

Alan Richard Coon
Secretary

Telephone
(209) 601-9624

RECLAMATION DISTRICT NO. 2044
400 E. Kettleman Lane, Suite 20-K
Lodi, CA 95240

AGENDA

PLEASE TAKE NOTICE that at 1:30 p.m. on July 22, 2025, the Board of Trustees of Reclamation District No. 2044 will meet at the Law Offices of Alan Richard Coon in the Conference Room at Clear Suites located at 400 E Kettleman Lane, Lodi, California, 95240. The Board reserves the right to advance items or consider matters out of order including the Engineer Report and presentations for Solar Project.

1. Public Comment: Public comments are to begin promptly at 8:30 a.m. for matters related to the District's business. Public comments on agenda items will be limited to 5 minutes at the discretion of the Board. Public comments are only permitted at the start of meeting and may address information and action items.
2. Manager's Report: Manager Celli will provide an overall update of the status report on levees, recent chip-seal at King Island Marina location and proposed chip seal on northeast levee, pumps, vegetation and rodent control and current encroachments. Manager may also discuss future repairs of "critical" and "serious" levee sites during this report and/or during the Engineer's Report, infra.
3. Secretary's Report: Updates on the following: Proposed changes to the Water Reporting for landowners; Solar Project (see Action Item below) including Direct Pay/Infrastructure Act legislative changes; and on the Subventions Program (may be covered under the Manager's Report, supra, and by Engineers Report, infra). The secretary will discuss miscellaneous financial documents (see attached List of Warrants, Profit and Loss Ledger) and Draft Working Budget for discussion and Action, infra. Secretary may present an updated Solar Project proposal to address option should there be a loss of tax Credits under the Direct Pay Program which might be affected by recent passage of federal legislation. Finally, discussion will be had procuring of Secretary and General Counsel following the announced retirement of Alan Coon, current Secretary and General Counsel including scheduling interviews asap as Secretary/General Coon's last day is Oct. 1, 2025.
4. Engineer's Report: Please see June 2024 Engineer's Report incorporated herein by reference. A representative of MBK Engineers may attend in person or via ZOOM.
5. Action Item(s): NOTE: The Board may consider and discuss all Action Items before universal Motion to Table, Approve or Reject any or all Action Items.
 - A. Approval of Minutes and/or Revised Minutes of Meeting held on February 25, 2025 (please see attached);

- B. Authorize, approve and/or ratify payment of insurance premium for 2025-2026; which may include an updated premium that includes proposed insurance for Solar Project;
- C. Action to approve Draft Working Budget and discussion regarding future assessments for 2025-2026;
- D. Consideration and Action authorizing execution of Purchase and Sale Agreement, revisions to Solar Project with direction and authorization recognizing unknown impact (timing, American made, prevailing wage) of federal legislation on Direct Pay Program under the Infrastructure Act and also authorizing selection of Schwartz Giannini to file forms with IRS upon completion of solar project;
- E. Consideration and Ratifying Action regarding the procurement and payment of surveyor;
- F. Consideration and Action regarding the purchase of parcel related to the Solar Project and opening of escrow. Copies of the Purchase Sale Agreement, Grant Deed and Deed Restrictions are attached. Note: Requested approval also for similar County approved Deed Restrictions for the Honker Cut Matina Parcel (PG&E Pole/Easement);
- F. Consideration and Action to procure (a) Secretary and (b) General Counsel including, but not limited to Board interviews and background checks;
- G. Consideration and Action to approve procurement and work under the Subvention Program including (i) 2025-2026 regular maintenance; and (ii) addressing Serious and Critical Sites;
- H. Consideration and Action on those items presented by District's Engineers, MBK Engineers, in the Engineer's Report, supra.;
- and
- I. Consider action to approve engagement of Schwartz Giannini et al to prepare audit for FY 2024-2025 fiscal year and preparation and filing of forms for the Direct Pay Program (Solar Project Tac Credits).

6. Closed Session: (a) Negotiations and Authority for purchase of Foppiano (or named designee) Parcel, revisions to Solar Project and procurement of financing for said Solar Project.

7. Informational Items: (a) New Water Rights Reporting System is coming. See www.waterboards.ca.gov/upward/calwats/# ; (b) Repair on Eight Mile Road Bridge over Honker Cut with Phase 2 Construction from Oct. 1, 2025, through Jan. 31, 2026; (c) Our accounting firm will file IRS forms for Direct Pay Program; (d) Future Solar Project will require listing Bank of Stockton as "lienholder or Loss Payee"; and (e) Status of AB 942 (Solar Bill pending).

8. Adjournment:

Dated: July 16, 2024



Alan Richard Coon, Secretary
Reclamation District No. 2044

Notes:

Persons needing disability-related modification or accommodation to participate in this meeting should contact the Secretary of the Board at (209) 601-9624 at least 48 hours prior to the start of the meeting. [Government Code §54954.2(a)]

The Agenda Package material may be reviewed at the Main Office of Reclamation District #2029 ("District"), 400 E Kettleman Lane, Suite 20-K, Lodi, CA 95240, during normal business hours. Please contact the office in writing to obtain a copy of the Agenda Package. Persons requesting a copy may be charged a small fee for copying the Agenda Package.

The time limit within which to commence any lawsuit or legal challenge to any quasi-adjudicative decision made by the district is governed by §1094.6 of the Code of Civil Procedure, unless a shorter limitations period is specified by any other provision. Under §1094.6, any lawsuit or legal challenge to any quasi-adjudicative decision made by the district must be filed no later than the 90th day following the date on which such decision becomes final. Any lawsuit or legal challenge, which is not filed within that 90-day period, will be barred. Persons wishing to challenge the nature of the above section in court may be limited to raising only those issues that were raised at the meeting described in this notice, or in written correspondence delivered to the district at or prior to the meeting. In addition, judicial challenge may be limited or barred where the interested party has not sought and exhausted all available administrative remedies.

SECRETARY'S REPORT

List of Warrants
Profit and Loss Ledger
Draft Working Budget

4/29/2025	236	\$ 5,000.00	5.50%
6/3/2025	237	\$ 5,000.00	5.50%
6/3/2025	238	\$ 5,000.00	5.50%
6/3/2025	239	\$ 5,000.00	5.50%
6/11/2025	240	\$ 5,000.00	5.50%
		\$ 690,000.00	
6/11/2025	241	\$ 5,000.00	5.50%
7/7/2025	242	\$ 5,000.00	5.50%
7/7/2025	243	\$ 5,000.00	5.50%
7/7/2025	244	\$ 5,000.00	5.50%
7/7/2025	245	\$ 5,000.00	5.50%
7/7/2025	246	\$ 5,000.00	5.50%
7/7/2025	247	\$ 5,000.00	5.50%
7/7/2025	248	\$ 5,000.00	5.50%
		\$ 730,000.00	

BANK OF STOCKTON
WARRANT LIST
RECLAMATION DISTRICT 2044

10/14/2024	205	\$	5,000.00	5.50%		
10/14/2024	206	\$	5,000.00	5.50%		
10/14/2024	207	\$	5,000.00	5.50%		
10/14/2024	208	\$	5,000.00	5.50%		
10/14/2024	209	\$	5,000.00	5.50%		
10/14/2024	210	\$	5,000.00	5.50%		
11/7/2024	211	\$	10,000.00			
11/7/2024	212	\$	10,000.00			
11/7/2024	213	\$	10,000.00			
11/7/2024	214	\$	5,000.00			
11/7/2024	215	\$	5,000.00			
11/7/2024	216	\$	10,000.00			
11/7/2024	217	\$	10,000.00			
11/7/2024	218	\$	5,000.00			
11/7/2024	219	\$	5,000.00			
11/7/2024	220	\$	10,000.00			
11/7/2024	221	\$	10,000.00			
11/7/2024	222	\$	10,000.00			
11/7/2024	223	\$	10,000.00			
11/7/2024	224	\$	5,000.00			
12/10/2024	225	\$	10,000.00			
1/1/2025	226	\$	10,000.00			
1/1/2025	227	\$	10,000.00			
2/6/2025	228	\$	10,000.00			
2/6/2025	229	\$	10,000.00			
2/24/2025	230	\$	5,000.00			
2/24/2025	231	\$	5,000.00			
4/7/2025	232	\$	5,000.00			
4/7/2025	233	\$	5,000.00			
4/7/2025	234	\$	5,000.00			
4/29/2025	235	\$	5,000.00			

**BANK OF STOCKTON
WARRANT LIST
RECLAMATION DISTRICT 2044**

9/13/2024	168	\$	5,000.00	5.50%		
9/13/2024	169	\$	5,000.00	5.50%		
9/13/2024	170	\$	5,000.00	5.50%		
9/13/2024	171	\$	5,000.00	5.50%		
9/13/2024	172	\$	5,000.00	5.50%		
9/13/2024	173	\$	5,000.00	5.50%		
9/13/2024	174	\$	5,000.00	5.50%		
9/13/2024	175	\$	5,000.00	5.50%		
9/13/2024	176	\$	5,000.00	5.50%		
9/13/2024	177	\$	5,000.00	5.50%		
9/13/2024	178	\$	5,000.00	5.50%		
9/13/2024	179	\$	5,000.00	5.50%		
9/13/2024	180	\$	5,000.00	5.50%		
9/13/2024	181	\$	5,000.00	5.50%		
9/13/2024	182	\$	5,000.00	5.50%		
9/13/2024	183	\$	5,000.00	5.50%		
9/13/2024	184	\$	5,000.00	5.50%		
9/13/2024	185	\$	5,000.00	5.50%		
9/13/2024	186	\$	5,000.00	5.50%		
9/13/2024	187	\$	5,000.00	5.50%		
9/13/2024	188	\$	5,000.00	5.50%		
9/13/2024	189	\$	5,000.00	5.50%		
9/13/2024	190	\$	5,000.00	5.50%		
9/13/2024	191	\$	5,000.00	5.50%		
9/13/2024	192	\$	5,000.00	5.50%		
9/13/2024	193	\$	5,000.00	5.50%		
9/13/2024	194	\$	5,000.00	5.50%		
9/13/2024	195	\$	5,000.00	5.50%		
10/14/2024	196	\$	5,000.00	5.50%		
10/14/2024	197	\$	5,000.00	5.50%		
10/14/2024	198	\$	5,000.00	5.50%		
10/14/2024	199	\$	5,000.00	5.50%		
10/14/2024	200	\$	5,000.00	5.50%		
10/14/2024	201	\$	5,000.00	5.50%		
10/14/2024	202	\$	5,000.00	5.50%		
10/14/2024	203	\$	5,000.00	5.50%		
10/14/2024	204	\$	5,000.00	5.50%		

BANK OF STOCKTON
WARRANT LIST
RECLAMATION DISTRICT 2044

9/13/2024	131	\$	5,000.00	5.50%		
9/13/2024	132	\$	5,000.00	5.50%		
9/13/2024	133	\$	5,000.00	5.50%		
9/13/2024	134	\$	5,000.00	5.50%		
9/13/2024	135	\$	5,000.00	5.50%		
9/13/2024	136	\$	5,000.00	5.50%		
9/13/2024	137	\$	5,000.00	5.50%		
9/13/2024	138	\$	5,000.00	5.50%		
9/13/2024	139	\$	5,000.00	5.50%		
9/13/2024	140	\$	5,000.00	5.50%		
9/13/2024	141	\$	5,000.00	5.50%		
9/13/2024	142	\$	5,000.00	5.50%		
9/13/2024	143	\$	5,000.00	5.50%		
9/13/2024	144	\$	5,000.00	5.50%		
9/13/2024	145	\$	5,000.00	5.50%		
9/13/2024	146	\$	5,000.00	5.50%		
9/13/2024	147	\$	5,000.00	5.50%		
9/13/2024	148	\$	5,000.00	5.50%		
9/13/2024	149	\$	5,000.00	5.50%		
9/13/2024	150	\$	5,000.00	5.50%		
9/13/2024	151	\$	5,000.00	5.50%		
9/13/2024	152	\$	5,000.00	5.50%		
9/13/2024	153	\$	5,000.00	5.50%		
9/13/2024	154	\$	5,000.00	5.50%		
9/13/2024	155	\$	5,000.00	5.50%		
9/13/2024	156	\$	5,000.00	5.50%		
9/13/2024	157	\$	5,000.00	5.50%		
9/13/2024	158	\$	5,000.00	5.50%		
9/13/2024	159	\$	5,000.00	5.50%		
9/13/2024	160	\$	5,000.00	5.50%		
9/13/2024	161	\$	5,000.00	5.50%		
9/13/2024	162	\$	5,000.00	5.50%		
9/13/2024	163	\$	5,000.00	5.50%		
9/13/2024	164	\$	5,000.00	5.50%		
9/13/2024	165	\$	5,000.00	5.50%		
9/13/2024	166	\$	5,000.00	5.50%		
9/13/2024	167	\$	5,000.00	5.50%		

**BANK OF STOCKTON
WARRANT LIST
RECLAMATION DISTRICT 2044**

Date	Warrant Number	Amount	Interest	Interest paid	Date Paid
9/13/2024	100	\$ 50,000.00	5.50%	\$ 911.64	1/15/2025
9/13/2024	101	\$ 50,000.00	5.50%	\$ 911.64	1/15/2025
9/13/2024	102	\$ 50,000.00	5.50%	\$ 1,122.60	2/12/2025
9/13/2024	103	\$ 50,000.00	5.50%	\$ 1,122.60	2/12/2025
		\$ 200,000.00		\$ 4,068.48	
9/13/2024	104	\$ 50,000.00	5.50%	\$ 1,876.03	5/22/2025
9/13/2024	105	\$ 5,000.00	5.50%	\$ 187.60	5/23/2025
9/13/2024	106	\$ 5,000.00	5.50%	\$ 187.60	5/24/2025
9/13/2024	107	\$ 5,000.00	5.50%	\$ 187.60	5/25/2025
9/13/2024	108	\$ 5,000.00	5.50%	\$ 187.60	5/26/2025
9/13/2024	109	\$ 5,000.00	5.50%	\$ 187.60	5/27/2025
9/13/2024	110	\$ 5,000.00	5.50%	\$ 187.60	5/28/2025
9/13/2024	111	\$ 5,000.00	5.50%	\$ 187.60	5/29/2025
9/13/2024	112	\$ 5,000.00	5.50%	\$ 187.60	5/30/2025
9/13/2024	113	\$ 5,000.00	5.50%	\$ 187.60	5/31/2025
9/13/2024	114	\$ 5,000.00	5.50%	\$ 187.60	6/1/2025
9/13/2024	115	\$ 5,000.00	5.50%	\$ 187.60	6/2/2025
9/13/2024	116	\$ 5,000.00	5.50%	\$ 187.60	6/3/2025
9/13/2024	117	\$ 5,000.00	5.50%		
9/13/2024	118	\$ 5,000.00	5.50%		
9/13/2024	119	\$ 5,000.00	5.50%		
9/13/2024	120	\$ 5,000.00	5.50%		
9/13/2024	121	\$ 5,000.00	5.50%		
9/13/2024	122	\$ 5,000.00	5.50%		
9/13/2024	123	\$ 5,000.00	5.50%		
9/13/2024	124	\$ 5,000.00	5.50%		
9/13/2024	125	\$ 5,000.00	5.50%		
9/13/2024	126	\$ 5,000.00	5.50%		
9/13/2024	127	\$ 5,000.00	5.50%		
9/13/2024	128	\$ 5,000.00	5.50%		
9/13/2024	129	\$ 5,000.00	5.50%		
9/13/2024	130	\$ 5,000.00	5.50%		

