

February 26, 2016

**VIA E-MAIL AND  
FIRST CLASS MAIL**

George M. Soneff, Esq.  
Manatt, Phelps & Phillips, LLP  
11355 W. Olympic Blvd.  
Los Angeles, CA 90064

Re: Golden State Water Company's Ojai Service Area; Purchase Offer

Dear Mr. Soneff:

I am writing to you in your capacity as the attorney for the Golden State Water Company ("GSW"). If you prefer that I send a copy of this letter to some other person or persons at GSW, please provide me with his/her/their contact information and I will do so.

As you know, Rutan & Tucker LLP represents the Casitas Municipal Water District ("CMWD"). As I stated in my November 17, 2015, CMWD desires to acquire the tangible and incidental intangible property and property rights and assets owned or held by GSW with respect to GSW's Ojai service area (collectively, and as more particularly described below, the "Subject Property"), in accordance with Resolution No. 13-12 adopted by CMWD's Board of Directors on March 13, 2013. The purpose of CMWD's acquisition is to convert the privately owned and held GSW Ojai service area to public ownership and control (the "Proposed Public Use"). CMWD has now obtained an appraisal of the Subject Property. The appraisal was conducted by Bruce W. Hull & Associates Inc. and Bruce W. Hull, MAI, and Wayne Lusvardi, Associate. CMWD's Board of Directors has considered the appraisal of the Subject Property and has authorized me to present this offer of just compensation to you, on behalf of GSW. CMWD is offering the full amount reflected in the appraisal as the fair market value for the Subject Property.

***Description of Subject Property***

To reiterate what I stated in my November 17, 2015, letter, I wrote to you back on July 6, 2015, and followed up by email on September 17, 2015, requesting that GSW cooperate with CMWD in identifying GSW's assets in and with respect to its Ojai service area so that CMWD could better ensure that its appraisal "is as specific as possible and neither under-inclusive nor over-inclusive." In your September 24, 2015, reply you stated that GSW "has no interest in participating in a pre-condemnation asset review process." Accordingly, CMWD has made a diligent effort to identify the various elements comprising the Subject Property to the best of its ability based on the public resources available to it and, without limiting CMWD's right to add (or

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subtract) GSW property and property interests at a later date, the Subject Property addressed in this purchase offer includes, but is not limited to, the following:

1. Real Property Ownership Interests. Based on a preliminary title report prepared by First American Title Insurance Company, CMWD has identified the properties and easement rights described in Exhibit A to this letter as being owned by GSW that are part of the Subject Property and included within this purchase offer.

2. Facilities.

2.1 Wells. (1) Gorham Well 1; (2) Mutual Well 4; (3) Mutual Well 5; (4) San Antonio Well 3; (5) San Antonio Well 4; and (6) Mutual Well 3; in all cases including all appurtenant equipment and facilities attached or affixed to such well facilities, including without limitation generators, pressure filters, chemical storage and dosing equipment, buildings, and SCADA controls.

2.2 Storage Tanks. (1) Fairview; (2) Heidelberg; (3) Running Ridge 1; (4) Running Ridge 2; (5) San Antonio Forebay; and (6) Signal; in all cases including all appurtenant equipment and facilities attached or affixed to such storage tanks.

2.3 Hydro-Pneumatic Tanks. Heidelberg Hydro-Pneumatic Tank, including all appurtenant equipment and facilities attached or affixed to such tank.

2.4 Pumping Stations. CMWD's appraisers have identified five (5) pumping stations owned/operated by GSW that convey water from ground level tanks into the distribution system or from lower- to higher-pressure zones in the GSW system: Signal, Heidelberg, Fairview, Valley View, and San Antonio/Mutual Forebay. Each pumping station has two (2) pumps. The Fairview and San Antonio Booster Stations have one empty can for a full booster pump. All of these facilities, including appurtenant equipment and facilities attached or affixed thereto, are included as part of the Subject Property subject to this purchase offer.

2.5 Pressure Regulating and Control Stations. CMWD's appraisers have identified three (3) pressure regulating and control valve stations in the GSW system: at the Montana-Cuyama/CMWD Interconnection, at Saddle Lane, and Ventura Street. All of these facilities, including appurtenant equipment and facilities attached or affixed thereto, are included as part of the Subject Property subject to this purchase offer.

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2.6 Water Transmission and Distribution Pipelines. Based upon GSW's 2009 Master Plan, CMWD's appraisers have estimated there are approximately thirty-two (32) miles of pipelines in the GSW/Ojai system, consisting of the following: (1) approximately 24,475 linear feet of 4" pipe; (2) approximately 53,441 linear feet of 6" pipe; (3) approximately 71,077 linear feet of 8" pipe; (4) approximately 7,557 linear feet of 10" pipe; (5) approximately 15,628 linear feet of 12" pipe; and (6) approximately 341 linear feet of 16" pipe. All of these facilities, including appurtenant equipment and facilities attached or affixed thereto, are included as part of the Subject Property subject to this purchase offer.

