

AGENDA

MEETING OF THE KERN COUNTYWIDE OVERSIGHT BOARD

General Services Department
1115 Truxtun Avenue, 3rd Floor
Bakersfield, California

Monday, March 24, 2025
2:00PM

All agenda item supporting documentation is available for public review in the office of the Clerk of the Board of Supervisors, 1115 Truxtun Ave., 5th Floor, Bakersfield, 93301 during regular business hours, 8:00 a.m. – 5:00 p.m., Monday through Friday, following the posting of the agenda. Any supporting documentation that relates to an agenda item for an open session of any regular meeting that is distributed after the agenda is posted and prior to the meeting will also be available for review at the same location.

1. CALL TO ORDER

2. ROLL CALL

- 3. PUBLIC COMMENT:** This time has been set aside for members of the public to address the Oversight Board on any matter not on this agenda but within the subject matter jurisdiction of the Board. Although the Oversight Board values your comments, pursuant to the Brown Act, it generally cannot take any action on items not listed on the posted agenda. Speakers are limited to two minutes. Please state and spell your name before making your comments.

4. ADMINISTRATIVE ITEMS:

4.A. ADOPTION OF RESOLUTION

RECOMMENDATION: Adopt Resolution No. 082 “RESOLUTION OF THE KERN COUNTYWIDE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE DELANO COMMUNITY REDEVELOPMENT AGENCY APPROVING THE EXCHANGE OF REAL PROPERTY IN ACCORDANCE WITH THE LONG-RANGE PROPERTY MANAGEMENT PLAN AND THE DISSOLUTION LAW.”

5. BOARD MEMBER COMMENTS OR ANNOUNCEMENTS

6. ADJOURNMENT

**Americans with Disabilities Act
(Government Code Section 54954.2)**

The Board of Supervisors Chamber is accessible to persons with disabilities. Disabled individuals who need special assistance to attend or participate in a meeting of the Board of Supervisors may request assistance at the Clerk of the Board of Supervisors, Fifth Floor, 1115 Truxtun Avenue, Bakersfield, California or by calling (661) 868-3585. Every effort will

be made to reasonably accommodate individuals with disabilities by making meeting material available in alternative formats. Requests for assistance should be made five (5) working days in advance of a meeting whenever possible.

BEFORE THE KERN COUNTYWIDE OVERSIGHT BOARD

In the matter of:

Resolution No. 82

**RESOLUTION OF THE KERN COUNTYWIDE
OVERSIGHT BOARD OF THE SUCCESSOR
AGENCY TO THE DELANO COMMUNITY
REDEVELOPMENT AGENCY APPROVING
THE EXCHANGE OF REAL PROPERTY IN
ACCORDANCE WITH THE LONG-RANGE
PROPERTY MANAGEMENT PLAN AND THE
DISSOLUTION LAW.**

I, Stacy Kuwahara, Secretary on behalf of the Oversight Board, do certify that the following resolution, on motion of Director _____, seconded by Director _____, was duly passed and adopted by the Board of Directors at a regular meeting this 24th day of March 2025, by the following vote:

AYES:

NOES:

ABSENT:

Secretary on behalf of the Oversight Board
Kern Countywide Oversight Board

RESOLUTION

Section 1. WHEREAS:

(a) Pursuant to AB x1 26, enacted on June 28, 2011, and as subsequently amended (the "Dissolution Law"), the Delano Community Redevelopment Agency was dissolved as of February 1, 2012, and the City of Delano elected to serve as the Successor Agency to the former Delano Community Redevelopment Agency ("Successor Agency"); and

(b) Pursuant to Health and Safety Code section 34173(g), the Successor Agency is a separate legal entity from the City; and

(c) Pursuant to Health and Safety Code section 34179(j), on July 1, 2018, a single oversight board, staffed by the County Auditor-Controller, was created to oversee the actions of all successor agencies within Kern County; and

(d) Health and Safety Code section 34191.5(b) required the Successor Agency to prepare a “Long-Range Property Management Plan” (“LRPMP”) governing the future disposition and use of all real property of the Successor Agency; and

(e) The Successor Agency prepared a LRPMP and the Department of Finance (“DOF”) issued a Finding of Completion on April 26, 2013; and

(f) The LRPMP was approved by the Successor Agency on September 16, 2013, and by the Oversight Board on September 23, 2013; and

(g) A revised LRPMP was approved by the Successor Agency on June 5, 2014, by the Oversight Board on June 9, 2014, and by the DOF on June 18, 2014; and

(h) The real property inherited by the Successor Agency included 49 parcels within a site referred to as “Block H.” All 49 parcels within Block H were designated to be retained for future development in the LRPMP; and

(i) In August 2016, all but two of the 49 parcels within Block H were sold by the Successor Agency to a developer in accordance with the LRPMP and the proceeds of the sale were distributed to the taxing agencies as required by the Dissolution Law; and

(j) The two parcels not included in the sale of the Block H properties—APN Nos. 038-070-01 and 038-070-11—were undergoing environmental mitigation (vapor extraction) at the time, as detailed in the LRPMP; and

(k) The aforementioned mitigation measures have since been completed on the two parcels and the developer that acquired the other Block H properties in 2016 wishes to acquire the two remaining parcels in order to facilitate a commercial development project; and

(l) Among the Block H properties sold by the Successor Agency to the developer in

2016 was an undeveloped parcel located at the southeast corner of Glenwood Street and 11th Avenue (APN No. 038-130-01; hereinafter, the “Corner Parcel”); and

(m) The City of Delano wishes to acquire the Corner Parcel for the purpose of constructing a parking area to serve the existing Delano Transit Center located adjacent to the north; and

(n) The Corner Parcel is 0.73 acres in size; and the two remaining parcels in Block H that the developer wishes to acquire (APN Nos. 038-070-01 and 038-070-11) total 0.74 acres; and

(o) On October 7, 2024, this Board adopted Resolution No. 72, conceptually approving a transaction in which APN Nos. 038-070-01 and 038-070-11 would be exchanged for the Corner Parcel. No monetary consideration would be exchanged between the Successor Agency and the developer, as the subject properties are of comparable size and fair market value; and

(p) Health and Safety Code section 34191.5 allows for successor agency property to be retained for governmental use; and

(q) After the proposed exchange between the Successor Agency and the developer, the City of Delano proposes to retain the Corner Parcel for governmental use in accordance with Health and Safety Code section 34191.5. The Corner Parcel would serve a public purpose as it would become part of the City’s existing transit center and be used as a “park-and-ride” lot; and

(r) Concurrent with the property exchange, the Successor Agency proposes to record a covenant against the Corner Parcel that would obligate the City, in the event the parcel ever ceases to be retained by it for a governmental use, to dispose of the parcel and distribute the income from the sale to the relevant taxing entities as required by the Dissolution Law; and

(s) “**Exhibit A**” hereto shows the relative locations of the subject parcels; and

(t) The Successor Agency now seeks this Board’s final approval of the above-described property exchange, together with the corresponding property exchange agreement and related documents; and

(u) The proposed property exchange complies with the Dissolution Laws, is consistent

with the LRPMP, and furthers the public interest.

Section 2. THEREFORE, IT IS RESOLVED by the Board of Directors of the Kern Countywide Oversight Board, as follows:

1. The foregoing recitals are true and correct and are adopted as findings of the Oversight Board.

2. The Oversight Board finds and determines that (i) the proposed exchange of properties is consistent with, and in furtherance of, the LRPMP and the Dissolution Law, and (ii) retention of the Corner Parcel by the City of Delano for use as a park-and-ride site to serve its adjacent transit center would serve a governmental purpose as contemplated and authorized by Health and Safety Code section 34181(a)(1).

3. The Oversight Board approves the Successor Agency's exchange of APN Nos. 038-070-01 and 038-070-11 for APN No. 038-130-01, subject to the condition that the Successor Agency record a covenant against APN No. 038-130-01 providing that if the Corner Parcel (APN No. 038-130-01) ever ceases to be used for a governmental purpose it will be sold in accordance with the Dissolution Law and the LRPMP and the proceeds of the sale distributed to the taxing agencies in accordance with the Dissolution Law and the LRPMP.

4. The Oversight Board hereby approves the form of the attached "Agreement for Exchange of Real Property" by and between the Successor Agency to the Former Delano Community Redevelopment Agency and 3D Spectravision LLC, attached hereto as "**Exhibit B**".

5. The Oversight Board hereby authorizes and directs the Executive Director of the Successor Agency, or his or her designee, and the City Manager of the City of Delano, or his or her designee, to take all actions and sign the Agreement for Exchange of Real Property and any and all other documents necessary to implement and effectuate the Agreement for Exchange of Real Property, including, without limitation, related deeds and covenants.

6. The secretary of the Oversight Board shall certify the adoption of this Resolution and is hereby directed to transmit a copy of this Resolution and all exhibits thereto, each of which is incorporated herein, to the Department of Finance pursuant to Sections 34179(h) and 34181 of the Health and Safety Code and the LRPMP.

#27X5054-BVW

KERN COUNTYWIDE OVERSIGHT BOARD

Meeting Date: March 24, 2025

To: Members of the Oversight Board

From: Maribel Reyna, Executive Director of the Successor Agency to the Delano Community Redevelopment Agency

Subject: Request for Final Approval of Proposed Exchange of Real Property

RECOMMENDATION: Adopt the attached resolution approving the exchange of real property in accordance with the Successor Agency's Long-Range Property Management Plan and the Dissolution Law.

DISCUSSION: Pursuant to AB x1 26, enacted on June 28, 2011, and as subsequently amended (the "Dissolution Law"), the Delano Community Redevelopment Agency was dissolved as of February 1, 2012, and the City of Delano elected to serve as the Successor Agency to the former Delano Community Redevelopment Agency ("Successor Agency").

The Successor Agency prepared a Long-Range Property Management Plan ("LRPMP") and the Department of Finance ("DOF") issued a Finding of Completion on April 26, 2013. The LRPMP was approved by the Successor Agency on September 16, 2013, and by the Oversight Board on September 23, 2013. A revised LRPMP was approved by the Successor Agency on June 5, 2014, by the Oversight Board on June 9, 2014, and by the DOF on June 18, 2014.

The real property inherited by the Successor Agency included 49 parcels within a site referred to as "Block H." All 49 parcels within Block H were designated to be retained for future development in the LRPMP. In August 2016, all but two of the 49 parcels within Block H were sold by the Successor Agency to a developer in accordance with the LRPMP, and the proceeds of the sale were distributed to the taxing agencies as required by the Dissolution Law. The two parcels not included in the sale of the Block H properties—APN Nos. 038-070-01 and 038-070-11—were undergoing environmental mitigation (vapor extraction) at the time, as detailed in the LRPMP. Those mitigation measures have since been completed.

The developer that acquired the other Block H properties in 2016 now wishes to acquire the two remaining parcels. Once the developer acquires these two parcels, it will own and control the entire block circumscribed by Fremont Street, 9th Avenue, Glenwood

Street, and 8th Avenue, and will be able to proceed with the development of a commercial project thereon. (See attached map.)

Among the 47 parcels in Block H that were sold by the Successor Agency to the developer in 2016 was an undeveloped parcel located at the southeast corner of Glenwood Street and 11th Avenue (APN No. 038-130-01; hereinafter, the “Corner Parcel”). The City of Delano wishes to acquire the Corner Parcel for the purpose of constructing a parking area to serve the existing Delano Transit Center located adjacent to the north.

The Corner Parcel is 0.73 acres in size. The two remaining parcels in Block H that the developer wishes to acquire (APN Nos. 038-070-01 and 038-070-11) total 0.74 acres.

The Successor Agency proposes to exchange APN Nos. 038-070-01 and 038-070-11 for the Corner Parcel. No monetary consideration would be exchanged between the Successor Agency and the developer, as the subject properties are of comparable size and fair market value. After the proposed exchange between the Successor Agency and the developer, the City of Delano proposes to retain the Corner Parcel for governmental use in accordance with Health and Safety Code section 34191.5. The Corner Parcel would serve a public purpose as it would become part of the City’s existing transit center and be used as a “park-and-ride” lot. Concurrent with the property exchange, the Successor Agency proposes to record a covenant against the Corner Parcel that would obligate the City, in the event the parcel ever ceases to be retained by it for a governmental use, to dispose of the parcel and distribute the income from the sale to the relevant taxing entities as required by the Dissolution Law.

Effective January 1, 2021, the California Surplus Land Act (Government Code § 54220 et seq.) (the “SLA”) was amended to clarify that the definition of a “local agency” means and includes a successor agency to a former redevelopment agency. On February 26, 2024, the City submitted a Surplus Land Act Exemption Request to the Department of Housing and Community Development (“HCD”). On February 28, 2024, HCD completed its preliminary review and determined that the subject property qualifies as “exempt surplus property” pursuant to Government Code section 54221(f)(1)(C) [exchange of surplus land for another property necessary for the agency’s use]. Consequently, the proposed property exchange is exempt from the SLA. On February 18, 2025, the City Council adopted a resolution declaring the subject property as surplus in accordance with the procedures mandated by the SLA.

On October 7, 2024, this Board adopted Resolution No. 72, conceptually approving the proposed property exchange. The Successor Agency is now seeking the Oversight Board’s final approval of the property exchange. The Successor Agency submits that the property exchange is consistent with, and in furtherance of, the LRPMP and the Dissolution Law.

ATTACHMENTS:

1. Map of Subject Parcels
2. Draft resolution (with Agreement for Exchange of Real Property attached).



Attachment 1

ATTACHMENT 2

BEFORE THE KERN COUNTYWIDE OVERSIGHT BOARD

In the matter of:

RESOLUTION OF THE KERN COUNTYWIDE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE DELANO COMMUNITY REDEVELOPMENT AGENCY APPROVING THE EXCHANGE OF REAL PROPERTY IN ACCORDANCE WITH THE LONG-RANGE PROPERTY MANAGEMENT PLAN AND THE DISSOLUTION LAW

I, Amanda Ruiz, Secretary on behalf of the Oversight Board, do certify that the following resolution, on motion of Director _____, seconded by Director _____, was duly passed and adopted by the Board of Directors at an official meeting this ____ day of _____, 2025, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Secretary on behalf of the Kern Countywide
Oversight Board

RESOLUTION

Section 1. WHEREAS:

(a) Pursuant to AB x1 26, enacted on June 28, 2011, and as subsequently amended (the "Dissolution Law"), the Delano Community Redevelopment Agency was dissolved as of February 1, 2012, and the City of Delano elected to serve as the Successor Agency to the former Delano Community Redevelopment Agency ("Successor Agency"); and

(b) Pursuant to Health and Safety Code section 34173(g), the Successor Agency is a separate legal entity from the City; and

(c) Pursuant to Health and Safety Code section 34179(j), on July 1, 2018, a single oversight board, staffed by the County Auditor-Controller, was created to oversee the actions of all successor agencies within Kern County; and

(d) Health and Safety Code section 34191.5(b) required the Successor Agency to prepare a “Long-Range Property Management Plan” (“LRPMP”) governing the future disposition and use of all real property of the Successor Agency; and

(e) The Successor Agency prepared a LRPMP and the Department of Finance (“DOF”) issued a Finding of Completion on April 26, 2013; and

(f) The LRPMP was approved by the Successor Agency on September 16, 2013, and by the Oversight Board on September 23, 2013; and

(g) A revised LRPMP was approved by the Successor Agency on June 5, 2014, by the Oversight Board on June 9, 2014, and by the DOF on June 18, 2014; and

(h) The real property inherited by the Successor Agency included 49 parcels within a site referred to as “Block H.” All 49 parcels within Block H were designated to be retained for future development in the LRPMP; and

(i) In August 2016, all but two of the 49 parcels within Block H were sold by the Successor Agency to a developer in accordance with the LRPMP and the proceeds of the sale were distributed to the taxing agencies as required by the Dissolution Law; and

(j) The two parcels not included in the sale of the Block H properties—APN Nos. 038-070-01 and 038-070-11—were undergoing environmental mitigation (vapor extraction) at the time, as detailed in the LRPMP; and

(k) The aforementioned mitigation measures have since been completed on the two parcels and the developer that acquired the other Block H properties in 2016 wishes to acquire the two remaining parcels in order to facilitate a commercial development project; and

(l) Among the Block H properties sold by the Successor Agency to the developer in 2016 was an undeveloped parcel located at the southeast corner of Glenwood Street and 11th Avenue (APN No. 038-130-01; hereinafter, the “Corner Parcel”); and

(m) The City of Delano wishes to acquire the Corner Parcel for the purpose of constructing a parking area to serve the existing Delano Transit Center located adjacent to the north; and

(n) The Corner Parcel is 0.73 acres in size; and the two remaining parcels in Block H that the developer wishes to acquire (APN Nos. 038-070-01 and 038-070-11) total 0.74 acres; and

(o) On October 7, 2024, this Board adopted Resolution No. 72, conceptually approving a transaction in which APN Nos. 038-070-01 and 038-070-11 would be exchanged for the Corner Parcel. No monetary consideration would be exchanged

between the Successor Agency and the developer, as the subject properties are of comparable size and fair market value; and

(p) Health and Safety Code section 34191.5 allows for successor agency property to be retained for governmental use; and

(q) After the proposed exchange between the Successor Agency and the developer, the City of Delano proposes to retain the Corner Parcel for governmental use in accordance with Health and Safety Code section 34191.5. The Corner Parcel would serve a public purpose as it would become part of the City's existing transit center and be used as a "park-and-ride" lot; and

(r) Concurrent with the property exchange, the Successor Agency proposes to record a covenant against the Corner Parcel that would obligate the City, in the event the parcel ever ceases to be retained by it for a governmental use, to dispose of the parcel and distribute the income from the sale to the relevant taxing entities as required by the Dissolution Law; and

(s) Exhibit A hereto shows the relative locations of the subject parcels; and

(t) The Successor Agency now seeks this Board's final approval of the above-described property exchange, together with the corresponding property exchange agreement and related documents; and

(u) The proposed property exchange complies with the Dissolution Laws, is consistent with the LRPMP, and furthers the public interest.

Section 2. THEREFORE, IT IS RESOLVED by the Board of Directors of the Kern Countywide Oversight Board, as follows:

- 1) The foregoing recitals are true and correct and are adopted as findings of the Oversight Board.
- 2) The Oversight Board finds and determines that (i) the proposed exchange of properties is consistent with, and in furtherance of, the LRPMP and the Dissolution Law, and (ii) retention of the Corner Parcel by the City of Delano for use as a park-and-ride site to serve its adjacent transit center would serve a governmental purpose as contemplated and authorized by Health and Safety Code section 34181(a)(1).
- 3) The Oversight Board approves the Successor Agency's exchange of APN Nos. 038-070-01 and 038-070-11 for APN No. 038-130-01, subject to the condition that the Successor Agency record a covenant against APN No. 038-130-01 providing that if the Corner Parcel (APN No. 038-130-01) ever ceases to be used for a governmental purpose it will be sold in accordance with the

Dissolution Law and the LRPMP and the proceeds of the sale distributed to the taxing agencies in accordance with the Dissolution Law and the LRPMP.

- 4) The Oversight Board hereby approves the form of the attached "Agreement for Exchange of Real Property" by and between the Successor Agency to the Former Delano Community Redevelopment Agency and 3D Spectravision LLC, attached hereto as Exhibit B.
- 5) The Oversight Board hereby authorizes and directs the Executive Director of the Successor Agency, or his or her designee, and the City Manager of the City of Delano, or his or her designee, to take all actions and sign the Agreement for Exchange of Real Property and any and all other documents necessary to implement and effectuate the Agreement for Exchange of Real Property, including, without limitation, related deeds and covenants.
- 6) The secretary of the Oversight Board shall certify to the adoption of this Resolution and is hereby directed to transmit a copy of this Resolution and all exhibits thereto, each of which is incorporated herein, to the Department of Finance pursuant to Sections 34179(h) and 34181 of the Health and Safety Code and the LRPMP.



EXHIBIT A

EXHIBIT B

AGREEMENT FOR EXCHANGE OF REAL PROPERTY

This **AGREEMENT FOR EXCHANGE OF REAL PROPERTY** (“Agreement”) is made between the SUCCESSOR AGENCY TO THE FORMER DELANO COMMUNITY REDEVELOPMENT AGENCY, a public body, corporate and politic (“City”) and 3D SPECTRAVISION LLC, a California limited liability company (“Spectravision”), each individually a “Party” and together the “Parties,” and is effective as of the date last signed below (the “Effective Date”).

RECITALS

- A. City owns two parcels of real property (APN Nos. 038-070-01 and 038-070-11) described in Exhibit A and depicted in Exhibit A-1 (the “**City Property**”).
- B. Spectravision owns the parcel of real property (APN No. 038-130-01) described in Exhibit B and depicted in Exhibit B-1 (the “**Spectravision Property**”).
- C. The City Property totals approximately 0.73 acres in size and is valued at \$400,000.00 as documented in that certain appraisal report dated December 19, 2024, prepared by Nicole Atherton, MAI of the Kern Appraisal Company (the “**Appraisal Report**”).
- D. The Spectravision Property is approximately 0.73 acres in size and is valued at \$400,000.00 as documented in the Appraisal Report.
- E. Spectravision wishes to acquire the City Property.
- F. City wishes to acquire the Spectravision Property for the purpose of constructing a parking area to serve the existing Delano Transit Center located adjacent to the north.
- G. The Parties wish to exchange their respective properties pursuant to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing facts and circumstances, the covenants, agreements, representations, and warranties contained herein, and other good and valuable consideration, including the respective promises contained in this Agreement, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. Recitals. The recitals set forth above are incorporated by reference into this Agreement as though fully set forth herein.
2. Agreement to Exchange City Property for Spectravision Property. Subject to the terms and conditions of this Agreement, on the Closing Date (as defined below), the City shall exchange the City Property for the Spectravision Property and Spectravision shall exchange the Spectravision Property for the City Property.

3. Title Reports.

3.1. City Property Title Report. Within 10 days after the Effective Date, City shall deliver to Spectravisión a preliminary title report (the “**City Preliminary Commitment**”) from the Title Company (defined below) showing the status of City’s title to the City Property. Spectravisión shall have 30 days after receipt of a copy of the City Preliminary Commitment, together with complete copies of the documents listed in the City Preliminary Commitment as exceptions to title, to give notice in writing to City of any objection to such title or to any liens, encumbrances or other exceptions affecting title to the City Property. In the event Spectravisión fails to raise any such objection within such time period, all conditions and exceptions to title set forth in the City Preliminary Commitment shall be “**City Property Permitted Exceptions.**” In the event Spectravisión objects to an exception(s) to title, City shall be obligated to notify Spectravisión within 15 days after receipt of notice of such objection whether City is willing and able to remove such exception(s) (the “**City Response Notice**”). If City is willing and able to remove such exception(s), City shall do so at or prior to Closing, and all remaining exceptions set forth in the City Preliminary Commitment and agreed to by Spectravisión shall be City Property Permitted Exceptions. In any event, City shall be obligated to remove all liens, encumbrances, and other monetary obligations affecting the City Property at or prior to Closing. If City is not willing and able to remove the objected-to exception(s), Spectravisión may terminate this Agreement by written notice given to City within 15 days after receipt of the City Response Notice, or Spectravisión may elect to acquire the City Property subject to such exception(s), in which case such exception(s) and all remaining exceptions set forth in the City Preliminary Commitment and not removed or to be removed pursuant to this section shall be City Property Permitted Exceptions.

3.2. Spectravisión Property Title Report. Within 10 days after the Effective Date, Spectravisión shall deliver to City a preliminary title report (the “**Spectravisión Preliminary Commitment**”) from the Title Company (defined below) showing the status of the Spectravisión’s title to the Spectravisión Property. City shall have 30 days after receipt of a copy of the Spectravisión Preliminary Commitment, together with complete copies of the documents listed in the Spectravisión Preliminary Commitment as exceptions to title, to give notice in writing to Spectravisión of any objection to such title or to any liens, encumbrances or other exceptions affecting title to the Spectravisión Property. In the event City fails to raise any such objection within such time period, all conditions and exceptions to title set forth in the Spectravisión Preliminary Commitment shall be “**Spectravisión Property Permitted Exceptions.**” In the event City objects to an exception(s) to title, Spectravisión shall be obligated to notify City within 15 days after receipt of notice of such objection whether Spectravisión is willing and able to remove such exception(s) (the “**Spectravisión Response Notice**”). If Spectravisión is willing and able to remove such exception(s), Spectravisión shall do so at or prior to Closing, and all remaining exceptions set forth in the Spectravisión Preliminary Commitment and agreed to by City shall be Spectravisión Property Permitted Exceptions. In any event, Spectravisión shall be obligated to remove all liens, encumbrances, and other monetary obligations affecting the Spectravisión Property at or prior to Closing. If Spectravisión is not willing and able to remove the objected-to exception(s), City may terminate this Agreement by written notice given to Spectravisión within 15 days after receipt of the Spectravisión Response Notice, or City may elect to acquire the Spectravisión Property subject

to such exception(s), in which case such exception(s) and all remaining exceptions set forth in the Spectravision Preliminary Commitment and not removed or to be removed pursuant to this section shall be Spectravision Property Permitted Exceptions.

4. Escrow and Closing.

4.1. Escrow. Unless extended by the Parties, not later than three business days after the later of (i) the execution and delivery of this Agreement by the Parties, and (ii) the Effective Date, the Parties shall open an escrow (“**Escrow**”) with Chicago Title Company (Attn: Maria Biernat) (“**Escrow Holder**”), located at 4015 Coffee Rd., Suite 100, Bakersfield, CA 93308, and shall deliver a fully executed Agreement to Escrow Holder. The deposit with Escrow Holder of a fully executed Agreement shall constitute the opening of Escrow and authorization of Escrow Holder to act in accordance with the terms of this Agreement. This Agreement shall constitute instructions to Escrow Holder for the consummation of the transactions contemplated by this Agreement through the Escrow. Escrow Holder shall not prepare any further instructions restating or amending this Agreement unless specifically so instructed in writing by both Parties. Subject to written approval of the Parties, which approval may not unreasonably be withheld, conditioned, or delayed, Escrow Holder may, however, include its standard general provisions. Escrow Holder is hereby authorized and instructed to conduct the Escrow in accordance with this Agreement and applicable law.

4.2. Closing. Closing of the simultaneous exchange contemplated by this Agreement (the “**Closing**”) shall occur at the offices of Escrow Holder no later than 120 days following the Effective Date.

4.3. Events at Closing.

4.3.1. City. At or prior to Closing, City shall cause the following to be delivered to the Escrow Holder: (i) a fully executed grant deed (the “**City Deed**”) conveying the City Property to Spectravision, free and clear of encumbrances created or suffered by the City except for the City Property Permitted Exceptions, and reserving therefrom a 10-foot-wide easement in favor of Southern California Gas Company for gas line purposes along the easterly lot line of APN 038-070-11, (ii) a copy of a resolution of the Delano City Council authorizing the execution of this Agreement and the City Deed, (iii) an affidavit certifying that City is not a “foreign person” in a form that satisfies the requirements of 26 USC § 1445, and (iv) City’s closing costs.

4.3.2. Spectravision. At or prior to Closing, Spectravision shall cause the following to be delivered to the Escrow Holder: (i) a fully executed grant deed (the “**Spectravision Deed**”) conveying the Spectravision Property to City, free and clear of encumbrances created or suffered by the Spectravision except for the Spectravision Property Permitted Exceptions, (ii) a duly executed corporate resolution authorizing the execution of this Agreement and the transfer of the Spectravision Property, (iii) a fully executed original City Property Restrictive Land Use Covenant (defined below), (iv) an affidavit certifying that Spectravision is not a “foreign person” in a form that satisfies the requirements of 26 USC § 1445, (v) an affidavit or other instrument as is contemplated by Revenue and Taxation Code

Section 18662 (to the extent required by law to avoid tax withholding), and (vi) Spectravision's closing costs.

4.3.3. Title Insurance. At or prior to Closing, Spectravision shall, at its expense, cause Chicago Title Company (the **"Title Company"**) to issue to City an ALTA standard owner's policy of title insurance in the amount of \$400,000.00, insuring fee simple title in the Spectravision Property as vested in the City, subject to the Spectravision Property Permitted Exceptions and the Title Company's standard printed exceptions (the **"City Title Policy"**), and, at or prior to Closing, City shall, at its expense, cause Title Company to issue to Spectravision an ALTA standard owner's policy of title insurance in the amount of \$400,000.00, insuring fee simple title in the City Property as vested in Spectravision, subject to the City Property Permitted Exceptions and the Title Company's standard printed exceptions (the **"Spectravision Title Policy"**).

4.3.4. Estimate of Closing Costs. At least five business days before the Closing, Escrow Holder shall advise the Parties in writing of Escrow Holder's estimate of the total Escrow/Closing costs and fees associated with this transaction to be paid by the Parties.

4.3.5. Recording of Instruments. On the day of the Closing, Escrow Holder shall record any recordable instrument delivered through the Escrow as instructed by the Party or Parties, including, without limitation, the City Deed, the Spectravision Deed, the City Property Restrictive Land Use Covenant (defined below), any release or reconveyance of mortgage or deed of trust as well as any quitclaim and/or grant deeds if such action is necessary to place record title to the subject property in condition to comply with the terms of this Agreement.

4.3.6. Copies of Recorded Instruments. Immediately following the Closing, Escrow Holder shall provide conformed copies of recorded documents and originals, or copies if originals are not available, of the Closing documents to the party or parties to such documents, the party or parties providing such documents, and the party or parties to whom such documents are directed or for whose benefit such documents are provided.

4.4. Covenants Pending Closing. Neither Party shall transfer, sell, assign, or otherwise dispose of or pledge, mortgage, hypothecate, or otherwise encumber or lease all or any portion of their property or any interest therein during the pendency of this Agreement.

4.5. Closing Costs. City shall pay the cost of recording the Spectravision Deed and one half (1/2) of the closing costs incurred in this transaction. Spectravision shall pay the cost of recording the City Deed, the City Property Restrictive Land Use Covenant (defined below), and one half (1/2) of the closing costs incurred in this transaction. If this Agreement and the accompanying transactions are canceled before the Closing without a default by either Party, then the Parties shall each be responsible for one half (1/2) of the cancellation fees imposed by the Escrow Holder. If this Agreement and the accompanying transactions are cancelled because of default by either Party, then the defaulting Party shall pay all cancellation fees imposed by the Escrow Holder. Each Party is responsible for its own attorney fees.

4.6. Prorations. All current taxes, assessments, and utilities shall be prorated between City and Spectravision as of the Closing.

5. Representations and Warranties.

5.1. By City. City represents, warrants, and covenants the following:

5.1.1. City has the authority to convey the City Property to Spectravision and the individual executing this Agreement has full and lawful authority to bind and obligate City to perform its obligations as herein provided. City further warrants that the individual executing the City Deed has the lawful authority to execute the same on behalf of City.

