



**IMPERIAL IRRIGATION DISTRICT
RESOLUTION NO. 57-2022**

Sale of Vacant Land to Parcel 12 LLC

WHEREAS, the Imperial Irrigation District (“IID”) is the fee owner of approximately 24.89 acres of real property with Assessor’s Parcel Number 059-513-012-000 located in the unincorporated area of Imperial County, California, and described in Exhibit “A,” attached hereto and incorporated by this reference (the “Property”); and

WHEREAS, the Property is undeveloped, vacant, and not currently used by IID. The Property was declared surplus by Resolution No. 27-2021 adopted on July 6, 2021 and exempt surplus land by Resolution No. 40-2022 adopted on August 16, 2022; and

WHEREAS, Parcel 12, LLC, a limited liability company has made an offer to purchase the Property for the sum of \$298,680; and

WHEREAS, IID desires to sell the Property for the stated sum of \$298,680 under the terms and conditions set forth in the Sale and Purchase Agreement (the “Agreement”), attached hereto as Exhibit “B”; and

WHEREAS, all rights and easements necessary for IID’s facilities and interests in, on or under the Property are reserved as part of the terms and conditions of the Agreement.

NOW, THEREFORE, BE IT RESOLVED, as follows:

1. Pursuant to Water Code section 22500, *et seq.*, the IID Board of Directors hereby finds the following:
 - a. The Property is no longer necessary for present or prospective IID uses or purposes; and

- b. The terms and conditions of the Agreement for the sale of the Property is in the best interest of IID.
2. That the IID Board of Directors approves the Agreement and authorizes the sale of the Property in the amount of \$298,680.
 3. This Resolution is effective upon its adoption.

BE IT FURTHER RESOLVED that the IID Board of Directors authorizes the Real Estate Section to carry out all necessary steps to effectuate the completion of the sale.

PASSED AND ADOPTED this 15th day of November, 2022.

IMPERIAL IRRIGATION DISTRICT



James C. Hanks

President

Raymundo Najera

Secretary

EXHIBIT "A"

DESCRIPTION OF PROPERTY

Legal Description

Remainder of Lot F of Tract 941-Unit 2, in the County of Imperial, State of California, according to map recorded in Book 25, Page 32 of Final Maps on file in the Office of the County Recorder of Imperial County and as amended by Certificates of Correction recorded January 10, 2008 as Document No. 2008-001009, February 25, 2008 as Document No. 2008-005257, June 5, 2008 as Document No. 2008-015699 and October 20, 2008 as Document No. 2008-030101, all of Official Records.

Consisting of 24.89 acres

APN 059-513-012-000

EXHIBIT "B"
SALE AND PURCHASE AGREEMENT

SALE AND PURCHASE AGREEMENT

THIS SALE AND PURCHASE AGREEMENT (“**Agreement**”) is made and entered into as of the 18th day of November, 2022 by and between the IMPERIAL IRRIGATION DISTRICT, an irrigation district established under the Irrigation District Law, California Water Code sections 20500 *et seq.* (“**Seller**”), and Parcel 12, LLC., a California Limited Liability Company (“**Buyer**”). Seller and Buyer are also sometimes referred to individually as a “party” and collectively as the “parties.”

ARTICLE I

INTRODUCTION

1.01 Seller owns 24.89 acres of real property, including all rights, easements, and privileges appurtenant thereto, located east of the City of Calexico, in the County of Imperial, State of California, as legally described in **Exhibit A** and as depicted in **Exhibit A-1**, attached hereto and incorporated herein by this reference (the “**Property**”).

1.02 Buyer desires to purchase the Property from Seller and Seller desires to sell the Property to Buyer, together with the other rights and interests specified in this Agreement.

ARTICLE II

AGREEMENT OF THE PARTIES

2.01 AGREEMENT. Seller hereby agrees to sell and Buyer hereby agrees to buy the Property on the terms and conditions set forth in this Agreement. Except as provided in Section 2.02 below, Seller agrees to transfer to Buyer all of Seller’s rights, title and interest in the Property.

2.02 EXCLUDED PROPERTY. Notwithstanding anything in this Agreement to the contrary, the Property shall not include:

a) Seller's interest in all minerals, of every kind and character, either in solid or liquid form, including, without limitation, all oil, gas and hydrocarbons, all geothermal substances that might be produced from the Property, including (a) the natural heat of the earth, and the energy present in, resulting from, or created by, or which may be extracted from, the natural heat of the earth or the heat present below the surface of the earth, in whatever form such heat or energy naturally occurs; (b) all natural products of geothermal processes, including, without limitation, indigenous hot water, hot brine, steam and other fluids and gasses; (c) hot water, hot brine, steam and other fluids and gasses resulting from water or other substances being artificially introduced into the subsurface of the Property; and (d) all minerals, gasses, salts, chemicals, by-products and other substances in solution or mixed with geothermal effluent or otherwise produced from, through and across the Property, and/or from geothermal wells located in or on property outside the boundaries of the Property that have a production interval lying below a depth of five hundred (500) feet below the surface of the Property Notwithstanding the provisions of this

paragraph, the Seller and its successors and assigns shall not retain any right to surface access and the recorded Grant Deed describing the Property from Seller to Buyer shall so state.

b) No water rights owned or held by Seller, by virtue of Seller being an irrigation district, are being conveyed to Buyer with the transfer of title to the Property or otherwise, and Seller shall continue to hold those rights in trust for the benefit of the owner of the Property to the extent provided by federal and State statutes, regulations, and common law. Notwithstanding the provisions of this paragraph, the Buyer and its successors and assigns reserve the right to apply for and receive water availability to the Property from Seller in accord with the customary practices and procedures of Seller.

c) All Imperial Irrigation District (“IID”) facilities, including but not limited to all fixtures, equipment, and structures of every kind and nature, including but not limited to checks, gates, pipes, drain boxes, siphons, poles, transmission and distribution lines, transformers, appurtenances thereto, and anything incident to or related in any way with the operation and maintenance for the development, distribution, and transmission of energy, communications, and conveyance water for all uses and purposes. This subsection and the terms found herein shall be broadly interpreted.

d) The easements and rights of way of every kind or nature, including but not limited to, express, prescriptive, merged or implied easements, easements and rights of way as existed before or after Seller acquired title, as used by Seller, as created by Seller, or as reserved by Seller, and whether of record or not, as set forth on **Exhibit “E”** attached hereto and made a part hereof (collectively, the “**Map and Descriptions of Easements**”).

ARTICLE III

PURCHASE PRICE AND TERMS

3.01 PURCHASE PRICE AND PAYMENT TERMS. Seller shall sell to Buyer the Property for the total purchase price of Two Hundred Ninety-Eight Thousand Six Hundred Eighty Dollars and No Cents (\$298,680.00) (the “**Purchase Price**”), payable as follows:

3.02 DEPOSIT. Five Thousand Dollars (\$5,000.00) earnest money must be deposited by Buyer with Escrow Agent on or before the Opening Date of Escrow (“**Deposit**”). The Deposit will be fully refundable if Buyer elects to terminate this Agreement prior to the expiration of the Feasibility Period (as herein defined). The Deposit will be fully earned, nonrefundable, and immediately released to Seller upon the expiration of the Feasibility Period and will be credited against the Purchase Price at the close of Escrow.

3.03 BALANCE. The balance of the Purchase Price for the Property, Two Hundred Ninety-Three Thousand Six Hundred Eighty Dollars and No Cents (\$293,680.00) shall be delivered to the Escrow Holder in readily available funds one (1) business day prior to the Closing.

3.04 EARNEST MONEY PROVISIONS. The Deposit shall be paid to the Escrow Agent in the form of a personal check or cashier's check or other readily available funds. Escrow Agent is hereby instructed to deposit the Deposit in a federally insured money market or other similar account, at a financial institution located in El Centro, California acceptable to Buyer and Seller. All interest accrued on the Deposit will become part of the Deposit. Upon the expiration of the Feasibility Period, the Deposit will be immediately released and paid to Seller. If the Escrow closes, the amount of the Deposit will be credited against the Purchase Price. If Buyer is entitled at any time to a return of the Deposit as provided by this Agreement, the Deposit will be paid immediately to Buyer.

3.05 DISBURSEMENTS. Upon the Close of Escrow, all amounts paid according to this Article III, shall be disbursed pursuant to Section 7.02 below.

3.06 NATURE OF EARNEST MONEY DEPOSIT. Prior to the expiration of the Feasibility Period as set forth in Section 5.06 herein, the Deposit will be refundable to Buyer. Upon expiration of the Feasibility Period as set forth in Section 5.06 herein, the Deposit will be fully earned, nonrefundable, and immediately paid to Seller ("forfeited"), except as otherwise provided herein.