2.7 Additions, Deletions, Alterations to GSW's Facilities. CMWD acknowledges that GSW's Ojai facilities are not static and change over time. CMWD believes the description of GSW's Ojai facilities in subparagraphs 2.1-2.6 is accurate and complete as of the date this letter is being delivered, but to the extent this letter inadvertently fails to expressly describe one or more of GSW's Ojai facilities or GSW adds to, improves, or alters its Ojai facilities after the date of this letter and before a final purchase is consummated, CMWD hereby notifies GSW that it desires to purchase all of GSW's Ojai facilities (except to the extent expressly excluded from this purchase offer) and if any such new, improved, or altered facility or facilities has not already been taken into consideration by CMWD's appraisers, CMWD is prepared to modify its appraisal and/or make an appropriate equitable adjustment to this purchase offer to account for such changes.

3. Easements, Franchise Rights, and Similar Interests. All of GSW's easements, licenses, rights-of-entry, franchise rights, and other similar property interests in and with respect to its Ojai service area, including without limitation all of GSW's rights (and obligations) as set forth in Ordinance No. 382 adopted by the City Council of the City of Ojai on May 8, 1967, as the same may have been amended from time to time (granting a franchise to Southern California Water Company).

4. Water Rights. All appropriative water rights, if any, of GSW in and with respect to its Ojai service area.

5. WRAM Account Balance. CMWD acknowledges that, based upon the Water Rate Adjustment Mechanism ("WRAM") billing system approved by the California Public Utilities Commission ("CPUC"), GSW may have an accrued right to collect additional fees and charges from its Ojai customers as of the date its Ojai utility is transferred to CMWD. CMWD's latest information is that GSW's total accrued WRAM account balance is approximately \$2,449,615 and that, if GSW were to continue to be the service provider in Ojai, it would be paid that amount (as

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a surcharge on water bills) over a period of 46 months. (GSW Advice Letter 1650-W, filed with CPUC on or about February 22, 2016). CMWD acknowledges that it is obligated to “make whole” GSW with respect to its accrued and unpaid WRAM account balance. Since the accrued balance in the WRAM account changes over time, however, this purchase offer is being expressed as the fair market value of the Subject Property *without* taking the WRAM account balance into consideration and, *in addition*, CMWD is offering to pay to GSW the accrued and unpaid WRAM account balance as of the date of transfer, with said amount discounted over the term it would otherwise be received by GSW through its billing system to the then-present value using a discount rate of 3% per annum.

6. Books and Records. All of GSW’s books and records (herein, collectively, “Records”) relating to its Ojai service area, including without limitation (1) all Records containing customer account information, including without limitation all customer billing records, payment records, delinquent payment history information, security deposit information, and the like; (2) all Records containing planning, design, and engineering information related to GSW’s Facilities in its Ojai service area (see clause (2) above), including without limitation plans and specifications, as-built drawings, CAD files, inspection, maintenance, and repair and replacement logs and reports; and (3) to the extent not addressed in clauses (1) and (2) of this subparagraph (6), all Records relating to the items listed in subparagraphs (1)-(5) above, inclusive. As used herein, the term “Records” includes all writings prepared, owned, used, or retained by GSW or any of its affiliated entities regardless of physical form or characteristics. As used herein, the term “writing” means any handwriting, typewriting, printing, photostating, photographing, photocopying, transmitting by electronic mail or facsimile, and every other means of recording upon any tangible thing any form of communication or representation, including letters, words, pictures, sounds, or symbols, or combinations thereof, and any record thereby created, regardless of the manner in which the record has been stored.

7. Prepaid Fees and Charges and Refundable Deposits. To the extent GSW possesses or holds any prepaid fees and charges or any refundable deposits from property owners, customers, or ratepayers as of the date its Ojai utility is transferred to CMWD (collectively, “Prepaid Funds”), CMWD intends to either (1) acquire such Prepaid Funds as part of the “Subject Property” or, alternatively, (2) deduct the amount of such Prepaid Funds from the just compensation amount to be paid.

***Certain GSW Assets Excluded from Definition of “Subject Property” Subject to this Purchase Offer***

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The following GSW assets, to the extent they exist with respect to GSW's Ojai service area, are expressly *excluded* from the definition of "Subject Property" and are *not* part of this purchase offer: (1) working cash; and (2) materials, supplies, and personal property other than the Records and Prepaid Funds identified in clauses (7) and (8) above that are not appurtenant or affixed to the real property identified in clause (1) above or the facilities identified in clause (2) above.

