

Agenda Number 5a

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MEETING DATE: October 5, 2017

AGENDA ITEM: Discussion and Consideration of Action to Approve on Behalf of CAGR D a Purchase and Sale Agreement to Acquire Water Rights and Land in Mohave Valley Irrigation and Drainage District

RECOMMENDATION: Staff recommends that the Board approve the Purchase and Sale Agreement

FINANCIAL IMPLICATIONS:

Impact on Budget: No expense impact

These funds will be requested in the 2018-2019 biennial budget.

Additional spending authority requested: None.

Impact on CAGR D Reserves: The \$34 Million purchase payment will be paid from the Water Rights and Infrastructure account reserves. No impact to CAWCD Reserves.

Impact on CAGR D Rates: None. The CAGR D Water Rights and Infrastructure rate component is set appropriately to accommodate expenses associated with this Purchase and Sale Agreement. No impact to CAWCD Rates.

LINKAGE TO STRATEGIC PLAN, POLICY, STATUTE OR GUIDING PRINCIPLE:

CAWCD Board of Directors 2016 Strategic Plan

- Replenishment: Obtain Sufficient Water Supplies to Meet Long-Term Replenishment Obligations

PREVIOUS BOARD ACTION/ACTIVITY:

The Board was briefed in Executive Session on December 3, 2015, May 5, 2016, April 6, 2017, August 3, 2017 and September 7, 2017.

ISSUE SUMMARY/DESCRIPTION:

CAWCD, Water Asset Management, LLC (“WAM”) and Water Property Investor, LP (“WPI”) have negotiated the terms of a purchase and sale agreement to acquire real property with water rights and certain farm leases located in Mohave Valley Irrigation and Drainage District (“MVIDD”) in Mohave County, Arizona (together, the “Property”). The Property is owned by

seven limited liability companies affiliated with WAM and WPI (collectively, the “Seller”).¹ The terms of the agreement are reflected in the Purchase and Sale Agreement and Joint Escrow Instructions between Seller and CAWCD (the “PSA”), which is attached to this brief.

Seller owns seven farms with 2,203 total acres of farmland with approximately 13,929 AF of diversion water rights within the Mohave Valley Irrigation and Drainage District (“MVIDD”) in Mohave County, Arizona. The water rights are comprised of approximately 11,429 AF of fourth priority rights under subcontracts with MVIDD and 2,500 AF of present perfected rights. The purpose of this purchase would be to (1) acquire secure rights to Colorado River water, and (2) implement a rotational fallowing program to generate a water supply for Central Arizona Groundwater Replenishment District (“CAGRDR”) replenishment purposes. These lands are currently leased by Seller to local farmers. CAWCD would continue to lease the lands to local farmers in coordination with a rotational fallowing program to protect the water rights and generate revenue to offset acquisition and ownership costs.

In 2013, CAWCD and the Yuma Mesa Irrigation and Drainage District entered into an agreement for a Pilot Rotational Fallowing Program (“YMIDD Pilot Program”). This “proof of concept” program was a success. A methodology was developed to accurately quantify the water savings which were conserved in Lake Mead to forestall the onset of shortage operations. The YMIDD Pilot Program provided a reliable payment to landowners voluntarily participating in the program and there were no demonstrable adverse impacts to the area economy.

CAWCD desires to work with MVIDD to develop and implement a similar type of rotational fallowing program for lands in MVIDD. The goals of the program would be to:

- 1) Maintain a financially viable agricultural economy within MVIDD;
- 2) Design a rotational fallowing program that (1) is open to interested district farmers with lands that have an active farming history and (2) maintains district farmlands and infrastructure in good order (i.e., includes dust and weed control, distribution system and well maintenance);
- 3) In conjunction with the applicable regulatory agencies, develop a quantification methodology that is rigorous and accurate;
- 4) Develop a reliable water supply for CAGRDR replenishment in central Arizona; and
- 5) Avoid third-party impacts commonly associated with “buy and dry” type permanent fallowing of farmland. To avoid any adverse impacts to other mainstream water users, the maximum quantity of water available for central Arizona replenishment will be limited to the amount of foregone consumptive crop use, calculated using a rigorous and defensible quantification methodology.

The YMIDD Pilot Program demonstrated that a rotational fallowing program can be designed to provide a replenishment water supply and also benefit MVIDD landowners, the district and the area. CAGRDR plans to work with MVIDD to design such a program. Even though CAWCD is exempt from paying local taxes, it will discuss ways to minimize the impact of CAWCD land ownership with local taxing jurisdictions. In addition to the financial benefits associated with a

¹ The WAM and WPI affiliates that own the Property and are severally and collectively defined as the “Seller” under the PSA are: WPI Hulet Farm AZ, LLC; WPI-919 Farm AZ, LLC; WPI-CAD Farm AZ, LLC; WPI-Hancock Farm AZ, LLC; WPI-Jerome Farm AZ, LLC; WPI-R3 Farm AZ, LLC; and WPI-TAC Farm AZ, LLC.

rotational fallowing program, agronomic benefits have been reported for a similar type of program.²

After closing, CAGRDR plans to initiate an investigation and analysis of the farming consumptive water use. Once this analysis has been completed, CAGRDR will have the data needed to file an application for consultation with the Arizona Department of Water Resources (“ADWR”) and approval by the United States Bureau of Reclamation (“Reclamation”) to add a second place of water use in central Arizona for replenishment purposes for the water rights acquired by CAWCD and other water rights involved in the fallowing program. CAGRDR will also secure the authorizations and agreements required under the CAP System Use Agreement to transport non-project water in the CAP System.

The primary terms of the PSA are as follows:

1. **Effective Date:** The PSA is effective when executed by Seller, WAM, WPI and CAWCD. Seller, WAM and WPI have executed the agreement and, if approved by the CAWCD Board, the effective date will be October 5, 2017. Upon approval, CAWCD will open escrow and make an earnest money deposit of \$250,000. The earnest money is refundable (less \$100 paid as independent consideration under the PSA) under either of the following conditions: (1) CAWCD provides written notice of its decision not to proceed for any reason before the end of Due Diligence period on January 12, 2018; or (2) CAGRDR exercises a right to terminate the contract because of a Seller default or failure to satisfy a closing contingency.
2. **Volume of Water Rights:** The water rights associated with the properties total approximately 13,936 AF of diversion entitlement comprised of present perfected rights (approximately 2,500 AF) and fourth priority rights. The volume available for delivery and replenishment in central Arizona will be less than the diversion volume for farming in MVIDD, and will depend in part upon the quantification analysis described above. A conservative estimate of the annual transferable volume is 5,508 AF, assuming 50% of the land is fallowed in any given year and a consumptive use rate of 5 AF/acre is used to calculate the transferable volume of water ((2,203 acres/2) X 5 AF/Acre = 5,508 AF).
3. **Consideration:** The total purchase price to be paid by CAWCD is \$34,000,000 (thirty-four million dollars). The \$250,000 earnest money payment, including any accrued interest, will be applied to the purchase price at closing.
4. **Due Diligence:** The Due Diligence period ends on January 12, 2018. Diligence items include: (1) researching the validity and transferability of water rights; (2) discussions with MVIDD regarding development of a rotational fallowing program; (3) extension of the existing farm leases; (4) discussion with local taxing jurisdictions to minimize impact of CAWCD land ownership; (5) property environmental review; (6) title report and land survey review.
5. **Closing:** Assuming satisfactory resolution of the Due Diligence items and that all closing contingencies have been met, closing is scheduled to occur on Friday, February 15, 2018.
6. **Closing Contingencies:** Closing contingencies include (1) MVIDD approval of the assignment or issuance of new water contracts to CAWCD for the fourth priority water

² Cusimano, Megdal, McLain and Silvertooth, Winter, 2014, Study Finds Land Fallowing Improves Soil Quality in PVID, Arizona Water Resource, WRRRC Newsletter, Volume 22 Number 1.

rights to be acquired by CAWCD; (2) assignment of Seller's interest in any shared well agreements to CAWCD; and (3) evidence confirming Seller's ownership share of certain partially-owned present perfected rights.

SUGGESTED MOTION: I move that the Board approve the Purchase and Sale Agreement and Joint Escrow Instructions between WPI Hulet Farm AZ, LLC; WPI-919 Farm AZ, LLC; WPI-CAD Farm AZ, LLC; WPI-Hancock Farm AZ, LLC; WPI-Jerome Farm AZ, LLC; WPI-R3 Farm AZ, LLC; and WPI-TAC Farm AZ, LLC; and the Central Arizona Water Conservation District, and authorize its execution on behalf of CAGR D in substantially the same form in which it is presented today.

Attachment.

Agenda Number 5a. Attachment 1

PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS

THIS PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS ("**Agreement**") is entered into as of October ____, 2017 (the "**Effective Date**"), between WPI-HULET FARM AZ LLC, a Delaware limited liability company, WPI-919 FARM AZ LLC, a Delaware limited liability company, WPI-CAD FARM AZ LLC, a Delaware limited liability company, WPI-HANCOCK FARM AZ LLC, a Delaware limited liability company, WPI-JEROME FARM AZ, a Delaware limited liability company, WPI-R3 FARM AZ LLC, a Delaware limited liability company, WPI-TAC FARM AZ LLC, a Delaware limited liability company (severally and collectively, "**Seller**"), and CENTRAL ARIZONA WATER CONSERVATION DISTRICT, a multi-county water conservation district and municipal corporation duly formed in accordance with the laws of the State of Arizona ("**Buyer**").

RECITALS

A. Each Seller owns the applicable portion of real property located in Mohave County, Arizona, and more particularly described on Exhibit A, together with certain water rights, tenant leases, and other rights and interests related to such real property.

B. Seller desires to sell all of the foregoing assets to Buyer, and Buyer desires to purchase such assets from Seller, on the terms and conditions of this Agreement.

C. Water Property Investor, LP, the sole member of each Seller ("**WPI**"), and Water Asset Management, LLC, the manager of WPI ("**WAM**"), will derive substantial benefit as a result of the transaction described in this Agreement. To induce Buyer to enter into this Agreement, WPI and WAM are executing this Agreement for the limited purposes described in this Agreement with the understanding that Buyer is and will be relying on such covenants of WPI and WAM, among others, in entering into this Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. AGREEMENT.

1.1 Property. Subject to the terms and conditions of this Agreement, Seller agrees to sell and Buyer agrees to purchase the following property (collectively, the "**Property**"):

(a) That real property located in Mohave County, Arizona, and legally described on Exhibit A, together with (i) all buildings, structures, improvements and fixtures located thereon, including, without limitation, all irrigation ditches, gates, valves, pumps, tanks, wells, well equipment, and water delivery systems and infrastructure (excepting that of any tenant's); (ii) all appurtenances, hereditaments, easements, rights-of-way, reversions, remainders, well rights, water rights, air rights, reservoir and reservoir rights, development rights, development credits, and impact fee credits from any governmental or quasi-governmental authority or utility; (iii) all oil, gas, and mineral rights not previously reserved; (iv) any rights of Seller to any adjoining strips or gores of property and any land lying within the

bed of any adjoining street, highway, or waterway; and (v) all access, air, riparian, and utility rights pertaining thereto (collectively, the "**Real Property**").

(b) All water rights appurtenant to or used in connection with the Real Property, including all surface water rights, all groundwater rights, all rights to water obtained through contract, and all rights to water obtained through decree or other governmental or quasi-governmental action (collectively, the "**Water Rights**"). Certain Water Rights are summarized on **Exhibit B**. The Water Rights include without limitation (i) "present perfected rights" to Colorado River water described on **Exhibit B**; and (ii) Seller's right, title and interest under those fourth priority Colorado River water supply contracts between Seller and Mohave Valley Irrigation and Drainage District ("**MVIDD**") that are described on **Exhibit B** and also listed on **Exhibit C**, subject to modification in accordance with Section 6.6 (the "**Water Contracts**"). Seller is also a party to those water accounting contracts with MVIDD for Seller's "present perfected rights" that are listed on **Exhibit C** (subject to modification in accordance with Section 6.6, the "**PPR Contracts**"). If the PPR Contracts are assigned to Buyer at Closing pursuant to Section 6.4, then the "Property" shall include the PPR Contracts. If any Other Agreements (as hereafter defined) are assigned to Buyer at Closing pursuant to Section 5.1(l), then the "Property" shall include such Other Agreements.

(c) Seller's right, title and interest as landlord in those leases and rental agreements with tenants of the Real Property that are described on **Exhibit D**, subject to modification in accordance with Section 6.6 (the "**Leases**"), and any guaranties or other security applicable thereto and all security deposits, advance rental, or like payments, if any, held by Seller in connection with the Leases.

(d) All of the following, to the extent they relate to the Real Property: (i) all personal property and equipment (excepting that of any tenant's) located on or used in connection with the Real Property, including without limitation all gates, valves, pumps, tanks, wells, well equipment, and water delivery systems and infrastructure; (ii) all plans, specifications, plats, assessments, reports, studies, and surveys, (iii) all rights to credits, refunds, rebates, reimbursements, repayments, bonds, deposits, and rights to payment, from any utility company, municipality, school district, or other governmental or quasi-governmental authority; (iv) all rights under any reciprocal easement agreements, declarations, covenants, conditions, restrictions or easements; (v) all permits, licenses, approvals, variances, waivers, development rights and entitlements; (vi) all warranties and guaranties applicable to the Real Property or any of the foregoing; and (vii) all non-confidential building and property records, documents and instruments, such as tenant lease files, invoices, bills, receipts, water reports, well maintenance records, files relating to the Water Rights, and records with MVIDD (collectively, the "**Personal Property and Intangible Assets**").

1.2 Several Liability of Seller. Buyer acknowledges that the Real Property consists of several discrete parcels, each such discrete parcel is owned by the respective Seller as detailed on **Exhibit A** and, as more fully described above. Except as expressly set forth in Section 9 of this

Agreement, the liability of "Seller" under this Agreement and in connection with this transaction shall be several as to each named Seller, and not joint, and each Seller's liability shall be limited to those matters relating to the portion of the Property owned by such Seller. For avoidance of doubt, and by way of example and not limitation of the foregoing, (i) the representations and warranties made by Seller in Section 7.1 shall be made by each Seller, as to itself and as to the portion of the Property owned by such Seller; (ii) the documents to be executed and delivered by Seller pursuant to Sections 5.1 and 6.2 shall be executed and delivered by each Seller, as to itself and as to the portion of the Property owned by such Seller; and (iii) each Seller's liability under Sections 12.2 and 12.3 shall be allocated to each Seller in proportion to the allocation of the Purchase Price among each Seller pursuant to Section 3. Notwithstanding the division of the Real Property into discrete parcels, and the several liability of the entities comprising Seller, the Property shall be sold and purchased in a single, indivisible transaction.

2. OPENING AND CLOSING.

2.1 Opening of Escrow. Upon execution of this Agreement by Seller and Buyer, the parties shall cause an escrow relating to the Property (the "**Escrow**") to be established with First American Title Insurance Company (Brandon Grajewski, escrow agent) ("**Escrow Agent**"). The term "**Opening of Escrow**" shall mean the day on which Escrow Agent receives a copy of this Agreement executed by both Buyer and Seller, and signs and dates it where indicated following Buyer's and Seller's signatures.

2.2 Closing. Consummation of the transaction provided for herein (the "**Closing**") shall take place on the Closing Date through the Escrow at the offices of Escrow Agent. For purposes of this Agreement, the Closing Date shall mean February 15, 2018. At or prior to Closing, each of the parties shall execute and deliver such documents and perform such acts as are provided for herein, or as are necessary, to consummate the transaction contemplated hereunder.

3. PURCHASE PRICE AND PAYMENT TERMS.

3.1 Price. The total purchase price to be paid by Buyer for the Property ("**Purchase Price**") shall be THIRTY FOUR MILLION AND NO/100 DOLLARS (\$34,000,000.00), payable as follows:

(a) \$250,000.00, as an earnest money deposit ("**Initial Deposit**"), shall be deposited by Buyer in cash or by corporate check or wire transfer of cash credit in Escrow within four (4) business days after Opening of Escrow and such money shall be applied to the Purchase Price at Closing; and

(b) The balance of the Purchase Price shall be paid by Buyer to Seller in cash or by wire transfer of cash credit through Escrow at Closing.

The Initial Deposit, together with any interest accrued thereon while in the possession of Escrow Agent, is referred to in this Agreement as the "**Earnest Money**."

3.2 Independent Consideration. As independent consideration for the purchase of the Property, within two (2) days after Buyer makes the Initial Deposit, Escrow Agent shall pay to Seller \$100.00 of the Earnest Money (the "**Independent Consideration**"), the sufficiency of

which is hereby acknowledged. The Independent Consideration shall be released to Seller immediately, and is non-refundable to Buyer under any circumstances. Seller shall direct Escrow Agent as to the allocation of the Independent Consideration among each Seller.

3.3 Allocation of Purchase Price. Seller, in its sole discretion, has allocated the Purchase Price among each Seller as follows:

WPI HULET FARM AZ LLC	4.365%	\$1,484,126
WPI-919 FARM AZ LLC	46.333%	\$15,753,194
WPI-CAD FARM AZ LLC	10.671%	\$3,628,107
WPI-HANCOCK FARM AZ LLC	7.393%	\$2,513,693
WPI-JEROME FARM AZ	6.055%	\$2,058,774
WPI-R3 FARM AZ LLC	18.855%	\$6,410,737
WPI-TAC FARM AZ LLC	6.328%	\$2,151,369

Prior to Closing, Seller shall execute a form 1099-S for Escrow Agent. If the Earnest Money is released to Seller pursuant to this Agreement, Escrow Agent shall allocate the Earnest Money among each Seller in proportion to the foregoing Purchase Price allocation.

3.4 Earnest Money. Prior to expiration of the Feasibility Period, the Earnest Money (less the Independent Consideration) shall be fully refundable to Buyer. After expiration of the Feasibility Period, the Earnest Money (less the Independent Consideration) shall be non-refundable to Buyer, except as otherwise set forth in this Agreement.

3.5 Investment of Deposited Funds. All funds deposited by Buyer pursuant to this Agreement shall be invested by Escrow Agent in such interest-bearing investments in federally insured institutions as may be directed from time to time by Buyer. All earnings on such invested funds while the same are deposited with Escrow Agent shall belong to the party receiving said funds pursuant to the terms of this Agreement (provided that if the sale of the Property is consummated, Buyer shall receive a credit toward the cash payable by the Buyer at Closing, in the amount of the accrued interest).

3.6 Escrow Instructions. The parties shall deliver to Escrow Agent an executed copy of this Agreement, which shall constitute the sole instructions to Escrow Agent. Buyer and Seller may elect, in their sole discretion, to execute preprinted escrow instructions; provided that in the event of any conflict between the preprinted escrow instructions and the provisions of this Agreement, the provisions of this Agreement shall control.

4. TITLE REPORT AND SURVEY.

4.1 Delivery of Report and Survey. Escrow Agent has prepared and delivered to Buyer and Seller those title commitments covering the Real Property listed on **Exhibit E**, incident to the

issuance of an ALTA extended coverage owner's title insurance policy (form 2006) to Buyer, together with legible copies of the matters shown on Schedule "B" (severally and collectively, the "**Report**"). Seller has also delivered to Buyer those ALTA/ACSM Surveys of the Property listed on **Exhibit F** (severally and collectively, the "**Existing Survey**"). Buyer shall be responsible to obtain any additional surveys of the Real Property, at Buyer's option and at Buyer's expense (such additional surveys, and the Existing Survey, are severally and collectively referred to as the "**Survey**").

4.2 Objections to Report and Survey. If any matters indicated as exceptions on the Report or shown on the Existing Survey are not acceptable to Buyer in Buyer's sole discretion, then Buyer shall be entitled to object to such matters by delivering written notice to Seller and Escrow Agent on or before December 1, 2017. On or before Closing, Seller shall cause to be released or removed from the Property any deeds of trust, mortgages, financing liens, judgment liens, mechanic's liens, liens for taxes and assessments, and all other monetary liens and encumbrances, and Buyer shall have no obligation to object to such items. Further, after the Opening of Escrow, except as expressly permitted in Section 6.6, Seller shall not enter into or consent to any easements, restrictions, leases, agreements or other matters that would be binding on the Property or Buyer after the Closing without Buyer's consent in its sole and absolute discretion.

4.3 Amendment to Report or Survey. If any matters not previously disclosed on the Report or Survey are indicated as exceptions in any amended Report or are shown on any amended Survey, Buyer shall be entitled to object to such matters by delivering written notice to Seller and Escrow Agent on or before ten (10) business days after receipt of such amended Report or Survey.

