

LEMOORE PLANNING COMMISSION
Regular Meeting
AGENDA
Lemoore Council Chamber
429 'C' Street

August 12, 2019
7:00 PM

1. Pledge of Allegiance
2. Call to Order and Roll Call
3. Public Comment

This time is reserved for members of the audience to address the Planning Commission on items of interest that are not on the Agenda and are within the subject matter jurisdiction of the Commission. It is recommended that speakers limit their comments to 3 minutes each and it is requested that no comments be made during this period on items on the Agenda. The Commission is prohibited by law from taking any action on matters discussed that are not on the Agenda. Prior to addressing the Commission, any handouts for Commissioners will be provided to the Planning Commission Secretary for distribution to the Commissioners and appropriate staff.

4. Approval – Minutes – Regular Meeting, July 8, 2019
5. Public Hearing – to consider and accept public comment on the adoption of an ordinance approving a Disposition and Development Agreement (“Development Agreement”) proposed by and between the City of Lemoore, GSFH, LLC, and Valley Pure Lemoore, LLC to establish the terms on which City will sell the property located at 400 and 500 S. 19 ½ Avenue, Lemoore CA (APN 023-400-001, 023-400-002, and 023-400-003) to operate multiple commercial cannabis businesses, including cultivation, manufacturing, distribution, and retail dispensary businesses, on the property in accordance with California’s Medicinal and Adult-Use Cannabis Regulation and Safety Act, as well as City’s Ordinance No. 2019-03 as set forth in the City’s Municipal Code; and selling the property for the sum of \$91,000
6. Director’s Report – Judy Holwell
7. Commission’s Reports and Requests for Information
8. Adjournment

Upcoming Meetings

- Regular Meeting of the Planning Commission, September 9, 2019

Agendas for all Planning Commission meetings are posted at City Hall, located at 119 Fox Street, at least 72 hours prior to the meeting. Any writings or documents provided to a majority of the Planning Commission regarding any item on this agenda will be made available for public inspection at the Community Development Department, located at 711 W. Cinnamon Drive, during normal business hours.

The City of Lemoore complies with the Americans with Disabilities Act (ADA of 1990). The Council Chamber is accessible to the physically disabled. Should you need special assistance, please call (559) 924-744, Ext. 705, at least four (4) business days prior to the meeting.

**Minutes of the
LEMOORE PLANNING COMMISSION
Regular Meeting
July 8, 2019**

ITEM NO. 1 Pledge of Allegiance

ITEM NO. 2 Call to Order and Roll Call

The meeting was called to order at 7:00 PM.

Chair:	Clement
Vice Chair:	Etchegoin
Commissioners:	Boerkamp, Franklin, Rogers
Absent:	Koelewyn, Meade

City Staff and Contract Employees Present: Community Development Director Holwell, City Planner Brandt (QK), Commission Secretary Baley

ITEM NO. 3 Public Comment

There was no comment.

ITEM NO. 4 Approval – Minutes – Special Meeting, May 28, 2019

Motion by Commissioner Etchegoin, seconded by Commissioner Franklin, to approve the Minutes of the Planning Commission Special Meeting of May 28, 2019.

*Ayes: Etchegoin, Franklin, Boerkamp, Rogers, Clement
Absent: Koelewyn, Meade*

ITEM NO. 5 Request by Tim Palmquist, Victory/Pharris Lemoore, LLC to extend approval of Victory Village Vesting Tentative Subdivision Map No. 2005-02, Tract 845 for one year.

City Planner Brandt presented the extension request and answered Commissioners' questions.

Tim Palmquist spoke and offered to answer questions.

Motion by Commissioner Etchegoin, seconded by Commissioner Rogers to approve the extension of Victory Village Vesting Tentative Subdivision Map No. 2005-02, Tract 845 for one year.

*Ayes: Etchegoin, Rogers, Boerkamp, Franklin, Clement
Absent: Koelewyn, Meade*

ITEM NO. 6 Director's Report – Judy Holwell

Community Development Director Holwell provided information regarding:

The second reading of the cannabis ordinance recommended by the Planning Commission was approved by City Council on July 2, 2019 and will take effect 30 days from that date.

The City Manager is working with several developers to draft cannabis related development agreements that will be up for review after the cannabis ordinance takes effect.

Staff received a letter of intent from Assemi Group requesting the annexation of approximately 156 acres of land located at the southeast corner of Lacey Blvd. and 18th Avenue to develop a housing project.

Staff has been communicating with a developer regarding a housing project on the west side and noted that the details are confidential until an application has been received.

Staff reviewed a site plan for a new elementary school to be developed at the northwest corner of 19th Avenue and Cinnamon Drive. It is currently being reviewed by the Public Works Department.

ITEM NO. 7 – Commission's Reports and Requests for Information

Commissioner Rogers asked for an update on the mixed use project that was approved for the southeast corner of Hanford-Armona Road and Highway 41.

Holwell reported that the developer has not submitted anything further to date.

Commissioner Rogers complimented the parking lot improvements at Gateway Plaza.

Commissioner Clement asked if the City would require road improvements for the project to be considered at Lacey Blvd. and Lemoore (18th) Avenue.

Holwell indicated that road improvements would be required.

Brandt expanded on the review process.

ITEM No. 8 – Adjournment

The meeting adjourned at 7:24 PM.

Approved the ___ day of _____ 2019.

APPROVED:

Bob Clement, Chairperson

ATTEST:

Kristie Baley, Commission Secretary



711 West Cinnamon Drive • Lemoore, California 93245 • (559) 924-6744

Staff Report

Item No: 5

To: Lemoore Planning Commission

From: Judy Holwell, Community Development Director

Date: August 8, 2019 **Meeting Date:** August 12, 2019

Subject: Resolution No. 2019-05 recommending approval of a Disposition and Development Agreement between the City of Lemoore, GSFH, LLC, and Valley Pure Lemoore, LLC for the sale of approximately 9.1 acres of vacant land located at 400 and 500 S. 19 ½ Avenue (APN 023-400-001, 023-400-002, 023-400-003).

Strategic Initiative:

- | | |
|--------------------------------------------------------------|---------------------------------------------------------------|
| <input type="checkbox"/> Safe & Vibrant Community | <input checked="" type="checkbox"/> Growing & Dynamic Economy |
| <input type="checkbox"/> Fiscally Sound Government | <input type="checkbox"/> Operational Excellence |
| <input type="checkbox"/> Community & Neighborhood Livability | <input checked="" type="checkbox"/> Not Applicable |

Proposed Motion:

City staff recommends that the Planning Commission adopt Resolution No. 2019-05 recommending approval of the Disposition and Development Agreement between the City of Lemoore and Valley Pure Lemoore, LLC.