5.1.2. There is no litigation, action, suit, or proceeding pending or threatened against City or affecting the City Property, nor is there any basis for any such proceeding known to City which, if adversely determined, might (i) affect the use or operation of the City Property for otherwise lawful purposes, (ii) adversely affect the value of the City Property, or (iii) adversely affect the ability of City to perform its obligations under this Agreement.

5.1.3. There is no lease or other occupancy agreement pertaining to the City Property in effect which will bind the City Property or Spectravision on or after the Closing. City has not committed nor obligated itself in any manner whatsoever to sell or lease the City Property to any party other than Spectravision.

5.1.4. City shall convey and deliver at Closing good and marketable title to the City Property by grant deed, in a form acceptable to Spectravision, free and clear of all mortgages, liens, encumbrances, leases, security interests, covenants, conditions, restrictions, easements, judgments and other matters affecting title, except for the City Property Permitted Exceptions.

5.2. By Spectravision. Spectravision represents, warrants, and covenants the following:

5.2.1. Spectravision has the authority to convey the Spectravision Property to City and the individual executing this Agreement has full and lawful authority to bind and obligate Spectravision to perform its obligations as herein provided. Spectravision further warrants that the individual executing the Spectravision Deed has the lawful authority to execute the same on behalf of Spectravision.

5.2.2. There is no litigation, action, suit, or proceeding pending or threatened against Spectravision or affecting the Spectravision Property, nor is there any basis for any such proceeding known to Spectravision which, if adversely determined, might (i) affect the use or operation of the Spectravision Property for otherwise lawful purposes, (ii) adversely affect the value of the Spectravision Property, or (iii) adversely affect the ability of Spectravision to perform its obligations under this Agreement.

5.2.3. There is no lease or other occupancy agreement pertaining to the Spectravision Property in effect which will bind the Spectravision Property or City on or after the Closing. Spectravision has not committed nor obligated itself in any manner whatsoever to sell or lease the Spectravision Property to any party other than City.

5.2.4. Spectravision shall convey and deliver at Closing good and marketable title to the Spectravision Property by grant deed, in a form acceptable to City, free and clear of all mortgages, liens, encumbrances, leases, security interests, covenants, conditions, restrictions, easements, judgments and other matters affecting title, except for the Spectravision Property Permitted Exceptions.

5.2.5. Spectravision has no knowledge of any environmental, soil, or subsurface conditions located on the Spectravision Property that would impair the usability or developability of the Spectravision Property for any lawful purpose.

5.2.6. There has not been filed by or against Spectravision a petition in bankruptcy or any other insolvency proceeding, or for the reorganization or appointment of a receiver or trustee, nor has Spectravision made an assignment for the benefit of creditors, nor filed a petition for arrangement, nor entered into an arrangement with creditors, nor admitted in writing its inability to pay debts as they become due.

5.2.7. Spectravision is aware and fully informed of the history of environmental contamination and remediation on the City Property and has reviewed, or has had the opportunity to review, all documents pertaining thereto that are in the City's possession. Spectravision has done its own due diligence and conducted its own investigations with respect to the history of environmental contamination and remediation on the City Property and, based solely on its own due diligence and independent investigations and not upon any representation made by City or its representatives, Spectravision is satisfied that the condition of the City Property is satisfactory for its intended purposes.

5.2.8. Restrictions on Use of City Property; Covenant. Spectravision, on behalf of itself and its successors and assigns, covenants and agrees that the following uses (as such terms are used and/or defined in the Delano Municipal Code) are, and shall be, prohibited on the City Property: adult-oriented businesses, arcades, automotive paint and body shops, bail bond services, bars/cocktail lounges, billiard rooms, cannabis dispensaries, casinos/gaming rooms, electronic coin-operated games (commercially operated, five or more games), drive-in theaters, fireworks stands, junkyards, dumps, incinerators, hazardous materials storage, hazardous materials treatment, hazardous materials disposal, massage parlors, medical marijuana dispensaries, mini storage, mortuaries, oil & gas exploration and production, off-track betting facilities, second-hand stores, pawn shops, and tattoo parlors. In addition, prohibited uses on the Property include those types of discount stores commonly referred to as "dollar stores." For purposes of this restrictive covenant, "dollar store" means and includes deep-discount retailers that offer a broad array of everyday-branded, private-label, and/or unbranded consumables and non-consumables including food, household products, apparel and accessories, cleaning supplies, paper and plastics, health and beauty care products, party supplies, toys, novelty items, seasonal merchandise, and impulse products at very low price points, typically in the \$1 to \$10 range

(2025 dollars). Examples of “dollar stores” include, without limitation, Dollar General, Dollar Tree, Family Dollar, Five Below, and 99 Cents. “Dollar store” does not include off-price retailers such as, but not limited to, TJ Maxx, Marshalls, or Ross, that generally sell brand-name products at a discount; nor does “dollar store” include brand-name factory outlets (e.g., Nordstrom Rack, Saks OFF Fifth), warehouse clubs (i.e., Costco, Sam’s Club, BJ’s Wholesale), big-box retailers that offer a wide range of products across different categories at competitive prices in physical stores that generally exceed 50,000 square feet (e.g., WalMart, Target, Home Depot, Lowe’s, Office Depot, Staples, Bed Bath & Beyond), or specialty retailers that focus on selling a curated selection of goods at wide-ranging price points rather than a wide variety of general merchandise at lower price points (e.g., World Market, Total Wine & More, BevMo!). Spectravision agrees, at or prior to Closing, to execute and deliver a land use covenant in favor of the City of Delano, and in a form approved by the City of Delano, restricting the use of the City Property as described herein (the **“City Property Restrictive Land Use Covenant”**). Spectravision hereby consents to the recordation of said restrictive land use covenant together with the City Deed.

6. AS IS, WHERE IS.

6.1. Except as expressly set forth in this Agreement, it is understood and agreed that City is not making, and has not at any time made, any representations or warranties of any kind or character, express or implied, with respect to the City Property.

6.2. Except as expressly set forth in this Agreement, it is understood and agreed that Spectravision is not making, and has not at any time made, any representations or warranties of any kind or character, express or implied, with respect to the Spectravision Property.

6.3. Spectravision acknowledges and agrees that upon the acquisition of the City Property from City, City shall transfer and/or otherwise convey to Spectravision and Spectravision shall accept the City Property, “as is, where is, and with all faults,” except to the extent specifically and expressly provided otherwise in this Agreement. Spectravision has not relied and will not rely on, and City is not liable for or bound by, any express or implied representations, warranties, guarantees, statements or information pertaining to the City Property or relating thereto (including specifically, without limitation, any information or materials distributed or otherwise made available with respect to the City Property) made or furnished by City, City’s agents, representatives, or employees, to whomever made or given, directly or indirectly, orally or in writing, unless specifically set forth in this Agreement. Spectravision also acknowledges and agrees that the values, purchase price, other amounts and/or any other consideration set forth and/or references in this Agreement reflect and take into account that the City Property is being acquired on an “as is” basis.

6.4. City acknowledges and agrees that upon the acquisition of the Spectravision Property from Spectravision, Spectravision shall transfer and/or otherwise convey to City, and City shall accept the Spectravision Property, “as is, where is, and with all faults,” except to the extent specifically and expressly provided otherwise in this Agreement. City has not relied and will not rely on, and Spectravision is not liable for or bound by, any express or implied representations, warranties, guarantees, statements or information pertaining to the Spectravision

Property or relating thereto (including specifically, without limitation, any information or materials distributed or otherwise made available with respect to the Spectravision Property) made or furnished by Spectravision, Spectravision's agents, representatives, or employees, to whomever made or given, directly or indirectly, orally or in writing, unless specifically set forth in this Agreement. City also acknowledges and agrees that the values, purchase price, other amounts and/or any other consideration set forth and/or references in this Agreement reflect and take into account that the Spectravision Property is being acquired on an "as is" basis.

6.5. Spectravision represents to City that it has conducted such investigations of the City Property, including, without limitation, the physical and environmental conditions thereof, as Spectravision deems necessary or desirable to satisfy itself as to the condition of the City Property and the existence or nonexistence or curative action to be taken with respect to any hazardous or toxic substances on or discharged from the City Property, as applicable, and will rely solely upon the same and not upon any information provided by or on behalf of City or its agents, representatives or employees with respect thereto, other than such representations, warranties, and covenants of City, if any, as are expressly and specifically set forth in this Agreement. Upon acquisition of the City Property, Spectravision shall assume the risk that adverse matters, including, without limitation, adverse physical and environmental conditions, may not have been revealed by Spectravision's investigations, and Spectravision, upon such acquisition, shall be deemed to have waived, relinquished, and released City, as well as City's officers, officials, employees, agents, and representatives, from and against any and all claims, demands, causes of action (including causes of action in tort based upon negligent acts or omissions of City), as applicable, losses, damages, liabilities, costs and expenses (including reasonable attorneys' fees) of any and every kind or character, known or unknown, which Spectravision might have asserted or alleged against City or City's officers, officials, employees, agents, or representatives at any time by reason of or arising out of any latent or patent defect or physical or environmental conditions, violations of any applicable laws and any and all other acts, omissions, events, circumstances or matters regarding the City Property; provided, however, that the foregoing assumption(s) of risk, waiver(s) relinquishment(s) and release(s) will not apply to claims based upon any intentional misrepresentation of City or any fraudulent act of City.

6.6. Spectravision acknowledges and agrees that any and all materials made available by City and its officers, officials, employees, agents, representatives, or other person acting or purporting to act on behalf of City are provided to Spectravision without representation or warranty as to the accuracy or completeness thereof or the sufficiency for the purposes for which Spectravision uses such materials, except as specifically set forth in this Agreement.

7. Hazardous Materials. Spectravision hereby agrees that if, at any time after acquisition of the City Property any third party or any governmental agency or authority seeks to hold Spectravision responsible or liable for the presence of, or any loss, cost or damage associated with, Hazardous Materials (as hereinafter defined) in, on, above, or beneath the City Property, or emanating therefrom, then Spectravision releases and waives any rights it may have against City in connection therewith, including, without limitation, under CERCLA or RCRA (defined below), and Spectravision agrees that it shall not (i) implead City, (ii) bring a contribution action or similar action against City, or (iii) attempt in any way to bring a claim

against City, or direct or otherwise encourage a third party to bring a claim against City, with respect to such matter. The provisions of this Section shall survive Spectravision's acquisition of the City Property. As used herein, "**Hazardous Materials**" means and includes, but is not limited to, any petroleum product and all hazardous or toxic substances, wastes or substances, any substances which because of their quantitated concentration, chemical, or active, flammable, explosive, infectious or other characteristics, constitute or may reasonable be expected to constitute or contribute to a danger or hazard to public health, safety or welfare, or to the environment, including, without limitation, any hazardous or toxic substances which are included under or regulated (whether now existing or hereafter enacted or promulgated, as they may be amended from time to time), including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("**CERCLA**"), 42 USC § 9601 et seq., the Resource Conservation and Recovery Act ("**RCRA**"), 42 USC § 6901 et seq., as well as similar state laws and regulations whether or not adopted thereunder. Hazardous materials shall also mean and include hazardous materials or waste as defined by California Health and Safety Code section 25100, et seq., CERCLA, and/or RCRA.

8. Waiver and Release.

8.1. Subject to the representations, warranties, covenants and/or agreements of the Parties under and pursuant to this Agreement, including, without limitation, the Parties' obligations, liabilities and duties under and pursuant to this Agreement, any and all of which are unaffected by this Section 8.1, Spectravision hereby (i) waives, to the maximum extent allowed by law, any and all claims, demands, remedies and causes of action for damages, liabilities, losses, injuries, costs and/or expenses, including attorneys' fees, arising out of, resulting from or related to Spectravision's acquisition of the City Property and City's acquisition of the Spectravision Property, whether known or unknown, foreseeable or unforeseeable, and (ii) on behalf of itself as well as its heirs, executors, administrators, successors-in-interest, and assigns, hereby fully releases City, and City's officers, officials, employees, agents, and representatives from any and all causes of action by reason of any damage that has been sustained, or may be sustained, as a result of Spectravision's acquisition of the City Property and City's acquisition of the Spectravision Property, or any preliminary steps thereto.

8.2. Spectravision does hereby, for itself and for its heirs, executors, administrators, successors-in-interest, and assigns, expressly waive and relinquish all rights and benefits afforded by Section 1542 of the California Civil Code, and does so understanding and acknowledging the significance and consequence of such specific waiver of said Section 1542. Spectravision acknowledges and agrees that it is being (or has had the opportunity of being) represented in this matter by counsel, and acknowledges that it is familiar with the provisions of California Civil Code Section 1542, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

Thus, notwithstanding the provisions of Section 1542, and for the purpose of implementing the full and complete release and discharge of all claims as contemplated by Sections 6 and 7, Spectravision expressly acknowledges and agrees that this Agreement is also intended to include in its effect, without limitation, any and all claims that Spectravision does not know or expect to exist in its favor at the time of execution hereof, and that this Agreement contemplates the extinguishment of any and all such claims.

8.3. For purposes of each and every provision of this Agreement that involves a waiver and/or release by Spectravision of rights and/or claims as against City, such waiver and/or release shall extend both to the Successor Agency to the Former Delano Community Redevelopment Agency and to the City of Delano.

9. Entire Agreement. This Agreement, together with the City Deed, the Spectravision Deed, and the City Property Restrictive Land Use Covenant, constitute the entire agreement between the Parties concerning the subject matter hereof and supersedes all previous communications, understandings, representations, warranties, or agreements, either written or oral. No oral promises, representations (express or implied), warranties or agreements made by a Party, or any person acting on behalf of a Party, shall be deemed valid or binding upon the other Party unless expressly included in this Agreement. All negotiations are merged into this Agreement.

10. No Merger. This Agreement, and each provision of it, will survive the closing of the transaction and will not merge into any instrument conveying title to the City Property or the Spectravision Property.

11. Modification. No provision, term, or clause of this Agreement may be revised, modified, or amended except by an instrument in writing signed by the Parties.

12. Notices. All notices, requests, claims, demands and other communications between the Parties shall be in writing. All notices shall be given by either (i) personal service, (ii) overnight delivery by a nationally recognized overnight delivery service, or (iii) first class, registered, or certified U.S. Mail service to the address of the Party set forth below or such other address as either Party may specify in writing. All notices shall be effective upon (i) receipt by the Party to which notice is given, or (ii) on the third business day following mailing, whichever occurs first.

TO CITY:

City of Delano
Attn: City Clerk
1015 11th Avenue
Delano, CA 93125

TO SPECTRAVISION:

3D Spectravision LLC
Attn: Stacy Vergano
5100 California Ave., Suite 201
Bakersfield, CA 93309

13. Governing Law/Venue. This Agreement shall be governed and construed in accordance with the laws of the State of California and the exclusive venue for any dispute arising out of this Agreement shall be the Superior Court for Kern County.

14. Attorney Review. Each Party acknowledges that it has had the opportunity to consult with its legal counsel regarding this Agreement and that, accordingly, the terms of this Agreement are not to be construed against any Party because that Party drafted this Agreement or construed in favor of any Party because that Party failed to understand the legal effect of the provisions of this Agreement.

15. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of each of the Parties hereto.

16. Time of the Essence. Time is of the essence with respect to all of the terms, conditions and obligations set forth herein.

17. Assignment. Neither this Agreement nor any interest herein shall be assignable by Spectravision without the prior written consent of City.

18. Waiver. No waiver of any breach of any term, covenant, or condition of this Agreement shall be deemed a waiver of any preceding or succeeding breach of that same or any other term, covenant, or condition.

19. Deadline for Action. Whenever action must be taken (including the giving of notice or the deliver of documents) under this Agreement during a certain period of time (or by a particular date) that ends or occurs on a non-business day, then such period (or date) shall be extended until the next immediately following business day. As used herein, “**business day**” means any day other than a Saturday, Sunday, or federal or California holiday.

20. Further Assurances. Each Party shall execute any and all instruments and documents and take all actions pursuant to the provisions of this Agreement as are reasonably necessary to carry out the intent and purpose of this Agreement.

21. Headings. Descriptive headings are for convenience only and shall not control or affect the meaning or construction of any provision of this Agreement.

22. Severability. If any term, covenant, or condition of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, then the remainder of this Agreement shall not be affected and each remaining term, covenant, and condition shall be valid and enforceable to the fullest extent permitted by law unless any of the stated purposes of this Agreement will be defeated thereby.

23. Counterparts; Electronic Signatures. This Agreement may be executed in several counterparts, each constituting an original, but all of which, when taken together, shall constitute one instrument. Electronically signed copies of this Agreement utilizing technology which conforms to the requirements in both Government Code Section 16.5 and 2 California Code of

Regulations Section 22003 shall legally bind the parties to the same extent as original documents.

IN WITNESS WHEREOF, City and Spectravision have executed this Agreement as of the date last signed below.

CITY

Successor Agency to the Former Delano
Redevelopment Agency

By: _____
Joe L. Alindajao, Esq., Mayor

Date: _____

Attest:

City Clerk

Date: _____

Approved as to Form:

Mark D. Hensley, City Attorney

SPECTRAVISION

3D Spectravision LLC, a California limited
liability company

By: FRANMAR COMPANY, A LIMITED
PARTNERSHIP, a California limited
partnership, Member

By: FRANCO COMPANY, LLC, a
California Limited Liability
Company, its General Partner

By: _____
BRUCE BERETTA, Managing
Member

By: COLDWATER FARMS, INC., a
California Corporation, Member

By: _____
ARNOLD CATTANI, JR., Its
President

EXHIBIT A

LEGAL DESCRIPTION OF CITY PROPERTY

Parcel 1:

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

PARCEL 11 OF CERTIFICATE OF COMPLIANCE RECORDED JULY 26, 2016, AS DOCUMENT NO. 0216097530 OF OFFICIAL RECORDS, BEING A MERGER AND RECONFIGURATION OF LOTS WITHIN BLOCKS 50, 51, AND 52, AS SHOWN UPON THE MAP OF THE TOWN OF DELANO, RECORDED AUGUST 22, 1888, IN BOOK 1 OF MAPS, AT PAGE 55 AND 56, IN THE OFFICE OF THE KERN COUNTY RECORDER, SITUATED IN SECTION 11, TOWNSHIP 25 SOUTH, RANGE 25 EAST, MOUNT DIABLO BASE AND MERIDIAN, IN THE CITY OF DELANO, COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

LOTS 1 THROUGH 3 OF BLOCK 52, AS SHOWN UPON THE MAP OF THE TOWN OF DELANO, RECORDED AUGUST 22, 1888, IN BOOK 1 OF MAPS, AT PAGE 55 AND 56, IN THE OFFICE OF THE KERN COUNTY RECORDER, SITUATED IN SECTION 11, TOWNSHIP 25 SOUTH, RANGE 25 EAST, MOUNT DIABLO BASE AND MERIDIAN, IN THE CITY OF DELANO, COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

TOGETHER WITH THAT PORTION OF THE 10-FOOT-WIDE EASTERLY HALF OF THE 20-FOOT-WIDE ALLEY LYING ADJACENT TO SAID LOTS 1 THROUGH 3, VACATED PER CITY OF DELANO RESOLUTION NO. 2016-52, ADOPTED BY THE CITY COUNCIL OF THE CITY OF DELANO, ON AUGUST 15, 2016, AND RECORDED ON SEPTEMBER 19, 2016, AS DOCUMENT NO. 0216127303, KERN COUNTY OFFICIAL RECORDS.

APN 038-070-01

Parcel 2:

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

PARCEL 10 OF CERTIFICATE OF COMPLIANCE RECORDED JULY 26, 2016, AS DOCUMENT NO. 0216097530 OF OFFICIAL RECORDS, BEING A MERGER AND RECONFIGURATION OF LOTS WITHIN BLOCKS 50, 51, AND 52, AS SHOWN UPON THE MAP OF THE TOWN OF DELANO, RECORDED AUGUST 22, 1888, IN BOOK 1 OF MAPS, AT PAGE 55 AND 56, IN THE OFFICE OF THE KERN COUNTY RECORDER, SITUATED IN SECTION 11, TOWNSHIP 25 SOUTH, RANGE 25 EAST, MOUNT DIABLO

BASE AND MERIDIAN, IN THE CITY OF DELANO, COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

LOTS 28 THROUGH 32 OF BLOCK 52, AS SHOWN UPON THE MAP OF THE TOWN OF DELANO, RECORDED AUGUST 22, 1888, IN BOOK 1 OF MAPS, AT PAGE 55 AND 56, IN THE OFFICE OF THE KERN COUNTY RECORDER, SITUATED IN SECTION 11, TOWNSHIP 25 SOUTH, RANGE 25 EAST, MOUNT DIABLO BASE AND MERIDIAN, IN THE CITY OF DELANO, COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

TOGETHER WITH THAT PORTION OF THE 10-FOOT-WIDE WESTERLY HALF OF THE 20-FOOT-WIDE ALLEY LYING ADJACENT TO SAID LOTS 28 THROUGH 32, VACATED PER CITY OF DELANO RESOLUTION NO. 2016-52, ADOPTED BY THE CITY COUNCIL OF THE CITY OF DELANO, ON AUGUST 15, 2016, AND RECORDED ON SEPTEMBER 19, 2016, AS DOCUMENT NO. 0216127303, KERN COUNTY OFFICIAL RECORDS.

EXCEPTING AND RESERVING THEREFROM AN EASEMENT IN FAVOR OF SOUTHERN CALIFORNIA GAS COMPANY FOR GAS LINE PURPOSES OVER, ACROSS, AND UNDER THE WESTERLY 10 FEET THE 20-FOOT-WIDE ALLEY RUNNING THROUGH BLOCK 52 AS SHOWN ON SAID MAP.

APN 038-070-11

EXHIBIT A-1

SITE PLAN OF CITY PROPERTY

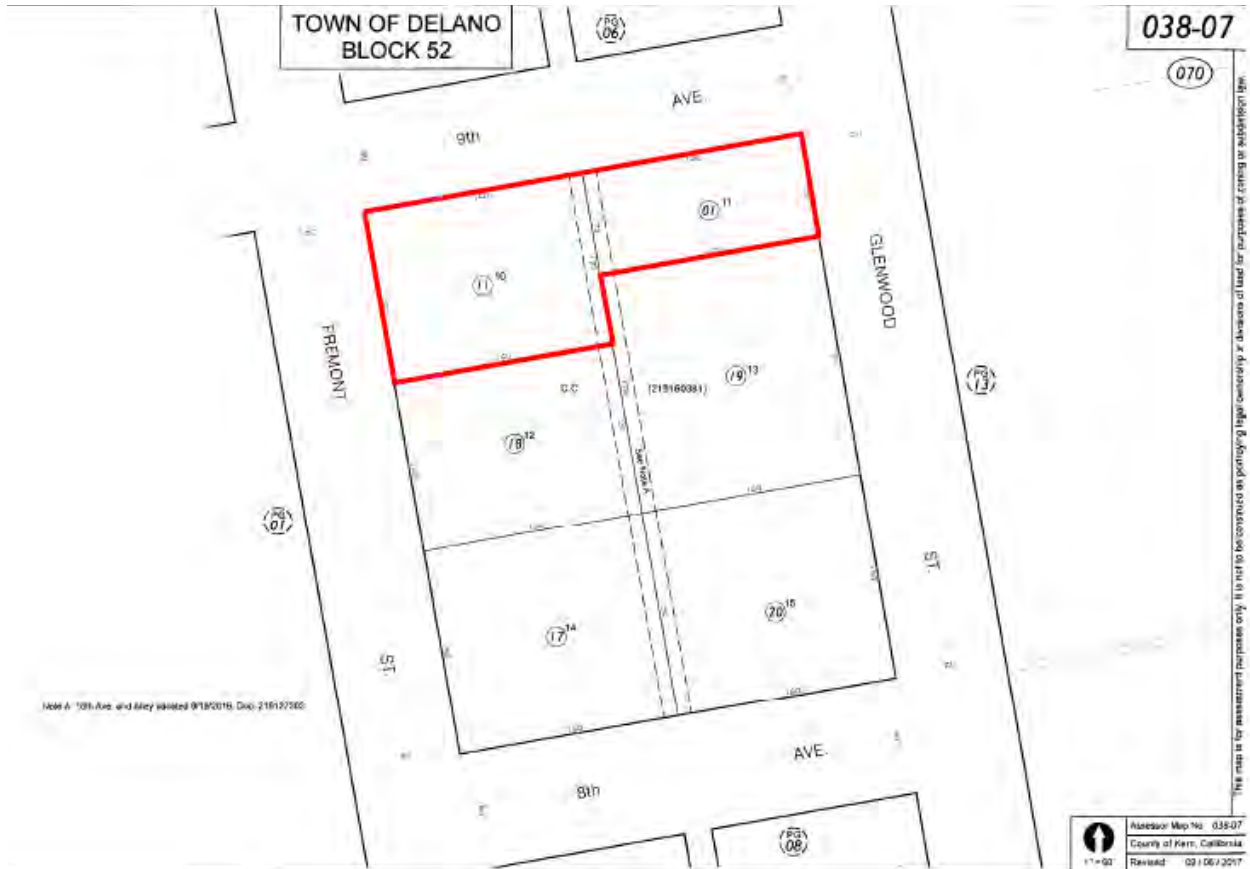


EXHIBIT B

LEGAL DESCRIPTION OF SPECTRAVISION PROPERTY

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

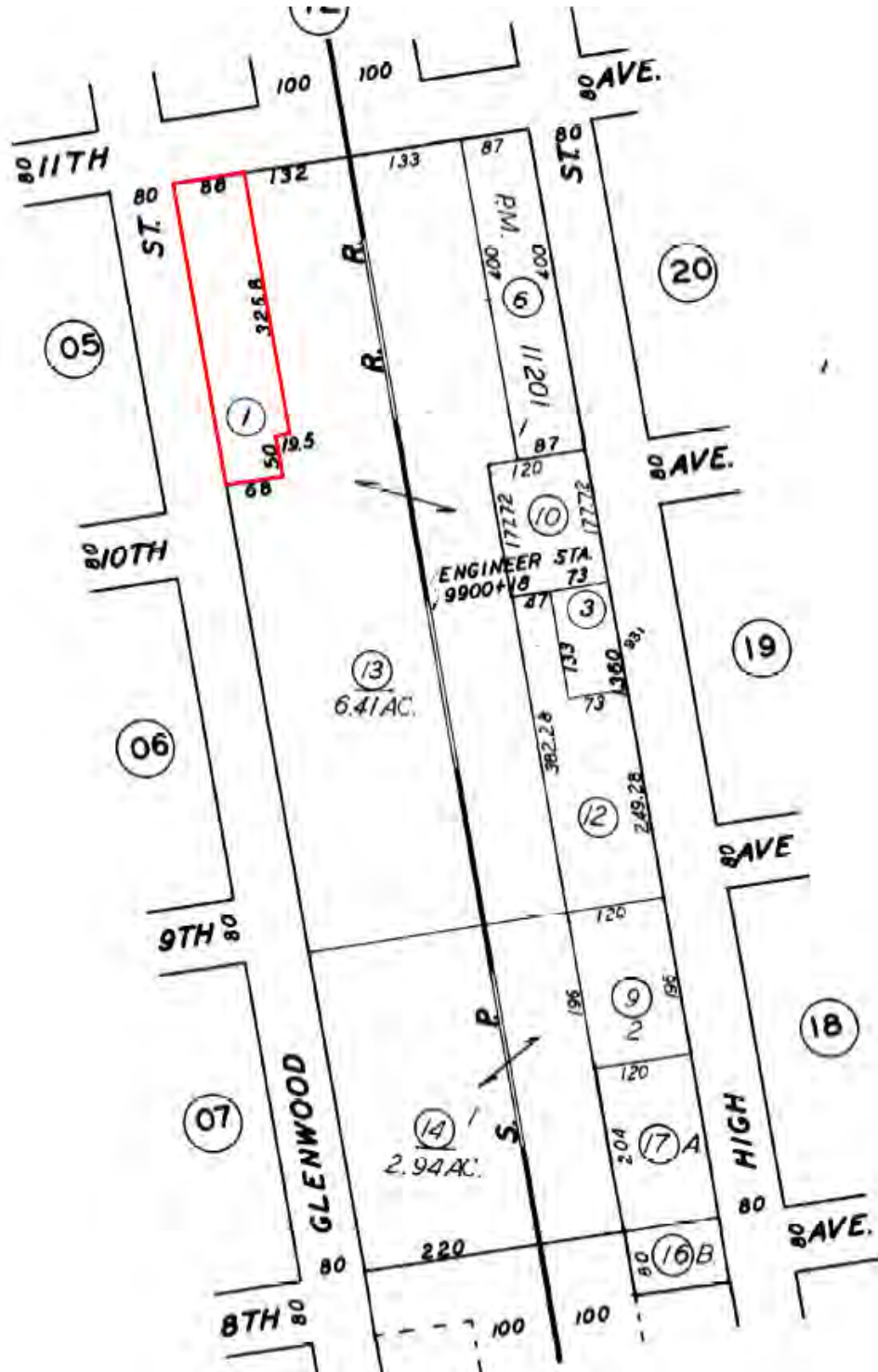
THAT PORTION OF THE SW 1/4 OF THE NE 1/4 OF SECTION 11, TOWNSHIP 25 SOUTH, RANGE 25 EAST, M.D.M., IN THE CITY OF DELANO, COUNTY OF KERN, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF ON FILE IN THE OFFICE OF THE SURVEYOR GENERAL, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE EASTERLY LINE OF GLENWOOD STREET, (FORMERLY "G" STREET) WITH THE SOUTHERLY LINE OF ELEVENTH AVENUE (FORMERLY MARIPOSA STREET) ACCORDING TO THE MAP ENTITLED "MAP OF THE TOWN OF DELANO, KERN COUNTY, CALIFORNIA, DATED APRIL 1888, AND FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY ON AUGUST 22, 1888 IN BOOK 1, PAGE 55 OF MAPS; THENCE EASTERLY ALONG SAID SOUTHERLY LINE OF ELEVENTH AVENUE, A DISTANCE OF 88.0 FEET; THENCE SOUTHERLY AND PARALLEL WITH SAID EASTERLY LINE OF GLENWOOD STREET, A DISTANCE OF 326.8 FEET; THENCE WESTERLY PARALLEL WITH SAID SOUTHERLY LINE OF ELEVENTH AVENUE, A DISTANCE OF 19.5 FEET; THENCE SOUTHERLY PARALLEL WITH SAID EASTERLY LINE OF GLENWOOD STREET, A DISTANCE OF 50.0 FEET; THENCE WESTERLY PARALLEL WITH SAID SOUTHERLY LINE OF ELEVENTH AVENUE, A DISTANCE OF 68.5 FEET TO SAID EASTERLY LINE OF GLENWOOD STREET; THENCE NORTHERLY ALONG SAID EASTERLY LINE OF GLENWOOD STREET A DISTANCE OF 376.8 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM ALL PETROLEUM, OIL, NATURAL GAS AND PRODUCTS DERIVED THEREFROM WITHIN OR UNDERLYING SAID LAND, AS RESERVED BY SOUTHERN PACIFIC RAILROAD COMPANY, A CALIFORNIA CORPORATION AND IT LESSEE, SOUTHERN PACIFIC COMPANY, A CORPORATION, IN DEED RECORDED JULY 16, 1946 IN BOOK 1380, PAGE 150 AS INSTRUMENT NO. 27652 OF OFFICIAL RECORDS.

