



MANAGING RESOURCES FOR A BETTER FUTURE

DIRECTORS
NICK BRUNO, PRESIDENT
JEFFREY D. COULTHARD, VICE PRESIDENT
SHANNON SIMONIAN, TREASURER
ERIC BREAM
MATT CERNIGLIA
MIKE DELAGUERRA
HENK GRIFFIN

JULIA D. STORNETTA, GENERAL MANAGER/SECRETARY
MIKE CUTTONE, ASSISTANT TREASURER
BRIAN EHLERS, DISTRICT ENGINEER
LAUREN D. LAYNE, LEGAL COUNSEL

REGULAR MEETING OF THE BOARD OF DIRECTORS

will be held on

Monday, September 11, 2023

11:00 a.m.

at

**The Lodge at Riverstone
370 Lodge Road South
Madera, California 93636**

1. CALL TO ORDER

2. PUBLIC COMMENT

Members of the public may address the Board on any matter related to the District that is not included on the Agenda. Comments are limited to five (5) minutes per person.

3. CLOSED SESSION

Closed Session items not concluded prior to Regular Session may be continued at the end of the Regular Session.

4. POTENTIAL CONFLICT(S) OF INTEREST

(Any Board member who has a potential conflict of interest may now identify the item and recuse himself or herself from discussing and voting on the matter.)

5. CONSENT CALENDAR – Review and Consider for Action:

- a. Approval of minutes of the Board Meeting on August 14, 2023.
- b. Acceptance of the financial statements for the month of July 2023.
- c. Approval of customer installment payment plans for delinquent accounts.

6. CORRESPONDENCE

(Members of the Board or Staff may provide comment on any timely matter related to the District that is not included on the agenda.)

- 7. BOARD ACTION ITEMS** - The Board may take action on any of the following items:
- a. Well 277 (Municipal Well #7) Purchase and Sale Agreement** – Review and take action to enter into an agreement to purchase Well 277 in the amount of \$268,694.30. *Budget Item 900.05-2, CFD Bond Funds*
 - b. Pipeline Easement** – Review and accept a pipeline easement from San Joaquin River Ranch, LLC for Municipal Well #2 for the benefit of the RCWD Water Treatment and Blending Facility.
 - c. Pipeline Easement** – Review and accept a pipeline easement from Riverstone Farms for Municipal Well #1 for the benefit of the RCWD Water Treatment and Blending Facility.
- 8. DISTRICT ENGINEER’S REPORT** - The Board may take action on any of the following items:
- a.** Operations Monthly Report
 - b.** Other District Matters
- 9. LEGAL COUNSEL REPORT** – The Board may take action on any of the following items:
- a.** Legislation
 - b.** Other District Matters
- 10. GENERAL MANAGER’S REPORT** – The Board may take action on any of the following items:
- a.** Monthly Operations
 - b.** Other District Matters
- 11. ADJOURN**

▪ Items on the Agenda may be taken in any order.
▪ Action may be taken on any item listed on the Agenda.
▪ Writings relating to open session Agenda items that are distributed to members of the Board of Directors will be available for inspection at the District office, excluding writings that are not public records or are exempt from disclosure under the California Public Records Acts.
▪ **ACCOMMODATIONS FOR PERSONS WITH DISABILITIES**
A person with a qualifying disability under the Americans With Disabilities Act of 1990 may request the District to provide a disability-related modification or accommodation in order to participate in any public meeting of the District. Such assistance includes appropriate alternative formats for the agendas and agenda packets used for any public meetings of the District. Requests for such assistance and for agendas and agenda packets shall be made in person, by telephone, or by written correspondence to the District at (559) 970-8778 or P.O. Box 27950, Fresno, California 93729, at least 48 hours before a District meeting.



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**Minutes of the Meeting of the Board of Directors
Root Creek Water District
held on
August 14, 2023**

1. Call to Order

The board meeting for the Root Creek Water District (RCWD) was called to order at 10:59 a.m. by President Nick Bruno. Board members present were Nick Bruno, Jeff Coulthard, Shannon Simonian, Mike DelaGuerra, Eric Bream Matthew Cerniglia, and Henk Griffin. Members of the public included Julia Berry Stornetta, Al Solis, Nicole Stornetta, Steve Pickens, Brian Ehlers, Shay Bakman, Heather Bashian, and Counselor Craig Armstrong.

2. Public Comment

The district received no public comment.

3. Closed Session

Closed Session was called to order at 11:02 a.m. and concluded at 11:20 a.m. There were no reportable actions from Closed Session.

4. Potential Conflicts of interest

There were no potential conflicts of interest.

5. Consent Calendar

A motion was made by Director Coulthard, seconded by Director DelaGuerra to approve the minutes from the July 10, 2023 board meeting, to accept the June 2023 financials and approve customer payment plans. The motion carried.

6. Correspondence

There was no correspondence.

7. Board Action Items

- a. **Hauling Services** – Director Cerniglia made a motion, seconded by Director Griffin, to enter into contract with Holloway for wastewater hauling services. The motion carried.

- b. **Agricultural System Expansion** – Director Griffin made a motion, seconded by Director Simonian, to approve a change order from Lawrence Backhoe Service in the amount of \$19,759.82. The motion carried.
- c. **Agricultural System Expansion** – Director DelaGuerra made a motion, seconded by Director Coulthard, to approve a change order from Provost and Pritchard in the amount of \$48,000. The motion carried.
- d. **Water Treatment and Blending Facility** – Director Simonian made a motion, seconded by Director Cerniglia to award a contract for services to construct a groundwater treatment and blending facility subject to legal review prior to awarding the contract in the amount of \$25,433,800. The motion carried. A budget adjustment is required as a result of the action.
Staff was directed to ask legal counsel to review the district standard contract language related to warranty, late finishes, required maintenance, and actions in the event that a project is behind schedule.
- e. **Contract for Services** – Director DelaGuerra made a motion, seconded by Director Griffin to enter into contract with Best, Best, and Krieger for legal services in the amount of \$26,000. The motion carried.
- f. **Contract for Services** – Director Cerniglia made a motion, seconded by Director Griffin to enter into a contract with Baker, Manock, and Jensen for legal services in an amount not to exceed \$10,000. The motion carried.

8. District Engineers Report

Currently, there are approximately 1,500 connections to the system. Staff is in the process of wrapping up the Wastewater Treatment Facility project. The agricultural pipeline expansion project has been experiencing subsurface water intrusion in the trenches and is delayed as a result, however pipe is installed to Road 39. Road 40 remains open, and the District awaits a response from the County. Waer deliveries are estimated to be by approximately 3100 acre feet by the end of July, 1860 acre feet of which have been delivered for irrigation.

9. Legal Counsel Report

No report was given.

10. General Manager's Report

The District bought 833 AF of water from Madera Irrigation District for \$350 per acre-foot. 41 permits were pulled in each of the months of June and July (totaling 82 permits). A public hearing will be held on October 9, 2023 to adopt an updated schedule of district fees and assessments, effective January 1, 2023. Staff has been working with the district financial consultant to plan for future income and expenses and to project a potential timeframe for repayment of debt.

11. Community Facilities District (CFD)

PUBLIC HEARING

The public hearing was called to order at 12:07 p.m.

- a. A motion was made by Director DeLaGuerra, seconded by Director Griffin authorizing the Levy of Special Taxes and determined the Necessity to Incur Bonded Indebtedness within Improvement Area No. 1 of CFD No. 2023-1. The motion carried.
- b. A motion was made by Director Cerniglia, seconded by Director DeLaGuerra to certify the results of the August 14, 2023 Special Tax and Bond Elections within Improvement Area No. 1 of CFD No. 2023-1 of the Root Creek Water District. The motion carried.
- c. A motion was made by Director Simonian, seconded by DeLaGuerra acknowledging the Resolution has passed and to adopt the ordinance. The motion carried.

The public hearing was closed at 12:12 p.m.

12. Adjournment

The meeting was adjourned at 12:12 p.m.

Julia D. Stornetta, District Secretary

ROOT CREEK WATER DISTRICT
Statement of Revenues and Expenses-Cash Basis
July 2023

	Jul 23	Jan - Jul 23
Ordinary Income/Expense		
Income		
410 · Agricultural Revenues		
410.02 · Ag Recharge Fees-Includes Prepd	0.00	54,027.12
410.03 · Ag Capital Fee-Includes Prepaid	0.00	11,725.20
Total 410 · Agricultural Revenues	0.00	65,752.32
420 · Municipal Revenues		
420.02 · Municipal Water Utility Charges	142,850.94	666,332.98
420.03 · Municipal Storm Drain Charges	10,372.96	54,917.07
420.04 · Municipal Wastewater Charges	72,389.20	383,289.41
420.09 · Late Fees (Municipal)	2,695.08	12,923.63
425.02 · Municipal Water Hydrant Usage	21,772.31	43,464.09
Total 420 · Municipal Revenues	250,080.49	1,160,927.18
430.00 · Municipal Revenues-BuilderChrgs		
430.01 · Inspection Fees	19,644.68	289,236.70
Total 430.00 · Municipal Revenues-BuilderChrgs	19,644.68	289,236.70
480 · Other Sources Revenues		
480.01 · Assessments	31,356.12	94,015.72
480.03a · Grant Revenues	375,713.12	700,103.74
480.03b · Grant Admin Revenue	10,915.20	29,826.80
480.03c · Grant Costs	-260,678.90	-429,229.42
480.03d · Grant Admin Costs	-3,049.80	-19,926.30
480.04 · Interest Income.	3,538.08	7,508.88
Total 480 · Other Sources Revenues	157,793.82	382,299.42
Total Income	427,518.99	1,898,215.62
Gross Profit	427,518.99	1,898,215.62
Expense		
510 · Water Costs		
510.01 · Water Option Pymnt - MID	21,451.00	213,819.00
Total 510 · Water Costs	21,451.00	213,819.00
520.01 · MID Assessments	0.00	159,173.25
530.01 · MID Roof Top Fee	50,700.00	721,500.00
540 · System Maintenance		
540.01 · Chemicals	0.00	25,026.11
540.02 · Repairs & Maintenance	8,253.48	58,275.05
540.03 · Lab Analysis	2,090.00	25,710.50
Total 540 · System Maintenance	10,343.48	109,011.66
550 · System Management		
550.01 · Operator Contracted	125,986.85	556,861.69
550.03 · Inspection Fees	64,898.31	259,248.04
550.04 · Hauling and Discharge	30,946.15	79,085.11
Total 550 · System Management	221,831.31	895,194.84
560.01 · Permits	881.71	36,132.32
570 · Groundwater Maintenance		
570.01 · Groundwater Measurements	1,906.60	21,626.89
570.02 · Groundwater Sustainability	1,182.00	38,869.86
Total 570 · Groundwater Maintenance	3,088.60	60,496.75

No assurance is provided on these financial statements.

