

## ITEM 4.7

### CITY MANAGER'S REPORT JANUARY 10, 2022 CITY COUNCIL REGULAR MEETING

**ITEM:** **APPROVAL OF RESERVE WASTEWATER TREATMENT CAPACITY TRANSFER FROM CITY OF LATHROP TO SAYBROOK CLSP, LLC AND A RELATED BUDGET AMENDMENT**

**RECOMMENDATION:** **Adopt Resolution Approving the Sale and Transfer Agreement of 54,200 GPD Reserve Wastewater Treatment Capacity in the Consolidated Treatment Facility from City of Lathrop to Saybrook CLSP, LLC for Phase 1D1 Final Maps and a Related Budget Amendment**

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#### **SUMMARY:**

Saybrook CLSP, LLC ("Saybrook") owns parcels (as Lathrop Land Acquisition, LLC) within the Central Lathrop Specific Plan area. Saybrook has used all their Initial and Reserve wastewater treatment capacity in the Consolidated Treatment Facility ("CTF") with their recent final maps and has requested to purchase Reserve Capacity for their Phase 1D1 final maps. The City has remaining Reserve Capacity, and this capacity must be first offered to developers who funded the CTF expansion and have used their Reserve Capacity.

Staff recommends Council approve the requested sale and transfer of 54,200 gallons per day (GPD) of wastewater treatment capacity and authorize the City Manager to execute the Reserve Wastewater Treatment Capacity Transfer Agreement ("Transfer Agreement").

#### **BACKGROUND:**

In November 2016, the City and several developers entered into a Design and Construction Funding Agreement Related to the Phase 2 Expansion of Existing Lathrop Consolidated Treatment Facility ("CTF 2 Agreement", Exhibit A of Attachment B). The CTF 2 Agreement assigned sewer allocation in two categories, Initial Capacity and Reserve Capacity, with the Initial Capacity being immediately available and the Reserve Capacity being subject to demonstration of need. Capacity assigned is shown in Table 1 below:

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**FROM CITY OF LATHROP TO SAYBROOK CLSP, LLC AND A RELATED BUDGET**  
**AMENDMENT**

Table 1 – CTF Capacity Assignments

<b>Developer</b>	<b>Initial Capacity</b>	<b>Reserve Capacity</b>	<b>% Of Expansion</b>
River Islands	652,840	237,396	59.35 %
Crossroads (Owned by City)	216,000	78,545	19.64 %
Crossroads (Richland)	114,000	41,455	10.36 %
Saybrook	100,000	36,364	9.09 %
Lathrop Mossdale Investors	17,160	6,240	1.56%
<b>Total</b>	<b>1,100,000</b>	<b>400,000</b>	<b>100.00 %</b>

Richland Developers, Inc. transferred all of their Initial and Reserve capacity to South Lathrop Land, LLC (SLL) for use in the South Lathrop Specific Plan area as documented in the Transfer Agreement between SLL and Richland Developers Inc., adopted by the City Ordinance No. 18-390.

Saybrook CLSP, LLC (Saybrook) owns the property (as Lathrop Land Acquisition, LLC) for a mixed-use development including residential, retail, office, and other public/semi-public uses such as schools, parks, and other civic-oriented facilities pursuant to the Central Lathrop Specific Plan (“Saybrook Project”). Saybrook also entered into the CTF 2 Agreement, whereby the City allocated 100,000 gpd in Initial Wastewater Treatment Capacity, and 36,364 gpd of Reserve Wastewater Treatment Capacity.

Developers are required to allocate sewer capacity to all lots within a final map prior to approval by City Council. Saybrook intends to request Council approval of a final map for Tract 4105, Phase 1D1, at the March 2022 Council meeting. The final map for Tract 4105, plus the prior Saybrook final maps for Phase 1A, 1B, and 1C (Tracts 3808, 3809, 3810, 3811, 3812, 4017, 4018, and 4062), will require the use of all of Saybrook’s Initial Capacity and Reserve Capacity plus the Reserve Capacity they purchased from South Lathrop Land, LLC on September 14, 2020. Reserve Capacity they purchased from the City on September 13, 2021. It will still require additional sewer capacity in the amount of 54,200 gpd.

