



PALMDALE WATER DISTRICT

A CENTURY OF SERVICE

BOARD OF DIRECTORS

W. SCOTT KELLERMAN

Division 1

DON WILSON

Division 2

GLORIA DIZMANG

Division 3

KATHY MAC LAREN-GOMEZ

Division 4

VINCENT DINO

Division 5

March 8, 2023

**AGENDA FOR REGULAR MEETING
OF THE BOARD OF DIRECTORS
OF THE PALMDALE WATER DISTRICT
TO BE HELD AT 2029 EAST AVENUE Q, PALMDALE
AND 45000 PECHANGA PARKWAY, TEMECULA, CA
AT THE BLENDS COFFEE BAR IN THE PECHANGA RESORT
MONDAY, MARCH 13, 2023**

6:00 p.m.

NOTES: To comply with the Americans with Disabilities Act, to participate in any Board meeting please contact Danielle Henry at 661-947-4111 x1059 at least 48 hours prior to a Board meeting to inform us of your needs and to determine if accommodation is feasible.

Additionally, an interpreter will be made available to assist the public in making **comments** under Agenda Item No. 4 and any action items where public input is offered during the meeting if requested at least 48 hours before the meeting. Please call Danielle Henry at 661-947-4111 x1059 with your request. (PWD Rules and Regulations Section 4.03.1 (c))

Adicionalmente, un intérprete estará disponible para ayudar al público a hacer **comentarios** bajo la sección No. 4 en la agenda y cualquier elemento de acción donde se ofrece comentarios al público durante la reunión, siempre y cuando se solicite con 48 horas de anticipación de la junta directiva. Por favor de llamar Danielle Henry al 661-947-4111 x1059 con su solicitud. (PWD reglas y reglamentos sección 4.03.1 (c))

Agenda item materials, as well as materials related to agenda items submitted after distribution of the agenda packets, are available for public review at the District's office located at 2029 East Avenue Q, Palmdale (Government Code Section 54957.5). Please call Danielle Henry at 661-947-4111 x1059 for public review of materials.

PUBLIC COMMENT GUIDELINES: The prescribed time limit per speaker is three-minutes. Please refrain from public displays or outbursts such as unsolicited applause, comments, or cheering. Any disruptive activities that substantially interfere with the ability of the District to carry out its meeting will not be permitted, and offenders will be requested to leave the meeting. (PWD Rules and Regulations, Appendix DD, Sec. IV.A.)

Each item on the agenda shall be deemed to include any appropriate motion, resolution, or ordinance to take action on any item.

- 1) Pledge of Allegiance/Moment of Silence.
- 2) Roll Call.
- 3) Adoption of Agenda.
- 4) Public comments for non-agenda items.

DENNIS D. LaMOREAUX

General Manager


ALESHIRE & WYNDER LLP

Attorneys



- 5) Presentations:
 - 5.1) Award of Water Conservation Certificates for 20% Reduction Achievement to the City of Palmdale and Antelope Valley Union High School District. (Resource and Analytics Supervisor Bolanos)
- 6) Action Items - Consent Calendar (The public shall have an opportunity to comment on any action item on the Consent Calendar as the Consent Calendar is considered collectively by the Board of Directors prior to action being taken.)
 - 6.1) Approval of minutes of Regular Board Meeting held February 27, 2023.
 - 6.2) Payment of bills for March 13, 2023.
 - 6.3) Approval of updated Telework Policy and Agreement. (No Budget Impact – Human Resources Director Barragan-Garcia/Personnel Committee)
 - 6.4) Approval of Agreement Extension with Gafcon, Inc. to serve as the District’s Community Workforce Coordinator. (Budget Impact – Varies with Project – Assistant General Manager Ly)
- 7) Action Items - Action Calendar (The public shall have an opportunity to comment on any action item as each item is considered by the Board of Directors prior to action being taken.)
 - 7.1) Review and discussion of the 2023-2024 Annual Water Supply and Demand Assessment. (No Budget Impact – Resource and Analytics Supervisor Bolanos)
 - 7.2) Consideration and possible action on Resolution No. 23-3 being a Resolution of the Board of Directors of the Palmdale Water District Updating the Water Shortage Contingency Plan Stage 2 from Mandatory to Voluntary. (No Budget Impact – Resource and Analytics Director Thompson II)
 - 7.3) Consideration and possible action on addition of new rebate programs to Appendix O.1 “Water Conservation Rebate Programs and Applications” of the District’s Rules and Regulations. (No Budget Impact – Resource and Analytics Supervisor Bolanos)
 - 7.4) Consideration and possible action authorizing the General Manager to enter into an agreement to purchase and execute the purchase and sale of the real property with the APN 3022-011-001, commonly known as “VAC/25th STE/VIC Ave P10” in the City of Palmdale, County of Los Angeles owned by Thomas James Revocable Trust for the Pure Water AV Full-Scale Facility. (\$685,000.00 – Budgeted – W.O. No. 22-654 – Engineering Manager Rogers)
 - 7.5) Consideration and possible action on \$1,000.00 sponsorship for the Antelope Valley Sheriff’s Boosters Casino Night. (\$1,000.00 – Non-Budgeted – Director Mac Laren-Gomez)
 - 7.6) Consideration and possible action on authorization of the following conferences, seminars, and training sessions for Board and staff attendance within budget amounts previously approved in the 2023 Budget:
 - a) None at this time.
- 8) Information Items:
 - 8.1) Reports of Directors:

- a) Standing Committees; Organization Appointments; Agency Liaisons:
 - 1) Antelope Valley East Kern Water Agency (AVEK) – February 28. (Director Dino, Board Liaison/Director Mac Laren-Gomez, Alt.)
 - 2) Palmdale Fin & Feather Club – March 4. (Director Dizmang, Board Liaison/President Wilson, Alternate)
 - b) General Meetings Reports of Directors.
- 8.2) Report of General Manager.
- a) Department Activity Updates:
 - 1) Human Resources Department. (Human Resources Director Barragan-Garcia)
 - 2) Public Affairs Department. (Public Affairs Director Shay)
- 8.3) Report of General Counsel.
- 9) Board members' requests for future agenda items.
- 10) Adjournment.



DENNIS D. LaMOREAUX,
General Manager
DDL/dh

CERTIFICATE OF APPRECIATION

THE FOLLOWING AWARD IS GIVEN TO

City of Palmdale

For Achieving A 20% Water Reduction Goal in 2022 vs 2020.
Palmdale Water District Appreciates And Thanks You.
March 13, 2023

Dennis LaMoreaux
Dennis LaMoreaux
General Manager



Claudia Bolanos
Claudia Bolanos
Resource and Analytics Supervisor

CERTIFICATE OF APPRECIATION

THE FOLLOWING AWARD IS GIVEN TO

*Antelope Valley Union
High School District*

For Achieving A 20% Water Reduction Goal in 2022 vs 2020.

Palmdale Water District Appreciates And Thanks You.

March 13, 2023

Dennis LaMoreaux

Dennis LaMoreaux

General Manager



Claudia Bolanos

Claudia Bolanos

Resource and Analytics Supervisor

**PALMDALE WATER DISTRICT
BOARD MEMORANDUM**

DATE: March 7, 2023 **March 13, 2023**
TO: BOARD OF DIRECTORS **Board Meeting**
FROM: Mrs. Angelica Barragan-Garcia, Human Resources Dir.
VIA: Mr. Dennis D. LaMoreaux, General Manager
RE: ***AGENDA ITEM NO. 6.3 – APPROVAL OF UPDATED TELEWORK POLICY AND AGREEMENT. (NO BUDGET IMPACT – HUMAN RESOURCES DIRECTOR BARRAGAN-GARCIA)***

Recommendation:

Staff recommends that the Board approve the updated Telework Policy and Agreement.

Background:

The District, like other organizations, has had significant changes in the way we conduct business over the last few years. This has led us to an increased ability to perform many functions of the District in a more flexible work setting. The District created and approved a Work-From-Home Policy to be utilized during the Pandemic and successfully managed a telework environment throughout the California State of Emergency Order which ended on February 28, 2023. An updated Telework Policy would solidify this option and provide a defined approach for telework moving forward.

Impact of Taking No Action:

The COVID-19 Pandemic reshaped the workforce, and many organizations embraced a flexible work environment on a permanent basis. If this recommendation is not approved, the District would lose a competitive advantage for recruiting and retention to other organizations and may have necessary work-from-home arrangements without a written policy.

Strategic Plan Initiative/Mission Statement:

This work is part of Strategic Plan Initiative No. 2 – Organizational Excellence.

This item directly relates to the District’s Mission Statement.

Budget:

This item has no budget impact.

Supporting Documents:

- Telework Policy
- Telework Agreement



TELEWORK POLICY

ELIGIBILITY FOR TELEWORK

Eligible employees may work from a location outside the office, as a cooperative arrangement between the employee and Palmdale Water District referred through this policy as “The District”. This practice will be referred to as “Telework,” and is subject to the approvals, responsibilities, and limitations outlined in this policy.

Eligibility for Telework is based on both the position and the employee. Not every job or every employee is well suited for Telework. Telework is a privilege granted to eligible employees, it is not an entitlement nor a companywide benefit. Approval is not guaranteed or promised and may be revoked by the District at anytime. Participation in the telework program is voluntary and subject to prior written approval by the employee, the employee's immediate supervisor/manager, Assistant General manager where appropriate, and General Manager. Telework in no way changes the terms and conditions of employment with the District.

ELIGIBLE POSITIONS

- Positions eligible for regular Telework arrangements are job classifications that are primarily performed at a computer workstation and do not require hands-on work on infrastructure or in the field.
- Positions eligible for situational Telework may also include some field positions or field/operations supervisory positions that have enough computer-based work that an employee could be productive remotely for the duration of the short-term arrangement.
- If unclear as to eligibility, determination of eligible positions will be made by the General Manager.

ELIGIBLE EMPLOYEES

- Employees must be employed with the district for a minimum of 6 months.
- Employees must have completed all pertinent job training and be performing their work competently.
- Employees must have demonstrated the ability to work independently, manage their time, organize and prioritize work, exercise good judgment, code time and use leave appropriately, and have a history of reliability and responsibility in completing work assignments.
- The department Manager, in consultation with the Human Resources Manager, will make the determination as to whether the employee meets these requirements.

TELEWORKING CONDITIONS

TELEWORK SCHEDULES

- Teleworking is distinguished between “Regular” and “Situational.” Regular Telework involves an employee whose regular work schedule includes specific, predefined offsite days/time. Situational Teleworking involves an employee working remotely on a temporary, short-term basis in response to temporary circumstances with a defined end date.
- Telework is limited to no more than 10 hours per week and shall be the same telework schedule each week. Telework schedule can be either two 5-hour blocks or one 10-hour block (one workday).
- Telework is not allowed on both Mondays and Thursdays; If an employee Teleworks on Mondays, they are not allowed to telework on Thursdays, and vice versa. Telework is not

allowed on the day before or after a paid holiday unless otherwise approved.

TELEWORK AUTHORIZATION PROCESS

- Employees who wish to work remotely must complete the Telework Application and Agreement and have it approved. Once the approval has been given, employees must complete the “Safety checklist” form and the ergonomic education program as part of the checklist. **Before beginning** the Telework Schedule both the agreement and the Safety Checklist should be completed and approved accordingly.
- The original copy of the application/agreement, related documentation, and subsequent adjustments must be kept by the employee's supervisor or manager with a copy placed in the employee's personnel file and a copy given to the employee.
- Regular Telework Agreements will be recommended by the department Manager, approved by the Assistant Manager when applicable, and approved by the General Manager.
- Short-term situational Telework arrangements of less than two weeks may be approved by the department Manager.
- Employees on Telework Agreements may end or request to change their agreement at any time.
- Upon termination of Telework Agreements, all equipment issued must be returned.
- The violation of any provision of this policy or the misuse of District time or any District-provided equipment may preclude the employee from Teleworking and/or result in disciplinary action, up to and including termination of employment.
- Denial, modification, or termination of a Telework Agreement is not subject to the grievance procedures or to any other appeal procedures.

WORK LOCATION

- The District will not provide supplies for the Telework space that would not have otherwise been purchased for the employee. This includes costs associated with the setup of the employee's home workspace, such as remodeling, furniture or lighting, for repairs or modifications to the home workspace.
- The Safety Technician may request photographs of the work area to determine compliance with safety guidelines.
- Employees will maintain a designated workspace. Workers' Compensation benefits will apply only to injuries arising out of and in the course of employment as defined by Workers' Compensation law. Workers' Compensation coverage is limited to the at home workspace as opposed to adjacent areas, e.g. other areas of the home. Employee agrees to report any work-related injury to his/her supervisor immediately.
- The District is not liable for any injuries to family members, visitors or others, which occur at the Telework site.
- The District is not responsible for damage to an employee's personal or real property while the employee is working remotely.

DISTRICT EQUIPMENT, SUPPLIES AND PROPERTY

- Office supplies such as paper, pens, and ink will be provided by the District as needed, just as they would be if working onsite.
- On a case-by-case basis, the District will determine, with information supplied by the employee and the supervisor, the appropriate equipment needs (including hardware, software, modems, phone and data lines and other office equipment) for each telecommuting agreement.
- Equipment, software, and office supplies provided by the District are for conducting District business and remain the property of the District. Other household members or anyone else not authorized should not use District equipment or software.

- Negligence or intentional conduct that results in loss, theft, or damage of District equipment may be subject to disciplinary action.
- Employees may not modify or add hardware or software to District equipment or devices without approval.

DISTRICT INFORMATION

- All files, records, papers, or other materials created while working remotely are District property.
- The California Public Records Act applies to the work product and communications related to District business by employees who work remotely, whether the information is on a District-owned device or not.
- Upon receipt of a public records request, remote employees must permit inspection of any public record in the employee's custody, within required time limits. This requirement exists regardless of where the public record is located.
- Employees must notify the IT department immediately if they believe they may have any malicious software on their computer.

TELEWORKING ROLES AND RESPONSIBILITIES

EMPLOYEE RESPONSIBILITIES

- Meet with supervisor to discuss request and complete the Teleworking Application.
- If approved, complete the Telework site Safety Checklist and online ergonomic educational program.
- Establish an appropriate work environment within the home for work purposes.
- Provide an internet connection sufficient to connect to the District's system and perform work duties.
- Maintain Telework site in condition free of safety hazards and follow safe work practices. Including compliance with the District's Drug and Alcohol-Free workplace policy during working hours.
- Perform all job responsibilities; working remotely should not adversely affect productivity or job performance.
- Comply with the District's policies and procedures, agreements, State and Federal laws, and the Fair Labor Standards Act (FLSA) while working remotely.
- Hourly employees who work remotely must work during their regularly scheduled hours, take breaks and meal periods as scheduled, get pre-approval before working overtime or using PTO, and keep accurate records of time worked on the District's timekeeping system.
- Follow all District rules. Including the Telework Agreement Policy, rules regarding the use of computers and the internet while working remotely, and the Information Technology Policies outlined in the Employee Handbook.
- Ensure the safe storage of District property to protect it from theft, loss, and damage.
- Refrain from engaging in activities while working remotely that create a distraction or barrier to productivity, such as being the sole caretaker of young children, elders, or disabled dependents. The General Manager may approve exceptions to this requirement in response to public health orders or other extraordinary circumstances.
- Remain reachable by telephone, Microsoft Teams, or e-mail during agreed-upon work hours.
- Report any workplace injuries or accidents as soon as possible to the supervisor and Safety Technician.

DIRECT SUPERVISOR RESPONSIBILITIES

Adopted:

- Meet with employee to discuss request and establish objectives and assignments, review Telework agreement, and recommend approval or denial based on the eligibility factors established in this policy, including an assessment of operational needs.
- Modify the conditions of the Telework agreement as necessary.
- Monitor and evaluate performance by relying more heavily on work results rather than direct observation and meet with the employee (which may be by videoconference or telephone) at regular intervals to review the employee's work performance. Communicate with the remote employee if they are not meeting the performance or productivity criteria agreed upon, and what kind of improvement is required in order to continue the Teleworking agreement.
- Determine and communicate expected turnaround times and the medium for responses during working hours.
- Coordinate remote access with IT Department as needed.

DEPARTMENT MANAGER'S RESPONSIBILITIES

- Review Telework Agreement and deny or approve requests based on the eligibility factors established in this policy, including operational needs.
- Assess the impact of all Telework arrangements within the department to determine whether organizational needs are being satisfied, District service levels are being maintained, and employee performance is consistently meeting or exceeding expectations.
- Modify or terminate telecommuting arrangements as appropriate to meet District's operational needs.

GENERAL MANAGER RESPONSIBILITIES

- Assess utilization and effectiveness of Telework program and develop recommendation to modify, extend, or terminate as appropriate.
- Review Telework Agreements and deny or approve requests.
- May deny, modify, or rescind a Telework Agreement for any operational reason.
- May impose additional Teleworking restrictions, provided they are consistent with the intent of the Teleworking Policy.

HUMAN RESOURCES RESPONSIBILITIES

- Review Telework Applications and Agreement to ensure process is being followed accordingly.
- Review annual evaluations to ensure performance related to participation in Telework Program is sufficiently addressed.

SAFETY TECHNICIAN RESPONSIBILITIES

- Assign and verify the employee's completion of Office Ergonomics classes online.
- Review and approve Telework site Self-Certification Forms and photos.
- Be available for any questions regarding workers' compensation.

TELEWORK AGREEMENT

Telework agreement and Safety Checklist needs to be approved prior to commencing the Telework Schedule. Provide completed and signed agreement to Human Resources.

Employee Name: _____ Direct Supervisor: _____

Job Title: _____ Department Manager: _____

Type of Telework Request: Regular/ Ongoing Situational/ Temporary

Proposed Start Date : _____ For Situational Agreements Proposed End Date: _____

The days and hours ("telework Schedule"), the Employee proposes to work offsite is as follows:

<input type="checkbox"/> Monday: <input type="checkbox"/> Full Day <input type="checkbox"/> Half Day ; Start Time: _____	<input type="checkbox"/> Tuesday: <input type="checkbox"/> Full Day <input type="checkbox"/> Half Day ; Start Time: _____
<input type="checkbox"/> Wednesday: <input type="checkbox"/> Full Day <input type="checkbox"/> Half Day ; Start Time: _____	<input type="checkbox"/> Thursday: <input type="checkbox"/> Full Day <input type="checkbox"/> Half Day ; Start Time: _____

This arrangement must be reviewed and renewed at least annually to ensure the standards for participation are being followed.

Understanding

The supervisor, manager, and the Telework employee have read and understand the District Telework Policy and Procedures. All parties understand that the Telework agreement may be terminated by management, or the teleworker as indicated in this policy and associated procedures.

Telework Schedule

It is understood that telework days must be scheduled in advance and approved by management. At certain times, it may be necessary for the telework schedule to be revised to ensure critical deadlines are met or to attend meetings. The Employee agrees to remain accessible during designated work hours and understands that management retains the right to require the employee to come to the regular work-site when a business need arises. Any change by the teleworker in the agreed upon schedule must be pre-approved, and when permanent, documented and appended to the Telework Agreement.

Employee's Signature: _____ Date: _____

Supervisor Signature: _____ Date: _____

For Regular Telework Agreements (longer than two weeks).

Assistant General Manager Signature (for designated depts): _____ Date: _____

General Manager Signature: _____ Date: _____

Adopted:

TELEWORK SITE SAFETY CHECKLIST

Employee Name: _____

Participation in the Telework Program conveys agreement to an inspection of the workspace in order to determine that the work site is safe and free from hazards. This required form is an inspection checklist and certification that these safe conditions exist. Normally, the remote employee self-certifies this information by completing and signing this form and attaching photos. However, the employee's supervisor, Safety Technician, or other appropriate person from the District may perform a follow up inspection by video conference.

Please check (X) below to certify that these conditions exist in the offsite workspace:

FIRE PROTECTION

- Smoke alarm in working order
- Extension Cords in good condition
- Fire Extinguishers
- Outlets not overloaded
- Electrical Equipment/tools properly maintained
- Fuse box clearly accessible/properly labeled
- No electrical cord tripping hazards
- Electrical equipment surge protection
- Sufficient ventilation for electrical components

HOUSEHOLD

- Heating/AC in good repair
- Appliances in good working order
- Clear access to Fire Extinguishers

EMERGENCY PROCEDURES

- Evacuation plan established
- First aid supplies adequate/accessibile

DATE COMPLETED GENERAL OFFICE ERGONOMICS COURSE: _____

Name and phone number of nearest emergency health care facility:

Name of Facility: _____ Phone Number: _____

The District may require a safety inspection or follow up to ensure continuous safety of a teleworker's home office space. Home office safety re-certification may be required on an annual basis. I hereby affirm by my signature that the above information about the Telework site is accurate as of the date of this self-certification and that I will follow ergonomics guidelines per the office ergonomic course. I will contact the Safety Technician if any of these conditions change or for questions.

Employee's Signature and Title

Date

Safety Technician Verification

Date

ATTACHMENT A – SETTING UP AN IN-HOME OFFICE

In setting up a home office, select a location that is safe, efficient, and comfortable. Observe “travel patterns” in and around the work area and avoid high traffic areas.

The main considerations in designing an in-home office are:

Desk

Your desk should be sturdy and able to handle the weight of any peripheral equipment (computers, printers, fax machines and/or telephones).

- Conventional desks are typically 29” high.
 - Computing surfaces are usually 26” high.
-

Chair

Your seat should be adjustable, including the headrest.

- Height of top of seat to floor should be between 15 and 25 inches.
 - Back tilt on chair/lumbar support should be 15 degrees.
-

Lighting

Your work lighting should be directed toward the side or behind the line of vision.

- Bright light sources can bounce off working surfaces and diminish the sense of contrast.
 - Northern daylight is optimal for both the office and operating a computer.
-

Electricity

You should have enough electrical outlets in the room to avoid overloading any circuits. If necessary, consult your local power utility.

1. To avoid tripping hazard, cover interconnecting cables or place them out of the way.
 2. Use a surge protector/master switch to connect electronic equipment, such as computers, monitors, printers and fax machines.
 3. Position equipment close to electrical outlets.
 4. Make sure electrical outlets are grounded.
-

Noise

You should avoid or keep distracting sounds to a minimum, such as the television or outside traffic or lawn mower sounds

- Diffuse unavoidable noise by shutting a door or using a room divider.
 - Use soft background music to keep productivity up and reduce boredom.
 - **Note:** no noise can be just as stressful as too much noise.
-

Protecting Data and Equipment

You must prevent costly computer breakdowns and the loss of crucial data by following these computer safeguards:

1. Position Equipment away from direct sunlight or heat sources.
 2. Place equipment on well-ventilated surfaces and provide for sufficient air space around them.
 3. Dust office space regularly.
 4. Do not eat or drink near valuable equipment.
 5. Never place food or beverages on your computer equipment, even temporarily.
 6. Keep all magnets, telephones, fluorescent lamps and electric motors away from computer equipment, and portable storage devices.
-

**PALMDALE WATER DISTRICT
BOARD MEMORANDUM**

DATE:	March 6, 2023	March 13, 2023
TO:	BOARD OF DIRECTORS	Board Meeting
FROM:	Mr. Adam Ly, Assistant General Manager	
VIA:	Mr. Dennis D. LaMoreaux, General Manager	
RE:	<i>AGENDA ITEM NO. 6.4 – APPROVAL OF AGREEMENT EXTENSION WITH GAFCON, INC. TO SERVE AS THE DISTRICT’S COMMUNITY WORKFORCE COORDINATOR. (BUDGETED IMPACT - VARIES WITH PROJECT - ASSISTANT GENERAL MANAGER LY)</i>	

Recommendation:

Staff recommends that the Board approve an Agreement Extension with Gafcon, Inc. to serve as the District’s Community Workforce Coordinator.

Alternative Options:

There are no alternative options.

Impact of Taking No Action:

Staff will need to assume this role.

Background:

The Board approved an Agreement with Gafcon, Inc. to serve as the District’s Community Workforce Coordinator on March 22, 2021. Over the last two years, Gafcon, Inc. has coordinated nine projects resulting in an expense of \$21,562.00. Their expertise in labor requirements and coordination effort has helped the District comply with the Community Workforce Agreement signed in 2019. We are requesting a two-year extension with one additional year as an option to complete other projects.

Strategic Plan Initiative/Mission Statement:

This item is under Strategic Initiative No. 3 – Systems Efficiency and No. 5 – Regional Leadership. This item directly relates to the District’s Mission Statement.

Budget:

Costs will be allocated based on project.

Supporting Documents:

- Gafcon, Inc. Community Workforce Coordinator Service Proposal



PALMDALE WATER DISTRICT

CWA - COMMUNITY WORKFORCE COORDINATOR SERVICES PROPOSAL

1 | COVER LETTER



March 4, 2021

Adam C. Ly
Assistant General Manager
Palmdale Water District
2029 East Avenue Q
Palmdale, CA 93550

**RE: PROFESSIONAL CONSULTING SERVICES FOR COMMUNITY WORKFORCE AGREEMENT
COMMUNITY WORKFORCE COORDINATOR SERVICES**

Dear Mr. Ly,

As the construction process evolves, so do requirements and regulations. In order to bring the Palmdale Water District's (District) vision to life and assure compliance with all local, state, and federal regulations, the District needs a consultant who is well versed in Community Workforce Agreement (CWA) Compliance Coordination Services. Gafcon, Inc. (Gafcon) has proven extensive knowledge of these requirements through the delivery of hundreds of successful projects throughout Southern California. We offer the successful history and qualifications of the firm, as well as other benefits outlined below.

Relevant Local Experience | Gafcon, headquartered in San Diego, was one of the first state-approved labor compliance programs. Over the last 33 years, we have managed more than \$10B in projects, working under Department of Industrial Relations (DIR) and CWA guidelines to successfully administer compliance enforcement programs for clients such as the San Diego Unified School District, NBC Universal, San Elijo Joint Powers Authority, Eastern Municipal Water District, and the City and County of Los Angeles.

Expert Knowledge | Our firm's most valuable asset is our people. It is why we have carefully selected our proposed team to ensure your projects are delivered successfully, not just by meeting or exceeding schedule goals, but also by embracing the District's and the surrounding communities vision in the process. Our team has formulated a specific approach to CWA management and oversight, including auditing labor practices on active construction projects. This method has proven to keep project schedules moving forward while enforcing the requirements of the CWA. All of our team members are industry experts with years of experience in the labor realm, working collaboratively with clients and contractors to keep projects on track.

Project Understanding | Unlike other firms that solely specialize in labor relation services, Gafcon offers comprehensive construction consulting services. Our core expertise is in the management of complex construction activities, so we understand and can meet the timelines set forth by the District. Our process in providing CWA Compliance Coordination Services is designed to prevent hindrances to the construction process. Additionally, we have developed positive relationships with contractors, unions, and state agencies because we are dedicated to helping contractors and other related parties understand compliance.

When you partner with Gafcon, you receive the collective knowledge of industry experts who bring relevant and critical experience delivering consulting services as a collaborative partner focused on delivering long-term solutions that leave a lasting, positive impact on your community.

Sincerely,
Gafcon, Inc.

A handwritten signature in blue ink, appearing to read "M. Glaske".

Marty Glaske, Senior Vice President

PRIMARY POINT-OF-CONTACT

Lizette Rodriguez, Labor Relations Manager
5960 Cornerstone Court W, Ste 100
San Diego, CA 92121
858.875.0010 | lrodriguez@gafcon.com



2 | FIRM ORGANIZATION, CREDENTIALS, BACKGROUND

FIRM OVERVIEW

For more than 33 years, Gafcon has ensured the success of our education clients through deep expertise and personal attention that is unique to a family-founded business. Our process is as distinctive and inspiring as the projects we deliver. Our state-of-the-art tools in virtual and augmented reality, sophisticated scheduling, and cost control systems drive our services to a new experiential level.

As one of California's first State-Approved Labor Compliance Programs, Gafcon has amassed years of lessons-learned. We have a deep understanding of the nuances of CWA and prevailing wage enforcement, including federal, state, and local requirements to help you navigate a constantly evolving field. This enables us to craft and implement a proactive approach to meeting your compliance needs. The Gafcon Way mitigates risk by making certain contractors know the rules and regulations prior to starting work on any project.

Creating value for our clients and our communities is a vital component of Gafcon's purpose. When you partner with us, you receive the collective knowledge of industry experts who have relevant and critical experience delivering labor consulting services as a collaborative partner focused on delivering long-term solutions that leave a lasting, positive impact on your local community.

1. NUMBER OF YEARS IN BUSINESS

33

2. LOCATION OF OFFICE WHICH WILL PERFORM THE WORK

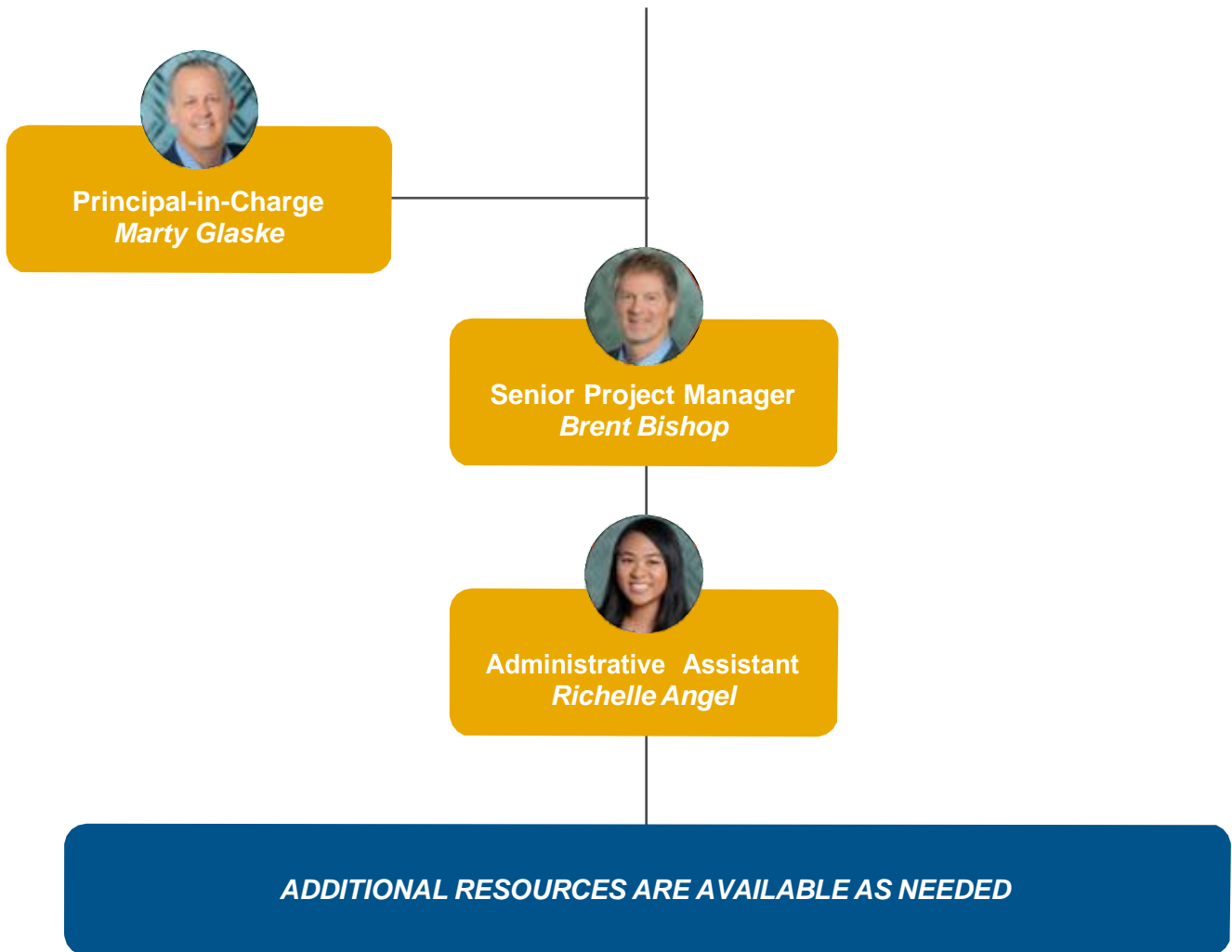
660 S. Figueroa Street,
Suite 1790
Los Angeles, CA 90017

3. GAFCON LABOR RELATIONS SERVICES

- Labor Compliance Program Management Design, Implementation and Enforcement
- Workforce Demographics Monitoring and Reporting
- Project Labor Agreement/ Project Stabilization Agreement Management
- Workforce Participation Monitoring and Reporting
- Community and Contractor Outreach
- EEO Monitoring and Reporting
- DBE/MBE/WBE Participation Outreach

PROJECT TEAM ORGANIZATION CHART

Gafcon's proposed team outlined below includes industry experts who understand CWA Compliance Coordination best-practices and have collaborated on multiple similar education projects throughout Southern California. Our team will provide the District with comprehensive services throughout all phases of the program, including project administration, attending and presenting at pre-proposal and pre-bid conference meetings, pre-construction conferences, document tracking, union relationship management, core employee tracking, local hire metrics, and project closeout. The following pages include detailed resumes for each team member illustrated below.



Marty Glaske

Principal-in-Charge



YEARS OF EXPERIENCE

25

EDUCATION

MA, Organizational Management,
University of Phoenix

BS, Business Management,
University of Phoenix

CERTIFICATION/TRAINING

Labor Studies and Employment
Relations Certification,
Pennsylvania State University

Conflict and Negotiation
Resolution Executive Certification,
University of Notre Dame

Conflict Management
Certification, University of
California, Irvine

Leading People and Teams
Executive Certification, University
of Michigan, Ross School of
Business

PROFESSIONAL AFFILIATIONS

Construction Management
Association of America (CMAA)

Community College Facility
Coalition (CCFC)

Coalition for Adequate School
Housing (CASH)

AWARD

American Public Works
Association (APWA), Public Works
Advocate of the Year, 2017

SUMMARY

Marty has more than 25 years of experience in construction and the development and enforcement of labor compliance programs, community workforce agreements, skilled and trained requirements, and local hire/outreach programs throughout California. As manager of 500+ projects with a construction value exceeding \$7B, Marty has developed a strong knowledge of all types of education and public works projects. Marty was part of a hand-selected prevailing wage training team for the Department of Industrial Relations (DIR). He has participated in and facilitated various public works and labor relations training classes sponsored by the DIR, the Department of Labor (DOL), the Division of Apprenticeship Standards (DAS), and other labor organizations throughout the state.

