

WATER TRANSFER AGREEMENT

Merced Irrigation District – Local Agricultural Surface Water Purchaser

This Water Transfer Agreement ("Agreement") is made effective the 1st day of January 2021 ("Effective Date"), by and between the Merced Irrigation District ("MID"), a California irrigation district (hereinafter "MID") and **Marchini Farms L.P. dba Santa Fe Farms, a California Limited Partnership**, (hereinafter "Purchaser"). MID and Purchaser may be referred to herein individually as a "Party" or collectively as the "Parties".

RECITALS

- A. MID is an irrigation district formed and operating pursuant to Division 11 of the California Water Code and is empowered to sell water to Purchaser. MID has determined it is willing to make MID surface water available to Purchaser as a temporary supplemental water supply subject to the terms and conditions of this Agreement.
- B. Purchaser is located near, but outside of the boundaries of MID and typically relies on either natural precipitation and/or groundwater as its primary water sources. Purchaser has the authority and physical and financial capabilities to purchase water from MID as provided for in this Agreement and to take water delivery from MID from the delivery point(s) described herein.
- C. The Parties desire to enter into this Agreement through which MID is willing to sell Transfer Water to Purchaser and Purchaser is willing to purchase Transfer Water from MID.
- D. As part of its determination as Lead Agency to approve making Transfer Water available, the Board of Directors for MID considered the potential environmental impacts associated with this transfer, and authorized the filing of a Notice of Determination based upon the Findings of Fact and Mitigation Monitoring and Reporting Program (MMRP) associated with MID's Water Resources Management Plan, Programmatic Environmental Impact Report. The Notice of Determination was filed with the State Clearinghouse and the County of Merced appropriately, and the statutory deadline for filing claims based upon violation of the California Environmental Quality Act ("CEQA") has lapsed. The Parties agree that any obligations either of them may have to comply with CEQA, other than any mitigation measures prescribed by the MMRP, have been fulfilled, and neither of the Parties intend to take any further action with respect thereto.

NOW, THEREFORE, the Parties agree as follows:

- 1. **RECITALS:** The Recitals are true and correct and incorporated herein by reference as though fully set forth.
- 2. **WATER SUPPLIES TO BE MADE AVAILABLE:**

- A. MID will make available up to a total of 40,000 AF of MID surface water annually to certain local agricultural purchasers. The water being sold to Purchaser hereunder is a portion of the 40,000 AF total MID has available.
- B. Between approximately March 1 and October 31 of each year and subject to the limitations contained in subsection C below and elsewhere in this Agreement, Purchaser requests and agrees to purchase and MID hereby agrees to make available 150 AF of surface water ("Transfer Water").
- i. Any Transfer Water made available in a particular year shall only be available for use in that year during the irrigation season, which for purposes of this Agreement is between approximately March 1 and October 31. Purchaser shall have no right to store, bank, exchange, divest, resell, give, loan, or otherwise alienate or carryover any water from year to year.
 - ii. Transfer Water may be made available from any of MID's appropriative water rights, in MID's sole discretion. This Agreement places no additional requirements or restrictions on MID's management or use of its water.
 - iii. In any year, MID reserves the right to begin deliveries at any time commencing on after March 1 and to discontinue deliveries at any time prior to or on October 31.
- C. Limitations on Water Availability. MID retains the sole and absolute discretion to limit or make adjustments to the flow rate of delivery and/or volume of Transfer Water it makes available to Purchaser and/or the schedule to deliver Transfer Water, based upon the limitations described below. Such limitations or adjustments may be made on an annual basis or on a temporary/interim basis, as the case may be.

If MID limits or adjusts the amount or scheduling of Transfer Water it makes available to Purchaser, MID may or may not apply similar limitations/adjustments to other purchasers participating in the program. MID shall not be held in breach of this Agreement for making such determinations and Purchaser expressly waives any and all claims it may have against MID based on its exercise of such discretion. If MID determines, in its sole discretion, that it is not in the best interests of MID or its in-District customers to provide Purchaser with Transfer Water due to any of the factors below, it may exercise any of the rights under this Agreement, even if doing so decreases the rate of flow, volume or availability of Transfer Water for Purchaser, and Purchaser agrees and stipulates that it waives recourse against MID or any of its officers, directors, employees, agents, or representatives whether pursuant to this Agreement or on any other basis. Purchaser shall not in any way challenge MID's water rights or its right to convey water through its facilities, either directly or indirectly, during the term hereof. MID is not required and shall have no liability for any prosecution or defense of water rights, regulatory authorizations or environmental compliance even if it may adversely impact the availability of water or MID's capability to deliver Transfer Water. Further, nothing in this Agreement compromises or waives the authority of MID to determine it does not have Transfer Water available, in whole or in part, in any given year pursuant to the provisions of Water Code Section 22259 or any other applicable provision of the Water Code or MID's Rules and Regulations, as well as regulatory or judicial orders.

