Real Estate Advisory & Brokerage Services Agreement

for the Western Hills Water District of Diablo Grande, CA

This Agreement (the "Agreement") is entered into between **Diablo Grande Community Facilities District #1** through its governing authority Western Hills Water District, ("CFD" or "Water District"). Diablo Grande is an approved master-planned community in unincorporated Stanislaus County west of Patterson, CA.

CFD with an office in Diablo Grande, CA and **KW Gov Services, LLC**, a New Hampshire LLC with offices at 670 Mechanic St, Leominster, MA 01543 ("**Consultant**") and in California locally by Hillview International, Inc, dba Keller Williams Silicon City, DRE 01965355, serving as Broker of Record. CFD and Consultant may sometimes be referred to individually in this Agreement as a "Party" and collectively as the "Parties".

The selected broker will be responsible for marketing and listing the Property to qualified development entities capable of acquiring and completing the development of the Property.

The Property to be marketed consists of approximately 3,037 acres within the preliminary development plan for the Diablo Grande Community. The actual development planning area is 2,250 acres. The Diablo Grande Community is a gated community located approximately 9 miles west of the City of Patterson, California in western Stanislaus County (the "County") and currently has approximately 595 existing residential homes. The County lies between San Joaquin County on the north, Merced County on the south, and Santa Clara County on the west. The County is traversed by two major highways, Interstate 5 on the west side and State Highway 99 through its central region.

The Property currently includes:
62 custom residential lots ready to build with existing stubbed utilities, streets, etc.
60 lots that require lot lines drawn and have partial infrastructure existing
Land approved for additional residences potentially up to 1,400 additional (Estimated)
Two inactive golf courses
A Clubhouse facility with pool, restaurant, bar, and pro-shop
A large maintenance building
Approximately 100 acres of fallow vineyard land

The golf course and vineyard facilities are currently in varying states of neglect and will require investment and redevelopment.

1. **Recitals.** Consultant provides real estate advisory and brokerage services as required by CFD. CFD desires to retain Consultant to provide such services as set forth in this Agreement and Consultant has agreed to provide those services.

   Consultant has addressed in this proposal:
   Company background and qualifications
   Broker license information
   Description of relevant experience with similar projects
   Proposed marketing strategy
   National marketing capabilities
   References from previous comparable engagements
   Fee structure and commission proposal

   Consultant meets and/or exceeds the Qualifications Proposal Requirements.
   - They are a licensed Commercial Real Estate Broker in California
   – They have demonstrated experience marketing large-scale land developments.
   - They have proven ability to market properties nationally and attract qualified development entities.
   -They have demonstrated experience working with complex real estate transactions, including distressed assets or bankruptcy proceedings.
   -The ability to conduct appropriate due diligence and buyer/investor vetting.

   The broker will:
   -List and market the Property on a national basis.
   -Develop and implement a comprehensive marketing strategy targeting pre-qualified development firms.
   - Identify and vet prequalified development entities with the financial capacity to complete a large-scale community development project.
   - Coordinate communications between parties, CFD, and legal representatives.
   - Provide periodic updates and reports to the CFD regarding marketing activity and prospective buyers.

In consideration of the mutual covenants and agreements set forth below, CFD and Consultant agree as follows:

1.1 The Parties agree that ownership and control of properties in Diablo Grande, the master-planned community, is split between the CFD, the Homeowners Association (HOA), current developers or successor entities, individual homeowners and Stanislaus County and even other public agencies.

1.2 The CFD will oversee and approve the consulting services to be provided.

1.3 The Consultant will perform said services directed by CFD to include listing and marketing services for real property owned by the CFD.

1.4 The Consultant will assemble and validate required documents to create an extranet site identifying all pertinent documents to include and not limited to:

1. Diablo Grande approved master-planned community documents
2. Approved Master Plan
3. EIR and Amendments
4. Development Agreements
5. Current Parcel Ownership Map
6. WHWD CFD foreclosure documents on the Mello Roos Bonds
7. HOA Governing Documents
8. WHWD Capital Improvement Plan
9. WHWD Infrastructure Maps
10. Utility System Maps
11. Existing Asset Inventory
12. Budgets and Reserve Studies
13. Feasibility Studies
14. Any Litigation or Settlement Agreements affecting development rights
15. County Assessor property cards and parcel map
16. Title report on major undeveloped parcels
17. GIS layer plans
18. Recorded subdivision maps

1.5 **ENGAGEMENT.** CFD hereby engages the consultant to list and market services for real property owned by the CFD.