#2044 Reclamation District
Profit & Loss Detail
 July 2024 through June 2025

Type	Date	Num	Name	Memo	Amount	Balance
Ordinary Income/Expense						
Income						
Miscellaneous						
Check	08/28/2024	Debit	Department of Water Resour...	VOID:	0.00	0.00
Deposit	09/07/2024	Dep...	King Island	Reimbursement from King Island Enterprise...	250.00	250.00
Deposit	09/15/2024	Dep...	Opening Deposit	Deposit	100.00	350.00
Check	09/16/2024	1016	Reclamation District #2044	Open new account	-100.00	250.00
Check	11/07/2024	1017	Reclamation District #2044	Close out account	-320.59	-70.59
Deposit	11/15/2024	Dep...	Reclamation District #2044	VOID: Closed out FM Account	0.00	-70.59
Deposit	11/15/2024	Dep...	Reclamation District #2044	Close out FM Account	320.59	250.00
Deposit	11/15/2024	Dep...	Reclamation District #2044	ask accountant closed out FM Account	30,705.75	30,955.75
Check	11/19/2024	Debit	Farmers & Merchants Bank	check returned NSF at FM Bank	-30,705.75	250.00
Check	12/10/2024	Debit	Farmers & Merchants Bank	bank charge	-5.69	244.31
Deposit	12/11/2024	Dep...	Reclamation District #2044	Closed out FM BankAccount	30,694.68	30,938.99
Deposit	01/27/2025	Dep...	Delta Growers Inc.	Ask Accountant this was a credit for returne...	4,034.77	34,973.76
Check	05/08/2025	dEbit	Miscellaneous		-570.00	34,403.76
Check	05/21/2025	Tran...	Reclamation District 2029	Diane Dias payment out of wrong account	-650.00	33,753.76
Check	05/21/2025	Tran...	Reclamation District 2029	Gino Celli payment out of wrong account	-1,500.00	32,253.76
Check	06/25/2025	Debit	Reclamation District #2044	close out account	-3,805.02	28,448.74
Deposit	06/25/2025	Dep...	Reclamation District #2044	Transfer from 5 year account to close it out r...	3,805.02	32,253.76
Total Miscellaneous					32,253.76	32,253.76
San Joaquin County Warrants						
Deposit	07/08/2024	Dep...	SJ Warrant	Warrants 1574-1576	15,000.00	15,000.00
Deposit	07/23/2024	Dep...	SJ Warrant	Warrants 1577-1579	15,000.00	30,000.00
Deposit	08/05/2024	Dep...	SJ Warrant	Warrants 1580-1585	30,000.00	60,000.00
Deposit	09/06/2024	Dep...	SJ Warrant	Warrant 1586 voif 1587-1590	20,000.00	80,000.00
Deposit	09/06/2024	Dep...	SJ Warrant	Deposit Warrant 1591	5,000.00	85,000.00
Deposit	10/20/2024	Dep...	S. J. Co. Treasurer-Tax Colle...	Deposit 196-210	80,000.00	165,000.00
Deposit	11/15/2024	Dep...	S. J. Co. Treasurer-Tax Colle...	Warrants 211-224	115,000.00	280,000.00
Deposit	12/12/2024	Dep...	S. J. Co. Treasurer-Tax Colle...	Warrant 225	10,000.00	290,000.00
Deposit	01/06/2025	Dep...	S. J. Co. Treasurer-Tax Colle...	Warrant 226-227	20,000.00	310,000.00
Deposit	02/06/2025	Dep...	S. J. Co. Treasurer-Tax Colle...	Warrants 228-229	20,000.00	330,000.00
Deposit	02/27/2025	Dep...	S. J. Co. Treasurer-Tax Colle...	Deposit	10,000.00	340,000.00
Deposit	04/17/2025	Dep...	S. J. Co. Treasurer-Tax Colle...	Warrants 232-234	15,000.00	355,000.00
Deposit	05/03/2025	Dep...	S. J. Co. Treasurer-Tax Colle...	Warrants 235-236-This was actually a transf...	10,000.00	365,000.00

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07/02/25

Accrual Basis

#2044 Reclamation District
Profit & Loss Detail
 July 2024 through June 2025

Type	Date	Num	Name	Memo	Amount	Balance
Deposit	06/05/2025	Dep...	S. J. Co. Treasurer-Tax Colle...	Warrants 237 238	10,000.00	375,000.00
Deposit	06/17/2025	Dep...	S. J. Co. Treasurer-Tax Colle...	Warrants 239-240	10,000.00	385,000.00
Total San Joaquin County Warrants						385,000.00
Total Income						417,253.76
Expense						
Anomaly Repair Project						
Bill	09/05/2024	24-47	Dino and Son Ditching Service	24-47	21,269.10	21,269.10
Total Anomaly Repair Project						21,269.10
Bank charge						
Check	02/28/2025			Service Charge	8.00	8.00
Total Bank charge						8.00
Chemicals						
Bill	07/26/2024	97816	Delta Growers Inc.	97816	3,947.30	3,947.30
Bill	07/30/2024	97833	Delta Growers Inc.	97833	311.62	4,258.92
Bill	07/30/2024	97834	Delta Growers Inc.	97834	1,025.10	5,284.02
Bill	07/31/2024	97864	Delta Growers Inc.	97864	9.30	5,293.32
Bill	08/31/2024	98273	Delta Growers Inc.	98273	748.50	6,041.82
Bill	10/23/2024	98605	Delta Growers Inc.	98605	1,205.99	7,247.81
Bill	11/08/2024	98789	Delta Growers Inc.	98789	11,475.78	18,723.59
Bill	12/19/2024	98943	Delta Growers Inc.	98943	453.24	19,176.83
Bill	01/31/2025	99203	Delta Growers Inc.	Finance Charge	6.80	19,183.63
Bill	03/07/2025	99461	Delta Growers Inc.	99461	2,743.44	21,927.07
Bill	05/05/2025	1000...	Delta Growers Inc.	100072	2,979.80	24,906.87
Credit	05/05/2025	25544	Delta Growers Inc.	25544	-0.10	24,906.77
Total Chemicals						24,906.77
Crop Production Services						
General Journal	12/31/2024	100	Crop Production Services	write off	853.14	853.14
Total Crop Production Services						853.14

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07/02/25

Accrual Basis

#2044 Reclamation District
Profit & Loss Detail
 July 2024 through June 2025

Type	Date	Num	Name	Memo	Amount	Balance
Five Year Plan						
General Journal	11/17/2024	R	Five Year Plan	Reverse of GJE -- For CHK Transfer voided...	-26,265.00	-26,265.00
Deposit	02/24/2025	Dep...	Department of Water Resour...	MBK invoice	-2,458.57	-28,723.57
Deposit	05/19/2025	Dep...	Department of Water Resour...	Last payment	-3,417.93	-32,141.50
Total Five Year Plan					-32,141.50	-32,141.50
Insurance						
Bill	07/31/2024	2024...	Brown & Brown Insurance	2024-2024	14,993.00	14,993.00
Total Insurance					14,993.00	14,993.00
Levee Maintenance						
Levee Repair						
Bill	08/31/2024	6324	ASTA Construction Co., Inc.	Retention	5,268.88	5,268.88
Bill	08/31/2024	6324	ASTA Construction Co., Inc.	Erosion Repair Project	100,108.66	105,377.54
Total Levee Repair					105,377.54	105,377.54
Rodent control						
Bill	06/04/2025	1379	Celli Ranches Inc.	1379	1,323.00	1,323.00
Total Rodent control					1,323.00	1,323.00
Levee Maintenance - Other						
Bill	10/13/2024	4 of 4	Stagi Enterprises LLC	4 of 4	6,200.00	6,200.00
Bill	01/01/2025	357	Stagi Enterprises LLC	357	6,200.00	12,400.00
Bill	04/01/2025	369	Stagi Enterprises LLC	369 2 of 4	6,200.00	18,600.00
Bill	06/04/2025	1380	Celli Ranches Inc.	1380 Tree Removal	1,323.00	19,923.00
Bill	06/29/2025	25-24	D. A. Archer Excavating	Replace discharge pipe	24,395.52	44,318.52
Total Levee Maintenance - Other					44,318.52	44,318.52
Total Levee Maintenance					151,019.06	151,019.06

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07/02/25

Accrual Basis

#2044 Reclamation District
Profit & Loss Detail
July 2024 through June 2025

Type	Date	Num	Name	Memo	Amount	Balance
Managerial Expense						
Check	07/08/2024	2834	Geno Celli	July	1,500.00	1,500.00
Check	08/04/2024	2844	Geno Celli	August	1,500.00	3,000.00
Check	09/02/2024	2853	Geno Celli	September	1,500.00	4,500.00
Check	10/13/2024	110	Geno Celli	October	1,500.00	6,000.00
Check	11/07/2024	118	Geno Celli	November	1,500.00	7,500.00
Check	12/09/2024	127	Geno Celli	December	1,500.00	9,000.00
Check	01/06/2025	133	Geno Celli	January	1,500.00	10,500.00
Check	02/02/2025	140	Geno Celli	February	1,500.00	12,000.00
Check	02/24/2025	147	Geno Celli	March	1,500.00	13,500.00
Check	03/30/2025	155	Geno Celli	April	1,500.00	15,000.00
Check	04/29/2025	178	Geno Celli	VOID: May	0.00	15,000.00
Check	06/02/2025	163	Geno Celli	June	1,500.00	16,500.00
Total Managerial Expense					16,500.00	16,500.00
Miscellaneous Expense						
Stockton Record						
Bill	10/30/2024	1072...	The Record	Publication Notice	94.65	94.65
Total Stockton Record					94.65	94.65
Miscellaneous Expense - Other						
Check	09/16/2024	2858	Reclamation District #2044	Open new account	100.00	100.00
Check	09/16/2024	2860	Reclamation District #2044	Subventions	94,482.00	94,582.00
Check	12/12/2024	2898	Reclamation District #2044	Close out account	30,694.68	125,276.68
Total Miscellaneous Expense - Other					125,276.68	125,276.68
Total Miscellaneous Expense					125,371.33	125,371.33
Office Supplies						
Bill	09/02/2024	6434	Specialized Printing Service	New Warrants	399.29	399.29
Check	09/24/2024	Debit	Deluxe Check	new checks	33.50	432.79
Check	10/16/2024	Debit	Deluxe Check	checks	33.50	466.29
Total Office Supplies					466.29	466.29

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07/02/25

Accrual Basis

#2044 Reclamation District
Profit & Loss Detail
July 2024 through June 2025

Type	Date	Num	Name	Memo	Amount	Balance
Professional Services						
Accounting Services						
Schwartz, Giannini, et al, Inc						
Bill	09/15/2024	1017...	Schwartz, Giannini, et al	Audit	5,100.00	5,100.00
Bill	01/31/2025	1024...	Schwartz, Giannini, et al	1099s	130.00	5,230.00
Total Schwartz, Giannini, et al, Inc						
					5,230.00	5,230.00
Total Accounting Services						
					5,230.00	5,230.00
Engineering Services						
Emergency Operation Plan						
Bill	05/05/2025	16986	MBK	17330 Emergency OPeration Plan	3,110.50	3,110.50
Bill	05/05/2025	1663...	MBK	16339R	1,016.25	4,126.75
Deposit	06/05/2025	Dep...	S. J. Co. Treasurer-Tax Colle...	County reimbursement MBK invoices 1663...	-4,126.75	0.00
Total Emergency Operation Plan						
					0.00	0.00
MBK, Inc						
General Engineering						
Bill	11/19/2024	15729	MBK	15729	3,434.41	3,434.41
Total General Engineering						
					3,434.41	3,434.41
Subventions Engineering						
Bill	07/19/2024	14759	MBK	14759	1,408.50	1,408.50
Bill	08/16/2024	14951	MBK	14951	6,817.34	8,225.84
Bill	09/20/2024	15228	MBK	15228	11,596.51	19,822.35
Bill	10/17/2024	15304	MBK	15304	4,864.15	24,686.50
Bill	11/19/2024	15730	MBK	15730	3,528.10	28,214.60
Bill	12/19/2024	15980	MBK	15980	5,012.05	33,226.65
Bill	01/22/2025	16134	MBK	16134	2,035.50	35,262.15
Bill	02/21/2025	16486	MBK	16486	646.25	35,908.40
Bill	03/13/2025	16638	MBK	16638	3,085.75	38,994.15
Bill	04/17/2025	16985	MBK	16985	6,907.85	45,902.00
Bill	05/20/2025	17330	MBK	17330	3,359.75	49,261.75
Bill	06/18/2025	17541	MBK	17541	5,518.75	54,780.50
Total Subventions Engineering						
					54,780.50	54,780.50

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07/02/25

Accrual Basis

#2044 Reclamation District
Profit & Loss Detail
July 2024 through June 2025

Type	Date	Num	Name	Memo	Amount	Balance
MBK, Inc - Other						
Check	02/23/2025	102	Reclamation District #2044	reimbursent general account for payment of ...	2,458.57	2,458.57
Total MBK, Inc - Other					2,458.57	2,458.57
Total MBK, Inc					60,673.48	60,673.48
Total Engineering Services					60,673.48	60,673.48
Legal Services						
Alan R. Coon						
Bill	08/05/2024	720	Alan R. Coon	720 April - June 2024	6,926.08	6,926.08
Bill	12/08/2024	724	Alan R. Coon	724 July - September	6,648.00	13,574.08
Bill	02/01/2025	731	Alan R. Coon	731 October - December	5,136.00	18,710.08
Bill	04/06/2025	735	Alan R. Coon	735 Jan thru March	7,108.74	25,818.82
Bill	06/29/2025	741	Alan R. Coon	741 April through June	7,008.00	32,826.82
Total Alan R. Coon					32,826.82	32,826.82
Total Legal Services					32,826.82	32,826.82
Secretarial						
Check	07/08/2024	2835	Diane Dias	July	650.00	650.00
Check	08/04/2024	2845	Diane Dias	August	650.00	1,300.00
Check	09/02/2024	2854	Diane Dias	September and Audit Prep	725.00	2,025.00
Check	10/13/2024	111	Diane Dias	October	650.00	2,675.00
Check	11/07/2024	117	Diane Dias	November	650.00	3,325.00
Check	12/08/2024	128	Diane Dias	December	650.00	3,975.00
Check	01/06/2025	134	Diane Dias	January	650.00	4,625.00
Check	02/02/2025	141	Diane Dias	February	650.00	5,275.00
Check	02/24/2025	148	Diane Dias	March	650.00	5,925.00
Check	03/30/2025	156	Diane Dias	April	650.00	6,575.00
Check	04/29/2025	179	Diane Dias	VOID: May	0.00	6,575.00
Check	06/02/2025	164	Diane Dias	June	650.00	7,225.00
Total Secretarial					7,225.00	7,225.00

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07/02/25

Accrual Basis

#2044 Reclamation District

Profit & Loss Detail

July 2024 through June 2025

Type	Date	Num	Name	Memo	Amount	Balance
Professional Services - Other						
Bill	11/15/2024	165.00	Katie Wiley	Posting 11/11 11/15	55.00	55.00
Bill	02/20/2025	2/20	Katie Wiley	postint	55.00	110.00
Total Professional Services - Other					110.00	110.00
Total Professional Services					106,065.30	106,065.30
Pump Repair						
Bill	07/19/2024	2024...	Abbey Water Well Service, L...	2024869	1,078.00	1,078.00
Bill	07/22/2024	18263	Moorman's Water Systems	18263	619.60	1,697.60
Bill	09/05/2024	2024...	Abbey Water Well Service, L...	20241135	19,476.12	21,173.72
Total Pump Repair					21,173.72	21,173.72
Reconciliation Discrepancies						
General Journal 09/30/2024					-100.00	-100.00
Total Reconciliation Discrepancies					-100.00	-100.00
Repair/Maintenance						
Gate installation						
Bill	06/04/2025	1378	Celli Ranches Inc.	1378	8,019.30	8,019.30
Total Gate installation					8,019.30	8,019.30
Total Repair/Maintenance					8,019.30	8,019.30
Service Charge						
Check	11/11/2024			Service Charge	5.38	5.38
Check	12/11/2024			Service Charge	5.38	10.76
Check	01/11/2025			Service Charge	5.69	16.45
Total Service Charge					16.45	16.45

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Accrual Basis

#2044 Reclamation District
Profit & Loss Detail
 July 2024 through June 2025

Type	Date	Num	Name	Memo	Amount	Balance
Utilities						
1835447747-5						
Bill	07/29/2024	1835	PG&E	1835	749.74	749.74
Bill	08/27/2024	1835	PG&E	1835	699.19	1,448.93
Bill	09/20/2024	1208	PG&E	1208	6,908.33	8,357.26
Bill	09/29/2024	1835	PG&E	1835	27.47	8,384.73
Bill	10/25/2024	1835	PG&E	1835	291.01	8,675.74
Bill	11/25/2024	1835	PG&E	1835	28.39	8,704.13
Bill	12/26/2024	1835	PG&E	1835	28.39	8,732.52
Bill	01/27/2025	1835	PG&E	1835	29.30	8,761.82
Bill	02/28/2025	1835	PG&E	1835	27.47	8,789.29
Bill	03/27/2025	1835	PG&E	1835	26.56	8,815.85
Bill	05/27/2025	1835	PG&E	1835	354.06	9,169.91
Total 1835447747-5					9,169.91	9,169.91
PG&E						
1208223181-7						
Bill	07/22/2024	1208	PG&E	1208	10,797.08	10,797.08
Bill	08/21/2024	1208	PG&E	1208	8,563.28	19,360.36
Bill	10/21/2024	1208	PG&E	1208	2,986.05	22,346.41
Bill	11/19/2024	1208	PG&E	1208	4,229.88	26,576.29
Bill	12/20/2024	1208	PG&E	1208	5,879.04	32,455.33
Bill	01/21/2025	1208	PG&E	1208	6,307.58	38,762.91
Bill	02/20/2025	1208	PG&E	1208	11,018.32	49,781.23
Bill	03/27/2025	1208	PG&E	1208	5,359.13	55,140.36
Bill	04/21/2025	1208	PG&E	1208	3,987.29	59,127.65
Total 1208223181-7					59,127.65	59,127.65
Total PG&E					59,127.65	59,127.65
Total Utilities					68,297.56	68,297.56

