

Mayor
Lois Wynne
Mayor Pro Tem
Willard Rodarmel
Council Members
Ray Madrigal
Eddie Neal
William Siegel



**Oversight Board
for the
Successor Agency**

119 Fox Street
Lemoore, CA 93245
Phone (559) 924-6704
Fax (559) 924-6708

Staff Report

ITEM NO. 4

To: Oversight Board for the Successor Agency
From: Jeff Laws, City Manager
Date: September 4, 2014 **Meeting Date:** September 24, 2014
Subject: Adoption of Resolution 2014-09 for the Disposition of Property to
Amler Investments, L.P. for a portion of APN 024-051-015
(1.78+/- Acres) for an amount of \$69,600

Discussion

The City of Lemoore, acting on behalf of the Lemoore Successor Agency, received the attached Letter of Intent (LOI) from Bennett and Bennett Irrigation Systems (Bennett) to purchase a portion (approximately 1.78+/- acres) of APN 024-051-015 (the "Property"), which is vacant land in the Lemoore Industrial Park. Original negotiations indicated the lot size to be approximately 2.03 acres with a 31-foot wide private road to be constructed on the south side of the Property. However, the Final Parcel Map was approved by Council with a street width that will accommodate a public road and the result was a reduced lot size to approximately 1.78 acres. Bennett suggested that since the lot is now 23 percent smaller, the price should be reduced to reflect the change. Therefore, Bennett has agreed to a purchase price of \$69,600 for the subject Property, which equates to \$39,101 per acre.

Over the past three years, Bennett's business has nearly tripled. Its current operation is located in Armona, California. Because of the recent success, Bennett needs to expand its physical operation. Since its current location in Armona is not conducive to any expansion plans, Bennett purchased the former Lemoore Auto Mall site, which is directly north of the subject Property. The Lemoore Auto Mall site will accommodate a new retail store for the sale of irrigation supplies and most of Bennett's current operations. However, in order to adequately accommodate the storage of its irrigation equipment and employee parking, Bennett will need to purchase additional acreage.

In speaking with Bennett, the increased business activity requires hiring several new employees. As mentioned, the additional acreage will be used for employee parking

and a storage yard for its irrigation equipment and supplies. The company plans to add sidewalk and landscaping behind the existing curb and gutter and will surround the subject Property with a slatted chain-link fence. Additionally, the property will be improved with Envirotac II, which is a soil stabilizer and dust abatement product similar to asphalt, but much more economical (see attached information sheet).

The sale of the Property is an opportunity for increased economic development in Lemoore and meets the intent of our Long Range Property Management Plan, which governs the disposition and use of our available properties. Bennett's offer is similar in price to the sale of other vacant parcels in the area. As you may recall, the Oversight Board approved the sale of two parcels to Bennett & Bennett Irrigation Systems previously for an amount of \$125,000. The two parcels total 3.14+/- acres, which equates to approximately \$39,809 per acre. The sale was subsequently approved by the California Department of Finance (DOF).

The Lemoore City Council, acting as the Lemoore Successor Agency to the former Lemoore Redevelopment Agency, met in closed session on May 20, 2014 and again on June 17, 2014 to discuss the proposal submitted by Bennett. The sale of the subject Property will add that portion of the property back onto the assessment roll and the taxing entities will receive a small increase in property tax revenue. Council recommends that the Oversight Board direct the Successor Agency to approve the sale of said parcel for a price not less than \$69,600. The terms set forth in the LOI from Bennett are acceptable to Council and are listed below.

Property:	1.78± acres of vacant land – a portion of APN 024-051-015
Zoning:	Light Industrial
Price:	\$69,600 (approx. \$39,101 per acre)
Deposit:	\$5,000 due upon execution of agreement
Deposit terms:	Partially refundable prior to DOF approval Upon approval by DOF, the deposit becomes non-refundable
Add'l Deposit:	An additional \$18,050 is due prior to close of escrow for buyers portion of new road
Due Diligence:	45 days following approval by DOF
Balance:	\$64,600 to be paid prior to close of escrow
Escrow fees:	Split 50/50
Escrow period:	45 days

Council determined that the proposed use of the Property is appropriate for the surrounding area and that the offer is acceptable to the community of Lemoore. Pursuant to California Health & Safety Code (HSC) Section 34181(a), an oversight board shall direct its successor agency to dispose of all assets and properties of the former redevelopment agency that were funded by tax increment revenues of the dissolved redevelopment agency.

Bennett has agreed to the terms listed in the attached Agreement for Purchase and Sale of Real Property (Agreement) and a 10-day Public Notice announcing the potential property sale was posted at City Hall and published in the Hanford Sentinel beginning

on September 12, 2014. At the request of Bennett, the formal Agreement lists the purchaser as Amler Investments, L.P. If the Lemoore Oversight Board determines that the proposed use is acceptable, then the Board should approve the Agreement and adopt Resolution No. 2014-10, which is required for the disbursement of public properties. Following the Board's approval, staff will seek approval from the California Department of Finance for the proposed property transaction.

