purchase to the other Party, emergency water supplies necessary to assist the receiving Party to serve its customers. However, each Party understands and acknowledges that the other Party’s primary responsibility is to serve its own stockholders or customers. Accordingly, each Party shall have the absolute discretion to determine what amount of water, if any, to sell to the other Party in case of a bona fide water emergency. For the purpose of the Agreement, the bona fide water emergency need not be a declared water shortage emergency.

The Parties further agree that the precise quantity and pressure of water delivered from the selling Party to the purchasing Party may also vary due to climatologically, water supply, system availability and other conditions. Water deliveries shall be metered by the selling Party and shall ordinarily be delivered through the Baseline Feeder on Base Line Street, Rialto, California. Upon concurrence of the Parties, water may also be delivered at any other mutually agreeable location.

FISCAL IMPACT:

No Fiscal impact to the District.

STAFF RECOMMENDATION:

Forward a recommendation to the Board of Directors to:

1. Approve an Agreement between West Valley Water District and the Riverside Highland Water Company for the Mutual Purchase and Transfer of Water during a Bonda Fide Water Emergency and;
2. Authorize the General Manger to execute the necessary documents.

Respectfully Submitted,

Van Jew

Van Jew, Acting General Manager

LJ:ls

ATTACHMENT(S):

1. EXHIBIT A - Emergency Water Agreement between WVWD and RHWC 070623

EXHIBIT A

**AGREEMENT
BY AND BETWEEN THE WEST VALLEY WATER DISTRICT
AND RIVERSIDE HIGHLAND WATER COMPANY
FOR THE MUTUAL PURCHASE AND TRANSFER OF WATER DURING
A BONA FIDE WATER EMERGENCY**

1. Parties and Date

This Agreement regarding the Mutual Transfer of Water during a Bona Fide Water Emergency (“Agreement”) is entered into as of the ____ day of _____, 2023, by and between the West Valley Water District, a public agency formed and operating under the County Water District Law pursuant to California Water Code Section 30000, et seq., located within San Bernardino County, California (“WVWD”) and Riverside Highland Water Company, a California Corporation (“RHWC”). WVWD and RHWC may be referred to individually as “Party” or collectively as the “Parties.”

2. Recitals

- 2.1** WVWD provides water service to customers within its service area. RHWC is a mutual water company providing water service to its stockholders within its service area. Both Parties hold rights to pump water from the Lytle Creek Basin.
- 2.2** RHWC owns property within and adjacent to WVWD’s service.
- 2.3** WVWD and RHWC desire and believe it is in the best interests of their respective customers to have the right to purchase available water supplies from the other Party in case of a bona fide water emergency—creating a “purchasing Party” and “selling Party” during each transaction.
- 2.4** The Parties acknowledge that it is the intent of both Parties that by entering into this Agreement, RHWC’s status as a mutual water company will remain intact, and that RHWC will remain outside of the jurisdiction of the California Public Utilities Commission pursuant to Section 2705 of the Public Utilities Code, and that the Parties do not intend to imply in any way that Riverside-Highland will be engaging in any activities which might jeopardize that status.

NOW, THEREFORE, in consideration of the preceding promises and the mutual covenants hereinafter contained, and for other good and valuable consideration, the Parties agree as follows:

3. Terms

- 3.1 Term.** The term of the Agreement shall commence on the date first written above (“Commencement Date”) and remain in full force and effect until either Party terminates this agreement pursuant to Section 3.8 of this Agreement.

- 3.2 Amount of Water; Meter; Delivery Point.** Subject to the other terms of this Agreement, each of the Parties hereto agrees to make available, for purchase to the other Party, emergency water supplies necessary to assist the receiving Party to serve its customers. For the purposes of this Agreement, the bona fide water emergency need not be a declared water shortage emergency. However, each Party understands and acknowledges that the other Party's primary responsibility is to serve its own stockholders or customers. Accordingly, each Party shall have the absolute discretion to determine what amount of water, if any, to sell to the other Party in case of a bona fide water emergency. The Parties further agree that the precise quantity and pressure of water delivered from the selling Party to the purchasing Party may also vary due to climatologically, water supply, system availability and other conditions. Water deliveries shall be metered by the selling Party. Water shall ordinarily be delivered through the Baseline Feeder on Base Line Street, Rialto, California. Upon concurrence of the Parties, water may also be delivered at any other mutually agreeable location.
- 3.3 Request Procedure; Delegation of Authority to Approve Purchases.** If one Party has an emergency and desires to purchase water from the other, the purchasing Party shall send a request to the selling Party. The request can be made via electronic mail (e-mail) and shall contain the proposed parameters and details of the transaction, including the amount of water requested, proposed delivery points, proposed delivery schedule and associated costs. If the selling Party has or can make water available, concurs that an emergency exists, and desires to sell water to the purchasing Party, the details of the final transaction shall be negotiated and memorialized in writing and executed by the Parties' authorized agent. For the purposes of this Agreement, WVWD's General Manager and/or his/her/its designee and RHWC's General Manager and/or his/her/its designee are hereby delegated express authority to negotiate and approve purchases as outlined herein.
- 3.4 Payments for Water.** During the course of any transaction, at the end of each month, the selling Party shall read the appropriate meter(s) and record the quantity of water that was actually delivered from the selling Party to the purchasing Party during the preceding month. The selling Party shall deliver a copy of such record and/or an invoice to the purchasing Party reflecting the amount of water delivered and the price therefore. The purchasing Party shall pay the selling Party for all water that the selling Party delivered to the purchasing Party on or before the thirtieth (30th) calendar day after the purchasing Party receives the monthly invoice for such water from the selling Party.
- 3.5 Water Quality.** All water supplied pursuant to the Agreement shall comply with any, and all applicable standards and laws. Water sold for potable/public drinking water uses shall conform to all applicable local, state, and federal drinking water laws and standards.

3.6 Interruption of Water Supply. The Parties acknowledge and agree that from time to time during the term of the Agreement it may be necessary for the selling Party to interrupt the flow of water to the purchasing Party. The selling Party retains the sole discretionary rights to interrupt the flow of water at any time and for any reason. Selling Party, however, shall endeavor to notify the purchasing Party at least 24 hours in advance of any substantial reduction or cessation of water supply deliveries to the purchasing Party.

3.7 Acknowledgement Regarding Mutual Water Company Status

3.7.1 The Parties understand and agree that RHWC intends to retain its mutual water company status such that it does not become subject to the jurisdiction of the California Public Utilities Commission (PUC) and that RHWC would not enter into this Agreement were the provisions of Public Utilities Code sections 2701, 2702, 2703, or any other relevant provision of law which could potentially subject RHWC to the jurisdiction of the PUC.

3.7.2 The Parties acknowledge that Public Utilities Code section 2705 provides that mutual water companies are not subject to the jurisdiction of the PUC if they deliver water to their stockholders or to certain public agencies, including cities, at cost. The Parties agree that any delivery of water contemplated by this Agreement by RHWC is meant to conform to section 2705.

3.7.3 The Parties further acknowledge that Public Utilities Code Section 2705(d) states that, “[i]n a bona fide water emergency, but for no longer than the existence of the emergency, [a mutual water company] may deliver water at cost to any person owning or leasing real property located within or adjacent to the service area of the mutual company, provided that the water is delivered pursuant to a written contact signed by the mutual water company and the person to whom the water is delivered.” The Parties acknowledge that Riverside-Highland owns or leases real property within and adjacent to the service area of WWWD. The Parties agree that the delivery of water contemplated by this Agreement is meant to conform to section 2705(d).

3.8 Termination. Either Party may unilaterally terminate this Agreement, for any or no reason on the expiration of thirty (30) days after written notice of termination is provided to the other Party.

3.9 No Assignment. Neither Party may assign its rights under this Agreement without the express, written consent of the other Party.

- 3.10 Indemnification.** WVWD and RHWC shall each defend, indemnify and hold the other Party and its officials, officers, employees, consultants, subcontractors, volunteers and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury, in law or equity, to property or persons, including wrongful death, to the extent arising out or incident to any negligent acts omissions or willful misconduct of the indemnifying party or its officials, officers, employees, consultants, subcontractors, volunteers and agents arising out of or in connection with the performance of this Agreement, including negligent acts or omissions to provide water which does not meet all federal, state and locals laws related to water quality; except loss or liability caused by a Party's sole willful conduct or active negligence.
- 3.11 Entire Agreement.** This Agreement contains the entire agreement between the Parties respecting the subject matter thereof and supersedes all prior understandings and agreements, whether oral or in writing, between the Parties respecting the subject matter of the Agreement.
- 3.12 Severability.** In any term, covenant, condition or provision of this Agreement, or the application thereof to any person or circumstance, shall to any extent be held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms covenants, conditions or provisions of this Agreement, or the application thereof to any other person or circumstance, shall remain in full force and affect and shall in no way be affected impaired or invalidated thereby.
- 3.13 Waiver of Covenants, Conditions and Remedies.** The waiver by one (1) Party of the performance of any covenant or condition under this Agreement shall not invalidate this Agreement nor shall it be considered a waiver by it of any other covenant or condition under this Agreement. The waiver by either or both Parties of the time for performing any other act under this Agreement shall not constitute a waiver of the time for performing any other act or an identical act required to be performed at a later time.
- 3.14 Amendment.** This Agreement may be amended at any time by the written agreement of the Parties. All amendments and changes of the Agreement, in all or in part, and from time to time, shall be binding upon the Parties despite any lack of legal consideration, so long as the same shall be in writing, duly approved and executed by the Parties hereto.
- 3.15 Relationship of Parties.** The Parties agree that their relationship is one of mutual assistance and that nothing contained herein shall render either Party, the agent or legal representative of the other for any purpose whatsoever, nor shall this Agreement be deemed to create any form of business organization between the Parties hereto, nor is either Party granted any right or authority to assume or create any obligation

or responsibility on behalf of the other Party, nor shall either Party be in any way liable for any debt of the other.

3.16 No Third-Party Benefit. This Agreement is intended to benefit only the Parties hereto and no other person or entity has or shall acquire any rights hereunder.

3.17 Further Acts. Each Party hereby that it shall, upon request of the other, execute and deliver such further documents (in form and substance reasonably acceptable to the Party to be charged) and do such other acts and things as are reasonably necessary and appropriate to effectuate the terms and conditions of this Agreement.

3.18 Notices. All notices and demands that either Party is required or desires to give to the other shall be given in writing by the United States registered or certified mail, return receipt requested, by personal delivery, by facsimile with confirmation of receipt, by express courier service or by electronic mail to the street address or facsimile number set forth below for the respective Party or any electronic mail address subsequently given, provided that if any Party gives notice of a change of name or address, notices to the Party shall thereafter be given as set forth in that notice. All notices and demands shall be effective upon receipt or upon refusal to accept delivery.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS THEREOF, the Parties through their respective authorized representatives, have executed this Agreement as of the date first written above.

(“WVWD”)
West Valley Water District,
a California County Water District
855 W. Baseline Road
Rialto, CA 92376

(“RHWC”)
Riverside Highland Water Company,
a California Corporation
12374 Michigan St.,
Grand Terrace, CA 92313

By: _____
John Thiel,
General Manager

By: _____
Don Hough,
General Manager

Date: _____

Date: _____

ATTEST:

By: _____
Elvia Dominguez
Board Secretary

APPROVED AS TO FORM:
Alvarez, Glasman, & Colvin

By: _____
Vincent C. Ewing
Interim General Counsel



**BOARD OF DIRECTORS
ENGINEERING, OPERATIONS AND PLANNING COMMITTEE
STAFF REPORT**

DATE: June 20, 2023
TO: Engineering, Operations and Planning Committee
FROM: Van Jew, Acting General Manager
SUBJECT: FOURTH AMENDMENT TO PURCHASE AND SALE AGREEMENT
 FOR WELL SITE PROPERTY WITH FONTANA 37, LLC

BACKGROUND:

On August 05, 2021, at its regularly scheduled meeting, the Board of Directors of the West Valley Water District (“Board”) approved a Purchase and Sale Agreement (“Agreement”) between Fontana 37, LLC (“Developer”) and the West Valley Water District (“District”) for a Developer owned property within Tract No. 20018 which would be sold to the District for use as a Zone 6 Well Site. The Agreement was formally executed on August 10, 2022, and has since been amended three (3) times to accommodate several changes of escrow dates and instructions. Attached as Exhibit A is the Agreement with its corresponding amendments for reference.

DISCUSSION:

After final recordation of Tract Map No. 20018 and review of the newly created Parcel Map, the City of Fontana (“City”) and Developer noted that Lot H was a remainder parcel which neither the City nor the Developer wished to own or maintain. Recognizing its potential for future applications, and its adjacent proximity to the Well Site, the District and Developer agreed to include this property in the Purchase and Sale Agreement at no additional cost to the District. Attached as Exhibit B is the Fourth Amendment to the Purchase and Sale Agreement which updates the escrow date and includes Lot H in the purchase transaction.

FISCAL IMPACT:

The cost to purchase the initial Zone 6 Well Site was \$122,000 plus the cost for Title Policy, escrow costs and documentary transfer taxes. This item was included in the fiscal year 2022/2023 Capital Improvement Budget and was revenue sourced from development fees collected. The addition of Lot H has no fiscal impact on the District.

STAFF RECOMMENDATION:

Staff recommends that the Committee forward a recommendation to the Board of Directors to:

1. Approve the Fourth Amendment to the Purchase and Sale Agreement with Fontana 37, LLC
2. Authorize the General Manager to execute all necessary documents.

Respectfully Submitted,

Van Jew

Van Jew, Acting General Manager

DG:ls

ATTACHMENT(S):

1. Exhibit A - Original Agreement with Previous Amendments
2. Exhibit B - Fourth Amendment to Purchase Agreement

EXHIBIT A

**PURCHASE AND SALE AGREEMENT
AND JOINT ESCROW INSTRUCTIONS**

TO: Brenna Ryan
Commercial Escrow Officer
Fidelity National Title, National Commercial Services
4400 MacArthur Blvd., Suite 200
Newport Beach, CA 92660

Escrow No.: _____
Date Opened: _____

This Purchase and Sale Agreement and Joint Escrow Instructions (this “**Agreement**”), dated as of August 10, 2022 (the “**Effective Date**”), is entered into by and between **FONTANA 37, LLC**, a Delaware limited liability company (“**Seller**”), and **WEST VALLEY WATER DISTRICT**, a public agency of the State of California (“**Buyer**”), and constitutes an agreement between Seller and Buyer (each, a “**Party**” and collectively, the “**Parties**”) for the purchase and sale of real property and joint escrow instructions directed to Fidelity National Title, National Commercial Services (as “**Escrow Holder**”) to establish the Escrow (the “**Escrow**”) to accommodate the transaction contemplated hereby.

RECITALS:

A. Buyer is a county water district organized and existing under the California County Water District Law, codified at *Section 30000, et seq.* of the *California Water Code*, engaged in developing, storing, and distributing water in the County of San Bernardino, California.

B. Seller owns approximately is 24,394 SF square feet of real property located in the City of Fontana (the “**City**”), County of San Bernardino (the “**County**”), State of California, as more particularly described in **Exhibit “A”** attached hereto and incorporated herein by this reference (the “**Property**”).

D. Buyer wishes to purchase the Property from Seller for the exclusive purpose of constructing and operating a water well thereon, and Seller wishes to sell the Property to Buyer for such purpose, under the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the foregoing recitals, and the mutual covenants contained herein, the receipt and sufficiency of which are hereby acknowledged, Buyer and Seller hereby agree as follows:

1. Purchase and Sale. Seller agrees to sell the Property to Buyer, and Buyer agrees to purchase the Property from Seller, on the terms and conditions hereinafter set forth.

2. Purchase Price. The “**Purchase Price**” for the Property shall be One Hundred Twenty-two Thousand and No/100 Dollars (\$122,000.00). Such Purchase Price shall be paid to Seller net of all costs and expenses related to this transaction, including, without limitation, the cost of the Title Policy (defined in Section 8 below, Escrow costs, and documentary transfer taxes, if any.

3. Payment of Purchase Price; Reimbursement of Certain Engineering Expenses.

a. Not later than 5:00 p.m. (Pacific Time) on the date seven (7) business days following the Effective Date, Buyer and Seller shall open the Escrow with Escrow Holder by depositing with Escrow Holder a fully executed copy of this Agreement, and Buyer shall deposit into the Escrow by confirmed wire transfer of immediately available federal funds, the amount of Three Thousand and No/100 Dollars (\$3,000.00) (the “**Deposit**”). If Escrow Holder does not receive the Deposit of wired funds by 5:00 p.m. (PST) on the seventh (7th) business day following the Effective Date, then either Party may, prior

to the Escrow Holder's receipt of the Deposit, unilaterally terminate this Agreement by delivering written notice to Escrow Holder and the other Party, in which event the provisions of Section 11 below shall apply.

b. The Deposit shall be credited in favor of Buyer against the Purchase Price for the Property upon the Close of Escrow, but shall be (a) retained by Seller if Seller is entitled to receive the Deposit in accordance with this Agreement, or (b) returned to Buyer if Buyer is entitled to a return of the Deposit in accordance with this Agreement.

c. The balance of the Purchase Price to be paid at the Closing Date, together with all title and escrow costs to be paid and the pro-rations to be made pursuant to Section 13 of this Agreement, shall be deposited by Buyer into the Escrow by confirmed wire transfer of immediately available federal funds no later than the last business day before the Close of Escrow (as defined in Section 4 below).

d. The Parties shall execute any supplemental escrow instructions reasonably required by Escrow Holder that are not inconsistent with the terms of this Agreement and do not affect the Parties' obligations hereunder. In the event of any discrepancy between this Agreement and such supplemental instructions, the provisions of this Agreement shall prevail.

4. **Close of Escrow.** For purposes of this Agreement, the "*Close of Escrow*" or "*Closing*" shall be the date that the grant deed ("*Grant Deed*") conveying the Property to Buyer, the form of which is attached hereto as Exhibit "B" is recorded in the Official Records of the County (the "*Official Records*"). Escrow shall close (the "*Closing Date*") on or before the date that is thirty (30) days after the Effective Date.

5. **Title.** For the benefit of Buyer, Buyer's obligation to consummate the transaction contemplated in this Agreement shall be expressly subject to and contingent upon title to the Property being subject only to those certain title exceptions set forth in the Amended Preliminary Report dated as of August 18, 2021 and issued by Fidelity National Title Insurance Company ("*Title Company*") (Order No. 989-30066394-A-BAM) covering the Property ("*Preliminary Report*"), a copy of which is attached hereto as Exhibit "C", excepting the deed of trust in favor of D.R. Horton Los Angeles Holding Company, Inc. ("*Deed of Trust*") referred to in Exception No. 5, which shall be deleted prior to the Close of Escrow.

6. **"AS-IS" SALE.** Buyer acknowledges that Buyer (or Buyer's representatives or consultants) have thoroughly inspected and examined the Property (or will thoroughly inspect and examine the Property) to the extent deemed necessary by Buyer in order to enable Buyer to evaluate the condition of the Property and all other aspects of the Property (including, but not limited to, the environmental condition of the Property) as necessary for Buyer's intended use, and Buyer acknowledges that Buyer is relying solely upon its own (or its representatives or consultants) inspection, examination and evaluation of the Property, as a material part of the consideration of this Agreement and the purchase of the Property. Buyer hereby agrees to accept the Property as of the Close of Escrow in its "**AS-IS, WHERE-IS**" condition and with all faults, and without representations and warranties of any kind, express or implied, or arising by operation of law, except as expressly set forth herein.

7. **Seller's Representations and Warranties.** Seller hereby represents, warrants, and covenants to Buyer, which representations and warranties shall be true and correct as of the Effective Date and as of the date of the Close of Escrow, and, subject to Section 31 hereof, shall survive the Close of Escrow for a period of six (6) months from the Close of Escrow, as follows:

a. Seller has the legal power, right and authority to enter into this Agreement and the instruments to be executed by Seller pursuant to this Agreement and to consummate the transactions

contemplated hereby. No consent of any third party is required in order for Seller to perform its obligations hereunder.

b. All requisite action has been taken by Seller in connection with Seller's execution of this Agreement and the instruments to be executed by Seller pursuant to this Agreement and the consummation of the transactions contemplated hereby.

c. The individual executing this Agreement and the instruments to be executed by such individual pursuant to this Agreement on behalf of Seller has the legal power, right and actual authority to bind Seller to the terms and conditions of this Agreement and such instruments.

d. To Seller's actual knowledge, Seller is not included on the List of Specially Designated Nationals and Blocked Persons maintained by the Office of Foreign Assets Control ("*OFAC*"), and does not reside in, and is not organized or chartered under the laws of, (i) a jurisdiction that has been designated by the U.S. Secretary of the Treasury under Section 311 or 312 of the Patriot Act (defined below) as warranting special measures due to money laundering concerns, or (ii) any foreign country that has been designated as non-cooperative with international anti-money laundering principles or procedures by an intergovernmental group or organization, such as the Financial Action Task Force on Money Laundering, of which the United States is a member and with which designation the United States representative to the group or organization continues to concur. As used herein, the term "*Patriot Act*" means the International Money Laundering Abatement and Anti-Terrorist Financing Act of 2001, which comprises Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, as reauthorized by the USA Patriot Improvement and Reauthorization Act of 2005.

8. Buyer's Representations, Warranties and Covenants. Buyer hereby represents, warrants and covenants to Seller, which representations and warranties shall be true and correct as of the Effective Date and as of the date of the Close of Escrow and shall survive the Close of Escrow for a period of six (6) months from the Close of Escrow, as follows:

a. Buyer has the legal power, right and authority to enter into this Agreement and the instruments to be executed by Buyer pursuant to this Agreement and to consummate the transactions contemplated hereby.

b. All requisite action has been taken by Buyer in connection with Buyer's execution of this Agreement and the instruments to be executed by Buyer pursuant to this Agreement, and the consummation of the transactions contemplated hereby.

c. The individuals executing this Agreement and the instruments to be executed by Buyer pursuant to this Agreement on behalf of Buyer have the legal power, right and actual authority to bind Buyer to the terms and conditions of this Agreement and such instruments.

d. Buyer acknowledges that any and all responsibilities with respect to entitlements affecting or concerning the Property shall be that of Buyer, and Seller shall have no responsibilities with respect thereto.

e. To Buyer's actual knowledge, Buyer is not included on the List of Specially Designated Nationals and Blocked Persons maintained by OFAC, and does not reside in, and is not organized or chartered under the laws of, (i) a jurisdiction that has been designated by the U.S. Secretary of the Treasury under Section 311 or 312 of the Patriot Act as warranting special measures due to money laundering concerns, or (ii) any foreign country that has been designated as non-cooperative with international anti-money laundering principles or procedures by an intergovernmental group or

organization, such as the Financial Action Task Force on Money Laundering, of which the United States is a member and with which designation the United States representative to the group or organization continues to concur.

f. Buyer has conducted such inspections and investigations of the quantity, quality and condition of the Property and the suitability of the Property for Buyer's intended uses and other feasibility and due diligence matters as Buyer has deemed appropriate and Buyer hereby accepts the Property in its present "**AS-IS, WHERE-IS**" condition and with all faults, and without representations and warranties of any kind, express or implied, or arising by operation of law.

g. Buyer intends to utilize the Property exclusively for the operation of a water well thereon.