ARTICLE IV

TITLE, SURVEY, PLAN AND RELATED MATTERS

4.01 PRELIMINARY TITLE REPORT.

a) Within fifteen (15) business days from the Opening Date of Escrow (as defined in Section 5.02 herein), Seller shall cause the Escrow Agent to deliver a current preliminary title report for the Property to Buyer and Seller. The preliminary title report shall show the status of title to the Property as of the date of the preliminary title report and be accompanied by copies of all documents referred to on Schedule B of the preliminary title report (collectively referred to as the "**Report**"). Notwithstanding the foregoing, Seller shall not be required to deliver title documentation with respect to the Reserved Easements within such fifteen (15) day period; however, Seller shall provide such title documentation as soon as reasonably practical thereafter and for purposes of Buyer's review of such title documentation only, such title documentation shall be deemed to be an Amended Report. Buyer shall have thirty (30) days from receipt of the Report to give Seller and Escrow Agent written notice of its approval of the Report or the disapproval of any title exception that is unacceptable to Buyer ("**Buyer's Title Notice**"). If Escrow Agent issues a supplemental or amended title report showing additional title exceptions (an "**Amended Report**"), Buyer shall have a period of time equal to fifteen (15) days (a "**Supplemental Review Period**") from the date of receipt of the Amended Report and a copy of each document referred to in Schedule B of the Amended Report in which to give a Buyer's Title Notice as to any additional exceptions; however, any matter shown in or disclosed by the Amended Report that (i) does not (a) materially adversely affect the operation or value of the Property, (b) relate to creation of a new interest in or new restriction on the Property other than an easement which has no material adverse effect on the Property, or (c) involve a material encroachment, a loss of access or a monetary lien against the Property, (ii) was created by, on behalf of or with the consent of Buyer or (iii) results from a New Survey (as defined in Section 4.04), will be deemed

approved by Buyer. The Close of Escrow shall be extended as may be necessary to accommodate the notice periods applicable to the Amended Report and Seller's right to eliminate or ameliorate matters disclosed by the Amended Report. If Buyer timely disapproves of all or any portion of the Report or an Amended Report (subject to the foregoing), Seller may elect to attempt to eliminate or ameliorate to Buyer's reasonable satisfaction the disapproved title matters by giving Buyer, within ten (10) days following receipt of Buyer's Title Notice, written notice ("Seller's Title Notice") of those disapproved title matters, if any, which Seller agrees to so attempt to eliminate or ameliorate by the Close of Escrow. If Seller does not give Seller's Title Notice to eliminate or ameliorate those matters within such ten (10) days or if Buyer disapproves Seller's Title Notice, then Buyer shall give written notice (which notice must be delivered within five (5) days following the expiration of the foregoing ten (10) day period or Buyer's receipt of Seller's Title Notice, as applicable) to Seller and Escrow Agent either (a) waiving its prior disapproval, in which event said disapproved matters shall be deemed approved, or (b) terminating this Agreement and the Escrow created pursuant hereto, in which event Buyer shall be entitled to the return of the Deposit (less Buyer's share of escrow cancellation charges and only if the Deposit has not been otherwise forfeited under this Agreement) and Buyer shall return to Seller all Documents previously delivered to Buyer by Seller. Failure to take either one of the actions described in clauses (a) and (b) above shall be deemed to be Buyer's election to take the action described in clause (a) above. In addition, if, in Seller's Title Notice, Seller has agreed to attempt to remove any disapproved title matters from title on or before the Close of Escrow, but Seller, despite its good faith efforts, is unable to do so to Buyer's reasonable satisfaction by the Close of Escrow, Buyer shall have the right to either waive its objection to such exception and consummate this transaction or to terminate this Agreement. If Buyer does not object to an exception disclosed by the Report or an Amended Report within the applicable time period, such matter will be deemed to have been approved by Buyer. Notwithstanding the provisions of this paragraph, Buyer has already obtained a "Draft Preliminary Report" under Order No. 3910319-07839 / SD1651055 dated October 31, 2019 at 7:30AM as Amended on ____ at 7:30AM attached hereto as Exhibit ____ describing Remainder Lot F of Track 941-Unit No. 2 in the County of Imperial, State of California, according to Map Recorded in Book 25, page 32 of Final Maps on file in the Office of the County Recorder of Imperial County as amended by Certificates of Correction recorded January 10, 2008 as Document No. 2008-001009, February 25, 2008 as Document No. 2008-005257, June 5, 2008 as Document No. 2008-015699 and October 20, 2008 as Document No. 2008-030101 all of Imperial County Official Records ("Lot F") and is prepared to approve title subject to only items B limited to supplemental taxes and assessments accruing from and after Close of Escrow and items 1 to 16 of Schedule B in a 1990 Form CLTA Standard Coverage Policy of title insurance issued by Title Resources Guaranty Corporation naming Buyer as the Insured with the amount of policy equal to the purchase price describing the Property

b) Notwithstanding anything mentioned herein to the contrary, upon a cancellation by Buyer in accordance with the provisions of Section 4.01(a), the Deposit will be returned to Buyer, unless the Deposit has been otherwise forfeited under this Agreement. In such event, all documents deposited in Escrow by Seller will be returned to Seller, and all documents deposited in Escrow by Buyer will be returned to Buyer and this Agreement will terminate.

4.02 TITLE. At the Close of Escrow, Seller shall convey title to the Property to Buyer by the Grant Deed (as defined in Section 10.01(a) below), subject only to the following:

a) The matters set forth in the "Draft Preliminary Report" as indicated in Paragraph 4.01(a) Report and any Amended Report which have been accepted by Buyer or deemed accepted by Buyer pursuant to Section 4.01 above;

b) A lien to secure payment of real estate taxes and assessments accruing from and after Close of Escrow;

c) The lien of supplemental taxes assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code accruing from and after Close of Escrow;

d) All matters which would be disclosed by a reasonable inspection or survey of the Property;

e) Those rights specifically reserved to Seller pursuant to Section 2.02 (collectively, the "**Approved Title Conditions**").

4.03 TITLE POLICY. At the Close of Escrow, Seller shall provide Buyer with a 1990 FORM CLTA standard coverage owner's title policy ("**Title Policy**") issued by Title Resources Guaranty Corporation through Equity Title Company as its agent (the "**Title Company**") in the full amount of the Purchase Price, effective as of the Close of Escrow, insuring Buyer that fee simple title to the Property is vested in Buyer, subject only to the usual printed exceptions contained in such title insurance policies, to the matters approved or deemed approved by Buyer pursuant to Sections 4.01 and 4.02 above, and to any other matters approved in writing by Buyer. Seller and Buyer shall pay the premium for the Title Policy and any endorsements in accordance with Section 7.01 herein.

4.04 SURVEY. Buyer agrees that if Buyer desires to cause a new survey of the Property to be prepared (collectively, a "**New Survey**"), Buyer shall be solely responsible for obtaining such New Survey and Buyer shall not have the right to disapprove any matters which may be addressed in an Amended Report as a result of such New Survey. Buyer will be responsible for any and all costs to obtain such New Survey.

4.05 REPORTS AND OTHER INFORMATION. Seller shall provide Buyer all reports, agreements, plans, inspections, tests, studies or other materials concerning the Property (collectively referred to as the "**Documents**"), without any representation or warranty as to the accuracy or completeness of such information, in accordance with the schedule provided on **Exhibit B** and all such Documents shall upon their receipt by Buyer be made a part hereof. Buyer shall confirm receipt of all such Documents within five (5) days of the date of their receipt by Buyer.

ARTICLE V

ESCROW, CLOSING, PRORATIONS, AND RIGHT TO CANCEL

5.01 ESCROW. An escrow for the transaction contemplated by this Agreement will be established with the Escrow Agent (the "**Escrow**") located in El Centro, California jointly approved by Seller and Buyer. This Agreement, together with any standard form escrow

instructions required by Escrow Agent, will constitute “**Escrow Instructions.**” Such standard form escrow instructions shall be construed as applying principally to Escrow Agent’s employment, and if there are conflicts between the terms of this Agreement and the terms of the standard form escrow instructions, the terms of this Agreement shall control unless the parties hereto specifically agree otherwise. Notwithstanding the foregoing, any provisions indemnifying Escrow Agent for its negligence or giving a broker or other third party any interest in the Escrow are hereby deleted.

5.02 OPENING DATE OF ESCROW. Escrow will be deemed open on the date (the “**Opening Date of Escrow**”) that three (3) fully executed originals of this Agreement have been delivered to the Escrow Agent. Escrow Agent shall give Buyer and Seller written notice of the Opening Date of Escrow. If Buyer does not deliver the Deposit to the Escrow Agent on or before the Opening Date of Escrow, Seller may terminate this Agreement upon delivery of written notice of the same to Buyer and Escrow Agent.

5.03 ESCROW CANCELLATION CHARGES. If the Escrow fails to close because of Seller's default, Seller shall be liable for all customary escrow cancellation charges. If the Escrow fails to close because of Buyer's default, Buyer shall be liable for all customary escrow cancellation charges. If the Escrow fails to close for any other reason, Seller and Buyer shall each be liable for one-half (1/2) of all customary escrow cancellation charges.