In connection with such engagement, Consultant agrees to perform the services outlined in Part I of Exhibit A, "Scope of Services", attached hereto and hereby made a part hereof (the "Services").

Additional services may be provided, if deemed necessary by the Parties, which services shall be the subject of an amendment to this Agreement or a separate agreement between the Parties.

1.6 CFD Objective. Consultant recognizes that the CFD's objective is to determine and implement the most prudent programs to move forward with the timely development of the Diablo Grande masterplan.

1.7 Consultant Responsibilities and Authority. Consultant agrees to perform the Services in a manner believed to be in the best interests of CFD and with such

care as a reasonably prudent provider of similar services would be used under similar circumstances. Consultant recognizes that all negotiated arrangements relating to this project with CFD are always subject to CFD's approval. Consultants shall have no authority to bind CFD in any manner.

1.8 **ENGAGEMENT TEAM.** Services Team: Brice Sherburn is the KW Gov Services Lead Advisor. Brice is KWGS's National Public Private Partnership Director from Winston-Salem, NC. He will be supported locally by Maureen Caldwell-Meurer, KW SF Bay Area commercial Real Estate Broker Associate, DRE License 01908929, Managing Partner based outside of Boston and Nat Andreini, KWGS's Northwest Associate, based in Portland, OR.

See attached bios for each team member.

2. COMPENSATION. CFD agrees that Consultant shall be compensated for its Services in accordance with the provisions of Exhibit B (the "Fees").

3. CONFLICT OF INTEREST/REGISTRATION POLICY.

3.1 Conflict of Interest. The consultant shall act solely on behalf of CFD and recognize that its fiduciary responsibility is to CFD in all matters related to this engagement.

3.2 Client Liability Protection. Consultant expressly agrees to indemnify and hold CFD harmless from and against any liability to any cooperating broker arising because of Consultant's actions or communications with such cooperating broker. The Parties further expressly agree that Consultant shall market the Property in such fashion and will advise any parties who may inquire regarding the possible acquisition of the Property or any portion thereof that the party so acquiring the Property or any portion thereof, will be required to pay any commission or other compensation that may be due to any broker or other advisor representing such party.

4. CONFIDENTIAL INFORMATION. Consultant recognizes that during this engagement it may receive or be granted access to information regarding CFD/WHWD not generally known to the public, whether of a technical, business or other nature (the "Confidential Information"). Consultant recognizes that the Confidential Information shall remain the exclusive property of CFD notwithstanding such disclosure and any right of access or use granted to consultant. Consultant agrees to protect such Confidential Information from disclosure to others, using the same degree of care used to protect its own confidential or proprietary information of like importance, but in any case, using no less than a reasonable degree of care. Consultant further agrees to use the Confidential Information for the sole and limited purpose of carrying out its duties under the Agreement. Except as may be

required by applicable law or by any governmental authority having jurisdiction over the undersigned, Consultant agrees not to disclose, in whole or in part, any of the Confidential Information to any person outside of consultants, its affiliates, agents, representatives, accountants and legal counsel without the prior written consent of CFD. Consultant further agrees to limit dissemination of the Confidential Information to only those employees of consultant who have a need to know such information for the limited purposes set forth in this Section. The consultant agrees to return all Confidential Information upon CFD's request.

5. **DELIVERABLES.** CFD shall have the right to use for its own internal business purposes only all reports, data, information and other documents that may constitute Consultant's deliverables because of the provision of the Services (the "Deliverables"). Consultant and/or any third party providers to Consultant, as applicable, shall have and retain full title and all rights in and to (including the sole right to obtain patents and register copyrights on) the methodology, appearance, organization and format of the Deliverables, any inventions, ideas, methods, processes, designs, and/or means used to perform the Services and create, assemble and present the Deliverables.

6. **TERM AND TERMINATION.** This Agreement shall commence on the Effective Date and shall continue for an initial term of two (2) years (the "Term"). The CFD reserves the right to terminate this Agreement prior to the end of the Term if Consultant commits a material breach of this Agreement. Early termination by either party will require thirty (30) advance written notification.