EXPERIENCE

Stockton Unified School District | Capital Improvement Bond Program (\$350M) | Labor Compliance Monitoring and PLA Monitoring Services / Stockton, CA

San Diego Unified School District | Proposition S & Z (\$4.9B) | Labor Compliance and PLA Consulting Services | San Diego, CA

Grossmont-Cuyamaca Community College District | Propositions R & V (\$673M) | LCP and PLA Monitoring Services | El Cajon, CA

Grossmont Union High School District | Propositions H & U Bond Program (\$920M) | LCP Monitoring Services | El Cajon, CA

Carlsbad Unified School District | Proposition P Bond Program (\$198M) | LCP Services / Carlsbad, CA

San Diego Community College District | Proposition S & N Bond Program (\$1.5B) | LCP, Outreach and Labor Relations Services / San Diego, CA

Los Angeles Community College District | Build LACCD Bond Program (\$6.2B) | PLA and LCP Consulting Services | Los Angeles, CA

California State University | Various Campuses (\$1B) | LCP Services | Various Locations, CA

NBC Universal | Evolution Plan (\$2.8B) | PLA Administration | Universal City, CA

Brent Bishop

Senior Project Manager



SUMMARY

Over the last 21 years, Brent has managed more than 90 labor compliance and community workforce agreement projects within Southern California. He has served in many roles, including Project Labor Agreement Administrator, Labor Compliance Officer, and Project Labor Coordinator. He is experienced with all phases of Labor Compliance. Brent has participated in and facilitated various public works and labor compliance training classes sponsored by the DIR, DOL, DAS, City of San Diego, and other labor organizations throughout the state.

EXPERIENCE

YEARS OF EXPERIENCE

21

EDUCATION

BS, Health Science
(Summa Cum Laude),
San Diego State University

CERTIFICATION/TRAINING

Transportation Worker
Identification Credential (TWIC)

Roadway Worker Protection
Certification for North County
Transit District

PROFESSIONAL AFFILIATIONS

Community College Facility
Coalition (CCFC)

Coalition for Adequate School
Housing (CASH)

Grossmont-Cuyamaca Community College District | Propositions R & V (\$673M) | LCP and PLA Monitoring Services | El Cajon, CA

Chula Vista Elementary School | Elementary School #46 (\$47.5M) | PLA Administration | Chula Vista, CA

Stockton Unified School District | Capital Improvement Bond Program (\$350M) | Labor Compliance Monitoring and PLA Monitoring Services | Stockton, CA

Carlsbad Unified School District | Proposition HH Bond Program (\$54M) | LCP Services | Carlsbad, CA

Poway Unified School District | Various Bond Construction Projects (\$198M) | LCP Services | Poway, CA

Temecula Valley Unified School District | Various Bond Construction Projects (\$500M) | Temecula, CA

Centinel Valley UHSD | Various Bond Construction Projects (\$98M) | PLA Administration | Lawndale, CA

San Bernardino City Unified School District | Various Bond Construction Projects (\$830M) | LCP Services | San Bernardino, CA

San Jacinto Unified School District | Various Projects (\$29M) | LCP Services | San Jacinto, CA

Palm Springs Unified School District | Various Bond Construction Projects (\$200M) | LCP Services | Palm Springs, CA

Sweetwater Union High School District | Various Bond Construction Projects (\$644M) | LCP Services | Chula Vista, CA

MiraCosta College | Various Bond Construction Projects (\$50M) | LCP Services | Oceanside, CA

San Bernardino Community College District | Various Bond Construction Projects (\$48.9M) | LCP Services | San Bernardino, CA

Long Beach Community College District | Various Bond Construction Projects (\$616M) | LCP Services | Long Beach, CA

San Diego Association of Governments (SANDAG) | As-Needed Labor Compliance (\$2.1B) | LCP Services | San Diego, CA

Richelle Angel

Administrative Assistant



SUMMARY

As an Administrative Assistant, Richelle will be responsible for providing overall support for public projects, including supporting project managers and analysts with deliverables, developing spreadsheets, logging information, preparing project invoices, and scheduling meetings and training workshops. Richelle has extensive experience in all areas of contract compliance monitoring, auditing, and the enforcement of applicable rules and regulations for state and federally funded projects. Her knowledge of LCP and PLA regulations and contractors' reporting requirements on publicly financed projects allows her to monitor and effectuate compliance on all levels successfully. She is especially adept at communicating with contractors and subcontractors and acts as a resource, ensuring they understand the rules and regulations and are successful project partners. Richelle is exceptionally organized and detail-oriented, and is skilled at supporting various projects simultaneously.

YEARS OF EXPERIENCE

8

EDUCATION

BA, Psychology, San Diego State University

PROFESSIONAL AFFILIATIONS

Community College Facility Coalition (CCFC)

Coalition for Adequate School Housing (CASH)

EXPERIENCE

Carlsbad Unified School District | Proposition P Bond Program (\$198M) | LCP Services / Carlsbad, CA

San Marcos Unified School District | Various Projects (\$100M) | LCP Services | San Marcos, CA

Stockton Unified School District | Capital Improvement Bond Program (\$350M) | Labor Compliance Monitoring and PLA Monitoring Services / Stockton, CA

Grossmont Union High School District | Propositions H & U Bond Program (\$920M) | LCP Monitoring Services | El Cajon, CA

Grossmont-Cuyamaca Community College District | Propositions R & V (\$673M) | LCP and PLA Monitoring Services | El Cajon, CA

San Diego Community College District | Proposition S & N Bond Program (\$1.5B) | LCP, Outreach and Labor Relations Services / San Diego, CA

County of San Bernardino | Various Projects (\$14.7M) | LCP Services | San Bernardino, CA

City of Santa Monica | Various Projects (\$50M) | LCP Services | Santa Monica, CA

City of Irvine | OFCA Fire Station 20 (\$6.5M) | LCP Services | Irvine, CA

City of Coronado | Capital Projects (\$25M) | LCP Services | Coronado, CA

City of Del Mar | Various Projects (\$17M) | LCP Services | Del Mar, CA

Magnolia Education and Research Foundation | Magnolia Science Academy, Gymnasium, and Playground (\$3.8M) | LCP Services | Santa Ana, CA

The Trust for Public Land | Various Projects (\$35M) | LCP Services | Los Angeles, CA



3 | RELEVANT EXPERIENCE

SIMILAR PROJECTS

Our team has successfully provided LCP, Outreach, Skilled and Trained and CWA Coordinator Services on over 500 projects throughout California. Our experience enables our project team to craft and implement a proactive approach to meeting your CWA compliance needs. Our approach mitigates risk by assuring contractors know the rules and regulations before starting work on the project. Our prior and current clients include:

- San Diego Unified School District
- San Elijo Joint Powers Authority
- Stockton Unified School District
- Port of San Pedro
- Carlsbad Unified School District
- Manteca Unified School District
- Magnolia Public Schools
- San Diego Community College District
- County of Los Angeles
- University of California, Davis
- University of California, San Diego
- City of Irvine
- City of Del Mar
- City of San Marcos
- City of Santa Monica
- City of Coronado
- City of Chula Vista
- City of El Cajon
- County of San Bernardino
- The Trust for Public Land
- San Diego Association of Governments
- San Bernardino County Transportation Authority

We have the knowledge and specialized expertise to successfully manage every step of the District's CWA coordination for any size project. The similar projects and supportive references listed on the following pages can attest to our work quality and our record and ability to complete assignments and meet essential schedule milestones.

SAN DIEGO UNIFIED SCHOOL DISTRICT

LABOR COMPLIANCE AND PLA CONSULTING SERVICES

Gafcon provides labor compliance and PLA coordination consulting services on an as needed basis. The scope includes advising senior management on labor compliance and PLA issues, resolving wage and hour audits, and resolving PLA language interpretation, jurisdictional disputes, and general labor union relations.

Contact: Lee Dulgeroff, Chief Facilities Planning and Construction Officer | 858.637.3516 | ldulgeroff@sandi.net
Dates: 2013 - Ongoing
Location: San Diego, CA



GROSSMONT UNION HIGH SCHOOL DISTRICT

LABOR COMPLIANCE AND SKILLED AND TRAINED SERVICES

Gafcon is currently providing LCP Administration and Skilled & Trained services to the District. To date, the program includes the successful completion of 384 new and modernized classrooms, \$70M in infrastructure upgrades, and over \$220M in classroom improvements for a total of \$920M worth of tenant improvements.

Contact: Katy Wright
Executive Director of Facilities
619.644.8159 | kwright@guhsd.net
Dates: 2008 - Ongoing
Location: El Cajon, CA



STOCKTON UNIFIED SCHOOL DISTRICT

LABOR COMPLIANCE/SKILLED & TRAINED, AND PLA SERVICES

Gafcon is providing labor compliance, skilled and trained monitoring services, and PLA administration services to Stockton Unified School District under the \$350M Capital Improvement Bond Program. Gafcon has provided LCP and PLA services on over 45 projects with construction costs ranging from \$8K to \$35M. Additionally, Gafcon assisted the District in the negotiation and implementation of the PLA, and acts as the PLA administrator on multiple projects. Additionally, Gafcon acts as an advisor to the District regarding labor and labor relations matters on construction projects.

Contact: Michelle Spragg
Interim Director Facilities & Planning Division
209.933.7045 ext. 2341 | mspragg@stocktonusd.com
Dates: 2008 - Ongoing
Location: Stockton, CA



NBC UNIVERSAL

NBCUNI EVOLUTION PLAN PLA MANAGEMENT

Gafcon is currently providing comprehensive PLA compliance services for the \$2.8B Evolution Plan, which includes the creation of PLA forms and documents, implementation of the PLA, labor union relations, PLA interpretation resolution and grievance process, and the management and oversight of labor on-site.

Contact: Floreal Bueno
Construction Manager/ Project Executive
818.622.0056 | Floreal.Bueno@nbcuni.com
Dates: 2013 - Ongoing
Location: Universal City, CA



SAN MARCOS UNIFIED SCHOOL DISTRICT

LABOR COMPLIANCE AND SKILLED AND TRAINED SERVICES

The program includes successfully completing campus buildings, classroom modernizations, and infrastructure projects, with construction costs ranging from \$1M to \$50M. Our services include labor compliance oversight as well as skilled and trained workforce compliance monitoring and oversight.

Contact: Tova K. Corman
Executive Director
760.290.2650 | tova.corman@smusd.org
Dates: 2013 - Ongoing
Location: San Marcos, CA



CITY OF SAN MARCOS

LABOR COMPLIANCE AND SKILLED AND TRAINED SERVICES

Gafcon has monitored over \$105M in City projects including street and traffic improvements, parks and landscape maintenance projects, various projects that support the day to day operations of the City, and the Creek District Infrastructure project which will minimize flooding risks, preserve and enhance creek habitat, and build new parks and trails.

Contact: Isaac Etchamendy
Principal Civil Engineer
760.744.1050 | ietchamendy@san-marcos.net
Dates: 2013 - Ongoing
Location: San Marcos, CA





7 | SCOPE OF SERVICES

Gafcon follows an industry standard step-by-step work plan/process when providing CWA services on both public and privately funded projects. This process allows Gafcon to:

- Meet project schedules
- Service multiple projects concurrently
- Perform work on short notice

The team believes in being proactive—not reactive—when approaching CWA administration. The key to a smooth project is educating contractors and team members of requirements and expectations of the CWA, thus setting them up for success. Additionally, the Gafcon team is committed to ensuring all the stakeholders involved in the project are aware of the requirements and are constantly updated on the activities of the CWA.

A. CONDUCTING ALL PRE-CONSTRUCTION MEETINGS AND CONFERENCES

Coordination with the Prime contractor for the contractor/subcontractor pre-job work assignment form and letters of assent and disperse to the LA/OC County Building and Construction Trades Council (LAOCBT) and Carpenters Local 213 (213). Coordinate all pre-job meetings with the Prime and send meeting notice to the LAOCBT and 213. Introduction of Prime contractor, CWA Coordinator, Union business agents, and subcontractors. Discussion of the CWA requirements and go over the pre-job meeting form and have all contractors discuss their work assignments, manpower, and the Union they will be signing the work to. Prepare pre-job meeting minutes and disperse to all required parties.

B. PROVIDING TRAINING AND EDUCATION REGARDING THE DISTRICTS CWA TO ALL PRIME AND SUBCONTRACTORS

Create CWA requirements cheat sheet detailing the main sections of the CWA and disperse to all parties. Have open lines of communication to promote transparency and answer all contractor questions regarding the CWA. Send contractors the required CWA documents handout, and follow up periodically with contractors to determine CWA compliance and understanding of the CWA requirements. Emphasize local hire goals and the priority to use District resident workers. Also, detail the core employee requirements and referred worker dispatch forms for non-Signatory contractors. Provide Union business agent contact information to contractors, if needed, so they can fill out the appropriate Union forms and sign their workers up to the Union and Union Trust Fund(s).

C. ENFORCING ANY AND ALL PROVISIONS OF THE CWA

With excellent working relationships with contractors and Union business agents, Gafcon resolves any potential issue at the lowest level without any project disruption. By signing the letter of assent, the contractors are bound by the CWA and its requirements. As mentioned previously, by having open lines of communication, enforcing and resolving potential issues is easier because we are all part of the same team. Also, enforcement of the CWA provisions is detailed on the project issues list/tracking log that details all required CWA and Labor Compliance documents and contractor compliance, which is sent to the Prime contractor for review and follow-up regarding any outstanding issues.

D. IMPLEMENTING AND OVERSEEING ANY AND ALL PROVISIONS OF THE CWA

As is stated at the pre-job meeting, the CWA requirements and provisions are detailed to all in attendance, so they know what the process is and what their requirements are in order to be in compliance with the CWA. Periodic onsite worker interviews are conducted to match against the Certified Payroll CWA Records to determine compliance and to determine if any potential worker shortages may arise. Also, by having an excellent working relationship with the Union business agents, we will notify them if I notice anything out of the ordinary, and like our other CWA projects, they will notify us if they happen to see anything not in compliance or potential issues that they notice for us to follow-up on.

E. COORDINATING AND ENSURING COMPLIANCE WITH ALL CWA REQUIREMENTS

As noted above, Gafcon submits a project issues list/tracking log that details contractor compliance with the CWA and Labor Compliance for the Prime to review and follow-up with delinquent contractors. We also provide local hire reports (if required) that detail District, and non-local zip codes worker and send this to the Prime for their review and follow-up. We also attend OAC meetings to discuss contractor compliance, local hire percentages, potential worker shortages, and onsite worker interviews.

F. PRODUCING REPORTS AS APPROPRIATE

We provide the project issues list/tracking log that details contractor, CWA, and Labor compliance status. We also provide pre-job meeting agendas, meeting minutes, meeting sign-in sheets, local hire reports, and a project closeout report.

G. COORDINATING AND FACILITATING ALL CWA ASSOCIATED LABOR/ MANAGEMENT MEETINGS

As a monthly meeting (if needed), a meeting notice will be sent to the LAOCBT and 213 after a meeting location, day, and date have been determined. During the meeting, we will discuss local hire numbers, project status, current and future contractors and trades onsite, three-week look ahead schedules, and discuss the available project workforce per Union for dispatch/referral to District projects. Also discussed are any potential issues with contractors that we need to follow-up with. Meeting agenda, sign-in sheets, local hire numbers, project schedules, and meeting minutes will be dispersed to all parties for review.

H. FACILITATING END-OF-PROJECT DEBRIEF MEETING

After the project is complete, we will have a meeting with the District, Prime contractor, and any other required party to discuss the project, any grievances, local hire numbers, worker shortages, and have a lessons learned discussion on what went right, and what can be improved for future District projects. This will be a step by step approach meeting with open lines of communication for all meeting attendees to discuss their concerns, opinions, and viewpoints that will be beneficial to the success of all future CWA projects with the District.

4 | FEE SCHEDULE

Gafcon utilizes a not-to-exceed model based upon total project construction costs to allow us to monitor the project as efficiently and cost effectively as possible, thus consistently resulting in cost savings to the client. We bill only for work performed and provide a comprehensive billing statement that outlines all activities performed for full and clear transparency.

Following find our proposed fees broken down by project cost, and a total not-to-exceed amount:

Project Costs: \$250K to \$500K

Proposed Staff	Hourly Rate	Total Proposed Hours	Total
Brent Bishop Senior Project Manager	\$110.00/HR	30	\$3,300.00
Richelle Angel, Administrative	\$65.00/HR	10	\$650.00
TOTAL NOT-TO-EXCEED FEE			\$3,950.00

Project Costs: \$501K to \$750K

Proposed Staff	Hourly Rate	Total Proposed Hours	Total
Brent Bishop Senior Project Manager	\$110.00/HR	35	\$3,850.00
Richelle Angel, Administrative	\$65.00/HR	10	\$650.00
TOTAL NOT-TO-EXCEED FEE			\$4,500.00

Project Costs: \$751K to \$1M

Proposed Staff	Hourly Rate	Total Proposed Hours	Total
Brent Bishop Senior Project Manager	\$110.00/HR	40	\$4,400.00
Richelle Angel, Administrative	\$65.00/HR	15	\$975.00
TOTAL NOT-TO-EXCEED FEE			\$5,375.00

Project Costs: \$1M to \$1.5M

Proposed Staff	Hourly Rate	Total Proposed Hours	Total
Brent Bishop Senior Project Manager	\$110.00/HR	45	\$4,950.00
Richelle Angel, Administrative Assistant	\$65.00/HR	15	\$975.00
TOTAL NOT-TO-EXCEED FEE			\$5,925.00

Project Costs: Over \$1.5M

Proposed Staff	Hourly Rate	Total Proposed Hours	Total
Brent Bishop Senior Project Manager	\$110.00/HR	50	\$5,500.00
Richelle Angel, Administrative Assistant	\$65.00/HR	15	\$75.00
TOTAL NOT-TO-EXCEED FEE			\$6,475.00

REIMBURSABLE EXPENSES:

Client shall reimburse Gafcon for all out-of-pocket expenses associated with this project, plus an administrative fee equal to fifteen percent (15%) of the expenses. The following are examples of the various expenses that are typically related to Gafcon’s services; however, these examples are not intended to be inclusive of all potential reimbursable expenses:

- Postage, shipping, couriers, telephone expenses, facsimiles, and copies
- Blueprinting, photo reproducing, and photography for job-site surveys or related activities
- Software licenses, support and maintenance fees related to the services
- Telecommunications, internet and hosting fees
- Office set-up for new site locations including but not limited to, physical location rentals, furniture and technology rentals, equipment rental/leases, and moving expenses
- Mileage costs shall be charged at the prevailing IRS rate to and from the project(s) and the respective Gafcon office



STUDENT SERVICES
MAIN OFFICE



gafcon

GAFCON, INC.

660 S. Figueroa St. | Suite 600 | Los Angeles, CA | 90017 | 858.875.0010

P A L M D A L E W A T E R D I S T R I C T
B O A R D M E M O R A N D U M

DATE: March 2, 2023 **March 13, 2023**
TO: BOARD OF DIRECTORS **Board Meeting**
FROM: Mrs. Claudia Bolanos, Resource and Analytics Supervisor
VIA: Mr. Peter Thompson II, Resource and Analytics Director
Mr. Dennis D. LaMoreaux, General Manager
RE: ***AGENDA ITEM NO. 7.1 – REVIEW AND DISCUSSION ON THE 2023-2024 ANNUAL WATER SUPPLY AND DEMAND ASSESSMENT (RESOURCE AND ANALYTICS SUPERVISOR BOLANOS)***

Recommendation:

Staff recommends that the Board review and discuss the 2023-2024 Annual Water Supply and Demand Assessment.

Background:

New provisions in Water Code Section 10632.1. require that an urban water supplier, such as PWD, conduct an Annual Water Supply and Demand Assessment (AWSDA), on or before July 1 of each year, to be submitted to the Department of Water Resources. An urban water supplier that relies on imported water from the State Water Project or the Bureau of Reclamation shall submit its Annual Assessment within 14 days of receiving its final allocations, or by July 1 of each year, whichever is later. The requirement to perform the Annual Assessment began in July 2022. The procedures for performing the Annual Assessment are to be detailed in an urban suppliers' Water Shortage Contingency Plan.

The purpose of this AWSDA is to evaluate water supply reliability for fiscal year 2023/2024, and to help determine the appropriate shortage level, if any, needed to be implemented and actions that are needed to be taken.

Strategic Plan Initiative/Mission Statement:

This item is under Strategic Initiative No. 1 – Water Resource Reliability.
This item directly relates to the District's Mission Statement.

Budget:

No budget impact.

Supporting Documents:

2023-2024 Annual Water Supply and Demand Assessment.

**PALMDALE WATER DISTRICT
BOARD MEMORANDUM**

DATE: March 7, 2023 **March 13, 2023**
TO: BOARD OF DIRECTORS **Board Meeting**
FROM: Mr. Peter Thompson II, Resource and Analytics Director
VIA: Mr. Dennis D. LaMoreaux, General Manager
RE: ***AGENDA ITEM NO. 7.2 – CONSIDERATION AND POSSIBLE ACTION ON APPROVAL OF RESOLUTION NO. 23-3 BEING A RESOLUTION OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT UPDATING THE WATER SHORTAGE CONTINGENCY PLAN STAGE 2 FROM MANDATORY TO VOLUNTARY. (NO BUDGET IMPACT – RESOURCE AND ANALYTICS DIRECTOR THOMPSON II)***

Recommendation:

Staff recommends that the Board adopts Resolution No. 23-3 being a Resolution of the Board of Directors Updating the Water Shortage Contingency Plan (WSCP) Stage 2 from Mandatory to Voluntary.

Background:

On April 11, 2022, the Board adopted Mandatory Stage 2 of the 2020 Water Shortage Contingency Plan. In this water year so far, there has been an increase in precipitation and a preliminary allocation of 35% was made available to the State Water Contractors. If the District adopts a 12% voluntary conservation from its customers compared to 2020, we will have adequate supply to meet customer demands for this year and have some water available for 2024.

Strategic Plan Initiative/Mission Statement:

This item is under Strategic Initiative No. 1 – Water Resource Reliability.
This item directly relates to the District’s Mission Statement.

Budget:

No budget impact.

Supporting Documents:

- Resolution No. 23-3 being a Resolution of the Board of Directors Updating the Water Shortage Contingency Plan Stage 2 from Mandatory to Voluntary

**PALMDALE WATER DISTRICT
RESOLUTION NO. 23-3
A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
PALMDALE WATER DISTRICT UPDATING THE WATER SHORTAGE
CONTINGENCY PLAN STAGE 2 FROM MANDATORY TO VOLUNTARY**

WHEREAS, Palmdale Water District (“District”) is a water district empowered to provide water service within District boundaries; and

WHEREAS, California has experienced three consecutive years of drought spanning 2020-2022; and

WHEREAS, conservation of water by District customers has helped alleviate the water shortages during the above years; and

WHEREAS, Palmdale Water District has made significant investments in local programs and projects to improve water supply reliability, including supplemental water supply contracts, local water storage projects, water conservation, water recycling and other strategies to stretch supplies, and will continue to do so; and

WHEREAS, on April 21, 2021, Governor Gavin Newsom issued a Proclamation of a State of Emergency due to drought for two counties in the state of California; and

WHEREAS, the District adopted Stage 1 of its 2015 Water Shortage Contingency Plan on April 26, 2021, and urged customers to voluntarily reduce their water use by 15%; and

WHEREAS, on May 21, 2021, Governor Gavin Newsom issued a Proclamation of a State of Emergency due to drought for forty-one counties in the state of California; and

WHEREAS, on July 8, 2021, Governor Gavin Newsom issued Executive Order N-10-21 recognizing the continued state of drought in California and called on all Californians to voluntarily reduce their water use by 15%; and

WHEREAS, the District adopted Voluntary Stage 2 of its 2020 Water Shortage Contingency Plan on August 9, 2021 and continued to urge rate payers to voluntarily reduce their water use by 15%; and

WHEREAS, on October 9, 2021, Governor Gavin Newsom further issued a Proclamation of a State of Emergency due to drought for the entire state of California, reaffirmed the call for all Californians to reduce their water use by 15%, and called on the State Water Resource Control Board to adopt emergency regulations prohibiting certain wasteful water practices; and

WHEREAS, on March 28, 2022, Governor Gavin Newsom further issued Executive Order N-7-22 that reaffirmed the April 21, 2021, May 10, 2021, and October 9, 2021 proclamations of State of Emergency due to drought and the provisions of Executive Order N-10-21 and called on the State Water Resource Control Board to adopt an emergency regulation that would require all urban water suppliers who have submitted a Water Shortage Contingency Plan to, at a minimum, adopt level 2 of

their Plan and to consider banning non-functional turf in the commercial, industrial, and institutional sectors; and

WHEREAS, on June 10, 2022, the State of California Office of Administrative Law approved the emergency action taken by the State Water Resources Control Board pursuant to sections 11346.1 and 11349.6 of the Government Code to adopt the new regulation which requires urban water suppliers to ban the irrigation of non-functional turf with potable water in commercial, industrial, and institutional sectors; and

WHEREAS, Water Code Section 1058.5 grants the State Water Resources Control Board the authority to adopt emergency regulations in certain drought years in order to: “prevent the waste, unreasonable use, unreasonable method of use, or unreasonable method of diversion, of water, to promote water recycling or water conservation;” and

WHEREAS, following the making of findings as required by law, the District has the power and authority to adopt mandatory water conservation measures within its boundaries pursuant to Part 5 of the Irrigation District Law, codified at Division 11 of the California Water Code.

WHEREAS, the District adopted Stage 2 – Mandatory of its Water Shortage Contingency Plan on April 11, 2022; and

WHEREAS, the 2023 year has started with above average precipitation in the State of California; and

WHEREAS, the current State Water Project allocation of 35% provides sufficient supply to meet customer demands and save water for 2024 with 12% conservation required from customers compared to 2020; and

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Palmdale Water District as follows:

Section 1: Findings: The Board of Directors of the District hereby finds and declares as follows:

- 1) The State Water Project water available to the District is at (35%) allocation.
- 2) At present, without supplemental supplies, the anticipated water available to the District is still insufficient to meet anticipated demands and provide back-up supply for 2024.
- 3) Should additional water supplies not be available, or should the District lose its water production capacity, there may be insufficient water available for human consumption, sanitation and fire protection.

Section 2: Conservation Goal and Authorized Actions: The conservation goal of the District is a voluntary reduction in water use of twelve percent (12%) when compared against usage in 2020. The General Manager is authorized to implement Action 1 of this Resolution to meet said conservation goal.

Action 1: Stage 2 Water Conservation Regulations: The General Manager shall take all steps necessary to advise the District's customers of the following water waste prohibitions and voluntary regulations and to enforce them in accordance with the District's existing Waste of Water Policy:

1. Water Waste Prohibitions (Remain in full affect and violations will result in water waste fines):
 - a. Application of potable water to outdoor landscapes in a manner that causes runoff.
 - b. Failure to repair water leaks or to adjust sprinkler overspray in a timely manner.
 - c. Hosing of hardscape surfaces, except where health and safety needs dictate.
 - d. The use of potable water in a fountain or other decorative water feature, except where the water is part of a recirculating system.
 - e. Irrigation with potable water of ornamental turf on public street medians.
 - f. Watering of outdoor landscapes within 48 hours of measurable rainfall.
 - g. Car washing and outside cleaning activities except when performed with buckets and automatic hose shutoff devices.
 - h. The serving of drinking water other than upon request in eating or drinking establishments.
 - i. Failure of operators of hotels and motels to provide guests with the option of choosing not to have towels and linens laundered daily. (The hotel or motel shall prominently display notice of this option in each guestroom.)
 - j. Inefficient use of water for construction purposes.
 - k. Irrigation with potable water outside of newly constructed homes and buildings not delivered by drip or microspray.

2. Stage 2 Regulations:
 - a. (Voluntary and serve as recommendations) No lawn, landscape, or other turf area shall be watered more often than three (3) days per week nor during the hours between 10:00 a.m. and 6:00 p.m. Water days will be set as follows: Mondays, Wednesdays and Saturdays only.
 - i. Exemptions:
 1. Watering hour restrictions are lifted during the months of November, December, January, February, and March.
 2. Watering of turf in athletic fields, turf used for recreation, or turf used for community purposes.
 3. Commercial nurseries, golf courses, parks, school yards, and other public open spaces may request approval of a modified watering schedule in the event that public use necessitates it.

4. Watering schedules must be adhered to at all times. The District requires advance written notice of any maintenance activities requiring water use between the hours of 10:00 a.m. and 6:00 p.m.
 5. Watering delivered by microspray, drip irrigation, or by hand.
- b. (Remains in full effect) The issuance of potable water construction meters shall be suspended.
 - c. (Remains in full effect) Irrigating turf at commercial, industrial, and institutional properties is banned per State Water Resources Control Board.

Action 2: Voluntary Water Rationing: Upon specific authorization from the Board of Directors, the General Manager shall implement phased water rationing to protect the water supply of the District and to guarantee adequate supply for domestic use, sanitation, and fire protection as follows:

1. Stage 2: Water Rationing: A 12% reduction in water deliveries to all District customers when compared to 2020 deliveries.

Action 3: Revocation of the 20% Drought Factor: Upon specific authorization by the Board of Directors, the General Manager shall revoke the drought factor for outdoor allocation usage tier (Tier 2).

1. Stage 2: Drought Factor: The twenty percent (20%) reduction applied to the outdoor usage tier (Tier 2) will be revoked. This will be effective on water use as of April 1, 2023.

Action 4: Revocation of Drought Surcharge: Upon specific authorization by the Board of Directors, the General Manager shall revoke the drought surcharge used to cover costs due to lost revenue during mandatory water cutbacks.

1. Stage 2: Drought Surcharge: The 40-cent surcharge on all non-essential usage tiers (Tiers 3-5) will be revoked. This will be effective on water use as of April 1, 2023.

Section 3: Duration of Water Emergency: The regulations, restrictions, and actions set forth herein shall take full force and effect on March 14, 2023, and shall remain in full force and effect through March 14, 2024 or until otherwise changed or lifted by authorization of the Board of Directors.

Section 4: Effective Date: March 14, 2023

BE IT FURTHER RESOLVED, that the Board of Directors finds that the provisions of this Resolution are exempt from the provisions of the California Environmental Quality Act as an action

to mitigate emergency conditions and as a rate setting measure pursuant to Public Resources Code §21080(b)(4) and (8).

PASSED AND ADOPTED at a regular meeting of the Board of Directors of Palmdale Water District held on March 13, 2023.

Don Wilson, President, Board of Directors

Vincent Dino, Secretary, Board of Directors

APPROVED AS TO FORM:

Aleshire & Wynder, LLP, District Legal Counsel

**PALMDALE WATER DISTRICT
BOARD MEMORANDUM**

DATE: March 7, 2023 **March 13, 2023**
TO: BOARD OF DIRECTORS **Board Meeting**
FROM: Mrs. Claudia Bolanos, Resource and Analytics Supervisor
VIA: Mr. Peter Thompson II, Resource and Analytics Director
 Mr. Dennis D. LaMoreaux, General Manager
RE: ***AGENDA ITEM NO. 7.3 – CONSIDERATION AND POSSIBLE ACTION ON ADDITION OF NEW REBATE PROGRAMS TO APPENDIX O.1 “WATER CONSERVATION REBATE PROGRAMS AND APPLICATIONS” OF THE DISTRICT’S RULES AND REGULATIONS. (NO BUDGET IMPACT - RESOURCE AND ANALYTICS SUPERVISOR BOLANOS)***

Recommendation:

Staff recommends that the Board approve the addition of the proposed residential and commercial rebate programs to Appendix O.1 “Water Conservation Rebate Programs and Applications” of the District’s Rules and Regulations.

Alternative Options:

Continue to move forward with the rebate programs that are currently have in place and not implement any changes.

Impact of Taking No Action:

Water Use Efficiency Rebate Programs will not be expanded or updated in 2023, but existing programs will continue to be offered to customers.

Background:

The Water Use Efficiency group continuously explores new programs and ideas being used in the water industry and determines if the programs could benefit our customers. The Water Use Efficiency group also periodically evaluates our current programs to ensure that we are offering the best options available to our customers.

Proposed Residential Rebates:

- Moisture Retaining Soil Additive - \$40 per bag
- Flume Smart Home Water Monitor (flow monitor) – up to \$100
- Hot Water Recirculating Pump – up to \$125

BOARD OF DIRECTORS
PALMDALE WATER DISTRICT
VIA: Mr. Peter Thompson II, Resource and Analytics Director
Mr. Dennis D. LaMoreaux, General Manager

March 7, 2023

Proposed Commercial Rebates:

- Network Communication Cartridge for Irrigation Controllers – up to \$500

Strategic Plan Initiative/Mission Statement:

This item is under Strategic Initiative No.6 - Customer Care, Advocacy and Outreach.
This item is directly related to the District's Mission Statement.

Budget:

There is currently enough in the rebates account budget to cover additional rebates.

Supporting Documents:

- Residential Water Saving Rebates Application Form
- Commercial Water Saving Rebates Application Form



WATER SAVING REBATES

APPLICATION FORM



TOILETS

HE TOILETS 1.28 GPF OR DUAL FLUSH 1.0-1.6 GPF



SPRINKLERS

ROTATING SPRINKLER NOZZLE



WASHERS

HE CLOTHES WASHER WITH WATER FACTOR OF 3.7 OR LESS

INSTRUCTIONS

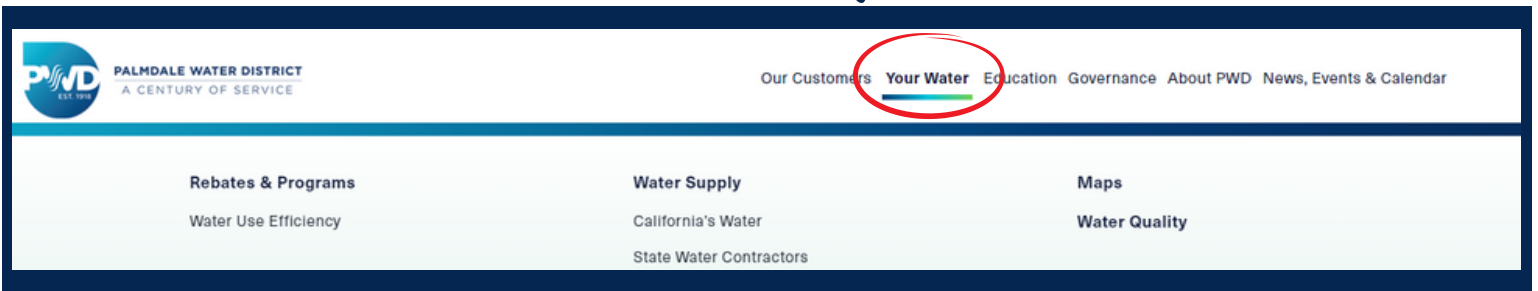
1. Purchase and install a qualifying high-efficiency water saving device. List of qualifying devices lists can be found at socalwatersmart.com.