4.4 Seller's Ability to Cure. After receipt of Buyer's objections, Seller may either (i) cure the matter to which Buyer has objected, or (ii) elect not to cure such matter. Seller will make its election by notice given to Buyer within five (5) days after Seller receives Buyer's objections. If Seller fails to make an election within the 5-day period, Seller will be deemed to have elected option (ii). If Seller elections option (i), then Seller shall cure the matter to which Buyer has objected in a manner reasonably acceptable to Buyer prior to the Closing Date. If Seller elects, or is deemed to have elected, option (ii), then Buyer shall have the right to terminate this Agreement by notice given to Seller and Escrow Agent on or before five (5) business days after Buyer receives Seller's election (or five (5) business days after Seller is deemed to have made Seller's election). If Buyer fails to terminate this Agreement within such 5 business day period, then Buyer shall be deemed to have waived the objection. The Closing Date shall be extended, if necessary, to occur five (5) business days after expiration of all applicable time periods in this Section.

4.5 Termination. If this Agreement is terminated pursuant to this Section 4, the Earnest Money (less the Independent Consideration) shall be refunded to Buyer and the parties shall have no further obligations to each other under this Agreement, except as otherwise specifically set forth in this Agreement.

5. CLOSING MATTERS; PRORATIONS.

5.1 Deliveries by Seller. On or before the Closing Date, Seller shall execute where indicated (or obtain the execution of), have acknowledged as appropriate, and deliver to Escrow Agent, the following documents:

(a) A Special Warranty Deed in the form attached as **Exhibit G** ("**Deed**"), pursuant to which the Real Property shall be conveyed to Buyer, subject only to the matters approved, or deemed approved, by Buyer pursuant to Section 4;

(b) The Affidavit of Disclosure provided by Seller pursuant to Section 6.2;

(c) A Non-Foreign Affidavit in the form attached as **Exhibit H**;

(d) A Bill of Sale and Assignment in the form attached as **Exhibit I**, pursuant to which the Water Rights and Personal Property and Intangible Assets shall be conveyed to Buyer ("**Bill of Sale**");

(e) An Assignment and Assumption of Leases in the form of **Exhibit J**, pursuant to which the Leases shall be assigned to Buyer (the "**Lease Assignment**");

(f) An Assignment and Assumption of Water Contracts in the form of **Exhibit K**, pursuant to which the Water Contracts shall be assigned to Buyer (the "**Water Contract Assignment**");

(g) An Assignment and Assumption of PPR Contracts in the form of **Exhibit L**, pursuant to which the PPR Contracts shall be assigned to Buyer, if applicable pursuant to Section 6.4 (the "**PPR Contract Assignment**");

(h) Originals or copies of the Water Contracts, PPR Contracts (if applicable) and Leases in Seller's actual and physical possession and any refundable tenant security deposits in a form other than cash and held by Seller pursuant to the Leases, together with all keys for any structures on the Real Property shall be delivered directly to Buyer;

(i) Notices to the tenants at the Property regarding the Lease Assignment in a form reasonably acceptable to Seller and Buyer;

(j) Notices to MVIDD regarding the Water Contract Assignment and, if applicable, the PPR Contract Assignment, in a form reasonably acceptable to Seller and Buyer;

(k) Escrow Agent's final settlement statement for the Escrow, as approved by Seller and Buyer (the "**Closing Statement**");

(l) Assignments of any agreements transferred to Buyer, if any, pursuant to Section 10.2(g), in a form reasonably acceptable to Seller and Buyer

and generally consistent with the form of Lease Assignment or, at Buyer's option, a termination of such agreements, if termination is permitted thereunder; and

(m) Such other documents as Buyer or Escrow Agent may reasonably request in connection with this transaction.

5.2 Deliveries by Buyer. On or before the Closing Date, Buyer shall execute where indicated (or obtain the execution of), have acknowledged as appropriate, and deliver to Escrow Agent the following documents:

(a) The Lease Assignment;

(b) The Water Contract Assignment;

(c) The PPR Contract Assignment, if applicable;

(d) Assignments of any agreements transferred to Buyer, if any, pursuant to Section 10.2(g), in a form reasonably acceptable to Seller and Buyer and generally consistent with the form of Lease Assignment; and

(e) Such other documents as Seller or Escrow Agent may reasonably request in connection with this transaction.

5.3 Owner's Policy. At Closing, Escrow Agent shall deliver to Buyer an ALTA extended coverage title insurance policy (form 2006) issued by Escrow Agent, or the unconditional commitment of Escrow Agent to issue such policy (which commitment shall be deemed made upon the recordation of the Deed by Escrow Agent), in the amount of the total Purchase Price, insuring fee title to the Real Property in Buyer, subject only to the matters approved, or deemed approved by Buyer pursuant to Section 4. The policy shall include such endorsements as Buyer may require (the policy, including such endorsements, is referred to as the "**Title Policy**"). Seller shall pay the premium associated with standard coverage title insurance for the Property in the amount of the Purchase Price and the cost of any curative endorsements approved by Buyer in connection with the objection process described in Section 4, and Buyer shall pay the increase in the premium for extended coverage and the cost of any other endorsements requested by Buyer. Seller shall deliver to Escrow Agent a parties in possession affidavit and mechanics' lien affidavit, and such other reasonable and customary affidavits with respect to the Property and Seller as Escrow Agent may require as a condition to issuing the Title Policy in the form required by this Section.

5.4 Prorations.

(a) Income and Expenses. In each proration set forth below, the portion thereof applicable to the period beginning at 12:01 a.m. on the Closing Date shall be credited to Buyer and the portion thereof applicable to the period ending at such time shall be credited to Seller. Prorations shall be calculated on the basis of a 365-day year.

(i) Collected Rent. All collected rent and other collected income under the Leases shall be prorated as of the Closing. Buyer shall be credited with any rent and other income collected by Seller before the Closing Date but applicable to any period of time on or after the Closing Date. Uncollected rent and other income shall not be prorated. Any rent received after the Closing Date shall be applied as follows: first, to the month in which the Closing occurs (prorated as of the Closing Date), second to delinquent rents owed to Buyer (including late fees and charges), third to current rents owed to Buyer, and fourth to the time periods before the Closing Date. Any rents received by Seller or Buyer after Closing shall be applied in such manner, and shall be delivered to the other party, as applicable, within ten (10) days of receipt (net of reasonable collection costs). Buyer will make reasonable efforts, without any obligation to file suit or engage a collection agency, to collect any rents from tenants in occupancy at Closing applicable to the period before Closing. Seller is not restricted in any way from collecting any rent or other income owed by past tenants who are no longer in occupancy at Closing; provided, however, Seller shall not take any collection actions with respect to tenants who are in occupancy at Closing. Seller shall be responsible for all commissions or finders fees for Leases entered into on or prior to Closing.

(ii) Operating Expenses. Maintenance and other operating costs and expenses incurred in connection with the ownership, operation, maintenance and management of the Real Property, including without limitation any amounts payable to MVIDD under the Water Contracts and, if applicable, the PPR Contracts, and, if applicable, any contracts assigned to Buyer pursuant to Section 10.2(g), shall be prorated as of the Closing.

(iii) Taxes and Assessments. Real estate taxes and personal property taxes, if any, which relate to the Property, shall be prorated as of the Closing. Improvement District Assessments and other assessments, if any, relating to the Property shall be paid in full by Seller. Seller shall be responsible for paying all transaction privilege taxes and rent tax related to the ownership and operation of the Property (if applicable) prior to the Closing Date.

(iv) Final Adjustment After Closing. If final prorations cannot be made at Closing for any item being prorated under this Section, then Buyer and Seller agree to allocate such items on an accrual basis as soon as invoices or bills are available, with final adjustment to be made no later than one (1) year after Closing. Subject to the allocation procedures set forth in Section 5.4(a)(i) above, income and expenses under this Section 5.4(a) shall be

received and paid by the parties on an accrual basis with respect to their period of ownership. Payments in connection with the final adjustment shall be due within thirty (30) days of written notice. Each party shall have reasonable access to and the right to inspect the other party's supporting documentation to confirm the final prorations.

(b) Tenant Security Deposits. All refundable tenant security deposits that the Leases specify have been paid by tenants (and interest thereon if required by law or contract to be earned thereon) and not applied to tenant obligations under the Leases shall be credited to Buyer at Closing. As of the Closing, Buyer shall assume Seller's obligations related to such refundable tenant security deposits for which Buyer has received a credit.

(c) Utility Deposits. Buyer shall use reasonable efforts to transfer all utilities serving the Property (excluding utilities in a tenant's name pursuant to a Lease) to its name as of the Closing Date. Seller shall use reasonable efforts to cause utility meters with respect to such utilities to be read on the date that is one (1) day prior to the Closing Date. Seller shall be entitled to recover any and all deposits paid by Seller to any utility company as of the Closing Date.

(d) Insurance. Seller's insurance policies relating to the Property shall be cancelled by Seller as of the Closing Date and shall not be assigned to Buyer.

The provisions of this Section 5.4 shall survive Closing. If information regarding the prorations set forth in this Section 5.4 becomes available after Closing (but in no event later than one (1) year after Closing) wherein prorations made as of Closing prove to be incorrect, then the parties shall make such payments, one to the other, outside of Escrow, as is necessary to adjust such prorations to the correct amounts.

5.5 Closing Costs. Seller and Buyer shall each pay one-half of Escrow Agent's fees; provided, however, that the defaulting party shall be responsible to pay any escrow cancellation fees if the Escrow fails to close. Seller shall pay all sales or transaction privilege taxes, use taxes, documentary or stamp taxes, transfer fees (other than charges associated with the assignment of the Water Rights), transfer taxes or other taxes, fees, assessments, recording costs (including those incident to recording the deed and clearing existing liens or encumbrances or clearing title defects which Seller has elected to cure or which, by the terms of this Agreement, are the obligation of Seller to pay) which become due as a result of the Closing, if any. Buyer shall pay any charges associated with the assignment of the Water Rights. All other costs of Closing shall be allocated between Seller and Buyer in accordance with the standard custom and practice of Escrow Agent.

5.6 Escrow Agent's Actions at Closing. At Closing, if the conditions to Closing set forth have been satisfied, Escrow Agent shall proceed as follows:

(a) Record the following documents with the Mohave County recorder only in the order listed, with no intervening documents:

- (i) releases of any deeds of trust, mortgages or other liens encumbering the Property;
 - (ii) the Affidavit of Disclosure; and
 - (iii) the Deed.
- (b) Disburse to Seller the Purchase Price (subject to adjustment for prorations and Closing costs), allocated among each Seller pursuant to Section 3.3;
- (c) Disburse all other sums in Escrow pursuant to the Closing Statement;
- (d) Deliver to Buyer the original Deed, Affidavit of Disclosure, Non-Foreign Affidavit, Bill of Sale, Lease Assignment, Water Contract Assignment, PPR Contract Assignment, if applicable, and copies of all other Closing documents; and
- (e) Deliver to Seller the remaining original Closing documents, and copies of all other Closing documents.

Following Closing, Escrow Agent shall deliver to Buyer the Title Policy in the form described in Section 5.3.

5.7 Possession. Seller will deliver and Buyer will accept exclusive possession of the Property on the Closing Date, subject only to the rights of the tenants pursuant to the Leases and the matters approved, or deemed approved, by Buyer pursuant to Section 4. The provisions of this Section shall survive the Closing.

6. ACTIONS DURING ESCROW PERIOD.

6.1 Buyer's Entry. Buyer and its agents shall have the right to enter upon the Real Property (with at least 24-hours' advance notice to Seller, which notice shall be delivered by email to Seller at the following e-mail addresses: s.kincaid@waterinv.com, and shall include the proposed time and place of such entry, to perform such inspections and tests of the Real Property as Buyer desires; provided, however, that Buyer and its agents shall not disrupt or disturb the ongoing farming operations at the Real Property. In the event Seller does not feel that the timing for entry is appropriate for any reason whatsoever, the parties shall endeavor to promptly reschedule at a more appropriate time. A representative of Seller will have the right to accompany Buyer at all times during the period Buyer is at the Real Property pursuant to this Section 6.1. Seller shall cooperate with Buyer in its reasonable entry and due diligence investigations, including facilitating meetings with the tenants at the Real Property. Buyer shall reasonably restore the Real Property after Buyer's entry to its condition existing prior to Buyer's entry. Buyer shall indemnify and hold harmless Seller from and against all claims, loss, demands, injury and damages to the Real Property or otherwise sustained by any person or entity, and in each case to the extent caused by Buyer's inspection of the Real Property. Buyer's indemnity and repair obligations in this Section 6.1 shall specifically not include (a) any loss, liability cost or expense to the extent arising from or related to the acts or omissions of Seller, (b) any diminution in value in the Property arising

from or related to matters discovered by Buyer during its investigation of the Real Property, (c) any latent defects in the Real Property discovered by Buyer, and (d) the release or spread of any hazardous materials or regulated substances which are discovered (but not deposited) on or under the Real Property by Buyer. Buyer's liability shall be limited to actual damages and shall not include consequential, punitive or other damages (except to the extent such damages are third party claims for which Seller is liable). The provisions of this Section 6.1 shall survive the Closing and any termination of this Agreement for a period of one (1) year.

6.2 Due Diligence Documents. Within two (2) business days after the Opening of Escrow, Seller shall deliver to Buyer, or otherwise make available to Buyer, copies of all of the following that relate to the Property and that are in Seller's possession or reasonably available to Seller: all assessments, reports, analyses, test results, and studies, including without limitation, any environmental assessments, soils and hydrological reports and other geotechnical studies, all water rights and well information, and all archaeological studies; all surveys, plats, plans, specifications; all permits, variances, approvals, and all documents and information relating to the zoning, entitlements, development and operation of the Property; all surveys; all engineering, architectural and construction plans and agreements, if any; all documents evidencing or relating to the Water Rights and all water use and well reports, and other material documentation relating thereto, including any filings and other material documentation with MVIDD; copies of all Leases, Water Contracts and PPR Contracts and material documentation relating thereto; all documents evidencing or relating to the Personal Property and Intangible Assets; documents and information relating to Seller's investment and rehabilitation of the farming operations and farming infrastructure on the Real Property; and all other similar material in Seller's possession or readily available to Seller relating to the Property (collectively, "**Due Diligence Materials**"). Seller shall provide promptly any updates to the Due Diligence Materials, and such other information as Buyer may reasonably request from time to time. Additionally, after the Opening of Escrow and prior to expiration of the Feasibility Period, Seller will furnish to Buyer an Affidavit of Disclosure satisfying the requirements of A.R.S. §33-422 ("**Affidavit of Disclosure**"), and Buyer will acknowledge receipt of the Affidavit of Disclosure in writing. Seller acknowledges that pursuant to A.R.S. §33-422, Buyer shall have five (5) days following receipt of the Affidavit of Disclosure within which to terminate this Agreement by notice given to Seller and Escrow Agent. If Buyer elects to terminate this Agreement within such 5-day period, the Earnest Money, less the Independent Consideration, will be refunded to Buyer and the parties shall have no further obligations to each other under this Agreement, except as otherwise specifically set forth in this Agreement. If Closing occurs, then the Affidavit of Disclosure will be recorded at Closing.

6.3 Other Buyer Actions During Escrow Period.

(a) Buyer shall have the right at all times prior to Closing to consult with third parties relating to this transaction, including existing tenants under the Leases and contractors operating on the Real Property (if any); MVIDD, Arizona Department of Water Resources; the United States Bureau of Reclamation; and other governmental and quasi-governmental authorities, and utility providers. Seller acknowledges that Buyer intends to discuss, among other things, the regulatory approval process to modify the Water Rights to allow diversion and use of Colorado River water for groundwater replenishment purposes within Buyer's service area, and to

pursue such approvals (the activities that Buyer pursues pursuant to this Section 6.3 are referred to as the "**Third Party Discussions**"). Prior to Closing, Seller shall be reasonably supportive of Buyer's efforts, and shall reasonably cooperate with Buyer to facilitate the Third Party Discussions, including without limitation, participating in the Third Party Discussions at Buyer's request or Seller's reasonable election to participate. Notwithstanding the forgoing, should Seller not attend or the third party with whom the meeting is held requests that Seller not attend as well, Buyer shall disclose any information discussed to Seller promptly following such meeting.

(b) After Closing, and at Buyer's request, Seller (and WAM and WPI to the extent that any Seller no longer legally exists), shall continue to be reasonably supportive of Buyer's efforts described in the foregoing Section 6.3(a) and shall reasonably cooperate with Buyer to facilitate the Third Party Discussions, including without limitation, participating in the Third Party Discussions at Buyer's request. The obligations of Seller (and WAM and WPI, as applicable) under this Section shall survive the Closing for a period of three (3) years.

6.4 PPR Contracts. At Buyer's request, and subject to the approval of MVIDD, at Closing, Seller will either assign to Buyer all of Seller's interest in the PPR Contracts pursuant to the PPR Contract Assignment, or Seller shall cooperate with Buyer in Buyer's efforts to enter into replacement contracts directly with MVIDD.

6.5 Feasibility Period. If Buyer determines, in Buyer's sole and absolute discretion, not to proceed with this transaction, Buyer shall have the right to terminate this Agreement by notice given to Seller and Escrow Agent at any time on or before 11:59 p.m., Phoenix time, on January 12, 2018 (the "**Feasibility Period**"). If Buyer terminates this Agreement pursuant to this Section 6.5, the Earnest Money (less the Independent Consideration) shall be refunded to Buyer and the parties shall have no further obligations to each other under this Agreement, except as otherwise specifically set forth in this Agreement.

6.6 Operation Prior to Closing. During the term of this Agreement, Seller shall: (i) maintain the agricultural zoning status of the Real Property, (ii) maintain the Water Rights, Water Contracts and PPR Contracts in good standing, not permit any defaults to occur thereunder, and continue the beneficial use of the Water Rights to prevent a reduction in the allocation of water rights for the Real Property; (iii) use its best efforts to maximize the number of acres within the Real Property irrigated annually; and (iv) not permit any landlord defaults to occur under any Leases, and reasonably enforce the terms of the Leases against the tenants. Without limiting the generality of the foregoing, prior to Closing, Seller shall perform all outstanding repair, replacement and maintenance obligations of the landlord under the Leases. Following the date that is thirty (30) days prior to expiration of the Feasibility Period, Seller shall not amend or terminate the Leases, the Water Contracts, PPR Contracts or any other agreements relating to the Water Rights, or grant or permit any other leases, easements, liens or encumbrances on the Property without Buyer's prior written consent in its sole discretion. In any event, after the Opening of Escrow, Seller shall promptly notify Buyer if Seller takes any of the actions in the immediately preceding sentence. The provisions of this Section 6.6 shall survive the Closing

6.7 Indemnity by Seller.

(a) Seller shall indemnify, defend and hold harmless Buyer, of, from, for and against, any and all claims, demands, actions, causes of action, losses, damages, liabilities, costs or expenses (including, without limitation, reasonable attorneys' fees) arising from any disputes or claims among, between, or by any members, managers, investors, lenders, partners, or direct or indirect holders of a beneficial interest in Seller, and relating to this Agreement.

(b) The provisions of this Section shall survive the Closing and any termination of this Agreement, and shall be subject to the limitations in Section 12.6.

7. SELLER'S REPRESENTATIONS AND WARRANTIES.

7.1 Seller's Representations and Warranties. Seller represents and warrants to Buyer as to Sections 7.1(a) through (l), inclusive, and each of WAM and WPI represents and warrants to Buyer as to Sections 7.1(a), (b), (c),(d), and (p):

(a) Seller is duly organized, validly existing and in good standing under the laws of the State of its formation, and has full power and authority to enter into and to perform its obligations under this Agreement. The person executing this Agreement on behalf of Seller has full power and authority to do so and to perform every act and to execute and deliver every document and instrument necessary or appropriate to consummate the transactions contemplated hereby.

(b) All entity action on the part of Seller which is required for the execution, delivery and performance by Seller of this Agreement and each of the documents and agreements to be delivered by Seller at the Closing has been duly and effectively taken.

(c) This Agreement and each of the documents and agreements to be delivered by Seller at the Closing, constitutes a legal, valid and binding obligation of Seller, enforceable against Seller in accordance with its terms, except to the extent that enforceability may be limited by applicable bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally, and subject, as to enforceability, to the general principles of equity (regardless of whether enforcement is sought in a court of law or equity).