7. **INDEMNITY AND LIMITATION OF LIABILITY.**

7.1 Indemnity. To the fullest extent permitted by law, Consultant shall indemnify, defend, and hold harmless the CFD and all of its officers, employees, boards, commissions, committees, agents and representatives, from and against all claims, causes of action, suits, costs, damages, and liability of any kind which arise out of the breach by the Consultant of its obligations under any Contract with the CFD, or the negligence or willful misconduct of Consultant, its subcontractors, or their officers, employees, agents and representatives or anyone directly or indirectly employed by them, or anyone for whose acts or omissions they may be liable, regarding the work to be performed by Consultant, or which arise out of the violation of any federal, California or local statute, by-law, rule, regulation, order or directive, or which relate to personal injury or property damage suffered by Consultant or any of its officers or employees regarding the subject matter of any Contract with the CFD. Neither the CFD nor its officers, employees, boards, committees, commissions, agents and representatives shall be under any personal obligation or incur any personal liability by reason of any Contract with Consultant.

7.2 Mutual Release. The indemnity commitment in Subsection 9.1 notwithstanding, the Parties expressly agree that neither Party should be liable to the other Party under contract, tort or any other theory for, and each Party hereby releases the other Party from and waives any rights, claims or causes of action for and to any special, incidental, indirect, punitive, or consequential damages, arising from or related to this Agreement, even if the released Party has been advised of the possibility of such damages.

8. MISCELLANEOUS.

8.1 Property Suitability Issues. In connection with any sale or lease of a Property, WHWD agrees to disclose to Consultant and to prospective tenants or purchasers any and all information which CFD has regarding (i) the present and future zoning of the Property, (ii) environmental matters affecting the Property (including, but not limited to, the presence of asbestos, other toxic, hazardous or contaminated materials, and underground storage tanks in, on or about the property), and (iii) the condition of any improvements within the Property (including but not limited to structural, mechanical and soils conditions). The consultant is authorized to disclose any such information to prospective tenants or buyers. Additionally, CFD shall provide all documentation available regarding the including Property, but not limited to, deeds, easements, surveys, plans, architectural plans, MEP drawings, and an inventory list of any furniture, fixtures or equipment to be included as part of the disposition.

8.2 Media Release. Upon execution of individual transaction documentation by CFD, Consultant is hereby authorized to release the following information: CFD name, Property name and address, and basic information regarding the transaction (i.e., identity of other party to transaction, size of transaction, etc.).

8.3 Entire Agreement. This Agreement constitutes the entire and sole agreement between the Parties with respect to the subject matter hereof and supersedes any prior agreements, negotiations, understandings or other matters, whether oral or written, with respect to the subject matter hereof. Further, this Agreement relates only to CFD's requirements for the Plan and its implementation.

If CFD decides to utilize Consultant for additional services or other requirements that decision will be subject to a separate written agreement between the Parties.

8.4 Amendment or Modification. Except as may be otherwise expressly provided herein, this Agreement may be modified only by a written instrument duly executed by the Parties and any other variance from the terms and conditions of this Agreement shall be of no effect.

8.5 Severability. If any provision of this Agreement shall be held by a court of competent jurisdiction to be unenforceable, the remaining provisions of this Agreement shall not be affected thereby.

8.6 Notices. Any notice, demand or communication required or permitted under this Agreement shall be in writing and shall be sent by an independent, regionally or nationally recognized courier service which provides written proof of such delivery or shall be mailed by registered or certified mail, postage prepaid, return receipt requested, addressed in either such event to the following addresses, or to such other address as either party hereafter may designate by written notice:

If to WHWD, addressed to:
Western Hills Water District
Attn: Ron Demmers
Water Operations Manager
9670-9680 Copper Mountain Rd
Patterson, California 95363

If to Consultant, addressed to:
KW Gov Services LLC
Attention: Duncan Chapman
131 Littleton Rd
Harvard, MA 01451

8.7 Assignment. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and permitted assigns, but neither this Agreement nor any of the rights, interests, or obligations hereunder shall be assigned by either of the Parties without the prior written consent of the other Party.

8.8 Governing Law. This Agreement is entered into and shall be construed according to the laws of the State of California excluding the conflicts of law's provisions thereof.

8.9 Dispute Resolution. The Parties agree that any unresolved dispute between them arising out of this Agreement shall be finally settled by compulsory arbitration in accordance with the then current Commercial Arbitration Rules of the American Arbitration Association by which the Parties agree to be bound. The arbitration shall take place in Alameda County, CA. Unless the Parties agree otherwise in writing, the arbitration shall be conducted by a single arbitrator who shall be an attorney with not less than ten (10) years of substantive experience in real estate law.

8.10 Exhibits. All exhibits annexed hereto are expressly made a part of this Agreement as if fully and completely set forth herein and all references to this Agreement herein or in any such exhibits shall be deemed to refer to and include all such exhibits. All statements contained in any exhibit delivered by or on behalf of the Parties pursuant to the terms hereof are an integral part of this Agreement.