APN: 038-130-01

SITE PLAN OF SPECTRAVISION PROPERTY



RESOLUTION NO. SA2025-01

A RESOLUTION OF THE SUCCESSOR AGENCY TO THE FORMER DELANO COMMUNITY REDEVELOPMENT AGENCY APPROVING AN EXCHANGE OF REAL PROPERTY IN ACCORDANCE WITH THE LONG-RANGE PROPERTY MANAGEMENT PLAN AND THE DISSOLUTION LAW AND DECLARING SUCH ACTIONS EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT UNDER GUIDELINES SECTION 15061(B)(3).

WHEREAS, pursuant to AB x1 26, enacted on June 28, 2011, and as subsequently amended (the “Dissolution Law”), the Delano Community Redevelopment Agency was dissolved as of February 1, 2012, and the City of Delano elected to serve as the Successor Agency to the former Delano Community Redevelopment Agency (“Successor Agency”); and

WHEREAS, pursuant to Health and Safety Code section 34173(g), the Successor Agency is a separate legal entity from the City; and

WHEREAS, pursuant to Health and Safety Code section 34179(j), on July 1, 2018, a single oversight board, staffed by the County Auditor-Controller, was created to oversee the actions of all successor agencies within Kern County; and

WHEREAS, Health and Safety Code section 34191.5(b) required the Successor Agency to prepare a “Long-Range Property Management Plan” (“LRPMP”) governing the future disposition and use of all real property of the Successor Agency; and

WHEREAS, the Successor Agency prepared a LRPMP and the Department of Finance (“DOF”) issued a Finding of Completion on April 26, 2013; and

WHEREAS, the LRPMP was approved by the Successor Agency on September 16, 2013, and by the Oversight Board on September 23, 2013; and

WHEREAS, a revised LRPMP was approved by the Successor Agency on June 5, 2014, by the Oversight Board on June 9, 2014, and by the DOF on June 18, 2014; and

WHEREAS, the real property inherited by the Successor Agency included 49 parcels within a site referred to as “Block H.” All 49 parcels within Block H were designated to be retained for future development in the LRPMP; and

WHEREAS, in August 2016, all but two of the 49 parcels within Block H were sold by the Successor Agency to a developer, 3D Spectravision, LLC (“Developer”) in accordance with the LRPMP and the proceeds of the sale were distributed to the taxing agencies as required by the Dissolution Law; and

WHEREAS, the two parcels not included in the sale of the Block H properties—APN Nos. 038-070-01 and 038-070-11—were undergoing environmental mitigation (vapor extraction) at the time, as detailed in the LRPMP; and

WHEREAS, the aforementioned mitigation measures have since been completed on the two parcels and the Developer that acquired the other Block H properties in 2016 wishes to acquire the two remaining parcels; and

WHEREAS, among the Block H properties sold by the Successor Agency to the Developer in 2016 was an undeveloped parcel located at the southeast corner of Glenwood Street and 11th Avenue (APN No. 038-130-01; hereinafter, the “Corner Parcel”); and

WHEREAS, the City of Delano wishes to acquire the Corner Parcel for the purpose of constructing a parking area to serve the existing Delano Transit Center located adjacent to the north; and

WHEREAS, the Corner Parcel is approximately 0.73 acres in size; and the two remaining parcels in Block H that the Developer wishes to acquire (APN Nos. 038-070-01 and 038-070-11) total approximately 0.73 acres; and

WHEREAS, the Successor Agency desires to exchange APN Nos. 038-070-01 and 038-070-11 for the Corner Parcel. No monetary consideration would be exchanged between the Successor Agency and the Developer, as the subject properties are of comparable size and fair market value as documented in that certain appraisal report dated December 19, 2024, prepared by Nicole Atherton, MAI of the Kern Appraisal Company; and

WHEREAS, Health and Safety Code section 34191.5 allows for successor agency property to be retained for governmental use; and

WHEREAS, after the proposed exchange between the Successor Agency and the Developer, the City of Delano seeks to retain the Corner Parcel for governmental use in accordance with Health and Safety Code section 34191.5. The Corner Parcel would serve a public purpose as it would become part of the City’s existing transit center and be used as a “park-and-ride” lot; and

WHEREAS, concurrent with the property exchange, the Successor Agency proposes to record a covenant against the Corner Parcel that would obligate the City, in the event the parcel ever ceases to be retained by it for a governmental use, to dispose of the parcel and distribute the income from the sale to the relevant taxing entities as required by the Dissolution Law; and

WHEREAS, Exhibit A hereto shows the relative locations of the subject parcels; and

WHEREAS, on October 7, 2024, the Board of Directors of the Kern Countywide Oversight Board adopted Resolution No. 72 in which it (i) found and determined that, in concept, the proposed exchange of properties is consistent with, and in furtherance of, the LRPMP and the Dissolution Law, and (ii) retention of the Corner Parcel by the City of Delano for use as a park-and-ride site to serve the adjacent transit center would serve a governmental purpose as contemplated and authorized by Health & Safety Code section 34181(a)(1); (ii) conceptually approved the Successor Agency's proposed exchange of APN Nos. 038-070-01 and 038-070-11 for APN No. 038-130-01, subject to the condition that the Successor Agency record a covenant against APN No. 038-130-01 providing that if it ever ceases to be used for a governmental purpose it will be sold in accordance with the Dissolution Law and the LRPMP and the proceeds of the sale distributed to the taxing agencies in accordance with the Dissolution Law and the LRPMP; and (iii) directed the Successor Agency to prepare all documents, instruments, and agreements necessary and desirable in order to effectuate the property exchange and to return to the Oversight Board at a future meeting, at which time the Oversight Board will consider whether to approve the documents; and

WHEREAS, the Successor Agency published notice of the proposed property exchange and held a public hearing in accordance with Health and Safety Code section 33431; and

WHEREAS, the proposed property exchange complies with the Dissolution Law, is consistent with the LRPMP, and furthers the public interest.

NOW, THEREFORE, BE IT RESOLVED BY THE SUCCESSOR AGENCY TO THE FORMER DELANO COMMUNITY REDEVELOPMENT AGENCY:

Section 1. The foregoing recitals are true and correct and are adopted as findings of the Successor Agency.

Section 2. Environmental Review. The actions contemplated herein are exempt from the California Environmental Quality Act ("CEQA") because it can be seen with certainty that there is no possibility that these activities may have a significant effect on the environment pursuant to CEQA Guidelines § 15061(b)(3).

Section 3. The Successor Agency finds and determines that (i) the proposed exchange of properties is consistent with, and in furtherance of, the LRPMP and the Dissolution Law, and (ii) retention of the Corner Parcel by the City of Delano for use as a park-and-ride site to serve its adjacent transit center serves a governmental purpose as contemplated and authorized by Health and Safety Code section 34181(a)(1).

Section 4. The Successor Agency hereby approves the exchange of APN Nos. 038-070-01 and 038-070-11 for APN No. 038-130-01. In addition, upon consummation of the property exchange, the Successor Agency approves the transfer/quitclaim of APN No. 038-130-01 to the City of Delano.

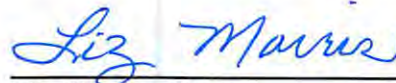
Section 5. Subject to the approval of the Kern Countywide Oversight Board as detailed herein, the Successor Agency hereby authorizes the Mayor to execute the Agreement for Exchange of Real Property, Grant Deed, and Restrictive Covenant presented at the January 21, 2025, meeting, in a form approved by the City Attorney, and to take all other actions and to execute any and all other documents, instruments, and agreements necessary or desirable in order to effectuate the property exchange hereinabove described, including, without limitation, the subsequent transfer/quitclaim of the Corner Parcel to the City of Delano to be retained for governmental use.

Section 6. The City Clerk of the City of Delano shall certify to the adoption of this Resolution and is hereby directed to transmit a copy of this Resolution and all exhibits thereto, each of which is incorporated herein, to the Kern Countywide Oversight Board for its consideration at a future meeting.

Section 7. This Resolution shall take effect upon the date of its adoption.

PASSED, APPROVED, AND ADOPTED this 18th day of February 2025.

SUCCESSOR AGENCY OF THE DELANO
COMMUNITY REDEVELOPMENT AGENCY



Liz Morris, Mayor
City of Delano

Attest:



Ricardo Chavez, City Clerk

EXHIBIT A



**APPRAISAL REPORT
OF**



**Commercial Land
830 Fremont Street & 831 Glenwood Street
Delano, CA 93215**



**Commercial Land
SEC of 11th Avenue at Glenwood Street
Delano, CA 93215**

For
**Roman Dowling
CITY OF DELANO
1015 Eleventh Avenue
Delano, California 93215**

As Of
December 12, 2024

Prepared By
Nicole Atherton, MAI

KERN APPRAISAL COMPANY
Real Estate Appraisal Services
5401 Business Park South, Suite 226, Bakersfield, CA 93309

KERN APPRAISAL COMPANY

NICOLE ATHERTON, MAI

REAL ESTATE APPRAISAL SERVICES

RANDALL FRANZ

APPRAISAL REPORT

TO	Roman Dowling CITY OF DELANO 1015 Eleventh Avenue Delano, California 93215
SUBJECT	Vacant Land 831 Glenwood Street & 830 Fremont Street SEC 11th Avenue at Glenwood Street Delano, California 93215
FROM	Kern Appraisal Company 5401 Business Park South, Suite 226 Bakersfield, CA 93309
REFERENCE	Engagement Letter dated December 4, 2024 Our File Number 3862
DATE OF REPORT	December 19, 2024
DATE OF VALUE	December 12, 2024
MARKET VALUES	\$400,000 831 Glenwood Street & 830 Fremont Street \$400,000 SEC 11th Avenue at Glenwood Street

At the request of the client, I have determined and performed the scope of work necessary to develop credible assignment results. The sales comparison is the necessary approach for the intended use to aid the client in disposition of the real estate. A brief summary report with fully developed sales comparison approach is presented.

This Appraisal Report is intended to comply with the reporting requirements of Standards Rule 2-2(a) of the Uniform Standards of Professional Practice (USPAP), and therefore contains a summary presentation of the data, reasoning, and analyses used in the valuation process to develop the appraiser's value conclusion. Additional information, pertaining to the appraiser's analyses and conclusions, is contained in the appraisal file. It is intended that the use of and reliance upon this Appraisal Report is limited to the client, CITY OF DELANO.

PURPOSE OF THE ASSIGNMENT

The purpose of the appraisal is to form an opinion of market value of the real property, subject to assumptions and limiting conditions shown in this report, as of the date of value of this appraisal.

MARKET VALUE DEFINITION

Market Value means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their own best interest;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and,
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Source: OCC, 12 CFR, Part 34, Subpart C - Appraisals, 34.42 Definitions [h].

The estimated exposure time to achieve the above value conclusion is three months.

Appraisal Premise

An appraisal of the "as is" condition will estimate the defined value of a property while precisely reflecting its actual physical, legal, economic, and political status on the effective date of valuation. When an "as is" appraisal premise is used, it means that the property is valued based on its precise condition or status as of the effective date of value. This condition must be accurately described in the appraisal report.

Exposure Time

Considering current market conditions and exposure time for similar type commercial land properties, a one-year exposure time was estimated.

PROPERTY RIGHTS APPRAISED

Property rights valued are those of the fee simple interest.

INTENDED USE OF THE APPRAISAL

The intended use is to develop an opinion of market value to aid the client and intended user, CITY OF DELANO, with the disposition of the real estate.

SCOPE OF WORK

This is an appraisal report that in my opinion has been prepared in accordance with the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation and the professional standards and ethics of the Appraisal Institute. The appraisal assignment was not based on a specific valuation or any action or event resulting from the analyses.

Through communication with the client, and with an understanding of the assignment conditions, I have determined the appropriate scope of work for this appraisal report. All applicable approaches to value were considered. Sales comparison is the only applicable approach for vacant land, such as the subject. The income and cost approaches are not applicable, therefore were not performed.

The scope of the assignment included: (1) an inspection of the subject properties and market area; (2) research and investigation of current market conditions relative to the property type being appraised as well as the market segment within which the subject is identified; (3) interviews with brokers, appraisers, property owners and managers, as well as relevant public agencies or governing bodies; and (4) collection, verification, and analysis of market data and other pertinent information necessary to the valuation process.

CITY ANALYSIS

Location and Accessibility

The subject property is located in the city of Delano, California. Delano is in Kern County, which lies at the southern end of the San Joaquin Valley. Delano is 144 miles north of Los Angeles, 30 miles north of Bakersfield and 75 miles south of Fresno. Access to the area is good and is provided by State Highway 99, a major north-south traffic route, which bisects the San Joaquin Valley. State Highway 99 connects the northern California cities of Sacramento and Stockton with central and southern California and is considered a major truck route for the distribution of agricultural products throughout the state.

Economic Base

Delano is located in the north central portion of the county and is surrounded by farm ground. It is the second largest city in the county with its economy largely dependent upon agriculture, resulting in a high unemployment rate due to the seasonal nature of the work. The predominant plantings in the area are vineyards. The region ships hundreds of millions of dollars' worth of commodities throughout the United States and to over 80 foreign countries. Due to the stress on the local economy by the downturn in the agricultural markets in the late 1980's and early 1990's, the City of Delano stepped up their efforts to diversify their economic base.

The North Kern State Prison, a 2,892-bed facility, was constructed in 1993 with 1,550 staff and annual operating budget of \$170 million. Delano was selected for construction of a second prison adjacent to the first prison which was completed in 2005. Kern Valley State Prison, a 2,448-bed facility, has a staff of 1,620 and annual operating budget of \$125 million.

A 1.25 million square foot warehouse for Sears was constructed in 1992 and subsequently expanded in size. Wonderful Citrus, the largest grower, shipper and marketer of fresh citrus in the United States, built a 450,000 square foot packing facility. It is a multipurpose orange and lemon packinghouse that also includes company headquarters and sales department.

Wonderful Citrus added a 640,000 square foot citrus packinghouse in 2012 for mandarins. This is the largest citrus packinghouse in the world. The new facility created 500 jobs in Delano.

The City of Delano Enterprise Zone was first established in 1991. On October 14, 2009, they received approval retroactive to December 2006 for expansion of the zone that now includes all businesses within the city limits and some county unincorporated areas. Enterprise Zones have been replaced with Opportunity Zones which are similar as a geographically designated, economically depressed area in which businesses can receive several substantial state tax breaks and other benefits. These

benefits include sales or use tax credits and hiring tax credits. Delano has two industrial parks with ample vacant sites available.

Population

The 2010 and 2020 federal census population statistics, estimates for 2024, and 2029 projections for Delano are compared to Kern County and the State as shown below.

	<u>2010 Census</u>	<u>2020 Census</u>	<u>2024 Estimate</u>	<u>2029 Projection</u>
Delano	58,722	56,151	55,574	55,780
Kern County	839,630	909,235	925,105	939,606
State of California	37,253,959	39,538,223	39,530,491	39,717,178

Source: www.stdbonline.com

For Delano the census figures show a decrease between 2010 and 2020 of 4.38% or an average annual decrease of 0.438%. A further decrease of 1.03% is estimated through 2024, but Delano is predicted to grow a slight 0.37% over the next five years through 2029. The total local prison population of approximately 5,000 inmates is included in the Delano population. High unemployment has been a limiting factor to growth in Delano.

In comparison, Kern County growth was 8.29% from 2010 to 2020 and is expected to increase growth by 1.75% annually through 2024, and 1.57% annually through 2029. The State also grew between 2010 and 2020 by 6.13%. However, California is estimated to have negative population growth through 2024 and only 0.47% growth total by 2029. Over the years, the county has consistently grown faster than the state.

Income Level

Household income is defined as the total gross income derived from all persons living in a single dwelling. A household income may be comprised of one or more families. It is directly related to employment availability and employment based industries in the area. Due to the characteristics of agriculture, a large percentage of the employment is not year-round. In 2024 the estimated median household income was \$54,817 for Delano, \$67,633 for Kern County, and \$97,646 for California. Because Delano is a farming community, a large percentage of employment is not year-round. As a result, Delano's median household income is far below that of Kern County.

Delano Commercial Market

The rate of retail sales growth in Delano significantly increased for several years due to new retail development including the Delano Marketplace shopping center which opened in 2013 through 2014.

Historically, commercial development in Delano surrounded Main Street in the downtown area, and along Cecil Avenue, which connects to Highway 99. Medical office space is near the Delano Regional Medical Center (hospital) on Garces Highway in the southeast section of town. City and regional county offices are situated downtown. The downtown area developed in the 1940's to 1960's with some in-fill or redevelopment of newer commercial buildings. Off-street parking is an issue with older downtown commercial buildings. Development near the hospital has occurred over the last 20 years.

Commercial properties are typically single-story and under 10,000 square feet. New construction in recent years has mostly been build-to-suit or owner user. I am not aware of a market vacancy survey for the Delano area. The City historically had been focusing on a 16 block revitalization project

between 8th & 11th Streets and Highway 99 and High Street. A Delano Downtown Improvement District Feasibility Study included a retail market analysis dated March 2005. The study estimated leakage of \$16,600,000/year in retail sales from Delano to other communities that provide more comprehensive shopping choices. The report further concludes that an additional \$176,000,000 in retail sales could be captured from the region, for a total of \$192,000,000 in additional retail sales. The Delano trade area extends a radius of 15 to 20 miles to include several surrounding small communities and serves a population of 125,000 to 150,000.

The Home Depot built a store in the northwest quadrant of Highway 99 and Woollomes Avenue in 2004. Across the street, new development includes a 45-acre site south of Woollomes with a supercenter Wal-Mart that opened in the Fall of 2013 as anchor of the Delano Marketplace shopping center. Several pad restaurants, junior anchor stores, and multi-tenant shop buildings have also opened in the shopping center. One block west, Maya Cinemas opened a multi-screen theater in 2019 and Aldi opened a grocery store in 2019. Recently a new car wash is under construction as well as new residential development nearby. This new development has shifted the center of retail activity to the south end of the city and is a solution to most of the retail sales leakage in the trade area.

Conclusion

The trend for Delano is stable. Expansion of the economic base has diversified Delano's economy but the unemployment rate remains high. Housing and services received the greatest benefit. Industrial property values were less affected.

831 GLENWOOD STREET & 830 FREMONT STREET

IDENTIFICATION OF PROPERTY

The subject location is 831 Glenwood Street and 830 Fremont Street in Delano, California. A legal description was not provided. The property is described as Assessor's Parcel Numbers: 038-070-01 and 038-070-11. The census tract number is 0048.02.

OWNERSHIP HISTORY (3 Years)

According to public records and information provided to the appraiser, the current owner is the Community Redevelopment Agency of the City of Delano. There has been no transfer of ownership in the last three years. To my knowledge the property has not been marketed for sale.

ASSESSED VALUE AND TAXES

The property is assessed by the Kern County Assessor's office and is identified as Assessor's Parcel Numbers: 038-070-01 and 038-070-11. The 2024-2025 assessed value, taxes, and special assessments are shown as zero as the property is currently owned by a municipality. The adjacent property shows a tax rate of 1.115148% with no special assessments.

PROPERTY SUMMARY

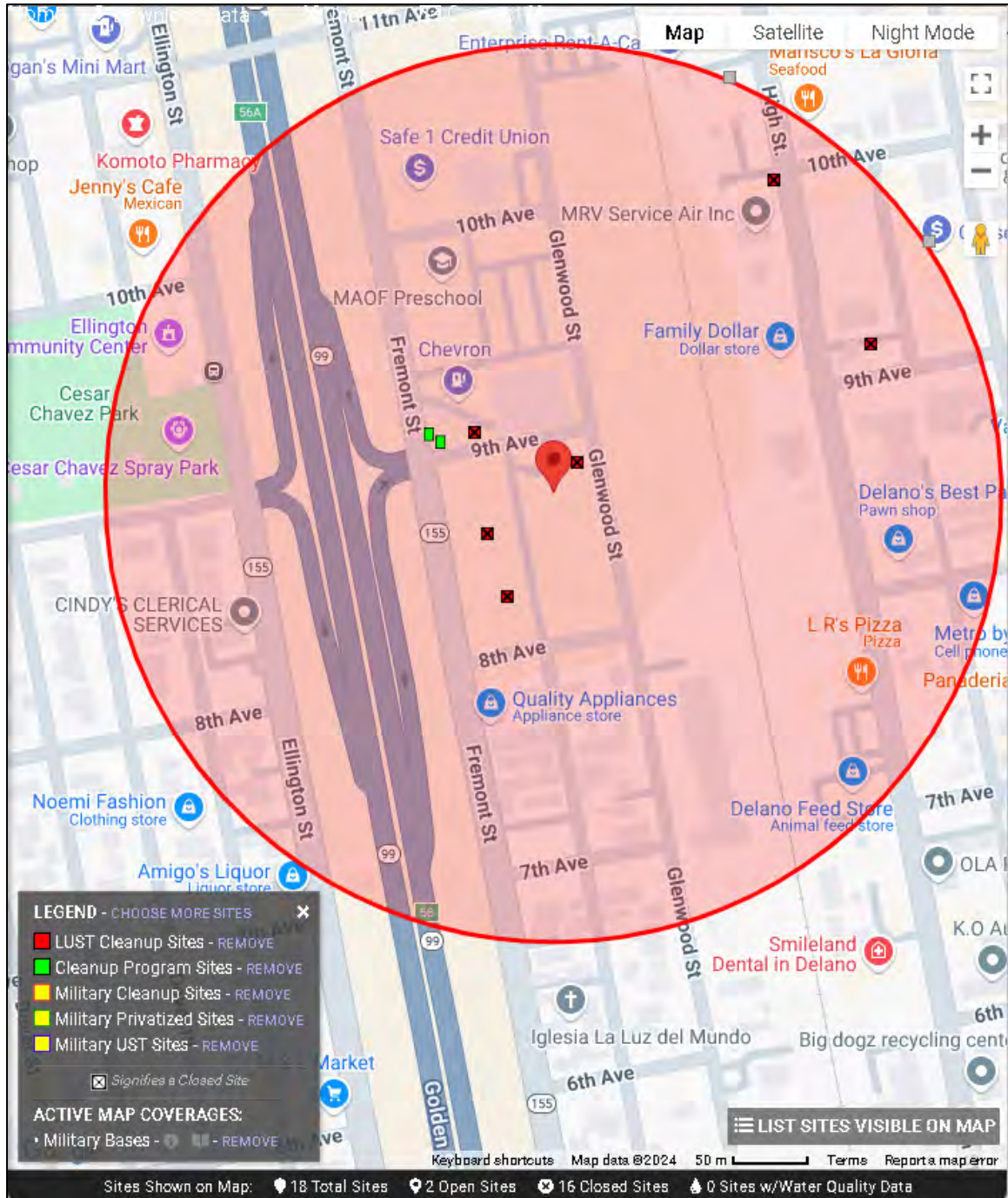
Site: The site consists of two parcels, both with corner orientations on 9th Avenue at Glenwood Street and Fremont Street in Delano. (see plat map in addendum of report) It is near the State Highway 99 and Highway 155 interchange. Glenwood Street, Fremont Street, and 9th Avenue are two-lane local roadways with light traffic near the subject site. Surrounding uses include vacant commercial land, a gas station/mini-mart, and medical office.

According to the Kern County Assessor's Office the subject property is a total of 0.73 acres or 32,000 square feet. The site is irregular shaped and fronts 75 feet along the west line of Glenwood Street, 125 feet along the east line of Fremont Street, and 320 feet along the south line of 9th Avenue. Topography is generally level at street grade.

According to the Federal Emergency Management Agency's flood insurance rate map community-panel number 060078 – 06029C0225E dated September 26, 2008, the subject property is situated in zone X. Zone X is defined as being within the 500-year flood limits and is not considered a flood hazard zone.

Upon visual inspection, it did not appear that there were any hazardous materials in or around the subject. I, however, am not qualified to detect such substances or materials. Any comment that might suggest the possibility of the presence of such substances should not be taken as confirmation of the presence of hazardous waste and/or toxic materials. Such determination would require investigation by a qualified expert in the field of environmental assessment. An environmental assessment report was not provided to the appraiser.

The subject is situated in an area that has oil/gas uses. GeoTracker indicated a closed site cleanup activity at the subject which closed as of June 8, 2018. There are 15 more closed clean-up sites and two open cases in the surrounding area (1,000 foot radius) of the subject.



SITES VISIBLE ON MAP - CHOOSE FIELDS	
SITE NAME	STATUS
☒ ARCO #0336	COMPLETED - CASE CLOSED
☒ BILL LOCKE'S CHEVRON	COMPLETED - CASE CLOSED
☒ CENTRAL FISH MART	COMPLETED - CASE CLOSED
☒ DUNNING RANCH	COMPLETED - CASE CLOSED
☒ KING'S LIQUOR	COMPLETED - CASE CLOSED
☒ WIP - DELANO, PCE	OPEN - INACTIVE
☒ YONAKI PROPERTY	COMPLETED - CASE CLOSED

The routine inspection of the subject disclosed no unusual conditions affecting the land. However, the presence of substances or other potentially hazardous materials may affect the value of the property.

The value opinion is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is accepted for any environmental conditions, or for any expertise or engineering knowledge required to discover them, as I am not an expert in this field. Descriptions and resulting comments are the result of the routine observations made during the appraisal process.

The subject is not located in an Alquist-Priolo seismic special studies zone. Based upon surrounding land uses, it appears the soil is suitable for development.

The site is serviced by all public utilities including gas, electricity, water, sewer, and storm drainage. Off-site improvements include asphalt paved street and curbing along with street lighting.

A preliminary report was not provided. Existing public utility easements do not have an adverse effect on value. No adverse easements, encroachments, or other surface restrictions were observed.

According to the City of Delano Planning Department, the zoning is GC, General Commercial. The City of Delano development code describes the purpose of the General Commercial (GC) District “is to provide sites for commercial uses that will serve a large segment of the population with a wide variety of retail, wholesale, service, and office uses.”

HIGHEST & BEST USE

As Vacant – The subject is zoned for commercial use. Physical characteristics and services availability are consistent with this use. Considering the subject’s location and surrounding uses, financial feasibility and maximum productivity are achieved with development of a general commercial or retail property for a tenant or owner occupant. Development on a speculative basis could result in a long marketing period, reducing profitability. If a build-to-suit tenant or owner occupant is not found, holding the site vacant in speculation of future development is the prudent course of action.

SALES COMPARISON APPROACH

My investigation uncovered four closed sales and one listing considered similar to the subject. Physical inspections were made, and the sale prices were verified. The units of comparison used in this appraisal are price per square foot. Specific information on the comparable sales is provided in the adjustment grid below and plat maps are in the addendum. The adjustment grid below is followed by a discussion of the adjustments, resulting in an indication of value.

LAND SALES MARKET DATA GRID

	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
Location	831 Glenwood St & 830 Fremont St	1230 34th Street	1124 Fremont Street	Highway 46	Fremont Street & 11th Avenue	1117 Glenwood Street
	Delano	Bakersfield	Delano	Wasco	Delano	Delano
APN	038-070-01 & 11	120-120-13,14,15	038-040-15	487-400-12	038-050-38, 39, & 40	038-040-04
Recording Date	N/A	Nov-24	Dec-23	Mar-23	Apr-23	Listing
Document #	N/A	140732	15621	32924	48574	N/A
Sale Price	N/A	\$265,000	\$150,000	\$500,000	\$1,480,000	\$139,000
Net Site Size (AC)	0.73	0.81	0.26	0.80	1.95	0.17
Net Site Size (SF)	32,000	35,439	11,250	34,848	84,942	7,500
Zoning	GC	MX-1	GC	C-R	GC	GC
Utilities Nearby	E,G,W,S	E,G,W,S	E,G,W,S	E,G,W,S	E,G,W,S	E,G,W,S
Terms of Sale	N/A	Cash Equiv	Cash	Cash	Cash Equiv	Cash Equiv
Price Per SF	N/A	\$7.48	\$13.33	\$14.35	\$17.42	\$18.53
Adjustments						
Sale Price / SF	-	\$7.48	\$13.33	\$14.35	\$17.42	\$18.53
Financing	-	0.00	0.00	0.00	0.00	0.00
Conditions of Sale	-	0.00	0.00	0.00	0.00	-3.71
Market Conditions	Dec-24	0.00	0.00	0.00	0.00	0.00
Adjusted Price	-	\$7.48	\$13.33	\$14.35	\$17.42	\$14.83
Site Size (SF)	0.73	0.00	-2.00	0.00	0.87	-2.97
Off-Sites/Utilities	Curb/Gut/SW	0.00	0.00	0.00	0.00	0.00
Zoning	GC	0.75	0.00	0.00	0.00	0.00
Location	Delano	1.50	0.67	-1.43	-2.61	2.22
Net Adjustment/SF	-	2.24	-1.33	-1.43	-1.74	-0.74
Indicated Value/SF	-	\$9.72	\$12.00	\$12.91	\$15.68	\$14.09

The sales utilized are considered the most comparable available. There were no highly comparable listings. Although similar, there are characteristics which differ from the subject and cause the prices paid to vary. These differences are adjusted to reflect the variance in sales price. The adjustments are discussed as follows.

Financing (Terms of Sale) - All the comparable sales were sold for cash or involve terms equivalent to cash. No adjustments are required.

Conditions of Sale - No adjustments are required for closed sales. Sale 5 is a listing that has been marketed for over two years. It is adjusted downward 20% to account for buyer negotiations.

Market Conditions (Time of Sale) - All closed sales occurred between April 2023 and November 2024 during similar market conditions.

Site Size - Parcels with more square footage tend to sell for less on a per acre basis than smaller parcels. An explanation for this is that there are more buyers that can afford smaller properties and therefore more demand which increases the unit price. Sales 2 and 5 are significantly smaller than the subject and are adjusted downward accordingly. Sale 4 is larger and is adjusted upward.

Off-Sites/Utilities – All sales are similar.

Zoning - The subject is zoned GC, General Commercial which allows for most commercial uses.

Sale 1 is a mixed-use zoning which included neighborhood commercial and residential. Commercial uses are more limited in this zoning compared to the subject's zoning, which is inferior compared to the subject and Sale 1 is adjusted upward for this difference.

Location - The subject site is located at the corner of two local roadways with visibility from the main thoroughfare of Fremont Street. Sale 1 is located in a mixed-use area in Bakersfield with less frontage along the main thoroughfare. Sale 2 fronts Fremont Street near the subject but is mid-block. Sale 5 has a mid-block location near the subject property and does not have frontage on Fremont Street. These three sales are inferior in terms of location for commercial use and are adjusted upward.

