

FIRST AMENDMENT TO PARTNER AGREEMENT FOR JERSEY ISLAND

THIS FIRST AMENDMENT TO PARTNER AGREEMENT FOR JERSEY ISLAND (this “**First Amendment**”) dated as of July 9, 2021 (“**Effective Date**”), is entered into by and between IRONHOUSE SANITARY DISTRICT, a California sanitary district (“**District**”) and MONTEZUMA WATER, LLC, a California limited liability company (“**Partner**”). District and Partner may each be referred to herein as a “**Party**,” or collectively as the “**Parties**.”

R E C I T A L S :

A. District and Partner entered into that certain Partner Agreement for Jersey Island dated May 7, 2019, in order to address future use of Jersey Island and set forth terms regarding the process by which District and Partner will study, approve and implement certain uses on Jersey Island (the “**Agreement**”). Capitalized terms not otherwise defined herein shall have the definition set forth in the Agreement.

B. District and Partner now desire to amend the Agreement to: (1) extend the time for Partner to submit a New Use Evaluation an additional 90 days; (2) provide more detail as to the information to be included in a New Use Evaluation; and (3) extend the time for District to review Potential New Uses from 30 to 90 days.

NOW THEREFORE, District and Partner hereby agree as follows:

A G R E E M E N T S :

1. Amendment of Section 2.2.2. Section 2.2.2 of the Agreement is hereby deleted and replaced with the following:

“2.2.2 Potential New Use Evaluation. Partner shall complete an initial round of evaluations of Potential New Uses within 27 months of the Effective Date and prepare and present a detailed evaluation to the District (“**New Use Evaluation**”). The New Use Evaluation shall include, at a minimum: (a) a detailed description of the Potential New Uses; (b) the regulatory requirements to implement the Potential New Uses; (c) identification of potential legal and other constraints; (d) a preliminary timeline for implementation or development of Potential New Uses; (e) proposed New Users and their qualifications; (f) preliminary thoughts on financing; and (g) available options for District participation. Throughout the Term, Partner may continue investigating and evaluating additional Potential New Uses and present the results of its evaluation and recommendations to District. Each New Use Evaluation shall include a description of the proposed entity that would implement the Potential New Use, whether Partner, a new entity created by Partner or a third-party (a “**New User**”).”

2. Amendment of Section 2.3. Section 2.3 of the Agreement is hereby deleted and replaced with the following:

“2.3 District Review and Approval. District shall review the Potential New Uses proposed by Partner within 90 days of the submittal of the New Use Evaluation to the District, including review of the qualifications of a New User. As part of its review, District may request Partner to provide additional information regarding the Potential New Use. District shall authorize Partner to pursue, subject to District’s further review and approval as set forth in Section 4 below, those new uses that are allowed by law or may be permitted on Jersey Island and that meet District’s intent to implement viable uses on Jersey Island. Authorization to pursue such Potential New Uses shall not be unreasonably withheld. A Potential New Use authorized and approved for further investigation and study by District as set forth below shall be referred to as a “**Proposed New Use.**” It is understood that any such authorization constitutes approval to initiate further investigations and any required permitting activities, including compliance with the California Environmental Quality Act (“**CEQA**”) and to begin negotiating a Use Agreement, subject to final approval by the District Board.”

3. Agreement in Full Force and Effect. Except as amended by this First Amendment, the Agreement remains in full force and effect.

IN WITNESS WHEREOF, the Parties hereto have executed this First Amendment as of the Effective Date.


DISTRICT:

IRONHOUSE SANITARY
DISTRICT, a California special
district


By: 
Chad Davisson
General Manager

PARTNER:

MONTEZUMA WATER, a California
limited liability company

By: 
Name: James D. Levine
Title: Manager

APPROVED AS TO FORM:

By: 
J. Leah Castella
General Counsel

ATTEST:

By: 
District Secretary