8.11 Waiver. The waiver of any breach of any provision of this Agreement by either Party shall not be deemed to be a waiver of any preceding or subsequent breach. No failure or delay of either Party in the exercise of any right given under this Agreement shall constitute a waiver thereof, nor shall any partial exercise of any right preclude further exercise thereof.

8.12 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

8.13 Compliance with Laws. The Parties agree to comply with all applicable federal, state and local laws, regulations, codes, ordinances and administrative orders having jurisdiction over the Parties and/or applicable to the Services.

8.14 Certificates of Insurability: See Exhibit C certificates of insurability from Consultant's insurance. Consultant and Broker of Record shall maintain Professional Liability (Errors and Omissions), Commercial General Liability, and Automobile Liability insurance, as applicable. Brokerage activities conducted through Hillview International, Inc., dba Keller Williams Silicon City shall be subject to the insurance and compliance requirements maintained by the brokerage.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the dates set forth below to be effective as of the Effective Date.

WHWD:
Western Hills Water District

By: _____

Mark Kovich
Director
_____, 2026

CONSULTANT:
KW Gov Services, LLC

By: _____

Duncan Chapman
Managing Partner
October 6, 2026

ATTCHS:

Exhibit A- Scope of Services

Exhibit B– Fees & Other Compensation

EXHIBIT A - SCOPE OF SERVICES

A. EVALUATION OF ALL PROGRAM REQUIREMENTS AND DEVELOPMENT OF RFQ & RFP

Consultant will market and list each of the properties/parcels to achieve the "Highest value and best use" for the CFD. Multiple scenarios will be developed along with financial analysis projections of each. Infrastructure will be validated by appropriate engineering firms to ensure compliance with state and federal cords.

DELIVERABLES

- Highest and best value analysis for each property. Development, potential, ownership and transaction structure.
- Financial analysis of the income potential, including the projected property value over a phased development period (five years plus to achieve market absorption).

B. IMPLEMENTATION OF PLAN PHASE

Consultant will assist CFD in implementing the approved disposition strategy. Consultant shall not execute contracts, purchase agreements, leases, development agreements, or otherwise bind CFD absent specific written authorization from CFD.

As indicated below, due diligence and contract negotiations will require addressing many complex issues prior to any transaction closure.

Elements of this phase will include:

- *Competitive Bid Process:* As necessary, to achieve the strategy.
- *Contract Negotiations:* Establish and maintain a competitive environment to obtain the most advantageous transaction structure and quality; develop appropriate transaction plan and strategy; maximize use of CFD's negotiating team through planned negotiating sessions.
  Solicit CFD and their Counsel's input and participation when necessary; assist in negotiation of Letter of Intent (LOI), Ground Lease and/or Purchase Sale Agreement (PSA) containing all significant deal points; provide both economic and non-economic analysis of trade-offs and alternative positions; provide initial transaction documentation review and coordinate with CFD's legal counsel; assist in coordination of the documentation process with CFD/WHWD's legal counsel.

- *Due Diligence Issues:* The submitted listing packages will include. Property Descriptions, Subdivision Plats, Vesting/Divesting Documents, Book & Tax Treatment, Contractual Obligations, Appraisals, Environmental Assessments, Geotechnical Assessment, Wetlands Delineation, Remediation Orders, Zoning Analysis, Political Environment and Economic Development Assistance.

❑ **DELIVERABLES**

- Marketing
- Proposal summaries and analyses
- Reports to CFD summarizing Consultant's program efforts and progress.
- Presentations, as required, to CFD, involved associations and/or Appointed Committees.

C. IMPLEMENTATION OF THE PLAN

Consultant will help develop the plan highlighting each property's attributes. The plan will be market driven, in conformance with local and state zoning and in line with the CFD's desired development for each property to complete the total development of the Diablo Grande master-planned community.

❑ **DELIVERABLES**

- ❑ Analysis of Property, including assets & liabilities, re-use potential, resolution of ownership issues and structure
- ❑ Marketing brochures
- ❑ Periodic reports to CFD summarizing Consultant 's marketing efforts
- ❑ Presentations and meetings, as required to CFD, their bank, their counsel, Interested Buyers and Industry Groups

EXHIBIT B – FEES AND OTHER COMPENSATION

Client shall pay to Consultant KW Gov Services LLC (KWGS) and Consultant shall accept as compensation for its Services in connection with the Project, the compensation (the "Fees") as outlined below.