9. **Title Insurance.** It shall be a condition to the Close of Escrow for Buyer's benefit that the Title Company shall have unconditionally committed to issue to Buyer an ALTA standard coverage owner's policy of title insurance (the "***Title Policy***") in the amount of the Purchase Price, showing fee simple title to the Property to be vested in Buyer free and clear of all liens and encumbrances other than those set forth in the Preliminary Report, excepting the Deed of Trust. Buyer shall pay the premium for the issuance of the Title Policy. Buyer, at Buyer's sole option so long as the Close of Escrow is not thereby delayed, may elect to obtain an ALTA extended coverage Title Policy, provided Buyer has, as of the Effective Date, prepared an ALTA survey satisfactory to the Title Company. The costs of such ALTA extended coverage Title Policy shall be borne exclusively by Buyer.

10. **Conditions to Close of Escrow.**

a. Buyer's obligation to purchase the Property and close Escrow is subject to and conditioned upon the satisfaction of, or Buyer's written waiver of, the following conditions on or before the Close of Escrow:

i. the Title Company shall be committed to issue the Title Policy for the Property to Buyer in accordance with the requirements of Section 8 above;

ii. the representations and warranties of Seller shall be true and correct on the Closing Date, and Seller shall not be (or deemed to be) in material breach of any representation or warranty given by Seller under Section 6 above;

iii. Seller shall not otherwise be in default in the performance of any of its material obligations under this Agreement; and

iv. Seller shall have timely executed and delivered to Escrow Holder the instruments and documents described in Section 10(a) below;

b. Seller's obligation to sell the Property and close the Escrow is subject to and conditioned upon the satisfaction of Seller's written waiver of, the following conditions on or before the Close of Escrow:

i. The representations and warranties of Buyer shall be true and correct on the Closing Date, and Buyer shall not be in material breach of any representation or warranty given by Buyer under Section 7 above;

ii. Buyer shall have timely executed and delivered to Escrow Holder all items described in Section 10(b) below;

iii. Buyer shall have deposited into the Escrow all funds required to pay the Purchase Price, the all title and escrow costs and Buyer's share of pro-rations; and

iv. Buyer shall not be in breach of any other material obligation of Buyer under this Agreement.

11. Deliveries to Escrow Holder.

a. Seller shall deliver or cause to be delivered to Escrow Holder by 5:00 p.m. on the last business day before the date of the Close of Escrow the following instruments and documents:

i. the Grant Deed, in recordable form, duly executed by Seller and acknowledged;

ii. a Certification of Non-Foreign Status (the "*Certification*"), substantially in the form attached hereto as Exhibit "D", and a California Form 593-C or -W;

iii. any other executed or other documents reasonably required by the Title Company to consummate this transaction, including without limitation a commercially reasonable owner's affidavit with respect to the existence and such corporate, partnership and/or limited liability company certificates and resolutions as Buyer or the Title Company may reasonably request to confirm Seller's authority to consummate the transactions contemplated hereby; and

iv. any other instruments and documents which Seller is obligated to execute and deliver into the Escrow under this Agreement.

b. Buyer shall deliver or cause to be delivered to Escrow Holder by 5:00 p.m. on the last business day before the Close of Escrow the following:

i. all sums that Buyer is required to deliver to Escrow Holder pursuant to Section 3(c) to close the Escrow; and

ii. any other instruments and documents which Buyer is obligated to execute and deliver into the Escrow under this Agreement.

12. Termination. Whenever (i) a Party has the right to terminate this Agreement pursuant to an express provision of this Agreement, and notifies the other Party, in writing, of its election to terminate the Agreement, or (ii) this Agreement automatically terminates pursuant to an express provision of this Agreement, then:

a. This Agreement, the Escrow and the rights and obligations of Buyer and Seller under this Agreement shall terminate, and neither Party shall have any further obligation to the other, except as otherwise expressly provided in this Agreement;

b. If Seller is not in breach of this Agreement, Buyer shall be responsible to pay any cancellation charges payable to Escrow Holder and the Title Company; otherwise, if Seller is the breaching Party, it shall be responsible for such cancellation charges;

c. Escrow Holder shall promptly return to Seller and Buyer all documents deposited by them into the Escrow, respectively;

d. If Buyer is entitled to the return of the Deposit (*i.e.*, Buyer terminates this transaction due to a material breach by Seller of this Agreement, or the failure of a condition precedent to Buyer's obligation to purchase the Property as specified in Section 9(a) above), then Escrow Holder shall return the Deposit to Buyer (less any escrow cancellation charges, if applicable); and

e. If Buyer is not entitled to the return of the Deposit, Escrow Holder shall immediately release the Deposit to Seller and Seller shall be entitled to retain the Deposit as liquidated damages.

13. Costs and Expenses. Because the Purchase Price payable to Seller herein is intended by the Parties to be the net of all costs and expenses, Buyer shall pay all costs of this transaction including, without limitation, the premium for the Title Policy, the escrow fees of Escrow Holder, including Escrow Holder's customary charges to buyers and sellers for document drafting, recording and miscellaneous charges, and documentary transfer taxes payable with the recordation of the Grant Deed. Buyer and Seller shall each pay their own legal and professional fees and fees of other consultants incurred in connection with this transaction. The provisions of this Section 12 shall survive the Close of Escrow or a termination of this Agreement.

14. Pro-rations and Credits. Real property taxes and assessments with respect to the Property based upon the latest available tax information shall be pro-rated such that Seller shall be responsible for all such taxes and assessments levied against the Property to and including the day prior to the Close of Escrow and Buyer shall be responsible for all such taxes and assessments levied against the Property from and after the date of the Close of Escrow.

15. Disbursements and Other Actions by Escrow Holder. Upon the Close of Escrow, Escrow Holder shall promptly undertake all of the following in the manner indicated:

a. Escrow Holder shall cause the Grant Deed to be recorded in the Official Records, together with any other documents that the Parties hereto may mutually direct.

b. Escrow Holder shall hold and/or disburse all funds deposited with Escrow Holder by Buyer as follows:

i. Disburse the Purchase Price, net of any costs or expenses, to Seller;

ii. Charge (and disburse) all items chargeable to the account of Buyer pursuant hereto; and

iii. Refund to Buyer any excess funds deposited by Buyer.

c. Escrow Holder shall direct the Title Company to issue the Title Policy to Buyer.

d. Escrow Holder shall deliver to Buyer and Seller originals of the executed counterparts of the documents and instruments deposited by the Parties pursuant to Section 10 hereof, and copies of all recorded documents.

e. Escrow Holder shall deliver to Seller duplicate originals or copies (as the case may be) of all documents delivered to Buyer.

f. Escrow Holder shall provide Buyer and Seller with a closing statement covering the sale of the Property to Buyer.

16. Default; Waiver of Lis Pendens.

a. IF THE TRANSACTION CONTEMPLATED HEREIN DOES NOT CLOSE BY REASON OF SELLER'S DEFAULT UNDER THIS AGREEMENT THEN, AS BUYER'S EXCLUSIVE REMEDY, THE DEPOSIT SHALL BE RETURNED TO BUYER AND NEITHER PARTY HERETO SHALL HAVE ANY FURTHER OBLIGATION OR LIABILITY TO THE OTHER EXCEPT WITH RESPECT TO THOSE PROVISIONS OF THIS AGREEMENT WHICH EXPRESSLY SURVIVE A TERMINATION OF THIS AGREEMENT. NOTWITHSTANDING THE FOREGOING, IF THE TRANSACTION CONTEMPLATED HEREUNDER SHALL FAIL TO CLOSE SOLELY BY REASON OF SELLER'S MATERIAL DEFAULT IN THE PERFORMANCE OF ITS OBLIGATIONS UNDER THIS AGREEMENT (AS DISTINGUISHED FROM THE FAILURE OF A CONDITION TO CLOSING), AND SUCH DEFAULT IS NOT CURED WITHIN FIVE (5) DAYS AFTER RECEIPT BY SELLER OF WRITTEN NOTICE THEREOF FROM BUYER, THEN BUYER SHALL HAVE AS ITS EXCLUSIVE REMEDY THE RIGHT TO EITHER (i) TERMINATE THIS AGREEMENT (IN WHICH EVENT THE DEPOSIT SHALL BE RETURNED TO BUYER AND THE TERMINATION PROVISIONS OF SECTION 11 ABOVE SHALL APPLY), BUYER HEREBY WAIVING ANY OTHER RIGHT OR CLAIM TO DAMAGES FOR SELLER'S BREACH, OR (ii) SPECIFICALLY ENFORCE THIS AGREEMENT (BUT NO OTHER ACTION, FOR DAMAGES OR OTHERWISE, SHALL BE PERMITTED); PROVIDED THAT ANY ACTION BY BUYER FOR SPECIFIC PERFORMANCE MUST BE COMMENCED, IF AT ALL, WITHIN FIFTEEN (15) DAYS OF SELLER'S DEFAULT, WITH THE FAILURE OF SUCH COMMENCEMENT CONSTITUTING A WAIVER BY BUYER OF SUCH RIGHT AND REMEDY. IF BUYER SHALL NOT HAVE COMMENCED AN ACTION FOR SPECIFIC PERFORMANCE WITHIN THE AFOREMENTIONED TIME PERIOD OR SO NOTIFIED SELLER OF ITS ELECTION TO TERMINATE THIS AGREEMENT, BUYER'S SOLE REMEDY SHALL BE TO TERMINATE THIS AGREEMENT IN ACCORDANCE WITH CLAUSE (i) ABOVE.

AT NO TIME SHALL BUYER HAVE A RIGHT (AND BUYER HEREBY WAIVES ANY SUCH RIGHT IF IT EXISTS) TO RECORD ANY INSTRUMENT OR DOCUMENT AGAINST THE PROPERTY, INCLUDING, WITHOUT LIMITATION, A LIS PENDENS. IN THE EVENT BUYER SHALL FILE A NOTICE OF LIS PENDENS OR OTHER INSTRUMENT OR DOCUMENT AGAINST THE PROPERTY IN VIOLATION OF THIS AGREEMENT, BUYER HEREBY AUTHORIZES SELLER TO BRING AN ACTION TO EXPUNGE SUCH LIS PENDENS OR DOCUMENT, AND AGREES THAT BUYER SHALL BE RESPONSIBLE FOR ANY AND ALL COSTS OR FEES RELATED TO THE LIS PENDENS OR ACTION TO EXPUNGE, INCLUDING ENFORCEMENT COSTS SUCH AS REASONABLE ATTORNEYS' FEES.


BUYER'S INITIALS

c. BUYER'S DEFAULT. FOLLOWING BUYER'S ELECTION TO PROCEED AT THE END OF THE DUE DILIGENCE PERIOD, IN THE EVENT THE TRANSACTION CONTEMPLATED BY THIS AGREEMENT DOES NOT CLOSE DUE TO THE DEFAULT OF BUYER, THEN SELLER'S RETENTION OF THE DEPOSIT SHALL BE SELLER'S SOLE AND EXCLUSIVE REMEDY UNDER THIS AGREEMENT, AT LAW OR IN EQUITY, FOR SUCH DEFAULT, SUBJECT TO THE PROVISIONS OF THIS AGREEMENT THAT EXPRESSLY SURVIVE A TERMINATION OF THIS AGREEMENT; PROVIDED, HOWEVER, THAT NOTHING IN THIS AGREEMENT SHALL BE CONSTRUED TO LIMIT SELLER'S RIGHTS OR DAMAGES UNDER ANY INDEMNITIES GIVEN BY BUYER TO SELLER UNDER THIS AGREEMENT. SELLER AND

BUYER HAVE DISCUSSED THE POSSIBLE CONSEQUENCES TO SELLER IN THE EVENT THAT THE ESCROW FAILS TO CLOSE AS A RESULT OF BUYER'S DEFAULT. SELLER AND BUYER HAVE DETERMINED AND HEREBY AGREE THAT IT WOULD BE IMPRACTICAL OR EXTREMELY DIFFICULT TO FIX THE ACTUAL DAMAGES TO SELLER OCCURRING IN THE EVENT OF BUYER'S DEFAULT UNDER THIS AGREEMENT. THE PARTIES, HAVING MADE DILIGENT BUT UNSUCCESSFUL ATTEMPTS TO ASCERTAIN THE ACTUAL COMPENSATORY DAMAGES SELLER WOULD SUFFER IN THE EVENT OF BUYER'S NONPERFORMANCE OF ANY OBLIGATION HEREUNDER, HEREBY AGREE THAT A REASONABLE ESTIMATE OF SUCH DAMAGES IS AN AMOUNT EQUAL TO THE DEPOSIT, AND IN THE EVENT THIS TRANSACTION FAILS TO CLOSE DUE TO BUYER'S DEFAULT UNDER THIS AGREEMENT, SELLER SHALL BE ENTITLED TO RECEIVE AND RETAIN THE ENTIRE DEPOSIT AS FULLY AGREED LIQUIDATED DAMAGES. SELLER WAIVES ANY AND ALL RIGHT TO SEEK OTHER RIGHTS OR REMEDIES AGAINST BUYER, INCLUDING, WITHOUT LIMITATION, SPECIFIC PERFORMANCE. THE PAYMENT AND RETENTION OF THE DEPOSIT AS LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY WITHIN THE MEANING OF CALIFORNIA CIVIL CODE SECTIONS 3275 OR 3369, BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLER PURSUANT TO CALIFORNIA CIVIL CODE SECTIONS 1671, 1676 AND 1677. SELLER HEREBY WAIVES THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 3389. UPON ANY SUCH BREACH OR DEFAULT BY BUYER HEREUNDER, THIS AGREEMENT SHALL BE TERMINATED AND NEITHER PARTY SHALL HAVE ANY FURTHER RIGHTS OR OBLIGATIONS TO EACH OTHER HEREUNDER, EXCEPT FOR THE RIGHT OF SELLER TO RETAIN SUCH LIQUIDATED DAMAGES, AND EXCEPT AS EXPRESSLY PROVIDED ABOVE. THE PARTIES AGREE THAT, UNDER THE CIRCUMSTANCES OF THIS TRANSACTION AND THE MARKETPLACE AT THE TIME HEREOF, THIS LIQUIDATED DAMAGES PROVISION IS REASONABLE AND IN ACCORDANCE WITH CALIFORNIA CIVIL CODE SECTION 1671.


SELLER'S INITIALS


BUYER'S INITIALS

d. Cure. Neither Seller nor Buyer shall be deemed to be in default hereunder unless the non-defaulting Party shall provide a written notice of any alleged default and the defaulting Party shall fail to cure such default within five (5) days of the delivery of such notice; provided, however, nothing set forth herein shall be deemed to grant any additional time or cure period to Buyer with respect to its obligations under either Sections 3(a), 3(c) or 10(b) hereof.

17. Condemnation Prior to Close of Escrow. If Seller becomes aware of any condemnation proceeding affecting the Property commenced prior to the Close of Escrow, Seller shall promptly notify Buyer of such condemnation proceeding. If any such proceeding relates to or may result in the loss of any portion of the Property, at Buyer's election, either (i) this Agreement shall continue in effect, without delay or abatement of the Purchase Price, and Buyer shall be entitled to any compensation, awards or other payments or relief resulting from such condemnation proceeding to the extent applicable to the Property, or (ii) Buyer may terminate this Agreement within ten (10) days after Buyer's receipt of notice of such condemnation, in which event Buyer shall be entitled to the return of the Deposit, minus the Independent Consideration, and the termination provisions of Section 11 above shall apply. Buyer's failure to provide such notification shall be deemed Buyer's election to terminate pursuant to clause (ii) above. The provisions of this Section 16 shall survive the Close of Escrow.

18. Real Estate Commission; Licensee Status. Seller's affiliate, Lewis Management Corp. ("LMC"), is licensed by the California Bureau of Real Estate ("CA BRE") under CA BRE Broker Lic. #01994759. Neither LMC nor Robert Martin (CA BRE Broker Lic. # 00963777) claims any commission

or finder's fee in connection with this transaction. Buyer and Seller both represent to each other that they did not use the services of any other real estate broker or person that may claim a commission or finder's fee with respect to this transaction. Each Party agrees to indemnify, defend, and hold the other harmless from any liability arising out of actions of the indemnifying Party that may be made against the other by any person, firm, or corporation for the payment of a commission or finder's fee in connection with this transaction.

19. **Assignment.** Buyer may not assign or transfer its rights or obligations under this Agreement without the prior written consent of Seller, which consent, except as provided below, may be withheld by Seller in its sole and absolute discretion, and which may be conditioned upon such terms and conditions as Seller may require in its sole and absolute discretion. Notwithstanding and without limiting the foregoing, no consent given by Seller to any transfer or assignment of Buyer's rights or obligations hereunder shall be deemed to release Buyer from any obligations hereunder by reason of such consent or transfer nor does such consent constitute a consent to any other transfer or assignment of Buyer's rights or obligations hereunder. No transfer or assignment in violation of the provisions hereof shall be valid or enforceable.

20. **Notices:** No notice, request, demand, instruction, or other document to be given hereunder to any Party shall be effective for any purpose unless personally delivered to the person at the appropriate address set forth below (in which event such notice shall be deemed effective only upon such delivery), delivered by air courier next-day delivery (e.g. Federal Express), delivered by mail, sent by registered or certified mail, return receipt requested, or sent via electronic mail (email), as follows:

If to Seller, to: Attn: Mr. Bryan Goodman
 and Mr. Tim McGinnis
 Fontana 37, LLC
 1156 N Mountain Avenue
 Upland, CA 91786
 P. O. Box 670
 Upland, CA 91785-0670
 Email: bryan.goodman@lewismc.com
 and tim.mcginnis@lewismc.com

With copy to: Attn: Jay Dupre, Esq.
 Lewis Management Corp.
 1156 N Mountain Avenue
 Upland, CA 91786
 P. O. Box 670
 Upland, CA 91785-0670
 Email: jj.dupre@lewismc.com

And to: Attn: Joseph M. Manisco, Esq.
Green Steel and Albrecht, LLP
19800 MacArthur Blvd., Suite 1000
Irvine, CA 92612-2433
Email: jmanisco@gsaattorneys.com

If to Buyer, to: Attn: Linda Jadeski
West Valley Water District
855 West Base Line Road
P.O. Box 920
Rialto, CA 92377
Email: ljadeski@wvwd.org

If to Escrow, to: Attn: Brenna Ryan
Commercial Escrow Officer
Fidelity National Title, National Commercial Services
4400 MacArthur Blvd., Suite 200
Newport Beach, CA 92660
Email: Brenna.Ryan@fnf.com

Notices delivered by air courier shall be deemed to have been given the next business day after deposit with the courier and notices mailed shall be deemed to have been given on the second day following deposit of same in any United States Post Office mailbox in the State to which the notice is addressed or on the third day following deposit in any such post office box other than in the State to which the notice is addressed, postage prepaid, addressed as set forth above. Notices sent via electronic mail (email) shall be deemed delivered the same business day transmitted. The addresses, addressees, and email addresses for the purpose of this Section, may be changed by giving written notice of such change in the manner herein provided for giving notice. Unless and until such written notice of change is received, the last address, addressee, and email address stated by written notice, or provided herein if no such written notice of change has been received, shall be deemed to continue in effect for all purposes hereunder. Delivery of a copy of a notice as set forth above is as an accommodation only and is not required to effectuate notice hereunder.

21. Required Actions of Buyer and Seller. Buyer and Seller shall execute all instruments and documents and take all other actions that may be reasonably required in order to consummate the purchase and sale contemplated herein, and shall use commercially reasonable efforts to accomplish the Close of Escrow in accordance with the provisions hereof.

22. Partial Invalidity. If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each such term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

23. Waivers. No failure or delay of either Party in the exercise of any right or remedy given to such Party hereunder or the waiver by any Party of any condition hereunder for its benefit (unless the time specified in this Agreement for exercise of such right or remedy has expired) shall constitute a waiver of any other or further right or remedy nor shall any single or partial exercise of any right or remedy preclude other or further exercise thereof or any other right or remedy. No waiver by either Party of any breach hereunder or failure or refusal by the other Party to comply with its obligations hereunder shall be deemed a waiver of any other or subsequent breach, failure or refusal to so comply.

24. **Attorney's Fees.** In the event of the bringing of any action or suit by either Party against the other by reason of any breach of any of the covenants, representations or warranties of the other Party under this Agreement, in addition to any damages or remedies to which the prevailing Party shall be entitled, the prevailing Party shall also have and recover from the other Party all costs and expenses of the action or suit, including, without limitation, actual attorneys' fees and other professional fees resulting therefrom.

25. **Entire Agreement; Amendment.** This Agreement (including all exhibits and schedules attached hereto) is the final expression of, and contains the entire agreement between, the Parties with respect to the subject matter hereof and supersedes all prior understandings with respect thereto. This Agreement may not be modified, changed, or supplemented, nor may any obligation hereunder be waived, except by written instrument signed by the Party to be charged or by its agent duly authorized in writing or as otherwise expressly permitted herein.

26. **Time of the Essence.** Time is of the essence with respect to each and every provision of this Agreement.

27. **Construction of Agreement.** Headings at the beginning of each section and subsection of this Agreement are solely for the convenience of the Parties and are not a part of this Agreement. Whenever required by the context of this Agreement, the singular shall include the plural and the masculine shall include the feminine and vice versa. This Agreement shall not be construed as if it had been prepared by one of the Parties, but rather as if both Parties had prepared the same. Unless otherwise indicated, all references to sections and subsections are to sections and subsections in this Agreement. All exhibits and schedules referred to in this Agreement are attached and incorporated by this reference.

28. **Third Parties.** Nothing in this Agreement, whether expressed or implied, is intended to confer any rights or remedies under or by reason of this Agreement upon any other person other than the Parties and their respective permitted successors and assigns, nor is anything in this Agreement intended to relieve or discharge the obligation or liability of any third persons to any Party to this Agreement, nor shall any provision give any third parties any right of subrogation or action over or against any Party to this Agreement. This Agreement is not intended to and does not create any third-party beneficiary rights whatsoever.

29. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same document. The Parties hereby acknowledge and agree that facsimile signatures or signatures transmitted electronically in portable document format (.pdf), by DocuSign (or any similar technology), by transmitted image file or such other comparable electronic format shall be legal and binding and shall have the same full force and effect as if an original of this Agreement had been delivered in hand, regardless of whether each such signature is signed or transmitted by the same or a different method or technology.

30. **Effectiveness.** In no event shall any draft of this Agreement create any obligation or liability, it being understood that this Agreement shall be effective and binding only when a counterpart hereof has been executed and delivered by each Party hereto. This Agreement supersedes any prior agreements, negotiations and communications, oral or written, and contains the entire agreement between Buyer and Seller as to the subject matter hereof. No subsequent agreement, representation or promise made by either Party hereto, or by or to an employee, officer, agent or representative of either Party, shall be of any effect unless it is in writing and executed by the Party to be bound thereby. The preparation and/or circulation of a draft of this Agreement are not intended by either of the Parties to constitute a binding agreement between them for the purchase or sale of the Property. The final form of this Agreement may or may not contain terms stated in any drafts of this Agreement, and/or may contain different terms and conditions not yet identified or discussed. Neither Party may rely on any drafts of this Agreement as binding

on either Party in any way. The Parties expressly agree that neither Party is bound to engage in negotiations, or, once engaged, to continue such negotiations, each Party reserving the right to terminate negotiations at any time and for any reason. Efforts by either Party to perform due diligence, arrange or obtain financing, or carry out other acts in contemplation of the possible purchase and sale of the Property shall not be deemed evidence of any intent by either Party to be bound by any letter of interest or similar document, or unexecuted and undelivered drafts of this Agreement. The performance by either Party before the mutual execution and delivery of the final, mutually agreed upon form of this Agreement of any of the rights or obligations that may be included in drafts of this Agreement shall not be considered evidence of subsequent intent by either Party to be bound by any letter of interest or drafts of this Agreement. In the event Buyer or Seller alleges that any unexecuted draft of this Agreement constitutes a binding agreement for the purchase or sale of the Property, or grants an interest in or claim to the Property, the alleging Party shall be liable for the legal fees and costs incurred as a result thereof.

31. Survival of Obligations. All of Buyer's and Seller's representations and warranties in this Agreement shall survive the Close of Escrow for a period of six (6) months. All other obligations of Seller or Buyer not expressly stated to survive the Close of Escrow or not stated in the exhibit documents to be delivered upon the Close of Escrow shall be deemed discharged upon the Close of Escrow and the recordation of the Grant Deed.

32. Limitations on Liability.

a. Notwithstanding anything to the contrary contained in this Agreement, Buyer agrees that the maximum amount of liability that Seller shall have under any circumstance for any and all surviving obligations under this Agreement (including, without limitation, any obligation arising out of any representation or warranty made by Seller in this Agreement and any liability under any instrument or document delivered by Seller at or in connection with the Close of Escrow) shall not exceed Fifteen Thousand Dollars (\$15,000.00) in the aggregate, and (y) Buyer shall in no event be entitled to seek punitive damages on account of any such surviving obligation of Seller under this Agreement or other Seller obligation arising out of an instrument or document delivered by Seller at or in connection with the Close of Escrow.

b. Except to the extent Seller is rendered insolvent as a result of distributions to its members, no shareholder, officer, employee or agent of Seller or any Seller's Related Parties shall have any personal liability, directly or indirectly, under or in connection with this Agreement or any agreement made or entered into under or pursuant to the provisions of this Agreement, or any amendment or amendments to any of the foregoing made at any time or times, heretofore or hereafter, and Buyer and its successors and assigns and, without limitation, all other persons and entities, shall look solely to Seller's interest in the Property (or, with respect to Claims for the return of the Deposit only, the Property or any other assets of Seller), for the payment of any claim or for any performance, and Buyer, on behalf of itself and its successors and assigns, hereby waives any and all such personal liability. No shareholder, officer, employee or agent (other than a general partner) of Buyer shall have any personal liability, directly or indirectly, under or in connection with this Agreement or any agreement made or entered into under or pursuant to the provisions of this Agreement, or any amendment or amendments to any of the foregoing made at any time or times, heretofore or hereafter.

This Section 31 shall survive the Close of Escrow or a termination of this Agreement.

33. Governing Law. The Parties expressly agree that this Agreement shall be governed by, interpreted under, and construed and enforced in accordance with the laws of the State of California.

34. **Computation of Time Periods; Pacific Time.** If the date upon which the Closing Date or any other date for performance or time period for performance provided for in this Agreement is or ends on a Saturday, Sunday or Federal, State of California legal holiday, then such date shall automatically be extended until the next day which is not a Saturday, Sunday or Federal or State of California legal holiday. The term "business days" when used in this Agreement is defined as days falling other than on a Saturday, Sunday or federal or State of California holiday. "Pacific Time" under this Agreement is defined as either Pacific Standard Time or Pacific Daylight Time, whichever may be applicable on the applicable date.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first above written.

SELLER: FONTANA 37, LLC,
a Delaware limited liability company

By: [Signature]
Name: BYRON GOODMAN
Title: AUTHORIZED AGENT

BUYER: WEST VALLEY WATER DISTRICT,
a public agency of the State of California

By: [Signature]
Name: Van Dew
Title: Acting General Manager

ESCROW HOLDER ACCEPTANCE

ESCROW HOLDER APPROVES THE ESCROW PROVISIONS AND SPECIFIC INSTRUCTIONS TO ESCROW HOLDER SET FORTH IN THE FOREGOING AGREEMENT AND AGREES TO ACT IN ACCORDANCE THEREWITH.

FIDELITY NATIONAL TITLE, NATIONAL COMMERCIAL SERVICES

By: _____
Brenna Ryan, Escrow Officer

Date: September __, 2021

LIST OF EXHIBITS

- Exhibit "A" Description of the Property
- Exhibit "B" Grant Deed
- Exhibit "C" Preliminary Report
- Exhibit "D" Federal Certificate of Withholding

EXHIBIT "A"Legal Description of the Property

THAT CERTAIN REAL PROPERTY SITUATED IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

THE REMAINDER LOT OF TRACT NO. 20018, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, FILED IN BOOK 357, PAGES 85 THROUGH 90 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM AN UNDIVIDED $\frac{1}{2}$ INTEREST IN OIL, GAS, AND OTHER HYDROCARBONS AND MINERALS NOW OR AT ANY TIME HEREAFTER SITUATED THEREIN AND THEREUNDER, WITHOUT THE RIGHT BY GRANTOR TO ENTER UPON THE SURFACE OF, IN, UNDER, AND ACROSS THE SAME, AND SUBSURFACE TO A DEPTH OF 500 FEET MEASURED IN A VERTICAL DIRECTION FROM THE EARTH SURFACE OF SAID LAND FOR THE EXPLORATION, DEVELOPMENT, EXTRACTION, OR REMOVAL OF ANY OIL, GAS, OR HYDROCARBONS OR MINERALS FOUND THEREIN, AS RESERVED IN THE DEED FROM CUCAMONGA WINERY, A CORPORATION, TO FRANK SINATRA, RECORDED MAY 16, 1956, IN BOOK 3939, PAGE 594 OF OFFICIAL RECORDS.

A PORTION OF APN: 1107-262-15

EXHIBIT "B"

Form of Grant Deed

[See Attached]

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL
THIS GRANT DEED AND ALL
TAX STATEMENTS TO:

FREE RECORDING

This instrument is for the benefit of the West Valley Water District and is entitled to be recorded without fee (Gov. Code §27383).

(Space Above For Recorder's Use)

GRANT DEED

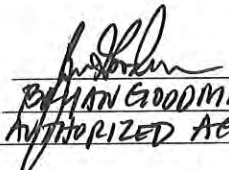
FOR VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged, FONTANA 37, LLC, a Delaware limited liability company ("**Grantor**"), hereby grants to the WEST VALLEY WATER DISTRICT, a public agency of the State of California ("**Grantee**"), all that certain real property situated in the City of Fontana, County of San Bernardino, State of California described on Exhibit "1" attached hereto and incorporated herein by reference, together with any and all improvements, easements, privileges and rights appurtenant thereto (collectively, the "**Property**").

This conveyance is made subject to (a) all non-delinquent real property taxes, (b) all non-delinquent special assessments, if any, (c) all matters of record, (d) all matters that would be revealed by an accurate survey of the Property, as of the date hereof and (e) the right of first refusal in favor of Grantor attached hereto as Exhibit "2".

IN WITNESS WHEREOF, Grantor has executed this Grant Deed as of _____, ~~2021~~
2022

GRANTOR:

FONTANA 37, LLC,
a Delaware limited liability company

By: 
Name: BYRAN GOODMAN
Title: AUTHORIZED AGENT

ACKNOWLEDGMENT

A notary public or other officer 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 San Bernardino

On July 12, 2022 before me, Stacie Marie Lopez, Notary Public
(insert name and title of the officer)

personally appeared Bryan Goodman,
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)

EXHIBIT "1"**Legal Description of the Property**

THAT CERTAIN REAL PROPERTY SITUATED IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

THE REMAINDER LOT OF TRACT NO. 20018, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, FILED IN BOOK 357, PAGES 85 THROUGH 90 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM AN UNDIVIDED $\frac{1}{2}$ INTEREST IN OIL, GAS, AND OTHER HYDROCARBONS AND MINERALS NOW OR AT ANY TIME HEREAFTER SITUATED THEREIN AND THEREUNDER, WITHOUT THE RIGHT BY GRANTOR TO ENTER UPON THE SURFACE OF, IN, UNDER, AND ACROSS THE SAME, AND SUBSURFACE TO A DEPTH OF 500 FEET MEASURED IN A VERTICAL DIRECTION FROM THE EARTH SURFACE OF SAID LAND FOR THE EXPLORATION, DEVELOPMENT, EXTRACTION, OR REMOVAL OF ANY OIL, GAS, OR HYDROCARBONS OR MINERALS FOUND THEREIN, AS RESERVED IN THE DEED FROM CUCAMONGA WINERY, A CORPORATION, TO FRANK SINATRA, RECORDED MAY 16, 1956, IN BOOK 3939, PAGE 594 OF OFFICIAL RECORDS.

A PORTION OF APN: 1107-262-15

EXHIBIT "2"**Right of First Refusal**

As a covenant that shall run with the Property until the first to occur of (i) the completion of construction and the commencement of the operation of a water well on the Property which provides water to the customers of Grantee or (ii) the date ten (10) years after the date of the recordation of this Grant Deed, Grantor shall have a right of first refusal to purchase any interest in the Property that Grantee proposes to sell ("**Proposed Transfer Interest**") on the terms set forth herein ("**Refusal Right**"). Any proposed sale, transfer, or other conveyance of the Proposed Transfer Interest by Grantee ("**Proposed Transfer**") shall not be made without Grantee first giving Grantor the "Proposed Transfer Notice" (defined below) and complying with the other applicable provisions herein.

1. Proposed Transfer Notice. If Grantee intends to make a Proposed Transfer, Grantee shall give Grantor written notice of the Proposed Transfer ("**Proposed Transfer Notice**") and Grantor and Grantee shall, for a period, not to exceed thirty (30) days ("**Negotiation Period**") endeavor to agree, in the sole and absolute discretion of each, upon the terms and provisions of Grantor's acquisition of the Proposed Transfer Interest. In the event that Grantor and Grantee fail to come to agreement with respect to Grantor's acquisition of the Proposed Transfer Interest within the Negotiation Period, Grantee shall, should it still desire to sell the Proposed Transfer Interest, use its best efforts to solicit in good faith third party arm's-length offers (each an "**Offer**" and collectively, the "**Offers**") for a period of sixty (60) days ("**Offering Period**"), for the cash purchase of the Proposed Transfer Interest. At the expiration of such Offering Period, Grantee shall forward true and correct copies of all Offers received by Grantee to Grantor along with written certification that the purchase price, terms and conditions referred to in the Offers have been arrived at through a good faith arm's-length solicitation. The highest and lowest purchase prices of such Offers shall be disregarded and the purchase prices of the remaining Offers shall be averaged, with the average purchase price being referred to as the "**ROFR Purchase Price**". In the event that notwithstanding its best efforts, only two (2) Offers are received by Grantee, the ROFR Purchase Price shall be the average of the two (2) Offers.

2. Grantor's Notice of Purchase. If, within fifteen (15) business days after receipt of the Offers and Grantee's written certification of good faith arm's-length negotiations ("**Election Period**"), Grantor elects to purchase the Proposed Transfer Interest for the ROFR Purchase Price by giving written notice to Grantee ("**Purchase Notice**"), Grantee and Grantor shall enter into a written agreement for the sale and conveyance of the Proposed Transfer Interest to Grantor which (i) provides for the ROFR Purchase Price as the purchase price of the Proposed Transfer Interest, (ii) includes reasonable representations and warranties as to the physical condition of and title to the Proposed Transfer Interest, (iii) provides for a feasibility and title review period of not less than thirty (30) days and a closing date of not less than sixty (60) days from the effective date of such agreement, (iv) provides for the conveyance of title to the Proposed Transfer Interest to Grantor pursuant to the provisions of the Grant Deed to which this Right of First Refusal is attached (without being subject to this Right of First Refusal), subject only to real property taxes and assessments for the then-current fiscal year and covenants, conditions, restrictions, reservations, easements and rights of record, as agreed to by Grantor and Grantee during the aforementioned title review period, and (v) includes such other terms and provisions as are reasonable and customary for the sale of interests in real property such as the Proposed Transfer Interest. If Grantor does not timely deliver its Purchase Notice, or if Grantor delivers to the Grantee written notification that it is electing not to exercise such Refusal Right, then the Grantee may complete the sale to any person or entity who has submitted an Offer free of Grantor's Refusal Right, but only on the same terms and conditions of such Offer, and only for the Proposed Transfer Interest and not more or less than the Proposed Transfer Interest.

3. Failure of Grantee to Complete Third-Party Sale. If the Grantee: (a) does not complete the sale of the Proposed Transfer Interest to the third-party whose Offer it elects to accept within one hundred eighty (180) days (“**Closing Period**”) after the expiration of the Election Period; or (b) intends to undertake the Proposed Transfer on terms and conditions which are changed or modified from those in Offer it has accepted, then such Proposed Transfer shall be treated as new Proposed Transfer to which the above provisions of this Section and Grantor’s Refusal Right shall once again apply.

4. Termination of Refusal Right. The Refusal Right shall terminate with respect to any particular Proposed Transfer and Proposed Transfer Interest if and only if Grantor does not exercise the Refusal Right within the Election Period and the Grantee thereafter completes the Proposed Transfer on the terms and conditions set forth in the Offer accepted by Grantee within the Closing Period. The Refusal Right shall remain in effect as to any interests in the Property not included in the Proposed Transfer Interest if any. Notwithstanding the foregoing, unless previously exercised, the Refusal Right in any event shall terminate and be of no further force or effect upon the first to occur of (i) the completion of construction and the commencement of the operation of a water well on the Property which provides water to the customers of Grantee or (ii) the date ten (10) years after the date of the recordation of this Grant Deed.

5. Recordation of Termination Documents. In the event of the termination of the Refusal Right, Grantor shall execute and deliver to Grantee for recordation in the Official Records of the County of San Bernardino a quitclaim deed wherein all of Grantee’s rights, title and interests in the Property are quitclaimed to Grantee.

EXHIBIT "C"

Preliminary Report

[Attached]

Fidelity National Title


BUILDER SERVICES

4210 Riverwalk Parkway, Suite 100
 Riverside, CA 92505
 Phone: (951) 710-5900
 Fax: (951) 710-5955

Issuing Policies of Fidelity National Title Insurance Company

Title Officer: Andrew Margo (BS-RIV)
 Escrow Officer: Builder Services OAC

Order No.: 989-30066394-A-BAM

TO:

Lewis Management Corp.
 1156 N. Mountain Avenue
 Upland, CA 91785

ATTN: **Ben Cendejas**
 YOUR REFERENCE:

PROPERTY ADDRESS: 5253 Lytle Creek Road, Fontana, CA

AMENDED PRELIMINARY REPORT

*In response to the application for a policy of title insurance referenced herein, **Fidelity National Title Company** hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a policy or policies of title insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an exception herein or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations or Conditions of said policy forms.*

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said policy or policies are set forth in Attachment One. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Attachment One. Copies of the policy forms should be read. They are available from the office which issued this report.

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

The policy(s) of title insurance to be issued hereunder will be policy(s) of Fidelity National Title Insurance Company, a Florida Corporation.

Please read the exceptions shown or referred to herein and the exceptions and exclusions set forth in Attachment One of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.

It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects and encumbrances affecting title to the land.

Countersigned by:

Authorized Signature

Fidelity National Title

**BUILDER SERVICES**

4210 Riverwalk Parkway, Suite 100
Riverside, CA 92505
Phone: (951) 710-5900
Fax: (951) 710-5955

AMENDED PRELIMINARY REPORT

EFFECTIVE DATE: August 18, 2021 at 7:30 a.m., Amended: August 27, 2021, Amendment No. A

ORDER NO.: 989-30066394-A-BAM

The form of policy or policies of title insurance contemplated by this report is:

ALTA Standard Owners Policy (6-17-06)

1. THE ESTATE OR INTEREST IN THE LAND HEREINAFTER DESCRIBED OR REFERRED TO COVERED BY THIS REPORT IS:

A FEE

2. TITLE TO SAID ESTATE OR INTEREST AT THE DATE HEREOF IS VESTED IN:

FONTANA 37, LLC, a Delaware limited liability company

3. THE LAND REFERRED TO IN THIS REPORT IS DESCRIBED AS FOLLOWS:

See Exhibit A attached hereto and made a part hereof.

PRELIMINARY REPORT
Your Reference:

Fidelity National Title Company
Order No.: 989-30066394-A-BAM

EXHIBIT A LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF FONTANA IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

THE REMAINDER LOT OF TRACT NO. 20018, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, FILED IN BOOK 357, PAGES 85 THROUGH 90 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM AN UNDIVIDED $\frac{1}{2}$ INTEREST IN OIL, GAS, AND OTHER HYDROCARBONS AND MINERALS NOW OR AT ANY TIME HEREAFTER SITUATED THEREIN AND THEREUNDER, WITHOUT THE RIGHT BY GRANTOR TO ENTER UPON THE SURFACE OF, IN, UNDER, AND ACROSS THE SAME, AND SUBSURFACE TO A DEPTH OF 500 FEET MEASURED IN A VERTICAL DIRECTION FROM THE EARTH SURFACE OF SAID LAND FOR THE EXPLORATION, DEVELOPMENT, EXTRACTION, OR REMOVAL OF ANY OIL, GAS, OR HYDROCARBONS OR MINERALS FOUND THEREIN, AS RESERVED IN THE DEED FROM CUCAMONGA WINERY, A CORPORATION, TO FRANK SINATRA, RECORDED MAY 16, 1956, IN BOOK 3939, PAGE 594 OF OFFICIAL RECORDS.

A PORTION OF APN: 1107-262-15

PRELIMINARY REPORT
Your Reference:

Fidelity National Title Company
Order No.: 989-30066394-A-BAM

EXCEPTIONS

AT THE DATE HEREOF, ITEMS TO BE CONSIDERED AND EXCEPTIONS TO COVERAGE IN ADDITION TO THE PRINTED EXCEPTIONS AND EXCLUSIONS IN SAID POLICY FORM WOULD BE AS FOLLOWS:

A. Property taxes, which are a lien not yet due and payable, including any assessments collected with taxes to be levied for the fiscal year 2021-2022.

B. The lien of supplemental or escaped assessments of property taxes, if any, made pursuant to the provisions of Chapter 3.5 (commencing with Section 75) or Part 2, Chapter 3, Articles 3 and 4, respectively, of the Revenue and Taxation Code of the State of California as a result of the transfer of title to the vestee named in Schedule A or as a result of changes in ownership or new construction occurring prior to Date of Policy.

1. Water rights, claims or title to water, whether or not disclosed by the public records.

2. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: D.G. Scofield
Purpose: Pipeline for the conveyance of water
Recording Date: July 30, 1888
Recording No: Book 80, Page 226, of Deeds

The exact location and extent of said easement is not disclosed of record.

3. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: L.H. Akars
Purpose: Pipeline
Recording No: Book B, Page 453, of Water Records

The exact location and extent of said easement is not disclosed of record.

4. The Land described herein is included within a project area of the Redevelopment Agency shown below, and that proceedings for the redevelopment of said project have been instituted under the Redevelopment Law (such redevelopment to proceed only after the adoption of the Redevelopment Plan) as disclosed by a document.

Redevelopment Agency: Fontana Redevelopment Agency
Recording Date: December 28, 1982
Recording No: 82-259093, Official Records

5. A deed of trust to secure an indebtedness in the amount shown below,

Amount: \$Not Set Out
Dated: July 15, 2020
Trustor/Grantor: Fontana 37, LLC, a Delaware limited liability company
Trustee: Fidelity National Title Company
Beneficiary: D.R. Horton Los Angeles Holding Company, Inc
Recording Date: July 20, 2020
Recording No: 2020-0258176, Official Records

PRELIMINARY REPORT
Your Reference:

Fidelity National Title Company
Order No.: 989-30066394-A-BAM

**EXCEPTIONS
(Continued)**

6. Matters contained in that certain document

Entitled: Development Agreement
Dated: June 23, 2020
Executed by: The City of Fontana, a California municipal corporation and general law city and
Fontana 37, LLC, a Delaware limited liability company
Recording Date: October 27, 2020
Recording No: 2020-0413589, Official Records

Reference is hereby made to said document for full particulars.

7. Any rights of the parties in possession of a portion of, or all of, said Land, which rights are not disclosed by the public records.

The Company will require, for review, a full and complete copy of any unrecorded agreement, contract, license and/or lease, together with all supplements, assignments and amendments thereto, before issuing any policy of title insurance without excepting this item from coverage.

The Company reserves the right to except additional items and/or make additional requirements after reviewing said documents.

8. Matters which may be disclosed by an inspection and/or by a correct ALTA/NSPS Land Title Survey of said Land that is satisfactory to the Company, and/or by inquiry of the parties in possession thereof.

PLEASE REFER TO THE "INFORMATIONAL NOTES" AND "REQUIREMENTS" SECTIONS WHICH FOLLOW FOR INFORMATION NECESSARY TO COMPLETE THIS TRANSACTION.