Saybrook has demonstrated their need to use all of their Reserve Capacity and is considered a Perfected Developer per Section 7C of the CTF 2 Agreement, providing them the option to request to purchase Reserve Capacity from other participants in the CTF 2 Agreement. As a Developer, Saybrook made a Reserve Capacity Requests to the City for 54,200 gpd (271 lots at 200 gpd/home) (Attachment B).

The purchase price has been established by the City in accordance with the CTF 2 Agreement as \$32.98/gpd, and so the purchase price for 54,200 gpd is \$1,787,516. Section 7 of the CTF 2 Agreement requires that, before the Reserve Capacity can be allocated from the City to the developer, developers must demonstrate that they will use the Reserve Capacity within the one year. Saybrook demonstrated they would use the 54,200 gpd of Reserve Capacity to approve Phase 1D1 Tract 4105 in the very near future.

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However, with delays in processing due to Covid-19, Saybrook is asking for two years to get approval for final maps to use the capacity. Staff recommends approval of that request.

Section 4d of the CTF 2 Agreement exempted allocation transfers from the City's Transfer Policy, but required allocation transfers to comply with Schedule 3 of the CTF 2 Agreement and be approved by City Council. Consistent with Schedule 3 of the CTF 2 Agreement, Saybrook filed an application in the form of a Reserve Wastewater Treatment Capacity Transfer Agreement ("Transfer Agreement", Attachment C) with the City and Saybrook to effect the sale/transfer of 54,200 gpd of Reserve Wastewater Treatment Capacity. Saybrook has also provided the City with the 10% down payment (\$178,751.60) required. The reallocation form to transfer this capacity to Saybrook is included as Exhibit A to Attachment C.

The City has limited sewer capacity. For that reason, the City recently began design of the next expansion of the CTF. Construction of the expansion will provide added treatment capacity when needed for continued development of the City.

**REASON FOR RECOMMENDATION:**

The Public Works Director has confirmed that the requested Transfer Agreement is consistent with the City's General Plan, Sewer Master Plan and Zoning Ordinance. The Public Works Director and the City Engineer recommend City Council approve the sewer transfer and authorize the City Manager to execute the Transfer Agreement, approved as to form by the City Attorney, with the applicant.

**FISCAL IMPACT:**

Saybrook will pay to the City \$1,787,516 for the purchase of 54,200 gpd of Reserve Phase 2 CTF sewer treatment capacity and therefore a budget amendment is required as follows:

Increase Revenue

6030-5030-318-0470 \$1,787,516

**ATTACHMENTS:**


- A. Resolution Approving the Sale and Transfer Agreement of 54,200 GPD Reserve Wastewater Treatment Capacity in the Consolidated Treatment Facility from City of Lathrop to Saybrook CLSP, LLC for Phase 1D1 Final Maps and a Related Budget Amendment
- B. Request Letter dated, December 14, 2021 for Stanford Crossing Phase 1D1
- C. Reserve Wastewater Treatment Capacity Transfer Agreement (Transfer Agreement) from City to Saybrook

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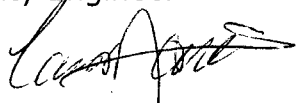
**APPROVALS**

  
\_\_\_\_\_  
Michael King  
Director of Public Works

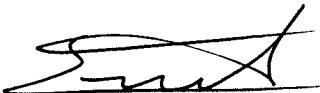
12/20/2021  
Date

  
\_\_\_\_\_  
Glenn Gebhardt  
City Engineer

12/15/21  
Date

  
\_\_\_\_\_  
Cari James  
Finance Director

12/21/2021  
Date

  
\_\_\_\_\_  
Salvador Navarrete  
City Attorney

12-16-2021  
Date

  
\_\_\_\_\_  
Stephen J. Salvatore  
City Manager

1.4.22  
Date

## **RESOLUTION NO. 22-**

### **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP APPROVING THE SALE AND TRANSFER AGREEMENT OF 54,200 GPD RESERVE WASTEWATER TREATMENT CAPACITY IN THE CONSOLIDATED TREATMENT FACILITY FROM CITY OF LATHROP TO SAYBROOK CLSP, LLC FOR PHASE 1D1 FINAL MAPS AND A RELATED BUDGET AMENDMENT**

**WHEREAS**, in November, 2016, the City and several developers entered into a Design and Construction Funding Agreement Related to the Phase 2 Expansion of Existing Lathrop Consolidated Treatment Facility (Funding Agreement); and

