ROOT CREEK Water District

MANAGING RESOURCES FOR A BETTER FUTURE

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

JULIA D. BERRY, GENERAL MANAGER/SECRETARY
RENEE TISCARENO, DISTRICT ENGINEER
FRANK SPLENDORIO, LEGAL COUNSEL

REGULAR MEETING OF THE BOARD OF DIRECTORS

will be held on
Monday, November 9 2026
11 a.m.
at
The Lodge at Riverstone
370 Lodge Road South
Madera, California 93636

Director Eric Bream will be appearing via teleconference at the following location:
3551 S. Mooney Blvd, Visalia

1. **CALL TO ORDER**

2. **PUBLIC COMMENT**

   Members of the public may address the Board on any matter related to the District that is not included on the Agenda. Comments are limited to three (3) minutes per person.

3. **CONVENE INTO CLOSED SESSION**

   a. Conference with Legal Counsel – Existing Litigation (Gov. Code Section 54956.9(d)(1))
   Root Creek Water District v. Madera Irrigation District (Case No. 26CU00291)

4. **REPORT FROM CLOSED SESSION**

5. **POTENTIAL CONFLICT(S) OF INTEREST**

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

6. **CONSENT CALENDAR** – Review and consider for action:

   a. Approval of the minutes of the Board Meeting on October 12, 2026.
   b. Acceptance of the financial statements for the months of September 2026.
   c. Approval of customer installment payment plans for delinquent accounts.
   d. Authorize the General Manager to execute the Purchase and Sale Agreement with San Joaquin River Ranch, in a form approved by District Counsel.

7. **CORRESPONDENCE**

   Members of the Board or Staff may present any correspondence received on matters relating to the District.

8. **BOARD ACTION ITEMS**

   a. Resolution: Groveland Development Corporation Installment Purchase Agreement and Purchase and Sale Agreement - Review and consider adopting Resolution No. 2026-11-09a, authorizing the General Manager to execute, in a form approved by District Counsel, the following agreements:

      i. **Groveland Development Corporation Installment Purchase Agreement** - Review and consider taking action to authorize the General Manager to sign an Installment Purchase Agreement, in a form approved by District Counsel.

      ii. **Groveland Development Corporation Purchase and Sale Agreement** - Review and consider action to authorize the General Manager to execute the Purchase and Sale Agreement, in a form approved by District Counsel.

   b. Resolution: Riverstone Farms Installment Purchase Agreement and Purchase and Sale Agreement - Review and consider adopting Resolution No. 2026-11-09b, authorizing the General Manager to execute, in a form approved by District Counsel, the following agreements:

      i. **Riverstone Farms Installment Purchase Agreement** - Review and consider action to authorize the General Manager to execute an Installment Sale Agreement, in a form approved by District Counsel.

      ii. **Riverstone Farms Purchase and Sale Agreement** - Review and consider action to authorize the General Manager to execute the Purchase and Sale Agreement, in a form approved by District Counsel.

9. **DISTRICT ENGINEER'S REPORT** - The Board may take action on any of the following:

   a. Operations Monthly Report
   b. Staff Report
   c. Other District Matters

10. **LEGAL COUNSEL REPORT** - The Board may act on any of the following items:

    a. Legislation
    b. Other District Matters

11. **COMMUNITY FACILITES DISTRICT (CFD)** – The Root Creek Water District Board of Directors acting as the Board of Directors of the Community Facilities District may take action on any of the following items:

    a. Review and consider acceptance of the Local Special Tax & Bond Accountability Report for FY2025-26 required for CFD 2016-1

12. **GENERAL MANAGER'S REPORT** – The Board may act on any of the following:

    a. General Operations

13. **ADJOURN**

▪ Items on the Agenda may be taken in any order.
▪ Action may be taken on any item listed on the Agenda.
▪ Writings relating to open session Agenda items that are distributed to members of the Board of Directors will be available for inspection at the District office, excluding writings that are not public records or are exempt from disclosure under the California Public Records Acts.
▪ ACCOMMODATIONS FOR PERSONS WITH DISABILITIES
A person with a qualifying disability under the Americans With Disabilities Act of 1990 may request the District to provide a disability-related modification or accommodation in order to participate in any public meeting of the District. Such assistance includes appropriate alternative formats for the agendas and agenda packets used for any public meetings of the District. Requests for such assistance and for agendas and agenda packets shall be made in person, by telephone, or by written correspondence to the District at (559) 283-8011 or P.O. Box 27950, Fresno, California 93720, at least 48 hours before a District meeting.
LEVINE ACT PUBLIC PARTY/APPLICANT DISCLOSURE OBLIGATIONS:
Applicants, parties, and their agents who have made campaign contributions totaling more than $500 (aggregated) to a Board Member over the past 12 months, must publicly disclose that fact for the official record of that agenda item. Disclosures must include the amount of the campaign contribution aggregated, and the name(s) of the campaign contributor(s) and Board member(s). The disclosure may be made either in writing to the Clerk prior to the agenda item consideration, or by verbal disclosure at the time of the agenda item consideration.

ROOT CREEK Water District
MANAGING RESOURCES FOR A BETTER FUTURE

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

JULIA D. BERRY, GENERAL MANAGER/SECRETARY
RENEE TISCARENO, DISTRICT ENGINEER
FRANK SPLENDORIO, LEGAL COUNSEL

Minutes of the Regular Meeting of the Board of Directors
Root Creek Water District
held on
Monday, October 12, 2026

DRAFT

1. **Call to Order**
   The board meeting for the Root Creek Water District (RCWD) was called to order at 11:00 a.m. by President Nick Bruno. Board members present: Nick Bruno, Jeffrey Coulthard, Matt Cerniglia, Mike De La Guerra, and Henk Griffin. Members of the public included Julia Berry, Renee Tiscareno, Frank Splendorio, Steve Pickens, Sam Cunningham, Greg Terzarkis and Nait Vann Alviar.

2. **Additions to the Agenda**
   There were no additions to the agenda.

3. **Public Comment**
   There was no public comment.

4. **Closed Session**
   Closed Session convened at 11:02 a.m. and closed at 11:20 a.m.

5. **Report from Closed Session**
   There were no reportable items.

6. **Potential Conflicts of interest**
   There were no potential conflicts of interest identified.

7. **Consent Calendar**
   A motion was made by Director Griffin, seconded by Director De La Guerra to take action on the following, and the motion carried:

   a. Approve the minutes of the Board Meeting on August 10, 2026.
   b. Accept the financial statements for the months of July 2026 and August 2026.
   c. Approve of customer installment payment plans for delinquent accounts.

8. **Correspondence**
   There was one correspondence from Madera County regarding DWR subsidence.

9. **Board Action Items**

   a. Amendment to RT Diversified Contract – A motion was made by Director Cerniglia, seconded by Director De La Guerra to authorize General Manager to approve an amendment to RT Diversified contract for Sewer Operation. The motion carried.
   b. District Fiscal Year 2027 Proposed Budget – A motion was made by Director Griffin, seconded by Director Coulthard to authorize General Manager to adopt the budget for 2027 Fiscal Year, effective January 1, 2026. The motion carried.

10. **District Engineer Report**
    District Engineer Renee Tiscareno reported municipal water usage, total gallons pumped in July was approximately 75.3 million gallons from four system wells. Residential connections at 3,400.

11. **Legal Counsel Report**
    General Counselor Splendorio gave an update on The Brown Act and AI Bot, Michael Miller.

12. **District Manager's Report**
    General Manager Berry gave an update on rate studies, purchase and sale agreements, past due invoices, water theft, road repairs, and Waste Water Facilities expansion.

13. **Adjournment**
    The meeting was adjourned at 11:37 a.m.

_____
Julia D. Berry, District Secretary

DRAFT

ROOT CREEK WATER DISTRICT
Statement of Revenues and Expenses-Cash Basis
September 2026

	Sep 26	Jan - Sep 26
Ordinary Income/Expense		
Income		
410 · Agricultural Revenues		
410.01 · Agricultural Surface Water Chgs	217,586.78	368,114.01
410.02 · Ag Recharge Fees-Includes Prepd	0.00	933,252.15
410.03 · Ag Capital Fee-Includes Prepaid	0.00	147,430.60
Total 410 · Agricultural Revenues	217,586.78	1,448,796.76
420 · Municipal Revenues		
420.02 · Municipal Water Utility Charges	324,340.06	2,566,073.02
420.03 · Municipal Storm Drain Charges	26,652.65	254,423.19
420.04 · Municipal Wastewater Charges	178,583.12	1,704,737.42
420.09 · Late Fees (Municipal)	4,615.49	42,885.82
425.02 · Municipal Water Hydrant Usage	115,851.09	139,253.87
Total 420 · Municipal Revenues	650,042.41	4,707,373.32
430.00 · Municipal Revenues-BuilderChrgs		
430.01 · Inspection Fees	40,824.80	203,666.43
Total 430.00 · Municipal Revenues-BuilderChrgs	40,824.80	203,666.43
480 · Other Sources Revenues		
480.01 · Assessments	3,805.21	344,490.89
480.03a · Grant Revenues	0.00	1,595,908.43
480.03b · Grant Admin Revenue	0.00	17,882.10
480.03c · Grant Costs-Passthrough	0.00	-1,595,908.43
480.03d · Grant Admin Costs	-5,294.90	-32,481.93
480.04 · Interest Income.	24,381.41	286,888.03
480.06 · Policy Violation Revenue	0.00	250.00
480.80 · Finance Charge income	477.46	107,016.84
480.90 · Miscellaneous Revenue	0.00	3,500.00
Total 480 · Other Sources Revenues	23,369.18	727,545.93
Total Income	931,823.17	7,087,382.44
Gross Profit	931,823.17	7,087,382.44
Expense		
510 · Water Costs		
510.01 · Water Option Pymnt - MID	0.00	105,972.00
510.03 · Water Purchases - Wonderful	0.00	306,000.00
Total 510 · Water Costs	0.00	411,972.00
520.01 · MID Assessments	0.00	483,044.70
530.01 · MID Roof Top Fee	58,341.38	362,498.18
540 · System Maintenance		
540.01 · Chemicals	0.00	158,410.05
540.02 · Repairs & Maintenance	1,140.00	280,565.42
540.03 · Lab Analysis	0.00	20,310.73
Total 540 · System Maintenance	1,140.00	459,286.20
550 · System Management		
550.01 · Operator Contracted	45,078.21	508,591.27
550.03 · Inspection Fees	80,560.05	340,970.89
550.04 · Hauling and Discharge	16,415.36	164,774.73
550.06 · Programming - IT	0.00	23,773.75
550.07 · Sewer Management	22,372.73	249,426.41
Total 550 · System Management	164,426.35	1,287,537.05
560.01 · Permits	0.00	9,390.93

No assurance is provided on these financial statements.

ROOT CREEK WATER DISTRICT
Statement of Revenues and Expenses-Cash Basis
September 2026

	Sep 26	Jan - Sep 26
570 · Groundwater Maintenance		
570.01 · Groundwater Measurements	0.00	19,496.51
570.02 · Groundwater Sustainability	3,459.40	42,543.13
Total 570 · Groundwater Maintenance	3,459.40	62,039.64
580 · Services		
580.01 · Power	130,537.35	842,015.71
580.02 · Communications	0.00	51,233.52
580.03 · Security	10,192.00	49,656.62
Total 580 · Services	140,729.35	942,905.85
610 · Marketing		
610.02 · Website	0.00	375.00
Total 610 · Marketing	0.00	375.00
620 · Professional Fees		
620.01 · Accounting	5,487.50	47,612.50
620.02 · Audit	0.00	30,500.00
620.03 · Administration	35,174.19	316,127.84
620.04 · Engineering	28,363.76	146,523.60
620.05 · Legal	6,483.51	70,487.87
620.06 · GIS Services	4,927.30	45,681.30
620.09 · Special Counsel	6,238.82	205,955.24
620.10 · Public Finance	6,310.00	6,310.00
Total 620 · Professional Fees	92,985.08	869,198.35
640.01 · Membership dues	0.00	4,068.14
650.01 · Insurance	0.00	73,782.35
660 · General & Administrative Costs		
660.01 · Printing & Reproduction	183.25	1,503.09
660.03 · Conference & Meetings	365.88	3,399.38
660.04 · Travel	0.00	1,003.31
660.06 · Postage	3.90	1,032.92
660.07 · Bank Charges	0.00	4,261.96
660.08 · Email Hosting & File Storage	0.00	1,624.00
660.10 · Payroll Expenses	0.00	6,747.00
Total 660 · General & Administrative Costs	553.03	19,571.66
Total Expense	461,634.59	4,985,670.05
Net Ordinary Income	470,188.58	2,101,712.39
Other Income/Expense		
Other Income		
430.02 · Rooftop Fees	4,200.00	267,400.00
430.03 · Water Capacity/Connection Fees	24,030.00	2,479,714.39
430.04 · Wastewater Capacity/Connection	40,820.10	3,217,998.20
430.05 · Storm Drain Capacity/Connection	8,940.00	1,125,385.64
430.06 · Meter Installation Fees	30,259.92	249,291.20
480.02 · CFD Assessments	0.00	1,713,040.34
Total Other Income	108,250.02	9,052,829.77
Other Expense		
900.01 · Capital Expenditures-Equipment	0.00	181,006.13
900.02 · Capital Expdtures-Water Meters	2,617.76	411,945.04
900.05 · New Well Construction	0.00	84,262.90
900.06 · Well #5 Improvements	0.00	3,000.00
900.09 · Water Blending Facility	4,969.74	787,573.81
900.14 · Waste Water Ultimate Facility	1,372,406.88	13,060,506.65
900.15 · New Well # 6	4,585.30	18,781.32
900.16 · Sewer Lift Station - Village C	0.00	104,374.80
900.90 · Capital Projects Admin Costs	87,135.10	562,135.84
930.02 · Bond Admin Cost	0.00	12,425.00

No assurance is provided on these financial statements.

ROOT CREEK WATER DISTRICT
Statement of Revenues and Expenses-Cash Basis
September 2026

	Sep 26	Jan - Sep 26
960.00 · Debt Payments		
960.1 · Debt Principal	126,919.71	244,906.26
960.2 · Interest Expense	5,561.29	20,055.74
Total 960.00 · Debt Payments	132,481.00	264,962.00
970.00 · Bond Payments		
970.01 · Bond Payments-Principal	300,000.00	300,000.00
970.02 · Bond Interest	667,271.88	1,204,543.76
Total 970.00 · Bond Payments	967,271.88	1,504,543.76
990.01 · Transfers In	0.00	-6,516,783.43
990.02 · Transfers Out	0.00	6,516,783.43
Total Other Expense	2,571,467.66	16,995,517.25
Net Other Income	-2,463,217.64	-7,942,687.48
Net Income	**-1,993,029.06**	**-5,840,975.09**

No assurance is provided on these financial statements.

ROOT CREEK WATER DISTRICT
Statement of Revenues & Expenses Budget vs Cash Basis Actual
January through September 2026

	Jan - Sep 26	Budget	$ Over Budget	% of Budget	
Ordinary Income/Expense					
Income					
410 · Agricultural Revenues					
410.01 · Agricultural Surface Water Chgs	368,114.01	384,660.00	-16,545.99	95.7%	
410.02 · Ag Recharge Fees-Includes Prepd	933,252.15	1,616,946.00	-683,693.85	57.7%	
410.03 · Ag Capital Fee-Includes Prepaid	147,430.60	248,400.00	-100,969.40	59.4%	
Total 410 · Agricultural Revenues	1,448,796.76	2,250,006.00	-801,209.24		64.4%
420 · Municipal Revenues					
420.02 · Municipal Water Utility Charges	2,566,073.02	3,479,252.00	-913,178.98	73.8%	
420.03 · Municipal Storm Drain Charges	254,423.19	354,802.00	-100,378.81	71.7%	
420.04 · Municipal Wastewater Charges	1,704,737.42	2,377,316.00	-672,578.58	71.7%	
420.09 · Late Fees (Municipal)	42,885.82	30,000.00	12,885.82	143.0%	
425.02 · Municipal Water Hydrant Usage	139,253.87	45,000.00	94,253.87	309.5%	
Total 420 · Municipal Revenues	4,707,373.32	6,286,370.00	-1,578,996.68		74.9%
430.00 · Municipal Revenues-BuilderChrgs					
430.01 · Inspection Fees	203,666.43	400,000.00	-196,333.57	50.9%	
Total 430.00 · Municipal Revenues-BuilderChrgs	203,666.43	400,000.00	-196,333.57		50.9%
480 · Other Sources Revenues					
480.01 · Assessments	344,490.89	314,721.00	29,769.89	109.5%	
480.03a · Grant Revenues	1,595,908.43				
480.03b · Grant Admin Revenue	17,882.10				
480.03c · Grant Costs-Passthrough	-1,595,908.43				
480.03d · Grant Admin Costs	-32,481.93				
480.04 · Interest Income.	286,888.03				
480.06 · Policy Violation Revenue	250.00				
480.80 · Finance Charge income	107,016.84				
480.90 · Miscellaneous Revenue	3,500.00				
Total 480 · Other Sources Revenues	727,545.93	314,721.00	412,824.93		231.2%
Total Income	7,087,382.44	9,251,097.00	-2,163,714.56		76.6%
Gross Profit	7,087,382.44	9,251,097.00	-2,163,714.56		76.6%
Expense					
510 · Water Costs					
510.01 · Water Option Pymnt - MID	105,972.00	700,000.00	-594,028.00	15.1%	
510.03 · Water Purchases - Wonderful	306,000.00				
Total 510 · Water Costs	411,972.00	700,000.00	-288,028.00		58.9%
520.01 · MID Assessments	483,044.70	330,826.84	152,217.86		146.0%
530.01 · MID Roof Top Fee	362,498.18	694,400.00	-331,901.82		52.2%
540 · System Maintenance					
540.01 · Chemicals	158,410.05	325,000.00	-166,589.95	48.7%	
540.02 · Repairs & Maintenance	280,565.42	400,000.00	-119,434.58	70.1%	
540.03 · Lab Analysis	20,310.73	80,000.00	-59,689.27	25.4%	
Total 540 · System Maintenance	459,286.20	805,000.00	-345,713.80		57.1%
550 · System Management					
550.01 · Operator Contracted	508,591.27	1,500,000.00	-991,408.73	33.9%	
550.03 · Inspection Fees	340,970.89	555,379.00	-214,408.11	61.4%	
550.04 · Hauling and Discharge	164,774.73	500,000.00	-335,225.27	33.0%	
550.06 · Programming - IT	23,773.75	400,000.00	-376,226.25	5.9%	
550.07 · Sewer Management	249,426.41	650,000.00	-400,573.59	38.4%	
Total 550 · System Management	1,287,537.05	3,605,379.00	-2,317,841.95		35.7%
560.01 · Permits	9,390.93	40,000.00	-30,609.07		23.5%
570 · Groundwater Maintenance					
570.01 · Groundwater Measurements	19,496.51	25,000.00	-5,503.49	78.0%	
570.02 · Groundwater Sustainability	42,543.13	75,000.00	-32,456.87	56.7%	
Total 570 · Groundwater Maintenance	62,039.64	100,000.00	-37,960.36		62.0%
580 · Services					
580.01 · Power	842,015.71	850,000.00	-7,984.29	99.1%	
580.02 · Communications	51,233.52	60,000.00	-8,766.48	85.4%	
580.03 · Security	49,656.62	66,000.00	-16,343.38	75.2%	
Total 580 · Services	942,905.85	976,000.00	-33,094.15		96.6%
610 · Marketing					
610.01 · Advertisng	0.00	2,000.00	-2,000.00	0.0%	
610.02 · Website	375.00	2,500.00	-2,125.00	15.0%	
Total 610 · Marketing	375.00	4,500.00	-4,125.00		8.3%

ROOT CREEK WATER DISTRICT
Statement of Revenues & Expenses Budget vs Cash Basis Actual
January through September 2026

	Jan - Sep 26	Budget	$ Over Budget	% of Budget
620 · Professional Fees				
620.01 · Accounting	47,612.50	102,550.50	-54,938.00	46.4%
620.02 · Audit	30,500.00	15,000.00	15,500.00	203.3%
620.03 · Administration	316,127.84	373,970.00	-57,842.16	84.5%
620.04 · Engineering	146,523.60	214,000.00	-67,476.40	68.5%
620.05 · Legal	70,487.87	75,000.00	-4,512.13	94.0%
620.06 · GIS Services	45,681.30	30,000.00	15,681.30	152.3%
620.09 · Special Counsel	205,955.24	200,000.00	5,955.24	103.0%
620.10 · Public Finance	6,310.00			
Total 620 · Professional Fees	869,198.35	1,010,520.50	-141,322.15	86.0%
630 · Consultants				
630.05 · MS4 Program	0.00	5,000.00	-5,000.00	0.0%
Total 630 · Consultants	0.00	5,000.00	-5,000.00	0.0%
640.01 · Membership dues	4,068.14	10,000.00	-5,931.86	40.7%
650.01 · Insurance	73,782.35	30,000.00	43,782.35	245.9%
660 · General & Administrative Costs				
660.01 · Printing & Reproduction	1,503.09	1,000.00	503.09	150.3%
660.03 · Conference & Meetings	3,399.38	3,300.00	99.38	103.0%
660.04 · Travel	1,003.31	1,000.00	3.31	100.3%
660.06 · Postage	1,032.92	2,500.00	-1,467.08	41.3%
660.07 · Bank Charges	4,261.96			
660.08 · Email Hosting & File Storage	1,624.00	4,000.00	-2,376.00	40.6%
660.10 · Payroll Expenses	6,747.00	10,500.00	-3,753.00	64.3%
Total 660 · General & Administrative Costs	19,571.66	22,300.00	-2,728.34	87.8%
Total Expense	4,985,670.05	8,333,926.34	-3,348,256.29	59.8%
Net Ordinary Income	2,101,712.39	917,170.66	1,184,541.73	229.2%
Other Income/Expense				
Other Income				
430.02 · Rooftop Fees	267,400.00	694,400.00	-427,000.00	38.5%
430.03 · Water Capacity/Connection Fees	2,479,714.39	3,027,088.00	-547,373.61	81.9%
430.04 · Wastewater Capacity/Connection	3,217,998.20	6,749,072.00	-3,531,073.80	47.7%
430.05 · Storm Drain Capacity/Connection	1,125,385.64	1,266,784.00	-141,398.36	88.8%
430.06 · Meter Installation Fees	249,291.20	754,006.00	-504,714.80	33.1%
480.02 · CFD Assessments	1,713,040.34	1,800,000.00	-86,959.66	95.2%
Total Other Income	9,052,829.77	14,291,350.00	-5,238,520.23	63.3%
Other Expense				
900.01 · Capital Expenditures-Equipment	181,006.13	400,000.00	-218,993.87	45.3%
900.02 · Capital Expdtures-Water Meters	411,945.04	754,006.00	-342,060.96	54.6%
900.03 · Capital Exptures - Improvements	0.00	3,850,000.00	-3,850,000.00	0.0%
900.05 · New Well Construction	84,262.90			
900.06 · Well #5 Improvements	3,000.00	10,000.00	-7,000.00	30.0%
900.09 · Water Blending Facility	787,573.81	326,886.00	460,687.81	240.9%
900.14 · Waste Water Ultimate Facility	13,060,506.65	17,104,552.88	-4,044,046.23	76.4%
900.15 · New Well # 6	18,781.32	65,000.00	-46,218.68	28.9%
900.16 · Sewer Lift Station - Village C	104,374.80	168,000.00	-63,625.20	62.1%
900.90 · Capital Projects Admin Costs	562,135.84	847,550.00	-285,414.16	66.3%
930.02 · Bond Admin Cost	12,425.00	10,000.00	2,425.00	124.3%
960.00 · Debt Payments				
960.1 · Debt Principal	244,906.26	675,899.00	-430,992.74	36.2%
960.2 · Interest Expense	20,055.74	1,093,607.00	-1,073,551.26	1.8%
Total 960.00 · Debt Payments	264,962.00	1,769,506.00	-1,504,544.00	15.0%
970.00 · Bond Payments				
970.01 · Bond Payments-Principal	300,000.00			
970.02 · Bond Interest	1,204,543.76			
Total 970.00 · Bond Payments	1,504,543.76			
990.01 · Transfers In	-6,516,783.43			
990.02 · Transfers Out	6,516,783.43			
Total Other Expense	16,995,517.25	25,305,500.88	-8,309,983.63	67.2%
Net Other Income	-7,942,687.48	-11,014,150.88	3,071,463.40	72.1%
Net Income	**-5,840,975.09**	**-10,096,980.22**	**4,256,005.13**	**57.8%**

ROOT CREEK WATER DISTRICT
A/R Aging Summary
As of September 30, 2026

	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL
Avison Construction Inc.	7,334.07	3,410.00	14,185.50	0.00	0.00	24,929.57
California Gold Development Corporation	233,316.30	17,624.89	0.00	0.00	0.00	250,941.19
Golden Valley Unified School District	18,583.89	0.00	0.00	0.00	0.00	18,583.89
Groveland Dev Corp.	0.00	0.00	0.00	0.00	-169.77	-169.77
Jaghlassian Moses & Seta TR	120,947.05	563.80	859.92	841.73	54,477.08	177,689.58
Jaghlassian Moses & Seta Trustee	376.99	371.68	521.20	498.28	35,971.11	37,739.26
Jim Crawford Construction	534.21	256.80	17,442.83	0.00	1.72	18,235.56
JT2 Inc.	0.00	0.00	2,132.44	0.00	0.00	2,132.44
Lennar Homes of California Inc.	665,523.11	412.93	12,647.86	0.00	5,600.00	684,183.90
MAG Engineering, Inc.	0.00	19.15	517.16	0.00	1.62	537.93
Main Ranch Partners	62.92	0.00	0.00	0.00	0.00	62.92
Mark Wilson Construction, Inc.	0.00	0.00	70.01	0.00	0.00	70.01
Moses Jaghlassian / Seta Trs	0.00	0.00	0.00	0.00	134,851.50	134,851.50
Riverstone Farms	41,304.20	0.00	0.00	0.00	0.00	41,304.20
San Joaquin River Ranch LLC	2,572.60	0.00	0.00	0.00	0.00	2,572.60
Teichert Construction Inc.	0.00	8.84	34,415.88	0.00	0.00	34,424.72
Tilton Pacific Construction, Inc.	183.61	0.00	0.00	0.00	0.00	183.61
Titan Utilities, Inc.	0.00	0.00	18,276.15	0.00	4.57	18,280.72
Tri County Excavation Inc.	8,931.29	0.00	0.00	0.00	0.00	8,931.29
Trumark-Wathen Castanos Homes	34,545.90	0.00	0.00	0.00	0.00	34,545.90
Utility Billing Customer	5,910.28	109,955.60	0.00	0.00	0.00	115,865.88
Woodside Homes	66,826.26	36.40	32.83	0.00	3,329.48	70,224.97
TOTAL	**1,206,952.68**	**132,660.09**	**101,101.78**	**1,340.01**	**234,067.31**	**1,676,121.87**

PURCHASE AND SALE AGREEMENT
AND ESCROW INSTRUCTIONS
(Wellsite #1)

THIS PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS (Wellsite #1) (this "**Agreement**") is made and effective as of October __, 2026 (the "**Effective Date**") by and between SAN JOAQUIN RIVER RANCH, LLC, a Delaware limited liability company ("**Seller**") and ROOT CREEK WATER DISTRICT, a California water district ("**Buyer**" or the "**District**"). Seller and Buyer are sometimes collectively referred to herein as the "**Parties**" and singularly as a "**Party**."

R E C I T A L S

A. **WHEREAS**, the real property that is the subject of this Agreement consists of an approximately 0.31-acre portion of Madera County Assessor's Parcel Number 049-052-008 commonly referred to as Wellsite #1 ("**Wellsite #1**" or the "**Property**"), as legally described in Exhibit "A" and depicted in the map attached as Exhibit "B"; and

B. **WHEREAS**, Buyer owns and operates the well casing, pumping equipment and other infrastructure and improvements located on or associated with Wellsite #1 (collectively, the "Well Improvements"), which were previously transferred to Buyer separately from the Property; and

C. **WHEREAS**, the Property does not include the Well Improvements or any access, pipeline, slope or other easement or easement interest, any such easement or easement interest to be documented or transferred separately from this Agreement; and

D. **WHEREAS**, the Property is a portion of a larger legal parcel, but the Parties understand that the transfer of the Property to Buyer is exempt from the California Subdivision Map Act pursuant to Government Code section 66428(a)(2); and

E. **WHEREAS**, at the District's request, Seller transferred title to or another ownership interest in the Property to the District before the Effective Date in advance of the completion of the formal acquisition documentation or payment for the Property; and

F. **WHEREAS**, the Parties desire to memorialize and confirm the terms of their acquisition transaction with respect to the Property; and

G. **WHEREAS**, Buyer, Groveland Development Corporation ("**Groveland**") and Riverstone Development, LLC ("**Riverstone**") are parties to **(1)** that certain Master Acquisition Agreement Relating to: Community Facilities District No. 2016-1 of the Root Creek Water District dated as of January 1, 2022 (the "**2016-1 Acquisition Agreement**"), and **(2)** that certain Acquisition Agreement Relating to: Community Facilities District No. 2023-1 of the Root Creek Water District dated as of [ ] (the "2023-1 Acquisition Agreement" and, together with the 2016-1 Acquisition Agreement, the "Acquisition Agreements"). Seller is an affiliate of

DRAFT

Groveland and Riverstone, and funds may be legally available to the District under the Acquisition Agreements to pay all or a portion of the Purchase Price; and

H. **WHEREAS**, the District has determined that the Property is necessary for the District's ownership, operation, maintenance, repair, replacement and expansion of its public water facilities and has decided to acquire the Property for public use; the District has informed Seller that, if the negotiated acquisition could not be completed, the District intended to take the steps legally available to it to acquire the Property through eminent-domain proceedings, including consideration and adoption of a resolution of necessity; and Seller agreed to transfer the Property in reliance on that communication and in lieu of condemnation.

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

1. **Purchase and Sale**. Subject to all of the terms, conditions and provisions of this Agreement, including the Recitals set forth above, Seller agrees to sell the Property to Buyer and Buyer agrees to purchase the Property. At the District's request, Seller transferred title to or another ownership interest in the Property to the District before the Effective Date, as further provided in this Agreement. The sale and purchase of the Property shall be consummated by means of an escrow (the "**Escrow**") at the offices of Old Republic Title Company, Attn: Laura Roberts, 7451 North Remington Avenue, Suite 102, Fresno, California 93711 ("**Escrow Holder**"). This Agreement shall constitute the instructions for the Escrow upon acceptance by Escrow Holder. Upon execution by the Parties, a copy of this Agreement shall be deposited with Escrow Holder, and Escrow Holder shall execute a counterpart hereof for both Buyer and Seller, acknowledging its agreement to act as Escrow Holder as set forth herein. "**Closing**" means the consummation through Escrow of the payment and other transactions contemplated by this Agreement on the Closing Date.

2. **Purchase Price; Payment**. The purchase price for the Property is Six Thousand Three Hundred Fifty-Five Dollars ($6,355) (the "**Purchase Price**"). An initial escrow deposit is not required. On or before the scheduled Closing Date, Buyer shall deposit the Purchase Price into Escrow in cash, by wire transfer or other immediately available funds. The Purchase Price shall be paid in full to Seller at the Closing.

3. **Payment Default**. If Buyer fails to pay the Purchase Price when due, the unpaid Purchase Price shall remain due and payable, and Seller may exercise any rights and remedies available under this Agreement or applicable law, subject to the notice-and-cure and dispute-resolution provisions of this Agreement.

4. **Possession**. Buyer acknowledges that it is in possession of the Property.

5. **Risk of Loss**. Risk of physical loss to the Property shall be allocated per the Parties' separate agreement.

6. **Condition of Title to Property**. Buyer acknowledges and agrees that, as of the date of the prior transfer, Buyer agreed to accept title to the Property in its then-existing condition, subject to the encumbrances, contracts, agreements, rights, easements, rights of way, mineral leases, rights, reservations and other title exceptions then affecting the Property, except for any monetary lien securing or arising from an obligation of Seller, and determined that the matters so accepted would not interfere with Buyer's intended use of the Property or any facilities thereon. Seller shall cause any such monetary lien to be released from the Property on or before the Closing; provided, however, that for purposes of this Section, monetary liens do not include real property taxes or assessments to which the District is subject. If Buyer elects to obtain a preliminary report or title insurance pursuant to this Agreement, Buyer shall promptly provide Seller with a copy of any preliminary report and the underlying title exception documents and, if issued, a copy of the title policy.

7. **Title Insurance**. Title insurance is not required as a condition to the Closing. Buyer may elect, at Buyer's sole cost and expense, to obtain a title policy, endorsements or other title coverage with respect to the Property. Seller shall reasonably cooperate with Buyer and Escrow Holder in connection with any such coverage, but Seller shall not be required to pay any premium, endorsement charge or other title-insurance cost.

8. **Condition of Property**.

(a) Buyer acknowledges that it has **(i)** physically inspected the Property to Buyer's satisfaction; **(ii)** investigated to Buyer's satisfaction and has knowledge of applicable operative or proposed governmental laws, regulations, ordinances and decisions (including without limitation zoning, environmental and land use laws and regulations) to which the Property is or may be or become subject; and **(iii)** confirmed any other matters Buyer determines in its sole discretion.

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

(c) Buyer specifically acknowledges that various petroleum products, fuel, gasoline and chemicals, including fertilizers, herbicides and pesticides, customarily used in farming, some of which may, as of the date hereof, be considered to be hazardous or toxic, may have been used, stored, mixed and applied to the Property in the course of the farming activities conducted on adjacent and nearby property. Buyer further acknowledges that, except as expressly set forth in this Agreement and in any other document provided hereunder, Seller, its agents, officers, directors, employees and other persons acting on behalf of Seller have made no representation or warranty of any kind in connection with any matter relating to the conditions, value, fitness, use or zoning of the Property on which Buyer has relied or will rely, directly or indirectly for any purpose, and that Buyer is acquiring the Property "AS IS, WHERE IS."

DRAFT

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

(i) With respect to the matters released pursuant to Section 8(d), Buyer—on behalf of itself, its successors and assigns, and anyone claiming through any of them—waives any rights or benefits available under section 1542 of the California Civil Code, which provides:

> A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

_____
Buyer's initials

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

(a) Seller has the authority to enter into this Agreement and otherwise perform as set forth herein. Immediately before the prior transfer described in this Agreement, Seller was the sole owner of the Property and had the unrestricted right and power to transfer it to Buyer. Seller's governing body has duly authorized the execution, delivery and performance of this Agreement by Seller and has duly authorized the signing of this Agreement on behalf of Seller.

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

(c) Seller is not a "foreign person" as defined in Section 1445(f) of the Internal Revenue Code of 1986, as amended. At the Closing, Seller shall have executed and deposited into Escrow the Foreign Investment in Real Property Tax Act of 1980 withholding affidavit (the "**FIRPTA Affidavit**"). Seller shall also execute and deliver to Escrow Holder and

Buyer prior to the Closing an affidavit as contemplated by Sections 18662 and 18668 of the California Revenue and Taxation Code (the "**Withholding Affidavit**").

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

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

(f) Except for the title matters accepted by Buyer as provided in this Agreement, Seller has not, after the prior transfer described in this Agreement, entered into any mineral lease, license, occupancy agreement, option, contract, lease or other agreement affecting the Property or interfering with Buyer's ownership, possession or intended use of the Property.

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

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

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

11. **Survival of Representations and Warranties**. The satisfaction, truth, accuracy and completeness of each of the representations and warranties of Buyer and Seller contained in this Agreement, as of the date hereof and as of the Closing, shall constitute a condition precedent to the obligations of Seller and Buyer respectively, hereunder. If a representation or warranty of Seller or Buyer is true as of the date of this Agreement but is not true at the Closing, then the other Party's condition to the Closing may have failed to the extent provided herein, but the representing and warrantying Party shall not be in default as to such matter solely as a result of the failure of such condition unless such Party has acted or omitted to act in a manner that would constitute a breach of its obligations under this Agreement, including by intentionally causing a representation or warranty to cease to be true. Further, if a representation or warranty of either Party is not true as of the date of this Agreement, all claims for breach of any such representation or warranty must be discovered within twelve (12) months after the Closing Date and must be asserted, if at all, in an action filed no later than eighteen (18) months after the Closing Date. All

claims for the alleged breach of a representation or warranty that are not discovered and asserted within such applicable time frame are deemed waived.

12. **Brokerage Commissions**. There are no real estate brokers' fees or commissions, finder's fees or other like payments in connection with the transaction contemplated by this Agreement. Each Party hereby agrees to indemnify, defend and hold the other Party harmless from and against any and all damages, liabilities, loss, costs and expenses, including reasonable attorneys' fees, expert fees and court costs, resulting from any claim for any real estate commission, finder's fee or other real estate brokerage-type commission by any person or entity alleged to be owed as a result of an agreement or other conduct by the indemnifying Party. The foregoing indemnity shall survive the Closing or any earlier termination of this Agreement.

13. **Indemnification**. Except as otherwise expressly provided in this Agreement, the Parties' indemnification obligations relating to the Property shall be governed by their separate agreement.