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07/02/25

Accrual Basis

#2044 Reclamation District
Profit & Loss Detail
July 2024 through June 2025

Type	Date	Num	Name	Memo	Amount	Balance
Water Rights						
Bill	11/14/2024	L002...	CA Department of Tax and F...	L0028721593.	2,642.90	2,642.90
Total Water Rights					2,642.90	2,642.90
Total Expense					529,360.42	529,360.42
Net Ordinary Income					-112,106.66	-112,106.66
Net Income					-112,106.66	-112,106.66

RECLAMATION DISTRICT 2044
2025-2026
(Working Budget)

DESCRIPTION	2022-2023	2022-2023 Actuals	2023-24 Actual	2024-2025	2024-25 Actual	2025-2026
SUBVENTIONS PAYMENT (Cost Share)						
EXPENDITURES						
Administrative						
Accounting Services	\$ 3,750.00	\$ 4,256.25	\$ 4,735.00	\$ 5,500.00		\$ 5,600.00
Manager	\$ 18,000.00	\$ 18,000.00	\$ 16,500.00	\$ 18,000.00	\$ 16,500.00	\$ 18,000.00
Secretarial	\$ 6,800.00	\$ 7,625.00	\$ 7,279.49	\$ 8,000.00	\$ 7,225.00	tbd
Total Insurance TBD (See *)	\$ 12,000.00	\$ 11,109.00	\$ 11,316.00	\$ 12,000.00	\$ 14,993.00	\$ 19,000.00
Legal and Professional (See **)	\$ 18,000.00	\$ 24,159.00	\$ 16,263.52	\$ 21,000.00	\$ 32,826.82	\$ 21,000.00
Annual Memberships CSDA	\$ 550.00	\$ 592.50		\$ 600.00		
Publication	\$ 300.00	\$ 45.00	\$ 562.00	\$ 250.00	\$ 94.65	\$ 500.00
Supplies and Postage	\$ 500.00	\$ 283.55		\$ 400.00	\$ 446.29	\$ 400.00
Bank Service Charge	\$ 200.00	\$ 43.48	\$ 2,246.80	\$ 240.00	\$ 8.00	
Katie Wiley - website			\$ 200.00	\$ 300.00		
	\$ 60,100.00	\$ 66,113.78	\$ 59,102.81	\$ 66,290.00		
MAINTENANCE AND OPERATIONS						
ENGINEERING						
General Engineering	\$ 5,000.00	\$ 1,360.88		\$ 3,000.00	\$ 3,434.41	\$ 4,000.00
Subventions ***	\$ 25,000.00	\$ 60,474.75	\$ 34,240.32	\$ 15,000.00	\$ 60,673.48	\$ 60,000.00
Five Year Plan Engineering	\$ -	\$ 206.25			\$ 5,876.50	\$ -
King Island	\$ 3,500.00					
Miscellaneous						
Water Rights	\$ 1,924.00	\$ 2,325.40	\$ 2,382.72	\$ 3,000.00		
Excavating/Emergency Contingency						
KI Erosion Repair	\$ 18,388.00					
Special Project						
Materials & Supplies						
Utilities ***	\$ 50,000.00	\$ 88,140.43	\$ 58,029.39	\$ 70,000.00	\$ 68,297.56	\$ 85,000.00
Chemicals	\$ 18,000.00	\$ 25,731.00	\$ 11,841.78	\$ 20,000.00	\$ 24,906.77	\$ 28,000.00
EMERGENCY WORK		\$ 66,217.16	\$ 900.00	\$ 5,000.00		
REPAIR AND MAINTENANCE						
FTG Construction						
JDS Backhoe	\$ 900.00					
Johnson Electric				\$ 10,000.00		
D A Archer			\$ 47,642.50	\$ 20,000.00		
Larry's Tree						
Asta Construction	\$ 15,000.00		\$ 114,377.22			
Rodent Control	\$ 4,500.00		\$ 190.72	\$ 3,000.00		
Ditch Maintenance and Canal Cleaning						
STAGI enterprises	\$ 24,600.00	\$ 37,791.00	\$ 24,800.00			
PUMP REPAIR	\$ 5,000.00		\$ 51,640.27			
	\$ 167,762.00	\$ 282,246.87	\$ 346,044.92	\$ 154,000.00		
				\$ 210,290.00		
WARRANTS						
Outstanding Warrants						
Payments on Warrants						
Interest paid on Warrants						
RESERVES						
Reserves for Future Outlay						
Emergency						
TOTAL EXPENDITURES						
INCOME (Receipts)						
Assessment						

RECLAMATION DISTRICT 2044
2025-2026
(Working Budget)

DESCRIPTION	2022-2023	2022-2023 Actuals	2023-24 Actual	2024-2025	2024-25 Actual	2025-2026
Landowners*****	\$ 133,173.00	\$ 146,410.28	\$ 158,194.38	\$ 170,805.79	\$ 170,805.79	\$ 170,805.79
City Stockton + 3% cpi add for 2025-26	\$ 49,292.00	\$ 43,536.00	\$ 46,279.81	\$ 47,575.86	\$ 47,575.86	\$ 49,003.14
State Assistance						
Insurance payments						
Interest Income						
TOTAL INCOME	\$ 182,465.00	\$ 189,946.28	\$ 204,474.19		\$ 217,745.90	\$ 219,808.93
Notes: Approximately 3260.10 assessable acres.						
Assessments can also be increased based upon 2023 CPI estimated 2.8% for an						
* Includes Est. for Solar Construction						
** Legal Services includes 5 quarters						
*** Subv. Engineering 75% Reimbursement						
**** 11 Mos. Solar Project will impact						
***** Presumes no cpi increase						

DON TRIEU, P.E.
DARREN CORDOVA, P.E.
NATHAN HERSHEY, P.E., P.L.S.
LEE G. BERGFELD, P.E.
BEN TUSTISON, P.E.
THOMAS ENGLER, P.E., CFM
MICHAEL MONCRIEF, P.E.
NICOLE ORTEGA-JEWELL, PMP
KYLE KNUTSON, P.E.
ANNE WILLIAMS, P.E.
PATRICK HO, P.E.

FOUNDERS:

ANGUS NORMAN MURRAY
1913-1985
JOSEPH I. BURNS
1926-2021
DONALD E. KIENLEN
1930-2023

April 14, 2025

Via Email: recddistrict2044@gmail.com

Mr. Alan Coon, Secretary
Reclamation District No. 2044
400 East Kettleman Lane, Suite 20-K
Lodi, CA 95240

**Subject: Reclamation District No. 2044: King Island
Waterside Erosion and Anomalies
2025 Spring Inspection Results**

Dear Secretary Coon:

MBK Engineers performed a recent site review on March 21, 2025 with Gino Celli to follow up on the site review performed November 27, 2024. The intent of the review was to determine whether additional damage and levee movement is occurring on the waterside of the King Island levee system.

The recent inspection was performed after a series of rainfall events that have started to saturate the levees. The natural high tides for the year have come through the Delta without significantly connecting to the timing of major atmospheric rivers or storm surges.

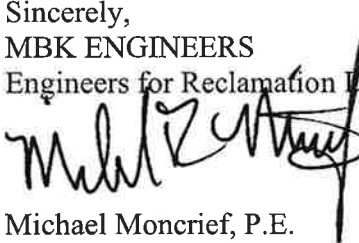
There are a few areas where a change in conditions at new or deteriorating erosion sites were identified. Multiple sites were identified that have progressed to Critical or Serious levels from the list of Monitor sites. See attached map of current Critical and Serious sites.

The Critical sites have to be monitored; these sites are exposed and susceptible to high energy storm events, and conditions could deteriorate quickly without the repairs needed to address existing conditions and subsequent impacts. The existing erosion sites deemed as critical should be repaired as soon as possible, and other existing erosion should be monitored for changes in condition. Future repairs should be planned for this year to address maintenance and erosion sites along the levee. A small sole-source project, focusing on sites along the eastern and northern section of the District, prior to the end of the fiscal year would be advisable while planning for a large potential project later this summer/fall to address other Critical sites.

The District has an active CDFW LSAA permit that allows sites longer than 100 feet to be repaired at 22 site locations. While many sites have been addressed in these areas over the last 2

years, there is still permit capacity. 16 current Critical sites are within these LSAA areas; other repairs would need to be performed under your RMA

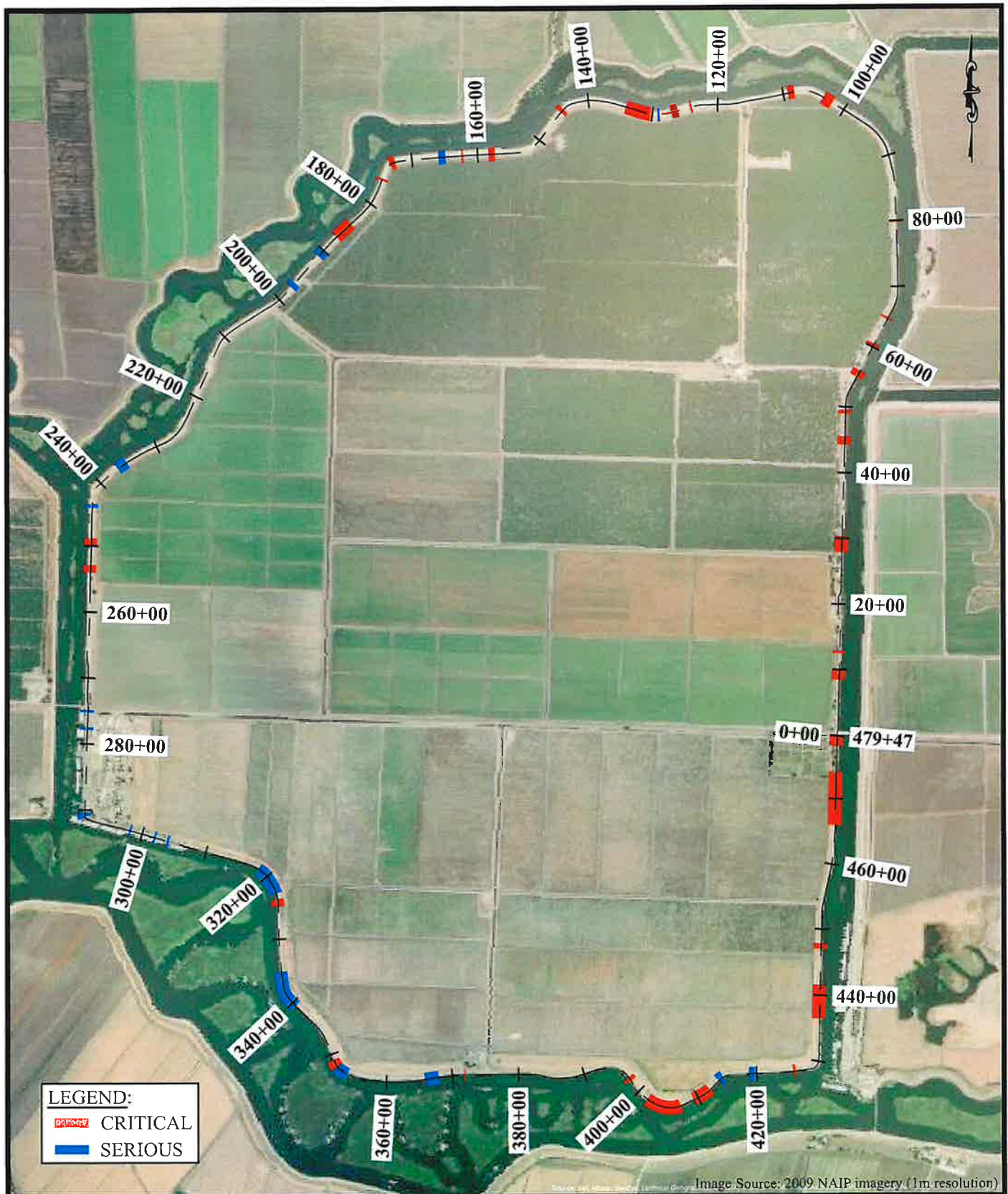
MBK is requesting direction from the District and General Manager on possible sole-source work to address critical sites this spring, and/or planning for summer/fall repairs. If there are any questions, please notify me at your convenience. I can be reached at (916) 761-1281 or (916) 456-440 or by email at moncrief@mbkengineers.com.

Sincerely,
MBK ENGINEERS
Engineers for Reclamation District No. 2044

Michael Moncrief, P.E.

MM/mr/nl
RD 2044_SITE INSPECTION_WATERSIDE REPAIRS_2025-03-24

Enclosures: Critical and Serious Site Map; Critical and Serious tables

cc: *Via Email* to Trustees Skip Foppiano, John Jackson, Andy Solari, Henry Foppiano, Steve Van Duyn



MBK
ENGINEERS

455 University Avenue, Suite 100
Sacramento, California 95825
Phone: (916) 456-4400 • Fax: (916) 456-0253

RECLAMATION DISTRICT NO. 2044
KING ISLAND

EROSION SITES

SCALE:	1" = 2000'
JOB NUMBER:	4375
DRAWN BY:	NR
DATE:	04/07/2025
SHEET:	1 OF 1

Site Data

Reclamation District No. 2044 - King Island

Eroded Slopes or High Energy Damaged Sites

Bank Protection Project(s) 2025 Spring Post Flood Season Damaged Sites

CRITICAL PRIORITY SITES					
SITE #	BEGIN STA	END STA	LENGTH (FT)	QUANTITY (TON)	
1	8+50	10+00	150	105	EAST LEVEE (EL)
2	12+50	12+80	30	21	
3	28+00	30+25	225	158	
4	44+30	45+50	120	84	
5	49+00	49+50	50	35	
6	55+00	56+00	100	70	
7	60+00	60+50	50	35	
8	64+80	65+00	20	14	
9	79+80	79+95	15	11	
10	102+00	103+50	150	105	NORTH LEVEE (NL)
11	108+20	109+10	90	63	
12	124+00	127+00	300	210	
13	130+00	134+00	400	280	
14	144+00	144+50	50	35	
15	157+30	158+15	85	60	
16	162+10	162+25	15	11	
17	172+40	173+15	75	53	
18	175+80	176+00	20	14	
19	184+25	187+00	275	193	WEST LEVEE (WL)
20	248+90	250+00	110	77	
21	253+00	254+00	100	70	
22	323+00	324+00	100	70	
23	351+00	352+20	120	84	SOUTH LEVEE (SL)
24	372+00	372+10	10	7	
25	397+50	398+00	50	35	
26	401+90	404+30	240	168	
27	404+70	405+60	90	63	
28	406+20	407+20	100	70	
29	409+50	410+00	50	35	
30	410+80	412+25	145	102	
31	425+75	426+00	25	18	EAST LEVEE (EL)
32	436+50	437+50	100	70	
33	440+50	441+50	100	70	
34	447+00	447+75	75	53	
35	466+00	466+20	20	14	
36	470+25	471+50	125	88	
37	472+75	474+00	125	88	
38	478+00	478+50	50	35	
TOTALS			3,955	2,769	

COST ESTIMATE

\$194,000

Site Data

Reclamation District No. 2044 - King island

Eroded Slopes or High Energy Damage Potential Sites

Bank Protection Project(S) 2025 Damaged Sites

SERIOUS PRIORITY SITES					
SITE #	BEGIN STA	END STA	LENGTH (FT)	QUANTITY (TON)	
1	129+00	129+20	20	14	TN
2	164+80	165+80	100	70	
3	190+00	191+00	100	70	TL
4	196+50	197+25	75	53	
5	235+00	236+50	150	105	
6	243+70	244+20	50	35	
7	274+90	275+20	30	21	
8	277+50	277+90	40	28	
9	290+40	291+10	70	49	
10	298+20	298+40	20	14	
11	302+00	302+20	20	14	
12	304+00	304+25	25	18	
13	318+50	323+00	450	315	
14	335+00	335+50	50	35	
15	337+50	339+00	150	105	
16	340+40	340+70	30	21	
17	352+20	354+00	180	126	SL
18	366+00	368+00	200	140	
19	414+20	415+00	80	56	
20	419+00	420+00	100	70	
TOTALS			1,940	1,358	

COST ESTIMATE

\$95,000

MEMORANDUM

July 15, 2025

TO: Reclamation District No. 2044
FROM: Michael Moncrief
SUBJECT: July 2025 Engineer's Report

Board Members and Representatives:

Described below are the engineering items to be discussed at your July 2025 meeting.

