

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D. C. 20549
FORM 10-K

- Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
for the fiscal year ended December 31, 2021
OR
 Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
for the transition period from to

COMMISSION FILE NUMBER 0-12114

CADIZ INC.

(Exact name of registrant specified in its charter)



Delaware
(State or other jurisdiction of
incorporation or organization)

77-0313235
(I.R.S. Employer
Identification No.)

550 S. Hope Street, Suite 2850
Los Angeles, CA
(Address of principal executive offices)

90071
(Zip Code)

(213) 271-1600

(Registrant's telephone number, including area code)

Securities Registered Pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	CDZI	The NASDAQ Global Market
Depository Shares (each representing a 1/1000th fractional interest in share of 8.875% Series A Cumulative Perpetual Preferred Stock, par value \$0.01 per share)	CDZIP	The NASDAQ Global Market

Securities Registered Pursuant to Section 12(g) of the Act: None

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in rule 405 under the Securities Act of 1933. **Yes** **No**

Indicate by a check mark if the Registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. **Yes** **No**

Indicate by check mark whether the Registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. **Yes** **No**

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). **Yes** **No**

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer", "accelerated filer", "smaller reporting company", and "emerging growth company" in Rule 12b-2 of the Exchange Act, (Check One).

Large accelerated filer Accelerated filer Non-accelerated filer
 Smaller Reporting Company Emerging growth company

If an emerging growth company, indicate by checkmark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

Indicate by check mark whether the Registrant is a shell company (as defined in Exchange Act Rule 12b-2). Yes No

The aggregate market value of the common stock held by nonaffiliates as of June 30, 2021 was approximately \$545,381,406 based on 40,101,574 shares of common stock outstanding held by nonaffiliates and the closing price on that date. Shares of common stock held by each executive officer and director and by each entity that owns more than 5% of the outstanding common stock have been excluded in that such persons may be deemed to be affiliates. This determination of affiliate status is not necessarily a conclusive determination for other purposes.

As of March 24, 2022 the Registrant had 50,752,203 shares of common stock outstanding.

Documents Incorporated by Reference

The Registrant is not incorporating by reference any documents within this Annual Report on Form 10-K except those footnoted in Part IV under the heading “Item 15. Exhibits, Financial Statement Schedules”.

Part I

Item 1.	Description of Business	1
Item 1A.	Risk Factors	15
Item 1B.	Unresolved Staff Comments	18
Item 2.	Properties	18
Item 3.	Legal Proceedings	20
Item 4.	Mine Safety Disclosures	20

Part II

Item 5.	Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchase of Equity Securities	21
Item 6.	[Reserved]	21
Item 7.	Management’s Discussion and Analysis of Financial Condition and Results of Operations	22
Item 7A.	Quantitative and Qualitative Disclosures about Market Risk	29
Item 8.	Financial Statements and Supplementary Data	29
Item 9.	Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	29
Item 9A.	Controls and Procedures	29
Item 9B.	Other Information	30
Item 9C.	Disclosure Regarding Foreign Jurisdictions that Prevent Inspections	30

Part III

Item 10.	Directors, Executive Officers and Corporate Governance	31
Item 11.	Executive Compensation	45
Item 12.	Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	60
Item 13.	Certain Relationships and Related Transactions, and Director Independence	62
Item 14.	Principal Accounting Fees and Services	64

Part IV

Item 15.	Exhibits, Financial Statement Schedules	66
Item 16.	Form 10-K Summary	70

SIGNATURES	71
----------------------------	----

PART I**ITEM 1. Description of Business**

This Form 10-K contains forward-looking statements with regard to financial projections, proposed transactions such as those concerning the further development of our land and water assets, information or expectations about our business strategies, results of operations, products or markets, or otherwise makes statements about future events. Such forward-looking statements can be identified by the use of words such as “intends”, “anticipates”, “believes”, “estimates”, “projects”, “forecasts”, “expects”, “plans” and “proposes”. Although we believe that the expectations reflected in these forward-looking statements are based on reasonable assumptions, there are a number of risks and uncertainties that could cause actual results to differ materially from these forward-looking statements. These include, among others, the cautionary statements under the caption “Risk Factors”, as well as other cautionary language contained in this Form 10-K. These cautionary statements identify important factors that could cause actual results to differ materially from those described in the forward-looking statements. When considering forward-looking statements in this Form 10-K, you should keep in mind the cautionary statements described above.

General Development of Business

We are a water resources development company and agribusiness committed to sustainable water and farming projects in California. We are one of the largest private landowners in the state and control significant water supply, storage and conveyance assets capable of being part of the solution to California’s systemic water challenges.

Our main objective is to realize the highest and best use of our land, water, and related infrastructure assets in an environmentally responsible way. Our present activities are focused on managing our assets to meet growing long-term demand for access to sustainable water supplies and agricultural products.

We own approximately 45,000 acres of land with high-quality, naturally recharging groundwater resources in three areas of Southern California’s Mojave Desert – the Cadiz Valley (35,000 acres), Danby Dry Lake (2,000 acres), and the Piute Valley (9,000 acres) (“Cadiz Property”). Our properties represent a unique private reserve of lands with vested water rights located in a remote area of eastern San Bernardino County that is at the crossroads of major highway, rail, energy, and water infrastructure supplying and delivering necessary resources to communities in California and across the Western United States. See Item 2. Properties, below.

Our properties were primarily assembled by our founders in the early 1980s, relying on NASA imagery that identified a unique desert land position at the base of a vast and topographically diverse Southern California watershed with potential for agricultural and water development. The Cadiz Valley property (“Cadiz Property”) is underlain by extensive, high-quality, naturally recharging groundwater able to support a variety of uses (see “The Cadiz Water Project”, below).