14. **Limitation of Liability**. Notwithstanding anything to the contrary in this Agreement, each Party waives any claims that it may have against the other Party with respect to consequential, incidental or special damages, however caused or based on any theory of liability.

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

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

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

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

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

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

17. **Prior Transfer**. Notwithstanding anything to the contrary in this Agreement, at the District's request, Seller transferred title to or another ownership interest in the Property to the District before the Effective Date in advance of the completion of the formal acquisition documentation or payment for the Property. This Agreement memorializes and confirms the terms of the Parties' acquisition transaction with respect to the Property. The prior transfer was made in reliance on the acquisition-funding and payment framework contemplated by the

DRAFT

Acquisition Agreements and in anticipation of payment and completion of the acquisition documentation, was not intended as a dedication or gift, and did not waive or satisfy the Purchase Price except to the extent actually paid. The Property remains subject to the provisions of this Agreement that by their nature apply after the prior transfer, including the representations and warranties, AS-IS, release, indemnification, survival, dispute-resolution and payment provisions. Seller shall execute and deliver any confirmatory or corrective instrument reasonably necessary to document or perfect the District's interest, provided that such instrument does not impose any new or additional substantive obligation on Seller.

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

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

(a) Seller shall deposit the following documents ("**Seller's Documents**"): **(i)** an executed FIRPTA Affidavit; **(ii)** an executed Withholding Affidavit; **(iii)** any confirmatory or corrective instrument required under Section 17, duly executed and acknowledged by Seller, if applicable; and **(iv)** such additional documents as Buyer or Escrow Holder may reasonably request to evidence and effect the transactions provided for herein, provided that no such document shall impose any new or additional substantive obligation on Seller.

(b) Buyer shall deposit the following funds and documents ("**Buyer's Documents**"): **(i)** the Purchase Price and all amounts necessary to pay Buyer's share of the Closing costs; **(ii)** any confirmatory or corrective instrument required under Section 17, duly executed and acknowledged by Buyer, if applicable; **(iii)** a completed and executed Preliminary Change of Ownership Report for Madera County, if required in connection with any confirmatory or corrective instrument; and **(iv)** such additional documents as Seller or Escrow Holder may reasonably request to evidence and effect the transactions provided for herein.

20. **Property Taxes and RCWD Assessments**. Taxes for the fiscal year in which the prior transfer occurred shall be apportioned, cleared and paid in the manner required by California Revenue and Taxation Code section 5086, using the latest available tax bills and other information furnished by the applicable taxing authorities. The portion of the current real and personal property taxes allocable to the period ending on the day before the applicable date of apportionment shall be charged to Seller and paid through Escrow to the appropriate taxing authority. The portion allocable to the period beginning on the date of apportionment shall be canceled as provided by law and shall not be credited to Buyer or charged to either Party. Buyer shall timely provide the County Assessor and County Auditor with the documents, information and request required by California Revenue and Taxation Code section 5082.1. Escrow Holder shall prorate Root Creek Water District assessments relating to the Property ("**RCWD Assessments**") as of the date of the prior transfer, using a 365-day year and the latest assessment information. Escrow Holder is not responsible for utility or insurance costs or premiums, all of which shall be prorated outside of Escrow by the Parties.

DRAFT

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

(a) any premium, endorsement charge or other cost attributable to title insurance or other title coverage elected by Buyer shall be paid by Buyer;

(b) all documentary transfer taxes, if any, shall be paid by Seller;

(c) all Escrow fees shall be shared equally between Buyer and Seller; and

(d) All other costs of closing the Escrow, including without limit, filing fees, other recording fees and otherwise, shall be shared by the Parties per Madera County custom for the sale of agricultural property. Each Party shall bear its own legal fees and costs for the negotiation and drafting of this Agreement and handling customary closing matters. Buyer shall deposit additional funds into Escrow in an amount equal to its share of the closing costs as determined by Escrow Holder. Escrow Holder is hereby authorized to withhold Seller's share of the closing costs from funds otherwise distributable to Seller.

22. **Closing Date**. Unless otherwise agreed by the Parties in writing, and subject to the prior satisfaction or waiver of the conditions precedent to the Closing, the Closing shall occur on [ ] (the actual date on which the payment and other transactions contemplated by this Agreement are consummated through Escrow, the "**Closing Date**"); provided that, unless otherwise agreed, if the scheduled Closing Date falls on a Monday, the Closing Date shall automatically be extended to the next business day. If the Escrow is not in a condition to close by the scheduled Closing Date or the extended scheduled Closing Date, if applicable, Escrow Holder shall cancel the Escrow upon receipt of written notice from either Party; provided, however, that if the Escrow is not in a condition to close due to the failure of only one Party to perform, and the other Party has fully performed or tendered performance of all obligations required of it to close the Escrow, only the performing Party shall be entitled to give written notice of cancellation. In the absence of such written notice, Escrow Holder shall proceed to close the Escrow as soon as possible.

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

(a) record any confirmatory or corrective instrument required under Section 17, if applicable, and e-mail conformed copies to the Parties;

(b) pay Seller's share of the Closing costs from funds otherwise distributable to Seller;

(c) pay from funds deposited by Buyer, Buyer's share of closing costs;

(d) apportion, clear and pay current real and personal property taxes, and prorate RCWD Assessments, as required by this Agreement;

DRAFT

(e) in the event Seller's Withholding Affidavit does not claim a withholding exemption, withhold the amount required by law and remit such amount to the California Franchise Tax Board within the required time following the Closing;

(f) unless otherwise instructed by Seller unilaterally, deliver the Purchase Price and any other funds held in Escrow for Seller, less payments authorized under this Agreement, to Seller in accordance with Seller's disbursement instructions;

(g) deliver to Seller and Buyer, respectively, Escrow Holder's escrow statements and all other documents and funds appropriate for delivery out of the Escrow; and

(h) Take all other actions that are necessary or appropriate to close the Escrow in compliance with this Agreement.

24. Failure to Close. Because the Property was transferred to Buyer before the Effective Date, the failure of the Escrow to close shall not rescind or otherwise affect the prior transfer or extinguish Buyer's obligation to pay the Purchase Price. If the Escrow fails to close as a result of Buyer's breach, the unpaid Purchase Price shall remain due and payable, Seller may exercise the rights and remedies provided in this Agreement or applicable law, Escrow Holder shall return Seller's Documents to Seller and Buyer's Documents to Buyer, and Buyer shall pay any Escrow cancellation charges. If the Escrow fails to close as a result of Seller's breach, Buyer may enforce Seller's remaining obligations under this Agreement or terminate Seller's remaining executory obligations, Escrow Holder shall return Seller's Documents to Seller and Buyer's Documents and any Purchase Price deposited by Buyer to Buyer, and Seller shall pay any Escrow cancellation charges. If the Escrow fails to close through no fault of either Party or because Escrow Holder is unable or unwilling to complete the Escrow, the Parties shall cooperate in good faith to appoint a replacement escrow holder or otherwise complete payment and the other remaining transactions contemplated by this Agreement, and any cancellation charges shall be borne equally by the Parties.

25. Coordination with Acquisition Agreements. Groveland or Riverstone, as the applicable Developer under the Acquisition Agreements, may submit or cause to be submitted a payment request for all or any portion of the Purchase Price. The District may apply any funds legally available to the District under the Acquisition Agreements pursuant to an approved payment request to payment of the Purchase Price. Any such payment shall reduce the Purchase Price payable under this Agreement dollar for dollar. This Agreement does not itself constitute a payment request under either Acquisition Agreement. The Purchase Price arises under this Agreement, and nothing in this Agreement is intended to state or imply that Seller was previously obligated under an Acquisition Agreement to sell or transfer the Property.

26. No Impact on Well 276 Sharing Agreement. By entering into this Agreement and confirming the acquisition of the Property, Buyer acknowledges and agrees that the transactions contemplated by this Agreement do not alter or amend that certain Agreement For Well Sharing and Water Use dated December 1, 2021 by and between Seller, Buyer, Riverstone Farms, LLC, and Groveland, or the rights, benefits or obligations of any party thereto.

DRAFT

27. **Subdivision Map Act; Certificates of Compliance.** The Parties acknowledge that the Property is not currently a separate legal parcel, but understand that the prior transfer of the Property to Buyer was exempt from the California Subdivision Map Act pursuant to Government Code section 66428(a)(2). The Parties further acknowledge that the prior transfer may affect the legal status of the remainder of the applicable larger parcel retained by Seller (the "**Retained Remainder**").

Seller and Buyer shall cooperate in good faith and cause their respective engineers to prepare or approve legal descriptions and plats sufficient to identify the Property and the Retained Remainder. Promptly following the Effective Date, the Parties shall cooperate and take all actions reasonably necessary to obtain from the County of Madera and cause to be recorded: **(a)** a certificate of compliance for the Property; and **(b)** a certificate of compliance for the Retained Remainder. Each Party shall timely execute and deliver the applications, consents and other documents reasonably required to obtain and record the certificates of compliance.

28. **Public Acquisition; In Lieu of Condemnation**. The District represents and confirms that it determined that the Property was necessary for the District's ownership, operation, maintenance, repair, replacement or expansion of its public water facilities and decided to acquire the Property for public use. If the negotiated acquisition contemplated by this Agreement had not been completed, the District intended to pursue the legally available steps necessary to acquire the Property through eminent-domain proceedings, including consideration and adoption of a resolution of necessity. Seller agreed to transfer the Property and is entering into this Agreement in reliance on the District's communication of that intent and in lieu of eminent-domain proceedings.

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

30. **Mandatory Mediation**. Except with respect to indemnity claims or an action seeking provisional or ancillary relief, before initiating any judicial-reference proceeding or litigation arising out of or relating to this Agreement, the Property or the transactions contemplated hereby, Seller and Buyer shall attempt in good faith to resolve the dispute through formal mediation. A Party shall initiate mediation by delivering written notice to the other Party summarizing the matters in dispute. Within ten (10) days after delivery of the notice, the Parties shall select a neutral mediator who is a retired judge or justice with substantial experience in real estate, public finance or commercial law and shall expeditiously pursue mediation in good faith. If the Parties cannot agree upon a mediator within such ten (10)-day period, either Party may request that the Presiding Judge of the Madera County Superior Court appoint the mediator. The mediator's charges and other mediation expenses shall be borne equally by the Parties. All applicable statutes of limitation and other time-based defenses relating to the matters submitted to mediation shall be tolled while the Parties are actively pursuing mediation. A Party that initiates a judicial-reference proceeding or litigation without first complying with this Section 30 shall not be entitled to recover its attorneys' fees, expert fees, costs or other litigation expenses,

DRAFT

even if that Party would otherwise be entitled to recover them. Nothing in this Section 30 prevents a Party from seeking provisional or ancillary relief before or during mediation.

31. Judicial Reference.

(a) If a dispute is not resolved through the mediation required by Section 30, each proceeding or hearing based upon or arising out of, directly or indirectly, this Agreement, the Property, any document related thereto, any dealings between Buyer and Seller related to the subject matter of this Agreement or any related transaction, and/or the relationship established between Buyer and Seller (a "**Claim**") shall be heard by a single referee (the "**Referee**") by consensual general judicial reference pursuant to California Code of Civil Procedure section 638 et seq. Upon the written request or appropriate motion of either Party, any pending action relating to a Claim and every Claim shall be heard by the Referee, who shall try all issues of fact and law and issue findings of fact, conclusions of law and a statement of decision. The Referee's statement of decision shall constitute the decision of the court with respect to the Claim.

The Referee shall have authority to award all legal and equitable relief appropriate under the circumstances. The Parties shall be entitled to full discovery to the same extent available in a civil action pending in the California Superior Court. The Referee shall supervise discovery and may make and enforce discovery orders in the same manner as a trial court judge. A stenographic record of the reference proceedings shall be made. The Referee shall have authority to decide all pre-hearing and post-hearing motions in the same manner as a trial court judge.

The Parties shall promptly and diligently cooperate with one another and with the Referee and shall perform all acts reasonably necessary for the prompt resolution of the Claim. Either Party may file the Referee's findings, conclusions and statement of decision with the clerk or judge of the appropriate court, move to confirm the Referee's report and have judgment entered thereon. If the report is deemed incomplete by the court, the Referee may be required to complete and resubmit the report. The Referee's decision and the judgment entered thereon shall be subject to appeal in the same manner as a decision and judgment of the California Superior Court.

The Parties shall have all rights to assert objections available under California Code of Civil Procedure Section 638 et seq. All reference proceedings shall be closed to the public and confidential, provided that records relating to the reference proceeding may be made public when the judgment or order thereon becomes final.

(b) The Parties shall select a single neutral Referee who is a retired judge or justice of the courts of the State of California or a retired federal court judge and who has at least ten (10) years of judicial experience in civil matters. The Referee shall be appointed pursuant to California Code of Civil Procedure Section 638 or, if the dispute falls within the exclusive jurisdiction of the federal courts, under comparable provisions of federal law. If the Parties cannot agree upon a Referee within ten (10) days after a request or motion for judicial reference, either Party may request that the Referee be appointed by the Presiding Judge of the Madera County Superior Court or, if the dispute falls within the exclusive jurisdiction of the federal

DRAFT

courts, by the U.S. District Court for the Eastern District of California. The Referee shall determine all issues concerning the applicability, interpretation, legality and enforceability of this Section.

(c) Nothing in this Section limits the right of either Party to exercise any self-help remedy otherwise available under applicable law or to seek or oppose provisional or ancillary relief, including injunctive relief, a writ of possession, appointment of a receiver or any other provisional or supplementary remedy, before, during or after the reference proceeding. Seeking or opposing such relief does not waive the right to judicial reference.

(d) Promptly following selection of the Referee, the Parties shall each advance one-half of the estimated fees and costs of the Referee. In the statement of decision, the Referee shall apply and enforce all provisions of this Agreement concerning prevailing-party determinations, attorneys' fees, expert fees, costs and other litigation expenses and shall award such amounts as required by those provisions. The Referee may allocate the Referee's fees and other judicial-reference charges between the Parties in such manner as the Referee determines to be just, subject to the foregoing contractual fee and expense provisions.

(e) BUYER AND SELLER ACKNOWLEDGE AND AGREE THAT, BY ENTERING INTO THIS AGREEMENT, THEY ARE WAIVING THEIR RESPECTIVE RIGHTS TO A TRIAL BY JURY OF ANY CLAIM SUBJECT TO THIS SECTION.

Buyer's Initials: _____ Seller's Initials: _____

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

33. **Notices**. All notices under this Agreement shall be effective **(i)** when personally delivered to Buyer or Seller, as the case may be, **(ii)** when sent by e-mail to Buyer or Seller at the e-mail addresses set forth below, provided that a copy is mailed as indicated below, **(iii)** as indicated in the records of any reputable national or regional delivery service, including those accessible online, or **(iv)** two (2) business days after deposit in the United States mail, registered or certified, postage fully prepaid and addressed to the respective Parties as follows:

DRAFT

To Seller: San Joaquin River Ranch, LLC
Attention: Timothy Jones
7050 North Palm Avenue, Suite 101
Fresno, California 93650
Telephone: (559) 237-7000
E-mail: tjones@vdcllc.com

To Buyer: Root Creek Water District
Attn: Julia D. Berry, General Manager
P.O. Box 27950
Fresno, California 93729
Telephone: (559) 326-2222
E-mail: julia@rootcreekwd.com

With a copy to: Best Best & Krieger LLP
Attn: Jennifer Bradlee and Todd Gee
500 Capitol Mall, Suite 1700
Sacramento, California 95814
Telephone: (916) 551-2836
E-mail: Jennifer.Bradlee@bbklaw.com
E-mail: Todd.Gee@bbklaw.com

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

34. **Entire Agreement**. This Agreement and the items incorporated herein contain all of the agreements of Seller and Buyer with respect to the sale and purchase of the Property; provided, however, that this Agreement does not supersede or modify any other written agreement between the Parties or their affiliates except to the extent expressly provided in this Agreement. No provision of this Agreement may be amended or modified except by an agreement in writing signed by duly authorized representatives of each Party, except that modifications relating to the adjustment of time limitations, other than the Closing, or the form of documents may be made by joint agreement of legal counsel to the Parties.

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

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

DRAFT

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

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

39. **Survival**. All indemnification provisions and other provisions that expressly or by their nature provide for post-Closing performance shall survive the Closing and shall remain binding upon the Parties, subject to any applicable express sunset provision in this Agreement.

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

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

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

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

DRAFT

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

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

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

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

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

DRAFT

48. **Notice and Opportunity to Cure**. Except as otherwise provided in a separate cure provision herein or as provided below, prior to taking any action to enforce its rights under this Agreement in the event of an alleged breach of any matter that is subject to cure, the Party alleging the existence of a breach shall give the alleged breaching Party written notice of the specific nature of the alleged breach, together with a demand that the alleged breach be cured within **(a)** three (3) business days for a monetary default, or **(b)** thirty (30) days—or such shorter period as is reasonable in exigent circumstances—for a nonmonetary default that is subject to cure by its nature; but if **(i)** a curable nonmonetary default cannot, with due diligence, be cured within thirty (30) days, and **(ii)** the allegedly defaulting Party commences a cure within that initial thirty (30)-day period and thereafter diligently prosecutes it to completion, the cure period shall be extended through such cure efforts. If the Party receiving such notice cures the alleged breach as provided in this Section 46, the alleged breach shall be deemed not to have occurred, and no claims shall result therefrom. Notwithstanding any other provision of this Agreement, if a breach is incapable of cure by its nature or if giving notice of an alleged breach is legally prevented for any reason or if any agreed cure period would be tolled for any reason (including in either case, bankruptcy stay, if such stay would have the noted result), then in that situation, the provisions of this Section 46 and any other notice and cure provision in this Agreement shall be ignored, and no notice is required before a Party who fails to perform as agreed pursuant to this Agreement is deemed to be in default.

49. **Fencing and Screening**. Buyer shall install fencing and screening reasonably acceptable to Seller around all improvements on the Property to minimize the aesthetic impact of such improvements on nearby properties.

(Signatures to follow on next page)

DRAFT

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

"SELLER"

SAN JOAQUIN RIVER RANCH, LLC, a Delaware limited liability company

By: CENTRAL VALLEY DEVELOPMENT, LLC, a California limited liability company, Manager

By: _____
Timothy Jones, Manager

"BUYER"

ROOT CREEK WATER DISTRICT, a California water district

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

By: _____
Julia D. Berry
General Manager/Secretary

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

Dated: _____, 2026

OLD REPUBLIC TITLE COMPANY

By: _____
Laura Roberts
Escrow Officer

DRAFT

Exhibit "A"

Legal Description of the Property

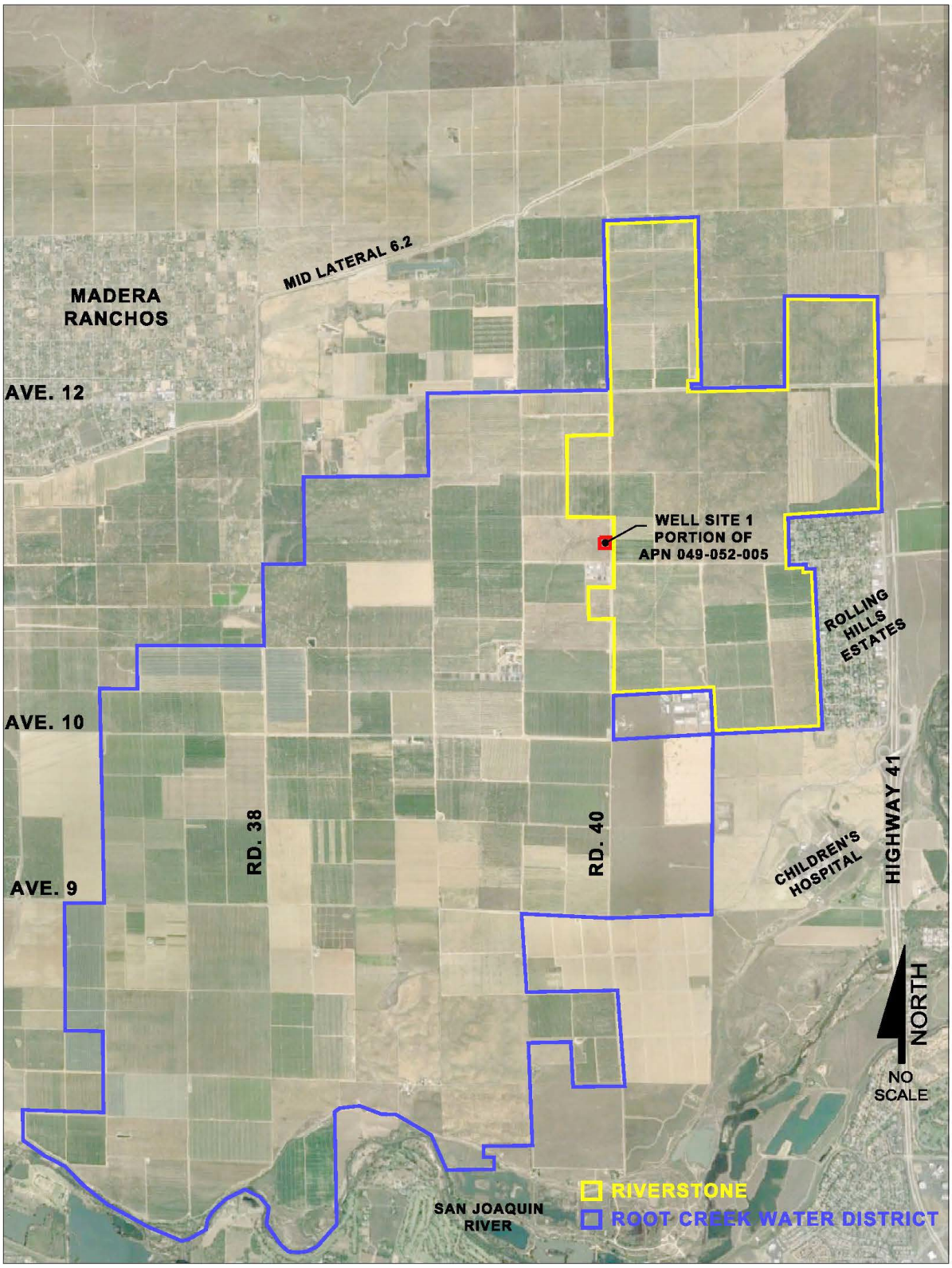
APN 049-052-008 (portion) — Wellsite #1

[INSERT ENGINEER- OR TITLE-CONFIRMED LEGAL DESCRIPTION]

DRAFT

Exhibit "B"

Wellsite #1 Location



RESOLUTION NO. 2026-11-09b

RESOLUTION OF THE BOARD OF DIRECTORS OF ROOT CREEK WATER DISTRICT APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN INSTALLMENT PURCHASE AGREEMENT AND PURCHASE AND SALE AGREEMENT AND AUTHORIZING CERTAIN ACTIONS IN CONNECTION THEREWITH

WHEREAS, the Root Creek Water District (the "District") is financing the acquisition of certain real property and improvements thereon for use by the District (the "Project"); and

WHEREAS, the District desires to facilitate the financing of the Project by entering into an Installment Purchase Agreement (the "Installment Purchase Agreement") with Groveland Development Corporation, a California corporation ("Groveland"), pursuant to which Groveland will provide the Project in consideration of the payment by the District of installments of principal and interest as set forth in the Installment Purchase Agreement (the "Installment Payments"); and

WHEREAS, the District's obligation to make the Installment Payments under the Installment Purchase Agreement is an obligation of the District payable solely from Net Revenues of the District's Water System and Stormwater System, as applicable; and

WHEREAS, the District and Groveland propose to enter into that certain Purchase and Sale Agreement and Escrow Instructions (Remaining Properties) (the "Purchase and Sale Agreement") for the purchase of certain real property; and

WHEREAS, the Board of Directors of the District (the "Board") desires to approve the Installment Purchase Agreement and Purchase and Sale Agreement; and

WHEREAS, there has been presented to this Board at this meeting a copy of the Installment Purchase Agreement and Purchase and Sale Agreement; and

WHEREAS, the capitalized terms used in this Resolution and not otherwise defined shall have the meanings as set forth in the Installment Purchase Agreement or Purchase and Sale Agreement, as applicable.

NOW, THEREFORE, BE IT RESOLVED THAT by the Board of Directors of the Root Creek Water District as follows**:**

SECTION 1. This Board approves the Installment Purchase Agreement with any such changes, deletions or additions to be made to said agreement as may be approved by the General Manager of the District; provided, however, that in no event shall the interest payable under the Installment Purchase Agreement exceed 3.0% per annum (without regard to the Default Rate as defined therein), and the original aggregate principal amount of the payments under the Installment Purchase Agreement shall not exceed $7,477,700. The Board directs its General Manager or designee (the "Authorized Officers") to execute and deliver said agreement and to do all such acts

DRAFT

and things and to execute all such documents and certificates as may be necessary or desirable in connection with the execution and delivery of the Installment Purchase Agreement. Approval of any changes to the Installment Purchase Agreement shall be conclusively evidenced by the execution and delivery of said agreement by the Authorized Officer executing the same.

SECTION 2. The Board hereby acknowledges receipt of the good faith estimates of certain information required by Government Code Section 5852.1 as set forth in Exhibit A attached hereto.

SECTION 3. This Board approves the Purchase and Sale Agreement with any such changes, deletions or additions to be made to said agreement as may be approved by the General Manager of the District. The Board directs its General Manager or designee (the "Authorized Officers") to execute and deliver said agreement and to do all such acts and things and to execute all such documents and certificates as may be necessary or desirable in connection with the execution and delivery of the Purchase and Sale Agreement. Approval of any changes to the Purchase and Sale Agreement shall be conclusively evidenced by the execution and delivery of said agreement by the Authorized Officer executing the same.

SECTION 4. The Authorized Officers are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents, agreements and certificates including, without limitation, a tax certificate and closing documents, which they may deem necessary and advisable in order to consummate the delivery of the Installment Purchase Agreement and the Purchase and Sale Agreement, and otherwise effectuate the purposes of this Resolution.

SECTION 5. All actions taken by the Board or the District, any member or officer of the Board or the District, or any agent or employee of the District relating to the authorization or execution and delivery of the Installment Purchase Agreement and Purchase and Sale Agreement, and the financing of the Project are hereby ratified, approved, and confirmed. All resolutions, or parts thereof, that conflict with this Resolution are hereby repealed.

SECTION 6. This Resolution shall take effect from and after its date of adoption.

DRAFT

PASSED, APPROVED AND ADOPTED at a regular meeting of the Board of Directors of the Root Creek Water District held on the ___ day of November, 2026, by the following vote, to wit:

AYES:
NOES:
ABSTAIN:
ABSENT:

_____
Jeff D. Coulthard, Vice President

ATTEST:

_____
Julia D. Berry, Secretary

DRAFT

EXHIBIT A

GOOD FAITH ESTIMATES

The following information is provided in compliance with Government Code Section 5852.1 with respect to the Installment Purchase Agreement.

1. True Interest Cost of the Installment Purchase Agreement. A good faith estimate of the true interest cost of the Installment Purchase Agreement, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Installment Purchase Agreement, is 3.00%.

2. Finance Charge of the Installment Purchase Agreement. A good faith estimate of the finance charge of the Installment Purchase Agreement, which means the sum of all fees and charges paid to third parties, is $25,000.

3. Amount of Proceeds to be Received. A good faith estimate of the amount of proceeds, meaning the value of the property, expected to be received in connection with the Installment Purchase Agreement less the finance charge of the Installment Purchase Agreement described in 2 above and any reserves or capitalized interest paid or funded with proceeds of the Installment Purchase Agreement, is $7,477,700.00.

4. Total Payment Amount. A good faith estimate of the total payment amount, which means the sum total of all payments the District will make to pay debt service on the Installment Purchase Agreement plus the finance charge of the Installment Purchase Agreement described in paragraph 2 above not paid with the proceeds of the Installment Purchase Agreement, calculated to the final maturity of the Installment Purchase Agreement, is $9,116,744.48.

DRAFT

INSTALLMENT PURCHASE AGREEMENT

Dated as of December 1, 2026

by and between

GROVELAND DEVELOPMENT CORPORATION

and

ROOT CREEK WATER DISTRICT

DRAFT

TABLE OF CONTENTS

Page

ARTICLE 1
DEFINITIONS AND EXHIBITS

Section 1.1. Definitions 1
Section 1.2. Liability of District Limited to Net Revenues 4
Section 1.3. Benefits of Installment Purchase Agreement Limited to Parties 4
Section 1.4. Successor Is Deemed Included in all References to Predecessor 5
Section 1.5. Waiver of Personal Liability 5
Section 1.6. Article and Section Headings, Gender and References 5
Section 1.7. Partial Invalidity 5
Section 1.8. Recitals and Attachments 5

ARTICLE 2
REPRESENTATIONS, COVENANTS AND WARRANTIES

Section 2.1. Representations, Covenants and Warranties of the District 6
Section 2.2. Representations, Covenants and Warranties of Groveland 8

ARTICLE 3
TERMS OF AGREEMENT

Section 3.1. Acquisition and Conveyance of Project 9
Section 3.2. Payment of Purchase Price by the District 9
Section 3.3. Term 9
Section 3.4. Payments 9
Section 3.5. Nature of District's Obligations 10
Section 3.6. Revenue Fund; Pledge of Net Revenues 11

ARTICLE 4
COVENANTS OF THE DISTRICT

Section 4.1. Release and Indemnification Covenants 12
Section 4.2. Against Sale or Other Disposition of the System 12
Section 4.3. Eminent Domain Proceeds 12
Section 4.4. Insurance 13
Section 4.5. Amounts of Rates, Fees and Charges 13
Section 4.6. Enforcement of and Performance Under Parity Obligations 14
Section 4.7. Collection of Charges, Fees and Rates 14
Section 4.8. Against Encumbrances 14
Section 4.9. Execution of Senior Obligations, Parity Obligations and Subordinate Obligations 14
Section 4.10. Conditions for Entering into Parity Obligations and Senior Obligations 14
Section 4.11. Reconstruction of System; Application of Insurance Proceeds 15
Section 4.12. Records and Accounts 15
Section 4.13. Collection of Charges 15
Section 4.14. Compliance with this Installment Purchase Agreement 15

TABLE OF CONTENTS
(continued)

Page

Section 4.15. Observance of Laws and Regulations 16
Section 4.16. Budget 16
Section 4.17. Notices 16
Section 4.18. No Public Registration 16

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES; ADDITIONAL ACCELERATION

Section 5.1. Events of Default 16
Section 5.2. Remedies on Default 18
Section 5.3. Other Remedies of Groveland 18
Section 5.4. No Remedy Exclusive 18
Section 5.5. No Additional Waiver Implied by One Waiver 18
Section 5.6. Additional Acceleration Events 18

ARTICLE 6
PREPAYMENT OF AGREEMENT

Section 6.1. Security Deposit 19
Section 6.2. Optional Prepayment 19

ARTICLE 7
MISCELLANEOUS

Section 7.1. Notices 19
Section 7.2. Assignment by Groveland 20
Section 7.3. Assignment by the District 20
Section 7.4. Amendment of this Installment Purchase Agreement 20
Section 7.5. Binding Effect 20
Section 7.6. Severability 20
Section 7.7. Net-Net-Net Parity Agreement 20
Section 7.8. Further Assurances and Corrective Instruments 20
Section 7.9. Execution in Counterparts 21
Section 7.10. Applicable Law and Venue 21
Section 7.11. Captions 21
Section 7.12. Mandatory Mediation 21
Section 7.13. Judicial Reference 21
Section 7.14. Coordination with Purchase and Sale Agreement and Existing Agreements 21

EXHIBIT A – Description of Project A-1
EXHIBIT B – Schedule of Installment Payments B-1
EXHIBIT C – Form of Investor Letter C-1

INSTALLMENT PURCHASE AGREEMENT

THIS INSTALLMENT PURCHASE AGREEMENT (this "Installment Purchase Agreement"), dated as of December 1, 2026, is by and between Groveland Development Corporation, a California corporation ("Groveland"), and Root Creek Water District, a California water district duly organized and existing under the laws of the State of California (the "District").

WITNESSETH:

WHEREAS, the District desires to enter into this Installment Purchase Agreement in connection with the acquisition of certain real property and improvements for the District's System as identified in Exhibit A attached hereto and incorporated herein by reference (the "Project"); and

WHEREAS, Groveland has agreed to sell the Project to the District for the purchase price of $7,477,700.00 (the "Purchase Price") and the District will acquire the Project from Groveland and obligate itself to make installment payments in the amounts and on the dates set forth in Exhibit B attached hereto and incorporated herein by reference (the "Installment Payments"); and

WHEREAS, the District's acquisition of the Project is being completed in lieu of the District's exercise of its power of eminent domain.

NOW, THEREFORE, in consideration of the above premises and of the mutual covenants hereinafter contained and for other good and valuable consideration, the parties hereto agree as follows:

ARTICLE 1

DEFINITIONS AND EXHIBITS

SECTION 1.1. Definitions. All capitalized terms used in this Section 1.1 shall for all purposes of this Installment Purchase Agreement have the meanings herein specified or as hereinafter defined.

"Business Day" means any day other than a Saturday or Sunday or a day on which (i) banks located in San Francisco, California are not required or authorized to remain closed, and (ii) the New York Stock Exchange is not closed.

"Closing Date" means December 15, 2026.

"Contract Payments" means the payments scheduled to be paid by the District under and pursuant to the Parity Obligations, which payments are secured by a pledge of Net Revenues.

"Default Rate" means a rate of interest equal to the interest rate with respect to this Installment Purchase Agreement, plus 1%.

"Deferred Principal Amount" means the Purchase Price less the Down Payment, as provided in Section 3.2.

"District" means Root Creek Water District, a water district duly organized and existing under the laws of the State of California.

"Down Payment" has the meaning given such term in Section 3.2.

"Event of Default" means any of the events of default as defined in Section 5.1.

"Federal Securities" means any direct general non-callable obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America), or obligations the timely payment of principal of and interest on which are directly guaranteed by the United States of America.

"Fiscal Year" means each twelve-month period during the Term of this Installment Purchase Agreement commencing, on July 1 in any calendar year and ending on June 30 in the next succeeding calendar year, or any other twelve-month period selected by the District as its fiscal year period.

"Governmental Authority" means any governmental or quasi-governmental entity, including any court, department, commission, board, bureau, agency, administration, central bank, service, district or other instrumentality of any governmental entity or other entity exercising executive, legislative, judicial, taxing, regulatory, fiscal, monetary or administrative powers or functions of or pertaining to government, or any arbitrator, mediator or other Person with authority to bind a party at law.

"Independent Certified Public Accountant" means a certified public accountant or any independent firm of certified public accountants appointed by the District.

"Installment Payment Date" means each date on which an Installment Payment is due as set forth in Exhibit B.

"Installment Payments" means the principal and interest payments set forth in Exhibit B, and includes any prepayment thereof pursuant to Section 6.1 or 6.2.

"Installment Purchase Agreement" means this Installment Purchase Agreement, dated as of December 1, 2026, by and between Groveland and the District.

"Maintenance and Operation Costs" means the reasonable and necessary costs paid or incurred by the District for maintaining and operating the System, including the purchase and delivery of water, determined in accordance with Generally Accepted Accounting Principles, including all reasonable expenses of management and repair and all other expenses necessary to maintain and preserve the System in good repair and working order, and including all administrative costs of the District that are charged directly or apportioned to the operation of the System, such as salaries and wages of employees, payments to the District's pension plans (if any), overhead, taxes (if any) and insurance premiums (including payments required to be paid into any self-insurance funds), and including all other reasonable and necessary costs of the District or

charges required to be paid by it to comply with the terms of this Installment Purchase Agreement or of any resolution authorizing the execution of any Parity Obligation or of such Parity Obligation, and fees and expenses of Independent Certified Public Accountants; but excluding in all cases (i) the principal of and interest on Contract Payments, and payment of Subordinate Obligations, (ii) costs of capital additions, replacements, betterments, extensions or improvements which under Generally Accepted Accounting Principles are chargeable to a capital account, and (iii) depreciation, replacement and obsolescence charges or reserves therefor and amortization of intangibles.

"Material Adverse Change" means an event or occurrence which adversely affects in a material manner (a) the assets, liabilities, condition (financial or otherwise), business, facilities or operations of the District or the System, (b) the ability of the District to carry out its business in the manner conducted as of the date of this Installment Purchase Agreement or to meet or perform its obligations under this Installment Purchase Agreement on a timely basis, or (c) the validity or enforceability of this Installment Purchase Agreement.

"Net Revenues" means for any period Revenues less Maintenance and Operation Costs for such period. Net Revenues of the Water System can only be pledged to and used for the payment of Installment Payments related to Water System acquisitions and improvements. Net Revenues of the Stormwater System can only be pledged to and used for the payment of Installment Payments related to Stormwater System acquisitions and improvements.

"Parity Obligations" means with respect to Net Revenues of the Water System or the Stormwater System, as applicable (i) the portion of that certain Amended and Restated Urban Reimbursement Agreement, dated as of January 1, 2022, by and among the District, Groveland, and Riverstone Development, LLC that is payable from and secured by a pledge of and lien upon the same Net Revenues, and (ii) all other bonds, notes, loans, installment sale agreements, leases, or other obligations of the District payable from and secured by a pledge of and lien upon the same Net Revenues on a parity with the applicable portion of the Installment Payments and entered into in accordance with Section 4.10 hereof.