5.04 CLOSING COSTS AND PRORATIONS.

a) Upon the Close of Escrow, Buyer will pay the Escrow charges. Any other closing costs will be paid by Buyer and Seller according to the usual and customary practice in Imperial County, California.

b) Real estate taxes and assessments for the fiscal year in which the Closing occurs, will be prorated as of the Close of Escrow, based upon the latest available information, with Seller responsible for all such taxes and assessments for such fiscal year applicable to the period up to and including the Close of Escrow and the Buyer responsible for all such taxes and assessments for such fiscal year after the Close of Escrow. Seller shall pay all prior fiscal year taxes and assessments and interest and penalties for such prior years, if any. In the event that as of the Close of Escrow the actual tax bills for the fiscal year in question are not available and the amount of taxes to be prorated as aforesaid cannot be ascertained, then when the actual amount of taxes and assessments for the fiscal year in question shall be determinable, such taxes and assessments will be re-prorated between the parties to reflect the actual amount of such taxes and assessments.

c) All insurance on the Property carried by Seller will be cancelled by Seller effective as of the Close of Escrow.

d) All closing costs payable by Seller will be deducted from Seller's proceeds at the Close of Escrow. Within one (1) business day prior to the Close of Escrow and concurrent with Buyer's payment of the remainder of the Purchase Price pursuant to Section 3.01(b) above, Buyer shall deposit with Escrow Agent readily available funds in an amount sufficient to pay all closing costs payable by Buyer.

5.05 CLOSE OF ESCROW. Subject to the satisfaction of all conditions set forth herein, Escrow shall close (the “**Close of Escrow**” or “**Closing Date**” or “**Closing**”) on the date that is thirty (30) days after the expiration of the Feasibility Period (as defined in Section 5.06).

5.06 FEASIBILITY STUDY; BUYER’S RIGHT TO CANCEL. Buyer shall satisfy itself with respect to all elements of the Property (including, without limitation, environmental testing, archeological testing, review and satisfaction of the Report and the Documents, all of which shall be conducted at Buyer’s sole cost and expense) and with respect to the feasibility of using and developing the Property for Buyer’s intended purpose, at the sole expense of Buyer no later than Fifteen (15) days following the Opening Date of Escrow (the “**Feasibility Period**”). Until the expiration of the Feasibility Period, Buyer will have the right to cancel this Agreement and will be entitled to a return of the Deposit by giving written notice to Seller and Escrow Agent of cancellation at or prior to the expiration of the Feasibility Period. If Buyer timely elects to cancel this Agreement, Escrow Agent will immediately return the Deposit to Buyer and neither Buyer nor Seller will have any further obligations under this Agreement, other than those obligations that expressly survive the termination of this Agreement. Buyer understands and accepts that certain Documents will not be provided until after the expiration of the Feasibility Period as more specifically stated in **Exhibit B**. Buyer understands and acknowledges that the Deposit will be fully earned, nonrefundable and released to Seller upon the expiration of the Feasibility Period.

ARTICLE VI

MATTERS RELATING TO THE ESCROW PERIOD

6.01 POSSESSION; RIGHT OF ENTRY. Possession of the Property will be delivered to Buyer upon the Close of Escrow. However, during the period from and after the Opening Date of Escrow and continuing until the Closing, Buyer may enter upon the Property upon at least forty-eight (48) hours prior written notice to Seller with Buyer’s representatives and agents for the purpose of examining the Property, provided such examinations do not interfere with the activities of Seller; provided, however, if Buyer proposes to make any tests in connection with any environmental report or any other tests which involve drilling, boring or other similar intrusive or invasive action on or under the Property, then Buyer shall obtain Seller’s written consent prior to making any such tests, which consent may be withheld in Seller’s sole, absolute and subjective discretion. Buyer shall use care and consideration in connection with any of its examinations or tests and Seller shall have the right to be present during any examination of the Property by Buyer or its agents. Buyer shall restore the Property to its original condition after any and all tests and/or examinations. Buyer shall indemnify and hold Seller harmless from any and all losses, liabilities, costs, claims, damages, judgments, actions, proceedings, penalties, liens, or expenses of any kind or nature whatsoever resulting or arising from Buyer’s or Buyer’s representatives’, contractors’, employees’ and/or agents’ entry and activities upon the Property, which obligation shall survive the expiration or earlier termination of this Agreement and the Close of Escrow. Prior to any entry upon the Property by Buyer or Buyer’s agents, contractors, subcontractors or employees and at all times prior to the Closing, Buyer shall obtain and maintain commercial general liability insurance with a financially responsible insurance company covering (i) the activities of Buyer, and Buyer’s agents, contractors, subcontractors and employees on or upon the Property, and (ii) Buyer’s indemnity obligation contained in this Section 6.01. Such insurance policy shall have a per occurrence limit of at least Two Million Dollars (\$2,000,000.00) and an aggregate limit of at least

Three Million Dollars (\$3,000,000.00), shall be primary and noncontributing with any other insurance available to Seller, and shall name Seller as an additional insured. Buyer shall deliver to Seller evidence of such insurance prior to entry upon the Property and evidence of the renewal of such insurance prior to any expiration of the same.

6.02 CONDEMNATION. Seller shall immediately give to Buyer a copy of an offer of award from any condemning authority relating to any portion of the Property. In the event of the condemnation (or sale in lieu thereof) prior to the Close of Escrow (a “**Taking**”) of twenty percent (20%) or more of the total gross acreage of the Property, Buyer shall have the option to cancel this Agreement. Buyer shall give written notice of its election to Seller and Escrow Agent no later than ten (10) days after Buyer’s receipt from the Seller of an offer of award from the condemning authority. In the event Buyer does not timely elect to cancel this Agreement or does not have the right to elect to cancel this Agreement as a result of a Taking, Buyer shall proceed with the Closing and pay the total Purchase Price provided herein, in which event Buyer shall receive all awards or payments made for the Property by the condemning authority. In the event Buyer cancels the Escrow as permitted by this Section, the Deposit will be returned to Buyer and Escrow Agent shall return to the party providing such documents all documents deposited in Escrow and neither Seller nor Buyer will have any further obligations under this Agreement, except for those obligations which expressly survive the expiration or earlier termination of this Agreement. Except as provided above, Buyer shall not have the right to terminate this Agreement as a result of a Taking affecting all or any part of the Property. Buyer expressly waives the provisions of California Civil Code Section 1662 and hereby agrees that the provisions of this Section 6.02 shall govern Buyer’s obligations in the event of any Taking of all or any part of the Property.

6.03 DAMAGE. Buyer shall have no right to terminate this Agreement in the event of any damage to the Property, or any improvements thereon, prior to the Closing Date. Buyer expressly waives the provisions of California Civil Code Section 1662 and hereby agrees that the provisions of this Section 6.03 shall govern Buyer’s obligations in the event of any damage to the Property or any improvements thereon.

ARTICLE VII

COSTS AND EXPENSES

7.01 COSTS AND EXPENSES. Seller shall pay (i) that portion of the premium for the Title Policy equal to that which would be charged for a standard coverage 1990 FORM CLTA owner’s title policy and the endorsements proposed by Seller to cure Buyer’s title objections made pursuant to Section 4.01, and (ii) Seller’s share of prorations. Buyer shall pay for (a) any portion of the premium for the Title Policy in excess of that which would be charged for a standard coverage 1990 FORM CLTA owner’s title policy as modified above in respect of Supplemental Assessments and for any other endorsements to the Title Policy required by Buyer including but not limited to CLTA 103.4, 103.7, 116.4 (contiguous to Lot 51), 116.7, 116 (AP Map & plats attached to recorded documents are same as insured land), 110.9, “Tax Lot” (pending assignment of new assessor parcel number to the Property, 100 (modified for an owner), ALTA 17.02-06 (utility access), (b) Buyer’s share of prorations, (c) documentary transfer taxes, and (d) any other amounts required to be paid by Buyer hereunder. Buyer and Seller shall each pay all legal and professional fees and fees of other consultants incurred by Buyer and Seller, respectively. All other

costs and expenses shall be allocated between Buyer and Seller in accordance with the customary practice of Imperial County, California, as determined by Escrow Agent unless payment of such costs is specifically provided for in the Agreement.

7.02 DISBURSEMENTS AND OTHER ACTIONS BY ESCROW AGENT. At the Closing Date, Escrow Agent shall promptly undertake all of the following in the manner herein below indicated:

a) Funds. Disburse all funds deposited with Escrow Agent by Buyer toward payment of the Purchase Price as follows:

(i) Upon expiration of the Feasibility Period, promptly release the Deposit to Seller. Credit the amount of the Deposit to the Purchase Price at the close of escrow.

(ii) Deduct all items chargeable to the account of Seller pursuant to Section 7.01.

(iii) If, as the result of the prorations of taxes and other items and credits, amounts are to be charged to account of Seller, deduct the total amount of such charges from the Purchase Price. If, as the result of the prorations and credits, amounts are to be charged to the account of Buyer, add the total amount of such charges to the amount to be paid by Buyer at the Close of Escrow.