Budget Impact

The sale of this property will net approximately \$69,600 minus one-half of the escrow fees. Pursuant to HSC Section 34177 (e), proceeds from asset sales and related funds that are no longer needed for approved development projects or to otherwise wind down the affairs of the agency, each as determined by the oversight board, shall be transferred to the county auditor-controller for distribution as property tax proceeds under HSC Section 34188.

Recommendation

It is recommended that the Lemoore Oversight Board adopt Resolution No. 2014-9 approving the Agreement for Purchase and Sale of Real Property between the Lemoore Successor Agency to the former Lemoore Redevelopment Agency and Amler Investments, L.P. for the disposition of real property listed as a 1.78+/- acre portion of APN 024-051-015 identified as Lot 1 on the Final Parcel Map for the amount of \$69,600.

Environmental Products & Applications, Inc. Manufacturer of Envirotac II Soil Stabilizer

Envirotac II, affectionately called Rhinosnot, is a water soluble, vinyl acetate-acrylic copolymer. It is the ultimate soil stabilization and dust abatement product on the market today.

Envirotac II is a high performance, environmentally-safe, low cost acrylic copolymer. When applied to soils or sands, it will penetrate and coat the surface. Upon drying, Envirotac forms a water-proof, UV-resistant, solid bond which binds the soil particles. Increasing the concentration of Envirotac II, can create highly durable surface that will be pliable and hard enough to minimize surface damage and withstand heavy traffic.

Envirotac II is a proprietary blend of polymers that use proven long-chain nano-technology to form complex bonds at the microscopic level between aggregates. Envirotac II allows existing soils and sands that would normally have no load bearing capabilities, to be used for roads, parking lots, trails and other heavy traffic areas – at a fraction of the cost of traditional asphalt construction.

Envirotac II is an environmentally safe, non-hazardous material that can be used for “Green Roads”. A road surface made from Envirotac II produces 70% less toxic air pollutants than a traditional asphalt road and reduces the overall green house gas footprint by 80%!

Envirotac II is used also for fugitive dust control at construction sites, mine tailings, embankment stabilization and erosion control. Its water-proof seal can be used as liners for ponds and landfills.

Envirotac II is the preferred soil stabilization and dust control product used by the U.S. military for roads, life support areas, air field and landing zone development.

RESOLUTION NO. 2014-09

A RESOLUTION OF THE LEMOORE OVERSIGHT BOARD FOR THE LEMOORE SUCCESSOR AGENCY TO THE FORMER LEMOORE REDEVELOPMENT AGENCY APPROVING THE AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY BETWEEN THE SUCCESSOR AGENCY TO THE LEMOORE REDEVELOPMENT AGENCY AND AMLER INVESTMENTS, L.P. FOR THE DISPOSITION OF A PORTION OF APN 024-051-015 (APPROXIMATELY 1.78+/- ACRES)

WHEREAS, AB X1 26 (“AB 26”) was passed by the California State Legislature on June 15, 2011, signed by the Governor on June 28, 2011, and on February 1, 2012 redevelopment agencies in the state of California were dissolved; and

WHEREAS, AB 1484 was subsequently passed by the California State Legislature and signed into law by the Governor on June 27, 2012 modifying the provisions of AB 26; and

WHEREAS, pursuant to AB 1484, Health and Safety Code (HSC) sections 34177(e) and 34181(a) were suspended forbidding successor agencies from disposing of any property until they receive a Finding of Completion and receive approval of a Long Range Property Management Plan (LRPMP) from the California Department of Finance (DOF); and

WHEREAS, on June 7, 2013, the DOF issued its Finding of Completion to the Lemoore Successor Agency; and

WHEREAS, on March 12, 2014, the Lemoore Successor Agency received notification from the DOF that its LRPMP was approved and that pursuant to HSC section 34191.3, the approved LRPMP shall govern and supersede all other provisions relating to the disposition and use of all real property assets of the former redevelopment agency; and

WHEREAS, in accordance with HSC section 34191.4, upon receiving a Finding of Completion and approval of a LRPMP, all real property and interests in real property shall be transferred to the Community Redevelopment Property Trust Fund of the Agency, unless that property is subject to the requirements of an existing enforceable obligation; and

WHEREAS, actions taken by successor agencies pursuant to a DOF approved LRPMP are subject to oversight board approval per HSC Section 34181 (f); and

WHEREAS, the City of Lemoore as Successor Agency to the former Lemoore Redevelopment Agency, received a Letter of Intent dated May 9, 2014 (Exhibit A) from Gary Bennett, Chair of Bennett & Bennett Irrigation Systems, on behalf of Gary & Maxine Bennett Trust (Bennett), to purchase approximately 2.0 acres of vacant land – APN 024-051-015 in the Lemoore Industrial Park to expand its adjacent irrigation systems operation; and

WHEREAS, at the request of Bennett, the formal Agreement is to be in the name of Amler Investments, L.P.; and

WHEREAS, the Lemoore Successor Agency convened on May 20, 2014 and June 17, 2014 and directed staff to negotiate the terms of the agreement with Bennett and further to present it to the Oversight Board for approval; and

WHEREAS, the terms of the agreement were negotiated with and accepted by Bennett to purchase said property in an Agreement for Purchase and Sale of Real Property (Exhibit B); and

WHEREAS, HSC section 34180 requires the actions of a successor agency shall first be approved by its oversight board; and

WHEREAS, the Oversight Board convened on September 25, 2014 and directed the Successor Agency to execute said Agreement; and

WHEREAS, HSC section 34181(f) requires that actions to dispose of assets and properties of a former redevelopment agency shall be approved by resolution of its Oversight Board at a public meeting after at least 10 days' notice to the public of the specific proposed actions and that such notice was posted for the required 10 days beginning on September 12, 2014.