***Additional Information Relating to Appraisal of Subject Property***

Please be advised that the appraisers' determination of just compensation and this purchase offer are based in part upon the following:

1. Date of Value: January 15, 2016.
2. Highest and Best Use of the Subject Property: Continued existing use as water utility.
3. Applicable Zoning of Real Property Parcels: (1) APN 010-0-070-160—R-0-1 (1-acre); (2) APN 010-0-210-090 (R-A, Residential-Agricultural—Unincorporated Ventura County); (3) APN 020-0-010-010 (PL—Public/Quasi Public); (4) APN 020-0-011-020 (PL—Public/Quasi Public); (5) APN 028-0-080-050 (PL—Public/Quasi Public); and (6) APN 028-0-111-020 (R-1-1/2 (0.5 acre)).
4. Identification of Sales and Contracts to Sell Supporting the Determination of Value and Information Regarding Such Transactions. See Exhibit B to this letter.
5. Larger Parcel Issues. The appraisers have determined that the Subject Property is not a part of a larger parcel.

***Purchase Offer***

CMWD hereby offers to pay to GSW for the Subject Property the sum of: (1) Twenty-Three Million Seven Hundred Thousand Dollars (\$23,700,000); plus (2) the discounted present value of GSW's WRAM account balance calculated as set forth above; less (3) the amount of the Prepaid Funds. This is the full amount determined by CMWD to be just compensation and is not less than the amount of the appraisal obtained by CMWD. This amount is for all property interests; if there are multiple parties entitled to share in the payment of such amounts, allocation of the just

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compensation amount between or among GSW and other parties having an interest in the Subject Property will be GSW's responsibility.

Payment will be made when the title to the Subject Property vests in CMWD free and clear of all recorded and unrecorded liens, encumbrances, assessments, judgments, and taxes, except:

1. Taxes for the year in which the any real property assets are purchased, which shall be cleared and paid in the manner required by Section 5086 of the Revenue and Taxation Code, if unpaid at the time escrow for the purchase closes;
2. Covenants, conditions, restrictions, and reservations of record that do not interfere with CMWD's proposed use of the real property assets and facilities acquired by CMWD, as reasonably determined by CMWD;
3. Easements or rights-of-way over the land for public or quasi-public utility or public street purposes, if any; and
4. Any other interests in the Property or exceptions to title appearing on a preliminary title report or litigation guarantee, which are accepted by CMWD in writing through escrow.

CMWD will pay all usual fees, charges, and costs, which arise out of the escrow.

In addition, pursuant to Code of Civil Procedure Section 1263.025, CMWD will reimburse GSW up to the amount of \$5,000.00 for the cost incurred by GSW to secure an independent appraisal of the Subject Property. If GSW wishes to take advantage of this reimbursement, please forward to the undersigned a copy of a paid invoice from an appraiser retained by GSW for this purpose. In order to qualify for this reimbursement, the appraiser selected must be a California Certified General Real Estate Appraiser in good standing.

If this offer is acceptable to GSW, please notify me in writing. Upon GSW's acceptance, CMWD will prepare and forward to you a formal purchase and sale agreement (herein, a "Purchase Agreement"). Upon CMWD's receipt of a Purchase Agreement consistent with the terms and conditions set forth in this letter, the matter will be presented to CMWD's Board of Directors for approval. It should be understood that this letter is not intended to contain all of the terms and conditions to be included in a Purchase Agreement and that no final agreement will be formed until a formal written Purchase Agreement has been approved and executed by both parties.

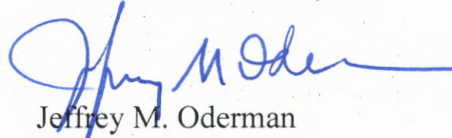
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If for any reason GSW is not satisfied with this offer of just compensation and it has relevant information regarding the value of the Subject Property it wishes to have CMWD consider, CMWD will be happy to do so. If you have such information, please contact me at 714-641-3441. CMWD is prepared to engage in meaningful discussions and negotiations with GSW regarding this purchase offer. In the event GSW rejects or fails to respond to this purchase offer and/or if subsequent discussions and negotiations fail to result in an executed Purchase Agreement, however, CMWD reserves the right to determine whether to acquire the Subject Property through exercise of CMWD's power of eminent domain. Before that decision is made CMWD is required by law to schedule a hearing to determine whether condemnation is justified in accordance with provisions of California's Eminent Domain Law (Code of Civil Procedure Section 1235.010 *et seq.*) and GSW is required to provide GSW with a minimum of 15 days prior notice of that hearing. If such a hearing is held and if CMWD's Board of Directors does determine at the conclusion of the hearing to acquire the Subject Property by eminent domain, GSW will have the right to have the amount of just compensation to be paid by CMWD for the Subject Property fixed by a court of law or a jury.