(iv) Disburse the remaining balance of the funds to Seller promptly upon the Close of Escrow.

b) Recording. Cause the concurrent and consecutive recording without any intervening documents first in order, the Grant Deed from Seller to Buyer, and following next in order any other documents which the parties hereto may mutually direct (and in the order so directed by the parties) to be recorded in the official records of Imperial County, California and if the Recorder's Office is furnishing, obtain conformed copies thereof for distribution to Buyer and Seller. If allowed by the Recorder's Office, Escrow Holder is instructed not to affix the amount of documentary transfer tax on the face of the Deed, but to supply same by separate affidavit.

c) Title Policy. Direct the Title Company to issue the Title Policy to Buyer.

d) Documents to Buyer. Deliver to Buyer: (i) a conformed copy of the recorded Deed; and (ii) the Seller's Affidavit and the 593.

ARTICLE VIII

REPRESENTATIONS, WARRANTIES AND COVENANTS

8.01 SELLER'S REPRESENTATIONS AND WARRANTIES. In addition to any express agreements of Seller contained herein, the following constitute representations and warranties of Seller and, subject to the last paragraph of this Section 8.01, will be true and correct in all material respects as of the date hereof and as of the Closing Date and the truth and accuracy of which in all material respects will constitute a condition to the Close of Escrow:

a) Power. Seller is a California Irrigation District duly organized, validly existing and in good standing under the laws of the State of California with the commensurate right to provide water for the beneficial use of its inhabitants with a right to water service, subject to its adopted rules and regulations governing same. Seller and the individuals executing this Agreement on behalf of Seller have the legal power, right and authority to enter into this Agreement and the instruments referenced herein and to bind Seller to the terms and conditions herein and will furnish to the Buyer and Title Company the various documents confirming said power as reasonably required by the Buyer and Title Company as the Title Company may condition its issuance of the title policy to the Buyer.

b) Requisite Action. All requisite action has been taken by Seller in connection with the entering into this Agreement, the instruments referenced herein, and the consummation of the transaction contemplated hereby. This Agreement has been duly executed and delivered by and constitutes the legal, valid, and binding obligation of Seller, enforceable against it in accordance with its term, the execution and delivery of this Agreement and the consummation of the transactions contemplated herein have been duly and validly authorized by all proceedings on the part of Seller and will furnish to the Buyer and Title Company the various documents confirming said requisite action as reasonably required by the Buyer and Title Company as the Title Company may condition its issuance of the title policy to the Buyer.

c) Conflict. Neither the execution and delivery of this Agreement and documents referenced herein, nor the incurrence of the obligations set forth herein, nor the consummation of the transaction herein contemplated, nor compliance with the terms of this Agreement and the documents referenced herein conflict with or result in the material breach of any terms, conditions or provisions of, or constitute a default under, any bond, note, or other evidence of indebtedness or any contract, indenture, mortgage, deed of trust, loan, lease or other agreements or instruments to which Seller is a party or affecting the Property.

d) Pending Actions. There are no pending actions, suits, arbitrations, claims or proceedings of which Seller has been served, at law or in equity, affecting all or any portion of the Property or in which Seller is a party by reason of Seller's ownership of the Property.

e) Creditors; Bankruptcy. No attachments, execution proceedings, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization or other similar proceedings are pending of which Seller has been served or, to Seller's knowledge, threatened against Seller, nor are any of such proceedings contemplated by Seller.

f) Government Regulations. Seller has no knowledge of any actual notices of violation of any governmental regulations relating to the Property that have been entered against Seller or received by Seller and, Seller has no knowledge of the existence of any such violations.

g) Foreign Person. Seller is not a "Foreign Person" for purposes of the provisions of Sections 7701 and 1445 of the Internal Revenue Code of 1986, as amended.

h) Owners Affidavit and Owners Declaration. The statements made in the Owners Affidavit and the separate Owners Declaration attached to the "Draft Preliminary Report" shall be signed and notarized (as indicated in the form) and be deemed to be also made to Buyer.

Where a representation or warranty is limited to the knowledge of Seller or the knowledge of Seller is referred to herein, such representation or warranty or reference is deemed to be limited to the current, actual knowledge, without independent investigation or inquiry, of its General Manager.

Buyer agrees that if, at any time prior to the Close of Escrow, it has knowledge of any information which would require the qualification of any of the above representations and warranties for such representation and warranty to be true, it shall promptly notify Seller in writing of such information. If prior to the Close of Escrow Buyer has knowledge of the incorrectness of any representation or warranty made by Seller in this Section 8.01 and fails to so notify Seller prior to the Close of Escrow, then such representation or warranty shall be deemed modified or qualified by and to the extent of the information of which Buyer has knowledge. In addition to the foregoing, prior to the Close of Escrow, Seller shall have the right, except in the case where Seller knew that the subject representation or warranty was untrue or inaccurate when initially given (i.e. an intentional misrepresentation), to qualify the representations and warranties made by Seller in this Section 8.01 in writing with any information it first receives concerning such representations and warranties after the date of this Agreement. Within five (5) business days after the date Seller provides written notice to Buyer of the modification or qualification of any of the representations and warranties made by Seller in this Section as provided above when they are restated as of the Close of Escrow, Buyer must elect, by a writing received by Seller within such five (5) business day period (and the Closing Date shall be postponed, if necessary, for the period of time necessary for Buyer's five (5) business day election period), to either (i) terminate this Agreement and the Escrow, in which event Buyer shall be entitled to the return of the Deposit, unless it has been otherwise forfeited under this Agreement, and both Seller and Buyer shall be relieved of all obligations and liabilities under this Agreement (except for the provisions of this Agreement which expressly survive the termination of this Agreement), or (ii) proceed with the transaction contemplated by this Agreement, in which event the representations and warranties made by Seller in this Section 8.01 shall be qualified on the Close of Escrow to the extent modified or qualified by or in the written notice to Buyer. In the event that Seller does not receive such written notification from Buyer within such five (5) business day period indicating which election Buyer has decided to make, then Buyer will be deemed to have elected to proceed with the transaction contemplated by this Agreement, with the above representations and warranties modified or qualified to the extent provided herein. The representations and warranties of Seller set forth in this Section 8.01 shall survive the Close of Escrow for a period of one (1) year.

8.02 BUYER'S REPRESENTATIONS, WARRANTIES AND COVENANTS. In addition to any express agreements of Buyer contained herein, the following constitute representations, warranties and covenants of Buyer and will be true and correct in all material respects as of the date hereof and the Closing Date, and the truth and accuracy of which in all material respects shall constitute a condition to the Close of Escrow:

a) Power. Buyer is a California corporation duly organized, validly existing and in good standing under the laws of the State of California. Buyer and the individuals executing this Agreement on behalf of Buyer have the legal power, right and authority to enter into this Agreement and the instruments referenced herein and to bind the Buyer to the terms and conditions herein and will furnish to the Seller and Title Company the various documents confirming said

power as reasonably required by the Seller and Title Company as the Title Company may condition its issuance of the title policy to the Buyer.

b) Requisite Action. All requisite action has been taken by Buyer in connection with the entering into this Agreement and the instruments referenced herein, and the consummation of the transactions contemplated hereby. This Agreement has been duly executed and delivered by and constitutes the legal, valid, and binding obligation of Buyer, enforceable against it in accordance with its term, the execution and delivery of this Agreement and the consummation of the transactions contemplated herein have been duly and validly authorized by all proceedings on the part of Buyer and will furnish to the Seller and Title Company the various documents confirming said requisite action as reasonably required by the Seller and Title Company as the Title Company may condition its issuance of the title policy to the Buyer.

c) Conflicts. Neither the execution and delivery of this Agreement and documents referenced herein, nor the incurrence of the obligations set forth herein, nor the consummation of the transactions herein contemplated, nor compliance with the terms of this Agreement and the documents referenced herein conflict with or result in the material breach of any terms, conditions or provisions of, or constitute a default under, any bond, note, or other evidence of indebtedness or any contract, indenture, mortgage, deed of trust, loan, lease, or other agreements or instruments to which Buyer is a party.