Sale 3 is located along State Highway 46 which has significantly less traffic and exposure compared to Highway 99; however, it is a pad site within a Walmart anchored center which is superior to the subject's location. Sale 4 is near the subject also with visibility from Highway 99 and frontage along Fremont Street; however, in addition Sale 4 has frontage on 11th Avenue which provides access across Highway 99 to the east, access across the railroad tracks to the west and a significantly higher traffic volume than 9th Avenue. The locations of Sales 3 and 4 are considered slightly superior to the subject's location and are adjusted downward accordingly.

Reconciliation - The sales indicate a range after adjustments of \$9.72 to \$15.68 per square foot. Sale 5 at \$14.09 per square foot is a listing that has been marketed for an extended period of time. Listings typically set the top of the market range and are given less weight than the closed sales. Sale 2 is the most recent comparable sale near the subject and required less gross adjustment than most of the other sales. Sale 2 is given the greatest consideration. Sales 1, 3, and 4 are given generally equal weight. Considering all factors, the subject is assigned a unit value of \$12.50 per square foot which indicates an overall value as follows:

$$32,000 \text{ Square Feet} \times \$12.50/\text{Square Foot} = \$400,000$$

Indicated Value by the Sales Comparison Approach

\$400,000

As a result of my investigation and analyses presented in this report, it is my opinion that the market value "as is", fee simple as of December 12, 2024, subject to the assumptions and limiting conditions set forth in the addendum of this report, is the sum of:

FOUR HUNDRED THOUSAND DOLLARS
\$400,000

SEC of 11TH AVENUE at GLENWOOD STREET

IDENTIFICATION OF PROPERTY

The subject does not show a physical address on public record but is located on the southeast corner of 11th Avenue at Glenwood Street in Delano, California. A legal description was not provided. The property is described as Assessor's Parcel Number: 038-130-01. The census tract number is 0048.02.

OWNERSHIP HISTORY (3 Years)

According to public records and information provided to the appraiser, the current owner is 3D Spectravision LLC. There has been no transfer of ownership in the last three years. To my knowledge the property has not been marketed for sale.

ASSESSED VALUE AND TAXES

The property is assessed by the Kern County Assessor's office and is identified as Assessor's Parcel Number: 038-130-01. The 2024-25 assessed value, taxes, and special assessments are shown below:

<u>ASSESSED VALUE</u>	
LAND	\$154,742.00
IMPROVEMENTS	\$0.00
PERSONAL PROPERTY	\$0.00
OTHER	\$0.00
TOTAL	\$154,742.00
TAXES & SPECIAL ASSESSMENTS	
TOTAL TAX RATE	1.115148%
TOTAL TAXES	\$1,725.60
SPECIAL ASSESSMENTS	
None	\$0.00
TOTAL SPECIAL ASSESSMENTS	\$0.00
TOTAL TAXES & SPECIAL ASSESSMENTS	\$1,725.60

The estimates were provided by the Kern County Treasurer/Tax Collector. There are no delinquent taxes outstanding against the property.

PROPERTY SUMMARY

Site: The site is located on the southeast corner of 11th Avenue at Glenwood Street in Delano. (see plat map in addendum of report) It is near the State Highway 99 and Highway 155 interchange. Glenwood Street and 11th Avenue are two-lane local roadways with moderate traffic near the subject site. Surrounding uses include vacant commercial land, a gas station/mini-mart, and medical office.

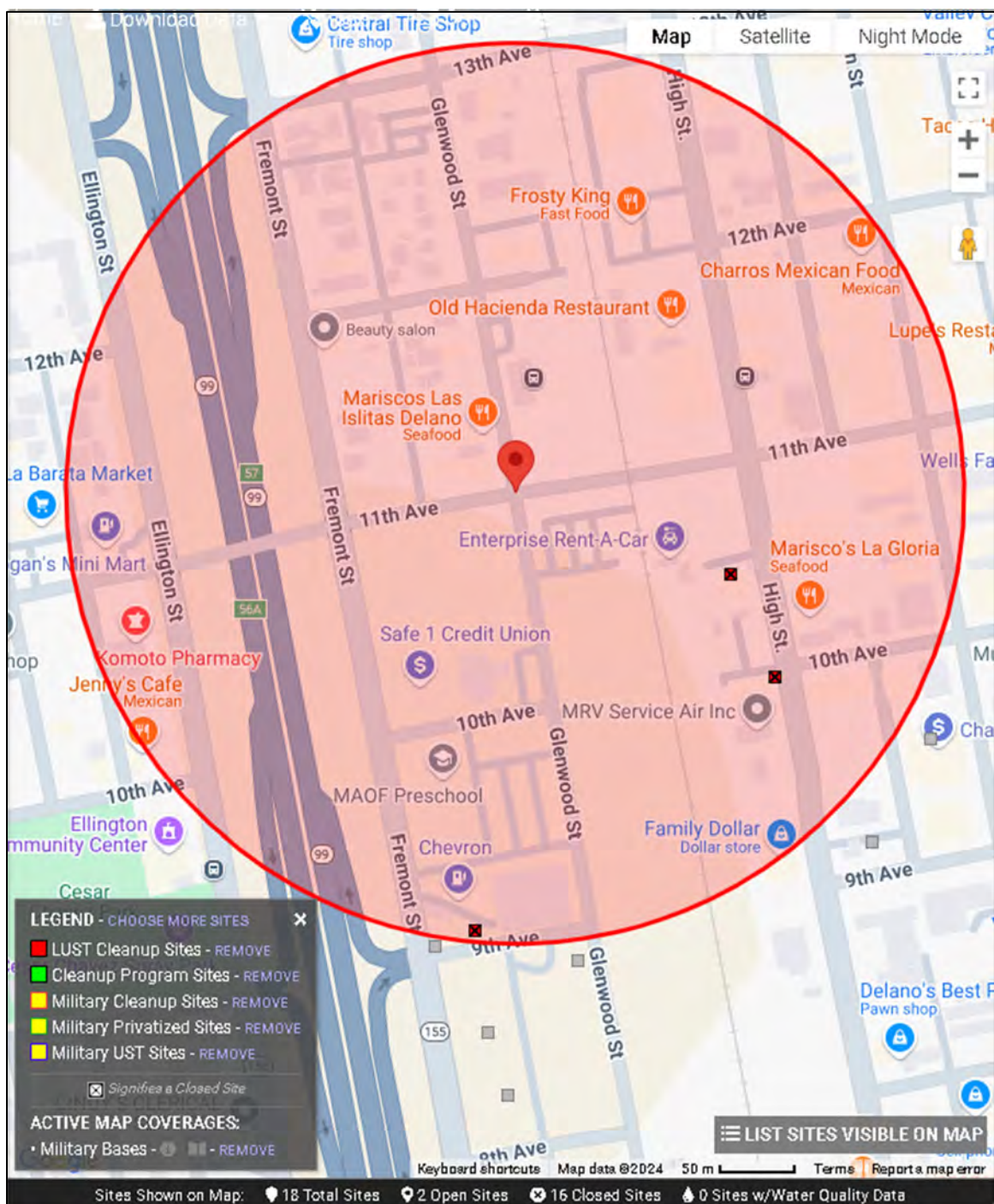
According to the Kern County Assessor's Office the subject property is a total of 0.73 acres or 31,799 square feet. The site is irregular shaped and fronts 377 feet along the east line of Glenwood Street and 88 feet along the south line of 11th Avenue. Topography is generally level at street grade.

According to the Federal Emergency Management Agency's flood insurance rate map community-panel number 060078 – 06029C0225E dated September 26, 2008, the subject property is situated in zone X. Zone X is defined as being within the 500-year flood limits and is not considered a flood

hazard zone.

Upon visual inspection, it did not appear that there were any hazardous materials in or around the subject. I, however, am not qualified to detect such substances or materials. Any comment that might suggest the possibility of the presence of such substances should not be taken as confirmation of the presence of hazardous waste and/or toxic materials. Such determination would require investigation by a qualified expert in the field of environmental assessment. An environmental assessment report was not provided to the appraiser.

The subject is situated in an area that has oil/gas uses. GeoTracker indicated 16 closed clean-up sites and two open cases in the surrounding area (1,000 foot radius) of the subject.



SITES VISIBLE ON MAP - CHOOSE FIELDS	
SITE NAME	STATUS
☒ BILL LOCKE'S CHEVRON	COMPLETED - CASE CLOSED
☒ DUNNING RANCH	COMPLETED - CASE CLOSED
☒ PIONEER EQUIPMENT	COMPLETED - CASE CLOSED

The routine inspection of the subject disclosed no unusual conditions affecting the land. However, the presence of substances or other potentially hazardous materials may affect the value of the property. The value opinion is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is accepted for any environmental conditions, or for any expertise or engineering knowledge required to discover them, as I am not an expert in this field. Descriptions and resulting comments are the result of the routine observations made during the appraisal process.

The subject is not located in an Alquist-Priolo seismic special studies zone. Based upon surrounding land uses, it appears the soil is suitable for development.

The site is serviced by all public utilities including gas, electricity, water, sewer, and storm drainage. Off-site improvements include asphalt paved street and curbing along with street lighting.

A preliminary report was not provided. Existing public utility easements do not have an adverse effect on value. No adverse easements, encroachments, or other surface restrictions were observed.

According to the City of Delano Planning Department, the zoning is GC, General Commercial. The City of Delano development code describes the purpose of the General Commercial (GC) District "is to provide sites for commercial uses that will serve a large segment of the population with a wide variety of retail, wholesale, service, and office uses."

HIGHEST & BEST USE

As Vacant – The subject is zoned for commercial use. Physical characteristics and services availability are consistent with this use. Considering the subject's location and surrounding uses, financial feasibility and maximum productivity are achieved with development of a general commercial or retail property for a tenant or owner occupant. Development on a speculative basis could result in a long marketing period, reducing profitability. If a build-to-suit tenant or owner occupant is not found, holding the site vacant in speculation of future development is the prudent course of action.

SALES COMPARISON APPROACH

My investigation uncovered four closed sales and one listing considered similar to the subject. Physical inspections were made, and the sale prices were verified. The units of comparison used in this appraisal are price per square foot. Specific information on the comparable sales is provided in the adjustment grid below and plat maps are in the addendum. The adjustment grid below is followed by a discussion of the adjustments, resulting in an indication of value.

LAND SALES MARKET DATA GRID

	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
Location	SEC 11th Ave at Glenwood St	1230 34th Street	1124 Fremont Street	Highway 46	Fremont Street & 11th Avenue	1117 Glenwood Street
	Delano	Bakersfield	Delano	Wasco	Delano	Delano
APN	038-130-01	120-120- 13,14,15	038-040-15	487-400-12	038-050- 38, 39, & 40	038-040-04
Recording Date	N/A	Nov-24	Dec-23	Mar-23	Apr-23	Listing
Document #	N/A	140732	15621	32924	48574	N/A
Sale Price	N/A	\$265,000	\$150,000	\$500,000	\$1,480,000	\$139,000
Net Site Size (AC)	0.73	0.81	0.26	0.80	1.95	0.17
Net Site Size (SF)	31,799	35,439	11,250	34,848	84,942	7,500
Zoning	GC	MX-1	GC	C-R	GC	GC
Utilities Nearby	E,G,W,S	E,G,W,S	E,G,W,S	E,G,W,S	E,G,W,S	E,G,W,S
Terms of Sale	N/A	Cash Equiv	Cash	Cash	Cash Equiv	Cash Equiv
Price Per SF	N/A	\$7.48	\$13.33	\$14.35	\$17.42	\$18.53
Adjustments						
Financing	-	0.00	0.00	0.00	0.00	0.00
Conditions of Sale	-	0.00	0.00	0.00	0.00	-3.71
Market Conditions	Dec-24	0.00	0.00	0.00	0.00	0.00
Adjusted Price	-	\$7.48	\$13.33	\$14.35	\$17.42	\$14.83
Site Size (SF)	0.73	0.00	-2.00	0.00	0.87	-2.97
Off-Sites/Utilities	Curb/Gut/SW	0.00	0.00	0.00	0.00	0.00
Zoning	GC	0.75	0.00	0.00	0.00	0.00
Location	Delano	1.50	0.67	-1.43	-2.61	2.22
Net Adjustment/SF	-	2.24	-1.33	-1.43	-1.74	-0.74
Indicated Value/SF	-	\$9.72	\$12.00	\$12.91	\$15.68	\$14.09

The sales utilized are considered the most comparable available. There were no highly comparable listings. Although similar, there are characteristics which differ from the subject and cause the prices paid to vary. These differences are adjusted to reflect the variance in sales price. The adjustments are discussed as follows.

Financing (Terms of Sale) - All the comparable sales were sold for cash or involve terms equivalent to cash. No adjustments are required.

Conditions of Sale - No adjustments are required for closed sales. Sale 5 is a listing that has been marketed for over two years. It is adjusted downward 20% to account for buyer negotiations.

Market Conditions (Time of Sale) - All closed sales occurred between April 2023 and November 2024 during similar market conditions.

Site Size - Parcels with more square footage tend to sell for less on a per acre basis than smaller parcels. An explanation for this is that there are more buyers that can afford smaller properties and therefore more demand which increases the unit price. Sales 2 and 5 are significantly smaller than the subject and are adjusted downward accordingly. Sale 4 is larger and is adjusted upward.

Off-Sites/Utilities – All sales are similar.

Zoning - The subject is zoned GC, General Commercial which allows for most commercial uses. Sale 1 is a mixed-use zoning which included neighborhood commercial and residential.

Commercial uses are more limited in this zoning compared to the subject's zoning, which is inferior compared to the subject and Sale 1 is adjusted upward for this difference.

Location - The subject site is located at the corner of two local roadways with visibility from the main thoroughfare of Fremont Street. Sale 1 is located in a mixed-use area in Bakersfield with less frontage along the main thoroughfare. Sale 2 fronts Fremont Street near the subject but is mid-block. Sale 5 has a mid-block location near the subject property and does not have frontage on Fremont Street. These three sales are inferior in terms of location for commercial use and are adjusted upward.

Sale 3 is located along State Highway 46 which has significantly less traffic and exposure compared to Highway 99; however, it is a pad site within a Walmart anchored center which is superior to the subject's location. Sale 4 is near the subject also with visibility from Highway 99 and frontage along Fremont Street; however, in addition Sale 4 has frontage on 11th Avenue which provides access across Highway 99 to the east, access across the railroad tracks to the west and a significantly higher traffic volume than 9th Avenue. The locations of Sales 3 and 4 are considered slightly superior to the subject's location and are adjusted downward accordingly.

Reconciliation - The sales indicate a range after adjustments of \$9.72 to \$15.68 per square foot. Sale 5 at \$14.09 per square foot is a listing that has been marketed for an extended period of time. Listings typically set the top of the market range and are given less weight than the closed sales. Sale 2 is the most recent comparable sale near the subject and required less gross adjustment than most of the other sales. Sale 2 is given the greatest consideration. Sales 1, 3, and 4 are given generally equal weight. Considering all factors, the subject is assigned a unit value of \$12.50 per square foot which indicates an overall value as follows:

$$31,799 \text{ Square Feet} \times \$12.50/\text{Square Foot} = \$397,488$$

Indicated Value by the Sales Comparison Approach (ROUNDED)

\$400,000

As a result of my investigation and analyses presented in this report, it is my opinion that the market value "as is", fee simple as of December 12, 2024, subject to the assumptions and limiting conditions set forth in the addendum of this report, is the sum of:

FOUR HUNDRED THOUSAND DOLLARS
\$400,000

ASSUMPTIONS AND LIMITING CONDITIONS

Standards Rule ("S.R.") 2-1(c) of the "Standards of Professional Appraisal Practice of the Appraisal Foundation" requires the appraiser to "clearly and accurately disclose all assumptions, extraordinary assumptions, hypothetical conditions, and limiting condition used in the assignment." In interpreting this report, such assumptions and limiting conditions are set forth as follows:

Extraordinary Assumptions

1. None

Hypothetical Conditions

1. None

General Assumptions and Limiting Conditions

1. The conclusions and opinions expressed in this report apply to the date of value set forth in the letter of transmittal accompanying this report. The dollar amount of any value opinion or conclusion rendered or expressed in this report is based upon the purchasing power of the American dollar existing on the date of value.

2. The appraiser assumes no responsibility for economic, physical or demographic factors which may affect or alter the opinions in this report if said economic, physical or demographic factors were not present as of the date of the letter of transmittal accompanying this report. The appraiser is not obligated to predict future political, economic or social trends.

3. In preparing this report, the appraiser was required to rely on information furnished by other individuals or found in previously existing records and/or documents. Unless otherwise indicated, such information is presumed to be reliable. However, no warranty, either express or implied, is given by the appraiser for the accuracy of such information and the appraiser assumes no responsibility for information relied upon later found to have been inaccurate. The appraiser reserves the right to make such adjustments to the analyses, opinions and conclusions set forth in this report as may be required by consideration of additional data or more reliable data that may become available.

4. No opinion as to title of the subject property is rendered. Title is assumed to be marketable and free and clear of all liens, encumbrances, easements and restrictions except those specifically discussed in the report. The property is appraised assuming it to be under responsible ownership and competent management, and available for its highest and best use.

5. This appraisal should not be considered a report on the physical items that are a part of this property. Although the appraisal may contain information about the physical items being appraised (including their adequacy and/or condition), it should be clearly understood that this information is only to be used as a general guide for property valuation and not as a complete or detailed physical report. The appraiser is not a construction or engineering expert, and any opinion given on these matters in this report should be considered preliminary in nature.

It is assumed that there are no hidden or unapparent conditions of the property, sub-soil, or structures which would render it more or less valuable. No responsibility is assumed for any such conditions or for any expertise or for arranging any engineering, surveys, soil studies, termite inspections or other special inspections or studies. Since no such tests, studies, or inspections were made, no liability is assumed for matters relating to engineering, architectural, structural, mechanical, or soils conditions which may be required to discover such factors. The structures were not checked for building code violations and it is assumed that all buildings meet the building codes unless so stated in the report.

Because no detailed inspection was made, and because such knowledge goes beyond the scope of this appraisal, any observed condition comments given in this appraisal report should not be taken as a guarantee that a problem does not exist. Specifically, no guarantee is made as to the adequacy or condition of the foundation, roof, exterior walls, interior walls, floors, heating system, air conditioning system, plumbing, electrical service, insulation, soils or sub soils. The presence of radon gas, hazardous waste, asbestos or any toxic and potentially dangerous materials and conditions have not been considered and such conditions may or may not be present. If any interested party is concerned about the existence, condition or adequacy of any particular item or condition, it is strongly suggested that the proper expert be hired for a detailed investigation.

6. Unless otherwise stated, the subject property is appraised assuming it to be in full compliance with all applicable zoning and land use regulations and restrictions. The property is appraised assuming that all required licenses, permits,

certificates, consents or other legislative and/or administrative authority from any local, state or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.

No analysis or survey to determine if the property is in compliance with the Americans with Disabilities Act (ADA) has been provided the appraiser or made by the appraiser. Possible noncompliance with ADA was not considered in estimating the value. No responsibility is assumed for determining whether the property is in conformity with the various detailed requirements of the ADA.

7. No engineering survey has been made by the appraiser. Except as specifically stated, data relative to size and area of the subject property was taken from sources considered reliable and no encroachment of the subject property is considered to exist.

8. No opinion is expressed as to the value of subsurface oil, gas, water or mineral rights or whether the property is subject to surface entry for the exploration or removal of such materials, except as is expressly stated.

9. Maps, plats and exhibits included in this report are for illustration only to serve as an aid in visualizing matters discussed within the report. They should not be considered as surveys or relied upon for any other purpose, nor should they be removed from, reproduced or used apart from the report.

10. No opinion is intended to be expressed for matters which require legal expertise or specialized investigation or knowledge beyond that customarily employed by real estate appraisers.

11. Possession of this report, or a copy of it, does not carry with it the right of publication. Without the written consent of the appraiser, this report may not be used for any purpose by any person other than the party to whom it is addressed. In any event, this report may be used only with proper written qualification and only in its entirety for its stated purpose.

12. The property which is the subject of this appraisal is within a geographic area prone to earthquakes and other seismic disturbances. Except as specifically indicated in the report, no seismic or geologic studies have been provided to the appraiser concerning the geologic and/or seismic condition of the subject property. The appraiser assumes no responsibility for the possible effect on the subject property of seismic activity and/or earthquakes.

13. Testimony or attendance in court or at any other hearing is not required by reason of rendering this appraisal, unless such arrangements are made a reasonable time in advance of said hearing. Further, unless otherwise indicated, separate arrangements shall be made concerning compensation for the appraiser's time to prepare for and attend any such hearing.

14. The liability of KERN APPRAISAL COMPANY, its employees, and independent contractors under agreement is limited to the client only and to the fee actually received by the appraiser. Further, there is no accountability, obligation, or liability to any third party. If this report is placed in the hands of anyone other than the client, the client shall make such party aware of all assumptions and limiting conditions of the assignment and related discussions. The appraiser is in no way to be responsible for any costs incurred to discover or correct any deficiencies of any type present in the property; physically, financially, and/or legally.

CERTIFICATION

I certify that, to the best of my knowledge and belief . . .

- The statements of fact contained in this report are true and correct.
- Nicole Atherton has made personal inspections of the property that is the subject of this report.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute and the Uniform Standards of Professional Appraisal Practice.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by their duly authorized representatives.
- As of the date of this report, Nicole Atherton, has completed the requirements under the continuing education program of the Appraisal Institute.
- No one provided significant real property appraisal assistance to the person signing this certification.
- I have performed services in September 2023, as an appraiser, regarding two properties that are the subject of this report (831 Glenwood Street and 830 Fremont Street) within the three-year period immediately preceding acceptance of this assignment. I have performed no services, as an appraiser or in any other capacity, regarding one of the properties that is the subject of this report (SEC of 11th Avenue at Glenwood Street) within the three-year period immediately preceding acceptance of this assignment.