We have farmed at the Cadiz Property since the late 1980s relying on naturally recharging fresh groundwater supplies for irrigation. Today, our farming operations at the Cadiz Property (“Cadiz Ranch”) are the largest in San Bernardino County. At the Cadiz Ranch, we are engaged in sustainable agricultural production and through lease arrangements with partners have fruit, vegetable and grain crops in production (see “Description of Business, Sustainable Agricultural Development”, below).

While we actively farm certain of our properties, we are aware that California faces systemic water challenges and is not able to safely, sustainably and reliably meet the water needs of all of its communities. We believe that the highest and best use of our assets will be realized by offering a combination of water supply, storage and conveyance projects in complement with the agricultural development at our properties and in ways that are sustainable and responsive to California's resource needs.

We are principally focused on developing the Cadiz Valley Water Conservation, Recovery and Storage Project ("Water Project") at our Cadiz Valley property to help address California's persistent systemic water challenges and deliver new water access to California communities that presently lack reliable water supplies and infrastructure. Through management of groundwater at the Cadiz Property, the Water Project would conserve groundwater otherwise used for agriculture to augment supply in California communities in need and utilize capacity available in the managed groundwater aquifer system at Cadiz to bank and store imported water for use in future dry years.

The Water Project has completed extensive environmental review in accordance with local, state and federal laws and has secured permits authorizing the management of the groundwater aquifer in Cadiz to make available an average of 50,000 acre-feet of water per year for 50 years to communities off of the Cadiz Property. Permitting has also authorized the storage of imported water in the aquifer system for return in future dry years. The Cadiz aquifer system has the capacity to store up to one million acre-feet of imported water (see "The Cadiz Water Project", below).

Several California water providers have expressed interest and executed contracts or option agreements to participate in the Water Project. To deliver conserved water to communities in need or to offer storage, the Water Project must provide conveyance facilities capable of delivering water to and from the Cadiz area for participating water providers (see "Conveyance Pipelines", below). We own a retired, 30" steel natural gas pipeline ("Northern Pipeline") that extends 220-miles from California's Central Valley near the California Aqueduct southeast across Kern and San Bernardino Counties terminating at the Cadiz Property. Engineering and technical assessments indicate that the Northern Pipeline can safely convey 25,000 acre-feet of water in either direction. We also maintain a 99-year lease with the Arizona & California Railroad Company ("ARZC") to co-locate and construct a 43-mile approximately 55-85" steel water conveyance pipeline ("Southern Pipeline") within the existing, active railroad right-of-way that intersects the Colorado River Aqueduct ("CRA"), one of Southern California's primary sources of drinking water in Southern California. The Southern Pipeline is designed to convey up to 75,000 acre-feet per year in either direction.

To utilize the Northern Pipeline for water conveyance related to the Water Project or to construct and operate the Southern Pipeline in coordination with existing water conveyance facilities, we must complete additional permitting and regulatory processes.

We expect to complete any necessary permitting in coordination with any contract to use the facility.

We believe implementation of the Water Project and increasing California's access to water conveyance, will help improve water equity for underserved communities, which is a significant challenge facing the state of California as climate change intensifies.

Successful Water Project implementation would change the cash flow structure of the Company, which has been historically dominated by agricultural lease and farming returns and debt and equity financing to support our working capital needs, including the development of the Water Project. We believe the implementation of the Water Project could provide a significant source of future cash flow for Company.

Our current and future operations also include activities that further our commitments to sustainable stewardship of our land and water resources, good governance and corporate social responsibility. We follow a holistic land management strategy, employ a rigorous environmental policy, and engage with our stakeholders and those impacted by our projects to verify alignment and accountability. More than 30,000 acres of our property are presently managed for conservation, including the reservation of 7,500 acres of our Piute property as a desert tortoise land conservation bank (see “Land Stewardship” and Item 2. Properties, below). We believe these commitments are important investments that will assist in maintenance of sustained stockholder value.

Our strategy for implementation of our projects, current status milestones and prospects are outlined in “Description of Business” below.

Description of Business

Our business is focused on the sustainable development of our land and water assets for their highest and best uses.

Our properties and assets offer opportunities for a wide array of activities that could benefit those who lack reliable access to food, water and infrastructure. At present, our development activities are focused on the Cadiz Water Project, sustainable agriculture, and land stewardship.

California and the Western U.S. face a persistent challenge in meeting the water needs of all of its residents. While the State of California has recognized a Human Right to Water, competing municipal, agricultural and environmental demands outpace the State’s available supply limiting the ability to deliver on that promise. Recent analysis from the California State Water Resources Control Board estimates that more than 1 million Californians lack reliable access to water and several communities are short of long-term reliable and affordable safe-drinking supply.

Southern California receives more than half of its water from three imported water sources: (1) the Colorado River Aqueduct (“CRA”), which delivers water from the Colorado River into California; (2) the California State Water Project (“SWP”), which provides water supplies from Northern California to the central and southern parts of the state; and (3) the Los Angeles Aqueduct, which delivers water from the eastern Sierra Nevada mountains to the City of Los Angeles. Southern California’s water providers and farmers rely on imports from these systems to meet demand, but deliveries from all three into the region are consistently below capacity, even in wet years, due to a combination of regulatory restrictions and the region’s climate variability.

Frequent swings between wet and dry years, which has been exacerbated by climate change, challenges California's traditional supply system and creates an urgent demand for reliable storage and local supply. In 2022, California entered a third year of drought, with reservoirs sitting significantly below capacity and limits imposed on supply available for communities and farmers.

Moreover, cyclical drought, climate change, and regulatory restrictions have limited traditional water supply, which has significantly increased the cost of water and water infrastructure over the last decade.