(d) The execution, delivery and performance of this Agreement does not conflict with or result in a breach of any of the provisions of or constitute a default under any bond, note or other evidence of indebtedness, indenture, mortgage, deed of trust, loan agreement or similar instrument, any lease or any other material agreement or contract by which Seller or Seller's activities is bound or any applicable law or order, rule or regulation of any court or governmental authority having jurisdiction over Seller or Seller's activities.

(e) Seller is not a "foreign person" as defined in Section 1445 of the Internal Revenue Code of 1986, as amended.

(f) Seller has not received any notice of, and, to Seller's knowledge, there are no existing violations of, any laws, statutes, ordinances, regulations or other requirements of any governmental agency in connection with or related to the Property.

(g) To Seller's actual knowledge, there are no pending or threatened litigation, condemnation or similar proceedings against or involving the Property or any other claim, action, suit or other proceeding threatened or pending which would affect Buyer's right, title and/or interest in and to, or enjoyment or use of the Property (in the event of any condemnation proceedings first arising after the Opening of Escrow, the provisions of Section 11.2 shall govern the rights and obligations of the parties with respect to such condemnation).

(h) There are no suits, claims, proceedings or investigations pending with respect to the Property or Seller that will adversely affect Seller's ability to perform its obligations under this Agreement.

(i) Seller has no rights to reimbursement or payment by any municipality, utility company, or other third party with respect to the Property.

(j) There are no leases, tenancies, options, rights of first refusal, licenses, or operating or other agreements applicable to or affecting the Property and no third party has any right to utilize or possess the Property, except for (i) the Leases, (ii) the Water Contracts, (iii) the PPR Contracts, (iv) the Permitted Exceptions, and (v) those agreements (including without limitation any management agreement, any residential leases, and any contracts described in Section 10.2(g) that Buyer does not elect to have assigned to Buyer) that will be terminated by Seller at or prior to Closing with no liability to Buyer. Other than this Agreement, there are no other contracts or agreements relating to the sale, exchange, or transfer of the Property or any part thereof.

(k) Prior to the Closing, Seller shall have paid in full (or provided bonds therefor) all contractors, subcontractors, laborers, materialmen and all other parties having lien rights in connection with any work, if any, performed on the Property or affecting the Property by or at the request of Seller for which a lien right may exist, and Seller shall have paid in full and removed any and all debts and monetary obligations encumbering the Property.

(l) Seller has not received any notice from any city, county or state authority or other political, governmental, or quasi-governmental authority or utility having jurisdiction over the Property requiring or specifying that any work be done to the Real Property, and to Seller's knowledge no such work is required to be done to the Real Property.

(m) Except as disclosed in the Report, Seller has no knowledge of any existing improvement district encompassing the Real Property for which any assessment is due and owing and Seller has no knowledge that there is any improvement district planned that would include the Real Property.

(n) To Seller's actual knowledge, there are no dry wells or other wells or storage tanks located upon or beneath the Real Property, except as disclosed on the Survey and Reports.

(o) Seller has not used, generated, manufactured, produced, stored or released on, under or about the Real Property or transferred to or from the Real Property, any Hazardous Substance or permitted any third party to do so, in each case in violation of any Environmental Law. To Seller's knowledge, except as may be noted in the Due Diligence Materials delivered or otherwise provided by Seller to Buyer, no third party has, used, generated, manufactured, produced, stored or released, on, under or about the Real Property or transferred to or from the Property, any Hazardous Substance in violation of any Environmental Law. The term "**Hazardous Substance**" shall include all substances, materials and wastes that are regulated under, or classified as hazardous or toxic under, any Environmental Law. The term "**Environmental Law**" shall mean any federal, state, or local statute, ordinance, or regulation pertaining to health, industrial hygiene, or the environment, and all rules adopted and guidelines promulgated pursuant to the foregoing. The term "**Release**" shall mean any releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, disposing or dumping.

(p) None of Seller, WAM or WPI is the subject of a pending bankruptcy proceeding and no such bankruptcy proceeding has been threatened against Seller, WAM or WPI, and none of Seller, WAM or WPI is contemplating filing such a proceeding.

(q) To Seller's actual knowledge, the Due Diligence Materials are true and complete as of the date of the underlying information being provided.

AS TO THE LEASES:

(r) Neither Seller nor any tenant is in default under the Leases.

(s) **Exhibit D** to this Agreement is a complete and correct list of all of the Leases.

(t) Each of the Leases is in full force and effect.

(u) The copies of the Leases delivered by Seller to Buyer are true and complete copies of such Leases and the same have not been further amended, modified or supplemented by Seller.

(v) None of the Leases and none of the rents or other amounts payable under the Leases has been assigned, pledged or encumbered by Seller, and the Leases may be assigned by Seller without the consent of any party.

(w) No brokerage or leasing commissions or other compensation is or will be due or payable to any party with respect to or on account of any of the Leases

(x) Seller has no obligation to complete any improvements for any Tenant that are expected to extend beyond Closing.

AS TO THE WATER RIGHTS:

(y) Neither Seller nor MVIDD is in default under (i) the Water Contracts or (ii) the PPR Contracts.

(z) **Exhibit C** to this Agreement is a complete and correct list of all of the Water Contracts and the PPR Contracts.

(aa) Each of the Water Contracts and PPR Contracts is in full force and effect.

(bb) The copies of the Water Contracts and PPR Contracts delivered by Seller to Buyer are true and complete copies of such Water Contracts and PPR Contracts and the same have not been further amended, modified or supplemented by Seller.

(cc) Seller is not required to obtain the consent of any party other than MVIDD in order to assign the Water Contracts to Buyer.

(dd) At Closing, the Water Rights shall be (i) free and clear of all liens, security interests, mortgages, pledges, encumbrances, ditch fees, taxes and assessments, and charges and claims of whatever nature, and (ii) in good standing with applicable governmental authorities.

(ee) Seller has received no notice of the actual or threatened reduction of allocation or curtailment of the Water Rights.

(ff) The Water Rights are not subject to any judgment, suit, lien, receivership or other encumbrance that would in any manner affect the consummation of this transaction or constitute any cloud upon the title to the Water Rights. Seller has no knowledge of any litigation, proceedings, or investigations which may result in any cloud upon the title to the Water Rights, or in any material change in the value of the Water Rights.

AS TO OTHER AGREEMENTS:

(gg) There are no agreements relating to the shared use of wells, ditches or other facilities that supply water for the Property except those described on **Exhibit M** (the "Other Agreements").

(hh) Neither Seller nor the counterparty is in default under the Other Agreements.

(ii) **Exhibit M** to this Agreement is a complete and correct list of all of the Other Agreements.

(jj) Each of the Other Agreements is in full force and effect.

(kk) The copies of the Other Agreements delivered by Seller to Buyer are true and complete copies of such Other Agreements and the same have not been further amended, modified or supplemented by Seller.

(ll) None of the Other Agreements and none of the rents or other amounts payable to Seller under the Other Agreements has been assigned, pledged or encumbered by Seller, and the Other Agreements may be assigned by Seller without the consent of any party.

Seller shall not voluntarily commit or knowingly permit any act which would cause any of its representations and warranties to become untrue between the date hereof and the Closing. If Seller first obtains knowledge that any of the foregoing representations or warranties is untrue in any material effect after the Effective Date and prior to the Closing, Seller shall promptly notify Buyer thereof in writing. Buyer's sole and exclusive remedy in such event (unless the change in the representation or warranty arises as a result of Seller's intentional acts or omissions, a breach by Seller of its obligations under this Agreement, or Seller's fraud or willful misconduct, or Seller's intentional misrepresentation, in which event Seller shall be in default under this Agreement and Section 12.2 shall apply) shall be to elect, on or before the earlier of the scheduled Closing Date or five (5) business days after receiving such written notice from Seller, to either (1) waive such breach and proceed to consummate the transaction contemplated by this Agreement without reduction in the Purchase Price or (2) terminate this Agreement. If Buyer fails to make an election, Buyer shall be deemed to have elected to waive such breach and proceed to consummate the transaction contemplated by this Agreement. If Buyer elects to terminate this Agreement, the Earnest Money (less the Independent Consideration) shall be returned to Buyer, and the parties shall have no further obligations under this Agreement, except as otherwise specifically set forth in this Agreement (or Buyer may exercise its rights under Section 12.2 if applicable pursuant to the preceding provisions of this paragraph). If Buyer elects to waive such breach, then Seller's representations and warranties shall be deemed automatically amended to conform with Seller's notice and Seller shall have no liability to Buyer for such previously inaccurate representation or warranty.

7.2 Survival of Seller's Representations. Seller's representations and warranties in Section 7.1 , and WAM's and WPI's representations and warranties in **Sections 7.1(a), (b), (c),(d), and (p)** shall be true and correct as of the date of this Agreement and as of the Closing, and shall survive the Closing for a period of eighteen (18) months. Notwithstanding the foregoing, if Buyer

obtains knowledge that any of Seller's representations or warranties are untrue prior to the Closing Date for any reason other than due to Seller's intentional acts or omissions, a breach by Seller of its obligations under this Agreement, or Seller's fraud or willful misconduct, or Seller's intentional misrepresentation, and Buyer proceeds to Closing, each such representation or warranty shall be deemed automatically amended to conform with the knowledge of Buyer as of the Closing Date, and Seller shall have no liability to Buyer for such previously inaccurate representation or warranty. For purposes hereof, the phrase "Buyer's knowledge" or "if Buyer obtains knowledge," or words of similar effect shall mean the actual present personal knowledge, of Perri Benemelis or Rhett Billingsley, without any further obligation of inquiry or investigation, provided that the foregoing individuals shall have no personal liability whatsoever in connection with this Agreement. The provisions of this Section shall survive the Closing for a period of eighteen (18) months.

8. BUYER'S REPRESENTATIONS AND WARRANTIES.

8.1 Buyer's Representations and Warranties. Buyer represents and warrants to Seller as follows:

(a) Buyer is duly organized, validly existing and in good standing under the laws of the state of its formation, and has or will have at Closing full power and authority to enter into and to perform its obligations under this Agreement. The person executing this Agreement on behalf of Buyer has or will have at Closing full power and authority to do so and to perform every act and to execute and deliver every document and instrument necessary or appropriate to consummate the transactions contemplated hereby.

(b) All entity action on the part of Buyer which is required for the execution, delivery and performance by Buyer of this Agreement and each of the documents and agreements to be delivered by Buyer at the Closing has been (or will be by Closing) duly and effectively taken.

(c) This Agreement and each of the documents and agreements to be delivered by Buyer at the Closing, constitutes, or will constitute at Closing, a legal, valid and binding obligation of Buyer, enforceable against Buyer in accordance with its terms, except to the extent that enforceability may be limited by applicable bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally, and subject, as to enforceability, to the general principles of equity (regardless of whether enforcement is sought in a court of law or equity).

(d) As of Closing, the execution, delivery and performance of this Agreement does not conflict with or result in a breach of any of the provisions of or constitute a default under any bond, note or other evidence of indebtedness, indenture, mortgage, deed of trust, loan agreement or similar instrument, any lease or any other material agreement or contract by which Buyer or Buyer's activities is bound or any applicable law or order, rule or regulation of any court or governmental authority having jurisdiction over Buyer or Buyer's activities.

Buyer shall not voluntarily commit or knowingly permit any act which would cause any of its representations and warranties to become untrue between the date hereof and the Closing. If Buyer first obtains knowledge (as that term is defined in Section 7.2) that any of the foregoing representations or warranties is untrue in any material effect after the Effective Date and prior to the Closing, Buyer shall promptly notify Seller thereof in writing. Seller's sole and exclusive remedy in such event (unless the change in the representation or warranty arises as a result of Buyer's intentional acts or omissions, a breach by Buyer of its obligations under this Agreement, or Buyer's fraud or willful misconduct, or Buyer's intentional misrepresentation, in which event Buyer shall be in default under this Agreement and Section 12.1 shall apply) shall be to elect, on or before the earlier of the scheduled Closing Date or five (5) business days after receiving such written notice from Buyer, to either (1) waive such breach and proceed to consummate the transaction contemplated by this Agreement without reduction in the Purchase Price or (2) terminate this Agreement. If Seller fails to timely make an election, Seller shall be deemed to have elected to waive such breach and proceed to consummate the transaction contemplated by this Agreement. If Seller elects in writing to terminate this Agreement, the Earnest Money (less the Independent Consideration) shall be returned to Buyer, and the parties shall have no further obligations under this Agreement, except as otherwise specifically set forth in this Agreement (or Seller may exercise its rights under Section 12.1 if applicable pursuant to the preceding provisions of this paragraph). If Seller elects to waive such breach, then Buyer's representations and warranties shall be deemed automatically amended to conform with Buyer's notice and Buyer shall have no liability to Seller for such previously inaccurate representation or warranty.

8.2 Survival of Buyer's Representations. Buyer's representations and warranties in Section 8.1 shall be true and correct as of the date of this Agreement and as of Closing and shall survive the Closing for a period of eighteen (18) months. Notwithstanding the foregoing, if Seller obtains knowledge that any of Buyer's representations and warranties are untrue prior to the Closing Date for any reason other than due to Buyer's intentional acts or omissions, a breach by Buyer of its obligations under this Agreement, or Buyer's fraud or willful misconduct, or Buyer's intentional misrepresentation, and Seller proceeds to Closing, each representation or warranty shall be deemed automatically amended to conform with the knowledge of Seller as of the Closing Date, and Buyer shall have no liability to Seller for such previously inaccurate representation or warranty. The provisions of this Section shall survive the Closing for a period of eighteen (18) months.

9. COMMISSIONS. Each of Buyer, on the one hand, and Seller, WAM and WPI, on the other hand, represents and warrants to each other that it has not employed any broker or finder in connection with the transaction contemplated by this Agreement. Buyer shall defend and hold harmless Seller from all liability and expense including, without limitation, reasonable attorneys' fees arising from any claim by any other broker, agent or finder for commissions, finder's fees or similar charges, because of any act of Buyer. Seller, WAM and WPI, jointly and severally, shall defend and hold harmless Buyer from all liability and expense including, without limitation, reasonable attorneys' fees arising from any claim by any other broker, agent or finder for commissions, finder's fees or similar charges, because of any act of Seller, WAM or WPI. The provisions of this Section shall survive the Closing and any termination hereof, and shall be subject to the limitation in Section 12.6.

10. CONDITIONS TO CLOSING.

10.1 Seller's Conditions. Seller's obligation to consummate this transaction is expressly contingent upon satisfaction of the following conditions precedent:

- (a) The representations and warranties of Buyer in this Agreement shall be true in all material respects on and as of the Closing.
- (b) All material covenants required to be performed by Buyer at or prior to Closing shall have been performed pursuant to the terms of this Agreement.

If any condition listed above is not satisfied as of the Closing, then Seller may either (i) waive the condition, and Closing shall occur in accordance with the terms of this Agreement, or (ii) terminate this Agreement and retain the Earnest Money, or (iii) extend the Closing Date for a sufficient time (but not to exceed 30 days) within which to attempt to cure or satisfy such condition. Upon any termination of this Agreement pursuant to this Section 10.1, the parties shall have no further obligations to each other under this Agreement except as otherwise specifically set forth in this Agreement.

10.2 Buyer's Conditions. Buyer's obligation to consummate this transaction is expressly contingent upon satisfaction of the following conditions precedent:

- (a) The representations and warranties of Seller in this Agreement shall be true in all material respects on and as of the Closing.
- (b) All material covenants required to be performed by Seller at or prior to Closing shall have been performed pursuant to the terms of this Agreement.
- (c) At the Closing, Escrow Agent shall be unconditionally committed to issue to Buyer the Title Policy in the form required by Section 5.3.
- (d) The MVIDD Board shall have approved the assignment to Buyer of the Water Contracts, or issuance of new contracts to Buyer for those Water Rights, on terms acceptable to Buyer in Buyer's sole and absolute discretion; or Buyer shall have received evidence satisfactory to Buyer, in Buyer's sole and absolute discretion, that the MVIDD Board will approve assignment of the Water Contracts or issuance of new contracts to Buyer after Closing on terms acceptable to Buyer in Buyer's sole and absolute discretion.
- (e) Buyer shall have received evidence satisfactory to Buyer, in Buyer's sole and absolute discretion, evidencing Seller's ownership share of any partially-owned present perfected rights listed in **Exhibit B**.

(f) The MVIDD Board shall have approved the assignment of the PPR Contracts to Buyer or agreed to issue new PPR water accounting contracts to Buyer for the same present perfected rights, or Buyer shall have received evidence satisfactory to Buyer, in Buyer's sole and absolute discretion, that the MVIDD Board will approve assignment of the PPR Contracts or issuance of new PPR water

accounting contracts to Buyer after Closing on terms acceptable to Buyer in Buyer's sole and absolute discretion.

(g) Buyer shall have received evidence satisfactory to Buyer, in Buyer's sole and absolute discretion, evidencing the assignment or assignability to Buyer (or the termination, if elected by Buyer in its sole and absolute discretion) of the Other Agreements, on terms acceptable to Buyer.

(h) Buyer shall have received estoppel certificates dated no earlier than 30 days prior to the Closing Date, executed by the tenants with respect to the Leases, executed by MVIDD with respect to the Water Contracts and PPR Contracts, or executed by the counterparty to the Other Agreements to be assigned to Buyer at Closing pursuant to paragraph (g) above (if any), (i) certifying that this applicable agreement is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that the agreement as so modified, is in full force and effect) and the dates to which any payments due thereunder have been paid, (ii) acknowledging that there are no defaults by either party or specifying such defaults if any are claimed, and (iii) if requested, certifying the particulars of material terms of the agreement. Buyer shall pay any fees charged by MVIDD to issue such estoppel certificates, and Seller shall pay any fees charged by the issuers of the balance of such estoppel certificates.

(i) No moratorium or other governmental action, litigation, or bankruptcy exists which would prevent the consummation of the transaction.

(j) The Real Property shall be in substantially the same condition as it existed upon execution of this Agreement.

(k) The parties have obtained all applicable third-party consents (if any are identified during the Feasibility Period), other than MVIDD approval (which is addressed in paragraph (d) above), to the transfer of the Property.

If any condition listed above is not satisfied as of the Closing, then Buyer may either (i) waive the condition, and Closing shall occur in accordance with the terms of this Agreement, or (ii) terminate this Agreement and receive a refund of the Earnest Money (less the Independent Consideration), or (iii) extend the Closing Date for a sufficient time (but not to exceed 30 days) within which to attempt to cure or satisfy such condition. Notwithstanding the foregoing, if (x) the condition precedent set forth in paragraph (a) or (b) above is not satisfied, or (y) any condition precedent set forth in paragraph (c) through (k) above is not satisfied because of a default by Seller under this Agreement, then Buyer shall be entitled to exercise its remedies described in Section 12.2. Subject to the foregoing, upon any termination of this Agreement pursuant to this Section 10.2, the parties shall have no further obligations to each other under this Agreement except as otherwise specifically set forth in this Agreement.

11. RISK OF LOSS.

11.1 Risk of Loss. Seller shall bear the risk of any loss or destruction of the Property prior to Closing.

11.2 Condemnation. If, prior to Closing, a taking by eminent domain of any portion of the Real Property is threatened by any governmental entity, then Buyer shall elect, by delivering written notice to Seller and Escrow Agent on or before ten (10) days after Buyer receives written notice of such condemnation, to either:

(a) Terminate this Agreement, in which case the Earnest Money (less the Independent Consideration) shall be refunded to Buyer and the parties shall have no further obligations to each other under this Agreement, except as otherwise set forth in this Agreement, or

(b) Proceed to Closing, without reduction in the Purchase Price, in which case at Closing, Seller shall assign to Buyer (and Seller shall pay to Buyer, to the extent received by Seller) through Escrow all condemnation proceeds with respect to the Property.

If Buyer fails to deliver the notice to Seller and Escrow Agent within the 10-day period, Buyer shall be deemed to have elected option (b). The Closing Date shall be extended, if necessary, to occur five (5) business days after expiration of the 10-day period in this Section.

11.3 Casualty. If, prior to Closing, the Real Property is damaged by acts of God or other casualty, then Buyer shall elect, by delivering written notice to Seller and Escrow Agent on or before ten (10) days after Buyer receives written notice of such casualty, to either:

(a) Terminate this Agreement, in which case the Earnest Money (less the Independent Consideration) shall be refunded to Buyer and the parties shall have no further obligations to each other under this Agreement, except as otherwise set forth in this Agreement, or

(b) Proceed to Closing, without reduction in the Purchase Price, in which case at Closing, Seller shall assign to Buyer (and Seller shall pay to Buyer, to the extent received by Seller) through Escrow all insurance proceeds received by Seller with respect to the casualty, and Seller shall pay to Buyer an amount equal to Seller's deductible and Seller's self-insured retention with respect to the casualty.