d) “AS IS – WHERE IS”. PRIOR TO CLOSE OF ESCROW, BUYER WILL HAVE MADE ITS OWN EXAMINATION, INSPECTION, AND INVESTIGATION OF THE CONDITION OF THE PROPERTY AND THE PENDING ACTIONS AS IT DEEMS NECESSARY OR APPROPRIATE, AND BUYER IS ENTERING INTO THIS AGREEMENT AND PURCHASING THE PROPERTY BASED UPON THE RESULTS OF SUCH INSPECTIONS AND INVESTIGATIONS AND IN RELIANCE ON ONLY THOSE COVENANTS, REPRESENTATIONS, AND WARRANTIES OF SELLER EXPRESSLY CONTAINED IN THIS AGREEMENT. EXCEPT FOR SELLER’S REPRESENTATIONS AND WARRANTIES SET FORTH IN SECTION 8.01, BUYER IS ACQUIRING THE PROPERTY IN AN “AS IS” AND “WHERE IS” CONDITION. EXCEPT FOR SELLER’S REPRESENTATIONS AND WARRANTIES SET FORTH IN SECTION 8.01, BUYER IS NOT RELYING IN ANY WAY UPON ANY REPRESENTATIONS, STATEMENTS, AGREEMENTS, WARRANTIES, STUDIES, PLANS, REPORTS, DESCRIPTIONS, GUIDELINES, OR OTHER INFORMATION OR MATERIAL FURNISHED BY SELLER OR ITS REPRESENTATIVES, WHETHER ORAL OR WRITTEN, EXPRESS OR IMPLIED, OF ANY NATURE WHATSOEVER REGARDING THE PROPERTY OR ANY OF THE FOREGOING MATTERS. EXCEPT FOR SELLER’S REPRESENTATIONS AND WARRANTIES SET FORTH IN SECTION 8.01, BUYER AND ANYONE CLAIMING BY, THROUGH, OR UNDER BUYER HEREBY FULLY AND IRREVOCABLY RELEASES SELLER AND ITS EMPLOYEES, OFFICERS, DIRECTORS, REPRESENTATIVES, AGENTS, SUCCESSORS, AND ASSIGNS FROM ANY AND ALL CLAIMS THAT SUCH PARTIES MAY NOW HAVE OR HEREAFTER ACQUIRE AGAINST SUCH PERSONS AND ENTITIES FOR ANY COST, LOSS, LIABILITY, DAMAGE, EXPENSE, DEMAND, ACTION, OR CAUSE OF ACTION ARISING FROM OR RELATED TO THE PROPERTY, INCLUDING, WITHOUT LIMITATION, ANY CONSTRUCTION DEFECTS, ERRORS OR OMISSIONS, COMPLIANCE WITH LAW MATTERS, THE PENDING ACTIONS, AND ANY

IMPACT THEY MAY HAVE ON THE PROPERTY OR TITLE THERETO, ANY STATUTORY OR COMMON LAW RIGHT BUYER MAY HAVE TO RECEIVE DISCLOSURES FROM SELLER, INCLUDING, WITHOUT LIMITATION, ANY DISCLOSURES AS TO THE PROPERTY'S LOCATION WITHIN AREAS DESIGNATED AS SUBJECT TO FLOODING, FIRE, SEISMIC OR EARTHQUAKE RISKS BY ANY FEDERAL, STATE OR LOCAL ENTITY, THE NEED TO OBTAIN FLOOD INSURANCE, THE CERTIFICATION OF WATER HEATER BRACING AND/OR THE ADVISABILITY OF OBTAINING TITLE INSURANCE, ENVIRONMENTAL MATTERS, OR ANY OTHER CONDITION OR CIRCUMSTANCE AFFECTING THE PROPERTY, ITS USE OR OPERATION, OR ANY PORTION THEREOF. AS THIS RELEASE INCLUDES CLAIMS OF WHICH BUYER IS PRESENTLY UNAWARE OR WHICH BUYER DOES NOT PRESENTLY SUSPECT TO EXIST IN ITS FAVOR WHICH, IF KNOWN BY BUYER, WOULD MATERIALLY AFFECT BUYER'S RELEASE OF SELLER. IN CONNECTION WITH THE GENERAL RELEASE SET FORTH IN THIS SECTION 8.02, BUYER SPECIFICALLY WAIVES THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542, WHICH PROVIDES AS FOLLOWS: "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

The representations, warranties, and covenants of Buyer set forth in this Section 8.02, including the release in (d) above, shall survive the Close of Escrow.

ARTICLE IX

CONDITIONS TO THE CLOSE OF ESCROW

9.01 CONDITIONS PRECEDENT TO BUYER'S OBLIGATIONS. The Close of Escrow for the acquisition of the Property and Buyer's obligations with respect to the transaction contemplated by this Agreement are subject to the satisfaction, not later than the Closing Date (unless otherwise provided), of the following conditions, and the obligations of the parties with respect to such conditions are as follows:

- a) Title. The Title Company shall have issued or shall have committed to issue the Title Policy to Buyer, subject only to the Approved Title Conditions.
- b) Representations and Warranties of Seller. Seller shall have performed all of its obligations to be performed by Seller hereunder and Seller's representations and warranties set forth in Section 8.01 are true and correct in all material respects as of the Closing Date.
- c) Seller's Deliveries. Seller shall have delivered the items described in Section 10.01.

The conditions set forth in this Section 9.01 are solely for the benefit of Buyer and may be waived only by Buyer. Buyer shall, at all times, have the right to waive any condition whether or not the time for approval therefore has passed. Such waiver or waivers shall be in writing. All

approvals given by Buyer under this Section shall be in writing. Neither Seller nor Buyer shall act or fail to act for the purpose of permitting or causing any condition to fail (except to the extent Buyer, in its own discretion, exercises its right to disapprove any such items or matters).

9.02 CONDITIONS PRECEDENT TO SELLER'S OBLIGATIONS. The Close of Escrow and Seller's obligations with respect to the transaction contemplated by this Agreement are subject to (i) Buyer's delivery on the Closing Date, for disbursement as provided herein, of the Purchase Price, (ii) Buyer's payment of its share of costs and expenses as adjusted by the net prorations hereunder, (iii) Buyer's performance of each and every agreement to be performed by it hereunder, and (iv) Buyer's representations, warranties and covenants set forth in Section 8.02 are true and correct in all material respects as of the Closing Date.

The conditions set forth in this Section 9.02 are solely for the benefit of Seller and may be waived only by Seller. Seller shall, at all times, have the right to waive any condition whether or not the time for approval therefore has passed. Such waiver or waivers shall be in writing. The waiver by Seller of any condition will not relieve Buyer of any liability or obligation with respect to any representation, warranty or covenant of Buyer unless Seller shall so agree in writing. All approvals given by Seller under this Section 9.02 shall be in writing. Neither Seller nor Buyer shall act or fail to act for the purpose of permitting or causing any condition to fail (except to the extent Buyer, in its own discretion, exercises its right to disapprove any such items or matters).

9.03 FAILURE OF CONDITIONS TO CLOSE ESCROW. In the event any of the conditions set forth in Section 9.01 or Section 9.02 are not timely satisfied or waived, then the party who was to benefit from the failed condition may, in its sole discretion, terminate this Agreement by delivering written notice to the other party on or before the scheduled Closing Date, or elect to close notwithstanding the non-satisfaction of such condition. If this Agreement is terminated pursuant to this Section, the parties shall split equally any escrow cancellation fees (unless the failure of the condition was the result of a default by Buyer or Seller, in which case Section 5.03 shall control), all obligations under this Agreement shall terminate except for the obligations that expressly survive the termination of this Agreement, the Deposit shall be delivered to Buyer unless it has been otherwise forfeited under this Agreement or unless Seller terminated this Agreement pursuant to this Section 9.03 and the failure of the condition for the benefit of Seller was the result of Buyer's default hereunder, in which case Seller shall be entitled to the Deposit.

ARTICLE X

CLOSING DOCUMENTS

10.01 DELIVERIES BY SELLER. Seller hereby covenants and agrees to deliver or cause to be delivered to Escrow Agent at least one (1) business day prior to the Closing Date, the following instruments and documents, the delivery of each of which shall be a condition to the Close of Escrow:

a) Deed. A grant deed (the "**Deed**"), duly executed and acknowledged in recordable form by Seller in the form attached hereto as **Exhibit C** (which includes Exhibit 1) and made a part hereof.

b) Non-Foreign Affidavit. A certificate of non-foreign affidavit (“**Seller’s Affidavit**”), duly executed, by Seller, in the form attached hereto as **Exhibit D** and made a part hereof, and a California Form 593-C (the “**593**”).

c) Other Documents. Such other documents as may be necessary or appropriate to transfer and convey the Property to Buyer as referred to in Section 7.02(b) and to otherwise consummate this transaction in accordance with the terms of this Agreement.

10.02 BUYER’S CLOSING DOCUMENTS. At least one (1) business day before the Close of Escrow, Buyer shall deposit into escrow the following items and documents for delivery to Seller at the Close of Escrow, each of which shall have been duly executed and, where appropriate, acknowledged:

a) Funds. The funds which are to be applied towards the payment of the Purchase Price and Buyer’s share of the Escrow costs and expenses in the amounts designated in Sections 3.01(b) and 5.04(g) above.

b) Other Documents. Such other documents as may be necessary or appropriate to consummate this transaction in accordance with the terms of this Agreement.