The communities hardest hit by these challenges are California's disadvantaged communities, where limited tax base and median household income reduce the solutions available to address supply, infrastructure or quality concerns.

To contribute solutions to California's water challenges, we are focused on the development of the Water Project.

The Cadiz Water Project

The Water Project is a public-private partnership with California water agencies that is designed to actively manage the significant aquifer system beneath the Cadiz Property, conserve fresh, high-quality groundwater that is currently lost to high-salinity and evaporation and make available a new water supply for underserved communities in California. The active management of the aquifer system will also support storage of supplemental and imported water to provide additional relief in future dry years.

Water Project operations will follow an extensive, state-of-the-art groundwater management plan (see, "Permits & Regulatory Approvals" below) and withdrawals of groundwater will be limited to sustainable amounts that preserve the health of the aquifer system and safeguard the desert ecosystem. An average of 50,000 acre-feet of water per year will be captured and made available for beneficial use in Southern California communities, an amount of annual supply that could serve approximately 400,000 people each year.

The Water Project would utilize the managed groundwater basin to offer storage in the aquifer system for up to one-million acre-feet of fresh water that would be imported and held in storage until needed in future dry years. The total storage capacity of the aquifer system is larger than Southern California's largest surface reservoir, Diamond Valley Lake, and the location of the Cadiz Property approximately 40 miles from the Colorado River Aqueduct make it a desirable site for storage of Colorado River water supplies, which presently are held in surface reservoirs such as Lake Havasu that suffer significant annual evaporative losses.

The Water Project was designed on a foundation of scientific study to ensure the sustainability of operations. Several comprehensive studies of the water resources at the Cadiz Property and within the surrounding topographically diverse 1,300 sq. mile watershed have been completed to better understand the extent of the unique resources in the Cadiz Valley, including basin size, capacity, water quality and geology.

In summary, scientific research and study have demonstrated the following characteristics of the resource:

1. The aquifer underlying the Cadiz Property contains between 17 – 34 million acre-feet of groundwater in storage, a quantity on par with Lake Mead, the U.S.'s largest surface reservoir.
2. The aquifer system is composed of highly porous sands and rock allowing groundwater to easily flow. At the Cadiz Property, the groundwater table is reached at approximately 150 feet below ground surface, and fresh water extends over 1,000 feet below ground surface. Agricultural use of groundwater at the Cadiz Property has not resulted in any significant, sustained drawdown of the water table in the Cadiz Valley.
3. Groundwater enters the watershed as precipitation in the high elevations of the surrounding mountain system, percolates slowly over time downgradient to the Cadiz and Fenner Valleys and exits the system at large dry lake playas (Cadiz & Bristol Dry Lakes) south of the Cadiz Property. Natural recharge is estimated at approximately 32,500 acre-feet per year and physical measurements of evaporation from the dry lake playas are consistent with the recharge estimate.

A combination of existing and new facilities will be required for implementation and operation of the Water Project. Facilities include a wellfield, which would integrate with our existing agricultural wells, a pipeline manifold system, and power facilities to support operation of the wellfield. The Water Project may also include a water treatment facility to meet water quality requirements of our partner agencies. Further, to deliver water to participants in the Water Project or import water for storage at the Project area, at least one water conveyance pipeline would be required either via new construction or conversion of existing pipeline facilities in the area. We currently contemplate the use of two potential pipeline routes for the Water Project; one would extend southwards from the Cadiz Property to the Colorado River Aqueduct in Rice, California (the "Southern Pipeline") and the other extends northwards from the Cadiz Property to Wheeler Ridge, California (the "Northern Pipeline").

Construction of the Water Project facilities that would allow for conservation, storage and delivery of groundwater to public water providers is estimated to cost approximately \$450 - \$550 million. We expect these capital costs to require either infrastructure debt financing secured by the Company in the private markets, capital financing traditionally available to public agencies at a lower cost of capital, or other public funding available to public agencies.

We have secured permits required to construct and operate the main Project facilities at the Cadiz Property (see "Permits & Regulatory Approvals", below).

Prior to implementation of the Water Project, we will require final contracts (see "Contracts with Agencies", below) that will include conveyance arrangements to move water between the Cadiz Property and the service areas of participating water agencies (see "Conveyance Pipelines", below). The contracts and conveyance arrangements are subject to environmental review and regulatory approval.

Permits & Regulatory Approvals

To ensure the safety and sustainability of operations, the Water Project requires environmental and regulatory permits prior to construction and implementation. Following a multi-year permitting process, the Water Project received permits that allow the capture and conservation of 2.5 million acre-feet of groundwater over 50 years, on average 50,000 acre-feet per year, and the storage of water in the managed aquifer system, in accordance with the terms of a groundwater management plan approved by San Bernardino County.

The Water Project has completed a California Environmental Quality Act (“CEQA”) review process including the completion of a comprehensive Final Environmental Impact Report (“FEIR”). The FEIR concluded that Water Project operations would not cause any significant adverse environmental impacts. The FEIR was certified on July 31, 2012.

San Bernardino County, the local agency responsible for groundwater use at the Cadiz Property has also reviewed the Water Project and approved its Groundwater Monitoring, Management and Mitigation Plan (“GMMMP”), which establishes a monitoring network to ensure that the Water Project will not cause harm to the environment or surrounding land uses. The GMMMP includes 100 monitoring features across the watershed and regular transparent disclosure of conditions. The FEIR and GMMMP permits allow the conservation and delivery of 50,000 acre-feet of groundwater per year for 50 years to serve beneficial uses in California communities. These permits were upheld and sustained in their entirety by judgements in California’s Superior and Appellate Courts and are no longer subject to legal challenge.