Nicole Atherton, MAI

Certified General #: AG040635

CA Expiration: 07/04/2026

ADDENDA

Area Map

Aerial Photo

Subject Photographs

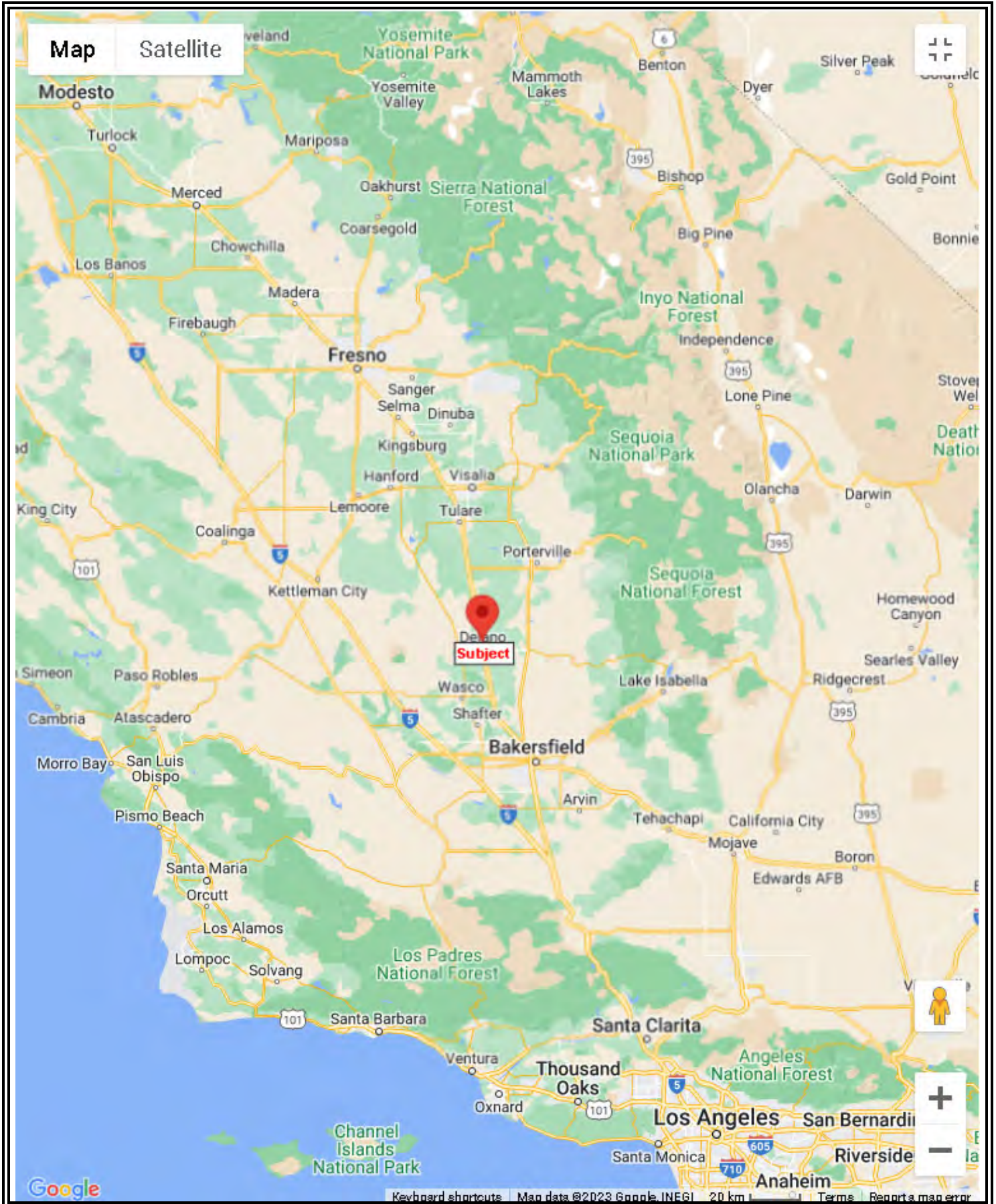
Plat Map

Comparable Land Sales Map

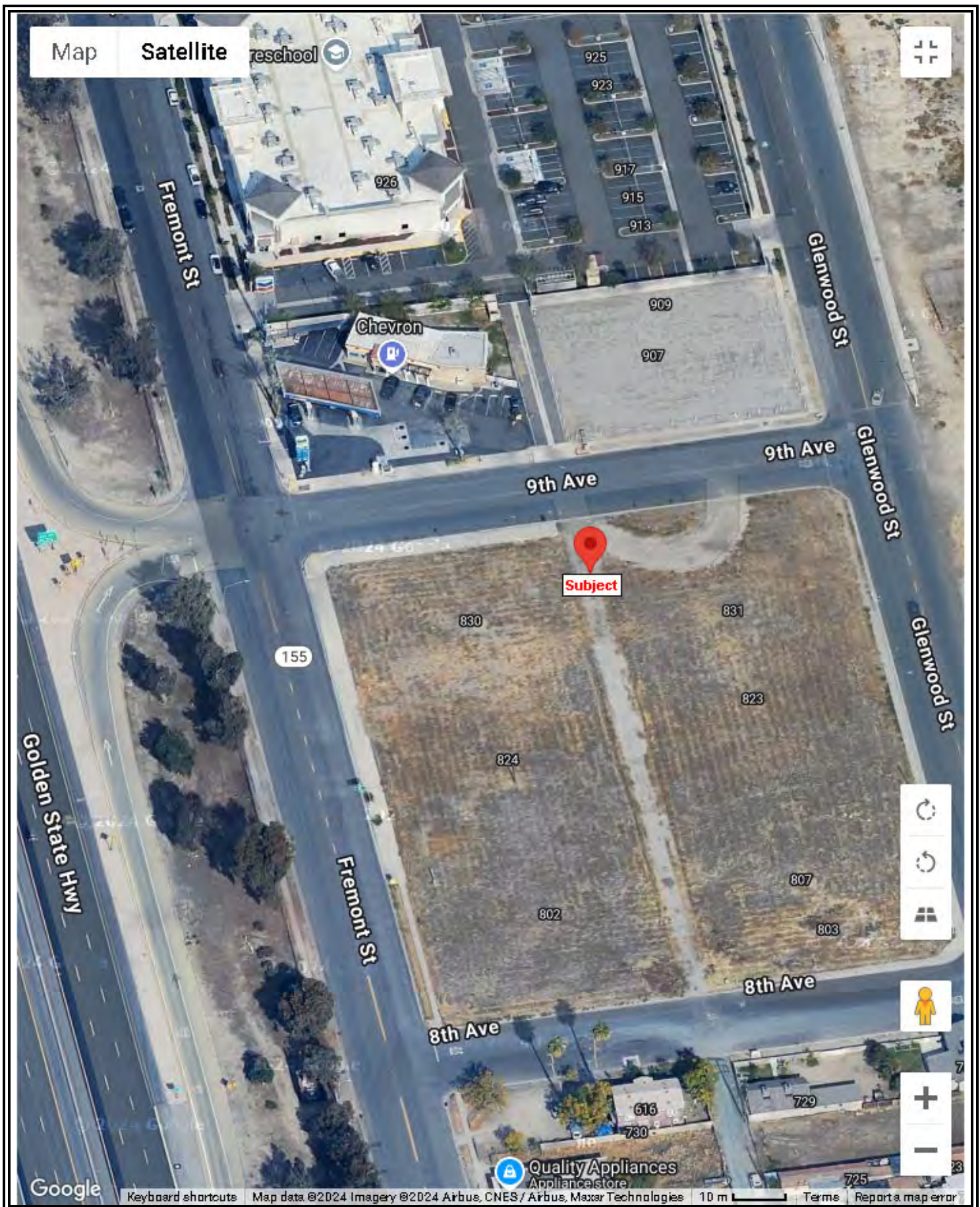
Comparable Land Sales Plat Maps

Appraiser's License & Qualifications

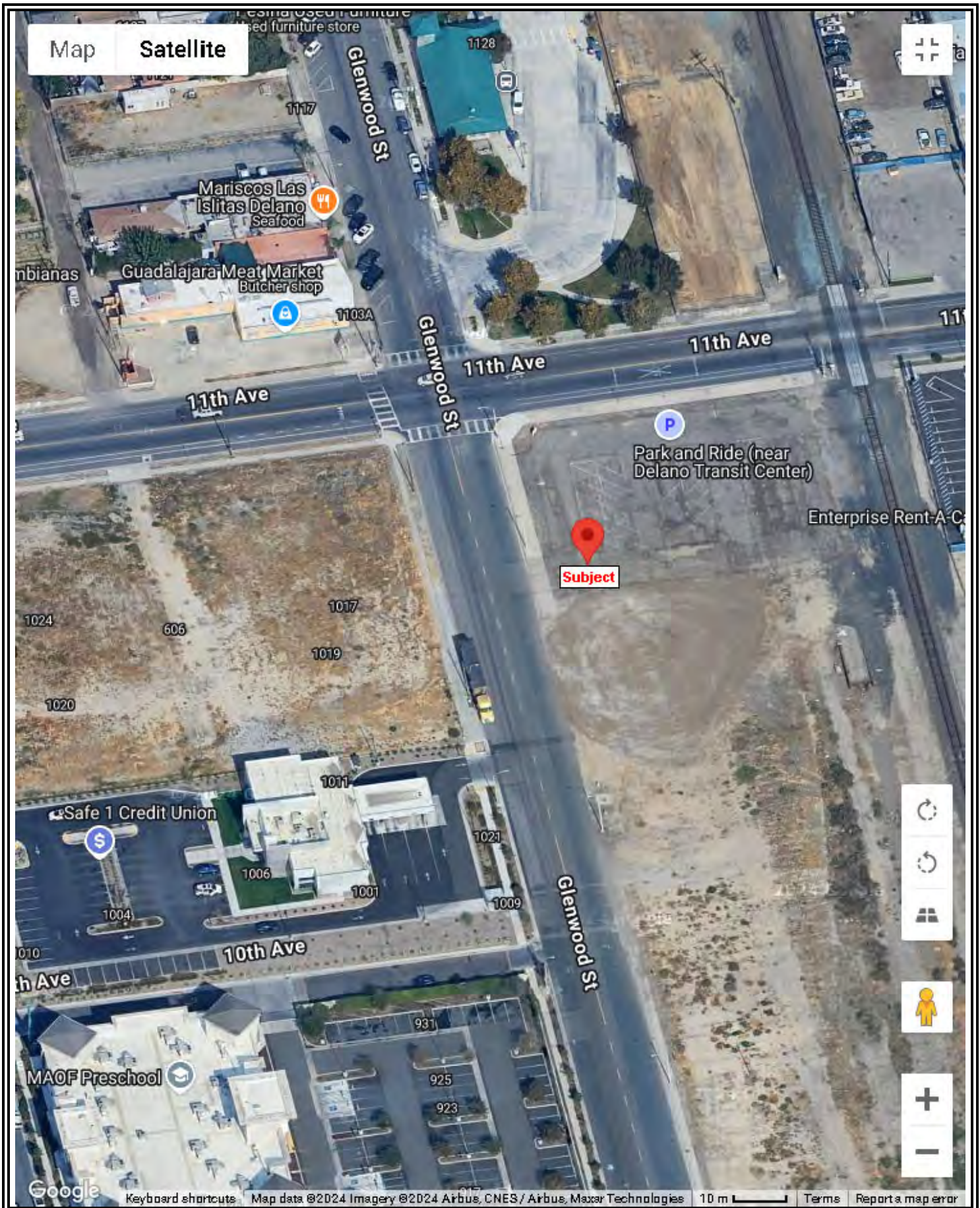
Area Map



Aerial View of 831 Glenwood St & 830 Fremont St



Aerial View of SEC 11th Ave at Glenwood St



SUBJECT PHOTOGRAPHS



-830 Fremont Street-



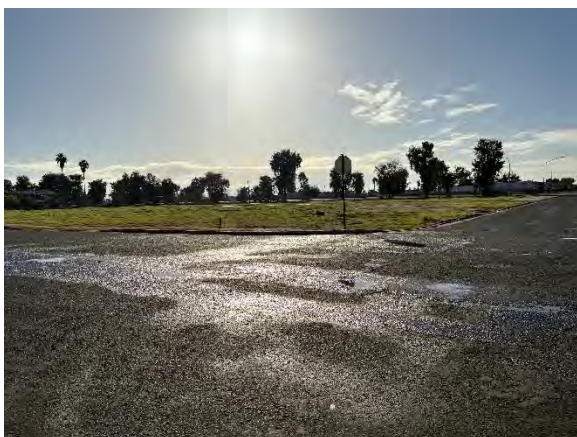
-830 Fremont Street-



-830 Fremont Street-



-831 Glenwood Street-



-831 Glenwood Street-



-831 Glenwood Street-

SUBJECT PHOTOGRAPHS



-Fremont Street Facing North-



-Fremont Street Facing South-



-9th Avenue Facing East-



-9th Avenue Facing West-



-Glenwood Street Facing North-



-Glenwood Street Facing South-

SUBJECT PHOTOGRAPHS



-SEC 11th Ave & Glenwood St-



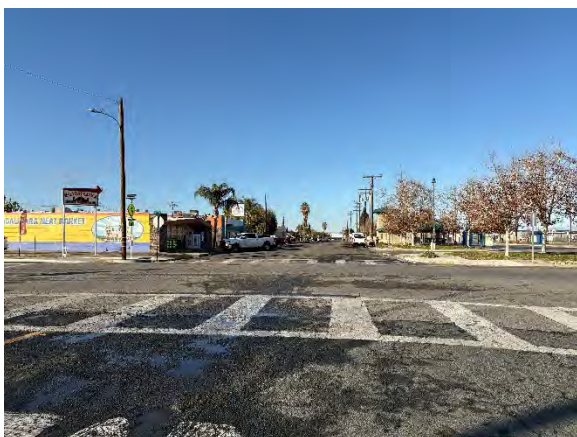
- SEC 11th Ave & Glenwood St-



-11th Avenue Facing East-



-11th Avenue Facing West-

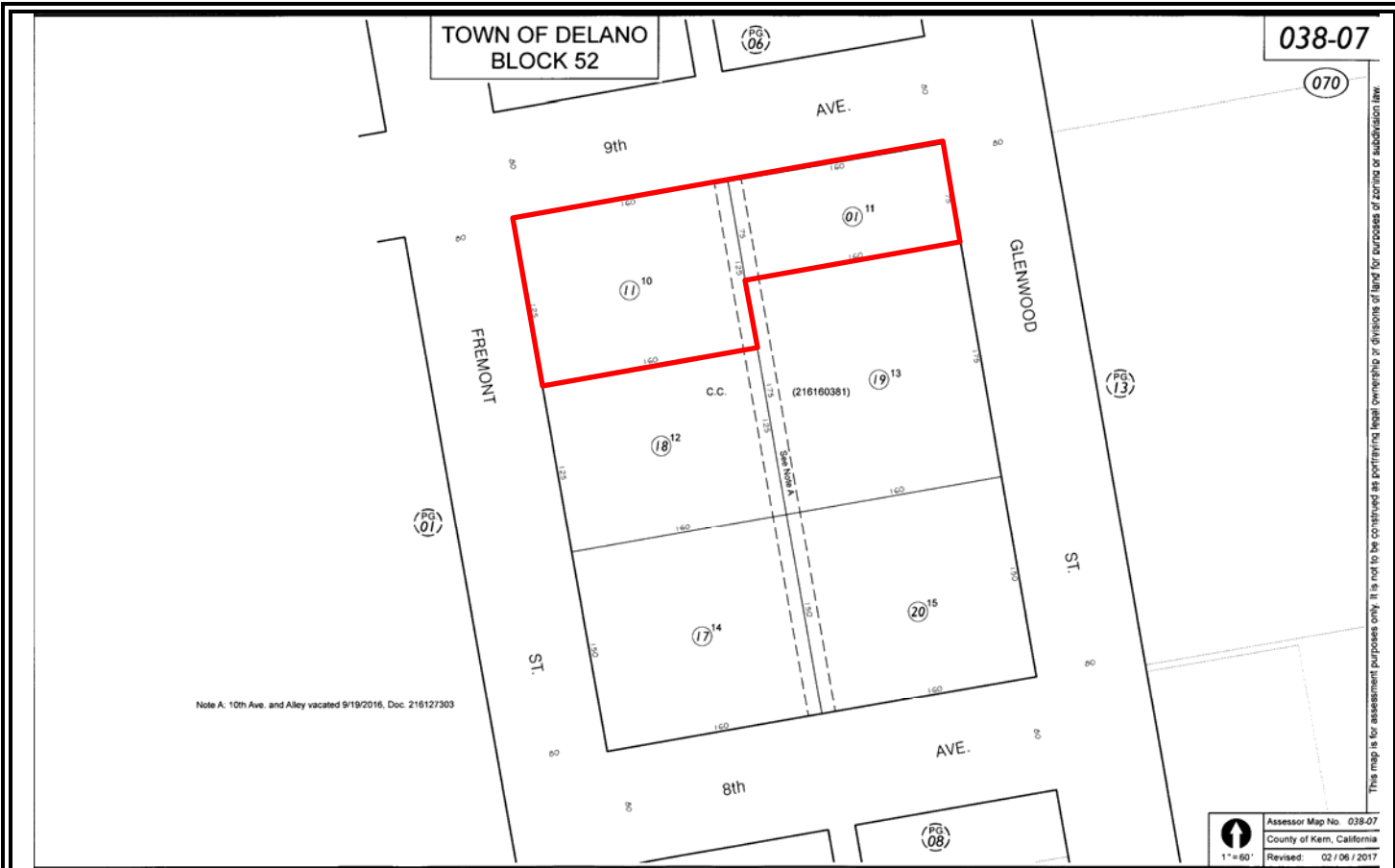


-Glenwood Street Facing North-



-Glenwood Street Facing North-

Plat Map

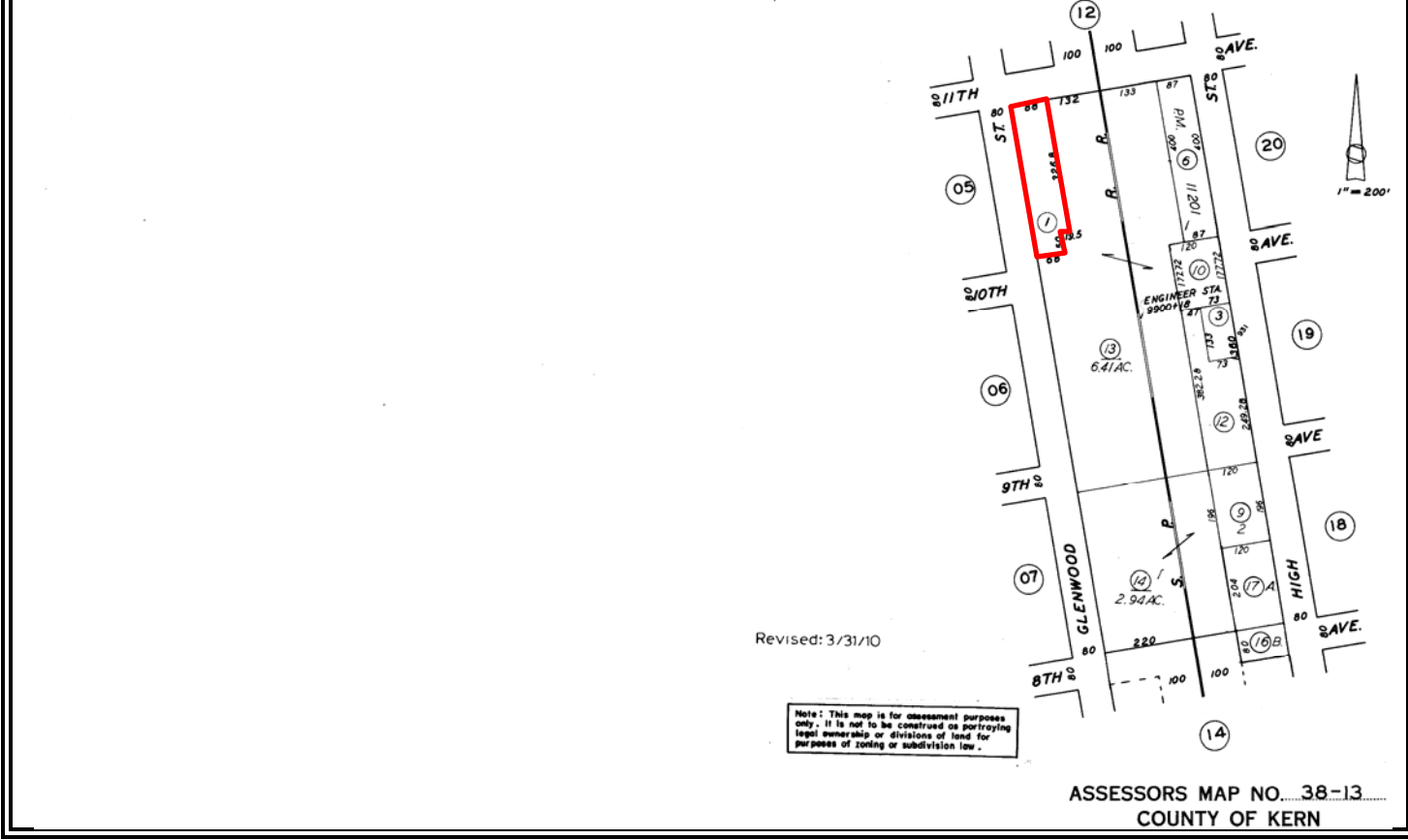


38-13

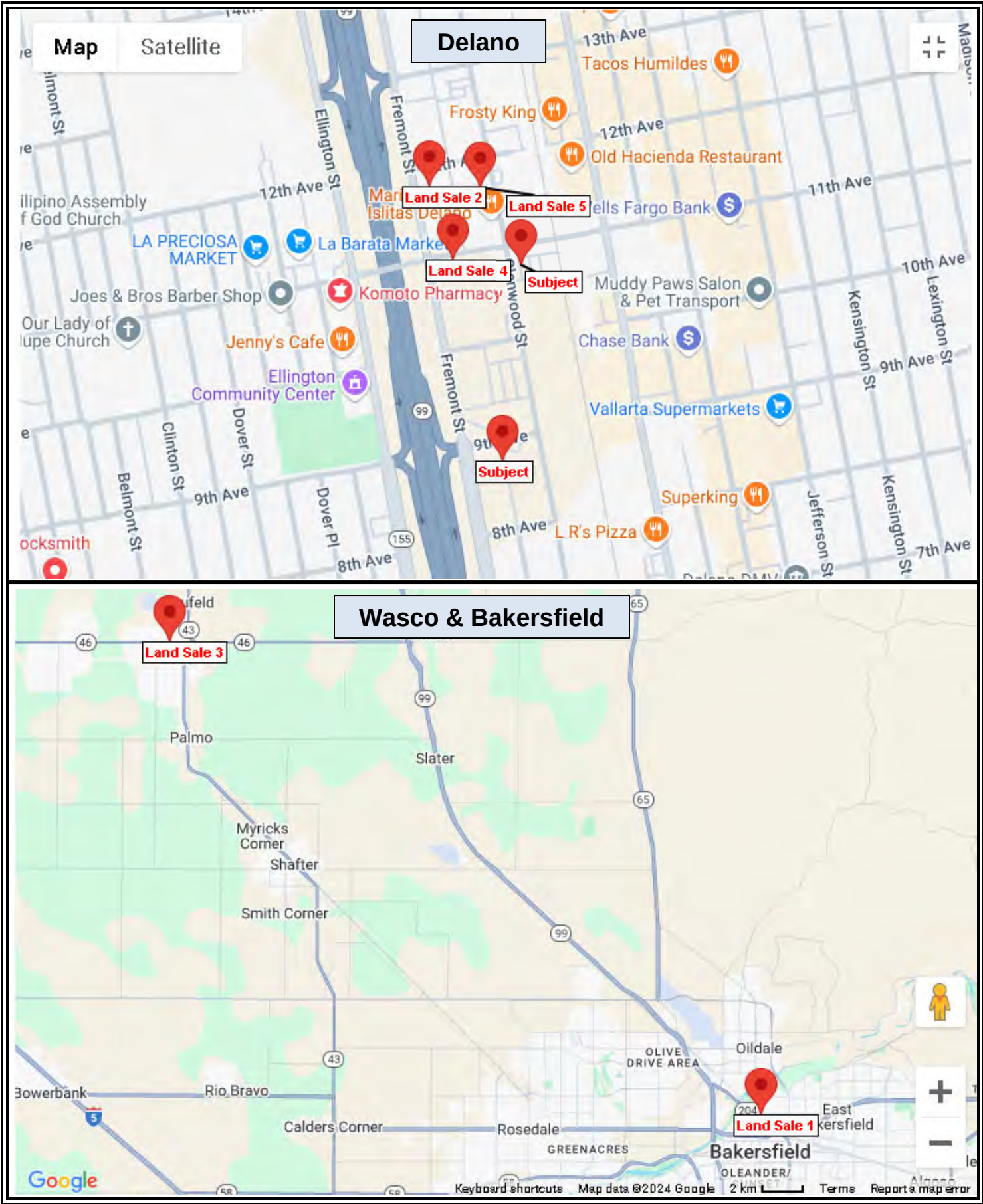
TOWN OF DELANO

SCHOOL DIST. 2-6

38-13



Comparable Land Sales



[illegible]

38-04

TOWN OF DELANO
BLOCK 49

SCHOOL DIST. 12-6

38-04

12TH AVE.

ST.

ST.

FLEMONT ST.

GLENWOOD ST.

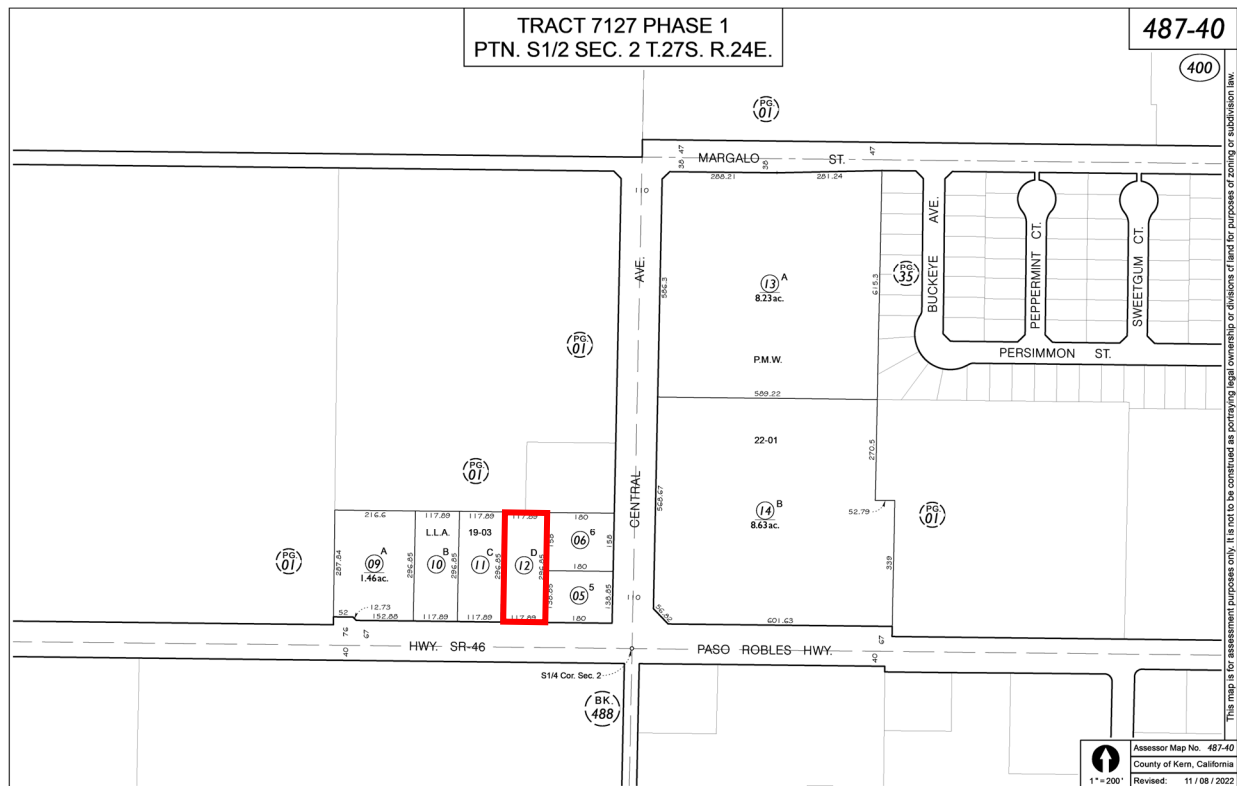
11TH AVE.

ASSESSORS MAP NO. 38-04
COUNTY OF KERN

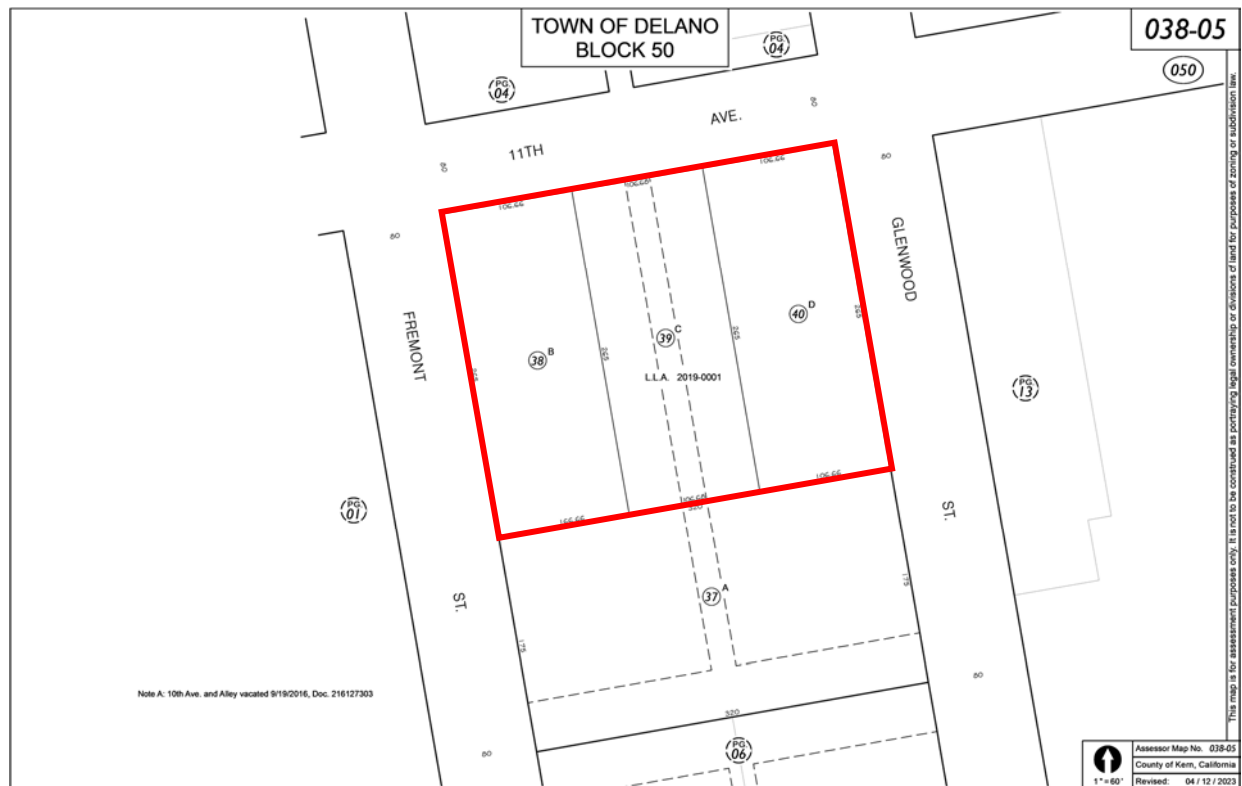
Note: This map is for assessment purposes only. It is not to be construed as portraying any legal interest or title for purposes of zoning or subdivision.

Land Sale 2 – 1124 Fremont Street (APN 038-040-15), Delano

COMPARABLE LAND SALE PLAT MAPS

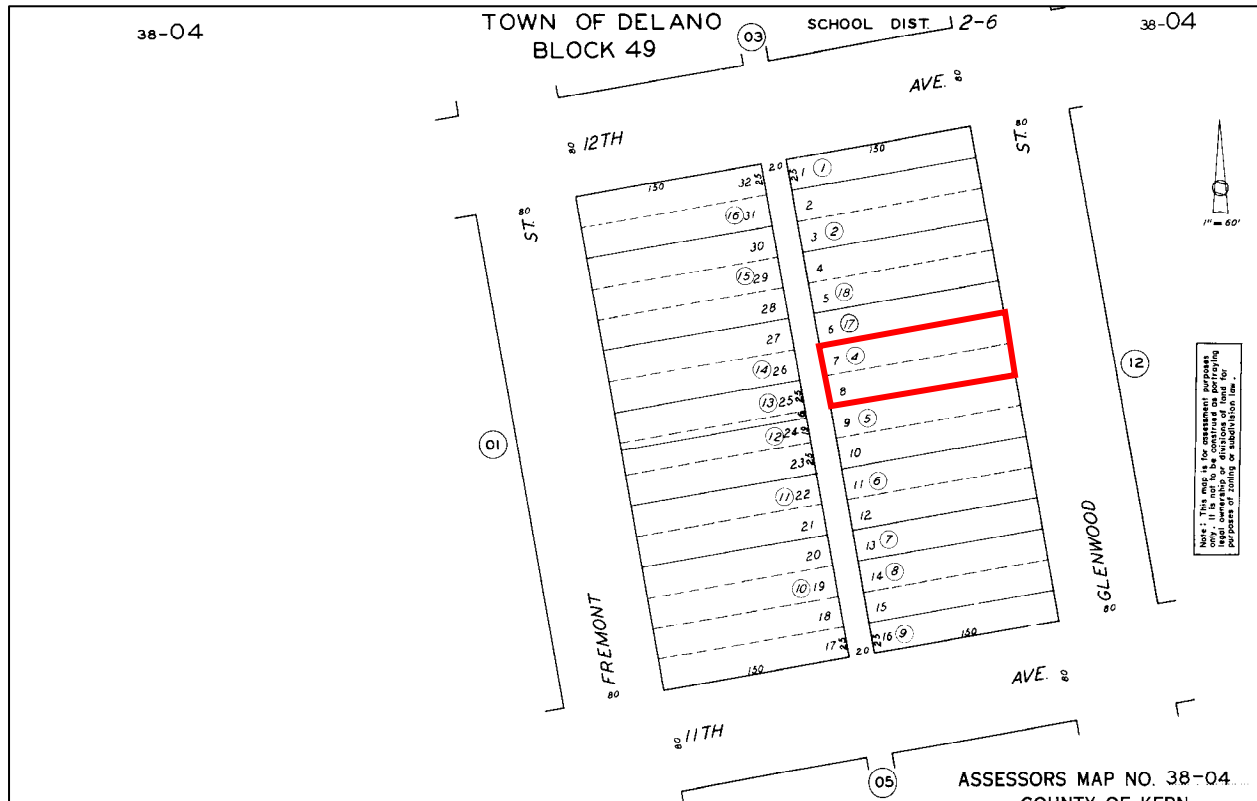


Land Sale 3 – Highway 46 (APN 487-400-12), Wasco



Land Sale 4 – Fremont St & 11th Ave (APNs 038-050-38, 39, & 40), Delano

COMPARABLE LAND SALE PLAT MAPS



Land Sale 5 – 1117 Glenwood Street (APN 038-040-04), Delano



Business, Consumer Services & Housing Agency
BUREAU OF REAL ESTATE APPRAISERS
REAL ESTATE APPRAISER LICENSE

Nicole E. Atherton

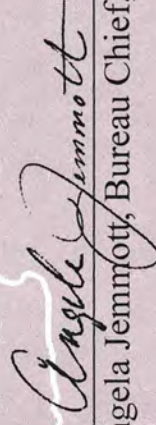
has successfully met the requirements for a license as a residential and commercial real estate appraiser in the State of California and is, therefore, entitled to use the title:

"Certified General Real Estate Appraiser"

This license has been issued in accordance with the provisions of the Real Estate Appraisers' Licensing and Certification Law.

BREA APPRAISER IDENTIFICATION NUMBER: AG 040635

Effective Date: July 5, 2024
Date Expires: July 4, 2026


Angela Jemmott, Bureau Chief, BREAA

3076832

Appraisal Qualifications of Nicole Atherton, MAI

Kern Appraisal Company
5401 Business Park South, Suite 226
Bakersfield, CA 93309
(661) 321-0545 Ext 2202 Fax (661) 321-0995

Experience:

Real Estate Appraiser/Owner, Kern Appraisal Company
Bakersfield, California. September 2014 to Present

Real Estate Appraiser, Dallis Higdon & Associates
Bakersfield, California. March 2007 to August 2014

State Certification:

State of California Certified General Real Estate Appraiser
BREA Appraiser Identification Number AG040635

Professional Affiliations:

Awarded MAI Designation 2016
Appraisal Institute Central California Chapter President 2018, 2019
Appraisal Institute Central California Chapter Vice President 2017
Appraisal Institute Central California Chapter Vice President & Treasurer 2015, 2016
Appraisal Institute Central California Chapter Secretary, Education Chair 2013, 2014
Appraisal Institute Central California Chapter Associate Board Member 2010-12

Education:

Bachelor of Science Degree
Business Administration with concentration in Accounting
California State University at Bakersfield, Graduated Magna cum Laude in June 1997

Successful completion of the following real estate courses:

Appraisal Institute:

Appraisal Procedures
General Appraiser Site Valuation and Cost Approach
General Appraiser Sales Comparison Approach
General Appraiser Income Capitalization I
General Appraiser Income Capitalization II
Advanced Income Capitalization
General Appraiser Report Writing Case Studies
Real Estate Finance Statistics and Valuation Modeling
General Appraiser Market Analysis and Highest & Best Use
Advanced Concepts and Case Studies
The Appraiser as an Expert Witness: Preparation and Testimony

Eminent Domain and Condemnation
The Discounted Cash Flow Model: Concepts, Issues, and Applications
Introduction to Green Buildings: Principles and Concepts
New Technology for Real Estate Appraisers
Supervisory Appraiser/Trainee Appraiser Course
Business Practices and Ethics (Latest 2022)
7 Hour National USPAP Course (Latest 2024)

Other:

Appraisal Principles
15 Hour National USPAP Course
Laws and Regulations for California Appraisers (Latest 2022)

Seminars:

IREM Bakersfield Real Estate Forecast Breakfast (Annual)
Bakersfield Multifamily Real Estate Market Update and Forecast
Bakersfield Residential Real Estate Market Update and Forecast
The Evaluation Crossroads – Evolving Finance & Regulation
Litigation Support Outside the Box
The Valuation Analyst
Appraising Federal Property
Shining Light on Dark Box Theories
MAI-Esquire's on Appraiser Defense
The Uniform Appraisal Dataset, Fannie Mae and Freddie Mac
Loss Prevention for Real Estate Appraisers
Federal Laws & Regulations
Appraisal Institute 2018 Annual Conference, Nashville TN
Appraisal Institute 2019 Annual Conference, Denver CO

Scope of Experience

Commercial:	Shopping centers, professional office buildings, restaurants, banks, retail stores, medical office buildings, mini-markets, automotive and service-related retail
Industrial:	Office warehouses, shops, packing sheds, self-storage facilities, heavy industrial
Residential:	Apartments, residences, condominiums, subdivision analysis
Special Purpose:	Motels, hotels, churches, airplane hangars, private schools
Other:	Condemnation

RESOLUTION NO. 2025-11

A JOINT RESOLUTION OF THE SUCCESSOR AGENCY TO THE FORMER DELANO COMMUNITY REDEVELOPMENT AGENCY AND THE CITY OF DELANO CITY COUNCIL ADOPTING THE DELANO TRANSIT CENTER PARKING PLAN AND DECLARING TWO SUCCESSOR AGENCY-OWNED PARCELS (APNs 038-070-11 AND 038-070-01) AS “EXEMPT SURPLUS LAND” PROPOSED FOR EXCHANGE FOR A PRIVATELY-OWNED PARCEL (APN 038-130-01) AND DECLARING SUCH ACTIONS EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT UNDER GUIDELINES SECTION 15061(B)(3)

The Successor Agency to the Former Delano Community Redevelopment Agency (“Successor Agency”) and the City Council of the City of Delano (“City Council”) do resolve as follows:

SECTION 1. Findings. The Successor Agency and the City Council find and determine as follows:

A. The Successor Agency owns, in fee, two unimproved contiguous parcels described as follows:

1. The real property in the City of Delano located on the southeast corner of 9th Avenue and Fremont Street (Kern County Assessor’s Parcel Number (“APN”) 038-070-11) (hereinafter, “Surplus Parcel 1”).