Subventions 2023-24 – Your Subventions Claim inspection was performed with DWR and CDFW, there are no mitigation requirements. Your total Claim submittal was for \$194,881.94. After the \$1,000 per mile deduction, your 75 % reimbursement would be approximately \$139,336 if there are no adjustments.

Subventions 2024-25 – MBK is available to support your claim submittals for the 2024-25 fiscal year. Claims are due to DWR by October 31, 2025. All invoices should be provided at your earliest convenience; including the managers levee patrol logs. Tina Anderson and I are available to answer any questions and review District invoices for eligibility.

2025-26 Subventions Program – The District's 2025-26 application was submitted for \$486,000 of coverage, for maintenance work. This amount exceeds your \$20,000 per mile maintenance cap, and allows for some work to be eligible under lower priority categories. There is less certainty over the next five years if the program will seek additional funding if program expenditures exceed \$16 million annually.

Erosion Repair Project Recap – MBK performed an erosion assessment this spring to update the District on their findings, attached is the report denoting critical and serious sites for consideration of repair and monitoring this year.

Marina Anomaly Repair Complete– Two anomaly repairs, which revealed multiple rodent burrow activity and unconsolidated materials were repaired along the south levee near the District back gate. A subsequent chip seal project was completed in June to complete the repair of the previously sealed roadway. Final invoice submittal and approval is in progress. This work will be included in the 2024-25 FY subventions claim.

District Roadway Repairs and Chip Seal – The chip seal replacement along the east levee at the ramp and lower road through the Marchetti property is being bid, bid opens on 7/11 and results will be provided at this meeting. There was only one attendee at the pre-bid, Robert Burns Construction. They self perform chip seal and asphalt work. There are 2-3 buried pipelines under this access area that will need to be avoided or replaced if damaged during construction. Speed bumps will be replaced. We are asking for a quote to repair the crown roadway from Eight Mile Road to this project area, for District consideration. This road is deteriorating over time.

Flood Safety Plan Update – MBK is updating your Emergency Operation Plan/FloodContingency Map. The final draft product will be available for your review in March; all invoicing will be submitted through

San Joaquin County OES for 100% reimbursement. The District needs to approve the plan and sign the Promulgation and training policy prior to the flood season to finalize the product. The plan and map have been provided to the District.

Summer – Fall 2025 Monitoring-Maintenance Activities – Routine maintenance, ongoing repairs in preparation for Summer and construction/irrigation Season.

- 1) Erosion Repair Planning– See segment above; at the least the District needs to prepare to monitor and flood fight any existing sites.
- 2) Rodent Activity – Monitor new animal activity. Any rodent activity needs to be controlled with baiting or other methods, backfill of holes and excavation of dens is critical; coordinate with MBK for any signs of beaver dens.
- 3) Vegetation Control and Tree Trimming; General Manager report on required maintenance.
- 4) Pumpstation status: Any resetting of pumps, pipe system required? Due to long term creep, settlement, does pressure have to be released from pipe/pump connections? Harris valve replacement; shifting pumps on platforms?

FEMA/OES Update – Districts that have been fully obligated, like RD 2044, are starting to see some funding come through. Look for payments in the amount of (\$95,991.33, \$5,202.22, \$6,039.70 and \$1,509) respectively from State of California.. We are not sure of timing of payments. All records have to be provided.

Over 2 Results

SEARCH ⓘ

Project #	Category	Title	Type	Process Step	Activity Completion Deadline	# Damages	Best Available Cost
742437	Z - Management Costs	Management Costs	Management Costs	Obligated	01/14/2031	1	\$5,202.22
720899	D - Water Control Facilities	Levee Crown Damage	Work Completed / Fully Documented	Obligated	07/14/2024	1	\$8,052.93
716068	B - Emergency Protective Measures	Emergency Protective Measures- 100% FedShare 60 Days	Work Completed / Fully Documented	Obligated	07/14/2023	1	\$95,991.33

Thanks,



JOINT MEETING
RECLAMATION DISTRICT NO.S 2029 & 2044
400 E. Kettleman Lane, Clear Suites
Lodi, CA 95240
recdistrict2029@gmail.com
recdistrict2044@gmail.com

MINUTES

On February 26, 2025, at 8:30 a.m., the joint meeting of the Board of Trustees ("RD 2029 Board") of Reclamation District No. 2029 ("RD 2029 District") and Board of Trustees ("RD 2044 Board") of Reclamation District No. 2044 ("RD 2044 District") was called to order at 8:30 a.m. in the conference room at 400 E. Kettleman Lane, Suite 20-K to conduct a Special Meeting.

Present: RD 2029 District Trustees, Chris Podesto, Mike Quartaroli and James Harvey (also Manager); RD 2044 District Trustees, Skip Foppiano, John Jackson, Andy Solari, Henry Foppiano and Steve Van Duyn; Alan Coon, Secretary and General Counsel for both districts; RD 2044 District Engineer, Michael Moncrief (MBK Engineers); and miscellaneous landowners including John Glick, Rod Karnofel, Doug Eberhardt II, Wes Day and other landowners arriving late.

RD 2029 Board and RD 2044 Board (collectively "Boards") reserved the right to advance certain items and consider matters out of order.

Public Comment: There was no public comment.

Special Presentations:

Green Bridge Financing.

Adam Brown of Green Bridge Financing (GBF), who appeared by ZOOM, generally advised the Boards and landowners of GBF's process in financing of reclamation district Solar Projects and presented a digital summary is also attached as Attachment A to the Agenda. Attachment A is incorporated herein by reference. Mr. Brown provided his background (GE Capital, REIT experience, monetizing and training with AVA). GBF sells the "solar credits" at a discount rate range of 80% to 90%. Essentially, GBF "funds" the solar project, builds project through pre-operation after which GBF creates a limited liability corporation for each project once PG&E gives permission to operate. GBF then refinances after tax credits are awarded noting that need to get done quickly as currently the interest rate is near 9 to 9 ½ %. A third party acts as the "manager" to maintain operation, maintenance and production of 110%. GBF estimates cleaning at 1 or 2 times a year. At this point several landowners questioned this estimate because of dusty conditions in the Delta. Thereafter followed Trustee and landowner discussion on cleaning and security concerns. GBF agrees to damages if solar production falls below 85%. The agreement term is typically for 25 years but GBF will consider buy out after 15 years. Secretary Coon asked about earlier buy out and GBF said they would consider.

Center for Public Enterprise

Yakov Feygin, Director of Public Finance for the Center for Public Finance (CPE), appeared by ZOOM and presented a “consultant proposal” on the alternative “Direct [‘Elective’] Pay option employing the grant funds under the Infrastructure Act. The “presentation” was also attached to the Agenda as Attachment B, incorporated herein by reference. Mr. Feygin estimated that the best reimbursement for this size of solar project is between 20% and 30% not payable until after completion of project, acceptance by PG&E and after submission of somewhat complicated forms with the IRS at the end of the tax year. This “investment tax credit” (ITC) has several safe harbor provisions but it may be cost effective to compare “American made” equipment versus competitively priced alternatives even with the 20%-30% offset with grant funds. CPE advised that they do not provide tax advice and urged all to carefully review page 9 of Attachment B for some of the “elective pay barriers” which can further reduce grant reimbursement. Mr. Feygin concluded concurring with Secretary’s reminder the direct pay option requires the Districts to own their project and responsible for operation and maintenance as well as the construction financing. Secretary Coon added that, in order to participate in the ITC program, the districts must own, not lease, the land parcel.

Renewable Technology

Brad Conklin, with Renewable Technology (RT), added to the discussion on Direct Pay again pointing out the potential loss of 10% grant reimbursement if use of “domestic content” aka American made typically does not make economic sense as offset by non-American made cost savings. Mr. Conklin then went over the ground mount and pole barn options, their estimated pricing and updated construction permits based upon changes in the construction proposal together with updated increases in costs (steel [time and imposed tariffs]). Additional RT information was set forth in Attachment C of the Agenda, incorporated herein by reference. Secretary Coon advised of loan application with Bank of Stockton for both construction and take out financing with or without Direct Pay. Matt Brown, Bank of Stockton, provided additional information and answered some questions.

This ended the Special Presentations. Those present, including landowners, discussed various options and, at the conclusion of lengthy discussions, the Boards directed Secretary/General Counsel Coon to continue forward with loan negotiations as well as the solar projects in general preferring the immediate ownership and attempts to obtain solar tax credit payments under Direct Pay Program. Mr. Coon was authorized by both Boards to seek insurance quotes for the solar projects.

At this juncture RD 2029 District moved, seconded and unanimously ended their meeting following a brief Closed Session. Then, at 9:30 am RD 2044 District resumed their Meeting advancing the Engineer’s Report.

2. Engineer’s Report. Michael Moncrief, of MBK Engineers (MBK), submitted an Engineer’s Report (Attachment D to the Agenda) which is attached and incorporated herein by reference. In addition, Engineer Moncrief advised that the District should expect about \$139,336 reimbursement for the recent Subventions Claim for 2023-2024. There remains at the southwest corner which was discussed agreeing to continue monitoring. The Board advised that with the passage of Proposition 4 it is estimated that about \$150,000,000 would be earmarked for the “subvention-styled” project as well as “special projects”. The Board then discussed completing the potholes and road surface at the northeast levee locations (Marchetti, Solari and Foppiano parcels) in the spring, this Subvention year, with a major erosion repair project, estimated to cost \$100,000, for the 2024-2025 if not 2025-26 year depending upon funding. Please see 2025-26’s Application requesting \$485,000 as a placeholder

and "Site Data" listing Serious and Critical Conditions. Engineer Moncrief discussed recent call with Archer Construction, planned second repair of anomaly at the King Island Marin discovered during first project. It was noted that the contractor encountered subsurface hard pan if not concrete during the project. Finally, Manager and Engineer to schedule the chip seal of the KI second anomaly locations and the northeast pothole project noted above in the 2024-25 subventions year.

1. Manager's Report. Manager Celli reported a new, large pothole just west of the north pump and that the palm tree discussed at last meeting was removed. Secretary Coon suggested that the repair of the pothole might be incorporated within one of the upcoming projects.

3. Secretarial and Financial Reports. The Secretary discussed the financial reports including status of warrants (see Attachment E), that all assessments had been received and applied to retirement of retirement of warrant #s 104-229 noting that the interest rates would be less in the future because of new rates (5.5%) given by new lender. Finally, the Secretary advised of the ongoing plan to cull old records during spring and summer of 2025.

4. Action Items: The Trustees advanced discussion of Action Item F with Trustees Jackson and Van Duyn exiting and not participating in discussion. After Discussion in Closed Session, these three Trustees returned and upon motion by Trustee Solari, Second by Trustee Skip Foppiano and concurrence by Trustee Henry Foppiano, the Board adopted the new "as built" designs for the "King Island Pump Station" on Jackson parcel dated Feb. 13, 2025 (see Attachment H), offered by Siegfried Engineers but subject to quarterly inspections by District's engineers for the first two years and thereafter annually.

At which time all trustees reconvened to consider Action Item #s A-D after the discussion and unanimous approval by Trustees Jackson, Solari and Van Duyn authorizing and granting discretion to Secretary/General Counsel to negotiate the purchase price (in consultation with said listed Trustees), shape/size of Foppiano parcel and to open an escrow for the purchase of approximate 1.06 acre parcel from Foppiano for the solar project. Note: Trustees Skip Foppiano and Henry Foppiano did not participate in this part of the discussion.

Then, upon motion by Trustee Solari, second by Trustee Jackson, the Board unanimously acted as follows:

- A. Approved current invoices.
- B. Approve Minutes for November 12, 2024 (Attachment F).
- C. Approved new construction proposal for the Solar Project from Renewable Technologies and to thereafter update the proposed "bridge" financing arrangement with Bank of Stockton and to arrange time for loan signatures by Trustees. Secretary Coon to also to prepare any "deed restrictions" as required by the County of San Joaquin and State of California. Note: Certain part of this Action Item #C was noted above to avoid potential conflict of interest.
- D. Approved Center for Public Enterprise proposal for assisting in the filing for tax credit for the Solar Project under the Direct Pay program and to also contract with accounting firm to assist in filing forms with IRS. Further, the Secretary is authorized to negotiate and to execute any and all relevant forms, agreements, and/or grant funding agreements consistent with this action including authorization to execute any and all PG&E forms and agreements to expedite getting the solar project online.
- E. Approved submission of Application for Subventions Program 2025-2026 (Attachment G).

F. See Action above.

5. Information Item: Secretary reminded the Trustees of the need to submit Form 700.

6. Closed Session. See above for details.

At 11:30 am upon unanimous vote the Meeting was adjourned.



Dated: July __, 2025

Alan Richard Coon, Secretary
Reclamation District No. 2029

PURCHASE AND SALE AGREEMENT

between

**Henry J. Foppiano III, a married man and Lynette Foppiano, a married woman
(collectively referred to as the “Seller” or the “Foppianos”)**

and

**Purchaser Reclamation District No. 2044, a reclamation district formed pursuant to the
Reclamation District Act in the Water Code Section 50000 et seq.
 (“Purchaser” or “District No. 2044”)**

dated as of

June 30, 2025

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PURCHASE AND SALE AGREEMENT

This PURCHASE AND SALE AGREEMENT (this "**Agreement**"), dated as of the 30TH day of June, 2025 (the "**Effective Date**"), is entered into between Henry J. Foppiano III, a married man and Lynette Foppiano, a married woman (the "**Foppianos**" or collectively "**Seller**") and Purchaser Reclamation District No. 2044, a reclamation district, also known as Delta Farms Reclamation District No. 2044, now existing pursuant to the Reclamation District Act in the Water Code Section 50000 et seq. ("**District No. 2044**" or "**Purchaser**").

RECITALS

WHEREAS, Seller is the owner of the ~~R~~real ~~P~~property located in the Unincorporated Area of, County of San Joaquin, State of California, and as more particularly described in the Full Legal Description attached hereto as **EXHIBIT "A"** (herein "**Property**") being a part of APN #070-080-047; and

WHEREAS, subject to the terms and conditions hereof, Seller desires to sell to Purchaser the Property and Purchaser desires to purchase the Property from Seller;

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

ARTICLE I DEFINITIONS

The following terms have the meanings specified or referred to in this Article I:

"**Environmental Laws**" means, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986 (42 U.S.C. §§ 9601 *et seq.*), the Resource Conservation and Recovery Act (42 U.S.C. §§ 6901 *et seq.*), the Federal Water Pollution Control Act, as amended by the Clean Water Act (33 U.S.C. §§ 1251 *et seq.*), the Safe Drinking Water Act (42 U.S.C. §§ 300f *et seq.*), the Clean Air Act (42 U.S.C. §§ 7401 *et seq.*), the Occupational Safety and Health Act (29 U.S.C. §§ 651 *et seq.*), the Toxic Substances Control Act, as amended (15 U.S.C. §§ 2601 *et seq.*), Emergency Planning and Community Right-to-Know Act of 1986 (42 U.S.C. §§ 11001 *et seq.*), the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. §§ 136 *et seq.*), the Hazardous Material Transportation Act, as amended (49 U.S.C. §§ 5101 *et seq.*), the California Hazardous Waste Control Law (California Health & Safety Code §§ 25100 *et seq.*), the Porter-Cologne Water Quality Control Act (California Water Code §§ 13000 *et seq.*), and the Safe Drinking Water and Toxic Enforcement Act of 1986 (California Health & Safety Code §§ 25249.5 *et seq.*), as the same are amended, any other applicable federal, state, and local laws, and any and all rules and regulations which have become effective prior to the date of this Agreement under any and all the aforementioned laws, and other federal, state, and local environmental laws, rules, statutes, codes, ordinances, regulations, common law, orders, regulatory directives, guidance documents, consent decrees, permits, and other requirements of governmental authorities governing or relating to the transportation, protection, preservation, conservation, or regulation of Hazardous Materials or the environment.