In August 2019, an Addendum to the FEIR was adopted by the Fenner Valley Water Authority, a joint powers authority comprised of the public water agencies participating in the Water Project, to address updates to the Water Project proposal, such as its water treatment program and pipeline route. The Addendum also assessed new studies published about natural springs in the Water Project watershed. The Addendum concluded that there are no significant adverse impacts associated with the minor changes to the Water Project and further summarized that the spring studies did not change the conclusions of the FEIR’s analysis. The Addendum was not challenged in court and is no longer subject to litigation.

Contracts with Water Agencies

The Water Project is a public-private partnership with California public water agencies that require supplemental water supply and storage to serve their communities

Since 2010 we have executed Letters of Intent (“LOIs”), option agreements, or contracts reserving water supply and storage for public water agencies and private water utilities (“Participating Agencies”) that serve more than one million customers in cities throughout California’s San Bernardino, Riverside, Los Angeles, Orange, Imperial and Ventura Counties. We have pledged that the benefits of the Water Project will be realized locally in San Bernardino County, where the Cadiz Property is located, and twenty percent of Water Project supplies have already been reserved for San Bernardino County-based agencies.

Generally, our existing contracts and option agreements reserve water supply from the Project at approximately \$1,200 - 1,400/ acre-foot of delivered water, and reserve aquifer storage capacity at \$1,500/ acre-foot of capacity.

Water supply and storage pricing in the agreements include adjustments in market pricing that have occurred since initial execution of option agreements. We also expect final pricing will include considerations for the service of state-designated disadvantaged communities (“DAC” or “DACs”) by a water provider. All current partners in the Water Project contain at least one community classified as a DAC. It is our objective for the cost of water supply and storage from the Water Project to be among the most affordable solutions in Southern California.

In addition to discussions with parties that presently hold options and contracts to water from the Project, we also are engaging in discussions with communities that have been particularly affected by the ongoing drought in California and that may benefit from the availability of supply and storage from the Water Project. Regulatory restrictions on California’s traditional supplies are accelerating these discussions as we aim to service those hardest hit by lack of safe, reliable water access.

Contracts are subject to the approval of the elected boards of the Participating Agencies, or regulatory authority of that agency, and subject to environmental review and compliance with CEQA. Participants may also complete additional study and investigation of the Water Project prior to consideration of a contract.

Conveyance Pipelines

As described above, we anticipate using two separate pipeline routes to convey water between the Cadiz Property and the service areas of Participating Agencies. The first route, or the Southern Pipeline, requires the construction of a 43-mile water conveyance pipeline within a portion of the ARZC right-of-way that crosses the Cadiz Property and intersects with the CRA in Rice, California. The CRA is owned by the Metropolitan Water District (“MWD”) and serves water providers in six southern California counties. The second route, or the Northern Pipeline, contemplates the use of an existing, idle 30” natural gas pipeline that we acquired from El Paso Natural Gas (“EPNG”) to convert for water conveyance. The Northern Pipeline extends 220-miles between Wheeler Ridge, California near Bakersfield and the Cadiz Property. Along its route it crosses main water delivery systems including the Mojave River Pipeline, the Los Angeles Aqueduct and facilities of the State Water Project.

The use of either route for conveyance of water to or from the Cadiz Property is subject to additional regulatory approval as outlined below.

1. Southern Pipeline

The Southern Pipeline is designed to be a 55-85” steel pipeline that would be constructed within ARZC's 200 ft. wide right-of-way traveling from the Cadiz Property 43 miles south-east to the CRA near Rice, California. It would have the capacity to transport up to 150,000 acre-feet per year depending on the diameter of the pipe selected, however our current permits limit the conveyance amount to 75,000 acre-feet per year. In 2008, we entered into a 99-year lease agreement with the ARZC to utilize a portion of its existing right-of-way for a conveyance pipeline and related facilities. As part of the lease arrangement, we agreed to provide necessary railroad improvements in furtherance of railroad purposes. This includes providing water and power to the railroad for fire protection and improving access roads and transloading operations, among other things. By co-locating the conveyance pipeline within this existing railroad right-of-way, Water Project construction would avoid impacts to desert habitats. The route and construction within the route were evaluated and approved during the Water Project’s CEQA permitting process.

Our proposed co-location in the right-of-way was also separately assessed by the US Bureau of Land Management (“BLM”) to determine the need for any federal permitting related to the proposed use of the ARZC railroad right-of-way, which is a federal right-of-way originally granted to the railroad in accordance with the General Railroad Right-of-Way Act of 1875 (“1875 Act”). BLM’s evaluation, which was issued in February 2020, concluded that the proposed Southern Pipeline will further railroad purposes at least in part, is within the scope of the right-of-way, and requires no additional BLM approvals. In February 2022, the US Department of the Interior’s Solicitor Office issued a new legal opinion regarding third party use of 1875 Act rights-of-way that preserved the railroad purposes assessment for third party uses. The opinion was not specific to any railroad and did not alter our 2020 evaluation.

Construction of the Southern Pipeline and related facilities will not be initiated until we obtain both (i) an agreement with Metropolitan Water District of Southern California to move water supplies from the Water Project in the CRA; and (ii) a finding by the California State Lands Commission that conveying water from the Water Project in the CRA will not adversely affect the desert environment.

- *MWD Agreement*

Water supplies conserved by the Water Project would enter the CRA, which is owned by MWD, at the termination of the Southern Pipeline. The CEQA process considered a variety of options for the interconnection to the CRA and conveyance of Water Project supplies in the CRA for the benefit of Participating Agencies. Final terms and conditions for entry and conveyance will be determined by MWD in consultation with the Participating Agencies.