**WHEREAS**, the Funding Agreement assigned sewer allocation in two categories, Initial Capacity and Reserve Capacity, with use of the Initial Capacity being immediately available and use of the Reserve Capacity being subject to demonstration of need; and

**WHEREAS**, developers are required to allocate sewer capacity to all lots within a final map prior to approval by City Council; and

**WHEREAS**, Saybrook CLSP, LLC ("Saybrook") requested and received Council approval of final map Tract 4062 for Phase 1C at the October 11, 2021 Council meeting; and

**WHEREAS**, final maps for Phase 1B Tracts 4017 and 4018 plus the prior final maps for Phase 1A required use of all of Saybrook's Initial Capacity of 100,000 gallons per day (gpd) and Reserve Capacity of 36,364 gpd, and sewer capacity in the amount of 11,617 gpd, purchased from Crow Industrial Limited, LLC; and

**WHEREAS**, final maps for Phase 1C required use of the balance of 29,638 gpd of Reserve Capacity purchased from Crow Industrial Limited, LLC and Reserve Capacity of 8,562 gpd, purchased from the City of Lathrop on September 13, 2021; and

**WHEREAS**, Saybrook has therefore demonstrated their need for use of all of their Reserve Capacity, and is considered a Perfected Developer per Section 7C of the Funding Agreement, providing them the option to request to purchase Reserve Capacity from other participants in the Funding Agreement; and

**WHEREAS**, as a Perfected Developer, Saybrook made a Reserve Capacity Requests to the City, for 54,200 gpd (271 lots at 200 gpd/home) of Reserve Capacity (not including storage or disposal costs) for Phase 1D1 Tract 4105; and

**WHEREAS**, staff is recommending the City offer to sell 54,200 gpd of Reserve Capacity to Saybrook; and

**WHEREAS**, the purchase price has been established in accordance with the Funding Agreement as \$32.98/gpd, and so the purchase price for a total of 54,200 gpd is \$1,787,516; and

**WHEREAS**, Saybrook will pay to the City \$1,787,516 for the purchase of 54,200 gpd of Reserve Phase 2 CTF sewer treatment capacity and therefore a budget amendment is required as follows;

Increase Revenue

6030-5030-318-0470 \$1,787,516

**WHEREAS**, Saybrook demonstrated they would use the 54,200 gpd of Reserve Capacity to approve Phase 1D1 Final Map 4105 in the very near future, although Saybrook has asked for and Staff recommends Council approve a two year time limit to get approval of a final map for Phase 1D1 that would allocate the subject sewer; and

**WHEREAS**, Section 4d of the Funding Agreement exempted allocation transfers from the City's Transfer Policy, but required allocation transfers to be in compliance with Schedule 3 of the Funding Policy and approved by City Council; and

**WHEREAS**, Saybrook provided the required application for Wastewater Capacity Transfer to the Public Works Director requesting 54,200 gpd of Reserve Capacity, including all required information, and provided the 10% deposit toward the cost of the sewer; and

**WHEREAS**, the Public Works Director has confirmed that the requested Transfer is consistent with the City's General Plan, Sewer Master Plan and Zoning Ordinance, and the Public Works Director and the City Engineer recommend City Council approve the application for sewer transfer and authorize the City Manager to execute and agreement, approved by the City Attorney, with the applicant.

**NOW, THEREFORE, BE IT RESOLVED**, that the City Council of the City of Lathrop does hereby approve the application from Saybrook for wastewater capacity transfer for Reserve Capacity in the Consolidated Treatment Facility from the City, and allows Saybrook two years to allocate the sewer with a final map approved by City Council; and

**AND BE IT FURTHER RESOLVED**, that the City Council of the City of Lathrop does hereby authorize the City Manager to execute the proposed agreement, with Saybrook to purchase 54,200 gpd of Reserve Capacity of Wastewater Treatment from the City; and

**AND BE IT FURTHER RESOLVED**, that the City Council of the City of Lathrop does hereby authorize a budget amendment as follows:

Increase Revenue

6030-5030-318-0470 \$1,787,516

The foregoing resolution was passed and adopted this 10<sup>th</sup> day of January 2022, by the following vote of the City Council, to wit

AYES:

NOES:

ABSTAIN:

ABSENT:

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Sonny Dhaliwal, Mayor

**ATTEST:**

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Teresa Vargas  
City Clerk

**APPROVED AS TO FORM:**



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Salvador Navarrete  
City Attorney

December 14, 2021

**ATTACHMENT B**

City of Lathrop

Sent via email: ggebhardt@ci.lathrop.ca.us

mking@ci.lathrop.ca.us

RE: Request for Stanford Crossing Phase 1D1 Sewage Capacity (54,200 gpd)

Dear Mr. Gebhardt and Mr. King,

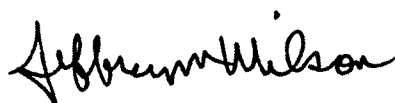
Pursuant to Schedule 3 of the Funding Agreement, Saybrook CLSP, LLC ("Saybrook") is expressing its request to purchase 54,200 gallons per day of Reserve Wastewater Treatment Capacity in the Phase 2 Combined Treatment Facility expansion from the City of Lathrop for Saybrook's Phase 1D1 Tract 4105 of 271 lots at 200 gpd/lot. The additional capacity will be purchased at \$32.98 per gallon for a total of \$1,787,516. The additional sewage capacity does not include disposal capacity. A down payment of 10% (\$178,751.60) is include with this request, to be applied to the full cost of the Capacity once approved by City Council.

Saybrook expects to request City Council approval of Phase 1D1 Final Map 4105 approval for the 271 lots in February, 2022, and Saybrook's has already used our Initial and Reserve Capacity from the Combined Treatment Facility expansion, plus Reserve Capacity purchased from South Lathrop Land, LLC and 8,562 gpd of Reserve Capacity purchased from the City of Lathrop.

Saybrook acknowledges that it has responsibility to provide any sewer line extensions and related facilities necessary to utilize the additional capacity.

Feel free to contact me if you need any further information.

Sincerely,



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Jeffrey M. Wilson



**RECORDING REQUESTED BY, AND**

WHEN RECORDED MAIL TO:

CITY OF LATHROP  
ATTN: CITY CLERK  
390 TOWNE CENTRE DRIVE  
LATHROP, CA 95330  
*Exempt from payment of recording fees (GC 27383)*

SPACE ABOVE THIS LINE FOR RECORDER'S USE

APNs: 192-040-21, 23, 24 and 25

**RESERVE WASTEWATER TREATMENT CAPACITY  
TRANSFER AGREEMENT**

THIS RESERVE WASTEWATER TREATMENT CAPACITY TRANSFER AGREEMENT (the "Agreement"), is made this 10th day of January, 2022 ("**Effective Date**"), by and between Saybrook CLSP, LLC a Delaware limited liability company, hereinafter referred to as "**Saybrook**" and the City of Lathrop, a municipal corporation in the State of California, hereinafter referred to as "**City**". Hereinafter all parties may be referred to collectively as "Parties" or individually as a "Party".

**RECITALS**

**WHEREAS**, on November 21, 2016, City, River Islands, Richland, Lathrop Mosssdale Investors and Saybrook entered into the Design and Construction Funding Agreement Related to the Phase 2 Expansion of the Existing Lathrop Consolidated Treatment Facility with the City ("**CTF 2 Agreement**"). The CTF 2 Agreement states that the City was allocated 216,000 gallons per day ("**gpd**") of Initial Wastewater Treatment Capacity, and 78,545 gpd of Reserve Wastewater Treatment Capacity, and Saybrook was allocated 100,000 gpd in Initial Wastewater Treatment Capacity and 36,364 gpd of Reserve Wastewater Treatment Capacity; and

**WHEREAS**, South Lathrop Land, LLC ("**SLL**") acquired the SLL Property from Richland Developers, Inc., and Richland Developers, Inc.'s transfer of all of their rights to the Phase 2 Expansion of the Existing Lathrop Consolidated Treatment Facility as documented in the Transfer Agreement Relating to Design and Construction Funding Agreement For The Phase 2 Expansion of the Lathrop Consolidated Treatment Facility between SLL and Richland Developers Inc. as adopted by the City Ordinance No. 18-390 and as approved by the City and recorded by the San Joaquin County Recorder's Office as Doc # 2018-047863 on May 1, 2018. SLL became and now is the successor in interest to all of Richland Developers, Inc.'s rights contained within the CTF 2 Agreement; and

