

**OPTION AGREEMENT FOR PURCHASE AND SALE
OF REAL PROPERTY
(MALAGA COUNTY WATER DISTRICT)**

THIS OPTION AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY (this "Option Agreement") is made and entered as of December 11, 2018, (Effective Date is defined in Section 19 below) by and between Malaga County Water District, a California Municipal Corporation ("DISTRICT") and RVJ Equipment Leasing, LLC, a California limited liability company ("RVJ"). RVJ and DISTRICT are sometimes referred to herein individually as a "Party" and collectively as the "Parties."

RECITALS

A. DISTRICT owns that certain real property located in the County of Fresno, State of California, consisting of approximately four (4) acres of vacant land located at 4335 S. Maple Avenue, (Assessor's Parcel Number 330-031-11T) in the Malaga County Water District (hereinafter referred to as the "Real Property") more particularly described in Exhibit "A" attached and incorporated by reference, together with all appurtenant improvements, rights, interests, easements, tenements and estates related thereto ("Option Property").

B. DISTRICT desires, as optionor, to grant RVJ, as optionee, an option to purchase the Option Property on the terms and conditions contained in this Option Agreement.

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

OPTION

1. Grant of Option. Subject to RVJ's timely delivery of the Option Consideration as set forth in Section 2 below, DISTRICT grants to RVJ the right and option to acquire the Option Property ("Option") pursuant to the terms and conditions of the Purchase and Sale Agreement Joint Escrow Instructions ("Purchase Agreement") attached hereto as Exhibit "B" and incorporated herein by reference; but only upon full compliance with all terms and conditions stated herein and only within the period of time specified in Section 3, below.

2. Option Consideration. Within three (3) business days of the Effective Date, RVJ shall deliver to Escrow Holder the sum of Ten Thousand and 00/100 Dollars (\$10,000.00) ("Option Consideration"). Upon receipt of such Option Consideration, Escrow Holder shall immediately release said Option Consideration to DISTRICT, which shall become nonrefundable to RVJ, except as specifically set forth in this Agreement. The Option Consideration paid by RVJ shall be applied to the Purchase Price as noted in Purchase Agreement.

3. Option Period. The option period within which the Option granted herein may be exercised shall commence as of the Effective Date and expire at 5:00 p.m. on the date which is one hundred twenty (120) days from the Effective Date, ("Option Period").

4. Opening of Escrow. Upon mutual execution of this Option Agreement, the Parties shall open an Escrow at the office of Escrow Holder by delivering an executed copy of this Option Agreement.

5. Exercise of Option. RVJ shall exercise its Option by delivering to Escrow Holder and DISTRICT, on or before the expiration of the Option Period, written notice of RVJ's intent to exercise the Option ("Notice of Exercise"). The Notice of Exercise shall include a date upon which RVJ intends to Close Escrow, which date shall be not later than thirty (30) days from the date such Notice of Exercise is given. If the parties fail to timely execute the Purchase and Sale Agreement, and provided that the Option Period has not otherwise expired, the Option shall remain in place until such time as it has expired, providing RVJ the right to exercise the Option, subject to the terms herein.

6. Termination of Option. If the Option is not exercised by RVJ or payment(s) is/are not timely received prior to the expiration of the Option Period, the Option shall expire and this Option Agreement shall be of no further force or effect.

7. Purchase and Sale Agreement. Within ten (10) business days of the Notice of Exercise, RVJ and DISTRICT shall execute a Purchase and Sale Agreement substantially in the form attached hereto as Exhibit "B", the terms of which are incorporated herein by reference, which terms include, but are not limited to the following:

(a) **Purchase Price.** The total purchase price ("Purchase Price") for the Property shall be Five Hundred Thousand and 00/100 Dollars (\$500,000.00). The Purchase Price shall be deposited into Escrow to be held in an account by the title company named below for delivery to Seller upon Close of Escrow. The Purchase Price, less the Option Consideration, shall be deposited into Escrow no later than one day prior to the date on which Escrow is to close under the terms of this Agreement.

(b) **Closing Date.** Escrow shall Close not later than thirty (30) days from the Effective Date of the Purchase Agreement.

8. Possession and Control of Property. Subject to RVJ's rights to conduct its due diligence as set forth in Section 9 below, DISTRICT shall continue to have the exclusive possession and control of the Option Property for the term of this Option Agreement and until the Close of Escrow as described in the Purchase Agreement, if RVJ timely exercises its Option.

9. RVJ's Inspections, Feasibility Investigations, and Processing of Entitlements.

9.1 Title. Upon the Effective Date, District shall instruct Escrow Holder/Title Company to prepare and deliver to RVJ a Preliminary Report of title to the Real Property ("Preliminary Report"), issued by the Title Company, together with legible copies of all documents referenced therein as exceptions to title and a plot plan for the Real Property showing the locations of all the recorded easements. On or prior to 5:00 PM PT on the date which is thirty (30) days from the date RVJ receives the Preliminary Report, RVJ shall notify DISTRICT and Title Company in writing (the "Objection Notice") of RVJ's objections to title, if any ("Disapproved Exceptions"). All monetary liens or

encumbrances (other than liens for nondelinquent taxes or assessments, or liens arising from any action of or entry unto the Property by RVJ or any of its employees, agents, contractors or representatives, which shall be deemed "Permitted Exceptions") shall be deemed Disapproved Exceptions. DISTRICT shall notify RVJ in writing (the "Seller Notice") within seven (7) calendar days after DISTRICT receives the Objection Notice whether DISTRICT agrees remove some or all of the Disapproved Exceptions before or at Closing. DISTRICT's failure to timely deliver the Seller Notice to RVJ shall be deemed DISTRICT's election not to remove the Disapproved Exceptions. If DISTRICT elects or is deemed to have elected not to remove the Disapproved Exceptions. If DISTRICT agrees to remove Disapproved Exceptions prior to Closing, then the removal of such Disapproved Exceptions shall become a condition of RVJ's obligation to Close. If DISTRICT elects or is deemed to have elected not to remove the Disapproved Exception, then, if RVJ timely exercises its Option, RVJ shall be deemed to have waived disapproval of such exceptions.

9.2 Feasibility Studies. Upon the Effective Date, DISTRICT shall promptly provide RVJ with complete copies of all studies, reports, agreements, documents, surveys, plans, maps, permits, contracts, tests, and entitlements in DISTRICT's possession or control concerning the Property and its improvement and development, and DISTRICT shall instruct its engineers, architects, surveyors, marketing consultants and other advisors and consultants, if any, to share any information or knowledge they have concerning the Option Property with RVJ. RVJ shall have the continuous right to investigate and review, in RVJ's sole and absolute discretion and at RVJ's sole cost, the condition and suitability of the Option Property for RVJ's use and development until this Option Agreement is terminated or otherwise expires. Without in any way limiting the generality of the foregoing, RVJ shall make such investigations and inquires as RVJ deems necessary to satisfy itself as to the condition of the Option Property, which may include direct contacts with representatives of the City, the County, the State of California and the Federal Government and each of their respective agencies, consultants, engineers, employees, and principals concerning any governmental land regulations, subdivision and planning ordinances, zoning ordinances, architectural and design approvals affecting or required for the project contemplated by RVJ, estimated development costs, financial and market feasibility, the status of the entitlements of the Option Property, the amount and terms and any bonds, assessments, infrastructure fees, school fees, park fees, and Mello-Roos or other special taxes, fees, districts and improvement obligations which may affect the Option Property, the availability of sewer allocations, residential development allocations and similar allocations, the presence of Hazardous Substances, and all aspects of the physical, economic and legal condition of the Option Property and its development condition and regulatory status. Except for the express covenants, obligations representations and warranties of DISTRICT made in this Option Agreement or in the Purchase Agreement, RVJ acknowledges and agrees that the Option Property will be independently investigated by RVJ to its full satisfaction prior to expiration of the Close of Escrow and that Buyer will be acquiring the Option Property based solely upon and in reliance on its own inspections, evaluations, analyses and conclusions.