If Buyer fails to deliver the notice to Seller and Escrow Agent within the 10-day period, Buyer shall be deemed to have elected option (b). The Closing Date shall be extended, if necessary, to occur five (5) business days after expiration of the 10-day period in this Section.

12. REMEDIES.

12.1 Default by Buyer.

(a) Prior to Closing. If on or before the Closing, Buyer materially defaults under this Agreement and fails to cure such default within five (5) days following written notice thereof given by Seller to Buyer, actual damages to Seller will be difficult to calculate but Buyer and Seller agree that the amount of the Earnest Money designated above is a reasonable approximation thereof. Accordingly, if Buyer defaults, Seller, as Seller's sole remedy, shall be entitled to

terminate this Agreement and immediately upon such termination by Seller, Escrow Agent shall pay to Seller the Earnest Money. The provisions of this Section shall not prevent or restrict Seller from (i) enforcing Buyer's obligations and liabilities that survive a termination of this Agreement, or (ii) recovering costs, fees and interest from Buyer pursuant to Sections 12.3 and 12.4.

(b) After Closing. If after the Closing, Buyer materially defaults under this Agreement and fails to cure such default within five (5) days following written notice thereof given by Seller to Buyer, then Seller may pursue a claim for damages, subject to the limitation set forth in Section 12.6, and may pursue remedies available at equity, but Seller may not pursue rescission of this Agreement.

12.2 Default by Seller, WAM or WPI.

(a) Prior to Closing. If on or before the Closing, Seller materially defaults under this Agreement and fails to cure such default within five (5) days following written notice thereof given by Buyer to Seller, then Buyer, as its sole remedy, may either (i) terminate this Agreement by written notice to Seller and Escrow Agent, and upon any such termination, the Earnest Money (less the Independent Consideration) shall be refunded to Buyer; or (ii) demand and have specific performance of this Agreement; provided, however, that if specific performance is not available as a remedy, then in addition to the remedy set forth in the foregoing clause (ii), Buyer shall be compensated by Seller severally for the respective out of pocket costs incurred by Buyer in connection with this transaction. The provisions of this Section shall not prevent or restrict Buyer from (A) enforcing Seller's obligations and liabilities that survive a termination of this Agreement, (B) recovering costs, fees and interest from Seller pursuant to Sections 12.3 and 12.4, or (C) pursuing its remedies set forth in Section 13.12.

(b) After Closing - Default by Seller. If after Closing Seller materially defaults under this Agreement and fails to cure such default within five (5) days following written notice thereof given by Buyer to Seller, then Buyer may pursue a claim for damages against Seller, severally, subject to the limitation set forth in Section 12.6, and may pursue remedies available at equity, but Buyer may not pursue rescission of this Agreement.

(c) WAM and WPI. If either WAM or WPI materially defaults under this Agreement and fails to cure such default within five (5) days following written notice thereof given by Buyer, then Buyer may pursue a claim for damages against WAM and WPI, severally, subject to the limitation set forth in Section 12.6, and may pursue remedies available at equity, but Buyer may not pursue rescission of this Agreement. Any damages recovered from WAM and WPI shall be reduced by any damages recovered from Seller with respect to such default.

12.3 Costs and Fees. Except as otherwise provided in this Agreement, if any Seller, WAM, or WPI, severally, on the one hand, and Buyer on the other hand, breaches any term of this Agreement to which it is bound, the breaching party agrees to pay the non-breaching party all

reasonable attorneys' fees, expert witness fees, investigation costs, costs of tests and analysis, travel and accommodation expenses, deposition and trial transcript costs, court costs and other costs and expenses not to exceed a total of \$350,000 incurred by the non-breaching party in enforcing this Agreement or preparing for legal or other proceedings, at the trial or appellate level or in bankruptcy, whether or not such proceedings are instituted. If any legal or other proceedings are instituted, the party prevailing in any such proceeding shall be paid all of the foregoing costs, expenses and fees by the other party, and if any judgment is secured by such prevailing party, all such costs, expenses, and fees shall be included in such judgment, attorneys' fees to be set by the court and not a jury.

12.4 Default Interest. If any monies become payable by one party to the other pursuant to this Agreement and are not paid when due then all sums unpaid shall bear interest at the rate of ten percent (10%) per annum.

12.5 Waiver. Excuse or waiver of the performance by the other party of any obligation under this Agreement shall only be effective if evidenced by a written statement signed by the party so excusing. No delay in exercising any right or remedy shall constitute a waiver thereof, and no waiver by Seller or Buyer of the breach of any covenant of this Agreement shall be construed as a waiver of any preceding or succeeding breach of the same or any other covenant or condition of this Agreement.

12.6 Limitation on Damages. Each of Seller, Buyer, WAM and WPI agrees that, if it is permitted to bring an action or claim under this Agreement for indemnification or damages, such party shall be limited to actual damages and shall have no right to, and hereby waives any right to, bring an action or make a claim for incidental, consequential, special or punitive damages as a result thereof.

13. MISCELLANEOUS.

13.1 Notices. No notice, consent, approval or other communication provided for herein or given in connection herewith shall be validly given, made, delivered or served unless it is in writing and (a) delivered personally, (b) sent by overnight courier for next business day delivery, (c) sent by U.S. registered or certified mail, postage prepaid and return receipt requested, or (d) sent by email, with a copy concurrently given pursuant to (a), (b) or (c), in each case to the applicable party's address set forth below:

Seller, at: Water Asset Management, LLC
509 Madison Avenue, Suite 804
New York, NY, 10022
Attn: Stacy Kincaid
Telephone: 212 754-5132
Email: s.kincaid@waterinv.com

With a copy to: Culp & Kelly, LLP
2901 N. Central Ave. Suite 1800
Phoenix, AZ 85012
Attn: Peter Culp

Telephone: 602 888-7011 x10
Email: pculp@ckblueshift.com

Buyer, at: Central Arizona Water Conservation District
23636 North 7th Street
Phoenix, Arizona 85024
Attn: Perri Benemelis
Phone No.: (623) 869-2182
Email: pbenemelis@cap-az.com

With a copy to: Central Arizona Water Conservation District
23636 North 7th Street
Phoenix, Arizona 85024
Attn: Rhett Billingsley, Esq.
Phone No.: (623) 869-2446
Email: rbillingsley@cap-az.com

And a copy to: Quarles & Brady LLP
Renaissance One
Two North Central Avenue
Phoenix, Arizona 85004-2391
Attn.: Diane M. Haller, Esq.
Tel: (602) 229-5625
Email: diane.haller@quarles.com

Escrow Agent: First American Title Insurance Company
2425 East Camelback Road
Suite 300
Phoenix, Arizona 85016
Attn: Brandon Grajewski
Phone No.: (602)567-8145
Email: bgrajewski@firstam.com

or to such other addresses as any party hereto may from time to time designate in writing and deliver in a like manner to the other party. Notices, consents, approvals, and communications given by mail shall be deemed delivered upon the earlier of (i) upon delivery to the respective addresses set forth above if delivered personally, (ii) one (1) business day after deposit with an overnight courier, if sent by overnight courier for next business day delivery, (iii) two (2) business days after deposit in the U.S. Mail in the manner provided above, or (iv) if sent by email, the day sent, if sent prior to 5:00 p.m., Phoenix, Arizona time, on a business day, otherwise the first business day after such email is sent.

13.2 Interpretation. The captions of the Sections of this Agreement are for convenience only and shall not govern or influence the interpretation hereof. This Agreement is the result of negotiations between the parties and, accordingly, shall not be construed for or against either party regardless of which party drafted this Agreement or any portion thereof.

13.3 Time of Essence. Time is of the essence of this Agreement.

13.4 Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the successors and assigns of Seller and Buyer.

13.5 Third Person. No term or provision of this Agreement is intended to, or shall, be for the benefit of any person, firm, corporation or other entity not a party hereto (including, without limitation, any broker), and no such party shall have any right or cause of action hereunder.

13.6 Entire Agreement. This Agreement constitutes the entire agreement between and reflects the reasonable expectations of the parties pertaining to the subject matter hereof. All prior and contemporaneous agreements, representations and understandings of the parties, oral or written, are hereby superseded and merged herein. No change or addition is to be made to this Agreement except by a written agreement executed by all of the parties.

13.7 Further Documents. Buyer, Seller, WAM and WPI shall execute and deliver all such documents and perform all such reasonable acts in order to carry out the transaction proposed herein as reasonably requested by the other party from time to time, prior to and following the Closing. The provisions of this Section shall survive the Closing.

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

13.9 Arizona Law. This Agreement shall be governed by the laws of the State of Arizona. The parties irrevocably and unconditionally consent to submit to the exclusive jurisdiction of the courts of the State of Arizona and of the United States of America located in the City of Phoenix, Arizona for any actions, suits or proceedings arising out of or relating to this Agreement and the transactions contemplated hereby and the parties agree not to commence any action, suit or proceedings relating thereto except in such courts.

13.10 Date of Performance. If the date of performance of any obligation or the last day of any time period provided for herein should fall on a Saturday, Sunday or legal holiday generally recognized in the State of Arizona, then said obligation shall be due and owing, and said time period shall expire, on the first day thereafter which is not a Saturday, Sunday or legal holiday generally recognized in the State of Arizona (referred to in this Agreement as a "**business day**"). All calculations of time periods in this Agreement shall mean calendar days, unless expressly stated as business days. Except as may otherwise be set forth herein, any performance provided for herein shall be timely made if completed no later than 4:00 p.m., Phoenix time, on the day of performance.

13.11 IRS Real Estate Sales Reporting. Buyer and Seller hereby appoint Escrow Agent as, and Escrow Agent agrees to act as, "the person responsible for closing" the transactions which are the subject of this Agreement pursuant to Internal Revenue Code of 1986 § 6045(e). Escrow Agent shall prepare and file the informational return (IRS Form 1099-S) required by and otherwise comply with the terms of Internal Revenue Code § 6045(e). Escrow Agent further agrees to indemnify and hold Buyer, Seller and their respective attorneys harmless of, from, for and against any and all demands, claims, costs, losses, liabilities, penalties or expenses resulting from Escrow

Agent's failure to file the appropriate reports and otherwise comply with the terms of the Internal Revenue Code pursuant to this Section. The provisions of this Section shall survive the Closing.

13.12 Exclusivity. Until the earlier of termination of this Agreement or the Closing, Seller, WAM and WPI shall deal exclusively with Buyer with respect to the sale of all or any portion of the Property, and Seller, WAM and WPI shall not execute any letters of intent or sale agreements, conduct negotiations, solicit or entertain offers, or otherwise pursue the sale, transfer, or exchange of the Property or any portion of the Property with any other person or entity. Seller, WAM and WPI agree that Buyer will be irreparably and immediately harmed by any breach of this Section by Seller, WAM or WPI, and may not be made whole by monetary damages. Accordingly, Seller, WAM and WPI agree that, in addition to any other remedy to which Buyer may be entitled under this Agreement, Buyer shall be entitled to seek any injunction or injunctions (without the posting of any bond and without proof of actual damages) to prevent breaches or threatened breaches of this Section and/or to compel specific performance of this Section. The provisions of this Section shall survive the Closing and any termination of this Agreement.

13.13 Public Announcements. Each of Seller, Buyer, WAM and WPI agrees that, prior to Closing, it will provide notice to each other party before making any public announcements or issuing any press release relating to the transactions contemplated by this Agreement (including any “tweet”, Facebook posting or similar social media communication). This Section shall survive the Closing and any termination of this Agreement.

13.14 Counterparts; Facsimile; PDF Signatures. This Agreement may be executed in any number of counterparts. Each such counterpart hereof shall be deemed an original, but all counterparts shall constitute but one agreement. Signatures transmitted by facsimile and emailed PDF signatures shall be valid as originals.

[Signatures appear on following page]

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

SELLER:

WPI HULET FARM AZ LLC,
a Delaware limited liability company

By: Water Property Investor, LP,
Its sole member

By: _____
Name: _____
Title: _____

WPI-919 FARM AZ LLC,
a Delaware limited liability company

By: Water Property Investor, LP,
Its sole member

By: _____
Name: _____
Title: _____

WPI-CAD FARM AZ LLC,
a Delaware limited liability company

By: Water Property Investor, LP,
Its sole member

By: _____
Name: _____
Title: _____

WPI-HANCOCK FARMS AZ LLC,
a Delaware limited liability company

By: Water Property Investor, LP,
Its sole member

By: _____
Name: _____
Title: _____

WPI-JEROME FARM AZ,
a Delaware limited liability company

By: Water Property Investor, LP,
Its sole member

By: _____
Name: _____
Title: _____

WPI-R3 FARM AZ LLC,
a Delaware limited liability company

By: Water Property Investor, LP,
Its sole member

By: _____
Name: _____
Title: _____

WPI-TAC FARM AZ LLC,
a Delaware limited liability company

By: Water Property Investor, LP,
Its sole member

By: _____
Name: _____
Title: _____

[Signatures continue on following page]

**SIGNATURE PAGE TO PURCHASE AND SALE AGREEMENT AND JOINT
ESCROW INSTRUCTIONS**

BUYER:

CENTRAL ARIZONA WATER
CONSERVATION DISTRICT, a multi-county
water conservation district and municipal
corporation duly formed in accordance with the
laws of the State of Arizona

By: _____
Name: _____
Title: _____

Attest:

By: _____
Name: _____
Title: _____

ACCEPTANCE AND ACKNOWLEDGEMENT

WAM and WPI are executing this Agreement solely to evidence their consent to and agreement with Sections 6.3, 7.1, 7.2, 9, 12.2, 12.3, 12.6, 13.7, 13.12 and 13.13 of this Agreement.

WATER PROPERTY INVESTOR, LP,
a Delaware limited partnership

BY: Water Development Partners, LLC
Its General Partner

By: _____
Name: _____
Title: _____

Date of Execution: _____

Address for notices:

Water Property Investor, LP
509 Madison Avenue, Suite 804
New York, NY, 10022
Telephone: 212-754-5132
Email: s.kincaid@waterinv.com

WATER ASSET MANAGEMENT, LLC,
a New York limited liability company

By: _____
Name: _____
Title: _____

Date of Execution: _____

Address for notices:

Water Asset Management, LLC
509 Madison Avenue, Suite 804
New York, NY, 10022
Telephone: 212-754-5132
Email: s.kincaid@waterinv.com

APPROVAL BY ESCROW AGENT

Escrow Agent hereby (1) acknowledges receipt of a fully executed copy or counterpart copies of the foregoing Agreement on this _____ day of _____, 2017, which date is hereby designated as the "Opening of Escrow" date, and (2) agrees to establish an escrow (Escrow No. _____) in accordance therewith and act in accordance with the provisions of the Agreement. Escrow Agent further agrees to deliver immediately to Buyer and Seller fully executed copies of the Agreement.

Dated: _____, 2017.

FIRST AMERICAN TITLE INSURANCE
COMPANY

By: _____
Its: _____
Authorized Agent

LIST OF EXHIBITS

Exhibit "A"	Legal Description of Real Property
Exhibit "B"	Summary of Certain Water Rights
Exhibit "C"	Water Contracts and PPR Contracts
Exhibit "D"	Leases
Exhibit "E"	Title Commitments
Exhibit "F"	Existing Surveys
Exhibit "G"	Special Warranty Deed
Exhibit "H"	Non-Foreign Affidavit
Exhibit "I"	Bill of Sale and Assignment
Exhibit "J"	Assignment and Assumption of Leases
Exhibit "K"	Assignment and Assumption of Water Contracts
Exhibit "L"	Assignment and Assumption of PPR Contracts
Exhibit "M"	Other Agreements

EXHIBIT A

Legal Description of Real Property

1. WPI-Hulet Farm AZ, LLC

THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER (NE1/4 NE1/4) AND THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER (NW1/4 NE1/4) AND THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER (NE1/4 NW1/4) OF SECTION 23, TOWNSHIP 18 NORTH, RANGE 22 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MOHAVE COUNTY, ARIZONA (RECORD);

ALSO DESCRIBED AS THE NORTH HALF OF THE NORTHEAST QUARTER AND THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 23, TOWNSHIP 18 NORTH, RANGE 22 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MOHAVE COUNTY, ARIZONA.

APN: 225-24-004

2. WPI-919 Farm AZ LLC

PARCEL NO. 1:

THE WEST HALF OF THE SOUTHEAST QUARTER (W 1/2 SE 1/4) OF SECTION 30, TOWNSHIP 18 NORTH, RANGE 21 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, ALL IN MOHAVE COUNTY, ARIZONA.

PARCEL NO. 2:

GOVERNMENT LOTS 1 AND 2; THE EAST HALF OF THE NORTHWEST QUARTER (E 1/2 NW 1/4); AND THE WEST HALF OF THE NORTHEAST QUARTER (W 1/2 NE 1/4) OF SECTION 30, TOWNSHIP 18 NORTH, RANGE 21 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, ALL IN MOHAVE COUNTY, ARIZONA.

EXCEPT THE WEST 42 FEET THEREOF.

PARCEL NO. 3:

THE NORTHEAST QUARTER (NE 1/4) OF SECTION 25, TOWNSHIP 18 NORTH, RANGE 22 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, ALL IN MOHAVE COUNTY, ARIZONA.

EXCEPT THE NORTH AND EAST 42 FEET THEREOF.

ALSO EXCEPT THE WEST 30 FEET THEREOF.

PARCEL NO. 4:

THE NORTH HALF OF THE SOUTHEAST QUARTER (N 1/2 SE 1/4) AND THE NORTH HALF OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER (N 1/2 SE 1/4 SE 1/4) OF SECTION 25, TOWNSHIP 18 NORTH, RANGE 22 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN,

ALL IN MOHAVE COUNTY, ARIZONA.

EXCEPT THE EAST 42 FEET THEREOF.

ALSO EXCEPT THE WEST 30 FEET OF SAID NORTH HALF OF THE SOUTHEAST QUARTER.

PARCEL NO. 5:

THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER (NE 1/4 SW 1/4 SE 1/4) OF SECTION 25, TOWNSHIP 18 NORTH, RANGE 22 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, ALL IN MOHAVE COUNTY, ARIZONA.

PARCEL NO. 6:

THE SOUTH HALF OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER (S 1/2 SW 1/4 SE 1/4) OF SECTION 25, TOWNSHIP 18 NORTH, RANGE 22 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, ALL IN MOHAVE COUNTY, ARIZONA.

EXCEPT THE WEST 30 FEET THEREOF.

PARCEL NO. 7:

A PORTION OF SECTION 19, TOWNSHIP 18 NORTH, RANGE 21 WEST, AT THE GILA AND SALT RIVER BASE AND MERIDIAN, MOHAVE COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

THE WEST HALF OF SECTION 19, TOWNSHIP 18 NORTH, RANGE 21 WEST.

EXCEPT THE WEST 42 FEET AS RECORDED IN BOOK 2623, PAGE 845 RECORDS OF MOHAVE COUNTY, ARIZONA.

PARCEL NO. 8:

A PORTION OF SECTION 19, TOWNSHIP 18 NORTH, RANGE 21 WEST, AT THE GILA AND SALT RIVER BASE AND MERIDIAN, MOHAVE COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER (SW 1/4 OF SW 1/4 OF SE 1/4) OF SAID SECTION 19.

EXCEPT THE NORTH 101.75 FEET THEREOF.

PARCEL NO. 9:

LOT 8, BLOCK 10, PERRY ACRES, UNIT 2, TRACT 4026, ACCORDING TO THE PLAT THEREOF, RECORDED JUNE 22, 1982, AT FEE NO. 82-31915, IN THE OFFICE OF THE COUNTY RECORDER OF MOHAVE COUNTY, ARIZONA.