2. Mail the completed application form, original receipt, and a copy of your water bill to:

PALMDALE WATER DISTRICT

ATTN: WUE REBATES
2029 E AVENUE Q
PALMDALE, CA 93550

Or apply online at Palmdalewater.org under Your Water, Rebates & Programs.



TERMS AND CONDITIONS

1. FUNDING IS ON A FIRST-COME, FIRST-SERVED BASIS UNTIL FUNDS ARE DEPLETED.
2. THE WATER-SAVING DEVICE MUST BE PURCHASED BY A CURRENT AND ELIGIBLE PWD CUSTOMER, AND INSTALLED AT THE CUSTOMER'S ADDRESS LOCATION WITHIN PWD'S SERVICE AREA.
3. THE DATED RECEIPT MUST BE PROVIDED WITH THE APPLICATION.
4. FOR DEVICES PURCHASED ONLINE, A PRINTOUT OF THE FINAL INVOICE AND ORIGINAL DELIVERY SLIP MUST BE PROVIDED.
5. THE APPLICATION MUST BE RECEIVED BY PWD WITHIN 90 DAYS OF THE ORIGINAL PURCHASE DATE.
6. THE REBATE AMOUNT MAY NOT EXCEED THE COST OF THE DEVICE PURCHASED. REBATE AMOUNTS DO NOT APPLY TO SALES TAX AND INSTALLATION COSTS.
7. REBATE CREDITS WILL BE APPLIED TO THE CUSTOMER'S PWD ACCOUNT FOR THE SERVICE ADDRESS IDENTIFIED BELOW WITHIN 3-4 WEEKS.
8. A REPRESENTATIVE OF PWD MUST BE PERMITTED TO INSPECT THE PROPERTY TO VERIFY QUANTITY AND PROPER INSTALLATION IF IT IS DEEMED NECESSARY AND APPLICABLE.
9. PWD MAY AT ANY TIME MODIFY, SUSPEND, OR TERMINATE THIS PROGRAM WITHOUT PRIOR NOTICE.
10. IRRIGATION REBATE CREDITS ARE FOR RETROFITS OF EXISTING SPRINKLERS ONLY; NEW CONSTRUCTION DOES NOT QUALIFY.
11. THE CUSTOMER MUST SIGN THE AGREEMENT BEFORE THE REBATE CAN BE ISSUED.
12. THE APPLICATION MUST MEET ALL REQUIREMENTS. OTHERWISE, IT WILL BE REJECTED AND MAILED BACK TO THE CUSTOMER.

ACCOUNT INFORMATION

CUSTOMER ACCOUNT NUMBER: _____

SOCIAL SECURITY NUMBER: _____

ACCOUNT HOLDER NAME: _____

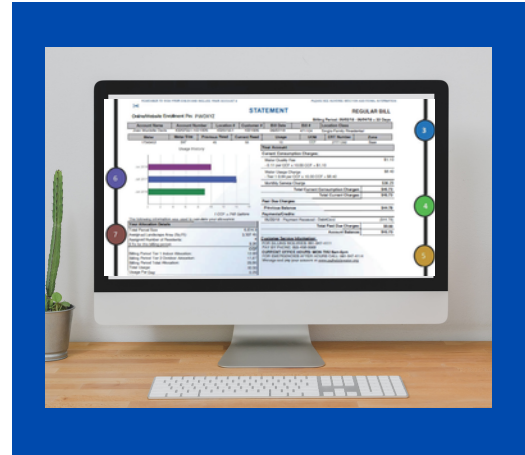
OWNER TENANT

SERVICE ADDRESS: _____

MAILING ADDRESS (IF DIFFERENT FROM ABOVE):

PHONE NUMBER: _____

EMAIL: _____



REBATE TYPE

- HIGH-EFFICIENCY/DUAL FLUSH TOILET (1.28 GPF OR DUAL FLUSH 1.0-1.6 GPF) QUALIFIES FOR \$100 REBATE
- HIGH-EFFICIENCY CLOTHES WASHER (WATER FACTOR 3.7 OR LESS) QUALIFIES FOR \$150 REBATE
- HIGH-EFFICIENCY URINAL (0.125 GPF) QUALIFIES FOR \$300 REBATE
- WEATHER BASED IRRIGATION CONTROLLER (WATER SENSE LABELED CONTROLLERS) QUALIFIES FOR \$150 REBATE
- ROTATING SPRINKLER NOZZLE QUALIFIES FOR \$4.00 PER NOZZLE REBATE
- MICRO-IRRIGATION CONVERSION (MINIMUM OF 1,000 LINEAR FEET) QUALIFIES FOR \$0.25 PER LINEAR-FOOT
- MOISTURE RETAINING SOIL ADDITIVE - \$40 PER BAG
- FLUME METER (FLOW MONITOR) \$100
- HOT WATER RECIRCULATING PUMP \$125

Brand: _____

Model #: _____

Units Purchased: _____

Date Installed: _____

I have read, understand, and agree to the terms and conditions of the program as stated above. I understand rebates paid to me may be subject to State and/or Federal tax reporting according to the IRS guidelines.

Applicants Signature: _____

Date: _____

OFFICE USE ONLY: Approved: _____ Amount: \$ _____ Date: _____ Rep's Initials: _____

COMMERCIAL

WATER SAVING REBATES



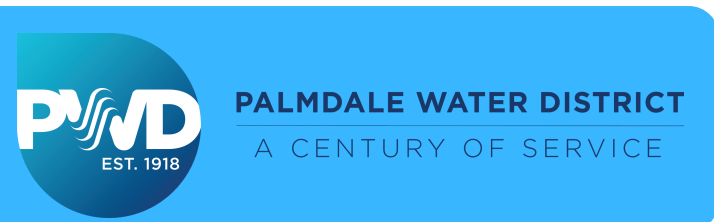
REBATES INCLUDE:

- High -Efficiency Dual Flush Toilet qualifies for up to \$100 rebate.
- Ultra-low or Zero Water Urinal up to \$300.00 rebate.
- Water-Wise Landscape Program \$2.00 per sq ft.


Palmdale Water District offers a variety of rebates to their Commercial customers.

The Commercial Rebate Program provides rebates for water efficient fixture upgrades to toilets, urinals, micro irrigation, weather based irrigation controllers, water-wise landscape conversions, and more.


For more information contact our Water Use Efficiency Specialist Maria Avelar at 661-456-1001 or Robert Rosati at 661-441-5943.



CONTACT US

 palmdalewater.org

 2029 E Avenue Q
Palmdale CA 93550

 661-947-4111

1. Funding is on a first-come, first-served basis until funds are depleted.
2. The WATER-SAVING device must be purchased by a current and eligible PWD customer, and installed at the customer's address location within PWD's service area.
3. The dated receipt must be provided with the application.
4. For devices purchased online, a printout of the final invoice and original delivery slip must be provided.
5. The application must be received by PWD within 90 days of the original purchase date.
6. The rebate amount may not exceed the cost of the device purchased. Rebate amounts do not apply to sales tax and installation costs.
7. Rebate credits will be applied to the customer's PWD account for the service address identified below within 3-4 weeks.
8. A representative of PWD must be permitted to inspect the property to verify quantity and proper installation if it is deemed necessary and applicable.
9. PWD may at any time modify, suspend, or terminate this program without prior notice.
10. Irrigation rebate credits are for retrofits of existing sprinklers only; new construction does not qualify.
11. The customer must sign the agreement before the rebate can be issued.
12. The application must meet all requirements. Otherwise, it will be rejected and mailed back to the customer.

CUSTOMER ACCOUNT NUMBER: _____

TAX ID NUMBER: _____

ACCOUNT HOLDER NAME: _____

SERVICE ADDRESS: _____

MAILING ADDRESS (IF DIFFERENT FROM ABOVE):

PHONE NUMBER: _____

EMAIL: _____

- High-Efficiency/Dual Flush Toilet (1.28 gpf or dual flush 1.0-1.6 gpf) qualifies for \$100 rebate.
- Moisture Retaining Soil Additive qualifies for \$40 per bag
- Ultra-low or zero water urinals qualifies for \$300 rebate.
- Weather Based Irrigation Controller (Water Sense labeled controllers) \$35/Station - Eligible
WBIC can have a maximum of 11 inactive stations per controller
- Rotating Sprinkler Nozzle qualifies for \$4.00 per nozzle rebate.
- Micro-Irrigation Conversion (minimum of 1,000 linear feet) qualifies for \$0.25 per linear-foot.
- Controller Cartridge \$500 rebate per cartridge

Brand: _____

Model #: _____

Units Purchased: _____

Date Installed: _____

I have read, understand, and agree to the terms and conditions of the program as stated above. I understand rebates paid to me may be subject to State and/or Federal tax reporting according to the IRS guidelines.

Applicants Signature: _____ Date: _____

**PALMDALE WATER DISTRICT
BOARD MEMORANDUM**

DATE: March 8, 2023 **March 13, 2022**
TO: BOARD OF DIRECTORS **Board Meeting**
FROM: Mr. Scott Rogers, Engineering Manager
VIA: Mr. Dennis D. LaMoreaux, General Manager
RE: ***AGENDA ITEM NO. 7.4 – CONSIDERATION AND POSSIBLE ACTION ON AUTHORIZING THE GENERAL MANAGER TO ENTER INTO AN AGREEMENT TO PURCHASE AND EXECUTE THE PURCHASE AND SALE OF THE REAL PROPERTY WITH THE APN 3022-011-001, COMMONLY KNOWN AS “VAC/25TH STE/VIC AVE P10” IN THE CITY OF PALMDALE, COUNTY OF LOS ANGELES OWNED BY THOMAS JAMES REVOCABLE TRUST FOR THE PURE WATER AV FULL-SCALE FACILITY. (\$685,000.00 – BUDGETED – W.O. NO. 22-654 – ENGINEERING MANAGER ROGERS)***

Recommendation:

Staff recommends that the Board authorize the General Manager to enter into an agreement to purchase and execute the purchase and sale of the real property with the APN 3022-011-001, commonly known as “VAC/25th STE/VIC AVE P10” in the City of Palmdale, County of Los Angeles owned by Thomas James Revocable Trust for the Pure Water Antelope Valley (AV) Full-Scale Facility in the amount of \$685,000.00. The property is just under 15 Acres which will provides sufficient area for the full-scale facility, injections wells and ancillary equipment associated with the full advanced treatment process.

Alternative Options:

Reject purchase agreement and search for another property of suitable size and location.

Impact of Taking No Action:

Delay the Pure Water AV Full-Scale environmental and preliminary design for the full-scale facility.

Background:

Staff and the District’s program manager, Stantec, have been pursuing the implementation of Pure Water Antelope Valley (Pure Water AV), which will be a regional recycled water program to address and improve water supply resiliency and groundwater aquifer management. Pure Water AV is planned to be an indirect potable reuse (IPR) project to be permitted under Title 22 Code of California Regulations for groundwater augmentation via direct injection. The District has plans to construct a five million gallon per day (MGD) Advanced Water Treatment Facility (Full-Scale Facility).

March 8, 2023

The Full-Scale Facility will require approximately 15 acres of land to install the full advance treatment system facility and injection wells. District staff hired Overland, Pacific, and Cutler LLC to perform the appraisal and provide professional services to assist District staff with the negotiation and execution to purchase the property. The property is a suitable size and location for the Full-Scale Facility.

Strategic Plan Initiative/Mission Statement:

This item is under Strategic Initiative No. 3 – Systems Efficiency.

This item directly relates to the District’s Mission Statement.

Budget:

This item is budgeted and will be covered as part of Work Order No. 22-654.

Supporting Documents:

- Property Location
- Purchase Agreement
- Property Appraisal

Property Location



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

THIS AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY UNDER THREAT OF CONDEMNATION AND JOINT ESCROW INSTRUCTIONS ("**Agreement**") is made this ___ day of _____, 2023 ("**Agreement Date**") by and between (i) PALMDALE WATER DISTRICT, a California public agency ("**Buyer**"), and (ii) (a) JOHN DONOHUE AND MARY JEAN DONOHUE, HUSBAND AND WIFE AS JOINT TENANTS AS TO AN UNDIVIDED 1/2 INTEREST AND THOMAS JAMES AND MARTHA JAMES, TRUSTEE OF THE THOMAS JAMES REVOCABLE TRUST, DATED SEPTEMBER 11, 1991, AS TO AN UNDIVIDED 1/2 INTEREST (jointly "**Seller**") and COMMONWEALTH TITLE INSURANCE COMPANY, a corporation ("**Escrow Holder**" and "**Title Company**").

RECITALS:

- A. Seller is the owner in fee of certain unimproved real property commonly known as "VAC/25th STE/VIC Avenue P10" in the City of Palmdale, County of Los Angeles, State of California (APN 3022-011-001) legally described on Exhibit A attached hereto, together with all of Seller's right, title and interest in and to any and all improvements, fixtures, rights-of-way, utility rights, entitlements, claims or other benefits in any way connected with the real property ("**Property**").
- B. Buyer desires to purchase the Property from Seller in connection with the Palmdale Water District - Pure Water AV Acquisition Services ("**Project**").
- C. Buyer commenced the process of acquiring the Property pursuant to that certain initial letter dated _____, 202__ ("**Condemnation Process**").
- D. Buyer and Seller have negotiated in good faith and mutually agreed for the acquisition of the Property by the City pursuant to the terms of this Agreement.

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

TERMS AND CONDITIONS:

1. PURCHASE AND SALE OF PROPERTY.

1.1 Acquisition of Property. Pursuant to the terms of this Agreement, Buyer hereby agrees to purchase from Seller, and Seller agrees to sell to Buyer, the Property.

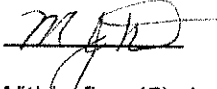
1.2 Waiver and Release. The Compensation Amount (defined in Section 3.1 below) to be paid by Buyer to Seller is all-inclusive of Seller's interest in the Property and all damages of every kind and nature suffered, or to be suffered as a result of Buyer's acquisition of the Property for public purposes. By execution of this Agreement, Seller and its successors and assigns shall be deemed to have knowingly and voluntarily waived, released and discharged Buyer from liability and responsibility for or related to any right Seller has, has had or in the future may have to any claim for compensation or damages or liability of any kind, whether known, unknown, foreseen or unforeseen, relating in any way to or arising out of Buyer's acquisition of the Property. In that

regard, Seller and its successors and assigns knowingly and voluntarily waive and release Buyer, its employees, agents and officers from liability as to the following: any rights or obligations which exist or may arise out of the acquisition of the Property for public purposes including, without limitation, Seller's fee interest in the land, severance damages, relocation expenses or damages, loss of business goodwill and/or lost profits, loss or impairment of any "bonus value" attributable to any lease; damage to or loss of improvements pertaining to realty, costs, interest, attorneys' fees, and any claim whatsoever of Seller which might arise out of or relate to any respect to the acquisition of the Property by Buyer.

As of the Closing (as defined in Section 5.1), Seller irrevocably releases and discharges the Buyer, and their employees, agents, officers and representatives, from any and all manner of actions, causes of action, in law or in equity, of any nature whatsoever, known or unknown, fixed or contingent Seller now or may hereafter have by reason of any matter, cause, or thing whatsoever occurring prior to the date of execution of this release with respect to the Condemnation Process. Seller expressly agrees to waive and relinquish all rights and benefits each may have under California Civil Code Section 1542. That section reads 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.

Seller's Initials: _____



2. OPENING OF ESCROW. Within five (5) days after the execution of this Agreement by both Buyer and Seller, the parties shall open an escrow ("**Escrow**") with Commonwealth Title Insurance Company (Escrow Holder) by causing an executed copy of this Agreement to be deposited with Cheryl Greer, Escrow Officer at Commonwealth Title Insurance Company, 601 S. Figueroa Street (40th Floor) Suite 4000, Los Angeles, CA 90017 cgreer@cltic.com (213) 330-3080 ("**Escrow Officer**") together with the Deposit (as defined in Section 3.2(a)) ("**Opening of Escrow**").

3. COMPENSATION.

3.1 Compensation. The compensation for the Property is Six Hundred Eighty Five Thousand Dollars (\$685,000) ("**Compensation Amount**").

3.2 Payment. The Compensation Amount shall be paid as follows:

- a. **Deposit.** At Opening of Escrow, Buyer shall deposit the sum of Two Thousand Dollars (\$2,000) with Escrow Holder ("**Deposit**").
- b. **Balance of Funds.** At least one (1) business day prior to the Closing, Buyer shall deposit balance of the Compensation Amount with Escrow Holder in Good Funds (as defined below).

3.3 Disbursement of Seller's Net Proceeds. At the Closing, the net proceeds (as determined by the Seller settlement statement) shall be disbursed to Seller.

3.4 Good Funds. All funds deposited in Escrow shall be in "**Good Funds**" which means a wire transfer of funds, cashier's or certified check drawn on or issued by the offices of a financial institution located in the State of California.

4. ADDITIONAL FUNDS AND DOCUMENTS REQUIRED FROM BUYER AND SELLER.

4.1 Seller. Seller agrees that on or before 12:00 noon on the day preceding the Closing Date, Seller will deposit with Escrow Holder such funds and other items and instruments (executed and acknowledged, if appropriate) as may be necessary in order for the Escrow Holder to comply with this Agreement, including without limitation:

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

4.2 Buyer. Buyer agrees that on or before 12:00 noon on the date preceding the Closing Date, Buyer will deposit with Escrow Holder all additional funds and/or documents (executed and acknowledged, if appropriate) which are necessary to comply with the terms of this Agreement, including without limitation:

- a. The statutorily required Certificate of Acceptance in the form attached to the Grant Deed ("**Certificate of Acceptance**").
- b. A Preliminary Change of Ownership Statement completed in the manner required in Los Angeles County.
- c. Such funds and other items and instruments as may be necessary in order for Escrow Holder and the Title Company to comply with this Agreement.

4.3 Recordation, Completion and Distribution of Documents. Escrow Holder will cause Grant Deed (with the Certificate of Acceptance attached) to be recorded when it can issue the Title Policy in accordance with Section 6, and holds for the account of Buyer and Seller, respectively, the funds and items described above to be delivered to Buyer and Seller, respectively, through Escrow, less costs, expenses and disbursements chargeable to Seller pursuant to the terms hereof.

5. CLOSING DATE; TIME IS OF ESSENCE.

5.1 Closing Date. Escrow shall close thirty (3) days after expiration of the Due Diligence Period (defined in Section 7.2) but no later than sixty (60) days after the Opening of Escrow ("**Closing Date**") unless extended as evidenced by a writing signed by both parties. The terms "**Close of Escrow**" and/or "**Closing**" are used herein to mean the time Grant Deed with the Certificate of Acceptance are filed for recording by the Escrow Holder in the Office of the County Recorder of Los Angeles County, California.

5.2 Possession. Upon the Close of Escrow, exclusive possession and occupancy of the Property shall be delivered to Buyer free and clear of all claims of possession (including, but not limited to, any occupants) and of all personal property and debris.

5.3 Time is of Essence. Buyer and Seller specifically agree that time is of the essence.

5.4 General Manager's Authority. Buyer by its execution of this Agreement hereby

agrees that the City Manager of the Buyer or designee (who has been designated by General Manager's written notice delivered to Seller and Escrow Holder) shall, in General Manager's sole and exclusive discretion, have authority:

(i) to execute documents on behalf of Buyer including, but not limited to, issuing approvals, disapprovals and extensions. Any such approval, disapproval or extension executed by the General Manager or their designee shall be binding on Buyer.

(ii) make minor modifications to this Agreement in order to fulfill the direction of the Board of Directors, provided that such minor modifications must be approved by the General Counsel.

6. TITLE; TITLE POLICY.

6.1 *Approval of Title.*

(a) Commonwealth Land Title Company ("**Title Company**") has issued that certain preliminary title report #92018802 dated as of August 23, 2022 ("**Preliminary Title Report**") which has been delivered to Buyer.

(b) Buyer approves (i) non-delinquent real property taxes, and (ii) exceptions B, C, 1 and 2 on the Preliminary Title Report ("**Approved Exceptions**").

(c) Upon the issuance of any amendment or supplement to the Preliminary Title Report which adds additional exceptions, Buyer's initial period of review and approval or disapproval of any such additional exceptions shall be limited to ten (10) days following receipt of notice of such additional exceptions. Within such ten (10) day period, Buyer shall notify Seller in writing ("**Buyer's Title Notice**") of Buyer's disapproval of any matters contained in any amendment or supplement to the Preliminary Title Report ("**Disapproved Exceptions**"). In the event Buyer delivers Buyer's Title Notice within said period, Seller shall have a period of ten (10) days after receipt of Buyer's Title Notice in which to notify Buyer of Seller's election to either (i) agree to attempt to remove the Disapproved Exceptions prior to the Close of Escrow; or (ii) decline to remove any such Disapproved Exceptions ("**Seller's Notice**"). If Seller notifies Buyer of its election to decline to remove the Disapproved Exceptions, or if Seller is unable to remove the Disapproved Exceptions, Buyer may elect either to terminate this Agreement and the Escrow or to accept title to the Property subject to the Disapproved Exception(s). Buyer shall exercise such election by delivery of written notice to Seller and Escrow Holder within five (5) business days following the earlier of (i) the date of written advice from Seller that such Disapproved Exception(s) cannot be removed; or (ii) the date Seller declines to remove such Disapproved Exception(s).

(d) Nothing to the contrary herein withstanding, Buyer shall be deemed to have automatically objected to all leases, deeds of trust, mortgages, judgment liens, federal and state income tax liens, delinquent general and special real property taxes and assessments and similar monetary encumbrances affecting the Property, and Seller shall discharge any such non-permitted title matter of record prior to or concurrently with the Close of Escrow.

6.2 Title Policy. At the Close of Escrow, Escrow Holder shall furnish Buyer with an ALTA Owner's non-extended Policy of Title ("**Title Policy**") insuring title to the Property vested in Buyer in the amount of the Compensation Amount, containing only the Approved Exceptions and with an ALTA 28.06 endorsement for Exception 2. The cost of the Title Policy to Seller shall be paid by Buyer. The Title Policy shall also include any available extended coverage or endorsements that Buyer has reasonably requested.

7. DUE DILIGENCE.

7.1 Scope of Due Diligence. Upon the opening of Escrow, Seller shall provide Buyer with any and all documents and information in Seller's possession and knowledge concerning the Property, and Buyer shall have the right to require Seller to provide an analysis of the Property consisting of such engineering, feasibility studies, soils tests, environmental studies and other investigations as Buyer in its sole discretion may desire, to permit Buyer to determine the suitability of the Property for Buyer's contemplated uses and to conduct such other review and investigation which Buyer deems appropriate to satisfy itself to acquire the Property. Buyer shall further have the right to make an examination of all licenses, permits, authorizations, approvals and governmental regulations which affect the Property, including zoning and land use issues and conditions imposed upon the Property by governmental agencies. Upon Opening of Escrow, Seller shall make available to Buyer true, correct and complete copies of all contracts which relate to the Property (together with any amendments or modifications thereto), and all reports in Seller's possession respecting the physical condition of the Property, if any, and any other information in Seller's possession or control. Buyer is acquiring the Property for the Project (as described in Recital B above). Buyer's obligation to purchase the Property is subject to Buyer's determination, in its sole discretion, that the Property is suitable for such use. Buyer's election to close Escrow and acquire title to the Property will constitute and be evidence of Buyer's determination regarding the suitability of the Property for such purposes. In the event Buyer determines the Property is not suitable for such purposes, Buyer may terminate this Agreement. Buyer may, in its sole discretion, elect to obtain (at its sole cost and expense) a Phase I Environmental Assessment ("**Phase I**") of the Property and, if recommended by Buyer's environmental consultants, a Phase II Environmental Assessment ("**Phase II**"). Upon forty-eight (48) hours prior written notice, Buyer, its agents and consultants, may have access to the Property in order to conduct the Phase I (and, if required, Phase II); provided further that any invasive testing that may be required as a part of a Phase II will occur at times and in those locations mutually agreed upon by the Parties. Buyer will be responsible to repair any damage caused by invasive testing. Subject to the requirement of forty-eight (48) hours prior notice to Seller, Buyer and its consultants may conduct such other inspections of the Property as Buyer may desire or deem appropriate, in Buyer's sole discretion, to determine the suitability of the Property for Buyer's intended use.

7.2 Approval of Due Diligence Matters. Buyer shall notify Seller in writing ("**Buyer's Due Diligence Notice**") no later than seventy-five (75) days from the Opening of Escrow ("**Due Diligence Period**"), of Buyer's approval or disapproval of the condition of the Property and Buyer's investigations with respect thereto (excluding title matters which are to be approved or disapproved pursuant to Section 6), which approval may be issued or withheld in Buyer's sole and absolute discretion. Buyer's failure to deliver Buyer's Due Diligence Notice on or before the Due Diligence Date shall be conclusively be deemed Buyer's disapproval thereof.

7.3 Right to Enter. Commencing upon Opening of Escrow, Seller grants Buyer, its agents and employees a limited license to enter upon the Property for the purpose of conducting engineering surveys, soil tests, investigations or other studies reasonably necessary to evaluate the condition of the Property, which studies, surveys, reports, investigations and tests shall be done at Buyer's sole cost and expense. Prior to entry onto the Property, Buyer shall (i) provide Seller forty-eight (48) hours prior written notice where reasonable under the circumstances; (ii) conduct all studies in a diligent, expeditious and safe manner and not allow any dangerous or hazardous conditions to occur on the Property during or after such investigation; (iii) comply with all applicable laws and governmental regulations; (iv) keep the Property free and clear of all materialmen's liens, lis pendens and other liens arising out of the entry and work performed under this provision; (v) maintain or assure maintenance of workers' compensation insurance (or state approved self-insurance) on all persons entering the Property in the amounts required by the State

of California; (vi) Buyer shall maintain an all-risk public liability insurance policy written on a per occurrence and not claims made basis in a combined single limit of not less than TWO MILLION DOLLARS (\$2,000,000) which insurance names Seller as additional insured; (vii) return the Property to substantially its original condition following Buyer's entry; and (viii) take title to the Property at closing subject to any title exceptions caused by Buyer exercising this right to enter. If Buyer elects to not purchase the Property, copies of all reports and investigations shall be provided to Seller.

Buyer agrees to indemnify, and hold Seller free and harmless from and against any and all losses, damages (whether general, punitive or otherwise), liabilities, claims, causes of action (whether legal, equitable or administrative), judgments, court costs and legal or other expenses (including reasonable attorneys' fees) which Seller may suffer or incur as a consequence of Buyer's exercise of the license granted pursuant to this Section 7.3 or any act or omission by Buyer, any contractor, subcontractor or material supplier, engineer, architect or other person or entity acting by or under Buyer (except Seller and its agents) with respect to the Property, excepting any and all losses, damages (whether general, punitive or otherwise), liabilities, claims, causes of action (whether legal, equitable or administrative), judgments, court costs and legal or other expenses (including reasonable attorneys' fees) arising from the mere discovery by Buyer of any hazardous materials or conditions and excepting to the extent such claims arise out of the negligence or misconduct of Seller. Buyer's obligations under this Section 7.3 shall survive termination of this Agreement for any reason.

7.4 Natural Hazard Disclosure Report. Upon Opening of Escrow, Escrow Holder shall order a commercial Natural Hazards Disclosure report for the Property from Disclosure Source ("**NHD Report**") to be delivered to Buyer by Escrow Holder. Buyer shall have the right to review the NHD Report during the Due Diligence Period. Buyer shall pay for the NHD Report.

8. CONDITIONS PRECEDENT TO CLOSE OF ESCROW.

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

- (a) Title Company will issue the Title Policy as specified in Section 6.2.
- (b) Buyer has approved the condition of the Property by issuance of the Buyer's Due Diligence Notice pursuant to Section 7.2.
- (c) Escrow Holder holds and will deliver to Buyer the instruments and funds, if any, accruing to Buyer pursuant to this Agreement.
- (c) Seller is not in default of its obligations under this Agreement.

8.2 Conditions to Seller's Obligations. The obligations of Seller under this Agreement are subject to the satisfaction or written waiver, in whole or in part, by Seller of the following conditions precedent:

- (a) Buyer has executed the acceptance of the Certificate of Acceptance and delivered same to Escrow Holder to be attached to the Grant Deed prior to recordation.
- (b) Escrow Holder holds and will deliver to Seller the instruments and funds accruing to Seller pursuant to this Agreement.

(c) Buyer is not in material default of its obligations under this Agreement.

9. REPRESENTATIONS AND WARRANTIES.

9.1 *General Representations and Warranties.*

Seller hereby makes the following representations and warranties to Buyer, each of which is true in all respects as of the Opening of Escrow and shall be true in all respects on the date of Close of Escrow on the Property:

(a) There are no natural or environmental hazards located on the Property that would limit its marketability, merchantability, or suitability for development or impede its use in any way.

(b) To the best of Seller's knowledge and understanding the Property is not in violation of any federal, state or local law, ordinance or regulation relating to industrial hygiene or to the environmental conditions on, under or about the Property including, but not limited to, soil and ground water conditions. Seller has received no written notice from any third parties, prior owners of the Property, or any federal, state or local governmental agency indicating that any hazardous waste remedial or clean-up work will be required on the Property. To the best of Seller's knowledge, there are no environmental, health or safety hazards on, under or about the Property, including but not limited to soil and groundwater conditions. Neither Seller, nor to the best of Seller's knowledge any third party (including but not limited to Seller's predecessors in title to the Property), has used or installed any underground tank, or used, generated, manufactured, treated, stored, placed, deposited or disposed of on, under or about the Property or transported to or from the Property any flammable explosives, radioactive materials, hazardous wastes, toxic substances or related materials ("**Hazardous Materials**," which for the purpose of this Agreement shall include, but shall not be limited to, substances defined as "hazardous substances, hazardous materials or toxic substances" in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. §§ 9601 *et seq.*; the Hazardous Materials Transportation Act, 49 U.S.C. §§ 1801 *et seq.*; the Resource Conservation and Recovery Act, 42 U.S.C. §§ 6901 *et seq.*; those substances defined as "hazardous wastes" in Section 25117 of the California Health & Safety Code or as "hazardous substances" in Section 25316 of the California Health & Safety Code; and those chemicals known to cause cancer or reproductive toxicity, as published pursuant to the Safe Drinking Water and Toxic Enforcement Act of 1986, Sections 25249.5 *et seq.*, of the California Health & Safety Code; and in the regulations adopted and publications promulgated pursuant to each of the aforesaid laws).

(c) There are no contracts, leases, claims or rights affecting the Property and no agreements entered into by or under Seller which shall survive the Close of Escrow that would adversely affect Buyer's rights with respect to the Property except as heretofore disclosed in writing by Seller to Buyer.

(d) Seller has received no written notice from any third parties, prior owners of the Property, of any federal, state or local governmental agency, indicating that any hazardous waste remedial or clean-up work will be required on the Property.

(e) There are no easements or encroachments onto the Property by buildings or improvements on any adjoining property, nor do any buildings or improvements on the Property encroach on other properties.

(f) Seller is not a foreign person as defined in Internal Revenue Code Section

1445(f)(3).

(g) Seller has the unimpeded power and Buyer to execute, deliver and perform Seller's obligations under this Agreement and the documents executed and delivered by Seller pursuant hereto.

(h) Seller is the sole owner, in fee simple, of and have the right and legal ability to transfer said property to the Buyer as set forth in this Agreement

(i) To the best of Seller's knowledge the Property complies with all applicable laws and governmental regulations including, without limitation, all applicable federal, state, and local laws pertaining to air and water quality, hazardous waste, waste disposal, and other environmental matters, including, but not limited to, the Clean Water, Clean Air, Federal Water Pollution Control, Solid Waste Disposal, Resource Conservation Recovery and Comprehensive Environmental Response Compensation and Liability Acts, and the California Environment Quality Act, and the rules, regulations, and ordinances of the city within which the subject property is located, the California Department of Health Services, the Regional Water Quality Control Board, the State Water Resources Control Board, the Environmental Protection Agency, and all applicable federal, state, and local agencies and bureaus.

9.2 Survival of Representations and Warranties of Seller. The representations and warranties provided in this Section 9 shall survive the Closing and delivery of the Grant Deed and shall not be affected by any investigation, verification or approval by either party or by anyone on behalf of either party.

9.3 Breach; Indemnification. If a breach of a representation or warranty occurs before Closing and the party adversely affected by the breach is aware that such a breach has occurred, the breach shall be grounds to terminate this Agreement. Seller agrees to indemnify, defend with counsel selected by Buyer, protect and hold harmless Buyer, its officers, employees and agents from and against all claims, damages, costs, liabilities and expenses of any kind whatsoever paid, incurred or suffered by or asserted against the Property or any indemnified party directly or indirectly arising from or attributable to: (i) any breach by Seller of any of its agreement warranties or representations set forth in this Agreement, (ii) any amounts expended by Buyer to secure exclusive possession free of any occupant, or (iii) any amounts expended by Buyer to secure or have removed any tenants or occupants not disclosed herein.

10. ESCROW PROVISIONS.

10.1 Escrow Instructions. Sections 1.1, 2 through 6, inclusive, 8, 10, 13 and 14 constitute the escrow instructions to Escrow Holder. If required by Escrow Holder, Buyer and Seller agree to execute Escrow Holder's standard escrow instructions, provided that the same are consistent with and do not conflict with the provisions of this Agreement. In the event of any such conflict, the provisions of this Agreement shall prevail. The terms and conditions in sections of this Agreement not specifically referenced above are additional matters for information of Escrow Holder, but about which Escrow Holder need not be concerned. Buyer and Seller will receive Escrow Holder's general provisions directly from Escrow Holder and will execute such provision upon Escrow Holder's request. To the extent that the general provisions are inconsistent or conflict with this Agreement, the general provisions will control as to the duties and obligations of Escrow Holder only. Buyer and Seller agree to execute additional instructions, documents and forms provide by Escrow Holder that are reasonably necessary to close Escrow.