NOW, THEREFORE, THE LEMOORE OVERSIGHT BOARD FOR THE LEMOORE SUCCESSOR AGENCY TO THE FORMER LEMOORE REDEVELOPMENT AGENCY HEREBY RESOLVES AS FOLLOWS:

SECTION 1. The recitals above are true and correct and are incorporated into this Resolution.

SECTION 2. The Lemoore Oversight Board for the Lemoore Successor Agency to the former Lemoore Redevelopment Agency hereby approves the Agreement for Purchase and Sale of Real Property for the sale of APN 024-051-015 with Amler Investments, L.P. for an amount not less than \$69,600 (minus one-half title and escrow fees).

SECTION 3. Approval by the State of California Department of Finance will be obtained prior to the disposition of any individual property sale.

SECTION 4. The proceeds from the sale of each property will be submitted to the Kings County Auditor-Controller for distribution to the taxing entities.

SECTION 5. The City Manager of the City of Lemoore, or designee, acting as the Successor Agency to the former Lemoore Redevelopment Agency is authorized to execute said Agreement.

SECTION 6. Pursuant to HSC section 34179(h), all actions taken by an oversight board may be reviewed by the State of California Department of Finance, and therefore, this Resolution shall not be effective for five (5) business days unless the Department requests a review.

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PASSED, APPROVED, AND ADOPTED by the Lemoore Oversight Board for the Lemoore Successor Agency to the former Lemoore Redevelopment Agency at a special meeting this 24th day of September 2014, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED:

Mary J. Venegas, Board Clerk

John F. Murray, Chairperson

CERTIFICATE

STATE OF CALIFORNIA)
COUNTY OF KINGS) ss.
CITY OF LEMOORE)

I, **Mary J. Venegas**, Board Clerk of the Lemoore Oversight Board for the Lemoore Successor Agency to the former Lemoore Redevelopment Agency, do hereby certify the forgoing Resolution of the Lemoore Oversight Board for the Lemoore Successor Agency to the former Lemoore Redevelopment Agency was duly passed and adopted at a Special Meeting of the Lemoore Oversight Board held on September 24, 2014.

DATED: September 24, 2014

Mary J. Venegas, Board Clerk

PARCEL MAP NO.

BEING A DIVISION OF LOT 14 OF TRACT MAP 614, LEMOORE INDUSTRIAL PARK NO. 1, RECORDED IN VOLUME 14 OF LICENSED SURVEYOR'S PLATS, AT PAGE 42 OF KINGS COUNTY RECORDS LOCATED IN SECTION 16, TOWNSHIP 19 SOUTH, RANGE 20 EAST, MOUNT DIABLO BASE AND MERIDIAN, IN THE CITY OF LEMOORE, COUNTY OF KINGS, STATE OF CALIFORNIA.

OWNER'S STATEMENT

WE HEREBY STATE THAT WE ARE THE OWNERS OF, OR HAVE SOME RIGHT, TITLE OR INTEREST IN AND TO THE REAL PROPERTY SHOWN ON THIS SUBDIVISION MAP, AND THAT WE ARE THE ONLY PERSONS WHOSE CONSENT IS NECESSARY FOR THE MAKING AND FILING OF THIS MAP AS SHOWN WITHIN THE BORDER LINES HEREON, AND HEREBY DEDICATE TO THE PUBLIC USE THE STREET AND PUBLIC UTILITY EASEMENT AS SHOWN ON THIS MAP.

CITY OF LEMOORE

BY: WILLIAM SIEGEL, MAYOR, CITY OF LEMOORE

DATE

ATTEST: MARY J. VENEGAS, CITY CLERK, CITY OF LEMOORE

DATE



SURVEYOR'S STATEMENT

THIS MAP WAS PREPARED BY ME OR UNDER MY DIRECTION AND IS BASED UPON A FIELD SURVEY IN CONFORMANCE WITH THE REQUIREMENTS OF THE SUBDIVISION MAP ACT AND LOCAL ORDINANCE AT THE REQUEST OF THE CITY OF LEMOORE ON JUNE 24, 2014. I HEREBY STATE THAT ALL THE MONUMENTS ARE OF THE CHARACTER AND OCCUPY THE POSITIONS INDICATED OR THEY WILL BE SET IN THOSE POSITIONS BEFORE ONE YEAR OF THE DATE OF THIS MAP IS RECORDED, OR ANY TIME EXTENSION APPROVED BY THE CITY ENGINEER. THE MONUMENTS ARE, OR WILL BE, SUFFICIENT TO ENABLE THE SURVEY TO BE RETRACED, AND THAT THIS FINAL MAP SUBSTANTIALLY CONFORMS TO THE CONDITIONALLY APPROVED TENTATIVE MAP.