If GSW has any questions regarding this purchase offer, or wish to request any additional information, please contact me at your convenience. I previously provided CMWD's acquisition procedures to you with my November 17, 2015, letter. Please also let me know if GSW has any questions concerning those procedures.

Sincerely,

RUTAN & TUCKER, LLP



Jeffrey M. Oderman

JMO:mrs

cc: Steve Wickstrum, CMWD General Manager  
John Mathews, CMWD General Counsel

# EXHIBIT A

## LEGAL DESCRIPTION

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

PARCEL 1: (TAX PARCEL 010-0-210-090)

THAT PORTION OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 35, TOWNSHIP 5 NORTH, RANGE 23 WEST, SAN BERNARDINO BASE MERIDIAN, IN THE COUNTY OF VENTURA, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT IN THE WEST LINE OF SAID NORTHEAST QUARTER OF THE SOUTHEAST QUARTER, DISTANT ALONG SAID WEST LINE NORTH 224.99 FEET FROM THE SOUTHWEST CORNER OF SAID NORTHEAST QUARTER OF THE SOUTHEAST QUARTER; THENCE IN A DIRECT LINE NORTH 20° 32' 30" EAST 162.03 FEET TO THE SOUTHERLY TERMINUS OF THE 5TH COURSE RECITED AS "SOUTH 30° 45' WEST 119.36 FEET" IN THE FIRST EXCEPTION IN PARCEL 1 IN THE DEED TO ARTHUR E. MIMANGO, ET WX., RECORDED JULY 09, 1961, AS DOCUMENT NO. 32376, IN BOOK 2025, PAGE 107 OF OFFICIAL RECORDS, AND BEING THE TRUE POINT OF BEGINNING; THENCE,

1ST - NORTH 62° 27' WEST 28.95 FEET; THENCE,

2ND - SOUTH 28° 51' 15" WEST 68.22 FEET TO THE WEST LINE OF SAID NORTHEAST QUARTER OF THE SOUTHEAST QUARTER; THENCE, IN A DIRECT LINE,

3RD - NORTH 74° 30' EAST 47.74 FEET TO A POINT IN THAT CERTAIN COURSES HEREINBEFORE RECITED AS HAVING A BEARING AND LENGTH OF "NORTH 20° 32' 30" WEST 162.03 FEET". DISTANT ALONG SAID CERTAIN COURSE SOUTH 20° 32' 30" WEST 35.88 FEET FROM THE NORTHERLY TERMINUS THEREOF; THENCE, ALONG SAID LAST MENTIONED COURSE,

4TH - NORTH 20° 32' 30" WEST 35.88 TO THE TRUE POINT OF BEGINNING.

PARCEL 2: (TAX PARCEL 010-0-070-160)

THAT PORTION OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 35, TOWNSHIP 5 NORTH, RANGE 23 WEST, SAN BERNARDINO BASE MERIDIAN, IN THE COUNTY OF VENTURA, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT IN THE WEST LINE OF SAID NORTHEAST QUARTER OF THE SOUTHEAST QUARTER, DISTANT ALONG SAID WEST LINE NORTH 1027.07 FEET FROM THE SOUTHWEST CORNER OF SAID NORTHEAST QUARTER OF THE SOUTHEAST QUARTER; THENCE SOUTH 80° 55' 45" EAST 669.09 FEET; THENCE NORTH 17° 40' 30" WEST 143.41 FEET TO THE TRUE POINT OF BEGINNING; THENCE,

1ST - NORTH 06° 30' 30" WEST 70 FEET; THENCE

2ND - SOUTH 69° 41' 00" EAST 68.37 FEET; THENCE,

3RD - SOUTH 17° 21' 30" WEST 43.93 FEET TO AN INTERSECTION WITH A LINE HAVING A BEARING OF NORTH 87° 26' 00" WEST AND WHICH PASSES THROUGH SAID TRUE POINT OF BEGINNING; THENCE, ALONG SAID LINE,



## EXHIBIT A

4TH - SOUTH 87° 26' 00" EAST 85.22 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL 3:

A NON-EXCLUSIVE EASEMENT AND RIGHT OF WAY UPON, OVER, UNDER THROUGH AND ACROSS THOSE PORTIONS OF SECTION 35, TOWNSHIP 5 NORTH, RANGE 23 WEST SAN BERNARDINO BASE MERIDIAN, IN THE COUNTY OF VENTURA, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, FOR THE PURPOSE OF INSTALLING ENLARGING, REPLACING, MAINTAINING AND OPERATING WATER PIPE LINES AND THEIR RESPECTIVE APPURTENANCES; AND FOR THE FURTHER PURPOSE OF INGRESS AND EGRESS AND PASSAGE ACROSS WITH ALL NECESSARY MATERIALS, TOOLS, SUPPLIES AND OTHER EQUIPMENT NECESSARY FOR THE INSTALLATION, ENLARGING, REPLACING, MAINTAINING AND OPERATING OF OTHER WATER SUPPLY FACILITIES, LOCATED ON ADJACENT LAND, DESCRIBED AS STRIPS A, B, C AND D AS FOLLOWS:

STRIP A:

A STRIP OF LAND 50 FEET IN WIDTH, LYING 25 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE:

BEGINNING AT A POINT ON THE SOUTHERLY LINE OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 35, AT THE NORTHERLY TERMINUS OF FOOTHILL ROAD (FORMERLY FAIRVIEW ROAD) AS SAID ROAD IS SHOWN ON THE MAP OF FOOTHILLS PARK, RECORDED IN BOOK 5, PAGE 18 OF MAPS; THENCE ALONG THE NORTHERLY PROLONGATION'S OF SAID CENTERLINE NORTH 0° 25' EAST 395 FEET TO A POINT ON THE SOUTHERLY LINE OF THE LANDS DESCRIBED IN PARCEL 3, IN THE DEED TO PAULINE HEIDELBERGER, RECORDED MAY 22, 1956, AS DOCUMENT NO. 21917, IN BOOK 1407, PAGE 475, OF OFFICIAL RECORDS, SAID LAST POINT BEING THE TRUE POINT OF BEGINNING,

1ST - NORTH 16° 50' WEST 147.08 FEET; THENCE

2ND - NORTH 07° 43' 30" WEST 138.04; THENCE

3RD - NORTH 13° 12' EAST 76.06 FEET; THENCE

4TH - NORTH 25° 20' EAST 90.15 FEET; THENCE

5TH - NORTH 23° 43' 30" EAST 125.45 FEET; THENCE

6TH - NORTH 18° 15' 30" EAST 180.28 FEET; THENCE

7TH - NORTH 10° 19' 30" EAST 121.48 FEET; THENCE

8TH - NORTH 21° 04' 30" EAST 92.57 FEET TO THE SOUTH LINE OF THE LAS PADRES NATIONAL FOREST LANDS

STRIP B:

A STRIP OF LAND 50 FEET IN WIDTH, LYING 25 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE:

BEGINNING AT A POINT ON THE WESTERLY LINE OF SAID NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 35, SAID LINE BEING THE EAST LINE OF THE LAS PADRES NATIONAL FOREST LANDS, DISTANT ALONG SAID WESTERLY LINE NORTH 224.90

## EXHIBIT A

FEET FROM THE SOUTHWESTERLY CORNER OF SAID NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 35; THENCE

1ST - NORTH 57° 47' EAST 13.44 FEET; THENCE

2ND - NORTH 68° 58' 30" EAST 136.04 FEET; THENCE

3RD - NORTH 87° 25' 15" EAST 66.06 FEET; THENCE

4TH - NORTH 65° 00' 15" EAST 197.65 FEET; THENCE

5TH - NORTH 34° 39' 15" EAST 91.03 FEET; THENCE

6TH - NORTH 30° 09' 15" EAST 197.88 FEET; THENCE

7TH - NORTH 14° 35' 15" EAST 100.69 FEET; THENCE

8TH - NORTH 40° 56' 45" EAST 136.49 FEET; THENCE

9TH - NORTH 24° 08' EAST 65.07 FEET; THENCE

10TH - NORTH 17° 40' 30" WEST 194.15 FEET; THENCE

11TH - NORTH 06° 50' 30" WEST 134.80 FEET; THENCE

12TH - NORTH 21° 23' EAST 128.43 FEET.

STRIP C:

A STRIP OF LAND 20 FEET IN WIDTH, LYING 10 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE:

BEGINNING AT A POINT ON THE WESTERLY LINE OF SAID NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 35, DISTANT ALONG SAID WESTERLY LINE 224.90 FEET FROM THE SOUTHWESTERLY CORNER OF SAID NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 35; THENCE,

1ST - NORTH 20° 52' 50" EAST 162.03 FEET; THENCE

2ND - NORTH 50° 45' EAST 119.36 FEET; THENCE

3RD - NORTH 47° 53' EAST 141.59 FEET.