"Project" means the acquisition of certain real property and improvements to the District's System, as more particularly described on Exhibit A attached hereto.

"Purchase and Sale Agreement" means that certain Purchase and Sale Agreement dated as of or about the date hereof between Groveland, as seller, and the District, as buyer, relating the Project, as amended in accordance with its terms.

"Purchase Price" has the meaning given such term in the second recital of this Installment Purchase Agreement.

"Qualified Investor" means an "accredited investor" as defined in Rule 501(a) promulgated under the Securities Act of 1933, as amended, or a "qualified institutional buyer" as defined in Rule 144A promulgated under the Securities Act of 1933, as amended.

"Revenue Fund" means, as applicable, the Root Creek Water District Water Revenue Fund or the Root Creek Water District Stormwater Revenue Fund established and held by the District for the receipt and deposit of Revenues, as provided in Section 3.6(a).

"Revenues" means all gross income, receipts and revenue received or receivable by the District from the ownership or operation of the System, determined in accordance with Generally Accepted Accounting Principles, including all fees, rates, charges and all amounts paid under any contracts received or owed by the District in connection with the ownership or operation of the System and all proceeds of insurance covering business interruption loss relating to the System and all other income and revenue howsoever derived by the District from the ownership or operation of the System or arising from the System.

"Senior Obligations" means, with respect to Net Revenues of the Water System or the Stormwater System, as applicable, all bonds, notes, loans, installment sale agreements, leases, or other obligations of the District payable from and secured by a pledge of and lien upon the same Net Revenues senior to the lien securing the applicable portion of the Installment Payments and Parity Obligations, entered into in accordance with Section 4.10 hereof.

"Subordinate Obligations" means all obligations of the District that are subordinate in priority and payment to the Installment Payments and payments required under Parity Obligations.

"System" means all land, facilities, assets and equipment owned or used by the District pertaining to the collection, transmission, distribution, and sale of water (the "Water System"), and pertaining to the collection, transmission and storage of storm water (the "Stormwater System"), together with all additions, betterments, extensions or improvements to such land, facilities and equipment or any part thereof hereafter acquired or constructed by the District; provided however, that the System shall not include any portion of the agricultural water and irrigation system of the District.

"Term of this Installment Purchase Agreement" or "Term" means the time during which this Installment Purchase Agreement is in effect, as provided in Section 3.3.

SECTION 1.2. Liability of District Limited to Net Revenues. Notwithstanding anything to the contrary contained in this Installment Purchase Agreement, the District shall not be required to advance any money derived from any source of income other than the Net Revenues, for the payment of the principal of or interest or prepayment premiums, if any, on the Installment Payments or for the performance of any covenants herein contained, nor for the maintenance and operation of the System from any source of income other than the Revenues. The District may, however, advance funds for any such purpose so long as such funds are derived from a source legally available for such purpose without incurring any indebtedness. The Installment Payments shall be payable exclusively from the Net Revenues as provided in this Installment Purchase Agreement except as otherwise provided in this Installment Purchase Agreement. The credit of the District is not pledged for the payment of the Installment Payments or interest thereon. The principal of and interest on the Installment Payments and any prepayment premiums upon the prepayment thereof shall not be secured by a legal or equitable pledge of, or charge, lien or encumbrance upon, any of the property of the District or any of its income, receipts, or revenues, except the Net Revenues pledged to the payment thereof as provided in this Installment Purchase Agreement.

SECTION 1.3. Benefits of Installment Purchase Agreement Limited to Parties. Nothing contained herein and except as it relates to the holders of Parity Obligations other than

this Installment Purchase Agreement, expressed or implied, is intended to give to any person other than the District and Groveland any right, remedy or claim under or pursuant hereto. Any agreement or covenant required herein to be performed by or on behalf of the District shall be for the sole and exclusive benefit of Groveland.

SECTION 1.4. Successor Is Deemed Included in all References to Predecessor. Whenever the District is named or referred to herein, such reference shall be deemed to include the successor to the powers, duties and functions that are presently vested in the District, and all agreements and covenants required hereby to be performed by or on behalf of the District shall bind and inure to the benefit of the successors thereof whether so expressed or not.

SECTION 1.5. Waiver of Personal Liability. No member of the District Board of Directors and no officer, agent, or employee of the District, or of any department or District thereof, shall be individually or personally liable for the payment of the principal of or interest on this Installment Purchase Agreement, but nothing contained herein shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law or hereby. No officer, director, shareholder, employee or agent of Groveland shall be individually or personally liable for any obligation of Groveland under this Installment Purchase Agreement solely by reason of such person's execution of this Installment Purchase Agreement or any certificate or other document delivered in connection herewith on behalf of Groveland.

SECTION 1.6. Article and Section Headings, Gender and References. The headings or titles of the several articles and sections hereof and the table of contents appended hereto shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof. Words of any gender shall be deemed and construed to include all genders. All references herein to "articles," "sections" and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof; and the words "hereby," "herein," "hereof," "hereto," "herewith" and other words of similar import refer to this Installment Purchase Agreement as a whole and not to any particular article, section, subdivision or clause hereof.

SECTION 1.7. Partial Invalidity. If any one or more of the agreements or covenants or portions thereof required hereby to be performed by or on the part of the District shall be contrary to law, then such agreement or agreements, such covenant or covenants or such portions thereof shall be null and void and shall be deemed separable from the remaining agreements and covenants or portions thereof and shall in no way affect the validity hereof; but Groveland shall retain all the rights and benefits accorded to it under any applicable provisions of law.

SECTION 1.8. Recitals and Attachments. The recitals set forth above and all exhibits, schedules, appendices and other attachments identified in this Installment Purchase Agreement, whether attached as of the date hereof or subsequently added by written agreement of the parties, are incorporated into and made a part of this Installment Purchase Agreement. Without limiting the foregoing, the following Exhibits are attached hereto:

Exhibit A: Description of the Project.

Exhibit B: The schedule of Installment Payments to be paid by the District hereunder, showing the date and amount of each such Installment Payment.

Exhibit C: Form of Investor Letter to be executed by Groveland.

ARTICLE 2

REPRESENTATIONS, COVENANTS AND WARRANTIES

SECTION 2.1. Representations, Covenants and Warranties of the District. The District represents, covenants and warrants to Groveland as follows:

(a) Due Organization and Existence. The District is a water district and political subdivision of the State of California, duly organized and existing under the laws of the State of California, with full power and authority to enter into this Installment Purchase Agreement and conduct its business.

(b) Authorization. The laws of the State of California authorize the District to enter into this Installment Purchase Agreement and to enter into the transactions contemplated hereby, and to carry out its obligations under this Installment Purchase Agreement and the Board of Directors of the District has duly authorized the execution and delivery of this Installment Purchase Agreement.

(c) No Violations. Neither the execution and delivery of this Installment Purchase Agreement nor the fulfillment of or compliance with the terms and conditions hereof, nor the consummation of the transactions contemplated hereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the District is now a party or by which the District is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any lien, charge or encumbrances whatsoever upon any of the property or assets of the District, other than as set forth herein.

(d) Valid and Binding Obligation. This Installment Purchase Agreement is a valid and binding obligations of the District enforceable in accordance with its terms.

(e) Pledge and Other Liens. The pledge provided in Section 3.6 of this Installment Purchase Agreement constitutes a lien on and pledge of all Net Revenues, subject only to the liens securing Parity Obligations and any other liens on the Net Revenues disclosed in writing to Groveland prior to the Closing Date.

(f) Due Execution. The District has duly authorized and executed this Installment Purchase Agreement in accordance with the laws of the State.

(g) No Default Event of Non-Appropriation. The District is not in default and has not failed to appropriate funds required under the terms, conditions or provisions of any agreement or instrument to which the District has issued debt.

(h) No Material Adverse Change. Since the date of the most recent information, financial or otherwise, supplied by the District to Groveland:

(i) there has been no material change in the assets, liabilities, financial position or results of operations of the District which might reasonably be anticipated to cause a Material Adverse Change;

(ii) the District has not incurred any material obligations or liabilities which might reasonably be anticipated to cause a Material Adverse Change;

(iii) the District has not (A) incurred any material indebtedness, other than the Installment Payments and trade accounts payable arising in the ordinary course of the District's business and not past due, or (B) guaranteed the indebtedness of any other person;

(iv) The District's comprehensive annual financial report for the period ended June 30, 2025, presents fairly the financial condition of the District and the System as of the date thereof and the results of operation for the period covered thereby;

(v) To the best of its knowledge, the District is not in any material respect in breach of or default under any constitutional provision, law or administrative regulation of the State or of the United States or any District or instrumentality of either or any judgment or decree or any loans, indenture, bond, note, resolution, agreement or other instrument to which the District is a party or to which the District or any of its property or assets is otherwise subject (including, without limitation, this Installment Purchase Agreement), and no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument; and the adoption of the Resolution, the execution, and the execution and delivery of this Installment Purchase Agreement and compliance with the District's obligations therein and herein will not in any material respect conflict with, violate or result in a breach of or constitute a default under, any constitutional provision, law, administrative regulation, judgment, decree, Installment Purchase Agreement, indenture, agreement, mortgage, lease or other instrument to which the District is a party or to which the District or any of its property or assets is otherwise subject, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the District or under the terms of any such law, regulation or instruments, except as provided by this Installment Purchase Agreement;

(vi) All consents, approvals, authorizations, orders, licenses or permits of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter, that are required for the due authorization by, or that would constitute a condition precedent to or the absence of which would materially adversely affect the making or accepting of this Installment Purchase Agreement and the execution, delivery of and performance of this Installment Purchase Agreement by the District have been duly obtained (except for such approvals, consents and orders as may be required under the Blue Sky or securities

laws of any state in connection with the offering and sale of this Installment Purchase Agreement, as to which no representation is made);

(vii) The District acknowledges that (i) Groveland, is acting solely for its own loan account and not as a fiduciary for the District or in the capacity of broker, dealer, municipal securities underwriter or municipal advisor, (ii) Groveland has not provided, and will not provide, financial, legal (including securities law), tax, accounting or other advice to or on behalf of the District with respect to the Installment Payments, (iii) Groveland has expressed no view regarding the legal sufficiency of its representations for purposes of compliance with any legal requirements applicable to any other party, if any, or the correctness of any legal interpretation made by counsel to any other party, if any, with respect to any such matters, and (iv) the District has sought and obtained financial, legal, tax, accounting and other advice (including as it relates to structure, timing, terms and similar matters) with respect to the financing effectuated through this Installment Purchase Agreement from its financial, legal and other advisors to the extent that the District desired to obtain such advice; and

(viii) During the term of this Installment Purchase Agreement, the Project will be used by the District only for the purpose of performing one or more governmental or proprietary functions of the District consistent with the permissible scope of the District's authority.

SECTION 2.2. Representations, Covenants and Warranties of Groveland. Groveland represents, covenants and warrants to the District as follows:

(a) Due Organization and Existence. Groveland is a California corporation organized and existing under the laws of the State of California.

(b) Authorization. Groveland is authorized to enter into this Installment Purchase Agreement and the transactions contemplated hereby, and Groveland has duly authorized the execution and delivery of this Installment Purchase Agreement.

(c) No Violations. Neither the execution and delivery of this Installment Purchase Agreement nor the fulfillment of or compliance with the terms and conditions hereof, nor the consummation of the transactions contemplated hereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which Groveland is now a party or by which Groveland is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any lien, charge or encumbrance whatsoever upon any of the property or assets of Groveland.

(d) Litigation. To the best knowledge of Groveland, there is no pending or threatened action or proceeding before any court or administrative District which will materially adversely affect the ability of Groveland to perform its obligations under this Installment Purchase Agreement.

(e) Investor Letter. Groveland will deliver to the District a certificate or letter substantially in the form set forth in Exhibit C attached hereto, and will abide by all transfer restrictions herein and therein.

ARTICLE 3

TERMS OF AGREEMENT

SECTION 3.1. Acquisition and Conveyance of Project. Groveland agrees to sell and convey the Project to the District, and the District agrees to purchase and acquire the Project from Groveland for the Purchase Price and upon the terms provided in this Installment Purchase Agreement and the Purchase and Sale Agreement. The acquisition and conveyance of the Project shall close on the Closing Date, subject to satisfaction or waiver of the conditions to Closing set forth in the Purchase and Sale Agreement.

SECTION 3.2. Payment of Purchase Price by the District. The District hereby agrees to purchase from Groveland the Project for $7,477,700.00 (the "Purchase Price"). Of the Purchase Price, $292,400.00 is attributable to the Water System portion of the Project and $7,185,300.00 is attributable to the Stormwater System portion of the Project. The Down Payment, Deferred Principal Amount and each Installment Payment shall be allocated between the Water System and Stormwater System portions of the Project as set forth in Exhibit B. The District shall pay $74,777.00 as a portion of the Purchase Price on the Closing Date (the "Down Payment"), $3,000.00 of which is attributable to the Water System and $71,777.00 of which is attributable to the Stormwater System. The unpaid balance of the Purchase Price after payment of the Down Payment (the "Deferred Principal Amount"), together with interest calculated at the rate of 3.00% per annum, on the basis of a 360 day year consisting of twelve 30 day months, shall be payable through the Installment Payments on each Installment Payment Date as set forth in Exhibit B attached hereto.

SECTION 3.3. Term. The Term of this Installment Purchase Agreement shall commence on the Closing Date, and shall end on the date upon which the Installment Payments shall be paid in full or provision for such payment has been made as provided herein.

SECTION 3.4. Payments.

(a) Payment Instructions. So long as this Installment Purchase Agreement is held by Groveland, all principal and interest payments with respect to this Installment Purchase Agreement shall be made by wire transfer in accordance with wiring instructions separately delivered by Groveland to the District. Wiring instructions shall not be included in this Installment Purchase Agreement or any publicly available attachment hereto. Groveland may change its wiring instructions by separately delivering revised written instructions to the District. If the District has not received valid wiring instructions from Groveland by the time a payment is required to be made, the District shall make the payment by check delivered to Groveland at its notice address set forth in Section 7.1.

(b) Effect of Prepayment. In the event that the District prepays the Installment Payments in full pursuant to Article 6, the District's obligations under this Installment Purchase

Agreement shall thereupon cease and terminate, including but not limited to the District's obligation to pay the Installment Payments hereunder; subject however, to the provisions of Section 6.1 in the case of prepayment by application of a security deposit, and this Installment Purchase Agreement shall automatically terminate.

(c) Rate on Overdue Payments. In the event the District should fail to make any of the payments required pursuant to this Installment Purchase Agreement, the payment in default shall continue as an obligation of the District until the amount in default shall have been fully paid, and the District agrees to pay the same with interest thereon, to the extent permitted by law, from the date of default to the date of payment at the Default Rate.

SECTION 3.5. Nature of District's Obligations.

(a) Special Obligation. The District's obligation to pay the Installment Payments is a special obligation of the District limited solely to the Net Revenues. Under no circumstances is the District required to advance moneys derived from any source of income other than the Net Revenues and other sources specifically identified herein for the payment of the Installment Payments. No other funds or property of the District shall be liable for payment of the Installment Payments. The District may pay Installment Payments from any source of legally available funds, although such other funds shall not be pledged to or subject to the lien created hereby.

(b) Obligations Absolute. The obligations of the District to pay the Installment Payments from Net Revenues and to perform and observe its other agreements contained herein are absolute and unconditional and are not subject to any defense or right of setoff, counterclaim or recoupment arising from any breach by Groveland, any failure of consideration, any defect in or failure of title to the Project, or any other circumstance relating to the Project, the System, the Purchase and Sale Agreement or this Installment Purchase Agreement, or out of indebtedness or liability at any time owing to the District by Groveland. Until such time as all of the Installment Payments have been fully paid or prepaid, the District:

(i) will not suspend or discontinue payment of any Installment Payments;

(ii) will perform and observe all other agreements contained in this Installment Purchase Agreement; and

(iii) will not terminate this Installment Purchase Agreement for any cause, including, without limiting the generality of the foregoing, the occurrence of any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, destruction of or damage to the System, sale of the System, the taking by eminent domain of title to or temporary use of any component of the System, commercial frustration of purpose, any change in the tax or other laws of the United States of America or the State of California or any political subdivision of either thereof or any failure of Groveland to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with this Installment Purchase Agreement.

(c) Protection of Rights. If Groveland fails to perform any such agreements on its part, the District may institute such action against Groveland as the District deems necessary to compel performance so long as such action does not abrogate the obligations of the District contained in

the preceding subsection (b). The District may, however, at the District's own cost and expense and in the District's own name or in the name of Groveland, prosecute or defend any action or proceeding or take any other action involving third persons which the District deems reasonably necessary in order to secure or protect the District's rights hereunder, and in such event Groveland will cooperate fully with the District and take such action necessary to effect the substitution of the District for Groveland in such action or proceeding if the District shall so request.

SECTION 3.6. Revenue Fund; Pledge of Net Revenues.

(a) Revenue Fund; Receipt and Deposit of Net Revenues. There has heretofore been established special funds known as the "Root Creek Water District Water Revenue Fund" and "Root Creek Water District Stormwater Revenue Fund," which funds shall continue to be held and maintained by the District so long as this Installment Purchase Agreement and any Parity Obligations are outstanding. The District shall deposit all Revenues as and when received by it in the applicable Revenue Fund and the District agrees and covenants that all Revenues deposited by it in the applicable Revenue Fund will be accounted for through and held in trust in the applicable Revenue Fund for the benefit of Groveland and for the benefit of the owners of any Parity Obligations. The District shall withdraw from such applicable Revenue Fund and transfer to Groveland an amount of Net Revenues equal to the aggregate amount of the applicable portion of the Installment Payment when and as the same becomes due and payable.

(b) Pledge of Net Revenues. All the Net Revenues are irrevocably pledged by the District to the punctual payment of the interest on and principal of and redemption premiums, if any, on the Installment Payments and the payment of any Contract Payments, subject to the provisions permitting the application thereof for the purposes and on the conditions and terms set forth in this Installment Purchase Agreement; provided, however, that Net Revenues of the Water System can only pay for the applicable portion of Installment Payments related to Water System improvements of the Project and Net Revenues of the Stormwater System can only pay for the applicable portion of Installment Payments related to Stormwater System improvements of the Project. This pledge shall constitute a first lien on the Net Revenues for the payment of the Installment Payments and the payment of any Contract Payments in accordance with the terms of this Installment Purchase Agreement and any Parity Obligations. If the available Net Revenues of the Water System or the Stormwater System are insufficient to pay all amounts then due under the applicable portion of the Installment Payments and all Parity Obligations payable from and secured by the same Net Revenues, the available Net Revenues shall be applied pro rata based upon the respective amounts then due. The principal of and interest on the Installment Payments and any prepayment premiums upon the prepayment thereof shall not be secured by a legal or equitable pledge of, or charge, lien or encumbrance upon, any of the property of the District or any of its income, receipts, or revenues, except the Net Revenues pledged to the payment thereof as provided in this Installment Purchase Agreement.

(c) Other Uses Permitted. The District shall manage, conserve and apply the Net Revenues in such a manner that all deposits required to be made under the preceding paragraph will be made at the times and in the amounts so required. Subject to the foregoing sentence, so long as no Event of Default has occurred and is continuing hereunder, the District may at any time and from time to time use and apply Net Revenues for (i) the acquisition and construction of

improvements to the System; (ii) the prepayment of this Installment Purchase Agreement or Parity Obligations; or (iii) any other lawful purpose of the District.

ARTICLE 4

COVENANTS OF THE DISTRICT

SECTION 4.1. Release and Indemnification Covenants. The District shall indemnify Groveland and its officers, employees, agents, successors and assigns and hold them harmless from and against all claims, losses and damages, including legal fees and expenses, arising out of the following:

(a) the use, maintenance, condition or management of, or from any work or thing done on or about the System by the District, or its employees, agents, directors, contractors or officers;

(b) any breach or default on the part of the District in the performance of any of its obligations under this Installment Purchase Agreement;

(c) any intentional misconduct or negligence of the District or of any of its agents, contractors, servants, employees or licensees with respect to the System; and

(d) any intentional misconduct or negligence of any lessee of the District with respect to the System.

No indemnification is made under this Section 4.1 or elsewhere in this Installment Purchase Agreement for willful misconduct, gross negligence, or breach of duty under this Installment Purchase Agreement by Groveland, its officers, agents, employees, successors or assigns.

SECTION 4.2. Against Sale or Other Disposition of the System. The District will not sell or otherwise dispose of the System or any part thereof essential to the proper operation of the System or that would have a Material Adverse Change on the Net Revenues received or receivable by the District, unless the Installment Payments and the Parity Obligations have been fully paid or provision has been made therefor. The District will not enter into any lease or agreement which impairs the operation of the System or any part thereof necessary to secure adequate Net Revenues for the payment of the interest on and principal of and redemption premiums, if any, on the Installment Payments and the Parity Obligations, or which would otherwise impair the rights of Groveland or the owners of the Parity Obligations with respect to the Net Revenues or the operation of the System.

SECTION 4.3. Eminent Domain Proceeds. Except as provided in Section 5.6(g), if all or any part of the System shall be taken by eminent domain proceedings, the net proceeds realized by the District therefrom shall be deposited by the District in a special fund with Groveland and applied by the District to the cost of acquiring and constructing additions, betterments, extensions or improvements to the System. If (A) the District first secures and files with Groveland a Certificate of the District showing (i) the loss in annual Revenues, if any, suffered, or to be suffered, by the District by reason of such eminent domain proceedings, (ii) a general description of the additions, betterments, extensions or improvements to the System then

proposed to be acquired and constructed by the District from such proceeds, and (iii) an estimate of the additional Revenues to be derived from such additions, betterments, extensions or improvements; and (B) Groveland has been furnished a Certificate of the District, certifying that such additional Revenues will sufficiently offset the loss of Revenues resulting from such eminent domain proceedings so that the ability of the District to meet its obligations under this Installment Purchase Agreement and Parity Obligations, if any, will not be substantially impaired, and such Certificate of the District shall be final and conclusive, and any balance of such proceeds not required by the District for such purpose shall be deposited in the Revenue Fund provided, that if the foregoing conditions are not met, then such proceeds shall be applied on a pro rata basis so as to pay principal of, interest and prepayment premium, if any, on the Installment Payments and with respect to unpaid Parity Obligations as they shall become due.

If such eminent domain proceedings have had no effect, or at most an immaterial effect, upon the Revenues and the security of the Installment Payments and the Parity Obligations, and a Certificate of the District to such effect has been filed with Groveland, then the District shall be permitted to deposit such proceeds in the Revenue Fund.

SECTION 4.4. Insurance.

(a) The District will procure and maintain at all times while any of the Installment Payments shall be outstanding insurance on the System against such risks (including accident to or destruction of the System as well as loss of use) as are usually insured in connection with operations similar to the System and, to the extent such insurance is available for reasonable premiums from a reputable insurance company, such insurance shall be adequate in amount and, as to the risks insured against, shall be maintained with responsible insurers; provided, that such insurance coverage may be satisfied under a self-insurance program which is actuarially sound.

(b) The District shall procure and maintain or cause to be procured and maintained, with responsible insurers, public liability and worker's compensation insurance covering claims against the District (including its directors, officers and employees) for bodily injury or death, or damage to property occasioned by reason of the District's operations, including any use of the System, and such insurance shall afford protection in such amounts as are usually covered in connection with operations similar to the System; provided, that such insurance coverage may be satisfied under a self-insurance program which is actuarially sound. Groveland shall be named as an additional insured with respect to any public liability insurance.

SECTION 4.5. Amounts of Rates, Fees and Charges.

(a) The District will, at all times while any of the Installment Payments remain outstanding, fix, prescribe and collect rates, fees and charges and manage the operation of the System for each Fiscal Year so as to yield Revenues at least sufficient, after making reasonable allowances for contingencies and errors in the estimates, to pay the following amounts during such Fiscal Year:

(i) All current Maintenance and Operation Costs;

(ii) The interest on and principal of the Installment Payments and the payments for the Parity Obligations and Senior Obligations;

(iii) All payments required for compliance with the terms of this Installment Purchase Agreement or any other Parity Obligation or Senior Obligation, including without limitation, any obligation to maintain a reserve fund at a certain level;

(iv) All payments to meet any other obligations of the District which are charges, liens or encumbrances upon, or payable from, the Net Revenues; and

(v) Payment with respect to the Subordinate Obligations as they become due and payable.

SECTION 4.6. Enforcement of and Performance Under Parity Obligations. The District shall enforce all material provisions of any contracts to which it is a party, an assignee, successor in interest to a party, or third-party beneficiary, in any case where such contracts provide for water or storm-drainage services to be provided by or through the System or provide for payments or services to be rendered to the District. Further, the District will comply with, keep, observe and perform all material agreements, conditions, covenants and terms, express or implied, required to be performed by it, contained in all contracts affecting or involving the System, to the extent that the District is a party thereto.

SECTION 4.7. Collection of Charges, Fees and Rates. The District will have in effect at all times rules and regulations requiring each person or entity receiving services from the System to pay the applicable charges, fees and rates and providing for the billing thereof. In each case where such bill remains unpaid in whole or in part after it becomes delinquent, the District will take necessary actions to enforce the collection procedures contained in the rules and regulations.

SECTION 4.8. Against Encumbrances. The District will not mortgage or otherwise encumber, pledge or place any charge or lien upon the Net Revenues except as provided in this Installment Purchase Agreement and will not issue any obligations secured by Net Revenues on a parity with, or senior to, the Installment Payments and Parity Obligations except as provided herein; provided, that the District may at any time issue any Subordinate Obligations.

SECTION 4.9. Execution of Senior Obligations, Parity Obligations and Subordinate Obligations.

(a) The District may at any time execute any Senior Obligations; provided that such Senior Obligations meet the conditions and requirements for the issuance of Senior Obligations under Section 4.10 below.

(b) The District may at any time execute any Parity Obligations the Contract Payments under which are payable on a parity with the Installment Payments; provided, that such Parity Obligations meet the conditions and requirements for the issuance of Parity Obligations under Section 4.10 below.

(c) The District may at any time execute any Subordinate Obligations.

SECTION 4.10. Conditions for Entering into Parity Obligations and Senior Obligations. The District may at any time enter into a Senior Obligation or Parity Obligation

payable from the applicable Net Revenues and secured by a lien and charge upon the applicable Net Revenues that is, in the case of Parity Obligations, equal to and on a parity with the lien and charge securing the applicable portion of the Installment Payments and, in the case of a Senior Obligation, senior to the lien and charge securing the applicable portion of the Installment Payments, but only subject to the following conditions precedent:

(a) The District shall receive the written consent of Groveland;

(b) The District shall be in compliance with all material agreements, conditions, covenants and terms contained in this Installment Purchase Agreement and in any other Parity Obligations or Senior Obligations required to be observed or performed by it; and

(c) The execution of the Parity Obligation or Senior Obligation shall have been duly authorized pursuant to all applicable laws, and the Parity Obligation or Senior Obligation shall specify among other items, the amount, if any, to be deposited from the proceeds of such Parity Obligation or Senior Obligation into a reserve fund established for such Parity Obligation or Senior Obligation.

SECTION 4.11. Reconstruction of System; Application of Insurance Proceeds. If any useful portion of the System shall be damaged or destroyed, the District shall, as expeditiously as possible, continuously and diligently pursue or cause to be pursued the reconstruction or replacement thereof, unless the District shall file with Groveland a written certificate of an engineer qualified to render such certificate to the effect that such reconstruction or replacement is not in the best interests of the District and Groveland. The proceeds of any insurance paid on account of such damage or destruction, other than business interruption loss insurance or public liability insurance, shall be deposited by the District in a special account, held in trust by the District, and made available for, and to the extent necessary applied to, the cost of such reconstruction or replacement, if any. Pending such application, such proceeds may be invested by the District in investments permitted by Section 53601 of the California Government Code which mature not later than such times as shall be necessary to provide moneys when needed to pay such cost of reconstruction or replacement. Any balance of such proceeds of insurance not required by the District for the purposes aforesaid shall be deemed Revenues.

SECTION 4.12. Records and Accounts. The District covenants and agrees that it shall keep proper books of record and accounts of the System, separate from all other records and accounts, in which complete and correct entries shall be made of all transactions relating to the System, the Revenues and the Net Revenues. Said books shall at all reasonable times be subject to the inspection of Groveland.

SECTION 4.13. Collection of Charges. The District covenants that it shall maintain and enforce valid regulations for the payment of bills for charges, fees and rates for services provided by the System.

SECTION 4.14. Compliance with this Installment Purchase Agreement. The District will faithfully observe and perform or cause to be faithfully observed and performed all material covenants, conditions and requirements of this Installment Purchase Agreement, and will not suffer or permit any default to occur hereunder. The District will not do or permit anything to

be done, or omit or refrain from doing anything, in any case where any such act done or permitted to be done, or any such omission of or refraining from action, would constitute an Event of Default hereunder.

SECTION 4.15. Observance of Laws and Regulations. The District will well and truly keep, observe and perform or cause to be kept, observed and performed all valid and lawful obligations or regulations now or hereafter imposed on it by contract, or prescribed by any law of the United States, or of the State, or by any officer, board or commission having jurisdiction or control, as a condition of the continued enjoyment of any and every right, privilege or franchise now owned or hereafter acquired and enjoyed by the District, including the District's right to exist and carry on business as a California water district, to the end that such rights, privileges and franchises shall be maintained and preserved, and shall not become abandoned, forfeited or in any manner impaired.

SECTION 4.16. Budget. The District hereby covenants to take such action as may be necessary to include all Installment Payments and all other amounts due hereunder in its annual budget and to make the necessary annual appropriations for all such Installment Payments and all other amounts due hereunder. The covenants on the part of the District herein contained shall be deemed to be and shall be construed to be ministerial duties imposed by law and it shall be the ministerial duty of each and every public official of the District to take such action and do such things as are required by law in the performance of such official duty of such officials to enable the District to carry out and perform the covenants and agreements on the part of the District contained in this Installment Purchase Agreement.

SECTION 4.17. Notices. The District shall provide to Groveland:

(a) Immediate notice by telephone, promptly confirmed in writing, of any event, action or failure to take any action which constitutes an Event of Default under this Installment Purchase Agreement, together with a detailed statement by a District officer of the steps being taken by the District to cure the effect of such Event of Default.

(b) With reasonable promptness, such other information respecting the District, the System, and the operations, affairs and financial condition of the District as Groveland may from time to time reasonably request.

SECTION 4.18. No Public Registration. During any period that Groveland is a party to this Installment Purchase Agreement, this Installment Purchase Agreement shall not be (i) assigned a rating by any credit rating agency, (ii) registered with The Depository Trust Company or any other securities depository, (iii) offered pursuant to any type of offering document or official statement or (iv) assigned a CUSIP number by Standard & Poor's CUSIP Service.

ARTICLE 5

EVENTS OF DEFAULT AND REMEDIES; ADDITIONAL ACCELERATION

SECTION 5.1. Events of Default. If one or more of the following events (herein an "Event of Default") shall happen, the following shall be an Event of Default:

(a) If default shall be made in the due and punctual payment of the interest payable pursuant to this Installment Purchase Agreement after thirty (30) days when and as the same shall become due and payable;

(b) If default shall be made in the due and punctual payment of the principal payable pursuant to this Installment Purchase Agreement after thirty (30) days when and as the same shall become due and payable;

(c) If default shall be made by the District in the observance or performance of any of the other material agreements, conditions, covenants or terms on its part contained in this Installment Purchase Agreement, and such default shall have continued for a period of thirty (30) days after the District shall have been given notice in writing of such default by Groveland, which may give notice in its discretion; provided, that such default shall not constitute an Event of Default if the District shall commence to cure such default within such thirty (30)-day period and thereafter diligently and in good faith shall proceed to cure such default within a reasonable period of time but not later than an additional thirty (30) days;

(d) If the District shall file a petition or answer seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America, or if a court of competent jurisdiction shall approve a petition, filed with or without the consent of the District, seeking reorganization under the federal bankruptcy laws or any other applicable law of the United States of America, or if, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the District or of the whole or any substantial part of its property; or

(e) Any material representation or warranty made or deemed to be made by or on behalf of the District in this Installment Purchase Agreement or in any certificate, financial or other statement furnished by or on behalf of the District to Groveland pursuant hereto or thereto shall prove to have been inaccurate, misleading or incomplete in any material respect when made or deemed to have been made.

SECTION 5.2. Remedies on Default. Whenever any Event of Default shall have happened and be continuing, Groveland shall have the right, at its option upon notice to the District to (i) apply to and obtain from any court of competent jurisdiction such decree or order as may be necessary to require officials of the District to charge and collect rates for services provided by the District and the System sufficient to meet all requirements of this Installment Purchase Agreement, (ii) accelerate the remaining unpaid balance of the Installment Payments, including all accrued but unpaid interest, such that all such amounts shall be immediately due and payable, and (iii) take whatever action at law or in equity as may appear necessary or desirable to collect the Installment Payments then due or thereafter to become due during the Term of this Installment Purchase Agreement, or enforce performance and observance of any obligation, agreement or covenant of the District under this Installment Purchase Agreement, subject to the following paragraph.

Notwithstanding any provision of this Installment Purchase Agreement, the District's liability to pay the Installment Payments and other amounts hereunder shall be limited solely to

Net Revenues as provided in Article 4 hereof. In the event that Net Revenues shall be insufficient at any time to pay the principal and interest on the Installment Payments in full, the District shall not be liable to pay or prepay such delinquent Installment Payments other than from Net Revenues; provided, however, the District may make Installment Payments from any source of legally available funds. Any unpaid portion of an Installment Payment shall remain due and owing until paid.

SECTION 5.3. Other Remedies of Groveland. Groveland shall have the following rights:

(a) by mandamus or other action or proceeding or suit at law or in equity to enforce its rights against the District or any director, officer or employee thereof, and to compel the District or any such director, officer or employee to perform and carry out its or his duties under the agreements and covenants required to be performed by it or him contained herein;

(b) by suit in equity to enjoin any acts or things that are unlawful or violate the rights of Groveland; or

(c) by suit in equity upon the happening of an Event of Default to require the District and its Board of Directors, officers and employees to account as the trustee of an express trust.

SECTION 5.4. No Remedy Exclusive. No remedy herein conferred upon or reserved to Groveland is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Installment Purchase Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle Groveland to exercise any remedy reserved to it in this Article 5 it shall not be necessary to give any notice, other than such notice as may be required, in this Article 5 or by law.

SECTION 5.5. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Installment Purchase Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

A waiver of any default or breach of duty or contract by Groveland shall not affect any subsequent default or breach of duty or contract or impair any rights or remedies on any such subsequent default or breach of duty or contract. No delay or omission by Groveland to exercise any right or remedy accruing upon any default or breach of duty or contract shall impair any such right or remedy or shall be construed to be a waiver of any such default or breach of duty or contract or an acquiescence therein, and every right or remedy conferred upon Groveland by law or by this article may be enforced and exercised from time to time and as often as shall be deemed expedient by Groveland. If any action, proceeding or suit to enforce any right or exercise any remedy is abandoned or determined adversely to Groveland, the District and Groveland shall be restored to their former positions, rights and remedies as if such action, proceeding or suit had not been brought or taken.

SECTION 5.6. Additional Acceleration Events. Independently of whether an Event of Default has occurred, Groveland may, at its option upon written notice to the District, declare the remaining unpaid balance of the Installment Payments, including all accrued but unpaid interest, immediately due and payable upon the occurrence of any of the following:

(a) any direct or indirect transfer of title to, possession of, or operational control of all or any substantial portion of the Water System or Stormwater System to another public or private entity;

(b) any dissolution of the District;

(c) any merger, reorganization or consolidation of or by the District;

(d) the incorporation of the District into a larger water district or other resources management agency, however accomplished, structured or described;

(e) any material and substantial change whereby the provision of water and storm-drainage services is no longer a material purpose or business of the District;

(f) any event, vote, ruling or transaction that results in the voiding or forced or deemed modification of this Installment Purchase Agreement; or

(g) all or substantially all of the Water System or Stormwater System is taken by eminent domain proceedings or sold under threat thereof.

The District's liability to pay amounts accelerated under this Section shall remain limited solely to Net Revenues as provided in Article 4; provided, however, that the District may pay such amounts from any source of legally available funds. Any accelerated amount not paid due to insufficient Net Revenues shall remain due and owing until paid.

ARTICLE 6

PREPAYMENT OF AGREEMENT

SECTION 6.1. Security Deposit. Notwithstanding any other provision of this Installment Purchase Agreement, the District may on any date secure the payment of Installment Payments, in whole, by irrevocably depositing with Groveland an amount of cash which is either (a) sufficient to pay all such Installment Payments, including the principal and interest components thereof, when due pursuant hereto, or (b) invested in whole or in part in Federal Securities in such amount as will, in the opinion of an independent certified public accountant, together with interest to accrue thereon and together with any cash which is so deposited, be fully sufficient to pay all such Installment Payments when due pursuant hereto or when due on any optional prepayment date pursuant to Section 6.2, as the District shall instruct at the time of said deposit. In the event of a security deposit pursuant to this Section for the payment of all remaining Installment Payments, all obligations of the District under this Installment Purchase Agreement, and the pledge of Net Revenues and all other security provided by this Installment Purchase Agreement for said obligations, shall cease and terminate, excepting only the obligation of the District to make, or cause to be made, all of the Installment Payments from such security deposit, and this Installment

Purchase Agreement shall immediately terminate. Said security deposit shall be deemed to be and shall constitute a special fund for the payment of such Installment Payments in accordance with the provisions of this Installment Purchase Agreement.