9.3 Access. DISTRICT grants to RVJ and RVJ's agents, employees, contractors, representatives and consultants (collectively, "RVJ's Agents") a nonexclusive license to enter upon the Option Property for the purpose of allowing RVJ to conduct whatever feasibility studies, surveys and other examinations of the Option Property RVJ deems appropriate. Without limiting the foregoing, RVJ shall have the right to perform a complete environmental audit of the Option Property (inclusive of asbestos and pest control inspections of any structures located on the Property), soils tests on any portion

of the Option Property and any other technical studies which may, in RVJ's sole discretion, be helpful in proceeding with the development of the Option Property. RVJ shall indemnify, defend and hold DISTRICT, its members, managers, affiliates and their respective employees, agents and contractors (the "DISTRICT Parties") free and harmless from all loss or liability (including, without limitation, attorneys' fees) to the extent arising from such activities of RVJ and RVJ's Agents upon the Option Property prior to Closing and from all mechanic's, materialmen's and other liens to the extent resulting from any such conduct of RVJ and its agents and employees; provided, however, that RVJ shall have no liability for any loss, liability, claim, damage, injury or expense attributable to, or arising out of the acts or omissions of DISTRICT or the DISTRICT Parties ; or, any diminution of value resulting arising from or relating to any matter's discovered by RVJ during its investigation of the Option Property; or, the release or spread of Hazardous Substances which are discovered (but not released) on or under the Real Property by RVJ unless exacerbated or released by RVJ or any of RVJ's Agents; or resulting from latent defects or Hazardous Substances within, on or adjacent to the Option Property unless exacerbated or released by RVJ or any of RVJ's Agents. RVJ shall maintain in effect a policy of comprehensive general liability insurance with a per-occurrence combined single limit policy of not less than \$1,000,000.00. The policy so maintained by RVJ shall name the DISTRICT and its manager as an additional insured.

9.4 Processing of Entitlements. RVJ shall be responsible for the processing of all governmental entitlements, at the sole expense of RVJ.

9.5 Cooperation. DISTRICT shall cooperate to the fullest extent possible (but without any out-of-pocket costs to DISTRICT) with RVJ's investigations, feasibility studies, and processing of entitlements, including but not limited to endorsing any and all documents required by governmental agencies that will allow RVJ to obtain governmental entitlements. DISTRICT shall comply with any request for signature by returning said endorsed documents within 72 hours. District authorizes RVJ, as to sign all documents required by the City, County, or any other government agency or any public utility necessary for the development of the Property as desired by RVJ, and shall executed the attached Agency Authorization Form attached hereto as Exhibit "D". RVJ shall be responsible to pay all processing, impact, or other fees, and to comply with all conditions attached by the City to its Approval of any of the Entitlements.

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

11. Memorandum of Option. Concurrently with the execution and delivery of this Option Agreement, DISTRICT and RVJ shall execute a memorandum of option in the form attached hereto as Exhibit "C" ("Memorandum"). The Parties shall cause the Memorandum to be recorded in the Official Records of the County Recorder upon RVJ's payment of the Option Consideration and release thereof to Seller.

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

To RVJ:	RV Jensen Equipment Leasing 4029 S. Maple Ave Fresno, CA 93725 Attn: Ron King Telephone: (559) 485-8210 Facsimile: (559) 485-8503 Email: rking@rvjensen.com
With Copies to:	Michael P. Slater Powell Slater, LLP 7522 N. Colonial Avenue, Suite 100 Fresno, CA 96711 Telephone: (559) 451-6655 Facsimile: (559) 228-6818 Email: mslater@powellslater.com
To DISTRICT:	Malaga County Water District 3580 S. Frank Street Fresno, CA 93725
With a Copy to	Neal Costanzo 575 E. Locust Ave., Ste. 115 Fresno, CA 39720
To Escrow Holder:	First American Title Company 7010 N. Palm Avenue, Suite Fresno, CA 93650 Attn: Susan Rommel Telephone: 559.230.8325 Email: surommel@firstam.com

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

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

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

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

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

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

18. Escrow Holder and Title Company mean:

First American Title Company
7010 N. Palm Avenue, Suite
Fresno, CA 93650
Attn: Susan Rommel
Telephone: 559.230.8325
Email: surommel@firstam.com

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

[Signatures Contained on the Following Page]

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

OPTIONEE:

RV JENSEN EQUIPMENT LEASING, LLC, a California limited liability company

By: _____
William V. Jensen, Member

Dated: December 11, 2018

OPTIONOR:

MALAGA COUNTY WATER DISTRICT
a California municipal corporation

By: _____

Dated: December 11, 2018

EXHIBIT "A"
To Option Agreement

LEGAL DESCRIPTION

Real property in the City of Fresno, County of Fresno, State of California, described as follows:

EXHIBIT "B"
To Option Agreement

**PURCHASE AND SALE AGREEMENT
JOINT ESCROW INSTRUCTIONS
DISTRICT PARCEL
"4 ACRES+/-"
FRESNO, CA**

THIS PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS (this "Agreement") is made and entered as of _____, 201__, (Effective Date) by and between MALAGA COUNTY WATER DISTRICT, a California municipal corporation ("DISTRICT") and RV JENSEN EQUIPMENT LEASING, LLC, a California limited liability company ("RVJ"). RVJ and DISTRICT are sometimes referred to herein individually as a "Party" and collectively as the "Parties."

RECITALS:

A. DISTRICT owns that certain real property located in the County of Fresno, State of California, consisting of approximately four (4) acres of vacant land located at 4335 S. Maple Avenue, (Assessor's Parcel Number 330-031-11T) in the Malaga County Water District (hereinafter referred to as the "Real Property") more particularly described in Exhibit "A" attached and incorporated by reference, together with all appurtenant improvements, rights, interests, easements, tenements and estates related thereto ("Option Property").

B. On or about November __, 2018 DISTRICT and RVJ entered that certain Option Agreement for Purchase and Sale of Real Property ("Option Agreement") wherein DISTRICT granted RVJ the Option to Purchase the Option Property.

C. In consideration of the Option, RVJ paid DISTRICT the sum of Ten Thousand and 00/100 Dollars (\$10,000.00) as Option Consideration ("Option Consideration").

D. RVJ timely exercised its Option by delivering to DISTRICT RVJ's Notice of Exercise, which is dated _____, 201__.

E. In accordance with the Option Agreement, DISTRICT now desires to sell to RVJ, and RVJ desires to purchase from DISTRICT, said Option Property on the terms and conditions contained in this Agreement.

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

AGREEMENT:

1. Definitions. Certain capitalized terms used in this Agreement have the meanings defined below:

1.1 Authorities means governmental or quasi-governmental agencies or authorities having any jurisdiction over the Real Property.

1.2 Closing means the date upon which a Grant Deed is recorded in the Official Records of the County of Fresno, title to the Option Property is conveyed to RVJ, and possession of the Option Property is delivered to RVJ, in accordance with the terms of this Agreement.