END OF EXCEPTIONS

REQUIREMENTS SECTION

1. The Company will require the following documents for review prior to the issuance of any title insurance predicated upon a conveyance or encumbrance from the entity named below:

Limited Liability Company: Fontana 37, LLC, a Delaware limited liability company

- a) A copy of its operating agreement, if any, and all amendments, supplements and/or modifications thereto, certified by the appropriate manager or member.
 - b) If a domestic Limited Liability Company, a copy of its Articles of Organization and all amendments thereto with the appropriate filing stamps.
 - c) If the Limited Liability Company is member-managed, a full and complete current list of members certified by the appropriate manager or member.
 - d) A current dated certificate of good standing from the proper governmental authority of the state in which the entity is currently domiciled.
 - e) If less than all members, or managers, as appropriate, will be executing the closing documents, furnish evidence of the authority of those signing.
 - f) If Limited Liability Company is a Single Member Entity, a Statement of Information for the Single Member will be required.
 - g) Each member and manager of the LLC without an Operating Agreement must execute in the presence of a notary public the Certificate of California LLC (Without an Operating Agreement) Status and Authority form.
2. Unrecorded matters which may be disclosed by an Owner's Affidavit or Declaration. A form of the Owner's Affidavit/Declaration is attached to this Preliminary Report/Commitment. This Affidavit/Declaration is to be completed by the record owner of the land and submitted for review prior to the closing of this transaction. Your prompt attention to this requirement will help avoid delays in the closing of this transaction. Thank you.

The Company reserves the right to add additional items or make further requirements after review of the requested Affidavit/Declaration.

END OF REQUIREMENTS

INFORMATIONAL NOTES SECTION

1. Note: Property taxes, including any personal property taxes and any assessments collected with taxes, are paid. For proration purposes the amounts were:

Tax Identification No.:	1107-262-15-0-000
Fiscal Year:	2020-2021
1st Installment:	\$68,348.28
2nd Installment:	\$68,348.25
Exemption:	\$0.00
Code Area:	010-071

2. None of the items shown in this report will cause the Company to decline to attach CLTA Endorsement Form 100 to an Extended Coverage Loan Policy, when issued.
3. Note: The policy of title insurance will include an arbitration provision. The Company or the insured may demand arbitration. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the insured arising out of or relating to this policy, any service of the Company in connection with its issuance or the breach of a policy provision or other obligation. Please ask your escrow or title officer for a sample copy of the policy to be issued if you wish to review the arbitration provisions and any other provisions pertaining to your Title Insurance coverage.
4. Notice: Please be aware that due to the conflict between federal and state laws concerning the cultivation, distribution, manufacture or sale of marijuana, the Company is not able to close or insure any transaction involving Land that is associated with these activities.
5. Pursuant to Government Code Section 27388.1, as amended and effective as of 1-1-2018, a Documentary Transfer Tax (DTT) Affidavit may be required to be completed and submitted with each document when DTT is being paid or when an exemption is being claimed from paying the tax. If a governmental agency is a party to the document, the form will not be required. DTT Affidavits may be available at a Tax Assessor-County Clerk-Recorder.
6. Note: The only conveyance(s) affecting said Land, which recorded within 24 months of the date of this report, are as follows:

Grantor:	Lewis Investment Company, LLC, a Delaware limited liability company
Grantee:	Fontana 37, LLC, a Delaware limited liability company
Recording Date:	July 07, 2020
Recording No:	<u>2020-0226202, Official Records</u>

and Re-Recording Date:	July 10, 2020
and Re-Recording No:	<u>2020-0230771, Official Records</u>
Reason:	To correct the name of the Grantor erroneously listed as a Delaware Limited Liability Company

END OF INFORMATIONAL NOTES

Andrew Margo (BS-RIV)/en



Inquire before you wire!

Wire Fraud Alert

This Notice is not intended to provide legal or professional advice. If you have any questions, please consult with a lawyer.

All parties to a real estate transaction are targets for wire fraud and many have lost hundreds of thousands of dollars because they simply relied on the wire instructions received via email, without further verification. **If funds are to be wired in conjunction with this real estate transaction, we strongly recommend verbal verification of wire instructions through a known, trusted phone number prior to sending funds.**

In addition, the following non-exclusive self-protection strategies are recommended to minimize exposure to possible wire fraud.

- **NEVER RELY** on emails purporting to change wire instructions. Parties to a transaction rarely change wire instructions in the course of a transaction.
- **ALWAYS VERIFY** wire instructions, specifically the ABA routing number and account number, by calling the party who sent the instructions to you. **DO NOT** use the phone number provided in the email containing the instructions, use phone numbers you have called before or can otherwise verify. **Obtain the phone number of relevant parties to the transaction as soon as an escrow account is opened.** **DO NOT** send an email to verify as the email address may be incorrect or the email may be intercepted by the fraudster.
- **USE COMPLEX EMAIL PASSWORDS** that employ a combination of mixed case, numbers, and symbols. Make your passwords greater than eight (8) characters. Also, change your password often and do **NOT** reuse the same password for other online accounts.
- **USE MULTI-FACTOR AUTHENTICATION** for email accounts. Your email provider or IT staff may have specific instructions on how to implement this feature.

For more information on wire-fraud scams or to report an incident, please refer to the following links:

Federal Bureau of Investigation:
<http://www.fbi.gov>

Internet Crime Complaint Center:
<http://www.ic3.gov>

Fidelity National Title



BUILDER SERVICES

4210 Riverwalk Parkway, Suite 100
Riverside, CA 92505
Phone: (951) 710-5900
Fax: (951) 710-5955

Notice of Available Discounts

Pursuant to Section 2355.3 in Title 10 of the California Code of Regulations Fidelity National Financial, Inc. and its subsidiaries ("FNF") must deliver a notice of each discount available under our current rate filing along with the delivery of escrow instructions, a preliminary report or commitment. Please be aware that the provision of this notice does not constitute a waiver of the consumer's right to be charged the filed rate. As such, your transaction may not qualify for the below discounts.

You are encouraged to discuss the applicability of one or more of the below discounts with a Company representative. These discounts are generally described below; consult the rate manual for a full description of the terms, conditions and requirements for such discount. These discounts only apply to transactions involving services rendered by the FNF Family of Companies. This notice only applies to transactions involving property improved with a one-to-four family residential dwelling.

Not all discounts are offered by every FNF Company. The discount will only be applicable to the FNF Company as indicated by the named discount.

FNF Underwritten Title Company

CTC – Chicago Title company
CLTC – Commonwealth Land Title Company
FNTC – Fidelity National Title Company of California
FNTCCA - Fidelity National Title Company of California
TICOR – Tigor Title Company of California
LTC – Lawyer's Title Company
SLTC – ServiceLink Title Company

Underwritten by FNF Underwriters

CTIC – Chicago Title Insurance Company
CLTIC - Commonwealth Land Title Insurance Company
FNTIC – Fidelity National Title Insurance Company
FNTIC - Fidelity National Title Insurance Company
CTIC – Chicago Title Insurance Company
CLTIC – Commonwealth Land Title Insurance Company
CTIC – Chicago Title Insurance Company

Available Discounts

DISASTER LOANS (CTIC, CLTIC, FNTIC)

The charge for a Lender's Policy (Standard or Extended coverage) covering the financing or refinancing by an owner of record, within twenty-four (24) months of the date of a declaration of a disaster area by the government of the United States or the State of California on any land located in said area, which was partially or totally destroyed in the disaster, will be fifty percent (50%) of the appropriate title insurance rate.

CHURCHES OR CHARITABLE NON-PROFIT ORGANIZATIONS (CTIC, FNTIC)

On properties used as a church or for charitable purposes within the scope of the normal activities of such entities, provided said charge is normally the church's obligation the charge for an owner's policy shall be fifty percent (50%) to seventy percent (70%) of the appropriate title insurance rate, depending on the type of coverage selected. The charge for a lender's policy shall be forty (40%) to fifty percent (50%) of the appropriate title insurance rate, depending on the type of coverage selected.

FIDELITY NATIONAL FINANCIAL, INC. PRIVACY NOTICE

Effective January 1, 2021

Fidelity National Financial, Inc. and its majority-owned subsidiary companies (collectively, "FNF," "our," or "we") respect and are committed to protecting your privacy. This Privacy Notice explains how we collect, use, and protect personal information, when and to whom we disclose such information, and the choices you have about the use and disclosure of that information.

A limited number of FNF subsidiaries have their own privacy notices. If a subsidiary has its own privacy notice, the privacy notice will be available on the subsidiary's website and this Privacy Notice does not apply.

Collection of Personal Information

FNF may collect the following categories of Personal Information:

- contact information (e.g., name, address, phone number, email address);
- demographic information (e.g., date of birth, gender, marital status);
- identity information (e.g. Social Security Number, driver's license, passport, or other government ID number);
- financial account information (e.g. loan or bank account information); and
- other personal information necessary to provide products or services to you.

We may collect Personal Information about you from:

- information we receive from you or your agent;
- information about your transactions with FNF, our affiliates, or others; and
- information we receive from consumer reporting agencies and/or governmental entities, either directly from these entities or through others.

Collection of Browsing Information

FNF automatically collects the following types of Browsing Information when you access an FNF website, online service, or application (each an "FNF Website") from your Internet browser, computer, and/or device:

- Internet Protocol (IP) address and operating system;
- browser version, language, and type;
- domain name system requests; and
- browsing history on the FNF Website, such as date and time of your visit to the FNF Website and visits to the pages within the FNF Website.

Like most websites, our servers automatically log each visitor to the FNF Website and may collect the Browsing Information described above. We use Browsing Information for system administration, troubleshooting, fraud investigation, and to improve our websites. Browsing Information generally does not reveal anything personal about you, though if you have created a user account for an FNF Website and are logged into that account, the FNF Website may be able to link certain browsing activity to your user account.

Other Online Specifics

Cookies. When you visit an FNF Website, a "cookie" may be sent to your computer. A cookie is a small piece of data that is sent to your Internet browser from a web server and stored on your computer's hard drive. Information gathered using cookies helps us improve your user experience. For example, a cookie can help the website load properly or can customize the display page based on your browser type and user preferences. You can choose whether or not to accept cookies by changing your Internet browser settings. Be aware that doing so may impair or limit some functionality of the FNF Website.

Web Beacons. We use web beacons to determine when and how many times a page has been viewed. This information is used to improve our websites.

Do Not Track. Currently our FNF Websites do not respond to "Do Not Track" features enabled through your browser.

Links to Other Sites. FNF Websites may contain links to unaffiliated third-party websites. FNF is not responsible for the privacy practices or content of those websites. We recommend that you read the privacy policy of every website you visit.

Use of Personal Information

FNF uses Personal Information for three main purposes:

- To provide products and services to you or in connection with a transaction involving you.
- To improve our products and services.
- To communicate with you about our, our affiliates', and others' products and services, jointly or independently.

When Information Is Disclosed

We may disclose your Personal Information and Browsing Information in the following circumstances:

- to enable us to detect or prevent criminal activity, fraud, material misrepresentation, or nondisclosure;
- to nonaffiliated service providers who provide or perform services or functions on our behalf and who agree to use the information only to provide such services or functions;

- to nonaffiliated third party service providers with whom we perform joint marketing, pursuant to an agreement with them to jointly market financial products or services to you;
- to law enforcement or authorities in connection with an investigation, or in response to a subpoena or court order; or
- in the good-faith belief that such disclosure is necessary to comply with legal process or applicable laws, or to protect the rights, property, or safety of FNF, its customers, or the public.

The law does not require your prior authorization and does not allow you to restrict the disclosures described above. Additionally, we may disclose your information to third parties for whom you have given us authorization or consent to make such disclosure. We do not otherwise share your Personal Information or Browsing Information with nonaffiliated third parties, except as required or permitted by law. We may share your Personal Information with affiliates (other companies owned by FNF) to directly market to you. Please see "Choices with Your Information" to learn how to restrict that sharing.

We reserve the right to transfer your Personal Information, Browsing Information, and any other information, in connection with the sale or other disposition of all or part of the FNF business and/or assets, or in the event of bankruptcy, reorganization, insolvency, receivership, or an assignment for the benefit of creditors. By submitting Personal Information and/or Browsing Information to FNF, you expressly agree and consent to the use and/or transfer of the foregoing information in connection with any of the above described proceedings.

Security of Your Information

We maintain physical, electronic, and procedural safeguards to protect your Personal Information.

Choices With Your Information

If you do not want FNF to share your information among our affiliates to directly market to you, you may send an "opt out" request as directed at the end of this Privacy Notice. We do not share your Personal Information with nonaffiliates for their use to direct market to you without your consent.

Whether you submit Personal Information or Browsing Information to FNF is entirely up to you. If you decide not to submit Personal Information or Browsing Information, FNF may not be able to provide certain services or products to you.

For California Residents: We will not share your Personal Information or Browsing Information with nonaffiliated third parties, except as permitted by California law. For additional information about your California privacy rights, please visit the "California Privacy" link on our website (<https://fnf.com/pages/californiaprivacy.aspx>) or call (888) 413-1748.

For Nevada Residents: You may be placed on our internal Do Not Call List by calling (888) 934-3354 or by contacting us via the information set forth at the end of this Privacy Notice. Nevada law requires that we also provide you with the following contact information: Bureau of Consumer Protection, Office of the Nevada Attorney General, 555 E. Washington St., Suite 3900, Las Vegas, NV 89101; Phone number: (702) 486-3132; email: BCPINFO@ag.state.nv.us.

For Oregon Residents: We will not share your Personal Information or Browsing Information with nonaffiliated third parties for marketing purposes, except after you have been informed by us of such sharing and had an opportunity to indicate that you do not want a disclosure made for marketing purposes.

For Vermont Residents: We will not disclose information about your creditworthiness to our affiliates and will not disclose your personal information, financial information, credit report, or health information to nonaffiliated third parties to market to you, other than as permitted by Vermont law, unless you authorize us to make those disclosures.

Information From Children

The FNF Websites are not intended or designed to attract persons under the age of eighteen (18). We do not collect Personal Information from any person that we know to be under the age of thirteen (13) without permission from a parent or guardian.

International Users

FNF's headquarters is located within the United States. If you reside outside the United States and choose to provide Personal Information or Browsing Information to us, please note that we may transfer that information outside of your country of residence. By providing FNF with your Personal Information and/or Browsing Information, you consent to our collection, transfer, and use of such information in accordance with this Privacy Notice.

FNF Website Services for Mortgage Loans

Certain FNF companies provide services to mortgage loan servicers, including hosting websites that collect customer information on behalf of mortgage loan servicers (the "Service Websites"). The Service Websites may contain links to both this Privacy Notice and the mortgage loan servicer or lender's privacy notice. The sections of this Privacy Notice titled When Information is Disclosed, Choices with Your Information, and Accessing and Correcting Information do not apply to the Service Websites. The mortgage loan servicer or lender's privacy notice governs use, disclosure, and access to your Personal Information. FNF does not share Personal Information collected through the Service Websites, except as required or authorized by contract with the mortgage loan servicer or lender, or as required by law or in the good-faith belief that such disclosure is necessary: to comply with a legal process or applicable law, to enforce this Privacy Notice, or to protect the rights, property, or safety of FNF or the public.

Your Consent To This Privacy Notice; Notice Changes; Use of Comments or Feedback

By submitting Personal Information and/or Browsing Information to FNF, you consent to the collection and use of the information in accordance with this Privacy Notice. We may change this Privacy Notice at any time. The Privacy Notice's effective date will show the last date changes were made. If you provide information to us following any change of the Privacy Notice, that signifies your assent to and acceptance of the changes to the Privacy Notice.

Accessing and Correcting Information; Contact Us

If you have questions, would like to correct your Personal Information, or want to opt-out of information sharing for affiliate marketing, visit FNF's [Opt Out Page](#) or contact us by phone at (888) 934-3354 or by mail to:

Fidelity National Financial, Inc.
601 Riverside Avenue
Jacksonville, Florida 32204
Attn: Chief Privacy Officer

ATTACHMENT ONE (Revised 05-06-16)

CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE POLICY – 1990

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building or zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien, or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
 - (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
 - (c) resulting in no loss or damage to the insured claimant;
 - (d) attaching or created subsequent to Date of Policy; or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate of interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART I

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE (12-02-13) ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE

EXCLUSIONS

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of those portions of any law or government regulation concerning:
 - a. building;
 - b. zoning;
 - c. land use;
 - d. improvements on the Land;
 - e. land division; and
 - f. environmental protection.

This Exclusion does not limit the coverage described in Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23 or 27.
2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.
3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.
4. Risks:
 - a. that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records;
 - b. that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date;

- c. that result in no loss to You; or
 - d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.e., 25, 26, 27 or 28.
5. Failure to pay value for Your Title.
 6. Lack of a right:
 - a. to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
 - b. in streets, alleys, or waterways that touch the Land.
 This Exclusion does not limit the coverage described in Covered Risk 11 or 21.
 7. The transfer of the Title to You is invalid as a preferential transfer or as a fraudulent transfer or conveyance under federal bankruptcy, state insolvency, or similar creditors' rights laws.
 8. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
 9. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

- For Covered Risk 16, 18, 19, and 21 Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

	Your Deductible Amount	Our Maximum Dollar Limit of Liability
Covered Risk 16:	1.00% of Policy Amount Shown in Schedule A or \$2,500.00 (whichever is less)	\$ 10,000.00
Covered Risk 18:	1.00% of Policy Amount Shown in Schedule A or \$5,000.00 (whichever is less)	\$ 25,000.00
Covered Risk 19:	1.00% of Policy Amount Shown in Schedule A or \$5,000.00 (whichever is less)	\$ 25,000.00
Covered Risk 21:	1.00% of Policy Amount Shown in Schedule A or \$2,500.00 (whichever is less)	\$ 5,000.00

2006 ALTA LOAN POLICY (06-17-06)

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;
 or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13 or 14); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

{Except as provided in Schedule B - Part II, { (or T) }his policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees or expenses, that arise by reason of:

{PART I

{The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.}

PART II

In addition to the matters set forth in Part I of this Schedule, the Title is subject to the following matters, and the Company insures against loss or damage sustained in the event that they are not subordinate to the lien of the Insured Mortgage:}

2006 ALTA OWNER'S POLICY (06-17-06)**EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;
 or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
 - (a) a fraudulent conveyance or fraudulent transfer; or
 - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees or expenses, that arise by reason of:
 {The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown in the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and that are not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records. }
7. {Variable exceptions such as taxes, easements, CC&R's, etc. shown here.}

ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY – ASSESSMENTS PRIORITY (04-02-15)

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;
 or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, or any consumer credit protection or truth-in-lending law. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.
6. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to Advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.
8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.
9. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 27(b) of this policy.
10. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
11. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

1987 MAP 15 FOR THE PURPOSE OF ASSESSING 1/4 SECTION 24, T.1N., R.6W., S.B.B.&M.



This map was prepared by the City of Fontana, California, for the purpose of assessing the lands shown hereon for the purpose of levying taxes thereon. The City of Fontana is not responsible for any errors or omissions in this map. The City of Fontana is not responsible for any errors or omissions in this map.

Ptn. E.1/2 Sec.23 & Sec.24, T.1N.,R.6W., S.B.B.&M. City of Fontana Etiwanda & Fontana Outside 1107 - 26

0226 Tax Rota Area 10021,10208,10209,10210, 10063,10071



September 2005 RM

Assessor's Map 26 Book 1007 Page 26 San Bernardino County

**FIRST AMENDMENT TO PURCHASE AND
SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS**

This First Amendment to Purchase and Sale Agreement and Joint Escrow Instructions (this "**Amendment**"), dated as of June 16, 2022 (the "**Amendment Date**"), is entered into by and between FONTANA 37, LLC, a Delaware limited liability company ("**Seller**"), and WEST VALLEY WATER DISTRICT, a public agency of the State of California ("**Buyer**").

RECITALS:

A. Seller and Buyer entered into that certain Purchase and Sale of Real Property and Joint Escrow Instructions dated as of August 5, 2021 (the "**Agreement**"), with respect to the sale by Seller to Buyer of certain real property situated in the City of Fontana, County of San Bernardino, State of California, as more particularly described in the Agreement. Capitalized terms used herein without definition shall have the respective meanings ascribed to such terms in the Agreement.

B. Seller and Buyer now desire to amend the Agreement to (i) extend the Closing Date as set forth below and (ii) to add conditions to the Close of Escrow and covenants of Buyer and Seller, as more particularly set forth herein.

NOW THEREFORE, in consideration of the foregoing recitals, and the mutual covenants contained herein, the receipt and sufficiency of which are hereby acknowledged, Buyer and Seller hereby agree to amend the Agreement as follows:

1. Closing Date. The last sentence of Section 4 of the Agreement is hereby deleted in its entirety and replaced with the following:

"Escrow shall close (the "**Closing Date**") on or before the date that is the first to occur of (i) February 12, 2023 or the satisfaction of the conditions set forth in the following Sections 2 and 3 of this Amendment below."

2. Additional Buyer Conditions to Close of Escrow. The following conditions are added to Section 10.a of the Agreement:

"v. Buyer shall have obtained an easement for ingress and egress to and from the Property on and over the adjacent real property owned by the Metropolitan Water District of Southern California ("**Access Easement**"); and

"vi Parcel Map No. 20530, which will create a legal parcel for the Property and a legal parcel for the road from Parry Peak Drive to the Property, shall have been approved by the City and recorded in the Official Records ("**Parcel Map**")."

3. Additional Seller Condition to Close of Escrow. The following condition is added to Section 10.b of the Agreement:

"v. The Parcel Map shall have been approved by the City and recorded in the Official Records."

4. Failure of Conditions. In the event that any condition to the Close of Escrow is not satisfied or capable of being satisfied prior to the Closing Date, the Party in whose favor the condition exists may either waive such condition and proceed with the Close of Escrow by delivering written notice thereof to the other Party and to Escrow holder at least three (3) business days prior to the Closing Date or terminate this Agreement, in which event the Deposit shall be returned by Escrow Holder to Buyer, less any escrow cancellation charges, if applicable, and except for those obligations which expressly survive the termination of this Agreement, neither Party shall have any further obligations hereunder. The failure of such Party to deliver written notification of the waiver of a condition as set forth above shall be deemed to constitute its election to terminate this Agreement.

5. Additional Covenants. The following additional covenants are added to the Agreement:

“a. At all times after the Amendment Date, Buyer shall use commercially reasonable efforts to obtain the Access Easement.

b. At all times after the Amendment Date, Seller shall use commercially reasonable efforts to obtain the City’s approval of and the recordation of the Parcel Map.”

6. Miscellaneous.

6.1 Agreement Unmodified. Except as modified by this Amendment, all of the terms, covenants, conditions and provisions of the Agreement shall remain and continue unmodified, in full force and effect. From and after the date hereof, the term “this Agreement” shall be deemed to refer to the Agreement, as amended by this Amendment. If and to the extent that any of the provisions of this Amendment conflict or are otherwise inconsistent with any provisions of the Agreement, the provisions of this Amendment shall prevail.

