



July 15, 2022

Via Electronic Mail Only
board@mid.org; CDuran@aalrr.com

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Mr. A. Christopher Duran, Esq.
Ms. Angela Cartisano, Board Secretary
Modesto Irrigation District
P.O. Box 4060
Modesto, CA 95352-4060

RE: Public Records Act Request (“PRA”) Dated May 27, 2022 to Modesto Irrigation District (“District”)

Dear Mr. Duran and Ms. Cartisano:

Thank you for your letter dated June 21, 2022 responding to our May 27, 2022 PRA request. Openness in government is essential to a functioning democracy. The public's right of access to information concerning the conduct of public business is a fundamental and necessary interest of citizenship, and the law places the burden on the District to justify nondisclosure by demonstrating, on the facts surrounding our request, that the public's interest served by nondisclosure **clearly outweighs** the public interest served by disclosure. In light of the tenor of your letter as well as the body of law surrounding the PRA, we believe it will assist the District to consider the following facts and purposes of our request when undertaking the necessary fact-dependent inquiry in order for the District to overcome the law's presumption toward disclosure.

FACTS:

- On June 28, 1983, the District entered an Annexation, Easement, and Water Use Agreement with William J. Lyons, Sr., Lyons Investments and Lyons Land & Cattle Company. (Attached as Attachment t A; hereinafter “1983 Agreement”). (Resolution No. 83-83.)¹

¹ The 1983 Agreement was obtained online and did not contain the exhibits to the Agreement. The agreement was amended on November 22, 1983 (Resolution No. 83-152) however no amendment is relevant to the facts set forth and therefore is not provided as an exhibit.

- Section 1.08 of the 1983 Agreement “Water Use Rights of Annexed Parcels” provides that the owner of the annexation parcels and fields shall have identical rights to the use of scheduled District water as all other real property in the District under applicable law. Section 3.04 of the 1983 Agreement “Right to Use All Canal Flows” grants to owner the right to use any and all water flowing into and through the Mapes Ranch from the District's canals and drains for **any purpose** of owner.(Hereinafter “Gifted Water”) (emph. added).
- The 1983 Agreement is void of any benefit to the District (Trustee) in exchange for the Gifted Water, contains no reference to the volume of Gifted Water, is free from restrictions placed on all other real property in the District including those restrictions imposed by the District’s Rules and Regulations Governing the Distribution of Irrigation Water within the District² (“Irrigation Rules”) including the requirement that water be applied efficiently and used reasonably and beneficially within the District.
- On April 21, 2021, Lyons Land Management and Mapes Ranch entered into a Water Transfer Agreement with Del Puerto Water District for the “2021 Pilot Program” (Attached as Attachment B; hereinafter “Del Puerto Water Sale”)
- On April 20, 2022, Lyons Land Management and Mapes Ranch extended the terms of the Del Puerto Water Sale for an additional year. (Attached as Attachment C.)
- The Del Puerto Water Sale allows for 10,000 acre-feet (“AF”) of groundwater per year to be pumped on Mapes Ranch for delivery outside of the District and outside of the Modesto Subbasin.
- The purchase price of the pumped/mined groundwater is an average of \$425.00 per AF for 10,000 AF of water per year equaling an estimated **\$8,500,000.00 (8.5 million dollars)** for the two-year period.
- On June 6, 2021, Del Puerto Water District filed a notice of intent to adopt a mitigated negative declaration with the County of Stanislaus on the Del Puerto Water Sale (hereinafter “NOI”).³ The document states, “[b]esides being bordered on three sides with perennial rivers, Mapes Ranch receives surface flows, tailwater and operational spills from Modesto Irrigation District canals.” (NOI at IS-5.)
- Mapes Ranch LP, Mapes Ranch Investments LLC, Lyons Property Management LP, , William J. Lyons, Jr., North Paradise LLC, South Paradise LLC, Lyons BB Sisk LLC, Beckwith Dakota LLC, 10800 Maze Boulevard LLC, and River Partners are each heirs, successors, managers, subsidiaries or affiliates of William J. Lyons, Sr., Lyons Land &

² The Rules and Regulations are publicly available at www.mid.org/water/irrigation/mid-irrigation-rules-regs.pdf, and are intended to comply with Cal. Water Code §2225. “Each district shall establish equitable rules for the distribution and use of water, which shall be printed in convenient form for distribution in the district”

³The document can be accessed at <https://www.delpuertowd.org/files/c4180f30c/Item+VI.pdf>.

Cattle, Inc., and Lyons Investments LP. Ms. Stacy Henderson is known counsel to the above persons and entities.

- William J. Lyons, Jr. is a former Director of the District⁴ and a major campaign contributor (individually and through affiliated entities) of current District Director Stu Gilman.
- Director Stu Gilman was the driving force on the Board of Directors for making the Farmer-to-Farmer Program permanent, rather than continuing to approve on a year-by-year basis as a drought program, and openly advocated for a permanent program during board meetings.
- Ms. Henderson openly lobbied the Board of Directors to make the Farmer-to-Farmer Program permanent at multiple board meetings during public comment.
- On April 26, 2022, the District’s Board of Directors approved changes to the Rules and Regulations making the Farmer-to-Farmer Delivery Program a permanent voluntary program. (Resolution No. 2022-26.)
- Irrigation Rule No. 5.1.2. now allows any Irrigator to transfer all or part of the Irrigator’s water allocation to property the Irrigator owns, leases or rents, or to any other Landowner in the District. With the specific provision that transfers will only be allowed between properties within the District’s boundaries. (Commonly referred to as a “master account/list” provided by the landowner to the District.)
- Irrigation Rule 5.1.2.1. reads “[p]rior to the transfer of all or part of the Irrigator’s water allocation, the Irrigator must have a signed agreement with the District specifying the terms and conditions of the transfer as set forth in the District’s Farmer to Farmer Delivery Program Application Agreement form which must be executed by the District and Irrigator for each year in which the Irrigator seeks to transfer all or part of the Irrigator’s water allocation.”
- Irrigation Rule 5.5.1. reads “[a]ll measurements of water delivered by the District to an Irrigator shall be made by the District at the Delivery Points or valve in District’s Canal, or at such other appropriate location as the District may determine. The District shall maintain records of the names of each Irrigator, the parcel(s) of land that each Irrigator has irrigated, the number of acre feet of water delivered to each parcel, and other information deemed appropriate by the District.

PURPOSE OF REQUEST

We have requested a specific set of documents because of the facts stated above and the compelling interest in ensuring the District is achieving its “main purpose [] to develop, preserve and conserve water for the beneficial use of the inhabitants.” (*City of Modesto v. Modesto Irrigation Dist.* (1973) 34 Cal.App.3d 504,507.) “Implicit in the democratic process is the notion

⁴ William Lyons, Jr. served as a District Director from 1984 – 1993.

that government should be accountable for its actions. In order to verify accountability, individuals must have access to government files. Such access permits checks against the arbitrary exercise of official power and secrecy in the political process." (*International Fed'n of Prof'l & Technical Eng'rs, Local 21, AFL-CIO v. Superior Court* (2007) 42 Cal.4th 319, 328-329.) Public access makes it possible for members of the public "to expose corruption, incompetence, inefficiency, prejudice, and favoritism." (*NBC Subsidiary (KNBC-TV), Inc. v. Superior Court* (1999) 20 Cal.4th 1178, 1211, fn. 28, quoting *Estate of Hearst* (1977) 67 Cal.App.3d 777, 784.) Therefore, our request seeks the documents in order to help determine:

- The volume of Gifted Water and its intended beneficial use.
- The economic value of the Gifted Water.
- Whether the Gifted Water is being transferred out of the District.
- Whether the Gifted Water is being stored as groundwater, later to be mined and exported out of the District.
- Whether the volume of surface water delivered to provided parcel numbers is equitable.
- Whether surface water delivered to the provided parcel numbers is being transferred out of the District.
- Whether surface water delivered to the provided parcel numbers is being stored as groundwater, later to be mined and exported out of the District.
- Whether water transferred through the Farmer-to-Farmer program is being transferred out of the District.
- Whether water transferred through the Farmer-to-Farmer program is being stored as groundwater, later to be mined and exported out of the District.
- Whether water gifted by the District to Mapes/Lyons is, in years of drought and reduced water allocations, being transferred to farmers in the District via the Farmer-to-Farmer program for the economic benefit of Mapes/Lyons.
- If the District is responsibly managing and equitably distributing its water rights held in trust for the benefit of its users.
- Whether political influence has played a role in the District gifting title to property held in trust, for all beneficiaries of the trust, to Mapes/Lyons.
- Whether political influence, favoritism or corruption has played a role in enacting a regulatory scheme (Farmer-to-Farmer) that allows for Mapes/Lyons to transfer District water out of District for a profit in the millions of dollars.

GENERAL RESPONSES

The majority of the District's responses to the requested documents are premature and preemptive and appear to be lacking in the spirit of transparency or open government. With respect to exemptions claimed under Government Code Section 6254.16, an irrigation district is not a municipally owned utility company. *See generally, Turlock Irrigation Dist. v. Hetrick*, (1999) 71 Cal. App. 4th 948; *Merchants' Nat'l Bank of San Diego v. Escondido Irrigation Dist.* (1904) 144 Cal. 329 (*Merchants*.) Courts have long held an irrigation district operates in a public capacity and, when formed, is a "public corporation" that is "an active trust for public uses and purposes. (*Abatti v. Imperial Irrigation Dist.* (2020) 52 Cal.App.5th 236, 258 quoting *Jenison v. Redfield* (1906) 149 Cal. 500, 503; quoting *Allen v. Hussey* (1950) 101 Cal.App.2d 457, 467.)

"[T]he [irrigation district] is distinguished from ordinary municipal corporations by the fact that 'the legal title,' only of the property of the corporation is vested in the district, 'in trust for the uses and purposes set forth in [the] act'; and that the beneficiaries of the trust[,] who, upon familiar equitable principles, are to be regarded as the owners of the property[,] are the landowners in the district . . . and in whom, indeed, is vested . . . in each, the right to the several use of a definite proportion of the water of the district, and in all, in common, the equitable ownership of its water rights . . . as the means of supplying water. (Stats. 1887 . . ., secs. 11, 13 [Wright Act].)" *Merchants, supra*, 144 Cal.at 334.

The Courts have also recognized a distinction between the activities of an irrigation district in maintaining works for the distribution of water for irrigation and acts in its proprietary capacity, such as the manufacture and sale of electric power to the public generally. (*See Yolo v. Modesto Irrigation Dist.*, (1932) 216 Cal. 274; *McKay v. County of Riverside*, (1959) 175 Cal. App. 2d 247.)