Subject/Discussion:

The City of Lemoore owns real property located at 400 and 500 S. 19 ½ Avenue, consisting of approximately 9.1 acres, which is planned for Parks and Recreation pursuant to the Lemoore 2030 General Plan. The City has determined that a better use of the site would be to sell the property to a developer in order to promote economic growth in the community.

City staff has been in discussions with Valley Pure Lemoore, LLC (“Valley Pure”, “developer”) regarding a potential development. The terms of the proposed project are identified in the attached Disposition and Development Agreement (“DDA”), which if approved by City Council, would allow the developer to use the property for commercial cannabis operations in accordance with the Medicinal and Adult-Use Cannabis

Regulation and Safety Act of the State of California, as well as City’s Ordinance No 2019-03, as set forth in the Lemoore Municipal Code.

The proposed DDA will allow Valley Pure to purchase the property for ninety-one thousand dollars (\$91,000). In addition to the revenue from the sale of the property, there will be an annual increase in property tax revenue once the development is added to the Kings County Tax Roll. The developer has also agreed to pay revenue raising fees for the privilege of having the right to conduct commercial cannabis operations in the City. The price and terms, of which, are identified in the DDA.

Approval of the DDA is the first step in the process. The Planning Commission is asked to consider the project and make a recommendation to the Lemoore City Council. If the DDA is eventually approved by City Council, the developer would need to apply for a General Plan Amendment and Zone Change so that the proposed use of the site is consistent with the General Plan, which will also include the environmental review as required by the California Environmental Quality Act (CEQA). Additionally, the developer will be required to submit all applications pertinent for the site plan review process, which will be formally reviewed at a later date.

City Manager, Nathan Olson will be in attendance during the Planning Commission meeting to further describe the project. Additionally, the developer will be available to answer any questions you may have.

Financial Consideration(s):

Initially, the sale of City property will generate approximately \$91,000 to the General Fund. Following construction of the facility, the project will increase property tax revenue and create jobs. Additionally, the payment of Revenue Raising Fees is expected to provide a significant amount of new money into the City budget annually.

Alternatives or Pros/Cons:

Pros:

- Revenue from sale of City property
- Job creation
- Economic benefits though tax and fee generation
- Potential stimulation of future growth

Staff Recommendation:

City Staff recommends adoption of Resolution No. 2019-05 recommending approval to the Lemoore City Council of the Disposition and Development Agreement between the City of Lemoore and Valley Pure Lemoore, LLC. for the sale of approximately 9.1 acres of vacant, City-owned land, for the purpose of developing a commercial cannabis operation.

Attachments:

- Resolution:
- Ordinance:
- Map
- Contract
- Other

List: Disposition and Development Agreement
Purchase and Sale Agreement

Review:

- Asst. City Manager
- City Attorney
- City Clerk
- City Manger
- Finance

Date:

DISPOSITION AND DEVELOPMENT AGREEMENT

BY AND BETWEEN

CITY OF LEMOORE,

GSFH, LLC,

AND

VALLEY PURE LEMOORE, LLC

DISPOSITION AND DEVELOPMENT AGREEMENT

This Disposition and Development Agreement (“**Agreement**”) dated effective August __, 2019 (“**Effective Date**”), is entered into by and between the **City of Lemoore**, a California municipal corporation and general law city in the State of California (“**City**”), **GSFH, LLC**, a California limited liability company (“**Landowner**”), and **Valley Pure Lemoore, LLC**, a California limited liability company (“**Developer**”), with respect to the following Recitals, which are a substantive part of this Agreement:

RECITALS

A. City, as successor agency to the City redevelopment agency, owns that certain real property consisting of approximately 9.10 acres of vacant land located at 400 and 500 S. 19½ Avenue, City of Lemoore, County of Kings, State of California, Assessor’s Parcel Numbers 023-400-001, 023-400-002, and 023-400-003, as more particularly described on **Exhibit A** attached hereto and incorporated herein by this reference (the “**Property**”), and Landowner is interested in purchasing the Property.

B. Landowner proposes to lease the Property to Developer, and Developer proposes to lease and operate multiple commercial cannabis businesses, including cultivation, manufacturing, distribution, and retail dispensary businesses, on the Property in accordance with the Medicinal and Adult-Use Cannabis Regulation and Safety Act (“**MAUCRSA**” or “**Act**”) of the State of California (“**State**”), as well as City’s Ordinance No. 2019-03 (“**Ordinance**”), as set forth in the City’s Municipal Code.

C. Certain portions of the Property were previously used as a gas station with underground storage tanks and for the storage of equipment, which required the Property to be remediated and cleaned by the prior owners.

D. City is interested in selling the Property to Landowner for Developer’s use for the consideration, and under the terms, set forth in this Agreement.

E. It is the intent of the parties that this Agreement is contingent upon Developer obtaining a Commercial Cannabis regulatory permit (“**Regulatory Permit**”) on the Property pursuant to the Ordinance, as well as all required licenses under MAUCRSA. City will process a Regulatory Permit pursuant to the Ordinance on behalf of Developer to accommodate each of the commercial cannabis businesses planned for operation on the Property. Landowner and Developer acknowledge that nothing in this Agreement is intended to or shall operate to pre-commit City’s discretion with respect to required land use or other entitlements, permits, and approvals, including, without limitation, interpreting, enforcing or amending the Ordinance and issuing, monitoring or revoking the Regulatory Permit which may be required by Developer with respect to Developer’s proposed use of the Property consistent with the Ordinance (hereinafter the “**Project**”).

F. This Agreement sets forth the terms and conditions agreed upon by City will sell the Property to Landowner and will permit Developer to develop the Property and operate the Project.

TERMS AND CONDITIONS

NOW, **THEREFORE**, City, Landowner, and Developer agree as follows:

1. **Disposition of Property.** Landowner agrees to purchase the Property from City, and City agrees to sell the Property to Landowner, in accordance with and subject to all of the terms, covenants, and conditions set forth in a separate purchase and sale agreement in the form attached hereto as **Exhibit B** and incorporated herein by this reference (“**PSA**”) and all other terms and conditions of this Agreement. The Purchase Price for the Property shall be Ninety-One Thousand Dollars and No Cents (\$91,000.00), computed as \$10,000.00 per acre of Property (the “Purchase Price”), as agreed upon between the City and Landowner, which is the fair market value of the Property given the condition of the Property and the fact that the Landowner and/or Developer agree to perform all necessary improvements adjacent to the Property, including but not limited to, street, sidewalk, curb, and gutter improvements as part of the Project. The Purchase Price shall be paid as set forth in the PSA.