PARCEL NO. 10:

A PORTION OF LOT NINE (9), WILLOW VALLEY ESTATES 12, ACCORDING TO THE PLAT THEREOF, RECORDED ON MAY 23, 1966, AT FEE NO. 7703 IN THE OFFICE OF THE COUNTY RECORDER OF MOHAVE COUNTY, ARIZONA, BEING MORE PARTICULARLY DESCRIBED AS

FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SAID LOT 9,

THENCE EAST ALONG THE SOUTH BOUNDARY OF SAID LOT 9 A DISTANCE OF 100.00 FEET;

THENCE NORTH AND PARALLEL TO THE WEST BOUNDARY OF SAID LOT 9, A DISTANCE OF 100.00 FEET;

THENCE WEST AND PARALLEL TO THE SOUTH BOUNDARY OF SAID LOT 9 A DISTANCE OF 100.00 FEET;

THENCE SOUTH ALONG THE WEST BOUNDARY OF SAID LOT 9, A DISTANCE OF 100.00 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 11:

THE WEST HALF OF THE WEST HALF OF THE NORTHEAST QUARTER OF SECTION 31, TOWNSHIP 18 NORTH, RANGE 21 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MOHAVE COUNTY, ARIZONA;

EXCEPT THEREFROM THE NORTHERLY 42 FEET.

PARCEL NO. 12:

THE NORTH 42 FEET OF THE WEST HALF OF THE WEST HALF OF THE NORTHEAST QUARTER OF SECTION 31, TOWNSHIP 18 NORTH, RANGE 21 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MOHAVE COUNTY, ARIZONA.

PARCEL NO. 13:

THAT PORTION OF SECTION 19, TOWNSHIP 18 NORTH, RANGE 21 WEST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MOHAVE COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTH QUARTER CORNER OF SAID SECTION 19;

THENCE ALONG THE NORTH SECTION LINE SOUTH 89 DEGREES 31 MINUTES 17 SECONDS EAST, A DISTANCE OF 2645.55 FEET TO THE NORTHEAST SECTION CORNER OF SAID SECTION 19;

THENCE ALONG SAID EAST SECTION LINE SOUTH 00 DEGREES 00 MINUTES 26 SECONDS EAST, A DISTANCE OF 2655.88 FEET TO THE EAST QUARTER CORNER OF SAID SECTION 19;

THENCE CONTINUING ALONG SAID EAST SECTION LINE SOUTH 00 DEGREES 24 MINUTES 21 SECONDS WEST, A DISTANCE OF 2642.35 FEET TO THE SOUTHEAST CORNER OF SAID SECTION 19;

THENCE ALONG THE SOUTH SECTION LINE OF SAID SECTION 19 NORTH 89 DEGREES 33 MINUTES 49 SECONDS WEST, A DISTANCE OF 1984.94 TO A POINT AT WHICH THE SOUTH QUARTER CORNER BEARS SOUTH 89 DEGREES 33 MINUTES 49 SECONDS EAST, AT A DISTANCE OF 660.00 FEET;

THENCE DEPARTING SAID SECTION LINE NORTH 00 DEGREES 11 MINUTES 32 SECONDS EAST, A DISTANCE OF 561.03 FEET;

THENCE NORTH 89 DEGREES 33 MINUTES 49 SECONDS WEST, A DISTANCE OF 660.00 FEET TO A POINT ON THE NORTH-SOUTH MIDSECTION LINE OF SAID SECTION 19;

THENCE ALONG SAID MID SECTION LINE NORTH 00 DEGREES 11 MINUTES 32 SECONDS EAST, A DISTANCE OF 1423.87 FEET;

THENCE DEPARTING SAID MID SECTION LINE SOUTH 89 DEGREES 29 MINUTES 47 SECONDS EAST, A DISTANCE OF 666.76 FEET;

THENCE SOUTH 00 DEGREES 30 MINUTES 13 SECONDS WEST, A DISTANCE OF 101.47 FEET;

THENCE SOUTH 89 DEGREES 45 MINUTES 36 SECONDS EAST, A DISTANCE OF 79.93 FEET;

THENCE NORTH 00 DEGREES 30 MINUTES 13 SECONDS EAST, A DISTANCE OF 101.10 FEET;

THENCE SOUTH 89 DEGREES 29 MINUTES 47 SECONDS EAST, A DISTANCE OF 579.48 FEET;

THENCE NORTH 00 DEGREES 17 MINUTES 56 SECONDS EAST, A DISTANCE OF 661.11 FEET TO A POINT ON THE EAST-WEST MID SECTION LINE OF SAID SECTION 19;

THENCE ALONG SAID MID SECTION LINE NORTH 89 DEGREES 28 MINUTES 27 SECONDS WEST, A DISTANCE OF 1327.41 FEET TO A POINT ON THE NORTH-SOUTH MID SECTION LINE OF SAID SECTION 19;

THENCE ALONG SAID MID SECTION LINE NORTH 00 DEGREES 11 MINUTES 32 SECONDS EAST, A DISTANCE OF 2653.63 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT PORTION OF PROPERTY DESCRIBED AS PARCEL B OF RECORD OF SURVEY RECORDED JANUARY 25, 2016 AND RECORDED IN BOOK 44 OF RECORDS OF SURVEY, PAGE 77, RECORDS OF MOHAVE COUNTY, ARIZONA.

EXCEPT MINERALS AS DISCLOSED IN INSTRUMENTS RECORDED AT FEE NO. 2011-032492, AT FEE NO. 2011-038310, AND AT FEE NO. 2011-038311, ALL OF OFFICIAL RECORDS.

PARCEL NO. 14:

THE EAST ONE-HALF OF THE EAST ONE-HALF OF THE NORTHWEST QUARTER OF SECTION 31, TOWNSHIP 18 NORTH RANGE 21 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MOHAVE COUNTY, ARIZONA.

EXCEPTING THEREFROM THE NORTHERLY 42 FEET THEREOF FOR PUBLIC ROADWAY PURPOSES.

PARCEL NO. 15:

THE NORTH 42 FEET OF THE EAST ONE-HALF OF THE EAST ONE-HALF OF THE NORTHWEST QUARTER OF SECTION 31, TOWNSHIP 18 NORTH, RANGE 21 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MOHAVE COUNTY, ARIZONA.

PARCEL NO. 16:

THE NORTH HALF OF THE NORTH HALF OF THE WEST HALF OF THE EAST HALF OF THE NORTHWEST QUARTER OF SECTION 31, TOWNSHIP 18 NORTH, RANGE 21 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MOHAVE COUNTY, ARIZONA.

PARCEL NO. 17:

PARCELS A, C AND D, AS SHOWN ON SURVEY PLAT RECORDED MAY 25, 2006 IN BOOK 31 OF RECORD OR SURVEYS, PAGE 74 AND AMENDMENT RECORDED JUNE 22, 2006 IN BOOK 31 OF RECORD OF SURVEYS, PAGE 100, IN THE OFFICE OF THE COUNTY RECORDER OF MOHAVE COUNTY, ARIZONA, SITUATE IN THE SOUTH HALF OF THE NORTH HALF OF THE WEST HALF OF THE EAST HALF OF THE NORTHWEST QUARTER OF SECTION 31, TOWNSHIP 18 NORTH, RANGE 21 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MOHAVE COUNTY, ARIZONA.

PARCEL NO. 17A:

AN EASEMENT FOR INGRESS, EGRESS AND PUBLIC UTILITY PURPOSES APPURTENANT TO PARCEL NO. 17 ABOVE OVER THE EASTERLY 20 FEET OF THE NORTH HALF OF THE NORTH HALF OF THE WEST HALF OF THE EAST HALF OF THE NORTHWEST QUARTER OF SAID SECTION 31, TOWNSHIP 18 NORTH, RANGE 21 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MOHAVE COUNTY, ARIZONA AS CREATED IN WARRANTY DEED RECORDED IN BOOK 1624 OF OFFICIAL RECORDS, PAGE 710.

PARCEL NO. 18:

THE SOUTH HALF OF THE WEST HALF OF THE EAST HALF OF THE NORTHWEST QUARTER OF SECTION 31, TOWNSHIP 18 NORTH, RANGE 21 WEST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MOHAVE COUNTY, ARIZONA.

PARCEL NO. 19:

PARCEL B, AS SHOWN ON SURVEY PLAT RECORDED MAY 25, 2006, IN BOOK 31 OF RECORDS OF SURVEYS, PAGE 74 AND AMENDMENT RECORDED JUNE 22, 2006 IN BOOK 31 OF RECORDS OF SURVEYS, PAGE 100, IN THE OFFICE OF THE COUNTY RECORDER OF MOHAVE COUNTY, ARIZONA, SITUATE IN THE SOUTH HALF OF THE NORTH HALF OF THE WEST HALF OF THE EAST HALF OF THE NORTHWEST QUARTER (S1/2 N1/2 W1/2 E1/2 NW1/4) OF SECTION 31, TOWNSHIP 18 NORTH, RANGE 21 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MOHAVE COUNTY, ARIZONA.

PARCEL NO. 20:

THE EAST HALF (E 1/2) OF SECTION 19, TOWNSHIP 18 NORTH, RANGE 21 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MOHAVE COUNTY, ARIZONA.

EXCEPTING THEREFROM THE SOUTH 561.03 FEET OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER (SW 1/4, SW 1/4, SE 1/4) OF SECTION 19, TOWNSHIP 18 NORTH, RANGE 21 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MOHAVE COUNTY, ARIZONA.

ALSO EXCEPTING THEREFROM A PORTION OF SECTION 19, TOWNSHIP 18 NORTH, RANGE 21 WEST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MOHAVE COUNTY, ARIZONA,

MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTH QUARTER CORNER OF SAID SECTION 19;

THENCE ALONG THE NORTH SECTION LINE SOUTH 89 DEGREES 31 MINUTES 17 SECONDS EAST, A DISTANCE OF 2645.55 FEET TO THE NORTHEAST SECTION CORNER OF SAID SECTION 19;

THENCE ALONG SAID EAST SECTION LINE SOUTH 00 DEGREES 00 MINUTES 26 SECONDS EAST, A DISTANCE OF 2655.88 FEET TO THE EAST QUARTER CORNER OF SAID SECTION 19;

THENCE CONTINUING ALONG SAID EAST SECTION LINE SOUTH 00 DEGREES 24 MINUTES 21 SECONDS WEST, A DISTANCE OF 2642.35 FEET TO THE SOUTHEAST CORNER OF SAID SECTION 19;

THENCE ALONG THE SOUTH SECTION LINE OF SAID SECTION 19 NORTH 89 DEGREES 33 MINUTES 49 SECONDS WEST, A DISTANCE OF 1984.94 TO A POINT AT WHICH THE SOUTH QUARTER CORNER BEARS SOUTH 89 DEGREES 33 MINUTES 49 SECONDS EAST, AT A DISTANCE OF 660.00 FEET;

THENCE DEPARTING SAID SECTION LINE NORTH 00 DEGREES 11 MINUTES 32 SECONDS EAST, A DISTANCE OF 561.03 FEET;

THENCE NORTH 89 DEGREES 33 MINUTES 49 SECONDS WEST, A DISTANCE OF 660.00 FEET TO A POINT ON THE NORTH-SOUTH MIDSECTION LINE OF SAID SECTION 19;

THENCE ALONG SAID MID SECTION LINE NORTH 00 DEGREES 11 MINUTES 32 SECONDS EAST, A DISTANCE OF 1423.87 FEET;

THENCE DEPARTING SAID MID SECTION LINE SOUTH 89 DEGREES 29 MINUTES 47 SECONDS EAST, A DISTANCE OF 666.76 FEET;

THENCE SOUTH 00 DEGREES 30 MINUTES 13 SECONDS WEST, A DISTANCE OF 101.47 FEET;

THENCE SOUTH 89 DEGREES 45 MINUTES 36 SECONDS EAST, A DISTANCE OF 79.93 FEET;

THENCE NORTH 00 DEGREES 30 MINUTES 13 SECONDS EAST, A DISTANCE OF 101.10 FEET;

THENCE SOUTH 89 DEGREES 29 MINUTES 47 SECONDS EAST, A DISTANCE OF 579.48 FEET;

THENCE NORTH 00 DEGREES 17 MINUTES 56 SECONDS EAST, A DISTANCE OF 661.11 FEET TO A POINT ON THE EAST-WEST MID SECTION LINE OF SAID SECTION 19;

THENCE ALONG SAID MID SECTION LINE NORTH 89 DEGREES 28 MINUTES 27 SECONDS WEST, A DISTANCE OF 1327.41 FEET TO A POINT ON THE NORTH-SOUTH MID SECTION LINE OF SAID SECTION 19;

THENCE ALONG SAID MID SECTION LINE NORTH 00 DEGREES 11 MINUTES 32 SECONDS EAST, A DISTANCE OF 2653.63 FEET TO THE POINT OF BEGINNING.

EXCEPT MINERALS AS DISCLOSED IN INSTRUMENTS RECORDED AT FEE NO. 2011-032492, AT FEE NO. 2011-038310, AND AT FEE NO. 2011-038311, ALL OF OFFICIAL RECORDS.

APN: 225-09-020 and 225-09-027 and 225-09-028
225-09-030 and 225-09-031 and 225-09-048
225-09-049 and 225-09-050 and 225-09-051
225-09-052 and 225-11-005 and 225-11-006
225-11-008 and 225-11-010 and 225-25-025
225-25-026 and 225-25-076 and 225-25-077
225-36-009B and 225-47-053

3. WPI-CAD Farm AZ LLC

PARCEL NO. 1:

THE WEST HALF OF THE SOUTHWEST QUARTER OF SECTION 1, TOWNSHIP 17 NORTH, RANGE 22 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MOHAVE COUNTY, ARIZONA.

EXCEPT THE NORTH 30 FEET THEREOF.

PARCEL NO. 2:

THE EAST HALF OF THE SOUTHWEST QUARTER OF SECTION 1, TOWNSHIP 17 NORTH, RANGE 22 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MOHAVE COUNTY, ARIZONA.

EXCEPT THE NORTH 30 FEET OF THE WEST 30 FEET THEREOF; AND

EXCEPT THE NORTH 35 FEET OF THE EAST 1294.16 FEET THEREOF.

PARCEL NO. 3:

THE WEST HALF OF THE SOUTHEAST QUARTER OF SECTION 1, TOWNSHIP 17 NORTH, RANGE 22 WEST OF THE GILA AND SALT RIVER MERIDIAN, MOHAVE COUNTY, ARIZONA.

EXCEPT THE WEST 35 FEET OF THE NORTH 35 FEET THEREOF.

EXCEPT THE EAST 30.00 ACRES OF THE NORTH HALF OF THE WEST HALF OF THE SOUTHEAST QUARTER OF SECTION 1, TOWNSHIP 17 NORTH, RANGE 22 WEST OF THE GILA AND SALT RIVER MERIDIAN, MOHAVE COUNTY, ARIZONA.

APN: 22420022 and 224-20-022 023 and 224-20-005

4. WPI-Hancock Farms AZ LLC

PARCEL NO. 1:

THE WESTERLY 1050.0 FEET OF THE NORTHERLY 3362.0 FEET OF SECTION 7, THE NORTHWEST CORNER BEING THE POINT OF INTERSECTION OF THE WESTERLY EXTENSION OF THE NORTH SECTION LINE AND THE NORTHERLY EXTENSION OF THE WEST SECTION LINE OF SAID SECTION 7, TOWNSHIP 17 NORTH, RANGE 21 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MOHAVE COUNTY, ARIZONA.

TOGETHER WITH THAT PORTION OF SAID SECTION 7 KNOWN AS THE RELICTION OF SPEARS

LAKE, AS SHOWN ON G.L.O. MAP.

EXCEPT THAT PORTION DESCRIBED AS FOLLOWS:

THAT PORTION OF THE WEST HALF OF SECTION 7, TOWNSHIP 17 NORTH, RANGE 21 WEST OF THE GILA AND SALT RIVER MERIDIAN, MOHAVE COUNTY, ARIZONA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 7;

THENCE NORTH 89° 49' 10" EAST, 42.00 FEET TO THE EAST RIGHT OF WAY LINE OF VANDERSLICE ROAD AND THE POINT OF BEGINNING;

THENCE NORTH 89° 49' 10" EAST, 1287.36 FEET ALONG THE NORTH LINE OF SAID SECTION 7 TO THE WEST LINE OF DELTA CITY UNIT 5 TRACT 1208A;

THENCE SOUTH 00° 09' 32" EAST, 42.00' ALONG SAID WEST LINE TO THE SOUTH OF RESERVATION ROAD DEDICATED PER SAID TRACT 1208A;

THENCE NORTH 89° 49' 10" EAST, 1288.15 FEET ALONG SAID SOUTH LINE TO THE EAST LINE OF THE WEST HALF OF SAID SECTION 7;

THENCE SOUTH 00° 22' 03" EAST, 2511.24 FEET ALONG SAID EAST LINE TO A ½" REBAR AND TAG RLS 29274;

THENCE SOUTH 89° 53' 47" WEST, 2588.77 FEET TO A ½" REBAR AND TAG RLS 29274 BEING ON THE EAST RIGHT OF WAY LINE OF VANDERSLICE ROAD;

THENCE NORTH 00° 04' 00" WEST, 2549.76 FEET ALONG SAID EAST LINE TO THE POINT OF BEGINNING.

AND EXCEPT THAT PORTION DEDICATED TO THE PUBLIC FOR VANDERSLICE ROAD IN INSTRUMENT RECORDED IN BOOK 1517 OF OFFICIAL RECORDS, PAGE 277.

PARCEL NO. 2:

THE WEST HALF OF SECTION 7, TOWNSHIP 17 NORTH, RANGE 21 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MOHAVE COUNTY, ARIZONA;

EXCEPT THE WEST 42 FEET THEREOF;

EXCEPT THE WESTERLY 1050.0 FEET OF THE NORTHERLY 3362.0 FEET OF SECTION 7, THE NORTHWEST CORNER BEING THE POINT OF INTERSECTION OF THE WESTERLY EXTENSION OF THE NORTH SECTION LINE AND THE NORTHERLY EXTENSION OF THE WEST SECTION LINE OF SAID SECTION 7;

EXCEPT THAT PORTION DESCRIBED AS FOLLOWS:

THAT PORTION OF THE WEST HALF OF SECTION 7, TOWNSHIP 17 NORTH, RANGE 21 WEST OF THE GILA AND SALT RIVER MERIDIAN, MOHAVE COUNTY, ARIZONA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 7;

THENCE NORTH 89° 49' 10" EAST, 42.00 FEET TO THE EAST RIGHT OF WAY LINE OF

VANDERSLICE ROAD AND THE POINT OF BEGINNING;

THENCE NORTH 89° 49' 10" EAST, 1287.36 FEET ALONG THE NORTH LINE OF SAID SECTION 7 TO THE WEST LINE OF DELTA CITY UNIT 5 TRACT 1208A;

THENCE SOUTH 00° 09' 32" EAST, 42.00' ALONG SAID WEST LINE TO THE SOUTH OF RESERVATION ROAD DEDICATED PER SAID TRACT 1208A;

THENCE NORTH 89° 49' 10" EAST, 1288.15 FEET ALONG SAID SOUTH LINE TO THE EAST LINE OF THE WEST HALF OF SAID SECTION 7;

THENCE SOUTH 00° 22' 03" EAST, 2511.24 FEET ALONG SAID EAST LINE TO A ½" REBAR AND TAG RLS 29274;

THENCE SOUTH 89° 53' 47" WEST, 2588.77 FEET TO A ½" REBAR AND TAG RLS 29274 BEING ON THE EAST RIGHT OF WAY LINE OF VANDERSLICE ROAD;

THENCE NORTH 00° 04' 00" WEST, 2549.76 FEET ALONG SAID EAST LINE TO THE POINT OF BEGINNING.