Moreover, exemptions listed in Section 6254 are permissive, not mandatory. The District has the discretionary authority to override these statutory exemptions when dominating public interest favors disclosure. *CBS, INC. v. Block*, (1986) 42 Cal.3d 646, 652 citing *Black Panther Party v. Kehoe* (1974) 42 Cal. App.3d 645, 656.) "The penultimate sentence of section 6254 states: 'Nothing in this section is to be construed as preventing any agency from opening its records concerning the administration of the agency to public inspection, unless disclosure is otherwise prohibited by law.'" (*Id.* at 652, n. 7.) Specific exemptions from this general requirement of disclosure are construed narrowly to ensure maximum disclosure of the conduct of governmental operations. (*San Gabriel Tribune v. Superior Court* (1983) 143 Cal. App.3d 762 at 772-773.)

Second, the District's blanket assertions that "some" records responsive "may be" exempt from disclosure pursuant to Section 6255 based on either deliberative process, fundamental right to informational privacy, or the public interest served by not disclosing the record clearly outweighs the public interest served by disclosure of the record all fall far short of the burden required.

The public official or agency invoking an exemption bears the burden of establishing that it applies. (§ 6255; *Senate of Puerto Rico v. U.S. Dept. of Justice*, *supra*, 823 F.2d 574, 585; *Church of Scientology, etc. v. U.S. Dept.* (9th Cir.1979) 611 F.2d 738, 742; *Braun v. City of Taft*, *supra*, 154 Cal. App.3d 332, 345.) To discharge its burden, an agency may not rely upon conclusory and generalized allegations. (*Senate of Puerto Rico v. U.S. Dept. of Justice*, *supra*, at p. 585; *Church of Scientology, etc. v. U.S. Dept.*, *supra*, at p. 742.) Instead, it must provide a “detailed factual justification” for each exemption claim (*Washington Post Co. v. U.S. Dept. of Health, etc.*, *supra*, 690 F.2d 252, 269; see also *Mead Data Cent., Inc. v. U.S. Dept. of Air Force*, *supra*, 566 F.2d 242, 258 [an agency “must show by specific and detailed proof that disclosure would defeat, rather than further, the purpose of the FOIA”]; *Black v. Sheraton Corporation of America* (D.D.C. 1974) 371 F. Supp. 97, 101 [“To recognize such a broad claim [of privilege,] in which the [government] has given no precise or compelling reasons to shield these documents from outside scrutiny, would make a farce of the whole procedure.”].)

Times Mirror Co. v. Superior Court, (1991) 15 Cal.3d 1325, 1358.) Moreover, when determining to withhold documents under the catch-all Section 6255 exemption, the Districts has the burden of determining that its withholding of the documents **clearly outweighs** the public interest served by disclosing the records where “[e]ach request for records must be ‘considered on the facts of the particular case’ in light of the competing ‘public interest.’” (*Id.* at 1338-39(emph. added).)

Here, the public’s interest is both dominating and well founded. The preservation of water resources has long been a matter of great concern in California. (*National Audubon Soc’y v. Superior Court* (1983) 33 Cal.3d 419, 443.) It is the policy of the state to foster the beneficial use of water and discourage waste. (*See Wright v. Goleta Water Dist.* (1985) 174 Cal. App.3d 74, 84; Cal. Const., art. X, § 2 ; *New York Times Co. v. Superior Court* (1990) 218 Cal.App.3d 1579, 1586.) California is experiencing an unprecedented drought. Water is being curtailed throughout the State, and the implementation of California’s Supplemental Environmental Document and the Federal Energy Regulatory Commission’s regulatory water grabs are looming. The Sustainable Groundwater Management Act (“SGMA”) has also brought new requirements and concerns for managing groundwater within the Modesto Subbasin, and the District and other agencies within the Modesto Subbasin are faced with the challenge of developing and implementing programs to comply with SGMA. The District has reduced surface water deliveries to its irrigators for the last two water years. Farmers in the District may be forced to rely on increased groundwater pumping to prevent the fallowing of crops. Yet, **one** irrigator within the District, a former Board member and major political contributor to a current Board member, has such abundance of water that, even with reduced allocations and consecutive drought years, he has an excess of 20,000 acre-feet of water available for sale out of the District at an astronomical profit. The District has granted this same irrigator the sole and exclusive right to unfettered use of District water rights free of charge. This same individual has employed representatives to lobby the District to make a temporary drought program permanent thereby allowing for additional water to be transferred to and/or from that irrigator’s properties without District oversight. The public’s dominating interest in disclosure of these records clearly outweighs the possible public interest in refusing disclosure given the facts and purpose of the request.

Specific Exemption Responses:

Without the benefit of knowing which actual documents the District is claiming to be exempt and which exemption the District is specifically claiming for said documents, it is not possible to ascertain whether the exemption complies with the law. Accordingly, we reserve the right to reply if the District provides detailed factual justifications for refusing disclosure. With respect to our request under Request Number 2⁵, these records are not subject to Government Code Section 6254.16. The request does not seek names, credit histories, usage date, home addresses, telephone numbers or identifying information of utility customers.^{6 7} Further, the District's response to this request, citing to the "rule of reason" and the alleged "unduly burdensome" task of providing these records is unpersuasive and fails to meet the District's burden under the law. "The PRA and the California Constitution provide the public with a broad right of access to government information. (*Los Angeles County Bd. of Supervisors v. Superior Court* (2016) 2 Cal. 5th 282, 290 *citing Sierra Club v. Superior Court* (2013) 57 Cal.4th 157, 164.) "As the result of a 2004 initiative, Proposition 59, voters enshrined the PRA's right of access to information in the state Constitution: 'The people have the right of access to information concerning the conduct of the people's business, and, therefore, . . . the writings of public officials and agencies shall be open to public scrutiny.'" (*Id.* at 290-291 *citing* Cal. Const., art. I, § 3, subd. (b)(1).) As amended by the initiative, the Constitution also directs that statutes "shall be broadly construed if it furthers the people's right of access, and narrowly construed if it limits the right of access." (Cal. Const., art. I, § 3, subd. (b)(2).); (*International Fed'n v. Superior Court* (2007) 165 P. 3d 488.) The records sought are for deliveries (distribution) of water to specific parcels of land within the District that hold an appropriative water right that is appurtenant to the land and consists of a right to service. This service is fixed and must be distributed equitably. Property records are public and are readily available through the County Assessor/Records office. Names of holders of title and Assessor's Parcel Numbers are publicly available. Because the right to water is appurtenant to the land, and landowner information is public record and no right to privacy can be asserted. The District's Irrigation Rules clearly state "[t]he District shall maintain records of the names of each Irrigator, the parcel(s) of land that each Irrigator has irrigated, the number of acre feet of water delivered to each parcel, and other information deemed appropriate by the District." Irrigation Rule 5.5.1. Delivery records are

⁵ Request Number 2 specifically requests "all writings pertaining to all District water deliveries to the Stanislaus County Assessor Parcel Numbers contained in Attachment A for the current and last two water years, including but not limited to all delivery orders, field notes, communications, master accounts and invoices." May 27, 2022 California Public Records Act request

⁶ Request Numbers 3 and 4, specifically requesting "all writings pertaining to water measurements for District laterals three, four and seven at or west of Gates or Paradise Roads for the current and last two water years including but not limited to data recorded by SCADA water monitoring systems, field observations or field measurements; "All writings pertaining to spill records for District laterals three, four and seven for the current and last two water years including but not limited to data recorded by SCADA water monitoring systems, field observations or field measurements" similarly are not subject to Government Code Section 6254.16 because these records do not, in any way, include third party information or information that is subject to any privacy right and are specific to the District's management of water for distribution and beneficial use.

⁷ Request Number 5, specifically requesting "all applications for participation in the Districts' farmer to farmer program for the current water year and all previous water years where the program has been implemented" similarly is not subject to Government Code Section 6254.16 for the reasons stated above. The District's regulatory scheme allows for transfers of water between farmers. The program is of a voluntary nature.

necessary to determine whether the subject parcels are receiving more than their equitable share of water, are necessary to determine whether the delivered water is being beneficially used within the District and are necessary to determine whether the delivered water is or has been transferred outside of the District and to generally meet the purposes of our request as outlined above.

With respect to exemptions that may be claimed under Attorney Client privilege, for which the District claims “some records” “may be” subject to it, we would expect that the District will apply applicable law when withholding any documents based on this exemption. See *Los Angeles County Bd. of Supervisors v. Superior Court*, (2016) 2 Cal. 5th 282.

Conclusion:

We appreciate the opportunity to articulate the facts and purpose of our May 27, 2022 PRA request so that the District can undertake the necessary fact-specific balancing test and provide all requested documents unless the District can establish the public’s interest served by not releasing any documents clearly outweighs the public’s interest in releasing the requested documents. We look forward to working with the District to provide any additional information or clarification needed to ensure compliance with the PRA. We have no desire to unduly burden the District and appreciate the dedicated, hard-working District staff who ensure water is provided to all District properties. If you need additional information or have any questions, please do not hesitate to contact me at ralucaslaw@outlook.com or at 916-468-8208

Thank You,

A handwritten signature in blue ink that reads "Ronda A. Lucas". The signature is fluid and cursive, with the first name "Ronda" and last name "Lucas" clearly legible.

Ronda Azevedo Lucas
Attorney at Law

cc: Wesley Miliband, wes.miliband@aalrr.com
Stanislaus Groundwater Advisory Committee

ATTACHMENT A

“1983 Agreement”

Annexation, Easement, and Water Use Agreement with William J. Lyons, Sr., Lyons Investments and Lyons Land & Cattle Company;

Resolution No. 83-83

RESOLUTION NO. 83-83
RESOLUTION - AUTHORIZE EXECUTION OF MAPES RANCH ANNEXATION,
EASEMENT, AND WATER USE AGREEMENT

BE IT RESOLVED, that the Vice President and Secretary of the Modesto Irrigation District are hereby authorized and directed to execute on behalf of the District that certain Mapes Ranch Annexation, Easement, and Water Use Agreement dated June 28, 1983, by and between the Modesto Irrigation District and William J. Lyons, Sr., Lyons Investments, and Lyons Land and Cattle Company, whereby the terms and conditions are outlined in said Agreement.

The foregoing resolution was introduced by Director Beard, who moved its adoption, seconded by Director Cowan, and adopted unanimously by a vote of all Directors present.

oOo

I, JOAN WISHON, Secretary of the Board of Directors of the MODESTO IRRIGATION DISTRICT, do hereby CERTIFY that the foregoing is a full, true, and correct copy of a resolution duly adopted at an adjourned meeting of said Board of Directors held on the 28th day of June, 1983.



Secretary of the Board of Directors
of the Modesto Irrigation District

Recording Requested By:

NEUMILLER & BEARDSLEE
P. O. Drawer 20
Stockton, California 95201

WHEN RECORDED MAIL TO

NEUMILLER & BEARDSLEE
P. O. Drawer 20
Stockton, California 95201

33944 JAN. 684

RECORDED AT 10 - 01

Attorney

OFFICIAL RECORDS
STANISLAUS CO., CALIF.