ROOT CREEK WATER DISTRICT
Statement of Revenues and Expenses-Cash Basis
July 2023

	Jul 23	Jan - Jul 23
580 · Services		
580.01 · Power	63,016.34	265,459.60
580.02 · Communications	2,674.29	25,242.87
580.03 · Security	337.88	2,348.84
Total 580 · Services	66,028.51	293,051.31
610 · Marketing		
610.02 · Website	0.00	2,818.85
Total 610 · Marketing	0.00	2,818.85
620 · Professional Fees		
620.01 · Accounting	4,058.10	28,160.50
620.03 · Management Contracted	26,546.67	102,546.68
620.04 · Engineering	49,245.50	89,157.17
620.05 · Legal	5,779.84	51,301.58
620.06 · GIS Services	847.50	3,780.50
620.09 · Special Counsel	8,823.90	118,595.60
620.10 · Public Finance	0.00	11,929.14
Total 620 · Professional Fees	95,301.51	405,471.17
630 · Consultants		
630.04 · GSP	543.00	82,641.35
630.05 · MS4 Program	0.00	13,109.83
Total 630 · Consultants	543.00	95,751.18
640.01 · Membership dues	0.00	14,435.00
650.01 · Insurance	0.00	5,357.00
660 · General & Administrative Costs		
660.01 · Printing & Reproduction	301.00	1,325.01
660.03 · Conference & Meetings	1,310.19	7,510.01
660.04 · Travel	129.17	413.61
660.06 · Postage	3.18	97.03
660.07 · Bank Charges	220.00	1,457.50
660.08 · Email Hosting & Storage	0.00	540.00
Total 660 · General & Administrative Costs	1,963.54	11,343.16
Total Expense	472,132.66	3,023,555.49
Net Ordinary Income	-44,613.67	-1,125,339.87
Other Income/Expense		
Other Income		
430.02 · Rooftop Fees	71,400.00	338,622.21
430.03 · Water Connection Fees	317,152.00	1,324,123.36
430.04 · Wastewater Connection Fees	674,067.00	3,117,517.82
430.05 · Storm Drain Connection Fees	129,843.00	526,529.07
430.06 · Meter Installation Fees	38,574.00	541,368.50
480.02 · CFD Assessments	0.00	770,977.31
Total Other Income	1,231,036.00	6,619,138.27
Other Expense		
900.01 · Capital Expenditures-Equipment	0.00	175,673.83
900.02 · Capital Expdtures-Water Meters	0.00	150,344.50
900.04 · RC Parkway Recharge Project	300.10	603.37
900.05 · New Well Construction	97,443.34	199,159.87
900.06 · Well #5 Improvements	0.00	10,054.50
900.07 · 400,000 gpd WWTF	65,725.47	338,994.80
900.08 · Storm Drain Basin Modification	0.00	935.00
900.09 · Water Blending Facility	63,471.00	241,290.28
900.90 · Capital Projects Admin Costs	8,148.20	289,258.12
900.12 · Ag System Expansion Project	626,398.74	626,398.74
930.01 · Bond Issuance Costs	0.00	365,900.00
930.02 · Bond Admin Cost	5,400.00	5,400.00

No assurance is provided on these financial statements.

ROOT CREEK WATER DISTRICT
Statement of Revenues and Expenses-Cash Basis
July 2023

	Jul 23	Jan - Jul 23
960.00 · Debt Payments		
960.1 · Debt Principal	0.00	100,764.53
960.2 · Interest Expense	0.00	31,716.47
Total 960.00 · Debt Payments	0.00	132,481.00
970.00 · Bond Payments		
970.02 · Bond Interest	0.00	159,406.25
Total 970.00 · Bond Payments	0.00	159,406.25
990.01 · Transfers In	-5,400.00	-164,805.86
990.02 · Transfers Out	5,400.00	164,805.86
Total Other Expense	866,886.85	2,695,900.26
Net Other Income	364,149.15	3,923,238.01
Net Income	319,535.48	2,797,898.14

No assurance is provided on these financial statements.

ROOT CREEK WATER DISTRICT
Statement of Revenues and Expenses by Fund-Cash Basis
 January through July 2023

	01-District Administration	02-Water Municipal	03-Sewer	04-Storm Drain	05-Water Agriculture	91-CFD Bond \$5,830,000	92-CFD Bond \$10,060,000.00	92-CFD Bond \$2,565,000	TOTAL
Ordinary Income/Expense									
Income									
410 - Agricultural Revenues									
410.02 - Ag Recharge Fees-Includes Prepd	0.00	0.00	0.00	0.00	54,027.12	0.00	0.00	0.00	54,027.12
410.03 - Ag Capital Fee-Includes Prepaid	0.00	0.00	0.00	0.00	11,725.20	0.00	0.00	0.00	11,725.20
Total 410 - Agricultural Revenues	0.00	0.00	0.00	0.00	65,752.32	0.00	0.00	0.00	65,752.32
420 - Municipal Revenues									
420.02 - Municipal Water Utility Charges	0.00	666,332.98	0.00	0.00	0.00	0.00	0.00	0.00	666,332.98
420.03 - Municipal Storm Drain Charges	0.00	0.00	0.00	54,917.07	0.00	0.00	0.00	0.00	54,917.07
420.04 - Municipal Wastewater Charges	0.00	0.00	383,289.41	0.00	0.00	0.00	0.00	0.00	383,289.41
420.09 - Late Fees (Municipal)	0.00	12,923.63	0.00	0.00	0.00	0.00	0.00	0.00	12,923.63
425.02 - Municipal Water Hydrant Usage	0.00	43,464.09	0.00	0.00	0.00	0.00	0.00	0.00	43,464.09
Total 420 - Municipal Revenues	0.00	722,720.70	383,289.41	54,917.07	0.00	0.00	0.00	0.00	1,160,927.18
430.00 - Municipal Revenues-BuildierChrgs									
430.01 - Inspection Fees	0.00	96,412.22	96,412.25	96,412.23	0.00	0.00	0.00	0.00	289,236.70
Total 430.00 - Municipal Revenues-BuildierChrgs	0.00	96,412.22	96,412.25	96,412.23	0.00	0.00	0.00	0.00	289,236.70
480 - Other Sources Revenues									
480.01 - Assessments	94,015.72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	94,015.72
480.03a - Grant Revenues	0.00	700,103.74	0.00	0.00	0.00	0.00	0.00	0.00	700,103.74
480.03b - Grant Admin Revenue	0.00	29,826.80	0.00	0.00	0.00	0.00	0.00	0.00	29,826.80
480.03c - Grant Costs	0.00	-429,229.42	0.00	0.00	0.00	0.00	0.00	0.00	-429,229.42
480.03d - Grant Admin Costs	0.00	-19,926.30	0.00	0.00	0.00	0.00	0.00	0.00	-19,926.30
480.04 - Interest Income	0.00	59.57	52.52	52.49	7,308.20	10.42	21.29	4.39	7,508.88
Total 480 - Other Sources Revenues	94,015.72	280,834.39	52.52	52.49	7,308.20	10.42	21.29	4.39	382,299.42
Total Income	94,015.72	1,099,967.31	479,754.18	151,381.79	73,060.52	10.42	21.29	4.39	1,898,215.62
Gross Profit	94,015.72	1,099,967.31	479,754.18	151,381.79	73,060.52	10.42	21.29	4.39	1,898,215.62
Expense									
510 - Water Costs									
510.01 - Water Option Pymnt - MID	0.00	106,909.50	0.00	0.00	106,909.50	0.00	0.00	0.00	213,819.00
Total 510 - Water Costs	0.00	106,909.50	0.00	0.00	106,909.50	0.00	0.00	0.00	213,819.00
520.01 - MID Assessments	0.00	159,173.25	0.00	0.00	0.00	0.00	0.00	0.00	159,173.25
530.01 - MID Roof Top Fee	0.00	721,500.00	0.00	0.00	0.00	0.00	0.00	0.00	721,500.00
540 - System Maintenance									
540.01 - Chemicals	0.00	13,571.55	11,454.56	0.00	0.00	0.00	0.00	0.00	25,026.11
540.02 - Repairs & Maintenance	0.00	46,304.23	11,970.82	0.00	0.00	0.00	0.00	0.00	58,275.05
540.03 - Lab Analysis	0.00	12,976.00	12,734.50	0.00	0.00	0.00	0.00	0.00	25,710.50
Total 540 - System Maintenance	0.00	72,851.78	36,159.88	0.00	0.00	0.00	0.00	0.00	109,011.66
550 - System Management									
550.01 - Operator Contracted	0.00	117,189.01	432,319.36	7,353.32	0.00	0.00	0.00	0.00	556,861.69
550.03 - Inspection Fees	0.00	86,416.05	86,416.02	86,415.97	0.00	0.00	0.00	0.00	259,248.04
550.04 - Hauling and Discharge	0.00	0.00	79,085.11	0.00	0.00	0.00	0.00	0.00	79,085.11
Total 550 - System Management	0.00	203,605.06	597,820.49	93,769.29	0.00	0.00	0.00	0.00	895,194.84
560.01 - Permits	0.00	11,445.32	24,687.00	0.00	0.00	0.00	0.00	0.00	36,132.32
570 - Groundwater Maintenance									
570.01 - Groundwater Measurements	0.00	10,813.45	0.00	0.00	10,813.44	0.00	0.00	0.00	21,626.89
570.02 - Groundwater Sustainability	0.00	19,434.94	0.00	0.00	19,434.92	0.00	0.00	0.00	38,869.86
Total 570 - Groundwater Maintenance	0.00	30,248.39	0.00	0.00	30,248.36	0.00	0.00	0.00	60,496.75
580 - Services									
580.01 - Power	0.00	189,118.08	74,980.91	0.00	1,360.61	0.00	0.00	0.00	265,459.60
580.02 - Communications	0.00	18,998.88	6,243.99	0.00	0.00	0.00	0.00	0.00	25,242.87
580.03 - Security	0.00	1,513.84	835.00	0.00	0.00	0.00	0.00	0.00	2,348.84
Total 580 - Services	0.00	209,630.80	82,059.90	0.00	1,360.61	0.00	0.00	0.00	293,051.31
610 - Marketing									
610.02 - Website	998.85	910.00	0.00	0.00	910.00	0.00	0.00	0.00	2,818.85
Total 610 - Marketing	998.85	910.00	0.00	0.00	910.00	0.00	0.00	0.00	2,818.85
620 - Professional Fees									
620.01 - Accounting	810.06	7,175.79	7,175.79	7,175.78	5,823.08	0.00	0.00	0.00	28,160.50
620.03 - Management Contracted	0.00	25,636.68	25,636.68	25,636.68	25,636.64	0.00	0.00	0.00	102,546.68
620.04 - Engineering	5,861.50	56,657.61	4,740.78	8,044.86	13,852.42	0.00	0.00	0.00	89,157.17
620.05 - Legal	14,425.96	24,505.29	401.00	-129.00	12,098.33	0.00	0.00	0.00	51,301.58
620.06 - GIS Services	0.00	548.88	378.88	378.87	2,477.87	0.00	0.00	0.00	3,780.50
620.09 - Special Counsel	0.00	59,297.83	0.00	0.00	59,297.77	0.00	0.00	0.00	118,595.60
620.10 - Public Finance	0.00	3,976.39	3,976.38	3,976.37	0.00	0.00	0.00	0.00	11,929.14
Total 620 - Professional Fees	21,097.52	177,798.47	42,307.51	45,081.56	119,186.11	0.00	0.00	0.00	405,471.17
630 - Consultants									
630.04 - GSP	0.00	41,320.68	0.00	0.00	41,320.67	0.00	0.00	0.00	82,641.35
630.05 - MS4 Program	0.00	0.00	0.00	13,109.83	0.00	0.00	0.00	0.00	13,109.83
Total 630 - Consultants	0.00	41,320.68	0.00	13,109.83	41,320.67	0.00	0.00	0.00	95,751.18
640.01 - Membership dues	2,887.00	2,887.00	2,887.00	2,887.00	2,887.00	0.00	0.00	0.00	14,435.00
650.01 - Insurance	1,071.40	1,071.40	1,071.40	1,071.40	1,071.40	0.00	0.00	0.00	5,357.00