"Hazardous Materials" means any pollutants, contaminants, hazardous, dangerous or toxic chemicals, materials, substances or wastes (including petroleum, petroleum by-products, radon, asbestos and asbestos containing materials, per- and polyfluoroalkyl substances, polychlorinated biphenyls ("PCBs"), PCB-containing equipment, radioactive elements, infectious agents, and urea formaldehyde), as such terms may be used in any Environmental Laws any other substances regulated because of their effect or potential effect on public health and the environment, including mold pursuant to California Health & Safety Code § 26140, lead paint, putrescible materials, and methamphetamine contamination pursuant to California Health & Safety Code § 25400.28 (but excluding solvents, cleaning fluids, and other lawful substances used in the ordinary operation and maintenance of the Property).

"Deed Restriction" means those certain terms and conditions required by the County of San Joaquin ("County") for a building permit requested from Purchaser to erect a Photo Electric Solar Generation Facility (the "Utility Facility") on the Property and serve the utility needs of the Purchaser which includes providing electricity to the District No. 2044's discharge pumps and related reclamation infrastructure. The County is willing to issue the requested building permit for the Utility Facility and grant the appropriate entitlement to allow the Utility Facility (and accessory use) on the Property for the benefit of District so long as the District operates the Utility Facility on the Property as generally described in the Deed Restrictions as more particularly described in the Full Legal Description attached hereto as EXHIBIT "B".

ARTICLE II CONVEYANCE OF THE PROPERTY

Section II.1 The Property. Seller agrees to sell and convey to Purchaser and Purchaser agrees to purchase from Seller in accordance with the terms and conditions of this Agreement, all the Seller's right, title, and interest in and to the following, if any (collectively referred to as the **"Property"**):

(a) The real property, including all right, title, and interest therein, located at County of San Joaquin, California, as more particularly described in **Exhibit A** attached hereto and made a part hereof ~~(the "Real Property")~~.

(b) All rights, privileges, easements, and rights-of-way appurtenant to said ~~Real~~ Property, excluding all mineral, oil and gas, and other subsurface rights, development rights, and air rights.

(c) All improvements and fixtures located on the ~~Real~~ Property, including, without limitation: (i) all structures affixed to the ~~Real~~ Property; (ii) all apparatus, equipment, and appliances used in connection with the operation or occupancy of the ~~Real~~ Property; and (iii) all facilities used to provide any services to the ~~Real~~ Property or the structures affixed thereto (collectively, the **"Improvements"**).

ARTICLE III PURCHASE PRICE AND DEPOSIT

Section III.1 Purchase Price. Purchaser shall pay Seller through escrow the sum of Forty-Nine Thousand and 00/100 Dollars (\$49,000) (the "**Purchase Price**"), subject to such apportionments, adjustments, and credits as are provided in Article X.

Section III.2 Payment of Purchase Price. Purchaser shall pay the Purchase Price by wire transfer of immediately available federal funds to Chicago Title Company, attention Sherri Cearley, Escrow Officer, 203 W. March Lane, Ste # 110, Stockton CA 95219 ("**Escrow Holder**"). Escrow Holder agrees to hold the Purchase Price in escrow pursuant to the terms of this Agreement. Any interest earned on the Purchase Price shall be deemed to be part of the Purchase Price, it being understood and agreed that if the transaction contemplated under this Agreement closes, any interest earned shall be credited to the Purchase Price upon the Closing. The balance of the Purchase Price, adjusted to reflect prorations and other adjustments pursuant to Article X, shall be deposited by Purchaser's wire transfer of immediately available federal funds with Escrow Holder at least one (1) Business Day prior to the Closing Date.

ARTICLE IV INVESTIGATION OF THE PROPERTY

Section IV.1 Purchaser's Inspection Period. Notwithstanding any other provisions to the contrary contained in this Agreement, Purchaser shall have seven (7) days from the Effective Date ("**Inspection Deadline**") in which to make such investigations and studies with respect to the Property as Purchaser deems appropriate ("**Inspection Period**"). Purchaser shall have the right to terminate this Agreement for any reason whatsoever, in Purchaser's sole and absolute discretion, by sending written notice to Seller with a copy to Escrow Holder. If Purchaser elects to terminate this Agreement, Purchaser's termination notice is to be received on or before the Inspection Deadline. If, however, Purchaser fails to give timely notice of such termination and such termination notice is not received by Seller on or before 5:00 p.m. Pacific Time on the Inspection Deadline, then Purchaser's rights under this Section 4.01 shall be deemed to have been waived by Purchaser. In such an event, this Agreement shall remain in full force and effect without any longer being subject to this Section 4.01, Subject to the provisions of Section 4.02, Purchaser and its agents, employees, consultants, inspectors, appraisers, engineers, and contractors (collectively "**Purchaser's Representatives**") shall have the right, through the Inspection Deadline, upon the advance notice required pursuant to Section 4.02(b), to enter upon and pass through the Property during normal business hours to examine and visually inspect the same, however, unless otherwise agreed in writing by the parties.

Section IV.2 Seller Indemnification. Purchaser agrees to indemnify and hold Seller and its disclosed or undisclosed, direct and indirect shareholders, officers, directors, trustees, partners, principals, members, employees, agents, affiliates, representatives, consultants, accountants, contractors, and attorneys or other advisors, and any successors or assigns of the foregoing (collectively with Seller, the "**Seller-Related Parties**") harmless from and against any and all losses, costs, damages, liens, claims, liabilities, or expenses (including, but not limited to, reasonable attorneys' fees, court costs, and disbursements) incurred by any Seller-Related Parties arising from or by reason of Purchaser's and/or Purchaser's Representatives' access to, or inspection of, the Property, or any tests, inspections, or other due diligence conducted by or on

behalf of Purchase. The provisions of this Section 4.03 shall survive the Closing or any termination of this Agreement.

ARTICLE V ESCROW

Section V.1 Escrow Terms. Escrow Holder shall hold and disburse the Purchase Money in accordance with the following provisions:

- (a) If the Closing occurs, then Escrow Holder shall deliver the Purchase Money on deposit to Seller.
- (b) If Escrow Holder receives a notice signed by Purchaser or Seller (the "**Noticing Party**") stating that: (i) this Agreement has been cancelled or terminated pursuant to the terms of a specific section of this Agreement giving either Purchaser or Seller the right to terminate this Agreement, and that such Noticing Party is entitled to the Purchase Money Deposit.

Section V.2 No Liability. Escrow Holder is acting hereunder without charge as an accommodation to Purchaser and Seller, it being understood and agreed that Escrow Holder shall not be liable for any error in judgment or any act done or omitted by it in good faith or pursuant to court order, or for any mistake of fact or law. Escrow Holder shall not incur any liability in acting upon any document or instrument believed thereby to be genuine. Escrow Holder is hereby released and exculpated from all liability hereunder, except only for willful misconduct or gross negligence. Escrow Holder may assume that any person purporting to give it any notice on behalf of any Party has been authorized to do so. Escrow Holder shall not be liable for, and Purchaser and Seller hereby jointly and severally agree to indemnify Escrow Holder against, any loss, liability, or expense, including reasonable attorneys' fees (either paid to retained attorneys or, representing the fair value of legal services rendered by Escrow Holder to itself), arising out of any dispute under this Agreement, including the cost and expense of defending itself against any claim arising hereunder. The provisions of this Section 5.02 shall survive the termination of this Agreement.

ARTICLE VI CLOSING

The closing of the transaction contemplated hereby (the "**Closing**") shall occur in escrow at or before 11:00 a.m. Pacific Time on or before July __*, 2025 (the "**Closing Date**") in accordance with the terms and conditions of this Agreement. The Closing shall occur in escrow, with Seller submitting Seller's Closing Deliverables (as defined in Section 8.01 below) and Purchaser submitting Purchaser's Closing Deliverables (as defined in Section 8.02 below) to the Title Company on or prior to 3:00 p.m. Pacific Time on the Business Day prior to the Closing Date pursuant to Seller's and Purchaser's respective closing instructions to the Title Company, which must be consistent with the terms of this Agreement. Seller agrees to deliver possession of the Property to Purchaser on the Closing Date.

ARTICLE VII
EXCEPTIONS TO TITLE; TITLE MATTERS

Section VII.1 Permitted Exceptions and Representations. The Property shall be sold, assigned, and conveyed by Seller to Purchaser, and Purchaser shall accept and assume same, subject only to the following matters (collectively, the "**Permitted Exceptions**"):

- (a) All presently existing and future liens for unpaid real estate taxes, assessments, and public utility charges that are not due and payable as of the Closing Date, subject to adjustment as provided pursuant to the terms of this Agreement.
- (b) All present and future zoning, building, environmental, and other laws, statutes, ordinances, codes, rules, restrictions, requirements, regulations, and executive mandates of all governmental authorities having jurisdiction with respect to the Property, including, without limitation, landmark designations, all zoning variances, and special exceptions, if any ~~[, provided, however, that the same are not violated by the Improvements or prohibit or materially impair the continued use of the Property as it is being used on the date of this Agreement]~~ (collectively, "**Laws and Regulations**").
- (c) All covenants, restrictions, and rights of record and all easements and agreements of record for the erection and/or maintenance of water, gas, steam, electric, telephone, sewer, or other utility pipelines, poles, wires, conduits, or other like facilities, and appurtenances thereto, over, across, and under the Property (collectively, "**Rights**").
- (d) Any state of facts which would be shown on or by an accurate current survey of the Property/Any state of facts shown on the survey dated on or about June 27, 2025 made by Michael Quartaroli, together with any additional state of facts that a subsequent accurate survey of the Property would show (collectively, "**Facts**").
- (e) Rights of Tenants. ~~Seller represents that there are no tenants or subtenants on the Property, nor is Seller aware that of the Property pursuant to leases and any and all amendments, assignments, and subleases with Seller, or~~ any predecessor fee owner of the Property ~~has or other statutory~~ Tenants, ~~and/or~~ others claiming by, through, or under any such Tenants.
- (f) All violations of building, fire, sanitary, environmental, housing, and similar Laws and Regulations whether or not noted or issued at the date hereof or at the Closing Date and any notices of violations of law or ordinances, orders, or requirements noted or issued prior to, on, or after the date of this Agreement (collectively, the "**Violations**").
- (g) ~~Consents by~~ Seller ~~represents that neither it, nor~~ any former owner of the Property, ~~has objections or legal cause to prevent for~~ the erection and maintenance of any structure or structures on, under, or above any street or roads on which the Property may abut.

(h) ~~Possible encroachments and/or projections of stoop areas, roof cornices, window trims, vent pipes, cellar doors, steps, columns and column bases, flue pipes, signs, piers, lintels, windowsills, fire escapes, satellite dishes, protective netting, sidewalk sheds, ledges, fences, coping walls (including retaining walls and yard walls), air conditioners, and the like, if any, on, under, or above any street or highway, the Property or any adjoining property.~~

(i) The standard conditions and exceptions to title contained in the Title Report or the form of Title Policy issued to Purchaser by the Title Company.

(j) Any lien or encumbrance (including, without limitation, any mechanics lien and materialmen's lien) the removal of which is the obligation of Sellera Tenant.

(k) The Non-Objectable Encumbrances and any liens, encumbrances, or other title exceptions approved or waived by Purchaser as provided in this Agreement.

(l) Any other matter which the Title Company may raise as an exception to title, provided the Title Company shall insure against collection or enforcement of same and/or that no prohibition of present use or maintenance of the Property shall result therefrom, as may be applicable.

(m) Any lien or encumbrance arising out of the acts or omissions of Purchaser.

(n) Seller represents that there no outstanding and unpaid ~~Any~~ special assessments including but not limited to any and all special assessments that are presently assessed, a lien against or imposed on the Property not yet due and payable, payable in installments, and/or in a lump sum.

(o) Any exceptions disclosed in the Title Report which shall be extinguished upon the transfer of the Property.

Section VII.2 Title. Seller shall promptly order from Chicago Title Company (the "**Title Company**"), a title commitment or preliminary report (the "**Title Report**") and shall cause a copy of the Title Report to be delivered to Purchaser's attorney. If Purchaser fails to give Seller such notice of any objections to the Title Report, Purchaser shall be deemed to have unconditionally waived any additional matters as to which it fails to give such notice to Seller.

Section VII.3 Seller Unable to Convey.

(a) If, on the Closing Date, Seller fails or is unable to convey title to the Property to Purchaser subject to and in accordance with the provisions of this Agreement, Seller and Purchaser shall have the following rights and obligations:

(i) Seller shall be entitled to reasonable adjournments of the Closing one or more times for a period not to exceed twenty (20) days in the aggregate to enable Seller to convey such title to the Property;

(ii) If Seller does not elect to adjourn the Closing, and on the Closing Date fails or is unable to convey title subject to and in accordance with the provisions of this Agreement, Purchaser shall be entitled, to either: (A) terminate this Agreement by written notice to Seller and Escrow Holder delivered on or before the Closing Date, in which event Purchaser shall be entitled to a return of any monies deposited, and this Agreement shall thereupon be deemed terminated and of no further effect, and neither Party hereto shall have any obligations to the other hereunder or by reason hereof, except for the provisions hereof that expressly survive termination of this Agreement; or (B) complete the purchase (with no reduction in the Purchase Price) with such title as Seller is able to convey on the Closing Date. If Purchaser shall fail to give such notice as aforesaid, Purchaser shall be deemed to have elected subclause (B) above and the Closing shall take place on the Closing Date.

(iii) Seller shall, at the option of the Purchaser, agree to lease the Property to Purchaser.

(b) ~~Notwithstanding anything to the contrary contained in this Agreement,~~ Seller shall ~~not be required to~~ take or bring any action or proceeding or any other steps to remove any defect in or objection to title or to fulfill any condition precedent to Purchaser's obligations under this Agreement ~~including expending or to expend any~~ moneys therefor, ~~and providing nor shall~~ Purchaser ~~with the have any~~ right of action against Seller therefor, at law or in equity, ~~except that Seller shall, on or prior to the Closing,~~ pay, discharge, or remove of record or cause any voluntary lien to be paid, discharged, or removed of record at Seller's sole cost and expense.

Section VII.4 Title as Seller Can Convey. Notwithstanding anything in Section 7.01 and Section 7.03 above to the contrary, Purchaser may at any time accept such title as Seller can convey, without reduction of the Purchase Price or any credit or allowance on account thereof or any claim against Seller. The acceptance of the Deed by Purchaser shall be deemed to be full performance of, and discharge of, every agreement and obligation on Seller's part to be performed under this Agreement, except for such matters which are expressly stated to survive the Closing hereunder.

ARTICLE VIII CLOSING DELIVERIES

Section VIII.1 Seller's Closing Deliveries. No later than one (1) Business Day prior to the Closing Date, Seller shall deliver or cause to be delivered to the Escrow Holder one (1) original (unless otherwise indicated) of the following (collectively, the "**Seller's Closing Deliverables**"):

(a) A grant deed subject to the Permitted Exceptions (the "**Deed**") in substantially the form of **Exhibit CB** attached hereto and made a part hereof, duly executed by Seller with the appropriate acknowledgment form and otherwise in proper form for recording conveying title to the Property to Purchaser as required by this Agreement. The delivery of the Deed by Seller, and the acceptance by Purchaser, shall be

deemed the full performance and discharge of every obligation on the part of Seller to be performed pursuant to this Agreement, except those obligations of Seller which are expressly stated in this Agreement to survive the Closing.

(b) A certification stating its taxpayer identification number for federal income tax purposes and affirming that Seller is not a "foreign person" within the meaning of Section 1445 of the Internal Revenue Code, as amended and the regulations thereunder (the "**FIRPTA Certificate**") and a California Franchise Tax Board (FTB) Form 593, each duly executed by Seller.

(c) All keys, key cards, combinations, and access codes relating to the operation of the Property, to the extent in Seller's possession or control.

(d) An original or electronically signed copy of the Closing Statement prepared by Escrow Holder under Section 10.06 of this Agreement for Seller, executed by Seller.

(e) All other documents reasonably necessary or otherwise required by the Escrow Holder or the Title Company to consummate the transaction contemplated by this Agreement.

Section VIII.2 Purchaser's Closing Deliveries. No later than one (1) Business Day prior to the Closing Date, Purchaser shall deliver or cause to be delivered to the Escrow Holder in Escrow one (1) original (unless otherwise indicated) of the following (collectively, the "**Purchaser's Closing Deliverables**"):

(a) The balance of the Purchase Price as set forth in Section 3.02(b), as adjusted for apportionments pursuant to Article X of this Agreement.

(b) A written Resolution /consent executed by the Secretary of the-
members/managers/board of directors/partners of Purchaser authorizing the transaction contemplated hereby and the execution and delivery of the documents required to be executed and delivered hereunder.

(c) Such evidence as the Title Company may require as to the authority of the person or persons executing documents on behalf of Purchaser;

(d) An original or electronically signed copy of the Closing Statement prepared by Escrow Holder under Section 10.06 of this Agreement for Purchaser, executed by Purchaser.