SECTION 6.2. Optional Prepayment. The District may prepay the Installment Payments, in whole or in part, on any date by paying to Groveland the principal portion of the Installment Payments to be prepaid, together with accrued interest to the date set for prepayment, without premium.

ARTICLE 7

MISCELLANEOUS

SECTION 7.1. Notices. All written notices to be given under this Installment Purchase Agreement shall be given by first class mail or personal delivery to the party entitled thereto at its address set forth below, or by telecopier or other form of telecommunication, at its number set forth below. Notice shall be effective either (a) upon transmission by telecopier or other form of telecommunication, (b) 48 hours after deposit in the United States of America first class mail, postage prepaid, or (c) in the case of personal delivery to any person, upon actual receipt. Groveland and the District may, by written notice to the other party, from time to time modify the address or number to which communications are to be given hereunder.

If to the District:	Root Creek Water District P.O. Box 27950 Fresno, California 93729 Attention: General Manager
If to Groveland:	Groveland Development Corporation Attn: Timothy Jones, President 7050 North Palm Avenue, Suite 101 Fresno, California 93650

SECTION 7.2. Assignment by Groveland. Groveland's rights under this Installment Purchase Agreement, including the right to receive and enforce payment of the Installment Payments may be assigned by Groveland to a Qualified Investor upon delivery to the District of an Investor Letter substantially in the form set forth in Exhibit C and written notice of such assignment identifying the assignee.

No consent of the District shall be required for such an assignment. Any assignee may make further assignments of its rights and obligations under this Installment Purchase Agreement to a Qualified Investor upon delivery to the District of an Investor Letter substantially in the form set forth in Exhibit C and written notice identifying the assignee, but the District shall not be required to pay more than a single payee, regardless of the number of assignees. The District shall pay all Installment Payments hereunder in accordance with the most recent effective notice of

assignment delivered to the District. During the Term of this Installment Purchase Agreement, the District shall maintain a complete and accurate record of all notices of assignment.

SECTION 7.3. Assignment by the District. This Installment Purchase Agreement may not be assigned by the District, other than to a public agency which shall succeed to the interests of the District in and to the System and which (by operation of law, by contract or otherwise) becomes legally bound to all of the terms and provisions hereof.

SECTION 7.4. Amendment of this Installment Purchase Agreement. This Installment Purchase Agreement may be amended in writing by the District and Groveland.

SECTION 7.5. Binding Effect. This Installment Purchase Agreement shall inure to the benefit of and shall be binding upon Groveland and the District and their respective successors and assigns.

SECTION 7.6. Severability. In the event any provision of this Installment Purchase Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

SECTION 7.7. Net-Net-Net Parity Agreement. This Installment Purchase Agreement shall be deemed and construed to be a "net-net-net" contract, and the District hereby agrees that the Installment Payments shall be an absolute net return to Groveland, free and clear of any expenses, charges or set-offs whatsoever.

SECTION 7.8. Further Assurances and Corrective Instruments. Groveland and the District agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for carrying out the expressed intention of this Installment Purchase Agreement.

SECTION 7.9. Execution in Counterparts. This Installment Purchase Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 7.10. Applicable Law and Venue. This Installment Purchase Agreement shall be governed by and construed in accordance with the laws of the State of California. Venue for any action or proceeding arising out of or relating to this Installment Purchase Agreement shall be in the Madera Couty Superior Court.

SECTION 7.11. Captions. The captions or headings in this Installment Purchase Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Section of this Installment Purchase Agreement.

SECTION 7.12. Mandatory Mediation. Except with respect to indemnity claims or an action seeking provisional or ancillary relief, before initiating any judicial-reference proceeding or litigation arising out of or relating to this Installment Purchase Agreement, the Purchase and Sale Agreement, the Project or the transactions contemplated thereby, Groveland and the District shall attempt in good faith to resolve the dispute through formal mediation. A party shall initiate

mediation by delivering written notice to the other party summarizing the matters in dispute. Within ten (10) days after delivery of the notice, the parties shall select a neutral mediator who is a retired judge or justice with substantial experience in real estate, public finance or commercial law and shall expeditiously pursue mediation in good faith. If the parties cannot agree upon a mediator within such ten (10)-day period, either party may request that the Presiding Judge of the Madera County Superior Court appoint the mediator. The mediator's charges and other mediation expenses shall be borne equally by the parties. All applicable statutes of limitation and other time-based defenses relating to the matters submitted to mediation shall be tolled while the parties are actively pursuing mediation. A party that initiates a judicial-reference proceeding or litigation without first complying with this Section shall not be entitled to recover its attorneys' fees, expert fees, costs or other litigation expenses, even if that party would otherwise be entitled to recover them. Nothing in this Section prevents a party from seeking provisional or ancillary relief before or during mediation. Compliance with the mandatory-mediation provision of the Purchase and Sale Agreement with respect to a dispute shall constitute compliance with this Section with respect to the same dispute.

SECTION 7.13. Judicial Reference.

(a) If a dispute is not resolved through the mediation required by Section 7.12, each proceeding or hearing based upon or arising out of, directly or indirectly, this Installment Purchase Agreement, the Purchase and Sale Agreement, the Project, any document related thereto, any dealings between the District and Groveland related to the subject matter of those agreements or any related transactions, and/or the relationship established between the District and Groveland (a "Claim") shall be heard by a single referee (the "Referee") by consensual general judicial reference pursuant to California Code of Civil Procedure Section 638 *et seq*. Upon the written request or appropriate motion of either party, any pending action relating to a Claim and every Claim shall be heard by the Referee, who shall try all issues of fact and law and issue findings of fact, conclusions of law and a statement of decision. The Referee's statement of decision shall constitute the decision of the court with respect to the Claim.

The Referee shall have authority to award all legal and equitable relief appropriate under the circumstances. The parties shall be entitled to full discovery to the same extent available in a civil action pending in the California Superior Court. The Referee shall supervise discovery and may make and enforce discovery orders in the same manner as a trial court judge. A stenographic record of the reference proceedings shall be made. The Referee shall have authority to decide all pre-hearing and post-hearing motions in the same manner as a trial court judge.

The parties shall promptly and diligently cooperate with one another and with the Referee and shall perform all acts reasonably necessary for the prompt resolution of the Claim. Either party may file the Referee's findings, conclusions and statement of decision with the clerk or judge of the appropriate court, move to confirm the Referee's report and have judgment entered thereon. If the report is deemed incomplete by the court, the Referee may be required to complete and resubmit the report. The Referee's decision and the judgment entered thereon shall be subject to appeal in the same manner as a decision and judgment of the California Superior Court.

The parties shall have all rights to assert objections available under California Code of Civil Procedure Section 638 *et seq*. All reference proceedings shall be closed to the public and

confidential, provided that records relating to the reference proceeding may be made public when the judgment or order thereon becomes final.

(b) The parties shall select a single neutral Referee who is a retired judge or justice of the courts of the State of California or a retired federal court judge and who has at least ten (10) years of judicial experience in civil matters. The Referee shall be appointed pursuant to California Code of Civil Procedure Section 638 or, if the dispute falls within the exclusive jurisdiction of the federal courts, under comparable provisions of federal law. If the parties cannot agree upon a Referee within ten (10) days after a request or motion for judicial reference, either party may request that the Referee be appointed by the Presiding Judge of the Madera County Superior Court or, if the dispute falls within the exclusive jurisdiction of the federal courts, by the U.S. District Court for the Eastern District of California. The Referee shall determine all issues concerning the applicability, interpretation, legality and enforceability of this Section.

(c) Nothing in this Section limits the right of either party to exercise any self-help remedy otherwise available under applicable law or to seek or oppose provisional or ancillary relief, including injunctive relief, a writ of possession, appointment of a receiver or any other provisional or supplementary remedy, before, during or after the reference proceeding. Seeking or opposing such relief does not waive the right to judicial reference.

(d) Promptly following selection of the Referee, the parties shall each advance one-half of the estimated fees and costs of the Referee. In the statement of decision, the Referee shall apply and enforce all provisions of this Installment Purchase Agreement and the Purchase and Sale Agreement concerning prevailing-party determinations, attorneys' fees, expert fees, costs and other litigation expenses and shall award such amounts as required by those provisions. The Referee may allocate the Referee's fees and other judicial-reference charges between the parties in such manner as the Referee determines to be just, subject to the foregoing contractual fee and expense provisions.

(e) GROVELAND AND THE DISTRICT ACKNOWLEDGE AND AGREE THAT, BY ENTERING INTO THIS INSTALLMENT PURCHASE AGREEMENT, THEY ARE WAIVING THEIR RESPECTIVE RIGHTS TO A TRIAL BY JURY OF ANY CLAIM SUBJECT TO THIS SECTION.

Groveland's Initials: _____ District's Initials: _____

SECTION. 7.14 Coordination with Purchase and Sale Agreement and Existing Agreements. This Installment Purchase Agreement and the Purchase and Sale Agreement are separate, binding agreements and shall be interpreted together to give effect to each agreement. Nothing in this Installment Purchase Agreement or the Purchase and Sale Agreement limits the District's ability to apply any funds legally available to the District, including under the Acquisition Agreements identified in the Purchase and Sale Agreement, to payment of all or any portion of the Down Payment or Deferred Principal Amount. Neither this Installment Purchase Agreement nor the Purchase and Sale Agreement supersedes or modifies any other written agreement between the District and Groveland except to the extent expressly provided in this Installment Purchase Agreement or the Purchase and Sale Agreement. If an irreconcilable conflict exists between this Installment Purchase Agreement and the Purchase and Sale Agreement, this

Installment Purchase Agreement shall control with respect to the Purchase Price, the Down Payment, the Deferred Principal Amount, the Installment Payments, interest, payment sources, security and financing matters, and the Purchase and Sale Agreement shall control with respect to title, escrow, conveyance, the conditions to Closing and other Closing mechanics.

(Signature page follows)

IN WITNESS WHEREOF, Groveland has caused this Installment Purchase Agreement to be executed in its corporate name by its duly authorized officer, and the District has caused this Installment Purchase Agreement to be executed in its name by its duly authorized officer, as of the date first above written.

GROVELAND DEVELOPMENT CORPORATION, a California corporation

By: _____
Timothy Jones, President

ROOT CREEK WATER DISTRICT

By: _____
General Manager

-Signature Page-
Installment Purchase Agreement

EXHIBIT A

DESCRIPTION OF THE PROJECT

The Project consists of the real property and improvements thereon located on the following parcels or portions thereof, each as more particularly described in Exhibit A to the Purchase and Sale Agreement:

APN 080-450-023 – 1.0 MG Tank Site
APN 080-200-009 – Basin 2 (Parkway)
APN 080-150-016 – Basin 1 (Village A)
APN 080-150-015 – Road 40 Basin, Cardinal Basin, Root Creek Basin
APN 080-260-073 – Basin 3 (Market)

EXHIBIT B

SCHEDULE OF INSTALLMENT PAYMENTS

Date	Principal	Interest*	Total Principal and Interest
12/15/2026	$ 74,777.00**	$ -	$ 74,777.00
03/01/2027	276,684.49	46,242.92	322,927.41
09/01/2027	216,033.83	106,893.58	322,927.41
03/01/2028	219,274.34	103,653.07	322,927.41
09/01/2028	222,563.45	100,363.96	322,927.41
03/01/2029	225,901.91	97,025.50	322,927.41
09/01/2029	229,290.44	93,636.97	322,927.41
03/01/2030	232,729.79	90,197.62	322,927.41
09/01/2030	236,220.74	86,706.67	322,927.41
03/01/2031	239,764.05	83,163.36	322,927.41
09/01/2031	243,360.51	79,566.90	322,927.41
03/01/2032	247,010.92	75,916.49	322,927.41
09/01/2032	250,716.08	72,211.33	322,927.41
03/01/2033	254,476.82	68,450.59	322,927.41
09/01/2033	258,293.98	64,633.43	322,927.41
03/01/2034	262,168.39	60,759.02	322,927.41
09/01/2034	266,100.91	56,826.50	322,927.41
03/01/2035	270,092.42	52,834.99	322,927.41
09/01/2035	274,143.81	48,783.60	322,927.41
03/01/2036	278,255.97	44,671.44	322,927.41
09/01/2036	282,429.81	40,497.60	322,927.41
03/01/2037	286,666.25	36,261.16	322,927.41
09/01/2037	290,966.25	31,961.16	322,927.41
03/01/2038	295,330.74	27,596.67	322,927.41
09/01/2038	299,760.70	23,166.71	322,927.41
03/01/2039	304,257.11	18,670.30	322,927.41
09/01/2039	308,820.97	14,106.44	322,927.41
03/01/2040	313,453.29	9,474.12	322,927.41
09/01/2040	318,155.03	4,772.38	322,927.41
TOTAL	$7,477,700.00	$1,639,044.48	$9,116,744.48

* The actual amount of interest may differ from the amount shown in the schedule depending upon whether the Installment Payment Date is a Business Day.

** Down Payment.

EXHIBIT C

FORM OF INVESTOR LETTER

This letter is to provide you with certain representations and agreements in connection with the execution and delivery of that certain Installment Purchase Agreement dated as of December 1, 2026 (the "Installment Purchase Agreement"), by and between Groveland Development Corporation, a California corporation ("Groveland," the "undersigned," "us" or "we," as applicable), and the Root Creek Water District (the "District"). Capitalized terms not otherwise defined herein will have the meanings set forth in the Installment Purchase Agreement.

We hereby represent and warrant to you and agree with you as follows:

1. Groveland is duly organized, validly existing and in good standing under the laws of the jurisdiction in which it was incorporated or formed and has the full legal right, power and authority to enter into the Installment Purchase Agreement;

2. the undersigned is a duly appointed, qualified, and acting officer of Groveland and is authorized to cause Groveland to make the representations and warranties contained herein on behalf of Groveland;

3. Groveland has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other obligations similar to the Installment Purchase Agreement, to be able to evaluate the risks and merits of the investment represented by the Installment Purchase Agreement and is able to bear the economic risks of such investment;

4. Groveland understands that the Installment Purchase Agreement has not been registered with any federal or state securities authority or commission; and further understands that the Installment Purchase Agreement (a) is not being registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state; (b) will not be listed in any stock or other securities exchange; and (c) will not carry a rating from any rating service;

5. Groveland acknowledges that it has either been supplied with or has been given access to information to which a reasonable investor would attach significance in making investment decisions, and Groveland has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the legal, physical and fiscal condition of the District and the District's Systems, as well as the insurance, security and prepayment arrangements set forth in the Installment Purchase Agreement, so that, as a reasonable investor, Groveland has been able to make an informed investment decision to enter into the Installment Purchase Agreement;

6. Groveland understands and acknowledges that no official statement, offering memorandum or any disclosure document has been prepared, nor is any contemplated to be prepared;

7. Groveland acknowledges that there is no reserve fund required pursuant to the Installment Purchase Agreement;

8. Groveland understands and acknowledges it is entering into the Installment Purchase Agreement on a private placement basis, and it is not intended that the transaction be subject to the requirements of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), and therefore the District has not undertaken, other than as provided in the Installment Purchase Agreement, to provide to or for the benefit of holders of the Installment Purchase Agreement financial or operating data or any other information with respect to the District on an ongoing basis;

9. Groveland has made its own inquiry and analysis with respect to the Installment Purchase Agreement and the security therefor, and other material factors affecting the security and payment of the Installment Purchase Agreement;

10. Groveland is either:

i. an "accredited investor" as such term is defined in Rule 501(a) promulgated under the Securities Act of 1933, as amended (the "Securities Act"); or

ii. a "qualified institutional buyer" as such term is defined in Rule 144A promulgated under the Securities Act;

11. Groveland is entering into the Installment Purchase Agreement for its own account and not with present view toward resale or distribution, and we have not offered, offered to sell, offered for sale or sold any of the Installment Payments by means of any form of general solicitation or general advertising, and we are not an underwriter of the Installment Payments within the meaning of Section 2(11) of the Securities Act; provided, however, that Groveland reserves the right to sell, transfer or redistribute the Installment Payments without the consent of the District in accordance with the Installment Purchase Agreement and all applicable securities laws, and agrees that any such sale, transfer or redistribution by Groveland shall be in accordance with the Installment Purchase Agreement;

12. Groveland recognizes that an investment in the Installment Payments involves significant risks, there is no established market for the Installment Payments and that none is likely to develop; and

13. Groveland further acknowledges that it is responsible for consulting with its advisors concerning any obligations, including, but not limited to, any obligations pursuant to federal and state securities and income tax laws it may have with respect to subsequent assignments or assignees of the Installment Payments if and when any such future disposition of the Installment Purchase Agreement may occur.

IN WITNESS WHEREOF, the undersigned has executed this Investor Letter as of the ____ day of _____, 2026.

GROVELAND DEVELOPMENT CORPORATION, a California corporation

By: _____
Timothy Jones, President

RESOLUTION NO. 2026-11-09b

RESOLUTION OF THE BOARD OF DIRECTORS OF ROOT CREEK WATER DISTRICT APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN INSTALLMENT PURCHASE AGREEMENT AND PURCHASE AND SALE AGREEMENT AND AUTHORIZING CERTAIN ACTIONS IN CONNECTION THEREWITH

WHEREAS, the Root Creek Water District (the "District") is financing the acquisition of certain real property and improvements thereon for use by the District (the "Project"); and

WHEREAS, the District desires to facilitate the financing of the Project by entering into an Installment Purchase Agreement (the "Installment Purchase Agreement") with Riverstone Farms LLC, a California limited liability company ("Riverstone"), pursuant to which Riverstone will provide the Project in consideration of the payment by the District of installments of principal and interest as set forth in the Installment Purchase Agreement (the "Installment Payments"); and

WHEREAS, the District's obligation to make the Installment Payments under the Installment Purchase Agreement is an obligation of the District payable solely from Net Revenues of the District's Sewer System; and

WHEREAS, the District and Riverstone propose to enter into that certain Purchase and Sale Agreement and Escrow Instructions (Remaining Properties) (the "Purchase and Sale Agreement") for the purchase of certain real property; and

WHEREAS, the Board of Directors of the District (the "Board") desires to approve the Installment Purchase Agreement and Purchase and Sale Agreement; and

WHEREAS, there has been presented to this Board at this meeting a copy of the Installment Purchase Agreement and Purchase and Sale Agreement; and

WHEREAS, the capitalized terms used in this Resolution and not otherwise defined shall have the meanings as set forth in the Installment Purchase Agreement or Purchase and Sale Agreement, as applicable.

NOW, THEREFORE, BE IT RESOLVED THAT by the Board of Directors of the Root Creek Water District as follows**:**

SECTION 1. This Board approves the Installment Purchase Agreement with any such changes, deletions or additions to be made to said agreement as may be approved by the General Manager of the District; provided, however, that in no event shall the interest payable under the Installment Purchase Agreement exceed 3.0% per annum (without regard to the Default Rate as defined therein), and the original aggregate principal amount of the payments under the Installment Purchase Agreement shall not exceed $629,760.00. The Board directs its General Manager or designee (the "Authorized Officers") to execute and deliver said agreement and to do all such acts

and things and to execute all such documents and certificates as may be necessary or desirable in connection with the execution and delivery of the Installment Purchase Agreement. Approval of any changes to the Installment Purchase Agreement shall be conclusively evidenced by the execution and delivery of said agreement by the Authorized Officer executing the same.

SECTION 2. The Board hereby acknowledges receipt of the good faith estimates of certain information required by Government Code Section 5852.1 as set forth in Exhibit A attached hereto.

SECTION 3. This Board approves the Purchase and Sale Agreement with any such changes, deletions or additions to be made to said agreement as may be approved by the General Manager of the District. The Board directs its General Manager or designee (the "Authorized Officers") to execute and deliver said agreement and to do all such acts and things and to execute all such documents and certificates as may be necessary or desirable in connection with the execution and delivery of the Purchase and Sale Agreement. Approval of any changes to the Purchase and Sale Agreement shall be conclusively evidenced by the execution and delivery of said agreement by the Authorized Officer executing the same.

SECTION 4. The Authorized Officers are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents, agreements and certificates including, without limitation, a tax certificate and closing documents, which they may deem necessary and advisable in order to consummate the delivery of the Installment Purchase Agreement and the Purchase and Sale Agreement, and otherwise effectuate the purposes of this Resolution.

SECTION 5. All actions taken by the Board or the District, any member or officer of the Board or the District, or any agent or employee of the District relating to the authorization or execution and delivery of the Installment Purchase Agreement and Purchase and Sale Agreement, and the financing of the Project are hereby ratified, approved, and confirmed. All resolutions, or parts thereof, that conflict with this Resolution are hereby repealed.

SECTION 6. This Resolution shall take effect from and after its date of adoption.

DRAFT

PASSED, APPROVED AND ADOPTED at a regular meeting of the Board of Directors of the Root Creek Water District held on the ___ day of November, 2026, by the following vote, to wit:

AYES:
NOES:
ABSTAIN:
ABSENT:

_____
Jeff D. Coulthard, Vice President

ATTEST:

_____
Julia D. Berry, Secretary

DRAFT

EXHIBIT A

GOOD FAITH ESTIMATES

The following information is provided in compliance with Government Code Section 5852.1 with respect to the Installment Purchase Agreement.

1. True Interest Cost of the Installment Purchase Agreement. A good faith estimate of the true interest cost of the Installment Purchase Agreement, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Installment Purchase Agreement, is 3.00%.

2. Finance Charge of the Installment Purchase Agreement. A good faith estimate of the finance charge of the Installment Purchase Agreement, which means the sum of all fees and charges paid to third parties, is $25,000.

3. Amount of Proceeds to be Received. A good faith estimate of the amount of proceeds, meaning the value of the property, expected to be received in connection with the Installment Purchase Agreement less the finance charge of the Installment Purchase Agreement described in 2 above and any reserves or capitalized interest paid or funded with proceeds of the Installment Purchase Agreement, is $629,760.00.

4. Total Payment Amount. A good faith estimate of the total payment amount, which means the sum total of all payments the District will make to pay debt service on the Installment Purchase Agreement plus the finance charge of the Installment Purchase Agreement described in paragraph 2 above not paid with the proceeds of the Installment Purchase Agreement, calculated to the final maturity of the Installment Purchase Agreement, is $767,797.64.

DRAFT

INSTALLMENT PURCHASE AGREEMENT

Dated as of December 1, 2026

by and between

RIVERSTONE FARMS LLC

and

ROOT CREEK WATER DISTRICT

DRAFT

Page

ARTICLE 1
DEFINITIONS AND EXHIBITS

Section 1.1. Definitions 1
Section 1.2. Liability of District Limited to Net Revenues 4
Section 1.3. Benefits of Installment Purchase Agreement Limited to Parties 4
Section 1.4. Successor Is Deemed Included in all References to Predecessor 4
Section 1.5. Waiver of Personal Liability 4
Section 1.6. Article and Section Headings, Gender and References 5
Section 1.7. Partial Invalidity 5
Section 1.8. Recitals and Exhibits 5

ARTICLE 2
REPRESENTATIONS, COVENANTS AND WARRANTIES

Section 2.1. Representations, Covenants and Warranties of the District 5
Section 2.2. Representations, Covenants and Warranties of Riverstone 8

ARTICLE 3
TERMS OF AGREEMENT

Section 3.1. Acquisition and Conveyance of Project 8
Section 3.2. Payment of Purchase Price by the District 8
Section 3.3. Term 9
Section 3.4. Payments 9
Section 3.5. Nature of District's Obligations 9
Section 3.6. Revenue Fund; Pledge of Net Revenues 10

ARTICLE 4
COVENANTS OF THE DISTRICT

Section 4.1. Release and Indemnification Covenants 11
Section 4.2. Against Sale or Other Disposition of the System 11
Section 4.3. Eminent Domain Proceeds 12
Section 4.4. Insurance 12
Section 4.5. Amounts of Rates, Fees and Charges 13
Section 4.6. Enforcement of and Performance Under Parity Obligations 13
Section 4.7. Collection of Charges, Fees and Rates 13
Section 4.8. Against Encumbrances 13
Section 4.9. Execution of Senior Obligations, Parity Obligations and Subordinate Obligations 14
Section 4.10. Conditions for Entering into Parity Obligations and Senior Obligations 14
Section 4.11. Reconstruction of System; Application of Insurance Proceeds 14
Section 4.12. Records and Accounts 15
Section 4.13. Collection of Charges 15
Section 4.14. Compliance with this Installment Purchase Agreement 15
Section 4.15. Observance of Laws and Regulations 15
Section 4.16. Budget 15

DRAFT

TABLE OF CONTENTS
(continued)

Section 4.17. Notices 15
Section 4.18. No Public Registration 16

ARTICLE 5
EVENTS OF DEFAULT AND REMEDIES; ADDITIONAL ACCELERATION

Section 5.1. Events of Default 16
Section 5.2. Remedies on Default 17
Section 5.3. Other Remedies of Riverstone 17
Section 5.4. No Remedy Exclusive 17
Section 5.5. No Additional Waiver Implied by One Waiver 17
Section 5.6. Additional Acceleration Events 17

ARTICLE 6
PREPAYMENT OF AGREEMENT

Section 6.1. Security Deposit 18
Section 6.2. Optional Prepayment 18

ARTICLE 7
MISCELLANEOUS

Section 7.1. Notices 19
Section 7.2. Assignment by Riverstone 19
Section 7.3. Assignment by the District 19
Section 7.4. Amendment of this Installment Purchase Agreement 19
Section 7.5. Binding Effect 20
Section 7.6. Severability 20
Section 7.7. Net-Net-Net Parity Agreement 20
Section 7.8. Further Assurances and Corrective Instruments 20
Section 7.9. Execution in Counterparts 20
Section 7.10. Applicable Law and Venue 20
Section 7.11. Captions 20
Section 7.12. Mandatory Mediation 20
Section 7.13. Judicial Reference 21
EXHIBIT A – Description of Project A-1
EXHIBIT B – Schedule of Installment Payments B-1
EXHIBIT C – Form of Investor Letter C-1

INSTALLMENT PURCHASE AGREEMENT

THIS INSTALLMENT PURCHASE AGREEMENT (this "Installment Purchase Agreement"), dated as of December 1, 2026, is by and between Riverstone Farms LLC, a California limited liability company ("Riverstone"), and Root Creek Water District, a California water district duly organized and existing under the laws of the State of California (the "District").

WITNESSETH:

WHEREAS, the District desires to enter into this Installment Purchase Agreement in connection with the acquisition of certain real property and improvements for the District's System as identified in Exhibit A attached hereto and incorporated herein by reference (the "Project"); and

WHEREAS, Riverstone has agreed to sell the Project to the District for the purchase price of $629,760.00 (the "Purchase Price") and the District will acquire the Project from Riverstone and obligate itself to make installment payments in the amounts and on the dates set forth in Exhibit B attached hereto and incorporated herein by reference (the "Installment Payments"); and

WHEREAS, the District's acquisition of the Project is being completed in lieu of the District's exercise of its power of eminent domain.

NOW, THEREFORE, in consideration of the above premises and of the mutual covenants hereinafter contained and for other good and valuable consideration, the parties hereto agree as follows:

ARTICLE 1

DEFINITIONS AND EXHIBITS

SECTION 1.1. Definitions. All capitalized terms used in this Section 1.1 shall for all purposes of this Installment Purchase Agreement have the meanings herein specified or as hereinafter defined.

"Business Day" means any day other than a Saturday or Sunday or a day on which (i) banks located in San Francisco, California are not required or authorized to remain closed, and (ii) the New York Stock Exchange is not closed.

"Closing Date" means December 15, 2026.

"Contract Payments" means the payments scheduled to be paid by the District under and pursuant to the Parity Obligations, which payments are secured by a pledge of Net Revenues.

"Default Rate" means a rate of interest equal to the interest rate with respect to this Installment Purchase Agreement, plus 1%.

"Deferred Principal Amount" means the Purchase Price less the Down Payment, as provided in Section 3.2.

"District" means Root Creek Water District, a water district duly organized and existing under the laws of the State of California.

"Down Payment" has the meaning given such term in Section 3.2.

"Event of Default" means any of the events of default as defined in Section 5.1.

"Federal Securities" means any direct general non-callable obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America), or obligations the timely payment of principal of and interest on which are directly guaranteed by the United States of America.

"Fiscal Year" means each twelve-month period during the Term of this Installment Purchase Agreement commencing, on July 1 in any calendar year and ending on June 30 in the next succeeding calendar year, or any other twelve-month period selected by the District as its fiscal year period.

"Governmental Authority" means any governmental or quasi-governmental entity, including any court, department, commission, board, bureau, agency, administration, central bank, service, district or other instrumentality of any governmental entity or other entity exercising executive, legislative, judicial, taxing, regulatory, fiscal, monetary or administrative powers or functions of or pertaining to government, or any arbitrator, mediator or other Person with authority to bind a party at law.

"Independent Certified Public Accountant" means a certified public accountant or any independent firm of certified public accountants appointed by the District.

"Installment Payment Date" means each date on which an Installment Payment is due, as set forth in Exhibit B.

"Installment Payments" means the principal and interest payments set forth in Exhibit B, and includes any prepayment thereof pursuant to Section 6.1 or 6.2.

"Installment Purchase Agreement" means this Installment Purchase Agreement, dated as of December 1, 2026, by and between Riverstone and the District.

"Maintenance and Operation Costs" means the reasonable and necessary costs paid or incurred by the District for maintaining and operating the System, including the purchase and delivery of water, determined in accordance with Generally Accepted Accounting Principles, including all reasonable expenses of management and repair and all other expenses necessary to maintain and preserve the System in good repair and working order, and including all administrative costs of the District that are charged directly or apportioned to the operation of the System, such as salaries and wages of employees, payments, to the District's pension plans (if any), overhead, taxes (if any) and insurance premiums (including payments required to be paid into any self-insurance funds), and including all other reasonable and necessary costs of the District or charges required to be paid by it to comply with the terms of this Installment Purchase Agreement or of any resolution authorizing the execution of any Parity Obligation or of such Parity Obligation, and fees and expenses of Independent Certified Public Accountants; but excluding in

all cases (i) the principal of and interest on Contract Payments, and payment of Subordinate Obligations, (ii) costs of capital additions, replacements, betterments, extensions or improvements which under Generally Accepted Accounting Principles are chargeable to a capital account, and (iii) depreciation, replacement and obsolescence charges or reserves therefor and amortization of intangibles.

"Material Adverse Change" means an event or occurrence which adversely affects in a material manner (a) the assets, liabilities, condition (financial or otherwise), business, facilities or operations of the District or the System, (b) the ability of the District to carry out its business in the manner conducted as of the date of this Installment Purchase Agreement or to meet or perform its obligations under this Installment Purchase Agreement on a timely basis, or (c) the validity or enforceability of this Installment Purchase Agreement.

"Net Revenues" means for any period Revenues less Maintenance and Operation Costs for such period.

"Parity Obligations" means (i) that certain Amended and Restated Urban Reimbursement Agreement, dated as of January 1, 2022, by and among the District, Riverstone, and Riverstone Development, LLC, and (ii) all other bonds, notes, loans, installment sale agreements, leases, or other obligations of the District payable from and secured by a pledge of and lien upon any of the Net Revenues incurred on a parity with the Installment Payments, issued in accordance with Section 4.10 hereof.

"Project" means the acquisition of certain real property and improvements to the District's System, as more particularly described on Exhibit A attached hereto.

"Purchase and Sale Agreement" means that certain Purchase and Sale Agreement dated as of or about the date hereof between Riverstone, as seller, and the District, as buyer, relating the Project, as amended in accordance with its terms.

"Purchase Price" has the meaning given such term in the second recital of this Installment Purchase Agreement.

"Qualified Investor" means an "accredited investor" as defined in Rule 501(a) promulgated under the Securities Act of 1933, as amended, or a "qualified institutional buyer" as defined in Rule 144A promulgated under the Securities Act of 1933, as amended.

"Revenue Fund" means the fund established and held by the District for the receipt and deposit of Revenues, as provided in Section 3.6(a).

"Revenues" means all gross income, receipts and revenue received or receivable by the District from the ownership or operation of the System, determined in accordance with Generally Accepted Accounting Principles, including all fees, rates, charges and all amounts paid under any contracts received or owed by the District in connection with the ownership or operation of the System and all proceeds of insurance covering business interruption loss relating to the System and all other income and revenue howsoever derived by the District from the ownership or operation of the System or arising from the System.

"Senior Obligations" means all bonds, notes, loans, installment sale agreements, leases, or other obligations of the District payable from and secured by a pledge of and lien upon any of the Net Revenues incurred on a senior basis with the Installment Payments and Parity Obligations, issued in accordance with Section 4.10 hereof.

"Subordinate Obligations" means all obligations of the District that are subordinate in priority and payment to the Installment Payments and payments required under Parity Obligations.

"System" means all land, facilities, assets and equipment owned or used by the District for the collection and treatment of wastewater by the District, together with all additions, betterments, extensions or improvements to such land, facilities and equipment or any part thereof hereafter acquired or constructed by the District; provided however, that the System shall not include any portion of the agricultural water and irrigation system of the District.

"Term of this Installment Purchase Agreement" or "Term" means the time during which this Installment Purchase Agreement is in effect, as provided in Section 3.3.

SECTION 1.2. Liability of District Limited to Net Revenues. Notwithstanding anything to the contrary contained in this Installment Purchase Agreement, the District shall not be required to advance any money derived from any source of income other than the Net Revenues, for the payment of the principal of or interest or prepayment premiums, if any, on the Installment Payments or for the performance of any covenants herein contained, nor for the maintenance and operation of the System from any source of income other than the Revenues. The District may, however, advance funds for any such purpose so long as such funds are derived from a source legally available for such purpose without incurring any indebtedness. The Installment Payments shall be payable exclusively from the Net Revenues as provided in this Installment Purchase Agreement except as otherwise provided in this Installment Purchase Agreement. The credit of the District is not pledged for the payment of the Installment Payments or interest thereon. The principal of and interest on the Installment Payments and any prepayment premiums upon the prepayment thereof shall not be secured by a legal or equitable pledge of, or charge, lien or encumbrance upon, any of the property of the District or any of its income, receipts, or revenues, except the Net Revenues pledged to the payment thereof as provided in this Installment Purchase Agreement.

SECTION 1.3. Benefits of Installment Purchase Agreement Limited to Parties. Nothing contained herein and except as it relates to the holders of Parity Obligations other than this Installment Purchase Agreement, expressed or implied, is intended to give to any person other than the District and Riverstone any right, remedy or claim under or pursuant hereto. Any agreement or covenant required herein to be performed by or on behalf of the District shall be for the sole and exclusive benefit of Riverstone.

SECTION 1.4. Successor Is Deemed Included in all References to Predecessor. Whenever the District is named or referred to herein, such reference shall be deemed to include the successor to the powers, duties and functions that are presently vested in the District, and all agreements and covenants required hereby to be performed by or on behalf of the District shall bind and inure to the benefit of the successors thereof whether so expressed or not.

SECTION 1.5. Waiver of Personal Liability. No member of the District Board of Directors and no officer, agent, or employee of the District, or of any department or District thereof, shall be individually or personally liable for the payment of the principal of or interest on this Installment Purchase Agreement, but nothing contained herein shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law or hereby. No officer, director, shareholder, employee or agent of Riverstone shall be individually or personally liable for any obligation of Riverstone under this Installment Purchase Agreement solely by reason of such person's execution of this Installment Purchase Agreement or any certificate or other document delivered in connection herewith on behalf of Riverstone.

SECTION 1.6. Article and Section Headings, Gender and References. The headings or titles of the several articles and sections hereof and the table of contents appended hereto shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof. Words of any gender shall be deemed and construed to include all genders. All references herein to "articles," "sections" and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof; and the words "hereby," "herein," "hereof," "hereto," "herewith" and other words of similar import refer to this Installment Purchase Agreement as a whole and not to any particular article, section, subdivision or clause hereof.

SECTION 1.7. Partial Invalidity. If any one or more of the agreements or covenants or portions thereof required hereby to be performed by or on the part of the District shall be contrary to law, then such agreement or agreements, such covenant or covenants or such portions thereof shall be null and void and shall be deemed separable from the remaining agreements and covenants or portions thereof and shall in no way affect the validity hereof; but Riverstone shall retain all the rights and benefits accorded to it under any applicable provisions of law.

SECTION 1.8. Recitals and Exhibits. The recitals set forth above, and the following Exhibits are attached to, and by reference made a part of, this Installment Purchase Agreement:

Exhibit A: Description of the Project.

Exhibit B: The schedule of Installment Payments to be paid by the District hereunder, showing the date and amount of each such Installment Payment.

Exhibit C: Form of Investor Letter to be executed by Riverstone.

ARTICLE 2

REPRESENTATIONS, COVENANTS AND WARRANTIES

SECTION 2.1. Representations, Covenants and Warranties of the District. The District represents, covenants and warrants to Riverstone as follows:

(a) Due Organization and Existence. The District is a water district and political subdivision of the State of California, duly organized and existing under the laws of the State of

California, with full power and authority to enter into this Installment Purchase Agreement and conduct its business.