ROOT CREEK WATER DISTRICT
Statement of Revenues and Expenses by Fund-Cash Basis
 January through July 2023

	01-District Administration	02-Water Municipal	03-Sewer	04-Storm Drain	05-Water Agriculture	91-CFD Bond \$5,830,000	92-CFD Bond \$10,060,000.00	92-CFD Bond \$2,565,000	TOTAL
660 - General & Administrative Costs									
660.01 - Printing & Reproduction	991.94	131.18	74.86	74.85	52.18	0.00	0.00	0.00	1,325.01
660.03 - Conference & Meetings	7,510.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7,510.01
660.04 - Travel	413.61	0.00	0.00	0.00	0.00	0.00	0.00	0.00	413.61
660.06 - Postage	97.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	97.03
660.07 - Bank Charges	0.00	485.84	485.81	485.85	0.00	0.00	0.00	0.00	1,457.50
660.08 - Email Hosting & Storage	540.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	540.00
Total 660 - General & Administrative Costs	9,552.59	617.02	560.67	560.70	52.18	0.00	0.00	0.00	11,343.16
Total Expense	35,607.36	1,739,968.67	787,553.85	156,479.78	303,945.83	0.00	0.00	0.00	3,023,555.49
Net Ordinary Income	58,408.36	-640,001.36	-307,799.67	-5,097.99	-230,885.31	10.42	21.29	4.39	-1,125,339.87
Other Income/Expense									
Other Income									
430.02 - Rooftop Fees	0.00	338,622.21	0.00	0.00	0.00	0.00	0.00	0.00	338,622.21
430.03 - Water Connection Fees	0.00	1,324,123.36	0.00	0.00	0.00	0.00	0.00	0.00	1,324,123.36
430.04 - Wastewater Connection Fees	0.00	0.00	3,117,517.82	0.00	0.00	0.00	0.00	0.00	3,117,517.82
430.05 - Storm Drain Connection Fees	0.00	0.00	0.00	526,529.07	0.00	0.00	0.00	0.00	526,529.07
430.06 - Meter Installation Fees	0.00	541,368.50	0.00	0.00	0.00	0.00	0.00	0.00	541,368.50
480.02 - CFD Assessments	0.00	256,992.44	256,992.44	256,992.43	0.00	0.00	0.00	0.00	770,977.31
Total Other Income	0.00	2,461,106.51	3,374,510.26	783,521.50	0.00	0.00	0.00	0.00	6,619,138.27
Other Expense									
900.01 - Capital Expenditures-Equipment	0.00	175,673.83	0.00	0.00	0.00	0.00	0.00	0.00	175,673.83
900.02 - Capital Expenditures-Water Meters	0.00	150,344.50	0.00	0.00	0.00	0.00	0.00	0.00	150,344.50
900.04 - RC Parkway Recharge Project	0.00	603.37	0.00	0.00	0.00	0.00	0.00	0.00	603.37
900.05 - New Well Construction	0.00	199,159.87	0.00	0.00	0.00	0.00	0.00	0.00	199,159.87
900.06 - Well #5 Improvements	0.00	10,054.50	0.00	0.00	0.00	0.00	0.00	0.00	10,054.50
900.07 - 400,000 gpd WWTF	0.00	0.00	338,994.80	0.00	0.00	0.00	0.00	0.00	338,994.80
900.08 - Storm Drain Basin Modification	0.00	0.00	0.00	935.00	0.00	0.00	0.00	0.00	935.00
900.09 - Water Blending Facility	0.00	241,290.28	0.00	0.00	0.00	0.00	0.00	0.00	241,290.28
900.90 - Capital Projects Admin Costs	0.00	190,872.39	43,170.25	38,085.62	17,128.85	0.00	0.00	0.00	289,258.12
900.12 - Ag System Expansion Project	0.00	626,398.74	0.00	0.00	0.00	0.00	0.00	0.00	626,398.74
930.01 - Bond Issuance Costs	0.00	0.00	0.00	0.00	0.00	0.00	365,900.00	0.00	365,900.00
930.02 - Bond Admin Cost	0.00	0.00	0.00	0.00	0.00	2,700.00	0.00	2,700.00	5,400.00
960.00 - Debt Payments									
960.1 - Debt Principal	0.00	0.00	0.00	0.00	100,764.53	0.00	0.00	0.00	100,764.53
960.2 - Interest Expense	0.00	0.00	0.00	0.00	31,716.47	0.00	0.00	0.00	31,716.47
Total 960.00 - Debt Payments	0.00	0.00	0.00	0.00	132,481.00	0.00	0.00	0.00	132,481.00
970.00 - Bond Payments									
970.02 - Bond Interest	0.00	0.00	0.00	0.00	0.00	113,125.00	0.00	46,281.25	159,406.25
Total 970.00 - Bond Payments	0.00	0.00	0.00	0.00	0.00	113,125.00	0.00	46,281.25	159,406.25
990.01 - Transfers In	0.00	0.00	0.00	0.00	0.00	-115,824.72	0.00	-48,981.14	-164,805.86
990.02 - Transfers Out	0.00	54,935.29	54,935.29	54,935.28	0.00	0.00	0.00	0.00	164,805.86
Total Other Expense	0.00	1,649,332.77	437,100.35	93,956.90	149,609.85	0.28	365,900.00	0.11	2,695,900.26
Net Other Income	0.00	811,773.74	2,937,409.91	689,564.60	-149,609.85	-0.28	-365,900.00	-0.11	3,923,238.01
Net Income	58,408.36	171,772.38	2,629,610.24	684,466.61	-380,495.16	10.14	-365,878.71	4.28	2,797,898.14

ROOT CREEK WATER DISTRICT
Statement of Revenues & Expenses Budget vs Cash Basis Actual
January through July 2023

	Jan - Jul 23	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
410 · Agricultural Revenues				
410.01 · Agricultural Surface Water Chgs	0.00	146,000.00	-146,000.00	0.0%
410.02 · Ag Recharge Fees-Includes Prepd	54,027.12	1,278,971.99	-1,224,944.87	4.2%
410.03 · Ag Capital Fee-Includes Prepaid	11,725.20	238,120.00	-226,394.80	4.9%
Total 410 · Agricultural Revenues	65,752.32	1,663,091.99	-1,597,339.67	4.0%
420 · Municipal Revenues				
420.02 · Municipal Water Utility Charges	666,332.98	890,000.00	-223,667.02	74.9%
420.03 · Municipal Storm Drain Charges	54,917.07	96,000.00	-41,082.93	57.2%
420.04 · Municipal Wastewater Charges	383,289.41	670,000.00	-286,710.59	57.2%
420.09 · Late Fees (Municipal)	12,923.63			
425.02 · Municipal Water Hydrant Usage	43,464.09	52,000.00	-8,535.91	83.6%
Total 420 · Municipal Revenues	1,160,927.18	1,708,000.00	-547,072.82	68.0%
430.00 · Municipal Revenues-BuilderChrgs				
430.01 · Inspection Fees	289,236.70	97,500.00	191,736.70	296.7%
430.07 · Sewer Plug Fee	0.00	26,000.00	-26,000.00	0.0%
Total 430.00 · Municipal Revenues-BuilderChrgs	289,236.70	123,500.00	165,736.70	234.2%
480 · Other Sources Revenues				
480.01 · Assessments	94,015.72	344,000.00	-249,984.28	27.3%
480.03a · Grant Revenues	700,103.74			
480.03b · Grant Admin Revenue	29,826.80	150,000.00	-120,173.20	19.9%
480.03c · Grant Costs	-429,229.42			
480.03d · Grant Admin Costs	-19,926.30	-150,000.00	130,073.70	13.3%
480.04 · Interest Income.	7,508.88			
480.10 · Outside Water Sales	0.00	1,350,000.00	-1,350,000.00	0.0%
Total 480 · Other Sources Revenues	382,299.42	1,694,000.00	-1,311,700.58	22.6%
Total Income	1,898,215.62	5,188,591.99	-3,290,376.37	36.6%
Gross Profit	1,898,215.62	5,188,591.99	-3,290,376.37	36.6%
Expense				
510 · Water Costs				
510.01 · Water Option Pymnt - MID	213,819.00	100,000.00	113,819.00	213.8%
510.03 · Water Purchases - Wonderful	0.00	1,958,720.00	-1,958,720.00	0.0%
Total 510 · Water Costs	213,819.00	2,058,720.00	-1,844,901.00	10.4%
520.01 · MID Assessments	159,173.25	169,830.90	-10,657.65	93.7%
530.01 · MID Roof Top Fee	721,500.00	210,000.00	511,500.00	343.6%
540 · System Maintenance				
540.01 · Chemicals	25,026.11	60,000.00	-34,973.89	41.7%
540.02 · Repairs & Maintenance	58,275.05	100,000.00	-41,724.95	58.3%
540.03 · Lab Analysis	25,710.50	40,000.00	-14,289.50	64.3%
Total 540 · System Maintenance	109,011.66	200,000.00	-90,988.34	54.5%
550 · System Management				
550.05 · Sewer Plugs	0.00	13,000.00	-13,000.00	0.0%
550.01 · Operator Contracted	556,861.69	729,000.00	-172,138.31	76.4%
550.03 · Inspection Fees	259,248.04	227,500.00	31,748.04	114.0%
550.04 · Hauling and Discharge	79,085.11	175,000.00	-95,914.89	45.2%
Total 550 · System Management	895,194.84	1,144,500.00	-249,305.16	78.2%
560.01 · Permits	36,132.32	34,000.00	2,132.32	106.3%
570 · Groundwater Maintenance				
570.01 · Groundwater Measurements	21,626.89	10,000.00	11,626.89	216.3%
570.02 · Groundwater Sustainability	38,869.86	15,000.00	23,869.86	259.1%
Total 570 · Groundwater Maintenance	60,496.75	25,000.00	35,496.75	242.0%
580 · Services				
580.01 · Power	265,459.60	600,000.00	-334,540.40	44.2%
580.02 · Communications	25,242.87	41,600.00	-16,357.13	60.7%
580.03 · Security	2,348.84	1,365.00	983.84	172.1%
580.04 · Equipment Lease	0.00	2,135.00	-2,135.00	0.0%
Total 580 · Services	293,051.31	645,100.00	-352,048.69	45.4%
610 · Marketing				
610.02 · Website	2,818.85	2,000.00	818.85	140.9%
Total 610 · Marketing	2,818.85	2,000.00	818.85	140.9%

ROOT CREEK WATER DISTRICT
Statement of Revenues & Expenses Budget vs Cash Basis Actual
January through July 2023