6.2 Entire Agreement. This Amendment, together with the Agreement, contains the entire agreement between Seller and Buyer with respect to the matters stated herein. This Amendment cannot be changed in any manner except by a written agreement signed by Seller and Buyer.

6.3 Governing Law. This Amendment shall be construed and enforced in accordance with the Laws of the State of California.

6.4 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same document. The parties hereby acknowledge and agree that signatures transmitted electronically in portable document format (.pdf), by DocuSign (or any similar technology), by transmitted image file or such other comparable electronic format shall be legal and binding and shall have the same full force and effect as if an original of this Amendment had been delivered in hand, regardless of whether each such signature is signed or transmitted by the same or a different method or technology.

SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, the Parties have executed this Amendment as of the Amendment Date first above written.

SELLER:

FONTANA 37, LLC
a Delaware limited liability company

By: [Signature]
Name: BRYAN GOODMAN
Title: AUTHORIZED AGENT

BUYER:

WEST VALLEY WATER DISTRICT,
a public agency of the State of California

By: [Signature] 6/20/22
Name: Van Jew
Its: Acting General Manager

SECOND AMENDMENT TO PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS

This Second Amendment to Purchase and Sale Agreement and Joint Escrow Instructions (this “*Amendment*”), dated as of February 9, 2023 (the “*Amendment Date*”), and is entered into by and between FONTANA 37, LLC, a Delaware limited liability company (“*Seller*”), and WEST VALLEY WATER DISTRICT, a public agency of the State of California (“*Buyer*”).

RECITALS:

A. Seller and Buyer entered into that certain Purchase and Sale of Real Property and Joint Escrow Instructions dated as of August 10, 2022, as amended by that certain First Amendment to Purchase and Sale Agreement and Joint Escrow Instructions dated August 10, 2022 (“**First Amendment**”) (collectively, the “**Agreement**”), with respect to sale by Seller to Buyer of certain real property situated in the City of Fontana, County of San Bernardino, State of California, as more particularly described in the Agreement. Capitalized terms used herein without definition shall have the respective meanings ascribed to such terms in the Agreement.

B. Seller and Buyer now desire to amend the Agreement to extend the Closing Date from February 12, 2023 to May 12, 2023.

NOW THEREFORE, in consideration of the foregoing recitals, and the mutual covenants contained herein, the receipt and sufficiency of which are hereby acknowledged, Buyer and Seller hereby agree to amend the Agreement as follows:

1. Closing Date. The last sentence of Section 4 of the Agreement is hereby deleted in its entirety and replaced with the following:

“Escrow shall close (the “*Closing Date*”) on or before the date that is the earlier of (i) May 12, 2023, or (ii) five (5) business days after the satisfaction of the conditions set forth in Sections 10(a)(v) and 10(a)(vi) of the Agreement.”

2. Miscellaneous.

2.1 Agreement Unmodified. Except as modified by this Amendment, all of the terms, covenants, conditions and provisions of the Agreement shall remain and continue unmodified, in full force and effect.

2.2 Entire Agreement. This Amendment, together with the Agreement, contains the entire agreement between Seller and Buyer with respect to the matters stated herein. This Amendment cannot be changed in any manner except by a written agreement signed by Seller and Buyer.

2.3 Governing Law. This Amendment shall be construed and enforced in accordance with the Laws of the State of California.

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

document. The parties hereby acknowledge and agree that signatures transmitted electronically in portable document format (.pdf), by DocuSign (or any similar technology), by transmitted image file or such other comparable electronic format shall be legal and binding and shall have the same full force and effect as if an original of this Amendment had been delivered in hand, regardless of whether each such signature is signed or transmitted by the same or a different method or technology.

SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, the Parties have executed this Amendment as of the date first above written.

SELLER:

FONTANA 37, LLC
a Delaware limited liability company

By: Lewis Management Corp.
a Delaware corporation

DocuSigned by:
Bryan Goodman
By: _____
Name: Bryan I. Goodman
Title: EVP/Development

BUYER:

WEST VALLEY WATER DISTRICT,
a public agency of the State of California

DocuSigned by:
Van Jew
By: _____
Name: Van Jew
Its: Acting General Manager

WBF:aa Z:\Legal\PROJECT DEV - CALIFORNIA\Fontana - Frome Property G2371\Sale to West Valley Water District G2371.2\Drafts\Second Amendment to PSA (2.09.2023) v2 clean.docx

THIRD AMENDMENT TO PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS

This Third Amendment to Purchase and Sale Agreement and Joint Escrow Instructions (this “*Amendment*”), dated as of May 9, 2023 (the “*Amendment Date*”), and is entered into by and between FONTANA 37, LLC, a Delaware limited liability company (“*Seller*”), and WEST VALLEY WATER DISTRICT, a public agency of the State of California (“*Buyer*”).

RECITALS:

A. Seller and Buyer entered into that certain Purchase and Sale of Real Property and Joint Escrow Instructions dated as of August 10, 2022, as amended by that certain First Amendment to Purchase and Sale Agreement and Joint Escrow Instructions dated August 10, 2022 and that Second Amendment to Purchase and Sale Agreement and Joint Escrow Instructions dated February 9, 2023 (collectively, the “*Agreement*”), with respect to sale by Seller to Buyer of certain real property situated in the City of Fontana, County of San Bernardino, State of California, as more particularly described in the Agreement. Capitalized terms used herein without definition shall have the respective meanings ascribed to such terms in the Agreement.

B. Seller and Buyer now desire to amend the Agreement to extend the Closing Date from May 12, 2023 to July 31, 2023.

NOW THEREFORE, in consideration of the foregoing recitals, and the mutual covenants contained herein, the receipt and sufficiency of which are hereby acknowledged, Buyer and Seller hereby agree to amend the Agreement as follows:

1. Closing Date. The last sentence of Section 4 of the Agreement is hereby deleted in its entirety and replaced with the following:

“Escrow shall close (the “*Closing Date*”) on or before the date that is the earlier of (i) July 31, 2023, or (ii) five business days after the satisfaction of the condition set forth in Sections 10(a)(v) and 10(a)(vi) of the Agreement.”

2. Miscellaneous.

2.1 Agreement Unmodified. Except as modified by this Amendment, all of the terms, covenants, conditions and provisions of the Agreement shall remain and continue unmodified, in full force and effect.

2.2 Entire Agreement. This Amendment, together with the Agreement, contains the entire agreement between Seller and Buyer with respect to the matters stated herein. This Amendment cannot be changed in any manner except by a written agreement signed by Seller and Buyer.

2.3 Governing Law. This Amendment shall be construed and enforced in accordance with the Laws of the State of California.

2.4 Counterparts. This Amendment may be executed in one or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same document. The parties hereby acknowledge and agree that signatures transmitted electronically in portable document format (.pdf), by DocuSign (or any similar technology), by transmitted image file or such other comparable electronic format shall be legal and binding and shall have the same full force and effect as if an original of this Amendment had been delivered in hand, regardless of whether each such signature is signed or transmitted by the same or a different method or technology.

SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, the Parties have executed this Amendment as of the date first above written.

SELLER:

FONTANA 37, LLC
a Delaware limited liability company

By: Lewis Management Corp.
a Delaware corporation

DocuSigned by:
Bryan T. Goodman
By: _____
EC74E312F45A43D
Name: Bryan T. Goodman
Title: EVP/Development

BUYER:

WEST VALLEY WATER DISTRICT,
a public agency of the State of California

DocuSigned by:
Van Jew
By: _____
1D8C890C74B8456
Name: Van Jew
Its: Acting General Manager

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EXHIBIT B

**FOURTH AMENDMENT TO PURCHASE AND
SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS**

This Fourth Amendment to Purchase and Sale Agreement and Joint Escrow Instructions (this “*Amendment*”), dated as of _____, 2023 (the “*Amendment Date*”), and is entered into by and between FONTANA 37, LLC, a Delaware limited liability company (“*Seller*”), and WEST VALLEY WATER DISTRICT, a public agency of the State of California (“*Buyer*”).

RECITALS:

A. Seller and Buyer entered into that certain Purchase and Sale of Real Property and Joint Escrow Instructions dated as of August 10, 2022, as amended by that certain First Amendment to Purchase and Sale Agreement and Joint Escrow Instructions dated August 10, 2022, that Second Amendment to Purchase and Sale Agreement and Joint Escrow Instructions dated February 9, 2023, and that Third Amendment to Purchase and Sale Agreement and Joint Escrow Instructions dated May 9, 2023 (collectively, the “*Agreement*”), with respect to sale by Seller to Buyer of certain real property situated in the City of Fontana, County of San Bernardino, State of California, as more particularly described in the Agreement. Capitalized terms used herein without definition shall have the respective meanings ascribed to such terms in the Agreement.

B. Seller and Buyer now desire to further amend the Agreement as more particularly set forth herein.

NOW THEREFORE, in consideration of the foregoing recitals, and the mutual covenants contained herein, the receipt and sufficiency of which are hereby acknowledged, Buyer and Seller hereby agree to amend the Agreement as follows:

1. Removal of Additional Buyer Conditions to Close of Escrow. Subsections 10.a.v and 10.a.vi of the Agreement (as added by the First Amendment to the Agreement) are hereby deleted in their entirety and of no further force or effect.
2. Property. The term “Property” is hereby amended to include Lot H of Tract No. 20018 (“*Lot H*”) at no additional cost to Buyer, and all references in the Agreement to the term “Property” shall be deemed to include Lot H. As such, Exhibit “A” of the Agreement is hereby deleted in its entirety and replaced with the attached Amended Exhibit “A.” For avoidance of doubt, at time of Closing, the Grant Deed (Exhibit “B” to the Agreement) and any other documents required by the Parties under Section 11 of the Agreement (Deliveries to Escrow Holder) shall be revised to include the Amended Exhibit “A” and the Prorations under Section 14 of the Agreement for the Property shall be calculated to also include APN 1107-521-74-0-000 for Lot H.
3. Title. The Preliminary Report attached hereto as Amended Exhibit “C” has been updated to include Lot H (the “*Amended Preliminary Report*”) and hereby replaces Exhibit “C” in the Agreement. The term “Preliminary Report” in the Agreement means the Amended Preliminary Report. Buyer hereby approves of all title exceptions set forth in the Amended Preliminary Report.
4. Post-Closing Easements. Seller and Buyer agree that Buyer’s procurement of easements from the City and the Metropolitan Water District necessary for Buyer’s intended use of the

Property shall be completed after the Close of Escrow and is the sole responsibility of Buyer and at Buyer's sole cost and expense. Seller has no obligation or liability to Buyer with regards to such easements.

5. Miscellaneous.

a. Agreement Unmodified. Except as modified by this Amendment, all of the terms, covenants, conditions and provisions of the Agreement shall remain and continue unmodified, in full force and effect. If there is a conflict between the terms of this Amendment and the terms of the Agreement, the terms of this Amendment shall control.

b. Entire Agreement. This Amendment, together with the Agreement, contains the entire agreement between Seller and Buyer with respect to the matters stated herein. This Amendment cannot be changed in any manner except by a written agreement signed by Seller and Buyer.

c. Governing Law. This Amendment shall be construed and enforced in accordance with the Laws of the State of California.

d. Counterparts. This Amendment may be executed in one or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same document. The parties hereby acknowledge and agree that signatures transmitted electronically in portable document format (.pdf), by DocuSign (or any similar technology), by transmitted image file or such other comparable electronic format shall be legal and binding and shall have the same full force and effect as if an original of this Amendment had been delivered in hand, regardless of whether each such signature is signed or transmitted by the same or a different method or technology.

SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, the Parties have executed this Amendment as of the date first above written.

SELLER: **FONTANA 37, LLC**
a Delaware limited liability company

By: Lewis Management Corp.
a Delaware corporation

By: _____
Name: Bryan T. Goodman
Title: EVP/Development

BUYER: **WEST VALLEY WATER DISTRICT,**
a public agency of the State of California

By: _____
Name: Van Jew
Its: Acting General Manager

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AMENDED EXHIBIT "A"
LEGAL DESCRIPTION OF PROPERTY

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF FONTANA IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

THE REMAINDER LOT AND LOT H OF TRACT NO. 20018, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, FILED IN BOOK 357, PAGES 85 THROUGH 90 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM AN UNDIVIDED ½ INTEREST IN OIL, GAS, AND OTHER HYDROCARBONS AND MINERALS NOW OR AT ANY TIME HEREAFTER SITUATED THEREIN AND THEREUNDER, WITHOUT THE RIGHT BY GRANTOR TO ENTER UPON THE SURFACE OF, IN, UNDER, AND ACROSS THE SAME, AND SUBSURFACE TO A DEPTH OF 500 FEET MEASURED IN A VERTICAL DIRECTION FROM THE EARTH SURFACE OF SAID LAND FOR THE EXPLORATION, DEVELOPMENT, EXTRACTION, OR REMOVAL OF ANY OIL, GAS, OR HYDROCARBONS OR MINERALS FOUND THEREIN, AS RESERVED IN THE DEED FROM CUCAMONGA WINERY, A CORPORATION, TO FRANK SINATRA, RECORDED MAY 16, 1956, IN BOOK 3939, PAGE 594 OF OFFICIAL RECORDS.

APN: 1107-521-76-0-000 and 1107-521-74-0-000

AMENDED EXHIBIT "C"
AMENDED PRELIMINARY REPORT

[See Attached]

Fidelity National Title


BUILDER SERVICES

4210 Riverwalk Parkway, Suite 100
 Riverside, CA 92505
 Phone: (951) 710-5900
 Fax: (951) 710-5955

Issuing Policies of Fidelity National Title Insurance Company

Title Officer: Andrew Margo (BS-RIV)
 Escrow Officer: Brenna Ryan

Order No.: 014-**30066394**-C-BAM

TO:

Lewis Management Corp.
 1156 N. Mountain Avenue
 Upland, CA 91785

ATTN: **Ben Cendejas**
 YOUR REFERENCE:

PROPERTY ADDRESS: 5253 Lytle Creek Road, Fontana, CA

AMENDED PRELIMINARY REPORT

*In response to the application for a policy of title insurance referenced herein, **Fidelity National Title Company** hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a policy or policies of title insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an exception herein or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations or Conditions of said policy forms.*

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said policy or policies are set forth in Attachment One. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Attachment One. Copies of the policy forms should be read. They are available from the office which issued this report.

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

The policy(s) of title insurance to be issued hereunder will be policy(s) of Fidelity National Title Insurance Company, a Florida Corporation.

Please read the exceptions shown or referred to herein and the exceptions and exclusions set forth in Attachment One of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.

It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects and encumbrances affecting title to the land.

Countersigned by:

Authorized Signature



4210 Riverwalk Parkway, Suite 100
Riverside, CA 92505
Phone: (951) 710-5900
Fax: (951) 710-5955

AMENDED PRELIMINARY REPORT

EFFECTIVE DATE: April 10, 2023 at 7:30 a.m., Amended: May 8, 2023, Amendment No. C

ORDER NO.: 014-30066394-C-BAM

The form of policy or policies of title insurance contemplated by this report is:

ALTA Standard Owners Policy (6-17-06)

1. THE ESTATE OR INTEREST IN THE LAND HEREINAFTER DESCRIBED OR REFERRED TO COVERED BY THIS REPORT IS:

A FEE

2. TITLE TO SAID ESTATE OR INTEREST AT THE DATE HEREOF IS [VESTED IN:](#)

FONTANA 37, LLC, a Delaware limited liability company

3. THE LAND REFERRED TO IN THIS REPORT IS DESCRIBED AS FOLLOWS:

See Exhibit A attached hereto and made a part hereof.

PRELIMINARY REPORT
Your Reference:

Fidelity National Title Company
Order No.: 014-30066394-C-BAM

EXHIBIT A LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF FONTANA IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

THE REMAINDER LOT AND LOT H OF [TRACT NO. 20018](#), IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, FILED IN [BOOK 357, PAGES 85](#) THROUGH 90 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM AN UNDIVIDED ½ INTEREST IN OIL, GAS, AND OTHER HYDROCARBONS AND MINERALS NOW OR AT ANY TIME HEREAFTER SITUATED THEREIN AND THEREUNDER, WITHOUT THE RIGHT BY GRANTOR TO ENTER UPON THE SURFACE OF, IN, UNDER, AND ACROSS THE SAME, AND SUBSURFACE TO A DEPTH OF 500 FEET MEASURED IN A VERTICAL DIRECTION FROM THE EARTH SURFACE OF SAID LAND FOR THE EXPLORATION, DEVELOPMENT, EXTRACTION, OR REMOVAL OF ANY OIL, GAS, OR HYDROCARBONS OR MINERALS FOUND THEREIN, AS RESERVED IN THE DEED FROM CUCAMONGA WINERY, A CORPORATION, TO FRANK SINATRA, RECORDED MAY 16, 1956, IN [BOOK 3939, PAGE 594](#) OF OFFICIAL RECORDS.

APN: 1107-521-76-0-000 & 1107-521-74-0-000

EXCEPTIONS**AT THE DATE HEREOF, ITEMS TO BE CONSIDERED AND EXCEPTIONS TO COVERAGE IN ADDITION TO THE PRINTED EXCEPTIONS AND EXCLUSIONS IN SAID POLICY FORM WOULD BE AS FOLLOWS:**

- A. Property taxes, which are a lien not yet due and payable, including any assessments collected with taxes to be levied for the fiscal year 2023-2024.
- B. The lien of supplemental or escaped assessments of property taxes, if any, made pursuant to the provisions of Chapter 3.5 (commencing with Section 75) or Part 2, Chapter 3, Articles 3 and 4, respectively, of the Revenue and Taxation Code of the State of California as a result of the transfer of title to the vestee named in Schedule A or as a result of changes in ownership or new construction occurring prior to Date of Policy.

1. Water rights, claims or title to water, whether or not disclosed by the public records.
2. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: D.G. Scofield
 Purpose: Pipeline for the conveyance of water
 Recording Date: July 30, 1888
 Recording No: [Book 80, Page 226](#), of Deeds

The exact location and extent of said easement is not disclosed of record.

3. Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: L.H. Akars
 Purpose: Pipeline
 Recording No: Book B, Page 453, of Water Records

The exact location and extent of said easement is not disclosed of record.

4. The Land described herein is included within a project area of the Redevelopment Agency shown below, and that proceedings for the redevelopment of said project have been instituted under the Redevelopment Law (such redevelopment to proceed only after the adoption of the Redevelopment Plan) as disclosed by a document.

Redevelopment Agency: Fontana Redevelopment Agency
 Recording Date: December 28, 1982
 Recording No: [82-259093, Official Records](#)

5. Intentionally Deleted

6. Matters contained in that certain document

Entitled: Development Agreement
 Dated: June 23, 2020
 Executed by: The City of Fontana, a California municipal corporation and general law city and Fontana 37, LLC, a Delaware limited liability company
 Recording Date: October 27, 2020
 Recording No: [2020-0413589, Official Records](#)

Reference is hereby made to said document for full particulars.

**EXCEPTIONS
(Continued)**

7. Any rights of the parties in possession of a portion of, or all of, said Land, which rights are not disclosed by the public records.

The Company will require, for review, a full and complete copy of any unrecorded agreement, contract, license and/or lease, together with all supplements, assignments and amendments thereto, before issuing any policy of title insurance without excepting this item from coverage.

The Company reserves the right to except additional items and/or make additional requirements after reviewing said documents.

8. Matters which may be disclosed by an inspection and/or by a correct ALTA/NSPS Land Title Survey of said Land that is satisfactory to the Company, and/or by inquiry of the parties in possession thereof.

9. Recitals as shown on that certain map/plat

Recording Date: December 10, 202
Recording No: 2020-0500833

Which among other things recites.

We also reserve, unto ourselves, our heirs, successors and assigns Lot "H" for open space purposes.

Reference is hereby made to said document for full particulars.

PLEASE REFER TO THE "INFORMATIONAL NOTES" AND "REQUIREMENTS" SECTIONS WHICH FOLLOW FOR INFORMATION NECESSARY TO COMPLETE THIS TRANSACTION.

END OF EXCEPTIONS

REQUIREMENTS SECTION

1. The Company will require the following documents for review prior to the issuance of any title insurance predicated upon a conveyance or encumbrance from the entity named below:

Limited Liability Company: Fontana 37, LLC, a Delaware limited liability company

- a) A copy of its operating agreement, if any, and all amendments, supplements and/or modifications thereto, certified by the appropriate manager or member.
 - b) If a domestic Limited Liability Company, a copy of its Articles of Organization and all amendments thereto with the appropriate filing stamps.
 - c) If the Limited Liability Company is member-managed, a full and complete current list of members certified by the appropriate manager or member.
 - d) A current dated certificate of good standing from the proper governmental authority of the state in which the entity is currently domiciled.
 - e) If less than all members, or managers, as appropriate, will be executing the closing documents, furnish evidence of the authority of those signing.
 - f) If Limited Liability Company is a Single Member Entity, a Statement of Information for the Single Member will be required.
 - g) Each member and manager of the LLC without an Operating Agreement must execute in the presence of a notary public the Certificate of California LLC (Without an Operating Agreement) Status and Authority form.
2. Unrecorded matters which may be disclosed by an Owner's Affidavit or Declaration. A form of the Owner's Affidavit/Declaration is attached to this Preliminary Report/Commitment. This Affidavit/Declaration is to be completed by the record owner of the land and submitted for review prior to the closing of this transaction. Your prompt attention to this requirement will help avoid delays in the closing of this transaction. Thank you.

The Company reserves the right to add additional items or make further requirements after review of the requested Affidavit/Declaration.