MWD is required to convey water for a third party subject to provisions in California Water Code sections 1810 – 1815, *Joint Use of Capacity in Water Conveyance Facilities* (also known as “the Wheeling Statutes”) provided that supplies entering the CRA comply with MWD’s published engineering, design and water quality standards. Water supplies conveyed in the CRA are also subject to all applicable fees and charges routinely established by MWD for the conveyance of water within its service territory. Any wheeling fees will be payable by participants in the Water Project.

Adding Cadiz groundwater to the CRA offers a water quality benefit to MWD and its member agencies that may also be considered when establishing terms and conditions for entry and conveyance in the CRA. Cadiz water presently meets all state and federal water quality requirements without treatment and total dissolved solids (“TDS”) or salts in the Cadiz water supply are substantially lower than the water in the CRA. Adding Cadiz water to the CRA could lower its TDS and provide a reduction in treatment costs. Some naturally occurring constituents at Cadiz are lower than state and federal drinking water standards, but potentially higher than the water in the CRA; however, based on extensive pilot testing, they can be lowered via treatment to ambient levels or removed entirely with use of cost-effective treatment technologies.

Cadiz aquifer system storage also offers significant benefits to MWD members agencies managing Colorado River entitlements. Water stored at Cadiz would suffer no evaporative losses, while water stored in Colorado River surface reservoirs can experience up to 20% loss due to evaporation due to their Mojave Desert environment.

Once agreement regarding terms and conditions of the Water Project’s use of the CRA to transport water to its participating agencies is reached, then the agreement will be considered by the MWD Board. We expect a formal application to MWD for consideration of terms and conditions would be filed in coordination with the completion of our contractual arrangements.

- *State Lands Commission Review under Water Code Section 1815*

Water Code Section 1815, which is a component of California’s “Wheeling Statutes” referenced above, requires desert groundwater projects to apply for a review by the California State Lands Commission (“SLC”) prior to moving water in facilities like the CRA. This review must determine whether such projects would have “unreasonable effects on the environment and water dependent ecosystems in the surrounding watersheds.” The review by SLC must be conducted within 15 months of any filed application, with an option to extend for an additional 9 months upon public notice and explanation. Any application to the SLC for review of the Water Project’s plans to convey water in the CRA from the Cadiz Property will be accompanied by evidence of the Water Project’s extensive record of environmental sustainability as well as data and reports that we expect will withstand critical scrutiny. We expect a formal application with the SLC would be filed in coordination with final contractual arrangements with Participating Agencies.

2. Northern Pipeline

The Northern Pipeline is a 220-mile long, 30-inch-wide existing idle steel pipeline that extends northwest from our Cadiz Property and crosses agricultural, military, industrial and exurban communities across San Bernardino, Los Angeles, and Kern counties. The pipeline also crosses primary state water infrastructure including the Los Angeles Aqueduct and facilities of the State Water Project.

Technical engineering studies have indicated that the pipeline (a former petroleum products line that was retired in 2005) could transport approximately 25,000 acre-feet of water per year between points along the pipeline corridor. Professional water quality and structural testing of a five-mile segment conducted in 2020 determined that there were no residual gas or petroleum products in the tested segment and that the pipeline is structurally sound to transport water.

In December 2020, BLM granted to our subsidiary Cadiz Real Estate LLC two right-of-way permits that now enable us to transport water through the entire Northern Pipeline over BLM-managed lands. The first right-of-way was issued pursuant to an assignment in October 2020 of a portion of an existing right-of-way held by EPNG and renewed by BLM under the Mineral Leasing Act that enables the continued transportation of natural gas. The second right-of-way was issued under the Federal Land Policy and Management Act and authorizes the conveyance of water in the pipeline over BLM-managed lands. The two right-of-way grants are presently being challenged in federal court. See Item 3. Legal Proceedings, below.

Following receipt of the BLM grants, the Company completed the acquisition of the Northern Pipeline with final payment to EPNG of \$19 million, on June 30, 2021. We now own the entire 220-mile pipeline asset in fee.

The Northern Pipeline offers California water purveyors a unique asset and corresponding opportunity to connect available supplies with rural areas of the State that are underserved. When the Northern Pipeline becomes operational for water conveyance, and the Southern Pipeline is built, the Water Project would interconnect all of Southern California's primary water delivery systems for the first time, enabling more flexible trading among participants on these systems.

We are presently engaged in discussions with parties interested in using the Northern Pipeline for conveyance, storage and supply. The Northern Pipeline crosses a critically dry, rural and underserved part of California and it could directly augment water supply access and storage for 23 state-designated disadvantaged communities along its route.

Prior to conveyance of water through the Northern Pipeline, we must secure permits required by any definitive agreement to use the facility. All conveyance of water via the Northern Pipeline would be conducted in accordance with applicable local, state and federal laws.

The cost to convert the entire Northern Pipeline for delivery of water is estimated at approximately \$100 - \$125 million, described in the discussion of Water Project facilities costs above in "Description of Business, *the Cadiz Water Project*." We anticipate that these costs will be financed via infrastructure debt available in the private markets financing or funding accessible by our public agency partners.

Facility Design & Construction

Prior to final construction of the Water Project facilities, we must finalize facility design and acquire relevant construction permits from local agencies.

Together with Participating Agencies we have engaged engineering and environmental consultants to complete design plans for remaining necessary facilities. This work is ongoing and expected to proceed in coordination with the negotiation of contracts and conveyance arrangements.