(e) All other documents reasonably necessary or otherwise required by Escrow Holder or the Title Company to consummate the transactions contemplated by this Agreement.

The Seller's obligation to sell the Property to the Purchaser shall be subject to the Purchaser's delivery of the Purchaser's Closing Deliverables (or the Seller's written waiver thereof, it being agreed that the Seller may waive in writing any of the Purchaser Closing Deliveries).

ARTICLE IX CLOSING COSTS

Section IX.1 Closing Costs.

(a) Seller shall pay: (i) the recording charges for the Deed; (ii) that portion of the premium for a standard coverage Title Policy; (iii) all documentary transfer taxes assessed by the County of San Joaquin and one-half (1/2) of the transfer taxes assessed by any City or County, in connection with the recordation of the Deed; and (iv) one-half (1/2) of the Escrow Holder's fee. In addition, Seller shall pay outside of escrow all legal and professional fees and costs of attorneys and other consultants and agents retained by Seller.

(b) Purchaser shall pay: (i) all document recording charges applicable to recording loan documents for its financing from Purchaser's lender; (ii) the additional premium for ALTA extended coverage and any title endorsements requested by Purchaser; (iii) one-half (1/2) of the Escrow Holder's fee; (iv) one-half (1/2) of the transfer taxes assessed by any City or County unless determined to be exempt; and (v)] all charges incurred by Purchaser for the Purchaser's Survey or any update to the Seller's Survey. Purchaser shall pay outside of Escrow all costs and expenses related to the Purchaser's investigation of the Property, and all legal and professional fees and costs of attorneys and other consultants and agents retained by Purchaser.

ARTICLE X APPORTIONMENTS

Section X.1 Apportionments at Closing. The following shall be prorated as of 11:59 p.m. Pacific Time on the day immediately preceding the Closing Date (the "**Apportionment Date**") on the basis of the actual number of days of the month which shall have elapsed as of the Closing Date and based upon the actual number of days in the month and a three hundred sixty-five/three hundred sixty-five (365)-day year:

(a) All real estate and personal property taxes and assessments attributable to the Property. Seller shall be charged with all such taxes up to, but not including, the Closing Date. If the applicable tax rate and assessments for the Property have not been established for the year in which Closing occurs, the proration of real estate taxes, personal property taxes, and assessments, as the case may be at Closing, shall be based upon the rate and assessments for the preceding year. All taxes imposed because of a change in ownership of the Property shall be paid by Purchaser. If any reduction in real estate taxes or assessment affecting the Property are granted for any tax year prior to or in which the Closing occurs, then Seller shall be entitled to receive its pro rata share of such reduction, in the form of a refund from the taxing authority or payment from Purchaser upon Purchaser's receipt of such refund or credit against current taxes or assessments which is attributable to any such reduction. If there any special assessment or bonds which encumber the Property, Purchaser shall pay any and all future installments of such bonds or assessments affecting the Property which accrue from and after the Closing

Date. Any bond payments or assessments liens payable for the current period shall be prorated in accordance with this Section 10.01(b).

(b) All ~~water, sewer, garbage hauling fees, electric, telephone, fuel,~~ and other utility charges based on the last ascertainable bill unless meter readings are made as of the Closing Date, in which case such meter readings shall govern. If the apportionment is not based on an actual current reading, but rather the last ascertainable bill, then upon the taking of a subsequent actual reading (which shall be conducted no later than Thirty (30) days following the Closing), the parties shall readjust such apportionment and Seller shall deliver to Purchaser or Purchaser shall deliver to Seller, as the case may be, the amount determined to be due upon such readjustment.

(c) Any charges or fees for transferable licenses and permits for the Property.

(d) All other costs, operating expenses, or other items pertaining to the Property that are customarily prorated in connection with the sale of a property substantially similar to the Property in the County of San Joaquin, California.

Section X.2 Utility Charges. All water, electric, ~~telephone, fuel,~~ and other utility charges that were prorated as of the Closing Date based on the last ascertainable bill shall be adjusted and prorated as of the Closing Date upon receipt of the actual statements for said utilities.

Section X.3 Closing Statement. At least two (2) Business Days prior to the Closing Date, the parties shall agree upon all the prorations to be made and submit that information to Escrow Holder. At least one (1) Business Day prior to the Closing Date, Escrow Holder shall prepare and deliver for Seller's and Purchaser's review and approval a final closing statement for each Party reflecting the prorations and adjustments agreed to by Seller and Purchaser, together with all remaining charges, credits, and adjustments and the balance of the Purchase Price due Seller (each, a "**Closing Statement**"). In the event that any prorations, apportionments, or computations made under this Article X require final adjustment, then the parties shall make the appropriate adjustments promptly when accurate information becomes available and either Party hereto shall be entitled to an adjustment to correct the same. Any corrected adjustment or proration shall be paid in cash to the Party entitled thereto. The provisions of this Section 10.06 shall survive the Closing.

Section X.4 Seller's Insurance. Seller shall not be required to assign any policies of insurance in respect of the Property to Purchaser and Purchaser shall be responsible for obtaining its own insurance as of the Closing Date.

Section X.5 Disbursements and Other Actions by Escrow Holder. At the Closing, Escrow Holder shall promptly undertake all the following in the manner indicated:

(a) Record the Deed in the Official Records of San Joaquin County, California (the "**Official Records**");

(b) Disburse the funds deposited with Escrow Holder in accordance with each Party's respective Closing Statement;

(c) Deliver to Seller: (i) a conformed copy of the Deed showing the applicable recording information thereon; (ii) a copy of the final Closing Statement; and (iii) originals (or copies where originals are not available) of each other non-recorded documents submitted into escrow by Purchaser and Seller; and

(d) Deliver to Purchaser: (i) the recorded Deed showing the applicable recording information thereon; (ii) a copy of the final Closing Statement; and (iii) originals (or copies where originals are not available) of each other non-recorded documents submitted into escrow by Purchaser and Seller.

Section X.6 Survival. The provisions of this Article X shall survive the Closing or the earlier termination of this Agreement; provided, however, that any reappropriations or reapportionments shall be made as and when required under Section 10.06 hereof. Any corrected adjustment or proration shall be paid by wire transfer of immediately available funds to the Party entitled thereto.

ARTICLE XI SELLER'S COVENANTS

Section XI.1 Seller's Covenants. Seller covenants that:

(a) From the Effective Date until the Closing, Seller shall:

(i) Maintain the Property in the ordinary course of business and deliver the Property to Purchaser at the Closing in substantially the same condition it was in as of the Effective Date, ordinary wear and tear excepted;

(ii) Continue its customary practices with respect to contracts affecting the Property; and

(iii) Maintain general liability and property damage insurance in amounts that it customarily maintains.

ARTICLE XII REPRESENTATIONS AND WARRANTIES

Section XII.1 Seller's Representations and Warranties.

(a) Except as expressly set forth in this Section 13.01, Seller has not made and does not make any representations or warranties, including any representations or warranties as to the physical and environmental condition, layout, leases, footage, Rents, income, expenses, zoning, or other matters with respect to the Property.

(b) Seller hereby represents and warrants to Purchaser that on and as of the date of this Agreement and on and as of the Closing Date as follows:

(i) This Agreement is valid and binding upon Seller, subject to bankruptcy, reorganization, and other similar laws affecting the enforcement of creditors' rights generally;

(ii) Neither the execution, delivery, and performance of this Agreement, nor the consummation of the transactions contemplated hereby is prohibited by, or requires Seller to obtain any consent, authorization, approval, or registration under any law, statute, rule, regulation, judgment, order, writ, injunction, or decree which is binding upon Seller;

(iii) Seller is not a "foreign person" within the meaning of Section 1445 of the Internal Revenue Code 1986, as amended, or any regulations promulgated thereunder, and is exempt from withholding pursuant to California FTB Form 593.

Section XII.2 Limitations of Seller's Representations and Warranties. Seller's representations and warranties set forth in this Article XIII are subject to all the following:

(a) The "**Designated Employees**" shall be solely be Henry J. Foppiano III "Skip". References to the "knowledge" of Seller shall: (i) refer only to the current actual knowledge of the Designated Employees, and shall not be construed, by imputation or otherwise, to refer to the knowledge of Seller or any affiliate of Seller, any property manager, or any officer, agent, manager, representative, or employee of Seller other than the Designated Employees; and (ii) not impose upon any Designated Employee or any other person any duty to investigate the matter to which such knowledge, or the absence thereof, pertains.

(b) The representations and warranties of Seller set forth in Section 13.01 hereof shall survive Closing for a period of six (6) months, at which time they shall be merged with the Deed.

Section XII.3 Purchaser's Representations and Warranties.

(a) Purchaser represents and warrants to Seller that:

(i) Purchaser, a public entity exempt from taxation, has the full power and authority to enter into and perform this Agreement in accordance with its terms. Purchaser is an entity, duly formed and in good standing under the laws of the State of California and is qualified to conduct business in the State of California. All requisite action ~~(corporate, trust, partnership, or otherwise)~~ has been taken by Purchaser in connection with this Agreement or shall have been taken on or prior to the Closing Date. Purchaser's execution, delivery, and performance of this Agreement have been duly authorized, and all required consents or approvals have been obtained. The individuals executing this

Agreement on behalf of Purchaser have the power and authority to bind Purchaser to the terms and conditions of this Agreement;

(ii) This Agreement is a valid and binding obligation of Purchaser, enforceable against Purchaser in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, or other similar laws affecting the enforcement of creditors' rights generally;

(iii) Purchaser has not violated any contract, agreement, or other instrument to which Purchaser is a party nor any judicial order, judgment, or decree to which Purchaser is bound by: (A) entering into this Agreement; (B) executing any of the documents Purchaser is obligated to execute and deliver on the Closing Date; or (C) performing any of its duties or obligations under this Agreement or otherwise necessary to consummate the transactions contemplated by this Agreement;

(iv) There are no judgments, orders, or decrees of any kind against Purchaser unpaid or unsatisfied of record, or, to the best of Purchaser's knowledge, which would have any material adverse effect on the business or assets or the condition, financial or otherwise, of Purchaser or the ability of Purchaser to consummate the transactions contemplated by this Agreement, and there are no actions, lawsuits, litigation, or proceedings pending or threatened in any court or before any governmental or regulatory agency that affect Purchaser's power or authority to enter into or perform this Agreement; and

(v) Purchaser shall defend and indemnify Seller against, and hold Seller harmless from, all claims, demands, liabilities, losses, damages, costs, and expenses, including reasonable attorneys' fees, asserted by third parties for any breach, default, or violation of any Lease, or covenant thereof, occurring after the Closing Date.

(b) The representations and warranties set forth in Section 13.03 shall be continuing and shall be true and correct in all material respects as of the Closing Date with the same force and effect as if made at that time. The representations and warranties set forth in Section 13.03 shall survive the Closing for sixty (60) days after the Closing Date and shall not be affected by any investigation, verification, or approval by any party or anyone on behalf of any Party to this Agreement.

Section XII.4 California Health & Safety Code Section 78700 Disclosure. Section 78700 of the California Health & Safety Code requires owners of nonresidential real property who know, or have reasonable cause to believe, that any release of hazardous substance has come to be located on or beneath the real property to provide written notice of such to a purchaser of the real property. Purchaser acknowledges and agrees that the sole inquiry and investigation Seller has conducted in connection with the environmental condition of the Property is to obtain and/or review those certain environmental reports, assessments, and studies of the Property delivered to Purchaser pursuant to this Agreement, if any (collectively, "**Seller's Environmental Reports**"). Purchaser: (a) acknowledges Purchaser's receipt of the foregoing

notice given pursuant to Section 78700 of the California Health and Safety Code; (b) is fully aware of the matters described in the Seller's Environmental Reports, if any; and (c) after receiving advice of Purchaser's legal counsel, waives any and all rights Purchaser may have to assert that Seller has not complied with the requirements of Section 78700 of the California Health and Safety Code. The representations, warranties, and agreements in this Section 13.05 shall survive the Closing.

ARTICLE XIII CONDITIONS TO CLOSING

Section XIII.1 Conditions to Obligations of Seller. Notwithstanding anything to the contrary contained herein, the obligation of Seller to close title in accordance with this Agreement is expressly conditioned upon the fulfillment by and as of the time of the Closing, of each of the conditions listed below, provided that Seller, at its election, evidenced by written notice delivered to Purchaser at or prior to the Closing, may waive any of such conditions:

(a) Purchaser shall have: (i) executed and delivered to Seller all the documents required to be delivered by Purchaser at the Closing; (ii) paid the full balance of the Purchase Price in accordance with Section 3.02(b) above; (iii) paid all other sums of money required under this Agreement; and (iv) taken or caused to be taken all the other actions required of Purchaser pursuant to this Agreement.

(b) Purchaser shall not be in default of any covenant or agreement to be performed by Purchaser under this Agreement and shall have performed all other obligations required to be performed by it under this Agreement on or prior to the Closing Date.

(c) The representations and warranties of Purchaser contained in Section 13.03 shall be true and correct.

Section XIII.2 Conditions to Obligations of Purchaser. Notwithstanding anything to the contrary contained herein, the obligation of Purchaser to close the transaction and pay the Purchase Price in accordance with this Agreement is expressly conditioned upon the fulfillment by and as of the time of the Closing of each of the conditions listed below, provided that Purchaser, at its election, evidenced by written notice delivered to Seller at or prior to the Closing, may waive all or any of such conditions:

(a) Seller shall have executed and delivered to Purchaser all the documents required to be delivered by Seller at the Closing and taken all other action required of Seller at the Closing.

(b) All representations and warranties made by Seller in Section 13.01 shall be true and correct in all material respects as if made on the Closing Date; provided, however, to the extent the facts and circumstances underlying such representations and warranties may have changed as of the Closing Date, Seller shall have the right to update its representations and warranties as of the Closing Date and Purchaser shall be obligated to consummate the transactions contemplated by this Agreement on the Closing Date.

(c) The Title Company shall be willing to insure title to the Property pursuant to an ALTA Title Insurance Policy in the amount of the Purchase Price, subject only to the Permitted Exceptions and as otherwise provided in this Agreement (the "**Title Policy**").

(d) Purchaser's inspection of the Property does not reveal Hazardous Materials or violation of Environmental Laws.

Section XIII.3 Failure of Conditions to Closing.

(a) If any condition precedent to Seller's obligation is not timely satisfied (and Seller has not waived the condition in writing), then Seller, in Seller's sole and absolute discretion, may (in addition to any rights Seller may have under Section 18.01 of this Agreement in the event that the non-satisfaction of a condition is a result of a breach or default by Purchaser) terminate this Agreement by written notice thereof to Purchaser and Escrow Holder, and Escrow Holder shall refund to Purchaser the Purchase Price, together with Purchaser's Costs, and upon such refund and payment being made, this Agreement shall terminate and have no further force or effect and neither Party shall have any further rights or obligations with respect to each other or this Agreement.

ARTICLE XIV BROKERAGE COMMISSIONS

Section XIV.1 Purchaser Representation. Purchaser represents and warrants to Seller that it has not dealt or negotiated with or engaged on its own behalf or for its benefit, any broker, finder, consultant, advisor, or professional in the capacity of a broker or finder (each a "**Broker**") in connection with this Agreement or the transactions contemplated hereby. Purchaser hereby agrees to indemnify, defend, and hold Seller and any Seller-Related Parties, harmless from and against any and all claims, demands, causes of action, losses, costs, and expenses (including reasonable attorneys' fees, court costs, and disbursements) arising from any claim for commission, fees, or other compensation or reimbursement for expenses made by any Broker other than Purchaser's Broker engaged by or claiming to have dealt with Purchaser in connection with this Agreement or the transactions contemplated hereby.

Section XIV.2 Seller Representation. Seller represents and warrants to Purchaser that it has not dealt or negotiated with or engaged on its own behalf or for its benefit, any Broker in connection with this Agreement or the transactions contemplated hereby. Seller hereby agrees to indemnify, defend, and hold Purchaser and its disclosed and undisclosed direct and indirect shareholders, officers, directors, partners, principals, members, employees, agents, contractors, and any successors or assigns of the foregoing, harmless from and against any and all claims, demands, causes of action, losses, costs, and expenses (including reasonable attorneys' fees, court costs, and disbursements) arising from any claim for commission, fees, other compensation, or reimbursement for expenses made by any Broker (including Seller's Broker) engaged by or claiming to have dealt with Seller in connection with this Agreement or the transactions contemplated hereby.