2. The real property in the City of Delano located on the southeast corner of 9th Avenue and Glenwood Street (Kern County APN 038-070-01) (hereinafter, “Surplus Parcel 2”).

B. Surplus Parcel 1 and Surplus Parcel 2 will collectively be referred to as the “Surplus Parcels,” and together constitute approximately 0.73 acres in size.

C. The City of Delano owns and operates the Delano Transit Center located at 1120 Glenwood Street, which serves as a transit hub for the City, including fixed bus services and Dial-a-Ride services.

D. 3D Spectravision LLC (“Developer”) owns real property in the City of Delano located on the corner of Glenwood Street and 11th Avenue (Kern County APN 038-130-01) (hereinafter, the “Developer Parcel”) which is approximately 0.73 acres in size and adjacent to the Delano Transit Center.

E. The Surplus Land Act (Gov. Code, § 54220 et seq.) (hereinafter, the “Act”) authorizes a local agency to exchange surplus land for another property necessary for the agency’s use (Gov. Code, § 54221, subd. (f)(1)(C).)

F. The City of Delano plans to augment the vehicular parking available to serve users of the Delano Transit Center to promote public transit use and reduce greenhouse gas emissions. This proposed City plan will hereinafter be referred to as the “Delano Transit Center Parking Plan” and constitutes the City of Delano’s “agency’s use” pursuant to Government Code § 54221(c)(1).

G. The Successor Agency and the City Council seek to facilitate the Delano Transit Center Parking Plan by exchanging the Surplus Parcels for the Developer Parcel pursuant to the Act. Subsequent to the exchange, the Successor Agency will quitclaim the Surplus Parcels to the City of Delano for their use in connection with the Transit Center Parking Plan.

SECTION 2. Delano Transit Center Parking Plan Adoption. The City Council hereby adopts the Delano Transit Parking Center Plan set forth in Section 1(F), above, in accordance with Government Code § 54221(c)(1).

SECTION 3. Declaration of Exempt Surplus Property. The Successor Agency declares that the Surplus Parcels are “exempt surplus property” under the Act because the exchange of the unneeded Surplus Parcels would be for the Developer Parcel which is necessary for the City of Delano’s “agency’s use” identified in the adopted Delano Transit Center Parking Plan pursuant to Government Code § 54221(f)(1)(C). Furthermore, pursuant to Government Code § 54221(f)(2), the Successor Agency finds and declares that neither of the Surplus Parcels is (a) within a coastal zone, (b) adjacent to a historical unit of the State Parks System, (c) listed on, or determined by the State Office of Historic Preservation to be eligible for, the National Register of Historic Places, or (d) within the Lake Tahoe region as defined in Government Code section 66905.5.

SECTION 4. Environmental Review. The actions contemplated herein are exempt from the California Environmental Quality Act (“CEQA”) because it can be seen with certainty that there is no possibility that these activities may have a significant effect on the environment pursuant to CEQA Guidelines § 15061(b)(3).

SECTION 5. Severability. If any part of this Resolution or its application is deemed invalid by a court of competent jurisdiction, the Successor Agency and the City Council intend that such invalidity will not affect the effectiveness of the remaining provisions or applications and, to this end, the provisions of this Resolution are severable.

SECTION 6. Signature Authority. The mayor, or presiding officer, is hereby authorized to affix his signature to this Resolution signifying its adoption by both the Successor Agency and City Council, and the City Clerk, or appointed deputy, is directed to attest thereto.

SECTION 7. Effective Date. This Resolution will take effect immediately upon adoption and will remain effective unless repealed or superseded.

SECTION 8. City Clerk Direction. The City Clerk will certify to the passage and adoption of this Resolution, enter it in the Successor Agency's and the City Council's respective books of original resolutions, make a record of this action in the meeting's minutes, and forward a copy of the Resolution to the California Department of Housing and Community Development.

PASSED, APPROVED AND ADOPTED this 18th day of February 2025.



Liz Morris, Mayor

Attest:



Ricardo Chavez, City Clerk

Approved as to Form:



Mark D. Hensley, City Attorney

EXHIBIT A



**APPRAISAL REPORT
OF**



**Commercial Land
830 Fremont Street & 831 Glenwood Street
Delano, CA 93215**



**Commercial Land
SEC of 11th Avenue at Glenwood Street
Delano, CA 93215**

For
**Roman Dowling
CITY OF DELANO
1015 Eleventh Avenue
Delano, California 93215**

As Of
December 12, 2024

Prepared By
Nicole Atherton, MAI

**KERN APPRAISAL COMPANY
Real Estate Appraisal Services
5401 Business Park South, Suite 226, Bakersfield, CA 93309**

KERN APPRAISAL COMPANY

NICOLE ATHERTON, MAI

REAL ESTATE APPRAISAL SERVICES

RANDALL FRANZ

APPRAISAL REPORT

TO Roman Dowling
CITY OF DELANO
1015 Eleventh Avenue
Delano, California 93215

SUBJECT Vacant Land
831 Glenwood Street & 830 Fremont Street
SEC 11th Avenue at Glenwood Street
Delano, California 93215

FROM Kern Appraisal Company
5401 Business Park South, Suite 226
Bakersfield, CA 93309

REFERENCE Engagement Letter dated December 4, 2024
Our File Number 3862

DATE OF REPORT December 19, 2024

DATE OF VALUE December 12, 2024

MARKET VALUES \$400,000 831 Glenwood Street & 830 Fremont Street
\$400,000 SEC 11th Avenue at Glenwood Street

At the request of the client, I have determined and performed the scope of work necessary to develop credible assignment results. The sales comparison is the necessary approach for the intended use to aid the client in disposition of the real estate. A brief summary report with fully developed sales comparison approach is presented.

This Appraisal Report is intended to comply with the reporting requirements of Standards Rule 2-2(a) of the Uniform Standards of Professional Practice (USPAP), and therefore contains a summary presentation of the data, reasoning, and analyses used in the valuation process to develop the appraiser's value conclusion. Additional information, pertaining to the appraiser's analyses and conclusions, is contained in the appraisal file. It is intended that the use of and reliance upon this Appraisal Report is limited to the client, CITY OF DELANO.

PURPOSE OF THE ASSIGNMENT

The purpose of the appraisal is to form an opinion of market value of the real property, subject to assumptions and limiting conditions shown in this report, as of the date of value of this appraisal.

MARKET VALUE DEFINITION

Market Value means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their own best interest;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and,
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Source: OCC, 12 CFR, Part 34, Subpart C - Appraisals, 34.42 Definitions [h].

The estimated exposure time to achieve the above value conclusion is three months.

Appraisal Premise

An appraisal of the "as is" condition will estimate the defined value of a property while precisely reflecting its actual physical, legal, economic, and political status on the effective date of valuation. When an "as is" appraisal premise is used, it means that the property is valued based on its precise condition or status as of the effective date of value. This condition must be accurately described in the appraisal report.

Exposure Time

Considering current market conditions and exposure time for similar type commercial land properties, a one-year exposure time was estimated.

PROPERTY RIGHTS APPRAISED

Property rights valued are those of the fee simple interest.

INTENDED USE OF THE APPRAISAL

The intended use is to develop an opinion of market value to aid the client and intended user, CITY OF DELANO, with the disposition of the real estate.

SCOPE OF WORK

This is an appraisal report that in my opinion has been prepared in accordance with the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation and the professional standards and ethics of the Appraisal Institute. The appraisal assignment was not based on a specific valuation or any action or event resulting from the analyses.

Through communication with the client, and with an understanding of the assignment conditions, I have determined the appropriate scope of work for this appraisal report. All applicable approaches to value were considered. Sales comparison is the only applicable approach for vacant land, such as the subject. The income and cost approaches are not applicable, therefore were not performed.

The scope of the assignment included: (1) an inspection of the subject properties and market area; (2) research and investigation of current market conditions relative to the property type being appraised as well as the market segment within which the subject is identified; (3) interviews with brokers, appraisers, property owners and managers, as well as relevant public agencies or governing bodies; and (4) collection, verification, and analysis of market data and other pertinent information necessary to the valuation process.

CITY ANALYSIS

Location and Accessibility

The subject property is located in the city of Delano, California. Delano is in Kern County, which lies at the southern end of the San Joaquin Valley. Delano is 144 miles north of Los Angeles, 30 miles north of Bakersfield and 75 miles south of Fresno. Access to the area is good and is provided by State Highway 99, a major north-south traffic route, which bisects the San Joaquin Valley. State Highway 99 connects the northern California cities of Sacramento and Stockton with central and southern California and is considered a major truck route for the distribution of agricultural products throughout the state.

Economic Base

Delano is located in the north central portion of the county and is surrounded by farm ground. It is the second largest city in the county with its economy largely dependent upon agriculture, resulting in a high unemployment rate due to the seasonal nature of the work. The predominant plantings in the area are vineyards. The region ships hundreds of millions of dollars' worth of commodities throughout the United States and to over 80 foreign countries. Due to the stress on the local economy by the downturn in the agricultural markets in the late 1980's and early 1990's, the City of Delano stepped up their efforts to diversify their economic base.

The North Kern State Prison, a 2,892-bed facility, was constructed in 1993 with 1,550 staff and annual operating budget of \$170 million. Delano was selected for construction of a second prison adjacent to the first prison which was completed in 2005. Kern Valley State Prison, a 2,448-bed facility, has a staff of 1,620 and annual operating budget of \$125 million.

A 1.25 million square foot warehouse for Sears was constructed in 1992 and subsequently expanded in size. Wonderful Citrus, the largest grower, shipper and marketer of fresh citrus in the United States, built a 450,000 square foot packing facility. It is a multipurpose orange and lemon packinghouse that also includes company headquarters and sales department.

Wonderful Citrus added a 640,000 square foot citrus packinghouse in 2012 for mandarins. This is the largest citrus packinghouse in the world. The new facility created 500 jobs in Delano.

The City of Delano Enterprise Zone was first established in 1991. On October 14, 2009, they received approval retroactive to December 2006 for expansion of the zone that now includes all businesses within the city limits and some county unincorporated areas. Enterprise Zones have been replaced with Opportunity Zones which are similar as a geographically designated, economically depressed area in which businesses can receive several substantial state tax breaks and other benefits. These

benefits include sales or use tax credits and hiring tax credits. Delano has two industrial parks with ample vacant sites available.

Population

The 2010 and 2020 federal census population statistics, estimates for 2024, and 2029 projections for Delano are compared to Kern County and the State as shown below.

	<u>2010 Census</u>	<u>2020 Census</u>	<u>2024 Estimate</u>	<u>2029 Projection</u>
Delano	58,722	56,151	55,574	55,780
Kern County	839,630	909,235	925,105	939,606
State of California	37,253,959	39,538,223	39,530,491	39,717,178

Source: www.stdbonline.com

For Delano the census figures show a decrease between 2010 and 2020 of 4.38% or an average annual decrease of 0.438%. A further decrease of 1.03% is estimated through 2024, but Delano is predicted to grow a slight 0.37% over the next five years through 2029. The total local prison population of approximately 5,000 inmates is included in the Delano population. High unemployment has been a limiting factor to growth in Delano.

In comparison, Kern County growth was 8.29% from 2010 to 2020 and is expected to increase growth by 1.75% annually through 2024, and 1.57% annually through 2029. The State also grew between 2010 and 2020 by 6.13%. However, California is estimated to have negative population growth through 2024 and only 0.47% growth total by 2029. Over the years, the county has consistently grown faster than the state.

Income Level

Household income is defined as the total gross income derived from all persons living in a single dwelling. A household income may be comprised of one or more families. It is directly related to employment availability and employment based industries in the area. Due to the characteristics of agriculture, a large percentage of the employment is not year-round. In 2024 the estimated median household income was \$54,817 for Delano, \$67,633 for Kern County, and \$97,646 for California. Because Delano is a farming community, a large percentage of employment is not year-round. As a result, Delano's median household income is far below that of Kern County.

Delano Commercial Market

The rate of retail sales growth in Delano significantly increased for several years due to new retail development including the Delano Marketplace shopping center which opened in 2013 through 2014.

Historically, commercial development in Delano surrounded Main Street in the downtown area, and along Cecil Avenue, which connects to Highway 99. Medical office space is near the Delano Regional Medical Center (hospital) on Garces Highway in the southeast section of town. City and regional county offices are situated downtown. The downtown area developed in the 1940's to 1960's with some in-fill or redevelopment of newer commercial buildings. Off-street parking is an issue with older downtown commercial buildings. Development near the hospital has occurred over the last 20 years.

Commercial properties are typically single-story and under 10,000 square feet. New construction in recent years has mostly been build-to-suit or owner user. I am not aware of a market vacancy survey for the Delano area. The City historically had been focusing on a 16 block revitalization project

between 8th & 11th Streets and Highway 99 and High Street. A Delano Downtown Improvement District Feasibility Study included a retail market analysis dated March 2005. The study estimated leakage of \$16,600,000/year in retail sales from Delano to other communities that provide more comprehensive shopping choices. The report further concludes that an additional \$176,000,000 in retail sales could be captured from the region, for a total of \$192,000,000 in additional retail sales. The Delano trade area extends a radius of 15 to 20 miles to include several surrounding small communities and serves a population of 125,000 to 150,000.

The Home Depot built a store in the northwest quadrant of Highway 99 and Woollomes Avenue in 2004. Across the street, new development includes a 45-acre site south of Woollomes with a supercenter Wal-Mart that opened in the Fall of 2013 as anchor of the Delano Marketplace shopping center. Several pad restaurants, junior anchor stores, and multi-tenant shop buildings have also opened in the shopping center. One block west, Maya Cinemas opened a multi-screen theater in 2019 and Aldi opened a grocery store in 2019. Recently a new car wash is under construction as well as new residential development nearby. This new development has shifted the center of retail activity to the south end of the city and is a solution to most of the retail sales leakage in the trade area.

Conclusion

The trend for Delano is stable. Expansion of the economic base has diversified Delano's economy but the unemployment rate remains high. Housing and services received the greatest benefit. Industrial property values were less affected.

831 GLENWOOD STREET & 830 FREMONT STREET

IDENTIFICATION OF PROPERTY

The subject location is 831 Glenwood Street and 830 Fremont Street in Delano, California. A legal description was not provided. The property is described as Assessor's Parcel Numbers: 038-070-01 and 038-070-11. The census tract number is 0048.02.

OWNERSHIP HISTORY (3 Years)

According to public records and information provided to the appraiser, the current owner is the Community Redevelopment Agency of the City of Delano. There has been no transfer of ownership in the last three years. To my knowledge the property has not been marketed for sale.

ASSESSED VALUE AND TAXES

The property is assessed by the Kern County Assessor's office and is identified as Assessor's Parcel Numbers: 038-070-01 and 038-070-11. The 2024-2025 assessed value, taxes, and special assessments are shown as zero as the property is currently owned by a municipality. The adjacent property shows a tax rate of 1.115148% with no special assessments.

PROPERTY SUMMARY

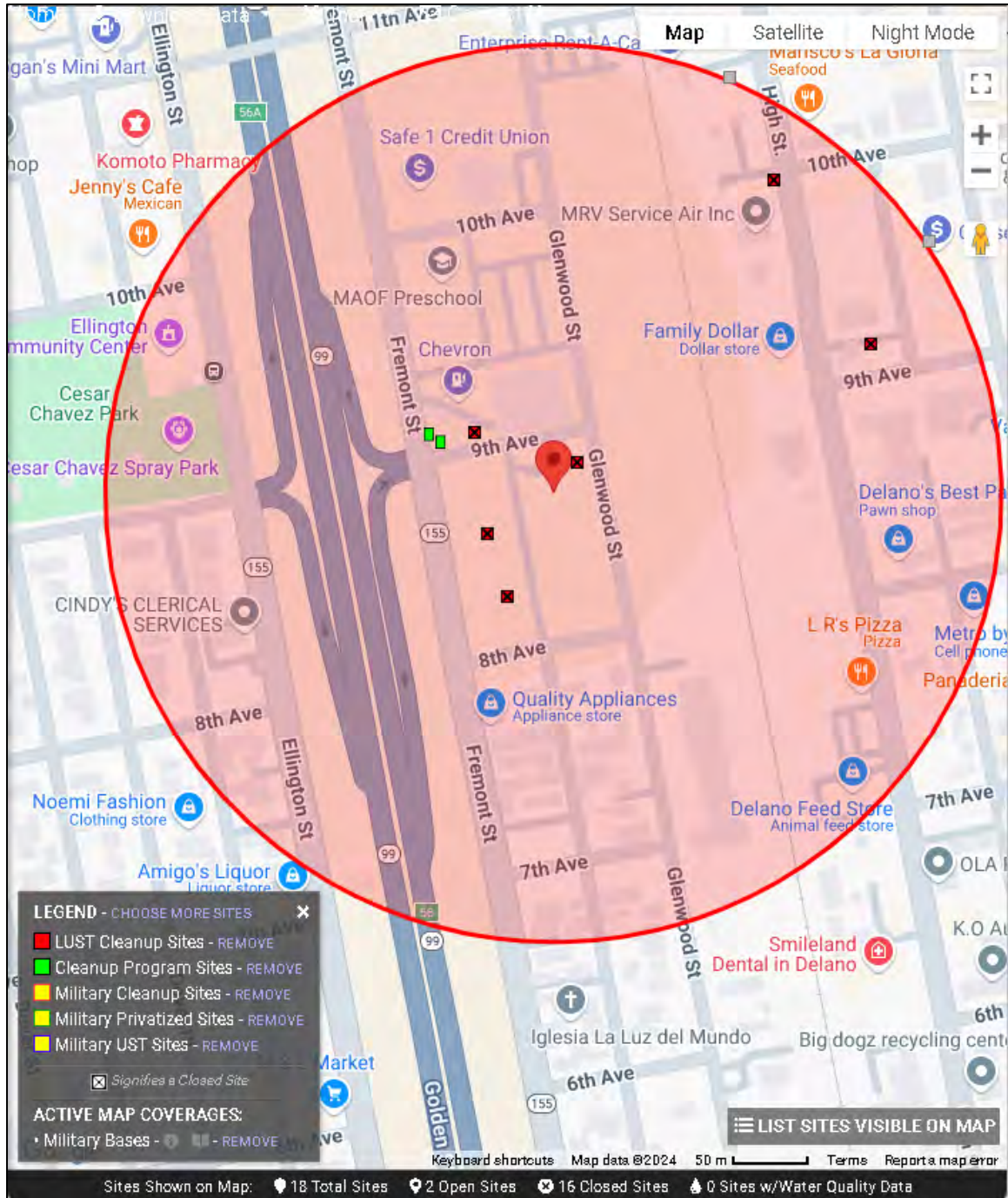
Site: The site consists of two parcels, both with corner orientations on 9th Avenue at Glenwood Street and Fremont Street in Delano. (see plat map in addendum of report) It is near the State Highway 99 and Highway 155 interchange. Glenwood Street, Fremont Street, and 9th Avenue are two-lane local roadways with light traffic near the subject site. Surrounding uses include vacant commercial land, a gas station/mini-mart, and medical office.

According to the Kern County Assessor's Office the subject property is a total of 0.73 acres or 32,000 square feet. The site is irregular shaped and fronts 75 feet along the west line of Glenwood Street, 125 feet along the east line of Fremont Street, and 320 feet along the south line of 9th Avenue. Topography is generally level at street grade.

According to the Federal Emergency Management Agency's flood insurance rate map community-panel number 060078 – 06029C0225E dated September 26, 2008, the subject property is situated in zone X. Zone X is defined as being within the 500-year flood limits and is not considered a flood hazard zone.

Upon visual inspection, it did not appear that there were any hazardous materials in or around the subject. I, however, am not qualified to detect such substances or materials. Any comment that might suggest the possibility of the presence of such substances should not be taken as confirmation of the presence of hazardous waste and/or toxic materials. Such determination would require investigation by a qualified expert in the field of environmental assessment. An environmental assessment report was not provided to the appraiser.

The subject is situated in an area that has oil/gas uses. GeoTracker indicated a closed site cleanup activity at the subject which closed as of June 8, 2018. There are 15 more closed clean-up sites and two open cases in the surrounding area (1,000 foot radius) of the subject.



SITES VISIBLE ON MAP - CHOOSE FIELDS	
SITE NAME	STATUS
X ARCO #0336	COMPLETED - CASE CLOSED
X BILL LOCKE'S CHEVRON	COMPLETED - CASE CLOSED
X CENTRAL FISH MART	COMPLETED - CASE CLOSED
X DUNNING RANCH	COMPLETED - CASE CLOSED
X KING'S LIQUOR	COMPLETED - CASE CLOSED
■ WIP - DELANO, PCE	OPEN - INACTIVE
X YONAKI PROPERTY	COMPLETED - CASE CLOSED

The routine inspection of the subject disclosed no unusual conditions affecting the land. However, the presence of substances or other potentially hazardous materials may affect the value of the property.

The value opinion is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is accepted for any environmental conditions, or for any expertise or engineering knowledge required to discover them, as I am not an expert in this field. Descriptions and resulting comments are the result of the routine observations made during the appraisal process.

The subject is not located in an Alquist-Priolo seismic special studies zone. Based upon surrounding land uses, it appears the soil is suitable for development.

The site is serviced by all public utilities including gas, electricity, water, sewer, and storm drainage. Off-site improvements include asphalt paved street and curbing along with street lighting.

A preliminary report was not provided. Existing public utility easements do not have an adverse effect on value. No adverse easements, encroachments, or other surface restrictions were observed.

According to the City of Delano Planning Department, the zoning is GC, General Commercial. The City of Delano development code describes the purpose of the General Commercial (GC) District “is to provide sites for commercial uses that will serve a large segment of the population with a wide variety of retail, wholesale, service, and office uses.”

HIGHEST & BEST USE

As Vacant – The subject is zoned for commercial use. Physical characteristics and services availability are consistent with this use. Considering the subject’s location and surrounding uses, financial feasibility and maximum productivity are achieved with development of a general commercial or retail property for a tenant or owner occupant. Development on a speculative basis could result in a long marketing period, reducing profitability. If a build-to-suit tenant or owner occupant is not found, holding the site vacant in speculation of future development is the prudent course of action.

SALES COMPARISON APPROACH

My investigation uncovered four closed sales and one listing considered similar to the subject. Physical inspections were made, and the sale prices were verified. The units of comparison used in this appraisal are price per square foot. Specific information on the comparable sales is provided in the adjustment grid below and plat maps are in the addendum. The adjustment grid below is followed by a discussion of the adjustments, resulting in an indication of value.

LAND SALES MARKET DATA GRID

	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
Location	831 Glenwood St & 830 Fremont St	1230 34th Street	1124 Fremont Street	Highway 46	Fremont Street & 11th Avenue	1117 Glenwood Street
	Delano	Bakersfield	Delano	Wasco	Delano	Delano
APN	038-070-01 & 11	120-120-13,14,15	038-040-15	487-400-12	038-050-38, 39, & 40	038-040-04
Recording Date	N/A	Nov-24	Dec-23	Mar-23	Apr-23	Listing
Document #	N/A	140732	15621	32924	48574	N/A
Sale Price	N/A	\$265,000	\$150,000	\$500,000	\$1,480,000	\$139,000
Net Site Size (AC)	0.73	0.81	0.26	0.80	1.95	0.17
Net Site Size (SF)	32,000	35,439	11,250	34,848	84,942	7,500
Zoning	GC	MX-1	GC	C-R	GC	GC
Utilities Nearby	E,G,W,S	E,G,W,S	E,G,W,S	E,G,W,S	E,G,W,S	E,G,W,S
Terms of Sale	N/A	Cash Equiv	Cash	Cash	Cash Equiv	Cash Equiv
Price Per SF	N/A	\$7.48	\$13.33	\$14.35	\$17.42	\$18.53
Adjustments						
Sale Price / SF	-	\$7.48	\$13.33	\$14.35	\$17.42	\$18.53
Financing	-	0.00	0.00	0.00	0.00	0.00
Conditions of Sale	-	0.00	0.00	0.00	0.00	-3.71
Market Conditions	Dec-24	0.00	0.00	0.00	0.00	0.00
Adjusted Price	-	\$7.48	\$13.33	\$14.35	\$17.42	\$14.83
Site Size (SF)	0.73	0.00	-2.00	0.00	0.87	-2.97
Off-Sites/Utilities	Curb/Gut/SW	0.00	0.00	0.00	0.00	0.00
Zoning	GC	0.75	0.00	0.00	0.00	0.00
Location	Delano	1.50	0.67	-1.43	-2.61	2.22
Net Adjustment/SF	-	2.24	-1.33	-1.43	-1.74	-0.74
Indicated Value/SF	-	\$9.72	\$12.00	\$12.91	\$15.68	\$14.09

The sales utilized are considered the most comparable available. There were no highly comparable listings. Although similar, there are characteristics which differ from the subject and cause the prices paid to vary. These differences are adjusted to reflect the variance in sales price. The adjustments are discussed as follows.

Financing (Terms of Sale) - All the comparable sales were sold for cash or involve terms equivalent to cash. No adjustments are required.

Conditions of Sale - No adjustments are required for closed sales. Sale 5 is a listing that has been marketed for over two years. It is adjusted downward 20% to account for buyer negotiations.

Market Conditions (Time of Sale) - All closed sales occurred between April 2023 and November 2024 during similar market conditions.

Site Size - Parcels with more square footage tend to sell for less on a per acre basis than smaller parcels. An explanation for this is that there are more buyers that can afford smaller properties and therefore more demand which increases the unit price. Sales 2 and 5 are significantly smaller than the subject and are adjusted downward accordingly. Sale 4 is larger and is adjusted upward.

Off-Sites/Utilities – All sales are similar.

Zoning - The subject is zoned GC, General Commercial which allows for most commercial uses.

Sale 1 is a mixed-use zoning which included neighborhood commercial and residential. Commercial uses are more limited in this zoning compared to the subject's zoning, which is inferior compared to the subject and Sale 1 is adjusted upward for this difference.

Location - The subject site is located at the corner of two local roadways with visibility from the main thoroughfare of Fremont Street. Sale 1 is located in a mixed-use area in Bakersfield with less frontage along the main thoroughfare. Sale 2 fronts Fremont Street near the subject but is mid-block. Sale 5 has a mid-block location near the subject property and does not have frontage on Fremont Street. These three sales are inferior in terms of location for commercial use and are adjusted upward.

Sale 3 is located along State Highway 46 which has significantly less traffic and exposure compared to Highway 99; however, it is a pad site within a Walmart anchored center which is superior to the subject's location. Sale 4 is near the subject also with visibility from Highway 99 and frontage along Fremont Street; however, in addition Sale 4 has frontage on 11th Avenue which provides access across Highway 99 to the east, access across the railroad tracks to the west and a significantly higher traffic volume than 9th Avenue. The locations of Sales 3 and 4 are considered slightly superior to the subject's location and are adjusted downward accordingly.

Reconciliation - The sales indicate a range after adjustments of \$9.72 to \$15.68 per square foot. Sale 5 at \$14.09 per square foot is a listing that has been marketed for an extended period of time. Listings typically set the top of the market range and are given less weight than the closed sales. Sale 2 is the most recent comparable sale near the subject and required less gross adjustment than most of the other sales. Sale 2 is given the greatest consideration. Sales 1, 3, and 4 are given generally equal weight. Considering all factors, the subject is assigned a unit value of \$12.50 per square foot which indicates an overall value as follows:

$$32,000 \text{ Square Feet} \times \$12.50/\text{Square Foot} = \$400,000$$

Indicated Value by the Sales Comparison Approach

\$400,000

As a result of my investigation and analyses presented in this report, it is my opinion that the market value "as is", fee simple as of December 12, 2024, subject to the assumptions and limiting conditions set forth in the addendum of this report, is the sum of:

FOUR HUNDRED THOUSAND DOLLARS
\$400,000

SEC of 11TH AVENUE at GLENWOOD STREET

IDENTIFICATION OF PROPERTY

The subject does not show a physical address on public record but is located on the southeast corner of 11th Avenue at Glenwood Street in Delano, California. A legal description was not provided. The property is described as Assessor's Parcel Number: 038-130-01. The census tract number is 0048.02.

OWNERSHIP HISTORY (3 Years)

According to public records and information provided to the appraiser, the current owner is 3D Spectravision LLC. There has been no transfer of ownership in the last three years. To my knowledge the property has not been marketed for sale.

ASSESSED VALUE AND TAXES

The property is assessed by the Kern County Assessor's office and is identified as Assessor's Parcel Number: 038-130-01. The 2024-25 assessed value, taxes, and special assessments are shown below:

<u>ASSESSED VALUE</u>	
LAND	\$154,742.00
IMPROVEMENTS	\$0.00
PERSONAL PROPERTY	\$0.00
OTHER	\$0.00
TOTAL	\$154,742.00
TAXES & SPECIAL ASSESSMENTS	
TOTAL TAX RATE	1.115148%
TOTAL TAXES	\$1,725.60
SPECIAL ASSESSMENTS	
None	\$0.00
TOTAL SPECIAL ASSESSMENTS	\$0.00
TOTAL TAXES & SPECIAL ASSESSMENTS	\$1,725.60

The estimates were provided by the Kern County Treasurer/Tax Collector. There are no delinquent taxes outstanding against the property.

PROPERTY SUMMARY

Site: The site is located on the southeast corner of 11th Avenue at Glenwood Street in Delano. (see plat map in addendum of report) It is near the State Highway 99 and Highway 155 interchange. Glenwood Street and 11th Avenue are two-lane local roadways with moderate traffic near the subject site. Surrounding uses include vacant commercial land, a gas station/mini-mart, and medical office.