	Jan - Jul 23	Budget	\$ Over Budget	% of Budget
620 · Professional Fees				
620.01 · Accounting	28,160.50	47,400.00	-19,239.50	59.4%
620.02 · Audit	0.00	10,000.00	-10,000.00	0.0%
620.03 · Management Contracted	102,546.68	155,000.00	-52,453.32	66.2%
620.04 · Engineering	89,157.17	125,000.00	-35,842.83	71.3%
620.05 · Legal	51,301.58	100,000.00	-48,698.42	51.3%
620.06 · GIS Services	3,780.50	25,000.00	-21,219.50	15.1%
620.08 · Master Planning	0.00	10,000.00	-10,000.00	0.0%
620.09 · Special Counsel	118,595.60	132,000.00	-13,404.40	89.8%
620.10 · Public Finance	11,929.14	24,000.00	-12,070.86	49.7%
Total 620 · Professional Fees	405,471.17	628,400.00	-222,928.83	64.5%
630 · Consultants				
630.01 · Grant Preparation	0.00	10,000.00	-10,000.00	0.0%
630.04 · GSP	82,641.35	50,000.00	32,641.35	165.3%
630.05 · MS4 Program	13,109.83	15,000.00	-1,890.17	87.4%
Total 630 · Consultants	95,751.18	75,000.00	20,751.18	127.7%
640.01 · Membership dues	14,435.00	8,000.00	6,435.00	180.4%
650.01 · Insurance	5,357.00	10,000.00	-4,643.00	53.6%
660 · General & Administrative Costs				
660.01 · Printing & Reproduction	1,325.01	2,000.00	-674.99	66.3%
660.03 · Conference & Meetings	7,510.01	15,000.00	-7,489.99	50.1%
660.04 · Travel	413.61	1,000.00	-586.39	41.4%
660.06 · Postage	97.03	1,000.00	-902.97	9.7%
660.07 · Bank Charges	1,457.50			
660.08 · Email Hosting & Storage	540.00	1,000.00	-460.00	54.0%
Total 660 · General & Administrative Costs	11,343.16	20,000.00	-8,656.84	56.7%
Total Expense	3,023,555.49	5,230,550.90	-2,206,995.41	57.8%
Net Ordinary Income	-1,125,339.87	-41,958.91	-1,083,380.96	2,682.0%
Other Income/Expense				
Other Income				
430.02 · Rooftop Fees	338,622.21	210,000.00	128,622.21	161.2%
430.03 · Water Connection Fees	1,324,123.36	889,200.00	434,923.36	148.9%
430.04 · Wastewater Connection Fees	3,117,517.82	1,982,550.00	1,134,967.82	157.2%
430.05 · Storm Drain Connection Fees	526,529.07	372,150.00	154,379.07	141.5%
430.06 · Meter Installation Fees	541,368.50	133,200.00	408,168.50	406.4%
480.02 · CFD Assessments	770,977.31	781,500.40	-10,523.09	98.7%
Total Other Income	6,619,138.27	4,368,600.40	2,250,537.87	151.5%
Other Expense				
900.01 · Capital Expenditures-Equipment	175,673.83	100,000.00	75,673.83	175.7%
900.02 · Capital Expdtures-Water Meters	150,344.50	133,200.00	17,144.50	112.9%
900.04 · RC Parkway Recharge Project	603.37	150,000.00	-149,396.63	0.4%
900.05 · New Well Construction	199,159.87	1,500,000.00	-1,300,840.13	13.3%
900.06 · Well #5 Improvements	10,054.50	100,000.00	-89,945.50	10.1%
900.07 · 400,000 gpd WWTF	338,994.80	100,000.00	238,994.80	339.0%
900.08 · Storm Drain Basin Modification	935.00	25,000.00	-24,065.00	3.7%
900.09 · Water Blending Facility	241,290.28	2,800,000.00	-2,558,709.72	8.6%
900.90 · Capital Projects Admin Costs	289,258.12	367,400.00	-78,141.88	78.7%
900.10 · Wastewater UV Facility	0.00	200,000.00	-200,000.00	0.0%
900.11 · Wastewater Ultimate Facility	0.00	581,000.00	-581,000.00	0.0%
900.12 · Ag System Expansion Project	626,398.74			
930.01 · Bond Issuance Costs	365,900.00			
930.02 · Bond Admin Cost	5,400.00			
960.00 · Debt Payments				
960.1 · Debt Principal	100,764.53	187,919.68	-87,155.15	53.6%
960.2 · Interest Expense	31,716.47	77,042.32	-45,325.85	41.2%
Total 960.00 · Debt Payments	132,481.00	264,962.00	-132,481.00	50.0%
970.00 · Bond Payments				
970.02 · Bond Interest	159,406.25			
Total 970.00 · Bond Payments	159,406.25			
990.01 · Transfers In	-164,805.86			
990.02 · Transfers Out	164,805.86			
Total Other Expense	2,695,900.26	6,321,562.00	-3,625,661.74	42.6%
Net Other Income	3,923,238.01	-1,952,961.60	5,876,199.61	-200.9%
Net Income	2,797,898.14	-1,994,920.51	4,792,818.65	-140.3%

ROOT CREEK WATER DISTRICT
A/R Aging Summary
As of July 31, 2023

	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL
01 Temporary	0.00	0.00	0.00	0.00	0.00	0.00
Alfred & Pearl J Lion, Trustee	0.00	0.00	5,511.35	0.00	35,358.12	40,869.47
Arun Earpula	0.00	0.00	0.00	0.00	900.00	900.00
B&B Construction Services	0.00	756.03	0.00	0.00	0.00	756.03
Bonadelle Neighborhoods	0.00	151,758.00	0.00	0.00	0.00	151,758.00
Browning Contractors Inc.	0.00	4,608.60	0.00	0.00	0.00	4,608.60
Central Valley Ag Management, LLC	0.00	0.00	12,236.20	0.00	63,244.44	75,480.64
Cody Bondurant	0.00	0.00	0.00	0.00	1.74	1.74
Copeland Jeffrey A & Selyna K Sivaugn	0.00	0.00	0.00	0.00	10.59	10.59
Coulthard Ents	0.00	0.00	14,799.58	0.00	45,316.41	60,115.99
Coulthard Ent LP & Coulthard Jeffrey	0.00	0.00	4,602.26	0.00	0.00	4,602.26
Dancefire Ranch, LLC	0.00	0.00	5,900.80	0.00	45,322.06	51,222.86
Donald L & Kimberlee A. Howard	0.00	0.00	0.00	0.00	17,993.95	17,993.95
Granville Homes	0.00	202,344.00	0.00	0.00	0.00	202,344.00
Groveland Dev Corp.	0.00	0.00	14,513.37	0.00	12,341.43	26,854.80
Hothi Pardeep Singh	0.00	0.00	0.00	0.00	13.41	13.41
Jaghlastian Moses & Seta TR	0.00	0.00	5,850.64	0.00	38,238.64	44,089.28
Jaghlastian Moses & Seta Trustee	0.00	0.00	5,856.18	0.00	28,506.90	34,363.08
Jeff D Coulthard Trustee	0.00	0.00	11,656.67	0.00	85,986.54	97,643.21
KL LHB AIV LLC	0.00	0.00	8,032.10	0.00	0.00	8,032.10
Lawrence Backhoe Service, Inc.	0.00	102.65	0.00	0.00	0.00	102.65
Lennar Homes of CA, Inc.	0.00	0.00	0.00	0.00	67,130.98	67,130.98
Lennar Homes of California Inc.	0.00	0.00	2,141,418.00	828,936.00	505,636.53	3,475,990.53
Lion Alfred Jr. Family Joint Trust	0.00	0.00	0.00	0.00	48,356.43	48,356.43
Lodge Root Creek No 1 LP	0.00	0.00	0.00	0.00	225.45	225.45
Madera County	0.00	0.00	0.00	0.00	7,494.00	7,494.00
Madera Management Business Trust	0.00	0.00	0.00	0.00	16,307.74	16,307.74
MAG Engineering, Inc.	0.00	515.79	0.00	0.00	0.00	515.79
McCaffrey Homes	0.00	0.00	0.00	0.00	1,101.00	1,101.00
Mesa Asset Management LLC TR	0.00	0.00	9,859.50	0.00	27,894.25	37,753.75
Moses Jaghlastian / Seta Trs	0.00	0.00	0.00	0.00	200,022.05	200,022.05
Philp Enns	0.00	0.00	0.00	0.00	461.58	461.58
Pitman Family Trust	0.00	0.00	0.00	0.00	1,365.14	1,365.14
Riverstone Community Assn	0.00	0.00	0.00	0.00	1,870.58	1,870.58
Riverstone Development LLC	0.00	0.00	3,543.01	0.00	27,353.32	30,896.33
Riverstone Farms	0.00	0.00	5,845.12	0.00	167,330.57	173,175.69
San Joaquin River Ranch LLC	0.00	17,677.10	173,850.00	0.00	694,607.72	886,134.82
Tri County Excavation Inc.	0.00	0.00	0.00	0.00	8.37	8.37
Utility Billing Customer	3,279.13	39,605.39	0.00	0.00	0.00	42,884.52
Waldner Shelly Etal	0.00	0.00	0.00	0.00	6.45	6.45
Wathen Castanos Homes	0.00	551,048.00	0.00	0.00	4,600.00	555,648.00
Wilson Homes, Inc.	0.00	19,218.00	1,909,219.00	276,312.00	1,799,555.86	4,004,304.86
Wonderful Agricultural Management LLC	0.00	0.00	0.00	0.00	50.49	50.49
Woodside Homes	0.00	115,130.00	0.00	0.00	1,028.46	116,158.46
TOTAL	3,279.13	1,102,763.56	4,332,693.78	1,105,248.00	3,945,641.20	10,489,625.67

**PURCHASE AND SALE AGREEMENT
AND ESCROW INSTRUCTIONS
(Well 277)**

THIS PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS (Well 277) (this “**Agreement**”) is made and effective as of September ___, 2023 (the “**Effective Date**”) by and between GROVELAND DEVELOPMENT CORPORATION, a California corporation (“**Seller**”) and ROOT CREEK WATER DISTRICT, a California water district (“**Buyer**” or the “**District**”). Seller and Buyer are sometimes collectively referred to herein as the “**Parties**” and singularly as a “**Party**.”

RECITALS

A. The District is a water district formed and organized under California Water Code section 34000 *et seq.*

B. Seller owns Outlot D of Tract No. 318 (“**Outlot D**”), which is within the boundaries of Root Creek Water District. The legal description of Outlot D is attached as Exhibit “A” and is subject to verification by Escrow Holder (defined in Section 1).

C. Seller developed a well commonly referred to by the Parties as Well 277 (“**Well 277**”) on Outlot D and until recently used it for agricultural purposes.

D. Buyer desires to purchase Outlot D, including Well 277, and incorporate Well 277 into its M&I water system. Seller is willing to sell Outlot D, including Well 277, to Buyer but desires to remove and retain the Well 277 well motor, column pipe, pump, booster motor and pump, filters, and privately owned electrical equipment, including all the above-ground plumbing at the well site (the “**Retained Well 277 Improvements**”). Outlot D, including Well 277 but without the Retained Well 277 Improvements, is referred to herein as the “**Property**.”

E. The Parties have reached agreement regarding the foregoing and certain other matters and are memorializing such agreement herein.