Section XIV.3 Survival. The provisions of this Article XV shall survive the termination of this Agreement or the Closing.

ARTICLE XV AS-IS

Section XV.1 AS-IS, WHERE IS. Except as expressly set forth in this Agreement to the contrary, Purchaser is expressly purchasing the Property in its existing condition "**AS-IS, WHERE IS, AND WITH ALL FAULTS**" and, except as expressly set forth in this Agreement, based upon the condition (physical or otherwise) of the Property as of the Effective Date, subject to: (a) the provisions of Article XVII of this Agreement; and (b) the representations and warranties of Seller set forth in this Agreement, subject to reasonable use, ordinary wear and tear, and without any reduction in or abatement of the Purchase Price. Purchaser has undertaken all such investigations of the Property as Purchaser deems necessary or appropriate under the circumstances as to the status of the Property and the existence or nonexistence of curative action to be taken with respect to any hazardous or toxic substances on or discharged from the Property, and based upon same, Purchaser is and shall be relying strictly and solely upon such inspections and examinations and the advice and counsel of its own consultants, agents, legal counsel, and officers.

Section XV.2 No Warranty or Other Representation. Neither Party to this Agreement is relying on any statement or representation not expressly stated in this Agreement. Purchaser specifically confirms and acknowledges that in entering into this Agreement, Purchaser has not been induced by, and has not relied upon, whether express or implied, warranties, guaranties, promises, statements, inducements, representations, or information pertaining to the Property or its uses, the physical condition, environmental condition, state of title, income, expenses or operation of the Property, or any other matter or thing with respect thereto, written or unwritten, whether made by Seller or any agent, employee, or other representative of Seller, or any broker or any other person representing (or purporting to represent) Seller, which are not expressly set forth in this Agreement. Seller shall not be liable for or bound by any written or unwritten statements, representations, warranties, brokers' statements, or other information pertaining to the Property furnished by Seller, any broker, any agent, employee, or other actual (or purported) representative of Seller, or any person, unless and only to the extent the same are expressly set forth in this Agreement.

Section XV.3 Environmental Laws; Hazardous Materials. Seller makes no warranty with respect to the presence of Hazardous Materials on, above or beneath the Property (or any parcel in proximity thereto) or in any water on or under the Property. The Closing hereunder shall be deemed to constitute an express waiver of Purchaser's right to cause Seller to be joined in any action brought under any Environmental Laws.

Section XV.4 As-Is; Seller Release.

(a) Except for the express representations and warranties of Seller found ~~herein, including~~ Section 13.01, Purchaser acknowledges that Purchaser has made thorough inspections and investigations of the Property, and Purchaser agrees to take title to the Property "**AS-IS, WHERE IS, AND WITH ALL FAULTS**" without any

representation or warranty of any kind or nature whatsoever, express or implied, and in the condition existing as of the date of this Agreement, subject to reasonable use, ordinary wear and tear, and without any reduction in or abatement of the Purchase Price. Purchaser has undertaken all such investigations of the Property as Purchaser deems necessary or appropriate under the circumstances as to the status of the Property and the existence or nonexistence of curative action to be taken with respect to any Hazardous Materials on or discharged from the Property, and based upon same, Purchaser is and shall be relying strictly and solely upon such inspections and examinations and the advice and counsel of its own consultants, agents, legal counsel, and officers.

(b) Purchaser specifically confirms and acknowledges that in entering into this Agreement, Purchaser has not been induced by, and has not relied upon, whether express or implied, warranties, guaranties, promises, statements, inducements, representations, or information pertaining to the Property or its uses, the physical condition, environmental condition, state of title, income, expenses, or operation of the Property, or any other matter or thing with respect thereto, written or unwritten, whether made by Seller or any agent, employee, or other representative of Seller, or any broker or any other person representing (or purporting to represent) Seller, which are not expressly set forth in this Agreement. Seller shall not be liable for or bound by any written or unwritten statements, representations, warranties, brokers' statements, or other information pertaining to the Property furnished by Seller, any broker, any agent, employee, or other actual (or purported) representative of Seller, or any person, unless and only to the extent the same are expressly set forth in this Agreement.

(c) Seller makes no warranty with respect to any aspect of the Property, including, without limitation, the presence of any Hazardous Materials on, above, beneath, or discharged from the Property (or any adjoining or neighboring property) or in any water on or under the Property.

(d) Purchaser releases Seller, the Seller-Related Parties, and their respective successors and assigns (individually, and collectively, a "**Released Party**") from and against any and all claims, damages, and causes of action which Purchaser or any of the Purchaser-Related Parties has or may have arising from or related to any matter or thing related to or in connection with the Property, including the value of the Property or its suitability for Purchaser's use, the documents and information referred to herein, the Leases, the Tenants, any construction defects, errors, or omissions in the design or construction and any environmental conditions, whether now known or unknown, whether foreseeable or unforeseeable, and whether or not apparent or yet to be discovered, or which may hereafter develop (collectively, the "**Claims**"). Neither Purchaser nor any of the Purchaser-Related Parties shall look to the Released Parties in connection with the foregoing for any redress or relief. This release shall be given full force and effect according to each of its express terms and provisions, including those relating to unknown and unsuspected Claims. To the extent required to be operative, the disclaimers and warranties contained herein are "conspicuous" disclaimers for purposes of any applicable law, rule, regulation, or order.

(e) Purchaser has made an investigation of the facts pertaining to this Agreement and to the Claims as Purchaser deems necessary. Purchaser understands that it may later discover Claims or facts that may be different from, or in addition to, those that it or any of the other Purchaser-Related Parties now knows or believes to exist regarding the subject matter of the release contained in this Agreement, and which, if known at the time of signing this Agreement, may have materially affected this Agreement and Purchaser's decision to enter into it and grant the release contained in this Agreement. Nevertheless, Purchaser intends to fully, finally, and forever settle and release all Claims that now exist, may exist, or previously existed, as set out in the release contained in this Section 16.04, whether known or unknown, foreseen or unforeseen, or suspected or unsuspected, and the release given herein is and shall remain in effect as a complete release, notwithstanding the discovery or existence of such additional or different facts. Purchaser, on behalf of itself and on behalf of the other Purchaser-Related Parties, hereby waives any right or Claim that might arise as a result of such different or additional Claims or facts. Purchaser has read, and understands, the provisions of California Civil Code Section 1542 ("**Section 1542**"), 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."

Purchaser, on behalf of itself and of the other Purchaser-Related Parties, expressly, knowingly, and intentionally waives any and all rights, benefits, and protections of Section 1542 and of any other applicable state or federal statute or common law principle limiting the scope of a general or specific release. Purchaser hereby specifically acknowledges that: (i) Purchaser has carefully reviewed this Section 6.06 and the waiver of Section 1542; (ii) Purchaser has discussed its import with legal counsel; and (iii) the provisions of this Section 16.04 and the waiver of Section 1542 are a material part of this Agreement and of the consideration paid to Seller under this Agreement.

Purchaser's Initials

(f) Purchaser, on its own behalf and on behalf of each of the Purchaser-Related Parties, covenants and agrees never to sue or otherwise commence or prosecute any action or other proceeding against any of the Released Parties, for all Claims released pursuant to the release in this Section 16.04 (the "**Release**"). If any of the Purchaser-Related Parties asserts a Claim that is contrary to the Release, Purchaser shall indemnify, defend, and hold harmless the Released Parties against whom such claim is asserted for all liabilities, including court costs and reasonable attorneys' fees, which are asserted against any of the Released Parties in connection with such action or proceeding. The Parties agree that this Section 16.04 (the "**Covenant Not to Sue**") may be pleaded by a Released Party as a full and complete defense to any action or proceeding by Purchaser

or any of the Purchaser-Related Parties that is contrary to the terms of the Release, and may be asserted as a basis for abatement of, or injunction against, said action or proceeding and as a basis for a cross-complaint for damages therein. If Purchaser or any of the Purchaser-Related Parties breaches the Covenant Not to Sue, any Released Party damaged thereby shall be entitled to recover not only the amount of any judgment which may be awarded in favor of such damaged Released Party, but also any other damages, costs, and expenses as may be incurred by such damaged Released Party, including court costs, reasonable attorneys' fees, and all other costs and expenses, taxable or otherwise, in preparing the defense of, defending against, or seeking and obtaining abatement of, or injunction against, such action or proceeding, and establishing and maintaining the applicability of this Agreement.

(g) The provisions of this Section 16.04 shall survive the Closing or the earlier termination of this Agreement and shall not be deemed to have merged into any of the documents executed or delivered at the Closing.

Section XV.5 No Warranty or Other Representation. Except as expressly set forth in this Agreement to the contrary, Seller hereby disclaims all warranties of any kind or nature whatsoever (including, without limitation, warranties of habitability and fitness for particular purposes), whether expressed or implied including, without limitation, warranties with respect to the Property. Except as is expressly set forth in this Agreement, including the representations and warranties of Seller set forth herein, Purchaser acknowledges that it is not relying upon any representation of any kind or nature made by Seller, Seller's Broker, or any of the Seller-Related Parties, with respect to the Property, and that, in fact, except as expressly set forth in this Agreement to the contrary, no such representations were made. To the extent required to be operative, the disclaimers and warranties contained herein are "conspicuous" disclaimers for purposes of any applicable law, rule, regulation, or order.

Section XV.6 Survival. The provisions of this ~~Section 15~~~~Article XVI~~ shall survive the Closing or the earlier termination of this Agreement and shall not be deemed to have merged into any of the documents executed or delivered at the Closing.

ARTICLE XVI REMEDIES

Section XVI.1 Purchaser's Default. If Purchaser shall default in the observance or performance of Purchaser's obligations under this Agreement and the Closing does not occur as a result thereof (a "**Purchaser Default**"), Seller's sole and exclusive remedy shall be to retain the Purchase Price actually deposited plus any accrued interest thereon, if any, as and for full and complete liquidated and agreed damages for a Purchaser Default, and the parties shall be released from further liability to each other hereunder, except for those obligations and liabilities that are expressly stated to survive termination of this Agreement. **SELLER AND PURCHASER AGREE THAT IT WOULD BE IMPRACTICAL AND EXTREMELY DIFFICULT TO ESTIMATE THE DAMAGES WHICH SELLER MAY SUFFER UPON A PURCHASER DEFAULT AND THAT THE DEPOSIT AND ANY INTEREST EARNED THEREON, AS THE CASE MAY BE, REPRESENTS A REASONABLE**

ESTIMATE OF THE TOTAL NET DETRIMENT THAT SELLER WOULD SUFFER UPON A PURCHASER DEFAULT. SUCH LIQUIDATED AND AGREED DAMAGES ARE NOT INTENDED AS A FORFEITURE OR A PENALTY WITHIN THE MEANING OF APPLICABLE LAW, BUT ARE INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLER PURSUANT TO CALIFORNIA CIVIL CODE SECTIONS 1671, 1676, AND 1677. BY PLACING ITS INITIALS BELOW, EACH PARTY SPECIFICALLY CONFIRMS THE ACCURACY OF THE STATEMENTS MADE ABOVE AND THE FACT THAT EACH PARTY WAS REPRESENTED BY LEGAL COUNSEL WHO EXPLAINED, AT THE TIME THIS AGREEMENT WAS MADE, THE MEANING, THE EFFECT, AND THE CONSEQUENCES OF THIS LIQUIDATED DAMAGES PROVISION.

Seller's Initials

Purchaser's Initials

Section XVI.2 Seller's Default. If Seller shall default in the observance or performance of Seller's obligations under this Agreement or the Closing does not occur as a result thereof ("**Seller Default**"), Purchaser's sole and exclusive remedy shall be to: (a) waive such failure and proceed to the Closing with no reduction in the Purchase Price; or (b) terminate the Agreement and receive a refund of the Purchase Price deposited plus any accrued interest thereon. Purchaser agrees that its failure to file suit for specific performance against Seller within thirty (30) days after the Closing Date shall irrevocably constitute its election to proceed under option (b) hereof. Purchaser waives all rights to specific performance or injunctive relief or other relief to cause Seller to perform its obligations under this Agreement. Notwithstanding anything to the contrary contained in this Agreement, in no event shall Seller be liable to Purchaser for any damages of any kind whatsoever.

Section XVI.3 Survival. The provisions of this Article XVIII shall survive the Closing or the earlier termination of this Agreement and shall not be deemed to have merged into any of the documents executed or delivered at the Closing.

ARTICLE XVII GENERAL PROVISIONS

Section XVII.1 Notices. Unless specifically stated otherwise in this Agreement, all notices, waivers, and demands required under this Agreement shall be in writing and delivered to Purchaser, Seller, and Escrow Holder by one of the following methods:

- (a) Hand delivery, whereby delivery is deemed to have occurred at the time of delivery;
- (b) A nationally recognized overnight courier company, whereby delivery is deemed to have occurred the Business Day following deposit with the courier. Any Party may change its address for purposes of this Section 20.01 by giving written notice as provided in this Section 20.01.

All notices and demands delivered by a Party's attorney on a Party's behalf shall be deemed to have been delivered by said Party. Notices shall be valid only if served in the manner provided in this Section 20.01.

Section XVII.2 Complete Agreement; Amendments and Modifications; Partial Invalidity; Waivers.

(a) This Agreement may be executed in counterparts, and when executed by all Parties shall become one (1) integrated agreement enforceable on its terms. This Agreement supersedes all prior agreements between the Parties with respect to the Property and all discussions, understandings, offers, and negotiations with respect thereto, whether oral or written. This Agreement shall not be amended or modified, except in a writing signed by each Party hereto. If amended or modified as permitted by this Section 20.02, the term "Agreement" shall thereafter be read as including all said amendments and modifications. All exhibits that are referenced in this Agreement or attached to it are incorporated herein and made a part hereof as if fully set forth in the body of the document.

(b) Any term or provision of this Agreement, which is invalid or unenforceable in any jurisdiction will, as to that jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction. If any provision of this Agreement is so broad as to be unenforceable, the provision shall be interpreted to be only as broad as is enforceable.

(c) Any waiver of any provision or of any breach of this Agreement shall be in writing and signed by the Party waiving said provision or breach. No waiver of any breach of any agreement or provision herein contained shall be deemed a waiver of any preceding or succeeding breach thereof or of any other agreement or provision herein contained. No extension of time for performance of any obligations or acts shall be deemed an extension of the time for performance of any other obligations or acts. Effective as of the Closing, any breaches or conditions not waived previously (including any Title Report objections) in accordance with this Section 20.02(c) are deemed waived.

Section XVII.3 Parties; Assignment of Agreement; Successors and Assigns.

(a) Purchaser may not assign or otherwise transfer this Agreement or any of its rights or obligations hereunder or any of the direct or indirect ownership interests in Purchaser, without first obtaining Seller's prior written consent and approval thereto, which may be given or withheld in Seller's sole and absolute discretion.

(b) All references to Seller in this Agreement shall include Seller's assignee, including any assignment by Seller of Seller's assignment of its interest in this Agreement to a Qualified Intermediary under Section 20.04.

(c) The terms "**Party**" and "**Parties**" include Seller, Purchaser, their respective constituent entities, and their respective successors, assigns, and legal representatives. In the event either Seller or Purchaser is an individual, the term "Party" or "Parties" includes that individual's heirs.

(d) This Agreement and all its covenants, terms, and provisions shall be binding on and inure to the benefit of each Party and its assigns.

Section XVII.4 Further Assurances. From the Effective Date, Seller and Purchaser each agree to do such things, perform such acts, and make, execute, acknowledge, and deliver such documents as may be reasonably necessary and customary to complete the transactions contemplated by this Agreement. In particular, at the Closing and through the period that is Thirty (30) days following the Closing, Seller and Purchaser each agree to do such things as may be reasonably necessary with respect to the transfer of the operation of the Property, including with respect to the Contracts and Leases, to complete the transfer of the operation of the Property. This Section 20.05 shall survive the Closing for a period of Forty Nine Thousand (49,000) days thereafter.

Section XVII.5 Interpretation and Construction.

(a) The Parties acknowledge that, in connection with negotiating and executing this Agreement, each has had its own counsel and advisors and that each has reviewed and participated in the drafting of this Agreement. The fact that this Agreement was prepared by Seller's counsel as a matter of convenience shall have no import or significance to the construction of this Agreement. Any uncertainty or ambiguity in this Agreement shall not be construed against Seller because Seller's counsel prepared this Agreement in its final form. Any rule of construction that requires any ambiguities to be interpreted against the drafter shall not be employed in the interpretation of: (i) this Agreement; (ii) any exhibits to this Agreement; or (iii) any document drafted or delivered in connection with the transactions contemplated by this Agreement.