115.00
DAVID A. WURM,
RECORDER

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MAPES RANCH ANNEXATION, EASEMENT,
AND WATER USE AGREEMENT

"DISTRICT"
Modesto Irrigation District

"OWNER"
William J. Lyons, Sr.
Lyons Investments
Lyons Land & Cattle Company

Mapes Ranch Located in Stanislaus
County, State of California

Dated: June 28, 1983

33944 JAN 684

2306TS/54480-07784/jer/6-27-83/14

Lyons
Signed

MAPES RANCH ANNEXATION, EASEMENT,
AND WATER USE AGREEMENT

"DISTRICT"
Modesto Irrigation District

"OWNER"
William J. Lyons, Sr.
Lyons Investments
Lyons Land & Cattle Company

Mapes Ranch Located in Stanislaus
County, State of California

Dated: June 28, 1983

2306TS/54480-07784/jer/6-27-83/14

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EXHIBITS

- "A" Mapes Ranch Description
- "B" Parcels to be Annexed
- "C" Old Agreements to be Terminated
- "D" Title Report
- "E" Existing Drainage Wells and Pumps

MAPES RANCH ANNEXATION, EASEMENT,
AND WATER USE AGREEMENT

THIS MAPES RANCH ANNEXATION, EASEMENT, AND WATER USE AGREEMENT ("Agreement") is entered into on this ____ day of _____, 1983 by and between WILLIAM J. LYONS, SR., LYONS INVESTMENTS, a California limited partnership, and LYONS LAND & CATTLE COMPANY, a California corporation (together called "OWNER"); and the MODESTO IRRIGATION DISTRICT, an irrigation district of the State of California ("DISTRICT"), with its principal office in the City of Modesto, County of Stanislaus, State of California, as follows:

WHEREAS, OWNER holds record title to the real property that makes up the Mapes Ranch, as more specifically described in Exhibit "A"; and

WHEREAS, as used herein "Mapes Ranch" means the real property described in Exhibit "A", and "DISTRICT portion of the Mapes Ranch" means the portion of the Mapes Ranch in the DISTRICT at the date of this Agreement and also includes any portion of the Mapes Ranch hereafter annexed to the DISTRICT pursuant to this Agreement; and

WHEREAS, the parties agree that it is in their respective and mutual best interests for the DISTRICT to annex into itself certain parcels of real property within the Mapes Ranch which are

not now a part of DISTRICT, identified as Annexation Parcels 1 through 10, all as more specifically described in Exhibit "B" (At the time of execution, Exhibit "B" consists simply of the identification of Parcels by numbers and estimated acreages. After execution and prior to recordation of this Agreement, it is understood that OWNER, at OWNER'S sole expense, will have metes and bounds descriptions prepared as to the ten annexation parcels and the entire parcel being annexed. Those descriptions will then be substituted for Exhibit "B" as it existed at the time of execution of this Agreement. Prior to such substitution, each page of those descriptions which will then constitute Exhibit "B", shall be initialed by William J. Lyons, Jr. and the General Manager of DISTRICT.); and

WHEREAS, the parties agree that it is in their respective and mutual best interests to terminate the multitude of existing agreements originally made between the DISTRICT and numerous predecessors of OWNER as to easements, rights of way, disposal of waste water, and water use, including, but not limited to, those agreements listed in Exhibit "C", in favor of a single comprehensive new agreement setting forth the respective rights and obligations of the parties; and

WHEREAS, heretofore DISTRICT and various predecessors of OWNER have constructed conveyance works across the Mapes Ranch which are for the purpose of carrying spill water from the exist-

ing western boundary of the DISTRICT to the San Joaquin River, Tuolumne River, and the Stanislaus River, and which conveyance works also provide a water supply, when available, to portions of the Mapes Ranch; and

WHEREAS, the existing conveyance works which carry water across the Mapes Ranch are unlined open canals; and

WHEREAS, OWNER is willing to waive certain rights and expectations for themselves and on behalf of their heirs, successors, and assigns, which rights and expectations are normally extended or may in the future be extended to other territory within DISTRICT; and

WHEREAS, in view of the fact that a total of approximately 2680 acres is to be annexed, and in view of the limited obligations being assumed by DISTRICT, the parties have agreed upon an orderly phased annexation of these properties over a ten year period of time.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

ARTICLE 1

ANNEXATION

1.01. Annexation Agreement. DISTRICT and OWNER agree that Annexation Parcels 1 through 10 shall be annexed, subject to the

approval of LAFCO and the due taking of all necessary steps and procedures required under the District Reorganization Act of 1965 and other applicable statutes, into the DISTRICT on the terms and conditions of this Agreement, and the parties agree to take all steps necessary to accomplish such annexation. Annexation shall be commenced with LAFCO by the filing of a petition by OWNER.

1.02. Annexation Fee. Presently DISTRICT charges an Annexation Fee of TWO HUNDRED FIFTY DOLLARS (\$250) for each acre annexed into the DISTRICT. OWNER shall pay the Annexation Fee applicable generally for annexations into DISTRICT at the time each payment is made in accordance with Paragraphs 1.03, 1.04, and 1.05. In the event that DISTRICT modifies its Annexation Fee, DISTRICT shall give written notice to OWNER of such modification, and after receipt of such notice OWNER shall have one hundred eighty (180) days during which OWNER may elect to accelerate any further payment scheduled in Paragraph 1.03; acceleration to be in accordance with Paragraph 1.04, and if payment is made during the one hundred eighty (180) days notice period then the rate per acre to be paid shall be at the rate applicable prior to modification. To the extent that any Annexation Parcel includes public roads, DISTRICT water conveyance facilities, and/or drainage ponds, the acreage occupied by such roads, facilities, and/or ponds shall be calculated by the engineer preparing the descriptions of the Annexation Parcels and such acreage shall be deducted from each Annexation Parcel for the purpose of calculating the

Annexation Fee due pursuant to this Paragraph 1.02. If at any time after an annexation fee has been paid for any Annexation Parcel or Parcels for which there has been a deduction for roads, facilities, and/or ponds, the area, or a portion thereof, so occupied is converted to useful farm or grazing land which OWNER has the right to use, then at the time of such conversion OWNER shall pay to DISTRICT an Annexation Fee equal to the number of acres so converted multiplied by the Annexation Fee per acre, if any, which DISTRICT has in effect at the time of the conversion.

1.03. Payment of Annexation Fees. Annexation fees for each Annexation Parcel shall be paid to DISTRICT not later than the dates specified below:

<u>Annexation Parcel No.</u>	<u>Approximate Minimum No. of Acres</u>	<u>Not Later than</u>
(1) 1	248	December 31, 1984
(2) 2	225	December 31, 1985
(3) 3	238	December 31, 1986
(4) 4	253	December 31, 1987
(5) 5	231	December 31, 1988
(6) 6	231	December 31, 1989
(7) 7	344	December 31, 1990
(8) 8	297	December 31, 1991
(9) 9	304	December 31, 1992
(10) 10	309	December 31, 1993
TOTALS	<u>2,680</u>	

When metes and bounds descriptions of the Annexation Parcels are prepared after execution of this Agreement, and prior to recordation, the actual acres set forth above in this Paragraph 1.03 may be found to vary. In such event a new Paragraph 1.03 containing the revised acreages shall be added to this Agreement as a part of Exhibit "B", and such revised Paragraph 1.03 shall be initialled, prior to being attached, by WILLIAM J. LYONS, JR. and the General Manager of DISTRICT and the new Paragraph 1.03 shall thereafter be applicable.

1.04. Acceleration. OWNER shall have the right to accelerate the right to use scheduled DISTRICT water at any time by paying the annexation fee for a specific Annexation Parcel or Parcels earlier than the date specified in Paragraph 1.03. OWNER may also accelerate the right to use scheduled DISTRICT water on a portion of an Annexation Parcel in the event that DISTRICT and OWNER mutually agree to such acceleration and on the boundaries of such a portion of an Annexation Parcel to be accelerated. DISTRICT shall not unreasonably withhold such agreement in the event of a request from OWNER to accelerate a portion of an Annexation Parcel. In the event that there is an acceleration in any calendar year pursuant to this Paragraph 1.04, the acreage included in that acceleration may be credited against any future obligation under the schedule set out in Paragraph 1.03, if OWNER so elects.

1.05. Substitution of Annexation Parcels. With the consent of DISTRICT, which consent DISTRICT shall not unreasonably withhold, OWNER may alter the order of the right to use scheduled DISTRICT water accruing to Annexation Parcels, or portions thereof, by substituting Annexation Parcels, or portions thereof, within those parcels, provided that the total acreage to which annexation fees are applicable in any calendar year is not reduced below the amount specified in Paragraph 1.03.

1.06. Failure to Pay Annexation Fee. In the event OWNER fails to pay any of the ten Annexation Fees in accordance with the schedule set forth in Paragraph 1.03, subject to Paragraphs 1.04 and 1.05, OWNER shall be relieved from paying further Annexation Fees and DISTRICT shall be relieved from furnishing scheduled DISTRICT water for those Annexation Parcels for which the Annexation Fee has not been paid; except that prior to the date of non-payment by OWNER in accordance with the schedule, OWNER and DISTRICT may agree in writing to a delay to a specific alternate date for payment of the Annexation Fee for a given Annexation Parcel or Parcels, provided that under no circumstance shall an Annexation Fee be accepted by the DISTRICT under this Agreement after December 31, 1994.

1.07. District to Detach Annexation Parcel After Failure to Pay Annexation Fee. Should OWNER not pay the Annexation Fee in accordance with the Schedule and provisions set forth in Paragraphs

1.03, 1.04, 1.05, and 1.06, ("OWNER's default") then DISTRICT shall commence proceedings to detach all Annexation Parcels for which Annexation Fees have not been received by DISTRICT. The detachment procedure shall be undertaken pursuant to the District Reorganization Act of 1965 (Government Code Sections 5600 et seq) as it may be amended from time to time or under any other applicable statutes. The detachment proceeding shall not include any Annexation Parcels for which Annexation Fees had been paid prior to OWNER's default. OWNER shall not in any way interfere with the detachment proceeding, and shall not, either orally or in writing, protest or oppose the detachment proceeding. Should the detachment require an election, OWNER agrees to vote in favor of the detachment.

1.08. Water Use Rights of Annexed Parcels. Any and all Annexation Parcels and fields for which the Annexation Fees have been paid in full by OWNER pursuant to this Agreement, shall have identical rights to the use of scheduled DISTRICT water as all other real property in the DISTRICT under applicable law, and, conversely, as to any and all Annexation Parcels, or portions thereof, as to which the applicable fees have not been paid, there shall be no such right to the use of scheduled DISTRICT water. The right to use scheduled DISTRICT water on Annexation Parcels, or portions thereof, for which the Annexation Fee has been timely paid shall not be affected by a subsequent failure by OWNER to pay remaining Annexation Fees.

1.09. Use of Annexation Fees. DISTRICT agrees and warrants that it shall apply all Annexation Fees paid pursuant to this Agreement exclusively for the maintenance of water conservation facilities of the DISTRICT and not toward the construction of new or additional facilities.

