

# **EXHIBIT G**

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**Conditions Precedent and Limitations Applicable to Grant of Conditional Domestic Allocation to Hypericum and Butler Ranch Mutual Water Company**

The grants of Domestic Allocation to Hypericum Land Company, LLC and Hypericum Interests, LLC (collectively, “**Hypericum**”) and to Butler Ranch Mutual Water Company (“**Butler Ranch**”) at Section 4.5.3.9 of the Judgment are conditioned on the following conditions precedent and limitations:

1. Hypericum owns APNs 500-0-090-345; 500-0-090-235; and 500-0-090-315 within the Basin; and  
  
Butler Ranch owns APNs 513-0-050-065; 500-0-360-185; 500-0-370-275; and 500-0-370-375 within the Basin.
2. Hypericum and Butler Ranch each have a plan to subdivide their respective Overlying Lands (each a “**Subdivision**”) to create individual legal parcels or legal lots; up to 24 such parcels or lots for Hypericum and up to such 24 parcels or lots for Butler Ranch (each a “**Developable Parcel**”). Hypericum and Butler Ranch are each conditionally granted one acre-foot of Allocation Basis, as Conditional Domestic Allocation, per Developable Parcel, for a total of 24 AFY of Conditional Domestic Allocation for each Subdivision (total of 48 AFY of Conditional Domestic Allocation).
3. The Conditional Domestic Allocation shall accrue to each Developable Parcel upon the issuance of a residential occupancy permit on each Developable Parcel and will be granted for the sole purpose of serving domestic water supply to the Developable Parcels in each Subdivision. The Conditional Domestic Allocation is capped at one acre-foot of Allocation Basis per Developable Parcel. The Conditional Domestic Allocation is not subject to future expansion or increase regardless of the actual number of parcels, residences, final lot configurations, number of dwelling units per parcel, etc. in each Subdivision. Upon accrual, the Conditional Domestic Allocation will be treated as Domestic Allocation.
4. All Conditional Domestic Allocation that does not accrue within seven years from the first date of entry of the Judgment by the trial court, regardless of whether the Judgment is final or appealed, shall expire automatically without further notice (“**Expiration Date**”). The Expiration Date shall not be extended for any reason, including, without limitation, any circumstance beyond the control of Hypericum, Butler Ranch, their lenders and successors in interest.
5. The Conditional Domestic Allocation is granted only on a parcel-by-parcel basis and not as a lump sum. The total accrued Domestic Allocation granted to Hypericum and to Butler Ranch for the Developable Parcels equals one acre-foot of Allocation Basis multiplied by the number of Developable Parcels in each Subdivision having a completed residence and having been issued an occupancy permit before the Expiration Date.
6. Any Domestic Allocation that accrues before the Expiration Date shall not be aggregated and shall only be used on each Developable Parcel, and for no other purpose. The accrued Domestic Allocation may be assigned to a water service provider for the sole

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purpose of servicing each Developable Parcel that has accrued Domestic Allocation, but may not be transferred for use outside of each Subdivision.

7. The amount of Annual Allocation that Hypericum and Butler Ranch can use in any Water Year pursuant to any accrued Domestic Allocation will be calculated in the same manner as applied to other recipients of Allocation Basis. (*See* Judgment § 4.2 and Exhibit D.) The Annual Allocation is therefore subject to reductions resulting from reductions in the Operating Yield for such Water Year on the same terms as applied to other grants of Annual Allocation in such Water Year (excepting the division of the burden of reduction among Agricultural Landowners as provided for in Section 4.5.1 of the Judgment).
8. The Annual Allocation is also limited to the amount needed for Domestic Use within each Subdivision during each Water Year, and therefore unused Annual Allocation may not be carried over for use in subsequent Water Years as Carryover. Any portion of the unused Annual Allocation during a Water Year will be treated as in-lieu replenishment (i.e., unused Annual Allocation that need not be replenished through the Physical Solution).
9. All accrued Domestic Allocation for each Subdivision will be subject to a Basin Assessment. (*See* Judgment § 7.2.)