To the extent MID limits or adjusts the amount or scheduling of Transfer Water, MID may elect to notify Purchaser directly, or it may elect to notify Purchaser together with other similar

purchasers collectively through any reasonable means, including for example, a mailed notice or posting of information on the MID website.

- i. Storage in Lake McClure – MID will make Transfer Water available for the term of this Agreement so long as it reasonably estimates storage in Lake McClure will be at or above 200,000 AF on October 31 of that year. Such estimates shall be made in MID's sole discretion. A preliminary estimate will be made on or around March 1 each year. A final determination will be made on or about April 15. MID may use and consider such information as it deems appropriate to make its determination, including but not limited to for example, expected runoff using the April 1 edition of the California Department of Water Resources April through July Bulletin 120 (90% Exceedance) or a successor projection, together with actual storage in Lake McClure on March 1.
- ii. State Water Resources Control Board (SWRCB) order relating to post-1914 water – To the extent some portion of Transfer Water may be made available from MID's post-1914 appropriative rights, that water shall be limited in availability in accordance with the accepted terms of an approved SWRCB order authorizing said transfer. Purchaser understands that unless and until MID receives and accepts an order approving transfer from the SWRCB, the only water MID may make available hereunder will be water from MID's other water rights. MID reserves the absolute right to reject an order approving the transfer of post-1914 water to purchasers in the program described herein, including Purchaser, in which case the only Transfer Water to be made available will be water from MID's other appropriative water rights.
- iii. Hydrologic conditions, conveyance system delivery constraints and in-District demands – In general, MID anticipates making water available from a combination of its water rights for delivery through MID's water conveyance system. Purchaser understands and acknowledges that MID's primary obligation shall be protection of its water rights for the benefit of water deliveries to its in-District customers and to meet regulatory requirements. Any deliveries to the Purchaser shall be subject to the availability of water as determined by past, current and projected hydrologic conditions, water demands of MID's in-District customers, and the capacity, timing constraints or unforeseen interruptions that may occur or exist in MID's system at any given time. In the event MID experiences actual or expected water shortages, capacity or timing constraints or unforeseen problems in its delivery system, MID may interrupt or terminate water delivery hereunder. MID will make reasonable efforts to provide advance notice of such interruptions, however, MID shall not be held in breach of this Agreement if deliveries are interrupted.
- iv. Issuance of license by the Federal Energy Regulatory Commission (FERC) – At some point during the term hereof, MID anticipates the FERC may issue a new license relating to the continued operation of MID's Merced River and Merced Falls Hydroelectric Projects on the Merced River. If the new license is issued, it may contain terms or conditions that could affect the ability of MID to make Transfer Water available to the Purchaser. If the availability of Transfer Water is constrained by the new license, MID will inform Purchaser and will make reasonable efforts to deliver Transfer Water to all purchasers. MID will have no liability for shortages or delivery modifications resulting from the new FERC license.

- v. Regulatory and legal processes – Purchaser acknowledges that at any given time, a number of regulatory and legal processes are in progress, or could begin, that may affect the ability of MID to make Transfer Water available. Examples of ongoing processes include, but are not limited to the State Water Resources Control Board's Water Quality Control Plan, related Substitute Environmental Document for the Bay Delta; ongoing litigation or settlement(s) related to said Water Quality Control Plan; further development and implementation of the Sustainable Groundwater Management Act; and other processes.
3. **WATER SCHEDULING:** Purchaser will order Transfer Water each year consistent with the monthly schedule shown in Exhibit A. On an annual basis, MID and Purchaser may cooperatively develop a revised schedule for deliveries of Transfer Water to the Purchaser for that year only. Absent any annual modification, orders for Transfer Water will adhere to the monthly schedule shown in Exhibit A. During the course of each year MID will make reasonable effort to accommodate slight adjustments, however failure by Purchaser to order Transfer Water consistent with the monthly schedule may result in MID's inability to deliver all of the Transfer Water made available. Any such failure shall not relieve Purchaser of its payment obligations herein.
4. **WATER ORDERING AND DELIVERIES:** Purchaser shall place a Transfer Water order at least four days in advance of requested delivery. MID will contact Purchaser to coordinate the details of the delivery, including for example specific times, volumes, flow rates, etc., all which may deviate from Purchaser's desired Transfer Water order. Notwithstanding the above, Purchaser agrees to take the Transfer Water, at the time and in the volumes and flow rates that are made available.
5. **TERM:** The initial term of this Agreement shall run from the Effective Date until December 31, 2030, except for Purchaser's reporting obligations contained in Section 8, which shall continue until said obligations are fulfilled. Twelve (12) months prior to the expiration of the initial term, MID and Purchaser agree to engage in an informal discussion to determine whether or not to extend the term for an additional five (5) years, or until December 31, 2035. If extended, the terms of extension shall be agreeable to both Parties.