JOEL RICHARD JOYNER

P.L.S. 8318

DATE

CITY ENGINEER'S STATEMENT

I HEREBY STATE THAT I HAVE EXAMINED THE MAP AND THAT I AM SATISFIED THAT IT IS TECHNICALLY CORRECT, THAT THE SUBDIVISION AS SHOWN IS SUBSTANTIALLY THE SAME AS IT APPEARED ON THE TENTATIVE MAP, IF REQUIRED, AND ANY APPROVED ALTERATIONS THEREOF, AND THAT ALL OF THE PROVISIONS OF SECTION 66425 THROUGH 66450 OF THE GOVERNMENT CODE AND OF ANY LOCAL ORDINANCES APPLICABLE AT THE TIME OF APPROVAL OF THE TENTATIVE MAP, IF ANY, HAVE BEEN COMPLIED WITH AND THAT I AM SATISFIED THAT THE MAP IS TECHNICALLY CORRECT.

HARRY TOW, CITY ENGINEER

R.C.E. 8891

DATE

CITY CLERK'S STATEMENT

I HEREBY STATE THAT I HAVE EXAMINED THE MAP AND THAT I AM SATISFIED THIS IS TO CERTIFY THAT AT A REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF LEMOORE HELD ON THE _____ DAY OF _____, 20____, AN ORDER WAS DULY AND REGULARLY MADE AND ENTERED APPROVING THIS MAP AND SUBDIVISION AND ACCEPTING, SUBJECT TO IMPROVEMENTS, ON BEHALF OF THE PUBLIC, THE STREET AND PUBLIC UTILITY EASEMENT AND ABANDON THE 20 FOOT SANITARY SEWER EASEMENT AS SHOWN ON THIS MAP.

MARY J. VENEGAS, CITY CLERK

DATE

TAX COLLECTORS STATEMENT

THIS IS TO CERTIFY THAT THE PROVISIONS OF ARTICLE 8 OF CHAPTER 4 OF DIVISION 2 OF THE GOVERNMENT CODE HAVE BEEN COMPLIED WITH REGARDING DEPOSITS.

LYNETTE BOWERS, TAX COLLECTOR/TREASURER

DATE

PLANNING COMMISSION'S STATEMENT

APPROVED BY THE LEMOORE PLANNING COMMISSION IN ACCORDANCE WITH REQUIREMENTS OF LAW IN A DULY AUTHORIZED MEETING HELD _____, 20____.