2. **Escrow and Closing.** The PSA, or any amended or modified agreement for the purchase and sale of the Property, shall govern the terms of the sale of the Property, including escrow (“**Escrow**”), title (“**Title**”), due diligence (“**Due Diligence**”) and closing (“**Closing**”). If there is a conflict between the PSA, or an amended or modified PSA, and this Agreement, the terms of this Agreement shall control. Notwithstanding the foregoing, the Closing of the purchase and sale of the Property shall be conditioned by upon satisfying the requirement of paragraph 3 of this Agreement.

3. **Additional Consideration.** Separate and apart from the Purchase Price for the Property, and as a material inducement for City to sell the Property to Landowner and to provide Developer with the privilege of operating a commercial cannabis businesses in the City, Landowner and Developer agree to provide City with the following additional consideration:

A. **Reimbursement of Legal Fees.** Landowner shall reimburse City for the legal fees and costs paid by City, at the customary rate charged by the City’s contract City Attorney, Lozano Smith, for legal services for negotiating, finalizing, and implementing this Agreement and the PSA on behalf of City.

B. **Fees.** Developer shall pay the following fees to City:

(1) Customary business license fees and any regulatory license fee that may be required as part of the Ordinance and Regulatory Permit, which fees shall be determined and set by the City to recover the direct costs incurred by the City from the commercial cannabis businesses of Developer in the City consistent with California Constitution Article XIII C, Section 1, subsection (e)(3).

(2) An annual revenue raising fees for the privilege of having the right to conduct commercial cannabis operation in the City (“**Revenue Raising Fees**”) in the following amounts based upon the indicated nature of the particular licensed businesses:

(i) For retail dispensary, an amount equal to four percent (4.00%) of the Gross Receipts from the Sale of Cannabis generated from the Property;

(ii) For cultivation, an annual amount equal to the sum of: \$6.00 per square foot of the first 25,000 square feet of the Property actually improved and used for cultivation, plus \$3.00 per square foot of the next 25,000 square feet of the Property actually improved and used for cultivation, plus \$2.00 per square foot of area of the Property in excess of 50,000 square feet actually improved and used for cultivation;

(iii) For manufacturing, an annual fees in the amount of \$45,000; and

(iv) For distribution, an amount equal to one percent (1.00%) of the Gross Receipts from the Distribution of Cannabis generated from the Property.

(3) The term “**Gross Receipts from the Sale of Cannabis**” for purposes of computing the Revenue Raising Fees, shall include any and all revenue received or collected by the Developer from the sale of any and all cannabis, cannabis-based, or other similar products, but not from the sale of clothing or other branding gear or merchandise, from the Property.

(4) The term “**Gross Receipts from the Distribution of Cannabis**” for purposes of computing the Revenue Raising Fees, shall include any and all revenue received or collected by the Developer from the distribution of any and all cannabis, cannabis-based, or other similar products from the Property.

(5) The parties agree that, every five (5) years (beginning from the date on which the Regulatory Permit is first issued) through the end of the term of this Agreement, the parties will renegotiate in good faith the amount of the Revenue Raising Fees based upon the relative strength of the Developer’s commercial cannabis operations on the Property as compared to other commercial cannabis operations in other small cities in the Central Valley of California and the amount of fees charged by other municipalities for such businesses, with the expectation that City will reduce fees to match the fees being charged to competitors of Developer should Developer encounter difficulty in profitable operating on the Property.

(6) Payment of the Revenue Raising Fees shall occur monthly no later than 10 days following the end of each month to which the fees are applied regardless of whether any particular fee is computed on an annual basis.

(7) In the event City passes a cannabis tax of any form or amount, City agrees that such tax will not apply to Developer and that Developer shall be bound to pay only the Revenue Raising Fees pursuant to this Section 4 in lieu of any future cannabis tax.

C. If a commercial cannabis operation not owned or controlled by Developer or its principals operates on the Property, such operation shall be required to obtain a Regulatory Permit, and each new Regulatory Permit holder shall be responsible for paying the Revenue Raising Fees set forth in subsection B of this Section 4 above separately from Developer. No change to Developer’s entity status or change in ownership of Developer shall require Developer to obtain a new Regulatory Permit, except that a change in ownership that constitutes a change in control of Developer (*i.e.*, a change in ownership that results in one person or entity owning more than 50

percent of the ownership interest) shall require Developer to obtain a new Regulatory Permit before the change in ownership takes place.

D. The requirements of this Section 4 shall be a recorded covenant running with the land and binding on all owners, tenants, and Regulatory Permit holders for the Property.

4. **Development of the Property.** Developer proposes to use the Property for a commercial cannabis operations to the maximum extent allowed under MAUCRSA and the Ordinance, which includes the cultivation, manufacturing, distribution, and retail sale of cannabis for both medical and adult use. For this to happen, Developer must obtain appropriate State licenses, and City must approve a Regulatory Permit. The exact commercial cannabis operations to be approved will be determined during the Regulatory Permit process, but shall be consistent with the terms and conditions of this Agreement.

5. **Landowner and Developer Representations.** Landowner and Developer represent and warrant to City that Landowner, and/or principal members of Landowner, are an experienced developer and operator of commercial properties and Developer, and/or principal members of Developer, are experienced operators of commercial cannabis businesses or have otherwise hired or contracted with experienced commercial operators of cannabis businesses for the purpose of developing the Property and operating commercial cannabis businesses. The qualifications and identity of the principals of Landowner and Developer are of particular concern to City, and because of such qualifications and identity, the City has entered into this Agreement with Landowner and Developer. City has considered and relied upon Landowner's and Developer's representations and warranties in entering into this Agreement.

6. **Lawfulness of Activities.** In entering into this Agreement and processing the Regulatory Permit, City makes no guarantees or promises as to the lawfulness of the proposed commercial cannabis operations under State or federal law. Landowner and Developer are obligated to comply with all applicable State and City laws. To the fullest extent permitted by law, City shall not assume any liability whatsoever with respect to approving the Ordinance, a Regulatory Permit for Developer, or any other commercial cannabis operation approved by City.

7. **Compliance with Laws.** Developer shall operate the commercial cannabis businesses in conformity with MAUCRSA and any implementing regulations, as they may be amended from time to time. Developer shall comply with all other applicable State and local laws, State labor standards, City zoning and development standards, building, plumbing, mechanical and electrical codes, all other provisions of the Lemoore Municipal Code, and all applicable disabled and handicapped access requirements, including without limitation the Americans With Disabilities Act, 42 U.S.C. Section 12101, *et seq.*, California Government Code Section 4450, *et seq.*, California Government Code Section 11135, *et seq.*, and the Unruh Civil Rights Act, Civil Code Section 51, *et seq.*, with respect to the existing and any proposed improvements on the Property.