1.3 Closing Date means upon the date which is thirty (30) days from the date of the Notice of Exercise.

1.4 Effective Date is the last date set forth opposite the signatures of the parties at the end of this Agreement and which is entered at the beginning of this Agreement.

1.5 Environmental Law is defined in Section 9.3.

1.6 Escrow means the escrow established pursuant to this Agreement through which the purchase and sale of the Option Property shall be consummated.

1.7 Escrow Holder means:

First American Title Company
7010 N. Palm Avenue, Suite
Fresno, CA 93650
Attn: Susan Rommel
Telephone: 559.230.8325
Email: surommel@firstam.com

1.8 Grant Deed means a grant deed to the Real Property in the form of Exhibit "B."

1.9 Hazardous Substance is defined on Exhibit "C".

1.10 Option Property is defined in the Recitals to this Agreement.

1.11 Parties and Party are defined in the first paragraph of this Agreement.

1.12 Permitted Exceptions means general and special real property taxes and assessments or lien not yet due and payable and any other liens, easements, encumbrances, covenants, conditions and restrictions of record approved, or waived if a Disapproved Exception, by RVJ pursuant to Section 3.1, or created under the signature of RVJ.

1.13 Purchase Price means the sum of FIVE HUNDRED THOUSAND AND 00/100 DOLLARS (\$500,000.00).

1.14 Purchase and Sale DISTRICT agrees to sell the Option Property to RVJ and RVJ agrees to purchase the Option Property from DISTRICT, on the terms and conditions set forth herein.

1.15 District's knowledge means the actual knowledge of _____.

1.16 Title Company means First American Title Company.

1.17 Title Policy means a current 2006 ALTA Extended Owner's Title Insurance Policy with such endorsements as RVJ may reasonably request, in amount equal to the Purchase Price, insuring fee title to the Option Property vested in RVJ, subject only to the Permitted Exceptions.

2. Joint Escrow Instructions.

This Agreement shall constitute joint escrow instructions to Escrow Holder. The Parties shall execute such additional instructions not inconsistent with the provisions of this Agreement which may be reasonably required by Escrow Holder and shall be bound by Escrow Holder's general instructions; provided, however, that as between the Parties, if any conflict between the provisions of this Agreement and the provisions of Escrow Holder's general instructions exists or arises, then the provisions of this

Agreement shall control. Escrow Holder shall promptly notify RVJ and DISTRICT in writing of the date of the Opening of Escrow. Escrow Holder is designated the “real estate reporting person” for purposes of Section 6045 of the Internal Revenue Code of 1986, as amended and Treasury Regulation 1.6045-4, and any instructions or settlement statement prepared by Escrow Holder shall so provide. Escrow Holder shall be responsible for filing Form 1099-S with the Internal Revenue Service.

3. Closing and Option Consideration of Purchase Price.

3.1 The Closing shall occur on or before the Closing Date, provided all conditions precedent to RVJ’s obligation to close escrow have occurred on or before Closing Date, or any extension thereof.

3.2 Provided DISTRICT has deposited all of the items required by Section 5, below, no later than one (1) business days prior to the Closing Date, provided the Title Company has confirmed to RVJ and DISTRICT in writing that it is unconditionally prepared to issue the Title Policy to RVJ upon consummation of the Closing and that the Conditions to RVJ’s Obligations as provided in Section 7 below are satisfied, on or before the Closing Date RVJ shall deposit with Escrow Holder the total Purchase Price (less the Option Consideration), and RVJ’s share of closing costs and prorations as provided in Section 4 below, in immediately available funds.

4. Closing Costs and Prorations.

4.1 Closing Costs. DISTRICT shall pay all recording costs, the cost of a standard CLTA title policy, and all City and County documentary transfer taxes payable in connection with the purchase and sale of the Option Property. RVJ shall pay all additional premiums for the 2006 ALTA Extended Owner’s Title Insurance Policy extended coverage portion of the Title Policy and the cost of any additional endorsements and surveys. RVJ and DISTRICT shall each pay one-half (½) of all escrow fees in connection with the purchase and sale of the Option Property. All other closing costs related to the transaction shall be paid by the parties in the manner consistent with customary practice for vacant residential land sales in the County. Escrow Holder shall notify RVJ and DISTRICT in writing of their respective shares of such costs at least three (3) business days prior to the Closing Date.

4.2 Prorations. Real estate taxes and assessments shall be prorated on the basis of the most recent tax statement for the Option Property as of 12:01 a.m. on the Closing Date, on the basis of a 365-day year. At least three (3) business days prior to the Closing Date, Escrow Holder shall deliver to DISTRICT and RVJ a tentative proration schedule setting forth a preliminary determination of prorations. If any information needed for the proration of any item is not available, the parties shall re-prorate such item after Closing and payment shall be made promptly to the party entitled thereto. After Closing, DISTRICT shall remain solely responsible for and shall promptly pay before delinquency any real estate taxes and assessments for the Option Property relating to periods prior to the Closing Date.

5. Deposits by DISTRICT. No later than two (2) business days prior to the Closing Date, DISTRICT shall deposit with Escrow Holder:

(a) The Grant Deed duly executed by DISTRICT, acknowledged and in recordable form.

(b) An Assignment and Bill of Sale in the form attached hereto as Exhibit “D” duly executed by DISTRICT (“Bill of Sale”).

(c) DISTRICT’s Nonforeign Affidavit in the form attached hereto as Exhibit “E,” duly executed by each DISTRICT (“Nonforeign Affidavit”).

(d) Evidence satisfactory to Escrow Holder and RVJ that DISTRICT is exempt from the provisions of the withholding requirements of the California Revenue and Taxation Code, as

amended, and that neither RVJ nor Escrow Holder is required to withhold any amounts from the Purchase Price pursuant to such provisions (the “California Affidavit”).

(e) Any and all affidavits, undertakings, certificates or other documents customarily required by the Title Company in order to cause it to issue the Title Policy.

Such other bills of sale, assignments and other instruments of transfer or conveyance as Escrow Holder may reasonably request to evidence and effect the sale, assignment, transfer, conveyance and delivery of the Option Property to RVJ.

6. Deposits by RVJ. Subject to the terms of this Section 6, no later than one (1) business day before the Closing, RVJ shall deposit with Escrow Holder the following:

(a) Immediately available funds, in accordance with Section 3.

(b) Such other instruments or documents as Escrow Holder may reasonably request or may be necessary to effect the sale, assignment, transfer, conveyance and delivery of the Option Property to RVJ.

(c) If all conditions to the Closing have been satisfied and/or waived and subject to all applicable cure periods set forth herein, RVJ’s failure to make the deposits required by this Section 7 shall be deemed to be a default under this Agreement.

7. Conditions to Closing.

7.1 Conditions to RVJ’s Obligations. The Closing and RVJ’s obligation to purchase the Option Property are subject to the satisfaction of the following conditions or RVJ’s written waiver of such conditions on or before the Closing Date as further described below. RVJ may waive in writing any or all of such conditions in its sole and absolute discretion.

(a) DISTRICT shall have performed all obligations to be performed by DISTRICT pursuant to this Agreement prior to Closing.

(b) DISTRICT’s representations and warranties set forth herein shall be true and correct as of the date hereof and as of the Closing.

(c) The Title Company shall be committed to issue to RVJ, as of the Closing Date, the Title Policy.

(d) There shall be no moratorium, prohibition or any other measure, rule, regulation or restriction, including without limitation, any moratorium on the provision of or hook-up to public utilities, included but not limited to potable water, which was not in force as of the date of this Agreement and whose effect would be to preclude any inspections, or the issuance of any building or other permits, or construction, as contemplated by RVJ.