AND EXCEPT LOTS 2046 THROUGH 2059, 2160 THROUGH 2173, 1653 THROUGH 1657, INCLUSIVE, DELTA CITY, UNIT 5, TRACT 1208-A, ACCORDING TO THE PLAT THEREOF, RECORDED OCTOBER 01, 1973, AT FEE NO. 73-27252, IN THE OFFICE OF THE RECORDER OF MOHAVE COUNTY, ARIZONA;

AND EXCEPT THE SOUTHERLY 120.0 FEET OF SAID SECTION 7;

AND EXCEPT THE FOLLOWING DESCRIBED PROPERTY:

A PARCEL OF LAND IN THE SOUTHWEST ONE-QUARTER OF SECTION 7, TOWNSHIP 17 NORTH, RANGE 21 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MOHAVE COUNTY, ARIZONA, BEING PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER (A BIA 2" BR. DISK CONCRETED IN HANDHOLE) OF SECTION 7, FROM WHICH THE SOUTH ¼ CORNER (A 1980 BLM 2 1/2" ODI PIPE W/BR. CAP) BEARS NORTH 89° 58' 07" EAST (BEARINGS BASED ON SOLAR OBSERVATION IN LAT. 34° 51' 58" NORTH AND LONG. 114° 33' 42" WEST) 2645.28';

THENCE NORTH 0° 03' 34" WEST ALONG THE WEST LINE OF SECTION 7 A DISTANCE OF 375.00 FEET;

THENCE NORTH 89° 58' 05" EAST ALONG THE CENTERLINE OF PESO AVE. 187.24 FEET;

THENCE SOUTH 0° 01' 55" EAST ALONG THE EASTERLY ALLEY RIGHT OF WAY LINE 90.00 FEET TO A 5/8" REBAR WITH YELLOW PLASTIC CAP (YPC-RLS 13023) AND THE TRUE POINT OF BEGINNING;

THENCE, CONTINUING SOUTH 00° 01' 55" EAST 20.00 FEET TO THE BEGINNING OF A TANGENT CURVE (A 5/8" REBAR W/YPC);

THENCE SOUTHEASTERLY ALONG THE ARC OF CURVE CONCAVE TO THE NORTHEAST, HAVING A CENTRAL ANGLE OF 90° AND A RADIUS OF 20.00 FEET, 31.42 FEET TO THE POINT OF TANGENCY (A 5/8" REBAR W/YPC);

THENCE NORTH 89° 58' 05" EAST ALONG THE NORTHERLY ALLEY RIGHT OF WAY LINE 30.00 FEET TO A 5/8" REBAR W/YPC;

THENCE NORTH 0° 01' 55" WEST 40.00 FEET TO A 5/8" REBAR W/YPC;

THENCE SOUTH 89° 58' 05" WEST 50.00 FEET TO THE POINT OF BEGINNING;

AND EXCEPT THE FOLLOWING DESCRIBED PROPERTY:

THE WEST 342 FEET OF THE NORTH 700 FEET OF THE SOUTH 1305 FEET, EXCEPT THE WEST 42 FEET THEREOF, SECTION 7, TOWNSHIP 17 NORTH, RANGE 21 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MOHAVE COUNTY, ARIZONA;

AND EXCEPT THAT PORTION CONVEYED IN DOCKET 6138, PAGE 720, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

THAT PORTION OF THE SOUTHWEST QUARTER (SW1/4) OF SECTION 7, TOWNSHIP 17 NORTH, RANGE 21 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MOHAVE COUNTY, ARIZONA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION 7;

THENCE NORTH 00 DEGREES, 12 MINUTES, 12 SECONDS EAST, A DISTANCE OF 405 FEET;

THENCE SOUTH 89 DEGREES 47 MINUTES 48 SECONDS EAST, A DISTANCE OF 162 FEET TO THE POINT OF BEGINNING;

THENCE NORTH 00 DEGREES 12 MINUTES 12 SECONDS EAST, A DISTANCE OF 200 FEET;

THENCE NORTH 89 DEGREES 47 MINUTES 48 SECONDS WEST, A DISTANCE OF 120 FEET;

THENCE SOUTH 00 DEGREES 12 MINUTES WEST, A DISTANCE OF 200 FEET;

THENCE SOUTH 89 DEGREES 47 MINUTES 48 SECONDS, EAST, A DISTANCE OF 120 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 3:

LOTS 2049 THROUGH 2057, INCLUSIVE, DELTA CITY, UNIT 5, TRACT 1208-A, ACCORDING TO THE PLAT THEREOF, RECORDED OCTOBER 01, 1973, AT FEE NO. 73-27252, IN THE OFFICE OF THE RECORDER OF MOHAVE COUNTY, ARIZONA.

PARCEL NO. 4:

LOTS 1653, 1654, 2046, 2047, 2048, 2169, 2170, 2171, 2172, 2173, DELTA CITY, UNIT 5, TRACT 1208 A ACCORDING TO THE PLAT THEREOF RECORDED OCTOBER 01, 1973 AT FEE NO. 73-27252 IN THE OFFICE OF THE COUNTY RECORDER OF MOHAVE COUNTY, ARIZONA.

PARCEL NO. 5:

A PARCEL OF LAND LOCATED IN THE SOUTHWEST ONE-QUARTER OF SECTION 7, TOWNSHIP 17 NORTH, RANGE 21 WEST OF THE GILA AND SALT RIVER MERIDIAN, MOHAVE COUNTY,

ARIZONA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION 7, FROM WHENCE THE SOUTH ¼ CORNER OF SAID SECTION 7 BEARS NORTH 89° 58' 07" EAST, 2654.64 FEET;

THENCE, NORTH 00° 03' 34" WEST, ALONG THE WEST LINE OF SAID SECTION 7, A DISTANCE OF 375.00 FEET;

THENCE, NORTH 89° 58' 05" EAST, ALONG THE CENTERLINE OF PESO AVENUE, 187.24 FEET;

THENCE SOUTH 00° 01' 55" EAST, ALONG THE EASTERLY ALLEY RIGHT-OF-WAY LINE, 90.00 FEET TO THE TRUE POINT OF BEGINNING:

THENCE, CONTINUING SOUTH 00° 01' 55" EAST, 20.00 FEET TO THE BEGINNING OF A TANGENT CURVE TO THE LEFT:

THENCE, SOUTHEASTERLY ALONG THE ARC OF A CURVE, CONCAVE TO THE NORTHEAST, HAVING A CENTRAL ANGLE OF 90° AND A RADIUS OF 20.00 FEET, 31.42 FEET TO THE POINT OF TANGENCY;

THENCE, NORTH 89° 58' 05" EAST, ALONG THE NORTHERLY ALLEY RIGHT-OF-WAY LINE, 30.00 FEET;

THENCE, NORTH 00° 01' 55" WEST, 40.00 FEET;

THENCE, SOUTH 89° 58' 05" WEST, 50.00 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 6:

LOTS 2058, 2059, 2160 THROUGH 2168 INCLUSIVE OF DELTA CITY-UNIT 5, TRACT 1208A, ACCORDING TO THE PLAT OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF MOHAVE COUNTY, ARIZONA, RECORDED IN 1973-27252.

APN: 22407022 and 224-18-134

5. WPI- Jerome Farm AZ LLC

PARCEL NO. 1:

THE SOUTH ONE-HALF (S1/2) OF THE NORTHEAST QUARTER (NE1/4) AND THE NORTH ONE-HALF (N1/2) OF THE SOUTHEAST QUARTER (SE1/4) OF SECTION 13, TOWNSHIP 18 NORTH, RANGE 22 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MOHAVE COUNTY, ARIZONA.

EXCEPT THE EAST AND WEST 42 FEET FOR ROAD PURPOSES.

PARCEL NO. 2:

LOT 1, BLOCK 12, PERRY ACRES UNIT 2, TRACT NO. 4026, ACCORDING TO THE PLAT THEREOF, RECORDED JUNE 22, 1982, AT FEE NO. 82-31915, IN THE OFFICE OF THE COUNTY RECORDER OF MOHAVE COUNTY, ARIZONA.

APN: 22520009 and 225-20-009

6. WPI-R3 Farm AZ LLC

PARCEL NO. 1:

A PORTION OF SECTION 11, TOWNSHIP 17 NORTH, RANGE 22 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MOHAVE COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A FOUND 3" IRON PIPE AT THE NORTHEAST CORNER OF SAID SECTION 11;

THENCE NORTH 89 DEGREES 34 MINUTES 52 SECONDS WEST, 2,642.15 FEET TO THE NORTH QUARTER CORNER OF SAID SECTION 11;

THENCE NORTH 89 DEGREES 34 MINUTES 51 SECONDS WEST, 1,251.84 FEET ALONG THE NORTH LINE OF SAID SECTION 11;

THENCE SOUTH 00 DEGREES 44 MINUTES 52 SECONDS WEST, 5,289.10 FEET TO THE SOUTH LINE OF SAID SECTION 11;

THENCE SOUTH 89 DEGREES 37 MINUTES 59 SECONDS EAST, 659.74 FEET ALONG SAID SOUTH LINE TO A POINT FROM WHICH THE SOUTH QUARTER CORNER OF SAID SECTION 11 BEING A 3" ALUMINUM CAP STAMPED BLM 1980 BEARS SOUTH 89 DEGREES 37 MINUTES 59 SECONDS EAST, 621.20 FEET;

THENCE NORTH 00 DEGREES 25 MINUTES 57 SECONDS EAST, 2,582.82 FEET;

THENCE NORTH 89 DEGREES 38 MINUTES 20 SECONDS EAST, 862.27 FEET;

THENCE SOUTH 00 DEGREES 25 MINUTES 57 SECONDS WEST, 2,593.74 FEET TO THE SOUTH LINE OF SAID SECTION 11;

THENCE SOUTH 89 DEGREES 35 MINUTES 40 SECONDS EAST, 1,083.55 FEET ALONG THE SOUTH LINE OF SAID SECTION 11 TO THE SOUTHWEST CORNER OF RIVER ROAD CITY TRACT 1022 RECORDED OCTOBER 11, 1966 RECEPTION NUMBER 14715;

THENCE NORTH 00 DEGREES 23 MINUTES 42 SECONDS EAST, 2,643.53 FEET ALONG THE WEST LINE OF SAID TRACT 1022 AND CONTINUING ALONG THE WEST LINE OF RIVER ROAD CITY TRACT 1022-B RECORDED JANUARY 16, 1968 RECEPTION NUMBER 37020 TO THE NORTHWEST CORNER OF SAID TRACT 1022-B;

THENCE NORTH 00 DEGREES 28 MINUTES 15 SECONDS EAST, 161.92 FEET TO THE NORTHWEST CORNER OF THE SOUTH HALF OF THE SOUTH HALF OF THE SOUTH HALF OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 11 AS SHOWN ON THE SURVEY RECORDED AUGUST 2, 1995 IN BOOK 10 OF PARCEL PLATS, PAGE 49;

THENCE SOUTH 89 DEGREES 36 MINUTES 09 SECONDS EAST, 1,322.49 FEET ALONG THE NORTH LINE OF THE SAID SOUTH HALF OF THE SOUTH HALF OF THE SOUTH HALF OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER TO THE EAST LINE OF SAID SECTION 11;

THENCE NORTH 00 DEGREES 21 MINUTES 27 SECONDS EAST, 2,481.49 FEET ALONG SAID NORTH LINE TO THE POINT OF BEGINNING.

PARCEL NO. 2:

PARCEL A, AS SHOWN ON PARCEL PLAT RECORDED AUGUST 2, 1995, IN BOOK 10 OF PARCEL PLATS, PAGE 49, SITUATE IN SECTION 11, TOWNSHIP 17 NORTH, RANGE 22 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MOHAVE COUNTY, ARIZONA;

LESS AND EXCEPT A PORTION OF SECTION 11, TOWNSHIP 17 NORTH, RANGE 22 WEST OF THE GILA AND SALT RIVER MERIDIAN, MOHAVE COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING THE SOUTHWEST CORNER OF PARCEL "A" RECORDED ON AUGUST 2, 1995 IN BOOK 10 OF PARCEL PLATS, PAGE 49;

THENCE NORTH 89 DEGREES 58 MINUTES 18 SECONDS EAST, 86.50 FEET ALONG THE SOUTH LINE OF SAID PARCEL "A" TO THE SOUTHWEST CORNER OF PARCEL "B" AS SHOWN ON SAID BOOK 10 OF PARCEL PLATS, PAGE 49;

THENCE NORTH 04 DEGREES 03 MINUTES 00 SECONDS WEST, 30.75 FEET TO THE NORTHWEST CORNER OF SAID PARCEL "B" BEING THE POINT OF BEGINNING;

THENCE NORTH 04 DEGREES 03 MINUTES 00 SECONDS WEST, 15.83 FEET;

THENCE SOUTH 88 DEGREES 15 MINUTES 29 SECONDS EAST, 38.36 FEET;

THENCE SOUTH 01 DEGREES 05 MINUTES 12 SECONDS WEST, 45.29 FEET TO THE SOUTH LINE OF SAID PARCEL "A";

THENCE SOUTH 89 DEGREES 58 MINUTES 18 SECONDS WEST, 20.16 FEET TO THE SOUTHEAST CORNER OF SAID PARCEL "B";

THENCE NORTH 04 DEGREES 03 MINUTES 00 SECONDS WEST, 31.73 FEET TO THE NORTHEAST CORNER OF SAID PARCEL "B";

THENCE SOUTH 85 DEGREES 57 MINUTES 00 SECONDS WEST, 14.00 FEET TO THE POINT OF BEGINNING.

APN: 224-42-014G and 224-42-014E

7. WPI-TAC Farm AZ LLC

PARCEL NO. 1:

THAT PORTION OF THE NORTH HALF(N1/2) OF SECTION 27, TOWNSHIP 18 NORTH, RANGE 22 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MOHAVE COUNTY, ARIZONA, PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE EAST QUARTER CORNER OF SAID SECTION 27;

THENCE NORTH 89 DEGREES 45 MINUTES 19 SECONDS WEST ALONG THE MID SECTION LINE OF SAID SECTION 27, A DISTANCE OF 65.00 FEET TO THE WEST RIGHT-OF-WAY LINE OF STATE ROUTE 95 ALSO BEING THE TRUE POINT OF BEGINNING;

THENCE NORTH 89 DEGREES 45 MINUTES 19 SECONDS WEST CONTINUING ALONG THE MID SECTION LINE OF SAID SECTION 27, A DISTANCE OF 2682.36 FEET;

THENCE NORTH 29 DEGREES 16 MINUTES 51 SECONDS WEST, A DISTANCE OF 10.45 FEET TO A POINT ON A NON-TANGENT CURVE CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 70.00 FEET AND A RADIUS POINT BEING NORTH 29 DEGREES 16 MINUTES 51 SECONDS WEST;

THENCE NORTHEASTERLY ALONG THE ARC OF SAID CURVE A DISTANCE OF 204.75 FEET THROUGH A CENTRAL ANGLE OF 167 DEGREES 35 MINUTES 31 SECONDS TO A POINT ON A REVERSE CURVE CONCAVE NORTHERLY AND HAVING A RADIUS OF 50.00 FEET;

THENCE ALONG THE ARC OF SAID CURVE A DISTANCE OF 61.52 FEET THROUGH A CENTRAL ANGLE OF 70 DEGREES 29 MINUTES 49 SECONDS TO A POINT ON A TANGENT LINE;

THENCE NORTH 36 DEGREES, 22 MINUTES 33 SECONDS WEST, A DISTANCE OF 1403.93 FEET TO A POINT ON A TANGENT CURVE, CONCAVE EASTERLY AND HAVING A RADIUS OF 140.00 FEET;

THENCE ALONG THE ARC OF SAID CURVE A DISTANCE OF 88.88 FEET, THROUGH A CENTRAL ANGLE OF 36 DEGREES 22 MINUTES 33 SECONDS TO A POINT ON A TANGENT LINE;

THENCE NORTH A DISTANCE OF 1233.00 FEET TO A POINT ON THE SOUTH RIGHT-OF-WAY LINE OF KING STREET;

THENCE SOUTH 89 DEGREES 45 MINUTES 48 SECONDS EAST ALONG THE SOUTH RIGHT-OF-WAY LINE OF KING STREET A DISTANCE OF 109.98 FEET;

THENCE SOUTH A DISTANCE OF 1234.25 FEET;

THENCE SOUTH 36 DEGREES 23 MINUTES 32 SECONDS EAST A DISTANCE OF 415.90 FEET;

THENCE NORTH 57 DEGREES 39 MINUTES 34 SECONDS EAST ALONG THE SOUTHERLY EASEMENT LINE FOR THE TRANSWESTERN PIPELINE EASEMENT, A DISTANCE OF 888.84 FEET;

THENCE SOUTH 89 DEGREES 49 MINUTES 18 SECONDS EAST A DISTANCE OF 1585.96 FEET;

THENCE SOUTH 00 DEGREES 09 MINUTES 12 SECONDS EAST A DISTANCE OF 1425.70 FEET;

THENCE SOUTH 89 DEGREES 45 MINUTES 51 SECONDS EAST A DISTANCE OF 723.99 FEET;

THENCE NORTH 00 DEGREES 09 MINUTES 16 SECONDS WEST A DISTANCE OF 457.34 FEET;

THENCE NORTH 89 DEGREES 50 MINUTES 44 SECONDS EAST A DISTANCE OF 235.00 FEET;

THENCE SOUTH 00 DEGREES 09 MINUTES 16 SECONDS EAST A DISTANCE OF 543.57 FOOT TO THE TRUE POINT OF BEGINNING.

EXCEPT THE FOLLOWING DESCRIBED PROPERTY:

THAT PORTION OF THE NORTH HALF (N1/2) OF SECTION 27, TOWNSHIP 18 NORTH, RANGE 22 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MOHAVE COUNTY, ARIZONA, PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE EAST QUARTER CORNER OF SAID SECTION 27;

THENCE NORTH 89 DEGREES 45 MINUTES 19 SECONDS WEST, ALONG THE MID SECTION LINE OF SAID SECTION 27, A DISTANCE OF 65.00' (FEET) TO THE WEST RIGHT-OF-WAY LINE OF STATE ROUTE 95 ALSO BEING THE TRUE POINT OF BEGINNING;

THENCE NORTH 89 DEGREES 45 MINUTES 19 SECONDS WEST, CONTINUING ALONG SAID MID SECTION LINE, A DISTANCE OF 235.01' (FEET);

THENCE NORTH 00 DEGREES 09 MINUTES 16 SECONDS WEST, LEAVING SAID MID SECTION LINE, A DISTANCE OF 84.59' (FEET) TO AN ANGLE POINT AS SHOWN IN SPECIAL WARRANTY DEED, RECORDED SEPTEMBER 04, 2012 -FEE# 2012046305;

THENCE NORTH 00 DEGREES 09 MINUTES 16 SECONDS WEST, CONTINUING ALONG DESCRIBED LINE, A DISTANCE OF 457.34' (FEET);

THENCE NORTH 89 DEGREES 50 MINUTES 44 SECONDS EAST, TO THE WEST RIGHT-OF-WAY LINE OF STATE ROUTE 95, A DISTANCE OF 235.00' (FEET);

THENCE SOUTH 00 DEGREES 09 MINUTES 16 SECONDS EAST, ALONG SAID RIGHT-OF-WAY, A DISTANCE OF 543.57' (FEET) TO THE TRUE POINT OF BEGINNING.