8. **Indemnity.**

A. **Commercial Cannabis Operations.** Developer and Landowner shall defend, indemnify, assume all responsibility for, and hold City and its officers, agents, employees, and volunteers, harmless from all claims, demands, damages, defense costs or liability of any kind or nature arising from or related to any State or federal law enforcement action against Developer or

Developer's tenants, subtenants, licensees, contractors and employees ("**Developer Parties**") or Landowner in connection with the commercial cannabis operations conducted on the Property after the Closing ("**Cannabis Claims**"). Developer and Landowner's indemnity shall not extend to any loss of revenue suffered or incurred by City in connection with any termination, cessation, restriction, seizure, or other limitation of any commercial cannabis operation on the Property.

B. **Construction and Other Operations.** In addition to the indemnity obligations of subsection A of this Section 9, Developer and Landowner shall defend, indemnify, assume all responsibility for, and hold City and its officers, agents, employees, and volunteers, harmless from all claims, demands, damages, defense costs or liability of any kind or nature relating to the subject matter of this Agreement or the implementation thereof, including all construction and operation activities on the Property, and for any damages to property or injuries to persons, including accidental death (including attorneys' fees and costs), which may be caused by any acts or omissions of Landowner and Developer Parties in the performance under this Agreement, whether such damage shall accrue or be discovered before or after termination of this Agreement ("**Other Claims**"). Notwithstanding the foregoing, Developer and Landowner shall not be liable for Other Claims caused by the sole negligence or willful misconduct of City, its agents or employees, or the public at large.

9. **Restrictions on Transfer.**

A. **City Approval Prior to Closing.** Prior to acquisition of the Property, Landowner and Developer shall not transfer this Agreement or any of Landowner's or Developer's rights hereunder, directly or indirectly, voluntarily or by operation of law, without the prior written approval of City, and if so purported to be transferred, the same shall be null and void. In considering whether it will grant approval to any assignment by Landowner or Developer of its rights hereunder, City shall consider factors such as (i) the financial strength and capability of the proposed assignee to perform either or both Landowner's or Developer's obligations hereunder; and (ii) the proposed assignee's experience and expertise in the planning, financing, development, ownership, and operation of similar projects.

B. **Assignee Obligations.** In the absence of specific written agreement by City, no assignment or transfer by Landowner or Developer of all or any portion of its rights shall be deemed to relieve it or any successor party from any obligations under this Agreement. In addition, no attempted assignment of any of Developer's obligations hereunder shall be effective unless and until the successor party executes and delivers to City an assumption agreement in a form reasonably approved by the City assuming such obligations.

C. **Affiliate Entities.** Notwithstanding the foregoing restrictions on transfer, the Developer may enter into written contracts with one or more "**Affiliate Entities,**" which are defined as entities that are owned or controlled by Developer or its principals to conduct commercial cannabis operations in the City pursuant to the Regulatory Permit. Developer may enter into these written contracts with the prior written consent of the City, which will not be unreasonably withheld, delayed, or conditioned. In addition, any such Affiliate Entity shall be required to sign a written agreement agreeing to be bound and subject to the terms and conditions of this Agreement.

10. **Defaults and Remedies.** Failure by either party to perform any action or covenant required by this Agreement or in the Lease within the time periods provided herein or in the Lease,

following notice and failure to cure as described hereafter, constitutes a “**Default**” under this Agreement. A party claiming a Default shall give written Notice of Default (“**Notice**”) to the other party specifying the Default complained of. Except as otherwise expressly provided in this Agreement, the claimant shall not institute any proceeding against any other party, and the other party shall not be in Default if such party within fifteen (15) days from receipt of such Notice immediately, with due diligence, commences to cure, correct or remedy such failure or delay and shall diligently complete such cure, correction or remedy. In addition to any other rights or remedies and subject to the restrictions otherwise set forth in this Agreement, either party may institute an action at law or equity to seek specific performance of the terms of this Agreement, or to cure, correct or remedy any Default, to recover damages for any Default, or to obtain any other remedy consistent with the purpose of this Agreement. Such legal actions must be instituted in the Superior Court of the County of Kings, California, or in the United States District Court for the Eastern District of California – Fresno Division, if allowable.

11. **Term.** The term of this Agreement shall be for twenty (25) years.

12. **General Provisions.**

A. **Notices, Demands and Communications Between the Parties.** Any approval, disapproval, demand, document or other notice or Notice which any party may desire to give to another party under this Agreement must be in writing and may be given by any commercially acceptable means to the party to whom the Notice is directed at the address of the party as set forth below, or at any other address as that party may later designate by Notice.

To City: City of Lemoore
Attn: Nathan Olson, City Manager
711 W. Cinnamon Drive
Lemoore, California 93245
Tel: (559) 924-6744 x703
Email: nolson@lemoore.com

With a copy to: Jenell Van Bindsbergen, City Attorney
Lozano Smith
7404 N. Spalding
Fresno, California 93720
Tel: (559) 431-5600
Fax: (559) 431-4420
Email: jvanbindsbergen@lozanosmith.com

To Landowner: GSFH, LLC
Attn: Bruce Kopitar
1099 W. Ropes Avenue
Woodlake, California 93286
Tel: (559) 264-6000
Email: bruce@ustower.com

With a copy to: Matthew W. Quall, Esq.
Quall Cardot LLP
205 E. River Park Circle, Suite 110

Fresno, California 93720
Tel: (559) 418-0333
Fax: (559) 418-0330
Email: mquall@quallcardot.com

To Developer: Valley Pure Lemoore, LLC
Attn: Bruce Kopitar
132 N. Valencia Blvd.
Woodlake, California 93286
Tel: (559) 769-2080
Email: bruce@ustower.com

With a copy to: Matthew W. Quall, Esq.
Quall Cardot LLP
205 E. River Park Circle, Suite 110
Fresno, California 93720
Tel: (559) 418-0333
Fax: (559) 418-0330
Email: mquall@quallcardot.com

Any written notice, demand or communication shall be deemed received: immediately if delivered by hand; 24 hours after delivery to a receipted, overnight delivery service such as Federal Express; 24 hours after delivery by e-mail with an acknowledgement of receipt by the intended recipient; on the fourth (4th) day from the date it is postmarked if delivered by registered or certified mail; and upon receipt of electronic confirmation of transmission by the recipient; provided, however, the recipient of an e-mail notice shall have an affirmative obligation to send an e-mail response and, if applicable, to accept a request to allow an automatically generated response acknowledging the receipt of the e-mail.