(e) Between the Effective Date and the Closing Date, there shall have been no material adverse changes in the physical condition or status of the Option Property for RVJ’s intended use or in the facts or circumstances concerning the Option Property.

7.2 Conditions to DISTRICT’s Obligations. Closing and DISTRICT’s obligation to consummate the transactions contemplated by this Agreement are subject to the satisfaction of the conditions that as of the Closing Date:

(a) RVJ shall have performed all obligations to be performed by RVJ pursuant to this Agreement prior to Closing.

(b) RVJ’s representations and warranties set forth herein shall be true and correct as of the date hereof and the Closing.

8. Closing.

8.1 Escrow Holder's Actions. Upon the Closing Date, when Escrow Holder holds the items required to be deposited by DISTRICT and RVJ as described above and Title Company is prepared to issue and deliver to RVJ the applicable Title Policy, Escrow Holder is instructed and authorized to (i) record the Grant Deed in the Office of the County Recorder of the County; (ii) record the Assignment of Declarant's Rights (if any, and if separate from the Grant Deed) in the Office of the County Recorder of the County; (iii) pay any transfer taxes; (iv) instruct the County Recorder to return the Grant Deed to RVJ; (v) disburse to DISTRICT from the funds deposited into Escrow by RVJ the Purchase Price less the Option Consideration and less DISTRICT's escrow and cash charges; (vi) disburse from funds deposited by RVJ amounts toward payment of all other items chargeable to the account of RVJ hereunder, and disburse the balance of such funds, if any, to RVJ; and (vii) deliver to RVJ the original Bill of Sale, the Assignment of Declarant's Rights (if any), the Nonforeign Affidavit, the California Affidavit and the Title Policy.

8.2 Escrow Cancellation Charges. If the Closing does not occur because of the default of a Party, the defaulting Party shall bear all Escrow Cancellation Charges. If the Closing does not occur for any reason other than the default of a party, then RVJ and DISTRICT shall each pay one-half (1/2) of any Escrow Cancellation Charges. As used herein, "Escrow Cancellation Charges" means all fees, charges and expenses incurred by Escrow Holder or third parties engaged by Escrow Holder, as well as all expenses related to the services of the Title Company in connection with the issuance of the Preliminary Report and other title matters. Notwithstanding the foregoing, if after RVJ has delivered RVJ's Election Notice and this Agreement is terminated by RVJ, except in the event of DISTRICT's default, RVJ shall pay all Escrow Cancellation Charges.

8.3 Conveyance and Possession. Upon Closing, DISTRICT shall convey title to the Option Property to RVJ, subject only to DISTRICT's obligations hereunder and the Permitted Exceptions, and DISTRICT shall deliver to RVJ exclusive possession of the Option Property.

9. Representations and Warranties of DISTRICT. As of the Effective Date, DISTRICT makes the following representations and warranties to RVJ:

9.1 Ownership. DISTRICT owns the Option Property in fee simple absolute and has title to such Option Property, subject to no liens, claims or encumbrances other than those disclosed in the Preliminary Report. To DISTRICT's knowledge, DISTRICT has not alienated, encumbered, transferred, optioned, leased, assigned, transferred or otherwise conveyed its interest or any portion of its interest in the Option Property or any portion thereof except as set forth in the Preliminary Report, nor has DISTRICT entered into any agreement (other than this Agreement) to do so.

9.2 Binding Agreement. This Agreement constitutes the legal, valid and binding obligation of DISTRICT enforceable against DISTRICT in accordance with its terms, except to the extent that such enforcement may be limited by applicable bankruptcy, insolvency, moratorium and other principles relating to or limiting the rights of contracting parties generally. Neither this Agreement nor the consummation of any of the transactions contemplated hereby violates or shall violate any provision of any agreement or document to which DISTRICT is a party or to which DISTRICT is bound. No consent from any third party is required before any of the Option Property may be conveyed to RVJ.

9.3 Hazardous Substances. To DISTRICT's knowledge, the Option Property is not in violation, nor has been or is currently under investigation for violation of any federal, state or local law, ordinance or regulation including, without limitation, any relating to industrial hygiene, worker health and safety, or to the environmental conditions in, at, on, under or about the Option Property ("Environmental Law") including, but not limited to, soil and groundwater conditions; the Option Property has not been subject to a deposit of any Hazardous Substance; neither DISTRICT, nor any other third party has used, generated, manufactured, stored or disposed in, at, on, under or about the Option Property or transported

to or from the Option Property any Hazardous Substance; there has been no discharge, migration or release of any Hazardous Substance from, into, on, under or about the Option Property; and there is not now, nor has there ever been on or in the Option Property underground storage tanks or surface impoundments, any asbestos-containing materials or any polychlorinated biphenyls used in hydraulic oils, electrical transformers or other equipment.

9.4 No Default. To DISTRICT's knowledge, DISTRICT is not in default under, and DISTRICT has received no written notice that any event has occurred which with the giving of notice or the passage of time, or both, would constitute a default under any contract, transaction, agreement, covenant, condition, restriction, lease, easement, encumbrance or instrument pertaining to the Option Property.

9.5 Absence of Condemnation; Assessment Districts. To DISTRICT's knowledge, DISTRICT has received no written notice of any suit, action or arbitration, or legal, administrative, or other proceeding or governmental investigation, formal or informal, including but not limited to eminent domain or condemnation proceeding, proceeding to establish a new assessment district or increase the assessments imposed by an existing assessment district, or zoning change proceeding, pending or threatened in writing, or any judgment, moratorium or other government policy or practice which affects the Option Property or RVJ's anticipated development of the Option Property.

9.6 Absence of Lawsuits. To DISTRICT's knowledge, DISTRICT has received no notice of any lawsuits, claims, suits, proceedings or investigations pending or threatened against or affecting DISTRICT or any of the Option Property nor is there any basis for any of the same, and there are no lawsuits, suits or proceedings pending in which DISTRICT is the plaintiff or claimant and which relate to the Option Property other than pending litigation to enforce the mechanic's liens set forth in the Preliminary Report. There is no action, suit or proceeding pending or threatened which questions the legality or propriety of the trans-actions contemplated by this Agreement.

9.7 No Commitments. To DISTRICT's knowledge, except for matters disclosed by DISTRICT in writing to RVJ, DISTRICT has made no oral or written commitments or representations to, or understandings or agreements with, any person, firm or entity, any adjoining Option Property owner or any Authority which would in any way be binding on RVJ or would interfere with RVJ's ability to develop and improve the Option Property with a residential development, and DISTRICT shall not make or enter into any such commitment, representations, understandings or agreements without RVJ's written consent.

9.8 SWPPP and Dust Control. To DISTRICT's knowledge, DISTRICT has not received any violations, nor has DISTRICT received any notices of correction from local, City, County, State of California or federal agencies, including, but not limited to, the Regional Water Quality Control Board or the San Joaquin Valley Air Pollution Control District, related to erosion or dust.

9.9 Insolvency. DISTRICT is not bankrupt or insolvent under any applicable Federal or state standard, nor has DISTRICT or DISTRICT's Trustees filed for protection or relief under any applicable bankruptcy or creditor protection statute nor has any such party been threatened by creditors with an involuntary application of any applicable bankruptcy or creditor protection statute. DISTRICT is not entering into the transactions described in this Agreement with intent to defraud any creditor or to prefer the rights of one creditor over any other. DISTRICT and RVJ have negotiated this Agreement at arm's-length and the consideration to be paid represents fair value for the assets to be transferred.