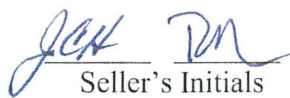
c)

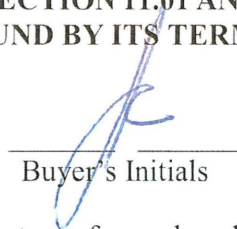
ARTICLE XI

REMEDIES

11.01 SELLER’S REMEDIES. IF BUYER FAILS TO DEPOSIT THE REMAINDER OF THE PURCHASE PRICE IN THE TIME AND MANNER SET FORTH IN THIS AGREEMENT OR TO PERFORM WHEN DUE ANY OTHER ACT REQUIRED BY THIS AGREEMENT, AND SUCH FAILURE CONTINUES FOR FIVE (5) BUSINESS DAYS AFTER WRITTEN NOTICE FROM SELLER, SELLER’S SOLE AND EXCLUSIVE REMEDY IS TO CANCEL THIS AGREEMENT AND THE ESCROW, SUCH CANCELLATION TO BE EFFECTIVE IMMEDIATELY UPON SELLER GIVING WRITTEN NOTICE OF CANCELLATION TO BUYER AND ESCROW AGENT. UPON SUCH CANCELLATION, SELLER SHALL BE ENTITLED TO RECEIVE THE DEPOSIT (AND ESCROW AGENT IS HEREBY INSTRUCTED TO DELIVER SUCH DEPOSIT TO SELLER UNLESS IT HAS BEEN PREVIOUSLY RELEASED TO SELLER UNDER THE TERMS OF THIS AGREEMENT), ALL AS LIQUIDATED DAMAGES, THE PARTIES AGREEING AND HEREBY STIPULATING THAT THE EXACT AMOUNT OF SUCH DAMAGES WOULD BE EXTREMELY DIFFICULT TO ASCERTAIN AND THAT THE DEPOSIT CONSTITUTES A REASONABLE AND FAIR APPROXIMATION OF SUCH DAMAGES. UPON SUCH CANCELLATION, NEITHER SELLER NOR BUYER WILL HAVE ANY FURTHER OBLIGATIONS UNDER THIS AGREEMENT, EXCEPT WITH RESPECT TO THE OBLIGATIONS HEREUNDER THAT EXPRESSLY SURVIVE THE EXPIRATION OR EARLIER TERMINATION OF THIS AGREEMENT. THE FOREGOING SHALL NOT RELIEVE BUYER OF ITS OBLIGATIONS FOR (I) ANY AND ALL ATTORNEYS FEES OR OTHER COSTS INCURRED BY SELLER PURSUANT TO SECTION 13.04 BELOW, OR (II)

ANY AMOUNTS FOR WHICH BUYER HAS INDEMNIFIED SELLER HEREUNDER. SELLER AND BUYER ACKNOWLEDGE THAT THEY HAVE READ AND UNDERSTAND THE PROVISIONS OF THIS SECTION 11.01 AND BY THEIR INITIALS IMMEDIATELY BELOW AGREE TO BE BOUND BY ITS TERMS.


Seller's Initials


Buyer's Initials

11.02 BUYER'S REMEDIES. If Seller fails to perform when due any act required by this Agreement to be performed or otherwise breaches this Agreement, and such failure continues for five (5) business days after written notice from Buyer, then, Buyer may pursue one of the following remedies, as its sole and exclusive remedy for such failure: (i) instituting all proceedings necessary to specifically enforce the terms of this Agreement and cause title to the Property to be conveyed to Buyer; provided any such action against Seller must be commenced within ninety (90) days of Seller's default and further provided that any monetary damages awarded to Buyer in connection therewith shall not exceed the Deposit; or (ii) Buyer may cancel this Agreement and the Escrow, such cancellation to be effective immediately upon Buyer giving written notice of cancellation to Seller and Escrow Agent. Upon such cancellation, neither Seller nor Buyer will have any further obligations under this Agreement, except with respect to the obligations hereunder that expressly survive the expiration or earlier termination of this Agreement. If Seller defaults hereunder by reason of an adverse ruling under the Pending Actions, Buyer's sole remedy shall be to terminate this Agreement and upon such cancellation, neither Seller nor Buyer will have any further obligations under this Agreement, except with respect to the obligations hereunder that expressly survive the expiration or earlier termination of this Agreement.

ARTICLE XII

BROKERAGE

12.01 BROKERAGE FEES. Seller represents and warrants to Buyer that, on its own behalf, it has had no dealings with any person, firm, broker or finder in connection with the negotiation of this Agreement and/or the consummation of the purchase and sale contemplated herein and, therefore, IID shall not be responsible for the payment of any compensation, commission, charges or finder's fee claimed in connection with this transaction. In the event that Buyer has dealt with any person, firm, broker or finder in connection with the negotiation of this Agreement and/or the consummation of the purchase and sale contemplated herein, Buyer assumes full responsibility for the payment of any compensation, commission or fee claimed by any such person or entity. Further, Buyer agrees to defend, indemnify, and hold Seller harmless from any claim or liability (including costs of suit and reasonable attorneys' fees) for any compensation, commission or fees alleged or asserted by any broker, agent, finder or similar entity in connection with the negotiation of this Agreement and/or the purchase and sale contemplated herein by reason of any act of Buyer. This indemnity agreement shall survive the Close of Escrow or the cancellation of this Agreement.

ARTICLE XIII

MISCELLANEOUS

13.01 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 of this Agreement will be valid and be enforced to the fullest extent permitted by law.

13.02 WAIVERS. No waiver of any breach of any covenant or provision herein contained may be deemed a waiver of any proceeding or succeeding breach thereof, or of any other covenant or provision herein contained. No extension of time for performance of any obligation or act may be deemed an extension of time for performance of any other obligation or act.

13.03 ASSIGNMENT. Buyer may not assign its interest under this Agreement to any partnership, corporation, limited liability company, or other entity controlled by or under common control of Buyer (including any limited partnership or limited liability company whose general partner, manager or member is Buyer, or is controlled by or in common control of Buyer).

13.04 PROFESSIONAL FEES. 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, agreements or provisions on the part of the other party arising out of this Agreement, then in that event the prevailing party will be entitled to have and recover of and from the other party all costs and expenses of the action or suit, including actual and reasonable attorneys' fees, accounting and engineering fees, and any other reasonable professional fees resulting therefrom, including reasonable costs of any action necessary for collection of any of the foregoing.

13.05 ENTIRE AGREEMENT. This Agreement (including all exhibits and schedules attached hereto which are incorporated herein by this reference) 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, supplemented or terminated, nor may any obligations 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. The parties do not intend to confer any benefit hereunder on any person, firm or corporation other than the parties hereto.

13.06 TIME OF ESSENCE. Seller and Buyer hereby acknowledge and agree that time is strictly of the essence with respect to each and every term, condition, obligation and provision hereof and that failure to timely perform any of the conditions, obligations or provisions hereof by either party will constitute a material breach of and a non-curable (except as otherwise provided herein, and waivable by the non-defaulting party) default under this Agreement by the party so failing to perform.

13.07 CONSTRUCTION. Headings at the beginning of each paragraph and subparagraph are solely for the convenience of the parties and are not a part of the 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 must 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 this Agreement. All exhibits referred to in this Agreement are attached and incorporated by this reference.

13.08 NOTICES. Notices must be in writing and must be given by nationally recognized air courier delivery service (e.g. Federal Express) or by deposit in the United States mail, certified mail, return receipt requested, postage prepaid. Notices must be delivered or addressed to Seller and Buyer at the addresses set forth on the first page of this Agreement or at such other address as a party may designate in writing in accordance with the provisions of this Section 13.08. The date notice is deemed to have been given, received and become effective will be the date on which the notice is delivered or refused.

SELLER

IMPERIAL IRRIGATION DISTRICT
333 East Barioni Boulevard, Bldg. J-1
P.O. Box 937
Imperial, California 92251
Attention: General Manager
Telephone No.: (760) 339-9477
Fax No.: (760) 339-9392

with copy to:

Imperial Irrigation District
333 East Barioni Boulevard, Bldg. J-1
P.O. Box 937
Imperial, California 92251
Attention: Supervisor, Real Estate
Telephone No.: (760) 339-9239
Fax No.: (760) 482-3510

and

Imperial Irrigation District
333 East Barioni Boulevard, Bldg. J-1
P.O. Box 937
Imperial, California 92243
Attention: General Counsel
Telephone No.: (760) 339-9564
Fax No.: (760) 339-9392

BUYER

Parcel 12, LLC.
9500 Beverly Road
Pico Rivera, CA 90660-2135
Attn: John Corcoran
Fax: (323) 558-8000
e-mail: jc@ma-inc.com

ESCROW AGENT

Chicago Title Company
1420 Main Street
El Centro, CA 92243
(760) 352-2011
Escrow No. _____

13.09 FURTHER DOCUMENTATION. Each party agrees in good faith to execute such further or additional documents as may be necessary or appropriate to fully carry out the intent and purpose of this Agreement.

13.10 DAY. All references to a “day” or “days” under this Agreement refer to calendar days. However, if the time for performance of any obligation under this Agreement expires on a Saturday, a Sunday or a legal holiday observed by Escrow Agent, then the time for such performance is the next succeeding day that is not a Saturday, a Sunday or a legal holiday observed by Escrow Agent.

13.11 GOVERNING LAW. The parties hereto acknowledge that this Agreement has been negotiated and entered into in the State of California. The parties hereto expressly agree that this Agreement must be governed by, interpreted under, and construed and enforced in accordance with the laws of the State of California.


13.12 COUNTERPARTS. This Agreement may be executed in two (2) or more counterparts, each of which constitutes an original and all of which, together, will constitute one and the same instrument.