ARTICLE 2

EASEMENTS AND RIGHTS OF WAY

2.01. Termination of Existing Agreements. Subject to Paragraph 2.02, DISTRICT shall within one year of the date of this Agreement terminate, surrender, cancel, and give up all of its right, title, and interest in the real property known as the Mapes Ranch pursuant to any agreements and contracts, recorded or unrecorded, known or unknown, including, but not limited to, those listed in Exhibit "C" except any recorded document which the parties agree is satisfactory for present day purposes; the parties shall not unreasonably withhold their Agreement. It is understood that it shall not be unreasonable for OWNER to withhold consent to the retention in effect of any existing recorded document if such retention will result in an increase in the surveying costs which OWNER must bear pursuant to the last sentence of Paragraph 2.02. DISTRICT shall execute Quitclaim Deeds, termination statements, and whatever other documents may be required of it to clear title to OWNER's real property of these old agreements, all in a form acceptable to OWNER. Said documents shall be delivered and recorded through escrow as set forth in Paragraph 2.04.

2.02. Grant of New Easements and Rights of Way. Subject to Paragraph 2.01, OWNER shall grant to DISTRICT, within one year of the date of this Agreement, those easements, rights of way, rights, and interests reasonably necessary for the operation, maintenance, and replacement of the existing canals, drains, and other facilities of DISTRICT on the Mapes Ranch, all in form acceptable to DISTRICT. OWNER shall provide the necessary documents in connection with the items mentioned in this Paragraph 2.02 through escrow as set forth in Paragraph 2.04. OWNER shall also provide necessary surveying in connection with the items mentioned in this Paragraph 2.02.

2.03. Restatement. In all cases in which any right, privilege, duty or obligation is the same in a new grant given in accordance with Paragraph 2.02 as was previously set forth in one or more of the documents listed in Exhibit "C", such right, privilege, duty, or obligation as set forth in the new grant shall be deemed a continuation and restatement of the right, privilege, duty, or obligation set forth in the original document listed in Exhibit "C". In the consolidation and exchange contemplated by Paragraphs 2.01 and 2.02, it is intended that neither DISTRICT nor OWNER shall gain or lose any substantial right or privilege, except that DISTRICT will surrender any right it may have to overflow water outside of the banks of its water conveyance facilities.

2.04. Title and Escrow. OWNER has prior to the execution of this Agreement obtained preliminary title report from First American Title Company of Modesto, 801 15th Street, Modesto, California, 95354. Said preliminary title reports are attached hereto as Exhibit "D". The termination of the documents listed in Exhibit "C", together with any other interest of DISTRICT in the Mapes Ranch, and the imposition of the interests mentioned in Paragraph 2.02 shall be through an escrow at First American Title Company of Modesto. Upon the close of escrow and the recordation of the various documents terminating the interests described in Paragraph 2.01 and the documents granting the interests mentioned in Paragraph 2.02, DISTRICT shall receive a CLTA policy of title insurance, in the minimum amount which First American Title Company of Modesto will issue, insuring title to the interests mentioned in Paragraph 2.02 is vested in DISTRICT subject only to the exceptions set forth in the title reports attached hereto as Exhibit "D" excluding exceptions pertaining to DISTRICT interests which are being terminated pursuant to Paragraph 2.01 and exceptions relating to Deeds of Trust held by the Bank of America and the Modesto Production Credit Association. All costs in connection with the above escrow, the preliminary report, and the policy of title insurance shall be at the sole expense of OWNER. The escrow mentioned in this Paragraph 2.04 shall close at the earliest practical date and not later than one year of the date of execution of this Agreement. The parties agree to execute all deeds, easement deeds, instructions, and other documents necessary to close said escrow in accordance with this Agreement.

ARTICLE 3

GENERAL PROVISIONS

3.01. Acceptance of All Canal Flows. OWNER shall accept all water flowing into and through the Mapes Ranch so long as those flows remain in the DISTRICT's canals and drains, including any seepage or subterranean flow from those canals, without claim against the DISTRICT. This provision shall not relieve the DISTRICT for any liability which it otherwise may have for flows that exceed, escape, or flood out of the canals.

3.02. Agreement Not to Seek Further Improvement. OWNER, on behalf of themselves, their heirs, successors, and assigns, expressly and forever waive, as to the DISTRICT portion of the Mapes Ranch, any right to, and agree not to request, urge, or seek, any of the hereinafter set forth facilities and services, whether such facilities and services are customarily provided to other portions of the DISTRICT, or not, as follows:

3.02.A. The lining or piping of the existing lateral canals and drains which cross the DISTRICT portion of the Mapes Ranch.

3.02.B. The DISTRICT's maintenance obligations within the DISTRICT portion of the Mapes Ranch shall not exceed the obligation to maintain the existing laterals and drains crossing

the Mapes Ranch in a reasonably sound, clean, and fully operational condition in accordance with Paragraph 3.05.

3.02.C. DISTRICT need not install additional drainage facilities, including, but not limited to, drainage wells and pumps to serve any portion of the Mapes Ranch. It is agreed that the existing drainage wells and pumps on and off the Mapes Ranch which effect the Mapes Ranch are those identified in Exhibit "E" as "drainage wells" and which are located West of Dakota Avenue and the Northerly and Southerly extensions of Dakota Avenue to the Northerly and Southerly boundaries of DISTRICT. Said existing drainage wells and pumps on and off the Mapes Ranch shall be maintained in a reasonably sound, clean, and fully operational condition unless there are substituted other wells and pumps for existing wells and pumps or unless, because of lowered water tables, said wells and pumps or a portion thereof are not required for the maintenance of water tables which are in turn necessary to allow the production of crops common to the DISTRICT.

3.02.D. In the event an improvement district is formed to serve all or any portion of the DISTRICT portion of the Mapes Ranch, DISTRICT shall not bear the cost of maintaining any facilities constructed by such an improvement district.

3.02.E. DISTRICT need not construct any facilities in addition to, or supplemental to, the existing laterals crossing

the Mapes Ranch to serve water to, or to provide drainage for, the DISTRICT portion of the Mapes Ranch.

3.03. Improvements by OWNER. OWNER shall have the right to do the following:

3.03.A. Construct additional irrigation and drainage facilities to serve the Mapes Ranch and to connect those facilities to the existing laterals of DISTRICT, subject to the approval of DISTRICT as to the plans and specifications for such connections, which approval DISTRICT shall not unreasonably withhold.

3.03.B. To discharge drainage water from the Mapes Ranch, whether surface water or pumped water, into the laterals of DISTRICT, provided that all such drainage water shall meet all applicable quality standards or requirements of the Central Valley Regional Water Quality Control Board and any other agency of government having jurisdiction over the quality of water. If a government agency regulating the quality of water and having jurisdiction over the actions of DISTRICT or over the water in DISTRICT's laterals or over the discharge of water from the laterals of DISTRICT files an official complaint or notification of violation of federal, state, or local water quality standards, and it reasonably appears that the complaint may be due to OWNER discharging drainage water of unacceptable quality into the laterals of DISTRICT, then OWNER shall cease pumping drainage

water into the laterals of DISTRICT until the complaint is resolved administratively. DISTRICT may waive this restriction on discharging drainage water or may allow OWNER to discharge drainage water into laterals of DISTRICT conditionally pending administrative resolution of the complaint. OWNER shall indemnify and hold DISTRICT harmless from and against all loss, expense, or liability suffered by DISTRICT as a result of OWNER's discharging into DISTRICT laterals water that does not meet applicable quality standards or requirements.

3.04. Right to Use All Canal Flows. Subject to the prior existing rights of third parties, DISTRICT grants to OWNER the right to use any and all water flowing into and through the Mapes Ranch from DISTRICT's canals and drains for any purpose of OWNER.

3.05. District Maintenance of Canals and Drains. The District shall, at its sole cost and expense, maintain all of its canals and drains located on the Mapes Ranch in a reasonably sound, clean, and operational condition. DISTRICT's obligation to maintain any portion of its canals and drains shall terminate upon the permanent abandonment or extinguishment of the interest or easement for the facility. DISTRICT's obligations for maintenance will be more specifically set forth in the grant of easements mentioned in Paragraph 2.02.

3.06. Water Charges. The DISTRICT presently imposes a per-acre charge for all land to which it furnishes scheduled DISTRICT water. As to the DISTRICT portion of the Mapes Ranch, whether annexed pursuant to this Agreement or previously included within the DISTRICT, OWNER shall not be obligated to pay charges for the use of scheduled DISTRICT water except when specifically required to pay all or a portion of such charges by this Paragraph 3.06. The provisions of this Paragraph 3.06 shall be applicable to any water use charge whether imposed on a per-acre basis, a per-acre-foot basis, or by any other method of measurement. It is recognized by the parties that presently and for many years in the past OWNER and its predecessors have irrigated most of the land now within the Mapes Ranch using exclusively water diverted directly from the Tuolumne, Stanislaus, and San Joaquin Rivers, spill water reaching the Mapes Ranch through various facilities of the DISTRICT, and water pumped from wells located on the Mapes Ranch. As to Annexed Parcels for which the Annexation Fee has been paid, and including parcels annexed prior to the date of this Agreement, water use charges shall be paid by OWNER, as follows:

3.06.A.(1). With respect to a parcel, or portion thereof, irrigated all or in part during a year with water scheduled by DISTRICT at OWNER's request, OWNER shall pay the same amounts in the same manner as other DISTRICT water users who irrigate their land all or in part with scheduled water during

that year. In this regard, it is understood that if OWNER does not schedule water at the beginning of the irrigation season for a given parcel, or portion thereof, but thereafter requests scheduled water during the season, OWNER may do so, but OWNER, in such event, shall be obligated to pay the full annual charge.

3.06.A.(2). DISTRICT's present method of charging OWNER for scheduled water shall be as provided in Paragraph 3.06 and subparagraph 3.06.A.(1). However, in the event DISTRICT changes the manner of paying for scheduled water and this change applies equally and uniformly to all other scheduled water users, then OWNER shall be obligated to pay in accordance with the changed method of charging for scheduled water including, but not limited to, standby charges and ad valorem assessments.

3.06.B. With respect to any portion of the Mapes Ranch irrigated during a year entirely without scheduled water, OWNER shall pay no water use charges. Scheduled water means water specifically scheduled by DISTRICT at OWNER'S request for use on the DISTRICT portion of the Mapes Ranch and shall not include water which is scheduled for parcels east of the Mapes Ranch and not used, drainage water added to DISTRICT facilities and not used, or any other water not scheduled by DISTRICT at OWNER'S request.

ARTICLE 4
MISCELLANEOUS PROVISIONS

4.01. Costs and Fees. Each of the parties shall pay their own costs, fees, and expenses incurred or to be incurred in negotiating and preparing this Agreement.

4.02. Notices. Except as otherwise expressly provided by law, any and all notices or other communications required or permitted by this Agreement or by law to be served on or delivered or given to a party by another party to this Agreement shall be in writing, and shall be deemed duly served, given, or delivered when personally delivered to the party to whom it is directed or, in lieu of such personal service, two (2) days after such written notice is deposited in the United States mail, as either registered mail or certified mail, postage prepaid, addressed to the party at the address identified for that party in this Agreement. Any party may change his or its address for the purpose of this Section by giving written notice of such change to each other party in the manner provided in this Section.