9.10 USA Patriot Act. DISTRICT is not, and will not be, a person or entity with whom RVJ is restricted from doing business under the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, H.R. 162 Public Law 107-56 (commonly known as the "USA Patriot Act") and Executive Order Number 13224 on Terrorism Financing, effective August 24, 2001 and regulations promulgated pursuant thereto, including without limitation, persons

and entities named on the office of Foreign Asset Control Specially Designated Nationals and Blocked Persons List.

10. Representations and Warranties of RVJ. RVJ makes the following representations, warranties and covenants to DISTRICT:

10.1 Good Standing; Authority. RVJ is a limited liability company, duly organized, validly existing and in good standing under the laws of the State of California and is duly qualified to do business in the State of California. RVJ has the right, power and authority to enter into this Agreement and to perform its obligations hereunder, and the person executing this Agreement on behalf of RVJ has the right, power and authority to do so.

10.2 No Default. The execution of this Agreement and the performance of RVJ's obligations hereunder shall not constitute a default under any contract, transaction, agreement, covenant, condition or otherwise that would prejudice or impair RVJ's ability to perform its obligations hereunder.

10.3 Binding Agreement. This Agreement constitutes the legal, valid and binding obligation of RVJ, enforceable against RVJ, in accordance with its terms, except to the extent that such enforcement may be limited by applicable bankruptcy, insolvency, moratorium and other principles relating to or limiting the rights of contracting parties generally. Neither this Agreement nor the consummation of any of the transactions contemplated hereby violates or shall violate any provision of any agreement or document to which RVJ is a party or to which RVJ is bound. No consent from any third party is required before any of the Option Property may be conveyed to RVJ.

All representations, warranties and covenants of RVJ in this Agreement are made as of the date of this Agreement and as of the Closing and shall survive the Closing and the recordation of the Grant Deed. It shall be a material default hereunder if RVJ is unable to make such representations and warranties truthfully as of the Closing Date.

11. Notification by DISTRICT of Certain Matters. During the period prior to the Closing Date, DISTRICT shall promptly advise RVJ in writing of any material adverse change in the physical condition of the Option Property, the occurrence of any event or the discovery of any fact which would render any representation or warranty of DISTRICT to RVJ in this Agreement untrue or materially misleading, and any written notice or other communication from any third person alleging that the consent of such third person is or may be required in connection with the transactions contemplated by this Agreement.

12. DISTRICT's Covenant Not to Further Encumber the Option Property. DISTRICT shall not, directly or indirectly, alienate, encumber, transfer, option, lease, assign, sell, transfer or convey its interest or any portion of such interest in the Option Property or any portion thereof, or enter into any agreement to do so, so long as this Agreement is in force. DISTRICT shall timely discharge, prior to the Closing, any and all obligations relating to work performed on or conducted at or materials delivered to Option Property from time to time by DISTRICT, or at DISTRICT's direction or on its behalf, in order to prevent the filing of any claim or mechanic's lien with respect to such work or materials.

13. Damage or Destruction. If any Material damage or destruction to the Option Property, or any portion thereof, DISTRICT occurs between the date of the Notice of Exercise and Closing, which is not caused by RVJ, DISTRICT shall immediately give RVJ written notice of such damage or destruction, and RVJ shall have the option, exercisable within ten (10) days thereafter either to (i) terminate the Escrow, in which case Escrow Holder shall immediately return all documents, instruments and monies to the Party which deposited same in respect of the Closing, or (ii) accept the Option Property in its condition at that time, and, irrespective of whether such damage is Material, to receive an assignment of all of DISTRICT's rights to any insurance proceeds payable by reason of such damage or destruction, or, if the damage is not covered by insurance, receive a commensurate reduction in the Purchase Price. If

RVJ elects to proceed under clause (ii) above, DISTRICT shall not compromise, settle or adjust any such insurance claims without RVJ's prior written consent. For purposes of this Agreement, "material" means any damage or destruction, wherein the cost of repair, or diminution in value of the Property, equals or exceeds Twenty-Five Thousand and 00/100 Dollars (\$25,000.00).

14. Condemnation. If prior to the Closing all or any portion of the Option Property is subject to an actual or threatened taking by a public authority, by the power of eminent domain or otherwise, RVJ shall have the right, exercisable by giving written notice to DISTRICT within ten (10) days after RVJ's receipt of written notice of such taking, either to (i) terminate Escrow, in which case Escrow Holder shall immediately return all documents, instruments and monies to the Party which deposited same in respect of the Closing, or (ii) to accept the applicable portion of the Option Property in its then condition, and to receive an assignment of all of DISTRICT's rights to any condemnation award payable by reason of such taking. If RVJ elects to proceed under clause (ii) above, DISTRICT shall not compromise, settle or adjust any claims to such award without RVJ's prior written consent.

15. Remedies.

15.1 DISTRICT's Default. If DISTRICT defaults hereunder, or the Closing does not occur by reason of DISTRICT's default hereunder which is not cured within ten (10) days after DISTRICT first has knowledge of such default, then RVJ shall be entitled to (a) waive such default and proceed to Closing; or, (b) pursue all remedies available in law or equity, including but not limited to RVJ's rights to specifically enforce this Agreement and/or recover damages.

15.2 RVJ's Default/Liquidated Damages. RVJ AND DISTRICT AGREE THAT IN THE EVENT THE CLOSING FAILS TO OCCUR BECAUSE OF RVJ'S DEFAULT OR BREACH (NOT DUE TO DISTRICT'S WRONGFUL ACTS OR OMISSIONS OR DISTRICT'S BREACH) HEREUNDER, THE DAMAGES TO DISTRICT WOULD BE EXTREMELY DIFFICULT AND IMPRACTICABLE TO ASCERTAIN, AND THAT THEREFORE THE OPTION CONSIDERATION, TO THE EXTENT MADE AND RELEASED AND BECOME NON-REFUNDABLE, IS A REASONABLE ESTIMATE OF THE DAMAGES TO DISTRICT, SUCH DAMAGES INCLUDING COSTS OF NEGOTIATING AND DRAFTING OF THIS AGREEMENT, COSTS OF COOPERATING IN SATISFYING CONDITIONS TO CLOSING, COSTS OF SEEKING ANOTHER RVJ UPON RVJ'S DEFAULT, OPPORTUNITY COSTS IN KEEPING THE OPTION PROPERTY OUT OF THE MARKETPLACE, AND OTHER COSTS INCURRED IN CONNECTION HERewith. ACCORDINGLY, RVJ AGREES THAT UPON RVJ'S RECEIPT OF NOTICE OF SUCH DEFAULT OR BREACH FROM DISTRICT, WHICH NOTICE SHALL SPECIFY THE BREACH IN DETAIL, AND FAILURE BY RVJ TO CURE SAID BREACH, DEFAULT OR FAILURE TO PERFORM WITHIN TEN (10) DAYS AFTER RECEIPT OF SUCH NOTICE, AND CLOSING FAILS TO OCCUR BECAUSE OF SUCH BREACH OR DEFAULT, DISTRICT'S DAMAGES SHALL BE LIMITED TO THE OPTION CONSIDERATION, TO THE EXTENT SAID OPTION CONSIDERATION HAS BEEN MADE, RELEASED AND HAVE BECOME NON-REFUNDABLE, AS LIQUIDATED DAMAGES, AS DISTRICT'S SOLE REMEDY IN THE EVENT OF ANY SUCH MATERIAL

BREACH OR DEFAULT BY RVJ HEREUNDER. THE PARTIES ACKNOWLEDGE THAT DISTRICT RETENTION OF LIQUIDATED DAMAGES AS CONTEMPLATED IN THIS SECTION 15.2 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 DISTRICT UNDER CALIFORNIA CIVIL CODE SECTIONS 1671, 1676, AND 1677. THE FOREGOING IS NOT INTENDED TO LIMIT RVJ'S SURVIVING OBLIGATIONS UNDER THIS AGREEMENT, INCLUDING WITHOUT LIMITATION ANY OBLIGATIONS OF RVJ TO INDEMNIFY DISTRICT OR WITH RESPECT TO ANY DEFAULT BY RVJ WHICH OCCURS FOLLOWING THE APPLICABLE CLOSING.

