

**WATER CONVEYANCE AGREEMENT
CITY OF COALINGA AND GLADSTONE CALIFORNIA WATER LP, A DELAWARE
LIMITED PARTNERSHIP**

2023 Agreement

This Agreement is entered into by and between the City of Coalinga (“City”) and Gladstone California Water LP, a Delaware Limited Partnership (“GCWLP”), with respect to the following Recitals, which are a substantive part of this Agreement.

RECITALS

WHEREAS, GCWLP and Byron-Bethany Irrigation District (“BBID”) have entered into a water transfer agreement to convey up-to 15,000 AF (Transfer Water) to GCWLP’s parcels within the City’s place of use; and

WHEREAS, BBID is a contractor with the United States Department of the Interior, Bureau of Reclamation (USBR) and is entitled to receive Central Valley Project (CVP) water (Project Water) under Contract No. 14-06-200-785-LTR 1-P between USBR and BBID which provides that USBR will deliver BBID Project Water during the 2023-24 water year, subject to the terms and conditions of that contract; and

WHEREAS, the City is a contractor with USBR and is entitled to receive CVP water pursuant to USBR Contract No. 14-06-200-4173A-IR1-P; and

WHEREAS, BBID and GCWLP currently anticipate BBID transferring 7,000 AF of its 2023-24 supply of its CVP Water to GCWLP in October 2023 through May 1, 2024; and

WHEREAS, GCWLP may request BBID transfer an additional volume of up-to 8,000 AF of Transfer Water (not to exceed a cumulative total of up-to 15,000 AF) until November 15, 2023, and/or alternatively request BBID to reschedule a certain amount of Transfer Water on behalf of GCWLP into water year 2024-25 by February 1, 2024; and

WHEREAS, GCWLP shall be responsible for paying the City any San Luis & Delta-Mendota Water Authority (SLDMWA) charges actually paid to SLDMWA. GCWLP shall also be responsible for paying COC for other costs and charges as may be imposed upon the Transfer Water by COC, including the Coalinga wheeling fee of \$25.00/AF and WWD’s canal maintenance fees (which will be paid by Coalinga to WWD) and is estimated to be an additional \$40.00/AF.

NOW, THEREFORE, City and GCWLP agree to the following:

1. Term of Agreement. The Agreement terminates on February 29, 2024, unless water is rescheduled into Water Year 2024 in which case this Agreement will terminate on May 1, 2024.
2. USBR Approval. Pursuant to the terms and conditions of the USBR’s approval, BBID will make available to GCWLP up-to 15,000 AF of water for delivery during the Term pursuant to a schedule approved by the USBR in coordination with BBID and COC.
3. Delivery Schedule:

- a. BBID and GCWLP currently anticipate BBID transferring 7,000 AF of its 2023-24 supply of its CVP Water to GCWLP in October 2023 through February 29, 2024.
 - b. GCWLP may request BBID transfer an additional volume of up-to 8,000 AF of Transfer Water (not to exceed a cumulative total of up-to 15,000 AF) until November 15, 2023, and/or alternatively request BBID to reschedule a certain amount of Transfer Water on behalf of GCWLP into water year 2024-25 by February 1, 2024.
4. Price for Water Conveyed Only. The price for water conveyed only shall be the sum of:
- A. San Luis Delta Mendota Water Authority Fee,
 - B. Westlands Canal Maintenance Fee,
 - C. Twenty-five dollars (\$25) per AF, and
 - D. Any other fees incurred by City for conveyance only.

GCWLP shall provide, or cause to provide, evidence of delivery of all Project Water conveyed by City on a monthly basis prior to the 10th day following each month of conveyance.

5. Notices, Billing, and Payment. City shall issue billing statements to GCWLP following each month of water deliveries. Payment shall be rendered by GCWLP to City within fifteen (15) days of the date of the statement. Notices, including billing statements may be communicated via email, provided the receiving party acknowledges receipt.

Billing Statements shall be sent to:
Firestone Avenue Coalinga, LP
1521 Westbranch Drive, Suite 100
McLean, VA 22102
Attn: Bill Reiman
bill.r@gladstoneland.com
(805) 377-7701

Payments shall be made to:
City of Coalinga
155 W Durian Avenue
Coalinga, CA 93210

Ms. Mai Vang
Financial Services Director
mvang@coalinga.com
559-935-1533 Ext. 129

6. Delivery Point. The Delivery Point for water sold hereunder shall be GCWLP's turn-out located near the end of the Coalinga Canal.

7. Regulatory Compliance. The obligations of City and GCWLP to perform under this Agreement are conditioned upon ongoing compliance, approvals, and consents, including without limitation consent from the USBR, Westlands Water District, the State Water Resources Control Board, and any other authority with jurisdiction impacting this Agreement.
8. Conflicts of Interest. Neither City, nor its City Manager, nor any City Council member, department head, manager, employee, consultant, or agent of City, shall give to or receive from any director, employee or agent of GCWLP or any affiliate thereof any gift or entertainment of significant value, or any commission, fee, or rebate in connection with this Agreement.
9. GCWLP. This Agreement is being entered into with GCWLP.
10. Operating Communication. The City shall designate a representative for ongoing operating coordination with GCWLP, and similarly GCWLP shall designate a representative authorized to represent GCWLP for operating coordination.
11. Counterpart Signatures. The parties hereto agree that this Agreement may be signed in counterparts such that each signature alone or combined with others agrees to this single binding Agreement.

Signatures follow on page 4 of 4

IN WITNESS WHEREOF, City and GCWLP agree to the terms and conditions herein.

CITY OF COALINGA

By: _____
James Horn
Mayor

Date: _____

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

GLADSTONE CALIFORNIA WATER LP, a Delaware limited partnership

By: Gladstone California Farmland, GP, LLC, a Delaware limited liability company, its General Partner

By: Gladstone Land Limited Partnership, a Delaware limited partnership, its Sole Member

By: Gladstone Land Partners, LLC, a Delaware limited liability company, its General Partner

By: Gladstone Land Corporation, a Maryland corporation, its Manager

By: _____

David Gladstone
President and CEO