END OF REQUIREMENTS

INFORMATIONAL NOTES SECTION

1. Note: Property taxes, including any personal property taxes and any assessments collected with taxes, are paid. For proration purposes the amounts were:

Tax Identification No.:	1107-521-76-0-000
Fiscal Year:	2022-2023
1st Installment:	\$278.99
2nd Installment:	\$278.96
Exemption:	\$0.00
Code Area:	010-071

2. None of the items shown in this report will cause the Company to decline to attach CLTA Endorsement Form 100 to an Extended Coverage Loan Policy, when issued.
3. Note: The policy of title insurance will include an arbitration provision. The Company or the insured may demand arbitration. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the insured arising out of or relating to this policy, any service of the Company in connection with its issuance or the breach of a policy provision or other obligation. Please ask your escrow or title officer for a sample copy of the policy to be issued if you wish to review the arbitration provisions and any other provisions pertaining to your Title Insurance coverage.
4. Notice: Please be aware that due to the conflict between federal and state laws concerning the cultivation, distribution, manufacture or sale of marijuana, the Company is not able to close or insure any transaction involving Land that is associated with these activities.
5. Pursuant to Government Code Section 27388.1, as amended and effective as of 1-1-2018, a Documentary Transfer Tax (DTT) Affidavit may be required to be completed and submitted with each document when DTT is being paid or when an exemption is being claimed from paying the tax. If a governmental agency is a party to the document, the form will not be required. DTT Affidavits may be available at a Tax Assessor-County Clerk-Recorder.
6. Note: The only conveyance(s) affecting said Land, which recorded within 24 months of the date of this report, are as follows:

Grantor:	Lewis Investment Company, LLC, a Delaware limited liability company
Grantee:	Fontana 37, LLC, a Delaware limited liability company
Recording Date:	July 07, 2020
<u>Recording No:</u>	<u>2020-0226202, Official Records</u>
and Re-Recording Date:	July 10, 2020
and Re- <u>Recording No:</u>	<u>2020-0230771, Official Records</u>
Reason:	To correct the name of the Grantor erroneously listed as a Delaware Limited Liability Company

END OF INFORMATIONAL NOTES

Andrew Margo (BS-RIV)/en

Wire Fraud Alert

This Notice is not intended to provide legal or professional advice. If you have any questions, please consult with a lawyer.

All parties to a real estate transaction are targets for wire fraud and many have lost hundreds of thousands of dollars because they simply relied on the wire instructions received via email, without further verification. **If funds are to be wired in conjunction with this real estate transaction, we strongly recommend verbal verification of wire instructions through a known, trusted phone number prior to sending funds.**

In addition, the following non-exclusive self-protection strategies are recommended to minimize exposure to possible wire fraud.

- **NEVER RELY** on emails purporting to change wire instructions. Parties to a transaction rarely change wire instructions in the course of a transaction.
- **ALWAYS VERIFY** wire instructions, specifically the ABA routing number and account number, by calling the party who sent the instructions to you. **DO NOT** use the phone number provided in the email containing the instructions, use phone numbers you have called before or can otherwise verify. **Obtain the phone number of relevant parties to the transaction as soon as an escrow account is opened.** **DO NOT** send an email to verify as the email address may be incorrect or the email may be intercepted by the fraudster.
- **USE COMPLEX EMAIL PASSWORDS** that employ a combination of mixed case, numbers, and symbols. Make your passwords greater than eight (8) characters. Also, change your password often and do **NOT** reuse the same password for other online accounts.
- **USE MULTI-FACTOR AUTHENTICATION** for email accounts. Your email provider or IT staff may have specific instructions on how to implement this feature.

For more information on wire-fraud scams or to report an incident, please refer to the following links:

Federal Bureau of Investigation:
<http://www.fbi.gov>

Internet Crime Complaint Center:
<http://www.ic3.gov>



4210 Riverwalk Parkway, Suite 100
 Riverside, CA 92505
 Phone: (951) 710-5900
 Fax: (951) 710-5955

Notice of Available Discounts

Pursuant to Section 2355.3 in Title 10 of the California Code of Regulations Fidelity National Financial, Inc. and its subsidiaries ("FNF") must deliver a notice of each discount available under our current rate filing along with the delivery of escrow instructions, a preliminary report or commitment. Please be aware that the provision of this notice does not constitute a waiver of the consumer's right to be charged the filed rate. As such, your transaction may not qualify for the below discounts.

You are encouraged to discuss the applicability of one or more of the below discounts with a Company representative. These discounts are generally described below; consult the rate manual for a full description of the terms, conditions and requirements for such discount. These discounts only apply to transactions involving services rendered by the FNF Family of Companies. This notice only applies to transactions involving property improved with a one-to-four family residential dwelling.

Not all discounts are offered by every FNF Company. The discount will only be applicable to the FNF Company as indicated by the named discount.

FNF Underwritten Title Company

CTC – Chicago Title company
 CLTC – Commonwealth Land Title Company
 FNTC – Fidelity National Title Company of California
 FNTCCA - Fidelity National Title Company of California
 TICOR – Ticor Title Company of California
 LTC – Lawyer's Title Company
 SLTC – ServiceLink Title Company

Underwritten by FNF Underwriters

CTIC – Chicago Title Insurance Company
 CLTIC - Commonwealth Land Title Insurance Company
 FNTIC – Fidelity National Title Insurance Company
 FNTIC - Fidelity National Title Insurance Company
 CTIC – Chicago Title Insurance Company
 CLTIC – Commonwealth Land Title Insurance Company
 CTIC – Chicago Title Insurance Company

Available Discounts

DISASTER LOANS (CTIC, CLTIC, FNTIC)

The charge for a Lender's Policy (Standard or Extended coverage) covering the financing or refinancing by an owner of record, within twenty-four (24) months of the date of a declaration of a disaster area by the government of the United States or the State of California on any land located in said area, which was partially or totally destroyed in the disaster, will be fifty percent (50%) of the appropriate title insurance rate.

CHURCHES OR CHARITABLE NON-PROFIT ORGANIZATIONS (CTIC, FNTIC)

On properties used as a church or for charitable purposes within the scope of the normal activities of such entities, provided said charge is normally the church's obligation the charge for an owner's policy shall be fifty percent (50%) to seventy percent (70%) of the appropriate title insurance rate, depending on the type of coverage selected. The charge for a lender's policy shall be forty (40%) to fifty percent (50%) of the appropriate title insurance rate, depending on the type of coverage selected.

FIDELITY NATIONAL FINANCIAL, INC. PRIVACY NOTICE

Effective January 1, 2021

Fidelity National Financial, Inc. and its majority-owned subsidiary companies (collectively, “FNF,” “our,” or “we”) respect and are committed to protecting your privacy. This Privacy Notice explains how we collect, use, and protect personal information, when and to whom we disclose such information, and the choices you have about the use and disclosure of that information.

A limited number of FNF subsidiaries have their own privacy notices. If a subsidiary has its own privacy notice, the privacy notice will be available on the subsidiary’s website and this Privacy Notice does not apply.

Collection of Personal Information

FNF may collect the following categories of Personal Information:

- contact information (e.g., name, address, phone number, email address);
- demographic information (e.g., date of birth, gender, marital status);
- identity information (e.g. Social Security Number, driver’s license, passport, or other government ID number);
- financial account information (e.g. loan or bank account information); and
- other personal information necessary to provide products or services to you.

We may collect Personal Information about you from:

- information we receive from you or your agent;
- information about your transactions with FNF, our affiliates, or others; and
- information we receive from consumer reporting agencies and/or governmental entities, either directly from these entities or through others.

Collection of Browsing Information

FNF automatically collects the following types of Browsing Information when you access an FNF website, online service, or application (each an “FNF Website”) from your Internet browser, computer, and/or device:

- Internet Protocol (IP) address and operating system;
- browser version, language, and type;
- domain name system requests; and
- browsing history on the FNF Website, such as date and time of your visit to the FNF Website and visits to the pages within the FNF Website.

Like most websites, our servers automatically log each visitor to the FNF Website and may collect the Browsing Information described above. We use Browsing Information for system administration, troubleshooting, fraud investigation, and to improve our websites. Browsing Information generally does not reveal anything personal about you, though if you have created a user account for an FNF Website and are logged into that account, the FNF Website may be able to link certain browsing activity to your user account.

Other Online Specifics

Cookies. When you visit an FNF Website, a “cookie” may be sent to your computer. A cookie is a small piece of data that is sent to your Internet browser from a web server and stored on your computer’s hard drive. Information gathered using cookies helps us improve your user experience. For example, a cookie can help the website load properly or can customize the display page based on your browser type and user preferences. You can choose whether or not to accept cookies by changing your Internet browser settings. Be aware that doing so may impair or limit some functionality of the FNF Website.

Web Beacons. We use web beacons to determine when and how many times a page has been viewed. This information is used to improve our websites.

Do Not Track. Currently our FNF Websites do not respond to “Do Not Track” features enabled through your browser.

Links to Other Sites. FNF Websites may contain links to unaffiliated third-party websites. FNF is not responsible for the privacy practices or content of those websites. We recommend that you read the privacy policy of every website you visit.

Use of Personal Information

FNF uses Personal Information for three main purposes:

- To provide products and services to you or in connection with a transaction involving you.
- To improve our products and services.
- To communicate with you about our, our affiliates’, and others’ products and services, jointly or independently.

When Information Is Disclosed

We may disclose your Personal Information and Browsing Information in the following circumstances:

- to enable us to detect or prevent criminal activity, fraud, material misrepresentation, or nondisclosure;
- to nonaffiliated service providers who provide or perform services or functions on our behalf and who agree to use the information only to provide such services or functions;

- to nonaffiliated third party service providers with whom we perform joint marketing, pursuant to an agreement with them to jointly market financial products or services to you;
- to law enforcement or authorities in connection with an investigation, or in response to a subpoena or court order; or
- in the good-faith belief that such disclosure is necessary to comply with legal process or applicable laws, or to protect the rights, property, or safety of FNF, its customers, or the public.

The law does not require your prior authorization and does not allow you to restrict the disclosures described above. Additionally, we may disclose your information to third parties for whom you have given us authorization or consent to make such disclosure. We do not otherwise share your Personal Information or Browsing Information with nonaffiliated third parties, except as required or permitted by law. We may share your Personal Information with affiliates (other companies owned by FNF) to directly market to you. Please see "Choices with Your Information" to learn how to restrict that sharing.

We reserve the right to transfer your Personal Information, Browsing Information, and any other information, in connection with the sale or other disposition of all or part of the FNF business and/or assets, or in the event of bankruptcy, reorganization, insolvency, receivership, or an assignment for the benefit of creditors. By submitting Personal Information and/or Browsing Information to FNF, you expressly agree and consent to the use and/or transfer of the foregoing information in connection with any of the above described proceedings.

Security of Your Information

We maintain physical, electronic, and procedural safeguards to protect your Personal Information.

Choices With Your Information

If you do not want FNF to share your information among our affiliates to directly market to you, you may send an "opt out" request as directed at the end of this Privacy Notice. We do not share your Personal Information with nonaffiliates for their use to direct market to you without your consent.

Whether you submit Personal Information or Browsing Information to FNF is entirely up to you. If you decide not to submit Personal Information or Browsing Information, FNF may not be able to provide certain services or products to you.

For California Residents: We will not share your Personal Information or Browsing Information with nonaffiliated third parties, except as permitted by California law. For additional information about your California privacy rights, please visit the "California Privacy" link on our website (<https://fnf.com/pages/californiaprivacy.aspx>) or call (888) 413-1748.

For Nevada Residents: You may be placed on our internal Do Not Call List by calling (888) 934-3354 or by contacting us via the information set forth at the end of this Privacy Notice. Nevada law requires that we also provide you with the following contact information: Bureau of Consumer Protection, Office of the Nevada Attorney General, 555 E. Washington St., Suite 3900, Las Vegas, NV 89101; Phone number: (702) 486-3132; email: BCPINFO@ag.state.nv.us.

For Oregon Residents: We will not share your Personal Information or Browsing Information with nonaffiliated third parties for marketing purposes, except after you have been informed by us of such sharing and had an opportunity to indicate that you do not want a disclosure made for marketing purposes.

For Vermont Residents: We will not disclose information about your creditworthiness to our affiliates and will not disclose your personal information, financial information, credit report, or health information to nonaffiliated third parties to market to you, other than as permitted by Vermont law, unless you authorize us to make those disclosures.

Information From Children

The FNF Websites are not intended or designed to attract persons under the age of eighteen (18). We do not collect Personal Information from any person that we know to be under the age of thirteen (13) without permission from a parent or guardian.

International Users

FNF's headquarters is located within the United States. If you reside outside the United States and choose to provide Personal Information or Browsing Information to us, please note that we may transfer that information outside of your country of residence. By providing FNF with your Personal Information and/or Browsing Information, you consent to our collection, transfer, and use of such information in accordance with this Privacy Notice.

FNF Website Services for Mortgage Loans

Certain FNF companies provide services to mortgage loan servicers, including hosting websites that collect customer information on behalf of mortgage loan servicers (the "Service Websites"). The Service Websites may contain links to both this Privacy Notice and the mortgage loan servicer or lender's privacy notice. The sections of this Privacy Notice titled When Information is Disclosed, Choices with Your Information, and Accessing and Correcting Information do not apply to the Service Websites. The mortgage loan servicer or lender's privacy notice governs use, disclosure, and access to your Personal Information. FNF does not share Personal Information collected through the Service Websites, except as required or authorized by contract with the mortgage loan servicer or lender, or as required by law or in the good-faith belief that such disclosure is necessary: to comply with a legal process or applicable law, to enforce this Privacy Notice, or to protect the rights, property, or safety of FNF or the public.

Your Consent To This Privacy Notice; Notice Changes; Use of Comments or Feedback

By submitting Personal Information and/or Browsing Information to FNF, you consent to the collection and use of the information in accordance with this Privacy Notice. We may change this Privacy Notice at any time. The Privacy Notice's effective date will show the last date changes were made. If you provide information to us following any change of the Privacy Notice, that signifies your assent to and acceptance of the changes to the Privacy Notice.

Accessing and Correcting Information; Contact Us

If you have questions, would like to correct your Personal Information, or want to opt-out of information sharing for affiliate marketing, visit FNF's [Opt Out Page](#) or contact us by phone at (888) 934-3354 or by mail to:

Fidelity National Financial, Inc.
601 Riverside Avenue
Jacksonville, Florida 32204
Attn: Chief Privacy Officer

ATTACHMENT ONE (Revised 05-06-16)

CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE POLICY – 1990

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building or zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien, or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
 - (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
 - (c) resulting in no loss or damage to the insured claimant;
 - (d) attaching or created subsequent to Date of Policy; or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate of interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART I

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE (12-02-13) ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE

EXCLUSIONS

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of those portions of any law or government regulation concerning:
 - a. building;
 - b. zoning;
 - c. land use;
 - d. improvements on the Land;
 - e. land division; and
 - f. environmental protection.

This Exclusion does not limit the coverage described in Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23 or 27.
2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.
3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.
4. Risks:
 - a. that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records;
 - b. that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date;

- c. that result in no loss to You; or
 - d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.e., 25, 26, 27 or 28.
5. Failure to pay value for Your Title.
 6. Lack of a right:
 - a. to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
 - b. in streets, alleys, or waterways that touch the Land.
 This Exclusion does not limit the coverage described in Covered Risk 11 or 21.
 7. The transfer of the Title to You is invalid as a preferential transfer or as a fraudulent transfer or conveyance under federal bankruptcy, state insolvency, or similar creditors' rights laws.
 8. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
 9. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

- For Covered Risk 16, 18, 19, and 21 Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

	Your Deductible Amount	Our Maximum Dollar Limit of Liability
Covered Risk 16:	1.00% of Policy Amount Shown in Schedule A or \$2,500.00 (whichever is less)	\$ 10,000.00
Covered Risk 18:	1.00% of Policy Amount Shown in Schedule A or \$5,000.00 (whichever is less)	\$ 25,000.00
Covered Risk 19:	1.00% of Policy Amount Shown in Schedule A or \$5,000.00 (whichever is less)	\$ 25,000.00
Covered Risk 21:	1.00% of Policy Amount Shown in Schedule A or \$2,500.00 (whichever is less)	\$ 5,000.00

2006 ALTA LOAN POLICY (06-17-06)

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;
 or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13 or 14); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

{Except as provided in Schedule B - Part II, {t{or T}his policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees or expenses, that arise by reason of:

{PART I

{The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.}

PART II

In addition to the matters set forth in Part I of this Schedule, the Title is subject to the following matters, and the Company insures against loss or damage sustained in the event that they are not subordinate to the lien of the Insured Mortgage:}

2006 ALTA OWNER'S POLICY (06-17-06)**EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;
 or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
 - (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
 - (a) a fraudulent conveyance or fraudulent transfer; or
 - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees or expenses, that arise by reason of:

{The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown in the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and that are not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records. }
7. {Variable exceptions such as taxes, easements, CC&R's, etc. shown here.}

ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY – ASSESSMENTS PRIORITY (04-02-15)**EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;
 or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, or any consumer credit protection or truth-in-lending law. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.
6. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to Advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.
8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.
9. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 27(b) of this policy.
10. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
11. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

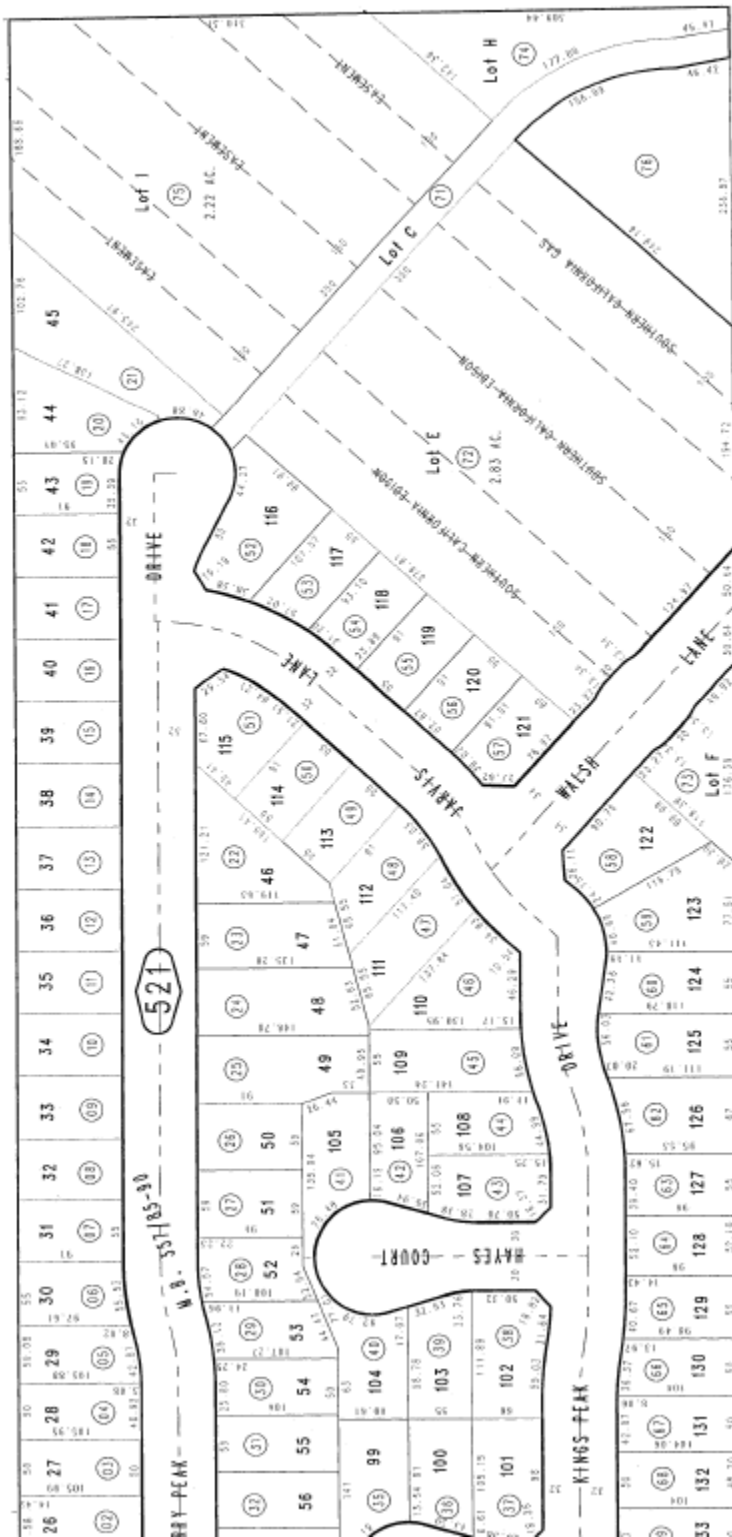
Ptn. Tract No. 20018, M.B. 357/85-90

City of Fontana
Tax Rate Area
10071

1107 - 52



26



26

REVISED

Assessor's Map
Book 1107 Page 52
San Bernardino County

Pln. N.E.1/4, Sec. 24
T.1N., R.6W.

OWNER'S DECLARATION

Escrow No.: 30066394-014-BR5-BAM
 Property Address: 5253 Lytle Creek Road
 Fontana, CA

The undersigned hereby declares as follows:

1. (Fill in the applicable paragraph and strike the other)
 - a. Declarant ("Owner") is the owner or lessee, as the case may be, of certain premises located at 5253 Lytle Creek Road, Fontana, CA, further described as follows: See Preliminary Report/Commitment No. for full legal description (the "Land").
 - b. Declarant is the _____ of _____ ("Owner"), which is the owner or lessee, as the case may be, of certain premises located at 5253 Lytle Creek Road, Fontana, CA, further described as follows: See Preliminary Report/Commitment No. for full legal description (the "Land").
2. (Fill in the applicable paragraph and strike the other)
 - a. During the period of six months immediately preceding the date of this declaration no work has been done, no surveys or architectural or engineering plans have been prepared, and no materials have been furnished in connection with the erection, equipment, repair, protection or removal of any building or other structure on the Land or in connection with the improvement of the Land in any manner whatsoever.
 - b. During the period of six months immediately preceding the date of this declaration certain work has been done and materials furnished in connection with _____ upon the Land in the approximate total sum of \$_____, but no work whatever remains to be done and no materials remain to be furnished to complete the construction in full compliance with the plans and specifications, nor are there any unpaid bills incurred for labor and materials used in making such improvements or repairs upon the Land, or for the services of architects, surveyors or engineers, except as follows: _____. Owner, by the undersigned Declarant, agrees to and does hereby indemnify and hold harmless Fidelity National Title Company against any and all claims arising therefrom.
3. Owner has not previously conveyed the Land; is not a debtor in bankruptcy (and if a partnership, the general partner thereof is not a debtor in bankruptcy); and has not received notice of any pending court action affecting the title to the Land.
4. Except as shown in the above-referenced Preliminary Report/Commitment, there are no unpaid or unsatisfied mortgages, deeds of trust, Uniform Commercial Code financing statements, regular assessments, special assessments, periodic assessments or any assessment from any source, claims of lien, special assessments, or taxes that constitute a lien against the Land or that affect the Land but have not been recorded in the public records. There are no violations of the covenants, conditions and restrictions as shown in the above-referenced Preliminary Report/Commitment.
5. The Land is currently in use as _____; _____ occupy/occupies the Land; and the following are all of the leases or other occupancy rights affecting the Land:

6. There are no other persons or entities that assert an ownership interest in the Land, nor are there unrecorded easements, claims of easement, or boundary disputes that affect the Land.
7. There are no outstanding options to purchase or rights of first refusal affecting the Land.
8. Between the most recent Effective Date of the above-referenced Preliminary Report/Commitment and the date of recording of the Insured Instrument(s), Owner has not taken or allowed, and will not take or allow, any action or inaction to encumber or otherwise affect title to the Land.