DISTRICT'S INITIALS: _____

RVJ'S INITIALS: _____

16. Real Estate Brokerage Commission. DISTRICT and RVJ each represent and warrant to the other that it has not dealt with or been represented by any other brokers or finders in connection with the purchase and sale of the Option Property. If any other claim is made for a commission or a finder's fee in connection with the transaction contemplated by this Agreement, then the party upon whose alleged statement, representation or agreement that claim arises shall indemnify, defend, protect and hold harmless the other party from and against all liability, damage and cost (including attorney's fees) the other party incurs as a result thereof.

17. Miscellaneous.

17.1 Assignment. Neither this Agreement nor any interest herein may be assigned by either party without the prior written consent of the other party. Notwithstanding the foregoing, (a) RVJ shall have the right to transfer RVJ's rights and obligations under this Agreement, without the necessity of DISTRICT's prior written consent, to a third party in connection with a land banking arrangement pursuant to which RVJ has the right to reacquire the Option Property (the "Land Banking Arrangement"), and (b) RVJ shall have the right to transfer RVJ's rights and obligations under this Agreement without DISTRICT's consent to a limited liability company, corporation, joint venture or partnership which satisfies all of the following requirements (a "Permitted Transferee"): (i) RVJ, or a corporation or other entity controlling, controlled by or under common control with RVJ (a "RVJ Affiliate"), owns at least a fifteen percent (15%) profit interest in the Permitted Transferee, (ii) RVJ or a RVJ Affiliate is responsible for the day-to-day management of the Permitted Transferee, (iii) the Permitted Transferee assumes all obligations of RVJ under this Agreement, and (iv) RVJ promptly notifies DISTRICT in writing of such transfer and assumption of obligations and, upon DISTRICT's request, provides DISTRICT with copies of the operative documents that evidence compliance with the foregoing requirements.

17.2 No Modifications. No addition to or modification of any term or provision of this Agreement shall be effective unless set forth in writing and signed by both DISTRICT and RVJ.

17.3 Construction of Agreement. Each Party acknowledges that it is freely and voluntarily entering into this Agreement, uncoerced by any other person and that it has been afforded the opportunity to obtain the advice of legal counsel of its choice with regard to this Agreement in its entirety and understands the same. Each Party and attorneys for each Party have has the opportunity to participate in the drafting and preparation of this Agreement. Therefore, the provisions of this Agreement shall not be construed in favor of or against either Party, but shall be construed as if both Parties equally prepared this Agreement.

17.4 Headings. The paragraph headings herein are used only for the purpose of convenience only and shall not be deemed to limit the subject of the sections or paragraphs of this Agreement or to be considered in their construction. Unless otherwise specifically referring to another instrument or document, references to “Sections” and “Subsections” refer to the Sections and Subsections of this Agreement.

17.5 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

17.6 Time of the Essence. Time is of the essence of each and every provision of this Agreement. Unless business days are expressly provided for, all references to “days” herein shall refer to consecutive calendar days. If the Closing Date or any other date or time period provided for in this Agreement is or ends on a Saturday, Sunday or Federal, State or legal holiday, then such date shall automatically be extended to the next day which is not a Saturday, Sunday or Federal, State or legal holiday; provided, however, that if relevant date is the Closing Date and if the next day is a Monday and the Parties are unable to arrange for a “special” recording permitting RVJ to deliver the balance of the Purchase Price to Escrow Holder and close the transaction contemplated herein on that Monday, the Closing Date shall automatically be delayed until the next business day.

17.7 Successors and Assigns. Subject to the provisions of Section 17.1, above, all of the provisions of this Agreement shall inure to the benefit of and shall be binding upon the successors and assigns of the Parties.

17.8 Further Assurances. Each of the Parties shall execute and deliver any and all additional papers, documents, and other assurances, and shall do any and all acts and things reasonably necessary in connection with the performance of their obligations hereunder and to carry out the intent of this Agreement. Without limiting the generality of the foregoing, DISTRICT shall cooperate with RVJ by executing such documents and providing to RVJ or the appropriate regulatory agency such items as RVJ or the appropriate regulatory agency may reasonably request, and DISTRICT shall cooperate under any covenants, conditions and restrictions affecting the Option Property so as to facilitate RVJ's development of the Option Property, provided such cooperation entails no additional cost or expense to DISTRICT.

17.9 No Waiver. The waiver by one Party of the performance of any covenant, condition or promise, or of the time for performing any act, under this Agreement shall not invalidate this Agreement nor shall it be considered a waiver by such Party of any other covenant, condition or promise, or of the time for performing any other act required, under this Agreement. The exercise of any remedy provided in this Agreement shall not be a waiver of any remedy provided by law, and the provisions of this Agreement for any remedy shall not exclude any other remedies unless they are expressly excluded.

17.10 Severability. If any provision of this Agreement shall become illegal, null or void or against public policy, for any reason, or shall be held by any court of competent jurisdiction to be illegal, null or void or against public policy, the remaining provisions of this Agreement shall not be affected thereby and shall remain in force and effect to the full extent permissible by law.

17.11 Gender and Number. In this Agreement, the masculine, feminine and neuter genders and the singular and the plural include one another, unless the con-text requires otherwise.

17.12 Entire Agreement. This Agreement constitutes the entire agreement between the Parties pertaining to the subject matter hereof and shall supersede all prior and contemporaneous agreements, representations, negotiations and understandings of the parties, oral or written. The foregoing sentence shall in no way affect the validity of any instrument executed by the Parties in the form of the exhibits attached to this Agreement.

17.13 Incorporation of Exhibits. All exhibits to this Agreement are incorporated herein by this reference.

17.14 Execution in Counterparts and Facsimile Signatures. This Agreement may be executed in counterparts. Each such counterpart shall be deemed an original, but all such executed counterparts together shall constitute one and the same instrument. A facsimile or PDF signature on this Agreement shall be deemed as effective as an original signature.

17.15 Attorneys' Fees. If any action or proceeding is instituted to enforce or interpret any provision of this Agreement, the prevailing Party therein shall be entitled to recover its attorneys' fees and costs from the losing party.