(b) Authorization. The laws of the State of California authorize the District to enter into this Installment Purchase Agreement and to enter into the transactions contemplated hereby, and to carry out its obligations under this Installment Purchase Agreement and the Board of Directors of the District has duly authorized the execution and delivery of this Installment Purchase Agreement.

(c) No Violations. Neither the execution and delivery of this Installment Purchase Agreement nor the fulfillment of or compliance with the terms and conditions hereof, nor the consummation of the transactions contemplated hereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the District is now a party or by which the District is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any lien, charge or encumbrances whatsoever upon any of the property or assets of the District, other than as set forth herein.

(d) Valid and Binding Obligation. This Installment Purchase Agreement is a valid and binding obligations of the District enforceable in accordance with its terms.

(e) Pledge and Other Liens. The pledge provided in Section 3.6 of this Installment Purchase Agreement constitutes a lien on and pledge of all Net Revenues, subject only to the liens securing Parity Obligations and any other liens on the Net Revenues disclosed in writing to Riverstone prior to the Closing Date.

(f) Due Execution. The District has duly authorized and executed this Installment Purchase Agreement in accordance with the laws of the State.

(g) No Default Event of Non-Appropriation. The District is not in default and has not failed to appropriate funds required under the terms, conditions or provisions of any agreement or instrument to which the District has issued debt.

(h) No Material Adverse Change. Since the date of the most recent information, financial or otherwise, supplied by the District to Riverstone:

(i) there has been no material change in the assets, liabilities, financial position or results of operations of the District which might reasonably be anticipated to cause a Material Adverse Change;

(ii) the District has not incurred any material obligations or liabilities which might reasonably be anticipated to cause a Material Adverse Change;

(iii) the District has not (A) incurred any material indebtedness, other than the Installment Payments and trade accounts payable arising in the ordinary course of the District's business and not past due, or (B) guaranteed the indebtedness of any other person;

(iv) The District's comprehensive annual financial report for the period ended June 30, 2025, presents fairly the financial condition of the District and the System as of the date thereof and the results of operation for the period covered thereby;

(v) To the best of its knowledge, the District is not in any material respect in breach of or default under any constitutional provision, law or administrative regulation of the State or of the United States or any District or instrumentality of either or any judgment or decree or any loans, indenture, bond, note, resolution, agreement or other instrument to which the District is a party or to which the District or any of its property or assets is otherwise subject (including, without limitation, this Installment Purchase Agreement), and no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument; and the adoption of the Resolution, the execution, and the execution and delivery of this Installment Purchase Agreement and compliance with the District's obligations therein and herein will not in any material respect conflict with, violate or result in a breach of or constitute a default under, any constitutional provision, law, administrative regulation, judgment, decree, Installment Purchase Agreement, indenture, agreement, mortgage, lease or other instrument to which the District is a party or to which the District or any of its property or assets is otherwise subject, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the District or under the terms of any such law, regulation or instruments, except as provided by this Installment Purchase Agreement;

(vi) All consents, approvals, authorizations, orders, licenses or permits of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter, that are required for the due authorization by, or that would constitute a condition precedent to or the absence of which would materially adversely affect the making or accepting of this Installment Purchase Agreement and the execution, delivery of and performance of this Installment Purchase Agreement by the District have been duly obtained (except for such approvals, consents and orders as may be required under the Blue Sky or securities laws of any state in connection with the offering and sale of this Installment Purchase Agreement, as to which no representation is made);

(vii) The District acknowledges that (i) Riverstone, is acting solely for its own loan account and not as a fiduciary for the District or in the capacity of broker, dealer, municipal securities underwriter or municipal advisor, (ii) Riverstone has not provided, and will not provide, financial, legal (including securities law), tax, accounting or other advice to or on behalf of the District with respect to the Installment Payments, (iii) Riverstone has expressed no view regarding the legal sufficiency of its representations for purposes of compliance with any legal requirements applicable to any other party, if any, or the correctness of any legal interpretation made by counsel to any other party, if any, with respect to any such

matters, and (iv) the District has sought and obtained financial, legal, tax, accounting and other advice (including as it relates to structure, timing, terms and similar matters) with respect to the financing effectuated through this Installment Purchase Agreement from its financial, legal and other advisors to the extent that the District desired to obtain such advice; and

(viii) During the term of this Installment Purchase Agreement, the Project will be used by the District only for the purpose of performing one or more governmental or proprietary functions of the District consistent with the permissible scope of the District's authority.

SECTION 2.2. Representations, Covenants and Warranties of Riverstone. Riverstone represents, covenants and warrants to the District as follows:

(a) Due Organization and Existence. Riverstone is a California corporation organized and existing under the laws of the State of California.

(b) Authorization. Riverstone is authorized to enter into this Installment Purchase Agreement and the transactions contemplated hereby, and Riverstone has duly authorized the execution and delivery of this Installment Purchase Agreement.

(c) No Violations. Neither the execution and delivery of this Installment Purchase Agreement nor the fulfillment of or compliance with the terms and conditions hereof, nor the consummation of the transactions contemplated hereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which Riverstone is now a party or by which Riverstone is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any lien, charge or encumbrance whatsoever upon any of the property or assets of Riverstone.

(d) Litigation. To the best knowledge of Riverstone, there is no pending or threatened action or proceeding before any court or administrative District which will materially adversely affect the ability of Riverstone to perform its obligations under this Installment Purchase Agreement.

(e) Investor Letter. Riverstone will deliver to the District a certificate or letter substantially in the form set forth in Exhibit C attached hereto, and will abide by all transfer restrictions herein and therein.

ARTICLE 3

TERMS OF AGREEMENT

SECTION 3.1. Acquisition and Conveyance of Project. Riverstone agrees to sell and convey the Project to the District, and the District agrees to purchase and acquire the Project from Riverstone for the Purchase Price and upon the terms provided in this Installment Purchase Agreement and the Purchase and Sale Agreement. The acquisition and conveyance of the Project shall close on the Closing Date, subject to satisfaction or waiver of the conditions to Closing set forth in the Purchase and Sale Agreement.

SECTION 3.2. Payment of Purchase Price by the District. The District hereby agrees to purchase from Riverstone the Project for $629,760.00 (the "Purchase Price"). The District shall pay $6,297.60 as a portion of the Purchase Price on the Closing Date (the "Down Payment"). The unpaid balance of the Purchase Price after payment of the Down Payment (the "Deferred Principal Amount"), together with interest calculated at the rate of 3.00% per annum, on the basis of a 360 day year consisting of twelve 30 day months, shall be payable through the Installment Payments on each Installment Payment Date as set forth in Exhibit B attached hereto.

SECTION 3.3. Term. The Term of this Installment Purchase Agreement shall commence on the Closing Date, and shall end on the date upon which the Installment Payments shall be paid in full or provision for such payment has been made as provided herein.

SECTION 3.4. Payments.

(a) Payment Instructions. So long as this Installment Purchase Agreement is held by Riverstone, all principal and interest payments with respect to Installment Purchase Agreement shall be made by wire transfer in accordance with wiring instructions separately delivered by Riverstone to the District. Wiring instructions shall not be included in this Installment Purchase Agreement or any publicly available attachment hereto. Riverstone may change its wiring instructions by separately delivering revised written instructions to the District. If the District has not received valid wiring instructions from Riverstone by the time a payment is required to be made, the District shall make the payment by check delivered to Riverstone at its notice address set forth in Section 7.1.

(b) Effect of Prepayment. In the event that the District prepays the Installment Payments in full pursuant to Article 6, the District's obligations under this Installment Purchase Agreement shall thereupon cease and terminate, including but not limited to the District's obligation to pay Installment Payments hereunder; subject however, to the provisions of Section 6.1 in the case of prepayment by application of a security deposit, and this Installment Purchase Agreement shall automatically terminate.

(c) Rate on Overdue Payments. In the event the District should fail to make any of the payments required pursuant to this Installment Purchase Agreement, the payment in default shall continue as an obligation of the District until the amount in default shall have been fully paid, and the District agrees to pay the same with interest thereon, to the extent permitted by law, from the date of default to the date of payment at the Default Rate.

SECTION 3.5. Nature of District's Obligations.

(a) Special Obligation. The District's obligation to pay the Installment Payments is a special obligation of the District limited solely to the Net Revenues. Under no circumstances is the District required to advance moneys derived from any source of income other than the Net Revenues and other sources specifically identified herein for the payment of the Installment Payments. No other funds or property of the District shall be liable for payment of the Installment Payments. The District may pay Installment Payments from any source of legally available funds, although such other funds shall not be pledged to or subject to the lien created hereby.

(b) Obligations Absolute. The obligations of the District to pay the Installment Payments from Net Revenues and to perform and observe its other agreements contained herein are absolute and unconditional and are not subject to any defense or right of setoff, counterclaim or recoupment arising from any breach by Riverstone, any failure of consideration, any defect in or failure of title to the Project, or any other circumstance relating to the Project, the System, the Purchase and Sale Agreement or this Installment Purchase Agreement, or out of indebtedness or liability at any time owing to the District by Riverstone. Until such time as all of the Installment Payments have been fully paid or prepaid, the District:

(i) will not suspend or discontinue payment of any Installment Payments;

(ii) will perform and observe all other agreements contained in this Installment Purchase Agreement; and

(iii) will not terminate this Installment Purchase Agreement for any cause, including, without limiting the generality of the foregoing, the occurrence of any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, destruction of or damage to the System, sale of the System, the taking by eminent domain of title to or temporary use of any component of the System, commercial frustration of purpose, any change in the tax or other laws of the United States of America or the State of California or any political subdivision of either thereof or any failure of Riverstone to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with this Installment Purchase Agreement.

(c) Protection of Rights. If Riverstone fails to perform any such agreements on its part, the District may institute such action against Riverstone as the District deems necessary to compel performance so long as such action does not abrogate the obligations of the District contained in the preceding subsection (b). The District may, however, at the District's own cost and expense and in the District's own name or in the name of Riverstone, prosecute or defend any action or proceeding or take any other action involving third persons which the District deems reasonably necessary in order to secure or protect the District's rights hereunder, and in such event Riverstone will cooperate fully with the District and take such action necessary to effect the substitution of the District for Riverstone in such action or proceeding if the District shall so request.

SECTION 3.6. Revenue Fund; Pledge of Net Revenues.

(a) Revenue Fund; Receipt and Deposit of Net Revenues. There has heretofore been established a special fund known as the "Root Creek Water District Wastewater Revenue Fund," which fund shall continue to be held and maintained by the District so long as this Installment Purchase Agreement and any Parity Obligations are outstanding. The District shall deposit all Revenues as and when received by it in the Revenue Fund and the District agrees and covenants that all Revenues deposited by it in the Revenue Fund will be accounted for through and held in trust in the Revenue Fund for the benefit of Riverstone and for the benefit of the owners of any Parity Obligations. The District shall withdraw from such Revenue Fund and transfer to Riverstone an amount of Net Revenues equal to the aggregate amount of the Installment Payment when and as the same becomes due and payable.

(b) Pledge of Net Revenues. All the Net Revenues are irrevocably pledged by the District to the punctual payment of the interest on and principal of and redemption premiums, if any, on the Installment Payments and the payment of any Contract Payments, subject to the provisions permitting the application thereof for the purposes and on the conditions and terms set forth in this Installment Purchase Agreement. This pledge shall constitute a first lien on the Net Revenues for the payment of the Installment Payments, and the payment of any Contract Payments in accordance with the terms of this Installment Purchase Agreement and any Parity Obligations. If the Available Net Revenues are insufficient to pay all amounts then due of Installment Payments and all Parity Obligations the available Ne Revenues shall be applied pro rata based upon the respective amounts then due. The principal of and interest on the Installment Payments and any prepayment premiums upon the prepayment thereof shall not be secured by a legal or equitable pledge of, or charge, lien or encumbrance upon, any of the property of the District or any of its income, receipts, or revenues, except the Net Revenues pledged to the payment thereof as provided in this Installment Purchase Agreement.

(c) Other Uses Permitted. The District shall manage, conserve and apply the Net Revenues in such a manner that all deposits required to be made under the preceding paragraph will be made at the times and in the amounts so required. Subject to the foregoing sentence, so long as no Event of Default has occurred and is continuing hereunder, the District may at any time and from time to time use and apply Net Revenues for (i) the acquisition and construction of improvements to the System; (ii) the prepayment of this Installment Purchase Agreement or Parity Obligations; or (iii) any other lawful purpose of the District.

ARTICLE 4

COVENANTS OF THE DISTRICT

SECTION 4.1. Release and Indemnification Covenants. The District shall indemnify Riverstone and its officers, employees, agents, successors and assigns and hold them harmless from and against all claims, losses and damages, including legal fees and expenses, arising out of the following:

(a) the use, maintenance, condition or management of, or from any work or thing done on or about the System by the District, or its employees, agents, directors, contractors or officers;

(b) any breach or default on the part of the District in the performance of any of its obligations under this Installment Purchase Agreement;

(c) any intentional misconduct or negligence of the District or of any of its agents, contractors, servants, employees or licensees with respect to the System; and

(d) any intentional misconduct or negligence of any lessee of the District with respect to the System.

No indemnification is made under this Section 4.1 or elsewhere in this Installment Purchase Agreement for willful misconduct, gross negligence, or breach of duty under this Installment Purchase Agreement by Riverstone, its officers, agents, employees, successors or assigns.

SECTION 4.2. Against Sale or Other Disposition of the System. The District will not sell or otherwise dispose of the System or any part thereof essential to the proper operation of the System or that would have a Material Adverse Change on the Net Revenues received or receivable by the District, unless the Installment Payments and the Parity Obligations have been fully paid or provision has been made therefor. The District will not enter into any lease or agreement which impairs the operation of the System or any part thereof necessary to secure adequate Net Revenues for the payment of the interest on and principal of and redemption premiums, if any, on the Installment Payments and the Parity Obligations, or which would otherwise impair the rights of Riverstone or the owners of the Parity Obligations with respect to the Net Revenues or the operation of the System.

SECTION 4.3. Eminent Domain Proceeds. Except as provided in Section 5.6(g), if all or any part of the System shall be taken by eminent domain proceedings, the net proceeds realized by the District therefrom shall be deposited by the District in a special fund with Riverstone and applied by the District to the cost of acquiring and constructing additions, betterments, extensions or improvements to the System. If (A) the District first secures and files with Riverstone a Certificate of the District showing (i) the loss in annual Revenues, if any, suffered, or to be suffered, by the District by reason of such eminent domain proceedings, (ii) a general description of the additions, betterments, extensions or improvements to the System then proposed to be acquired and constructed by the District from such proceeds, and (iii) an estimate of the additional Revenues to be derived from such additions, betterments, extensions or improvements; and (B) Riverstone has been furnished a Certificate of the District, certifying that such additional Revenues will sufficiently offset the loss of Revenues resulting from such eminent domain proceedings so that the ability of the District to meet its obligations under this Installment Purchase Agreement and Parity Obligations, if any, will not be substantially impaired, and such Certificate of the District shall be final and conclusive, and any balance of such proceeds not required by the District for such purpose shall be deposited in the Revenue Fund provided, that if the foregoing conditions are not met, then such proceeds shall be applied on a pro rata basis so as to pay principal of, interest and prepayment premium, if any, on the Installment Payments and with respect to unpaid Parity Obligations as they shall become due.

If such eminent domain proceedings have had no effect, or at most an immaterial effect, upon the Revenues and the security of the Installment Payments and the Parity Obligations, and a Certificate of the District to such effect has been filed with Riverstone, then the District shall be permitted to deposit such proceeds in the Revenue Fund.

SECTION 4.4. Insurance.

(a) The District will procure and maintain at all times while any of the Installment Payments shall be outstanding insurance on the System against such risks (including accident to or destruction of the System as well as loss of use) as are usually insured in connection with operations similar to the System and, to the extent such insurance is available for reasonable premiums from a reputable insurance company, such insurance shall be adequate in amount and, as to the risks insured against, shall be maintained with responsible insurers; provided, that such insurance coverage may be satisfied under a self-insurance program which is actuarially sound.

(b) The District shall procure and maintain or cause to be procured and maintained, with responsible insurers, public liability and worker's compensation insurance covering claims against the District (including its directors, officers and employees) for bodily injury or death, or damage to property occasioned by reason of the District's operations, including any use of the System, and such insurance shall afford protection in such amounts as are usually covered in connection with operations similar to the System; provided, that such insurance coverage may be satisfied under a self-insurance program which is actuarially sound. Riverstone shall be named as an additional insured with respect to any public liability insurance.

SECTION 4.5. Amounts of Rates, Fees and Charges.

(a) The District will, at all times while any of the Installment Payments remain outstanding, fix, prescribe and collect rates, fees and charges and manage the operation of the System for each Fiscal Year so as to yield Revenues at least sufficient, after making reasonable allowances for contingencies and errors in the estimates, to pay the following amounts during such Fiscal Year:

(i) All current Maintenance and Operation Costs;

(ii) The interest on and principal of the Installment Payments and the payments for the Parity Obligations and Senior Obligations;

(iii) All payments required for compliance with the terms of this Installment Purchase Agreement or any other Parity Obligation or Senior Obligation, including without limitation, any obligation to maintain a reserve fund at a certain level;

(iv) All payments to meet any other obligations of the District which are charges, liens or encumbrances upon, or payable from, the Net Revenues; and

(v) Payment with respect to the Subordinate Obligations as they become due and payable.

SECTION 4.6. Enforcement of and Performance Under Parity Obligations. The District shall enforce all material provisions of any contracts to which it is a party, an assignee, successor in interest to a party, or third-party beneficiary, in any case where such contracts provide for wastewater services to be provided by or through the System or provide for payments or services to be rendered to the District. Further, the District will comply with, keep, observe and perform all material agreements, conditions, covenants and terms, express or implied, required to be performed by it, contained in all contracts affecting or involving the System, to the extent that the District is a party thereto.

SECTION 4.7. Collection of Charges, Fees and Rates. The District will have in effect at all times rules and regulations requiring each person or entity receiving services from the System to pay the applicable charges, fees and rates and providing for the billing thereof. In each case where such bill remains unpaid in whole or in part after it becomes delinquent, the District will take necessary actions to enforce the collection procedures contained in the rules and regulations.

SECTION 4.8. Against Encumbrances. The District will not mortgage or otherwise encumber, pledge or place any charge or lien upon the Net Revenues except as provided in this Installment Purchase Agreement and will not issue any obligations secured by Net Revenues on a parity with, or senior to, the Installment Payments and Parity Obligations except as provided herein; provided, that the District may at any time issue Subordinate Obligations.

SECTION 4.9. Execution of Senior Obligations, Parity Obligations and Subordinate Obligations.

(a) The District may at any time execute any Senior Obligations; provided that such Senior Obligations meet the conditions and requirements for the issuance of Senior Obligations under Section 4.10 below.

(b) The District may at any time execute any Parity Obligations the Contract Payments under which are payable on a parity with the Installment Payments; provided, that such Parity Obligations meet the conditions and requirements for the issuance of Parity Obligations under Section 4.10 below.

(c) The District may at any time execute any Subordinate Obligations.

SECTION 4.10. Conditions for Entering into Parity Obligations and Senior Obligations. The District may at any time enter into a Senior Obligation or Parity Obligation payable from the Net Revenues and secured by a lien and charge upon the Net Revenues equal to and on a parity with the lien and charge securing this Installment Purchase Agreement, but only subject to specific conditions precedent, which are summarized below:

(a) The District shall receive the written consent of Riverstone;

(b) The District shall be in compliance with all material agreements, conditions, covenants and terms contained in this Installment Purchase Agreement and in any other Parity Obligations or Senior Obligations required to be observed or performed by it; and

(c) The execution of the Parity Obligation or Senior Obligation shall have been duly authorized pursuant to all applicable laws, and the Parity Obligation or Senior Obligation shall specify among other items, the amount, if any, to be deposited from the proceeds of such Parity Obligation or Senior Obligation into a reserve fund established for such Parity Obligation or Senior Obligation.

SECTION 4.11. Reconstruction of System; Application of Insurance Proceeds. If any useful portion of the System shall be damaged or destroyed, the District shall, as expeditiously as possible, continuously and diligently pursue or cause to be pursued the reconstruction or replacement thereof, unless the District shall file with Riverstone a written certificate of an engineer qualified to render such certificate to the effect that such reconstruction or replacement is not in the best interests of the District and Riverstone. The proceeds of any insurance paid on account of such damage or destruction, other than business interruption loss insurance or public liability insurance, shall be deposited by the District in a special account, held in trust by the District, and made available for, and to the extent necessary applied to, the cost of such reconstruction or replacement, if any. Pending such application, such proceeds may be

invested by the District in investments permitted by Section 53601 of the California Government Code which mature not later than such times as shall be necessary to provide moneys when needed to pay such cost of reconstruction or replacement. Any balance of such proceeds of insurance not required by the District for the purposes aforesaid shall be deemed Revenues.

SECTION 4.12. Records and Accounts. The District covenants and agrees that it shall keep proper books of record and accounts of the System, separate from all other records and accounts, in which complete and correct entries shall be made of all transactions relating to the System, the Revenues and the Net Revenues. Said books shall at all reasonable times be subject to the inspection of Riverstone.

SECTION 4.13. Collection of Charges. The District covenants that it shall maintain and enforce valid regulations for the payment of bills for charges, fees and rates for services provided by the System.

SECTION 4.14. Compliance with this Installment Purchase Agreement. The District will faithfully observe and perform or cause to be faithfully observed and performed all material covenants, conditions and requirements of this Installment Purchase Agreement, and will not suffer or permit any default to occur hereunder. The District will not do or permit anything to be done, or omit or refrain from doing anything, in any case where any such act done or permitted to be done, or any such omission of or refraining from action, would constitute an Event of Default hereunder.

SECTION 4.15. Observance of Laws and Regulations. The District will well and truly keep, observe and perform or cause to be kept, observed and performed all valid and lawful obligations or regulations now or hereafter imposed on it by contract, or prescribed by any law of the United States, or of the State, or by any officer, board or commission having jurisdiction or control, as a condition of the continued enjoyment of any and every right, privilege or franchise now owned or hereafter acquired and enjoyed by the District, including the District's right to exist and carry on business as a California water district, to the end that such rights, privileges and franchises shall be maintained and preserved, and shall not become abandoned, forfeited or in any manner impaired.

SECTION 4.16. Budget. The District hereby covenants to take such action as may be necessary to include all Installment Payments and all other amounts due hereunder in its annual budget and to make the necessary annual appropriations for all such Installment Payments and all other amounts due hereunder. The covenants on the part of the District herein contained shall be deemed to be and shall be construed to be ministerial duties imposed by law and it shall be the ministerial duty of each and every public official of the District to take such action and do such things as are required by law in the performance of such official duty of such officials to enable the District to carry out and perform the covenants and agreements on the part of the District contained in this Installment Purchase Agreement.

SECTION 4.17. Notices. The District shall provide to Riverstone:

(a) Immediate notice by telephone, promptly confirmed in writing, of any event, action or failure to take any action which constitutes an Event of Default under this Installment Purchase

Agreement, together with a detailed statement by a District officer of the steps being taken by the District to cure the effect of such Event of Default.

(b) With reasonable promptness, such other information respecting the District, the System, and the operations, affairs and financial condition of the District as Riverstone may from time to time reasonably request.

SECTION 4.18. No Public Registration. During any period that Riverstone is a party to this Installment Purchase Agreement, this Installment Purchase Agreement shall not be (i) assigned a rating by any credit rating agency, (ii) registered with The Depository Trust Company or any other securities depository, (iii) offered pursuant to any type of offering document or official statement or (iv) assigned a CUSIP number by Standard & Poor's CUSIP Service.

ARTICLE 5

EVENTS OF DEFAULT AND REMEDIES; ADDITIONAL ACCELERATION

SECTION 5.1. Events of Default. If one or more of the following events (herein an "Event of Default") shall happen, the following shall be an Event of Default:

(a) If default shall be made in the due and punctual payment of the interest payable pursuant to this Installment Purchase Agreement after thirty (30) days when and as the same shall become due and payable;

(b) If default shall be made in the due and punctual payment of the principal payable pursuant to this Installment Purchase Agreement after thirty (30) days when and as the same shall become due and payable;

(c) If default shall be made by the District in the observance or performance of any of the other material agreements, conditions, covenants or terms on its part contained in this Installment Purchase Agreement, and such default shall have continued for a period of thirty (30) days after the District shall have been given notice in writing of such default by Riverstone, which may give notice in its discretion; provided, that such default shall not constitute an Event of Default if the District shall commence to cure such default within such thirty (30)-day period and thereafter diligently and in good faith shall proceed to cure such default within a reasonable period of time but not later than an additional thirty (30) days;

(d) If the District shall file a petition or answer seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America, or if a court of competent jurisdiction shall approve a petition, filed with or without the consent of the District, seeking reorganization under the federal bankruptcy laws or any other applicable law of the United States of America, or if, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the District or of the whole or any substantial part of its property; or

(e) Any material representation or warranty made or deemed to be made by or on behalf of the District in this Installment Purchase Agreement or in any certificate, financial or other statement furnished by or on behalf of the District to Riverstone pursuant hereto or thereto shall prove to have been inaccurate, misleading or incomplete in any material respect when made or deemed to have been made.

SECTION 5.2. Remedies on Default. Whenever any Event of Default shall have happened and be continuing, Riverstone shall have the right, at its option upon notice to the District to (i) apply to and obtain from any court of competent jurisdiction such decree or order as may be necessary to require officials of the District to charge and collect rates for services provided by the District and the System sufficient to meet all requirements of this Installment Purchase Agreement, (ii) accelerate the remaining unpaid balance of the Installment Payments, including all accrued but unpaid interest, such that all such amounts shall be immediately due and payable, and (iii) take whatever action at law or in equity as may appear necessary or desirable to collect the Installment Payments then due or thereafter to become due during the Term of this Installment Purchase Agreement, or enforce performance and observance of any obligation, agreement or covenant of the District under this Installment Purchase Agreement, subject to the following paragraph.

Notwithstanding any provision of this Installment Purchase Agreement, the District's liability to pay the Installment Payments and other amounts hereunder shall be limited solely to Net Revenues as provided in Article 4 hereof In the event that Net Revenues shall be insufficient at any time to pay the principal and interest on the Installment Payments in full, the District shall not be liable to pay or prepay such delinquent Installment Payments other than from Net Revenues; provided, however, the District may make Installment Payments from any source of legally available funds. Any unpaid portion of an Installment Payment shall remain due and owing until paid.

SECTION 5.3. Other Remedies of Riverstone. Riverstone shall have the following rights:

(a) by mandamus or other action or proceeding or suit at law or in equity to enforce its rights against the District or any director, officer or employee thereof, and to compel the District or any such director, officer or employee to perform and carry out its or his duties under the agreements and covenants required to be performed by it or him contained herein;

(b) by suit in equity to enjoin any acts or things that are unlawful or violate the rights of Riverstone; or

(c) by suit in equity upon the happening of an Event of Default to require the District and its Board of Directors, officers and employees to account as the trustee of an express trust.

SECTION 5.4. No Remedy Exclusive. No remedy herein conferred upon or reserved to Riverstone is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Installment Purchase Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be

deemed expedient. In order to entitle Riverstone to exercise any remedy reserved to it in this Article 5 it shall not be necessary to give any notice, other than such notice as may be required, in this Article 5 or by law.

SECTION 5.5. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Installment Purchase Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

A waiver of any default or breach of duty or contract by Riverstone shall not affect any subsequent default or breach of duty or contract or impair any rights or remedies on any such subsequent default or breach of duty or contract. No delay or omission by Riverstone to exercise any right or remedy accruing upon any default or breach of duty or contract shall impair any such right or remedy or shall be construed to be a waiver of any such default or breach of duty or contract or an acquiescence therein, and every right or remedy conferred upon Riverstone by law or by this article may be enforced and exercised from time to time and as often as shall be deemed expedient by Riverstone. If any action, proceeding or suit to enforce any right or exercise any remedy is abandoned or determined adversely to Riverstone, the District and Riverstone shall be restored to their former positions, rights and remedies as if such action, proceeding or suit had not been brought or taken.

SECTION 5.6. Additional Acceleration Events. Independently of whether an Event of Default has occurred, Riverstone may, at its option upon written notice to the District, declare the remaining unpaid balance of the Installment Payments, including all accrued but unpaid interest, immediately due and payable upon the occurrence of any of the following:

(a) any direct or indirect transfer of title to, possession of, or operational control of all or any substantial portion of the Sewer System to another public or private entity;

(b) any dissolution of the District;

(c) any merger, reorganization or consolidation of or by the District;

(d) the incorporation of the District into a larger water district or other resources management agency, however accomplished, structured or described;

(e) any material and substantial change whereby the provision of sewer services is no longer a material purpose or business of the District;

(f) any event, vote, ruling or transaction that results in the voiding or forced or deemed modification of this Installment Purchase Agreement; or

(g) all or substantially all of the Sewer System is taken by eminent domain proceedings or sold under threat thereof.

The District's liability to pay amounts accelerated under this Section shall remain limited solely to Net Revenues as provided in Article 4; provided, however, that the District may pay such

amounts from any source of legally available funds. Any accelerated amount not paid due to insufficient Net Revenues shall remain due and owing until paid.

ARTICLE 6

PREPAYMENT OF AGREEMENT

SECTION 6.1. Security Deposit. Notwithstanding any other provision of this Installment Purchase Agreement, the District may on any date secure the payment of Installment Payments, in whole, by irrevocably depositing with Riverstone an amount of cash which is either (a) sufficient to pay all such Installment Payments, including the principal and interest components thereof, when due pursuant hereto, or (b) invested in whole or in part in Federal Securities in such amount as will, in the opinion of an independent certified public accountant, together with interest to accrue thereon and together with any cash which is so deposited, be fully sufficient to pay all such Installment Payments when due pursuant hereto or when due on any optional prepayment date pursuant to Section 6.2, as the District shall instruct at the time of said deposit. In the event of a security deposit pursuant to this Section for the payment of all remaining Installment Payments, all obligations of the District under this Installment Purchase Agreement, and the pledge of Net Revenues and all other security provided by this Installment Purchase Agreement for said obligations, shall cease and terminate, excepting only the obligation of the District to make, or cause to be made, all of the Installment Payments from such security deposit, and this Installment Purchase Agreement shall immediately terminate. Said security deposit shall be deemed to be and shall constitute a special fund for the payment of such Installment Payments in accordance with the provisions of this Installment Purchase Agreement.

SECTION 6.2. Optional Prepayment. The District may prepay the Installment Payments, in whole or in part, on any date by paying to Riverstone the principal portion of the Installment Payments to be prepaid, together with accrued interest to the date set for prepayment, without premium.

ARTICLE 7

MISCELLANEOUS

SECTION 7.1. Notices. All written notices to be given under this Installment Purchase Agreement shall be given by first class mail or personal delivery to the party entitled thereto at its address set forth below, or by telecopier or other form of telecommunication, at its number set forth below. Notice shall be effective either (a) upon transmission by telecopier or other form of telecommunication, (b) 48 hours after deposit in the United States of America first class mail, postage prepaid, or (c) in the case of personal delivery to any person, upon actual receipt. Riverstone and the District may, by written notice to the other party, from time to time modify the address or number to which communications are to be given hereunder.

If to the District:

Root Creek Water District
P.O. Box 27950
Fresno, California 93729
Attention: General Manager

If to Riverstone: Riverstone Farms LLC
Attn: Timothy Jones, President
7050 North Palm Avenue, Suite 101
Fresno, California 93650

SECTION 7.2. Assignment by Riverstone. Riverstone's rights under this Installment Purchase Agreement, including the right to receive and enforce payment of the Installment Payments may be assigned by Riverstone to a Qualified Investor upon delivery to the District of an Investor Letter substantially in the form set forth in Exhibit C and written notice of such assignment identifying the assignee.

No consent of the District shall be required for such an assignment. Any assignee may make further assignments of its rights and obligations under this Installment Purchase Agreement to a Qualified Investor upon delivery to the District of an Investor Letter substantially in the form set forth in Exhibit C and written notice identifying the assignee, but the District shall not be required to pay more than a single payee, regardless of the number of assignees. The District shall pay all Installment Payments hereunder in accordance with the most recent effective notice of assignment delivered to the District. During the Term of this Installment Purchase Agreement, the District shall maintain a complete and accurate record of all notices of assignment.

SECTION 7.3. Assignment by the District. This Installment Purchase Agreement may not be assigned by the District, other than to a public agency which shall succeed to the interests of the District in and to the System and which (by operation of law, by contract or otherwise) becomes legally bound to all of the terms and provisions hereof.

SECTION 7.4. Amendment of this Installment Purchase Agreement. This Installment Purchase Agreement may be amended in writing by the District and Riverstone.

SECTION 7.5. Binding Effect. This Installment Purchase Agreement shall inure to the benefit of and shall be binding upon Riverstone and the District and their respective successors and assigns.

SECTION 7.6. Severability. In the event any provision of this Installment Purchase Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

SECTION 7.7. Net-Net-Net Parity Agreement. This Installment Purchase Agreement shall be deemed and construed to be a "net-net-net" contract, and the District hereby agrees that the Installment Payments shall be an absolute net return to Riverstone, free and clear of any expenses, charges or set-offs whatsoever.

SECTION 7.8. Further Assurances and Corrective Instruments. Riverstone and the District agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments

as may reasonably be required for carrying out the expressed intention of this Installment Purchase Agreement.

SECTION 7.9. Execution in Counterparts. This Installment Purchase Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 7.10. Applicable Law and Venue. This Installment Purchase Agreement shall be governed by and construed in accordance with the laws of the State of California. Venue for any action or proceeding arising out of or relating to this Installment Purchase Agreement shall be in the Madera Couty Superior Court.

SECTION 7.11. Captions. The captions or headings in this Installment Purchase Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Section of this Installment Purchase Agreement.

SECTION 7.12. Mandatory Mediation. Except with respect to indemnity claims or an action seeking provisional or ancillary relief, before initiating any judicial-reference proceeding or litigation arising out of or relating to this Installment Purchase Agreement, the Purchase and Sale Agreement, the Project or the transactions contemplated thereby, Riverstone and the District shall attempt in good faith to resolve the dispute through formal mediation. A party shall initiate mediation by delivering written notice to the other party summarizing the matters in dispute. Within ten (10) days after delivery of the notice, the parties shall select a neutral mediator who is a retired judge or justice with substantial experience in real estate, public finance or commercial law and shall expeditiously pursue mediation in good faith. If the parties cannot agree upon a mediator within such ten (10)-day period, either party may request that the Presiding Judge of the Madera County Superior Court appoint the mediator. The mediator's charges and other mediation expenses shall be borne equally by the parties. All applicable statutes of limitation and other time-based defenses relating to the matters submitted to mediation shall be tolled while the parties are actively pursuing mediation. A party that initiates a judicial-reference proceeding or litigation without first complying with this Section shall not be entitled to recover its attorneys' fees, expert fees, costs or other litigation expenses, even if that party would otherwise be entitled to recover them. Nothing in this Section prevents a party from seeking provisional or ancillary relief before or during mediation. Compliance with the mandatory-mediation provision of the Purchase and Sale Agreement with respect to a dispute shall constitute compliance with this Section with respect to the same dispute.

SECTION 7.13. Judicial Reference.

(a) If a dispute is not resolved through the mediation required by Section 7.12, each proceeding or hearing based upon or arising out of, directly or indirectly, this Installment Purchase Agreement, the Purchase and Sale Agreement, the Project, any document related thereto, any dealings between the District and Riverstone related to the subject matter of those agreements or any related transactions, and/or the relationship established between the District and Riverstone (a "Claim") shall be heard by a single referee (the "Referee") by consensual general judicial reference pursuant to California Code of Civil Procedure Section 638 *et seq*. Upon the written request or appropriate motion of either party, any pending action relating to a Claim and every Claim shall

be heard by the Referee, who shall try all issues of fact and law and issue findings of fact, conclusions of law and a statement of decision. The Referee's statement of decision shall constitute the decision of the court with respect to the Claim.

The Referee shall have authority to award all legal and equitable relief appropriate under the circumstances. The parties shall be entitled to full discovery to the same extent available in a civil action pending in the California Superior Court. The Referee shall supervise discovery and may make and enforce discovery orders in the same manner as a trial court judge. A stenographic record of the reference proceedings shall be made. The Referee shall have authority to decide all pre-hearing and post-hearing motions in the same manner as a trial court judge.

The parties shall promptly and diligently cooperate with one another and with the Referee and shall perform all acts reasonably necessary for the prompt resolution of the Claim. Either party may file the Referee's findings, conclusions and statement of decision with the clerk or judge of the appropriate court, move to confirm the Referee's report and have judgment entered thereon. If the report is deemed incomplete by the court, the Referee may be required to complete and resubmit the report. The Referee's decision and the judgment entered thereon shall be subject to appeal in the same manner as a decision and judgment of the California Superior Court.

The parties shall have all rights to assert objections available under California Code of Civil Procedure Section 638 *et seq*. All reference proceedings shall be closed to the public and confidential, provided that records relating to the reference proceeding may be made public when the judgment or order thereon becomes final.