DAVID WLASCHIN, PLANNING DIRECTOR

DATE

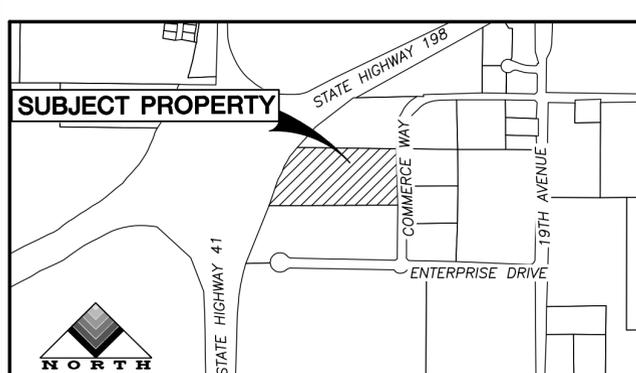
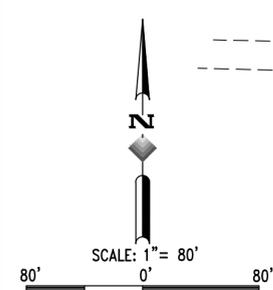
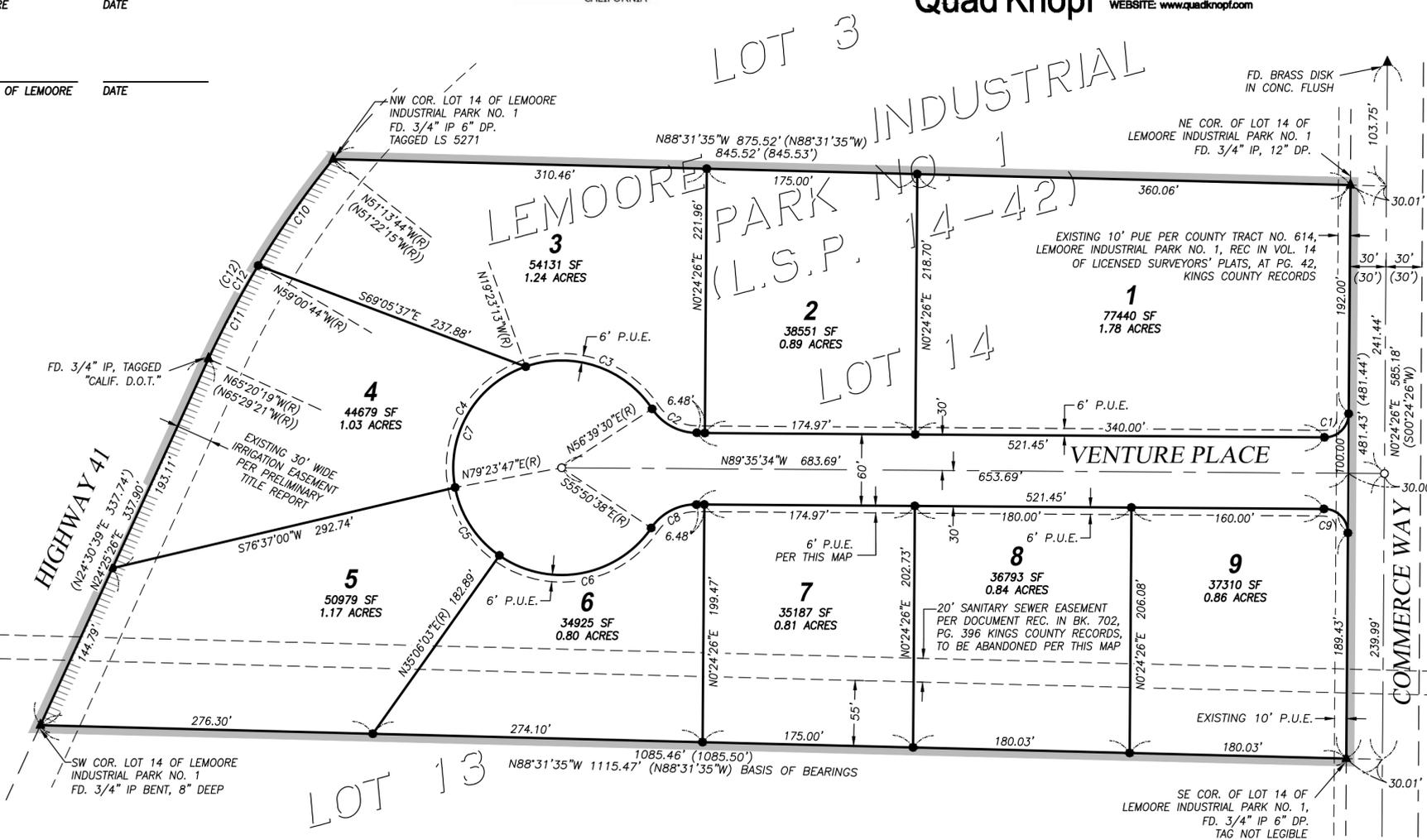
RECORDER'S STATEMENT

DOCUMENT NO. _____ FEE PAID _____

FILED THIS _____ DAY OF _____, 20____, AT _____, M. IN BOOK _____ OF PARCEL MAPS AT PAGE _____, KINGS COUNTY RECORDS, AT THE REQUEST OF QUAD KNOFF, INC.

FOR: KEN BAIRD, COUNTY RECORDER

BY: _____
DEPUTY RECORDER



VICINITY MAP
NOT TO SCALE

CURVE TABLE				
CURVE	DELTA	RADIUS	LENGTH	TANGENT
C1	90°00'00"	20.00'	31.42'	20.00'
C2	56°15'04"	45.00'	44.18'	24.05'
C3	76°02'43"	90.00'	119.45'	70.37'
C4	81°13'00"	90.00'	127.57'	77.16'
C5	44°17'43"	90.00'	69.58'	36.63'
C6	90°56'41"	90.00'	142.86'	91.50'
C7	292°30'07"	90.00'	459.46'	60.13'
C8	56°15'04"	45.00'	44.18'	24.05'
C9	90°00'00"	20.00'	31.42'	20.00'
C10	7°47'01"	802.00'	108.95'	54.56'
C11	6°19'35"	802.00'	88.55'	44.32'
C12	14°06'36"	802.00'	197.50'	99.25'
(C12)	(14°07'06")	(802.00')	(197.62')	(99.31')

LEGEND

- ▲ FOUND AND ACCEPTED AS DESCRIBED
- SET 2" BRASS CAP FLUSH IN CONCRETE STAMPED PLS 8318, PER CITY OF LEMOORE STANDARD M-4
- SET 3/4" X 30" IRON PIPE, 6" DEEP, TAGGED PLS 8318, PER CITY OF LEMOORE STANDARD M-4
- () RECORD DATA PER COUNTY TRACT MAP 614, LEMOORE INDUSTRIAL PARK NO. 1, REC. IN VOL. 14 OF LICENSED SURVEYORS' PLATS, AT PG. 42, KINGS COUNTY RECORDS, OR CALCULATED THEREFROM
- (R) RADIAL BEARING
- LINE INDICATES PARCEL MAP BOUNDARY
- |||| ACCESS RIGHTS RELINQUISHED TO STATE OF CALIFORNIA PER BK. 790, PAGE 647, KINGS COUNTY RECORDS
- P.U.E. PUBLIC UTILITY EASEMENT PER THIS MAP