10.2 General Escrow Provisions. Escrow Holder shall deliver the Title Policy to the

Buyer and instruct the Los Angeles County Recorder to mail the Grant Deed to Buyer at the address set forth in Section 13 after recordation. All funds received in this Escrow shall be deposited in one or more general escrow accounts of the Escrow Holder with any bank doing business in Los Angeles County, California, and may be disbursed to any other general escrow account or accounts. All disbursements shall be according to that party's instructions.

10.3 Proration of Real Property Taxes. All non-delinquent general and special real property taxes shall be prorated to the Close of Escrow on the basis of a thirty (30) day month and a three hundred sixty (360) day year. In the event that property taxes are assessed on a parcel of real property which includes land other than the Property, such proration shall include only taxes attributable to the Property, calculated in terms of total gross square feet of land assessed pursuant to the tax statement versus total gross square footage of the Property. Buyer is exempt from real property taxes so if any amount has been paid by Seller which would otherwise be reimbursable to Seller, Seller shall apply to the County for the applicable refund.

10.4 Payment of Costs.

- a. **Cost Allocation.** Buyer shall pay the costs for the Title Policy, pay all Buyer's and Seller's usual fees, charges, and costs which arise in this escrow, and the NHD Report ("**Buyer's Charges**"). Seller shall pay any fees and costs charged by any lender to obtain releases or consents or otherwise put title in the condition described in Section 6 (including any applicable recording fees for such documents) ("**Seller's Charges**"). All other costs of Escrow not otherwise specifically allocated by this Agreement shall be apportioned between the parties in a manner consistent with the custom and usage of Escrow Holder.

NOTE: Buyer is a public agency and, therefore, (i) is exempt from recording charges applicable to the Grant Deed pursuant to Govt Code § 6103; and (ii) no documentary transfer taxes are due because the Property is being transferred to a governmental agency and is, therefore, exempt pursuant to Revenue & Taxation Code §11922.

- b. **Closing Statement.** At least three (3) business days prior to the Closing Date, Escrow Holder shall furnish Buyer and Seller with a preliminary Escrow closing statement which shall include each party's respective shares of costs. The preliminary closing statement shall be approved in writing by the parties. As soon as reasonably possible following the Close of Escrow, Escrow Holder shall deliver a copy of the final Escrow closing statement to the Parties.

10.5 Termination and Cancellation of Escrow. If Escrow fails to close as provided above, either party may elect to cancel this Escrow upon written notice to the other party and Escrow Holder. Upon cancellation, Escrow Holder is instructed to return all funds and documents then in Escrow to the respective depositor of the same with Escrow Holder. Cancellation of Escrow, as provided herein, shall be without prejudice to whatever legal rights Buyer or Seller may have against each other arising from the Escrow or this Agreement.

10.6 Information Report. Escrow Holder shall file and Buyer and Seller agree to cooperate with Escrow Holder and with each other in completing any report ("**Information Report**") and/or other information required to be delivered to the Internal Revenue Service pursuant to Internal Revenue Code § 6045(e) regarding the real estate sales transaction contemplated by this Agreement, including without limitation, Internal Revenue Service Form 1099-B as such may be hereinafter modified or amended by the Internal Revenue Service, or as may be required pursuant

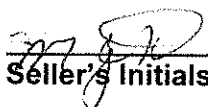
to any regulation now or hereinafter promulgated by the Treasury Department with respect thereto. Buyer and Seller also agree that Buyer and Seller, their respective employees and attorneys, and escrow Holder and its employees, may disclose to the Internal Revenue Service, whether pursuant to such Information Report or otherwise, any information regarding this Agreement or the transactions contemplated herein as such party reasonably deems to be required to be disclosed to the Internal Revenue Service by such party pursuant to Internal Revenue Code Section 6045(e), and further agree that neither Buyer nor Seller shall seek to hold any such party liable for the disclosure to the Internal Revenue Service of any such information.

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

10.8 Brokerage Commissions. The parties acknowledge and represent that Buyer shall pay no commission to any broker or finder in connection with the purchase and sale of the Property. Buyer and Seller each agree to indemnify and hold the other parties harmless from and against all liabilities, costs, damages and expenses, including, without limitation, attorneys' fees, resulting from any claims or fees or commissions, based upon agreements by it, if any, to pay a broker's commission and/or finder's fee except as specified above.

11. LIQUIDATED DAMAGES.

IF BUYER SHOULD MATERIALLY DEFAULT UNDER THIS AGREEMENT, BUYER AND SELLER AGREE THAT SELLER WILL INCUR DAMAGES BY REASON OF SUCH DEFAULT WHICH DAMAGES SHALL BE IMPRACTICAL AND EXTREMELY DIFFICULT, IF NOT IMPOSSIBLE, TO ASCERTAIN. THEREFORE, BUYER AND SELLER, IN A REASONABLE EFFORT TO ASCERTAIN WHAT SELLER'S DAMAGES WOULD BE IN THE EVENT OF SUCH DEFAULT BY BUYER HAVE AGREED BY PLACING THEIR INITIALS BELOW THAT THE DEPOSIT SHALL CONSTITUTE A REASONABLE ESTIMATE OF SELLER'S DAMAGES UNDER THE PROVISIONS OF SECTIONS 1671 AND 1677 OF THE CALIFORNIA CODE OF CIVIL PROCEDURE FOR A BREACH PRIOR TO THE CLOSING. IF BUYER FAILS TO PROMPTLY DELIVER THE SUM SPECIFIED ABOVE TO SELLER, SUCH FAILURE SHALL CONSTITUTE A MATERIAL BREACH OF THIS PROVISION AND SELLER MAY ELECT TO SUE BUYER UNDER THIS PROVISION OR TO WAIVE THIS PROVISION AND PROCEED AGAINST BUYER FOR ALL APPLICABLE DAMAGES RESULTING FROM BUYER'S DEFAULT. THIS PROVISION DOES NOT APPLY TO OR LIMIT IN ANY WAY THE INDEMNITY OBLIGATIONS OF BUYER UNDER THIS AGREEMENT.



Seller's Initials

Buyer's Initials

12. NON-COLLUSION. No official, officer, or employee of the Buyer has any financial interest, direct or indirect, in this Agreement, nor shall any official, officer, or employee of the Buyer participate in any decision relating to this Agreement which may affect his/her financial interest or the financial interest of any corporation, partnership, or association in which (s)he is directly or indirectly interested, or in violation of any interest of any corporation, partnership, or association in which (s)he is directly or indirectly interested, or in violation of any State or municipal statute or regulation. The determination of "financial interest" shall be consistent with State law and shall not

include interest found to be "remote" or "non interest" pursuant to California Government Code §§ 1091 and 1091.5. Seller warrants and represents that (s)he/it has not paid or given, and will not pay or give, to any third party including, but not limited to, and Buyer official, officer, or employee, any money, consideration, or other thing of value as a result or consequence of obtaining or being awarded this Agreement. Seller further warrants and represents that (s)he/it has not engaged in any act(s), omission(s), or other conduct or collusion that would result in the payment of any money, consideration, or other thing of value to any third party including, but not limited to, any Buyer official, officer, or employee, as a result or consequence of obtaining or being awarded any agreement. Seller is aware of and understands that any such act(s), omission(s) or other conduct resulting in the payment of money, consideration, or other thing of value will render this Agreement void and of no force or effect.

Seller's Initials: M J D _____

13. NOTICES. Any notice which either party may desire to give to the other party or to the Escrow Holder must be in writing and may be given by personal delivery or by mailing the same by registered or certified mail, return receipt requested, to the party to whom the notice is directed at the address of such party hereinafter set forth, or such other address and to such other persons as the parties may hereafter designate:

To Seller: John Donohue & Mary Jean Donohue
2874 W. Ray Road #6-238
Chandler, AZ 85224-3524

Thomas James & Martha James, Trustees
2874 W. Ray Road #6-238
Chandler, AZ 85224-3524

To Buyer: Palmdale Water District
116 East Foothill Blvd
Glendora, CA 91741
Attn: General Manager

With a Copy to: Aleshire & Wynder, LLP
3880 Lemon Street, Suite 520
El Segundo, CA 90245
Attn: G. Ross Trindle, Esq.

To Escrow Holder: Commonwealth Title Insurance Company
601 S. Figueroa Street (40th Floor) Suite 4000
Los Angeles, CA 90017
Cheryl Greer, Escrow Officer

14. GENERAL PROVISIONS.

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

14.2 Attorney's Fees. In any action between the parties hereto, seeking enforcement of any of the terms and provisions of this Agreement or the Escrow, or in connection with the

Property, the prevailing party in such action shall be entitled, to have and to recover from the other party its reasonable attorneys' fees and other reasonable expenses in connection with such action or proceeding, in addition to its recoverable court costs.

14.3 Interpretation; Governing Law. This Agreement shall be construed according to its fair meaning and as if prepared by both parties hereto. This Agreement shall be construed in accordance with the laws of the State of California in effect at the time of the execution of this Agreement. Titles and captions are for convenience only and shall not constitute a portion of this Agreement. As used in this Agreement, masculine, feminine or neuter gender and the singular or plural number shall each be deemed to include the others wherever and whenever the context so dictates.

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

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

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

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

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

14.9 Exhibits. Exhibits A and B attached hereto are incorporated herein by reference.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement for Purchase and Sale of Real Property Under Threat of Condemnation and Escrow Instructions as of the date set forth above.

Note: Sections 1.2, 11 and 12 need to be separately initialed by the parties as applicable.

SELLER:

BUYER:

JOHN DONOHUE AND MARY JEAN DONOHUE, HUSBAND AND WIFE AS JOINT TENANTS AS TO AN UNDIVIDED 1/2 INTEREST AND THOMAS JAMES AND MARTHA JAMES, TRUSTEE OF THE THOMAS JAMES REVOCABLE TRUST, DATED SEPTEMBER 11, 1991, AS TO AN UNDIVIDED 1/2 INTEREST

PALMDALE WATER DISTRICT,
a California public agency

By: _____

Name

Its

Dated: _____, 202__

ATTEST:

District Secretary

JOHN DONOHUE

Mary Jean Donohue

MARY JEAN DONOHUE

THOMAS JAMES, TRUSTEE

MARTHA JAMES, TRUSTEE

Dated: 2-24, 2023

Accepted:

ESCROW HOLDER:

Accepted and agreed to:

COMMONWEALTH TITLE
INSURANCE COMPANY

By: _____
Escrow Officer

Dated: _____, 2023

APPROVED AS TO FORM:

ALESHIRE & WYNDER, LLP

By: _____
G. Ross Trindle, General Counsel



SANTOLUCITO DORÉ
GROUP, INC.
REAL ESTATE SERVICES

FAIR MARKET VALUE APPRAISAL
OWNERSHIP: DONOHUE/THOMAS
APN: 3022-011-001

PARLAY 2.0: Welcome, Christine Your subscription is active.



PREPARED FOR:
Palmdale Water District
c/o Overland, Pacific and
Cutler, LLC
5000 Airport Place Drive,
Suite 250
Long Beach, CA 90815

PREPARED BY:
Santolucito Doré Group, Inc.
31600 Railroad Canyon Road
Suite 100-L
Canyon Lake, CA 92587



December 9, 2022

Palmdale Water District
c/o Mr. Kelly Dewitt
Project Manager
Overland, Pacific and Cutler, LLC
5000 Airport Place Drive, Suite 250
Long Beach, CA 90815

RE: Real Estate Appraisal Report
14.67 Acres of Vacant Industrial Land
East Side of 25th Street East, North of East Avenue Q
Palmdale, California 93550
Assessor's Parcel Number: 3022-011-001
File Name: SDG-2022-100

Dear Mr. Dewitt:

Pursuant to your request, we performed an appraisal of the above referenced property as more particularly described in the appraisal report to follow. More specifically, the larger parcel is one legal parcel of M2 Industrially Zoned land. The parcel reflects a gross site area of 14.67 acres, or 639,025 square feet. It can be further identified as Assessor's Parcel Number (APN) 3022-011-001.

The client and intended users for this assignment are the Palmdale Water District and Overland, Pacific and Cutler, LLC. The intended use of the appraisal is to provide an opinion of the fair market value of the site for possible property acquisition purposes; specifically, a full acquisition of the parcel.

This appraisal report has been prepared in accordance with our interpretation of the State of California's guidelines and requirements and the *Uniform Standards of Professional Appraisal Practice (USPAP)* and California Eminent Domain Law.

Your attention is directed to the Hypothetical Conditions, Extraordinary Assumptions, and General Conditions and Assumptions sections of this report (beginning on page 7). Acceptance of this report constitutes an agreement with these conditions and assumptions. Please reference page 12 of this report for important information regarding the scope of research and analysis for this appraisal - including property identification, inspection, highest and best use analysis and valuation methodology.

We certify that we have no present or contemplated future interest in the property beyond this estimate of value. The appraiser has not performed any prior services regarding the subject within the previous three years of the appraisal date.



Palmdale Water District
c/o Overland, Pacific and Cutler, LLC
December 9, 2022
Page 2

Based on the appraisal described in the accompanying report, subject to the Hypothetical Conditions, Extraordinary Assumptions and General Conditions and Assumptions, we have made the following value conclusion(s):

VALUE CONCLUSION	
FAIR MARKET VALUE AS OF November 12, 2022	Subject Property \$650,000

Of note, the value conclusion(s) in this report consider the impact the global Coronavirus (COVID-19) pandemic has had in the local market, if any. Additional discussion is provided in the Neighborhood and Market Summary section later in this report.

Thank you for the opportunity of submitting this appraisal. If we can be of further service, please do not hesitate to call.

Respectfully submitted,
Santolucito Doré Group Inc.

Christine S. Santolucito, R/W-AC
President
California-AG043715
Expiration: February 14, 2024
christie@sdgroupinc.com

Lance W. Doré, MAI, FRICS
Vice President
California-AG002464
Expiration: October 1, 2024
lance@sdgroupinc.com

Meredith McDonald
Appraiser/Consultant
California-AG043409
Exp: December 13, 2023
Mmcdonald.appraiser@gmail.com

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SUMMARY OF SALIENT FACTS & CONCLUSIONS

GENERAL

SUBJECT PROPERTY:	<p>The subject of this appraisal is an approximate 14.67-acre, industrially zoned site</p> <p>East Side of 25th Street East, north of East Avenue Q Palmdale, California 93550</p>
OWNER:	<p>According to the Preliminary Title Report provided for review, dated August 23, 2022, ownership is vested as follows:</p> <p>John Donohue and Mary Jean Donohue, husband and wife as joint tenants as to an undivided ½ interest and Thomas James and Martha James, Trustee of the Thomas James Revocable Trust, dated September 11, 1991 as to an undivided ½ interest</p>
LEGAL DESCRIPTION:	<p>Please reference the Legal Description included in the Preliminary Title Report, included in the Addenda.</p>
ASSESSOR PARCEL NUMBER(S):	<p>3022-011-001</p>
EFFECTIVE DATE / REPORT DATE:	<p>November 12, 2022 / December 9, 2022</p>
INTENDED USE:	<p>The purpose and intended use of the appraisal is to provide an opinion of fair market value for property acquisition purposes; specifically, a full acquisition of the larger parcel.</p>
INTENDED USER(S):	<p>The intended users of this report include the Client and Palmdale Water District.</p>
SALES HISTORY:	<p>Title to the property is currently vested as listed above; the current owners purchased the property in March 1969.</p> <p>There have been no market sales or transfers in the past five years.</p>
CURRENT LISTING / CONTRACT(S):	<p>According to Mr. Ron Hier, broker with The Hier Advantage, the property has been listed on the open market since February 2021. A public listing was discovered through CoStar and the Multiple Listing Service for the subject property indicating a current asking price of \$699,000. Mr. Hier indicated that there have been multiple offers on the property over the past year, mostly verbal offers to purchase</p>



the property with only one written offer. The offers range from under \$600,000 to \$650,000. As of the effective date of this appraisal report, the property is still listed for sale.

PROPERTY

LAND AREA:	Approximately 14.67 acres, or 639,025 square feet, per the Assessor's Parcel Map.
ACCESS:	Street access is provided by way of 25 th Street East.
TOPOGRAPY:	The subject appears to be at street grade.
AVAILABLE UTILITIES:	Southern California Edison, City of Palmdale Utilities Division, Sanitation District of Los Angeles County, Palmdale Water District, Los Angeles County Waterworks and Southern California Gas Company. All public utilities are available at the subject site and assumed typical and adequate for the market area.
IMPROVEMENTS / PERSONAL PROPERTY:	The subject larger parcel is vacant land; there are no building or site improvements. There is no personal property located on the site.
ZONING:	M2, General Industrial
HIGHEST & BEST USE:	<p>“Highest and best use is defined as the reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value.”</p> <p>Physical factors play the greatest role in determining the subject larger parcel's highest and best use. The highest and best use is concluded to be industrial development, as allowed by current zoning.</p>
FLOOD ZONE:	The subject is located in Flood Zone X, according to FEMA, Map Panel 06037C0700F, dated September 26, 2008. Zone X is not considered a flood hazard area.

VALUE CONCLUSION

FAIR MARKET VALUE	Subject Property
AS OF November 12, 2022	\$650,000



HYPOTHETICAL CONDITIONS AND EXTRAORDINARY ASSUMPTIONS

Acceptance of and/or use of this report constitutes acceptance of the indicated Hypothetical Conditions and Extraordinary Assumptions; these can only be modified in a written document(s) executed by both parties.

HYPOTHETICAL CONDITIONS

A hypothetical condition is defined as “a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in the analysis.”¹

There are no hypothetical conditions applicable to this specific appraisal assignment.

EXTRAORDINARY ASSUMPTIONS

An extraordinary assumption is defined as “an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser’s opinions or conclusions. Uncertain information might include physical, legal, or economic characteristics of the subject property; or conditions external to the property, such as market conditions or trends; or the integrity of data used in the analysis.”²

There are no extraordinary assumptions applicable to this specific appraisal assignment.

¹ Uniform Standards of Professional Appraisal Practice, 2020-2022 Edition.

² Ibid.

GENERAL CONDITIONS AND ASSUMPTIONS

The appraisal has been completed subject to the following General Conditions and Assumptions:

- This appraisal was completed per the requirements of the *Uniform Standards of Professional Appraisal Practice (USPAP)* and those additional requirements expected of a member of the Appraisal Institute. The development process used was a complete analysis that is documented in this appraisal report.
- By use of this appraisal report, each party that uses this report agrees to be bound by all of the Hypothetical Conditions and Extraordinary Assumptions stated herein. The opinions are only as of the date stated in the appraisal report. Changes since that date in external and market factors, or in the subject property itself, can significantly affect the conclusions presented in the appraisal report.
- This appraisal is to be used only for the purpose stated herein. While distribution of this appraisal in its entirety is at the discretion of the client, individual sections shall not be distributed as this report is intended to be used in whole and not in part.
- All files, work papers and documents developed in connection with this assignment are the property of Santolucito Doré Group, Inc.. No part of this appraisal, its value estimates, or the identity of the firm or the appraiser(s) may be communicated to the public through advertising, public relations, media sales, or other media without Santolucito Doré Group, Inc.'s prior written consent. If the appraisal report is referred to or included in any offering material or prospectus, the report shall be deemed referred to or included for informational purposes only and Santolucito Doré Group, Inc., its employees, and the appraiser(s) have no liability to such recipients. Santolucito Doré Group, Inc. disclaims any and all liability to any party other than the party that retained Santolucito Doré Group, Inc. to prepare the appraisal report.
- The information contained in this appraisal report, or upon which the report is based, has been gathered from sources the appraiser(s) assumes to be reliable and accurate. The owner of the subject property may have provided some of such information. Neither the appraiser(s), nor Santolucito Doré Group, Inc., shall be responsible for the accuracy or completeness of such information, including the correctness of estimates, opinions, dimensions, sketches, exhibits, and factual matters. Any authorized user of the appraisal report is obligated to bring to the attention of Santolucito Doré Group, Inc. any inaccuracies or errors that it believes are contained in the report. Any plans provided are intended to assist the client in visualizing the property; no other use of these plans is intended or permitted. Appraisals are based on the data available at the time the assignment is completed. Amendments/modifications to appraisals based on new information made available after the appraisal was completed will be made, as soon as reasonably possible, for an additional fee.
- No part of the appraisal report shall be used in conjunction with any other analyses. Reference to the Appraisal Institute or to the MAI designation is prohibited. Except as may be otherwise stated in the letter of engagement, the appraisal report may not be used by any person(s) other than the party(ies) to whom it is addressed or for purposes



other than that for which it was prepared. Any authorized user(s) of this appraisal report who provides a copy to, or permits reliance thereon by, any person or entity not authorized by Santolucito Doré Group, Inc. in writing to use or rely thereon, hereby agrees to indemnify and hold Santolucito Doré Group, Inc., its affiliates and their respective shareholders, directors, officers and employees, harmless from and against all damages, expenses, claims and costs, including attorneys' fees, incurred in investigating and defending any claim arising from or in any way connected to the use of, or reliance upon, the appraisal report by any such unauthorized person(s) or entity(ies).

- If the appraisal report is submitted to a lender or investor with the prior approval of Santolucito Doré Group, Inc., such party should consider this report as only one factor, together with its independent investment considerations and underwriting criteria, in its overall investment decision. Such lender or investor is specifically cautioned to understand all Hypothetical Conditions and Extraordinary Assumptions incorporated in this appraisal report.
- The appraiser(s) may not divulge the material (evaluation) contents of the report, analytical findings, or conclusions, or give a copy of the report to anyone other than the client, legal authorities via subpoena, or the Appraisal Institute.
- The appraisal report is based on the assumption of: (a) responsible ownership and competent management of the subject property; (b) no hidden or unapparent conditions of the subject property, subsoil or structures that render the property more or less valuable (no responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them); (c) full compliance with all applicable federal, state and local zoning and environmental regulations and laws, unless noncompliance is stated, defined and considered in the Report; and (d) all required licenses, certificates of occupancy and other governmental consents have been or can be obtained and renewed for any use on which the value opinion contained in the appraisal report is based.
- The physical condition of the improvements (if any) considered by the appraiser(s) is based on visual inspection by the appraiser(s). Santolucito Doré Group, Inc. assumes no responsibility for the soundness of structural components or for the condition of mechanical equipment, plumbing or electrical components.
- The presence of hazardous substances may affect the value of the subject property. No hidden or unapparent conditions of the subject property, subsoil or structure, including without limitation, asbestos, formaldehyde foam insulation, polychlorinated biphenyl, petroleum leakage, or agricultural chemicals, which would make the property more or less valuable, were discovered by or made known to the appraiser(s). The appraiser(s) is not qualified to test for such substances and no responsibility is assumed for such conditions or engineering necessary to discover them. Unless otherwise stated, the appraiser(s) assumed there was no existence of hazardous materials or conditions, in any form, on or near the subject property.
- No opinion is intended to be expressed and no responsibility is assumed for the legal description or for any matters that are legal in nature or require legal expertise or specialized knowledge beyond that of a real estate appraiser. Title to the subject

property was presumed to be good and merchantable and the property was appraised assuming there were no adverse easements, encroachments, liens, encumbrances, special assessments, or other restrictions.

- The appraised value was based on the assumption that there were no tax liens affecting the subject property. Unless otherwise noted, the subject property was found to be current in the payment of real estate taxes as of the date of value according to the applicable county treasurer-tax collector. It was assumed that any special assessments affecting the subject property are typical and appropriate for the area and do not have an impact on the value conclusion in this report and that any outstanding bonds have been paid.
- Unless stated herein, the subject property is assumed to be outside of areas where flood hazard insurance is mandatory. Maps used by public and private agencies to determine these areas are limited with respect to accuracy. Due diligence has been exercised in interpreting these maps, but no responsibility is assumed for misinterpretation.
- Santolucito Doré Group, Inc. was not provided with a Biological Survey detailing possible biological species. Without a recent biological survey of the property, it could not be determined which species are actually on or frequent the subject land. The vegetation cover on the subject land is typical for the area and may provide habitat for many indigenous animal species found throughout the area.
- No opinion is expressed with regard to potential seismic impact and it was assumed that the subject's potential risks are similar to those shared by most properties throughout the region. Santolucito Doré Group, Inc. makes no warranty as to the seismic stability of the subject land. The assumption was made that any future development of the property, if any, would occur in accordance with all appropriate regulations and ordinances regarding grading, fill, and applicable building codes.
- Any ground lease referred to in the appraisal report may be based on lease summaries provided by the owner or third parties. The appraiser(s) assumes no responsibility for the authenticity or completeness of lease information provided by others. Santolucito Doré Group, Inc. recommends that legal advice be obtained regarding the interpretation of lease provisions and the contractual rights of parties. Any forecasts are not predictions of the future. Rather, they are the appraiser's best opinions of current market thinking on future income and expenses. The appraiser(s) and Santolucito Doré Group, Inc. make no warranty or representation that these forecasts will materialize. The real estate market is constantly fluctuating and changing. It is not the appraiser's task to predict or in any way warrant the conditions of a future real estate market; the appraiser(s) can only reflect what the investment community, as of the date of the appraisal report, envisages for the future in terms of rental rates, expenses, and supply and demand.
- Except as may be otherwise stated in the letter of engagement, the appraiser(s) shall not be required to give testimony in any court or administrative proceeding relating to the subject property or the appraisal. If the appraiser(s) is subpoenaed pursuant to a court order, the client agrees to pay the Santolucito Doré Group, Inc.'s regular per diem rate plus expenses.

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- In the event of a claim against Santolucito Doré Group, Inc., its affiliates, their respective officers or employees, or the appraiser(s) in connection with or in any way relating to this appraisal report or this engagement, the maximum damages recoverable shall be the amount of the monies actually collected by Santolucito Doré Group, Inc. or its affiliates for this appraisal report and under no circumstances shall any claim for consequential damages be made.
 - Any estimate of insurable value, if included within the agreed upon scope of work and presented within this report, is based upon figures derived from a national cost estimating service and is developed consistent with industry practices. However, actual local and regional construction costs may vary significantly from our estimate and individual insurance policies and underwriters have varied specifications, exclusions, and non-insurable items. As such, it is strongly recommended that the client obtain estimates from professionals experienced in establishing insurance coverage for replacing any structure. This analysis should not be relied upon to determine insurance coverage. Furthermore, the appraiser(s) makes no warranties regarding the accuracy of this estimate.
 - Necessary licenses, permits, consents, legislative or administrative authority from any local, state, or federal government, or private entity, are assumed to be in place or reasonably obtainable.

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SCOPE OF WORK

According to the *Uniform Standards of Professional Appraisal Practice (USPAP)*, it is the appraiser's responsibility to develop and report a scope of work that results in credible results that are appropriate for the appraisal problem and intended user(s). Therefore, the appraiser must identify and consider:

- the client and intended users;
- the intended use of the report;
- the type and definition of value;
- the effective date of value;
- assignment conditions;
- typical client expectations; and
- typical appraisal work by peers for similar assignments.

In preparing this report, we investigated numerous land sales and listings from the area and confirmed all data with buyers, sellers, brokers, property developers, and/or public officials when possible. We collected, confirmed, and reported data that were applicable in the valuation process. Data collection involved the use of various sources including CoStar, LoopNet, Multiple Listing Service, RealQuest, Dataquick, Inc. (data collection services), Los Angeles County deed records, and in-house materials. The data collected and confirmed have been reported to an extent sufficient for the particular appraisal problem involved.

The client and intended users for this assignment are the Palmdale Water District and Overland, Pacific and Cutler, LLC. The intended use of the appraisal is to provide an opinion of the fair market value of the site for possible property acquisition purposes; specifically, a full acquisition of the parcel.

SCOPE OF WORK

REPORT TYPE:	This is an Appraisal Report as defined by Uniform Standards of Professional Appraisal Practice under Standards Rule 2-2(a). This format provides a summary of the appraisal process, subject and market data, and valuation analyses.
PROPERTY IDENTIFICATION:	The subject has been identified by the legal description and the Assessor's Parcel Number.
PROPERTY RIGHTS APPRAISED:	Fee Simple Estate
INSPECTION:	For this assignment, Overland, Pacific and Cutler (OPC) send a Notice of Decision to Appraise to the property owner on October 5, 2022. The Santolucito Dore Group also sent a Notice of Decision to Appraise (NDA) letter on October 26, 2022. Mr. Ron Hier, the listing broker and property



representative, responded to the Notice. Mr. Hier indicated that the property owners live out of state and that the appraisers could inspect the property without the owner present. The subject site was inspected on November 12, 2022; photographs were taken at that time.

MARKET AREA AND ANALYSIS OF MARKET CONDITIONS:

An analysis of market conditions has been made. The appraiser maintains and has access to comprehensive databases for this market area and has reviewed the market for sales and listings relevant to this analysis.

HIGHEST AND BEST USE ANALYSIS:

An as vacant highest and best use analysis for the subject has been made. Physically possible, legally permissible and financially feasible uses were considered, and the maximally productive use was concluded.

VALUATION ANALYSES:

Cost Approach:

A Cost Approach was not developed as the subject is vacant land.

Sales Comparison Approach:

A Sales Comparison Approach was applied in determining the market value for the subject's land value. There is adequate data to develop a value estimate and this approach reflects market behavior for this property type.

Income Approach:

An Income Approach was not developed because the subject is vacant land and not income producing.

HYPOTHETICAL CONDITIONS:

The following hypothetical conditions apply to this specific appraisal assignment. Use of these hypothetical conditions may have affected the assignment results.

There are no hypothetical conditions applicable to this appraisal assignment.

EXTRAORDINARY ASSUMPTIONS:

The following extraordinary assumptions apply to this specific appraisal assignment. Use of these extraordinary assumptions may have affected the assignment results.

There are no extraordinary assumptions applicable to this appraisal assignment.

DOCUMENTATION:

Santolucito Doré Group Inc. was provided with the document(s) listed below. Unless noted, the document(s) did not indicate any unusual or detrimental conditions that have an impact on value. These documents were assumed to be accurate and were relied upon in the valuation of the subject property.

- Preliminary Title Report, issued by Commonwealth Land Title Company, dated August 23, 2022, Order



Number 92018802-920-CMM-CM8.

No responsibility is assumed for any missing pertinent data contained within these documents and the reconciled value does not reflect knowledge of their content.

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DEFINITIONS

FAIR MARKET VALUE

As defined in the California Code of Civil Procedure:

- 1263.320 (a) The fair market value of the property taken is the highest price on the date of valuation that would be agreed to by a seller, being willing to sell but under no particular or urgent necessity for so doing, nor obliged to sell, and a buyer, being ready, willing, and able to buy but under no particular necessity for so doing, each dealing with the other with full knowledge of all the uses and purposes for which the property is reasonably adaptable and available.
- (b) The fair market value of property taken for which there is no relevant, comparable market is its value on the date of valuation as determined by any method of valuation that is just and equitable.

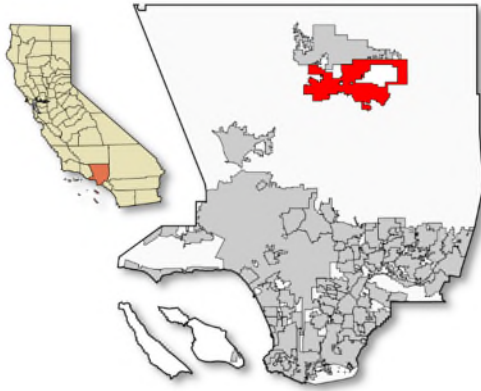
PROPERTY RIGHTS APPRAISED

The property right appraised in this appraisal is the fee simple estate, which can be defined as, "Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat."³

³ *The Dictionary of Real Estate Appraisal* 7th Edition, (Chicago: Appraisal Institute, 2022).



CITY DESCRIPTION – PALMDALE



LOCATION / ACCESS

Palmdale is located in the center of northern Los Angeles County, about 60 miles north of the city of Los Angeles. The urbanized centers of Palmdale and Los Angeles are separated by the San Gabriel Mountain range, which is about 40 miles wide. This range forms the southern edge of the Antelope Valley portion of the Mojave Desert. Palmdale is the second largest city in the Antelope Valley, and the fifth largest city overall in the Mojave Desert by population, after Las Vegas, Henderson, North Las Vegas, and Lancaster.

Palmdale is part of a “twin city” complex with its immediate northern neighbor Lancaster and together they are the principal cities within the Antelope Valley region and California's High Desert. According to the United States Census Bureau, the city has a total area of 106.2 square miles, of which, 106.0 square miles of it is land and 0.3 square miles of it is water (including man-made Lake Palmdale, the most visible and scenic part of the municipal water supply system). The city lies near the San Andreas Fault, making it, like many other regions of California, prone to strong earthquakes. This fault cuts across the Antelope Valley Freeway just north of the Avenue S off-ramp; running westward along the old Butterfield Stage Line (now Elizabeth Lake Road) into Leona Valley.

Palmdale has a well-maintained system of freeways and surface streets. The main freeways connecting the city to greater Los Angeles and Orange County include Interstates 5 and 15 and State Routes 14, and 138.

The Palmdale Transportation Center provides a state-of-the-art transportation facility. This regional multi-modal hub offers connections between Antelope Valley Transit Authority local and commuter bus service, Metrolink commuter rail service, Santa Clarita Transit, Greyhound bus service and Amtrak Throughway bus service. Los Angeles International Airport is about 70 miles from Palmdale and the Bob Hope Airport (located in Burbank) is about 50 miles away from the city.

POPULATION / DEMOGRAPHICS

Palmdale is the sixth largest and one of the fastest growing cities in Los Angeles County. According to the California Department of Finance, the city of Palmdale had a January 1, 2022, population of 167,398. This is a decrease of 0.9% from the January 2021 population of 168,895. According to the 2021 American Community Survey/US Census, the city of Palmdale had 46,650 households with 3.55 persons per household and a median age of 33.5 years.

SERVICES

Palmdale has adequate schools, police and fire protection, public facilities, and utilities. The city is served by three school districts, the Westside School District serves students west of 25th Street West and the Palmdale School District serves students east of 25th Street West to 80th Street East. The Antelope Valley Union High School District serves high school students throughout Antelope Valley. Nearby Antelope Valley College offers associates of arts and science degrees. The City of Palmdale is served by a variety of utility agencies. Southern California Edison provides electricity, Southern California Gas Company provides natural gas, the Palmdale Water District and Los Angeles County Waterworks provide water, Waste Management of Antelope Valley provides trash collection, the City of Palmdale Utilities Division and the Sanitation Districts of Los Angeles County provide the city with sewer services.