(b) The parties shall select a single neutral Referee who is a retired judge or justice of the courts of the State of California or a retired federal court judge and who has at least ten (10) years of judicial experience in civil matters. The Referee shall be appointed pursuant to California Code of Civil Procedure Section 638 or, if the dispute falls within the exclusive jurisdiction of the federal courts, under comparable provisions of federal law. If the parties cannot agree upon a Referee within ten (10) days after a request or motion for judicial reference, either party may request that the Referee be appointed by the Presiding Judge of the Madera County Superior Court or, if the dispute falls within the exclusive jurisdiction of the federal courts, by the U.S. District Court for the Eastern District of California. The Referee shall determine all issues concerning the applicability, interpretation, legality and enforceability of this Section.

(c) Nothing in this Section limits the right of either party to exercise any self-help remedy otherwise available under applicable law or to seek or oppose provisional or ancillary relief, including injunctive relief, a writ of possession, appointment of a receiver or any other provisional or supplementary remedy, before, during or after the reference proceeding. Seeking or opposing such relief does not waive the right to judicial reference.

(d) Promptly following selection of the Referee, the parties shall each advance one-half of the estimated fees and costs of the Referee. In the statement of decision, the Referee shall apply and enforce all provisions of this Installment Purchase Agreement and the Purchase and Sale Agreement concerning prevailing-party determinations, attorneys' fees, expert fees, costs and other litigation expenses and shall award such amounts as required by those provisions. The Referee may allocate the Referee's fees and other judicial-reference charges between the parties

in such manner as the Referee determines to be just, subject to the foregoing contractual fee and expense provisions.

(e) RIVERSTONE AND THE DISTRICT ACKNOWLEDGE AND AGREE THAT, BY ENTERING INTO THIS INSTALLMENT PURCHASE AGREEMENT, THEY ARE WAIVING THEIR RESPECTIVE RIGHTS TO A TRIAL BY JURY OF ANY CLAIM SUBJECT TO THIS SECTION.

Riverstone's Initials: _____ District's Initials: _____

Section 1.2. Coordination with Purchase and Sale Agreement and Existing Agreements. This Installment Purchase Agreement and the Purchase and Sale Agreement are separate, binding agreements and shall be interpreted together to give effect to each agreement. Nothing in this Installment Purchase Agreement or the Purchase and Sale Agreement limits the District's ability to apply any funds legally available to the District, including under the Acquisition Agreements identified in the Purchase and Sale Agreement, to payment of all or any portion of the Down Payment or Deferred Principal Amount. Neither this Installment Purchase Agreement nor the Purchase and Sale Agreement supersedes or modifies any other written agreement between the District and Riverstone except to the extent expressly provided in this Installment Purchase Agreement or the Purchase and Sale Agreement. If an irreconcilable conflict exists between this Installment Purchase Agreement and the Purchase and Sale Agreement, this Installment Purchase Agreement shall control with respect to the Purchase Price, the Down Payment, the Deferred Principal Amount, the Installment Payments, interest, payment sources, security and financing matters, and the Purchase and Sale Agreement shall control with respect to title, escrow, conveyance, the conditions to Closing and other Closing mechanics.

(Signature page follows)

IN WITNESS WHEREOF, Riverstone has caused this Installment Purchase Agreement to be executed in its corporate name by its duly authorized officer, and the District has caused this Installment Purchase Agreement to be executed in its name by its duly authorized officer, as of the date first above written.

RIVERSTONE FARMS LLC, a California limited liability company

By: _____
Timothy Jones, President

ROOT CREEK WATER DISTRICT

By: _____
General Manager

-Signature Page-
Installment Purchase Agreement

EXHIBIT A

DESCRIPTION OF THE PROJECT

The Project consists of the real property and improvements thereon located on the following parcels or portions thereof, each as more particularly described in Exhibit A to the Purchase and Sale Agreement:

APN 049-630-004

EXHIBIT B

SCHEDULE OF INSTALLMENT PAYMENTS

Date	Principal	Interest*	Total Principal and Interest
12/15/2026	$ 6,297.60**	$ -	$ 6,297.60
03/01/2027	23,301.93	3,894.50	27,196.43
09/01/2027	18,194.02	9,002.41	27,196.43
03/01/2028	18,466.93	8,729.50	27,196.43
09/01/2028	18,743.94	8,452.49	27,196.43
03/01/2029	19,025.10	8,171.33	27,196.43
09/01/2029	19,310.47	7,885.96	27,196.43
03/01/2030	19,600.13	7,596.30	27,196.43
09/01/2030	19,894.13	7,302.30	27,196.43
03/01/2031	20,192.54	7,003.89	27,196.43
09/01/2031	20,495.43	6,701.00	27,196.43
03/01/2032	20,802.86	6,393.57	27,196.43
09/01/2032	21,114.91	6,081.52	27,196.43
03/01/2033	21,431.63	5,764.80	27,196.43
09/01/2033	21,753.10	5,443.33	27,196.43
03/01/2034	22,079.40	5,117.03	27,196.43
09/01/2034	22,410.59	4,785.84	27,196.43
03/01/2035	22,746.75	4,449.68	27,196.43
09/01/2035	23,087.95	4,108.48	27,196.43
03/01/2036	23,434.27	3,762.16	27,196.43
09/01/2036	23,785.79	3,410.64	27,196.43
03/01/2037	24,142.57	3,053.86	27,196.43
09/01/2037	24,504.71	2,691.72	27,196.43
03/01/2038	24,872.28	2,324.15	27,196.43
09/01/2038	25,245.37	1,951.06	27,196.43
03/01/2039	25,624.05	1,572.38	27,196.43
09/01/2039	26,008.41	1,188.02	27,196.43
03/01/2040	26,398.53	797.90	27,196.43
09/01/2040	26,794.61	401.82	27,196.43
TOTAL	$629,760.00	$138,037.64	$767,797.64

* The actual amount of interest may differ from the amount shown in the schedule depending upon whether the Installment Payment Date is a Business Day.

** Down Payment.

EXHIBIT C

FORM OF INVESTOR LETTER

This letter is to provide you with certain representations and agreements in connection with the execution and delivery of that certain Installment Purchase Agreement dated as of December 1, 2026 (the "Installment Purchase Agreement"), by and between Riverstone Farms, LLC, a California limited liability company ("Riverstone," the "undersigned," "us" or "we," as applicable), and the Root Creek Water District (the "District"). Capitalized terms not otherwise defined herein will have the meanings set forth in the Installment Purchase Agreement.

We hereby represent and warrant to you and agree with you as follows:

1. Riverstone is duly organized, validly existing and in good standing under the laws of the jurisdiction in which it was incorporated or formed and has the full legal right, power and authority to enter into the Installment Purchase Agreement;

2. the undersigned is a duly appointed, qualified, and acting officer of Riverstone and is authorized to cause Riverstone to make the representations and warranties contained herein on behalf of Riverstone;

3. Riverstone has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other obligations similar to the Installment Purchase Agreement, to be able to evaluate the risks and merits of the investment represented by the Installment Purchase Agreement and is able to bear the economic risks of such investment;

4. Riverstone understands that the Installment Purchase Agreement has not been registered with any federal or state securities authority or commission; and further understands that the Installment Purchase Agreement (a) is not being registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state; (b) will not be listed in any stock or other securities exchange; and (c) will not carry a rating from any rating service;

5. Riverstone acknowledges that it has either been supplied with or has been given access to information to which a reasonable investor would attach significance in making investment decisions, and Riverstone has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the legal, physical and fiscal condition of the District and the District's Systems, as well as the insurance, security and prepayment arrangements set forth in the Installment Purchase Agreement, so that, as a reasonable investor, Riverstone has been able to make an informed investment decision to enter into the Installment Purchase Agreement;

6. Riverstone understands and acknowledges that no official statement, offering memorandum or any disclosure document has been prepared, nor is any contemplated to be prepared;

7. Riverstone acknowledges that there is no reserve fund required pursuant to the Installment Purchase Agreement;

8. Riverstone understands and acknowledges it is entering into the Installment Purchase Agreement on a private placement basis, and it is not intended that the transaction be subject to the requirements of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), and therefore the District has not undertaken, other than as provided in the Installment Purchase Agreement, to provide to or for the benefit of holders of the Installment Purchase Agreement financial or operating data or any other information with respect to the District on an ongoing basis;

9. Riverstone has made its own inquiry and analysis with respect to the Installment Purchase Agreement and the security therefore, and other material factors affecting the security and payment of the Installment Purchase Agreement;

10. Riverstone is either:

i. an "accredited investor" as such term is defined in Rule 501(a) promulgated under the Securities Act of 1933, as amended (the "Securities Act"); or

ii. a "qualified institutional buyer" as such term is defined in Rule 144A promulgated under the Securities Act;

11. Riverstone is entering into the Installment Purchase Agreement for its own account and not with present view toward resale or distribution, and we have not offered, offered to sell, offered for sale or sold any of the Installment Payments by means of any form of general solicitation or general advertising, and we are not an underwriter of the Installment Payments within the meaning of Section 2(11) of the Securities Act; provided, however, that Riverstone reserves the right to sell, transfer or redistribute the Installment Payments without the consent of the District in accordance with the Installment Purchase Agreement and all applicable securities laws, and agrees that any such sale, transfer or redistribution by Riverstone shall be in accordance with the Installment Purchase Agreement;

12. Riverstone recognizes that an investment in the Installment Payments involves significant risks, there is no established market for the Installment Payments and that none is likely to develop; and

13. Riverstone further acknowledges that it is responsible for consulting with its advisors concerning any obligations, including, but not limited to, any obligations pursuant to federal and state securities and income tax laws it may have with respect to subsequent assignments or assignees of the Installment Payments if and when any such future disposition of the Installment Purchase Agreement may occur.

IN WITNESS WHEREOF, the undersigned has executed this Investor Letter as of the ____ day of _____, 2026.

RIVERSTONE FARMS, LLC, a California limited liability company

By: _____
Timothy Jones

PURCHASE AND SALE AGREEMENT
AND ESCROW INSTRUCTIONS
(Remaining Properties)

THIS PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS (Remaining Properties) (this "**Agreement**") is made and effective as of November ___, 2026 (the "**Effective Date**") by and between GROVELAND DEVELOPMENT CORPORATION, a California corporation ("**Seller**") and ROOT CREEK WATER DISTRICT, a California water district ("**Buyer**" or the "**District**"). Seller and Buyer are sometimes collectively referred to herein as the "**Parties**" and singularly as a "**Party**."

R E C I T A L S

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

B. WHEREAS, the real property that is the subject of this Agreement is legally described in Exhibit "A" and depicted in the maps attached as Exhibit "B" (each, a "**Property**" and collectively, the "**Properties**"). Each Property is within the boundaries of Root Creek Water District; and

C. WHEREAS, Seller, Buyer and Riverstone Development, LLC ("**Riverstone**") are parties to **(1)** that certain Master Acquisition Agreement Relating to: Community Facilities District No. 2016-1 of the Root Creek Water District dated as of January 1, 2022 (the "**2016-1 Acquisition Agreement**"), and **(2)** that certain Acquisition Agreement Relating to: Community Facilities District No. 2023-1 of the Root Creek Water District dated as of [_____] (the "**2023-1 Acquisition Agreement**" and, together with the 2016-1 Acquisition Agreement, the "**Acquisition Agreements**"), pursuant to which funds may be legally available to the District to pay all or a portion of the Purchase Price; and

D. WHEREAS, the Parties have agreed on the terms and conditions pursuant to which Seller shall sell the Properties to the District; and

E. WHEREAS, Seller and Buyer are entering into that certain Installment Purchase Agreement dated as of or about the date hereof (the "**Installment Purchase Agreement**"), under which the Properties conveyed pursuant to this Agreement constitute the "**Project**" and Buyer will pay the deferred portion of the Purchase Price; and

F. WHEREAS, this Agreement and the Installment Purchase Agreement are parts of one integrated transaction, with the Installment Purchase Agreement governing the agreement to purchase and sell the Properties, the Purchase Price, payment, security and financing matters, and this Agreement governing title, Escrow, conveyance, conditions to the Closing, due diligence, representations and warranties and other real-property acquisition matters; and

G. WHEREAS, the District has determined that the Properties are necessary for the District's ownership, operation, maintenance, repair, replacement, and expansion of its public

water or storm-drainage facilities and has decided to acquire the Properties for public use; the District has informed Seller that, if the negotiated acquisition cannot be completed, the District intends to take the steps legally available to it to acquire the Properties through eminent-domain proceedings, including consideration and adoption of a resolution of necessity; and Seller is entering into this Agreement and the Installment Purchase Agreement in reliance on that communication and in lieu of condemnation; and

H. WHEREAS, the Parties desire to memorialize their agreement regarding the foregoing and certain other matters.

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

1. Purchase and Sale. Subject to all of the terms, conditions and provisions of this Agreement, including the Recitals set forth above, and for the consideration set forth herein, Seller agrees to sell to Buyer and Buyer agrees to buy the Properties, with the conveyance of any Property not previously transferred to Buyer to occur at the Closing, defined below. The sale and purchase of the Properties shall be consummated by means of an escrow (the "**Escrow**") at the offices of Old Republic Title Company, Attn: Laura Roberts, 7451 North Remington Avenue, Suite 102, Fresno, California 93711 ("**Escrow Holder**"). This Agreement shall constitute the instructions for the Escrow upon acceptance by Escrow Holder. Upon execution by the Parties, a copy of this Agreement shall be deposited with Escrow Holder, and Escrow Holder shall execute a counterpart hereof for both Buyer and Seller, acknowledging its agreement to act as Escrow Holder as set forth herein. "**Closing**" means the Closing Date (defined in Section 22) or the Escrow closing process described in Section 23, as the context requires.

2. Purchase Price; Payment Terms.

(a) Purchase Price. The purchase price for the Properties is the "**Purchase Price**" as defined in the Installment Purchase Agreement. The Purchase Price is allocated among the Properties as set forth in Exhibit "C" (each, a "**Property Purchase Price**"). The Purchase Price and the Property Purchase Prices were agreed upon after consideration of the appraisal obtained by Buyer.

(b) Payment Terms. An initial escrow deposit is not required. On or before the scheduled Closing Date, Buyer shall deposit the Down Payment specified in Section 3.2 of the Installment Purchase Agreement into Escrow in cash, by wire transfer or other immediately available funds. The Deferred Principal Amount specified in Section 3.2 of the Installment Purchase Agreement shall be payable under and in accordance with the Installment Purchase Agreement. If any Property is removed from the transaction before the Closing pursuant to this Agreement, the Purchase Price shall be reduced by the corresponding Property Purchase Price, the Down Payment and Deferred Principal Amount shall be adjusted accordingly based on the applicable allocations set forth in Exhibit "C," and the principal amount and payment schedule

under the Installment Purchase Agreement shall be adjusted accordingly before execution and delivery at the Closing.

(c) Allocation of Payments. Unless the Parties otherwise agree in writing or applicable law requires otherwise, the principal portion of each payment under the Installment Purchase Agreement shall first be allocated between the Water System and Stormwater System portions of the Project in accordance with the Installment Purchase Agreement and Exhibit B thereto and then, within each such portion, among the applicable Properties in proportion to their respective unpaid Property Purchase Prices.

(d) Coordination with Acquisition Agreements. The District may apply any funds legally available to the District under the Acquisition Agreements to payment of all or any portion of the Down Payment or the Deferred Principal Amount. Any such payment shall reduce the corresponding obligation under the Installment Purchase Agreement dollar for dollar. The application of funds available under an Acquisition Agreement shall not cause those funds, or the source from which they are derived, to become pledged to or subject to the lien securing the Installment Payments. This Agreement does not itself constitute a payment request under either Acquisition Agreement. The Purchase Price, Down Payment and Deferred Principal Amount are payable under the Installment Purchase Agreement and do not constitute amounts payable under the Urban Reimbursement Agreement dated as of January 1, 2022, by and among the District, Seller, and Riverstone.

3. LIQUIDATED DAMAGES UPON BUYER'S DEFAULT. IF THE ESCROW FAILS TO CLOSE BY THE SCHEDULED CLOSING DATE SET FORTH IN SECTION 22 AS A RESULT OF BUYER'S DEFAULT IN THE PERFORMANCE OF ITS OBLIGATIONS UNDER THIS AGREEMENT, BUYER SHALL PAY SELLER SIX HUNDRED DOLLARS ($600) AS LIQUIDATED DAMAGES AND AS SELLER'S EXCLUSIVE REMEDY AGAINST BUYER, AT LAW OR IN EQUITY OR OTHERWISE. PAYMENT OF SUCH FUNDS TO SELLER AS LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY WITHIN THE MEANING OF CALIFORNIA CIVIL CODE SECTIONS 3275 OR 3369, BUT INSTEAD, IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLER PURSUANT TO SECTIONS 1671, 1676 AND 1677 OF THE CALIFORNIA CIVIL CODE. BECAUSE OF THE SPECIAL NATURE OF THE NEGOTIATIONS THAT PRECEDED ACCEPTANCE BY SELLER OF BUYER'S OFFER TO ACQUIRE THE PROPERTIES, THE PARTIES ACKNOWLEDGE THAT THE ACTUAL DAMAGE THAT WOULD RESULT TO SELLER AS A RESULT OF SUCH FAILURE WOULD BE EXTREMELY DIFFICULT TO ESTABLISH. IN ADDITION, BUYER DESIRES TO LIMIT ITS POTENTIAL LIABILITY TO SELLER IN THE EVENT THAT THIS TRANSACTION SHALL FAIL TO CLOSE. THEREFORE, IN ORDER TO INDUCE SELLER TO ACCEPT BUYER'S OFFER INSTEAD OF ANY POTENTIAL COMPETING OFFER FROM ANOTHER PARTY, AND IN ORDER TO INDUCE SELLER TO WAIVE ALL OTHER REMEDIES IT MAY HAVE IN THE EVENT OF BREACH BY BUYER OF ITS OBLIGATIONS HEREUNDER, BUYER HAS PROPOSED AND SELLER HAS ACCEPTED THE CONCEPT OF LIQUIDATED DAMAGES AS SET FORTH HEREIN, WITH THE AMOUNT OF THE PAYMENT TO SELLER AND THE TIMING OF SUCH PAYMENT HAVING BEEN THE SUBJECT OF CONSIDERABLE NEGOTIATIONS BETWEEN THE

DRAFT

PARTIES. BY SEPARATELY INITIALING BELOW, THE PARTIES HEREBY ACKNOWLEDGE THEIR AGREEMENT CONCERNING LIQUIDATED DAMAGES. NOTWITHSTANDING THE FOREGOING, THE LIMITATION OF SELLER'S REMEDIES SET FORTH IN THIS SECTION 3 DOES NOT APPLY TO BUYER'S OBLIGATION TO PAY THE APPLICABLE PROPERTY PURCHASE PRICE FOR ANY PROPERTY FOR WHICH TITLE HAS BEEN TRANSFERRED TO BUYER BEFORE THE TERMINATION OF THIS AGREEMENT. ANY SUCH PAYMENT OBLIGATION SHALL REMAIN DUE AND ENFORCEABLE UNDER THIS AGREEMENT AND THE INSTALLMENT PURCHASE AGREEMENT.

Buyer's Initials: _____ Seller's Initials: _____

4. **Possession**. Buyer acknowledges that it is in possession of the Properties.

5. **Risk of Loss**. Risk of physical loss to the Properties shall be allocated per the Parties' separate agreement.

6. **Condition of Title to Properties**. To the extent title to a Property has not been transferred to Buyer before the Effective Date, Seller shall convey fee title to that Property to Buyer subject only to those encumbrances, contracts, agreements, rights, easements, rights of way, mineral leases, rights and reservations that are **(x)** set forth in a preliminary report of title to the Properties prepared by Escrow Holder promptly after the opening of the Escrow and approved or deemed approved by Buyer in writing, or **(y)** caused by Buyer or agreed to by Buyer in writing, including the covenants herein (collectively, the "**Permitted Exceptions**"). Upon receipt of the preliminary title report and copies of the underlying title exception documents, Buyer shall have fifteen (15) days to notify Escrow Holder in writing of any exception affecting a Property to be conveyed at the Closing that Buyer disapproves (an "**Objectionable Exception**"). If Buyer timely identifies an Objectionable Exception, Seller shall have ten (10) days after receipt of Buyer's notice to **(i)** remove the Objectionable Exception or agree to do so at the Closing and proceed with the sale of the affected Property, or **(ii)** decline to remove the Objectionable Exception, in which case Buyer may waive its objection and proceed without reduction of the Purchase Price or terminate this Agreement as to the affected Property only. Upon such termination, neither Party shall have any further obligation to sell or purchase the affected Property, the corresponding Property Purchase Price shall be removed from the Purchase Price, and the transaction shall proceed with respect to the remaining Properties.

To the extent title to a Property was transferred to Buyer before the Effective Date, Buyer acknowledges and agrees that, as of the date of the applicable transfer, Buyer agreed to accept title to that Property in its then-existing condition, subject to the encumbrances, contracts, agreements, rights, easements, rights of way, mineral leases, rights, reservations and other title exceptions then affecting that Property, except for any monetary lien securing or arising from an obligation of Seller, and determined that the matters so accepted would not interfere with Buyer's intended use of the Property or any facilities thereon.

Seller shall cause any monetary lien securing or arising from an obligation of Seller to be released from the applicable Property on or before the Closing; provided, however, that for

purposes of this Section, monetary liens do not include real property taxes or assessments to which the District is subject.

Buyer's General Manager's execution of a Certificate of Acceptance with respect to any Property conveyed by the Grant Deed at the Closing shall constitute Buyer's agreement to accept title to that Property subject to the applicable Permitted Exceptions and Buyer's determination that those Permitted Exceptions will not interfere with Buyer's intended use of the Property or any facilities thereon.

7. **Title Insurance**. At the Closing, Escrow Holder shall issue or commit to issue its standard CLTA Owner's Policy of Title Insurance showing title to each Property vested in Buyer subject only to the applicable title matters accepted by Buyer pursuant to Section 6 (the "**Title Policy**"). Buyer may elect to obtain an ALTA extended-coverage owner's policy, endorsements or other additional coverage if Buyer so notifies Escrow Holder prior to the Closing. Seller shall pay the premium for the standard CLTA Owner's Policy of Title Insurance. Buyer shall pay the incremental premium and other charges attributable to any ALTA extended coverage, endorsements or other additional coverage requested by Buyer. The Title Policy shall insure Buyer with liability in the amount of the Purchase Price.

8. **Condition of Properties**.

(a) Buyer acknowledges that it has **(i)** physically inspected each Property to Buyer's satisfaction; **(ii)** investigated to Buyer's satisfaction and has knowledge of applicable operative or proposed governmental laws, regulations, ordinances and decisions (including without limitation zoning, environmental and land use laws and regulations) to which each Property is or may be or become subject; and **(iii)** confirmed any other matters Buyer determines in its sole discretion.

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

(c) Buyer acknowledges that at times the Properties have been part of an active working farm. Buyer specifically acknowledges that various petroleum products, fuel, gasoline and chemicals, including fertilizers, herbicides and pesticides, customarily used in farming, some of which may, as of the date hereof, be considered to be hazardous or toxic, may have been used, stored, mixed and applied to the Properties in the course of the farming activities conducted thereon or on adjacent and nearby property. Buyer agrees to rely solely on its own investigation and not make any claims against any of the Released Parties (defined in Section (d)) regarding that subject. Buyer further acknowledges that, except as expressly set forth in this Agreement and in any other document provided hereunder, Seller, its agents, officers, directors, employees and other persons acting on behalf of Seller have made no representation or warranty of any kind in connection with any matter relating to the conditions,

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

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

(i) With respect to the matters released pursuant to Section 8(d), Buyer—on behalf of itself, its successors and assigns, and anyone claiming through any of them—waives any rights or benefits available under section 1542 of the California Civil Code, which provides:

> A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

_____
Buyer's initials

9. **<u>Warranties and Representations of Seller</u>**. Seller hereby makes the following representations and warranties. The foregoing representations and warranties are qualified by matters disclosed in the due diligence document and information supplied by Seller or actually discovered by Buyer prior to the Closing.

(a) Seller has the authority to enter into this Agreement, sell the Properties and otherwise perform as set forth herein. As of the date title to each Property is or was transferred to Buyer, Seller is or was the sole owner of that Property and has or had the unrestricted right and power to transfer it to Buyer. Seller's governing body has duly authorized the execution, delivery and performance of this Agreement by Seller and has duly authorized the signing of this Agreement on behalf of Seller.

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

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

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

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

(f) Except for the title matters accepted by Buyer as provided in this Agreement, Seller has not, after the date title to the applicable Property was transferred to Buyer, entered into any mineral lease, license, occupancy agreement, option, contract, lease or other agreement affecting that Property or interfering with Buyer's ownership, possession or intended use of that Property. With respect to each Property to be transferred to Buyer at the Closing, except for the applicable Permitted Exceptions, there are not presently and at the Closing will not be any mineral leases, licenses, occupancy agreements, rights of possession, options, contracts, leases or other agreements or undertakings to which Seller is a party or otherwise aware that affect that Property or interfere with, impede or restrict Seller's ability to convey it to Buyer.

10. Warranties and Representations by Buyer. Buyer hereby makes the following covenants, representations, and warranties.

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

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

11. Survival of Representations and Warranties. The satisfaction, truth, accuracy and completeness of each of the representations and warranties of Buyer and Seller contained in this Agreement, as of the date hereof and as of the Closing, shall constitute a condition precedent to the obligations of Seller and Buyer respectively, hereunder. If a representation or warranty of

Seller or Buyer is true as of the date of this Agreement but is not true at the Closing, then the other Party's condition to the Closing may have failed to the extent provided herein, but the representing and warrantying Party shall not be in default as to such matter solely as a result of the failure of such condition unless such Party has acted or omitted to act in a manner that would constitute a breach of its obligations under this Agreement, including by intentionally causing a representation or warranty to cease to be true. Further, if a representation or warranty of either Party is not true as of the date of this Agreement, all claims for breach of any such representation or warranty must be discovered within twelve (12) months after the Closing Date and must be asserted, if at all, in an action filed no later than eighteen (18) months after the Closing Date. All claims for the alleged breach of a representation or warranty that are not discovered and asserted within such applicable time frame are deemed waived.

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

13. Indemnification. Except as otherwise expressly provided in this Agreement, the Parties' indemnification obligations relating to the Properties shall be governed by their separate agreement.

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

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

(a) Buyer shall have timely performed each of the acts to be performed by it hereunder, including the Escrow deposits described in Section 18(b), and shall have executed and delivered the Installment Purchase Agreement.

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

(c) To the extent, if any, that the Well & Pipeline Easement Agreement (defined below) encumbers title to any Property, an appropriate amendment terminating same (the "**Well & Pipeline Easement Agreement Amendment**") must have been executed,

acknowledged, and recorded prior to recordation of any other documents at the Closing. "**Well & Pipeline Easement Agreement**" means that certain Amended and Restated Well and Pipeline Easement Agreement dated as of June 30, 2008 and recorded on June 30, 2008 as Document No. 2008022727, Official Records of Madera County, California, as amended.

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

(a) Seller shall have timely performed each of the acts to be performed by it hereunder, including the Escrow deposits described in Section 18(a), and shall have executed and delivered the Installment Purchase Agreement.

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

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

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

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

17. **Prior Transfers**. Notwithstanding anything to the contrary in this Agreement, at the District's request, Seller transferred title to or another ownership interest in (i) the Property located on APN 080-450-023 and commonly referred to as the 1.0 MG Tank Site (the "**Tank Site**") and (ii) the Property located on APN 080-150-016 and commonly referred to as Basin 1—Village A (the "**Village A Basin**") to the District before the Effective Date in advance of the completion of the formal acquisition documentation or payment for those Properties. This Agreement and the Installment Purchase Agreement memorialize and confirm the terms of the Parties' acquisition transaction with respect to the Tank Site and Village A Basin. Each prior transfer was made in reliance on the acquisition-funding and payment framework contemplated by the Acquisition Agreements and in anticipation of payment and completion of the acquisition documentation, was not intended as a dedication or gift, and did not waive or satisfy any portion of the Purchase Price except to the extent actually paid. The Tank Site and Village A Basin remain included in the Purchase Price and their applicable Property Purchase Price allocations and remain subject to the provisions of this Agreement that by their nature apply after such transfer, including the tax-intent, representations and warranties, AS-IS, release, indemnification, survival, dispute-resolution and payment provisions. Seller shall execute and deliver any confirmatory or corrective instrument reasonably necessary to document or perfect the District's interest, provided that such instrument does not impose any new or additional substantive obligation on Seller.

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

(a) Seller shall deposit the following documents ("**Seller's Documents**"): **(i)** an executed and acknowledged counterpart original of the Grant Deed in the form attached as Exhibit "D" (the "**Grant Deed**") , duly executed and acknowledged by Seller and containing the legal descriptions of all Properties other than the Tank Site and Village A Basin; **(ii)** any confirmatory or corrective instrument required under Section 18, duly executed and acknowledged by Seller, if applicable; **(iii)** if not previously recorded, an original Well & Pipeline Easement Agreement Amendment, duly executed and acknowledged by Seller and the other parties thereto; **(iv)** an executed FIRPTA Affidavit; **(v)** an executed Withholding Affidavit; **(vi)** a counterpart original of the Installment Purchase Agreement, duly executed by Seller; and **(vii)** such additional documents as Buyer or Escrow Holder may reasonably request to evidence and effect the transactions provided for herein, provided that no such additional document shall impose any new or additional substantive obligation on Seller.

(b) Buyer shall deposit the following funds and documents ("**Buyer's Documents**"): **(i)** the Down Payment and all amounts necessary to pay Buyer's share of the Closing costs; **(ii)** a counterpart original of the Grant Deed with the Certificate of Acceptance, duly executed and acknowledged by Buyer; **(iii)** any confirmatory or corrective instrument required under Section 18, duly executed and acknowledged by Buyer, if applicable; **(iv)** a counterpart original of the Installment Purchase Agreement, duly executed by Buyer; and **(v)** such additional documents as Seller or Escrow Holder may reasonably request to evidence and effect the transactions provided for herein.

19. **Property Taxes and RCWD Assessments**. Taxes for the fiscal year in which title to the applicable Property is transferred to Buyer shall be apportioned, cleared and paid in the manner required by California Revenue and Taxation Code section 5086, using the latest available tax bills and other information furnished by the applicable taxing authorities. The portion of the current real and personal property taxes allocable to the period ending on the day before the applicable date of apportionment shall be charged to Seller and paid through Escrow to the appropriate taxing authority. The portion allocable to the period beginning on the applicable date of apportionment shall be canceled as provided by law and shall not be credited to Buyer or charged to either Party. Buyer shall timely provide the County Assessor and County Auditor with the documents, information and request required by California Revenue and Taxation Code section 5082.1. Escrow Holder shall prorate Root Creek Water District assessments relating to each Property ("**RCWD Assessments**") as of the date title to the applicable Property is transferred to Buyer, using a 365-day year and the latest assessment information. Escrow Holder is not responsible for utility or insurance costs or premiums, all of which shall be prorated outside of Escrow by the Parties.

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

(a) the premium for the standard CLTA Owner's Policy of Title Insurance shall be paid by Seller, and Buyer shall pay the incremental premium and other charges

attributable to any ALTA extended coverage, endorsements or other additional coverage requested by Buyer;

(b) all documentary transfer taxes, if any, shall be paid by Seller;

(c) all Escrow fees shall be shared equally between Buyer and Seller; and

(d) All other costs of closing the Escrow, including without limit, filing fees, other recording fees and otherwise, shall be shared by the Parties per Madera County custom for the sale of vacant land. Each Party shall bear its own legal fees and costs for the negotiation and drafting of this Agreement and handling customary closing matters. Buyer shall deposit additional funds into Escrow in an amount equal to its share of the closing costs as determined by Escrow Holder. Escrow Holder is hereby authorized to withhold Seller's share of the closing costs from funds otherwise distributable to Seller.

21. **Closing Date**. Unless otherwise agreed by the Parties in writing, and subject to the prior satisfaction or waiver of the conditions precedent to the Closing, the Closing shall occur on [ ] (the actual date on which the transactions contemplated by this Agreement are consummated through Escrow, the "**Closing Date**"); provided that unless otherwise agreed, if the scheduled Closing Date falls on a Monday, the Closing Date shall automatically be extended to the next business day. If the Escrow is not in a condition to close by the scheduled Closing Date or the extended scheduled Closing Date (if applicable), Escrow Holder shall cancel the Escrow upon receipt of written notice from either Party of such cancellation; provided however, that if the Escrow is not in a condition to close by the scheduled Closing Date or the extended scheduled Closing Date due to the failure of only one Party to perform, and the other Party has fully performed or tendered performance of all of the obligations required of it in order to close the Escrow, only the performing Party shall be entitled to provide Escrow Holder with written notice of cancellation. In the absence of any such written notice of cancellation, Escrow Holder shall proceed to close the Escrow as soon as possible.

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

(a) If not previously recorded, record the Well & Pipeline Easement Agreement Amendment, any confirmatory or corrective instrument required under Section 18, if applicable, and any other document necessary to place title to the Properties in the condition required by this Agreement, all before recording any other Closing document, and e-mail conformed copies to the Parties;

(b) Pay from funds deposited by Buyer all claims, demands and liens necessary to place title to the Properties in the condition required by this Agreement;

(c) Pay Seller's share of the closing costs from funds otherwise distributable to Seller;

(d) Pay from funds deposited by Buyer, Buyer's share of closing costs;

(e) Apportion, clear and pay current real and personal property taxes, and prorate RCWD Assessments, as required by this Agreement;

(f) Attach Buyer's signed original Certificate of Acceptance to Seller's signed original Grant Deed, and record the fully assembled Grant Deed in the Official Records of Madera County and direct the County Recorder to affix the transfer tax (if any) after recording; file Buyer's Preliminary Change of Ownership Report in Madera County; and e-mail the Parties a conformed copy of the recorded Grant Deed;

(g) Deliver to Buyer the original Grant Deed, any confirmatory or corrective instrument required under this Agreement, the original Title Policy, and a fully executed counterpart of the Installment Purchase Agreement;

(h) Deliver to Seller the Down Payment, a copy of the Title Policy, and a fully executed counterpart of the Installment Purchase Agreement;

(i) In the event Seller's Withholding Affidavit does not claim a withholding exemption, withhold the amount required by law and remit such amount to the California Franchise Tax Board within the required time frame following the Closing;

(j) Unless otherwise instructed by Seller unilaterally, deliver the remaining funds held in Escrow, less payments authorized hereunder, to Seller in accordance with Seller's disbursement instructions;

(k) Deliver to Seller and Buyer, respectively, Escrow Holder's escrow statements and all other documents and funds appropriate for delivery out of the Escrow; and

(l) Take all other actions that are necessary or appropriate to close the Escrow in compliance with this Agreement.

23. **Failure to Close**. If the Escrow fails to close as a result of Buyer's breach of any of its obligations hereunder, then upon demand of Seller, Escrow Holder shall terminate the Escrow, immediately deliver Seller's Documents and the liquidated damages pursuant to Section 3 to Seller, deliver Buyer's Documents to Buyer and return to Buyer the balance of any Down Payment actually deposited by Buyer, and charge Buyer for any cancellation charges. If the Escrow shall fail to close as a result of Seller's breach of any of its obligations hereunder, then Buyer's exclusive remedy is to select one of the following: **(a)** terminate this Agreement, in which case Escrow Holder shall terminate the Escrow, deliver Seller's Documents to Seller, deliver Buyer's Documents to Buyer and return to Buyer any Down Payment actually deposited by Buyer, and charge Seller for any cancellation charges; or **(b)** seek specific performance of Seller's remaining obligations under this Agreement, including Seller's obligation to convey any Property for which title has not previously been transferred to Buyer; provided, however, that as conditions to Buyer's right to obtain specific performance (including the filing of a lis pendens against any Property), a suit for specific performance must be filed by Buyer in the Madera County Superior Court by the ninetieth (90^{th}) day following the scheduled Closing Date (as

extended, if applicable) (the "**Specific Performance Condition**"). Buyer hereby waives any and all rights Buyer may have to obtain specific performance and to file a lis pendens against any Property unless and until the Specific Performance Condition has been satisfied. Buyer shall be deemed to have elected option (a) if the Specific Performance Condition is not satisfied. If the Escrow shall fail to close upon Buyer's election to terminate in accordance with the provisions of this Agreement but without breach by Seller, then upon demand of Buyer, Escrow Holder shall return Buyer's Documents to Buyer, return to Buyer any Down Payment actually deposited by Buyer, return Seller's Documents to Seller, and cancel the Escrow, with all cancellation charges to be borne equally by Buyer and Seller. If the Escrow fails to close through no fault of either Buyer or Seller, upon the demand of either Party, Escrow Holder shall return Buyer's Documents to Buyer, return to Buyer any Down Payment actually deposited by Buyer, return Seller's Documents to Seller, and cancel the Escrow, with all cancellation charges to be borne equally by Buyer and Seller. The termination of this Agreement or cancellation of the Escrow shall not rescind or otherwise affect any transfer of title completed before such termination or cancellation or extinguish Buyer's corresponding payment obligation, except as otherwise agreed by the Parties in writing or determined by a court of competent jurisdiction.