BASIS OF BEARINGS

THE SOUTH LINE OF LOT 14, PER TRACT MAP 614, LEMOORE INDUSTRIAL PARK NO. 1, REC. IN VOL. 14 OF LICENSED SURVEYORS' PLATS, AT PG. 42, KINGS COUNTY RECORDS: TAKEN AS N88°31'35"W



Bennett & Bennett Irrigation Systems

Gary Bennett
Chairman
Bennett and Bennett Irrigation Systems
P.O. Box 608
Armona, CA 93202

May 9th, 2014

Mrs. Judy Holwell
Project Manager
City of Lemoore
711 W. Cinnamon Drive
Lemoore, CA 93245

(sent via email)

Re: Letter of Intent to Purchase Lot 1 (2.03 Acres) of Vacant Land; a Portion of APN#:024-051-015

Dear Judy:

On behalf of Gary & Maxine Bennett Trust ("Buyer"), I am pleased to present this above Letter of Interest to Purchase ("LOI") the above referenced property, Lot 1, 2.03 acres of vacant land, which is a portion of APN# 024-051-015 ("Property"), from the Successor Agency to the Redevelopment Agency of the City of Lemoore ("Seller"). We intend to use the property for our business, Bennett & Bennett, Inc.

As you already know, we are moving our business to the adjacent properties, but we need more space than the current acreage under contract. Our business has been growing at 20%+ per year, and we need the extra land to handle current and future business growth. We will need this acreage for additional PVC and concrete pipe storage, drip tubing storage, additional employee parking, and testing areas for new products.

The business terms of the LOI are below:

Property: Lot 1 (2.03 Acres) of Vacant Land, a Portion of APN#:024-051-015

Purchase Price: \$80,000.00

Financing Contingency: None

Initial Deposit: \$5,000.00

Escrow Period: Closing Date of July 21, 2014

Due Diligence: Buyer to have thirty (30) days to investigate the property to its satisfaction

Use: Buyer intends to use the land for normal business operations as specified above

We appreciate your consideration and request that you respond to this proposal in a timely manner, but no later than May 20, 2014. If you have any questions, please contact me at your earliest convenience at 559-289-5800 or at gary@bennettirrigation.com (whichever is easiest for you).

Sincerely,

A handwritten signature in blue ink that reads "Gary Bennett".

Gary Bennett
Chair

TOB:al

AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY

This AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY (“**Agreement**”) is made and entered into this ___ day of _____, 2014, by and between, The Successor Agency to the Lemoore Redevelopment Agency (hereinafter “**Seller**”), and Amler Investments, L.P., (hereinafter “**Buyer**”).

RECITALS

WHEREAS, Seller is the successor agency to the Lemoore Redevelopment Agency, and as such, is the owner of certain real property identified as Lot 1, a portion of APN 024-051-015, comprised of approximately 1.78 acres of vacant open land (the “**Property**”) more particularly described on Exhibit “A” attached hereto and incorporated herein.

WHEREAS, Buyer desires to purchase and Seller desires to sell the Property to Buyer on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants set forth herein and for such other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto agree as follows:

1. AGREEMENT AND PROPERTY.

1.1 Real Property. Seller agrees to sell, and convey to Buyer, and Buyer agrees to purchase from Seller, fee simple title to all of Seller’s right, title and interest in and to the Property and all improvements thereon, if any, together with all rights, privileges and easements appurtenant to the Real Property, whether or not recorded (collectively “**Real Property**”).

2. PURCHASE PRICE. The purchase price (“**Purchase Price**”) for the Property shall be Sixty-nine Thousand, Six Hundred Dollars (\$69,600.00). The Purchase Price shall be paid as follows:

- Five Thousand Dollars (\$5,000.00) refundable deposit (“**Deposit**”) by Buyer upon signing this Agreement. The Deposit shall be nonrefundable if this Agreement terminates for any reason during the 45 day due diligence period, except as further outlined in paragraphs 3.3 or 3.4 below. The Deposit shall be partially refundable if this Agreement terminates prior to approval by the State of California Department of Finance, as further outlined in paragraph 3.5 below.
- The balance of the Purchase Price, being Sixty-four Thousand, Six Hundred Dollars (\$64,600.00), shall be all due and payable prior to the Close of Escrow.

2.1 Additional Escrow Deposits. In addition to the purchase price above, the Buyer will deposit in the Escrow Account, \$18,050, due and payable prior to the Close of Escrow for the Buyer's portion of the road ("**Venture Place**") which will be constructed at a later date and will run adjacent to Buyer's property. The Seller, shall have the ability to withdraw this amount from the Escrow Account, but shall place it in a specific account for the construction of the road.