Other than as set forth in this section, no right of renewal, right to enter into extensions or right to enter into any new water transfer agreement(s) is granted hereunder, nor may such a right be implied from the execution of this Agreement.

6. **PRICE AND PAYMENT OBLIGATION:**

- A. Subject to the conditions contained herein, MID agrees to sell and Purchaser agrees to buy the amount of Transfer Water stated in Section 2(B) at the following Price:

Base Rate (starting with water delivered in 2021): \$ 300/acre foot/year

For water delivered in 2022 and in each year thereafter, the Base Rate shall be increased annually consistent with increases in the CPI-W (maximum of 4% increase per year).

Purchaser understands and agrees that MID is making Transfer Water available on a “take-or-pay” basis, meaning that each year MID will make a determination of the amount of Transfer Water it will make available to the Purchaser. Purchaser agrees to pay for the entire amount of Transfer Water requested in Section 2(B), whether or not Purchaser actually calls on any or all of said Transfer Water. However, to the extent MID makes less Transfer Water available than Purchaser has requested in Section 2(B), Purchaser shall only be responsible to pay for Transfer Water actually made available that year. In such case, MID will provide Purchaser with specific volumetric information as to how much Transfer Water MID will make available that year. Absent notification by MID that it is limiting or reducing the amount of Transfer Water being made available to Purchaser in any year, Purchaser shall be responsible for ordering and paying for the entire amount of Transfer Water requested in Section 2(B) above in that year.

Purchaser agrees to pay MID, in full, for the amount of Transfer Water requested in this Agreement and for which MID has affirmed will be made available that year. Payment in full shall be due within 30 days after MID’s notice of availability of Transfer Water. Payment in full shall be a pre-condition of MID’s obligation to deliver any Transfer Water in that year. Failure to make full payment when due shall be considered a breach of this Agreement, and in MID’s discretion, MID may terminate this Agreement effective immediately. If however MID later notifies Purchaser of a reduction in the volume of Transfer Water it previously made available pursuant to one of the limitations on water availability set forth in Section 2(C), MID will refund the Purchaser a prorated payment amount within 30 days of said notice.

7. DELIVERY POINT:

- A. The Delivery Point for all deliveries of Transfer Water to Purchaser with turnouts on a MID facility will be at said turnouts, subject to approval by MID. Purchaser is solely responsible for all modifications to and maintenance of facilities downstream of the Delivery Point as necessary to facilitate the unobstructed delivery of water. If Purchaser is an agency or mutual water company, Purchaser will supply personnel required to deliver Transfer Water to its own customers, as needed, past the Delivery Point(s), except for facilities that are owned and exclusively operated by MID.
- B. The Delivery Point (and associated capacity/flow rate limitations) for all deliveries of Transfer Water will be:
 - i. **MID Facility: Booster 3 lateral**
 - **Delivery Point Location 1: N= 1904529.23 E= 6638919.28 (NAD 83/ Zone 3 Per MID GIS)**
 - **Current Account Number: LA1016**
 - ii. **Capacity/ flow rate limitations: 2.0 cubic feet per second**
- C. All Delivery Points shall be equipped, at Purchaser’s sole cost and expense, with one or more water measurement devices and required infrastructure approved by MID, which shall be capable of accurately measuring and totalizing water deliveries and meeting the instantaneous and volumetric accuracy measurement requirements of SBX7-7. Following initial approval, MID may periodically inspect, at its discretion, such water measurement devices and required infrastructure for compliance with this provision. Purchaser shall be responsible for operating, maintaining, repairing, and replacing water measurement devices and required infrastructure at its own expense. In the event that it is determined by either Purchaser or MID that the water

measurement device is inaccurate by more than 5% percent, Purchaser shall within 30 days take whatever actions are necessary to restore the accuracy of the water measurement device(s).