Social Impact

Upon implementation, an objective of the Water Project's safe and sustainable operations is to benefit community stakeholders. The Water Project will have the following positive social impacts:

1. **Water for disadvantaged communities.** All public agency participants with options to contract for water from the Water Project must serve at least one disadvantaged community within their service area.
2. **Improve local water quality.** The introduction of our low TDS groundwater in the CRA, which is known to be high in TDS, would provide a water softening benefit that would reduce treatment costs for the metropolitan southern California service area. Water Project partners have also established a \$5 million fund for small water systems in disadvantaged communities to support local water quality improvements.
3. **Repurposing carbon contributing assets.** The use of the Northern Pipeline for water conveyance will convert a former oil and gas pipeline for the beneficial use of water conveyance. The recycling of an existing pipeline will reduce greenhouse gas emissions and reduce the load on the state's current water transportation sources.
4. **Creation of new renewable energy.** The Cadiz Southern Pipeline and Northern Pipeline will feature in-line turbines that will generate renewable hydropower. The Water Project wells and pump stations will be powered at least in part by solar energy and natural gas.
5. **Protection of habitats.** All Water Project facilities will be built on private lands, disturbed public lands or within existing transportation corridors to avoid any impacts on habitats.
6. **Support stable water rates.** The addition of new reliable supply, groundwater storage, improved water quality and system efficiency will allow water agency participants to keep rates low in their service area.
7. **Create and support good-paying jobs.** The Water Project is expected to create and support nearly 6,000 jobs across the local economy during two phases of construction; 10% of jobs are reserved for veterans. We maintain a Project Labor Agreement with two building trades unions to employ their members during all construction of Project facilities.
8. **Improved tax base.** Improvements to the Cadiz Project resulting from the Water Project will contribute new tax revenue to local governments, including County budgets and local schools in disadvantaged communities.

Sustainable Agricultural Development

Farming began at the Cadiz Property in the 1980s and has continued sustainably since that time. Our entire 35,000-acre Cadiz Property is zoned to allow for agricultural development. A total of 9,600 acres of the property, which is also known as the Cadiz Ranch, has been permitted for agricultural use, allowing for planting, irrigation and related infrastructure. The Cadiz Ranch is the largest approved agricultural operation in San Bernardino County.

The property features worker housing and commissary for 300 people, as well as office and equipment facilities. Irrigation is currently supported by 9 wells, with capacity to deliver up to 25,000 acre-feet of water per year. All agricultural wells are expected to be integrated into any Water Project wellfield. Water quality is excellent with very low TDS and meets all state and federal requirements without treatment.

Presently, 3,100 acres are developed for farming via a combination of lease arrangements and direct farming by Cadiz as follows:

- 2,100 acres have been leased for the farming of lemons and other crops by Fenner Valley Farms LLC. Of this total, 640 acres have been developed to lemon orchards. All farming expenses are borne by the lessee. Revenues from this lease total approximately \$420,000 per year.
- 242 acres have been leased for the farming of industrial hemp by SoCal Hemp JV LLC, our 50/50 joint venture partnership with SoCal HempCo LLC, owned by Glass House Brands, Inc. All farming expenses are borne by the joint venture. Lease revenues received from the joint venture totaled approximately \$120,000. Regulatory uncertainty and access supply uncertainty in the CBD market has limited market opportunities for our hemp and the cannabinoids (CBD) derived from harvested hemp to date. Due to limited demand, in 2022 we expect to plant less than 20 acres of hemp focusing on continued hemp and hemp-derived CBD research.
- 760 acres have been developed by the Company for alfalfa. 600 of these acres were planted in fall 2021 and the remaining 160 acres have been planted in spring 2022. Initial harvesting is expected to begin in the 2nd quarter of 2022.

To address climate change, maintain a natural environment and support habitat for local flora and fauna, we and our farming partners follow best practices that minimize water use, improve soil fertility, and reduce pesticides and other applications that could adversely impact soil, water or food quality.

All farming at the Cadiz Ranch is conducted in accordance with permits and a management plan overseen by San Bernardino County. We report our crop mix, groundwater use, water quality, well levels, and other trends annually to the County.

Efficient use of water by agriculture is critical to long-term sustainability and our agricultural operations. The Cadiz/Fenner groundwater basins, which underlie our farming operations, are classified as “low/very low” priority in accordance with the California Sustainable Groundwater Management Act (“SGMA”) demonstrating the sustainability of the groundwater basins that support our ongoing irrigation. By contrast, the Public Policy Institute of California has estimated that between 535,000 and 750,000 acres of farmland in the Central Valley will have to be permanently fallowed in order for these groundwater basins to satisfy SGMA. Given the enduring safety and sustainability of our agricultural operations, we anticipate offering a continuing option for agricultural operations in California.

All Cadiz Ranch agriculture is developed to be compatible with anticipated Water Project operations. Overlying farming demands will be coordinated with Water Project operations and existing permits to utilize available water for its highest and best use.

Land Stewardship

Our mission includes managing our desert properties for their highest and best use. Approximately 30,000 acres of our total 45,000 acres are presently managed for permanent open space.

In 2014, we permanently dedicated approximately 7,500 acres of our Piute Valley properties to conservation. These properties, which are not associated with the Cadiz Water Project or Cadiz Ranch agricultural operations, are located within terrain designated by the federal government as Critical Desert Tortoise Habitat and/or Desert Wilderness Areas. In February 2015, the California Department of Fish and Wildlife approved our establishment of the Fenner Valley Desert Tortoise Conservation Bank (“Fenner Bank”), a land conservation bank that makes available these properties for mitigation of impacts to tortoise and other sensitive species that would be caused by any development across the Southern California desert. Under its enabling documents, the Fenner Bank offers credits that can be acquired by entities that must mitigate or offset impacts linked to planned development. For example, this bank can service the mitigation requirements of renewable energy, military, residential and commercial development projects being considered throughout the Mojave Desert. Credits sold by the Fenner Bank are dedicated to funding the permanent preservation of the land by the San Diego Habitat Conservancy and research by San Diego Zoo Global into desert tortoise health and species protection. Any future revenues received from credits sold are expected to be reinvested into the land conservation operation.