If to "DISTRICT":

Modesto Irrigation District
P.O. Box 4060
Modesto, CA 95352

If to "OWNER", to all of the following:

William J. Lyons, Sr.
10555 Maze Road
Modesto, CA 95351

William J. Lyons, Jr.
10561 Maze Road
Modesto, CA 95351

Stockton & Shrimp
Attention: Cleveland J. Stockton
1034 Twelfth Street
Modesto, CA 95353

Neumiller & Beardslee,
A Professional Corporation
Attention: Thomas J. Shephard
P.O. Drawer 20
Stockton, CA 95201

4.03. Successors, Assigns, and Third Parties.

4.03.A. The covenants, conditions, terms, and provisions of this Agreement shall constitute covenants running with the land described in Exhibit "A" and shall inure to the benefit of, and apply to and bind, the heirs, successors, executors, administrators, and assigns of the parties. This Agreement shall be recorded in the official records of the County of Stanislaus.

4.03.B. Nothing in this Agreement, whether express or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any persons other than the parties to it and their respective successors and assigns, nor is anything in this Agreement intended to relieve or discharge the obligation or liability of any third persons to any party to this Agreement, nor shall any provision give any third persons any right of subrogation or action over against any party to this Agreement.

4.04. No Continuing Waiver. The waiver by any party of any breach of any of the provisions of this Agreement shall not constitute a continuing waiver or a waiver of any subsequent breach of the same, or of any other provision of this Agreement.

4.05. Effect of Partial Invalidity. Any provision of this Agreement which proves to be invalid, void, or illegal, shall in no way affect, impair, or invalidate any other provisions of this Agreement, and such other provisions shall remain in full force and effect.

4.06. Recitals and Exhibits Incorporated. Each recital set forth and exhibit referenced in this Agreement is incorporated by that reference into, and becomes an integral part of this Agreement just as if such exhibits were set out in full in the text or body of this Agreement.

4.07. Counterparts. This Agreement may be executed simultaneously in one or more counterparts, each of which shall be an original, but all of which together shall constitute one and the same document.

4.08. Miscellaneous Provisions. This Agreement shall be governed by the substantive and procedural laws of the State of California. Should any litigation commence between the parties of this Agreement concerning the rights or duties of any party

pursuant to, related to, or arising from this Agreement, the prevailing party in such litigation shall be entitled, in addition to such relief as may be granted, to a reasonable sum as and for attorney's fees and costs of such litigation as shall be determined by the Court in such litigation or in a separate action brought for that purpose. This Agreement contains all of the agreements and warranties of the parties with respect to any matter covered or mentioned in this Agreement. No prior agreements, arrangements, or understandings pertaining to such matter shall be effective for any purpose. No provision of this Agreement may be amended or added to, except by an agreement in writing signed by each party or each party's successor in interest.

4.09. Signator's Warranty. Each party warrants to each other party that he is fully authorized and competent to enter into this Agreement in the capacity indicated by his signature and agrees to be bound by this Agreement as of the day and year first mentioned above upon the execution of this Agreement by each other party. Execution of this Agreement on behalf of the DISTRICT has been authorized by action of the Board of Directors of the MODESTO IRRIGATION DISTRICT at its meeting on _____
June 28, 1983.

IN WITNESS WHEREOF, the parties have executed this MAPES RANCH ANNEXATION, EASEMENT, AND WATER USE AGREEMENT, the day and

year first above written.

Addresses for Notice:

John E. Kidd

"DISTRICT"
MODESTO IRRIGATION DISTRICT,
a Political Subdivision of the
State of California

By John E. Kidd
Vice President

By John Erickson
Secretary

Attest: _____

"OWNER"

William J. Lyons, Sr.
WILLIAM J. LYONS, SR.

LYONS INVESTMENTS,
a California limited Partnership

By William J. Lyons, Jr.
WILLIAM J. LYONS, JR.

By Edward M. Lyons
EDWARD M. LYONS

By Charles M. Lyons
CHARLES M. LYONS

LYONS LAND & CATTLE CO.,
A California Corporation

By William J. Lyons, Sr.
WILLIAM J. LYONS, SR.,
President

By T. D. Lyons
T. D. LYONS, Secretary

ATTACHMENT B
“Del Puerto Water Sale”

Mapes Ranch-Del Puerto Water District Water Transfer Agreement for 2021 Pilot Program

Mapes Ranch-Del Puerto Water District
WATER TRANSFER AGREEMENT FOR 2021 PILOT PROGRAM

This WATER TRANSFER AGREEMENT FOR 2021 PILOT PROGRAM ("Agreement") is executed April 21, 2021 (the "Effective Date"), by and between DEL PUERTO WATER DISTRICT, a California water district ("Del Puerto") and Lyons Land Management, a Delaware Limited Partnership and Mapes Ranch, a Delaware Limited Partnership, (collectively, "Mapes Ranch").

RECITALS:

A. WHEREAS, in 2015 – 2016 Del Puerto and Mapes Ranch conducted a pilot program to determine the feasibility of transferring water from Mapes Ranch to Del Puerto ("2015-2016 Pilot Program"); and

B. WHEREAS, this Agreement follows the successful implementation of the 2015-2016 Pilot Program, which allowed the parties to study and investigate how such a transfer operates, and confirmed that the 2015-2016, Pilot Program resulted in de minimus impact to groundwater levels and significant benefits to Del Puerto, agricultural production and the local economy; and

C. WHEREAS, the 2015-2016 Pilot Program included extensive field monitoring which included, but was not limited to, aquifer stress tests, water quality testing, subsidence analysis and multiple individual pump tests; and

D. WHEREAS, the field monitoring conducted during the 2015-2016 Pilot Program confirmed that there were no observable factors or analyses of concern related to the 2015-2016 Pilot Program, the quality of the Mapes Ranch water was excellent, groundwater levels were not adversely impacted, and there were no detectable measurements of subsidence; and

E. WHEREAS, after two recent years of low precipitation, the U.S. Drought Monitor reports that 95% of California is experiencing Moderate to Exceptional Drought and the State Water Resources Control Board has indicated that hydrologic conditions since 2020 have been very similar to the drought years of 2014 and 2015; and

F. WHEREAS, on March 5, 2021, the Secretary of the United States Department of Agriculture, Thomas J. Vilsack, designated 50 California counties, including Stanislaus County, as primary natural disaster areas due to a recent drought; and

G. WHEREAS, because the continued dry conditions have caused Del Puerto's contractual supplies to be reduced drastically, it must acquire supplemental supplies of water; and

H. WHEREAS, Del Puerto and its landowners, representing over 29,000 acres in Stanislaus County, much of which is within the general vicinity of Mapes Ranch, are in a dire situation because the initial allocation of 5% of surface water from the Bureau of Reclamation for this year identified in February 2021 has been suspended indefinitely, and the transfer pursuant to the terms of this Agreement will provide some relief to Del Puerto, along with secondary benefits to other upper DMC contractors in Stanislaus County in terms of current year operations of the Delta-Mendota Canal, as well as the Tuolumne River; and

I. WHEREAS, the extraordinary dry conditions, along with the COVID-19 pandemic and trade restraints have also put farmers' long-term investments at risk, have led to significantly increased unemployment rates and economic hardship, creating devastating impacts on the economy in Stanislaus County, and specifically the cities of Patterson and Newman and the disadvantaged communities of Grayson and Crows Landing; and

J. WHEREAS, Del Puerto has already made significant efforts to improve its system and to utilize its resources efficiently and is continuing to work hard to be proactive and minimize the current devastating circumstances which create exceptional risks for jobs and the livelihood of so many that are dependent on a healthy agricultural economy. To that end, Del Puerto has identified Mapes Ranch as an additional source of water for the beneficial use of its customers and the economic and social benefits to the surrounding communities; and

K. WHEREAS, Mapes Ranch has expended tremendous resources to implement and maintain top quality systems on its property to promote conservation, ensure efficient use and management of water resources, and to provide groundwater recharge through, among others, groundwater recharge areas, the installation of drip systems, water meters and variable speed pumps, the integration of the drip systems with flood irrigation for groundwater recharge, the capture and reuse of drainage water, and land leveling. As part of its system, Mapes Ranch owns existing groundwater wells that can pump groundwater from the Modesto Subbasin of the San Joaquin Valley Basin, which Subbasin has surplus supplies of groundwater and a high groundwater table in the western portion of the Modesto Subbasin where Mapes Ranch is located; and

L. WHEREAS, Mapes Ranch can provide water that is the subject of this Agreement ("Water") to Del Puerto by delivering the Water into the Tuolumne River, near its confluence with the San Joaquin River, which then joins the San Joaquin River, with such Water thereafter flowing via the San Joaquin River approximately 1,300 feet to diversion facilities owned and operated by the West Stanislaus Irrigation District ("WSID"), which facilities are capable of and have the capacity for pumping Water from the River at approximately mile 84 ("WSID Facilities"); and

M. WHEREAS, Mapes Ranch's transfer of the Water to Del Puerto as herein provided will also provide benefits to the Tuolumne and San Joaquin Rivers (collectively, "Rivers") as the Water is transported through the Rivers from the Point of Delivery (defined below) to the WSID Facilities and will additionally assist Mapes Ranch in putting the groundwater underlying Mapes Ranch to beneficial use within Stanislaus County; and

N. WHEREAS, in order to make Water available to Del Puerto, Mapes Ranch will alter its operations and irrigation practices; and

O. WHEREAS, this Agreement implements a 2021 Pilot Program in order for the parties to further study, analyze and investigate how such a transfer operates; and

P. WHEREAS, Del Puerto shall by separate agreement with WSID arrange for capacity for pumping Water which Mapes Ranch provides hereunder and conveying it for delivery as directed by Del Puerto, for beneficial use of such Water within Stanislaus County, and if necessary, exchange of such Water. The agreement reached between Del Puerto and WSID shall be separate and apart from this Agreement and Mapes Ranch shall have no liability or responsibility for any issues that arise out of the Del Puerto-WSID agreement; and

Q. WHEREAS, prior to execution of this Agreement, Del Puerto, as the lead agency, analyzed the actions contemplated by this Agreement and has taken or will take such actions as are necessary to ensure that the transaction contemplated herein complies with the California Environmental Quality Act ("CEQA") and is obtaining all permits and approvals necessary for the water to be transported and transferred to Del Puerto.

NOW, THEREFORE, IT IS HEREBY AGREED as follows:

1. Purchase and Transfer of Water.

(a) Subject to the provisions of this Agreement, Mapes Ranch hereby agrees to transfer, and Del Puerto agrees to buy, up to 10,000 acre feet ("AF") of Water.

(b) The point of delivery of all Water transferred to Del Puerto under this Agreement shall be Mapes

Ranch site on the Tuolumne River, which is located approximately 7,600 feet upstream of the Tuolumne River's confluence with the San Joaquin River, which site shall hereinafter be referred to as the "Point of Delivery".