**WHEREAS**, SLL's sold and the City transferred 41,455 gpd of Reserve Wastewater Treatment Capacity to Saybrook toward their phases 1B and 1C; and

**WHEREAS**, Saybrook owns parcels in City designated with APNs 192-040-21, 23, 24 and 25 for phase 1D1, and is the developer of a mixed use development including residential, retail, office, and other public/semi-public uses such as schools, parks, and other civic oriented facilities pursuant to the Central Lathrop Specific Plan ("**Saybrook Project**"); and

**WHEREAS**, the CTF 2 Agreement assigned sewer allocation in two categories, Initial Capacity and Reserve Capacity, with use of the Initial Capacity being immediately available and use of the Reserve Capacity being subject to demonstration of need; and

**WHEREAS**, final maps for Saybrook Phase 1A Tracts 3808, 3809, 3810, 3811 and 3812, Phase 1B Tracts 4017 and 4018 and Phase 1C Tract 4062 required the use of all of Saybrook's Initial Capacity of 100,000 gpd and Reserve Capacity of 36,364 gpd, and 41,255 gpd which Saybrook purchased from SLL plus 8,562 gpd of unperfected Reserve Capacity purchased from the City of Lathrop; and

**WHEREAS**, Saybrook has, therefore, demonstrated their need for the use of all of their Reserve Capacity, and is considered a Perfected Developer per Section 7C of the CTF 2 Agreement, providing them the option to request to purchase Reserve Capacity from other participants in the CTF 2 Agreement; and

**WHEREAS**, as a Perfected Developer, Saybrook made a Reserve Capacity Requests to the City for 54,200 gpd and the City passed that request to River Islands, the only developer holding unperfected Reserve Capacity, and River Islands declined the offer to purchase; and

**WHEREAS**, the purchase price has been established by the City in accordance with the Funding Agreement as \$32.98/gpd, and so the purchase price for a total of 54,200 gpd is agreed by Saybrook to equal \$1,787,516; and

**WHEREAS**, City recognizes the benefits to the long term development goals of City to transfer a portion of its allocated Reserve Wastewater Treatment Capacity to support the Saybrook Project and therefore wishes to sell/transfer to Saybrook, and Saybrook wishes to accept, 54,200 gpd of Reserve Wastewater Treatment Capacity previously allocated to City under the CTF 2 Agreement; and

**WHEREAS**, City's Reserve Wastewater Treatment Capacity, which it intends to transfer to Saybrook, is reflected on a document entitled "Reallocation of Wastewater (Sewer) Capacity from City of Lathrop" which the City Engineer and Director of Finance will execute in January of 2022 upon approval of the transfer by City Council to document the allocation of a portion of City's Reserve Wastewater Capacity to Saybrook parcels, and which reflects this Transfer of allocation to Saybrook. The original unsigned Reallocation form to reflect the transfer to Saybrook is attached to the January 10, 2022 City Manager's Report as Attachment D and is included in this Agreement as Exhibit "A"; and

**WHEREAS**, the Public Works Director has confirmed that the requested Transfer is consistent with the City's General Plan, Sewer Master Plan, and Zoning Ordinance, that Saybrook has provided a down payment of 10% of the sewer cost (\$178,751.60) and the Public Works Director and the City Engineer recommend City Council approve the application for sewer transfer and authorize the City Manager to execute this agreement, approved by the City Attorney, with the applicant; and

**WHEREAS**, consistent with Schedule 3 of the CTF 2 Agreement, Saybrook has filed an application with the City to effectuate the transfer contemplated in this Agreement, and that application took the form of this Agreement, attached to the September 13, 2021 City Manager's Report as Attachment C. This Agreement, which shall be approved as to form by the City Attorney, constitutes the agreement required by the City pursuant to Schedule 3 of the CTF 2 Agreement.