13.13 IRS REAL ESTATE SALES REPORTING. Buyer and Seller hereby appoint Escrow Agent as, and Escrow Agent agrees to act as, “the person responsible for closing” the transactions which are the subject of the Agreement, pursuant to Section 6045(e) of the Internal Revenue Code of 1986. Escrow Agent shall prepare and file the informational return (IRS Form 1099B) required by and otherwise comply with the terms of Section 6045(e). Escrow Agent further agrees to indemnify and hold Buyer, Seller and their respective attorneys harmless from and against all claims, costs, liabilities, penalties or expenses resulting from Escrow Agent’s failure to file the appropriate reports and otherwise comply with the terms of the Internal Revenue Code pursuant to this Section 13.13.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year hereinabove written.


[SIGNATURES ON NEXT PAGE]


PARCEL 12, LLC,
a California corporation

By: 
Name: JOHN CORCORAN
Its: GENERAL MANAGER

By: _____
Name: _____
Its: _____

IMPERIAL IRRIGATION DISTRICT,
a California irrigation district

By: 
Name: James C. Hanks
Its: President of the Board of Directors

ATTEST:
By: 
Name: Raquel Najera
Its: Secretary of the Board of Directors

ESCROW AGENT

Escrow Agent hereby accepts the engagement to handle the Escrow established by this Agreement in accordance with the terms set forth in this Agreement.

CHICAGO TITLE COMPANY

By: _____
Name: _____
Title: Escrow Officer

Date: _____

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

All that certain real property situated in the County of Imperial, State of California, described as follows:

Remainder of Lot F of Tract 941-Unit 2, in the County of Imperial, State of California, according to map recorded in Book 25, Page 32 of Final Maps on file in the Office of the County Recorder of Imperial County and as amended by Certificates of Correction recorded January 10, 2008 as Document No. 2008-001009, February 25, 2008 as Document No. 2008-005257, June 5, 2008 as Document No. 2008-015699 and October 20, 2008 as Document No. 2008-030101, all of Official Records.

Assessor's Parcel Number 059-513-012-000

THE ABOVE DESCRIBED PARCEL CONTAINS 24.89 ACRES, MORE OR LESS.

EXHIBIT A-1

MAP DEPICTING PARCEL

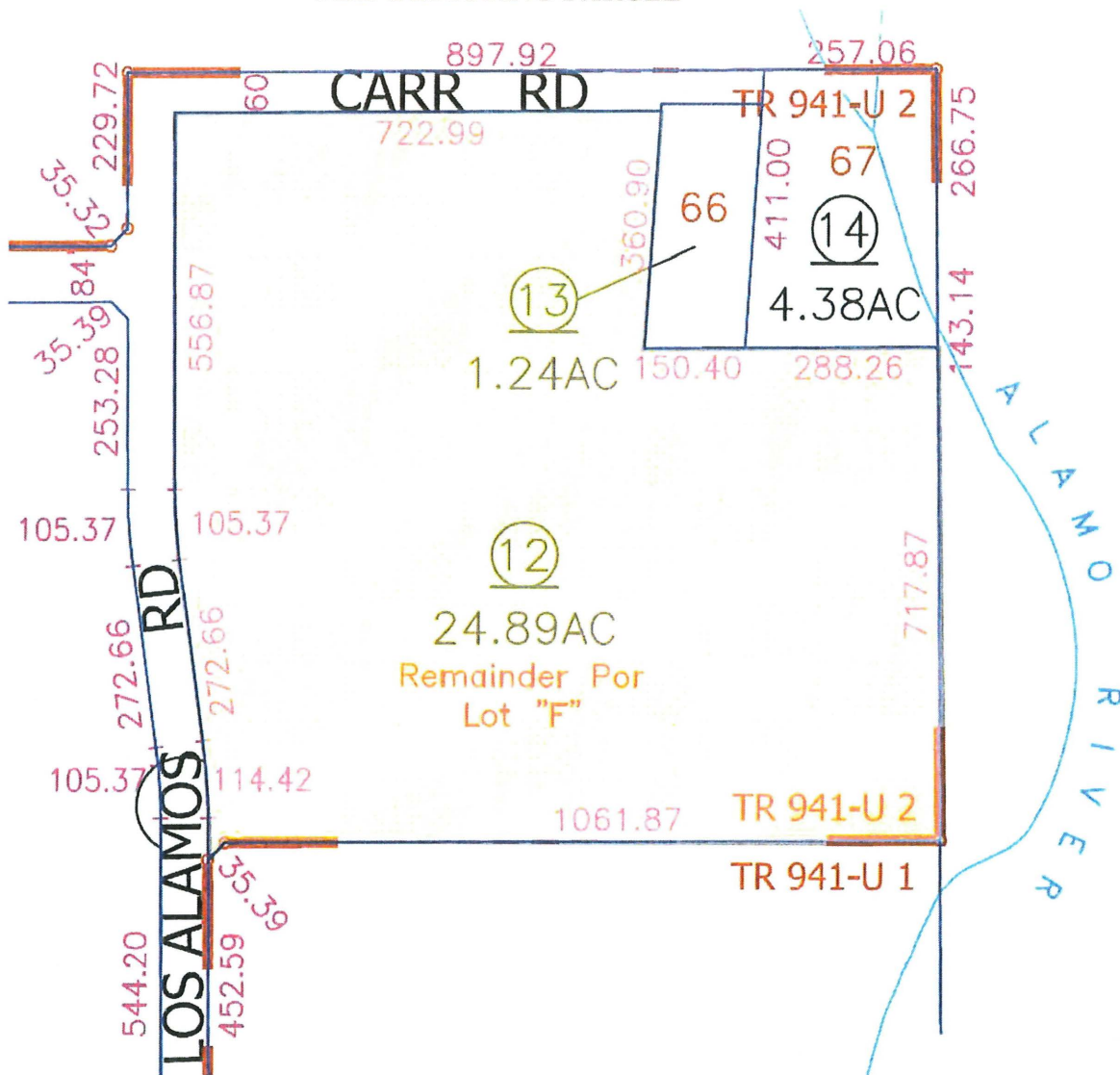


EXHIBIT B

SECTION 4.05 DOCUMENTS

Seller shall provide Buyer all Documents according to this schedule:

- A. Prior to the Expiration of the Feasibility Period, Seller shall provide the following Documents to Buyer:
1. Assessor's Parcel Map pages for parcel to be conveyed;
 2. Any applicable Soil Maps;
 3. Specimen Grant Deed (See Draft as Exhibit C that includes Exhibit 2);
 4. Specimen Seller's Affidavit regarding Tax withholding (Completed Exhibit 3 to Exhibit C);5. ; and
 6. Preliminary Title Reports.
- B. Seller shall provide the following Documents to Buyer after the Expiration of the Feasibility Period:
1. Completed Exhibit 1 to Exhibit C; and
 2. Completed Exhibit 2 to Exhibit C

EXHIBIT C

GRANT DEED (SPECIMEN)

WHEN RECORDED MAIL TO:

MAIL TAX STATEMENTS TO:

(Space Above For Recorder's Use)

GRANT DEED

The undersigned grantor declares:
Documentary Transfer Tax

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, IMPERIAL IRRIGATION DISTRICT, a California Irrigation District ("**Grantor**"), hereby GRANTS to PARCEL 12, LLC, a California limited liability company ("**Grantee**"), that certain real property in the County of Imperial, State of California, which is more particularly described on Exhibit "1" attached hereto (the "**Property**"), subject to: (i) all matters of record or that an accurate survey would disclose; and (ii) the reservation of rights and easements set forth in Exhibit "2" attached hereto and incorporated herein by reference.

IN WITNESS WHEREOF, the parties hereto have caused this Grant Deed to be executed as of the ____ day of _____, 2022.

IMPERIAL IRRIGATION DISTRICT,
A California Irrigation District

By: _____ Do Not Sign
Name: _____
Title: President

By: _____ Do Not Sign
Name: Raquel Najera
Title: Secretary

EXHIBIT 1 TO EXHIBIT C

LEGAL DESCRIPTION OF THE PROPERTY

All that certain real property situated in the County of Imperial, State of California, described as follows:

Remainder of Lot F of Tract 941-Unit 2, in the County of Imperial, State of California, according to map recorded in Book 25, Page 32 of Final Maps on file in the Office of the County Recorder of Imperial County and as amended by Certificates of Correction recorded January 10, 2008 as Document No. 2008-001009, February 25, 2008 as Document No. 2008-005257, June 5, 2008 as Document No. 2008-015699 and October 20, 2008 as Document No. 2008-030101, all of Official Records.