24. **Integrated Transaction; Document Control**. This Agreement and the Installment Purchase Agreement constitute parts of one integrated transaction. The Installment Purchase Agreement shall control with respect to the Purchase Price, Down Payment, Deferred Principal Amount, Installment Payments, interest, payment sources, security and financing matters. This Agreement shall control with respect to title, Escrow, conveyance, conditions to the Closing, due diligence, representations and warranties, and other real-property acquisition matters. References to the Acquisition Agreements are included solely to preserve the District's ability to apply funds legally available under the Acquisition Agreements to the Down Payment or Deferred Principal Amount. Neither this Agreement nor the Installment Purchase Agreement supersedes or modifies any other written agreement between the Parties except to the extent expressly provided in this Agreement or the Installment Purchase Agreement.

25. **Subdivision Map Act; Certificates of Compliance.** The Parties acknowledge that some of the Properties are not currently separate legal parcels (each, an "**Exempt Parcel**"), but understand that the transfer of each Exempt Parcel to Buyer, whether occurring before, on or after the Effective Date, is exempt from the California Subdivision Map Act pursuant to Government Code section 66428(a)(2). The Parties further acknowledge that each such transfer may affect the legal status of the remainder of the applicable larger parcel retained by Seller (each, a "**Retained Remainder**").

Seller and Buyer shall cooperate in good faith and cause their respective engineers to prepare or approve legal descriptions and plats sufficient to identify each Exempt Parcel and corresponding Retained Remainder. Promptly following the later of the Effective Date or the date title to the applicable Exempt Parcel is transferred to Buyer, the Parties shall cooperate and take all actions reasonably necessary to obtain from the County of Madera and cause to be recorded: **(a)** a certificate of compliance for the Exempt Parcel; and **(b)** a certificate of compliance for the corresponding Retained Remainder. Each Party shall timely execute and deliver the applications, consents and other documents reasonably required to obtain and record the certificates of compliance.

26. **Tax Intent**. The Parties intend that the Deferred Principal Amount payable through the Installment Purchase Agreement qualify for installment-method reporting under Section 453 of the Internal Revenue Code to the extent applicable. Neither Party makes any representation or warranty to the other concerning the tax treatment of the transaction, and Seller remains solely responsible for obtaining its own tax advice and for its tax reporting, filings, and compliance.

27. **Public Acquisition; In Lieu of Condemnation**. The District represents and confirms that it has determined that the Properties are necessary for the District's ownership, operation, maintenance, repair, replacement or expansion of its public water or storm-drainage facilities and has decided to acquire the Properties for public use. If the negotiated acquisition contemplated by this Agreement and the Installment Purchase Agreement were not completed, the District intends to pursue the legally available steps necessary to acquire the Properties through eminent-domain proceedings, including consideration and adoption of a resolution of necessity. Seller is entering into this Agreement and the Installment Purchase Agreement in reliance on the District's communication of that intent and in lieu of eminent-domain proceedings.

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

29. **Mandatory Mediation**. Except with respect to indemnity claims or an action seeking provisional or ancillary relief, before initiating any judicial-reference proceeding or litigation arising out of or relating to this Agreement, the Installment Purchase Agreement, the Properties or the transactions contemplated thereby, Seller and Buyer shall attempt in good faith to resolve the dispute through formal mediation. A Party shall initiate mediation by delivering written notice to the other Party summarizing the matters in dispute. Within ten (10) days after delivery of the notice, the Parties shall select a neutral mediator who is a retired judge or justice with substantial experience in real estate, public finance or commercial law and shall expeditiously pursue mediation in good faith. If the Parties cannot agree upon a mediator within such ten (10)-day period, either Party may request that the Presiding Judge of the Madera County Superior Court appoint the mediator. The mediator's charges and other mediation expenses shall be borne equally by the Parties. All applicable statutes of limitation and other time-based defenses relating to the matters submitted to mediation shall be tolled while the Parties are actively pursuing mediation. A Party that initiates a judicial-reference proceeding or litigation without first complying with this Section shall not be entitled to recover its attorneys' fees, expert fees, costs or other litigation expenses, even if that Party would otherwise be entitled to recover them. Nothing in this Section prevents a Party from seeking provisional or ancillary relief before or during mediation. Compliance with the mandatory-mediation provision of the Installment Purchase Agreement with respect to a dispute shall constitute compliance with this Section with respect to the same dispute.

DRAFT

30. Judicial Reference.

(a) If a dispute is not resolved through the mediation required by Section 30, each proceeding or hearing based upon or arising out of, directly or indirectly, this Agreement, the Installment Purchase Agreement, the Properties, any document related thereto, any dealings between Buyer and Seller related to the subject matter of those agreements or any related transactions, and/or the relationship established between Buyer and Seller (a "**Claim**") shall be heard by a single referee (the "**Referee**") by consensual general judicial reference pursuant to California Code of Civil Procedure Section 638 et seq. Upon the written request or appropriate motion of either Party, any pending action relating to a Claim and every Claim shall be heard by the Referee, who shall try all issues of fact and law and issue findings of fact, conclusions of law and a statement of decision. The Referee's statement of decision shall constitute the decision of the court with respect to the Claim.

The Referee shall have authority to award all legal and equitable relief appropriate under the circumstances. The Parties shall be entitled to full discovery to the same extent available in a civil action pending in the California Superior Court. The Referee shall supervise discovery and may make and enforce discovery orders in the same manner as a trial court judge. A stenographic record of the reference proceedings shall be made. The Referee shall have authority to decide all pre-hearing and post-hearing motions in the same manner as a trial court judge.

The Parties shall promptly and diligently cooperate with one another and with the Referee and shall perform all acts reasonably necessary for the prompt resolution of the Claim. Either Party may file the Referee's findings, conclusions and statement of decision with the clerk or judge of the appropriate court, move to confirm the Referee's report and have judgment entered thereon. If the report is deemed incomplete by the court, the Referee may be required to complete and resubmit the report. The Referee's decision and the judgment entered thereon shall be subject to appeal in the same manner as a decision and judgment of the California Superior Court.

The Parties shall have all rights to assert objections available under California Code of Civil Procedure Section 638 et seq. All reference proceedings shall be closed to the public and confidential, provided that records relating to the reference proceeding may be made public when the judgment or order thereon becomes final.

(b) The Parties shall select a single neutral Referee who is a retired judge or justice of the courts of the State of California or a retired federal court judge and who has at least ten (10) years of judicial experience in civil matters. The Referee shall be appointed pursuant to California Code of Civil Procedure Section 638 or, if the dispute falls within the exclusive jurisdiction of the federal courts, under comparable provisions of federal law. If the Parties cannot agree upon a Referee within ten (10) days after a request or motion for judicial reference, either Party may request that the Referee be appointed by the Presiding Judge of the Madera County Superior Court or, if the dispute falls within the exclusive jurisdiction of the federal courts, by the U.S. District Court for the Eastern District of California. The Referee shall

determine all issues concerning the applicability, interpretation, legality and enforceability of this Section.

(c) Nothing in this Section limits the right of either Party to exercise any self-help remedy otherwise available under applicable law or to seek or oppose provisional or ancillary relief, including injunctive relief, a writ of possession, appointment of a receiver or any other provisional or supplementary remedy, before, during or after the reference proceeding. Seeking or opposing such relief does not waive the right to judicial reference.

(d) Promptly following selection of the Referee, the Parties shall each advance one-half of the estimated fees and costs of the Referee. In the statement of decision, the Referee shall apply and enforce all provisions of this Agreement and the Installment Purchase Agreement concerning prevailing-party determinations, attorneys' fees, expert fees, costs and other litigation expenses and shall award such amounts as required by those provisions. The Referee may allocate the Referee's fees and other judicial-reference charges between the Parties in such manner as the Referee determines to be just, subject to the foregoing contractual fee and expense provisions.

(e) BUYER AND SELLER ACKNOWLEDGE AND AGREE THAT, BY ENTERING INTO THIS AGREEMENT, THEY ARE WAIVING THEIR RESPECTIVE RIGHTS TO A TRIAL BY JURY OF ANY CLAIM SUBJECT TO THIS SECTION.

Buyer's Initials: _____ Seller's Initials: _____

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

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

To Seller: Groveland Development Corporation
Attention: Timothy Jones
7050 North Palm Avenue, Suite 101
Fresno, California 93650
Telephone: (559) 237-7000
E-mail: tjones@vdcllc.com

To Buyer: Root Creek Water District
Attn: Julia D. Berry, General Manager
P.O. Box 27950
Fresno, California 93729
Telephone: (559) 326-2222
E-mail: julia@rootcreekwd.com

With a copy to: Best Best & Krieger LLP
Attn: Jennifer Bradlee and Todd Gee
500 Capitol Mall, Suite 1700
Sacramento, California 95814
Telephone: (916) 551-2836
E-mail: Jennifer.Bradlee@bbklaw.com
E-mail: Todd.Gee@bbklaw.com

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

33. **Entire Agreement**. This Agreement, the Installment Purchase Agreement and the items incorporated herein and therein contain all of the agreements of Seller and Buyer with respect to the sale and purchase of the Properties; provided, however, that neither this Agreement nor the Installment Purchase Agreement supersedes or modifies any other written agreement between the Parties except to the extent expressly provided in this Agreement or the Installment Purchase Agreement. No provisions hereof may be amended or modified in any manner whatsoever except by an agreement in writing signed by duly authorized representatives of each of the Parties hereto, except that any modifications which relate to the adjustment of time limitations (except the Closing) or the form of documents may be made by joint agreement of legal counsel to the Parties.

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

35. **Further Action**. The Parties agree to perform all further acts, and to execute, acknowledge, and deliver any documents that may be reasonably necessary, appropriate, or desirable to carry out the purposes of this Agreement, including after the Closing. Such further

cooperation includes executing acknowledgments of the terms hereof in commercially reasonable form upon request by either Party.

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

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

38. **Survival**. All indemnification provisions and other provisions that expressly or by their nature provide for post-Closing or post-transfer performance shall survive the Closing and the applicable transfer of title and shall remain binding upon the Parties, subject to any applicable express sunset provision in this Agreement.

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

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

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

DRAFT

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

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

44. **Agreement Not to Shop**. With respect to each Property for which title has not been transferred to Buyer, Seller and its representatives and agents will not directly or indirectly solicit, discuss, encourage or accept any offer to purchase that Property until the earlier of **(i)** the Closing or **(ii)** the termination of this Agreement with respect to that Property.

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

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

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

48. **Notice and Opportunity to Cure**. Except as otherwise provided in a separate cure provision herein or as provided below, prior to taking any action to enforce its rights under this Agreement in the event of an alleged breach of any matter that is subject to cure, the Party alleging the existence of a breach shall give the alleged breaching Party written notice of the specific nature of the alleged breach, together with a demand that the alleged breach be cured within **(a)** three (3) business days for a monetary default, or **(b)** thirty (30) days—or such shorter period as is reasonable in exigent circumstances—for a nonmonetary default that is subject to cure by its nature; but if **(i)** a curable nonmonetary default cannot, with due diligence, be cured within thirty (30) days, and **(ii)** the allegedly defaulting Party commences a cure within that initial thirty (30)-day period and thereafter diligently prosecutes it to completion, the cure period shall be extended through such cure efforts. If the Party receiving such notice cures the alleged breach as provided in this Section 49, the alleged breach shall be deemed not to have occurred, and no claims shall result therefrom. Notwithstanding any other provision of this Agreement, if a breach is incapable of cure by its nature or if giving notice of an alleged breach is legally prevented for any reason or if any agreed cure period would be tolled for any reason (including in either case, bankruptcy stay, if such stay would have the noted result), then in that situation, the provisions of this Section 49 and any other notice and cure provision in this Agreement shall be ignored, and no notice is required before a Party who fails to perform as agreed pursuant to this Agreement is deemed to be in default.

49. **Fencing and Screening**. Buyer shall install fencing and screening reasonably acceptable to Seller around all improvements on each Property to minimize the aesthetic impact of such improvements on nearby properties.

(Signatures to follow on next page)

DRAFT

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

"SELLER"

GROVELAND DEVELOPMENT CORPORATION, a California corporation

By: _____
Timothy Jones, President

"BUYER"

ROOT CREEK WATER DISTRICT, a California water district

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

By: _____
Julia D. Berry
General Manager/Secretary

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

Dated: _____, 2026

OLD REPUBLIC TITLE COMPANY

By: _____
Laura Roberts
Escrow Officer

DRAFT

Exhibit "A"
Legal Descriptions of the Properties

APN 080-450-023 — 1.0 MG Tank Site

NEED LEGAL

APN 080-200-009 — Basin 2 – Parkway

ADJUSTED PARCEL B PER LOT LINE ADJUSTMENT NO. 2021-17, RECORDED APRIL 15, 2022, AS DOCUMENT NO. 2022-010549, MADERA COUNTY RECORDS.

APN 080-150-016 — Basin 1 – Village A

NEED LEGAL

APN 080-260-073 — Basin 3 – Market

OUTLOT "A" OF TRACT NO. 288, ACCORDING TO THE MAP FILED DECEMBER 4, 2020, IN BOOK 66 OF MAPS, AT PAGES 32-35, MADERA COUNTY RECORDS.

APN 080-150-015 (Portion) — Road 40 Basin

NEED LEGAL

APN 080-150-015 (Portion) — Cardinal Basin

NEED LEGAL

APN 080-150-015 (Portion) — Root Creek Basin

NEED LEGAL

DRAFT

Exhibit "B"
Site Maps Showing Location of Each Property

Insert a separate map or plat identifying each Property listed in Exhibit "A," including a separate depiction of each Property interest located within APN 080-150-015.

DRAFT

Exhibit "C"
Schedule of Purchase Prices for Individual Properties

Property	Property Purchase Price
APN 080-450-023 — 1.0 MG Tank Site	$292,400.00
APN 080-200-009 — Basin 2 – Parkway	$2,760,600.00
APN 080-150-016 — Basin 1 – Village A	$795,500.00
APN 080-260-073 — Basin 3 – Market	$537,500.00
APN 080-150-015 (Portion) — Road 40 Basin	$51,600.00
APN 080-150-015 (Portion) — Cardinal Basin	$1,582,400.00
APN 080-150-015 (Portion) — Root Creek Basin	$1,457,700.00
Total Purchase Price	**$7,477,700.00**

The Purchase Price and the Property Purchase Prices include the allocations for the Tank Site and Village A Basin, which are not included in the Grant Deed delivered at the Closing except to the extent a confirmatory or corrective conveyance instrument is reasonably necessary.

Exhibit "D"
Form of Grant Deed

RECORDING REQUESTED BY:

Old Republic Title Company

WHEN RECORDED MAIL DOCUMENT TO:

Root Creek Water District
P.O. Box 27950
Fresno, California 93729

—NO FEE—
Benefit of Root Creek Water District
Pursuant to Government Code § 6103

SPACE ABOVE THIS LINE FOR RECORDER'S USE

APNs: See Exhibit "A"

The undersigned grantor(s) declare(s):
Documentary Transfer Tax is $Ø – Governmental agency acquiring title (Rev & Tax Code § 11922)
( ) computed on full value of property conveyed, or
( ) computed on full value less of liens and encumbrances remaining at time of sale.
(X) Unincorporated area: ( ) City of

GRANT DEED

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, **Groveland Development Corporation**, a California corporation, hereby grants and conveys to **Root Creek Water District,** a California water district, the real property in the County of Madera, State of California, described on Exhibit "A" attached hereto and incorporated by reference herein.

Date: November ____, 2026

GROVELAND DEVELOPMENT CORPORATION, a California corporation

By: _____
Timothy Jones, President

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of _____)

On _____, before me, _____,
(insert name of notary)
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_____ (Seal)

EXHIBIT "A" TO GRANT DEED

LEGAL DESCRIPTION

APN 080-200-009 — Basin 2 – Parkway

NEED LEGAL

APN 080-260-073 — Basin 3 – Market

NEED LEGAL

APN 080-150-015 (portion) — Road 40 Basin

NEED LEGAL

APN 080-150-015 (portion) — Cardinal Basin

NEED LEGAL

APN 080-150-015 (portion) — Root Creek Basin

NEED LEGAL

DRAFT

CERTIFICATE OF ACCEPTANCE
OF
ROOT CREEK WATER DISTRICT

This is to certify that the interest in real property conveyed by the accompanying GRANT DEED from GROVELAND DEVELOPMENT CORPORATION, a California corporation, to ROOT CREEK WATER DISTRICT, a California water district and governmental agency (the "**District**"), is hereby accepted by order of the Board of Directors of the District on _____, and the District consents to recordation thereof in the County of Madera, State of California, by its duly authorized officer.

Dated: _____ By: _____
Julia D. Berry
General Manager/Secretary

DRAFT

PURCHASE AND SALE AGREEMENT
AND ESCROW INSTRUCTIONS
(Wellsite #2 & Wastewater Pond Property)

THIS PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS (Wellsite #2 & Wastewater Pond Property) (this "**Agreement**") is made and effective as of November ___, 2026 (the "**Effective Date**") by and between RIVERSTONE FARMS, LLC, a California limited liability company ("**Seller**") and ROOT CREEK WATER DISTRICT, a California water district ("**Buyer**" or the "**District**"). Seller and Buyer are sometimes collectively referred to herein as the "**Parties**" and singularly as a "**Party**."

R E C I T A L S

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

B. WHEREAS, the real property that is the subject of this Agreement consists of **(i)** a portion of APN 049-051-005 commonly referred to as Wellsite #2 ("**Wellsite #2**") and **(ii)** a portion of APN 049-630-004 commonly referred to as the Wastewater Pond Property (the "**Wastewater Pond Property**"), each as legally described in Exhibit "A" and depicted in the maps attached as Exhibit "B" (each, a "**Property**" and collectively, the "**Properties**"). Each Property is a portion of a legal parcel and is within the boundaries of Root Creek Water District; and

C. WHEREAS, Buyer, Groveland Development Corporation ("**Groveland**") and Riverstone Development, LLC ("**Riverstone**") are parties to **(1)** that certain Master Acquisition Agreement Relating to: Community Facilities District No. 2016-1 of the Root Creek Water District dated as of January 1, 2022 (the "**2016-1 Acquisition Agreement**"), and **(2)** that certain Acquisition Agreement Relating to: Community Facilities District No. 2023-1 of the Root Creek Water District dated as of [_____] (the "**2023-1 Acquisition Agreement**" and, together with the 2016-1 Acquisition Agreement, the "**Acquisition Agreements**"). Seller is an affiliate of Groveland and Riverstone, and funds may be legally available to the District under the Acquisition Agreements to pay all or a portion of the Purchase Price; and

D. WHEREAS, the Parties have agreed on the terms and conditions pursuant to which Seller shall sell the Properties to the District; and

E. WHEREAS, Seller and Buyer are entering into that certain Installment Purchase Agreement dated as of or about the date hereof (the "**Installment Purchase Agreement**"), under which the Wastewater Pond Property constitutes the "**Project**" and Buyer will pay the deferred portion of the Property Purchase Price for the Wastewater Pond Property; and

F. WHEREAS, this Agreement and the Installment Purchase Agreement are parts of one integrated transaction, with the Installment Purchase Agreement governing the agreement to purchase and sell the Wastewater Pond Property and the payment, security and financing matters applicable to the deferred portion of its Property Purchase Price, and this Agreement governing

DRAFT

the purchase of both Properties and title, Escrow, conveyance, conditions to the Closing, due diligence, representations and warranties and other real-property acquisition matters; and

G. **WHEREAS**, the District has determined that the Properties are necessary for the District's ownership, operation, maintenance, repair, replacement, and expansion of its public water or wastewater facilities and has decided to acquire the Properties for public use; the District has informed Seller that, if the negotiated acquisition cannot be completed, the District intends to take the steps legally available to it to acquire the Properties through eminent-domain proceedings, including consideration and adoption of a resolution of necessity; and Seller is entering into this Agreement and, with respect to the Wastewater Pond Property, the Installment Purchase Agreement in reliance on that communication and in lieu of condemnation; and

H. **WHEREAS**, the Parties desire to memorialize their agreement regarding the foregoing and certain other matters.

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

1. **Purchase and Sale**. Subject to all of the terms, conditions and provisions of this Agreement, including the Recitals set forth above, and for the consideration set forth herein, Seller agrees to sell to Buyer and Buyer agrees to buy the Properties, with the conveyance of any Property not previously transferred to Buyer to occur at the Closing, defined below. The sale and purchase of the Properties shall be consummated by means of an escrow (the "**Escrow**") at the offices of Old Republic Title Company, Attn: Laura Roberts, 7451 North Remington Avenue, Suite 102, Fresno, California 93711 ("**Escrow Holder**"). This Agreement shall constitute the instructions for the Escrow upon acceptance by Escrow Holder. Upon execution by the Parties, a copy of this Agreement shall be deposited with Escrow Holder, and Escrow Holder shall execute a counterpart hereof for both Buyer and Seller, acknowledging its agreement to act as Escrow Holder as set forth herein. "**Closing**" means the Closing Date (defined in Section 22) or the Escrow closing process described in Section 23, as the context requires.

2. **Purchase Price; Payment Terms**.

(a) **Purchase Price**. The purchase price for the Properties is Six Hundred Thirty-Five Thousand Nine Hundred Ten Dollars ($635,910) (the "Purchase Price"), allocated between the Properties as set forth in Exhibit "C" (each, a "**Property Purchase Price**"). The Property Purchase Price for Wellsite #2 is Six Thousand One Hundred Fifty Dollars ($6,150) (the "**Wellsite Purchase Price**"), and the Property Purchase Price for the Wastewater Pond Property is Six Hundred Twenty-Nine Thousand Seven Hundred Sixty Dollars ($629,760) (the "**Wastewater Pond Purchase Price**"). The Purchase Price and the Property Purchase Prices were agreed upon after consideration of the appraisal obtained by Buyer. The Wastewater Pond Purchase Price does not include any compensation to Seller for the Road 39 Dedication Strip, as further provided in this Agreement.

(b) **Payment Terms**. An initial escrow deposit is not required. On or before the scheduled Closing Date, Buyer shall deposit into Escrow in cash, by wire transfer or other immediately available funds: **(a)** the Wellsite Purchase Price, which shall be paid in full at the Closing; and **(b)** the Down Payment specified in Section 3.2 of the Installment Purchase Agreement, which shall be applied to the Wastewater Pond Purchase Price. The Deferred Principal Amount specified in Section 3.2 of the Installment Purchase Agreement shall constitute the unpaid balance of the Wastewater Pond Purchase Price and shall be payable under and in accordance with the Installment Purchase Agreement. If either Property is removed from the transaction before the Closing pursuant to this Agreement, the Purchase Price shall be reduced by the corresponding Property Purchase Price. If the Wastewater Pond Property is removed, the Down Payment, Deferred Principal Amount and payment schedule under the Installment Purchase Agreement shall be adjusted accordingly before execution and delivery at the Closing.

(c) **Allocation of Payments**. The Down Payment, Deferred Principal Amount and principal portion of each Installment Payment under the Installment Purchase Agreement shall be allocated to the Wastewater System and the Wastewater Pond Property.

(d) **Coordination with Acquisition Agreements**. Groveland or Riverstone, as the applicable Developer under the Acquisition Agreements, may submit or cause to be submitted a payment request for all or any portion of the Wellsite Purchase Price, Down Payment or Deferred Principal Amount. The District may apply any funds legally available to the District under the Acquisition Agreements pursuant to an approved payment request to payment of the applicable amount. Any such payment shall reduce the corresponding obligation under this Agreement or the Installment Purchase Agreement, as applicable, dollar for dollar. The application of funds available under an Acquisition Agreement shall not cause those funds, or the source from which they are derived, to become pledged to or subject to the lien securing the Installment Payments. This Agreement does not itself constitute a payment request under either Acquisition Agreement. The Purchase Price is payable under this Agreement and, with respect to the Down Payment and Deferred Principal Amount, the Installment Purchase Agreement, and does not constitute an amount payable under the Urban Reimbursement Agreement dated as of January 1, 2022, by and among the District, Seller and Riverstone.

3. **LIQUIDATED DAMAGES UPON BUYER'S DEFAULT**. IF THE ESCROW FAILS TO CLOSE BY THE SCHEDULED CLOSING DATE SET FORTH IN SECTION 22 AS A RESULT OF BUYER'S DEFAULT IN THE PERFORMANCE OF ITS OBLIGATIONS UNDER THIS AGREEMENT, BUYER SHALL PAY SELLER SIX HUNDRED DOLLARS ($600) AS LIQUIDATED DAMAGES AND AS SELLER'S EXCLUSIVE REMEDY AGAINST BUYER, AT LAW OR IN EQUITY OR OTHERWISE. PAYMENT OF SUCH FUNDS TO SELLER AS LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY WITHIN THE MEANING OF CALIFORNIA CIVIL CODE SECTIONS 3275 OR 3369, BUT INSTEAD, IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLER PURSUANT TO SECTIONS 1671, 1676 AND 1677 OF THE CALIFORNIA CIVIL CODE. BECAUSE OF THE SPECIAL NATURE OF THE NEGOTIATIONS THAT PRECEDED ACCEPTANCE BY SELLER OF BUYER'S OFFER TO ACQUIRE THE PROPERTIES, THE PARTIES ACKNOWLEDGE THAT THE ACTUAL DAMAGE THAT WOULD RESULT TO SELLER AS A RESULT OF SUCH FAILURE

DRAFT

WOULD BE EXTREMELY DIFFICULT TO ESTABLISH. IN ADDITION, BUYER DESIRES TO LIMIT ITS POTENTIAL LIABILITY TO SELLER IN THE EVENT THAT THIS TRANSACTION SHALL FAIL TO CLOSE. THEREFORE, IN ORDER TO INDUCE SELLER TO ACCEPT BUYER'S OFFER INSTEAD OF ANY POTENTIAL COMPETING OFFER FROM ANOTHER PARTY, AND IN ORDER TO INDUCE SELLER TO WAIVE ALL OTHER REMEDIES IT MAY HAVE IN THE EVENT OF BREACH BY BUYER OF ITS OBLIGATIONS HEREUNDER, BUYER HAS PROPOSED AND SELLER HAS ACCEPTED THE CONCEPT OF LIQUIDATED DAMAGES AS SET FORTH HEREIN, WITH THE AMOUNT OF THE PAYMENT TO SELLER AND THE TIMING OF SUCH PAYMENT HAVING BEEN THE SUBJECT OF CONSIDERABLE NEGOTIATIONS BETWEEN THE PARTIES. BY SEPARATELY INITIALING BELOW, THE PARTIES HEREBY ACKNOWLEDGE THEIR AGREEMENT CONCERNING LIQUIDATED DAMAGES. NOTWITHSTANDING THE FOREGOING, THE LIMITATION OF SELLER'S REMEDIES SET FORTH IN THIS SECTION DOES NOT APPLY TO BUYER'S OBLIGATION TO PAY THE WELLSITE PURCHASE PRICE. THE WELLSITE PURCHASE PRICE SHALL REMAIN DUE AND ENFORCEABLE UNDER THIS AGREEMENT.

Buyer's Initials: _____ Seller's Initials: _____

4. **Possession**. Buyer acknowledges that it is in possession of the Properties.

5. **Risk of Loss**. Risk of physical loss to the Properties shall be allocated per the Parties' separate agreement.

6. **Condition of Title to Properties**. To the extent title to a Property has not been transferred to Buyer before the Effective Date, Seller shall convey fee title to that Property to Buyer subject only to those encumbrances, contracts, agreements, rights, easements, rights of way, mineral leases, rights and reservations that are **(x)** set forth in a preliminary report of title to the Properties prepared by Escrow Holder promptly after the opening of the Escrow and approved or deemed approved by Buyer in writing, or **(y)** caused by Buyer or agreed to by Buyer in writing, including the covenants herein (collectively, the "**Permitted Exceptions**"). Upon receipt of the preliminary title report and copies of the underlying title exception documents, Buyer shall have fifteen (15) days to notify Escrow Holder in writing of any exception affecting a Property to be conveyed at the Closing that Buyer disapproves (an "**Objectionable Exception**"). If Buyer timely identifies an Objectionable Exception, Seller shall have ten (10) days after receipt of Buyer's notice to **(i)** remove the Objectionable Exception or agree to do so at the Closing and proceed with the sale of the affected Property, or **(ii)** decline to remove the Objectionable Exception, in which case Buyer may waive its objection and proceed without reduction of the Purchase Price or terminate this Agreement as to the affected Property only. Upon such termination, neither Party shall have any further obligation to sell or purchase the affected Property, the corresponding Property Purchase Price shall be removed from the Purchase Price, and the transaction shall proceed with respect to the remaining Property.

To the extent title to a Property was transferred to Buyer before the Effective Date, Buyer acknowledges and agrees that, as of the date of the applicable transfer, Buyer agreed to accept title to that Property in its then-existing condition, subject to the encumbrances, contracts,

agreements, rights, easements, rights of way, mineral leases, rights, reservations and other title exceptions then affecting that Property, except for any monetary lien securing or arising from an obligation of Seller, and determined that the matters so accepted would not interfere with Buyer's intended use of the Property or any facilities thereon.

Seller shall cause any monetary lien securing or arising from an obligation of Seller to be released from the applicable Property on or before the Closing; provided, however, that for purposes of this Section, monetary liens do not include real property taxes or assessments to which the District is subject.

Buyer's General Manager's execution of a Certificate of Acceptance with respect to any Property conveyed by the Grant Deed at the Closing shall constitute Buyer's agreement to accept title to that Property subject to the applicable Permitted Exceptions and Buyer's determination that those Permitted Exceptions will not interfere with Buyer's intended use of the Property or any facilities thereon.

7. **Title Insurance**. At the Closing, Escrow Holder shall issue or commit to issue its standard CLTA Owner's Policy of Title Insurance showing title to each Property vested in Buyer subject only to the applicable title matters accepted by Buyer pursuant to Section 6 (the "**Title Policy**"). Buyer may elect to obtain an ALTA extended-coverage owner's policy, endorsements or other additional coverage if Buyer so notifies Escrow Holder prior to the Closing. Seller shall pay the premium for the standard CLTA Owner's Policy of Title Insurance. Buyer shall pay the incremental premium and other charges attributable to any ALTA extended coverage, endorsements or other additional coverage requested by Buyer. The Title Policy shall insure Buyer with liability in the amount of the Purchase Price.

8. **Condition of Properties**.

(a) Buyer acknowledges that it has **(i)** physically inspected each Property to Buyer's satisfaction; **(ii)** investigated to Buyer's satisfaction and has knowledge of applicable operative or proposed governmental laws, regulations, ordinances and decisions (including without limitation zoning, environmental and land use laws and regulations) to which each Property is or may be or become subject; and **(iii)** confirmed any other matters Buyer determines in its sole discretion.

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

(c) Buyer acknowledges that at times the Properties have been part of an active working farm. Buyer specifically acknowledges that various petroleum products, fuel, gasoline and chemicals, including fertilizers, herbicides and pesticides, customarily used in farming, some of which may, as of the date hereof, be considered to be hazardous or toxic, may have been used, stored, mixed and applied to the Properties in the course of the farming activities

conducted thereon or on adjacent and nearby property. Buyer agrees to rely solely on its own investigation and not make any claims against any of the Released Parties (defined in Section (d)) regarding that subject. Buyer further acknowledges that, except as expressly set forth in this Agreement and in any other document provided hereunder, Seller, its agents, officers, directors, employees and other persons acting on behalf of Seller have made no representation or warranty of any kind in connection with any matter relating to the conditions, value, fitness, use or zoning of any Property on which Buyer has relied or will rely, directly or indirectly for any purpose, and that Buyer is acquiring the Properties "AS IS, WHERE IS."

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

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

> A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

_____
Buyer's initials

9. **<u>Warranties and Representations of Seller</u>**. Seller hereby makes the following representations and warranties. The foregoing representations and warranties are qualified by matters disclosed in the due diligence document and information supplied by Seller or actually discovered by Buyer prior to the Closing.

(a) Seller has the authority to enter into this Agreement, sell the Properties and otherwise perform as set forth herein. As of the date title to each Property is or was transferred to Buyer, Seller is or was the sole owner of that Property and has or had the unrestricted right and power to transfer it to Buyer. Seller's governing body has duly authorized the execution, delivery and performance of this Agreement by Seller and has duly authorized the signing of this Agreement on behalf of Seller.

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

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

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

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

(f) Except for the title matters accepted by Buyer as provided in this Agreement, Seller has not, after the date title to the applicable Property was transferred to Buyer, entered into any mineral lease, license, occupancy agreement, option, contract, lease or other agreement affecting that Property or interfering with Buyer's ownership, possession or intended use of that Property. With respect to each Property to be transferred to Buyer at the Closing, except for the applicable Permitted Exceptions, there are not presently and at the Closing will not be any mineral leases, licenses, occupancy agreements, rights of possession, options, contracts, leases or other agreements or undertakings to which Seller is a party or otherwise aware that affect that Property or interfere with, impede or restrict Seller's ability to convey it to Buyer.

10. <u>Warranties and Representations by Buyer</u>. Buyer hereby makes the following covenants, representations, and warranties.

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

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

11. Survival of Representations and Warranties. The satisfaction, truth, accuracy and completeness of each of the representations and warranties of Buyer and Seller contained in this Agreement, as of the date hereof and as of the Closing, shall constitute a condition precedent to the obligations of Seller and Buyer respectively, hereunder. If a representation or warranty of Seller or Buyer is true as of the date of this Agreement but is not true at the Closing, then the other Party's condition to the Closing may have failed to the extent provided herein, but the representing and warrantying Party shall not be in default as to such matter solely as a result of the failure of such condition unless such Party has acted or omitted to act in a manner that would constitute a breach of its obligations under this Agreement, including by intentionally causing a representation or warranty to cease to be true. Further, if a representation or warranty of either Party is not true as of the date of this Agreement, all claims for breach of any such representation or warranty must be discovered within twelve (12) months after the Closing Date and must be asserted, if at all, in an action filed no later than eighteen (18) months after the Closing Date. All claims for the alleged breach of a representation or warranty that are not discovered and asserted within such applicable time frame are deemed waived.

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

13. Indemnification. Except as otherwise expressly provided in this Agreement, the Parties' indemnification obligations relating to the Properties shall be governed by their separate agreement.

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

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

(a) Buyer shall have timely performed each of the acts to be performed by it hereunder, including the Escrow deposits described in Section 18(b), and shall have executed and delivered the Installment Purchase Agreement.

DRAFT

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

(c) To the extent, if any, that the Well & Pipeline Easement Agreement (defined below) encumbers title to any Property, an appropriate amendment terminating same (the "**Well & Pipeline Easement Agreement Amendment**") must have been executed, acknowledged, and recorded prior to recordation of any other documents at the Closing. "**Well & Pipeline Easement Agreement**" means that certain Amended and Restated Well and Pipeline Easement Agreement dated as of June 30, 2008 and recorded on June 30, 2008 as Document No. 2008022727, Official Records of Madera County, California, as amended.

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

(a) Seller shall have timely performed each of the acts to be performed by it hereunder, including the Escrow deposits described in Section 18(a), and shall have executed and delivered the Installment Purchase Agreement.

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

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

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

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

17. **Prior Transfer**. Notwithstanding anything to the contrary in this Agreement, at the District's request, Seller transferred title to or another ownership interest in Wellsite #2 to the District before the Effective Date in advance of the completion of the formal acquisition documentation or payment for Wellsite #2. This Agreement memorializes and confirms the terms of the Parties' acquisition transaction with respect to Wellsite #2. The prior transfer was made in reliance on the acquisition-funding and payment framework contemplated by the Acquisition Agreements and in anticipation of payment and completion of the acquisition documentation, was not intended as a dedication or gift, and did not waive or satisfy the Wellsite Purchase Price except to the extent actually paid. Wellsite #2 remains included in the Purchase Price and its applicable Property Purchase Price allocation and remains subject to the provisions of this Agreement that by their nature apply after the prior transfer, including the tax-intent, representations and warranties, AS-IS, release, indemnification, survival, dispute-resolution and payment provisions. Seller shall execute and deliver any confirmatory or corrective instrument

reasonably necessary to document or perfect the District's interest, provided that such instrument does not impose any new or additional substantive obligation on Seller.

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

(a) Seller shall deposit the following documents ("**Seller's Documents**"): **(i)** an executed and acknowledged counterpart original of the Grant Deed in the form attached as Exhibit "D" (the "**Grant Deed**"), duly executed and acknowledged by Seller and containing the legal description of the Wastewater Pond Property but not Wellsite #2; **(ii)** any confirmatory or corrective instrument required under Section 17, duly executed and acknowledged by Seller, if applicable; **(iii)** if not previously recorded, an original Well & Pipeline Easement Agreement Amendment, duly executed and acknowledged by Seller and the other parties thereto; **(iv)** an executed FIRPTA Affidavit; **(v)** an executed Withholding Affidavit; **(vi)** a counterpart original of the Installment Purchase Agreement, duly executed by Seller; and **(vii)** such additional documents as Buyer or Escrow Holder may reasonably request to evidence and effect the transactions provided for herein, provided that no such additional document shall impose any new or additional substantive obligation on Seller.

(b) Buyer shall deposit the following funds and documents ("**Buyer's Documents**"): **(i)** the Wellsite Purchase Price, the Down Payment and all amounts necessary to pay Buyer's share of the Closing costs; **(ii)** a counterpart original of the Grant Deed with the Certificate of Acceptance, duly executed and acknowledged by Buyer; **(iii)** any confirmatory or corrective instrument required under Section 17, duly executed and acknowledged by Buyer, if applicable; **(iv)** a counterpart original of the Installment Purchase Agreement, duly executed by Buyer; and **(v)** such additional documents as Seller or Escrow Holder may reasonably request to evidence and effect the transactions provided for herein.