**NOW THEREFORE, THE PARTIES HERETO AGREE AS FOLLOWS:**

1. **Allocation of Reserve Wastewater Treatment Capacity.** City agrees to transfer to the Saybrook 54,200 gpd of the Reserve Wastewater Treatment Capacity previously allocated to City in the CTF 2 Agreement. This will leave City with 15,783 gpd remaining Reserve Wastewater Treatment Capacity as identified in the CTF 2 Agreement. The Reserve Wastewater Treatment Capacity transferred as part of this Agreement shall be allocated to Saybrook once the requirements of this Agreement are satisfied.
2. **Payment for Allocation of Reserve Wastewater Treatment Capacity.** In exchange for City's transfer of Reserve Wastewater Treatment Capacity pursuant to this, Saybrook agrees to pay to City \$1,787,516, or \$32.98 for each gpd of Reserve Wastewater Treatment Capacity transferred pursuant to this Agreement. In addition to the down payment, the remaining 90% payment shall be made in full within ten (10) days after the date when the City Council approves the transfer and this Agreement. At the time of receipt of payment from Saybrook, City will transfer the treatment capacity to Saybrook. Upon transfer, Saybrook shall have full ownership and use of City's Reserve Wastewater Treatment Capacity.
3. **Agreement Contingent on City's Approval of Transfer of Reserve Wastewater Treatment Capacity.** The obligations in this Agreement are contingent on the City Council's approval of the transfer and this Agreement pursuant to the procedure outlined in Schedule 3 of the CTF 2 Agreement. In the event that the Lathrop City Council denies the transfer of the Agreement, City shall have no further obligation to transfer Reserve Wastewater Treatment Capacity to Saybrook under this Agreement, and the Agreement shall have no further binding effect on the Parties, and the City will immediately return the down payment provided by Saybrook. The City also confirms that Saybrook has fulfilled all of their obligations under the CTF 2 Agreement, no amounts are owed, and no event of default exists.
4. **Saybrook's Obligation to Obtain Project Approvals Within One Year of City Approval of Reserve Wastewater Treatment Capacity Allocation.** Consistent with the requirements in Schedule 3 of the CTF 2 Agreement, Saybrook shall obtain a building permit or City approval of a final map for the Saybrook Project within one year from the City's approval of the transfer and Agreement, unless the City Council approves an alternative time limit (staff is requesting that Saybrook be given two years to obtain a final map approval from the City, due to Covid-19 delays). If Saybrook fails to obtain said building permit or approval of a final map within the timeframe in this paragraph, Saybrook shall sell the transferred Reserve Wastewater Treatment Capacity units back to the City without conditions and/or limitations of use. The purchase price for the City shall be the same as the costs paid by Saybrook pursuant to Paragraph 2 above less the City's administrative fee.
5. **Mutual Hold Harmless / Indemnification.** Each Party shall hold each other harmless, and defend, and indemnify the other Party, its officers, employees, consultants, and agents from and against any and all claims, suits, causes of action, or other proceedings for damages, injuries, losses, costs (including attorneys' fees and costs of suit or other dispute resolution processes), or any other liability arising out of, or in connection with, the performance, or failure to perform, any of the duties and obligations outlined in this Agreement hereunder. The duty to defend shall include provision for all costs and fees, including attorneys' fees, associated with such defenses.

6. **No Partnership.** It is not the purpose or the intention of this Agreement to create, and this Agreement shall not create, a joint venture, partnership, or other relationship whereby either Party would be liable for the omissions, commissions, or performance of the other Party.

7. **Further Assurance.** The Parties shall execute and deliver such further instruments and do further acts and things as may be required to carry out the intent and purposes of this Agreement as may be reasonably requested by either Party.

8. **Force Majeure.** With respect to the matters contemplated by this Agreement, neither Party shall be liable or responsible to the other as a result of any injury to property or as a result of inability to provide capacity, which was caused by any Force Majeure event.

9. **Governing Law.** This Agreement shall be governed and construed in accordance with the laws of the State of California.

10. **Assignment.** No Party may assign its rights under this Agreement to any person, entity, or governmental or quasi-governmental body without the prior written consent of the other Parties.

11. **Entire Agreement / Amendment.** This Agreement including the recitals, which are incorporated by this reference, contains the entire Agreement between the Parties regarding the Wastewater Transfer between the Parties. No change or modification of this Agreement shall be valid unless the same is an amendment, in writing, signed by both Parties.

12. **Recordation of Agreement.** Consistent with the requirements of Schedule 3 of the CTF 2 Agreement, City shall cause this Agreement to be recorded in the San Joaquin County Recorder's Office within thirty (30) days after the City Council approves the transfer and this Agreement.

13. **Exhibits.** The Exhibits referenced and included in the Agreement are as follows:

**Exhibit A:** Reallocation form to reflect the transfer of the Reserve Wastewater Treatment Capacity from the City to Saybrook.