COMPENSATION FOR SERVICES:

Subject to CFD's prior written approval, as may be needed, Consultant may engage only with the CFD's advanced approval, other consultants as needed. All costs incurred for the retention of any such consultants will be a direct pass-through to CFD and be paid directly from CFD to the consultants.

The following are estimated marketing expenses for venues that will be considered.
All advertising/marketing/professional expenses will be the responsibility of the client.

> Marketing expenses shall be billed at actual cost without markup and reimbursed by Client with fifteen days of invoicing.
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> Venues to be considered:
> • LoopNet Premium: approx. $200/mo.
> • Commercial MLS & development-focused marketing platforms
> • Drone photography, mapping, graphic design, GIS services and approved advertising campaigns
> Other TBD in collaboration with Client.

COMPENSATION

The Parties hereby agree that the compensation to be paid to Consultant/Real Estate Advisor and Broker by Client for the Project shall be based upon the payment schedule as noted below for consulting and marketing services.

KWGC is willing to defer and add the Consulting $50,000 fee to the initial transaction. KWGS will be paid a market fee from each Buyer or Ground Lessee based on the payment schedule below. Western Hills Water District will pay the consulting fee at the time of the initial close or lease.

The Buyer is responsible pay their agent/broker on any offers received from a Buyer's agent.

Consulting	Phase 1: Consulting & Due Diligence Fee Assembling of documents, working with Client and their counsel and more as noted in paragraph 1.4. to establish and validate what properties can be offered and at what value? Conceptual redesigns may be required to establish a background for each offering. We anticipate that 3-5 offerings may be required. The majority for different housing developments to align with "market demand" to ensure a phased and steady development. The golf courses and common area club house could be listed alone. The Phase I Consulting Fee is estimated to be up to $50,000. This fee will depend upon the condition, completeness, accessibility, and organization of the project records and due diligence materials provided by the CFD. The Consultant will be required to locate, obtain, assemble, and organize information from multiple sources to proceed with marketing along with the court's guidance. Phase 2: Develop brochures for each property to be listed and run multiple marketing campaigns to locate pre-qualified real estate and hospitality developers. Consulting payment to be paid with the initial transaction close.	Up to $50,000

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Disposition Services Sale	Broker direct deal	4% up to $7.5M 3% > $7.5 to $10M 2% > $10 to $15M 1% > $15M
Building Lease	Broker direct deal	$1.50/SF/Yr
Ground lease	Broker direct deal	7% on 1st 10 yrs, 3% on second 10 yrs

CONSULTING COMPENSATION: ADVISORY & RESEARCH SERVICES

There may be a need for detailed market analysis studies and/or broker opinion of value (BOV) reports for WHWD or any of the ownership entities, government agencies and/or courts. The KWGS team will meet with and coordinate with CFD staff and/or any of the other above noted entities to determine the scope of the required study or report. A "**not to exceed**" proposal for these services will be determine and approved by the CFD and/or subject entity prior to the commencement of any suck services. These services to be figured from the following Consulting schedule. Once approved Consultant will work with CFD staff, community members, property owners, and other relevant sources and the formal report of the findings will be documented and presented.

KWGS Hourly Rates

- Principal-in-Charge $225/hr.
- Sr Project Manager $175/hr.
- Project Manager $150/hr.
- Support Staff $75/hr.
- Administrative staff $50/hr.

The fee for our analysis work will be based on time and materials. A thirty (30) percent deposit will be due to the Consultant at the start of this project. If the Client decides, the balance can be due at the sale or lease closing and paid through monies collected from the Buyer or Lessee. The balance due will be provided by the Client, in addition to the sale or lease commission for brokerage services provided. If the work has been completed and the listing agreement is terminated for any reason, the balance of monies owed for this analysis will be due at the time of contract termination.

Nonrefundable Deposits

Any forfeited deposits or liquidated damages shall be distributed between the Client and Broker, 65% to Client and 35% to Broker in accordance with the applicable purchase agreement and California law.

FEES UPON TERMINATION OF AGREEMENT

Within 30 days following any termination of this Agreement, Broker shall furnish to Client a list of the names of each prospective purchaser with whom Broker has presented the Property. If within one hundred and eighty (180) days thereafter, Client enters one or more contract(s) with any such listed party and such contract(s) result(s) in a transaction, a Fee shall be due and payable to Broker in accordance with Exhibit A.

Donations:

If Client shall elect to donate any portion of a Property to charitable, educational, governmental or other recipients, the Parties hereby expressly agree that Consultant shall receive compensation with respect to such donation equal to four (4%) of the appraised value for purposes of the donation of such portion of the Property.