NOW, THEREFORE, in consideration of the mutual obligations and covenants of the Parties herein contained, the above stated Recitals, which are deemed true and correct and incorporated herein by this reference, and for other good and valuable consideration, the receipt and sufficiency of which are hereby mutually acknowledged, the Parties hereby agree as follows:

1. Purchase and Sale. Subject to all of the terms, conditions and provisions of this Agreement, Seller agrees to sell the Property to Buyer at the Closing (defined below), and Buyer agrees to buy the Property at such time. For clarity, the Property does not include the Retained Well 277 Improvements. The sale and purchase of the Property shall be consummated by means of an escrow (the “**Escrow**”) at the offices of Old Republic Title Company, Attn: Donna Brown, 7451 North Remington Avenue, Suite 102, Fresno, California 93711 (“**Escrow Holder**”). This Agreement shall constitute the instructions for the Escrow upon acceptance by Escrow Holder.

“Closing” means the Closing Date (defined in Section 23) or the Escrow closing process described in Section 24, as the context requires.

2. Purchase Price; Payment of Purchase Price. The purchase price for the Property is Two Hundred Sixty-Eight Thousand Six Hundred Ninety-Four and 30/100 Dollars (\$268,694.30) (the “Purchase Price”), which consists of (a) the appraised value of the land (\$215,000/acre x 0.285 acres = \$61,275), plus (b) Seller’s cost of designing, permitting, constructing, and developing Well 277, not including the Retained Well 277 improvements (net cost of \$207,419.30), which net cost has been verified by the District Engineer. Upon execution of this Agreement, Buyer shall deposit the sum of Thirteen Thousand Four Hundred Thirty-Four and 72/100 Dollars (\$13,434.72) (the “Deposit”) with Escrow Holder. The Deposit shall be placed in an interest-bearing account and, subject to Section 5 below, all interest shall accrue for Buyer’s benefit. The Deposit shall be nonrefundable after the Due Diligence Deadline, defined below, if Buyer fails to terminate this Agreement as provided in Section 10(a). The Deposit shall be held in Escrow until the Closing Date and shall apply as a credit to the Purchase Price. On or before the scheduled Closing Date, Buyer shall deposit the Purchase Price into Escrow in cash, by wire transfer or other immediately available funds.

3. LIQUIDATED DAMAGES UPON BUYER’S DEFAULT. IF THE ESCROW FAILS TO CLOSE BY THE SCHEDULED CLOSING DATE SET FORTH IN SECTION 23 AS A RESULT OF BUYER’S DEFAULT IN THE PERFORMANCE OF ITS OBLIGATIONS UNDER THIS AGREEMENT, THE DEPOSIT AND INTEREST ACCRUED THEREON SHALL BE RETAINED BY SELLER AS LIQUIDATED DAMAGES AND AS SELLER’S EXCLUSIVE REMEDY AGAINST BUYER, AT LAW OR IN EQUITY OR OTHERWISE. PAYMENT OF SUCH FUNDS TO SELLER AS LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY WITHIN THE MEANING OF CALIFORNIA CIVIL CODE SECTIONS 3275 OR 3369, BUT INSTEAD, IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLER PURSUANT TO SECTIONS 1671, 1676 AND 1677 OF THE CALIFORNIA CIVIL CODE. BECAUSE OF THE SPECIAL NATURE OF THE NEGOTIATIONS THAT PRECEDED ACCEPTANCE BY SELLER OF BUYER’S OFFER TO ACQUIRE THE PROPERTY, THE PARTIES ACKNOWLEDGE THAT THE ACTUAL DAMAGE THAT WOULD RESULT TO SELLER AS A RESULT OF SUCH FAILURE WOULD BE EXTREMELY DIFFICULT TO ESTABLISH. IN ADDITION, BUYER DESIRES TO LIMIT ITS POTENTIAL LIABILITY TO SELLER IN THE EVENT THAT THIS TRANSACTION SHALL FAIL TO CLOSE. THEREFORE, IN ORDER TO INDUCE SELLER TO ACCEPT BUYER’S OFFER INSTEAD OF ANY POTENTIAL COMPETING OFFER FROM ANOTHER PARTY, AND IN ORDER TO INDUCE SELLER TO WAIVE ALL OTHER REMEDIES IT MAY HAVE IN THE EVENT OF BREACH BY BUYER OF ITS OBLIGATIONS HEREUNDER, BUYER HAS PROPOSED AND SELLER HAS ACCEPTED THE CONCEPT OF LIQUIDATED DAMAGES AS SET FORTH HEREIN, WITH THE AMOUNT OF THE PAYMENT TO SELLER AND THE TIMING OF SUCH PAYMENT HAVING BEEN THE SUBJECT OF CONSIDERABLE NEGOTIATIONS BETWEEN THE PARTIES. BY SEPARATELY INITIALING BELOW, THE PARTIES HEREBY ACKNOWLEDGE THEIR AGREEMENT CONCERNING LIQUIDATED DAMAGES.

Buyer’s Initials: _____ Seller’s Initials: _____

4. **Possession**. Seller shall deliver possession of the Property to Buyer at the Closing.

5. **Risk of Loss**. Risk of physical loss to the Property shall be borne by Buyer from and after the Closing. In the event of the loss or destruction of a material part of the Property prior to the Closing from a cause other than the intentional act or omission or negligence of Buyer, then within ten (10) days after such damage, Buyer may elect to terminate this Agreement, in which case both Parties shall be relieved of their obligations and this Agreement shall be deemed void and without further effect, and the Deposit and accrued interest shall be returned to Buyer. If Buyer does not notify Seller in writing of such termination election within such period, then Buyer shall purchase the Property without reduction of the Purchase Price and receive an assignment of all claims and insurance proceeds to the extent related to any unrepaired damage to the Property or post-Closing loss of or diminution of use thereof (but not for loss of or diminished use of the Property prior to the Closing). Prior to the Closing, Seller shall not make any changes or alterations of the Property that could materially reduce the value of the Property as a municipal well site.

6. **Condition of Title to Property**. Seller shall convey fee title to the Property to Buyer subject only to those encumbrances, contracts, agreements, rights, easements, rights of way, and mineral leases, rights and reservations that are (x) set forth in a preliminary report of title to the Property to be prepared by Escrow Holder (the “**Title Report**”) promptly after the opening of the Escrow, that have been specifically approved by Buyer in writing, or (y) caused by Buyer or agreed to by Buyer in writing (the “**Permitted Exceptions**”). Upon receipt of the Title Report and copies of all underlying title exception documents, Buyer shall have until the Due Diligence Deadline, defined in Section 8 below, to notify Escrow Holder in writing of any exceptions to title shown therein, or of which Buyer is otherwise aware, that Buyer disapproves (the “**Objectionable Exceptions**”). If Buyer notifies Escrow Holder of one or more Objectionable Exceptions, Seller shall have five (5) business days from receipt of such written notice to (i) remove the Objectionable Exception(s) or agree to do so at the Closing and proceed to close the sale, or (ii) refuse to remove the Objectionable Exception(s), in which case Buyer may elect to (a) waive its objection and close the sale without reduction of the Purchase Price, or (b) terminate this Agreement and receive a refund of the Deposit and accrued interest, whereupon neither Party shall have any further obligation to sell or purchase the Property.

7. **Title Insurance**. At the Closing and as a condition to Buyer’s obligation to purchase and Seller’s obligation to sell the Property, Escrow Holder shall issue or commit to issue its standard CLTA Owner’s Policy of Title Insurance showing title to the Property vested in Buyer subject only to the Permitted Exceptions (the “**Title Policy**”). Buyer may elect to obtain endorsements or additional coverage if Buyer so notifies Escrow Holder prior to the Closing. The premium for the Title Policy shall be paid by the Seller, provided that if Buyer elects to obtain endorsements or additional coverage, Buyer shall pay the costs associated with acquiring such endorsements or additional coverage. The Title Policy shall insure Buyer with liability in the amount of the Purchase Price.

8. Physical Inspection.

(a) For a period of fifteen (15) days after Escrow is opened (the “**Due Diligence Deadline**”), Buyer and its designated agents shall have access and the right to enter the Property at all reasonable times for purposes of conducting inspections, environmental audits or surveys, studies and tests of the Property, including the right to take samples of soil and water from the surface and subsurface of the Property. Buyer, in Buyer’s sole and absolute discretion, shall have the unrestricted right to terminate this Agreement via written notice delivered to Seller up to and including 5:00 p.m. on the Due Diligence Deadline and receive a refund of the Deposit and accrued interest.

(b) Buyer shall indemnify, defend, and hold Seller and the Property harmless from and against any and all loss, cost, damage, expense (including charges of experts, consultants, and attorneys), claim, or liability, including personal injury, loss of life, and/or property damage, that result from the acts or omissions of Buyer or its agents in performing or preparing for any inspection and/or testing activity on or about the Property. Buyer shall promptly pay all costs, fees and expenses incurred as a result of or associated with such inspection work done or caused to be done by it on the Property as permitted by this Section. Buyer shall keep the Property free from any and all mechanics or similar liens or charges resulting from such inspection work.

9. Condition of Property.

(a) Prior to the Due Diligence Deadline, Buyer shall (i) physically inspect the Property to Buyer’s satisfaction; (ii) investigate to Buyer’s satisfaction and have knowledge of applicable operative or proposed governmental laws, regulations, ordinances and decisions (including without limitation zoning, environmental and land use laws and regulations) to which the Property is or may be or become subject; and (iii) confirm any other matters Buyer determines in its sole discretion.

(b) Except as expressly set forth herein, Seller has not made and hereby disclaims any and all representations and warranties as to the quality, quantity, adequacy, availability, reliability, transferability or cost of surface (if any) or well water or water rights for the Property or the eligibility thereof or Buyer to receive irrigation water from any irrigation or water district. Buyer represents that prior to the Closing it will have independently investigated the foregoing and satisfied itself as to the adequacy and cost thereof.

(c) Buyer acknowledges that the Property has been part of an active working farm for many years. Buyer specifically acknowledges that various petroleum products, fuel, gasoline and chemicals, including fertilizers, herbicides and pesticides, customarily used in farming, some of which may, as of the date hereof, be considered to be hazardous or toxic, may have been used, stored, mixed and applied to the Property in the course of the farming activities conducted thereon or on adjacent and nearby property. Buyer further acknowledges that, except as expressly set forth in this Agreement and in any other document provided hereunder, Seller, its agents, officers, directors, employees and other persons acting on behalf of Seller have made no representation or warranty of any kind in connection with any matter relating to the

conditions, value, fitness, use or zoning of the Property on which Buyer has relied or will rely, directly or indirectly for any purpose, and that Buyer is acquiring the Property “AS IS, WHERE IS.”

(d) Except with respect to Seller’s representations, warranties, and covenants herein, Buyer—on behalf of itself, its successors and assigns, and anyone claiming through any of them—hereby releases, waives, discharges, and covenants not to sue any of the Released Parties (defined below) for any and all claims, actions, causes of action, proceedings, demands, rights, damages, costs, response costs, expenses (including attorney’s fees), or other compensation whatsoever, whether known or unknown, disclosed or discovered, direct or indirect, foreseeable or unforeseeable, absolute or contingent, that Buyer now has or may have or which may arise in the future arising out of, directly or indirectly, or in any way connected with the Property. With respect to such release, “**Released Parties**” means Seller and its employees, directors, officers, agents, owners, affiliates, partners, members, insurers, successors, or assigns of any of them.