Palmdale features many parks, as well as recreation centers, pools, and skate parks. The Best of the West Softball Complex features eight year-round softball fields for youth and adult league play and softball tournaments. The Palmdale Amphitheater hosts a variety of concerts, festivals, and performances. The city also features the Barrel Springs Trail & Equestrian Arena and DryTown® Water Park.

10 LARGEST EMPLOYERS - PALMDALE		
Employer	No. of Employees	% Of Total
Northrop Grumman	28,000	27.67%
Wal-Mart (5) stores	19,900	19.66%
Edwards Air Force Base	8,929	8.82%
China Lake NWC	7,995	7.90%
County of Los Angeles	3,933	3.89%
Lockheed Martin	3,700	3.66%
Lancaster School District	2,600	2.57%
Antelope Valley Hospital Medical Center	2,425	2.40%
Antelope Valley Union High School District	2,300	2.27%
Antelope Valley Mall (All Stores)	1,800	1.78%

Source: 2021 Palmdale Comprehensive Annual Financial Report

LOCAL ECONOMY / INCOME

The city of Palmdale continues to enjoy a broadly based diverse economy, albeit one with an emphasis upon government, healthcare, and other service-oriented industries. Among Palmdale's large employers are the United States Armed Forces, Northrop Grumman, the County of Los Angeles, and Lockheed Martin.

EMPLOYMENT | UNEMPLOYMENT

According to the California Employment Development Department, the city of Palmdale had a total labor force of 60,600 as of October 2022, of which 6.4% were unemployed.

PERSONAL INCOME

According to the 2021 American Community Survey, the city had a median household income of \$73,417 up from \$55,696 in 2010. This compares to California (\$84,907). Approximately 13.1% of all city residents live below the poverty level.

REAL ESTATE DEVELOPMENT

Palmdale is an ideal business center, with ease of access into and out of Los Angeles County. State Route 14 serves as the main arterial through the Antelope Valley. The city of Palmdale considers infrastructure improvements to be one of the most important investments within the community, with planning in process for multi-million-dollar transportation projects like High-

Speed Rail, Express West and the High Desert corridor that will ultimately transform Palmdale into a regional transportation hub. The city is working hard to improve its infrastructure and has several projects currently underway.

RESIDENTIAL

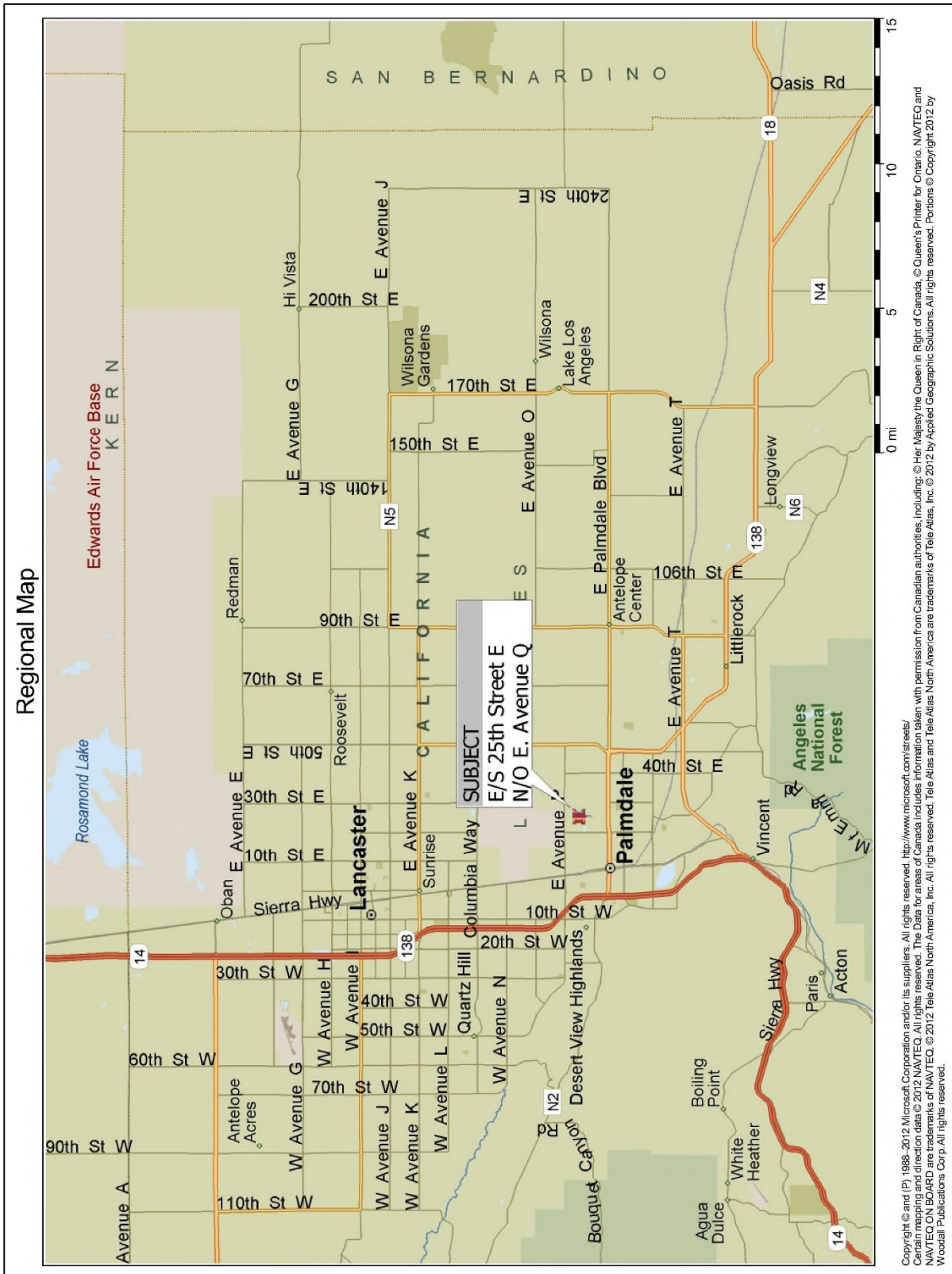
The median sale price of a single-family home in Palmdale has continued to rise year over year at an average increase of 13.0% per year although the pace of the improvement has slowed due to lack of inventories. According to the California Regional Multiple Listing Service the median sale price of a single-family home in Palmdale as of October 2022, was \$500,000. This represents a 9.9% increase in the median sale price from October 2021.

CONCLUSION

The same positive factors affecting the region, including diversified employment, the year-round mild climate, and overall quality of life, are the primary reasons why the city is expected to continue to thrive over time.

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AREA MAP



NEIGHBORHOOD AND MARKET AREA DESCRIPTION

NEIGHBORHOOD DESCRIPTION

The larger parcel is located mid-block on the east side of 25th Street East, approximately one-quarter mile north of E. Avenue Q and three-quarter miles south of E. Avenue P, also known as Rancho Vista Boulevard. 25th Street East is a two-lane road with one lane of travel in each direction. The majority of the area immediately surrounding the subject is vacant; industrially zoned sites are located to the north, while residential homes are located to the south. Highway 138, also known as Palmdale Boulevard, is located approximately one mile south of the subject and is considered the main commercial arterial in the area, with a mix of commercial and retail uses, and is also considered one of the thoroughfares in the area providing access to the local freeways.

MARKET AREA DESCRIPTION

The subject property is zoned for industrial uses; as such, we have considered the market trends and conditions within the Los Angeles County industrial market, based on Voit Real Estate Services in their Third Quarter Market Report. The subject's specific submarket is specialized and there are no published market reports for the subject's specific Antelope Valley submarket.

“OVERVIEW. Further signs of a slowdown in Los Angeles industrial real estate activity were evident in Q3 despite persistent low supply and rising rents. Vacancy and availability both rose for the second consecutive period and transaction velocity slowed. Net absorption remained in negative territory while gross absorption gained. Sales activity fell sharply as demand for owner/user product was hit hard by rapidly rising SBA and conventional mortgage rates. Competition among tenants for lease product decreased further, but demand is still running ahead of current supply for now. More deals are being retraded as borrowing costs rise and concerns over a market correction grow. Developers are becoming more cautious on land acquisitions while considering a potential stall in future rent growth. Concern about inflation is across the board and figures heavily into decision-making for buyers and tenants. Many potential owner / users remain on the sidelines as they opt to maintain liquidity in anticipation of a looming recession.

VACANCY & AVAILABILITY. The overall vacancy rate in Los Angeles increased by 57 basis points in Q3 after a 14-basis-point rise in Q2, but remains historically low at 1.68%. The highest quality space is still moving, but there are fewer tenants competing for it. The availability rate for the entire LA region moved up by a substantial 105 basis points in Q3 after a 55-basis-point increase in Q2. The availability rate includes vacant space and occupied space offered for sale or lease. This large increase was unexpected and points to slower lease-up times, which allow inventory to accumulate. Until recently, space moved in a matter of days with multiple tenants or buyers in pursuit. Of late, time-on-market is being measured in months and there are fewer active requirements circulating through the market.



LEASE RATES. Average asking lease rates still managed to move up in Q3 despite signs of a softening market. Q3 ended with a rate of \$1.59, up \$0.12 per square foot after even heftier increases in the first two quarters. That brings the year-over-year increase in asking rents to 38.2%. The San Gabriel Valley posted the highest average asking rent again in Q3, up a penny to \$1.65, followed closely by Mid Counties at \$1.60 and South Bay at \$1.59. Central LA was lowest at \$1.56. Only the Mid-Counties region failed to see substantial rent growth during the quarter. Actual lease rates throughout the county are somewhat higher than reported due to the fact that a substantial portion of the space leased is off market, or is marketed without an asking rate.

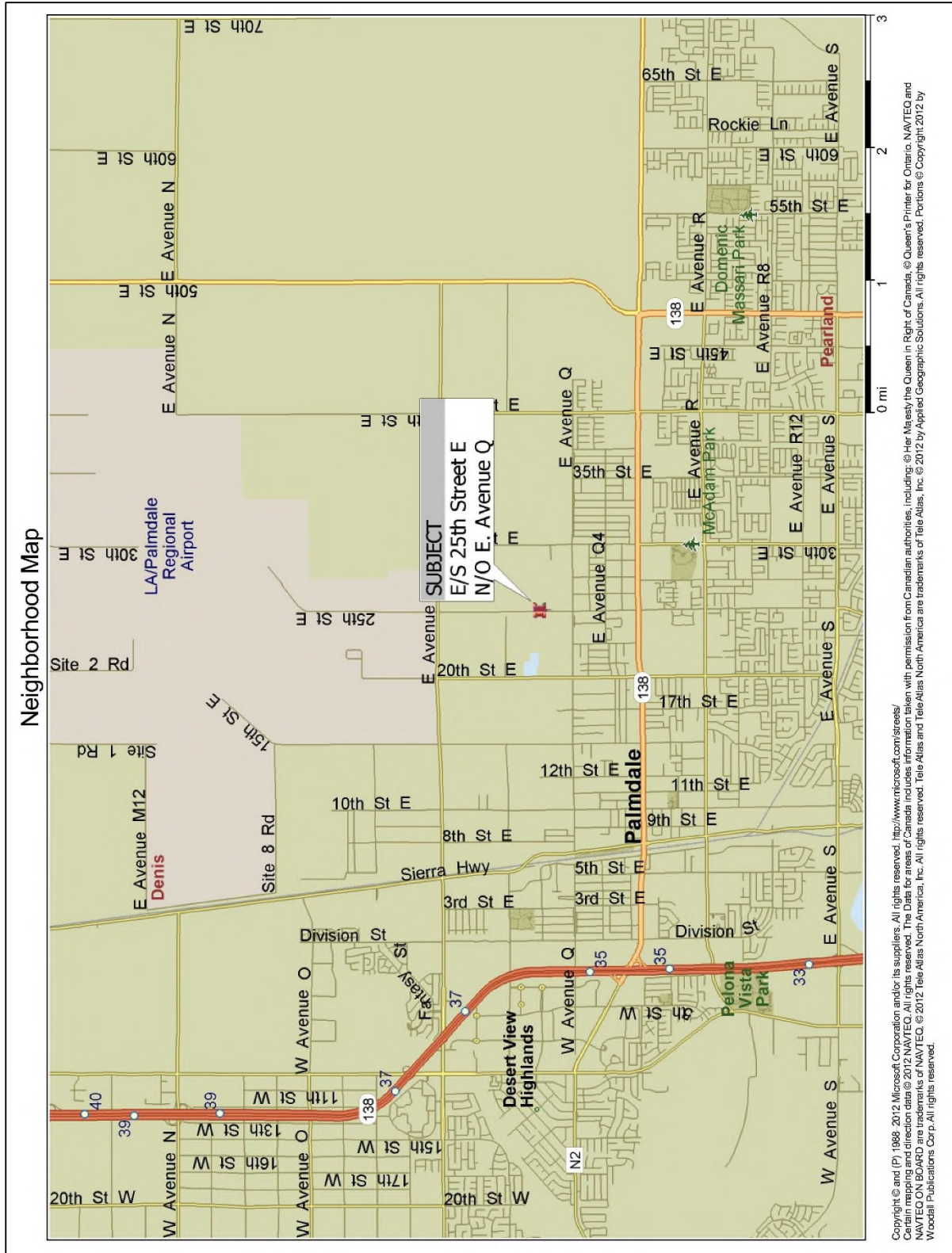
TRANSACTION ACTIVITY. Transaction activity measures the number of deals inked in a given period without regard to occupancy. In Q3, transaction activity fell slightly to 10.3 MSF from 11.7 MSF in Q2. But year over year, transaction activity is down by 32%. While low levels of supply make it harder to get deals done, there is also anecdotal evidence that there are fewer requirements in circulation. In all, 336 leases were signed in Q3 for a total of 5.9 MSF, and another 113 properties were sold totaling 4.3 MSF. By comparison, there were 177 sales in Q2, a clear indication that higher mortgage rates are impacting buyer demand.

ABSORPTION. Net absorption, the difference in occupied space from one period to another, remained in negative territory in Q3, but the loss narrowed to 45,716 SF from 100,360 SF in Q2. The downward trend in absorption has usually been from the lack of quality supply, but the decrease in active requirements is now playing more of a role. Gross absorption, which measures total move-ins, was up in Q3 to 7.2 MSF compared with 5.8 MSF in Q2, but was still well off the 10.4 MSF of move-ins recorded in Q3 of 2021. It is important to note that move-in statistics are a lagging indicator of market conditions.

CONSTRUCTION. Lack of ground-up development is still a problem throughout the LA region. There just isn't enough quality functional space to meet demand. With land so expensive and the uncertainty over continuing rent growth, developers are becoming even more cautious in their potential acquisitions. That means delivery of new product will likely slow down moving forward. In Q3, just 4,014,000 was in the construction queue, down 200,000 SF from Q2. Unfortunately, only another 5.2 MSF of new space is in the planning stages, and some of that is at risk of being delayed by higher capital costs and an anticipated slowdown in rent growth.

FORECAST. The Los Angeles industrial market remains tight but is showing definite signs of slowing down that are expected to persist. Mortgage rates have doubled in the past year and are still moving higher. That will cut deeply into the demand for owner / user buildings and from third-party investors who use leverage to acquire properties. The Fed has made clear its intent to fight rampant inflation with more rate hikes. Lenders are tightening up on their underwriting, as well, which exacerbates the problem. Cap rates are beginning to decompress in response to higher capital costs, as leveraged buyers are loathe to borrow at rates higher than going-in cap rates.”

CITY AND NEIGHBORHOOD MAP



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 Certain mapping and direction data © 2012 NAVTEQ. All rights reserved. The Data for areas of Canada includes information taken with permission from Canadian authorities, including: © Her Majesty the Queen in Right of Canada, © Queen's Printer for Ontario, NAVTEQ and NAVTEQ ON BOARD are trademarks of NAVTEQ. © 2012 Tele Atlas North America, Inc. All rights reserved. Tele Atlas and Tele Atlas North America are trademarks of Tele Atlas, Inc. © 2012 by Applied Geographic Solutions. All rights reserved. Portions © Copyright 2012 by Woodall Publications Corp. All rights reserved.



PROPERTY DESCRIPTION

LARGER PARCEL

There are three requirements a property must meet to be considered a “Larger Parcel”, unity of ownership, physical contiguity, and unity of use (common highest and best use).

In the subject’s case, there is one property owner (see Summary of Salient Facts and Conclusions section) and one legal parcel with one common highest and best use. Therefore, all three requirements are met.

LAND

LOCATION:	The subject property is located mid-block on the east side of 25 th Street East, north of East Avenue Q, in the city of Palmdale, California 93550.	
ASSESSOR PARCEL NUMBER(S):	3022-011-001	
LEGAL DESCRIPTION:	Reference Preliminary Title Report in the Addenda.	
CURRENT USE:	Vacant land	
SIZE:	14.67 net acres, or 639,025 square feet	
SHAPE:	The site is irregular in shape.	
ZONING:	Zone:	M2, General Industrial
	Description:	The General Industrial (M-2) Zone is established to create, preserve and enhance areas for a full range of manufacturing, fabrication, assembly, warehousing, and distribution uses associated with heavy industrial land uses. Outdoor operations and storage are permitted, provided that such areas are generally screened from public rights-of-way. Commercial and businesses uses which are supportive to industrial activities, or which serve daily needs of employees in the vicinity, are also allowed. The zone is intended to create an environment in which industrial and allied uses may be conducted with a minimum of land use conflicts, through

exclusion of residential and general retail uses.

Current Use Legally Conforming: The subject is vacant land.

Zoning Comments: None

FRONTAGE / ACCESS: The subject has approximately 325+ feet of frontage on 25th Street East.

ADJACENT USES:
North: Vacant land
South: Vacant land
West: Vacant land
East: Vacant land

TOPOGRAPHY: The subject appears to be at street grade and is considered level.

SOIL CONDITIONS: The soil conditions observed at the subject appear to be typical of the region and adequate to support development.

HAZARDOUS SUBSTANCES: We did not observe any evidence of toxic or hazardous substances during inspection of the site. The subject is not listed as a hazardous site per the *Hazardous Waste and Substances Sites List* compiled by the California Environmental Protection Agency. Santolucito Doré Group, Inc. was not provided with a *Phase I Environmental Assessment Report* or any other reports addressing potentially hazardous materials on or near the subject property.

UTILITIES: Southern California Edison, City of Palmdale Utilities Division, Sanitation District of Los Angeles County, Palmdale Water District, Los Angeles County Waterworks and Southern California Gas Company. All public utilities are available at the subject site and assumed typical and adequate for the market area.

FLOOD ZONE: The subject is located in an area mapped by the Federal Emergency Management Agency (FEMA). The subject is located in FEMA flood zone X, which is not classified as a flood hazard area.

FEMA Map Number: 06037C0700F

FEMA Map Date: September 26, 2008

Flood Zone: X with an annual 0.2 percentage change flood hazard; areas if 1.0% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile.

WETLANDS / WATERSHED: No wetlands were observed during our site inspection.

EARTHQUAKE HAZARD: The subject land is not located in an Alquist-Priolo Special Study area. Nearly all areas within California are prone to seismic activity; therefore, it was not considered to adversely impact the value



conclusion. Appraisers are not experts in seismology and if more specific information is desired regarding nearby fault zones, it is suggested an opinion be obtained from an expert in said field.

The assumption was made that any future development of the property will occur in accordance with all appropriate regulations and ordinances regarding grading, fill, and applicable building codes.

**ENVIRONMENTAL
ISSUES:**

Our valuation assumes that the site is free and clear from contamination and that the reported environmental findings herein have no adverse value impact. If additional reports are provided to the contrary, we reserve the right to revisit our analysis and disclose that the impact to the value could be significant.

There are no known adverse environmental conditions on the subject site. Please reference Limiting Conditions and Assumptions.

**BIOLOGIC
CONDITIONS:**

We did not review a Biological Survey detailing possible biological species on the subject land. Without this, it could not be determined which species are actually on or frequent the property. It is assumed there are no biological conditions that would preclude development.

MINERAL RIGHTS

This area has an unknown potential for mining related activity.

**IMPROVEMENTS /
PERSONAL
PROPERTY:**

The subject larger parcel is vacant land; there are no site or building improvements. There is no personal property on the site.

PROPERTY TAX INFO:

Taxing Authority:	County of Los Angeles
Year:	2021/2022
Parcel Number(s):	3022-011-001
Land Assessed Value:	\$142,444
Improved Assessed Value:	\$0.00
Total Assessed Value:	\$142,444
Total Taxes:	\$2,114.84



FLOOD MAP

National Flood Hazard Layer FIRMMette



118°52'6"W 34°35'37"N



0 250 500 1,000 1,500 2,000 Feet 1:6,000 118°48'W 34°35'N
 Basemap: USGS National Map: Orthorectified; Data refreshed October, 2020

Legend

SEE FIS REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LAYOUT

SPECIAL FLOOD HAZARD AREAS

- Without Base Flood Elevation (BFE) Zone A, V, AE, X
- With BFE or Depth Zone AE, AD, AH, VE, AR
- Regulatory Floodway

OTHER AREAS OF FLOOD HAZARD

- 0.2% Annual Chance Flood Hazard, Areas of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile Zone X
- Future Conditions 1% Annual Chance Flood Hazard Zone X
- Area with Reduced Flood Risk due to Levee, See Notes, Zone X
- Area with Flood Risk due to Levee Zone D

OTHER AREAS

- NO SCREEN Area of Minimal Flood Hazard Zone X
- Effective LOMRs
- Area of Undetermined Flood Hazard Zone D

GENERAL STRUCTURES

- Channel, Culvert, or Storm Sewer
- Levee, Dike, or Floodwall

CROSS SECTIONS

- Cross Sections with 1% Annual Chance Water Surface Elevation
- Coastal Transect
- Base Flood Elevation Line (BFE)
- Limit of Study
- Jurisdiction Boundary

OTHER FEATURES

- Coastal Transect Baseline
- Profile Baseline
- Hydrographic Feature

DIGITAL DATA AVAILABILITY

- Digital Data Available
- No Digital Data Available

MAP PANELS

- Unmapped

The pin displayed on the map is an approximate point selected by the user and does not represent an authoritative property location.

This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below. The basemap shown complies with FEMA's basemap accuracy standards.

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on 11/18/2022 at 3:20 PM and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

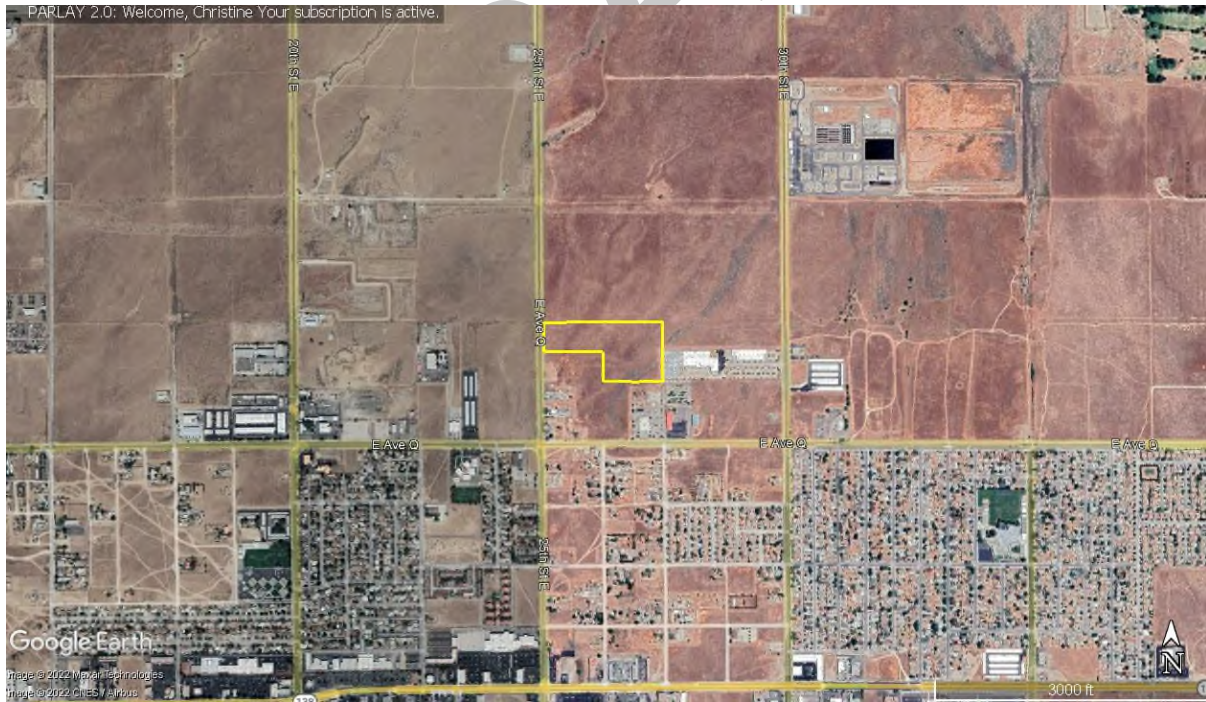
This map image is void if the one or more of the following map elements do not appear: basemap imagery, flood zone labels, legend, scale bar, map creation date, community identifiers, FIRM panel number, and FIRM effective date. Map images for unmapped and unmodernized areas cannot be used for regulatory purposes.



AERIAL PHOTOGRAPHS



Subject



Neighborhood

SUBJECT PHOTOGRAPHS



Street view of 25th Street East Looking North, subject on the right
(Photo taken by M. McDonald on 11/12/22)



Street view of 25th Street East Looking South, subject on the left
(Photo taken by M. McDonald on 11/12/22)

SUBJECT PHOTOGRAPHS (CONT.)



Northeasterly View of Subject from 25th Street East
(Photo taken by M. McDonald on 11/12/22)



Easterly View of Subject from 25th Street East
(Photo taken by M. McDonald on 11/12/22)

SUBJECT PHOTOGRAPHS (CONT.)



Northeasterly View of Subject from 25th Street East
(Photo taken by M. McDonald on 11/12/22)



Northeasterly View of Subject from 25th Street East
(Photo taken by M. McDonald on 11/12/22)

HIGHEST AND BEST USE

Highest and best use may be defined as:

*The reasonably probable use of property that results in the highest value.*⁴ To be reasonably probable, a use must be:

1. **Legally Permissible:** *What uses are permitted by zoning and other legal restrictions?*
2. **Physically Possible:** *To what use is the site physically adaptable?*
3. **Financially Feasible:** *Which possible and permissible use will produce any net return to the owner of the site?*
4. **Maximally Productive.** *Among the feasible uses, which use will produce the highest net return, (i.e., the highest present worth)?*

HIGHEST AND BEST USE AS VACANT

LEGALLY PERMISSIBLE

As discussed in the Land Description section, the subject site is zoned M2, General Industrial which allows for a range of industrial uses.

PHYSICALLY POSSIBLE

As of the date of value, the subject property is vacant land with physically and legally defined paved road access. The topography is generally level, which doesn't limit the development potential. Based on our inspection, there did not appear to be any evidence of subsidence or other soil problems that would be considered prohibitive to any of the legally permissible uses. Development of the subject land is not limited by parcel size or shape and utility services are adequately provided. Therefore, light industrial uses are legally permissible and physically possible.

FINANCIALLY FEASIBLE / MAXIMALLY PROFITABLE

Any proposed use that supports a positive land value is considered financially feasible. As previously discussed, light industrial and commercial uses, which support services to nearby industrial uses, are legally permissible and physically possible uses of the subject land and are considered financially feasible. The maximally productive use is that which will produce the highest net return (i.e., the highest present worth) of the land. Light industrial or office development, which accommodate industrial-serving and very light industrial uses, are also considered to be the maximally profitable use at this time, based on the zoning.

In conclusion, the highest and best use of the larger parcel "as vacant" is for light industrial as allowed under current zoning.

⁴ *The Appraisal of Real Estate* 14th Edition, Page 332, (Chicago: Appraisal Institute, 2013).

MOST PROBABLE BUYER

Taking into account all of the legal physical characteristics of the subject property, the likely buyer is a local investor.

DRAFT

VALUATION METHODOLOGY

Three basic approaches may be used to arrive at an estimate of market value. They are:

1. The Cost Approach
2. The Income Capitalization Approach
3. The Sales Comparison Approach

COST APPROACH

The Cost Approach is a breakdown of property into land and building components. It assumes that an informed buyer would pay no more for a property than the cost of acquiring land and reproducing improvements of similar utility, less the amount of any depreciation. This approach is most applicable when improvements are relatively new and represent the highest and best use of the land, or in the case of special-use properties, for which there are few comparable sales.

INCOME CAPITALIZATION APPROACH

The Income Capitalization Approach reflects the present value of the future benefits of property ownership. It converts a property's net operating income into a lump-sum value via capitalization. The two methods of income capitalization are direct capitalization and yield capitalization (via a discounted cash flow analysis), with one or both applied, as applicable to the property being appraised. This approach is most applicable for income-producing properties.

SALES COMPARISON APPROACH

The Sales Comparison Approach is the comparison of similar properties, that recently sold or are currently listed for sale, to the subject property. It assumes that an informed buyer would pay no more for a property than the cost of acquiring a substitute property of similar utility and desirability. This approach is most applicable when there are sufficient recent and reliable transactions of similar properties. It is most often relied upon in the valuation of owner-user properties or vacant land.

FINAL RECONCILIATION

The appraisal process concludes with the final reconciliation of the values derived from the approaches applied for a single estimate of market value. Different properties require different means of analysis and may lend themselves to one approach over the others.

METHODOLOGIES APPLIED

The Cost and Income Approaches were not developed, because the subject is vacant land with no existing improvements or income potential. The Sales Comparison Approach was considered and was developed because there is adequate data to develop a value estimate and this approach reflects market behavior for this property type.

SALES COMPARISON APPROACH

The Sales Comparison Approach is based on the premise that a buyer would pay no more for a specific property than the cost of obtaining a property with similar utility and desirability, and perceived benefits of ownership. It is based on the principles of supply and demand, balance, substitution and externalities.

The following steps describe the applied process of the Sales Comparison Approach:

- The market in which the subject property competes is investigated; comparable sales, contracts for sale, and current offerings are reviewed.
- The most pertinent data is further analyzed and the quality of the transaction is determined.
- The most meaningful unit of value for the subject property is determined.
- Each comparable sale is analyzed and, where appropriate, adjusted to equate with the subject property.
- The value indication of each comparable sale is analyzed and the data reconciled for a final indication of value via the Sales Comparison Approach.

The Highest and Best Use analysis provided the foundation for locating land comparables for use in the sales comparison approach. The conclusion of the Highest and Best Use analysis supported a reasonable, probable, and consistent use of the subject property for light industrial uses. We searched for land comparables with a similar highest and best use and overall orientation as the subject land. They included parcels of land that were purchased for industrial development, or retained as such. However, in either scenario the underlying highest and best use is the same.

Adjustments and/or comparisons of the sales are made relative to differences or similarities to the subject property. A range of values results from this approach. We correlate the range into a final value by weighting the land comparables as to their overall similarity to the subject.

LAND COMPARABLES

The estimated market value of the land is based on land sales data for other properties with the same or bracketing utility as the subject property. To estimate the market value of the subject parcel, a search was conducted of the market area for industrially zoned land sales. A sufficient number of sales were uncovered so as to yield credible, supported results.

Our search yielded six closed land sales. These land comparables are documented on the following pages by a summary table, location map, and an analysis grid.

All land comparables have been researched through numerous sources (including, but not limited to, the county recorder's office, market data services, published reports, and personal contacts), were verified with a party to the transaction whenever possible, and were physically inspected from the public right of way.