PARCEL NO. 2:

THAT PORTION OF PARCEL 27-B SHOWN ON PARCEL PLAT RECORDED AUGUST 14, 1995, IN BOOK 10 OF PARCEL PLATS, PAGE 54 IN THE OFFICE OF THE RECORDER OF MOHAVE COUNTY, ARIZONA, BEING SITUATE IN SECTION 27, TOWNSHIP 18 NORTH, RANGE 22 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MOHAVE COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTH QUARTER CORNER OF SAID SECTION 27;

THENCE SOUTH 00 DEGREES 14 MINUTES 12 SECONDS WEST, A DISTANCE OF 42.00 FEET TO THE TRUE POINT OF BEGINNING, SAID POINT BEING ON THE SOUTHERLY RIGHT-OF-WAY LINE FOR KING STREET;

THENCE SOUTH 89 DEGREES 49 MINUTES 27 SECONDS EAST ALONG THE SOUTHERLY RIGHT-OF-WAY LINE FOR KING STREET, A DISTANCE OF 379.91 FEET;

THENCE SOUTH 00 DEGREES 09 MINUTES 16 SECONDS WEST, A DISTANCE OF 1089.48 FEET;

THENCE NORTH 89 DEGREES 49 MINUTES 18 SECONDS WEST, A DISTANCE OF 338.26 FEET;

THENCE SOUTH 57 DEGREES 39 MINUTES 34 SECONDS WEST, A DISTANCE OF 888.84 FEET;

THENCE NORTH 36 DEGREES 23 MINUTES 22 SECONDS WEST, A DISTANCE OF 415.90 FEET;

THENCE NORTH 00 DEGREES 00 MINUTES 00 SECONDS EAST, A DISTANCE OF 1234.25 FEET TO A POINT ON THE SOUTHERLY RIGHT-OF-WAY LINE FOR KING STREET;

THENCE SOUTH 89 DEGREES 45 MINUTES 48 SECONDS EAST ALONG THE SOUTHERLY RIGHT-OF-WAY LINE FOR KING STREET, A DISTANCE OF 959.02 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL NO. 3:

LEGAL DESCRIPTION FOR A PARCEL OF LAND LOCATED IN THE NORTH 1/2 OF SECTION 27 TOWNSHIP 18 NORTH RANGE 22 WEST OF THE GILA AND SALT RIVER MERIDIAN, MOHAVE COUNTY ARIZONA MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE EAST QUARTER CORNER OF SAID SECTION 27, TOWNSHIP 18 NORTH RANGE 22 WEST;

THENCE NORTH 89 DEGREES 45 MINUTES 19 SECONDS WEST ALONG THE MID SECTION LINE OF SECTION 27 A DISTANCE OF 2747.34 FEET TO THE TRUE POINT OF BEGINNING;

THENCE CONTINUING ALONG THE MID SECTION LINE FOR SECTION 27, NORTH 89 DEGREES 45 MINUTES 19 SECONDS WEST A DISTANCE OF 218.04 FEET TO A POINT ON THE SOUTHEAST CORNER OF LOT 192 OF EVERGREEN ADDITION UNIT 3, TRACT 4060;

THENCE NORTH 36 DEGREES 22 MINUTES 33 SECONDS WEST ALONG THE EASTERLY LINE OF TRACT 4060 A DISTANCE OF 1570.31 FEET;

THENCE CONTINUING ALONG THE EASTERLY LINE OF TRACT 4060, NORTH A DISTANCE OF 1337.21 FEET TO A POINT ON THE SOUTHERLY RIGHT OF WAY LINE FOR KING STREET;

THENCE SOUTH 89 DEGREES 45 MINUTES 48 SECONDS EAST ALONG THE SOUTHERLY RIGHT OF WAY LINE FOR KING STREET A DISTANCE OF 175.00 FEET;

THENCE SOUTH A DISTANCE OF 1233.00 FEET TO A POINT ON A TANGENT CURVE, CONCAVE EASTERLY AND HAVING A RADIUS OF 140.00 FEET;

THENCE ALONG THE ARC OF SAID CURVE A DISTANCE OF 88.88 FEET THROUGH A CENTRAL ANGLE OF 36 DEGREES 22 MINUTES 33 SECONDS TO A POINT ON A TANGENT LINE;

THENCE SOUTH 36 DEGREES 22 MINUTES 33 SECONDS EAST A DISTANCE OF 1403.93 FEET TO A POINT ON A TANGENT CURVE, CONCAVE NORTHERLY AND HAVING A RADIUS OF 50.00 FEET;

THENCE ALONG THE ARC OF SAID CURVE A DISTANCE OF 61.52 FEET THROUGH A CENTRAL ANGLE OF 70 DEGREES 29 MINUTES 49 SECONDS TO A POINT ON A REVERSE CURVE HAVING A RADIUS OF 70.00 FEET;

THENCE ALONG THE ARC OF SAID REVERSE CURVE A DISTANCE OF 204.75 FEET THROUGH A CENTRAL ANGLE OF 167 DEGREES 35 MINUTES 31 SECONDS TO A POINT ON A RADIAL LINE;

THENCE SOUTH 29 DEGREES 16 MINUTES 51 SECONDS EAST A DISTANCE OF 10.45 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL NO. 4:

(WELL SITE)

A PARCEL OF LAND LOCATED IN SECTION 27, TOWNSHIP 18 NORTH, RANGE 22 WEST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MOHAVE COUNTY, ARIZONA AND LOCATED WITHIN THE BOUNDARY OF, BUT NOT A PART OF, WILLOW VALLEY MOBILE HOME ESTATES 17, TRACT 1072, RECORDED APRIL 28, 1970 AT RECEPTION NUMBER 705845, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

THAT PORTION OF LAND WITHIN THE BOUNDARY OF PARCEL A, OF TRACT 1072, THE BOUNDARY OF WHICH FORMS A CIRCLE WITH A RADIUS OF 26.33 FEET, CENTERED ON AN EXISTING WELL WITH A RADIUS POINT LOCATED AS FOLLOWS;

COMMENCING AT THE NORTHWEST CORNER OF SECTION 27, TOWNSHIP 18 NORTH, RANGE 22 WEST;

THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS EAST, ALONG THE WEST LINE OF SAID SECTION 27, A DISTANCE OF 810.00 FEET TO THE NORTHWEST CORNER OF SAID PARCEL A, TRACT 1072;

THENCE CONTINUING SOUTH 00 DEGREES 00 MINUTES 00 SECONDS EAST, ALONG THE WEST LINE OF SECTION 27, A DISTANCE OF 113.11 FEET;

THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS EAST, DEPARTING THE WEST LINE OF SECTION 27, A DISTANCE OF 101.19 FEET TO THE RADIUS POINT OF THE SUBJECT WELL SITE PARCEL.

APN: 225-26-110 and 225-26-114, 225-26-116

EXHIBIT B

Summary of Certain Water Rights

Seller	Assessor's Parcel Numbers for Seller's Real Property ¹	Present Perfected Rights (PPR) ²	Fourth Priority Colorado River Water Entitlements under MVIDD Contracts	Combined Annual Diversion under Water Rights (AFA)
WPI Hulet Farm AZ LLC	225-24-004	PPR #17 (Zozaya)³ <u>Annual Diversions:</u> 720.00 acre-foot per annum ("AFA") <u>Priority Date:</u> 1912		720.00
WPI-919 Farm AZ LLC	225-09-020; 225-09-027 225-09-028; 225-09-030 225-09-031; 225-09-048 225-09-049; 225-09-050 225-09-051; 225-09-052 225-11-005; 225-11-006 225-11-008; 225-11-010 225-25-025; 225-25-026 225-25-076; 225-25-077 225-36-009B; 225-47-053	PPR #14 (Sherrill-Lafayette) (Partial Right)⁴ <u>Annual Diversions:</u> 240.00 AFA <u>Priority Date:</u> 1902 PPR #18 (Swan)⁵ <u>Annual Diversions:</u> 960.00 AFA <u>Priority Date:</u> 1902	MVIDD Contract No. 2012-04C <u>Water Entitlement:</u> 5,511.70 AFA <u>Farm Land Acreage:</u> 930.9 Irrigable Acres; 980.55 General Acres	6,711.70

¹ Mohave County Assessor's parcel numbers as of August 2017.

² Miscellaneous Present Perfected Rights in Arizona described under the Consolidated Decree issued in *Arizona v. California* (547 U.S. 150 (2006)) ("Decree").

³ Decree, 547 U.S. at 173.

⁴ Decree, 547 U.S. at 172. Seller asserts a right to 240 AFA of total of 1,080 AFA of annual diversions of Colorado River water authorized under PPR #14 (Sherrill-Lafayette).

⁵ Decree, 547 U.S. at 173.

Seller	Assessor's Parcel Numbers for Seller's Real Property ¹	Present Perfected Rights (PPR) ²	Fourth Priority Colorado River Water Entitlements under MVIDD Contracts	Combined Annual Diversion under Water Rights (AFA)
WPI-CAD Farm AZ LLC	224-20-005; 224-20-022 224-20-023		MVIDD Contract No. 2015-10C <u>Water Entitlement:</u> 1,349.00 AFA <u>Farm Land Acreage:</u> 191.21 Irrigation Acres; 208.93 General Acres	1,349.00
WPI-Hancock Farms AZ LLC	224-07-022; 224-07-026 224-07-027; 224-07-028 224-18-134; 224-18-135 224-18-327 through 224- 18-340; 224-18-441 through 224-18-454		MVIDD Contract No. 2013-04-A <u>Water Entitlement:</u> 957.90 <u>Farm Land Acreage:</u> 147.92 Irrigation Acres	957.90
WPI-Jerome Farm AZ LLC	225-20-009; 225-47-078	PPR #10 (Hulet) (Partial Right)⁶ <u>Annual Diversions:</u> 468.03 AFA <u>Priority Date:</u> 1902	MVIDD Contract No. 2015-04C <u>Water Entitlement:</u> 599.63 <u>Farm Land Acreage:</u> 143.53 Irrigation Acres; 156.01 General Acres	1,067.66

⁶ Decree, 547 U.S. at 171. Seller asserts a right to 468.03 AFA of total of 1,080 AFA of annual diversions of Colorado River water authorized under PPR #10 (Hulet).

Seller	Assessor's Parcel Numbers for Seller's Real Property ¹	Present Perfected Rights (PPR) ²	Fourth Priority Colorado River Water Entitlements under MVIDD Contracts	Combined Annual Diversion under Water Rights (AFA)
WPI-R3 Farm AZ LLC	224-42-014E; 224-42-014G		MVIDD Contract No. 2015-06 <u>Water Entitlement:</u> 2,300.70 AFA <u>Farm Land Acreage:</u> 328.67 Irrigation Acres; 343.15 General Acres	2,300.70
WPI-TAC Farm AZ LLC	225-26-104; 225-26-110; 225-26-114; 225-26-116	PPR #10 (McKellips and Granite Reef Farms) (Partial Right)⁷ <u>Annual Diversions:</u> Estimated 150.18 AFA <u>Priority Date:</u> 1902	MVIDD Contract No. [to be provided by Seller] <u>Water Entitlement:</u> Estimated 821.94 AFA <u>Farm Land Acreage:</u> Estimated: 117.42 Irrigation Acres; 127.63 General Acres	Estimated: 821.94 [Note: Seller shall provide this information prior to expiration of the Feasibility Period]
TOTALS				13,928.90 [To be updated pending WPI-TAC Farm AZ, LLC final contracts]

⁷ Decree, 547 U.S. at 172.

EXHIBIT C

Water Contracts and PPR Contracts

Water Contracts

1. Agreement for Water Entitlement (Agricultural), between MVIDD and WPI-919 Farm AZ, LLC, dated November 6, 2012, and amended December 6, 2016 (Contract No. 2012-04C).
2. Agreement for Water Entitlement (Agricultural), between MVIDD and WPI-CAD Farm AZ, LLC, dated October 6, 2015 (Contract No. 2015-10C).
3. Agreement for Water Entitlement (Agricultural), between MVIDD and WPI-Hancock Farms AZ, LLC, dated May 5, 2013, and amended August 5, 2014 (Contract No. 2013-04-A).
4. Agreement for Water Entitlement (Agricultural), between MVIDD and WPI-Jerome Farm AZ, LLC, dated May 5, 2015 (Contract No. 2015-04C).
5. Agreement for Water Entitlement (Agricultural), between MVIDD and WPI-R3 Farm, LLC, dated September 1, 2015 (Contract No. 2015-06).
6. **[PENDING]** Agreement for Water Entitlement (Agricultural), between MVIDD and WPI-TAC Farm AZ, LLC, dated **[to be provided by Seller]** (Contract No. [to be provided by Seller]). **[Seller shall provide this information prior to expiration of the Feasibility Period]**

PPR Contracts

1. Water Accounting Contract (PPR Entitlement), between MVIDD and WPI-Hulet Farm AZ, LLC, dated September 10, 2013 (Contract No. 2013-05)

Recognized PPR Entitlement: 720 AFA under Present Perfected Right No. 17 (Zozaya)

2. Water Accounting Contract (PPR Entitlement), between MVIDD and WPI-919 Farm AZ, LLC, dated December 2, 2014 (Contract No. 2014-06)

Recognized PPR Entitlement: 240 AFA under Present Perfected Right No. 14 (Sherrill-Lafayette)

3. Water Accounting Contract (PPR Entitlement), between MVIDD and WPI-919 Farm AZ, LLC, dated November 16, 2012 (Contract No. 2012-05).

Recognized PPR Entitlement: 600 AFA under Present Perfected Right No. 18 (Swan)
[Contract to be amended to reflect WPI-919 Farm AZ, LLC current ownership all lands and 960 AFA under Present Perfected Right No. 18 (Swan)]

4. Water Accounting Contract (PPR Entitlement), between MVIDD and WPI-Jerome Farm AZ, LLC, dated May 5, 2015 (Contract No. 2015-03)

Recognized PPR Entitlement: 468.03 AFA under Present Perfected Right #10 (Hulet)

EXHIBIT D

Leases

1. WPI-Hulet Farm AZ, LLC

Farm lease dated November 1, 2013 by and between WPI HULET FARM AZ, LLC and 4-B FARMS, an Arizona general partnership, as amended by that certain Agreement to Extend Leases dated September 30, 2016, and that certain First Amendment to Farm Lease dated November 30, 2016.

2. WPI-919 Farm AZ LLC

Farm Lease dated October 10, 2013 by and between WPI-919 FARM AZ, LLC and 4-B Farms, an Arizona general partnership, as amended by that certain First Amendment to Farm Lease dated September 30, 2014, that certain Second Amendment to Farm Lease dated December 1, 2015, and that certain Agreement to Extend Leases dated September 30, 2016, and that certain Third Amendment to Farm Lease dated November 30, 2016.

3. WPI-CAD Farm AZ LLC

Farm Lease dated December 1, 2015 by and between WPI CAD FARM AZ, LLC and 4-B Farms, an Arizona general partnership, as amended by that certain Agreement to Extend Leases dated September 30, 2016, and that certain First Amendment to Farm Lease dated November 30, 2016.

4. WPI-Hancock Farms AZ LLC

Farm Lease dated January 1, 2013 by and between WPI HANCOCK FARM AZ LLC and 4-B FARMS, an Arizona general partnership, as amended by that certain First Amendment to Farm Lease dated November 30, 2016.

5. WPI- Jerome Farm AZ LLC

Farm Lease dated December 1, 2015 by and between WPI JEROME FARM AZ, LLC, and 4-8 FARMS, an Arizona general partnership, as amended by that certain Agreement to Extend Leases dated September 30, 2016, and that certain First Amendment to Farm Lease dated November 30, 2016.

6. WPI-R3 Farm AZ LLC

Farm Lease dated June 24, 2015, by and between WPI-R3 FARM AZ, LLC, and 4-B FARMS, an Arizona general partnership, as amended by that certain First Amendment to Lease dated August 30, 2016, and that certain Second Amendment to Lease dated November 11, 2016.

7. WPI-TAC Farm AZ LLC

Farm Lease dated January 13, 2017, by and between WPI-TAC FARM AZ, LLC, and WAKIMOTO FARMS, an Arizona partnership, as amended by that certain Amended and Restated Farm Lease dated March 8, 2017.

EXHIBIT E

Title Commitments

1. WPI-Hulet Farm AZ, LLC

Commitment for Title Insurance issued by First American Title Insurance Company, National Commercial Services, dated effective as of July 3, 2017, Title No. NCS-860411A-PHX1.

2. WPI-919 Farm AZ LLC

Commitment for Title Insurance issued by First American Title Insurance Company, National Commercial Services, dated effective as of July 10, 2017, Title No. NCS-860411B-PHX1.

3. WPI-CAD Farm AZ LLC

Commitment for Title Insurance issued by First American Title Insurance Company, National Commercial Services, dated effective as of July 3, 2017, Title No. NCS-860411C-PHX1.

4. WPI-Hancock Farms AZ LLC

Commitment for Title Insurance issued by First American Title Insurance Company, National Commercial Services, dated effective as of July 3, 2017, Title No. NCS-860411D-PHX1.

5. WPI- Jerome Farm AZ LLC

Commitment for Title Insurance issued by First American Title Insurance Company, National Commercial Services, dated effective as of July 5, 2017, Title No. NCS-860411E-PHX1.

6. WPI-R3 Farm AZ LLC

Commitment for Title Insurance issued by First American Title Insurance Company, National Commercial Services, dated effective as of July 5, 2017, Title No. NCS-860411F-PHX1.

7. WPI-TAC Farm AZ LLC

Commitment for Title Insurance issued by First American Title Insurance Company, National Commercial Services, dated effective as of July 3, 2017, Title No. NCS-860411G-PHX1.

EXHIBIT F

Existing Surveys

1. WPI-Hulet Farm AZ, LLC

ALTA/ACSM Land Title Survey dated March 20, 2013 prepared by Cornerstone Land Surveying designated Job No. 13-0009.

2. WPI-919 Farm AZ LLC

ALTA/ACSM Land Title Survey dated November 6, 2012 prepared by Cornerstone Land Surveying designated Job No. 12-0028.

ALTA/ACSM Land Title Survey dated February 17, 2014 prepared by Cornerstone Land Surveying designated Job No. 14-0002 (Harness Survey).

ALTA/ACSM Land Title Survey dated November 19, 2014 prepared by Cornerstone Land Surveying designated Job No. 14-001.

ALTA/ACSM Land Title Survey dated December 27, 2014 prepared by Cornerstone Land Surveying designated Job No. 14-0021 (East Parcel).

ALTA/ACSM Land Title Survey dated May 29, 2015 prepared by Cornerstone Land Surveying designated Job No. 15-0021.

3. WPI-CAD Farm AZ LLC

ALTA/ACSM Land Title Survey dated October 22, 2015 prepared by Cornerstone Land Surveying designated Job No. 15-0030.

4. WPI-Hancock Farms AZ LLC

ALTA/ACSM Land Title Survey dated March 1, 2013 prepared by Cornerstone Land Surveying designated Job No. 13-0008 (Revised).

Record of Survey dated March 28, 2017 prepared by R.W. Holmquist & Associates LLC (Pawlik (002)).

5. WPI- Jerome Farm AZ LLC

ALTA/ACSM Land Title Survey dated July 22, 2013 prepared by Cornerstone Land Surveying designated Job No. 13-0018.

6. WPI-R3 Farm AZ LLC

ALTA/ACSM Land Title Survey dated April 21, 2015 prepared by Cornerstone Land Surveying designated Job No. 15-0013.

7. WPI-TAC Farm AZ LLC

ALTA/ACSM Land Title Survey dated December 21, 2016 prepared by ARQ Engineering LLC designated Job No. 8011-01 (Sec 27).

ALTA/ACSM Land Title Survey dated December 31, 2016 prepared by ARQ Engineering LLC designated Job No. 7486-01 (GEM Land Company).

EXHIBIT G

Special Warranty Deed

When recorded, return to:

Quarles & Brady, LLP
Renaissance One
Two North Central Avenue
Phoenix, Arizona 85004
Attn: Diane M. Haller, Esq.

Exempt from affidavit pursuant to
A.R.S. § 11-1134(A)(3)

SPECIAL WARRANTY DEED

For Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, _____ ("**Grantor**"), hereby grants, sells and conveys to _____ ("**Grantee**"), that real property located in Mohave County, Arizona and legally described on Exhibit A attached hereto and incorporated herein by this reference, together with together with (i) all buildings, structures, improvements and fixtures located thereon, including, without limitation, all irrigation ditches, gates, valves, pumps, tanks, wells, well equipment, and water delivery systems and infrastructure; (ii) all appurtenances, hereditaments, easements, rights-of-way, reversions, remainders, well rights, water rights, air rights, reservoir and reservoir rights, development rights, development credits, and impact fee credits from any governmental or quasi-governmental authority or utility; (iii) all oil, gas, and mineral rights not previously reserved; (iv) any rights of Grantor to any adjoining strips or gores of property and any land lying within the bed of any adjoining street, highway, or waterway; and (v) all access, air, riparian, and utility rights pertaining thereto (the "**Property**").

SUBJECT TO: current taxes not yet due and payable, and those matters described on Exhibit B attached hereto and incorporated herein by this reference.

Notwithstanding any warranty which may otherwise be implied from the use of any word, phrase or clause herein, Grantor warrants title to the Property, subject to the matters referred to above, only against its own acts, but not the acts of any others.

[Signature appears on following page]

Exhibit A
to Special Warranty Deed
Legal Description of Property

**Exhibit B
to Special Warranty Deed**

Permitted Exceptions

[insert list of matters approved, or deemed approved, by Buyer pursuant to Section 4]

EXHIBIT H

Non-Foreign Affidavit

The undersigned, on behalf of _____ ("**Transferor**"), states that:

Section 1445 of the Internal Revenue Code of 1986, as amended (the "**Code**") provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a foreign person. ****[Optional language for a disregarded entity:** For U.S. tax purposes (including Code Section 1445), the owner of a disregarded entity (which has legal title to a U.S. real property interest under local law) will be the transferor of the property and not the disregarded entity. Transferor is the owner of _____, which is a disregarded entity.]*** To inform _____ ("**Transferee**") that withholding of tax is not required upon the disposition of Transferor's interest in the real property described on Exhibit A attached hereto and by this reference included herein, the undersigned hereby certifies the following on behalf of Transferor:

1. Transferor is not a foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Code and Income Tax Regulations);
2. Transferor is not a disregarded entity as defined in Income Tax Regulations §1.1445-2(b)(2)(iii);
3. Transferor's U.S. employer identification number is _____; and
4. Transferor's office address is: _____ [insert street address].