This declaration is made with the intention that Fidelity National Title Company (the "Company") and its policy issuing agents will rely upon it in issuing their title insurance policies and endorsements. Owner, by the undersigned Declarant, agrees to indemnify the Company against loss or damage (including attorneys fees, expenses, and costs) incurred by the Company as a result of any untrue statement made herein.

I declare under penalty of perjury that the foregoing is true and correct and that this declaration was executed on _____ at _____.

Signature: _____



**BOARD OF DIRECTORS
ENGINEERING, OPERATIONS AND PLANNING COMMITTEE
STAFF REPORT**

DATE: June 20, 2023
TO: Engineering, Operations and Planning Committee
FROM: Van Jew, Acting General Manager
SUBJECT: AGREEMENT FOR PURCHASE AND SALE OF APN 0256-13-110 WITH IDIL WEST VALLEY LOGISTICS CENTER, LP.

BACKGROUND:

IDIL West Valley Logistics Center, LP, (“Developer”) is the owner of land located west of Locust Avenue, north of Armstrong Road, east of Alder Avenue and south of Jurupa Avenue in the City of Fontana known as the West Valley Logistics Center (“Development”). The proposed Development includes the construction and operation of six (6) warehouses across sixteen (16) parcels of vacant land and (1) West Valley Water District (“District”) parcel known as APN 0256-131-10 (“District Property”) as shown in the attached **Exhibit A**. In developing this land, the Developer is required to upgrade and construct multiple district facilities and purchase the District Property which bisects the Development.

DISCUSSION:

Currently, the District has an existing 12-inch water main within the District Property which traverses beneath one of the proposed warehouses and spans the distance from reservoir R2-3 to its terminus at the intersection of Locust Avenue and 8th Street. The water line will be relocated into a dedicated easement within the Development and upsized to meet our current and future demands. Once construction is completed, the District Property will no longer be required for our current or long-term supply operations.

On April 20, 2023, at its regularly scheduled meeting, the Board of Directors of the West Valley Water District (“Board”) accepted the fair market appraisal value of \$2,042,000 for the sale of the District Property. Furthermore, the Board approved a temporary easement payment from the Developer of \$100,000 for use of the District Property during construction, and to be applied towards the future purchase of the District Property. The Developer has deposited the required funds and executed all temporary easement documentation with the District, and has now prepared a standard Agreement for Purchase and Sale of the District Property, attached as **Exhibit B**.

FISCAL IMPACT:

If the agreement is approved, the Developer will be required to pay the full appraised value of the

District Property of \$2,042,000 (less \$100,000 for the Temporary Construction Easement) and will initiate the escrow process for the purchase and sale.

STAFF RECOMMENDATION:

Staff recommends that the Committee forward a recommendation to the Board of Directors to:

1. Authorize entering into an Agreement for Purchase and Sale for APN 0256-13-110 with IDIL West Valley Logistics Center, LP.
2. Authorize the General Manager to execute all necessary documents.

Respectfully Submitted,

Van Jew

Van Jew, Acting General Manager

DG:ls

ATTACHMENT(S):

1. Exhibit A - Aerial Map
2. Exhibit B - Purchase Agreement

EXHIBIT A

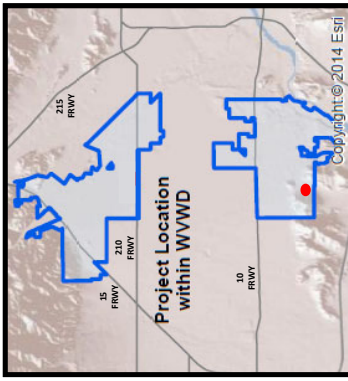


Exhibit A
WEST VALLEY LOGISTICS CENTER



EXHIBIT B

AGREEMENT FOR PURCHASE
AND SALE OF PROPERTY

THIS AGREEMENT is made and entered into as of this ___ day of July, 2023, by and between WEST VALLEY WATER DISTRICT, a county water district, formerly known as West San Bernardino County Water District ("Seller") and IDIL WEST VALLEY LOGISTICS CENTER, LP, a Delaware limited partnership ("Buyer").

W I T N E S S E T H T H A T :

WHEREAS, Buyer wishes to purchase, and Seller wishes to sell, the Property (as hereinafter defined), upon the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Definitions and Exhibits.

- 1.1 Definitions. For purposes of this Agreement, each of the following terms, when used herein with an initial capital letter, shall have the meaning ascribed to it as follows:

"Agreement" shall mean this Agreement for Purchase and Sale of Property.

"Business Day" shall mean a day other than a Saturday, Sunday or legal or bank holiday either in the State where the Land is located or of the Federal Government.

"Closing" shall mean the closing and consummation of the purchase and sale of the Property pursuant hereto.

"Closing Date" shall mean the date on which the Closing occurs as provided in Section 9.1.

"Contract Date" shall mean the date first above written.

"Deposit" shall have that meaning set forth in in Section 3.1.

"Environmental Laws" shall mean any and all federal, state, or local laws, rules, regulations, ordinances, agency or judicial orders and decrees, and agency agreements now and hereafter enacted or promulgated or otherwise in effect, relating to the protection of the environment, including, without limitation, the Resource Conservation and Recovery Act of 1976 ("RCRA"), 42 U.S.C. §§6901 et seq., the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), 42 U.S.C. §§9601 et seq., as amended by the Superfund Amendments and Reauthorization Act of 1986 ("SARA"), the Hazardous Materials

Transportation Act, 49 U.S.C. §6901, et seq., the Federal Water Pollution Control Act, 33 U.S.C. §§1251 et seq., the Clean Air Act, 42 U.S.C. §§7401 et seq., the Toxic Substances Control Act, 15 U.S.C. §§2601 et seq., the Safe Drinking Water Act, 42 U.S.C. §§300f et seq., the California Hazardous Waste Control Law (California Health and Safety Code Section 25100, et seq.), the Porter-Cologne Water Quality Control Act (California Water Code Section 13000, et seq.), and the Safe Drinking Water and Toxic Enforcement Act of 1986 (California Health and Safety Code Section 25249.5, et seq.), and all amendments, regulations, orders and decrees promulgated thereunder or pursuant thereto.

“**Environmental Reports**” shall mean all existing environmental site assessments, remediation reports, tank removal reports and other reports (including, but not limited to, any soils and groundwater assessments and reports) for the Property.

“**Escrow Agent**” shall mean Karen Kirspel acting as Escrow Agent pursuant to the terms and conditions of Section 3.

“**Hazardous Substances**” shall mean any and all hazardous, extremely hazardous, or toxic substances or wastes or constituents as those terms are defined by any applicable Environmental Law (including, without limitation, CERCLA and RCRA) and petroleum, petroleum products, asbestos or any asbestos-containing materials, the group of organic compounds known as polychlorinated biphenyls (PCBs), flammables, explosives, radioactive materials, and chemicals known to cause cancer or reproductive toxicity.

“**Inspection Date**” shall mean the Inspection Date set forth in Section 7.3.

“**Land**” shall mean all those tracts or parcels of land described on EXHIBIT A.

“**OFAC**” shall mean the Office of Foreign Assets Control, Department of the Treasury.

“**Permitted Exceptions**” shall mean those matters affecting title to the Land identified on EXHIBIT B.

“**Person**” shall mean any individual, sole proprietorship, partnership, joint venture, trust, unincorporated organization, association, corporation, institution, entity, party or government (whether national, Federal, state, county, city, municipal or otherwise, including, without limitation, any instrumentality, division, agency, body or department thereof).

“**Property**” shall mean all of Seller’s right, title and interest in, to and under the following property:

- (i) the Land and all easements appurtenant thereto; and
- (ii) all easements, utility reservations, rights of way, strips and gores of land, mineral rights, water and water rights, wells, well rights and permits, water and

sewer taps, sanitary or storm sewer capacity or reservations, rights under utility agreements with any applicable governmental or quasi-governmental entities or agencies with respect to the providing of utility services to such real property, tenements, hereditaments, privileges, licenses and appurtenances, reversions and remainders in any way belonging, remaining or appertaining thereto and together with all improvements, fixtures, personal property, trees, timber, other crops and plants and minerals located thereunder or thereon.

“**Proration Date**” shall mean the effective date of the prorations provided in Section 4.2, which is 11:59 p.m. on the eve of the Closing Date.

“**Purchase Price**” shall mean the purchase price for the Property described in Section 4 1.

“**Survey**” shall have that meaning set forth in in Section 6.

“**Taxes**” shall mean that mean set forth in Section 4.2.

“**Title Insurer**” shall mean a national title insurance company reasonably acceptable to Buyer.

- 1.2 Exhibits; Schedules. All exhibits, schedules and other attachments hereto form an integral part of this Agreement, all of which are incorporated into this Agreement as fully as if the contents thereof were set out in full herein at each point of reference thereto.
2. Purchase and Sale. Subject to the provisions hereof, Seller agrees to sell, assign and convey to Buyer, and Buyer agrees to purchase the Property from Seller.
3. Earnest Money.
 - 3.1 Earnest Money. Within 5 Business Days after the Contract Date, Buyer shall deposit with Escrow Agent the sum of One Hundred Dollars (\$100.00) as the earnest money deposit under this Agreement, which deposit, together with any interest or other income earned thereon (collectively, the “**Deposit**”), shall be released to Seller pursuant to the paragraph below.
 - 3.2 Independent Consideration. One Hundred Dollars (\$100.00) of the Deposit (“**Independent Consideration**”) shall be released to Seller following the opening of Escrow, which amount Seller and Buyer have bargained for and agreed to as independent and sufficient consideration for Seller's execution and delivery of this Agreement. The Independent Consideration is non-refundable to Buyer under any and all circumstances, but applicable to the Purchase Price, and Seller shall retain the Independent Consideration upon any termination of this Agreement notwithstanding any other provision of this Agreement to the contrary.
 - 3.3 Disbursement. Whenever the Deposit is by the terms hereof to be disbursed by Escrow Agent, Seller and Buyer agree promptly to execute and deliver such notice

or notices as shall be necessary or, in the opinion of Escrow Agent, appropriate to authorize Escrow Agent to make such disbursement.

4. Purchase Price and Prorations.

4.1 Purchase Price.

- a. Purchase Price. The purchase price (the “**Purchase Price**”) for the Property shall be Two Million Forty-Two Thousand and No/100 Dollars (\$2,042,000.00).
- b. Payment Mechanics. The Purchase Price, as adjusted by the prorations provided in Section 4.2 and as reduced by the Deposit (which, unless otherwise disbursed hereunder, shall be disbursed by Escrow Agent at the Closing to Seller as a portion of the Purchase Price) shall be paid by Buyer to Seller at the Closing in United States dollars by wire transfer.

4.2 Prorations.

- a. Proration Items. The following items shall be prorated between Seller and Buyer as of the Proration Date, and be reflected on the closing statement:
 - i. Taxes. The state, county, city or other ad valorem property taxes and assessments for the tax period in which the Closing occurs (the “**Taxes**”).
 - ii. Utility and Sewer Charges. Sanitary sewer taxes and utility charges, if any.
- b. Proration Errors. If the parties make any errors or omissions in the closing prorations or if they subsequently determine any dollar amount prorated to be incorrect, each agrees, upon notice from the other after the Closing, to make any adjustment necessary to correct the error, including payment of any amount to the other then determined to be owing.
- c. Payment of Prorations. Buyer and Seller promptly shall pay to the other party any amount due to the other party as a result of any proration required under this Section 4.2.

5. Title.

- 5.1 Fee Simple Conveyance at Closing. Seller shall convey good, marketable and insurable fee simple title to the Land to Buyer free and clear of all liens and encumbrances, subject only to the Permitted Exceptions and any other matters of title to which Buyer shall expressly consents in writing.

- 5.2 Review of Title Commitment. Buyer shall have until the Inspection Date by which to examine title to the Property, to obtain a title insurance commitment (the “**Title Commitment**”), and to give written notice to Seller of any objections.
- a. Failure of Buyer to Object. If Buyer fails to give any notice to Seller by such date, Buyer shall be deemed to have waived such right to object to any title exceptions or defects.
 - b. Buyer Provides Objections. If Buyer timely notifies Seller of Buyer’s objection to any title exceptions or defects, Seller may decide not to take any action to cure such title exceptions or defects or shall use its good faith efforts, for a period of 7 days after such notice, to cure or satisfy, or undertake to cure or satisfy by the Closing, such objection (and, if Seller fails to provide a response to Buyer’s objections within such 7 day period, Seller shall be deemed to have elected not to cure such exceptions or defects).
 - i. Seller Fails to Cure Objection. If Seller elects not to cure such objections or elects to cure such objections (except that Seller must cure monetary liens as required by Section 5.5) and such objections are not so timely and reasonably cured or satisfied or undertaken to be reasonably cured or satisfied by Seller, then Buyer shall, within 7 days thereafter, elect, by written notice to be received by Seller on or before such 7th day, either:
 1. Terminate: to terminate this Agreement, in which case the Deposit, less One Hundred Dollars (\$100) to be paid to Seller, shall be returned to Buyer by Escrow Agent, and the parties shall have no further rights or obligations hereunder, except for those which expressly survive any such termination, or
 2. Waive: to waive its objections hereunder and proceed with the transaction pursuant to the remaining terms and conditions of this Agreement.
 3. Failure to Elect: If Buyer fails to give Seller notice of its election by such time, it shall be deemed to have elected the option contained in Section 5.2(b)(i)(1).
 - ii. Seller Cures Objection. If Seller reasonably cures or satisfies, or undertakes to reasonably cure or satisfy, such objection, then this Agreement shall continue in full force and effect.
 - iii. Waiver. Buyer shall have the right at any time to waive any objections that it may have made and, thereby, to preserve this Agreement in full force and effect.

- 5.3 Further Encumbrances. Seller agrees not to further alter or encumber in any way Seller's title to the Property without Buyer's prior written consent.
- 5.4 Changes In Title. Buyer shall have the right to object to any change in title occurring after the effective date of the Title Commitment and prior to the Closing, and if Seller elects to cure such objection and Seller cannot cure or satisfy any such objection (or any objection which Seller has previously undertaken to cure or satisfy) by the Closing or if Seller does not agree to cure such objection, Buyer may exercise the option set forth in Section 5.2(b)(i)(1) or 5.2(b)(i)(2). The foregoing election shall be in addition to, Buyer's remedies for Seller's default hereunder, and does not negate, modify or amend the representations, warranties and covenants of Seller contained herein.
- 5.5 Monetary Liens. Seller shall remove any monetary liens or monetary encumbrances against the Land at or before the Closing.
- 5.6 Time Periods. The Closing Date shall be automatically extended to allow all time periods in this Section 5 to run fully.
6. Survey.
- 6.1 Survey. Buyer, at its sole cost and expense, may obtain a survey of the Property (the "Survey").
- 6.2 Buyer Objections. Any matters shown on such Survey and objected to by Buyer by the Inspection Date shall be additional title objections, as to which the obligations and rights of Buyer and Seller shall be the same as provided in Section 5.
- 6.3 Legal Description. The deed to be delivered by Seller to Buyer at the Closing shall contain the legal description of the Land contained in EXHIBIT A.
- 6.4 Quitclaim Deed. If Buyer obtains a Survey of the Property, Seller will convey the Land to Buyer pursuant to the new survey legal description of the Land, if different from EXHIBIT A, by quitclaim deed.
7. Buyer's Inspection.
- 7.1 Physical Inspection.
- a. Inspection Right. Buyer and its agents, employees, representatives and independent contractors may enter upon the Property for the purpose of making such surveys, soil tests, borings, percolation tests, inspections, examinations, and studies (collectively, "Inspections") as are reasonably necessary to evaluate and study the Property as contemplated herein. Seller agrees that Buyer shall have until the Closing Date in which to conduct all such Inspections, but that Buyer's right to terminate this Agreement based thereon shall be limited as provided in Section 7.3 and Section 7.4.

- b. Inspection Indemnity. Buyer shall: (i) be responsible for restoring any damage it caused to the Property; and (ii) indemnify, defend and hold Seller harmless from any and all claims, liabilities, costs or expenses (“**Claims**”) arising out of such Inspections of and entries onto the Property, including personal injury and property damage to the extent caused by Buyer, its agents, employees and consultants.
- c. Carveout to Inspection Indemnity. Notwithstanding the foregoing, in no event shall Buyer be liable to or be obligated to indemnify Seller under Section 7.1(b) for: (i) the mere discovery of pre-existing conditions at the Property; or (ii) the negligence or willful misconduct of Seller or any agents, employees, consultants or contractors thereof.
- 7.2 Document Inspection. Seller represents and warrants that it has delivered to Buyer true, correct and complete copies of each of the documents or materials listed on EXHIBIT C attached hereto to the extent in Seller’s possession or reasonable control.
- 7.3 Inspection Period.
- a. Inspection Date; Termination Right. Notwithstanding Buyer’s right of inspection contained in Section 7.1, Buyer shall have until 5:00 p.m. local time where the Land is located, on the fourteenth (14th) day after the Contract Date (the “**Inspection Date**”) to terminate this Agreement, by written notice to Seller, in its sole and absolute discretion.
- b. Seller Cooperation. Seller agrees to cooperate reasonably with Buyer’s investigations, inspections or studies.
- c. Failure to Waive Termination Right. If, on or before the Inspection Date, Buyer does not give Seller written notice that Buyer waives its termination right pursuant to this Section 7.3, then this Agreement shall terminate effective as of the Inspection Date, in which event the Deposit, less One Hundred Dollars (\$100) to be paid to Seller, shall be returned to Buyer, and the parties shall have no further rights or obligations hereunder, except for those which expressly survive any such termination.
- d. Waiver of Termination Right. If Buyer gives Seller written notice that Buyer waives its termination right pursuant to this Section 7.3, then this Agreement shall remain in full force and effect in accordance with its terms
- 7.4 Conditions Precedent. In addition to other conditions set forth in this Agreement, Buyer’s obligation to purchase the Property shall be contingent upon the following conditions precedent:
- a. Adverse Conditions. There shall be no material adverse change in the condition of or affecting the Property not caused by Buyer between the time of Buyer’s inspection of the Property prior to the Inspection Date and the

Closing Date, including, but not limited to: (i) environmental contamination, (ii) access, (iii) the availability, adequacy and cost of or for utilities and (iv) any development moratorium;

- b. Title Insurance. The willingness of Title Insurer to issue, on the Closing Date, upon the sole condition of the payment of an amount no greater than its regularly scheduled premium, its standard ALTA form owner's policy of title insurance, insuring in the amount of the fair market value of the Property that title to the Property is vested of record in Buyer on the Closing Date, subject only to the Permitted Exceptions;
- c. Representations and Warranties. Seller's representations and warranties contained herein shall be true and correct as of the Contract Date and the Closing Date.
- d. Intentionally Omitted.
- e. Intentionally Omitted.

7.5 Failure of Conditions Precedent. If any of the conditions precedent set forth in Section 7.4 is not satisfied, Buyer may elect by notice to Seller, to: (a) terminate this Agreement, in which event the Deposit shall be returned to Buyer, and the parties hereto shall have no further rights or obligations hereunder, except for those which expressly survive such termination; or (b) close without regard to the failure of such condition. The foregoing election shall be in addition to Buyer's remedies for Seller's default hereunder, and does not negate, modify or amend the representations, warranties or post-closing covenants of Seller contained herein, which representations, warranties and post-closing covenants shall survive the Closing as herein provided.

8. Representations and Warranties; Seller's Pre-Closing Covenants.

8.1 Representations and Warranties. Seller represents and warrants to Buyer:

- a. No Litigation. To Seller's knowledge, there are not any actual, pending or threatened disputes, violations, actions or proceedings by any organization, person, individual or governmental agency against Seller with respect to the Property or against the Property (or any portion thereof), and, to the best of Seller's knowledge, there is no current threat of any litigation or other legal action being filed against Seller or the Property which would affect the Property or Seller's ability to perform its obligations hereunder.
- b. Authority.
 - i. Organization. Seller is a county water district validly existing and in good standing under the laws of the State of California, and qualified to do business in the State in which the Property is located.

- ii. Authorization: Seller has obtained all requisite authorizations and consents to enter into this Agreement with Buyer and to consummate the transactions contemplated hereby and the execution, delivery and performance of this Agreement and the other agreements and instruments referred to herein and the consummation of the transactions contemplated hereby by Seller will not violate, nor constitute a default under, or any order or ruling of any governmental authority or court or any document, instrument or agreement by which Seller or the Property may be bound.
 - iii. Legally Binding: This Agreement is the valid and legally binding obligation of Seller, enforceable against Seller in accordance with its terms.
 - iv. Legal Power: The entities and individuals executing this Agreement and the other documents and instruments referenced herein or otherwise executed and delivered in connection herewith on behalf of Seller have the legal power, right and authority to bind Seller under the terms and conditions stated herein.
- c. Title. Seller has now, and shall have, at the Closing, good, insurable and marketable fee simple title to the Property, free and clear of all liens and encumbrances, other than the Permitted Exceptions and none of the Property will be subject to any prior conveyance or assignment to, or any superior possessory rights in, any third party.
- d. Undisclosed Agreements and Liabilities. Other than as expressly set forth in this Agreement or otherwise disclosed in writing to Buyer pursuant to this Agreement, there are no undisclosed liabilities or agreements affecting the Property or Seller, in its capacity as owner of the Property.
- e. Intentionally Omitted.
- f. No Rights to Purchase. No Person, other than Buyer, has any right, agreement, commitment, option, right of first refusal or any other agreement, whether oral or written, with respect to the purchase, assignment or transfer of all or any portion of the Property.
- g. Environmental Matters.
- i. No Hazardous Substances: Hazardous Substances have not been used, generated, transported, treated, stored, released, discharged or disposed of in, onto, under or from the Property by Seller or, to Seller's knowledge, by any predecessor-in-title or agent of Seller or by any other Person at any time. To Seller's knowledge, the Property is not in violation of any Environmental Laws.

- h. No Condemnation. There is no pending or, to Seller's knowledge, threatened condemnation, expropriation, eminent domain, change in grade of public street or similar proceeding affecting all or any portion of the Property. Seller has received no written or oral notice of the same; and Seller has no knowledge that any such proceeding is contemplated.
- i. Covenants, Conditions, Restrictions or Easements. There is no default or breach by Seller nor, to Seller's knowledge, any other party thereto, under any covenants, conditions, restrictions or easements which may affect the Property or any portion or portions thereof which are to be performed or complied with by the owner of the Property, and no condition or circumstance exists which, with the giving of notice or the passage of time, or both, would constitute a default or breach by Seller nor, to Seller's knowledge, any other party thereto, under any such covenants, conditions, restrictions, rights-of-way or easements.