Other Opportunities

We remain committed to the sustainable use of our land, water and infrastructure assets and will continue to explore all opportunities for sustainable development in an environmentally responsible way. We cannot estimate which of these opportunities will ultimately be realized.

Seasonality

Our water resource development activities are not seasonal in nature.

Farming operations on the leased land at the Cadiz Property include the year-round cultivation of lemons and spring and fall plantings of vegetables and grains. These operations have been subject to general seasonal trends that are characteristic of the agricultural industry.

Competition

We face competition in the acquisition, development and sale of water and land assets from a variety of parties. We also experience competition in our development of water projects and agriculture associated with our properties. Since California has scarce water resources and an increasing demand for available water, we believe that location, price and reliability of delivery are the principal competitive factors affecting transfers of water in California. We believe our projects are competitive with other sources of water and agriculture.

Human Capital Resources

As of December 31, 2021, we employed 10 full-time employees (i.e. those individuals working more than 1,000 hours per year). Our business operations also rely on third party contracted seasonal and temporary workers, as well as consultants and vendors to help augment specialized human capital and talent needs. Our full-time and third party contracted workers, as well as consultants and vendors, must follow our code of conduct and ethics policy, as well as our whistleblower and information security policies.

We appreciate the importance of retention, growth and development of our employees. The average tenure of our full-time employees is more than 10 years, reflecting our positive work environment that offers opportunities to develop new skills and advance to new positions. We believe we offer competitive compensation (including salary, incentive bonus, and equity) and benefits packages to our employees, including a 401(k) plan. Further, we urge professional development opportunities and mentorship to cultivate talent throughout the Company.

As a small workforce, we focus on skill sharing and experience diversity in the workplace. Our full-time employees have opportunity to often work with senior leadership and/or Board members in pursuit of business objectives. Management and leadership provide annual reviews of employee performance. Human capital is generally managed by our CEO and CFO, and employment policies are overseen by the Board, particularly the Compensation Committee.

We are focused on both executing on a strategy to support progress and evaluating our diversity and inclusion strengths and opportunities to ensure our workforce reflects the communities in which we operate.

COVID-19

We remained open throughout the COVID-19 pandemic as a member of the agricultural products industry. Our employees were provided opportunities to telework and flexibility to manage the unique demands of the situation. We expect to continue to support work-from-home arrangements for our employees even as the pandemic eases, as it has created new flexibility that is favored by our workforce.

Our employees are provided socially-distanced working spaces and Personal Protective Equipment (PPE). Our operations are also in compliance with all local, state and federal pandemic regulations.

Regulation

Our operations are subject to varying degrees of federal, state and local laws and regulations, as detailed throughout Item 1. As we proceed with the development of our properties, including the Water Project, we will be required to demonstrate to various regulatory authorities that we are in compliance with the laws, regulations and policies enforced by such authorities. Groundwater development, and the export of conserved groundwater for sale to entities such as public water agencies, is subject to regulation by specific existing statutes pertaining to water supply, but also general environmental statutes applicable to all forms of development. Agricultural operations are generally subject to regulation by local agencies, such as county governments, as well as state environmental and water statutes. For example, we must obtain a variety of approvals and permits from state and federal governments with respect to assessment of environmental impact, particularly given the location of our assets in the California desert and in proximity to public lands. Because of the discretionary nature of these approvals, concerns raised by governmental officials, public interest groups and/or other interested parties during both the development and the approval process may impact our ability to develop our properties in the manner we believe would fulfill their highest and best use. The realization of income from our projects, including the Water Project, could be delayed, reduced or eliminated based on regulatory restrictions and/or processes.

Access to Our Information

Our annual, quarterly and current reports, proxy statements and other information are filed with the Securities and Exchange Commission (“SEC”) and are available free of charge on the internet through our website, <http://www.cadizinc.com>, as soon as reasonably practical after electronic filing of such material with the SEC. Our website address provided in this Annual Report on Form 10-K is not intended to function as a hyperlink and the information on our website is not, nor should it be considered, part of this report or incorporated by reference into this report.

Our SEC filings are also available to the public on the internet at the SEC’s website <http://www.sec.gov>.

ITEM 1A. Risk Factors

Our business is subject to a number of risks, including those described below.

Our Development Activities Have Not Generated Significant Revenues

At present, our development activities include water resource and agricultural development at our San Bernardino County properties. We have not received significant revenues from our development activities to date and we do not know when, if ever, we will receive operating revenues sufficient to offset the costs of our development activities. As a result, we continue to incur a net loss from operations.

We May Never Generate Significant Revenues or Become Profitable Unless We Are Able to Successfully Implement Programs to Develop Our Land Assets and Related Water Resources

We do not know the terms, if any, upon which we may be able to proceed with our water and other development programs or successfully implement our agricultural plans. Regardless of the form of our development programs, the circumstances under which supplies or storage of water and agriculture can be developed and the profitability of any such project are subject to significant uncertainties, including the risk of variable water supplies and changing water allocation priorities. Additional risks include our ability to obtain all necessary regulatory approvals and permits, litigation by environmental or other groups, unforeseen technical difficulties, general market conditions for agricultural and water supplies, and the time needed to generate significant operating revenues from such programs after operations commence.