17.16 Notices. Any notice to be given hereunder to either Party or to Escrow Holder shall be in writing and shall be given either by personal delivery (including express or courier service), telecopier transmission, or by registered or certified mail, with return receipt requested, postage prepaid and addressed as follows:

To RVJ:	RV Jensen Equipment Leasing 4029 S. Maple Ave Fresno, CA 93725 Attn: Ron King Telephone: (559) 485-8210 Facsimile: (559) 485-8503 Email: rking@rvjensen.com
With Copies to:	Michael P. Slater Powell Slater, LLP 7522 N. Colonial Avenue, Suite 100 Fresno, CA 96711 Telephone: (559) 451-6655 Facsimile: (559) 228-6818 Email: mslater@powellslater.com
To DISTRICT:	Malaga County Water District 3580 S. Frank Street Fresno, CA 93725
With a Copy to	Neal Costanzo 575 E. Locust Ave., Ste. 115 Fresno, CA 39720
To Escrow Holder:	First American Title Company 7010 N. Palm Avenue, Suite Fresno, CA 93650 Attn: Susan Rommel Telephone: 559.230.8325 Email: surommel@firstam.com

Any Party may, by written notice to the others and to Escrow Holder, designate a different address which shall be substituted for the one specified above. Any such notice shall be deemed to have been delivered upon its receipt or upon the second attempt at delivery, as evidenced by the facsimile confirmation in the

case of notice by telecopier, or by the regular records of the person or entity attempting delivery, in all other cases.

17.17 Relationship of Parties. The Parties agree that their relationship is that of DISTRICT and RVJ, respectively, and that nothing contained herein shall make either Party the fiduciary of the other for any purpose whatsoever, nor shall this Agreement be deemed to create any form of business organization between the Parties, including without limitation a joint venture or partnership, 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.

17.18 Savings Clause. So as not to violate the rule against perpetuities, all settlements contemplated hereunder must occur, if at all, on or before ten (10) years from the Effective Date of this Agreement.

17.19 Survival. The agreements, representations, covenants and warranties of the Parties contained herein shall survive the Closing and the delivery of the Grant Deed.

17.20 Confidentiality. DISTRICT and DISTRICT's agents, representatives, advisors, brokers and family members, at all times shall keep the transaction contemplated by the Agreement, and the terms thereof, including but not limited to the Purchase Price, the amount of the Option Consideration, and price per lot, as well as all documents received from RVJ confidential, except to the extent necessary to (a) comply with applicable laws and regulations, (b) discuss the same with their consultants and advisors, and (c) carry out the obligations set forth herein. Any disclosure to consultants and advisors pursuant to clause (b) of the preceding sentence shall indicate that the information is confidential and should be so treated by the recipient.

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

RVJ:
RV JENSEN EQUIPMENT LEASING, LLC, a California limited liability company

DISTRICT:
MALAGA COUNTY WATER DISTRICT
a California municipal corporation

By: _____
William V. Jensen, Member

By: _____

Dated: _____, 201_

Dated: _____, 201_

LIST OF EXHIBITS

Exhibit A	Legal Description
Exhibit B	Grant Deed
Exhibit C	Hazardous Substances
Exhibit D	Assignment & Bill of Sale
Exhibit E	Non-foreign Affidavit

ACCEPTANCE BY ESCROW HOLDER:

First American Title Company hereby acknowledges that it has received a fully executed counterpart of the foregoing Agreement of Purchase and Sale of Real Property and Joint Escrow Instructions (“Agreement”) by and between RV Jensen Equipment Leasing, LLC, a California limited liability company and Malaga County Water District, a California municipal corporation for that certain real property in the City of Fresno, County of Fresno, State of California more fully described therein. Capitalized terms not otherwise defined in this acceptance shall have the meaning ascribed to them in the Agreement. The undersigned agrees to act as Escrow Holder under the Agreement and to be bound by and perform the terms thereof as such terms apply to Escrow Holder. The Opening of Escrow, as defined in the Agreement, shall be this ___ day of _____, 201_

FIRST AMERICAN TITLE COMPANY

Dated: _____, 2018

By: _____
Its: Authorized Representative

EXHIBIT A
LEGAL DESCRIPTION
(To Be Attached by Escrow)

EXHIBIT B
GRANT DEED

RECORDING REQUESTED BY:
WHEN RECORDED MAIL TO:

RV Jensen Equipment Leasing
4029 S. Maple
Fresno, CA 93725
Attn: Ron King

MAIL TAX STATEMENTS TO:
SAME AS ABOVE

DOCUMENTARY TRANSFER TAX:

Computed on the consideration or value of property conveyed; OR
 Computed on the consideration or value less liens or encumbrances
remaining at time of sale.
APN # _____

GRANT DEED

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, **MALAGA COUNTY WATER DISTRICT**, a California municipal corporation (“Grantor”) hereby **GRANTS** and conveys to **RV JENSEN EQUIPMENT LEASING, LLC**, a California limited liability company (the “Grantee”), the real property in the City of Fresno, County of Fresno, State of California, described on Exhibit A attached hereto and incorporated by reference herein.

GRANTOR:

MALAGA COUNTY WATER DISTRICT,
a California municipal corporation

By: _____

Dated: _____, 201_

**EXHIBIT A TO GRANT DEED
LEGAL DESCRIPTION**

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

[TO BE COMPLETED BY ESCROW]

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)
) ss
County of _____)

On _____, before me, _____, Notary Public, personally appeared _____

_____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) are/is 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.

Notary Public, State of California

(Notary Seal)

EXHIBIT C

HAZARDOUS SUBSTANCES

The term “Hazardous Substance” as used in this Agreement shall include, without limitation, any substance, chemical, compound, waste, material or mixture which is (or which contains or is the decomposition product of any substance, chemical compound, or mixture which is):

(1) a “Hazardous Substance”, “Hazardous Material”, “Hazardous Waste”, or “Toxic Substance” under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. §§ 9601, et seq., the Hazardous Materials Transportation Act, 49 U.S.C. §§ 1801, et seq., or the Resource Conservation and Recovery Act, 42 U.S.C. §§ 6901, et seq.;

(2) an “Extremely Hazardous Waste”, a “Hazardous Waste”, or a “Restricted Hazardous Waste”, under §§ 25115, 25117 or 25122.7 of the California Health and Safety Code, or is listed or identified pursuant to §§ 25140 or 44321 of the California Health and Safety Code;

(3) a “Designated Waste” under California Water Code § 13173.

(4) a “Hazardous Material”, “Hazardous Substance”, “Hazardous Waste”, “Toxic Air Contaminant”, or “Medical Waste” under §§ 25281, 25316, 25501, 25501.1, 25023.2 or 39655 of the California Health and Safety Code;

(5) “Oil” or a “Hazardous Substance” listed or identified pursuant to § 311 of the Federal Water Pollution Control Act, 33 U.S.C. § 1321, as well as any other hydrocarbonic substance, by-product or waste;

(6) listed or defined as a “Hazardous Waste”, “Extremely Hazardous Waste”, or an “Acutely Hazardous Waste” pursuant to Chapter 11 of Title 22 of the California Code of Regulations;

(7) listed by the State of California as a chemical known by the State to cause cancer or reproductive toxicity pursuant to § 25249.8(a) of the California Health and Safety Code;

(8) a material which due to its characteristics or interaction with one or more other substances, chemical compounds, or mixtures, damages or threatens to damage, human or animal health, public or worker safety, or the environment, or is required by any law or public agency to be remediated, including remediation which such law or public agency requires in order for the property to be put to any lawful purpose;

(9) any material the presence of which would require remediation pursuant to the guidelines set forth in the State of California Leaking Underground Fuel Tank Field Manual, whether or not the presence of such material resulted from a leaking underground fuel tank;

(10) pesticides regulated under the Federal Insecticide, Fungicide and Rodenticide Act, 7 U.S.C. §§ 136 et seq.;

(11) radon, asbestos, PCBs, and other substances regulated under the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq. or other applicable laws;