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

Under penalties of perjury I declare that I have examined this certification and to the best of my knowledge and belief it is true, correct and complete, and I further declare that I have authority to sign this document on behalf of Transferor.

Dated this ____ day of _____, 20__.

Signature: _____

Printed Name: _____

Title: _____

STATE OF ARIZONA)
) ss.
County of _____)

The foregoing document was acknowledged before me this _____ day of _____,
20__, by _____, the _____ of
_____, a _____ on behalf of said company.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Notary Public

My commission expires:

Exhibit A
to Non-Foreign Affidavit
Legal Description of Property

EXHIBIT I

Bill of Sale and Assignment

THIS BILL OF SALE AND ASSIGNMENT (the "**Bill of Sale**") is executed as of _____, by _____ ("**Seller**"), to and for the benefit of _____ ("**Buyer**").

RECITALS

A. Seller and Buyer are parties to that Purchase and Sale Agreement and Joint Escrow Instructions dated as of _____ (as amended from time to time, the "**Sale Agreement**") with respect to the sale of real property described in Exhibit A attached hereto (the "**Property**").

B. Contemporaneously herewith, Buyer is acquiring the Property from Seller pursuant to the Sale Agreement. This Assignment is executed in connection with the foregoing acquisition.

ASSIGNMENT

THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller hereby assigns, transfers and conveys to Buyer all of the following, to the extent they relate to the Property:

(a) All water rights appurtenant to or used in connection with the Property, including all surface water rights, all groundwater rights, all rights to water obtained through contract, and all rights to water obtained through decree or other governmental or quasi-governmental action (collectively, the "**Water Rights**").

(b) All of the following, to the extent they relate to the Property: (i) all personal property and equipment located on or used in connection (excepting that of any tenant's) with the Property, including without limitation all gates, valves, pumps, tanks, wells, well equipment, and water delivery systems and infrastructure; (ii) all plans, specifications, plats, assessments, reports, studies, and surveys, (iii) all rights to credits, refunds, rebates, reimbursements, repayments, bonds, deposits, and rights to payment, from any utility company, municipality, school district, or other governmental or quasi-governmental authority; (iv) all rights under any reciprocal easement agreements, declarations, covenants, conditions, restrictions or easements; (v) all permits, licenses, approvals, variances, waivers, development rights and entitlements; (vi) all warranties and guaranties applicable to the Property or any of the foregoing; and (vii) all non-confidential building and property records, documents and instruments, such as tenant lease files, invoices, bills, receipts, water reports, well maintenance records, files relating to the Water Rights, and records with Mohave Valley Irrigation and Drainage District MVIDD (collectively, the "**Personal Property and Intangible Assets**")

TO HAVE AND TO HOLD unto Buyer and its successors and assigns.

Seller hereby represents that Seller has good and marketable title to the Personal Property and Intangible Assets, and that the Water Rights and Personal Property and Intangible Assets assigned and conveyed hereunder are free of liens and encumbrances.

IN WITNESS WHEREOF, Seller has executed this Bill of Sale as of the date first set forth above.

By: _____
Name: _____
Title: _____

Exhibit A
to Bill of Sale and Assignment
Legal Description of Property

EXHIBIT K

Form of Assignment and Assumption of Leases

ASSIGNMENT AND ASSUMPTION OF LEASES

THIS ASSIGNMENT AND ASSUMPTION OF LEASES (this "**Assignment**") is dated the ___ day of _____, 2018, by and between _____ ("**Assignor**"), and _____ ("**Assignee**").

A. Assignor and Assignee entered into that certain Purchase and Sale Agreement and Joint Escrow Instructions dated _____, 2017 (as amended from time to time, the "**Sale Agreement**"), for the purchase and sale of that real property described on Exhibit A attached hereto and all improvements thereon (collectively, the "**Real Property**").

B. In connection with the conveyance of the Real Property, Assignor desires to assign and transfer to Assignee all of Assignor's right, title and interest in and to the Leases (as hereafter defined) related to the Real Property, as hereinafter provided.

C. Assignee desires to assume the duties and obligations of Assignor with respect to the Leases as hereinafter provided.

NOW, THEREFORE, in accordance with the Sale Agreement and in consideration of the sum of Ten Dollars (\$10.00), the sufficiency and receipt of which are hereby acknowledged, the parties hereby covenant and agree as follows:

1. Assignment and Conveyance. Assignor does hereby assign, transfer and convey unto Assignee all of Assignor's right, title and interest in and to those leases, tenancies and rental or occupancy agreements granting possessory rights in, on or covering the Real Property, together with all modifications, extensions, amendments, advance rentals and like payments (if any), security deposits and guaranties thereof, in effect as of the date of this Assignment and more particularly described on Exhibit B attached hereto (collectively, the "**Leases**").

2. Assumption. Assignee hereby accepts the foregoing assignment and hereby assumes all duties and obligations of Assignor with respect to the Leases for the period on and after the date of this Assignment, including, without limitation the tenant security deposits under the Leases to the extent that Assignee has received those deposits or interest or a credit therefor.

3. Indemnity. Assignor shall indemnify, defend and hold harmless Assignee from and against any and all claims, losses, costs, damages, and obligations arising out of any breach or alleged breach by Assignor under the Leases before the date of this Assignment. Assignee shall indemnify, defend and hold harmless Assignor from and against any and all claims, losses, costs, damages, and obligations arising out of any breach or alleged breach by Assignee under the Leases on or after the date of this Assignment.

4. Limitation of Damages. Each of Assignor and Assignee agrees that, if it is permitted to bring an action or claim under this Assignment for indemnification, such party shall have no right to, and hereby waives any right to, bring an action or make a claim for incidental, consequential, special or punitive damages as a result thereof, except to the extent the party seeking indemnification is obligated to pay such damages to a third party.

This Assignment may be executed in any number of counterparts. Each such counterpart hereof shall be deemed an original, but all counterparts shall constitute but one agreement. This Assignment shall be (a) binding upon, and inure to the benefit of, the parties to this Assignment and their respective heirs, legal representatives, successors and assigns, and (b) construed in accordance with the laws of the State of Arizona, without regard to the application of choice of law principles.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Assignor and Assignee have executed this Assignment and Assumption of Leases as of the date first above written.

ASSIGNOR:

By: _____

Name: _____

Title: _____

ASSIGNEE:

By: _____

Name: _____

Title: _____

Exhibit A to Assignment and Assumption of Leases

Legal Description of Real Property

Exhibit B to Assignment and Assumption of Leases

List of Leases

EXHIBIT K

Form of Assignment and Assumption of Water Contracts

ASSIGNMENT AND ASSUMPTION OF WATER CONTRACTS

THIS ASSIGNMENT AND ASSUMPTION OF WATER CONTRACTS (this "Assignment") is dated the ____ day of _____, 2018, by and between _____ ("Assignor"), and _____ ("Assignee").

A. Assignor and Assignee entered into that certain Purchase and Sale Agreement and Joint Escrow Instructions dated _____, 2017 (as amended from time to time, the "Sale Agreement"), for the purchase and sale of that real property described on Exhibit A attached hereto and all improvements thereon (collectively, the "Real Property").

B. In connection with the conveyance of the Real Property, Assignor desires to assign and transfer to Assignee all of Assignor's right, title and interest in and to the Water Contracts (as hereafter defined) related to the Real Property, as hereinafter provided.

C. Assignee desires to assume the duties and obligations of Assignor with respect to the Water Contracts as hereinafter provided.

NOW, THEREFORE, in accordance with the Sale Agreement and in consideration of the sum of Ten Dollars (\$10.00), the sufficiency and receipt of which are hereby acknowledged, the parties hereby covenant and agree as follows:

1. Assignment and Conveyance. Assignor does hereby assign, transfer and convey unto Assignee all of Assignor's right, title and interest in and to those water contracts relating to the Real Property and more particularly described on Exhibit B attached hereto (collectively, the "Water Contracts").

2. Assumption. Assignee hereby accepts the foregoing assignment and hereby assumes all duties and obligations of Assignor with respect to the Water Contracts for the period on and after the date of this Assignment.

3. Indemnity. Assignor shall indemnify, defend and hold harmless Assignee from and against any and all claims, losses, costs, damages, and obligations arising out of any breach or alleged breach by Assignor under the Water Contracts before the date of this Assignment. Assignee shall indemnify, defend and hold harmless Assignor from and against any and all claims, losses, costs, damages, and obligations arising out of any breach or alleged breach by Assignee under the Water Contracts on or after the date of this Assignment.

4. Limitation of Damages. Each of Assignor and Assignee agrees that, if it is permitted to bring an action or claim under this Assignment for indemnification, such party shall have no right to, and hereby waives any right to, bring an action or make a claim for incidental,

consequential, special or punitive damages as a result thereof, except to the extent the party seeking indemnification is obligated to pay such damages to a third party.

This Assignment may be executed in any number of counterparts. Each such counterpart hereof shall be deemed an original, but all counterparts shall constitute but one agreement. This Assignment shall be (a) binding upon, and inure to the benefit of, the parties to this Assignment and their respective heirs, legal representatives, successors and assigns, and (b) construed in accordance with the laws of the State of Arizona, without regard to the application of choice of law principles.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Assignor and Assignee have executed this Assignment and Assumption of Water Contracts as of the date first above written.

ASSIGNOR:

By: _____

Name: _____

Title: _____

ASSIGNEE:

By: _____

Name: _____

Title: _____

Exhibit A to Assignment and Assumption of Water Contracts

Legal Description of Real Property

Exhibit B to Assignment and Assumption of Water Contracts

List of Water Contracts

EXHIBIT L

Form of Assignment and Assumption of PPR Contracts

ASSIGNMENT AND ASSUMPTION OF PPR CONTRACTS

THIS ASSIGNMENT AND ASSUMPTION OF PPR CONTRACTS (this "**Assignment**") is dated the ___ day of _____, 2018, by and between _____ ("**Assignor**"), and _____ ("**Assignee**").

A. Assignor and Assignee entered into that certain Purchase and Sale Agreement and Joint Escrow Instructions dated _____, 2017 (as amended from time to time, the "**Sale Agreement**"), for the purchase and sale of that real property described on Exhibit A attached hereto and all improvements thereon (collectively, the "**Real Property**").

B. In connection with the conveyance of the Real Property, Assignor desires to assign and transfer to Assignee all of Assignor's right, title and interest in and to the PPR Contracts (as hereafter defined) related to the Real Property, as hereinafter provided.

C. Assignee desires to assume the duties and obligations of Assignor with respect to the PPR Contracts as hereinafter provided.

NOW, THEREFORE, in accordance with the Sale Agreement and in consideration of the sum of Ten Dollars (\$10.00), the sufficiency and receipt of which are hereby acknowledged, the parties hereby covenant and agree as follows:

1. Assignment and Conveyance. Assignor does hereby assign, transfer and convey unto Assignee all of Assignor's right, title and interest in and to those water accounting contracts for "present perfected rights" relating to the Real Property and more particularly described on Exhibit B attached hereto (collectively, the "**PPR Contracts**").

2. Assumption. Assignee hereby accepts the foregoing assignment and hereby assumes all duties and obligations of Assignor with respect to the PPR Contracts for the period on and after the date of this Assignment.

3. Indemnity. Assignor shall indemnify, defend and hold harmless Assignee from and against any and all claims, losses, costs, damages, and obligations arising out of any breach or alleged breach by Assignor under the PPR Contracts before the date of this Assignment. Assignee shall indemnify, defend and hold harmless Assignor from and against any and all claims, losses, costs, damages, and obligations arising out of any breach or alleged breach by Assignee under the PPR Contracts on or after the date of this Assignment.

4. Limitation of Damages. Each of Assignor and Assignee agrees that, if it is permitted to bring an action or claim under this Assignment for indemnification, such party shall have no right to, and hereby waives any right to, bring an action or make a claim for incidental,

consequential, special or punitive damages as a result thereof, except to the extent the party seeking indemnification is obligated to pay such damages to a third party.

This Assignment may be executed in any number of counterparts. Each such counterpart hereof shall be deemed an original, but all counterparts shall constitute but one agreement. This Assignment shall be (a) binding upon, and inure to the benefit of, the parties to this Assignment and their respective heirs, legal representatives, successors and assigns, and (b) construed in accordance with the laws of the State of Arizona, without regard to the application of choice of law principles.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Assignor and Assignee have executed this Assignment and Assumption of PPR Contracts as of the date first above written.

ASSIGNOR:

By: _____

Name: _____

Title: _____

ASSIGNEE:

By: _____

Name: _____

Title: _____

Exhibit A to Assignment and Assumption of PPR Contracts

Legal Description of Real Property

Exhibit B to Assignment and Assumption of PPR Contracts

List of PPR Contracts

EXHIBIT M

Other Agreements

1. WPI-919 Farm AZ LLC

Well and Ditch Sharing License dated October 2, 2014 by and between Sherrill Ventures LLLP and WPI-919 Farm AZ, LLC.

2. WPI-Hancock Farms AZ LLC

Memorandum of Understanding to Enter into a Well Sharing Agreement dated April 18, 2013 by and between WPI-Hancock Farm AZ, LLC and Arizona Becknell Investors 2011 LLC.

3. WPI-R3 Farm AZ LLC

Reciprocal Well and Ditch Sharing Agreement dated June 22, 2015 by and between Sherrill Ventures LLLP and WPI-R3 Farm AZ, LLC together with First Amendment to Well and Ditch Sharing Agreement dated August 30, 2016.

Agenda Number 5a. Attachment 2



CAGRD
CENTRAL ARIZONA GROUNDWATER
REPLENISHMENT DISTRICT
A Division of Central Arizona Project

**Proposed Purchase & Sale
Agreement to Acquire Water Rights
and Land in Mohave Valley
Irrigation and Drainage District**

CAWCD Board
October 5, 2017

Perri Benemelis, Manager
Water Supply Program

Rhett Billingsley
Senior Attorney

Colorado River Land & Water Acquisition

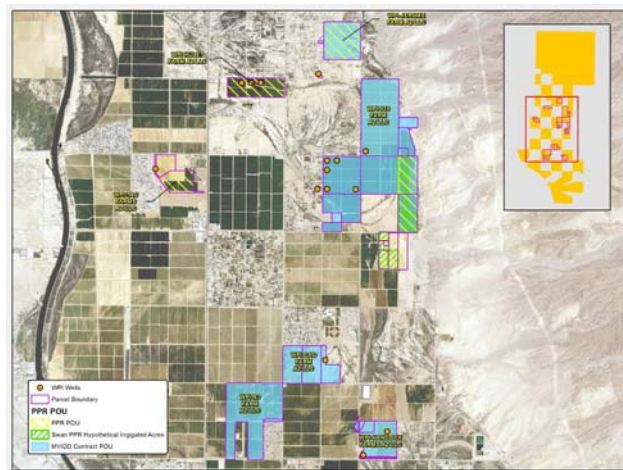
- **CAGRD Water Acquisition Strategy 2015 Update**
 - Goal: Acquire a long-term Colorado River water supply
- **Prior Board E-session Briefings:**
 - December 3, 2015, May 5, 2016, April 6, 2017, August 3, 2017 and September 7, 2017.
- **Properties/Water Rights in MVIDD identified as a high priority:**
 - Good fit for a rotational fallowing program because of the types of crops grown
 - Reliable water supply
 - Minimal economic impact

Proposed Acquisition

- **Target Properties:**
 - Seven farms with a total of 2,203 acres in Mohave Valley Irrigation and Drainage District (MVIDD) in Mohave County, Arizona. Farms include approximately 1,190 irrigated acres.
 - Properties include approximately 13,929 acre-feet of Colorado River water rights:
 - 11,429 AF of Fourth Priority Rights under subcontracts with MVIDD
 - 2,500 AF of Present Perfected Rights (PPRs)
- **Sellers:** Seven limited liability companies affiliated with Water Asset Management (WAM) and Water Property Investor LP (WPI).
- **Purchase Price:** \$34 Million. Average price per acre is approximately \$15,350. Average price per acre-foot of water rights is approximately \$2,440.

Proposed Acquisition

Water Asset Management Lands within MVIDD



Proposed Acquisition

- **Purpose:**
 - Acquire secure rights to Colorado River water
 - Implement a rotational fallowing program to generate a water supply for CAGRDR replenishment purposes.
- **Post-Acquisition Management:**
 - Continue to lease lands to local farmers in coordination with a rotational fallowing program to protect the water rights and generate revenue to offset acquisition and ownership costs.
 - Obtain required authorizations to divert and transport water for CAGRDR replenishment purposes.

Fallowing Program Goals

- **CAWCD desires to work with MVIDD to develop and implement a rotational fallowing program for lands in MVIDD. The goals of the program are:**
 - Maintain a financially viable agricultural economy within MVIDD;
 - Design a rotational fallowing program that) is open to interested farmers with lands that have an active farming history and 2) maintain district farmlands and infrastructure in good order;
 - In conjunction with regulatory agencies, develop a quantification methodology that is rigorous and accurate;
 - Develop a reliable water supply for CAGRDR replenishment in central Arizona, and
 - Avoid third-party impacts. To avoid impacts to other mainstem water users the amount of water available for replenishment as a result of any approved fallowing program will be limited to the amount of foregone consumptive crop use, calculated using a rigorous and defensible quantification methodology.

Purchase and Sale Agreement

- **Parties:**
 - **Buyer:** CAWCD
 - **Seller(s):** WPI Hulet Farm AZ, LLC; WPI-919 Farm AZ, LLC; WPI-CAD Farm AZ, LLC; WPI-Hancock Farm AZ, LLC; WPI-Jerome Farm AZ, LLC; WPI-R3 Farm AZ, LLC; and WPI-TAC Farm AZ, LLC.
 - **WAM and WPI:** Parties only with respect to certain covenants and representations under PSA.
- **Effective Date.** Effective when executed by each party. Sellers, WAM and WPI have executed the PSA.
- **Target Property/Water Rights:** All real property, water rights and farm leases held by Sellers. Property includes approximately 13,929 AF of Colorado River water rights.

Purchase and Sale Agreement

- **Earnest Money.** CAWCD required to make an Earnest Money deposit of \$250,000 upon opening of escrow. Earnest Money is refundable if (1) CAWCD provides notice of its decision not to proceed for any reason before end of Feasibility Period; or (2) CAWCD exercises a right to terminate the contract because of Seller default or if Seller has failed to satisfy a closing contingency.
- **Purchase Price.** The total purchase price is \$34 million. The \$250,000 of Earnest Money, including any interest accrued during escrow, will be applied to the purchase price at closing.
- **Feasibility Period.** The Feasibility Period ends on January 12, 2018.
- **Closing.** Assuming satisfactory resolution of the Due Diligence items and that all closing contingencies have been met, closing is scheduled to occur on Friday, February 15, 2018.

Purchase and Sale Agreement

- **Conditions to Closing.** CAWCD's obligation to close is contingent on several conditions precedent. If Seller cannot satisfy these conditions, CAWCD may terminate the agreement and receive a refund of the Earnest Money. The conditions to closing include:
 - MVIDD approval of assignment of the water contracts (or issuance of new contracts) on terms acceptable to CAWCD.
 - Seller providing CAWCD with satisfactory evidence of Seller's ownership share of any partially-owned PPRs.
 - Seller providing CAWCD with satisfactory evidence of the assignment or assignability to CAWCD of any well and ditch sharing agreements.

Due Diligence Tasks

1. **Title Review:** Working with outside counsel to complete title review.
2. **Surveys:** Updating existing ALTA surveys for all seven farms.
3. **Environmental Review.** Completing Phase I environmental site assessments for each farm.
4. **Farm and Well Inspection:** Working with consultant to inspect farm infrastructure and wells and identify repairs needed before closing.
5. **Water Rights Review:** Staff research validity and transferability of water rights for 4th priority and PPR rights.
6. **MVIDD Board Consultation:** Meet with the MVIDD Board to discuss transaction, confirm process for water contract transfer and initiate development of following program.
7. **Farm Tenant Consultation:** Meet with farm tenants regarding continuation of farm leases.
8. **Local Taxing Jurisdictions.** Meet with Mohave County and other local jurisdictions to evaluate options to minimize impact of CAWCD land ownership.

Schedule

- **Effective Date** – September 7, 2017
- **Feasibility/Due Diligence Period** – CAWCD has already started its due diligence review. The Feasibility Period ends on January 12, 2018.
- **Public Information/Outreach** – Ongoing
- **Early Consultation with ADWR & Reclamation** – October – November 2017
- **Closing** - February 15, 2018.
- **Quantification Study** – Begins March 2018.