STRIP D:

A STRIP OF LAND 30 FEET IN WIDTH, LYING 15 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE:

BEGINNING AT A POINT ON THE NORTHERLY LINE OF SAID SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 35, DISTANT ALONG SAID NORTHERLY LINE 541.71 FEET FROM THE NORTHEASTERLY CORNER OF SAID SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 35; THENCE,

1ST - SOUTH 54° 59' 15" EAST 224.32 FEET; THENCE

## EXHIBIT A

2ND - SOUTH 78° 59' WEST 140.79 FEET.

PARCEL 4: (A PORTION OF TAX PARCEL 028-0-080-050)

THAT PORTION OF TRACT NO. 20 OF THE RANCHO OJAI, BARD SUBDIVISION RECORDED IN BOOK 5, PAGE 25 ½ OF MAPS ALSO BEING A PORTION OF THE RANCHO OJAI, IN THE CITY OF OJAI, COUNTY OF VENTURA, STATE OF CALIFORNIA, AS GRANTED BY THE UNITED STATES OF AMERICA, TO FERNANDO TICO, BY LETTERS PATENT DATED DECEMBER 22, 1870 AND RECORDED IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY IN BOOK A, PAGE 323 OF PATENTS (TRANSCRIBED RECORDS FROM SANTA BARBARA COUNTY) AND PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE SOUTH LINE OF THAT CERTAIN PUBLIC ROAD, 66 FEET WIDE, LOCALLY KNOWN AS THE CALLED GRAND AVENUE, AT THE NORTHWEST CORNER OF LOT 3 OF THE COREY TRACT, AS PER MAP RECORDED IN BOOK 5, PAGE 13 OF MAPS, RECORDS OF SAID COUNTY; FROM SAID POINT OF BEGINNING, BEING THE SOUTHEAST CORNER OF LOT 10 OF OLIVE TRACT, AS PER MAP RECORDED IN BOOK 3, PAGE 6 OF MAPS WHICH BEARS NORTH 16° 15' EAST 1.16 CHAINS DISTANT; SAID POINT OF BEGINNING BEING THE NORTHWEST CORNER OF THAT CERTAIN PARCEL OF LAND AS CONVEYED TO W. M. ATWOOD BY DEED DATED OCTOBER 03, 1914, RECORDED IN BOOK 144, PAGE 448 OF DEEDS; THENCE FROM SAID POINT OF BEGINNING,

1ST - SOUTH 16° 15' WEST 3.61 CHAINS; THENCE

2ND - WEST 5.255 CHAINS TO A POINT; THENCE AT RIGHT ANGLES,

3RD - NORTH 3.47 CHAINS TO A POINT IN THE SOUTH LINE OF SAID GRAND AVENUE; THENCE ALONG SAME,

4TH - EAST 6.265 CHAINS TO THE POINT OF BEGINNING.

PARCEL 5: (REMAINDER OF TAX PARCEL 028-0-080-050)

THAT PORTION OF TRACT NO. 20 OF THE RANCHO OJAI, BARD SUBDIVISION RECORDED IN BOOK 5, PAGE 25 ½ OF MAPS ALSO BEING A PORTION OF THE RANCHO OJAI, IN THE CITY OF OJAI, COUNTY OF VENTURA, STATE OF CALIFORNIA, AS GRANTED BY THE UNITED STATES OF AMERICA, TO FERNANDO TICO, BY LETTERS PATENT DATED DECEMBER 22, 1870 AND RECORDED IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY IN BOOK A, PAGE 323 OF PATENTS (TRANSCRIBED RECORDS FROM SANTA BARBARA COUNTY) AND PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE SOUTH LINE OF THAT CERTAIN PUBLIC ROAD, 66 FEET WIDE, LOCALLY KNOWN AS THE CALLED GRAND AVENUE DISTANT 6.265 CHAINS FROM THE NORTHWEST CORNER OF LOT 3 OF THE COREY TRACT, AS PER MAP RECORDED IN BOOK 3, PAGE 13 OF MAPS, RECORDS OF SAID COUNTY, AND BEING ALSO THE NORTHWEST CORNER OF THAT CERTAIN PARCEL OF LAND AS CONVEYED TO EDWARD D. LIBBEY, AS BY DEED DATED OCTOBER 06, 1915, AND RECORDED IN BOOK 146, PAGE 251 OF DEEDS, THENCE FROM SAID POINT OF BEGINNING,

1ST - SOUTH 3.47 CHAINS TO A POINT; THENCE AT RIGHT ANGLES,

2ND - WEST 8.015 CHAINS TO A POINT; THENCE AT RIGHT ANGLES,

3RD - NORTH 3.47 CHAINS TO A POINT IN THE SOUTH LINE OF SAID GRAND AVENUE; THENCE ALONG SAME,

## EXHIBIT A

4TH - EAST 8.015 CHAINS TO THE POINT OF BEGINNING.