(i) With respect to the matters released pursuant to Section 9(d), Buyer—on behalf of itself, its successors and assigns, and anyone claiming through any of them—waives any rights or benefits available under section 1542 of the California Civil Code, which provides:

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.

Buyer’s initials

10. Covenants, Warranties and Representations of Seller. Seller hereby makes the following covenants, representations and warranties. The foregoing representations and warranties are qualified by matters disclosed in the due diligence document and information supplied by Seller or actually discovered by Buyer prior to the Closing.

(a) Seller has the authority to enter into this Agreement, sell the Property, and to otherwise perform as set forth herein. Seller is or at the Closing will be the sole owner of the Property and has the unrestricted right and power to sell it to Buyer under the terms of this Agreement. Seller’s governing body has duly authorized the execution, delivery, and performance of this Agreement by Seller, and has duly authorized the signing of this Agreement on behalf of Seller.

(b) Seller’s execution of this Agreement and performance of its obligations hereunder will not violate any agreement, option, covenant, condition, obligation or undertaking of Seller, nor to the actual knowledge of Seller will it violate any law, ordinance, statute, order, or regulation.

(c) Seller is not a “foreign person” as defined in Section 1445(f) of the Internal Revenue Code of 1986, as amended. At the Closing, Seller shall have executed and deposited into Escrow the Foreign Investment in Real Property Tax Act of 1980 withholding affidavit (the “**FIRPTA Affidavit**”). Seller shall also execute and deliver to Escrow Holder and Buyer prior to the Closing an affidavit as contemplated by Sections 18662 and 18668 of the California Revenue and Taxation Code (the “**Withholding Affidavit**”).

(d) Except as approved or directed by Buyer, no work has been done upon, or materials delivered to, the Property by or at the request of Seller, or with Seller’s knowledge, which is not fully paid for, nor does any person, firm or corporation now have, nor will it have upon the giving of any notice or passage of time or otherwise, any lien rights with respect to the Property or any part or parcel thereof.

(e) To the best of Seller’s knowledge, with no duty to investigate, all existing permits and licenses held by Seller in connection with the Property are in full force and effect and there are no actions, suits, or proceedings of any kind or nature whatsoever, legal or equitable, pending or threatened against Seller, the Property, or relating to or arising out of the ownership, management, or operation of the Property, in any court or before or by any federal, state, county or other governmental instrumentality.

(f) Except for the Permitted Exceptions, there are not presently and at the Closing will not be any mineral leases, licenses, occupancy agreements, rights, rights of possession, options, contracts, leases, or other agreements or undertakings to which Seller is a party or otherwise aware, affecting the Property, or interfering with, impeding or restricting Seller’s ability to convey the Property to Buyer.

11. Covenants, Warranties and Representations by Buyer. Buyer hereby makes the following covenants, representations and warranties:

(a) Buyer has the authority to enter into this Agreement, purchase the Property, pay the Purchase Price, and otherwise perform as set forth herein.

(b) Buyer’s execution of this Agreement and performance of its obligations hereunder will not violate any agreement, option, covenant, condition, obligation or undertaking of Buyer, nor to the actual knowledge of Buyer will it violate any law, ordinance, statute, order, or regulation.

12. Survival of Representations and Warranties. The satisfaction, truth, accuracy and completeness of each of the representations and warranties of Buyer and Seller contained in this Agreement, as of the date hereof and as of the Closing, shall constitute a condition precedent to the obligations of Seller and Buyer respectively, hereunder. If a representation or warranty of Seller or Buyer is true as of the date of this Agreement but is not true at the Closing, then the other Party’s condition to the Closing may have failed to the extent provided herein, but the representing and warranting Party shall not be in default as to such matter solely as a result of the failure of such condition unless such Party has acted or omitted to act in a manner that would constitute a breach of its obligations under this Agreement, including by intentionally causing a

representation or warranty to cease to be true. Further, if a representation or warranty of either Party is not true as of the date of this Agreement, all claims for breach of any such representation or warranty must be discovered within twelve (12) months after the Closing Date and must be asserted, if at all, in an action filed no later than eighteen (18) months after the Closing Date. All claims for the alleged breach of a representation or warranty that are not discovered and asserted within such applicable time frame are deemed waived.

13. Brokerage Commissions. There are no real estate brokers fees or commissions, finder's fees or other like payments in connection with the transaction contemplated by this Agreement. Each Party hereby agrees to indemnify, protect and defend the other Party (by counsel acceptable to the indemnitee) against and hold the indemnitee harmless from and against any and all damages, liabilities, loss, costs and expenses, including, but not limited to, reasonable attorneys' fees, expert fees and court costs, resulting from any claims for any such real estate commission, finder's fees or other real estate brokerage-type commission by any person or entity as a result of the indemnifying Party's alleged agreement or conduct. The foregoing indemnity shall survive Closing or any earlier termination of this Agreement.

14. Indemnification. Subject to Section 15, Seller hereby agrees to defend, indemnify and hold Buyer, and its officers, directors, agents and employees harmless from and against any and all loss, cost, damage, expense or liability (including reasonable attorneys' fees) Buyer may suffer or incur as a result of any negligent acts, omissions or conditions occurring prior to the Closing to the extent based on, or attributable to, any negligent act or omission of Seller, its agents and employees with respect to the Property. Subject to Section 15, Buyer hereby agrees to defend, indemnify and hold Seller, and its partners, officers, directors, agents and employees harmless from and against all loss, cost, damage, expense or liability (including reasonable attorneys' fees) Seller may suffer or incur as the result of any negligent acts, omissions or conditions occurring after the Closing, to the extent based on, or attributable to, any negligent act or omission of Buyer, its agents and employees with respect to the Property. Nothing in this Section 14 limits a Party's indemnification obligations pursuant to any other Agreement.

15. Limitation of Liability. Notwithstanding anything to the contrary in this Agreement, each Party waives any claims that it may have against the other Party with respect to consequential, incidental or special damages, however caused, based on any theory of liability; except for purposes of this clause, liquidated damages pursuant to Section 3 shall not be deemed consequential, incidental, or special damages.

16. Conditions Precedent to Seller's Obligation to Perform. Seller's obligation to perform as set forth herein is hereby expressly conditioned on satisfaction of each and every one of the following conditions precedent:

(a) Buyer shall have timely performed each of the acts to be performed by it hereunder, including the Escrow deposits described in Section 19(b).

(b) Each of Buyer's representations and warranties set forth herein shall be true at the Closing as if affirmatively made at that time.

17. **Conditions Precedent to Buyer's Obligation to Perform.** Buyer's obligation to perform as set forth herein is hereby expressly conditioned on satisfaction of each and every one of the following conditions precedent:

(a) Seller shall have timely performed each of the acts to be performed by it hereunder, including the Escrow deposits described in Section 19(a).

(b) Each of Seller's representations and warranties set forth herein shall be true at the Closing as if affirmatively made at that time.

(c) Escrow Holder shall be committed to issue the Title Policy, in a form satisfactory to Buyer, as set forth in Section 7 hereof.

(d) Seller shall not have failed to correct any Objectionable Exception noticed by Buyer and agreed to be removed by Seller within the time periods set forth in Section 6 above.

(e) There shall have occurred no unwaived material loss, damage or destruction to the Property or any portion thereof that was not caused by Buyer, its agents or employees.

(f) Buyer shall not have timely exercised any right set forth in this Agreement to cancel the Escrow or terminate this Agreement.

18. **Establishment of Escrow.** Upon execution by the Parties, a copy of this Agreement shall be deposited with Escrow Holder, and Escrow Holder shall execute a counterpart hereof for both Buyer and Seller, acknowledging its agreement to act as Escrow Holder as set forth herein.

19. **Deposits into Escrow.** In addition to any other Escrow deposits provided for herein, Parties shall make the following deposits into Escrow at or prior to the Closing:

(a) Seller shall deposit the following documents ("**Seller's Documents**"): (i) an executed and acknowledged Grant Deed in the form prepared by Escrow Holder and approved by the Parties; (ii) an executed FIRPTA Affidavit; (iii) an executed Withholding Affidavit; and (iv) such additional documents as Buyer or Escrow Holder may reasonably request to evidence and effect the transactions provided for herein.

(b) Buyer shall deposit the following funds and documents ("**Buyer's Documents**"): (i) all funds due at Closing, when and as required hereby (including without limitation all amounts necessary to pay Buyer's share of the closing costs); (ii) a completed and executed Preliminary Change of Ownership Report for Madera County; and (iii) such additional documents as Seller or Escrow Holder may reasonably request to evidence and effect the transactions provided for herein.

20. Prorations. Escrow Holder shall prorate the following items, as of the Closing, using a 365-day year: all real and personal property taxes and Root Creek Water District assessments (“**RCWD Assessments**”) relating to the Property using the latest tax bills and (as to RCWD Assessments) assessment information. Escrow Holder is not responsible for utility or insurance costs or premiums, all of which shall be prorated outside of Escrow by the Parties.

21. Title Insurance. At the Closing, Escrow Holder shall commit to provide or issue, effective as of that date, the Title Policy.

22. Costs and Expenses. Closing costs shall be borne by the Parties as follows:

- (a) the Title Policy premium shall be paid by Seller, except that any endorsements or additional coverage requested by Buyer shall be borne by Buyer;
- (b) all documentary transfer taxes shall be paid by Seller;
- (c) all Escrow fees shall be shared equally between Buyer and Seller; and
- (d) All other costs of closing the Escrow, including without limit, filing fees, other recording fees and otherwise, shall be shared by the Parties per Madera County custom for the sale of agricultural property.

Each Party shall bear its own legal fees and costs for the negotiation and drafting of this Agreement and handling customary closing matters. Buyer shall deposit additional funds into Escrow in an amount equal to its share of the closing costs as determined by Escrow Holder. Escrow Holder is hereby authorized to withhold Seller’s share of the closing costs from funds otherwise distributable to Seller.

23. Closing Date. Unless otherwise agreed by the Parties in writing, and subject to the prior satisfaction or waiver of the conditions precedent to the Closing, the Closing shall occur fifteen (15) days after the Due Diligence Deadline (the actual date on which the Grant Deed is recorded, the “**Closing Date**”) or sooner as determined by mutual agreement of Seller and Buyer. In the event the scheduled Closing Date falls on a Monday, the Closing Date shall automatically be extended to the next business day. If the Escrow is not in a condition to close by the scheduled Closing Date or the extended scheduled Closing Date (if applicable), Escrow Holder shall cancel the Escrow upon receipt of written notice from either Party of such cancellation; provided however, that if the Escrow is not in a condition to close by the scheduled Closing Date or the extended scheduled Closing Date due to the failure of only one Party to perform, and the other Party has fully performed or tendered performance of all of the obligations required of it in order to close the Escrow, only the performing Party shall be entitled to provide Escrow Holder with written notice of cancellation. In the absence of any such written notice of cancellation, Escrow Holder shall proceed to close the Escrow as soon as possible.