B. **Successors and Assigns.** All of the terms, covenants and conditions of this Agreement shall be binding upon Landowner, Developer and City, and their respective successors and assigns as permitted by this Agreement. Whenever the terms “Landowner” or “Developer” are used in this Agreement, such term shall include any other successors and assigns as herein provided. This Agreement shall run with the land and be binding upon Landowner’s successors and assigns in and to the Property and upon City’s successors and assigns in and to the Property.

C. **Relationship Between City, Landowner, and Developer.** It is hereby acknowledged that the relationships between City and Landowner, and City and Developer are not that of a partnership or joint venture and that City and Landowner or Developer shall not be deemed or construed for any purpose to be the agent of the other. Except as expressly provided herein or in the exhibits hereto, City shall not have any rights, powers, duties or obligations with respect to the Project.

D. **No Third-Party Beneficiaries.** There shall be no third-party beneficiaries of this Agreement.

E. **City Approvals and Actions.** City shall maintain authority over this Agreement, including the PSA, and the authority to implement this Agreement and the PSA through the City Manager (or his/her duly authorized representative). The City Manager shall have the authority to

make approvals, issue interpretations, waive provisions, and/or enter into certain amendments of this Agreement and the PSA on behalf of City so long as such actions do not materially or substantially change the uses or development contemplated under this Agreement, and such approvals, interpretations, waivers and/or amendments may include extensions of time to perform, if applicable as allowed by law. All other material and/or substantive interpretations, waivers, or amendments shall require the consideration, action and written consent of the City Council.

F. **Counterparts.** This Agreement may be signed in multiple counterparts which, when signed by all parties, shall constitute a binding agreement. This Agreement shall be executed in two (2) originals, each of which is deemed to be an original.

G. **Integration.** This Agreement contains the entire understanding between the parties relating to the transaction contemplated by this Agreement, notwithstanding any previous negotiations or agreements between the parties or their predecessors in interest with respect to all or any part of the subject matter hereof. All prior or contemporaneous agreements, understandings, representations and statements, oral or written, are merged in this Agreement and shall be of no further force or effect. Each party is entering this Agreement based solely upon the representations set forth herein and upon each party's own independent investigation of any and all facts such party deems material. This Agreement includes all Attachments and Exhibits attached hereto, which are incorporated herein.

H. **Interpretation and Applicable Law.** This Agreement has been prepared with input from all parties, and shall be interpreted as though prepared jointly by all parties. The laws of the State of California shall govern the interpretation and enforcement of this Agreement.

I. **No Waiver.** Any failures or delays by any party in asserting any of its rights and remedies as to any Default shall not operate as a waiver of any Default or of any such rights or remedies, or deprive any other party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies. Nor shall a waiver by any party of a breach of any of the covenants, conditions or promises under this Agreement to be performed by another party be construed as a waiver of any succeeding breach of the same or other covenants, agreements, restrictions or conditions of this Agreement.

J. **Modifications.** For any alteration, change or modification of or to this Agreement to become effective, it shall be made in writing and in each instance signed on behalf of each party.

K. **Most Favored Nation Clause; Renegotiation.** If City enters into a Disposition and Development Agreement, a Development Agreement, or any other agreement with a commercial cannabis operator that has terms and conditions more favorable in the aggregate to that operator than the terms and conditions contained herein, including, but not limited to, Sections 4, 10C, and 13Q, City shall amend this Agreement to provide for the payment of fees by Developer that are the same as those fees agreed to be paid by the new commercial cannabis operator.

L. **Legal Advice.** Each party represents and warrants to the others the following: They have carefully read this Agreement, and in signing this Agreement, they do so with full knowledge of any right which they may have; they have received independent legal advice from their respective legal counsel as to the matters set forth in this Agreement, or have knowingly chosen not to consult legal counsel as to the matters set forth in this Agreement; and, they have freely signed this Agreement without any reliance upon any agreement, promise, statement or

representation by or on behalf of another party, or their respective agents, employees, or attorneys, except as specifically set forth in this Agreement, and without duress or coercion, whether economic or otherwise.

M. **Cooperation.** Each party agrees to cooperate with the others in this transaction and, in that regard, to sign any and all documents which may be reasonably necessary, helpful, or appropriate to carry out the purposes and intent of this Agreement including, but not limited to, releases or additional agreements.

N. **Non-Liability of Officials and Employees of the City.** No official, employee or agent of the City shall be personally liable to the Landowner or Developer, or any successor in interest, in the event of any Default or breach by the City, or for any amount which may become due to the Landowner or the Developer or their successors, or on any obligations under the terms of this Agreement.

O. **Attorneys' Fees.** In any action between the parties to interpret, enforce, reform, modify, rescind, or otherwise, in connection with any of the terms or provisions of this Agreement, the prevailing party in the action shall be entitled, in addition to damages, injunctive relief, or any other relief to which it might be entitled, reasonable costs and expenses including, without limitation, litigation costs and reasonable attorneys' fees.

P. **Memorandum of Agreement.** The Parties shall record against the Property a Short Form Memorandum of this Agreement ("**Short Form Memorandum**") summarizing the essential terms no later than Closing.

Q. **Conflicting Enactments.** Any change in the Ordinance or the Lemoore Municipal Code, including, without limitation, any change in the General Plan or zoning, subdivision or building rule or regulation, adopted or becoming effective by the City after the Effective Date, which would, absent this Agreement, otherwise be applicable to the Property and which would conflict in any way with or be more restrictive than the current laws, regulations, and rules now in effect, shall not be applied by City to the Property if Landowner or Developer has acquired vested rights status in the Property, unless required to be applied to the Property by State law, or as permitted by this Agreement. In the event Landowner or Developer has acquired vested rights status in the Property, Landowner or Developer may give City written notice of its election to have any subsequent laws, regulations, and rules applied to the Property or a portion thereof, in which case such subsequent laws, regulations, or rules shall be deemed applicable to the Property.

[SIGNATURES FOLLOW ON NEXT PAGE]

IN WITNESS WHEREOF, the City, Landowner, and the Developer have executed this Agreement as of the Effective Date.