19. **Property Taxes and RCWD Assessments**. Taxes for the fiscal year in which title to the applicable Property is transferred to Buyer shall be apportioned, cleared and paid in the manner required by California Revenue and Taxation Code section 5086, using the latest available tax bills and other information furnished by the applicable taxing authorities. The portion of the current real and personal property taxes allocable to the period ending on the day before the applicable date of apportionment shall be charged to Seller and paid through Escrow to the appropriate taxing authority. The portion allocable to the period beginning on the applicable date of apportionment shall be canceled as provided by law and shall not be credited to Buyer or charged to either Party. Buyer shall timely provide the County Assessor and County Auditor with the documents, information and request required by California Revenue and Taxation Code section 5082.1. Escrow Holder shall prorate Root Creek Water District assessments relating to each Property ("**RCWD Assessments**") as of the date title to the applicable Property is transferred to Buyer, using a 365-day year and the latest assessment information. Escrow Holder is not responsible for utility or insurance costs or premiums, all of which shall be prorated outside of Escrow by the Parties.

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

DRAFT

(a) the premium for the standard CLTA Owner's Policy of Title Insurance shall be paid by Seller, and Buyer shall pay the incremental premium and other charges attributable to any ALTA extended coverage, endorsements or other additional coverage requested by Buyer;

(b) all documentary transfer taxes, if any, shall be paid by Seller;

(c) all Escrow fees shall be shared equally between Buyer and Seller; and

(d) All other costs of closing the Escrow, including without limit, filing fees, other recording fees and otherwise, shall be shared by the Parties per Madera County custom for the sale of vacant land. Each Party shall bear its own legal fees and costs for the negotiation and drafting of this Agreement and handling customary closing matters. Buyer shall deposit additional funds into Escrow in an amount equal to its share of the closing costs as determined by Escrow Holder. Escrow Holder is hereby authorized to withhold Seller's share of the closing costs from funds otherwise distributable to Seller.

21. **Closing Date**. Unless otherwise agreed by the Parties in writing, and subject to the prior satisfaction or waiver of the conditions precedent to the Closing, the Closing shall occur on [ ] (the actual date on which the transactions contemplated by this Agreement are consummated through Escrow, the "**Closing Date**"); provided that unless otherwise agreed, if the scheduled Closing Date falls on a Monday, the Closing Date shall automatically be extended to the next business day. If the Escrow is not in a condition to close by the scheduled Closing Date or the extended scheduled Closing Date (if applicable), Escrow Holder shall cancel the Escrow upon receipt of written notice from either Party of such cancellation; provided however, that if the Escrow is not in a condition to close by the scheduled Closing Date or the extended scheduled Closing Date due to the failure of only one Party to perform, and the other Party has fully performed or tendered performance of all of the obligations required of it in order to close the Escrow, only the performing Party shall be entitled to provide Escrow Holder with written notice of cancellation. In the absence of any such written notice of cancellation, Escrow Holder shall proceed to close the Escrow as soon as possible.

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

(a) If not previously recorded, record the Well & Pipeline Easement Agreement Amendment, any confirmatory or corrective instrument required under Section 17, if applicable, and any other document necessary to place title to the Properties in the condition required by this Agreement, all before recording any other Closing document, and e-mail conformed copies to the Parties;

(b) Pay from funds deposited by Buyer all claims, demands and liens necessary to place title to the Properties in the condition required by this Agreement;

(c) Pay Seller's share of the closing costs from funds otherwise distributable to Seller;

DRAFT

(d) Pay from funds deposited by Buyer, Buyer's share of closing costs;

(e) Apportion, clear and pay current real and personal property taxes, and prorate RCWD Assessments, as required by this Agreement;

(f) Attach Buyer's signed original Certificate of Acceptance to Seller's signed original Grant Deed, and record the fully assembled Grant Deed in the Official Records of Madera County and direct the County Recorder to affix the transfer tax (if any) after recording; file Buyer's Preliminary Change of Ownership Report in Madera County; and e-mail the Parties a conformed copy of the recorded Grant Deed;

(g) Deliver to Buyer the original Grant Deed, any confirmatory or corrective instrument required under this Agreement, the original Title Policy, and a fully executed counterpart of the Installment Purchase Agreement;

(h) Deliver to Seller the Wellsite Purchase Price, the Down Payment, a copy of the Title Policy, and a fully executed counterpart of the Installment Purchase Agreement;

(i) In the event Seller's Withholding Affidavit does not claim a withholding exemption, withhold the amount required by law and remit such amount to the California Franchise Tax Board within the required time frame following the Closing;

(j) Unless otherwise instructed by Seller unilaterally, deliver the remaining funds held in Escrow, less payments authorized hereunder, to Seller in accordance with Seller's disbursement instructions;

(k) Deliver to Seller and Buyer, respectively, Escrow Holder's escrow statements and all other documents and funds appropriate for delivery out of the Escrow; and

(l) Take all other actions that are necessary or appropriate to close the Escrow in compliance with this Agreement.

23. **Failure to Close**. If the Escrow fails to close as a result of Buyer's breach of any of its obligations hereunder, then upon demand of Seller, Escrow Holder shall terminate the Escrow, immediately deliver Seller's Documents and the liquidated damages pursuant to Section 3 to Seller, deliver Buyer's Documents to Buyer, return to Buyer the balance of the Down Payment, if any, actually deposited by Buyer, and charge Buyer for any cancellation charges. If the Escrow shall fail to close as a result of Seller's breach of any of its obligations hereunder, then Buyer's exclusive remedy is to select one of the following: **(a)** terminate this Agreement, in which case Escrow Holder shall terminate the Escrow, deliver Seller's Documents to Seller, deliver Buyer's Documents to Buyer, return to Buyer the Down Payment, if any, actually deposited by Buyer, and charge Seller for any cancellation charges; or **(b)** seek specific performance of Seller's remaining obligations under this Agreement, including Seller's obligation to convey any Property for which title has not previously been transferred to Buyer; provided, however, that as conditions to Buyer's right to obtain specific performance (including

DRAFT

the filing of a lis pendens against any Property), a suit for specific performance must be filed by Buyer in the Madera County Superior Court by the ninetieth (90th) day following the scheduled Closing Date (as extended, if applicable) (the "**Specific Performance Condition**"). Buyer hereby waives any and all rights Buyer may have to obtain specific performance and to file a lis pendens against any Property unless and until the Specific Performance Condition has been satisfied. Buyer shall be deemed to have elected option (a) if the Specific Performance Condition is not satisfied. If the Escrow shall fail to close upon Buyer's election to terminate in accordance with the provisions of this Agreement but without breach by Seller, then upon demand of Buyer, Escrow Holder shall return Buyer's Documents to Buyer, return to Buyer the Down Payment, if any, actually deposited by Buyer, return Seller's Documents to Seller, and cancel the Escrow, with all cancellation charges to be borne equally by Buyer and Seller. If the Escrow fails to close through no fault of either Buyer or Seller, upon the demand of either Party, Escrow Holder shall return Buyer's Documents to Buyer, return to Buyer the Down Payment, if any, actually deposited by Buyer, return Seller's Documents to Seller, and cancel the Escrow, with all cancellation charges to be borne equally by Buyer and Seller. In each case, Escrow Holder shall deliver to Seller any Wellsite Purchase Price deposited by Buyer. The termination of this Agreement or cancellation of the Escrow shall not rescind or otherwise affect any transfer of title completed before such termination or cancellation or extinguish Buyer's corresponding payment obligation, except as otherwise agreed by the Parties in writing or determined by a court of competent jurisdiction.

24. **Integrated Transaction; Document Control**. This Agreement and the Installment Purchase Agreement constitute parts of one integrated transaction with respect to the Wastewater Pond Property. This Agreement governs the purchase of both Properties and establishes the Purchase Price, the Wellsite Purchase Price and the Wastewater Pond Purchase Price. The Installment Purchase Agreement shall control with respect to the Down Payment, Deferred Principal Amount, Installment Payments, interest, payment sources, security and financing matters applicable to the Wastewater Pond Purchase Price. This Agreement shall control with respect to title, Escrow, conveyance, conditions to the Closing, due diligence, representations and warranties, and other real-property acquisition matters. References to the Acquisition Agreements are included solely to preserve the District's ability to apply funds legally available under the Acquisition Agreements to the Wellsite Purchase Price, Down Payment or Deferred Principal Amount. Neither this Agreement nor the Installment Purchase Agreement supersedes or modifies any other written agreement between the Parties except to the extent expressly provided in this Agreement or the Installment Purchase Agreement.

25. **No Impact on Well 276 Sharing Agreement**. By entering into this Agreement and acquiring the Properties, Buyer is deemed to have agreed that the transactions contemplated hereby do not alter or amend that certain Agreement For Well Sharing and Water Use dated December 1, 2021 by and between Seller, Buyer, San Joaquin River Ranch, LLC, and Groveland, or the rights, benefits, and obligations of any party thereto.

26. **Subdivision Map Act; Certificates of Compliance.** The Parties acknowledge that some of the Properties are not currently separate legal parcels (each, an "**Exempt Parcel**"), but understand that the transfer of each Exempt Parcel to Buyer, whether occurring before, on or after the Effective Date, is exempt from the California Subdivision Map Act pursuant to

DRAFT

Government Code section 66428(a)(2). The Parties further acknowledge that each such transfer may affect the legal status of the remainder of the applicable larger parcel retained by Seller (each, a "**Retained Remainder**").

Seller and Buyer shall cooperate in good faith and cause their respective engineers to prepare or approve legal descriptions and plats sufficient to identify each Exempt Parcel and corresponding Retained Remainder. Promptly following the later of the Effective Date or the date title to the applicable Exempt Parcel is transferred to Buyer, the Parties shall cooperate and take all actions reasonably necessary to obtain from the County of Madera and cause to be recorded: **(a)** a certificate of compliance for the Exempt Parcel; and **(b)** a certificate of compliance for the corresponding Retained Remainder. Each Party shall timely execute and deliver the applications, consents and other documents reasonably required to obtain and record the certificates of compliance.

27. **Tax Intent**. The Parties intend that the Deferred Principal Amount of the Wastewater Pond Purchase Price payable through the Installment Purchase Agreement qualify for installment-method reporting under Section 453 of the Internal Revenue Code to the extent applicable. Neither Party makes any representation or warranty to the other concerning the tax treatment of the transaction, and Seller remains solely responsible for obtaining its own tax advice and for its tax reporting, filings and compliance.

28. **Public Acquisition; In Lieu of Condemnation**. The District represents and confirms that it has determined that the Properties are necessary for the District's ownership, operation, maintenance, repair, replacement or expansion of its public water or wastewater facilities and has decided to acquire the Properties for public use. If the negotiated acquisition contemplated by this Agreement and, with respect to the Wastewater Pond Property, the Installment Purchase Agreement were not completed, the District intends to pursue the legally available steps necessary to acquire the Properties through eminent-domain proceedings, including consideration and adoption of a resolution of necessity. Seller is entering into this Agreement and, with respect to the Wastewater Pond Property, the Installment Purchase Agreement in reliance on the District's communication of that intent and in lieu of eminent-domain proceedings.

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

30. **Mandatory Mediation**. Except with respect to indemnity claims or an action seeking provisional or ancillary relief, before initiating any judicial-reference proceeding or litigation arising out of or relating to this Agreement, the Installment Purchase Agreement, the Properties or the transactions contemplated thereby, Seller and Buyer shall attempt in good faith to resolve the dispute through formal mediation. A Party shall initiate mediation by delivering written notice to the other Party summarizing the matters in dispute. Within ten (10) days after delivery of the notice, the Parties shall select a neutral mediator who is a retired judge or justice

with substantial experience in real estate, public finance or commercial law and shall expeditiously pursue mediation in good faith. If the Parties cannot agree upon a mediator within such ten (10)-day period, either Party may request that the Presiding Judge of the Madera County Superior Court appoint the mediator. The mediator's charges and other mediation expenses shall be borne equally by the Parties. All applicable statutes of limitation and other time-based defenses relating to the matters submitted to mediation shall be tolled while the Parties are actively pursuing mediation. A Party that initiates a judicial-reference proceeding or litigation without first complying with this Section shall not be entitled to recover its attorneys' fees, expert fees, costs or other litigation expenses, even if that Party would otherwise be entitled to recover them. Nothing in this Section prevents a Party from seeking provisional or ancillary relief before or during mediation. Compliance with the mandatory-mediation provision of the Installment Purchase Agreement with respect to a dispute shall constitute compliance with this Section with respect to the same dispute.

31. <u>Judicial Reference</u>.

(a) If a dispute is not resolved through the mediation required by Section 29, each proceeding or hearing based upon or arising out of, directly or indirectly, this Agreement, the Installment Purchase Agreement, the Properties, any document related thereto, any dealings between Buyer and Seller related to the subject matter of those agreements or any related transactions, and/or the relationship established between Buyer and Seller (a "**Claim**") shall be heard by a single referee (the "**Referee**") by consensual general judicial reference pursuant to California Code of Civil Procedure Section 638 et seq. Upon the written request or appropriate motion of either Party, any pending action relating to a Claim and every Claim shall be heard by the Referee, who shall try all issues of fact and law and issue findings of fact, conclusions of law and a statement of decision. The Referee's statement of decision shall constitute the decision of the court with respect to the Claim.

The Referee shall have authority to award all legal and equitable relief appropriate under the circumstances. The Parties shall be entitled to full discovery to the same extent available in a civil action pending in the California Superior Court. The Referee shall supervise discovery and may make and enforce discovery orders in the same manner as a trial court judge. A stenographic record of the reference proceedings shall be made. The Referee shall have authority to decide all pre-hearing and post-hearing motions in the same manner as a trial court judge.

The Parties shall promptly and diligently cooperate with one another and with the Referee and shall perform all acts reasonably necessary for the prompt resolution of the Claim. Either Party may file the Referee's findings, conclusions and statement of decision with the clerk or judge of the appropriate court, move to confirm the Referee's report and have judgment entered thereon. If the report is deemed incomplete by the court, the Referee may be required to complete and resubmit the report. The Referee's decision and the judgment entered thereon shall be subject to appeal in the same manner as a decision and judgment of the California Superior Court.

DRAFT

The Parties shall have all rights to assert objections available under California Code of Civil Procedure Section 638 et seq. All reference proceedings shall be closed to the public and confidential, provided that records relating to the reference proceeding may be made public when the judgment or order thereon becomes final.

(b) The Parties shall select a single neutral Referee who is a retired judge or justice of the courts of the State of California or a retired federal court judge and who has at least ten (10) years of judicial experience in civil matters. The Referee shall be appointed pursuant to California Code of Civil Procedure Section 638 or, if the dispute falls within the exclusive jurisdiction of the federal courts, under comparable provisions of federal law. If the Parties cannot agree upon a Referee within ten (10) days after a request or motion for judicial reference, either Party may request that the Referee be appointed by the Presiding Judge of the Madera County Superior Court or, if the dispute falls within the exclusive jurisdiction of the federal courts, by the U.S. District Court for the Eastern District of California. The Referee shall determine all issues concerning the applicability, interpretation, legality and enforceability of this Section.

(c) Nothing in this Section limits the right of either Party to exercise any self-help remedy otherwise available under applicable law or to seek or oppose provisional or ancillary relief, including injunctive relief, a writ of possession, appointment of a receiver or any other provisional or supplementary remedy, before, during or after the reference proceeding. Seeking or opposing such relief does not waive the right to judicial reference.

(d) Promptly following selection of the Referee, the Parties shall each advance one-half of the estimated fees and costs of the Referee. In the statement of decision, the Referee shall apply and enforce all provisions of this Agreement and the Installment Purchase Agreement concerning prevailing-party determinations, attorneys' fees, expert fees, costs and other litigation expenses and shall award such amounts as required by those provisions. The Referee may allocate the Referee's fees and other judicial-reference charges between the Parties in such manner as the Referee determines to be just, subject to the foregoing contractual fee and expense provisions.

(e) BUYER AND SELLER ACKNOWLEDGE AND AGREE THAT, BY ENTERING INTO THIS AGREEMENT, THEY ARE WAIVING THEIR RESPECTIVE RIGHTS TO A TRIAL BY JURY OF ANY CLAIM SUBJECT TO THIS SECTION.

Buyer's Initials: _____ Seller's Initials: _____

32. **<u>Matters Relating to Escrow Holder</u>**. In the event Escrow Holder is unable to comply with this Agreement without fault on the part of either Buyer or Seller, the Parties shall enter into joint escrow instructions instructing Escrow Holder to return to each Party such funds or documents as each has deposited into the Escrow; provided, that any cancellation charges shall be divided equally between the Parties. In the event of conflicting demands upon Escrow Holder with respect to funds or documents on deposit, Escrow Holder may cease activity with respect to the Escrow and shall retain all documents and deposits pending its receipt of consistent

DRAFT

instructions from the Parties or instructions from a court of competent jurisdiction relating to the disbursement of funds and documents on deposit. It is understood that the foregoing sentence is intended merely as an accommodation to Escrow Holder and shall in no way affect the rights, duties or obligations of the Parties under this Agreement.

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

To Seller: Riverstone Farms, LLC
Attention: Timothy Jones
7050 North Palm Avenue, Suite 101
Fresno, California 93650
Telephone: (559) 237-7000
E-mail: tjones@vdcllc.com

To Buyer: Root Creek Water District
Attn: Julia D. Berry, General Manager
P.O. Box 27950
Fresno, California 93729
Telephone: (559) 326-2222
E-mail: julia@rootcreekwd.com

With a copy to: Best Best & Krieger LLP
Attn: Jennifer Bradlee and Todd Gee
500 Capitol Mall, Suite 1700
Sacramento, California 95814
Telephone: (916) 551-2836
E-mail: Jennifer.Bradlee@bbklaw.com
E-mail: Todd.Gee@bbklaw.com

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

34. **Entire Agreement**. This Agreement, the Installment Purchase Agreement and the items incorporated herein and therein contain all of the agreements of Seller and Buyer with respect to the sale and purchase of the Properties; provided, however, that neither this Agreement nor the Installment Purchase Agreement supersedes or modifies any other written agreement between the Parties except to the extent expressly provided in this Agreement or the Installment Purchase Agreement. No provisions hereof may be amended or modified in any manner

DRAFT

whatsoever except by an agreement in writing signed by duly authorized representatives of each of the Parties hereto, except that any modifications which relate to the adjustment of time limitations (except the Closing) or the form of documents may be made by joint agreement of legal counsel to the Parties.

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

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

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

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

39. **Survival**. All indemnification provisions and other provisions that expressly or by their nature provide for post-Closing or post-transfer performance shall survive the Closing and the applicable transfer of title and shall remain binding upon the Parties, subject to any applicable express sunset provision in this Agreement.

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

41. **Counterparts, Etc**. This Agreement may be signed and delivered (including by facsimile or electronic mail) by the Parties in different counterparts and the signature pages

DRAFT

combined to create a document binding on all Parties. It shall not be necessary for each party to execute the same counterpart hereof. This Agreement may be signed electronically, including via DocuSign. Electronic signatures and signatures delivered via facsimile or scanned and e-mailed shall have the same effect as originals.

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

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

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

45. **Agreement Not to Shop**. With respect to each Property for which title has not been transferred to Buyer, Seller and its representatives and agents will not directly or indirectly solicit, discuss, encourage or accept any offer to purchase that Property until the earlier of **(i)** the Closing or **(ii)** the termination of this Agreement with respect to that Property.

DRAFT

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

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

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

49. **Notice and Opportunity to Cure**. Except as otherwise provided in a separate cure provision herein or as provided below, prior to taking any action to enforce its rights under this Agreement in the event of an alleged breach of any matter that is subject to cure, the Party alleging the existence of a breach shall give the alleged breaching Party written notice of the specific nature of the alleged breach, together with a demand that the alleged breach be cured within **(a)** three (3) business days for a monetary default, or **(b)** thirty (30) days—or such shorter period as is reasonable in exigent circumstances—for a nonmonetary default that is subject to cure by its nature; but if **(i)** a curable nonmonetary default cannot, with due diligence, be cured within thirty (30) days, and **(ii)** the allegedly defaulting Party commences a cure within that initial thirty (30)-day period and thereafter diligently prosecutes it to completion, the cure period shall be extended through such cure efforts. If the Party receiving such notice cures the alleged breach as provided in this Section 47, the alleged breach shall be deemed not to have occurred, and no claims shall result therefrom. Notwithstanding any other provision of this Agreement, if a breach is incapable of cure by its nature or if giving notice of an alleged breach is legally prevented for any reason or if any agreed cure period would be tolled for any reason (including in either case, bankruptcy stay, if such stay would have the noted result), then in that situation, the provisions of this Section 47 and any other notice and cure provision in this Agreement shall be ignored, and no notice is required before a Party who fails to perform as agreed pursuant to this Agreement is deemed to be in default.

50. **Fencing and Screening**. Buyer shall install fencing and screening reasonably acceptable to Seller around all improvements on each Property to minimize the aesthetic impact of such improvements on nearby properties.

51. **Road 39 Right-of-Way Dedication**.

DRAFT

(a) Additional Background. The Parties anticipate that in connection with the development of the portion of APN 049-630-004 not included in the Wastewater Pond Property and other nearby property, the County will require the dedication of a sixty-foot (60') strip along the easterly border of the Wastewater Pond Property (the "**Road 39 Dedication Strip**") as right-of-way for Road 39.

(b) Wastewater Pond Purchase Price Does Not Include Compensation for Road 39 Dedication Strip. Since the Road 39 Dedication Strip is intended to be dedicated to the County, the Wastewater Pond Purchase Price does not include any compensation to Seller for the Road 39 Dedication Strip.

(c) Dedication of Road 39 Dedication Strip. Upon request by Seller or its designee, Buyer shall dedicate the Road 39 Dedication Strip to the County for public street purposes (including utilities). However, both Parties acknowledge that Buyer shall retain the prior right for its facilities, if any, within the Road 39 Dedication Strip.

(d) Seller to Receive All Compensation, If Any, for Dedication of Road 39 Dedication Strip. Since the Wastewater Pond Purchase Price does not include compensation to Seller for the Road 39 Dedication Strip, Seller hereby assigns to Buyer all compensation, if any, payable by or received from the County, any utility provider, or any other third party for the Road 39 Dedication Strip or any portion thereof (the "**Road 39 Dedication Strip Compensation**"). Buyer shall reasonably cooperate with Seller in obtaining Road 39 Dedication Strip Compensation at Seller's expense but without charge by Buyer. The Parties shall instruct third parties to pay any Road 39 Dedication Strip Compensation directly to Seller, but if Buyer receives any portion thereof, Buyer shall promptly pay same to Seller.

(Signatures to follow on next page)

DRAFT

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

"SELLER"

RIVERSTONE FARMS, LLC, a California limited liability company

By: CENTRAL VALLEY DEVELOPMENT, LLC, a California limited liability company, Manager

By: _____
Timothy Jones, Manager

"BUYER"

ROOT CREEK WATER DISTRICT, a California water district

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

By: _____
Julia D. Berry
General Manager/Secretary

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

Dated: _____, 2026

OLD REPUBLIC TITLE COMPANY

By: _____
Laura Roberts
Escrow Officer

DRAFT

Exhibit "A"

Legal Descriptions of the Properties

APN 049-051-005 (portion) — Wellsite #2

[LEGAL DESCRIPTION]

APN 049-630-004 (portion) — Wastewater Pond Property

[LEGAL DESCRIPTION]

DRAFT

Exhibit "B"

Site Map Showing Locations of the Properties

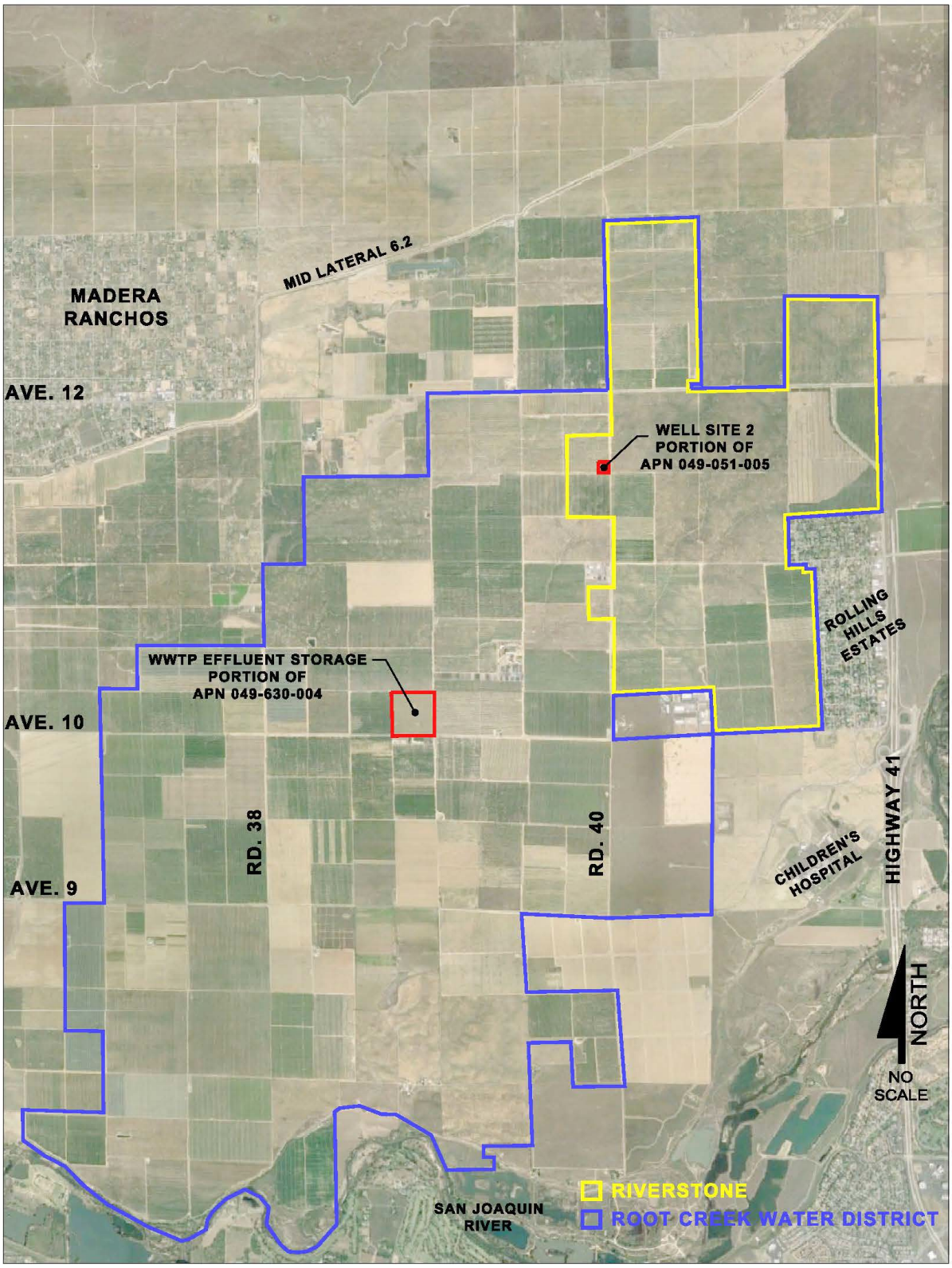


Exhibit "C"
Schedule of Purchase Prices for Individual Properties

Property	Property Purchase Price
APN 049-051-005 (portion) — Wellsite #2	$6,150.00
APN 049-630-004 (portion) — Wastewater Pond Property	$629,760.00
Total Purchase Price	**$635,910.00**

The Purchase Price and the Property Purchase Prices include the allocation for Wellsite #2, which is not included in the Grant Deed delivered at the Closing except to the extent a confirmatory or corrective conveyance instrument is reasonably necessary.

DRAFT

Exhibit "D"
Form of Grant Deed

RECORDING REQUESTED BY:

Old Republic Title Company

WHEN RECORDED MAIL DOCUMENT TO:

Root Creek Water District
P.O. Box 27950
Fresno, California 93729

—NO FEE—
Benefit of Root Creek Water District
Pursuant to Government Code § 6103

SPACE ABOVE THIS LINE FOR RECORDER'S USE
APNs: See Exhibit "A"

The undersigned grantor(s) declare(s):
Documentary Transfer Tax is $Ø – Governmental agency acquiring title (Rev & Tax Code § 11922)
( ) computed on full value of property conveyed, or
( ) computed on full value less of liens and encumbrances remaining at time of sale.
(X) Unincorporated area: ( ) City of

GRANT DEED

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, **Riverstone Farms, LLC**, a California limited liability company, hereby grants and conveys to **Root Creek Water District,** a California water district, the real property in the County of Madera, State of California, described on Exhibit "A" attached hereto and incorporated by reference herein.

Date: November ____, 2026

RIVERSTONE FARMS, LLC, a California limited liability company

By: CENTRAL VALLEY DEVELOPMENT, LLC, a California limited liability company, Manager

By: _____
Timothy Jones, Manager

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of _____)

On _____, before me, _____,
(insert name of notary)
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_____ (Seal)

EXHIBIT "A" TO GRANT DEED

LEGAL DESCRIPTION

APN 049-630-004 (portion) — Wastewater Pond Property

NEED LEGAL

DRAFT

CERTIFICATE OF ACCEPTANCE
OF
ROOT CREEK WATER DISTRICT

This is to certify that the interest in real property conveyed by the accompanying GRANT DEED from RIVERSTONE FARMS, LLC, a California limited liability company, to ROOT CREEK WATER DISTRICT, a California water district and governmental agency (the "**District**"), is hereby accepted by order of the Board of Directors of the District on _____, and the District consents to recordation thereof in the County of Madera, State of California, by its duly authorized officer.

Dated: _____ By: _____
Julia D. Berry
General Manager/Secretary

DRAFT

ROOT CREEK Water District
MANAGING RESOURCES FOR A BETTER FUTURE

October 2026 Operational Report

Water Meter Connections:	**Sept**	**Oct**
1,2 Residential	3497	3543
3 Commercial	18	18
4 Irrigation	155	155
5 Agriculture	5	5
6 Well Sites	6	6
Total	3681	3727

Billed	**Sept**	**Oct**	Sum
Residential	1853	1684	3,537
Commercial	0	18	18
Landscape Irr.	153	0	153
Total	2006	1702	3,708

System Operating Pressure: (psi)

	Sept	**Oct**
High:	61	62
Low:	46	43
Avg:	53.5	52.5

Well Production: (Gallons)	**Sept**	**Oct**
Well # 1 (4770989633-7)	15,454,000	13,410,000
Well # 2 (6826243981-0)	12,299,000	11,032,100
Well # 5 (5235810826-5)	8,118,000	9,178,000
Well #7 (8781962740-4)	22,918,000	19,452,000
	58,789,000	53,072,100
GWTP reclaimed water	2,460,000	3,431,300
	61,249,000	56,503,400

Wells			
kWh		Gallons per kWh	
Sept	**Oct**	**Sept**	**Oct**
41,519	31,030	372	432
40,194	31,764	306	347
21,986	25,077	369	366
78,255	61,580	293	316

Water Deliveries:	**Sept**	**Oct**
1,2 Municipal	28,764,369	26,488,861
4 Landscape Irrigation	13,603,848	13,115,142
3 Commercial	1,680,733	1,264,885
System Hydrant Flushing	0	45,540
GWTP Operations	1,096,079	188,810
Hayden Construction flush	0	0
Teichert Construction flush	388,215	1,161,155
BCI Construction flush	0	0
Titan Construction	692,470	602,300
Ag water	12,603,226	8,092,485
Construction Hydrant meters	1,215,350	1,892,664
WWTP operations	204,110	264,120
Total	60,248,400	53,115,962

WSS (0305337496-7)			
kWh		Gallons per kWh	
Sept	**Oct**	**Sept**	**Oct**
5,764	7,198	1,408	1,275
GWTP (6814949677-7)			
kWh		Gallons per kWh	
Sept	**Oct**	**Sept**	**Oct**
44,198	34,736	1,330	1,528

Waste Water: (Gallons)	**Sept**	**Oct**
Volume treated	14,413,729	15,082,354
Average daily volume	480,458	486,528

WWTP (2031120882-9)			
kWh		Gallons per kWh	
Sept	**Oct**	**Sept**	**Oct**
122,298	107,631	118	140

PROVOST&PRITCHARD
CONSULTING GROUP

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

Memorandum

To:	Julia Berry/Board of Directors – Root Creek Water District
From:	Brian Ehlers/ Jason Staicer/ Renee Tiscareno
Subject:	Status report for Activities through October 30, 2026
Date:	October 30, 2026

Riverstone Development

Utility Issues:

1. Municipal –
    a. Water Use
        i. Residential connections being billed at the end of September: 3,473
        ii. Total gallons pumped in September: appx 58.8 million gallons (MG) from the four system wells, down from 80.3 MG in August. Total measured and estimated water deliveries was 59.4 MG. It should be noted that this total includes over 14.9 MG delivered to agriculture and construction related activities.
    b. Permitting
        i. Nothing to report
    c. Wastewater –
        i. Operations – the wastewater treatment plant received an average daily volume of 480,458 gallons in September, a slight increase from the 474,477 gallons in August. Peak flow was 584,363 gallons per day in September – up from 578,825 gallons in August.
        ii. Sanitary Sewer Management Plan – VIS provided a scope and fee for the necessary sewer inspections on June 24, 2026. P&P is reviewing inspection plan. Submitted scope to District.
    d. Storm Water –
        i. Nothing to report

2. Agriculture –
    a. The municipal system was used to deliver water north of Avenue 12 at Business 41.

3. Overall –
    a. Root Creek Water District is working on purchase and transfer of land dedications related to infrastructure for backbone facilities.
    b. Root Creek Water District needs to finalize transfer of in block facilities for Village A, Village B, and Village E.
        i. Village B Parcels 22 & 23 (Tracts 297 and 298): Wilson has provided closeout documents and P&P has reviewed and found their submittal

to be complete. RCWD is working on an agreement to finalize transfer.

ii. Village B Parcels 18 & 19 (Lafayette – Tract 285) : P&P reviewed submitted closeout documents and provided comments. Construction costs and supporting executed contracts were not included. Precision has asked if their quantities and cost estimates would be acceptable, as the original contract is no longer available. We also still have not received the easement through the park.

iii. Village B Parcels 5, 6, & 7. P&P reviewed submitted closeout documents and provided comments. Completed punch list and inspector acknowledgement, County of Madera Acceptance, and complete record drawing sets have not been provided.

c. Tract 285 (Village B Parcel 19 – Lafayette). There was an easement document prepared and Precision says they believe it has been recorded; however, they have not been able to confirm or produce the recorded document.

4. Avenue 12 – Construction of Riverstone infrastructure continues to be installed by County contractor.

Projects in Design

Project Status**:**

1. 80-acre recharge basin **–** GM authorized moving forward with NEPA document.

Projects in Construction

Construction status:

1. **Municipal Water System** -
   a. Comcast is installing a conduit between Tank 1 and Well 5.
   b. Comcast installed fiber line from point of service to RCWD tank site. Comcast is scheduled to perform activation at RCWD tank site on November 3rd.

2. **Municipal Wastewater Treatment**
   a. Work continues on the Road 40 WWTP Tertiary treatment expansion. Ben Crawford is conducting weekly construction meetings. Project completion is anticipated by late 2027.

3. **Well 5 and Tank** –
   a. Work continues on the improvements required at the Tank site. RTD and ICAD are coordinating. Current status updates:

      i. Installation of new internet connection at the tank/booster pump station site by Comcast is still in progress.

4. **Proposition 1 Grant Administration –** Have initiated and submitted multiple quarterly reports and pay estimates to the DWR.

Status of current development



1. **Developer Reviews** –
    a. Received, Reviewed, and Responded to the following submittals:
        i. Village C
            a. Backbone
                a. 10th submittal received September 23, 2026.
            b. Phase 1
                a. 8th submittal received September 23, 2026.
            c. Phase 2
                a. 6th submittal received September 23, 2026.
            d. Phase 3
                a. 1st submittal comments provided October 10, 2026
        ii. Fire Department
            a. Awaiting developer agreement to be executed prior to conducting plan check review
    c. Issues:
        i. Purchase of storm basins in Village E (two)

2. **In-Tract Construction Review**-issues with construction in support of the following construction.
    a. Village B
        i. Parcel 2-4 Granville
    b. Village E
        i. Tract 324 – sewer videos being reviewed
        ii. New School is now operating.
    c. Issues: None

5. **Other Subjects**
    a. SR 41 Caltrans/Dewberry
        i. Construction has been initiated by the County

    b. Infrastructure – Gather shape files from developers to build a GIS map of facilities.
        i. Reaching out to design engineers for updated CAD files and Record Plans to incorporate into the GIS model. Have hyperlinked all available record plans received to date and updated the online GIS system for neighborhood Blocks showing SS/SW/W details including pipe diameters.
        ii. Updated parcel data (with ownership and mailing address) for the GIS system; updating existing GIS data to align with the latest record plans and final design documents; updating wall poster for District.

    c. Updated projected improvement costs to be used by Financial consultant in update of capacity fees for storm water for 2026.

    d. Construction of improvements for Tractor Supply and Raleys within Riverwalk.

    e. Continue to work with Financial consultant regarding estimating operational costs for the municipal system.