24. Procedure for Closing. Escrow Holder shall close the Escrow by doing the following:

- (a) Record any documents necessary to place title to the Property in the agreed condition, all before recording any other Closing documents, and e-mail conformed copies to Seller;
- (b) Pay from funds deposited by Buyer all claims, demands and liens necessary to place title to the Property in the condition required by this Agreement;
- (c) Pay Seller's share of the closing costs from funds otherwise distributable to Seller;
- (d) Pay from funds deposited by Buyer, Buyer's share of closing costs;
- (e) Prorate real and personal property taxes and RCWD Assessments as required by this Agreement;
- (f) Record the Grant Deed in the Official Records of Madera County and direct the County Recorders to affix the transfer tax (if any) after recording; file Buyer's Preliminary Change of Ownership Report in Madera County; and e-mail the Parties a conformed copy of the recorded Grant Deed;
- (g) E-mail both Parties a copy of the recorded Grant Deed with recording information shown;
- (h) Deliver the original Title Policy to Buyer;
- (i) In the event Seller's Withholding Affidavit does not claim a withholding exemption, withhold the amount required by law and remit such amount to the California Franchise Tax Board within the required time frame following the Closing;
- (j) Unless otherwise instructed by Seller unilaterally, deliver the remaining funds held in Escrow, less payments authorized hereunder, to Seller in accordance with Seller's disbursement instructions;
- (k) Deliver to Seller and Buyer, respectively, Escrow Holder's escrow statements and all other documents and funds appropriate for delivery out of the Escrow; and
- (l) Take all other actions that are necessary or appropriate to close the Escrow in compliance with this Agreement.

25. Failure to Close. If the Escrow fails to close as a result of Buyer's breach of any of its obligations hereunder, then upon demand of Seller, Escrow Holder shall terminate the Escrow, immediately deliver the Deposit, interest accrued thereon, and Seller's Documents to Seller, deliver Buyer's Documents to Buyer, and charge Buyer for any cancellation charges. If the Escrow shall fail to close as a result of Seller's breach of any of its obligations hereunder, then Buyer's exclusive remedy is to select one of the following: (a) terminate this Agreement, in which case Escrow Holder shall terminate the Escrow, immediately return the Deposit and

accrued interest to Buyer, deliver Seller's Documents to Seller, deliver Buyer's Documents to Buyer, and charge Seller for any cancellation charges; or **(b)** seek specific performance of Seller's obligation to convey the Property to Buyer; provided, however, that as conditions to Buyer's right to obtain specific performance (including the filing of a lis pendens against the Property), a suit for specific performance must be filed by Buyer in the Madera County Superior Court by the ninetieth (90th) day following the scheduled Closing Date (as extended, if applicable) (the "**Specific Performance Condition**"). Buyer hereby waives any and all rights Buyer may have to obtain specific performance and to file a lis pendens against the Property unless and until the Specific Performance Condition has been satisfied. Buyer shall be deemed to have elected option (a) if the Specific Performance Condition is not satisfied. If the Escrow fails to close upon Buyer's election to terminate in accordance with the provisions of this Agreement but without breach by Seller, then upon demand of Buyer, Escrow Holder shall return the Deposit, interest accrued thereon, and Buyer's Documents to Buyer, return Seller's Documents to Seller, and cancel the Escrow, with all cancellation charges to be borne equally by Buyer and Seller. If the Escrow fails to close through no fault of either Buyer or Seller, upon the demand of either Party, Escrow Holder shall return the Deposit, interest accrued thereon, and Buyer's Documents to Buyer, return Seller's Documents to Seller, and cancel the Escrow, with all cancellation charges to be borne equally by Buyer and Seller.

26. Attorneys' Fees. In the event of any action between Buyer and Seller seeking the interpretation or enforcement of any of the terms and conditions of this Agreement, or in connection with the Property, the prevailing Party in such action shall be awarded, in addition to damages, injunctive or other relief, its reasonable costs and expenses, including but not limited to taxable costs and reasonable attorneys' fees.

27. Matters Relating to Escrow Holder. In the event Escrow Holder is unable to comply with this Agreement without fault on the part of either Buyer or Seller, the Parties shall enter into joint escrow instructions instructing Escrow Holder to return to each Party such funds or documents as each has deposited into the Escrow; provided, that any cancellation charges shall be divided equally between the Parties. In the event of conflicting demands upon Escrow Holder with respect to funds or documents on deposit, Escrow Holder may cease activity with respect to the Escrow and shall retain all documents and deposits pending its receipt of consistent instructions from the Parties or instructions from a court of competent jurisdiction relating to the disbursement of funds and documents on deposit. It is understood that the foregoing sentence is intended merely as an accommodation to Escrow Holder and shall in no way affect the rights, duties or obligations of the Parties under this Agreement.

28. Notices. All notices under this Agreement shall be effective **(i)** when personally delivered to Buyer or Seller, as the case may be, **(ii)** when sent by e-mail to Buyer or Seller at the e-mail addresses set forth below, provided that a copy is mailed as indicated below, **(iii)** as indicated in the records of any reputable national or regional delivery service (including those accessible online), or **(iv)** three business days after deposit in the United States mail, registered or certified, postage fully prepaid and addressed to the respective Parties as follows:

To Seller: Groveland Development
Attention: Timothy Jones
265 E. River Park Circle, Suite 310
Fresno, CA 93720
Telephone: (559) 237-7000
E-mail: tjones@vdcllc.com

To Buyer: Root Creek Water District
Attn: Julia Berry, General Manager
P.O. Box 27950
Fresno, California 93726
Telephone: (559) 326-2222
E-mail: julia@rootcreekwd.com

With a copy to: Baker, Manock & Jensen PC
Attn: Lauren D. Layne
5260 N. Palm Avenue, Suite 421
Fresno, California 93704
Telephone: 559-432-5400
E-mail: llayne@bakermanock.com

or such other address or e-mail address as the Parties may from time to time designate in writing. As a matter of convenience, however, communications between Buyer and Seller shall, to the extent feasible, be conducted orally by telephone or in person, with such communications to be confirmed and made effective in writing as set forth above provided no such oral notice or communication shall be effective unless so confirmed in writing.

29. Entire Agreement. This Agreement and the items incorporated herein and therein contain all of the agreements of Seller and Buyer with respect to the sale and purchase of the Property, and no prior agreement or understanding pertaining to any such matter shall be effective for any purpose. No provisions hereof may be amended or modified in any manner whatsoever except by an agreement in writing signed by duly authorized representatives of each of the Parties hereto, except that any modifications which relate to the adjustment of time limitations (except the Closing) or the form of documents may be made by joint agreement of legal counsel to the Parties.

30. Successors. The terms, covenants and conditions hereof shall be binding upon and shall inure to the benefit of the heirs, executors, administrators, and assignees of the respective Parties hereto.

31. Further Action. The Parties agree to perform all further acts, and to execute, acknowledge, and deliver any documents that may be reasonably necessary, appropriate, or desirable to carry out the purposes of this Agreement, including after the Closing. Such further cooperation includes executing acknowledgments of the terms hereof in commercially reasonable form upon request by either Party.

32. Waiver. A waiver of any breach of this Agreement by any Party shall not constitute a continuing waiver or a waiver of any subsequent breach of the same or any other provision of this Agreement.

33. Choice of Laws and Venue. This Agreement shall be governed by and construed in accordance with the substantive and procedural laws of the State of California with regard to its conflict of law rules. This Agreement is entered into and is to be performed in Madera County, California, and, accordingly, the Parties agree that the venue for any and all disputes under this Agreement shall be in the Madera County Superior Court. Each of the Parties hereby accepts and consents to, generally and unconditionally, the jurisdiction of the aforesaid courts and appellate courts from any appeal thereof. Each of the Parties irrevocably consents to the service of process out of any of the aforementioned courts in any such action or proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, to such Party at the address first set forth in this Agreement. Each of the Parties hereby irrevocably waives any objection which it may now or hereafter have to the laying of venue of any of the aforesaid actions or proceedings arising out of or in connection with this Agreement brought in the courts referred to above and hereby further irrevocably waives and agrees not to plead or claim in any such court that any such action or proceeding brought in any such court has been brought in an inconvenient forum.

34. Survival. All indemnification provisions and other provisions that expressly or by their nature provide for post-Closing performance shall survive the Closing and delivery and recordation of the Grant Deed, and shall remain a binding contract between the Parties, subject to applicable sunset provisions, if any.

35. Time. Time is of the essence, it being understood that each date set forth herein, particularly the Closing, and the obligations of the Parties to be satisfied by such dates have been the subject of specific negotiations by the Parties.

36. Counterparts, Etc. This Agreement may be signed and delivered (including by facsimile or electronic mail) by the Parties in different counterparts and the signature pages combined to create a document binding on all Parties. It shall not be necessary for each party to execute the same counterpart hereof. This Agreement may be signed electronically, including via DocuSign. Electronic signatures and signatures delivered via facsimile or scanned and e-mailed shall have the same effect as originals.

37. Assignment. Buyer may not assign this Agreement without Seller's consent, exercisable in Seller's sole and absolute discretion. Seller may assign this Agreement and its rights under this Agreement to an affiliate of Seller that assumes Seller's obligations hereunder, without Buyer's consent but with written notice thereof to Buyer. Any other assignment by Seller of its rights and obligations under this Agreement shall be subject to Buyer's prior written consent, exercisable in Buyer's sole and absolute discretion.

38. Construction. The Parties acknowledge that each Party and their legal counsel have reviewed and revised this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting Party shall not be employed in

interpretation of this Agreement. The words “herein,” “hereof,” “hereunder,” and other words of similar import refer to this Agreement as a whole and not to any particular Section, unless specifically designated otherwise. Unless otherwise specifically referring to another instrument or document, references to “Sections” refer to the indicated portion of this Agreement. References to a Section or subsection hereof includes all of its subsections and sub-subsections. Non-exclusive terms such as “including,” “such as,” “for example,” and “e.g.,” list examples only, and do not indicate an exhaustive list of situations in which a clause applies. Such terms have the same meaning as the phrase “including, without limitation.” Whenever used in this Agreement, the singular shall include the plural and vice versa, and gender-specific pronouns and references shall apply to all genders and trusts or entities, all as the context and meaning of this Agreement requires. Any reference to any statute, regulation, rule, ordinance, law, or recorded document includes any amendment, replacement, restatement, or recodification thereof, and all subsections of the referenced section or clause. Any deletion of language from this Agreement prior to its execution shall not be construed to raise any presumption, canon of construction or implication, including, without limitation, any implication that the parties intended thereby to state the converse of the deleted language. The paragraph headings herein are used only for the purpose of convenience only and shall not be deemed to limit the subject of the sections or paragraphs of this Agreement or to be considered in their construction.

39. Severability. If any provision of this Agreement—or the application thereof to any person or circumstance—is invalid or unenforceable to any extent, the remainder of this Agreement and the application of such provision to other persons or circumstances shall not be affected thereby and shall be enforceable to the greatest extent permitted by law, unless such partial enforcement would be inequitable under the circumstances (in which case the Parties’ rights shall be equitably adjusted).

40. Agreement Not to Shop. Seller and its representatives and agents agree to withdraw the Property from the market and will not, nor will Seller permit any of its representatives or agents, directly or indirectly, solicit, discuss, encourage or accept any offers to purchase the Property until the earlier of: **(i)** the Close of Escrow; and **(ii)** the termination of this Agreement in accordance with the terms hereof.