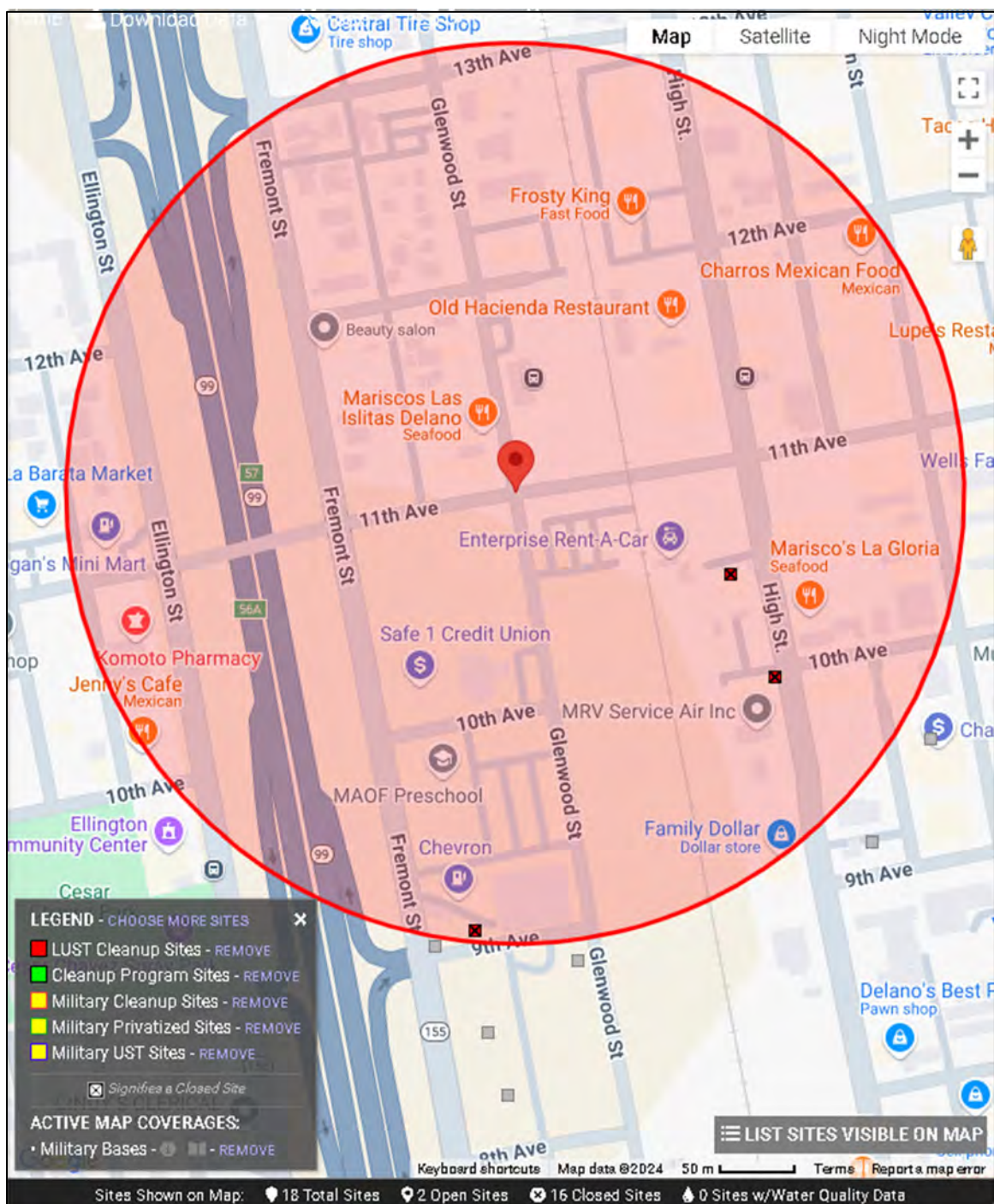
According to the Kern County Assessor's Office the subject property is a total of 0.73 acres or 31,799 square feet. The site is irregular shaped and fronts 377 feet along the east line of Glenwood Street and 88 feet along the south line of 11th Avenue. Topography is generally level at street grade.

According to the Federal Emergency Management Agency's flood insurance rate map community-panel number 060078 – 06029C0225E dated September 26, 2008, the subject property is situated in zone X. Zone X is defined as being within the 500-year flood limits and is not considered a flood

hazard zone.

Upon visual inspection, it did not appear that there were any hazardous materials in or around the subject. I, however, am not qualified to detect such substances or materials. Any comment that might suggest the possibility of the presence of such substances should not be taken as confirmation of the presence of hazardous waste and/or toxic materials. Such determination would require investigation by a qualified expert in the field of environmental assessment. An environmental assessment report was not provided to the appraiser.

The subject is situated in an area that has oil/gas uses. GeoTracker indicated 16 closed clean-up sites and two open cases in the surrounding area (1,000 foot radius) of the subject.



SITES VISIBLE ON MAP - CHOOSE FIELDS	
SITE NAME	STATUS
☒ BILL LOCKE'S CHEVRON	COMPLETED - CASE CLOSED
☒ DUNNING RANCH	COMPLETED - CASE CLOSED
☒ PIONEER EQUIPMENT	COMPLETED - CASE CLOSED

The routine inspection of the subject disclosed no unusual conditions affecting the land. However, the presence of substances or other potentially hazardous materials may affect the value of the property. The value opinion is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is accepted for any environmental conditions, or for any expertise or engineering knowledge required to discover them, as I am not an expert in this field. Descriptions and resulting comments are the result of the routine observations made during the appraisal process.

The subject is not located in an Alquist-Priolo seismic special studies zone. Based upon surrounding land uses, it appears the soil is suitable for development.

The site is serviced by all public utilities including gas, electricity, water, sewer, and storm drainage. Off-site improvements include asphalt paved street and curbing along with street lighting.

A preliminary report was not provided. Existing public utility easements do not have an adverse effect on value. No adverse easements, encroachments, or other surface restrictions were observed.

According to the City of Delano Planning Department, the zoning is GC, General Commercial. The City of Delano development code describes the purpose of the General Commercial (GC) District “is to provide sites for commercial uses that will serve a large segment of the population with a wide variety of retail, wholesale, service, and office uses.”

HIGHEST & BEST USE

As Vacant – The subject is zoned for commercial use. Physical characteristics and services availability are consistent with this use. Considering the subject’s location and surrounding uses, financial feasibility and maximum productivity are achieved with development of a general commercial or retail property for a tenant or owner occupant. Development on a speculative basis could result in a long marketing period, reducing profitability. If a build-to-suit tenant or owner occupant is not found, holding the site vacant in speculation of future development is the prudent course of action.

SALES COMPARISON APPROACH

My investigation uncovered four closed sales and one listing considered similar to the subject. Physical inspections were made, and the sale prices were verified. The units of comparison used in this appraisal are price per square foot. Specific information on the comparable sales is provided in the adjustment grid below and plat maps are in the addendum. The adjustment grid below is followed by a discussion of the adjustments, resulting in an indication of value.

LAND SALES MARKET DATA GRID

	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
Location	SEC 11th Ave at Glenwood St	1230 34th Street	1124 Fremont Street	Highway 46	Fremont Street & 11th Avenue	1117 Glenwood Street
	Delano	Bakersfield	Delano	Wasco	Delano	Delano
APN	038-130-01	120-120- 13,14,15	038-040-15	487-400-12	038-050- 38, 39, & 40	038-040-04
Recording Date	N/A	Nov-24	Dec-23	Mar-23	Apr-23	Listing
Document #	N/A	140732	15621	32924	48574	N/A
Sale Price	N/A	\$265,000	\$150,000	\$500,000	\$1,480,000	\$139,000
Net Site Size (AC)	0.73	0.81	0.26	0.80	1.95	0.17
Net Site Size (SF)	31,799	35,439	11,250	34,848	84,942	7,500
Zoning	GC	MX-1	GC	C-R	GC	GC
Utilities Nearby	E,G,W,S	E,G,W,S	E,G,W,S	E,G,W,S	E,G,W,S	E,G,W,S
Terms of Sale	N/A	Cash Equiv	Cash	Cash	Cash Equiv	Cash Equiv
Price Per SF	N/A	\$7.48	\$13.33	\$14.35	\$17.42	\$18.53
Adjustments						
Financing	-	0.00	0.00	0.00	0.00	0.00
Conditions of Sale	-	0.00	0.00	0.00	0.00	-3.71
Market Conditions	Dec-24	0.00	0.00	0.00	0.00	0.00
Adjusted Price	-	\$7.48	\$13.33	\$14.35	\$17.42	\$14.83
Site Size (SF)	0.73	0.00	-2.00	0.00	0.87	-2.97
Off-Sites/Utilities	Curb/Gut/SW	0.00	0.00	0.00	0.00	0.00
Zoning	GC	0.75	0.00	0.00	0.00	0.00
Location	Delano	1.50	0.67	-1.43	-2.61	2.22
Net Adjustment/SF	-	2.24	-1.33	-1.43	-1.74	-0.74
Indicated Value/SF	-	\$9.72	\$12.00	\$12.91	\$15.68	\$14.09

The sales utilized are considered the most comparable available. There were no highly comparable listings. Although similar, there are characteristics which differ from the subject and cause the prices paid to vary. These differences are adjusted to reflect the variance in sales price. The adjustments are discussed as follows.

Financing (Terms of Sale) - All the comparable sales were sold for cash or involve terms equivalent to cash. No adjustments are required.

Conditions of Sale - No adjustments are required for closed sales. Sale 5 is a listing that has been marketed for over two years. It is adjusted downward 20% to account for buyer negotiations.

Market Conditions (Time of Sale) - All closed sales occurred between April 2023 and November 2024 during similar market conditions.

Site Size - Parcels with more square footage tend to sell for less on a per acre basis than smaller parcels. An explanation for this is that there are more buyers that can afford smaller properties and therefore more demand which increases the unit price. Sales 2 and 5 are significantly smaller than the subject and are adjusted downward accordingly. Sale 4 is larger and is adjusted upward.

Off-Sites/Utilities – All sales are similar.

Zoning - The subject is zoned GC, General Commercial which allows for most commercial uses. Sale 1 is a mixed-use zoning which included neighborhood commercial and residential.

Commercial uses are more limited in this zoning compared to the subject's zoning, which is inferior compared to the subject and Sale 1 is adjusted upward for this difference.

Location - The subject site is located at the corner of two local roadways with visibility from the main thoroughfare of Fremont Street. Sale 1 is located in a mixed-use area in Bakersfield with less frontage along the main thoroughfare. Sale 2 fronts Fremont Street near the subject but is mid-block. Sale 5 has a mid-block location near the subject property and does not have frontage on Fremont Street. These three sales are inferior in terms of location for commercial use and are adjusted upward.

Sale 3 is located along State Highway 46 which has significantly less traffic and exposure compared to Highway 99; however, it is a pad site within a Walmart anchored center which is superior to the subject's location. Sale 4 is near the subject also with visibility from Highway 99 and frontage along Fremont Street; however, in addition Sale 4 has frontage on 11th Avenue which provides access across Highway 99 to the east, access across the railroad tracks to the west and a significantly higher traffic volume than 9th Avenue. The locations of Sales 3 and 4 are considered slightly superior to the subject's location and are adjusted downward accordingly.

Reconciliation - The sales indicate a range after adjustments of \$9.72 to \$15.68 per square foot. Sale 5 at \$14.09 per square foot is a listing that has been marketed for an extended period of time. Listings typically set the top of the market range and are given less weight than the closed sales. Sale 2 is the most recent comparable sale near the subject and required less gross adjustment than most of the other sales. Sale 2 is given the greatest consideration. Sales 1, 3, and 4 are given generally equal weight. Considering all factors, the subject is assigned a unit value of \$12.50 per square foot which indicates an overall value as follows:

$$31,799 \text{ Square Feet} \times \$12.50/\text{Square Foot} = \$397,488$$

Indicated Value by the Sales Comparison Approach (ROUNDED)

\$400,000

As a result of my investigation and analyses presented in this report, it is my opinion that the market value "as is", fee simple as of December 12, 2024, subject to the assumptions and limiting conditions set forth in the addendum of this report, is the sum of:

FOUR HUNDRED THOUSAND DOLLARS
\$400,000

ASSUMPTIONS AND LIMITING CONDITIONS

Standards Rule ("S.R.") 2-1(c) of the "Standards of Professional Appraisal Practice of the Appraisal Foundation" requires the appraiser to "clearly and accurately disclose all assumptions, extraordinary assumptions, hypothetical conditions, and limiting condition used in the assignment." In interpreting this report, such assumptions and limiting conditions are set forth as follows:

Extraordinary Assumptions

1. None

Hypothetical Conditions

1. None

General Assumptions and Limiting Conditions

1. The conclusions and opinions expressed in this report apply to the date of value set forth in the letter of transmittal accompanying this report. The dollar amount of any value opinion or conclusion rendered or expressed in this report is based upon the purchasing power of the American dollar existing on the date of value.

2. The appraiser assumes no responsibility for economic, physical or demographic factors which may affect or alter the opinions in this report if said economic, physical or demographic factors were not present as of the date of the letter of transmittal accompanying this report. The appraiser is not obligated to predict future political, economic or social trends.

3. In preparing this report, the appraiser was required to rely on information furnished by other individuals or found in previously existing records and/or documents. Unless otherwise indicated, such information is presumed to be reliable. However, no warranty, either express or implied, is given by the appraiser for the accuracy of such information and the appraiser assumes no responsibility for information relied upon later found to have been inaccurate. The appraiser reserves the right to make such adjustments to the analyses, opinions and conclusions set forth in this report as may be required by consideration of additional data or more reliable data that may become available.

4. No opinion as to title of the subject property is rendered. Title is assumed to be marketable and free and clear of all liens, encumbrances, easements and restrictions except those specifically discussed in the report. The property is appraised assuming it to be under responsible ownership and competent management, and available for its highest and best use.

5. This appraisal should not be considered a report on the physical items that are a part of this property. Although the appraisal may contain information about the physical items being appraised (including their adequacy and/or condition), it should be clearly understood that this information is only to be used as a general guide for property valuation and not as a complete or detailed physical report. The appraiser is not a construction or engineering expert, and any opinion given on these matters in this report should be considered preliminary in nature.

It is assumed that there are no hidden or unapparent conditions of the property, sub-soil, or structures which would render it more or less valuable. No responsibility is assumed for any such conditions or for any expertise or for arranging any engineering, surveys, soil studies, termite inspections or other special inspections or studies. Since no such tests, studies, or inspections were made, no liability is assumed for matters relating to engineering, architectural, structural, mechanical, or soils conditions which may be required to discover such factors. The structures were not checked for building code violations and it is assumed that all buildings meet the building codes unless so stated in the report.

Because no detailed inspection was made, and because such knowledge goes beyond the scope of this appraisal, any observed condition comments given in this appraisal report should not be taken as a guarantee that a problem does not exist. Specifically, no guarantee is made as to the adequacy or condition of the foundation, roof, exterior walls, interior walls, floors, heating system, air conditioning system, plumbing, electrical service, insulation, soils or sub soils. The presence of radon gas, hazardous waste, asbestos or any toxic and potentially dangerous materials and conditions have not been considered and such conditions may or may not be present. If any interested party is concerned about the existence, condition or adequacy of any particular item or condition, it is strongly suggested that the proper expert be hired for a detailed investigation.

6. Unless otherwise stated, the subject property is appraised assuming it to be in full compliance with all applicable zoning and land use regulations and restrictions. The property is appraised assuming that all required licenses, permits,

certificates, consents or other legislative and/or administrative authority from any local, state or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.

No analysis or survey to determine if the property is in compliance with the Americans with Disabilities Act (ADA) has been provided the appraiser or made by the appraiser. Possible noncompliance with ADA was not considered in estimating the value. No responsibility is assumed for determining whether the property is in conformity with the various detailed requirements of the ADA.

7. No engineering survey has been made by the appraiser. Except as specifically stated, data relative to size and area of the subject property was taken from sources considered reliable and no encroachment of the subject property is considered to exist.

8. No opinion is expressed as to the value of subsurface oil, gas, water or mineral rights or whether the property is subject to surface entry for the exploration or removal of such materials, except as is expressly stated.

9. Maps, plats and exhibits included in this report are for illustration only to serve as an aid in visualizing matters discussed within the report. They should not be considered as surveys or relied upon for any other purpose, nor should they be removed from, reproduced or used apart from the report.

10. No opinion is intended to be expressed for matters which require legal expertise or specialized investigation or knowledge beyond that customarily employed by real estate appraisers.

11. Possession of this report, or a copy of it, does not carry with it the right of publication. Without the written consent of the appraiser, this report may not be used for any purpose by any person other than the party to whom it is addressed. In any event, this report may be used only with proper written qualification and only in its entirety for its stated purpose.

12. The property which is the subject of this appraisal is within a geographic area prone to earthquakes and other seismic disturbances. Except as specifically indicated in the report, no seismic or geologic studies have been provided to the appraiser concerning the geologic and/or seismic condition of the subject property. The appraiser assumes no responsibility for the possible effect on the subject property of seismic activity and/or earthquakes.

13. Testimony or attendance in court or at any other hearing is not required by reason of rendering this appraisal, unless such arrangements are made a reasonable time in advance of said hearing. Further, unless otherwise indicated, separate arrangements shall be made concerning compensation for the appraiser's time to prepare for and attend any such hearing.

14. The liability of KERN APPRAISAL COMPANY, its employees, and independent contractors under agreement is limited to the client only and to the fee actually received by the appraiser. Further, there is no accountability, obligation, or liability to any third party. If this report is placed in the hands of anyone other than the client, the client shall make such party aware of all assumptions and limiting conditions of the assignment and related discussions. The appraiser is in no way to be responsible for any costs incurred to discover or correct any deficiencies of any type present in the property; physically, financially, and/or legally.

CERTIFICATION

I certify that, to the best of my knowledge and belief . . .

- The statements of fact contained in this report are true and correct.
- Nicole Atherton has made personal inspections of the property that is the subject of this report.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute and the Uniform Standards of Professional Appraisal Practice.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by their duly authorized representatives.
- As of the date of this report, Nicole Atherton, has completed the requirements under the continuing education program of the Appraisal Institute.
- No one provided significant real property appraisal assistance to the person signing this certification.
- I have performed services in September 2023, as an appraiser, regarding two properties that are the subject of this report (831 Glenwood Street and 830 Fremont Street) within the three-year period immediately preceding acceptance of this assignment. I have performed no services, as an appraiser or in any other capacity, regarding one of the properties that is the subject of this report (SEC of 11th Avenue at Glenwood Street) within the three-year period immediately preceding acceptance of this assignment.