(c) Mapes Ranch has incurred and will incur significant expenses in fulfilling its obligations under this Agreement, including, but not limited to, those set forth in Sections 3(b) and 7. Accordingly, regardless of the quantity of Water Del Puerto ultimately requests that Mapes Ranch deliver to the Point of Delivery, and subject to Sections 5 and 8, Del Puerto shall pay Mapes Ranch for a minimum of 5,000 AF of Water according to the following schedule: (i) If, by September 1, 2021, Del Puerto has not paid Mapes Ranch for at least 1,000 AF of Water delivered to the Point of Delivery, Del Puerto shall deliver to Mapes Ranch the sum equal to the Purchase Price per AF (defined below) x 1,000 AF, reduced by the amount previously paid by Del Puerto to Mapes Ranch for Water delivered to the Point of Delivery pursuant to the terms of this Agreement as of September 1, 2021; (ii) If, by October 1, 2021, Del Puerto has not paid Mapes Ranch for at least 2,000 AF of Water delivered to the Point of Delivery, Del Puerto shall deliver to Mapes Ranch the sum equal to the Purchase Price per AF (defined below) x 1,000 AF, reduced by the amount previously paid by Del Puerto to Mapes Ranch for Water delivered to the Point of Delivery pursuant to the terms of this Agreement as of October 1, 2021; (iii) If, by November 1, 2021, Del Puerto has not paid Mapes Ranch for at least 3,000 AF of Water delivered to the Point of Delivery, Del Puerto shall deliver to Mapes Ranch the sum equal to the Purchase Price per AF (defined below) x 1,000 AF, reduced by the amount previously paid by Del Puerto to Mapes Ranch for Water delivered to the Point of Delivery pursuant to the terms of this Agreement as of November 1, 2021; and (iv) If, by December 1, 2021, Del Puerto has not paid Mapes Ranch for at least 5,000 AF of Water delivered to the Point of Delivery, Del Puerto shall deliver to Mapes Ranch the sum equal to the Purchase Price per AF (defined below) x 2,000 AF, reduced by the amount previously paid by Del Puerto to Mapes Ranch for Water delivered to the Point of Delivery pursuant to the terms of this Agreement as of December 1, 2021. If Del Puerto pays for Water that has not been delivered to the Point of Delivery pursuant to this Section, the amount paid by Del Puerto for Water not delivered to the Point of Delivery shall serve as credit against subsequent Water deliveries made by Mapes Ranch to the Point of Delivery at Del Puerto's request during the Term of this Agreement. Del Puerto's payment obligations set forth herein shall be contingent upon Mapes Ranch making Water available for delivery to Del Puerto under the terms and conditions of this Agreement.

2. Term.

The term of this Agreement shall be for a period of up to one year, commencing on the Effective Date, and terminating one year later, or when 10,000 AF of Water has been delivered to the Point of Delivery, whichever occurs first ("Term").

3. Purchase Price, Losses and Payment.

(a) Del Puerto shall pay to Mapes Ranch the amounts per AF of Water that is made available at the Point of Delivery, and that is requested by Del Puerto or that Del Puerto must purchase pursuant to Section 1(c), as set forth in the schedule attached hereto as Exhibit A, which amounts to an average of \$425.00 per AF for 10,000 AF of Water ("Purchase Price").

(b) Mapes Ranch, at its sole cost and expense, shall be responsible for all costs to convey, manage and deliver Water to the Point of Delivery, and the costs of any Water quality testing and subsidence analysis made necessary by this Agreement.

(c) Mapes Ranch, at its sole cost and expense, shall measure all Water in a manner reasonably acceptable to Del Puerto at the Point of Delivery as specified in Exhibit B. Such measurement and Water quality testing shall be performed by Provost and Pritchard or another third party licensed California consultant to be selected by Mapes Ranch and approved by Del Puerto.

(d) Del Puerto shall, through arrangements with WSID and any other required parties, pay any and

all costs for pumping Water from the San Joaquin River, conveying it through the WSID Facilities and exchanging same. Del Puerto shall be responsible for any losses encountered beyond the Point of Delivery. Del Puerto represents and warrants that all Water delivered by Mapes Ranch pursuant to this Agreement shall be distributed only to land within Stanislaus County and that this Agreement and such use of the Water is in compliance with the Stanislaus County Groundwater Ordinance (Chapter 9.37 of the Stanislaus County Code).

(e) Del Puerto shall be solely responsible for ensuring compliance with, and paying for any and all associated costs to prepare, negotiate and obtain any necessary environmental and/or permitting documentation for receipt of the Water at the Point of Delivery and conveying the Water as herein provided. Del Puerto shall provide Mapes Ranch with copies of all documentation submitted with respect to any obligation required by this Agreement.

(f) Mapes Ranch shall provide Del Puerto with two invoices each month for the cost of the Water delivered to the Point of Delivery, with one invoice to be provided on or around the 20th day of the month for all Water delivered to the Point of Delivery between the 1st and 15th day of the month, and a second invoice to be provided on or around the 5th day of the month for all Water delivered to the Point of Delivery between the 16th and the last day of the preceding month. Del Puerto shall pay Mapes Ranch the sums identified in each invoice within 30 days of the invoice date. All amounts not paid on or before the date the payment is due shall bear interest at the rate of 10% per annum, or the maximum rate allowed by law if lower than 10% per annum, until paid in full. In addition, Mapes Ranch reserves the right to pursue all available rights and seek all appropriate remedies in the event Del Puerto fails to pay Mapes Ranch as required by this Agreement.

4. Scheduling.

The parties shall work together in good faith to cooperate between themselves and with any other cooperating agencies in the scheduling and delivery of the Water. As between Del Puerto and Mapes Ranch in particular, Del Puerto shall make all reasonable efforts to notify Mapes Ranch every Friday by 3:00 p.m. during the Term of this Agreement of the quantity of Water Del Puerto would like Mapes Ranch to deliver to the Point of Delivery and the requested schedule of delivery for the following week. Del Puerto will only order Water if and to the extent there is available capacity in the WSID Facilities, and such capacities are subject first to WSID's demands within its boundaries, as well as WSID's existing agreements with other third parties. The timing and quantity of all deliveries at the Point of Delivery shall be as reasonably requested by Del Puerto, and shall be subject to the physical capacity, operation and system demand of the Mapes Ranch Water conveyance systems, pipelines, pumps, wells and associated facilities on Mapes Ranch and the provisions of this Agreement. The Parties will cooperate to maximize available capacities and deliveries during the Term of this Agreement.

5. Inability to Perform.

Notwithstanding any other provision of this Agreement, Del Puerto and Mapes Ranch shall not be obligated to perform under this Agreement to the extent doing so is rendered impossible by matters outside of either Party's reasonable control (a "Force Majeure Event"). Such Force Majeure Events include, without limitation, (i) the failure of any water conveyance systems, pipelines, pumps, wells or other facilities or significant changes in the aquifer, (ii) the inability to obtain and retain any required regulatory approvals or to comply with all environmental requirements necessary in order to convey, transfer and discharge the Water into Tuolumne River and in turn deliver the Water to the WSID Facilities, (iii) the imposition of any regulatory, legislative, administrative, judicial or other restriction on the ability to operate any facilities used to transfer convey or discharge Water into the Tuolumne River, or transfer the Water to Del Puerto, as contemplated by this Agreement, including any applicable action or order by the State Water Resources Control Board and/or U.S. Bureau of Reclamation, (iv) the inadequacy of Central Valley Project or other water supplies necessary to effect exchanges or other transactions required to deliver Water to Del Puerto, or (v) any other physical or legal circumstance, or circumstance which will result in an unreasonable cost, as determined in the relevant party's commercially reasonable discretion, including, but not limited to, legal or administrative action, that impacts either Party's ability

to perform as otherwise required under this Agreement. In the event that the Party whose performance is restricted reasonably determines that the Force Majeure Event that renders performance under this Agreement impossible and will not be resolved within a reasonable period of time, that Party shall notify the other Party within five business days of making the determination and the Parties shall thereafter promptly meet and confer to discuss the situation in good faith. If the Parties are unable to agree regarding how to handle the situation, the Party whose performance is restricted may identify the date on which this Agreement will terminate. Upon the termination date specified in such notice, Mapes Ranch shall be relieved of the obligation to deliver Water to the Point of Delivery and Del Puerto shall be relieved of the obligation to (x) pay for Water not yet delivered pursuant to Section 3(a) and (y) satisfy its minimum payment obligations under Section 1(c) that have not been satisfied as of the date of termination.

6. No Permanent Rights.

In no event shall any right under this Agreement become permanent or mature into an interest of any kind in any Water or in the facilities or property of a party by the other party. This Agreement shall not in any way limit Mapes Ranch's ability to utilize its Water for any purpose and Mapes Ranch shall not be obligated to transfer or provide any Water to Del Puerto other than as expressly provided in this Agreement, with Mapes Ranch's obligation subject to Sections 5 and 8.

7. Water Quality.

At its sole expense, Mapes Ranch shall be responsible for conducting water quality testing as set forth in **Exhibit B** hereto, which defines the timing of the water quality testing and the specific tests that Mapes Ranch is required to conduct in connection with this Agreement. Such measurement and water quality testing shall be performed by Provost and Pritchard, or another third party licensed California consultant to be selected by Mapes Ranch and approved by Del Puerto which approval shall not be unreasonably withheld and shall be communicated to Mapes Ranch within 10 days of receipt of the request for approval. Mapes Ranch will report the test results to Del Puerto monthly. Del Puerto represents and warrants that it has conducted appropriate technical and legal analyses to determine whether Mapes Ranch's discharge of Water requires a permit from the Central Valley Regional Water Quality Control Board, or any other public agency with jurisdiction, and otherwise confirm the levels of constituents that may enter into the Tuolumne River without a permit from Mapes Ranch and Mapes Ranch is relying on Del Puerto's expertise as a public agency to confirm the quality of Water that may be discharged into the Tuolumne River at the Point of Delivery and to ensure that all relevant regulatory and permitting standards are met. Mapes Ranch shall have no responsibility for changes to the quality of the Water once it enters the Tuolumne River at the Point of Delivery, either upstream or downstream of the Point of Delivery, and makes no representation or warranty of any kind, express or implied, as to the Water or the quality or suitability of any Water for Del Puerto's proposed use.