41. Counting Days. Days will be counted by excluding the first day and including the last day. If the last day is a Saturday, Sunday, or legal holiday as described in California Government Code §§6700-6701, it will be excluded. Any act required by this Agreement to be performed by a certain day will be timely performed if completed before 5:00 p.m. local time on that date. If the day for performance of any obligation under this Agreement is a Saturday, Sunday, or legal holiday, the time for performance of that obligation is extended to 5:00 p.m. local time on the first following date that is not a Saturday, Sunday, or legal holiday. Unless otherwise expressly provided in this Agreement, all periods of time referenced in this Agreement will include all calendar days. For purposes of this Agreement, the term “**business day**” will mean any calendar day other than a Saturday, Sunday, or legal holiday as described in Government Code §§6700-6701.

42. Redline Representation and Warranty. Each party represents and warrants that it or its counsel has “redlined” or otherwise called attention to all changes that it made and sent to the other party in previously-sent drafts of this Agreement.

43. Incorporation of Recitals, Appendices, Schedules, and Exhibits. All recitals, appendices, schedules, and exhibits to this Agreement are incorporated herein by this reference.

44. Notice and Opportunity to Cure. Except as otherwise provided in a separate cure provision herein or as provided below, prior to taking any action to enforce its rights under this Agreement in the event of an alleged breach of any matter that is subject to cure, the Party alleging the existence of a breach shall give the alleged breaching Party written notice of the specific nature of the alleged breach, together with a demand that the alleged breach be cured within **(a)** three (3) business days for a monetary default, or **(b)** thirty (30) days—or such shorter period as is reasonable in exigent circumstances—for a nonmonetary default that is subject to cure by its nature; but if **(i)** a curable nonmonetary default cannot, with due diligence, be cured within thirty (30) days, and **(ii)** the allegedly defaulting Party commences a cure within that initial thirty (30)-day period and thereafter diligently prosecutes it to completion, the cure period shall be extended through such cure efforts. If the Party receiving such notice cures the alleged breach as provided in this Section 44, the alleged breach shall be deemed not to have occurred, and no claims shall result therefrom. Notwithstanding any other provision of this Agreement, if a breach is incapable of cure by its nature or if giving notice of an alleged breach is legally prevented for any reason or if any agreed cure period would be tolled for any reason (including in either case, bankruptcy stay, if such stay would have the noted result), then in that situation, the provisions of this Section 44 and any other notice and cure provision in this Agreement shall be ignored, and no notice is required before a Party who fails to perform as agreed pursuant to this Agreement is deemed to be in default.

45. Screening of Improvements Higher Than Ten Feet. To minimize the aesthetic impact of improvements on the Property on nearby properties, Buyer shall screen the portion of any new improvements taller than ten feet (10') in a manner reasonably acceptable to Seller.

(Signatures to follow on next page)

IN WITNESS WHEREOF, the Parties have executed this Agreement on the date first hereinabove written.

“SELLER”

GROVELAND DEVELOPMENT CORPORATION, a California corporation

By: _____
Timothy Jones, President

“BUYER”

ROOT CREEK WATER DISTRICT, a California water district

By: _____
Jeffrey Coulthard, Vice President of the Board of Directors

Escrow Holder hereby acknowledges the foregoing and agrees to act as Escrow Holder as set forth hereinabove.

Dated: _____, 2023

OLD REPUBLIC TITLE COMPANY

By: _____
Donna Brown
Vice President/Senior Escrow Officer

Exhibit "A"
Legal Description of Outlot D

DRAFT

PROVOST & PRITCHARD CONSULTING GROUP

455 W Fir Ave • Clovis, CA 93611-0242 • Tel: (559) 449-2700
www.provostandpritchard.com

Memorandum

To: Julia Stornetta/Board of Directors – Root Creek Water District

From: Brian Ehlers

Subject: Status report for Activities through the first week September 2023

Date: September 8, 2023

Riverstone Development

Construction status:

1. **Waste Water Treatment Plant Expansion** – Received response from Contractor. Held conversation with attorney and plant operators. Filed Notice of Completion with W. M Lyles.



2. **Waste Water Treatment Plant Dry Pac** – Complete.



3. **Agricultural System**

- a. **Expansion** – Contractor has completed installation to first reservoir as of middle of August. Waiting on air release valves before portion of pipeline to become operational. Excavated a portion of Lateral 4E on August 22, 2023 and evaluated the potential of recovery of 24” portion of lateral. Need to execute agreement with Main Ranch Partners



- b. County – Road 40 – Continue to await a response from the County.**



- 4. Municipal System -**
 - a. Sequestering Study – The pilot study continues.**

Projects in Design

Project Status:

1. **Groundwater Blending Facility** – Contract executed on August 30, 2023. Notice to proceed has not been issued yet.
Issues to be resolved:
 - a. Purchase of property APN 049-052-006
 - b. Obtain easement for pipeline installation from Well 1 and 2 to treatment plant property

2. **Well 277** – Contracting for furnish and install pump to be included in blending facility due to coordination of work tasks.
Issues to be resolved include:
 - a. blending facility being operational.
 - b. Coordination with Lennar on raw water pipeline construction
 - c. Purchase of outlot

3. **Wastewater Treatment Expansion**
 - a. **Disinfection** – Waiting for a response from Regional Board.
 - b. **Planning for expansion to 800 K.**- draft of memorandum in progress.

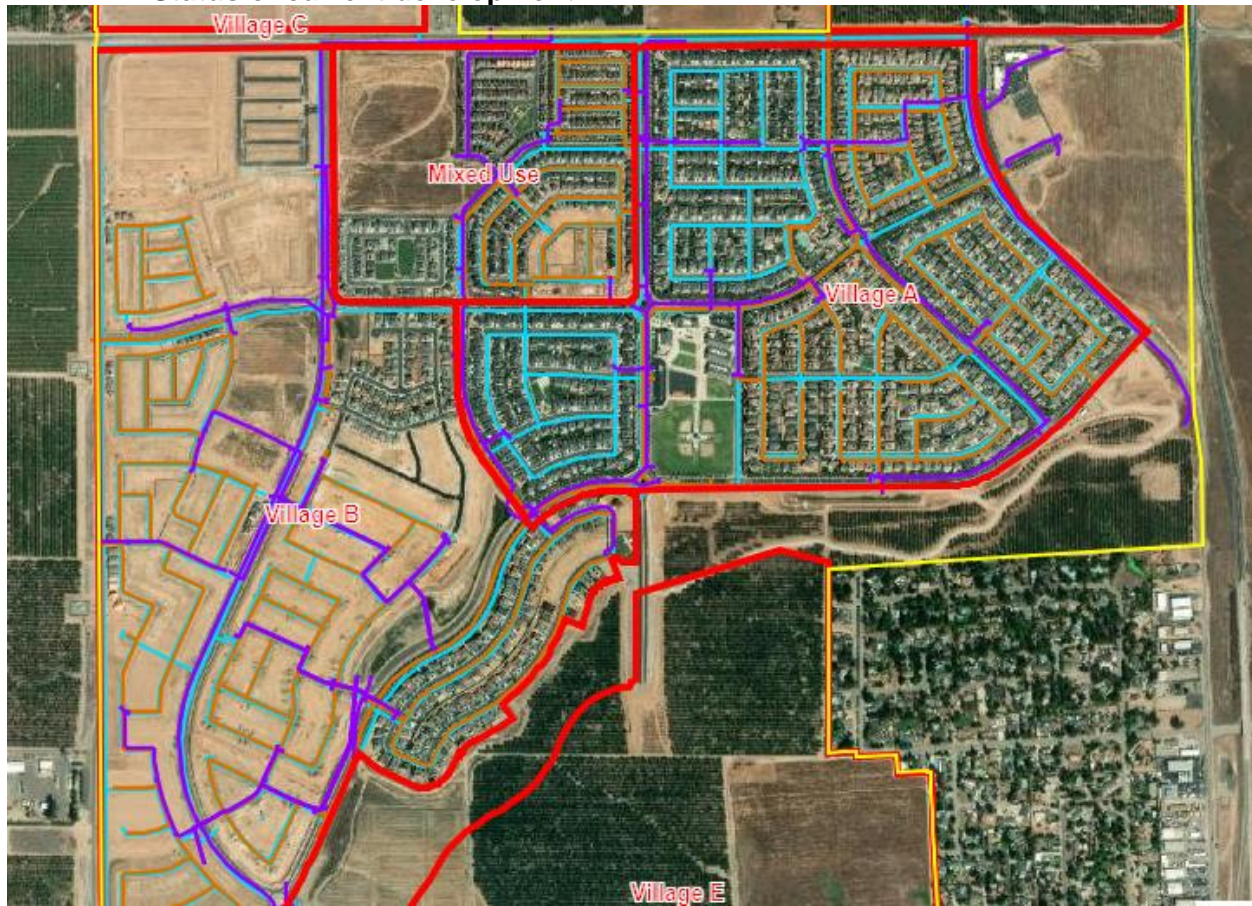
4. **80-acre recharge basin** – Nothing to report.

5. **Proposition 1 Grant Administration** – Have initiated and submitted multiple quarterly reports and pay estimates.

Operational Issues:

1. Municipal –
 - a. **Water Accounting** –
 - i. Well 1 and 5 flow meter now working
 - ii. Quarterly drought reporting continues
 - b. **Tank site**
 - i. Booster station check valves – slam shut recommend modifying
 - c. **Water Use**
 - i. Working with DDW to modify permit conditions
2. **Wastewater** – Nothing to report
3. **Storm Water** – Nothing to report
4. **Agriculture** –
 - a. Water deliveries estimated to approximate a total of 4,000 af by the end of August.
 - b. Awaiting response from County on repair to road section
 - c. District should consider recovery of agricultural pipeline along lateral that has been severed from the conveyance pipeline. Estimation of costs for recovery and reinstallation of ag pipeline lateral is in progress.

Status of current development



-  Water Mainline
-  Sewer Mainline
-  Storm Mainline

6. Developer Reviews –

a. Received, Reviewed and Responded to the following submittals:

i. Village B

f. Parcel 12 – Woodside – Four Creeks

ii Village E

b. Phase 1-Precision

c. Phase 2-Precision

d. Phase 3A-Precision

e. Phase 3B-Precision

f. Backbone – 2nd phase - Precision

Issues : a. Coordination of earthwork with potential recovery of 24” PVC pipeline

b. Purchase of Well 277 outlet

c. Discussion on Well 156 and 66

1. Construction Review-issues with construction in support of the following construction.

c. Village B

i. Parcel 8,9 Wilson

ii. Parcel 23 Wilson

iii. Parcel 5-7 Wathen

iv. Parcel 2-4 Granville

v. Parcel 14-17, 21 Lennar

vi. Parcel 1 Lennar

d. Village E

i. Backbone

ii. Phase 1

Issues: a. Storm drain basin outlets at Parkway and Road 40 need to be incorporated into requirements for Village B Parcel 1.

b. Storm drain inlets at multiple location are not consistent with RCWD standards.

10. Other Subjects

a. Acquisition of construction in progress – At request of Legal counsel work with Precision Engineering to develop deeds and easement for transfer of properties.

b. Infrastructure – Gather shape files from developers to build a GIS map of facilities.

c. Execution and acceptance of developer in tract improvements

d. Water Supply Assessment ongoing