CITY:

City of Lemoore, a municipal corporation and general law city in the State of California

Date: _____

By: _____

Name: Nathan Olson

Its: City Manager

Date: _____

By: _____

Name: Marisa Avalos

Its: City Clerk

LANDOWNER:

GSFH, LLC,
a California limited liability company

Date: _____

By: Kopitar Capital Investments, LP

Its: Sole Manager

By: BK Operation, Inc.,
a California corporation
Its: General Partner

By: _____

Name: Bruce Kopitar

Its: President

By: _____

Name: Bruce Kopitar

Its: Secretary

DEVELOPER:

Valley Pure Lemoore, LLC,
a California limited liability company

Date: _____

By: _____

Bruce Kopitar , Sole Manager

APPROVED AS TO FORM CONSISTENT WITH CALIFORNIA LAW:

LOZANO SMITH:

Date: _____

Jenell Van Bindsbergen, Attorney for City

QUALL CARDOT LLP:

Date: _____

Matthew W. Quall, Attorney for Landowner and
Developer

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

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

THAT PORTION OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 9, TOWNSHIP 19 SOUTH, RANGE 20 EAST, MOUNT DIABLO BASE AND MERIDIAN, IN THE COUNTY OF KINGS, STATE OF CALIFORNIA, MORE PARTICULARLY DESCRIBED AS BEING PARCEL NO. 1, AS PER MAP RECORDED IN BOOK 6 AT PAGE 4 OF PARCEL MAPS, KINGS COUNTY RECORDS.

FOR REFERENCE PURPOSES ONLY:

APN: 023-400-001

Address 400 S. 19½ Avenue, Lemoore, CA 93245

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

THAT PORTION OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 9, TOWNSHIP 19 SOUTH, RANGE 20 EAST, MOUNT DIABLO BASE AND MERIDIAN, KNOWN AS PARCEL 2 OF PARCEL MAP RECORDED IN BOOK 6 PAGE 4 OF PARCEL MAPS IN THE CITY OF LEMOORE, COUNTY OF KINGS, STATE OF CALIFORNIA, NOW MORE PARTICULARLY DESCRIBED AS PARCELS A AND B OF PARCEL MAP RECORDED IN BOOK 13 PAGE 59 OF PARCEL MAPS, KINGS COUNTY RECORDS.

FOR REFERENCE PURPOSES ONLY:

APN: 023-400-002 and 023-400-003

Address 500 S. 19½ Avenue, Lemoore, CA 93245

[DRAFT: 8-9-19]

EXHIBIT B

FORM OF PURCHASE AND SALE AGREEMENT

[See Attached]

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

THIS PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS (“**Agreement**”), dated as of August __, 2019 (“**Effective Date**”) is made and entered into between the **City of Lemoore**, a California municipal corporation and general law city in the State of California (“**Seller**”), and **GSFH, LLC**, a California limited liability company (“**Buyer**”). Buyer and Seller are each individually herein a “**Party**” and collectively the “**Parties**.”

RECITALS

A. Seller owns that certain real property consisting of approximately 9.10 acres of land located at 400 and 500 S. 19½ Avenue, City of Lemoore, County of Kings, State of California, Assessor’s Parcel Numbers 023-400-001, 023-400-002, and 023-400-003, as more particularly described on Exhibit A attached hereto and incorporated herein by this reference (the “**Land**”); and

B. Buyer desires to purchase from Seller, and Seller desires to sell to Buyer, the Land and all rights associated therewith on the terms and subject to the conditions contained in this Agreement.

TERMS AND CONDITIONS

NOW, THEREFORE, the Parties agree as follows:

1. **Purchase and Sale of Property.** Buyer shall purchase from Seller, and Seller shall sell to Buyer, all of Seller’s right, title and interest in and to the Land, together with all privileges, rights, easements and appurtenances associated with the Land and all development rights (collectively, the “**Property**”) pursuant to the terms and conditions set forth herein.

2. **Purchase Price.** The purchase price for the Property shall be Ninety-One Thousand Dollars and No Cents (\$91,000.00), computed as \$10,000.00 per acre of the Land (the “**Purchase Price**”).

3. **Payment of Purchase Price.** Buyer shall pay Seller the Purchase Price in all cash through an escrow for the consummation of the purchase and sale transaction (the “**Escrow**”) established with Old Republic Title Company located at 7451 North Remington Ave., Suite 102, Fresno, CA 93711, with Donna Brown as the Escrow officer (“**Escrow Holder**”) at the Close of Escrow (as defined below).

4. **Deposit.** Within 3 business days after the opening of Escrow, Buyer shall deposit the sum of Ten Thousand and 0/100 Dollars (\$10,000.00) into Escrow. The Deposit shall remain refundable to Buyer until Buyer has delivered notice of its approval of the condition of title to the Property and approval of the Feasibility matters discussed in Section 8 below.

5. **Opening of Escrow.** Seller and Buyer shall open Escrow by the deposit of a signed copy of this Agreement with Escrow Holder contemporaneously with the execution hereof by Seller and Buyer. This Agreement shall constitute both a purchase contract and joint

escrow instructions to Escrow Holder relative to such purchase and sale transaction. If Escrow Holder requires separate or additional escrow instructions, Seller and Buyer agree to promptly execute and deliver to Escrow Holder such separate or additional Escrow Instructions (“**Additional Instructions**”). In the event of any conflict or inconsistency between this Agreement and any Additional Instructions, this Agreement shall prevail and govern, and the Additional Instructions shall so provide. The Additional Instructions shall not modify or amend the provisions of this Agreement unless otherwise agreed to in writing by Seller and Buyer.

6. **Close of Escrow.**

(a) The close of Escrow for the purchase and sale of the Property (the “**Close of Escrow**”) shall occur on or before 45 days from the opening of escrow (the “**Closing Date**”), if the Buyer has not cancelled the Escrow as permitted by this Agreement, and provided each of the following conditions (the “**Conditions of Closing**”) have been satisfied or waived:

(i) Seller shall take any and all necessary procedural steps to have the particular legal parcels of the Property be rezoned by the City Council as follows to enable the Buyer and its tenants to develop and use the Property to operate multiple commercial cannabis businesses, including, cultivation, manufacturing, distribution, and retail dispensary businesses, in accordance with the Medicinal and Adult-Use Cannabis Regulation and Safety Act of the State of California and Seller’s Ordinance No. 2019-03 as set forth in the City’s Municipal Code:

<u>Assessor’s Parcel Number:</u>	<u>Required Zoning:</u>
023-400-001	___ - Light Industrial
023-400-002	___ - Regional Commercial
023-400-003	___ - Regional Commercial

(ii) Buyer’s approval of the Feasibility of the Property and the condition of title to the Property as provided in Preliminary Title Report provided by Escrow Officer within 30 days upon opening of Escrow. If the transaction is terminated because any of the conditions to Close of Escrow have not been satisfied, or waived in writing by Buyer, the Deposit while in Escrow will be returned to Buyer; and any other funds deposited by Buyer into Escrow and then held by Escrow Holder.