- D. Water use/delivery accountings may be provided monthly. MID shall measure the water delivered at the Delivery Point(s). In the event said meter is inoperable, or reading outside of the normal accuracy, MID reserves the right to cease deliveries, or in its sole discretion, calculate Transfer Water use/delivery accountings based upon its reasonable estimate.
 - E. MID will assume all losses in its conveyance system up to the Delivery Point. MID will not charge Purchaser any wheeling or storage fees associated with use of its system to deliver the Transfer Water. All conveyance losses and delivery costs after the Transfer Water is delivered to the Delivery Point shall be at Purchaser's sole cost and expense.
 - F. MID does not guarantee holding steady flow rates at the Delivery Point(s). Purchaser shall expect that flow rates may fluctuate at any time.
 - G. Except as otherwise provided for herein, Transfer Water deliveries to Purchaser and Purchaser's use of Transfer Water shall be consistent with and made pursuant to the MID's Rules and Regulations Governing the Distribution of Water as they may be updated from time to time.
8. **REPORTING:** Prior to December 31st each year, Purchaser shall provide MID with a written report of Transfer Water delivered by MID, which includes acreage, assessor's parcel number, and crop(s) for Transfer Water used that year, and any other data as reasonably specified by MID.
9. **NO ASSIGNMENT:** All Transfer Water purchased by Purchaser shall be used solely on property owned, leased, or operated by Purchaser and which is listed on Exhibit B hereto. If Purchaser is an agency or mutual water company, all Transfer Water shall be used within the boundaries of the Purchaser and by customers which it lists on Exhibit B hereto. If Purchaser desires to make changes to Exhibit B, such as change or update the property(s) it/he/she desires to apply Transfer Water, Purchaser must contact MID for written approval, which may be withheld in MID's sole discretion. If Purchaser sells any property upon which Transfer Water is applied, Purchaser shall notify MID within 15 days of execution of any purchase and sale agreement.

Purchaser shall not transfer, sell or allow the use of any Transfer Water, either directly or indirectly, including among other means through groundwater or surface water substitution, to or by any third party water user or purchaser without the prior express written consent of MID, which may be withheld in MID's sole discretion.

This Agreement shall not be assigned by Purchaser, either in whole or in part, including leases or subleases, without the prior written consent of MID, which may be withheld in MID's sole discretion. The Parties do not intend to bind this Agreement to a subsequent lessee or landowner that leases or purchases Purchaser's land, or in the case of an agency, land that it serves with Transfer Water, all collectively a "Successor." A Successor that wants to purchase Transfer Water must enter into an agreement with MID, or if the purchaser is an agency, MID must approve service of Transfer Water to the Successor.

10. **NO PERMANENT RIGHT:** This Agreement is entered into by MID for the purpose of assisting to maximize the beneficial use of the MID's water rights. No personal or property rights in favor of Purchaser or any other user of water are created hereby except as expressly set forth herein. Purchaser acknowledges that it does not hold and will not acquire any rights to any waters of the MID or the Merced River by virtue of this Agreement except as expressly set forth herein.
11. **COST SHARING:** Unless otherwise stated herein, the out of pocket expenses associated with fulfilling the Parties respective obligations contained herein shall be borne by the Party incurring the cost.
12. **ATTORNEYS' FEES AND THIRD PARTY CHALLENGES:** In the event of any action between MID and Purchaser seeking enforcement or interpretation of any of the provisions of this Agreement, the prevailing party in such action shall be awarded, in addition to damages, its reasonable costs and expenses, including without limitation actual out of pocket costs and attorneys' fees, all as ordered by the trier of fact.

In the event a third party challenges this Agreement, whether judicially or otherwise, the Parties shall assist one another without cost in connection therewith by providing information and witnesses as reasonably requested by MID. Any costs of defending any such challenge shall be paid for proportionally by MID and purchasers. The proportionate share shall be determined based on the average number of acre feet of water provided to Purchaser during the immediately preceding five years of this Agreement or if this Agreement has not been in effect for five years, the average number of acre feet of water requested during the term of the Agreement commencing with the effective date of this Agreement. The proportionate share shall be based upon a calculation where MID comprises 50% of the water provided and the Purchaser, together with any other non-defending Purchasers comprise the other 50%.