PARCEL 6: (TAX PARCEL 020-0-010-010)

A PORTION OF TRACT 8 OF THE BARD SUBDIVISION OF THE RANCHO OJAI, IN THE CITY OF OJAI, COUNTY OF VENTURA, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 5, PAGE 25 ½ OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE NORTHERLY LINE OF PARCEL "A" AS SAID PARCEL IS DESCRIBED IN DEED TO FLORENCE SCOTT LIBBEY, DATED JANUARY 19, 1927 AND RECORDED IN BOOK 139, PAGE 130 OF OFFICIAL RECORDS, FROM WHICH A CROSS CUT IN THE TOP OF A STONE WALL AT THE NORTHWEST CORNER OF SAID PARCEL "A" BEARS SOUTH 70° 05 WEST 352.32 FEET AND RUNNING THENCE FROM SAID POINT OF BEGINNING,

1ST - NORTH 70° 05' EAST 288.00 FEET WITH THE NORTH LINE OF SAID PARCEL "A" TO A POINT; THENCE

2ND - SOUTH 00° 25' EAST 236.23 FEET TO A POINT; THENCE

3RD - SOUTH 89° 35' WEST 271.50 FEET TO A POINT; THENCE

4TH - NORTH 00° 25' WEST 140.16 FEET TO THE POINT OF BEGINNING.

PARCEL 7: (TAX PARCEL 028-0-111-020)

THAT PORTION OF LOT 3 OF THE COREY TRACT, IN THE CITY OF OJAI, COUNTY OF VENTURA, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 5, PAGE 13 OF MAPS, IN THE OFFICE RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF LOT 4 OF THE SAID COREY TRACT, THE SAME BEING ALSO THE NORTHWESTERLY CORNER OF LANDS CONVEYED BY MILO E. WAITE, ET UX., TO JOHN L. CLOVER, ET UX., BY DEED DATED MARCH 31, 1903, AND RECORDED IN BOOK 87, PAGE 356 OF DEEDS, RECORDS OF SAID COUNTY; THENCE ALONG THE WESTERLY LINE OF SAID PARCEL 3,

1ST - NORTH 16° 15' EAST 7.36 CHAINS TO THE NORTHWESTERLY CORNER OF SAID LOT 3; THENCE ALONG THE NORTHERLY LINE OF SAID LOT 3,

2ND - NORTH 76° 00' EAST 300.00 FEET TO A POINT; THENCE ALONG A LINE PARALLEL TO THE WESTERLY LINE OF SAID LOT 3,

3RD - SOUTH 16° 15' WEST TO THE NORTH LINE OF THE LANDS DEEDED TO JOHN L. CLOVER, ET UX., BY DEED DATED MARCH 31, 1903, RECORDED IN BOOK 87, PAGE 356 OF DEEDS, RECORDS OF SAID COUNTY; THENCE

4TH - NORTH 77° 00' WEST 260.00 FEET MORE OR LESS ALONG SAID LAS MENTIONED LINE TO THE POINT OF BEGINNING.

PARCEL 8: (TAX PARCEL 021-0-011-020)

THAT PORTION OF LOT 1 OF THE TRACT OF LAND OF THE RANCHO OJAI BEING A SUBDIVISION OF J.W. WOLFE, IN THE CITY OF OJAI, COUNTY OF VENTURA, STATE OF

## EXHIBIT A

CALIFORNIA, AS PER MAP RECORDED IN BOOK 3, PAGE 10 OF MAPS, IN THE OFFICE RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT AN IRON STANDARD SET IN THE WESTERLY LINE OF THAT CERTAIN PUBLIC ROAD LOCALLY KNOWN AS "WOLFE STREET", DISTANT WEST 25.00 FEET FROM THE SOUTHEAST CORNER OF SAID LOT 1; THENCE FROM SAID POINT OF BEGINNING,

1ST - NORTH 50.00 FEET ALONG THE WEST LINE OF SAID WOLFE STREET TO A POINT; THENCE,

2ND - NORTH 45° WEST 70.71 FEET TO A POINT; THENCE,

3RD- WEST 179.30 FEET TO A POINT; THENCE

4TH - SOUTH 100.00 FEET TO A POINT IN THE SOUTH LINE OF SAID LOT 1; THENCE ALONG SAME,

5TH - EAST 229.30 FEET TO THE POINT OF BEGINNING, TOGETHER WITH THAT PORTION OF LOT 1 OF THE TRACT OF LAND OF THE RANCHO OJAI BEING A SUBDIVISION OF J.W. WOLFE, IN THE CITY OF OJAI, COUNTY OF VENTURA, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 3, PAGE 10 OF MAPS, IN THE OFFICE RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT AN IRON STANDARD SET IN THE WESTERLY LINE OF THAT CERTAIN PUBLIC ROAD LOCALLY KNOWN AS "WOLFE STREET", DISTANT WEST 25.00 FEET FROM THE SOUTHEAST CORNER OF SAID LOT 1; THENCE FROM SAID POINT OF BEGINNING, NORTH 50.00 FEET ALONG THE WEST LINE OF SAID WOLFE STREET TO THE TRUE POINT OF BEGINNING; THENCE,