8. Litigation or Administrative Challenge.

(a) Regardless of whether either party has been excused with respect to its performance under any provision of this Agreement, in the event of litigation or an administrative challenge or action in any way arising out of, relating to, in connection with or resulting from this Agreement, Mapes Ranch and Del Puerto will promptly meet and confer to perform a risk assessment of the litigation/challenge, and cooperate in good faith to determine whether to terminate this Agreement due to the litigation/challenge. If Del Puerto determines in its reasonable judgment upon the commencement of litigation/challenge or at any time during its pendency, that the costs or duration of any litigation/challenge to this Agreement are too burdensome in relation to the benefits to be received under this Agreement, Del Puerto may terminate this Agreement. In no event shall this Agreement continue for more than 2 years after commencement of the litigation/challenge if the Parties are not permitted to perform the terms of this Agreement during the pendency of the litigation/challenge unless the Parties agree otherwise in writing. If Del Puerto elects to terminate this Agreement due to any litigation/challenge, Del Puerto shall remain obligated to pay for all of the Water made available at the Point of Delivery prior to such termination and to

indemnify, defend and hold Mapes Ranch harmless as set forth in Section 8(b), and Del Puerto shall be relieved of its minimum payment obligations under Section 1(c). The foregoing notwithstanding, if Mapes Ranch is prevented by court/administrative order from delivering Water to Del Puerto pursuant to this Agreement during the pendency of litigation/challenge, Mapes Ranch shall have the right to use such Water for any purposes for the duration of such order. If any such order is imposed prior to Del Puerto satisfying its minimum purchase obligations under Section 1(c) above, Del Puerto's minimum purchase obligations shall be reduced in accordance with the scope of the order.

(b) Regardless of whether this Agreement terminates at the end of the Term or earlier pursuant to Section 8(a) or any other provision, if litigation or an administrative challenge in any way arising out of, relating to, in connection with or resulting from this Agreement is pending at the time of termination or is commenced thereafter, except as expressly set forth in Section 8(c), Del Puerto shall defend against such litigation or administrative challenge on behalf of both Del Puerto and Mapes Ranch, either as a defendant, respondent, real party in interest, intervenor or in any other capacity, and Mapes Ranch shall participate in defending against such litigation or administrative challenge to the extent it deems necessary or appropriate, in Mapes Ranch's sole and absolute discretion. Del Puerto shall bear its own costs of litigation and shall pay any monetary award, penalty, cost of remedial action, and all other costs, expenses and fees, including any award of the challenger's attorneys' fees and costs, whether levied against Mapes Ranch or Del Puerto. Del Puerto shall also indemnify, defend and hold Mapes Ranch and its affiliated entities and their respective family members, officers, directors, members, shareholders, trustees, employees, agents, representatives, contractors, heirs, successors and assigns, harmless of and from any and all claims, causes of action, losses, damages, expenses, charges, demands, judgments, assessments, penalties, interests and all other costs and liabilities, including attorneys' fees, consultants' fees and expert witness fees in any way arising out of, relating to, in connection with or resulting from this Agreement ("Claims"). Del Puerto's obligations hereunder include the obligation to reimburse 100% of Mapes Ranch's out-of-pocket expenses incurred in participating in the defense of any litigation or administrative challenge, as well as any related litigation or challenges, including any appeal. No rights of indemnification or reimbursement under this Section 8(b) shall be available to Mapes Ranch to the extent any Claim arises out of or is connected to Mapes Ranch's gross negligence or willful misconduct.

(c) Subject to Section 8(b), Mapes Ranch shall defend, indemnify and hold harmless Del Puerto and its directors, officers, employees and agents from any claim or liability arising out of Mapes Ranch's delivery of Water to the Point of Delivery, except to the extent that Mapes Ranch has relied upon a representation or warranty of Del Puerto regarding appropriate water quality parameters or the need for any permits or approvals for Mapes Ranch's performance of this Agreement.

9. Miscellaneous Provisions.

(a) Agreement Preparation Costs. Each party shall be responsible for its own costs incurred in the preparation and implementation of this Agreement up to and including the Effective Date.

(b) Assignment. This Agreement may only be assigned to another person or entity upon written consent of all the parties; provided, however, that Del Puerto may assign the Water delivered by Mapes Ranch to the Point of Delivery under this Agreement to its respective landowners and water users and/or WSID in order to facilitate an exchange for a like amount of supply available from the Delta-Mendota Canal. Any attempted assignment, transfer or conveyance in violation of this Agreement shall be void and of no force or effect and shall operate to immediately terminate this Agreement at the election of the other party. Notwithstanding the foregoing, for purposes of this Agreement, there are no intended, nor shall there be any third-party beneficiaries to this Agreement, including, but not limited to, any of Del Puerto or WSID's customers.

(c) Notices. Notice may be given to the parties to this Agreement by mailing first class or e-mail as follows:

Del Puerto Water District
P.O. Box 1596
Patterson, CA 95363
Attn: Ms. Anthea G. Hansen, General Manager
ahansen@delpuertowd.org

Mapes Ranch
Attn: Bill Lyons
10555 Maze Blvd.
Modesto, CA 95358
maperanch@aol.com

(d) Titles and Headings. The titles and headings of this Agreement are inserted solely for purposes of convenience and to improve readability, and shall be given no substantive meaning in interpreting this Agreement, nor shall they by themselves alter, modify, limit, expand or otherwise affect the meaning of this Agreement.

(e) Authorization and Execution. The signatories to this Agreement warrant and represent that they are fully authorized to sign this Agreement on behalf of, and to bind, their respective entities as indicated below. This Agreement may be executed in counterparts and as so executed, shall constitute one agreement that shall be binding on all parties to this Agreement notwithstanding that all parties to this Agreement are not signatory to the original or the same counterpart.

(f) Voluntary Transfer. This Agreement provides for a voluntary transfer of water consistent with the provisions of Water Code section 475.

(g) Waiver. The waiver of or failure to enforce any breach or violation of any provision contained in this Agreement shall not be deemed to be a waiver or abandonment of the party's right to enforce the provision, or a waiver of the right to enforce any subsequent breach or violation of the same or any other provision.

(h) Relationship of Parties. Nothing in this Agreement shall be deemed or construed by any person to create the relationship of principal and agent, or of limited or general partnership, or of joint venture, or of any other association between or among any of the parties. No part of this Agreement shall be construed as creating any rights in the general public, nor shall any part be deemed to be a gift or dedication for public use of any water or properties described in this Agreement.

(i) Integration. This Agreement and items incorporated herein contain all of the agreements of the parties with respect to the matters contained herein, and no prior agreement or understanding pertaining to any such matter shall be effective for any purpose. No provisions hereof may be amended or modified in any manner whatsoever except by an agreement in writing signed by duly authorized representatives of each of the parties.

(j) Cooperation and Further Documentation. The parties agree to cooperate diligently and in good faith and work together to resolve any issues that may arise with respect to this Agreement and to perform all further acts, and to execute, acknowledge, and deliver any other documents that may be reasonably necessary, appropriate or desirable to carry out the purposes of this Agreement.

(k) Invalidity of Provisions / Severability. The parties intend that they shall receive the benefits contemplated in this Agreement to the fullest extent permitted by law. If any provision of this Agreement is declared invalid, illegal or unenforceable by a court of competent jurisdiction, an administrative agency of competent jurisdiction or arbitrator, such provision shall be deemed automatically reformed so as to be valid, legal and enforceable to the maximum extent possible, and to the extent the provision cannot be revised to remedy the

invalidity, illegality or unenforceability, that provision will immediately become null and void and shall be deemed deleted from this Agreement, and the balance of this Agreement shall remain in full force and effect notwithstanding such invalidity, illegality or unenforceability.

(l) Construction, Interpretation and Enforcement. This Agreement shall not be construed against any party in the event of an ambiguity. The transactions contemplated herein have been negotiated at arm's-length, between persons sophisticated and knowledgeable in the matters dealt with in this Agreement. In addition, each party has been advised of their right to representation by experienced and knowledgeable legal counsel. Accordingly, any rule of law (including California Civil Code §1654) or legal decision that requires interpretation of ambiguities against the party who has drafted this Agreement is inapplicable and waived. The provisions of this Agreement shall be interpreted in a reasonable manner to effectuate the intent and purposes of the parties to this Agreement as if they had been jointly drafted by the parties. This Agreement shall be construed, interpreted and enforced in accordance with, and governed by the law of the State of California. Any disputes arising out of, relating to, in connection with or resulting from this Agreement shall be resolved in a court having jurisdiction and venued in Stanislaus County, California. Should a party bring an action to enforce or interpret the provisions of this Agreement, the prevailing party shall be reimbursed its reasonable attorneys' fees and legal costs, including expert witness fees and consultants' by the losing Party, as well as any similar costs or fees associated with any appeal.

(m) Future Discussions. On or before October 1, 2021, the Parties will engage in further discussions and may collectively determine to conduct further studies and investigations in order to determine the feasibility of a long-term water transfer agreement between the Parties.

(n) [Reserved]

(o) Time of the Essence. Time is of the essence with respect to each and every provision of this Agreement.

(p) Incorporation of Recitals. The recitals set forth above are incorporated into and are part of the Agreement.

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK

SIGNATURES FOLLOW ON NEXT PAGE

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

Del Puerto:

DEL PUERTO WATER DISTRICT, a California water district

By: Anthea G. Hansen
Anthea G. Hansen, General Manager

Mapes Ranch:

LYONS LAND MANAGEMENT, a Delaware Limited Partnership

By: Lyons Management LLC, its General Partner

By: Bill Lyons
William (Bill) J. Lyons, Jr., Manager

By: Edward M. Lyons
Edward M. Lyons, Member

MAPES RANCH, a Delaware Limited Partnership

By: Lyons Management LLC, its General Partner

By: Bill Lyons
William (Bill) J. Lyons, Jr., Manager

By: Edward M. Lyons
Edward M. Lyons, Member

EXHIBIT A

Lot	1	2	3	4	5	6	7	8	9	10
Lot Acre Ft	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Lot Price/Acre Ft	\$ 525.00	\$ 525.00	\$ 525.00	\$ 525.00	\$ 525.00	\$ 375.00	\$ 350.00	\$ 325.00	\$ 300.00	\$ 275.00
Lot Payment	\$ 525,000	\$ 525,000	\$ 525,000	\$ 525,000	\$ 525,000	\$ 375,000	\$ 350,000	\$ 325,000	\$ 300,000	\$ 275,000
Total Acre Ft Provided	1,000	2,000	3,000	4,000	5,000	6,000	7,000	8,000	9,000	10,000
Total Paid	\$ 525,000	\$ 1,050,000	\$ 1,575,000	\$ 2,100,000	\$ 2,625,000	\$ 3,000,000	\$ 3,350,000	\$ 3,675,000	\$ 3,975,000	\$ 4,250,000
Rolling Average Price/Acre Ft	\$ 525.00	\$ 525.00	\$ 525.00	\$ 525.00	\$ 525.00	\$ 500.00	\$ 478.57	\$ 459.38	\$ 441.67	\$ 425.00

Exhibit B

Project Understanding

Provost & Pritchard Consulting Group (Provost & Pritchard) will provide basic field monitoring and reporting services to Mape's Ranch to document the quantity and quality of water leaving Mape's Ranch to assess on-going aquifer water quality conditions in general compliance with typical monitoring and reporting requirements for the Del Puerto Water District (DPWD) Pilot Water Transfer Program. The project duration under this scope is for a pilot study of up to one year but may be discontinued at client discretion with a 30-day notice to all parties.

Scope of Services

Our proposed scope of work for this project is under one phase, described below.