13. **GENERAL INDEMNITY:** Except for disputes and third party challenges to this Agreement provided for in Section 12, and except for the sole gross negligence or willful misconduct of MID, Purchaser agrees to protect, defend, indemnify, and hold harmless MID, its Directors, officers, agents, servants, employees, and consultants from and against any and all losses, claims, liens, demands and causes of action of every kind and character, without limitation by enumeration, occurring or in any way incident to, connected with, or arising directly or indirectly out of the performance or non-performance by a Party or Parties to this Agreement.
14. **REPRESENTATIONS AND WARRANTIES:** MID represents and warrants to Purchaser that (i) MID has the authority to enter into this Agreement, sell the Transfer Water, and to otherwise perform as set forth herein without any court approval or consents from third parties, (ii) the execution of this Agreement and performance of its obligations hereunder will not violate any agreement, option, covenant, condition, obligation, court order or undertaking affecting MID or the Transfer Water, nor to the best of MID's knowledge will it violate any law, ordinance, statute, order or regulation, (iii) other than disclosed herein and to the best of MID's knowledge, there is no suit, action or arbitration, or legal, administrative, or other proceeding that affects the ability of MID to perform hereunder and (iv) the Transfer Water is free and clear of all liens and encumbrances. MID expressly disclaims and

makes no representation of fitness or merchantability of the Transfer Water for any particular use. Purchaser purchases and accepts the Transfer Water, as-is.

15. **ENTIRE AGREEMENT:** This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof. All prior agreements with respect to that subject matter, whether verbal, written or implied, are hereby superseded in their entirety by this Agreement and are of no further force or effect. Amendments to this Agreement shall be effective only if in writing, and then only when signed by the authorized representatives of the respective Parties.
16. **FORCE MAJEURE:** Notwithstanding any other provision of this Agreement, if a Party's performance of any of its obligations pursuant to this Agreement is prevented, hindered or delayed by drought, labor shortage or strike, or any cause outside of the reasonable control of that party ("Force Majeure Event"), then for the duration, extent and scope of the Force Majeure Event, that Party shall use reasonable efforts to perform or, as appropriate under the circumstances, recommence performance whenever and to whatever extent possible without delay, including through the use of alternate sources, workaround plans or other means. For the duration, extent or scope that a Party's performance of any of its obligations pursuant to this Agreement is prevented, hindered or delayed by a Force Majeure Event, that Party shall be excused from such non-performance, hindrance or delay, as applicable, of those obligations affected by the Force Majeure Event for as long as the Force Majeure Event continues and such Party continues to use reasonable efforts to perform or recommence performance.

The Party whose performance is prevented, hindered or delayed by a Force Majeure Event shall notify in writing the other Party as soon as practicable of the occurrence of the Force Majeure Event and describe in reasonable detail the nature of the Force Majeure Event.
17. **SEVERABILITY:** If any provision of this Agreement is determined by a court of competent jurisdiction to be void or unenforceable, that provision shall not affect any other provision of this Agreement or its application to any other person or circumstance. The Parties shall reform this Agreement to the maximum extent legally permissible so as to effectuate the purpose and intent of this Agreement, and the balance of this Agreement shall be unaffected.
18. **AMBIGUITIES.** This Agreement shall be interpreted as if it had been jointly drafted by all Parties. Therefore, the normal rule of construction that ambiguities are construed against the drafter is hereby waived.
19. **FURTHER ACTION:** The Parties agree to perform all further acts, and to execute, acknowledge, and deliver any documents that may be reasonably necessary, appropriate or desirable to carry out the purposes of this Agreement. The Parties acknowledge that the actions contemplated by this Agreement will require regular consultation and coordination and the parties shall in good faith engage in all such consultation and coordination necessary or appropriate to facilitate the arrangements contemplated by this Agreement.