**IN WITNESS WHEREOF**, the parties have caused their respective duly authorized representatives to execute this Agreement as of the Effective Date above.

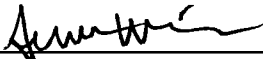
**OWNER:**

Saybrook CLSP, LLC

a Delaware limited liability company

By: Saybrook Fund Investors, LLC

Its: Managing Member

By:   
\_\_\_\_\_  
Jeffrey M. Wilson  
Officer

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

**CIVIL CODE § 1189**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California }  
County of Los Angeles }

On DECEMBER 15, 2021 before me, RACHEL M. WRIGHT  
Date Here Insert Name and Title of the Officer  
personally appeared JEFFREY M. WILSON  
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.  
WITNESS my hand and official seal.

Place Notary Seal and/or Stamp Above

Signature Rachel M. Wright  
Signature of Notary Public

**OPTIONAL**

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

**Description of Attached Document**

Title or Type of Document: \_\_\_\_\_  
Document Date: \_\_\_\_\_ Number of Pages: \_\_\_\_\_  
Signer(s) Other Than Named Above: \_\_\_\_\_

**Capacity(ies) Claimed by Signer(s)**

Signer's Name: \_\_\_\_\_ Signer's Name: \_\_\_\_\_  
 Corporate Officer – Title(s): \_\_\_\_\_  Corporate Officer – Title(s): \_\_\_\_\_  
 Partner –  Limited  General  Partner –  Limited  General  
 Individual  Attorney in Fact  Individual  Attorney in Fact  
 Trustee  Guardian of Conservator  Trustee  Guardian of Conservator  
 Other: \_\_\_\_\_  Other: \_\_\_\_\_  
Signer is Representing: \_\_\_\_\_ Signer is Representing: \_\_\_\_\_

**CITY:**

**CITY OF LATHROP**, a  
Municipal Corporation of the  
State of California

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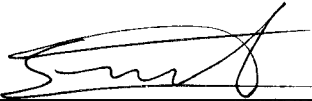
By: Stephen J. Salvatore  
Its: City Manager

**ATTEST:**  
City Clerk of and for the City

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By: Teresa Vargas  
Its: City Clerk

**APPROVED AS TO FORM BY THE  
CITY OF LATHROP CITY ATTORNEY:**



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By: Salvador Navarrete  
Its: City Attorney

**Exhibit "A"**  
**Reallocation Form**



**Reallocation of Phase 2 CTF Reserve Wastewater (Sewer) Capacity from City of Lathrop**

<b>Total Initial Balance 1-10-2022</b>	<b>69,983</b>	<b>gpd</b>
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<u>New Development</u>	<u>Allocation</u>	
Current Balance	69,983	gpd
<b>Saybrook CLSP Phase 1D1</b>	<b>54,200</b>	<b>gpd</b>
Remaining Capacity	15,783	gpd

<u>Allocation Date</u>	<u>Allocation No.</u>	<u>gpd/Acre<sup>2,4</sup></u>
January 10, 2022	2022-01	n/a

<u>Allocated to Parcel Number(s)</u>	<u>Acres</u>	<u>Sewer Treatment &amp; Disposal Allocated to parcels (gpd)<sup>2</sup></u>
APN 192-040-21, 23, 24 and 25 (271 parcels at 200 gpd/parcel)	n/a	54,200
<b>Totals</b>	<b>0.00</b>	<b>54,200</b>

**Notes:**

- Capacity per Exhibit B-1 of CTF Phase 2 Expansion Design and Construction Agreement dated 11-21-16
- Balance needed by Saybrook for Phase 1C of CLSP
- Saybrook owned Central Lathrop Specific Plan Phase 1C parcels include APN 192-030-33, 34 and 35
- Saybrook owned Central Lathrop Specific Plan Phase 1D1 parcels include APN 192-040-21, 23, 24 and 25

**Authorized by:**

**City of Lathrop**

**Saybrook CLSP, LLC**

\_\_\_\_\_  
Glenn Gebhardt, City Engineer

Date

*Jeffrey M. Wilson*  
\_\_\_\_\_  
Title

\_\_\_\_\_  
Cari James, Director of Finance

Date

**JEFFREY M WILSON - OFFICER**  
\_\_\_\_\_  
Jeff Wilson

12/15/2021

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