DRAFT

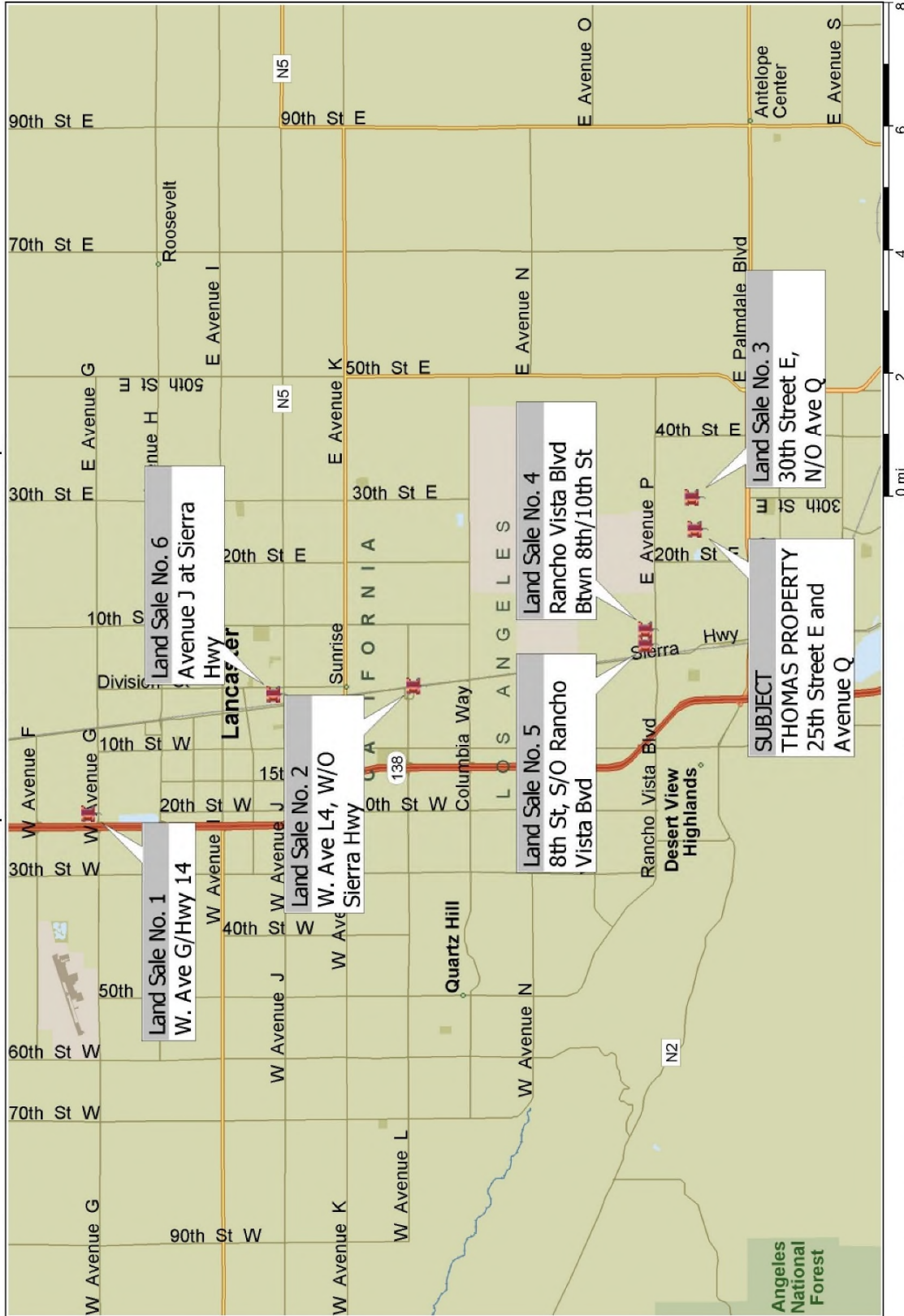
LAND COMPARABLE SUMMARY TABLE

Comparable Land Sales									
Comp No.	Address City	Date Tax ID	Grantor Grantee	Financing Book/Page or Reference Doc	Price Price Per Land SF	Acres Land SF	Zoning Type Current Use	Comments	
1	W. Avenue G and Highway 14 Lancaster	10/7/2022 3114-010-025, -037	Kenneth Oda, a married man as his sole and separate property, as to an undivided 45% interest and Amy Oda Uyemura, a married woman as her sole and separate property, as to an undivided 55% interest, as tenants in common 716 Washington, LLC	Cash 22-0972229	\$2,203,000 \$1.93	26.19 1,140,836	Light Industrial Vacant Land	This is the sale of two parcels totaling 26.19 acres, located along the northbound travel lanes of Highway 14 in Lancaster. The site is zoned for industrial purposes; the buyer plans to entitle the land for industrial development then resell as entitled land. The timeline and exact development plans are unknown. All utilities are available to the site.	
2	W. Avenue L4, West of Sierra Highway Lancaster	9/22/2022 3128-007-015, -024	Russell Y.M. Kam, unmarried, as to an undivided 50% interest and Jacquelyn Y.P. Shigemoto, a married woman as her sole and separate property, Mona Y.W. Kam, an unmarried man and Russell Y.M. Kam, a single man, all as tenants in common, as to an undivided 50% interest L4 Industrial 10, LLC	Cash 22-0927239	\$1,526,000 \$3.34	10.49 456,944	Light Industrial Vacant Land	This is the sale of two parcels totaling 10.49 acres, located at the end of a cul-de-sac, west of Sierra Highway and south of Avenue L in the city of Lancaster. The site is in proximity of the airport and a commercial and industrial neighborhood. The buyers immediate plans are unknown. All utilities are available to the site.	
3	30th Street E., North of Avenue Q Palmdale	7/13/2022 3022-011-022, -024, -025	Linda L. Masino, Trustee of the Survivor's Trust under the Deifino and Linda L. Masino Trust of 2003 and Linda L. Masino, Trustee of the QTIP Trust under the Deifino and Linda L. Masino Trust of 2003 UE Reverse Exchange, LLC	Cash 22-0718984	\$510,000 \$1.24	9.46 412,078	General Industrial Vacant Land	This is the sale of three parcels totaling 9.46 acres, located on a secondary street, north of Avenue Q. The majority of the neighborhood is vacant, industrially zoned land, though it is noted that there is an industrial development immediately south. The property is located in proximity to the local airport, but is considered overall secondary. The buyers immediate plans are unknown. All utilities are available to the site. A grant deed was recorded in August 2022, transferring the property between inter-related parties.	
4	Rancho Vista Blvd., Between 8th and 10th Streets Palmdale	6/27/2022 3022-002-023, -024	California Tennessee Investors Associates, a Tennessee general partnership Oulette DS, LLC	Cash 22-0667129	\$1,575,000 \$2.14	16.90 736,164	General Industrial Vacant Land	This is the sale of two parcels totaling 16.90 acres, located on Rancho Vista Boulevard, also referred to as Avenue K, in the city of Palmdale. The transaction was part of a 1031, which did not impact the purchase price. The buyer plans to construct a 200,000 square foot industrial building for their business. The broker reported that there were multiple offers that drove the sales price over the asking price of \$1,475,000 or \$2.00 per square foot. All utilities are available to the site.	
5	8th Street, South of Rancho Vista Boulevard Palmdale	1/10/2022 3022-001-027	Old Mission Financial, Inc. Sierra Vista 18 PC, LLC	Cash 22-0032982	\$840,000 \$1.07	18.01 784,516	General Industrial Vacant Land	This is the sale of one parcel with 18.01 acres of industrially zoned land. The site is located on a secondary street, approximately 1,000 feet south of Rancho Vista Boulevard, also referred to as Avenue K, in the city of Palmdale. The buyers broker indicated that the buyer plans to develop the site with a for-sale or for-lease industrial property, but was unsure of the exact timeline for the development. All utilities are available to the site.	
6	Avenue J at Sierra Highway Lancaster	8/10/2021 3132-015-070, -071	Grayman, Inc. Koloe, LLC	Conventional 21-1220439	\$1,375,000 \$1.33	23.72 1,033,243	General Industrial Vacant Land	This is the sale of two parcels, totaling 23.72 acres, located on two main arterials in the area; access could potentially be provided via both streets. The parcels are corner-adjacent. The buyers plans are unknown. All utilities are available to the site.	



COMPARABLE LOCATION MAP

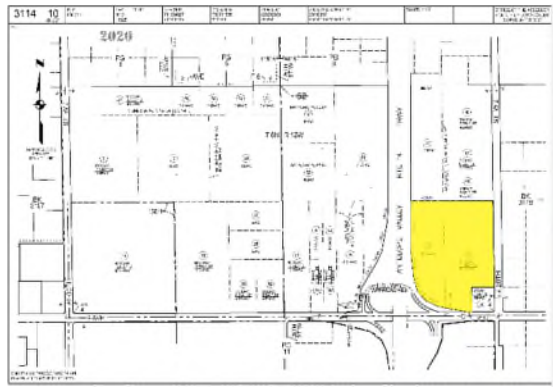
Comparable Industrial Land Sales Map



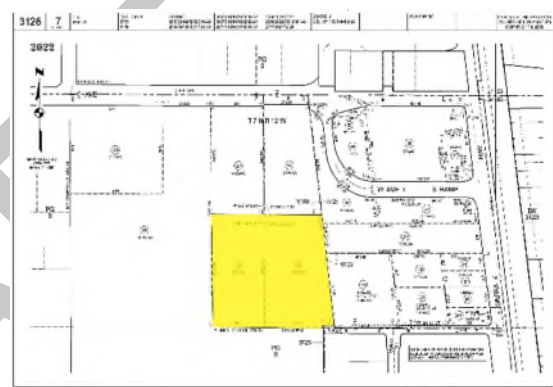
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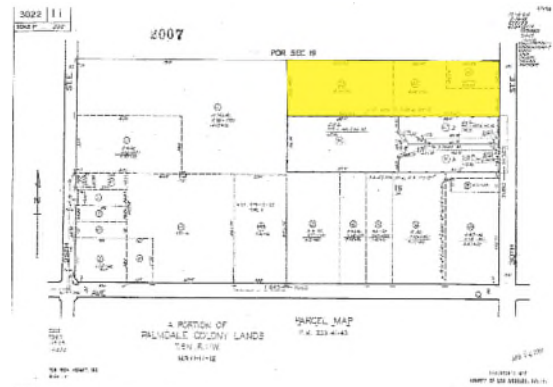
LAND COMPARABLE AERIAL PHOTOGRAPHS AND PLAT MAPS



Land Sale No. 1 – W. Avenue G and Highway 14, Lancaster



Land Sale No. 2 – W. Avenue L4, West of Sierra Highway, Lancaster

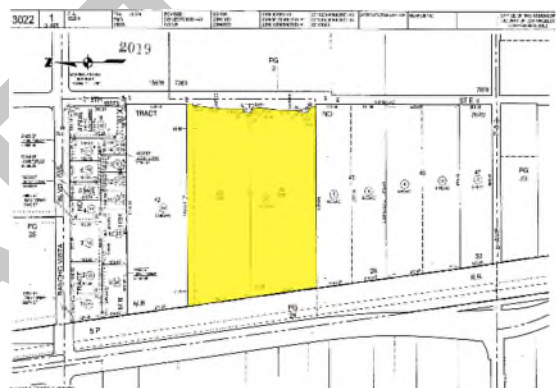
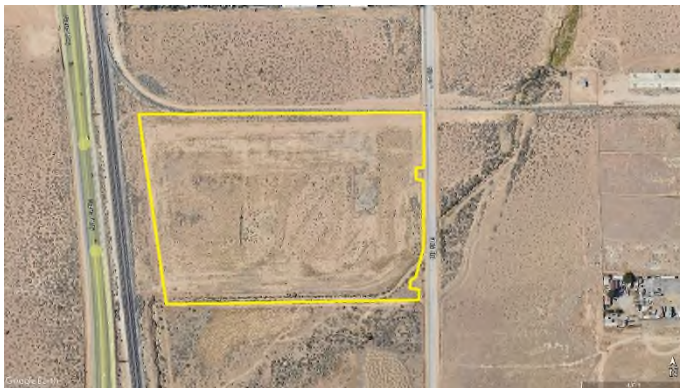


Land Sale No. 3 – 30th Street E., North of Avenue Q, Palmdale

LAND COMPARABLE AERIAL PHOTOGRAPHS AND PLAT MAPS, CONTINUED



Land Sale No. 4 – Rancho Vista Boulevard, between 8th and 10th Streets, Palmdale



Land Sale No. 5 – 8th Street, South of Rancho Vista Boulevard, Palmdale



Land Sale No. 6 – Avenue J at Sierra Highway, Lancaster

THE COMPARISON PROCESS

In the comparison process, we take into consideration the financial and physical differences between each land comparable and the subject. Categories of adjustment and/or comparison include: 1) property rights conveyed; 2) financing (terms of sale); 3) conditions of sale; 4) buyer expenditures; 5) market conditions; and, 6) physical characteristics (including location, access/exposure, size/economies of scale, zoning, shape and topography, neighborhood surroundings, site improvements, and entitlements at time of sale).

Each land comparable's size was obtained from public records, published sales information, and/or other reliable sources. The comparables were analyzed on a price per square foot basis, as is typical for vacant land sales.

The comparison process is fairly subjective in nature primarily due to the many characteristics of value, variances in buyer/seller influences, imperfections in the market, etc. Adjustments and/or comparisons are an attempt to reflect value contributions of the various factors in the marketplace. Many of the comparisons of physical characteristics overlap and reflect overall desirability. The comparison grid following this section is an empirical format to simply lead the reader to a logical conclusion of the final estimated value. Please note, each item of comparability is not weighted equally. Items may outweigh each other resulting in an overall rating that may not "add up" based on the ratings of individual elements.

PROPERTY RIGHTS

The property right appraised was the fee simple estate. All of the land comparables transferred the fee simple interest, thus, no adjustments were warranted.

FINANCING (TERMS OF SALE)

Financing (terms of sale) include below market rates, buy downs, atypical payback periods, or any financing situations that are not commonly accepted within the marketplace. In the subject market, land is typically purchased with all cash or the seller takes back a first trust deed with a large (20%-50%) down payment. In this case, all of the sales reflected were cash or market terms and financing and no adjustments were necessary.

CONDITIONS OF SALE

Conditions of sale include any distress influences, less than arm's length transactions, or other related influences that are not attributable to financing/terms of sale, market conditions, or physical differences. None of the comparables had conditions of sale that affected their sale prices and no adjustments were made.

BUYER EXPENDITURES

A knowledgeable buyer considers expenditures that will have to be made upon purchase of a property because these costs affect the price they agree to pay. Such expenditures may include the cost to demolish and remove buildings, petition for a zoning change, remediate

environmental contamination, extend escrow, or pay broker fees, among others. No atypical buyer expenditures were discovered during the verification process; thus, no adjustments were warranted.

MARKET CONDITIONS

Market conditions (time of sale) adjustments take into consideration appreciation or depreciation that has occurred in the market. In this analysis, all of the land comparables were relatively recent transactions for this market area, occurring from August 2021 to October 2022. While general sales data indicates year-over-year price appreciation for land sales, depending on the market area and potential use or development ranging from 2% to 6% annually in the broader Los Angeles industrial market, the subject's specific Antelope Valley submarket appears to be more stable with little to no increases seen during the last two years; as such, no adjustments are made for market conditions.

PHYSICAL CHARACTERISTICS

After adjusting for the above non-physical characteristics, we compared the physical differences of the land comparables to the subject's. There is myriad of physical features that can be reviewed by investors when purchasing vacant land. However, the features discussed below represent those that generally have the greatest effect on value or are most often a consideration. Note that location, size/economies of scale, and zoning generally have a stronger impact on value than the remaining categories. Qualitative comments were made regarding any differences noted.

LOCATION

When looking at location, we take into consideration a property's orientation to the surrounding area including proximity to local services, surrounding land use influences, and perceived desirability/market demand. The comparables are all located within the Antelope Valley, in the cities of Palmdale and Lancaster and reflect generally similar locations; no adjustments are made for location.

ACCESS AND EXPOSURE

Access reflects the proximity to transportation facilities and ease of site access, while exposure reflects a site's frontage, visibility, and orientation. The subject is considered to have a somewhat secondary location with the majority of the commercial, retail and residential uses in the area north of the subject. Land Sale No. 1 is located adjacent to the freeway and considered superior, while Land Sale No. 2, while located in the center of Lancaster, is located at the end of a cul-de-sac and considered inferior. The remaining comparables are considered similar.

SIZE/ECONOMIES OF SCALE

Size/economies of scale reflects the fact that a larger parcel will typically sell for a lower price per square foot, while a smaller parcel with similar location and utility will typically sell for a higher price per square foot. The subject's area contains 639,025 square feet



(14.67 acres); the land sales range in size from 412,078 to 1,140,836 square feet (9.46 to 26.19 acres), bracketing the subject property larger parcel size.

Land Sale Nos. 2 and 3 are considered to fall within the range of properties considered smaller than the subject and considered slightly superior; the remaining comparables are similar.

ZONING

Zoning reflects a property's allowed uses and usable area for development. The subject's zoning allows for industrial uses; the comparables are considered similar and no adjustments are made.

SHAPE AND TOPOGRAPHY

The shape and topography of land generally determines potential uses (i.e., the more level the land, the greater the utility). The level subject site is mostly level and has an irregular shape. The comparables are similar.

UTILITIES

This includes hook-up to utilities (phone, electric, gas, and sewer and water), as well as both the costs to extend the lines to the site as well as the tap fees. The subject is assumed to have all available utilities at the site. All of the comparables utilized appear to have utilities available within the adjacent roadways, and, therefore, no adjustments are indicated.

NEIGHBORHOOD COMMENTS

The subject property is located within an industrial area of the neighborhood, considered outside the sphere of influence of the commercial and residential area of the area. Land Sale Nos. 2, 4, 5 and 6 are located in proximity to the commercial areas and considered slightly superior and superior; the remaining comparables are similar. Adjustments are indicated as necessary.

ENTITLEMENTS AT THE TIME OF SALE⁵

In the context of ownership, use, or development of real property, the right to receive governmental approvals for annexations, zoning, utility extensions, construction permits, and occupancy / use permits. Entitlements may be transferable, subject to covenants or government protocols, may constitute vested rights, and may represent an enhancement to a property's value.

The subject is a vacant site with no entitlements; the comparables are similar and no adjustments are made.

SALES COMPARISON APPROACH CONCLUSION

A total of six land comparables were used in the sales comparison approach to land value. The land comparable data were sufficient in quality and quantity to estimate the subject's market value with many physical and non-physical characteristics analyzed in the valuation process.

The land comparables had an unadjusted range of \$1.07 to \$3.34 per square foot. There were no adjustments for property rights, financing, conditions of sale, buyer expenditures or market conditions.

The majority of the comparables are considered superior, with the exception of Land Sale No. 5, which is considered overall similar. Land Sale No. 5, which reflects a value of \$1.07 per square foot, is generally similar. Land Sale No. 3, which reflects a value of \$1.24 per square foot, is located less than one-half mile east of the subject property, off of 30th Street East, north of Avenue Q, in the subject's general market area. It is slightly smaller than the subject and therefore considered slightly superior. All other factors are considered similar and the subject would be expected to reflect a value between these two comparables.

The subject property is currently listed for \$699,000, or \$1.09 per square foot. Mr. Ron Hier, the listing broker indicated that there have been verbal offers on the property for \$600,000 to \$650,000, or \$0.94 to \$1.02 per square foot. Given the most recent activity, the current listing status and the reported offers on the property, we have concluded at a market value for the subject property of \$650,000, or \$1.02 per square foot, which is slightly below the indicated range, but considered reasonable given the information provided by the current listing broker on the property.

VALUATION ADJUSTMENT ARRAY		
Land Comparable	Comparability to Subject	Adjusted Price per SF
2	Superior	\$3.34
4	Superior	\$2.14
1	Superior	\$1.93
6	Superior	\$1.33
3	Sl. Superior	\$1.24
1	Sl. Superior	\$1.07

FAIR MARKET VALUE OF THE LARGER PARCEL
Subject Size (Acres) 14.67
SUBJECT SIZE: 639,025 SF
ROUNDED: \$650,000

LAND COMPARABLE ADJUSTMENT GRID

Land Sale Analysis Grid											
Land Analysis Grid		Comp 1	Comp 2	Comp 3	Comp 4	Comp 5	Comp 6				
Address	East Side of 25th Avenue East, North of East Avenue Q	W. Avenue G and Highway 14	W. Avenue L4, West of Sierra Highway	30th Street E., North of Avenue Q	Rancho Vista Blvd., Between 8th and 10th Streets	8th Street, South of Rancho Vista Boulevard	Avenue J at Sierra Highway				
City	Palmdale	Lancaster	Lancaster	Palmdale	Palmdale	Palmdale	Lancaster				
State	Cash	CA	CA	CA	CA	CA	CA				
Date	11/12/2022	10/7/2022	9/22/2022	7/13/2022	6/27/2022	1/10/2022	8/10/2021				
Price	--	\$2,203,000	\$1,526,000	\$510,000	\$1,575,000	\$840,000	\$1,375,000				
Land SF	639,025	1,140,836	456,944	412,078	736,164	784,516	1,033,243				
Land Acres	14.67	26.19	10.49	9.46	16.90	18.01	23.72				
Land SF Unit Price	--	\$1.93	\$3.34	\$1.24	\$2.14	\$1.07	\$1.33				
Transaction Adjustments											
Property Rights	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple				
Financing	Conventional	Cash	Cash	Cash	Cash	Cash	Conventional				
Conditions of Sale	Cash	None	None	None	None	None	None				
Expenditures After Sale		\$0	\$0	\$0	\$0	\$0	\$0				
Price		\$1.93	\$3.34	\$1.24	\$2.14	\$1.07	\$1.33				
Market Trends Through	11/12/2022	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%				
Price		\$1.93	\$3.34	\$1.24	\$2.14	\$1.07	\$1.33				
Location Comparison	Palmdale	Lancaster Similar	Lancaster Similar	Palmdale Similar	Palmdale Similar	Palmdale Similar	Lancaster Similar				
Access & Exposure Comparison	Average	Freeway Superior	Secondary/Cul-de-Sac Sl. Inferior	Average Similar	Average Similar	Average Similar	Average Similar				
Land SF Comparison	639,025	1,140,836 Similar	456,944 Sl. Superior	412,078 Sl. Superior	736,164 Similar	784,516 Similar	1,033,243 Similar				
Zoning Comparison	M2	M1 Similar	M1 Similar	M2 Similar	M2 Similar	M2 Similar	M2 Similar				
Shape & Topography Comparison	Irregular/Level	Mostly Rect./Level Similar	Mostly Rect./Level Similar	Mostly Rect./Level Similar	Mostly Rect./Level Similar	Mostly Rect./Level Similar	Mostly Rect./Level Similar				
Utilities Comparison	Available to the site	Available to the site Similar	Available to the site Similar	Available to the site Similar	Available to the site Similar	Available to the site Similar	Available to the site Similar				
Neighborhood Comments Comparison	Vacant/Industrial	Vacant/Industrial Similar	Commercial Superior	Vacant/Industrial Similar	Commercial Superior	Commercial Sl. Superior	Commercial Superior				
Entitlements at Time of Sale Comparison	None	None Similar	None Similar	None Similar	None Similar	None Similar	None Similar				
Price		\$1.93	\$3.34	\$1.24	\$2.14	\$1.07	\$1.33				
Overall Comparability		Superior	Superior	Sl. Superior	Superior	Sl. Superior	Superior				



SUMMARY OF CONCLUSIONS

Per the preceding analyses, we have developed an opinion of fair market value of the subject larger parcel, which is summarized below.

SUMMARY OF VALUE CONCLUSIONS		
As of November 12, 2022	Indicated Value	Value of Property Rights to Be Acquired
Value of the Larger Parcel (Land Only)	\$650,000	
Value of the Part(s) Acquired		
Full Acquisition	<u>\$650,000</u>	
Total Value of the Part(s) Acquired	\$650,000	\$650,000
Value of the Remainder as Part of the Whole (Land Only)		
Value of the Remainder After Acquisition (Land Only)	<u>\$0</u>	
Severance Damages	\$0	\$0
Benefits	<u>Not Quantified</u>	
Net Severance Damages	\$0	\$0
Value of the Site Improvements		
	\$0	\$0
Total Fair Market Value of the Proposed Acquisition		\$650,000
TOTAL COMPENSATION ROUNDED		\$650,000

** Slight differences may be due to rounding*

CERTIFICATION STATEMENT

We certify that, to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial, and unbiased professional analyses, opinions and conclusions.
- We have no present or prospective future interest in the property that is the subject of this report and have no personal interest with respect to the parties involved.
- We have no bias with respect to the property that is the subject of this report, or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP).
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- No one provided significant real property appraisal assistance to the person(s) signing this certification.
- We certify sufficient competence to appraise this property through education and experience, in addition to the internal resources of the appraisal firm.
- As of the date of this report, Lance W. Doré, MAI, FRICS has completed the continuing education program for designated members of the Appraisal Institute.
- As of the date of this report, Christine S. Santolucito, R/W-AC has completed the Standards and Ethics Education Requirement for Candidates of the Appraisal Institute.



-
- The appraisers have not performed any prior services regarding the subject within the previous three years of the appraisal date.
 - Christine S. Santolucito, R/W-AC and Lance W. Dore, MAI, FRICS, have not made a personal inspection of the subject property. Meredith McDonald has made an inspection of the subject property.

Respectfully submitted,
Santolucito Doré Group Inc.

Christine S. Santolucito, R/W-AC
President
California-AG043715
Expiration: February 14, 2024
christie@sdgroupinc.com

Lance W. Doré, MAI, FRICS
Vice President
California-AG002464
Expiration: October 1, 2024
lance@sdgroupinc.com

Meredith McDonald
Appraiser/Consultant
California-AG043409
Exp: December 13, 2023
Mmcdonald.appraiser@gmail.com

DRAFT



ADDENDA

DRAFT



Property Detail Report
For Property Located At :
VAC/25TH STE/VIC AVENUE P10, PALMDALE, CA
93550



Owner Information

Owner Name: JAMES THOMAS (TE) & MARTHA (TE/THOMAS JAMES)
 Mailing Address: 2875 W RAY RD #6-238, CHANDLER AZ 85224-3524 C039
 Vesting Codes: // TE

Location Information

Legal Description: A PORTION OF PALMDALE COLONY LANDS T 6N R 11W LOT EX OF ST COM N 981.75 FT FROM SW COR OF LOT 15 IN SEC 19 TH E 660 FT TH S 330 FT TH E TO E LINE OF SD LOT TH N AND FOLLOWING BDRY LINE OF SD LOT TO BEG PART OF LOT 15 IN SEC 19

County: LOS ANGELES, CA APN: 3022-011-001
 Census Tract / Block: 9107.07 / Alternate APN:
 Township-Range-Sect: 6N-00-19 Subdivision: PALMDALE COLONY LANDS
 Legal Book/Page: 134-84 Map Reference: 172-G7 /
 Legal Lot: Tract #:
 Legal Block: School District: ANTELOPE VLY UN
 Market Area: School District Name: ANTELOPE VLY UN
 Neighbor Code: Munic/Township: PALMDALE

Owner Transfer Information

Recording/Sale Date: 11/06/1991 / 09/1991 Deed Type: WARRANTY DEED
 Sale Price: 1st Mtg Document #:
 Document #: 1755353

Last Market Sale Information

Recording/Sale Date: 03/17/1969 / 1st Mtg Amount/Type: /
 Sale Price: \$106,000 1st Mtg Int. Rate/Type: /
 Sale Type: FULL 1st Mtg Document #:
 Document #: 2nd Mtg Amount/Type: /
 Deed Type: DEED (REG) 2nd Mtg Int. Rate/Type: /
 Transfer Document #: Price Per SqFt:
 New Construction: Multi/Split Sale:
 Title Company:
 Lender:
 Seller Name:

Prior Sale Information

Prior Rec/Sale Date: / Prior Lender:
 Prior Sale Price: Prior 1st Mtg Amt/Type: /
 Prior Doc Number: Prior 1st Mtg Rate/Type: /
 Prior Deed Type:

Property Characteristics

Year Built / Eff: / Total Rooms/Offices
 Gross Area: Total Restrooms:
 Building Area: Roof Type: Garage Area:
 Tot Adj Area: Roof Material: Garage Capacity:
 Above Grade: Construction: Parking Spaces:
 # of Stories: Foundation: Heat Type:
 Other Improvements: Building Permit Exterior wall: Air Cond:
 Basement Area: Pool:
 Condition:

Site Information

Zoning: PDM2 Acres: 14.80 County Use: VACANT RESIDENTIAL (010V)
 Lot Area: 644,785 Lot Width/Depth: x State Use:
 Land Use: RESIDENTIAL Res/Comm Units: / Water Type:
 ACREAGE
 Site Influence: Sewer Type:

Tax Information

Total Value: \$142,444 Assessed Year: 2021 Property Tax: \$2,114.84
 Land Value: \$142,444 Improved %: Tax Area: 7080
 Improvement Value: Tax Year: 2021 Tax Exemption:
 Total Taxable Value: \$142,444

Return to: (enclose self-addressed stamped envelope)

Name: DAVID M. WATKINS
ATTORNEY AT LAW
Address: 5353 N. FEDERAL HIGHWAY, #404
FORT LAUDERDALE, FLORIDA 33308

This Instrument Prepared by:
DAVID M. WATKINS
ATTORNEY AT LAW
Address: 5353 N. FEDERAL HIGHWAY, #404
FORT LAUDERDALE, FLORIDA 33308
Property Appraisers Parcel I.D. (Folio) Number(s):

Grantee(s) S.S.#(s):

WARRANTY DEED
INDIVID TO INDIVID

RAMCO FORM 01

TAX BILLING TO:
Donohue, John and
James, Thomas
Box 565
Alhambra, CA 91802

91-1755353
RECORDED IN OFFICIAL RECORDS
RECORDER'S OFFICE
LOS ANGELES COUNTY
CALIFORNIA
4 MIN. 8 A.M. NOV 6 1991

Documentary Transfer Tax none.

DAVID M. WATKINS, ESQUIRE

SPACE ABOVE THIS LINE FOR PROCESSING DATA

SPACE ABOVE THIS LINE FOR RECORDING DATA

SURVEY MONUMENT FILE NO. CODE 99

This Warranty Deed Made the 11th day of September A. D. 1991 by

THOMAS JAMES and MARTHA JAMES, husband and wife
90 S.W. 91st Avenue, #108, Plantation, Florida 33324

hereinafter called the grantor, to THOMAS JAMES and MARTHA JAMES, Trustees of The Thomas James Revocable Trust, dated 9/11/91, with the power and authority to protect and conserve, sell, lease, encumber or otherwise manage and dispose of the real property conveyed and described below

whose postal address is 90 S.W. 91st Avenue, #108, Plantation, Florida 33324
hereinafter called the grantee:

(Wherever used herein the terms "grantor" and "grantee" include all the parties to this instrument and the heirs, legal representatives and assigns of individuals, and the successors and assigns of corporations)

Witnesseth: That the grantor, for and in consideration of the sum of \$ 10.00----- and other valuable considerations, receipt whereof is hereby acknowledged, hereby grants, bargains, sells, aliens, remises, releases, conveys and confirms unto the grantee, all that certain land situate in Los Angeles County, California, to wit:

A ONE-HALF UNDIVIDED INTEREST IN THE FOLLOWING: As shown in Map of Palmdale Colony Lands, in Book 11 pages 11 and 12 of Misc. Records.
Parcel 1: The west 660 feet of the north half of Lot 15 in the SE quarter of Section 19, Township 6 North, Range 11 West, SBEM;
Except the south 330 feet; Except any portion thereof included in public roads as same existed on May 29, 1956.
Parcel 2: The north half of Lot 15 in the SE quarter of Section 19, Township 6 North, Range 11 West, SBEM; EXCEPT the west 660 feet of said land; ALSO EXCEPT the south 330 feet of said land;
Parcel 3: The south 330 feet of the north half of Lot 15 in the SE quarter of Section 19, Township 6 North, Range 11 West, SBEM.
Together with all the easements, improvements and appurtenances thereto belonging or in any-wise appertaining.

To Have and to Held, the same in fee simple forever.

And the grantor hereby covenants with said grantee that the grantor is lawfully seized of said land in fee simple; that the grantor has good right and lawful authority to sell and convey said land; that the grantor hereby fully warrants the title to said land and will defend the same against the lawful claims of all persons whomsoever; and that said land is free of all encumbrances, except taxes accruing subsequent to December 31, 1990.

In Witness Whereof, the said grantor has signed and sealed these presents the day and year first above written.

Signed, sealed and delivered in our presence:

Frances E. Phillips
Kate L. Mann

Thomas James
MARTHA JAMES

STATE OF Florida
COUNTY OF Broward

I HEREBY CERTIFY that on this day, before me, an officer duly authorized in the State aforesaid and in the County aforesaid, to take acknowledgments, personally appeared

THOMAS JAMES and MARTHA JAMES
to me known to be the persons described in and who executed the foregoing instrument and they acknowledged before me that they executed the same.

WITNESS my hand and official seal in the County and State last aforesaid this 11th day of September A. D. 19 91.

DAVID M. WATKINS, NOTARY PUBLIC



DAVID M. WATKINS
My Comm. Expires Sept. 18, 1993
Bonded thru General Ins. Unit.

Title Report

Overland, Pacific & Cutler, Inc.
2280 Market St #200
Riverside, CA 92501
Attn: Maria Martinez

File No.: 92018802

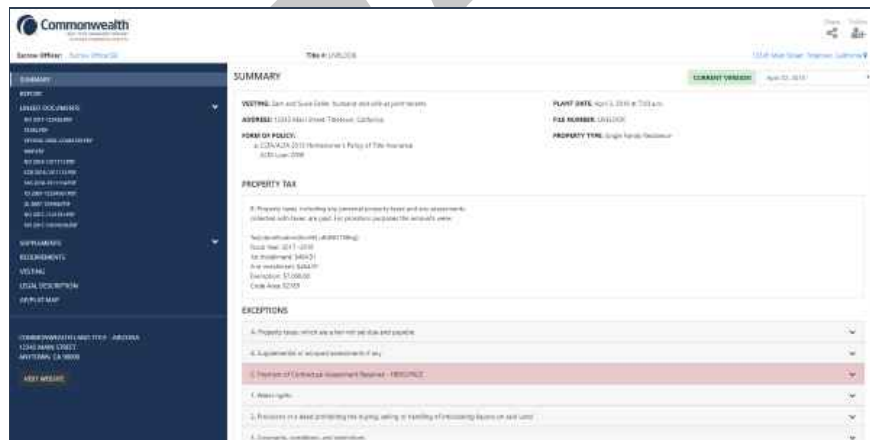
Property Address: No Situs, Palmdale, CA

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Commonwealth Land Title Company

Los Angeles, CA 90221

Phone:

Overland, Pacific & Cutler, Inc.
2280 Market St #200
Riverside, CA 92501

Attn: **Maria Martinez**

Our File No: 92018802
Title Officer: Chris Maziar
e-mail: TeamMaziar@cltic.com
Phone: (949) 724-3170
Fax: (949) 258-5740

Your Reference No: PTR-001 PWD-1000

Property Address: No Situs, Palmdale, CA

PRELIMINARY REPORT

Dated as of August 23, 2022 at 7:30 a.m.

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

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

The policy(s) of title insurance to be issued hereunder will be policy(s) of **Commonwealth Land Title Insurance Company**.

Please read the exceptions shown or referred to below and the exceptions and exclusions set forth in Attachment One of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered. It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects, and encumbrances affecting title to the land.

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

SCHEDULE A

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

CLTA Standard Coverage Policy of Title Insurance (4-8-14)

The estate or interest in the land hereinafter described or referred to covered by this report is:

A FEE

Title to said estate or interest at the date hereof is vested in:

John Donohue and Mary Jean Donohue, husband and wife as joint tenants as to an undivided 1/2 interest and Thomas James and Martha James, Trustee of the Thomas James Revocable Trust, dated September 11, 1991, as to an undivided 1/2 interest

The land referred to herein is situated in the County of LOS ANGELES, State of California, and is described as follows:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

DRAFT

EXHIBIT "A"

ALL THAT CERTAIN REAL PROPERTY SITUATED IN THE CITY OF PALMDALE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

PARCEL 1:

THE WEST 660 FEET OF THE NORTH HALF OF LOT 15 IN THE SOUTHEAST QUARTER OF SECTION 19, TOWNSHIP 6 NORTH, RANGE 11 WEST, IN THE CITY OF PALMDALE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON MAP OF PALMDALE COLONY LANDS, IN [BOOK 11, PAGES 11](#) AND 12 OF MISCELLANEOUS RECORDS.

EXCEPT THE SOUTH 330 FEET.

ALSO EXCEPT ANY PORTION THEREOF INCLUDED IN PUBLIC ROADS AS THE SAME EXISTED ON MAY 29, 1956.

