



RESOLUTION NO. 2025-15

RESOLUTION OF THE GOVERNING BOARD OF THE WESTERN HILLS WATER DISTRICT (ON BEHALF OF DIABLO GRANDE COMMUNITY FACILITIES DISTRICT NO. 1) APPROVING THE SETTLEMENT AGREEMENT WITH GPTJ HOLDINGS, LLC (GURPREET SINGH) AND ACCEPTING A DEED IN LIEU OF JUDICIAL FORECLOSURE FOR THE PROPERTY IDENTIFIED AS STANISLAUS COUNTY ASSESSOR'S PARCEL NUMBER 025-026-025-000, AND AUTHORIZING THE EXECUTION OF ALL DOCUMENTS NECESSARY TO COMPLETE THE TERMS OF THE SETTLEMENT AGREEMENT

WHEREAS, GPTJ HOLDINGS, LLC, a California Limited Liability Company ("GPTJ") is the current owner of a parcel of vacant real property located in Stanislaus County which is identified by Assessor's Parcel No. 025-026-025-000 ("PROPERTY").

WHEREAS, the PROPERTY is located within the Diablo Grande Community Facilities District No. 1 ("Diablo Grande CFD").

WHEREAS, GPTJ's representative, Gurpreet Singh, has indicated that he has no intention of paying the current tax bill (which includes the Diablo Grande CFD special taxes) levied against the PROPERTY because of the PROPERTY's low market value compared to the amount of the taxes. As such, the Diablo Grande CFD special taxes and the Stanislaus County *ad valorem* property taxes will become delinquent as of December 11, 2025.

WHEREAS, in order to recover the delinquent Diablo Grande CFD special taxes, the Western Hills Water District will need to record a "Notice of Intent to Remove Delinquent Special Taxes" in the Official Records of Stanislaus County (in order to "strip" the delinquencies) and it will subsequently need file a Complaint in Judicial Foreclosure in the Stanislaus County Superior Court against GPTJ. In the alternative, if the PROPERTY is sold at a Stanislaus County tax sale after the *ad valorem* property taxes levied against the PROPERTY become delinquent, the Western Hills Water District will need to file a foreclosure lawsuit against the new property owner if the excess proceeds (if any) are insufficient to pay off the delinquent Diablo Grande CFD special taxes.

WHEREAS, Mr. Singh has further indicated that he is prepared to transfer GPTJ's entire interest in the PROPERTY to the Western Hills Water District (on behalf of Diablo Grande CFD) in order to avoid a foreclosure lawsuit and/or a tax sale.

WHEREAS, it is in the best interest of the Diablo Grande CFD bond holders to have the PROPERTY transferred to the Western Hills Water District (on behalf of Diablo Grande CFD) in order to prevent the unnecessary expenditure of litigation fees and costs that will be incurred if a

foreclosure complaint is filed against GPTJ or against the new property owner after a Stanislaus County tax sale.

NOW, THEREFORE, the Governing Board of the Western Hills Water District does hereby resolve:

SECTION 1. Incorporation of Recitals.

The Board finds and determines that the above-referenced recitals are true and correct and material to this Resolution.

SECTION 2. Approval of Settlement Agreement.

The Settlement Agreement and Release substantially in the form attached as Exhibit "1" hereto is approved and accepted by the Board, and Mark Kovich (the President of the Western Hills Water District) is hereby authorized and instructed to execute the Settlement Agreement and Release.

SECTION 3. Acceptance of Deed in Lieu of Foreclosure.

The Deed in Lieu of Judicial Foreclosure substantially in the form attached as Exhibit "B" to the Settlement Agreement and Release (the form of which is attached as Exhibit "1") is approved and accepted by the Board, and Mark Kovich is hereby authorized and instructed to execute the Certificate of Acceptance included in the form Deed in Lieu of Judicial Foreclosure, and to have the fully executed Deed in Lieu of Judicial Foreclosure document recorded in the Official Records of Stanislaus County, California.

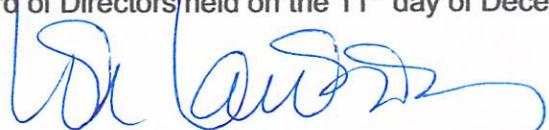
SECTION 4. Exemption from CEQA.

The Board finds that the conveyance of the PROPERTY from SINGH is exempt from the requirements of the California Environmental Quality Act (CEQA) because it can be seen with certainty that the mere acquisition of the PROPERTY has no potential to cause significant effects on the environment since the proposed conveyance does not change land uses or expand the existing use of the PROPERTY. (See, California Code of Regulations, Title 14, Section 15061(b)(3).)

Moved by Director M. Kovich, second by Director M. Johnson, that the foregoing resolution be adopted. Upon roll call the following vote was had:

Ayes: M. Oliver, M. Davies, J. Frederick

I, Lori Lawson, Secretary of the Board of Directors of the Western Hills Water District, do hereby certify that the foregoing is a full, true and correct copy of a resolution duly adopted at a duly noticed regular meeting of the said Board of Directors held on the 11th day of December 2025.



Lori Lawson, WHWD Board Secretary

Exhibit "1"
(Form Settlement Agreement & Release)