1ST - NORTH 45° WEST 70.71 FEET TO A POINT; THENCE,

2ND- WEST 179.30 FEET TO A POINT; THENCE

3RD - NORTH 5.00 FEET TO A POINT; THENCE

4Th - EAST 229.30 FEET TO A POINT IN THE WEST LINE OF SIGNAL STREET (FORMERLY WOLFE STREET); THENCE,

5TH- SOUTH 55.00 FEET TO THE POINT OF BEGINNING.

EXCEPT THEREFROM ANY PORTION OF SAID LAND LYING WITH PARCEL B OF PARCEL MAP FILED IN BOOK 17, PAGE 80 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY AS SHOWN AS PARCEL B ON THE LOT LINE ADJUSTMENT, RECORDED APRIL 14, 2014, AS INSTRUMENT NO. 20040401-0097052, OF OFFICIAL RECORDS.

APN(s): 010-0-210-090; 010-0-070-160; 028-0-080-050; 020-0-010-010; 028-0-111-020 and 021-0-011-020

## EXHIBIT B

### COMPARABLE SALES TRANSACTIONS

	<u>Land Sale No. 1</u>	<u>Land Sale No. 2</u>	<u>Land Sale No. 3</u>	<u>Land Sale No. 4</u>	<u>Land Sale No. 5</u>	<u>Land Sale No. 6</u>	<u>Land Sale No. 7</u>
Location	End Reeves Rd. & Ojai Valley School Rd.	End of Gridley Rd., Ojai	567 McNeil Rd., Ojai	1427 Fraser Land, Oak View	1215 Grand Avenue, Ojai	La Luna/El Roblar, Ojai	Ladera Ranch/Thacher Road, Ojai
Sale Date	Oct-15	Sept. 2014	Dec. 2014	Dec. 2014	Mar-15	Aug. 2014	Aug. 2014
Sales Price	\$1,950,000	\$1,200,000	\$680,000	\$675,000	\$600,000	\$665,000	\$400,000
Acres	46.04	53.98	5	2.85	6.72	10.23	1.23
Zoning	AE	AE	RE	RA	OS-20 acre	RA-10 acres	RE-1
Price Per Acre	\$42,354	\$22,230	\$136,000	\$236,842	\$89,285	\$65,004	N/A
Price Per Potential Homesite	N/A	N/A	\$680,000	\$675,000	\$600,000	\$665,000	\$400,000

## WATER COMPANY SALES

Sale No.	<u>Sale 1</u>	<u>Sale 2</u>	<u>Sale 3</u>	<u>Sale 4</u>	<u>Sale 5</u>	<u>Sale 6</u>
Seller/Buyer	Geyserville Water Company/California American Water Company	Meadowbrook Water Company/California American Water Company	Rural Water Company /Golden State Water Company	Traver Water Co./Del Oro Water Company	Valencia Water Co./Castaic Lake Water Agency	Mt. Lassen Woods/Del Oro Water Company
Location	Sonoma County	Merced County	San Luis Obispo County	Fresno	Santa Clarita	Shasta County
Sale Date	2015 (Pending)	2015	2015	2015	2012	2008
Sales Price	\$1,300,000	4,975,000	\$1,700,000	\$250,000	\$58,640,000	\$165,000
No. Meters	318	1,638	950	180	30,411	132
CPUC-Approved Rate Base	\$902,303	\$1,963,352	\$590,000	\$250,000	\$44,318,000	\$165,000
Price/Meter	\$4,088	\$3,037	\$1,789	\$1,388	\$1,928	\$1,250
Net Income	\$90,952	\$430,235	\$151,147	\$25,258	\$3,825,000	\$8,651
NOI/Meter	\$286	\$262	\$159	\$140	\$125	\$65
CPUC Approved	Pending	Approved	Approved	Pending	Friendly Eminent Domain	Approved
Type Buyer	Private Investor Class A	Private Investor Class A	Private Investor Class A	Private Investor Class B	Public Agency Buyer	Private Investor Class B, CPUC

\* Not including WRAM and Construction In Progress Accounts