PARCEL 2:

THE NORTH HALF OF LOT 15 IN THE SOUTHEAST QUARTER OF SECTION 19, TOWNSHIP 6 NORTH, RANGE 11 WEST, AS SHOWN ON MAP OF PALMDALE COLONY LANDS IN [BOOK 11, PAGES 11](#) AND 12 OF MISCELLANEOUS RECORDS.

EXCEPT THE WEST 660 FEET OF SAID LAND.

ALSO EXCEPT THE SOUTH 330 FEET OF SAID LAND.

PARCEL 3:

THE SOUTH 330 FEET OF THE NORTH HALF OF LOT 15 IN THE SOUTHEAST QUARTER OF SECTION 19, TOWNSHIP 6 NORTH, RANGE 11 WEST, AS SHOWN ON MAP OF PALMDALE COLONY LANDS, IN [BOOK 11, PAGES 11](#) AND 12 OF MISCELLANEOUS RECORDS.

EXCEPT THE WEST 660 FEET OF SAID LAND.

Assessor's Parcel Number: [3022-011-001](#)

PLOTTED EASEMENTS

SCHEDULE B – Section A

The following exceptions will appear in policies when providing standard coverage as outlined below:

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

DRAFT

SCHEDULE B – Section B

At the date hereof Exceptions to coverage in addition to the printed exceptions and exclusions in said policy form would be as follows:

- A. Property taxes, which are a lien not yet due and payable, including any assessments collected with taxes to be levied for the fiscal year 2022-2023.
- B. Any liens or other assessments, bonds, or special district liens including without limitation, Community Facility Districts, that arise by reason of any local, City, Municipal or County Project or Special District.
- C. The lien of supplemental or escaped assessments of property taxes, if any, made pursuant to the provisions of Chapter 3.5 (commencing with Section 75) or Part 2, Chapter 3, Articles 3 and 4, respectively, of the Revenue and Taxation Code of the State of California as a result of the transfer of title to the vestee named in Schedule A or as a result of changes in ownership or new construction occurring prior to Date of Policy.

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

Reserved by: John J. Jones
Purpose: Public utilities and incidental purposes
Recording Date: July 24, 1889
Recording No: [Book 573, Page 232](#) of Deeds
Affects: A portion of said land

- 3. Intentionally Deleted.
- 4. Easement(s) for the purpose(s) shown below and rights incidental thereto as reserved in a document;

Reserved by: Joseph Ferrara, Jr., and Gaye N. Ferrara, his wife
Purpose: Road purposes, ingress and egress to be used in common with others
Recording Date: November 27, 1967
Recording No: [1254 of Official Records](#)
Affects: A portion of said land

- 5. Please be advised that our search did not disclose any open Deeds of Trust of record. If you should have knowledge of any outstanding obligation, please contact the Title Department immediately for further review prior to closing.
- 6. Any invalidity or defect in the title of the vestees in the event that the trust referred to herein is invalid or fails to grant sufficient powers to the trustee(s) or in the event there is a lack of compliance with the terms and provisions of the trust instrument.

If title is to be insured in the trustee(s) of a trust, (or if their act is to be insured), this Company will require a Trust Certification pursuant to California Probate Code Section 18100.5.

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

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

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

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

8. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other matters which a correct survey would disclose and which are not shown by the public records.
9. Any easements not disclosed by the public records as to matters affecting title to real property, whether or not said easements are visible and apparent.
10. Matters which may be disclosed by an inspection and/or by a correct ALTA/NSPS Land Title Survey of said Land that is satisfactory to the Company, and/or by inquiry of the parties in possession thereof.

END OF SCHEDULE B EXCEPTIONS

PLEASE REFER TO THE "NOTES AND REQUIREMENTS SECTION" WHICH FOLLOWS FOR INFORMATION NECESSARY TO COMPLETE THIS TRANSACTION

DRAFT

REQUIREMENTS SECTION:

1. The Company will require either (a) a complete copy of the trust agreement and any amendments thereto certified by the trustee(s) to be a true and complete copy with respect to the hereinafter named trust, or (b) a Certification, pursuant to California Probate Code Section 18100.5, executed by all of the current trustee(s) of the hereinafter named trust, a form of which is attached.

Name of Trust: The Thomas James Revocable Trust, dated September 11, 1991

2. In order to complete this report, the Company requires a Statement of Information to be completed by the following party(s),

Party(s): All Parties

The Company reserves the right to add additional items or make further requirements after review of the requested Statement of Information.

NOTE: The Statement of Information is necessary to complete the search and examination of title under this order. Any title search includes matters that are indexed by name only, and having a completed Statement of Information assists the Company in the elimination of certain matters which appear to involve the parties but in fact affect another party with the same or similar name. Be assured that the Statement of Information is essential and will be kept strictly confidential to this file.

3. Unrecorded matters which may be disclosed by an Owner's Affidavit or Declaration. A form of the Owner's Affidavit/Declaration is attached to this Preliminary Report/Commitment. This Affidavit/Declaration is to be completed by the record owner of the land and submitted for review prior to the closing of this transaction. Your prompt attention to this requirement will help avoid delays in the closing of this transaction. Thank you.

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

INFORMATIONAL NOTES SECTION

1. The information on the attached plat is provided for your convenience as a guide to the general location of the subject property. The accuracy of this plat is not guaranteed, nor is it a part of any policy, report or guarantee to which it may be attached.
2. For wiring Instructions please contact your Title Officer or Title Company Escrow officer.
3. Notice: Please be aware that due to the conflict between federal and state laws concerning the cultivation, distribution, manufacture or sale of marijuana, the Company is not able to close or insure any transaction involving Land that is associated with these activities.
4. Pursuant to Government Code Section 27388.1, as amended and effective as of 1-1-2018, a Documentary Transfer Tax (DTT) Affidavit may be required to be completed and submitted with each document when DTT is being paid or when an exemption is being claimed from paying the tax. If a governmental agency is a party to the document, the form will not be required. DTT Affidavits may be available at a Tax Assessor-County Clerk-Recorder.
5. Note: The policy of title insurance will include an arbitration provision. The Company or the insured may demand arbitration. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the insured arising out of or relating to this policy, any service of the Company in connection with its issuance or the breach of a policy provision or other obligation. Please ask your escrow or title officer for a sample copy of the policy to be issued if you wish to review the arbitration provisions and any other provisions pertaining to your Title Insurance coverage.
6. The following Exclusion(s) are added to preliminary reports, commitments and will be included as an endorsement in the following policies:
 - A. 2006 ALTA Owner's Policy (06-17-06).
 6. Defects, liens, encumbrances, adverse claims, notices, or other matters not appearing in the Public Records but that would be disclosed by an examination of any records maintained by or on behalf of a Tribe or on behalf of its members.
 - B. 2006 ALTA Loan Policy (06-17-06).
 8. Defects, liens, encumbrances, adverse claims, notices, or other matters not appearing in the Public Records but that would be disclosed by an examination of any records maintained by or on behalf of a Tribe or on behalf of its members.
 9. Any claim of invalidity, unenforceability, or lack of priority of the lien of the Insured Mortgage based on the application of a Tribe's law resulting from the failure of the Insured Mortgage to specify State law as the governing law with respect to the lien of the Insured Mortgage.
 - C. ALTA Homeowner's Policy of Title Insurance (12-02-13) and CLTA Homeowner's Policy of Title Insurance (12-02-13).
 10. Defects, liens, encumbrances, adverse claims, notices, or other matters not appearing in the Public Records but that would be disclosed by an examination of any records maintained by or on behalf of a Tribe or on behalf of its members.
 - D. ALTA Expanded Coverage Residential Loan Policy - Assessments Priority (04-02-15).
 12. Defects, liens, encumbrances, adverse claims, notices, or other matters not appearing in the Public Records but that would be disclosed by an examination of any records maintained by or on behalf of a Tribe or on behalf of its members.
 13. Any claim of invalidity, unenforceability, or lack of priority of the lien of the Insured Mortgage based on the application of a Tribe's law resulting from the failure of the Insured Mortgage to specify State law as the governing law with respect to the lien of the Insured Mortgage.

E. CLTA Standard Coverage Policy 1990 (11-09-18).

7. Defects, liens, encumbrances, adverse claims, notices, or other matters not appearing in the public records but that would be disclosed by an examination of any records maintained by or on behalf of a tribe or on behalf of its members.
8. Any claim of invalidity, unenforceability, or lack of priority of the lien of the insured mortgage based on the application of a tribe's law resulting from the failure of the insured mortgage to specify state law as the governing law with respect to the lien of the insured mortgage.

7. Note: None of the items shown in this report will cause the Company to decline to attach CLTA Endorsement Form 100 to an ALTA Loan Policy, when issued.

8. Note: The following information will be included in the CLTA Form 116 or ALTA Form 22-06 Endorsement to be issued pursuant to this order:

There is located on said Land: a Vacant Land
Known as: No Situs, City of Palmdale, County of Los Angeles, CA

9. Note: There are NO conveyances affecting said Land recorded within 24 months of the date of this report.

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

Tax Identification No.: [3022-011-001](#)
Fiscal Year: 2021-2022
1st Installment: \$1,057.42
2nd Installment: \$1,057.42
Exemption: None
Code Area: 07080

11. Note: The Company requires current beneficiary demands prior to closing. If the demand is expired and a current demand cannot be obtained, our requirements will be as follows:

- a) If the Company accepts a verbal update on the demand, we may hold an amount equal to one monthly mortgage payment. This hold will be in addition to the verbal hold the lender may have stipulated.
- b) If the Company cannot obtain a verbal update on the demand, we will either pay off the expired demand or wait for the amended demand, at our discretion.
- c) All payoff figures are verified at closing. If the customer's last payment was made within 15 days of closing, our Payoff Department may hold one month's payment to insure the check has cleared the bank (unless a copy of the cancelled check is provided, in which case there will be no hold).

12. Due to the special requirements of SB 50 (California Public Resources Code Section 8560 et seq.), any transaction that includes the conveyance of title by an agency of the United States must be approved in advance by the Company's State Counsel, Regional Counsel, or one of their designees.

Typist: Ogb

Date Typed: September 7, 2022

Wire Fraud Alert

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

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

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

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

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

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

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

Notice of Available Discounts

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

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

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

FNF Underwritten Title Company

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

Underwritten by FNF Underwriters

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

Available Discounts

DISASTER LOANS (CTIC, CLTIC, FNTIC)

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

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

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

FIDELITY NATIONAL FINANCIAL, INC. PRIVACY NOTICE

Effective August 1, 2021

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

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

Collection of Personal Information

FNF may collect the following categories of Personal Information:

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

We may collect Personal Information about you from:

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

Collection of Browsing Information

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

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

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

Other Online Specifics

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

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

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

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

Use of Personal Information

FNF uses Personal Information for three main purposes:

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

When Information Is Disclosed

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

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

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

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

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

Security of Your Information

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

Choices With Your Information

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

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

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

For Nevada Residents: You may be placed on our internal Do Not Call List by calling (888) 714-2710 or by contacting us via the information set forth at the end of this Privacy Notice. Nevada law requires that we also provide you with the following contact information: Bureau of Consumer Protection, Office of the Nevada Attorney General, 555 E. Washington St., Suite 3900, Las Vegas, NV 89101; Phone number: (702) 486-3132; email: BCPINFO@ag.state.nv.us.

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

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

Information From Children

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

International Users

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

FNF Website Services for Mortgage Loans

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

Your Consent To This Privacy Notice; Notice Changes

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

Accessing and Correcting Information; Contact Us

If you have questions, would like to correct your Personal Information, or want to opt-out of information sharing for affiliate marketing, visit FNF's [Opt Out Page](#) or contact us by phone at (888) 714-2710 or by mail to:

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

DRAFT

ATTACHMENT ONE (Revised 05-06-16)

CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE POLICY – 1990

EXCLUSIONS FROM COVERAGE

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

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

EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART I

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

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

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

EXCLUSIONS

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

1. Governmental police power, and the existence or violation of those portions of any law or government regulation concerning:
 - a. building;
 - b. zoning;
 - c. land use;
 - d. improvements on the Land;
 - e. land division; and
 - f. environmental protection.This Exclusion does not limit the coverage described in Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23 or 27.
2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.
3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.
4. Risks:
 - a. that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records;
 - b. that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date;

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

LIMITATIONS ON COVERED RISKS

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

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

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

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

2006 ALTA LOAN POLICY (06-17-06)

EXCLUSIONS FROM COVERAGE

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

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

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

EXCEPTIONS FROM COVERAGE

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

{PART I

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

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

PART II

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

2006 ALTA OWNER'S POLICY (06-17-06)

EXCLUSIONS FROM COVERAGE

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

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

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

EXCEPTIONS FROM COVERAGE

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

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

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

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

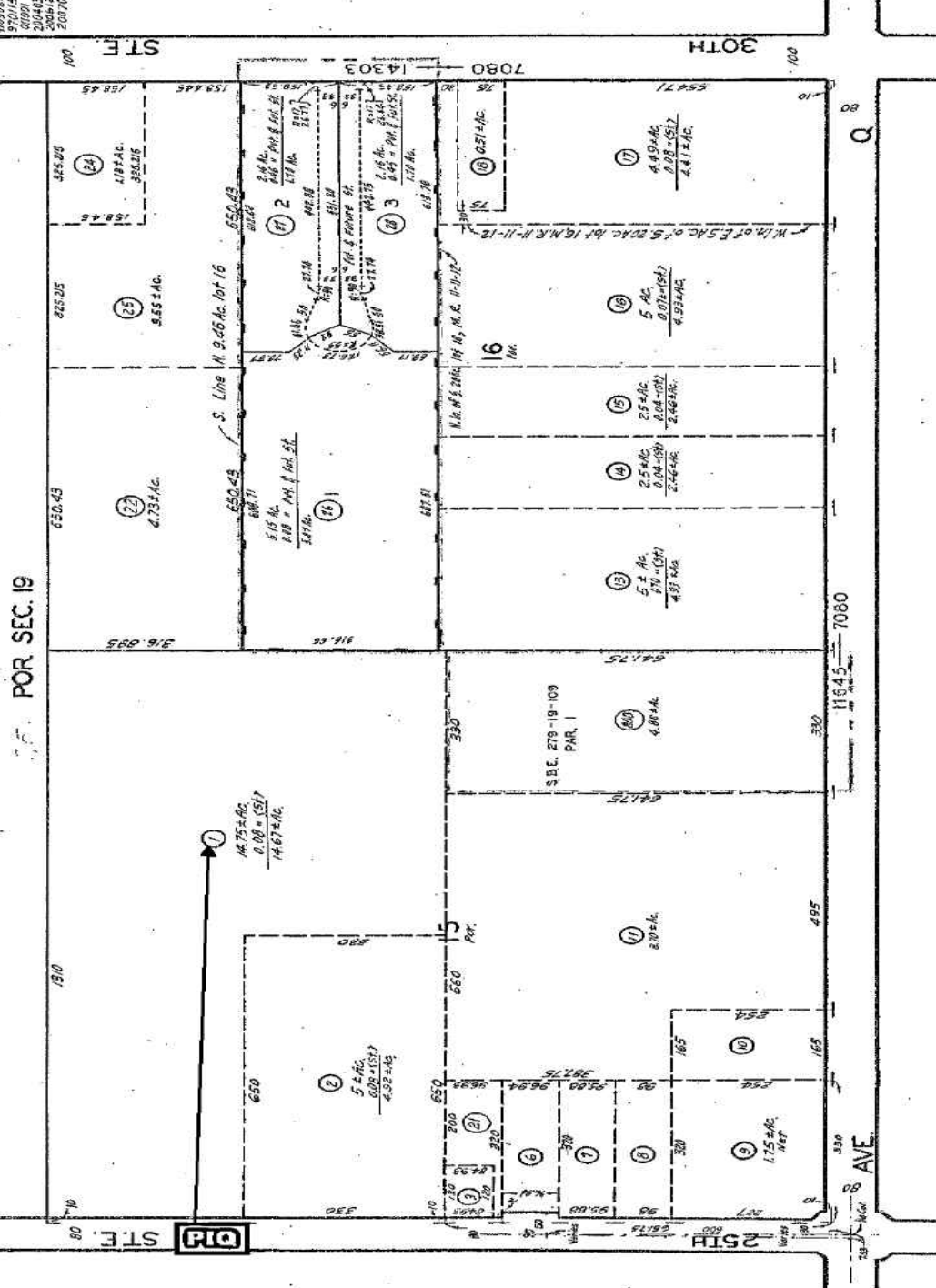
EXCLUSIONS FROM COVERAGE

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

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

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2007



PARCEL MAP
 P. M. 233-41-43

A PORTION OF
 PALMDALE COLONY LANDS
 T.6N., R.11W
 MR. II-11-12

CODE
 7030
 11645
 14303

ASSESSOR'S MAP
 COUNTY OF LOS ANGELES, CALIF.

FOR PREV. ASSMT. SEE:
 3022 - 11

3022 11
 SCALE 1" = 200'

This map/plat is being furnished as an aid in locating the herein described Land in relation to adjoining streets, natural boundaries and other land, and is not a survey of the land depicted. Except to the extent a policy of title insurance is expressly modified by endorsement, if any, the Company does not insure dimensions, distances, location of easements, acreage or other matters shown thereon.

RECORDING REQUESTED BY
Commonwealth Land Title Company
WHEN RECORDED MAIL TO:

ORDER NO.: **92018802-920-CM8**

SPACE ABOVE THIS LINE FOR RECORDER'S USE

CERTIFICATION OF TRUST
California Probate Code Section 18100.5

The undersigned declare(s) under penalty of perjury under the laws of the State of California that the following is true and correct:

1. The Trust known as _____,
executed on _____, is a valid and existing trust.
2. The name(s) of the settlor(s) of the Trust is (are): _____

3. The name(s) of the currently acting trustee(s) is (are): _____

4. The trustee(s) of the Trust have the following powers (initial applicable line(s)):
_____ Power to acquire additional property.
_____ Power to sell and execute deeds.
_____ Power to encumber, and execute deeds of trust.
_____ Other: _____
5. The Trust is (check one): _____ Revocable _____ Irrevocable

The name of the person who may revoke the Trust is: _____

6. The number of trustees who must sign documents in order to exercise the powers of the Trust is (are): _____,
whose name(s) is (are): _____
7. Title to Trust assets is to be taken as follows: _____
8. The Trust has not been revoked, modified or amended in any manner which would cause the representations contained herein to be incorrect.
9. I (we) am (are) all of the currently acting trustees.
10. I (we) understand that I (we) may be required to provide copies of excerpts from the original Trust documents which designate the trustees and confer the power to act in the pending transaction.

Dated: _____

(Acknowledgement must be attached)

DRAFT

CERTIFICATE OF ACKNOWLEDGEMENT OF NOTARY PUBLIC

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

STATE OF CALIFORNIA
COUNTY OF

} ss:

On _____ before me,

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

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

WITNESS my hand and official seal.

Signature _____

CERTIFICATE OF ACKNOWLEDGEMENT OF NOTARY PUBLIC

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

STATE OF CALIFORNIA
COUNTY OF

} ss:

On _____ before me,

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

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

WITNESS my hand and official seal.

Signature _____

OWNER'S DECLARATION

The undersigned hereby declares as follows:

1. (Fill in the applicable paragraph and strike the other)
 - a. Declarant ("Owner") is the owner or lessee, as the case may be, of certain premises located at _____
further described as follows: See Preliminary Report/Commitment No. 92018802-920-CMM-CM8 for full legal description (the "Land").
 - b. Declarant is the _____ of _____ ("Owner"),
which is the owner or lessee, as the case may be, of certain premises located at _____
further described as follows: See Preliminary Report/Commitment No. 92018802-920-CMM-CM8 for full legal description (the "Land").
2. (Fill in the applicable paragraph and strike the other)
 - a. During the period of six months immediately preceding the date of this declaration no work has been done, no surveys or architectural or engineering plans have been prepared, and no materials have been furnished in connection with the erection, equipment, repair, protection or removal of any building or other structure on the Land or in connection with the improvement of the Land in any manner whatsoever.
 - b. During the period of six months immediately preceding the date of this declaration certain work has been done and materials furnished in connection with _____ upon the Land in the approximate total sum of \$ _____, but no work whatever remains to be done and no materials remain to be furnished to complete the construction in full compliance with the plans and specifications, nor are there any unpaid bills incurred for labor and materials used in making such improvements or repairs upon the Land, or for the services of architects, surveyors or engineers, except as follows: _____
_____. Owner, by the undersigned Declarant, agrees to and does hereby indemnify and hold harmless Commonwealth Land Title Company against any and all claims arising therefrom.
3. Owner has not previously conveyed the Land; is not a debtor in bankruptcy (and if a partnership, the general partner thereof is not a debtor in bankruptcy); and has not received notice of any pending court action affecting the title to the Land.
4. Except as shown in the above-referenced Preliminary Report/Commitment, there are no unpaid or unsatisfied mortgages, deeds of trust, Uniform Commercial Code financing statements, regular assessments, or taxes that constitute a lien against the Land or that affect the Land but have not been recorded in the public records.
5. The Land is currently in use as _____; _____ occupy/occupies the Land; and the following are all of the leases or other occupancy rights affecting the Land:

6. There are no other persons or entities that assert an ownership interest in the Land, nor are there unrecorded easements, claims of easement, or boundary disputes that affect the Land.
7. There are no outstanding options to purchase or rights of first refusal affecting the Land.
8. There are no material violations of any current, enforceable covenant affecting the Property and the Undersigned has received no written notice from any third party claiming that there is a present violation of any current, enforceable covenant affecting the Property.

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

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

Signature: _____

Signature: _____

DRAFT



October 5, 2022

James Thomas and Martha Thomas
2875 W. Ray Road, #6-238
Chandler, AZ 85224

Regarding: Notice of Decision to Appraise
Thomas Trust
Property Address: Vac/25th Ste/Vic Avenue P10, Palmdale, CA 93550
APN(s): 3022-011-001

Dear Property Owner,

The Palmdale Water District ("District") is proposing a project identified as the Palmdale Water District - Reservoir Acquisition Services (Project). The Palmdale Water District's plan is to convey recycled water from the Los Angeles County Sanitation District (LACSD) and construct a 5 MGD advanced water purification facility (AWPF) and associated conveyance and groundwater injection infrastructure with the ability to expand to 10 MGD.

Your property located at VAC/25th STE/VIC Avenue P10 in the City of Palmdale, CA 93550 identified by Assessor's Parcel No. 3022-011-001 (the "Property"), is within the Project area. The District is investigating the potential acquisition of acquisition of your property for this project.

This is not an offer to purchase the easement. It is a notice to inform you of the District's intention to appraise the Property to determine its fair market value. You will be advised when the Property is to be appraised, in order for you or your representative to accompany the appraiser upon the inspection of the Property, if you wish to do so.

Santolucito Dora Group Inc. has been contracted by the District to independently appraise the Property. You will be contacted by the appraiser to arrange an appointment to inspect your Property. If you would like to contact the appraiser directly, their phone number is 951-225-3500 Ext. 101.

The enclosed brochure entitled "Acquisition Policies and Procedures" contains information pertaining to the process involved in the easement acquisition. This information is being sent to you in accordance with California Code of Regulations Section 6188, et al. This is a preliminary notice only and the District has not made a final decision to acquire your property.

If you have any questions about the enclosed information or would like additional information, please contact Kelly Dewitt, who is a Project Manager with the firm of Overland Pacific and Cutler, which firm has been retained by the District to manage the potential acquisition of your property. Kelly Dewitt may be reached directly at (562) 304-2000.

Sincerely,

Kelly Dewitt
Project Manager
Overland, Pacific, & Cutler LLC.

Enclosures: Acquisition Brochure

Acquisition Policies and Procedures

Acquiring Agency:
City of Palmdale

Project Name:
Palmdale Water District - Reservoir & Pure Water AV Acquisition Services

Acquiring Agency Representative:



**Overland, Pacific & Cutler, LLC.
5000 Airport Plaza Drive Suite 250
Long Beach, Ca 90815
Phone: 562-304-2000**

INTRODUCTION

This question and answer brochure intends to provide a non-technical, understandable discussion of the Acquiring Agency (listed above) property acquisition procedures and the principal rights and options available to you, the property owner. If the Acquiring Agency decides to acquire your property, it must abide by these procedures to fulfill its obligations under applicable federal and/or state law.

The Acquiring Agency has retained the professional firm of **Overland, Pacific & Cutler, LLC. (OPC)** to assist in the acquisition process. Their address and telephone number is listed above. Please contact them if you have any questions about the acquisition procedures or your rights.

GENERAL PROPERTY ACQUISITION QUESTIONS

1. Who Will Make The Decision To Buy My Property?

The decision to acquire a property for a public project usually involves many persons and many decisions. The final decision to proceed with the project is made by the Acquiring Agency after a thorough review which often includes public hearings to obtain the views of interested citizens.

If you have any questions about the project or the selection of your property for acquisition, you should ask a representative of the Acquiring Agency.

2. How Will The Acquiring Agency Determine How Much To Offer For My Property?

Before making you an offer, the Acquiring Agency will obtain at least one appraisal of your property by a competent real property appraiser who is familiar with local property values. The appraiser will inspect your property and state the professional opinion of its current fair market value in an appraisal report. After the appraiser has completed the report, a review appraiser may recheck the work to assure that the estimate is fair and the work conforms with professional appraisal standards.

The Acquiring Agency is required to offer you "just compensation" for your property. This amount cannot be less than the fair market value of your property, as determined by the Acquiring Agency on the basis of its appraisal(s).

3. What Is Fair Market Value?

Fair market value is sometimes defined as that amount of money which would probably be paid for a property in a sale between a willing seller, who does not have to sell, and a willing buyer, who does not have to buy. The fair market value of a property is generally considered to be "just compensation". Fair market value does not take into account intangible elements such as sentimental value, goodwill, business profits, or any special value that your property may have for you or for the Acquiring Agency.

4. How Does An Appraiser Determine The Fair Market Value Of My Property?

Each parcel of real property is different and therefore no single formula can be devised to appraise all properties. Among the factors an appraiser typically considers in estimating the value of real property are:

- How it compares with similar properties in the area that have been sold recently.
- How much it would cost to reproduce the buildings and other structures, less any depreciation.
- How much rental income it could produce.

5. Will I Have A Chance To Talk To The Appraiser?

Yes. You must be contacted and given the opportunity to accompany the appraiser during the inspection of your property. You may then inform the appraiser of any special features which you believe may add to the value of your property. It is in your best interest to provide the appraiser with all the useful information you can in order to insure that nothing of allowable value will be overlooked. If you are unable to meet with the appraiser, you may wish to have a person who is familiar with your property represent you.

6. Can I Hire My Own Appraiser And Will I Be Reimbursed For The Cost?

Yes. Should you elect to have an independent appraisal conducted in addition to the appraisal conducted by the Acquiring Agency, you are entitled to be reimbursed for the reasonable costs of the appraisal, up to \$5,000. In order to receive any reimbursement, the appraiser you chose must be licensed with the Office of Real Estate Appraisers (OREA) and in accord with the Uniform Standards of Professional Appraisal Practice. For information regarding licensed appraisers, please visit the OREA web site at www.orea.ca.gov.

Appraisals, such as the one being obtained by the Acquiring Agency, are very specialized appraisals. It is imperative that the appraiser you chose be familiar with this particular type of appraisal.

Once you have chosen an appraiser, it is requested that you submit your reimbursement request in writing to the Acquiring Agency's acquisition representative, Overland, Pacific & Cutler, Inc. at the address listed on the front page within 90 days of the earliest of the following dates: (1) the date the selected appraiser requests payment from you for the appraisal; or (2) the date upon which you, or someone on your behalf, remits full payment to the selected appraiser for the appraisal. Copies of the contract (if a contract is made), appraisal report, and invoice for completed work by the appraiser must be provided to the Acquiring Agency concurrent with submission of the appraisal cost reimbursement request. The cost must be reasonable and justifiable.

7. How Soon Will The Acquiring Agency Give Me A Written Purchase Offer?

Generally, this will depend on the amount of work required to appraise your property. In the case of a typical single-family house, it is usually possible for the Acquiring Agency to make a written purchase offer within 90 days of the date it first notifies the owner of its intent to appraise the property. Appraisal of commercial and industrial property may take somewhat longer.

The Acquiring Agency must give you a written offer to acquire your property for the full amount it determines to be just compensation, and it must do so promptly after it determines that amount. Along with the offer you are to receive a written statement explaining the basis for the Acquiring Agency's determination of just compensation.

8. What Is The Acquiring Agency Basis For Its Statement Of Just Compensation?

The Acquiring Agency's statement of the basis for its determination of just compensation must be provided to you with the written purchase offer. Among other things, this statement must include:

- A general statement of the Acquiring Agency's proposed use for the property.

- An accurate description of the property to be acquired.
- A list of the improvements covered by the offer.
- The amount of the offer.
- An indication that the offer does not reflect any relocation payments or other relocation assistance which you may receive.
- The recognized definition of the term "fair market value".
- The amount considered to be just compensation for each improvement which is owned by a tenant and the basis for determining that amount.
- Notice that if you are a business owner, you may be entitled to compensation for loss of goodwill.

9. Must I Accept The Acquiring Agency's Offer?

No. You are entitled to present your evidence as to the amount you believe is the value of your property and to make suggestions for changing the terms and conditions of the offer. The Acquiring Agency must make reasonable efforts to consider and respond to your evidence and suggestions.

10. May I Have Someone Represent Me During Negotiations?

Yes. If you would like an attorney or anyone else to represent you during negotiations, please so inform the Acquiring Agency in writing. However, state law does not require the Acquiring Agency to pay the costs of any such representation.

11. If I Agree To Accept The Acquiring Agency's Offer, How Soon Will I Be Paid?

If you reach a voluntary agreement to sell your property and your ownership (title) is clear, payment will be made at a mutually acceptable time. Generally, this should be possible within 30 to 60 days after you sign a purchase contract. If the title evidence obtained by the Acquiring Agency indicates that further action is necessary to show your ownership is clear, you may be able to hasten the payment by helping the Acquiring Agency obtain the necessary proof. (Title evidence is basically a legal record of the ownership of the property. It identifies the owners of record and lists the restrictive deed covenants and recorded mortgages, liens, and other instruments affecting your ownership of the property.)

12. What Happens If I Don't Agree To The Final Offer By The Acquiring Agency?

If you are unable to reach a voluntary agreement through negotiations, the Acquiring Agency may file a suit in court to acquire your property through an eminent domain proceeding. Eminent domain proceedings are often referred to as condemnations.

If your property is to be acquired by condemnation and you would like it done promptly, the Acquiring Agency must file the condemnation suit without unreasonable delay. If the Acquiring Agency decides to abandon its intention to acquire, it will immediately give such notice to the property owner.

13. What Happens After The Acquiring Agency Condemns My Property?

You will be notified of the action. In the event the Acquiring Agency requires possession of your property, prior to the completion of the condemnation action, the Acquiring Agency will deposit with the court an amount not less than its appraisal of the fair market value of the property. Ordinarily, the owner is then permitted to withdraw this amount, less any amounts necessary to pay off any mortgage or other liens on the property and to resolve any special ownership problems. Your early withdrawal of your share of the money will not affect your right to seek additional compensation for your property.

During the condemnation proceeding, you will be provided an opportunity to introduce your evidence as to the value of your property. Of course, the Acquiring Agency will have the same right. After hearing the evidence of all parties, a jury will determine the amount of just compensation. If that amount exceeds the amount deposited by the Acquiring Agency, you will be paid the difference, plus any interest that may be provided under state law.

To help you in presenting your case, in a condemnation proceeding, you may wish to consider employing an attorney and an appraiser. However, as a general rule, the costs of these professional services and other costs which an owner incurs in presenting his case to the court must be paid by the owner.

14. What Can I Do If I Am Not Satisfied With The Court's Determination?

If you are not satisfied with the court judgment, you may file an appeal with the appropriate appellate court for the area in which your property is located. The Acquiring Agency may also file an appeal if it believes the amount of the judgment is too high.

15. Will I Have To Pay Any Settlement Costs?

You will be responsible for the payment of the balance on any mortgage on your property. Also, if your ownership is not clear, you may have to pay the cost of clearing it. But the Acquiring Agency will not charge you any sales commission. And the Acquiring Agency is responsible for all reasonable and necessary costs for typical services required to complete the sale, including recording fees, revenue stamps, transfer taxes and any similar expenses which are incidental to transferring ownership to the Acquiring Agency.

The Acquiring Agency will identify these items in a Settlement Cost Statement to be given to you at the time of settlement or soon after the court award of compensation, if the property is acquired by condemnation. Ordinarily, if you have paid any of these expenses yourself, you will be repaid at that time. If you later discover other costs for which you should be repaid, you should request repayment from the Acquiring Agency within six months after the acquisition. The Acquiring Agency will assist you in filing a claim for these costs.

16. May I Keep Any Of The Buildings Or Other Improvements On My Property?

Very often, many or all of the improvements on a property are not required by the Acquiring Agency. This might include such items as a fireplace mantel, your favorite shrubbery, or even the entire house. If you wish to keep any improvements, please let the Acquiring Agency know as soon as possible.

If you do arrange to keep any improvements, the Acquiring Agency will deduct only its salvage value from the price you would otherwise receive. (The salvage value of an item is its probable selling price if offered for sale on the condition that the buyer will remove it at his own expense.) Of course, if you arrange to keep any real property improvement (such as a fireplace mantel or a shrub), you will not be entitled to receive a relocation payment for the cost of moving it to a new location.

17. Can The Acquiring Agency Take Only A Part Of My Property?

Yes. But if the Acquiring Agency acquires a portion of your property leaving you with an uneconomic remnant (a portion of land not capable of an economic development or use), the Acquiring Agency will offer to acquire the uneconomic remnant if you so desire. Whether an uneconomic remnant remains after the Acquiring Agency's acquisition will be determined by the Acquiring Agency's appraiser and attorney as well as by negotiations with the property owner.

18. Will I Have To Pay Rent To The Agency After My Property Is Acquired?

If arrangements are made to rent acquired property to an owner or his tenant for a short term or for a period subject to termination by the Acquiring Agency on short notice, the rental will not exceed the lesser of the fair rental of the property to the short term occupier, or the pro-rated portion of the fair market value for a typical rental period. If the owner or tenant is an occupant of a dwelling, the rental for the dwelling shall be within his financial means in accordance with state or federal law, as applicable.