Nicole Atherton, MAI

Certified General #: AG040635

CA Expiration: 07/04/2026

ADDENDA

Area Map

Aerial Photo

Subject Photographs

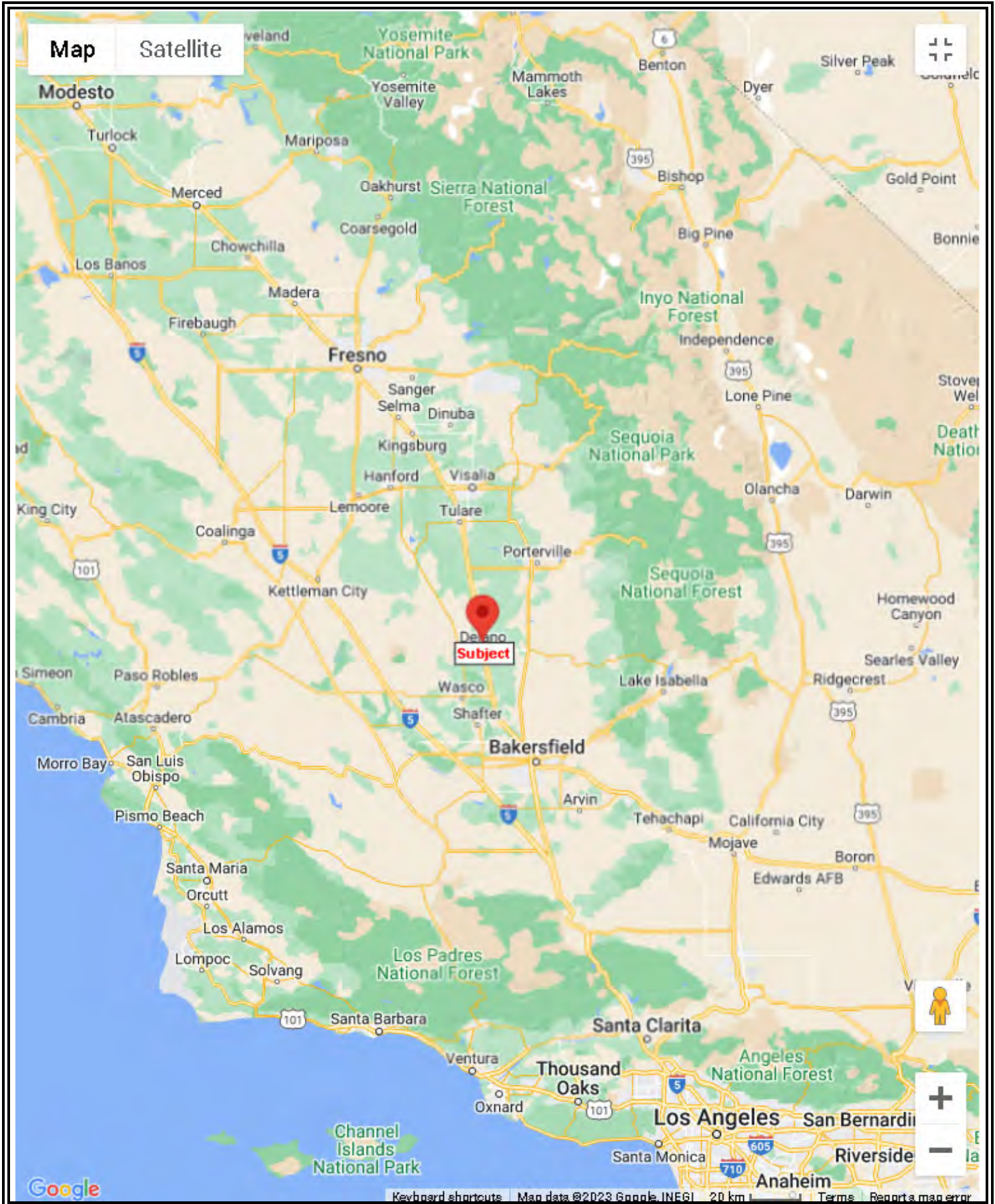
Plat Map

Comparable Land Sales Map

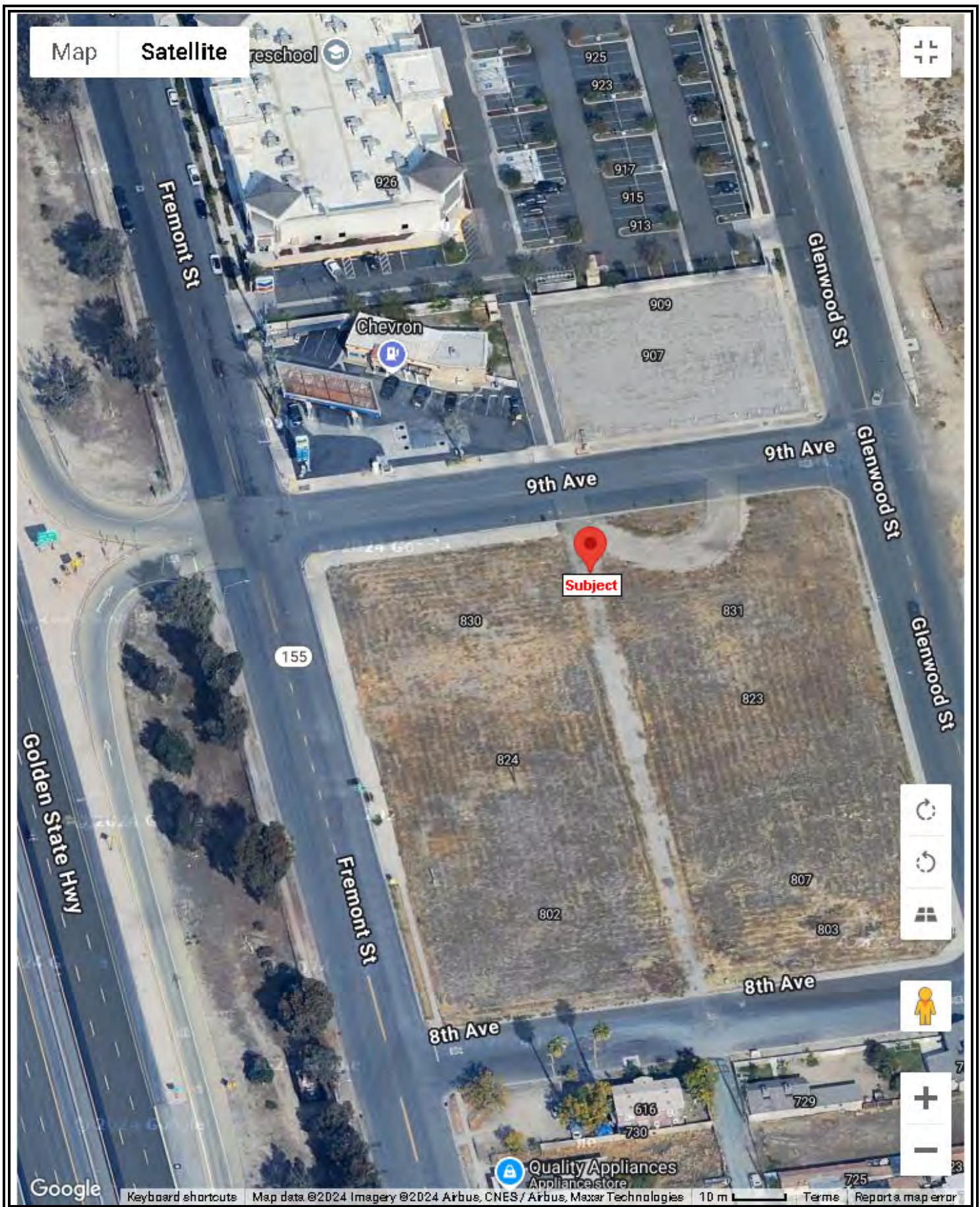
Comparable Land Sales Plat Maps

Appraiser's License & Qualifications

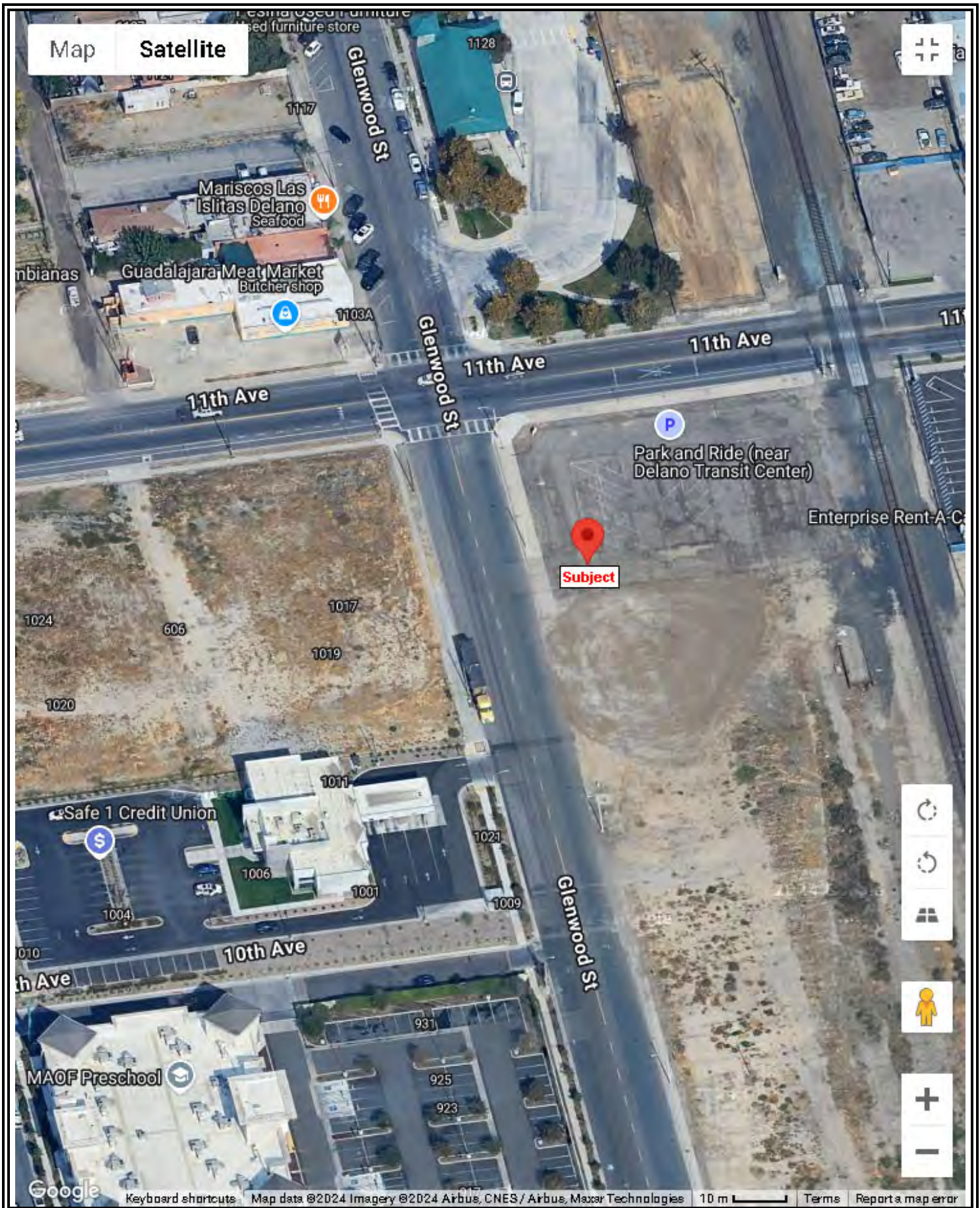
Area Map



Aerial View of 831 Glenwood St & 830 Fremont St



Aerial View of SEC 11th Ave at Glenwood St



SUBJECT PHOTOGRAPHS



-830 Fremont Street-



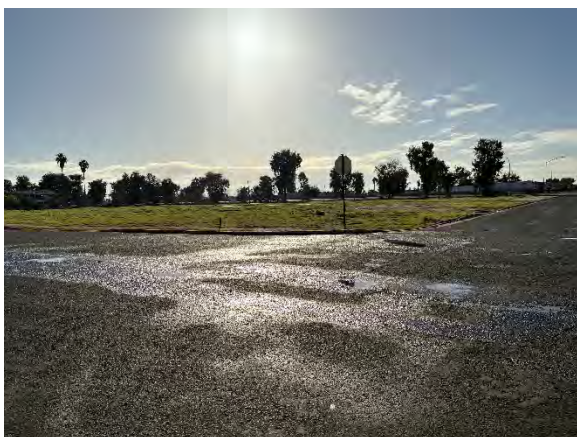
-830 Fremont Street-



-830 Fremont Street-



-831 Glenwood Street-



-831 Glenwood Street-



-831 Glenwood Street-

SUBJECT PHOTOGRAPHS



-Fremont Street Facing North-



-Fremont Street Facing South-



-9th Avenue Facing East-



-9th Avenue Facing West-



-Glenwood Street Facing North-



-Glenwood Street Facing South-

SUBJECT PHOTOGRAPHS



-SEC 11th Ave & Glenwood St-



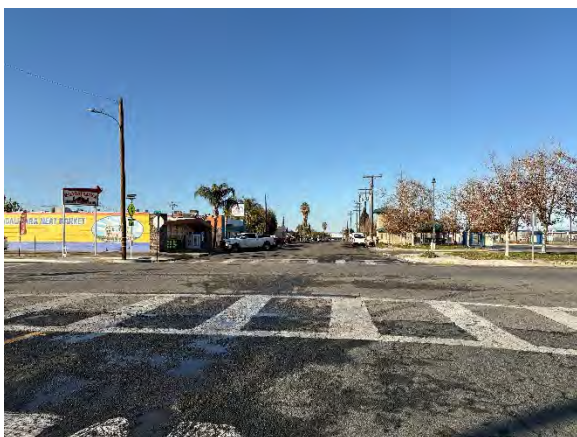
- SEC 11th Ave & Glenwood St-



-11th Avenue Facing East-



-11th Avenue Facing West-

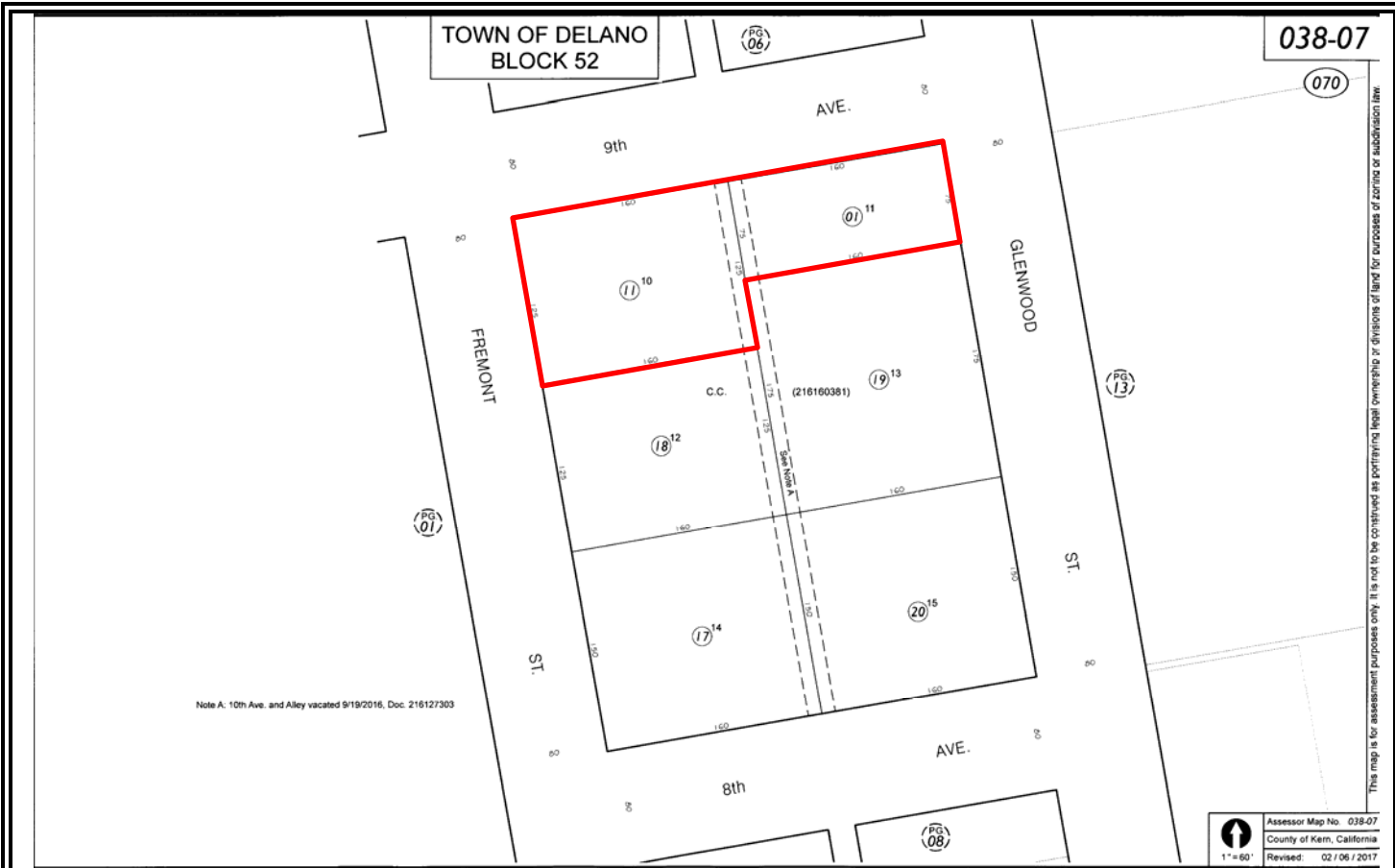


-Glenwood Street Facing North-



-Glenwood Street Facing North-

Plat Map

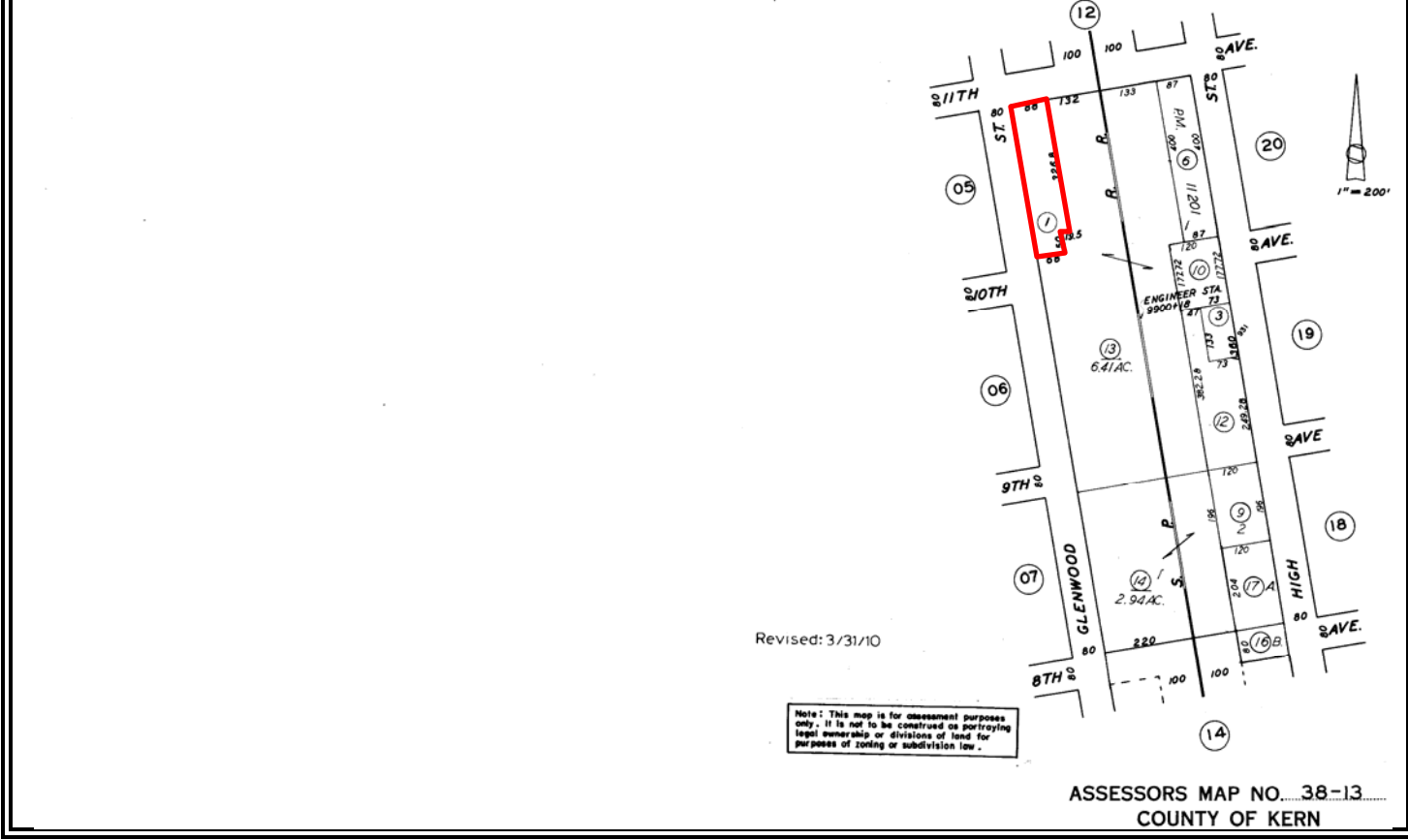


38-13

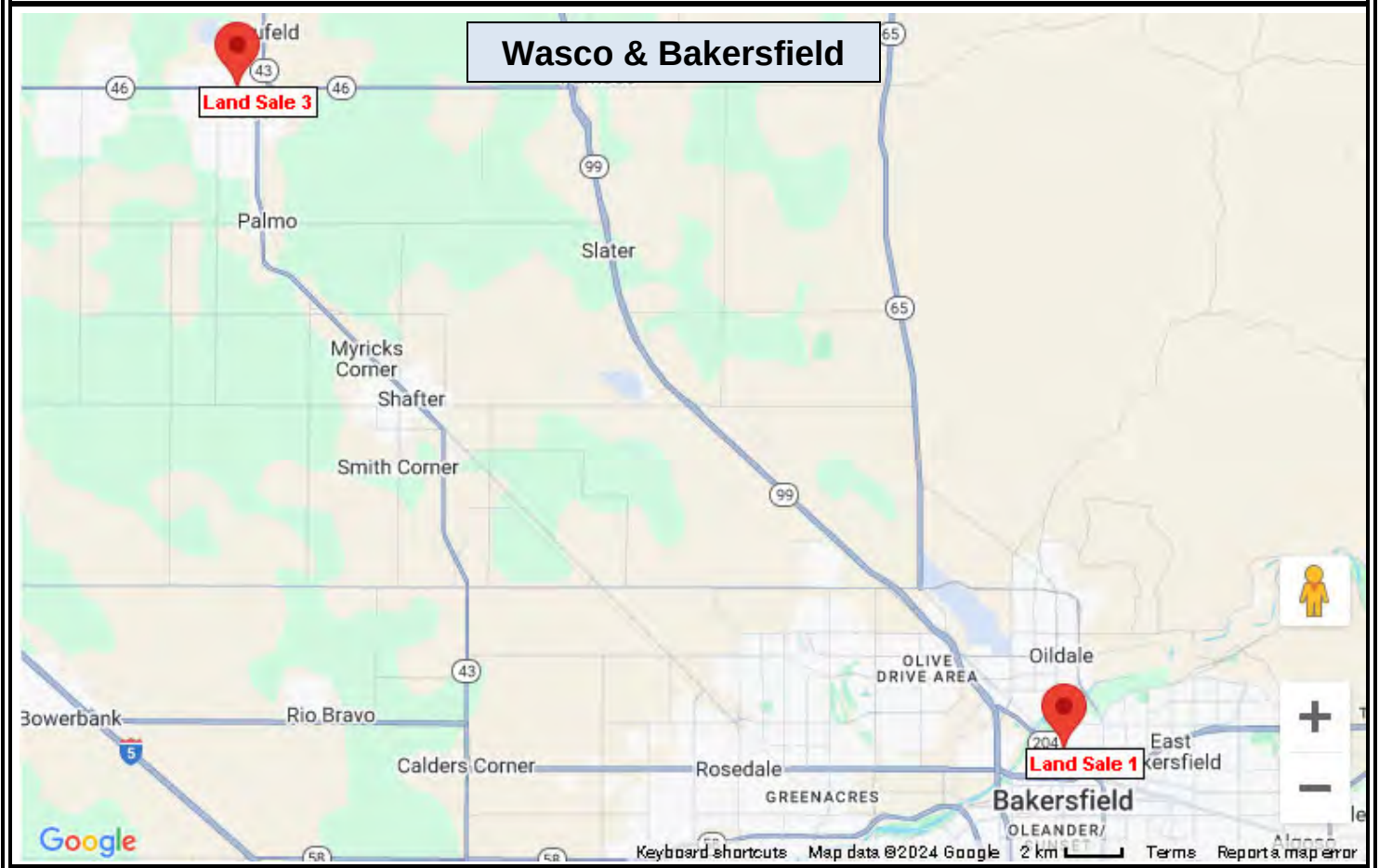
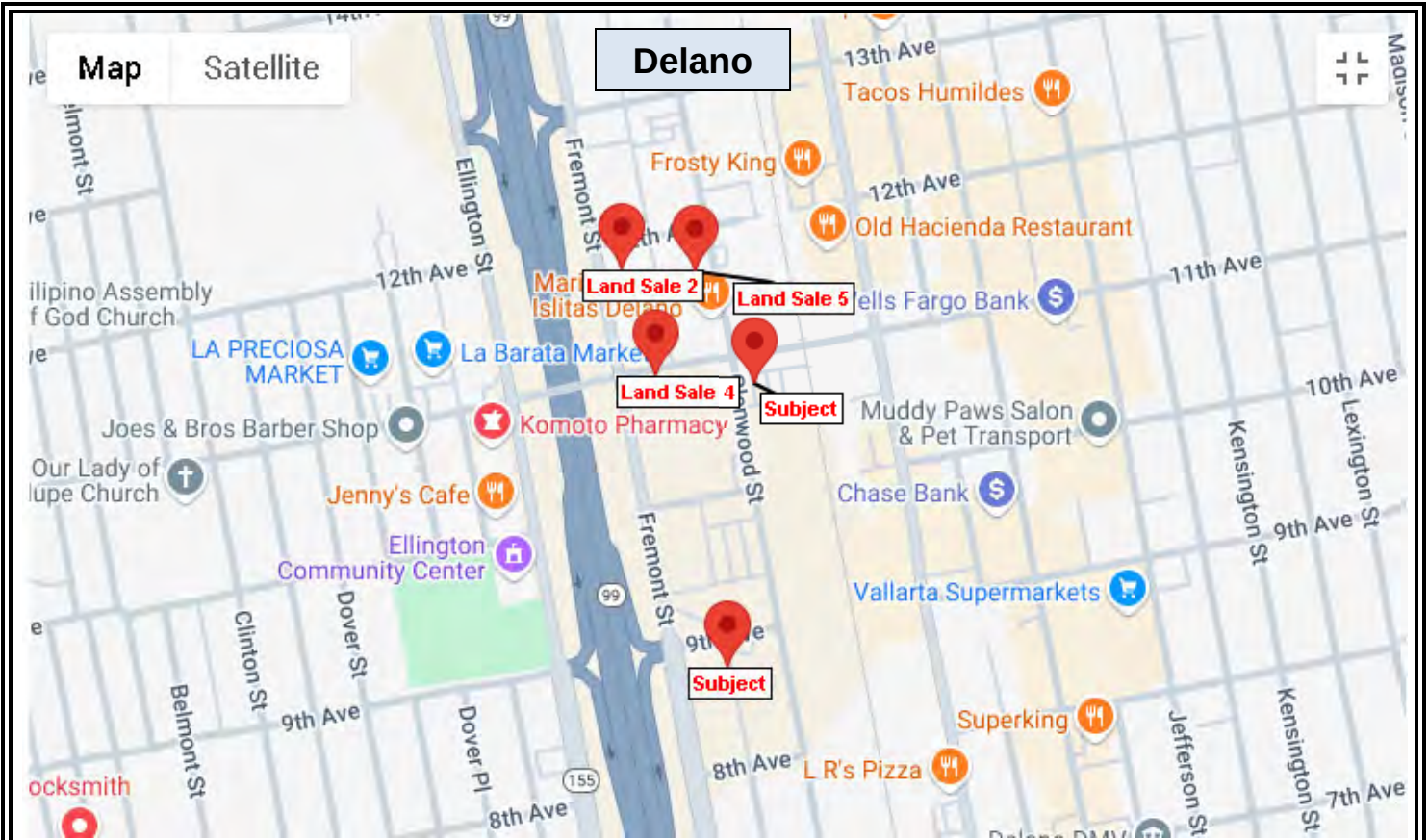
TOWN OF DELANO

SCHOOL DIST. 2-6

38-13



Comparable Land Sales



[illegible]

38-04

TOWN OF DELANO
BLOCK 49

SCHOOL DIST. 12-6

38-04

12TH ST.

FREMONT ST.

GLENWOOD ST.

11TH ST.

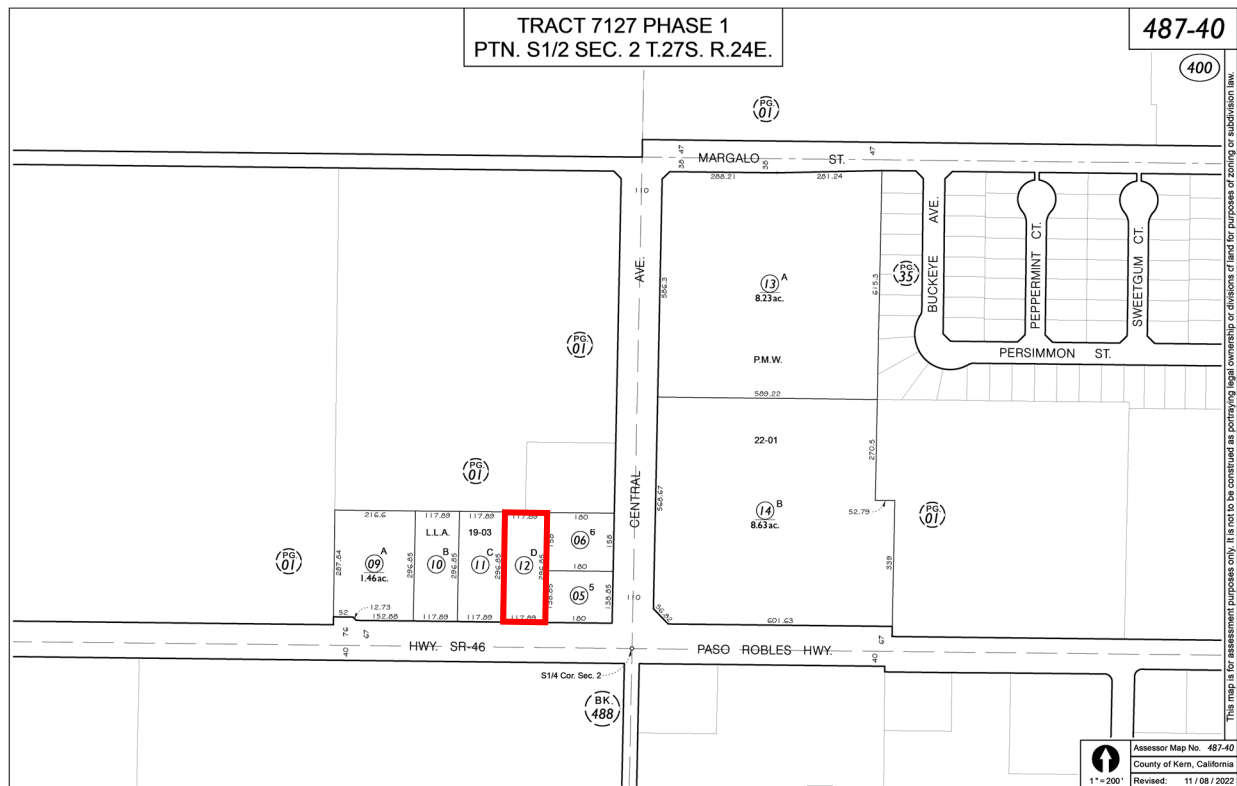
1" = 60'

Note: This map is for assessment purposes only. It is not to be construed as portraying any legal interest or title for purposes of zoning or subdivision.

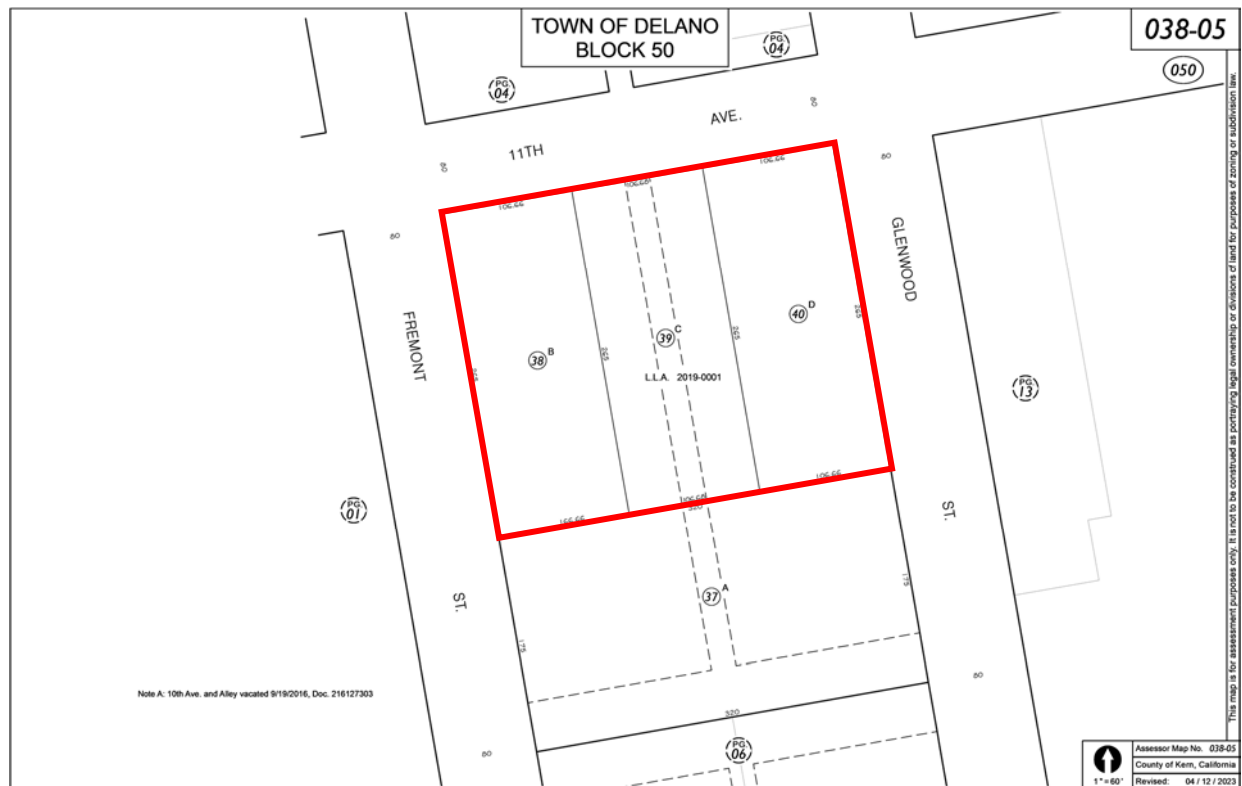
ASSESSORS MAP NO. 38-04
COUNTY OF KERN

Land Sale 2 – 1124 Fremont Street (APN 038-040-15), Delano

COMPARABLE LAND SALE PLAT MAPS

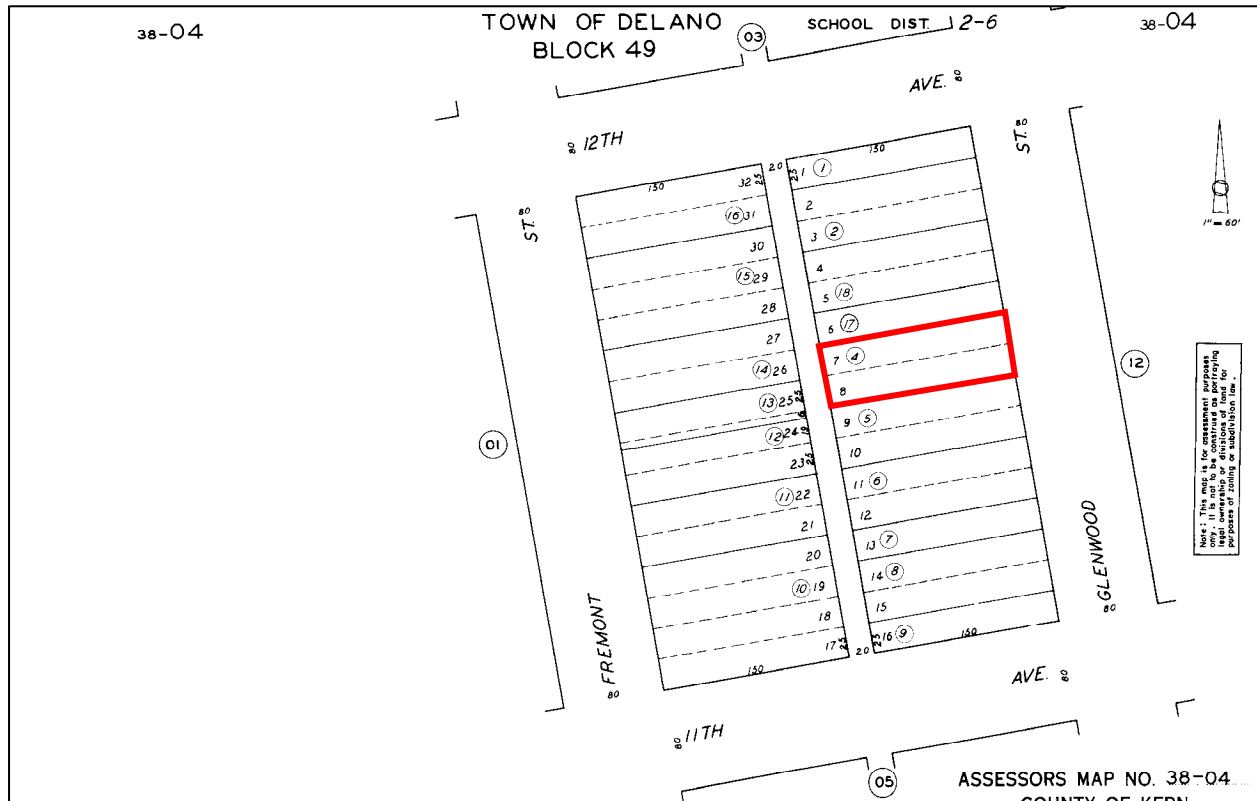


Land Sale 3 – Highway 46 (APN 487-400-12), Wasco



Land Sale 4 – Fremont St & 11th Ave (APNs 038-050-38, 39, & 40), Delano

COMPARABLE LAND SALE PLAT MAPS



Land Sale 5 – 1117 Glenwood Street (APN 038-040-04), Delano



Business, Consumer Services & Housing Agency
BUREAU OF REAL ESTATE APPRAISERS
REAL ESTATE APPRAISER LICENSE

Nicole E. Atherton

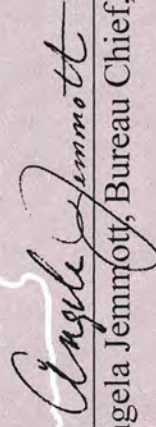
has successfully met the requirements for a license as a residential and commercial real estate appraiser in the State of California and is, therefore, entitled to use the title:

"Certified General Real Estate Appraiser"

This license has been issued in accordance with the provisions of the Real Estate Appraisers' Licensing and Certification Law.

BREA APPRAISER IDENTIFICATION NUMBER: AG 040635

Effective Date: July 5, 2024
Date Expires: July 4, 2026


Angela Jemmott, Bureau Chief, BREAA

3076832

Appraisal Qualifications of Nicole Atherton, MAI

Kern Appraisal Company
5401 Business Park South, Suite 226
Bakersfield, CA 93309
(661) 321-0545 Ext 2202 Fax (661) 321-0995

Experience:

Real Estate Appraiser/Owner, Kern Appraisal Company
Bakersfield, California. September 2014 to Present

Real Estate Appraiser, Dallis Higdon & Associates
Bakersfield, California. March 2007 to August 2014

State Certification:

State of California Certified General Real Estate Appraiser
BREA Appraiser Identification Number AG040635

Professional Affiliations:

Awarded MAI Designation 2016
Appraisal Institute Central California Chapter President 2018, 2019
Appraisal Institute Central California Chapter Vice President 2017
Appraisal Institute Central California Chapter Vice President & Treasurer 2015, 2016
Appraisal Institute Central California Chapter Secretary, Education Chair 2013, 2014
Appraisal Institute Central California Chapter Associate Board Member 2010-12

Education:

Bachelor of Science Degree
Business Administration with concentration in Accounting
California State University at Bakersfield, Graduated Magna cum Laude in June 1997

Successful completion of the following real estate courses:

Appraisal Institute:

Appraisal Procedures
General Appraiser Site Valuation and Cost Approach
General Appraiser Sales Comparison Approach
General Appraiser Income Capitalization I
General Appraiser Income Capitalization II
Advanced Income Capitalization
General Appraiser Report Writing Case Studies
Real Estate Finance Statistics and Valuation Modeling
General Appraiser Market Analysis and Highest & Best Use
Advanced Concepts and Case Studies
The Appraiser as an Expert Witness: Preparation and Testimony

Eminent Domain and Condemnation
The Discounted Cash Flow Model: Concepts, Issues, and Applications
Introduction to Green Buildings: Principles and Concepts
New Technology for Real Estate Appraisers
Supervisory Appraiser/Trainee Appraiser Course
Business Practices and Ethics (Latest 2022)
7 Hour National USPAP Course (Latest 2024)

Other:

Appraisal Principles
15 Hour National USPAP Course
Laws and Regulations for California Appraisers (Latest 2022)

Seminars:

IREM Bakersfield Real Estate Forecast Breakfast (Annual)
Bakersfield Multifamily Real Estate Market Update and Forecast
Bakersfield Residential Real Estate Market Update and Forecast
The Evaluation Crossroads – Evolving Finance & Regulation
Litigation Support Outside the Box
The Valuation Analyst
Appraising Federal Property
Shining Light on Dark Box Theories
MAI-Esquire's on Appraiser Defense
The Uniform Appraisal Dataset, Fannie Mae and Freddie Mac
Loss Prevention for Real Estate Appraisers
Federal Laws & Regulations
Appraisal Institute 2018 Annual Conference, Nashville TN
Appraisal Institute 2019 Annual Conference, Denver CO

Scope of Experience

Commercial:	Shopping centers, professional office buildings, restaurants, banks, retail stores, medical office buildings, mini-markets, automotive and service-related retail
Industrial:	Office warehouses, shops, packing sheds, self-storage facilities, heavy industrial
Residential:	Apartments, residences, condominiums, subdivision analysis
Special Purpose:	Motels, hotels, churches, airplane hangars, private schools
Other:	Condemnation