3. CONTINGENCIES. This transaction and the closing thereof are expressly contingent upon the following:

3.1 Preliminary Title Report. As soon as possible after the Opening of Escrow, Escrow Agent shall prepare or cause to be prepared a Preliminary Title Report for the Real Property showing all liens, encumbrances and other matters affecting title to the Real Property and shall provide a copy thereof, together with legible copies of the documents shown as title exceptions therein, to Buyer. Buyer shall have thirty (30) days from its receipt of the Preliminary Title Report to approve the Preliminary Title Report. If Seller fails to eliminate any title matter disapproved by Buyer within the ten (10) days of written notice thereof to Seller, Buyer may terminate this Agreement and the transaction identified herein. Subsequent to the approval of the Preliminary Title Report by Buyer, Seller shall not allow or cause any additional exception to title to occur. This obligation shall survive the Close of Escrow.

3.2 Feasibility. Buyer shall have until 5:00 p.m., Pacific Standard Time, on that date which is forty-five (45) days from the date this Agreement receives approval by the State of California Department of Finance in which to investigate the Property, and to perform all engineering, and other similar studies that Buyer deems necessary, in its sole discretion, which shall be considered the due diligence period. Seller shall use its best efforts to provide to Buyer, within two (2) business days of Buyer's request complete copies of any and all documents and information related to or affecting the Property, or any portion thereof which Buyer may request. If Buyer requests any materials or information from Seller, and Seller does not possess the same but Seller is aware of from whom Buyer can obtain the same, Seller will completely disclose the same to Buyer.

At any time during said forty-five (45) day due diligence period, Buyer may terminate this Agreement and this transaction for any reason by giving written notice to Seller. If Buyer does not terminate this Agreement, regardless of any issues discovered with the Property as a result of Buyer investigation, the Parties agree that the Property is being sold in an "as is" condition.

Any engineering or other similar inspection of the Property requested by Buyer shall be performed by a party selected by Buyer, and the expense therefore shall be paid by Buyer.

3.3 State Mandated Approval for Transfer of Property and Close of Escrow. As required by law pursuant to AB x 1 26, as amended by AB 1484, close of

escrow is contingent upon ratification or approval of the Successor Agency to the Lemoore Redevelopment Agency, the Lemoore Oversight Board, and the Department of Finance of the State of California. If the state mandated approvals cannot be obtained, Seller, or its successors or assigns, shall have no obligation or liability whatsoever to Buyer or its successors or assigns except as follows: If such approvals cannot be obtained and escrow cannot be closed due to the inability to secure said approvals, Buyer shall be refunded its deposit of \$5,000 and Seller agrees to pay any escrow cancellation charges.

3.4 Approval of Final Parcel Map. The Parties agree that the sale of this Property is contingent upon the Final approval of the Parcel Map related to this Property and all conditions of the Map having been satisfied.

3.5 Partially Refundable Deposit. The Parties agree that if Buyer terminates this Agreement prior to it receiving approval by the State of California Department of Finance, the Seller will use the Deposit to reimburse the Seller for the cost of staff time and attorney fees associated with developing this Agreement. The remaining Deposit, if any, will be refunded to the Buyer.

4. REPRESENTATIONS AND WARRANTIES.

4.1 Representations and Warranties. Seller makes no representations or warranties related to the Property which is being sold "as is".

4.2 Compliance with Lemoore Municipal Code. Buyer represents and warrants that Buyer will comply with all laws in the development of the Property, including, without limitation, the Lemoore Municipal Code.

5. ESCROW

5.1 Opening of Escrow. Following approval by the Department of Finance, an escrow shall open to consummate the sale of the Property according to the terms and conditions of this Agreement at the office of Chicago Title Company, in Hanford, California ("**Escrow Agent**"). Written escrow instructions in accordance with the terms and conditions of this Agreement shall be prepared by the Escrow Agent, and the instructions shall be signed by the parties and delivered to the Escrow Agent and Escrow shall be opened within ten (10) days of either the Seller's acceptance hereof or receipt of approval from the California Department of Finance of the sale set forth herein, whichever is later. Buyer and Seller shall also deposit with the Escrow Agent all instruments, documents, monies and other items identified in the escrow instructions or reasonably required by the Escrow Agent to close the sale on the closing date specified below.

5.2 Closing Date. The Parties shall use their best efforts to have Escrow close (the "**Closing**") 45 days after Escrow is opened. Upon Buyer's request, Seller shall agree to extend the term of the escrow for an additional thirty (30) days. Seller agrees to execute any instructions or documentation required by Escrow Agent in order to extend the term of the escrow for an additional thirty (30) day period (the "**Closing Date**"). All monies

and documents required to be delivered shall be deposited in Escrow no later than close of business on the day prior to the Closing Date.

5.3 Termination of Escrow. If Escrow Agent is unable to comply with the instructions contained in this Agreement on or before the dates set forth in Paragraph 5.1 and 5/2 above, it shall do so as soon thereafter as possible, unless Escrow Agent shall have received a demand to terminate the Escrow from a party hereto that is not in default in the performance of any of its obligations hereunder. Under no circumstances shall the provisions of this paragraph create an express or implied duty on the part of Seller or Buyer to extend the time of the Escrow, but Seller and Buyer shall have the option to extend the Escrow beyond the initial thirty (30) day extension period if they so agree.