(b) Any captions or headings used in this Agreement are for convenience only and do not define or limit the scope of this Agreement.

(c) The singular of any term, including any defined term, shall include the plural and the plural of any term shall include the singular. The use of any pronoun with respect to gender shall include the neutral, masculine, feminine, and plural. The term "**Person**" or "**Persons**" includes a natural person or any corporation, limited liability company, partnership, trust, or other type of entity validly formed.

Section XVII.6 Time Is of the Essence. The parties hereto acknowledge and agree that, except as otherwise expressly provided in this Agreement, TIME IS OF THE ESSENCE for the performance of all actions (including, without limitation, the giving of notices, the delivery of documents and the funding of money) required or permitted to be taken under this Agreement.

Section XVII.7 Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of California.

Section XVII.8 No Survival. Except as otherwise provided in this Agreement, no representations, warranties, covenants, or other obligations of Seller set forth in this Agreement shall survive the Closing hereunder and no action based thereon shall be commenced after the Closing.

Section XVII.9 Attorneys' Fees and Income and Capital Gains Taxes.

(a) Seller and Purchaser each acknowledge that: (i) they have been represented by independent counsel in connection with this Agreement; (ii) they have executed this Agreement with the advice of such counsel; and (iii) this Agreement is the result of negotiations between the parties hereto and the advice and assistance of their respective counsel.

(b) Each Party to this Agreement shall be responsible for all costs it incurs in connection with the preparation, review, and negotiation of this Agreement and the transactions and the Closing contemplated by this Agreement, including any attorneys' or consultants' fees. In addition, each Party is responsible for its own income taxes and capital gains taxes resulting from its operation of the Property and such taxes shall not be a proration at the Closing.

(c) If any Party institutes any legal suit, action, or proceeding against the other Party to enforce this Agreement or seeks to obtain any other relief or remedy regarding any controversy, claim, or dispute between the Parties arising out of, relating to, or in connection with this Agreement or the breach thereof, the prevailing Party shall be entitled to receive, and the non-prevailing Party shall pay, in addition to all other remedies to which the prevailing Party may be entitled, the costs and expenses incurred by the prevailing Party in conducting the suit, action, or proceeding, including reasonable attorneys' fees and expenses, and court costs, even if not recoverable by law (including, without limitation, all fees, taxes, costs, and expenses incident to appellate, bankruptcy, and post-judgment proceedings). A Party shall be deemed to have prevailed in any such action or proceeding if such action is dismissed upon the payment by the other Party of the sums allegedly due or the performance of obligations allegedly not complied with, or performance of the covenant allegedly breached by it in the action, irrespective of whether such action is prosecuted to final judgment or determination, or if such Party obtains substantially the relief sought by it or defeats the claim by the other Party, whether by compromise, settlement, judgment, assertion of an affirmative defense, or the abandonment by the other Party of its claim or defense.

[SIGNATURES ON THE NEXT PAGE]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the date first written above.

THIS SIGNATURE BLOCK NEEDS HELP

Henry J. Foppiano III, a married man and
Lynette Foppiano, a married woman
(collectively referred to as the "Seller" or the
"Foppianos")

PURCHASER:

Reclamation District No. 2044

and

By: _____

Name:

Title:

Purchaser Reclamation District No. 2044, a
reclamation district formed pursuant to the
Reclamation District Act in the Water Code
Section 50000 et seq.

SELLERS:

("Purchaser" or "District No. 2044

Henry J. Foppiano III

Lynette Foppiano

The Escrow Holder is executing this Agreement to evidence its agreement to act as
escrow holder in accordance with the terms and conditions of this Agreement.

ESCROW HOLDER:

Chicago Title Company

By: _____

Name: Sherri Cearly

Title: Escrow Officer

EXHIBITS

<u>EXHIBIT A</u>	Full Legal Description for Property
<u>EXHIBIT B</u>	Grant Deed for Property

RECORDING REQUESTED BY

First American Title Insurance
Company National Commercial Services

**AND WHEN RECORDED MAIL DOCUMENT
AND TAX STATEMENT TO:**

Reclamation District No. 2044
400 East Kettleman Lane, Suite 20-K
Lodi, California 95240

_____ space Above This Line for Recorder's Use Only _____

A.P.N.: 070-080-047 (portion).

File No.: _____

GRANT DEED

The Undersigned Grantor(s) Declare(s): DOCUMENTARY TRANSFER TAX \$_____.00;
CITY TRANSFER TAX \$-0-; SURVEY MONUMENT FEE \$_____

☒ [X] computed on the consideration or full value of property conveyed,
OR

☐ [] computed on the consideration or full value less value of liens and/or encumbrances
remaining at time of sale, ☒ [X] unincorporated area; ☐ [] City of Stockton, and

**FOR A VALUABLE CONSIDERATION, receipt of which is hereby
acknowledged, Henry J. Foppiano III, a married man and Lynette Foppiano,
a married woman, hereby GRANTS to Reclamation District No. 2044, a
reclamation district formed pursuant to the Reclamation District Act in the
Water Code Section 50000 et seq.**

**the following described property in the Unincorporated Area of, County of San
Joaquin, State of California:**

**SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART
HEREOF FOR FULL LEGAL DESCRIPTION**

A.P.N.: 070-080-047 (portion).

File No.: _____

Dated: June __, 2025

Henry J. Foppiano III

Lynette Foppiano

State of California
County of San Joaquin

On _____, 2025, before me, _____, Notary Public,
personally appeared _____

_____, who proved to me on the basis of
satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within
instrument and acknowledged to me that he/she/they executed the same in his/her/their
authorized capacity(ies). And that by his/her/their signature(s) on the instrument the person(s),
or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

My Commission expires: _____

This area for official notarial seal

Notary Name: _____

Notary Phone: _____

Notary Registration Number: _____

County of Principal Place of Business: _____

Exhibit "A"
Description of
Reclamation District No. 2044 Solar Parcel

A portion of Parcel "1" (One) as described in that certain Certificate of Compliance recorded the 17th day of June, 2022 as Document No. 2022-075744, San Joaquin County Records, located on King Island, County of San Joaquin, State of California and more particularly described as follows:

Commencing at the Southeasterly corner of said Parcel "1" (One), said Southeasterly corner being on the centerline of G.A. Atherton Road No. 550 (a 90-foot wide road now known as Eight Mile Road) as described in that certain Indenture to the County of San Joaquin, recorded on the 8th day of November, 1928 in Volume 199 of Official Records, at Page 123, San Joaquin County Records; thence along the Southerly line of said Parcel "1" (One), being also said centerline, South 89°56'35" West, a distance of 3283.00 feet; thence at right angles to said Southerly line, North 00°03'25" West, a distance of 45.00 feet to the Northerly right-of-way line of said Eight Mile Road, being also the **True Point of Beginning**, thence continuing at right angles to said Southerly line, North 00°03'25" West, a distance of 386.00 feet; thence at right angles to last said course, South 89°56'35" West, a distance of 125.00 feet; thence at right angles to last said course, South 00°03'25" East, a distance of 176.24 feet to a point herein designated as **Point "A"**; thence continuing at right angles, South 00°03'25" East, a distance of 209.76 feet to said Northerly right-of-way line; thence along said Northerly right-of-way line, North 89°56'35" East, a distance of 125.00 feet to the **True Point of Beginning**, containing 1.11 acres, more or less.

Together with a 20.00 (Twenty) Foot Wide Non-Exclusive Ingress and Egress Easement, **the Centerline of which** is more particularly described as follows:

Beginning at the hereinabove described **Point "A"**; thence along the centerline of said 20-Foot Wide Non-Exclusive Ingress and Egress Easement on the following 3 (Three) courses:

1. North 87°30'19" West, a distance of 101.14 feet to the beginning of a tangent curve concaved to the Southeast having a radius of 30.00 feet;
2. Thence Southwesterly 50.44 feet along said curve through a central angle of 96°20'10" to the end of curve.

3. Thence South 03°50'30" East, a distance of 182.71 feet to said Northerly right-of-way line and being the **Point of Termination**.

The **Sidelines** of said 20-Foot Wide Non-Exclusive Ingress and Egress Easement to be lengthened or shortened to meet at angle points and to begin on the Westerly line of said 1.07 acre Parcel as described above and to end on said Northerly right-of-way line of Eight Mile Road.

A plat entitled "Exhibit A-1 Description of Reclamation District No. 2044 Solar Parcel" attached hereto is hereby made a part of this description.

As a governmental agency or public entity being party to the transaction, Reclamation District No. 2044 is exempt from compliance with the provisions of the California Subdivision Map Act under Sections 66426.5 and 66428 of the Government Code.

End of Description

Michael L. Quartaroli
Michael L. Quartaroli, L.S. 4450

5.30.2025
Date



EXHIBIT "A-1"

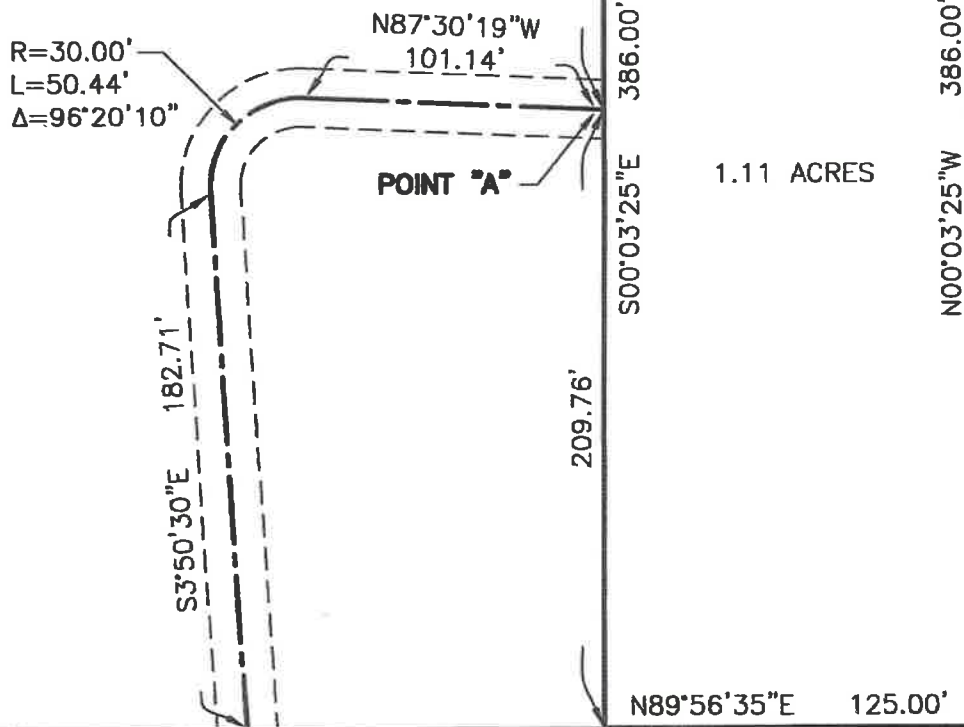
DESCRIPTION OF RECLAMATION DISTRICT NO. 2044 SOLAR PARCEL



5.30.2025
 CERTIFICATE OF COMPLIANCE
 PARCEL "1"
 DOC. NO. 2022-075744



NOT TO SCALE



CERTIFICATE OF
 COMPLIANCE
 PARCEL "1"
 DOC. NO.
 2022-075744

SOUTHEASTERLY
 CORNER OF
 PARCEL "1"
 PER DOC. NO.
 2022-075744

EIGHT MILE ROAD

QUARTAROLI & ASSOCIATES

LAND SURVEYING — LAND PLANNING
 (209) 239-4908
 310 SUN WEST PLACE, SUITE "A"
 MANTECA, CA. 95337

FOPPIANO DEED RESTRICTION

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

Reclamation District No. 2029
400 East Kettleman Lane
Ste. 20-K
Lodi, CA 95240

DEED RESTRICTION

This Deed Restriction (the "Restriction") is made this ____ day of June, 2025, (the "Effective Date") by Henry J. Foppiano III, a married man and Lynette Foppiano, a married woman, (collectively the "Owner").

RECITALS

A. The Owner holds title to a parcel, designated as APN# 071-080-47 [NEED TO UPDATE AFTER SPLIT], in San Joaquin County ("County"). The legal description of that parcel is set forth on the attached Exhibit "A-1". Reclamation District No. 2044 ("District"), also known as King Island, holds title to the parcel designated as APN #071-190-03. The legal description of that parcel is set forth in the attached Exhibit "A-2". Exhibits A-1 and A-2 are incorporated herein by this reference and referred to as parcel A-1 and A-2, respectively.

B. The Owner has requested a building permit from the County to erect a Photo Electric Solar Generation Facility (the "Utility Facility") on parcel A-1 to benefit and serve the utility needs of parcel A-2, which includes providing electricity to the District's discharge pumps and related reclamation infrastructure. The Owner has agreed to sell to District Parcel A-1 upon which the Utility Facility will be constructed and located. The terms and conditions of that sale, executed on _____, 2025, are detailed in the attached Exhibit "A-3", incorporated herein by this reference, and referred to as the "Solar Facility MOU".

c. The County is willing to issue the requested building permit for the Utility Facility and grant the appropriate entitlement to allow the Utility Facility (an accessory use) on parcel A-1 for the benefit of parcel A-2 during the term of the Solar Facility MOU and so long as the Utility Facility on parcel A-1 operates as a Utility Facility and benefits and services parcel A-2 as generally described herein.

D. The County will only permit, allow and grant the entitlement for the Utility Facility on parcel A-1 to be for the benefit of parcel A-2 if the Solar Facility MOU is not terminated or otherwise ends, or if the Utility Facility on parcel A-1 does not benefit and service parcel A-2.

NOW, THEREFORE, the Owner hereby restricts the use of the Utility Facility on the Leased Parcel which is a part of parcel A-2 as follows:

1 Recitals. The above Recitals are true and correct and are hereby incorporated herein.

2 Effects of Transfer on Entitlement to Allow Accessory Use. The County provides the appropriate entitlement to only permit an accessory use on Parcel A-1 for the Solar Utility Facility to benefit and serve the utility needs of parcel A-2, which includes the District's discharge pumps and related reclamation infrastructure, so long as the Solar Facility MOU remains in place and the Utility Facility on parcel A-1 is utilized to benefit and service the Parcel A-2. At such time as either parcel is sold, transferred, or otherwise alienated or hypothecated to any other person or entity, without maintaining the Solar Facility Lease, then this Restriction, and the allowed accessory use entitlement, shall cease to exist and shall no longer be a right or obligation of either parcel. Accordingly, the Utility Facility shall be disconnected and severed from parcel A-2 upon the cancellation or termination of the Solar Facility MOU, where after the Utility Facility shall only be used, if at all, for the benefit of the parcel upon which it is located.

3 Utility Facility. The Utility Facility shall be limited to generating electricity for parcels A-1 and A-2 and shall not generate electricity for any other parcel.

4 Transfer Restriction. At such time as either parcel A-1 or A-2 is sold, transferred, or otherwise alienated or hypothecated to any other person or entity, without maintaining the Solar Facility MOU, then the entitlement allowing the accessory use on parcel A-1 for the Utility Facility to benefit and service parcel A-2 shall cease to exist.

5 Termination. This Restriction shall automatically terminate upon the cessation of the entitlement allowing the accessory use on parcel A-1 for the Utility Facility to benefit and service parcel A-2. At the termination of the entitlement, both parcels shall then be governed by the existing prescribed rules regulation and requirements for occupancy and use of the parcels including, but not limited to, energy generation and transmission.

6 Obligations to Run with the Land. The rights and obligations created under this Restriction shall be appurtenant to the respective parcels and shall run with the land and inure to the benefit and use of the respective party and any successor, owner or owners, and their successors and assigns.

7 Binding Effect. This Restriction shall bind and inure to the benefit of the respective heirs, personal representatives, successors, and assigns of the Owner hereto.

8 Severability. In the event any term or provision of this Restriction shall be held to be unenforceable for any reason whatsoever by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other term or provision hereof.

9 Captions. None of the captions of the sections of this Restriction shall be construed as a limitation upon the language of the sections, said captions having been inserted as a guide and partial index and not as a complete index of the contents of such sections.

10 Further Assurances. The Owner shall execute, deliver, and record this Restriction and shall take all necessary actions to effectuate the purposes of the Restriction and to perfect the rights granted hereunder.

11 Governing Law. This Restriction shall be governed by, interpreted under, construed by, and enforced in accordance with the laws of the State of California,

IN WITNESS WHEREOF, the parties hereto have executed this Deed Restriction as of the Effective Date.

OWNERS

By: _____
Henry J. Foppiano III

By: _____
Lynette Foppiano