8.2 Survival. The foregoing representations and warranties in Section 8.1 are true, correct and complete, and in full force and effect and binding on Seller, as of the date hereof, and shall be true and correct and in full force and effect, and deemed to have been reaffirmed and restated by Seller as of the date and time of the Closing, and shall survive the Closing.

8.3 Seller's Pre-Closing Covenants.

- a. No New Encumbrances. From and after the Contract Date, Seller shall not convey any portion of the Property or any rights therein, or enter into any conveyance, security document, easement or other agreement, or amend any existing agreement, granting to any Person (other than Buyer) any rights with respect to the Property or any part thereof or any interest therein, without Buyer's prior written consent.

9. Closing.

9.1 Time and Place. Provided that all of the conditions set forth in this Agreement are theretofore fully satisfied or performed, the Closing shall be conducted by escrow through the Title Insurer on a date selected by Buyer and reasonably acceptable to Seller, which shall be on or before the fifth (5) Business Day after the Inspection Date (the "**Closing Date**"), unless the Closing Date is postponed pursuant to the express terms of this Agreement.

9.2 Closing Deliverables. As a condition precedent to Buyer's delivery to Seller of the Purchase Price, Seller shall deliver the following documents in form and substance acceptable to Buyer (all of which shall be duly executed, which documents Buyer agrees to execute where required):

- a. Deed: A Grant Deed in the form of Exhibit D attached hereto, duly executed and acknowledged in recordable form by Seller, conveying all of Seller's right, title and interest in and to the Property;

- b. General Assignment. A General Assignment substantially in the form of Exhibit E attached hereto, duly executed by Buyer and Seller;
- c. Non-Foreign Certificate: a Certificate and Affidavit of Non-Foreign Status,
- d. Affidavit of Title: an affidavit of title in the form required by the Title Insurer in order to issue its extended coverage owner's policy of title insurance without exception for mechanic's, materialmen's or other statutory liens, for unrecorded easements or for other rights of parties in possession;
- e. Authority: such evidence as Title Insurer shall reasonably require as to the authority of the parties acting on behalf of Seller to enter into this Agreement and to discharge the obligations of Seller pursuant hereto;
- f. Transfer Tax: a properly-completed property transfer tax return or affidavit, if any, in form and substance appropriate to the jurisdiction in which the Property is located;
- g. Reaffirmation of Representations and Warranties: a certificate of Seller, dated as of the Closing Date, reaffirming that all representations and warranties of Seller under this Agreement are true, correct and complete as of the Closing Date and that there has occurred no default or breach, nor any event which, with the giving of notice or the passage of time, or both, would constitute a default or breach by Seller under this Agreement;
- h. Closing Statement: a closing statement; and
- i. Further Documentation: such further instructions, documents and information as Buyer or Title Insurer may reasonably request as necessary to consummate the purchase and sale contemplated by this Agreement.

9.3 Costs. At the Closing:

- a. Transfer Taxes: Buyer shall pay all transfer taxes incident to the conveyance of title to the Property to Buyer;
- b. Recording Costs: Buyer shall pay the cost of recording the Deed;
- c. Title Exam and Premium: Buyer shall pay the costs of examination of title to the Property and owner's title insurance therefor;
- d. Financing Costs: Buyer shall pay any mortgage recording or intangibles tax and all other taxes, costs, fees or expenses relating to Buyer's financing of the Property;
- e. Survey: Buyer shall pay the cost of the Survey;

- f. Escrow/Closing Fees: Any escrow/closing fees charged by the Title Insurer shall be paid by Buyer; and
- g. Other Costs: Seller and Buyer shall pay their own respective costs incurred with respect to the consummation of the purchase and sale of the Property as contemplated herein, including, without limitation, attorneys' fees.

10. Default and Remedies.

10.1 Buyer's Default. If the Closing does not occur as a result of a default by Buyer under the terms of this Agreement, the Deposit shall be paid to Seller, and Seller shall be entitled, as its sole and exclusive remedy hereunder, to retain the Deposit as full liquidated damages for such default of Buyer, whereupon this Agreement shall terminate and the parties shall have no further rights or obligations hereunder, except for those which expressly survive any such termination.

- a. Liquidated Damages. It is hereby agreed that Seller's damages in the event of a default by Buyer hereunder are uncertain, and that the Deposit constitutes a reasonable liquidation of such damages and is intended not as a penalty, but as full liquidated damages.
- b. Waiver. Seller hereby waives and covenants not to bring any action or suit, whether legal or equitable, against Buyer for damages or other redress in the event of Buyer's default hereunder.
- c. Notice and Cure. Buyer shall not be in default under this Agreement unless and until Seller has first given to Buyer written notice of the alleged default, specifying the alleged default in reasonable detail, and 5 Business Days elapse without appropriate curative action by Buyer; provided that no such notice is required for a failure by Buyer to tender performance at Closing.

10.2 Seller's Default. If Seller defaults under this Agreement, then Buyer may elect, as Buyer's sole and exclusive remedy, either to:

- a. Terminate: Terminate this Agreement by notifying Seller thereof, in which case Escrow Agent shall return the Deposit to Buyer, recover from Seller an amount of money equal to the out-of-pocket expenses actually incurred by Buyer in connection with the transaction contemplated by this Agreement, (subject to Section 10.2(c)), including the inspection of the Property pursuant to Section 7, any investigation costs incurred by Buyer in undertaking efforts and activities allowed by Section 7, including surveying, engineering and architectural fees, financing fees and reasonable attorneys' fees incurred related to this Agreement (collectively, the "Acquisition Expenses"), and, after receipt by Buyer of the Deposit and reimbursement from Seller for the Acquisition Expenses, neither party hereto shall have any further rights or obligations hereunder, except those obligations which expressly survive the termination of this Agreement; or

- b. Specific Performance: Enforce specific performance of this Agreement provided that any suit for specific performance must be brought within 90 days of Seller's default.
- c. Damages Due Buyer. If Seller has transferred or otherwise encumbered the Property thereby preventing Buyer from obtaining specific performance, then Buyer shall be entitled to pursue an action for damages against Seller, exclusive of punitive or consequential damages.

INITIALS: SELLER: _____

- d. Acquisition Expenses. If Buyer becomes entitled to reimbursement of Acquisition Expenses, Buyer shall deliver written notice to Seller specifying the amount due and enclose reasonable supporting documentation for each component of the amount claimed due. Payment shall be due from Seller within 30 days after receipt of such notice.
- e. Notice and Cure. For the purposes of this Section, a "Seller Default" shall mean Seller's failure to observe and perform any obligations of Seller in accordance with the provisions of this Agreement, and such failure continues for a period of 5 Business Days after notice by Buyer of such default; provided that no such notice or opportunity to cure is required for a failure by Seller to tender performance at Closing.

11. Condemnation.

- 11.1 Notice of Condemnation. Upon becoming aware of the same, Seller agrees to give Buyer immediate written notice of any actual or threatened taking in condemnation or by eminent domain (or a sale in lieu thereof).
- 11.2 Buyer Right to Terminate. Between the Contract Date and the Closing Date, any actual or threatened taking or condemnation of all or any part of the Property which would, in Buyer's reasonable judgment, adversely affect the Property or render it unsuitable for Buyer's purposes, shall, at Buyer's option, allow Buyer, by written notice to Seller, to terminate this Agreement.
 - a. Buyer Elects to Terminate. If this Agreement is so terminated, Buyer shall receive a refund of the Deposit, whereupon the parties shall have no further rights or obligations hereunder, except for those which expressly survive any such termination.
 - b. Buyer Does Not Elect to Terminate. If Buyer does not elect to terminate this Agreement following any such notice, this Agreement shall remain in full force and effect and the conveyance of the Property contemplated herein, less any interest taken by eminent domain or condemnation, or sale in lieu thereof, shall be effected.

- 11.3 Awards. At the Closing, Seller shall assign to Buyer any awards or payments for the property lost that have been or may thereafter be made for any such taking or sale in lieu thereof.
12. Assignment.
- 12.1 Assignment by Buyer. Buyer may assign any of Buyer's rights hereunder or any part thereof to any person or entity.
- 12.2 Assignment by Seller. From and after the Contract Date, Seller shall not, without the prior written consent of Buyer, which consent Buyer may withhold in its sole discretion, assign, transfer, convey, hypothecate or otherwise dispose of all or any part of its right, title and interest in the Property.
13. Buyer's Representation and Warranty. Buyer represents and warrants to Seller that: (a) it is duly organized, validly existing and in good standing under the laws of the State of its formation; (b) it has all requisite authorizations to enter into this Agreement with Seller and to consummate the transactions contemplated hereby; (c) the parties executing this Agreement on behalf of Buyer are duly authorized to so do; and (d) neither Buyer nor, to Buyer's actual knowledge, any individual having a beneficial interest in Buyer is a Person described by Section 1 of the Executive Order (No. 13224) Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism, 66 Fed. Reg. 49079 (September 25, 2001), and does not engage in any dealings or transactions, and is not otherwise associated with any such Persons.
14. Broker and Broker's Commission.
- 14.1 Indemnity. Buyer and Seller each warrant and represent to the other that such party has not and shall not employ a real estate broker or agent in connection with the transaction contemplated hereby. Each party agrees to indemnify and hold the other harmless from any loss or cost suffered or incurred by it as a result of the other's representation herein being untrue.
15. Miscellaneous.
- 15.1 Notices.
- a. Form of Notice. Wherever any notice or other communication is required or permitted hereunder, such notice or other communication shall be in writing and shall be delivered by: (i) hand; (ii) nationally-recognized overnight express delivery service; or (iii) by electronic transfer (facsimile transmission or by e-mail of a letter in "pdf" format) to the addresses set out below or at such other addresses as are specified by written notice delivered in accordance herewith:

SELLER: West Valley Water District
 855 W. Base Line
 Rialto, CA 92377
 Attention: Van Jew
 Telephone: 909-875-1804
 E-Mail: vjew@wvwd.org

With a copy to: West Valley Water District
 Alvarez-Glasman & Colvin
 13181 Crossroads Pkwy. North
 Suite 400 - West Tower
 City of Industry, CA 91746

Attention: Vincent C. Ewing
 Telephone: 562.699.5500
 Facsimile: 562.692.2244
 E-Mail: vewing@agclawfirm.com

BUYER: IDIL West Valley Logistics Center, LP
 c/o IDI Logistics
 1100 Peachtree St., Suite 1000
 Atlanta, Georgia 30309
 Attn: David Laibstain, Executive Vice President &
 General Counsel
 Telephone: (404) 479-1618
 Facsimile: (404) 479-4115
 E-mail: david.laibstain@idilogistics.com

With a copy to: IDIL West Valley Logistics Center, LP
 c/o IDI Logistics
 840 Apollo Street, Suite 343
 El Segundo, California 90245
 Attn: Mr. Charles A. McPhee
 Telephone: (213) 334-4801
 E-Mail: charlie.mcphee@idilogistics.com

With a copy to: Allen Matkins Leck Gamble Mallory & Natsis LLP
 2010 Main Street, 8th Floor
 Irvine, CA 92614
 Attn: Gary S. McKitterick, Esq.
 Telephone: (949) 553-1313
 E-Mail: gmckitterick@allenmatkins.com

- b. Notice Received. Any notice or other communication sent as hereinabove provided shall be deemed received: (i) on the date of delivery, if delivered by hand or overnight express delivery service; (ii) on the date indicated on the return receipt if mailed; or (iii) on the date of transmission, if sent by electronic transfer device or e-mail.
- 15.2 Governing Law. This Agreement shall be construed and interpreted under the laws of the State in which the Land is located.
- 15.3 Construction. This Agreement is the result of negotiation by the parties, each of whom was represented by counsel, and thus, this Agreement shall not be construed against the maker thereof.
- 15.4 No Waiver. Neither the failure of either party to exercise any power given such party hereunder or to insist upon strict compliance by the other party with its obligations hereunder, nor any custom or practice of the parties at variance with the terms hereof shall constitute a waiver of either party's right to demand exact compliance with the terms hereof.
- 15.5 Entire Agreement. This Agreement and the documents incorporated herein by reference contain the entire agreement of the parties hereto with respect to the Property, and no representations, inducements, promises or agreements, oral or otherwise, between the parties not embodied herein or incorporated herein by reference shall be of any force or effect.
- 15.6 Binding Effect. Subject to Section 12, this Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors and assigns.
- 15.7 Amendments. No amendment to this Agreement shall be binding on any of the parties hereto unless such amendment is in writing and is executed by the party against whom enforcement of such amendment is sought.
- 15.8 Date For Performance. If the time period or date by which any right, option or election provided under this Agreement must be exercised, or by which any act required hereunder must be performed, or by which the Closing must be held, does not expire on a Business Day, then such time period shall be automatically extended to the next Business Day.
- 15.9 Recording. Seller and Buyer agree that they shall not record this Agreement.
- 15.10 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which, when taken together, shall constitute but one and the same instrument. Electronic, facsimile or .pdf signatures shall have the same force and effect as original signatures. The parties hereto intend to be bound by the signatures on the electronic, facsimile or .pdf document, and hereby waive any defenses to the enforcement of the terms of this Agreement based on the use of an electronic, facsimile or .pdf signature.

- 15.11 Severability. If any term or provision of this Agreement or the application thereof to any person or circumstance shall for any reason and to any extent be held to be invalid or unenforceable, then such term or provision shall be ignored, and to the maximum extent possible, this Agreement shall continue in full force and effect, but without giving effect to such term or provision.
- 15.12 Survival. No representations, warranties, covenants or agreements of Seller or Buyer contained herein shall survive the Closing or the earlier termination of this Agreement, except as expressly provided in this Agreement, except as follows: Section 4.2 (Prorations); Section 8.3 (Seller's Pre-Closing Covenants); Section 8.1 (Seller's Representations and Warranties); Section 10 (Default and Remedies); Section 14 (Broker and Broker's Commission); and Sections 15 (Miscellaneous) shall survive the Closing or earlier termination of this Agreement indefinitely.

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed and sealed by its authorized signatory, effective as of Contract Date.

SELLER:

WEST VALLEY WATER DISTRICT,
a county water district

By: _____
Name: Van Jew
Title: Acting General Manager

APPROVED AS TO FORM
Alvarez, Glasman, & Colvin

ATTEST

By: _____
Name: Vincent C. Ewing
Title: Interim General Counsel

By: _____
Name: Elvia Dominguez
Title: Board Secretary

BUYER:

IDIL WEST VALLEY LOGISTICS CENTER, LP,
a Delaware limited partnership

By: _____
Name: Charles McPhee
Title: SVP and Regional Director

[Signature Page 1 of 1 to Purchase and Sale Agreement]

EXHIBIT A**LEGAL DESCRIPTION OF LAND**

The Land referred to herein below is situated in the City of Fontana, County of San Bernardino, State of California, and is described as follows:

THAT PORTION OF THE NORTHWEST QUARTER OF SECTION 33, TOWNSHIP 1 SOUTH, RANGE 5 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, BEING A STRIP OF LAND 10.00 FEET IN WIDTH, THE CENTER LINE BEING DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SAID NORTHWEST QUARTER; THENCE NORTHERLY ALONG THE WESTERLY LINE OF SAID NORTHWEST QUARTER A DISTANCE OF 70.00 FEET; THENCE EASTERLY PARALLEL TO THE SOUTHERLY LINE OF SAID NORTHWEST QUARTER, A DISTANCE OF 540.00 FEET; THENCE SOUTHEASTERLY ON A LINE DEFLECTING 45° 00' 00" FROM THE EASTERLY PROLONGATION OF THE LAST DESCRIBED COURSE, A DISTANCE OF 127.00 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTHEASTERLY TO A POINT BEING 77.00 FEET NORTHERLY OF THE SOUTHERLY LINE OF SAID NORTHWEST QUARTER, MEASURED AT RIGHT ANGLES, AND 1938.00 FEET WESTERLY OF THE SOUTHEAST CORNER OF SAID NORTHWEST QUARTER; MEASURED ALONG THE SOUTHERLY LINE OF SAID NORTHWEST QUARTER; THENCE EASTERLY TO A POINT IN THE EASTERLY LINE OF SAID NORTHWEST QUARTER BEING 47.00 FEET NORTHERLY OF THE SOUTHEAST CORNER OF SAID NORTHWEST QUARTER, MEASURED ALONG THE EASTERLY LINE OF SAID NORTHWEST QUARTER, SAID POINT BEING THE TERMINATION OF SAID STRIP OF LAND.

TOGETHER WITH THE RIGHT TO USE ADJACENT LAND TEMPORARILY AS REQUIRED FOR THE CONSTRUCTION OF PIPE LINES.

EXCEPTING THEREFROM THAT PORTION LYING WITHIN LOCUST AVENUE.

For conveyancing purposes only: APN 0256-131-10

EXHIBIT B**PERMITTED EXCEPTIONS**

1. Non-delinquent real property taxes and assessments for the year in which the Closing occurs and subsequent years.
2. Such state of facts which would be shown by a current survey of the Property and not timely objected to by Buyer pursuant to this Agreement.
3. Other title exceptions listed in Buyer's Title Commitment and not timely objected to by Buyer pursuant to this Agreement.

EXHIBIT C**LIST OF DUE DILIGENCE MATERIALS**

- a. Notices: All written notices from any governmental or quasi-governmental authority of a violation of any law or regulation (including, without limitation, Environmental Laws) with respect to the Property (or any portion thereof) which remains uncured or with respect to the exercise by such authority of the right of condemnation or eminent domain;
- b. Seller's Title Insurance. Copies of Seller's title insurance policies affecting the Property;
- c. Environmental Reports. All Environmental Reports;
- d. Tax Bills. All tax bills affecting the Property (or any portion thereof) for the past three years and all written notices of change in the assessed value of the Property (or any portion thereof);
- e. Permits. Any permits affecting the Property;
- f. Soil Reports. Soil reports for the Property;
- g. Zoning. Evidence of zoning and any conditions of development and/or platting imposed upon the Property;
- h. Surveys/Plats. All existing surveys and plats of the Property; and
- i. Miscellaneous. Such further instruments, documents and information as Buyer may have reasonably requested as necessary for preparation for the Closing.

EXHIBIT D
FORM OF DEED

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL
THIS GRANT DEED AND ALL
TAX STATEMENTS TO:

APNs:

(Space Above For Recorder's Use)

THE UNDERSIGNED GRANTOR DECLARES:

Documentary transfer tax is \$ _____

- computed on full value of property conveyed, or
- computed on full value, less value of liens and encumbrances remaining at time of sale.

City of Fontana
County of San Bernardino

GRANT DEED

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,
_____ (“Grantor”), hereby grants to _____
 (“Grantee”), that certain real property (the “Land”) located in the City of Fontana, County of San
Bernardino, State of California, which is more particularly described on Exhibit “A” attached
hereto.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Grantor has executed this Grant Deed on the day and year hereafter written.

Dated: _____

“GRANTOR”

_____,
a _____

ACKNOWLEDGMENT

A notary public or other officer 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 _____)
County of _____)

On _____, before me, _____,
(insert name of notary)

Notary Public, 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 _____ that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

(Seal)

EXHIBIT "A"

LEGAL DESCRIPTION OF THE LAND

[TO BE PROVIDED]

EXHIBIT E

GENERAL ASSIGNMENT

THIS GENERAL ASSIGNMENT ("Assignment"), is made as of the ____ day of _____, 20__, by and between _____, a _____ ("Assignor"), and _____, a _____ ("Assignee").

WITNESSETH:

Assignor is the owner of that certain land (the "Land") located in the City of _____, County of _____, State of California more particularly described in Exhibit "A" attached hereto, and all rights, privileges and easements appurtenant to the Land (the "Appurtenances"), and all buildings and other improvements thereon (the "Improvements"). The Land, the Appurtenances and the Improvements are hereinafter referred to collectively as the "Real Property". The Real Property is being conveyed by Assignor to Assignee pursuant to a grant deed ("Deed") of on or about even date herewith.

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

1. Assignor hereby grants, assigns, transfers, conveys and delivers to Assignee all of Assignor's right, title, interest, benefits and privileges in, to, and of the following described property (collectively, the "Rights"):

(a) All governmental entitlements which relate to all or any of the Real Property.

2. Assignee hereby accepts the grant, assignment, transfer, conveyance and delivery of the Rights set forth in Paragraph 1 hereof, effective as of the recordation of the Deed.

3. Assignor hereby represents and warrants to Assignee that, effective as of the date of recordation of the Deed, (i) Assignor has not assigned, sold, mortgaged, pledged or otherwise transferred all or any of Assignor's right, title or interest in or to any of the Rights to any party other than Assignee and (ii) Assignor owns the Rights free and clear from any and all liens, encumbrances and security interests.

4. This Assignment shall be binding upon and inure to the benefit of the successors, assigns, personal representatives, heirs and legatees of the respective parties hereto.

5. In the event of the bringing of any action or suit by a party hereto against another party hereunder by reason of any breach of any of the covenants, conditions, agreements or provisions on the part of the other party arising out of this Assignment, then in that event the prevailing party shall be entitled to have and recover of and from the other party all costs and expenses of the action or suit, including reasonable attorneys' fees.

6. This Assignment shall be governed by, interpreted under, and enforced and construed in accordance with the laws of the State of California.

7. This Assignment may be executed in multiple counterparts, including the transmission of counterparts via electronic means, each of which shall be deemed an original, but all of which together shall constitute but one and the same instrument. Any electronic signatures (including but not limited to signatures sent by “DocuSign” or electronic mail in Adobe® portable document format file) shall be deemed binding originals for purposes of determining the enforceability of this Assignment, regardless of by whom delivered and whether or not the originally executed counterpart signatures are transmitted.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Assignment as of the date first hereinabove written.

"Assignor"

WEST VALLEY WATER DISTRICT,
a county water district

By: _____
Name: _____
Title: _____

APPROVED AS TO FORM
Alvarez, Glasman, & Colvin

ATTEST

By: _____
Name: Vincent C. Ewing
Title: Interim General Counsel

By: _____
Name: Elvia Dominguez
Title: Board Secretary

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

"Assignee"

IDIL WEST VALLEY LOGISTICS CENTER, LP,
a Delaware limited partnership

By: _____
Name: _____
Title: _____

EXHIBIT "A"

LEGAL DESCRIPTION OF PROPERTY

[TO BE PROVIDED]