5.4 General. Possession and risk of loss in connection with the Property shall not be transferred by Seller to Buyer until Close of Escrow. If the Property is damaged in any way whatsoever during the Escrow, Buyer shall have the right, at any time within twenty (20) days thereafter, to terminate this transaction and the Escrow and the same shall be treated as if terminated. Escrow Agent shall close Escrow when it is in a position to issue to Buyer a binding commitment from the title insurer to issue a title insurance policy as required for the Property and to otherwise perform under the Escrow Instructions to be prepared.

5.5 Brokers. The Parties represent and warrant that neither party engaged or worked with a real estate agent or broker related to this transaction.

5.6 Fees. Escrow and Title fees are to be split 50/50 by Seller and Buyer.

6. DEFAULT.

6.1 Correct and Cure. In the event either party in any way breaches the terms and provisions of this Agreement or the Escrow Instructions to be prepared in connection herewith, the non-breaching party shall give the breaching party ten (10) days written notice in which to cure the failure to perform, defect, breach or other problem, and if the same is not cured on or before the expiration of such ten (10) day period, then an event of default shall have occurred and the non-defaulting party shall be entitled to terminate this transaction and the escrow and seek any and all remedies available to it pursuant to law and this Agreement.

6.2 Right to Damages. If Buyers fails to complete the purchase under this agreement as herein provided by reason of any default of Buyer to close Escrow, Seller shall be released from its obligation to sell the property to Buyer and may proceed against Buyer upon any claim or remedy which Seller may have in law or equity.

7. GENERAL

7.1 Time of Essence. Time shall be considered of the essence in this Agreement.

7.2 Severability. In the event that any clause, provision, or portion of this Agreement or any part thereof shall be declared invalid, void, or unenforceable by any court having jurisdiction, such invalidity shall not affect the validity or enforceability of the remaining portions of this Agreement unless the result would be manifestly inequitable or materially impair the benefits intended to inure to either party under this Agreement, in which case this Agreement, as a whole, shall be deemed invalid, void and unenforceable.

7.3 Notices. Any notices or demands upon either party shall be in writing and shall be effective when delivered personally or when sent by United States registered or certified mail, postage prepaid, and addressed to the parties at the addresses shown in this Agreement or such other addresses indicated by one party to the other in writing from time to time.

Buyer:

Amler Investments, L.P.
c/o Gary Bennett
P.O. Box 608
Armona, CA 93230

Seller:

The Successor Agency to the
Lemoore Redevelopment Agency
119 Fox Street
Lemoore, CA 93245

7.4 Inconsistencies. In the event any term or condition of this Agreement or the Escrow Instructions to be prepared in connection herewith are in any way inconsistent with any pre-printed form Escrow Instructions or any other documents which have been or will be prepared in connection with this transaction, then, in such event, the terms and conditions of this Agreement (or any subsequent amendments thereto) shall control.

7.5 Attorneys' Fees. In the event a court action is instituted by either of the parties hereto for the enforcement of any of its rights or remedies hereunder, the party in whose favor judgment shall be rendered therein shall be entitled to recover from the other party all costs incurred by said prevailing party in said action, including reasonable attorneys' fees fixed by the Court.

7.6 Counterparts. This Agreement may be executed in any number of counterparts, all of which when taken together shall constitute one single agreement between the parties.

7.7 Complete Agreement. It is understood and agreed that this Agreement contains the entire agreement between the parties relating to all issues involving the subject matter of this Agreement. No binding understandings, statements, promises or inducements contrary to this Agreement exist. This Agreement supersedes and cancels all previous agreements, negotiations, communications, commitments and

understandings with respect to the subject matter hereof, whether made orally or in writing. Each of the parties to this Agreement expressly warrants and represents to the other that no promise or agreement which is not herein expressed has been made to the other, and that neither party is relying upon any statement or representation of the other that is not expressly set forth in this Agreement. Each party hereto is relying exclusively on the terms of this Agreement, its own judgment, and the advice of its own legal counsel and/or other advisors in entering into this Agreement.

7.8 Headings. The captions and titles in this Agreement are for convenience only and shall not affect the interpretation or meaning of this Agreement.

7.9 Governing Law. This Agreement and the construction and enforceability thereof shall be interpreted in accordance with the laws of the State of California. Venue shall be in Kings County.

7.10 Power and Authority. Each party represents and warrants to the other that (i) it has all requisite power and authority to execute and deliver this Agreement and perform its obligations hereunder, (ii) all corporate, board, body politic, or other approvals necessary for its execution, delivery, and performance of this Agreement have been or will be obtained except as otherwise addressed in this Agreement, and (iii) this Agreement constitutes its legal, valid, and binding obligation.

7.11 Amendment and Waiver. The parties hereto may by mutual agreement amend this Agreement in any respect, provided that any such amendment shall be in writing, signed by both parties. The waiver of any condition under this Agreement shall not constitute a future waiver of the same or like condition.

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective as of the date set forth above.

SELLER: The Successor Agency to the Lemoore Redevelopment Agency By: _____ Jeff Laws, City Manager	BUYER: Amler Investments, L.P. By: _____ Gary R. Bennett, By: _____ Amy Bennett By: _____ Tyler Bennett
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