RESERVING unto Grantor said Easement as recorded in Official Records of Imperial County as Document No. 2008-008376 on March 26, 2008 described as follows:

An easement, 20.00 feet in width, lying north of and adjacent to the North Line of Lot 51, Tract 941, Unit No. 1 as shown on map recorded in Book 19, Page 10 of Final Maps on file in the office of the Imperial County Recorder, in an unincorporated area of the County of Imperial, State of California; also being a portion of Fractional Section 18, Township 17 South, Range 16 East, SBM; said easement is described as follows:

Beginning at the east right-of-way line of Los Alamos Road and the northwest corner of said Lot 51; thence N. 00°29'01" W., 45.05 feet along the east right of way of Los Alamos Road; thence N. 89°37'48" E., 1086.90 feet to the east line of the Remainder Parcel as shown on Map recorded in Book 19, Page 10 of the Final Maps; thence S. 0°33'01" W., 20.00 feet to the northeast corner of said Lot 51; thence S 89°37'48" W., 1061.87 feet along the north line of said Lot 51; thence S. 44°34'23" W., 35.39 feet to the point of beginning.

ALSO RESERVING unto Grantor a one Hundred percent (100%) interest in all minerals, of every kind and character, either in solid or liquid form, including, without limitation, all oil, gas and hydrocarbons, all geothermal substances that might be produced from the Property, including (a) the natural heat of the earth, and the energy present in, resulting from, or created by, or which may be extracted from, the natural heat of the earth or the heat present below the surface of the earth, in whatever form such heat or energy naturally occurs; (b) all natural products of geothermal processes, including, without limitation, indigenous hot water, hot brine, steam and other fluids and gasses; (c) hot water, hot brine, steam and other fluids and gasses resulting from water or other substances being artificially introduced into the subsurface of the Property; and (d) all minerals, gasses, salts, chemicals, by-products and other substances in solution or mixed with geothermal effluent or otherwise produced from, through and across the Property, and/or from geothermal wells located in or on property outside the boundaries of the Property that have a production interval lying below a depth of five hundred (500) feet below the surface of the Property. Notwithstanding the provisions of this paragraph, the Grantor and its successors and assigns shall not retain any right of entry from the surface of the Property.

Assessor's Parcel Number 059-513-012-000

EXHIBIT 2 TO EXHIBIT C

(SPECIMEN)

Document No. _____

Recorded _____, 20__

STATEMENT OF TAX DUE AND REQUEST THAT TAX DECLARATION
NOT BE MADE A PART OF THE PERMANENT RECORD IN THE OFFICE
OF THE COUNTY RECORDER (PURSUANT TO SECTION 11932 OF THE
CALIFORNIA REVENUE AND TAXATION CODE)

TO: Recorder
County of Imperial

Request is hereby made in accordance with the provisions of the Documentary
Transfer Tax Act that the amount of the tax due not be shown on the original document which
names:

Grantor: IMPERIAL IRRIGATION DISTRICT, a California Irrigation District
Grantee: PARCEL 12 LLC, a Limited Liability company

The property described in the accompanying document is located in the County of Imperial.

The amount of tax due on the accompanying document is \$_____.

_____ Computed on full value of property conveyed; OR

_____ Computed on full value, less liens and encumbrances remaining at the time of sale.

(Signature of Declarant or Agent)

(Firm Name)

**Note: After the permanent record is made, this form will be affixed to the conveying
document and returned with it.**

EXHIBIT D

SELLER'S AFFIDAVIT (SPECIMEN)

To inform PARCEL 12 LLC, a limited liability company (the "**Transferee**"), that withholding of tax under Section 1445 of the Internal Revenue Code of 1986, as amended ("**Code**") will not be required by IMPERIAL IRRIGATION DISTRICT, a California Irrigation District (the "**Transferor**"), upon the transfer of certain real property by the Transferor to the Transferee, the undersigned hereby certifies the following:

1. The Transferor is not a foreign corporation, foreign partnership, foreign trust, foreign estate or foreign person (as those terms are defined in the Code and the Income Tax Regulations promulgated thereunder); and
2. The Transferor is not a disregarded entity as defined in Section 1.1445-2(b)(2)(iii); and
3. The Transferor's U.S. employer or tax (social security) identification number is 95-6001667; and
4. The Transferor's office address is 333 East Barioni Boulevard, P.O. Box 397, Imperial, California 92251.

The Transferor understands that this Certification may be disclosed to the Internal Revenue Service by the Transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

Under penalty of perjury, the undersigned declares that it has examined this Certification and to the best of its knowledge and belief, it is true, correct and complete.

IMPERIAL IRRIGATION DISTRICT,
A California Irrigation District

By: _____ Do Not Sign
Name: _____
Title: President

By: _____ Do Not Sign
Name: Raquel Najera
Title: Secretary

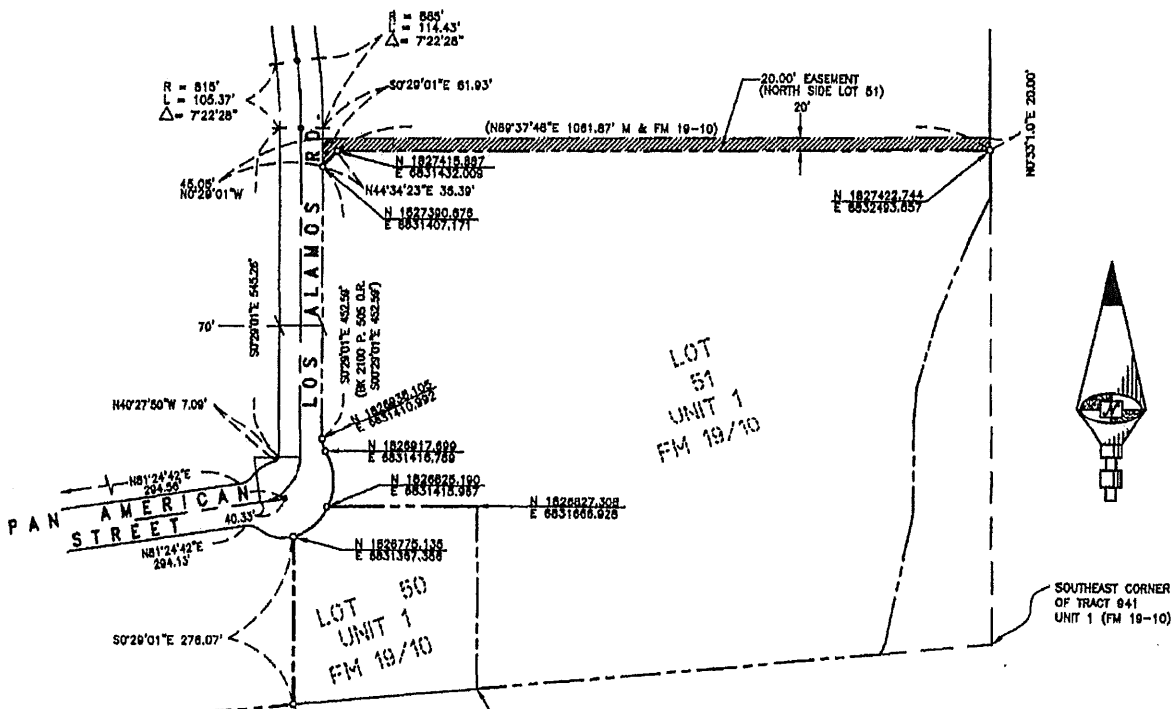
EXHIBIT E

Map and Description of Easements

RESERVING unto Grantor said Easement as recorded in Official Records of Imperial County as Document No. 2008-008376 on March 26, 2008 described as follows:

An easement, 20.00 feet in width, lying north of and adjacent to the North Line of Lot 51, Tract 941, Unit No. 1 as shown on map recorded in Book 19, Page 10 of Final Maps on file in the office of the Imperial County Recorder, in an unincorporated area of the County of Imperial, State of California; also being a portion of Fractional Section 18, Township 17 South, Range 16 East, SBM; said easement is described as follows:

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PURCHASE AGREEMENT

BETWEEN

**IMPERIAL IRRIGATION DISTRICT,
a California irrigation district
as Seller**

and

**PARCEL 12, LLC,
a California limited liability company
as Buyer**

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DATE: November _____, 2022

SELLER: IMPERIAL IRRIGATION DISTRICT,
a California Irrigation District
333 East Barioni Boulevard, Bldg. J-1
P.O. Box 937
Imperial, California 92251
Attention: General Manager
Telephone No.: (760) 339-9477
Fax No.: (760) 339-9392

with a copy to:

Imperial Irrigation District
333 East Barioni Boulevard, Bldg. J-1
P.O. Box 937
Imperial, California 92251
Attention: Supervisor, Real Estate
Telephone No.: (760) 339-9239
Fax No.: (760) 482-3510

and

Imperial Irrigation District
333 East Barioni Boulevard, Bldg. J-1
P.O. Box 937
Imperial, California 92251
Attention: General Counsel
Telephone No.: (760) 339-9564
Fax No.: (760) 339-9392

BUYER PARCEL 12, LLC
9500 Beverly Road
Pico Rivera, California 90660-2135
Attn: John Corcoran
Fax: (323) 558-8020
e-mail: jc@ma-inc.com

ESCROW AGENT: CHICAGO TITLE COMPANY
1425 Main Street
El Centro, CA 92243

PROPERTY: 24.89 acres of real property located east of the City of
Calexico, in the County of Imperial, State of California,
as legally described in Exhibit A and as depicted in
Exhibit A-1