

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (“MOU”) is made and entered into effective as of [_____, 2025 (“Effective Date”), by and among the Antelope Valley Watermaster (“Watermaster”), the City of Lancaster (“City”) and Rancho Sierra Properties, LLC, a California limited liability company (“RSP”), collectively referred to herein as the “Parties” and individually as a “Party,” with reference to the following facts:

RECITALS

1. The Watermaster, formed by the Antelope Valley Groundwater Cases Final Judgment, Santa Clara Case No. 1-05-CV-049053 signed December 23, 2015 (“Judgment”),¹ is to administer the Judgment.

2. RSP is a Party to the Judgment as a member of the Small Pumper Class, and currently holds title to the real property identified with Los Angeles County Assessor’s Parcel Numbers 3302-021-035, 3302-021-092 and 3302-020-019 (collectively, the “Property”).

3. Pursuant to Stipulation and Order dated March 2, 2023, the Court entered a money judgment against RSP in favor of the Watermaster in the amount of \$459,749.02 (the “Debt”).

4. In April 2024, the Watermaster recorded an Abstract of Judgment in each of Los Angeles, Kern, and San Bernardino Counties (collectively, the “Counties”), creating a lien against the Property in the amount of the Debt (the “Lien”).

5. In order to avoid a foreclosure and Sheriff’s sale of the Property, the Parties desire to memorialize a mutual agreement to effectuate a transfer of the Property by RSP to the City in exchange for: (a) the City’s payment to the Watermaster in an amount equal to One Hundred Fifty One Thousand Seven Hundred Seventy Eight Dollars and 77 Cents (\$151,778.77) (the “Purchase Price”); and (b) the Watermaster’s acknowledgement of satisfaction of the Debt, release of the Lien, and complete waiver and release of all claims against RSP related to the Debt (collectively, the “Settlement Transaction”).

6. The City is undertaking certain title and environmental investigations (the “Investigations”) of the Property that will be completed and approved by the City no later than September 1, 2025 (the “Inspections Cutoff Date”) unless extended by mutual agreement of the Parties.

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

¹ Capitalized terms not defined herein shall have the same meaning attributed to them in the Judgment.

AGREEMENT

1. **Closing of Settlement Transaction.** No later than ten (10) business days following the City's completion and approval of the Investigations, the Parties shall close the Settlement Transaction as follows:

- a. **RSP Transfer of Property to City.** In consideration of the Watermaster's agreements set forth in Section 1.c below, RSP shall convey fee title to the Property to the City pursuant to a duly executed instrument of transfer in form reasonably required and prepared by the City (the "Instrument of Transfer"), which transfer shall be "AS-IS, WITH ALL FAULTS," and without any representations or warranties as to the condition of title or any physical condition of the Property.
- b. **City Payment to Watermaster.** In consideration of RSP's agreements forth in Section 1.a above, the City shall pay to the Watermaster the Purchase Price, via wire transfer, due and payable concurrently with RSP's delivery of the duly executed and notarized Instrument of Transfer to the City.
- c. **Watermaster Release of RSP.** In consideration of, and within five (5) business days after receipt of, the City's payment set forth in Section 1.b above, the Watermaster agrees to file an Acknowledgement and Satisfaction of Judgment ("Acknowledgement") with the Court, to record the Acknowledgement in each of the Counties, and to forever release and waive any and all claims against RSP and the Property related to the Debt.

2. **Termination of Agreement.** Any Party may terminate this MOU in the event the City fails to complete and approve the Investigations by the Inspections Cutoff Date.

3. **Further Agreements.** Each Party agrees to do all such acts and execute all such documents as necessary to give effect to this MOU.

4. **Entire Agreement; Amendments.** This MOU incorporates the entire understanding between the Parties and recites the whole consideration for the promises exchanged herein. It fully supersedes all prior agreements or understandings, written or oral, between the Parties hereto pertaining to the subject matter thereof. This MOU may not be varied except in writing signed by the Parties.

5. **Execution by Counterpart.** This MOU may be executed in counterparts such that the signatures may appear on separate signature pages. A copy or an original, with all signatures appended together, shall be deemed a fully executed agreement. A facsimile version of any Party's signature shall be deemed an original signature. Each counterpart shall be deemed an original and the same document for all purposes.

[Signatures on following page]

IN WITNESS WHEREOF, the Parties have executed this MOU as of the Effective Date:

“Watermaster”

By: _____
[Name, Title]

“City”

By: _____
[Name, Title]

“RSP”

By: _____
[Name, Title]