(iii) Seller shall be able to deliver title to the Property, free and clear of all monetary liens except real property taxes and assessments not delinquent, exceptions approved or deemed approved by Buyer pursuant to the provisions of Paragraph 8 of this Agreement; and physical inspection of the Property.

(iv) Escrow Holder shall have committed to issue to Buyer, as of the Closing, a California Land Title Association standard coverage owner’s policy of title insurance (the “**Title Policy**”) in an amount equal to the Purchase Price insuring fee simple title to the Property vested in Buyer.

(b) On or before the Closing Date if the Conditions of Closing are satisfied (or waived), Buyer shall deposit the Purchase Price, less the Deposit, in immediately available funds with Escrow Holder.

(c) On the Closing Date if the Conditions of Closing are satisfied (or waived), Escrow Holder shall take the following actions:

- (i) Record a grant deed conveying title to the Property from Seller to Buyer (the "**Grant Deed**") in the Official Records of Kings County;
- (ii) Deliver to Buyer a conformed copy of the recorded Grant Deed;
- (iii) Deliver to Seller, in cash or current funds, all sums due Seller, less charges, expenses, pro-rations and obligations payable by Seller pursuant to this Agreement;
- (iv) Issue the Title Policy to Buyer; and
- (v) Deliver to Seller and Buyer, true and correct closing statements and documents.

7. **Closing Costs and Escrow Fees.** Upon Close of Escrow, Buyer shall pay: (a) the premium cost attributable to the Title Policy plus the cost of any endorsements thereto, (b) recording charges for the Grant Deed, (c) any transfer taxes payable to the county or city, and (d) one-half (1/2) of Escrow Holder's fees. Upon Close of Escrow, Seller shall pay one-half (1/2) of Escrow Holder's fees. All other costs related to the transaction shall be paid by the Parties in the manner consistent with common practice in the County of Kings. Current non-delinquent real property taxes and assessments shall be prorated between Buyer and Seller as of the Close of Escrow on the basis of a 30-day month.

8. **Feasibility.** Buyer shall have a Feasibility Period of thirty (30) days from the opening of Escrow (the "**Feasibility Period**") to review, in Buyer's sole discretion, the condition and suitability of the Property for Buyer's intended use, including but not limited to development costs, financial and market feasibility, condition of title, and the physical condition of the Property ("**Feasibility**"). From and after the date this Agreement is accepted by Seller through the Close of Escrow, Buyer, its agents, employees and contractors shall have the right to enter the Property for the purposes of conducting such investigations, inspections and tests of the Property as Buyer deems necessary in order to determine the condition and suitability of the Property including, but not limited to, the Feasibility matters. Buyer shall indemnify and hold Seller harmless from and against any and all loss, expense, claim, damage and injury to person or property resulting from the negligent acts of Buyer, its employees, consultants, engineers, authorized agents and contractors on the Property in connection with the performance of any investigation of the Property as contemplated herein; provided that Buyer shall have no responsibility or liability for any act or omission of Seller or Seller's agents, employees or contractors and/or for any adverse condition or defect on or affecting the Property not caused by Buyer or its employees, agents, contractors, or subcontractors but discovered or impacted during their inspections.

9. **Hazardous Substances.** Seller represents and warrants that it has no knowledge or reasonable cause to believe that any release of hazardous substance has come to be located on or beneath the Property or if they, in fact, have such knowledge or reasonable belief, the same shall be fully disclosed to Buyer in writing within ten (10) days of the date of this Agreement in accordance with Health and Safety Code Section 25359.7 so that Buyer can consider such

information in evaluating the Property. Seller shall deliver property in a clean state free from all environmentally hazardous materials, substance and conditions.

10. **Successors and Assigns; Assignment.** This Agreement shall be binding on Buyer and Seller and their respective heirs, successors, and assigns. Neither Party may assign this Agreement without the prior written consent of the other Party. Any successor or assignee of Buyer or Seller to this Agreement shall expressly assume and agree to be bound by this Agreement.

11. **Brokerage Fee.** Buyer and Seller each represent and warrant to the other that it has not engaged the services of any real estate broker, salesperson, agent or finder, nor done any other act nor made any statement, promise or undertaking, which would result in the imposition of liability for the payment of any real estate brokerage commission, finder's fee or otherwise in connection with the transaction described in this Agreement. In the event that any person or entity perfects a claim for a brokerage commission, finder's fee or otherwise, based upon any agreement, statement or act, the Party through whom such person or entity makes such a claim shall be responsible therefor and shall defend, indemnify and hold the other Party and the property harmless from and against such claim and all loss, costs and expense associated therewith, including attorneys' fees.

12. **Liquidated Damages.** IF BUYER BREACHES ANY OBLIGATION UNDER THIS AGREEMENT, THEN THIS AGREEMENT SHALL TERMINATE AND PROVIDED SELLER IS NOT ALSO THEN IN DEFAULT, SELLER SHALL BE ENTITLED, AS SELLER'S SOLE AND EXCLUSIVE REMEDY FOR BUYER'S BREACH, TO RECEIVE THE DEPOSIT DESCRIBED IN PARAGRAPH 4. THE PARTIES ACKNOWLEDGE AND AGREE THAT SELLER'S DAMAGES IN THE EVENT OF SUCH A BREACH AND FAILURE TO CLOSE WILL BE UNCERTAIN AND EXTREMELY DIFFICULT AND IMPRACTICAL TO ASCERTAIN. THE PARTIES HAVE NEGOTIATED THE AMOUNT OF LIQUIDATED DAMAGES AND SUCH AMOUNT REPRESENTS A REASONABLE ESTIMATE OF SELLER'S DAMAGES RESULTING FROM BUYER'S BREACH CONSIDERING ALL OF THE CIRCUMSTANCES EXISTING ON THE DATE OF EXECUTION OF THIS AGREEMENT.

13. **Miscellaneous Provisions.**

(a) **Further Assurances.** In addition to the acts and deeds recited herein and contemplated to be performed, executed or delivered by Seller or Buyer, the Parties each hereby agree to perform, execute and deliver, or cause to be performed, executed and delivered, any and all such further acts, deeds, documents and assurances as Seller or Buyer, as the case may be, may reasonably require in order to carry out the terms of and consummate fully the transactions contemplated by this Agreement.

(b) **Attorneys' Fees.** If any legal action or any arbitration or other proceeding is brought or if an attorney is retained for the enforcement of this Agreement or any portion thereof, or because of any alleged dispute, breach, default or misrepresentation in connection with any of the provisions of this Agreement, the prevailing Party shall be entitled, in addition to damages, injunctive relief, or any other relief to which it might be entitled, reasonable costs and expenses including, without limitation, litigation costs and reasonable attorneys' fees.