Tasks:

1. POD Flow Measurements, semi-monthly:

- Provost & Pritchard will record totalizer and instantaneous flow meter readings from each of the two POD pipes. Preparation, travel time, and mileage from the Provost & Pritchard Modesto office and data tabulation is included.
- Water quality will be sampled concurrently whenever possible to minimize trips.

2. POD Water Quality Sampling, weekly for first month, then monthly:

- Provost & Pritchard will collect samples from the POD pipes in use at the time of collection, typically from one pipe but may be up to two samples per event, and from up- and down-stream of the POD for a total of 3 to 4 samples per event. Mape's Ranch personnel will collect the up- and down-stream river samples under the direction of on-site Provost & Pritchard personnel.
- Samples will be transported to APPL Laboratories under proper chain-of-custody documentation. Sample preparation time, field sample collection, laboratory drop-off time, and data tabulation are included.
- There will be 15 sampling events – 4 the first month and monthly for up to 11 additional months. The sampling schedule is as follows:
 - First week:
 - Collect one POD sample and analyze for the Title 22 constituents as listed in Attachment 1 (shown as Table 2 of the Delta Mendota Canal Non-Project Water Pump-in Program Monitoring Plan by the United States Bureau of Reclamation dated March 20, 2018 [DMC Plan]). For this event, one POD pipe will be in use.
 - Collect one up- and one down-stream sample and have each analyzed for the 'short list' constituents included as Attachment 2 (shown as Table 1 of the DMC Plan).
 - Weeks 2 through 4
 - Collect POD (1 or 2), up- and down-stream samples (3 to 4 total), each analyzed for the 'short list' constituents
 - Monthly thereafter to conclusion of contract
 - Collect POD (1 or 2), up- and down-stream samples (3 to 4 total), each analyzed for the 'short list' constituents
- Travel time and mileage is accounted for within Task 1 above, as applicable. Two additional trips will be required the first month and are included herein.
- Equipment and supplies for same.
- Laboratory fees from APPL for same.

Exhibit B

3. Subsidence Monitoring, baseline, monthly and post pilot study:

Provost & Pritchard will provide a subsidence study as detailed below:

- Preparation, travel time, and mileage from the Provost & Pritchard Modesto office to record depth-to-water measurements from 7 well locations to include the pumping wells and select others as listed above.
- A pre-pumping survey will be performed using the markers previously identified in 2015 to monitor for localized subsidence (if any). The markers are located both within the Mape's Ranch boundaries and on nearby public lands to monitor for both on- and off-site subsidence.
- A post pumping survey will be performed at the conclusion of the Pilot Program to monitor for changes from the original survey.
- Equipment and supplies for same.

4. Reporting at conclusion of pilot program:

- A Pilot Program Summary Report will be prepared from the tabulated field and laboratory data.
- Evaluation of the water quality, groundwater elevation, and subsidence data will be included.

Exhibit B

Delta-Mendota Canal
Non-Project Water Pump-in Program
Water Quality Monitoring Plan

Table 1. Water Quality Standards, Short List

Constituent	Units	Maximum Contaminant Level	Detection Limit for Reporting	CAS Registry Number	Recommended Analytical Method
Arsenic	mg/L	0.01 (1)	0.002 (2)	7440-38-2	EPA 200.8
Boron	mg/L	0.7 (13)		7440-42-8	EPA 200.7
Nitrate (as nitrogen)	mg/L	10 (1)	0.4 (2)	7727-37-9	EPA 300.1
Selenium	mg/L	0.002 (10)	0.0004 (2)	7782-49-2	EPA 200.8
Sodium	mg/L	69 (12)		7440-23-5	EPA 200.7
Specific Conductance	µS/cm	1,600 (7)			SM 2510 B
Sulfate	mg/L	500 (7)		14808-79-8	EPA 300.1
Total Dissolved Solids	mg/L	1,000 (7)			SM 2540 C

Sources:

Recommended Analytical Methods:

<https://www.nemi.gov/home/>

Maximum Contaminant Levels:

Title 22, The Domestic Water Quality and Monitoring Regulations specified by the State of California Health and Safety Code (Sections 4010-4037), and Administrative Code (Sections 64401 et seq.), as amended,

- (1) Title 22, Table 64431-A Maximum Contaminant Levels, Inorganic Chemicals
- (2) Title 22, Table 64432-A Detection Limits for Reporting (DLRs) for Regulated Inorganic Chemicals
- (3) Title 22, Table 64442 Radionuclide Maximum Contaminant Levels (MCLs) and Detection Levels for Purposes of Reporting (DLRs)
- (4) Title 22, Table 64444-A Maximum Contaminant Levels, Organic Chemicals
- (5) Title 22, Table 64445.1-A Detection Limits for Purposes of Reporting (DLRs) for Regulated Organic Chemicals
- (6) Title 22, Table 64449-A Secondary Maximum Contaminant Levels "Consumer Acceptance Contaminant Levels"
- (7) Title 22, Table 64449-B Secondary Maximum Contaminant Levels "Consumer Acceptance Contaminant Level Ranges"
- (8) Title 22, Table 64678-A DLRs for Lead and Copper
- (9) Title 22, Section 64678 (d) Lead Action level

https://www.waterboards.ca.gov/drinking_water/certific/drinkingwater/documents/lawbook/dwregulations-2017-12-28.pdf

California Regional Water Quality Control Board, Central Valley Region, Fourth Edition of the Water Quality Control Plan for the Sacramento River and San Joaquin River Basins.

- (10) Basin Plan, Table III-1 (µg/L) (selenium in Grasslands water supply channels)
- (11) Basin Plan, Table III-2A (µg/L) (chlorpyrifos & diazinon in San Joaquin River from Mendota to Vernalis)

Sacramento & San Joaquin River Basin Plan 2009

http://www.waterboards.ca.gov/centralvalley/water_issues/basin_plans/qsacr.pdf

Ayers, R. S. and D. W. Westcott, *Water Quality for Agriculture*, Food and Agriculture Organization of the United Nations - Irrigation and Drainage Paper No. 29, Rev. 1, Rome (1985).

- (12) Ayers, Table 1 (mg/L) (sodium)
- (13) Ayers, Table 21 (mg/L) (boron)

Water Quality Standards for Agriculture 1985

<http://www.fao.org/DOCREP/003/T0234E/T0234E00.HTM>

revised: 05 July 2017

ATTACHMENT C

Extension of Water Transfer Agreement between
Lyons Land Management, Mapes Ranch and Del Puerto Water District

EXTENSION OF WATER TRANSFER AGREEMENT

This Extension of Water Transfer Agreement (“Amendment”) is executed this ^{20th} day of April, 2022 by and between DEL PUERTO WATER DISTRICT, a California water district (“DPWD”), and LYONS LAND MANAGEMENT, a Delaware Limited Partnership, and MAPES RANCH, a Delaware Limited Partnership (collectively, “Mapes Ranch”), in order to extend the term of the Water Transfer Agreement for 2021 Pilot Program dated April 21, 2021 (“Agreement”). All capitalized undefined terms in this Amendment shall have the same meaning as those terms in the Agreement. The terms of this Amendment shall supersede any inconsistent terms contained in the Agreement.

RECITALS:

A. WHEREAS, DPWD agreed to buy, and Mapes agreed to transfer, up to 10,000 AF of Water under the terms of the Agreement.

B. WHEREAS, by the end of the one (1)-year Term of the Agreement, April 20, 2022, Mapes estimates that it may deliver in the range of 6,800 AF to the Point of Delivery, as described in the Agreement, if there are no additional interruptions or restrictions.

C. WHEREAS, the parties now have six (6) months of positive data concerning water quality, well depth, flow verification, lack of land subsidence, and other measurements.

D. WHEREAS, the parties agree that the operation, communication and performance by DPWD, Mapes and their respective consultants under the Agreement has been excellent.

E. WHEREAS, lack of precipitation and extraordinary dry conditions continue to adversely impact DPWD and its landowners, and put farmers’ long-term investments at increasing risk.

F. WHEREAS, based on the factors above, the parties desire to extend the Term of the Agreement beyond its current termination date of April 20, 2022 to a new termination date of June 30, 2022, which is prior to the date that DPWD’s one (1)-year Warren Act Contract with the U.S. Bureau of Reclamation ends on July 31, 2022, so that DPWD can continue purchasing Water up to the maximum 10,000 AF under the terms and conditions below.

THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

AGREEMENT:

1. Extension of WSID Conveyance Agreement. DPWD shall furnish Mapes with a copy of its written agreement with West Stanislaus Irrigation District (“WSID”) confirming extension of their existing Groundwater Conveyance Agreement beyond its current end date of May 5, 2022 through at least June 30, 2022

2. Extension of Agreement. The Term of the Agreement is hereby extended through June 30, 2022 (“Extended Term”). This extension is conditioned, however, on DPWD and WSID having entered into an agreement extending the Groundwater Conveyance Agreement and a copy of such agreement being furnished to Mapes, as provided in Section 1 above. The Purchase Price per AF of Water, as specified in the Agreement, shall remain the same during the Extended Term.

3. Inability to Perform. Both parties acknowledge and agree that performance by the parties under the Agreement, as extended herein, may be interrupted, restricted or terminated by a Force Majeure Event, as described in the Agreement, including but not limited to actions by the State Water Resources Control Board, U.S. Bureau of Reclamation, WSID or other public agencies. Further, the parties understand that the Extended Term does not guarantee that DPWD will (or will be able to) purchase a total of 10,000 AF of Water.

4. Continued Effectiveness of Agreement. Except as otherwise set forth herein, all of the terms and conditions of the Agreement shall remain in full force and effect throughout the duration of the Extended Term. The Agreement, as extended and amended herein, constitutes the entire agreement between the parties hereto, and no further modification of the Agreement shall be binding unless evidenced by an agreement in writing signed by DPWD and Mapes.

5. Counterparts. This Amendment may be executed in one (1) or more counterparts, and may be executed electronically. Each shall be deemed an original and all, taken together, shall constitute one (1) and the same instrument.

6. Cooperation and Further Documentation. The parties agree to cooperate diligently and in good faith and work together to resolve any issues that may arise with respect to this Amendment and to perform all further acts, and to execute, acknowledge, and deliver any other documents that may be reasonably necessary, appropriate or desirable to carry out the purposes of this Amendment.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the first date written above.

DPWD:

DEL PUERTO WATER DISTRICT, a California water district

By: Anthea G. Hansen
Anthea G. Hansen, General Manager

Mapes Ranch:

LYONS LAND MANAGEMENT, a Delaware Limited Partnership

By: Lyons Management LLC, its General Partner

By: William (Bill) J. Lyons, Jr.
William (Bill) J. Lyons, Jr., Manager

By: Edward M. Lyons
Edward M. Lyons, Member

MAPES RANCH, a Delaware Limited Partnership

By: Lyons Management LLC, its General Partner

By: William (Bill) J. Lyons, Jr.
William (Bill) J. Lyons, Jr., Manager

By: Edward M. Lyons
Edward M. Lyons, Member