20. **BINDING EFFECT:** This Agreement is intended to be and shall be binding upon and enforceable against each of the Parties. However, this Agreement is intended to benefit only the Parties hereto. This Agreement shall not run with the land.
21. **WAIVER:** Any waiver of the provisions of this Agreement by the party entitled to the benefits thereof as to any instance must be in writing and shall in no event be deemed a waiver of the same provision with respect to any other instance or a waiver of any other provision of this Agreement.
22. **RULES APPLICABLE:** This Agreement shall be interpreted under the laws of the State of California, and venue for any challenges hereto shall be the Superior Court of the County of Merced. The delivery and use of water purchased under this Agreement shall be subject to all applicable restrictions imposed by federal, state or local law or regulation including MID Rules and Regulations Governing Distribution of Water.
23. **BREACH OF AGREEMENT AND TERMINATION:** If Purchaser breaches any term of this Agreement or violates any of MID's Rules and Regulations Governing Distribution of Water, MID in its sole discretion may terminate this Agreement, effective immediately.
24. **COUNTERPARTS; FACSIMILE/EMAIL EXECUTION:** This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The signature page of any counterpart may be detached therefrom without impairing the legal effect of the signature(s) thereon, provided such signature page is attached to any other counterpart identical thereto except for having an additional signature page executed by any other party. Each party agrees that each other party may rely upon the facsimile or emailed signature of any party on this Agreement as constituting a duly authorized, irrevocable, actual, current delivery of this Agreement as fully as if this Agreement contained the original ink signature of the party supplying a facsimile or emailed signature.
25. **MISCELLANEOUS:** Purchaser acknowledges and agrees that this Agreement is subject to review and approval by MID staff. Review and approval is made on a case-by-case basis, in staff's discretion as to the best interests of MID. No guarantee is made as to the approval hereof, and this Agreement shall not become effective until approved and executed by MID.

Purchaser confirms that he/she has received and read MID's Rules and Regulations for Distribution of Water, or the Purchaser has waived reading the same. Purchaser agrees to all of the terms and conditions contained in MID's Rules and Regulations and unless stated otherwise herein, will abide by them during the term hereof. If the Purchaser is an agency or mutual water company, Purchaser warrants that any of its members receiving water hereunder shall agree to the same and shall discontinue deliveries to any member in violation thereof.

Purchaser hereby assumes the responsibility for the proper disposition of drainage water resulting from the use of Transfer Water, and agrees to hold MID harmless and indemnify MID from any responsibility arising out of any damage or claim of damage from surface or subsurface drainage resulting from the use of the Transfer Water applied or delivery of the Transfer Water through MID facilities. If, due to actions by the Purchaser regarding the proper disposition of drainage water, MID is required to defend itself from liability for any damage or claim of damage caused fully or partially by the Purchaser, Purchaser shall hold MID harmless and indemnify for attorney fees and costs it incurs in defending itself.

Purchaser acknowledges and agrees that the Transfer Water being made available hereunder is a supplemental supply, and may not be sufficient to grow a crop. Purchaser shall indemnify, defend, and hold harmless MID, its Directors, officers, agents, servants, employees and consultants from any and all damages which might arise from this Agreement, including but not limited to the Purchaser's use of MID water or failure to obtain other sources of irrigation water.

In the event of the sale or transfer of any parcel(s) identified herein, Purchaser shall notify MID of such sale or transfer.

Purchaser confirms and agrees MID must be able to account for the volume of water transferred hereunder, and the location where the water is applied within accuracy criteria established by state law. Purchaser's facilities must be configured with sufficient controls (valves, gates, additional turnouts, etc.) and water measurement devices to be able to isolate Purchaser's out-of-District parcels from MID water supplies delivered to Purchaser's lands located within the District, if any, and accurately measure MID water applied to in-District or out-of-District parcels. Refusal by MID to deliver Transfer Water to the Purchaser under this provision shall not relieve the Purchaser of its payment obligation in Section 6 for all Transfer Water Purchaser has agreed to purchase per Section 2.

[Remainder of this page left intentionally blank]

IN WITNESS WHEREOF, the parties have executed this Agreement.

MID

By:  Dated: 1-7-2021
John Sweigard, General Manager

Marchini Farms L.P. dba Santa Fe Farms ("PURCHASER")
by Marchini Management LLC, its general partner

By: Michael Marchini Dated: 12/16/20
Michael Marchini
Its, Co-Manager

Exhibit A

Monthly Schedule

Month	Volume (Acre-Feet)
March	0
April	10
May	31
June	32
July	32
August	25
September	20
October	0

Exhibit B

Property Upon Which Transfer Water May Be Applied

PROPERTY	APN	ACREAGE
1. Portion W 1/4 of Sec. 21-8-16 in Doc. # 1996-001915	068-030-051	77.00
2. Portion of NW 1/4 of NW 1/4 of Sec. 21-8-16 in Doc. # 2020-035126	068-030-047	39.00