(12) any radioactive material including, without limitation, any “source material”, “special nuclear material”, “by-product material”, “low-level wastes”, “high-level radioactive waste”,

“spent nuclear fuel” or “transuranic waste”, “special waste” and any other radioactive materials or radioactive wastes, however produced, regulated under the Atomic Energy Act, 42 U.S.C. §§ 2011 et seq., the Nuclear Waste Policy Act, 42 U.S.C. §§ 10101 et seq., or pursuant to the California Radiation Control Law, California Health and Safety Code §§ 25800 et seq.;

(13) industrial process and pollution control wastes, whether or not “hazardous” within the meaning of the Resource Conservation and Recovery Act, 42 U.S.C. §§ 6901 et seq. or the Hazardous Waste Control Act, California Health and Safety Code §§ 25100 et seq.;

(14) regulated under the Occupational Safety and Health Act, 29 U.S.C. §§ 651 et seq., or the California Occupational Safety and Health Act, California Labor Code §§ 6300 et seq.;

(15) regulated under the Clean Air Act, 42 U.S.C. §§ 7401 et seq. or pursuant to Division 26 of the California Health and Safety Code; and/or

(16) any condition or circumstance in violation of the common law, including without limitation one which constitutes a nuisance, waste, trespass or which results in objectionable odors, dust or otherwise adversely impacts use of the subject real property.

EXHIBIT D

ASSIGNMENT & BILL OF SALE

This Assignment and Bill of Sale (this “Bill of Sale”) is made as of _____, 201_ by MALAGA COUNTY WATER DISTRICT, a California municipal corporation (“Assignor”) in favor of RV JENSEN EQUIPMENT LEASING, LLC, a California limited liability company (collectively “Assignee”), pursuant to that certain Agreement of Purchase and Sale of Real Property and Joint Escrow Instructions, by and between Assignor and Assignee, dated _____, 2018 (the “Purchase Agreement”). This Bill of Sale is subject to the terms and provisions of the Purchase Agreement and in the event of any inconsistency between the Purchase Agreement and this Bill of Sale, the terms and provisions of the Purchase Agreement shall control.

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor hereby sells, conveys, grants, delivers, transfers and assigns to Assignee, without any representation or warranty whatsoever, all of Assignor’s right, title and interest in, to and under any and all of the following items, to the extent that they are related to that certain real property located in the City of Fresno, County of Fresno, State of California, which is more particularly described in Exhibit 1 attached hereto and incorporated herein by this reference (the “Real Property”):

- (a) all governmental zoning, use, occupancy, and operating permits, and all other governmental permits, licenses, approvals, applications, subdivision maps, entitlements, certificates, rights under development agreements, school fee mitigation agreements, building permits, development allocations, and development rights relating to the Real Property;
- (b) all utility and other permits relating to the Real Property;
- (c) all tax and assessment protest actions and claims and rights to prosecute the same, including without limitation all tax and assessment refunds or rebates now or hereafter payable;
- (d) all other tangible and intangible personal property described in Exhibit 2 attached hereto and incorporated herein by this reference;
- (e) all of DISTRICT’s rights as the “Declarant” under any declaration(s) of covenants, conditions and restrictions described in the Preliminary Report.

(all of the above being referred to herein collectively as the “Personal Property”).

The provisions of this Assignment shall be binding upon and shall inure to the benefit of the successors and assigns of Assignor and Assignee, respectively.

ASSIGNOR:

MALAGA COUNTY WATER DISTRICT,
a California municipal corporation

By: _____

Dated: _____, 201_

EXHIBIT 1
to
ASSIGNMENT & BILL OF SALE
(Real Property Description)

EXHIBIT 2
to
ASSIGNMENT & BILL OF SALE
(all other tangible and intangible personal property)

1. NONE

EXHIBIT E

NONFOREIGN AFFIDAVIT

Section 1445 of the Internal Revenue Code (“Code”) provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a foreign person. For U.S. tax purposes (including section 1445), the owner of a disregarded entity (which has legal title to a U.S. real property interest under local law) will be the transferor of the property and not the disregarded entity. To inform the transferee that withholding of tax is not required upon the disposition of a U.S. real property interest by MALAGA COUNTY WATER DISTRICT, a California municipal corporation (“District”), the undersigned hereby certifies the following:

1. District is not a foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations);
2. District is not a disregarded entity as defined in §1.1445-2(b) (2) (iii);
3. District’s U.S. employer identification number is _____; and
4. District’s office address is_____.

District understands that this certification may be disclosed to the Internal Revenue Service by transferee and that any false statement contained herein could be punished by fine, imprisonment or both.

Under penalties of perjury District declares that it has examined this certification and to the best of District’s knowledge and belief it is true, correct and complete.

DISTRICT:

MALAGA COUNTY WATER DISTRICT, a
California municipal corporation

By: _____

Dated: _____, 201_

EXHIBIT "C"
To Option Agreement
"MEMORANDUM OF OPTION"

RECORDING REQUESTED BY AND
WHEN RECORDED, MAIL TO:

(Space Above for Recorder's Use)

MEMORANDUM OF OPTION

MALAGA COUNTY WATER DISTRICT, a California municipal corporation ("Optionor/DISTRICT") and RV JENSEN EQUIPMENT LEASING, LLC, a California limited liability company ("Optionee/RVJ") have entered into that certain Option Agreement dated December 11, 2018 ("**Option Agreement**").

The Option Agreement grants certain rights to RVJ with respect to the property legally described in *Exhibit A* attached hereto and made a part hereof ("**Property**") including the right to purchase all or a portion of the Property in accordance with the terms of the Option Agreement. This Memorandum of Option Agreement has been recorded to give notice to all interested persons of the existence of the Option Agreement and of the right, title and interest of RVJ thereunder for the purpose of preserving its rights under the Option Agreement as against any person who might otherwise acquire an interest in the Property without actual notice of RVJ's rights under the Option Agreement.

This Memorandum of Option was signed by the undersigned on the _____ day of November 2018.

OPTIONEE:

**RV JENSEN EQUIPMENT LEASING,
LLC**, a California limited liability company

OPTIONOR:

MALAGA COUNTY WATER DISTRICT a
California municipal corporation

By: _____

By: _____

Dated: December 11, 2018

Dated: December 11, 2018

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)
) ss
County of _____)

On _____, before me, _____, Notary Public, personally appeared _____

_____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) are/is 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.

Notary Public, State of California

(Notary Seal)

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)
) ss
County of _____)

On _____, before me, _____, Notary Public, personally appeared _____

_____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) are/is 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.

Notary Public, State of California

(Notary Seal)

EXHIBIT "D"
To Option Agreement

AUTHORIZATION AND AGENCY

4 ACRES+/- (APN 330-031-11T)

The undersigned owners of that certain real property consisting of real property approximately four (4) acres of vacant land located at 4335 S. Maple Avenue, Fresno, CA (Assessor's Parcel Number 330-031-11T) in the Malaga County Water District (hereinafter referred to as the "Real Property") more particularly described in Exhibit "A" attached and incorporated by reference, together with all appurtenant improvements, rights, interests, easements, tenements and estates related thereto ("Option Property"), hereby authorize RV Jensen Equipment Leasing, LLC, a California limited liability company, to act on behalf of the property owners with respect to the processing of entitlements related to the said property pursuant to the terms and conditions of that certain Option Agreement for Purchase and Sale of Real Property dated December 11, 2018.

MALAGA COUNTY WATER DISTRICT
a California municipal corporation

By: _____

Dated: December 11, 2018