19. How Soon Must I Move?

Every reasonable effort will be made to give you ample time to relocate after the acquisition of your property. In most cases, a mutually satisfactory arrangement can be worked out. Also, except in an unusual instance where there is an urgent need for your property, you cannot be required to move from your residence or to move your business or farm operation without at least a 90 day advance written notice of the date by which your move is required.

If you reach a voluntary agreement to sell your property, you cannot be required to move before you receive the agreed purchase price. In the case of a condemnation, you cannot be required to move before the estimated fair market value of the property has been deposited with the court so that you can withdraw your share.

If you are being displaced from your residence, decent, safe and sanitary replacement housing must be available before you can be required to move.

Construction or development of the projects shall be scheduled such that no person lawfully occupying real property shall be required to move from a dwelling (assuming a comparable replacement dwelling will be available) or to move his business without at least 90 days written notice from the date by which the move is required.

20. Will I Be Compensated For The Loss Of Goodwill For My Business?

If the owner of real property is also the owner of a business conducted on the real property to be acquired, he may have a right to compensation for loss of goodwill. Pertinent provisions of the California Code of Civil Procedure addressing compensation for "loss of goodwill" are provided below.

*CODE OF CIVIL PROCEDURE - ARTICLE 6 (SECTIONS 1263.510 - 1263.530)
COMPENSATION FOR LOSS OF GOODWILL*

In the event you are the owner of a business conducted on the property being acquired by the Acquiring Agency, you may be entitled to compensation for loss of goodwill, if any, if you are able to make a showing of such loss pursuant to the requirements of California Code of Civil Procedure Section 1263.510. For your information, Section 1263.510 is reprinted below in its entirety.

- (A) *The owner of a business conducted on the property taken, or on the remainder if such property is part of a larger parcel, shall be compensated for loss of goodwill if the owner proves all of the following:*
- 1) The loss is caused by the taking of the property or the injury to the remainder.*
 - 2) The loss cannot reasonably be prevented by relocation of the business or by taking steps and adopting procedures that a reasonably prudent person would take and adopt in preserving the goodwill.*
 - 3) Compensation for the loss will not be included in payments under Section 7262 of the Government Code.*
 - 4) Compensation for the loss will not be duplicated in the compensation otherwise awarded to the owner.*
- (B) *Within the meaning of this article, "goodwill" consists of the benefits that accrue to a business as a result of its location, reputation for dependability, skill or quality, and any other circumstances resulting in probable retention of old or acquisition of new patronage."*

21. My Property Is Worth More Now Than When I Bought It. Do I Pay Capital Gains Tax On The Increase?

Internal Revenue Service (IRS) Publication 544, "Sales and Other Dispositions of Assets" is available from the IRS. It explains how the federal income tax would apply to a gain or loss resulting from a condemnation for public purposes. In most cases, the owner of property acquired for public purposes may postpone the gain and associated taxes if certain conditions are met within a defined period. If you have any questions about the IRS rules, you should discuss your particular circumstances with your personal tax advisor or your local IRS office.

22. Will My Property Taxes Increase Substantially When I Move Because Of The Proposition 13 Reassessment Formula?

No. Not as long as the replacement property's purchase price does not exceed 120 percent of the sales price for the acquired property. Section 2(d) of Article XIII A of the California Constitution and the Revenue and Taxation Code Section 68 generally provides that property tax relief shall be granted to any real property owner who acquires comparable replacement property after having been displaced by governmental acquisition or eminent domain proceedings.

If the full cash value of the comparable replacement property does not exceed 120 percent of the award or purchase price of the property taken or acquired, then the adjusted base year value of the property taken or acquired shall be transferred to the comparable replacement property. For example:

Purchase Price	120% Allowable Transfer Basis	Replacement Property Price	Subject Property Tax Basis	Replacement Tax Basis
\$100,000	\$120,000	\$130,000	\$50,000	\$60,000

Calculated as follows: $*\$50,000 + (\$130,000 - \$120,000) = \$60,000$

In the event that the replacement property price is greater than the replacement tax basis, the difference will be added to the subject property tax basis to represent the replacement tax basis.

23. Is It Possible To Donate Property To The Acquiring Agency?

Yes. However, prior to accepting any donation of real property, the Acquiring Agency must inform the owner in writing of the amount it believes to be just compensation for the property. The property owner must indicate in writing that, although he understands that he cannot be required to sell his property for less than just compensation, he voluntarily agrees to do so.

24. What Are The Advantages Of Selling My Property To The Acquiring Agency?

- Acquiring Agency pays full cash value for property as determined by an independent appraiser. Seller does not have to provide financing to sell the property.
- Seller does not have to pay real estate sales commission. Sales commissions typically equal six percent (6%) of the sales price in a private transaction.
- Acquiring Agency pays virtually all closing costs (i.e., escrow fees, recording fees, mortgage prepayment penalties).
- Seller may receive favorable capital gains tax treatment and can transfer his existing property tax basis to the replacement property.
- Acquiring Agency provides relocation benefits including referral assistance and cash payments.
- Acquiring Agency pays for moving expenses.

25. Additional Information

If you have further questions after reading this brochure, please contact the Acquiring Agency's representative at **Overland, Pacific & Cutler, LLC.** at the address and phone number listed on the front page.



PROOF OF SERVICE BY MAIL

I declare that I am a resident of or employed in the County of Riverside, State of California. I am over the age of 18 years. The name and address of my residence or business is 2280 Market Street, Suite 200, Riverside, CA 92501.

On the 12th day of October 2022, I served Notice of Decision to Appraise to the parties listed below by placing a true copy thereof enclosed in a sealed envelope collection and delivery by the United States Postal Service or private delivery service following ordinary business practices with postage or other costs prepaid; addressed as follows:

Parcel ID	Name	Address	Certified Receipt No.
3022-011-001	James and Martha Thomas	2875 W. Ray Road, #6-238 Chandler, AZ 85224	7018-0680-0000-3168-8220

I declare under penalty of perjury that the foregoing is true and correct, and that this declaration was executed on October 12, 2022, at Riverside, CA.

Maria Martinez

(print name)



signature)

DRAFT



October 26, 2022

SENT VIA PRIORITY MAIL

John Donohue and Mary Jean Donohue, husband and wife as joint tenants as to an undivided 1/2 interest and Thomas James and Martha James, Trustee of the Thomas James Revocable Trust, dated September 11, 1991, as to an undivided 1/2 interest
2875 West Ray Road, #6-238
Chandler, AZ 85224

**RE: Palmdale Water District - Reservoir Acquisition Services Project
Notice of Decision to Appraise
Located North of East Avenue Q, East of 25th Street E, Palmdale, CA 93550
Assessor's Parcel Number 3022-011-001**

Dear Property Owner:

Our firm has been retained by Overland, Pacific and Cutler, LLC (OPC) on behalf of The Palmdale Water District (District), to prepare an appraisal of the fair market value of your property, referenced above, in connection with the Palmdale Water District - Reservoir Acquisition Services Project (Project). Your property is being considered for potential acquisition, in order to accommodate the construction of the planned public improvements. The appraisal will assist the District in determining just compensation for the proposed acquisition. Upon completion of our appraisal, a representative from OPC will contact you to make an offer.

Access to your property is important to properly value the acquisition area. We would appreciate your cooperation in allowing us access to your property. Please contact us by Friday, November 4th, 2022, to arrange an appointment. Christie can be reached at 951-225-3500 x 101 or via email at christie@sdgroupinc.com.

It would be of great assistance in valuing your property if you could provide the following information prior to our inspection:

- Confirmation of the purchase price and terms regarding your acquisition of the property;
- Information regarding any offers to buy your property within the past five years; and
- Any other information you would like us to consider in our analysis.

Thank you in advance for your cooperation.

Sincerely,
Santolucito Doré Group, Inc.

Christine S. Santolucito, R/W-AC
President
christie@sdgroupinc.com

Lance W. Doré, MAI, FRICS
Vice President
lance@sdgroupinc.com

CHRISTINE S. SANTOLUCITO, R/W-AC

31600 Railroad Canyon Road, Suite 100-L, Canyon Lake, CA 92587
O 951-225-3500 x 101

Christie is the President of the Santolucito Doré Group. In this role, Christie directs all valuation assignments and is responsible for the day to day operations of the business. She is the lead appraiser and works closely with her partner, Lance W. Doré, MAI, FRICS, and team of appraisers on complex appraisal assignments.

Christie is a Certified General Real Estate Appraiser who holds the Right of Way Appraisal Certification (R/W-AC) through the IRWA. She is a Candidate for Designation through the Appraisal Institute (expected 2022). Christie has performed hundreds of full and partial acquisition appraisals and appraisal reviews for right of way projects for public agency clients and fee simple and leased fee valuations for private clients and financial institutions. Property types appraised and/or reviewed include single- and multi-tenant office buildings, industrial properties, research and development buildings, retail properties, auto-related properties, mixed-use properties, single- and multi-family residential properties, special-use properties, open space/environmentally sensitive land, agricultural land, and other types of vacant land.

Christie is also a California Licensed Real Estate Salesperson and is currently pursuing her Brokers license (expected 2022). Christie has been involved with various real estate tasks/transactions for multiple public and private entities, including BNSF and UPRR.

Her previous experience includes more than eight years of office management in various capacities including management of a commercial appraisal firm, prior to owning and operating SD Group.

EDUCATION

Bachelor of Arts, Business Administration and Leadership
Concordia University, Irvine, CA
Cum Laude Graduate, 2006
(GPA of 4.0 at Concordia)

LICENSES

Certified General RE Appraiser
State of California
Certificate No. AG043715
Expires 2/14/2024

Real Estate Salesperson
State of California
License No. 01820326
Expires: 12/29/2023 (Broker
License expected 2022)

PROFESSIONAL MEMBERSHIPS

Member, International Right of Way Association (Chapter 57
2018/19 President)

Candidate for Designation,
Appraisal Institute (SCCAI
IEMTS Committee Member)

INDUSTRY TENURE

16 Years

PROJECT EXPERIENCE

San Bernardino County Transportation Authority (SBCTA) as a sub to Overland Pacific & Cutler, LLC, Epic Land Solutions, Inc., and Bender Rosenthal, Inc., West Valley Connector Project, San Bernardino County, CA. Christie and her team appraised 45 properties and reviewed 19 appraisals within segments 1, 2, and 4 for this road widening transit project. Property types includes multi-family residential, mixed-use, commercial, and industrial properties subject to proposed partial acquisitions.

OCTA as a sub to Epic Land Solutions, Inc., SR-55 Widening Project, Orange County, CA. Christie and her team provided appraisals of two high-profile properties subject to complex partial acquisitions. An additional appraisal of a partial acquisition within an existing street was made.

Eastern Municipal Water District (EMWD), On-Call Appraisal Contract, Riverside County, CA. Appraiser. Christie and her team provide appraisals for various projects on an on-call basis including an appraisal of a landlocked residential parcel next to an EMWD facility for full fee acquisition, residential subdivision land subject to partial acquisition for a water line easement for the Dunlap Drive Project, two appraisals of vacant multi-family land, one being subject to full acquisition and the other subject to partial acquisition of a sewer easement and temporary

construction easement for the Sky Canyon Sewer Project, and two appraisals of vacant medium-to-high density residential acreage properties subject to partial acquisition for sewer and access easements for the Pala Lift Station Project.

County of San Bernardino / SBCTA, I-10 / Cedar Avenue Interchange Project, Bloomington, CA. Appraiser. Christie and her team completed 29 appraisals of single-family, commercial, and industrial property subject to partial acquisition for this interchange project.

City of San Jacinto as a sub to Overland Pacific & Cutler, LLC & Best, Best & Krieger LLP, San Jacinto, CA. Appraiser. Christie and her team completed eight appraisals of parcel impacted by the Esplanade Widening Project and two parcels impacted by the Shaver Street Signalization Project. These projects posed unique valuation challenges, since the majority of parcels slated for proposed acquisition were subject to dedication requirements.

SBCTA as a sub to Overland Pacific & Cutler, LLC, I-10 Corridor Express Lanes Project, County of San Bernardino, CA. Christie and her team appraised 50+ properties impacted by construction packages 1, 2, and 4. Property types include single-family and multi-family residential properties for proposed partial acquisitions associated with this fast-paced design-build project.

City of Riverside, Various Assignments, Riverside, CA. Appraiser. Christie and her team have appraised multiple residential and commercial surplus properties for disposition as well as a business park zoned property for partial acquisition of a transmission line easement.

City of Menifee, Fire Stations, Menifee, CA. Appraiser. Christie and her team provided an appraisal of a vacant commercial parcel for voluntary acquisition for the construction of a City maintenance building and appraisals of 5 fire stations and the future City Hall site for internal asset valuation and auditing purposes.

Riverside County Flood Control and Water Conservation District (RCFCWCD), Riverside County, CA. Appraiser. Christie and her team provided three appraisals of industrial and commercial land subject to partial acquisition of storm drain easements for the Wildomar MDP Lateral C, Stage 3 Project and two appraisals of vacant multi-family residential land and open space land subject to partial acquisition of underground storm drain easements for the Palm Springs MDP Line 4, Stage 4 Project.

City of Pomona, Various Assignments, Pomona, CA. Appraiser. Christie provided appraisals of various property types including vacant land, parking lots, and commercial buildings for potential acquisition or disposition purposes.

SBCTA as a sub to HDR, Inc., Redlands Passenger Rail Project (RPRP), San Bernardino and Redlands, CA. Appraiser. Christie and her team completed multiple appraisals of commercial and industrial property subject to partial acquisition as part of this 9-mile passenger rail project. During her tenure at HDR, Christie was part of the pre-acquisition planning stages for the RPRP and provided capital cost estimates for various alternatives. In addition to the RPRP project, Christie provided appraisals of 24 parcels and review of 54 appraisals for the E Street Corridor BRT Project, 8 appraisals reviews for the San Bernardino Passenger Rail Project, and 4 reviews for the San Bernardino Transit Center Project – all of which were interrelated projects.

California High Speed Rail Authority (CHSRA) as a sub to Continental Field Service, California High Speed Rail Project, Central Valley, CA. Review Appraiser. Christie is reviewing appraisals for this large-scale project. Property types include agricultural, residential, commercial, and industrial properties primarily impacted by complex partial acquisitions.

LANCE W. DORÉ, MAI, FRICS

31600 Railroad Canyon Road, Suite 100-L, Canyon Lake, CA 92587
O 951-225-3500 x 102

Lance is the Treasurer and CFO of the Santolucito Doré Group. In this role he is responsible for the co-management of the business operations. He works closely with his partner, Christie Santolucito R/W-AC, on complex appraisal assignments.

Lance is a Certified General Real Estate Appraiser who holds the MAI designation through the Appraisal Institute. He also holds the FRICS (Fellow of Royal Institute of Chartered Surveyors). Lance has performed hundreds of full and partial acquisition appraisals and appraised and reviewed thousands of real estate projects in Western United States, with specialize assignments in Mexico, Japan, Russia, and the Caribbean Islands. The appraisals have been predominately for public agency clients and fee simple and leased fee valuations for private clients and financial institutions. Property types appraised and/or reviewed include single- and multi-tenant office buildings, industrial properties, research and development buildings, retail properties, auto-related properties, mixed-use properties, single- and multi-family residential properties, special-use properties, open space/environmentally sensitive land, agricultural land, and other types of vacant land.

Lance is also a California Licensed Real Estate Broker and published *"The Secret of Real Estate Revealed"* a real estate primer. Additional published articles in *The Wall Street Journal*, *Appraisal Institute Journal* and *Energy Central*.

He has had executive level management for over 20 years in international real estate firms included Cushman & Wakefield and Colliers International.

EDUCATION

Bachelor of Science, Real Estate – Minor English – San Diego State University

LICENSES

Certified General RE Appraiser
State of California
Certificate No. AG002464
Expires 10/1/2022
Real Estate Broker
State of California
License No. 00976180
Expires: 12/16/2022 (Broker)

PROFESSIONAL MEMBERSHIPS

Member – Appraisal Institute
Member – IRWA
Member – Royal Institute of Chartered Surveyors (RICS)

INDUSTRY TENURE

37 Years

PROJECT EXPERIENCE

San Bernardino County Transportation Authority (SBCTA) as a sub to Overland Pacific & Cutler, LLC, I-10 Corridor Express Lanes Project, County of San Bernardino, CA. Appraisals of 50+ properties impacted by construction packages 1, 2, and 4. Property types include single-family and multi-family residential properties for proposed partial acquisitions associated with this fast-paced design-build project.

City of Pomona, Various Assignments, Pomona, CA. Appraisals of various property types including vacant land, parking lots, and commercial buildings for potential acquisition or disposition purposes.

City of Palmdale as a sub to Epic Land Solutions, Inc., Avenue R Widening, Palmdale, CA. Appraisals for 42 parcels subject to partial acquisition. Proposed improvements include installing sidewalks and dedicated bike lanes to increase pedestrian safety for the Safe Routes to School Project.

Eastern Municipal Water District (EMWD), On-Call Appraisal Contract, Riverside County, CA. Appraisals for various projects on an on-call basis including an appraisal of a landlocked residential parcel next to an EMWD facility for full fee acquisition, residential subdivision land subject to partial acquisition for a water line easement for the Dunlap Drive Project, two appraisals of vacant multi-family land, one being subject to full acquisition and the other subject to partial acquisition of a sewer easement and temporary construction easement for the Sky Canyon Sewer Project, and two appraisals of vacant medium-to-high density residential acreage properties subject to partial acquisition for sewer and access easements for the Pala Lift Station Project.

CHSRA, California High Speed Rail, Merced to Bakersfield, Central Valley, CA. Lance is a subconsultant appraiser for this large-scale project. Properties impacted include agricultural, residential, commercial, and industrial properties impacted by complex partial acquisitions.

County of Riverside, Iowa Avenue Grade Separation, Riverside, CA. Lance provided appraisals for six larger parcels. Interests appraised were full and partial acquisitions, surface and subsurface easements, and temporary construction easements. Lance has worked on multiple other appraisal assignments with the County.

Los Angeles County Metropolitan Transportation Authority, Crenshaw / Los Angeles International Airport Transit Corridor Project, Los Angeles, CA. Lance provided appraisals for commercial and residential properties. Interests appraised were full and partial acquisitions, surface and subsurface easements, and temporary construction easements.

City of San Diego, Multiple Assignments/Projects. Lance prepared appraisals to determine the Value in Use of multiple properties owned by the City of San Diego. Properties included three libraries and police headquarters. Subsequent appraisals were prepared to assist the City in evaluating the potential for collateralization and internal consultation to determine the market value of the ground lease for two hotels on City property, The Lodge at Torrey Pines and the Hilton Spa and Resort Mission Bay. All appraisals were completed for bond indebtedness.

City of Oakland. Fair Market Rental Study and valuation of Port Berths 20-24 for taxing authorities for internal due diligence regarding the Concession and Lease Agreement between City of Oakland (Lessor) and Ports America Out Harbor Terminal LLC (lessee). Rental issues include: a) Basic Rent, b) super profit fees, and c) additional basic rent. Berths 20-24 is an international container cargo transportation and distribution hub with deep water berth depths ranging from 42 to 50 feet. The total terminal area is approximately 166 acres.

County of Monterey. Fair Market Rental Study was provided to the County of Monterey with a Market Rent Analysis/Highest and Best Use Analysis for internal due diligence. Properties included in the analysis were the Monterey Jail (273,800 SF), Juvenile Detention Center (44,602 SF), Health Services building (43,776 SF), two Courthouses (380,000 SF), and two Administration buildings (134,478 SF).

City of Monterey. Multiple subject properties including Old Fisherman's Wharf No. 1, Monterey Municipal Wharf 2, Monterey Bay Boatworks, and Monterey Beach House. Fair Market Rental Studies were provided for the City of Monterey with a Market Rent Analysis for various concessions on Monterey Bay. The subject concessions included restaurant, retail fish market, specialty retail, charter boat tenants, commercial fish processing, boatyard, marina, retail, office, yacht club, and special event venue tenants.



MEREDITH McDONALD

31600 Railroad Canyon Road, Suite 100-L, Canyon Lake, CA 92587
O 951-225-3500 x 101

Meredith is a Certified General Real Estate Appraiser with over 18 years of experience in commercial real estate appraisal. Starting her career in real estate property management, Meredith made the transition to appraisal in 2002. Meredith has significant experience in complex full and partial acquisitions for right of way projects, transactional lending work, and other intended uses. Properties appraised have included single and multi-tenant office buildings, neighborhood, community, and super regional shopping centers, special use properties, fee simple and leased fees, single/multi-tenant industrial buildings, and proposed residential subdivisions. Meredith's previous experience includes over five years in property management in both retail and office properties, lease management and construction management.

Meredith has served on the Executive Board of Directors for Chapter 67 of the International Right of Way Association for the past nine years, serving as Treasurer, Secretary, Membership Chair, Nomination and Elections Chair and President-Elect. She is currently serving as the Chapter President for the 2020-2021 Fiscal Year.

Meredith has performed hundreds of full and partial acquisition appraisals and appraisal reviews for right of way projects for public agency clients and fee simple and leased fee valuations for private clients and financial institutions. Property types appraised and/or reviewed include single- and multi-tenant office buildings, industrial properties, research and development buildings, retail properties, auto-related properties, mixed-use properties, single- and multi-family residential properties, special-use properties, open space/environmentally sensitive land, agricultural land, and other types of vacant land.

EDUCATION

Fullerton College
Fullerton, California

LICENSES

Certified General RE Appraiser
State of California
Certificate No. AG043402
Expires 12/13/2023

PROFESSIONAL MEMBERSHIPS

Member, International Right of Way Association (Chapter 57
2018/19 President)

INDUSTRY TENURE

18 Years

PROJECT EXPERIENCE

Overland Pacific & Cutler, LLC/SBCTA, I-10 Corridor Express Lanes Project, County of San Bernardino, CA. Meredith was a part of the appraisal team for this project, completing over 10 appraisals of commercial properties for proposed partial acquisitions associated with this fast-paced design-build project.

I-5 Widening Project, Mission Viejo/Laguna Niguel, CA. Appraisal of 15 properties located along the I-5 in Mission Viejo and Laguna Niguel for a freeway widening project. Appraised values included fee acquisitions, permanent easement, and temporary construction easements, as well as full acquisitions of two gas stations. Property types included commercial, office, retail, industrial and two auto dealerships.

SR-91 Corridor Improvement Project, Corona, CA. Appraisal of 10 properties for acquisition by the Riverside County Transportation Commission, in partnership with the State of California Department of Transportation, for the 10-year plan for the SR-91 Corridor Improvement Plan. The purpose of the

appraisals was to develop an opinion of the fair market value of the larger parcels and proposed acquisitions. Many involved a full before and after valuation with calculations of severance damages.

Lakeview Avenue Grade Separation, Anaheim/Placentia, CA. Appraisal of 14 properties for acquisition by Orange County Transportation Authority for the grade separation overcrossing of the BNSF Railroad corridor at Lakeview Avenue. The appraisals included full acquisitions for industrial properties and partial acquisitions of commercial, retail and residential properties along Lakeview Avenue.

Proposed Redevelopment of Retail Center, Garden Grove/Stanton, CA. Valuation of a proposed redevelopment of an 80,000 square foot retail center. The developer proposed the redevelopment to include major tenant space, front pad buildings, ground leases and inline shop space. Total building square footage at the completion of renovation was 150,000 square feet.

DRAFT

ANTELOPE VALLEY SHERIFF'S BOOSTERS **CASINO NIGHT** SPONSORSHIP PACKAGES



MAY 13, 2023 | 6PM - 11PM

CUSTOM SPONSORSHIP FOR ALL NEEDS

NAME: _____

COMPANY NAME: _____

ADDRESS: _____

CITY: _____

ZIP: _____

PHONE: _____

EMAIL: _____

SPONSORSHIP PACKAGE: _____ AMOUNT: _____

CREDIT CARD NUMBER: _____

CVV: _____

Make Check Out To:
Antelope Valley Sheriff's Boosters
Tax ID#651190049

Mail or Email To:
Nicole McCracken
1160 Motor Lane
Lancaster, CA 93534
Nicole@AvChevy.com

****NEW LOCATION***
ANTELOPE VALLEY FAIRGROUNDS
2551 WEST AVENUE H * LANCASTER

MINUTES OF REGULAR MEETING OF THE COMMISSIONERS OF THE ANTELOPE VALLEY STATE WATER CONTRACTORS ASSOCIATION, DECEMBER 8, 2022.

A regular meeting of the Commissioners of the Antelope Valley State Water Contractors Association was held Thursday, December 8, 2022, at 2029 East Avenue Q, Palmdale, CA 93550 and via teleconference. Chair Parris called the meeting to order at 6:00 p.m.

1) Pledge of Allegiance.

At the request of Chair Parris, Commissioner Hogan led the pledge of allegiance.

2) Roll Call.

Attendance:

Robert Parris, Chair
Kathy Mac Laren-Gomez, V. Chr.
Don Wilson, Secretary
Barbara Hogan, Commissioner
Shelley Sorsabal, Alt. Cmsnr.

Others Present:

Peter Thompson II, General Manager
Tom Barnes, Resources Manager
Dennis Hoffmeyer, Controller
James Chaisson, LCID General Manager
Adam Ly, PWD Asst. General Manager
Matthew Knudson, AVEK Asst. Gen. Manager
Danielle Henry, Management Analyst
2 members of the public

EXCUSED ABSENCE –

Leo Thibault, Treasurer-Auditor
Keith Dyas, Commissioner

3) Adoption of Agenda.

It was moved by Commissioner Hogan, seconded by Commissioner Mac Laren-Gomez, and unanimously carried by all members of the Board of Commissioners present at the meeting on the following roll call vote to adopt the agenda, as written:

Chair Parris – aye
Commissioner Mac Laren-Gomez – aye
Commissioner Wilson - aye
Commissioner Sorsabal – aye
Commissioner Hogan – aye

4) Public Comments for Non-Agenda Items.

There were no public comments.

5) Consideration and Possible Action on Minutes of Regular Meeting Held October 13, 2022.

It was moved by Commissioner Hogan, seconded by Commissioner Sorsabal, and unanimously carried by all members of the Board of Commissioners present at the meeting on the following roll call vote to approve the minutes of the regular meeting held October 13, 2022, as written:

Chair Parris – aye
Commissioner Mac Laren-Gomez – aye
Commissioner Wilson - aye
Commissioner Sorsabal – aye
Commissioner Hogan – aye

6) Payment of Bills.

Controller Hoffmeyer reviewed the bills received for payment after which it was moved by Commissioner Wilson, seconded by Commissioner Hogan, and unanimously carried by all members of the Board of Commissioners present at the meeting on the following roll call vote to approve payment of the bills received from PWD in the amount of \$1,709.26 for staff services, from AVEK in the amount of \$170.18 for staff services, from Kennedy/Jenks Consultants in the amount of \$2,150.00 for professional services associated with the Big Rock Creek Joint Groundwater Recharge Project, and from Woodard and Curran in the amount of \$13,420.00 for professional services associated with the 2019 Integrated Regional Water Management Plan update and Disadvantaged Community Involvement (DACI) Program Set Aside Grant:

Chair Parris – aye
Commissioner Mac Laren-Gomez – aye
Commissioner Wilson - aye
Commissioner Sorsabal – aye
Commissioner Hogan – aye

7) Consideration and Possible Action on Resolution No. 2022-6 Being a Resolution of the Board of Commissioners of the Antelope Valley State Water Contractors Association Ratifying the Proclamation of a State of Emergency by the Governor Issued March 4, 2020, and Authorizing Remote Teleconference Meetings of the Legislative Bodies of the Antelope Valley State Water Contractors Association for the Period Beginning December 8, 2022 and Ending January 7, 2023 Pursuant to Brown Act Provisions. (General Counsel Markman/General Manager Thompson II)

It was moved by Commissioner Wilson, seconded by Commissioner Hogan, and unanimously carried by all members of the Board of Commissioners present at the meeting on the following roll call vote to approve Resolution No. 2022-6 being a Resolution of the Board of Commissioners of the Antelope Valley State Water Contractors Association Ratifying the Proclamation of a State of Emergency by the Governor Issued March 4, 2020, and Authorizing Remote Teleconference Meetings of the Legislative Bodies of the Antelope Valley State Water Contractors Association for the Period Beginning December 8, 2022 and Ending January 7, 2023 Pursuant to Brown Act Provisions:

Chair Parris – aye
Commissioner Mac Laren-Gomez – aye
Commissioner Wilson - aye
Commissioner Sorsabal – aye
Commissioner Hogan – aye

Resolution No. 2022-6 is hereby made a portion of the minutes of this meeting.

8) Consideration and Possible Action on Acceptance of Draft Feasibility Report for the Big Rock Creek Joint Groundwater Recharge Project. (General Manager Thompson II/Mr. Paul Chau, Kennedy/Jenks Consultants)

General Manager Thompson II stated that Kennedy/Jenks Consultants has completed their work involved with the analysis of the Big Rock Creek Joint Groundwater Recharge Project and that staff recommends acceptance of the Draft Feasibility Report after which Mr. Paul Chau, of Kennedy/Jenks Consultants, provided a detailed overview of the Draft Feasibility Report for the Big Rock Creek Joint Groundwater Recharge Project, including the recharge demonstration testing locations, the recharge alternatives and rankings, the Culverts (Alternative No. 2) Option summary, the Offsite Recharge Basin (Alternative No. 3) Option summary, the Antelope Valley Watermaster Engineer comments, the final conclusions, and the next steps involved.

After a brief discussion of recharge capacities, of Project costs and funding, of completion timelines, of regulatory requirements, of percolation rates, of potential East Branch partners, and of land acquisition, it was recommended that this presentation be provided to the member agencies and remain on the agenda for consideration at the next regular meeting.

9) Discussion and Possible Action on Emergency Response Agreement with Antelope Valley Mutual Water Companies. (General Manager Thompson II)

General Manager Thompson II provided an overview of the proposed Emergency Response Agreement with Antelope Valley Mutual Water Companies, including the similarity to the Antelope Valley Mutual Response Agreement, the reduced liability insurance requirement, and the anticipated staff time for the Association's Resources Manager after which it was moved by Commissioner Mac Laren-Gomez, seconded by Commissioner Hogan, and unanimously carried by all members of the Board of Commissioners present at the meeting on the following roll call vote to approve the presentation of the Emergency Response Agreement with Antelope Valley Mutual Water Companies to the member agencies for consideration:

Chair Parris – aye
Commissioner Mac Laren-Gomez – aye
Commissioner Wilson – aye
Commissioner Sorsabal – aye
Commissioner Hogan – aye

10) Consideration and Possible Action on Resolution No. 2022-7 being a Resolution of the Board of Commissioners of the Antelope Valley State Water Contractors Association Approving Submittal of Proposal to the California Department of Water Resources to Obtain a Round 2 Integrated Regional Water Management Implementation Grant on Behalf of the Antelope Valley Integrated Regional Water Management Group. (General Manager Thompson II)

General Manager Thompson II provided an overview of Resolution No. 2022-7 for the application submittal for Proposition 1 Round 2 grant funding to the California Department of Water Resources, and after a brief discussion of Palmdale Water District's East Avenue Q Recycled Water Extension Project and of Antelope Valley Resource Conservation District's Lawn Reduction Rebate Program, it was moved by Commissioner Wilson, seconded by Commissioner Hogan, and unanimously carried by

all members of the Board of Commissioners present at the meeting on the following roll call vote to approve Resolution No. 2022-7 being a Resolution of the Board of Commissioners of the Antelope Valley State Water Contractors Association Approving Submittal of Proposal to the California Department of Water Resources to Obtain a Round 2 Integrated Regional Water Management Implementation Grant on Behalf of the Antelope Valley Integrated Regional Water Management Group:

Chair Parris – aye
Commissioner Mac Laren-Gomez – aye
Commissioner Wilson – aye
Commissioner Sorsabal – aye
Commissioner Hogan – aye

Resolution No. 2022-7 is hereby made a portion of the minutes of this meeting.

11) Report of General Manager.

a) Status Updates:

1) Antelope Valley Watermaster Meetings.

General Manager Thompson II reported that the Hallmark Group continues to work with interim Watermaster staff; that a full transition is anticipated by January 2023; that the draft 2023 Budget was submitted and approved by the Watermaster; that a workshop will be held the first quarter of 2023 to discuss additional funding options and potential budget cuts; and that Association staff will be presenting the 2023 Replacement Water Assessment Fee Schedule at the February Watermaster meeting.

2) Antelope Valley and Fremont Basin IRWMP Stakeholder Meetings.

He then reported that staff continues to work with Woodard and Curran on both the Proposition 1 Round 1 and Disadvantaged Community Involvement Program (DACI) grant administration; that four rounds of payments have been received from the Department of Water Resources supporting Prop. 1 Round 1 grant projects; and that staff will be working with Woodard and Curran on the Prop. 1 Round 2 grant application process with the approval of Resolution No. 2022-7 earlier this evening.

There was no report on the Fremont Basin IRWMP.

3) Ethics AB 1234 Training.

He then reported that the Association has historically sponsored AB 1234 training for Board and staff members; that the last training was held in March of 2021; and that staff will present 2023 training options at the Association meeting in February.

He then stated that staff will coordinate a future presentation regarding SB 1020 and how the State Water Contractors renewable energy requirements may impact future energy rates.

12) Report of Controller.

a) Update on Revenue, Expenses and Change in Net Position.

Controller Hoffmeyer provided a brief overview of the Association's revenue, expenses and change in net position for the month ending November 30, 2022 including the outstanding fraudulent checks that have been reversed by Citizens Business Bank.

b) Update on Association's Citizens Bank Account.

He then reported that new accounts have been established for both the General and Integrated Regional Water Management Plan funds due to fraud on both accounts and that Positive Pay has been implemented on the accounts at no cost to the Association under the umbrella of Palmdale Water District's Positive Pay Agreement with Citizens Business Bank.

13) Reports of Commissioners.

There were no reports of Commissioners.

14) Report of Attorney.

No attorney was present at the meeting.

15) Commission Members' Requests for Future Agenda Items.

Commissioner Mac Laren-Gomez requested a future presentation on the Pure Water AV Project.

There were no further requests for future agenda items.

16) Consideration and Possible Action on Scheduling the Next Association Meeting February 9, 2023.

It was determined that the next regular meeting of the Association will be held on February 9, 2023, at 6:00 p.m.

17) Adjournment.

There being no further business to come before the Commissioners, the regular meeting of the Commissioners of the Antelope Valley State Water Contractors Association was adjourned at 7:18 p.m.


Secretary