(c) **Entire Agreement, Amendments and Waivers.** This Agreement contains the entire agreement and understanding of the Parties in respect to the subject matter hereof, and the Parties intended for the literal words of this Agreement to govern and for all prior negotiations, drafts, and other extrinsic communications, whether oral or written, to have no significance or evidentiary effect. The Parties further intend that neither this Agreement nor any of its provisions may be changed, amended, discharged, waived or otherwise modified orally but only by an instrument in writing duly executed by the Parties to be bound thereby. The Parties understand and acknowledge the importance of the foregoing sentence and are aware that the law may permit subsequent oral modification of a contract notwithstanding contract language which requires that any such language which requires that any such modification be in writing; but Seller and Buyer fully and expressly intend that the foregoing requirements as to a writing be strictly adhered to and strictly interpreted and enforced by any court which may be asked to decide the question.

(d) **Governing Jurisdiction.** This Agreement shall be construed under and in accordance with the laws of the State of California.

(e) **Headings.** The Paragraph headings and subheadings herein contained are for purposes of identification only, and shall not be considered in-construing this Agreement.

(f) **Notices.** All notices, requests, demands and other communications given, or required to be given, under this Agreement shall be in writing, duly addressed to the Parties as follows:

If to Buyer: GSFH, LLC or Assignee
 Attn: Bruce Kopitar
 1099 W. Ropes Avenue
 Woodlake, California 93286
 Tel: (559) 264-6000
 Email: bruce@ustower.com

With a copy to: Matthew W. Quall, Esq.
 Quall Cardot LLP
 205 E. River Park Circle, Suite 110
 Fresno, California 93720
 Tel: (559) 418-0333
 Fax: (559) 418-0330
 Email: mquall@quallcardot.com

If to Seller: City of Lemoore
 Attn: Nathan Olson, City Manager
 711 W. Cinnamon Drive
 Lemoore, California 93245
 Tel: (559) 924-6744 x700
 Email: nolson@lemoore.com

With a copy to: Jenell Van Bindsbergen, City Attorney
 Lozano Smith
 7404 N. Spalding

Fresno, California 93720
Tel: (559) 431-5600
Fax: (559) 431-4420
Email: jvanbindsbergen@lozanosmith.com

If to Escrow Holder: Old Republic Title Company
7451 North Remington Ave., Suite 102
Fresno, CA 93711
Attention: Donna Brown
T: (559) 440-9249
F: (559) 447-1643
Email: DonnaB@ortc.com

All notices properly addressed, sent by Registered or Certified Mail, Return Receipt Requested, or by Federal Express or similar generally recognized courier service regularly providing proof of delivery, shall be deemed to have been given as of the date of actual delivery (whether accepted or refused) established by U. S. Post Office Return Receipt or the courier's proof of delivery, as the case may be. Notice sent by any other manner shall be effective only upon actual receipt by the addressee; provided, however, the recipient of an e-mail notice shall have an affirmative obligation to send an e-mail response and, if applicable, to accept a request to allow an automatically generated response acknowledging the receipt of the e-mail. Any Party may change its notice address by giving notice to the other Party and to Escrow Holder as provided in this paragraph.

(g) **Time of Essence.** Seller and Buyer hereby acknowledge and agree that time is strictly of the essence with respect to each and every term, condition, obligation and provision hereof.

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

(i) **Waivers.** No waiver of any breach of any covenant or provision herein contained shall be deemed a waiver of any preceding or succeeding breach thereof or of any other covenant or provision herein contained. No extension of time for performance of any obligation or act shall be deemed an extension of the time for performance of any other obligation or act.

(j) **Context.** When the context and construction so require, all words used in the singular herein shall be deemed to have been used in the plural and the masculine shall include the feminine and the neuter and vice-versa.

14. **Off-Market.** For a period of thirty (30) business days following execution of this Agreement, in consideration of the Parties' participation in the negotiation, Seller agrees that Seller shall not offer the Property for sale to any third Party without the express written consent of Buyer.

IN WITNESS WHEREOF, the Buyer and Seller have executed this Agreement as of the Effective Date.

BUYER:

GSFH, LLC, a California limited liability company

By: Kopitar Capital Investments, LP
Its: Sole Manager

By: BK Operation, Inc., a California corporation
Its: General Partner

By: _____
Name: Bruce Kopitar
Its: President

By: _____
Name: Robert D. Crangle
Its: Secretary

[SIGNATURES OF SELLER FOLLOW ON NEXT PAGE]

SELLER:

City of Lemoore, a municipal corporation and
general law city in the State of California

By: _____

Name: Nathan Olson

Its: City Manager

By: _____

Name: Marisa Avalos

Its: City Clerk

ACCEPTANCE BY ESCROW HOLDER

Old Republic Title Company hereby acknowledges that it has received a fully executed counterpart of the foregoing PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS (“**Agreement**”) and agrees to act as Escrow Holder under the Agreement and to be bound by and perform the terms thereof as such terms apply to Escrow Holder.

ESCROW HOLDER:

Old Republic Title Company

Dated: _____, 2019

By: _____

Name:

Its:

EXHIBIT A

LEGAL DESCRIPTION OF THE LAND

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

THAT PORTION OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 9, TOWNSHIP 19 SOUTH, RANGE 20 EAST, MOUNT DIABLO BASE AND MERIDIAN, IN THE COUNTY OF KINGS, STATE OF CALIFORNIA, MORE PARTICULARLY DESCRIBED AS BEING PARCEL NO. 1, AS PER MAP RECORDED IN BOOK 6 AT PAGE 4 OF PARCEL MAPS, KINGS COUNTY RECORDS.

FOR REFERENCE PURPOSES ONLY:

APN: 023-400-001

Address 400 S. 19½ Avenue, Lemoore, CA 93245

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

THAT PORTION OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 9, TOWNSHIP 19 SOUTH, RANGE 20 EAST, MOUNT DIABLO BASE AND MERIDIAN, KNOWN AS PARCEL 2 OF PARCEL MAP RECORDED IN BOOK 6 PAGE 4 OF PARCEL MAPS IN THE CITY OF LEMOORE, COUNTY OF KINGS, STATE OF CALIFORNIA, NOW MORE PARTICULARLY DESCRIBED AS PARCELS A AND B OF PARCEL MAP RECORDED IN BOOK 13 PAGE 59 OF PARCEL MAPS, KINGS COUNTY RECORDS.

FOR REFERENCE PURPOSES ONLY:

APN: 023-400-002 and 023-400-003

Address 500 S. 19½ Avenue, Lemoore, CA 93245