The Development of Our Properties Is Heavily Regulated, Requires Governmental Approvals and Permits That Could Be Denied, and May Have Competing Governmental Interests and Objectives

In developing our land assets and related water resources, we are subject to local, state, and federal statutes, ordinances, rules and regulations concerning zoning, resource protection, environmental impacts, infrastructure design, subdivision of land, construction and similar matters. Our development activities are subject to the risk of adverse interpretations of such U.S. federal, state and local laws, regulations and policies and/or the adoption of new and amended laws, regulations and policies that prohibits, restrict, modify or delay our development activities.

Further, our development activities require governmental approvals and permits. If such permits were to be denied or granted subject to unfavorable conditions or restrictions, our ability to successfully implement our development programs as planned would be adversely impacted and could delay returns on our investments in the development of our assets.

Current regulation that could impact our water resources development activities are generally related to water conveyance functions, particularly the conversion of existing pipelines and construction of new pipelines and related facilities necessary to move water to and from Cadiz, or between points along these pipelines for the benefit of California water users. In this regard, we will need to obtain certain permits and approvals from public water agencies in California, the California State Lands Commission, and agencies of the federal government, such as the US Department of the Interior. Such regulatory requirements will be determined by any contractual obligation to transport water between parties via Cadiz pipeline infrastructure.

Generally, opposition from third parties expressed at any regulatory venue can cause delays and increase the costs of our development efforts or preclude such development entirely. While we have worked with representatives of various environmental and third-party stakeholders to address any concerns about our projects, certain groups may remain opposed to our development plans regardless of our engagement and pursue legal and other actions.

Governmental approvals and permits granted authorizing our development activities may be challenged in court and such litigation could adversely impact our timelines, development plans, and ultimately the return on our investments. Currently, our permits granted by the US Bureau of Land Management (“BLM”) in December 2020 that assigned an existing right-of-way and granted a new right-of-way to us to enable the conveyance of water in our Northern Pipeline are being challenged in federal court in two lawsuits. See Item 3. Legal Proceedings, below.

Our Failure to Make Timely Payments of Principal and Interest on Our Indebtedness or To Obtain Additional Financing Will Impact our Ability to Implement Our Asset Development Programs

As of December 31, 2021, we had total indebtedness outstanding to our lenders of approximately \$50.2 million which is secured by our assets. \$50.0 million of our indebtedness matures in July 2024 with interest payable quarterly in cash at a 7% annual rate. To the extent that we do not make principal and interest payments on the indebtedness when due, or if we otherwise fail to comply with the terms of agreements governing our indebtedness, we may default on our obligations.

We will continue to require additional working capital to meet our cash resource needs until such time as our asset development programs, including the Water Project, produce revenues sufficient to fund operations. If we cannot raise funds if and when needed, we might be forced to make substantial reductions in our operating expenses, which could adversely affect our ability to implement our current business plan and ultimately our viability as a company. We cannot assure you that our current lenders, or any other lenders, will give us additional credit should we seek it. If we are unable to obtain additional credit, we may engage in further financings. Our ability to obtain financing will depend, among other things, on the status of our asset development programs and general conditions in the capital markets at the time funding is sought. Any further equity or convertible debt financings would result in the dilution of ownership interests of our current stockholders.

The Issuance of Equity Securities and Management Equity Incentive Plans Will Cause Dilution

We have and may continue to issue equity securities pursuant to at the market issuance sales agreements or direct placements. Further, our compensation programs for management emphasize long-term incentives, primarily through the issuance of equity securities and options to purchase equity securities. It is expected that plans involving the issuance of shares, options, or both will be submitted from time to time to our stockholders for approval. In the event that any such plans are approved and implemented, the issuance of shares and options under such plans may result in the dilution of the ownership interest of other stockholders and will, under currently applicable accounting rules, result in a charge to earnings based on the value of our common stock at the time of issue and the fair value of options at the time of their award. The expense would be recorded over the vesting period of each stock and option grant.

The Volatility of the Stock Price of our Equity Securities Could Adversely Affect Current and Future Stockholders

The market price of our common stock and depositary shares is volatile and fluctuates in response to various factors which are beyond our control. Such fluctuations are particularly common in companies such as ours, which have not generated significant revenues. The following factors, in addition to other risk factors described in this section, could cause the market price of our common stock to fluctuate substantially:

- developments involving the execution of our business plan;
- disclosure of any adverse results in litigation;
- regulatory developments affecting our ability to develop our properties;
- disruptions to the market and industry as a result of the global COVID-19 pandemic and related events;
- the dilutive effect or perceived dilutive effect of additional debt or equity financings;
- perceptions in the marketplace of our company and the industry in which we operate; and
- general economic, political and market conditions.

In addition, the stock markets, from time to time, experience extreme price and volume fluctuations that may be unrelated or disproportionate to the operating performance of companies. These broad fluctuations may adversely affect the market price of our common stock. Price volatility could be worse if the trading volume of our common stock is low.

ITEM 1B. Unresolved Staff Comments

Not applicable at this time.

ITEM 2. Properties

Following is a description of our significant properties.

The Cadiz Valley Property

We own approximately 35,000 acres of largely contiguous desert land in the Cadiz and Fenner valleys of eastern San Bernardino County, California (the “Cadiz Property”). This area is located approximately 80 miles east of Barstow, California and 30 miles north of the Colorado River Aqueduct (“CRA”), and 110 miles north-east of Palm Springs. The Cadiz Property, which is at the base of a topographically diverse 1,300 square mile watershed, is the principal location of our business operations, including our agricultural operations and ongoing water supply and storage project development.

Independent geotechnical and engineering studies conducted since initial acquisition have confirmed that the Cadiz Property overlies a significant aquifer system that can support agricultural development and is ideally suited for the conservation of groundwater for water supply projects, as well as the storage of imported water, as contemplated by the Water Project. See Item 1, “Description of Business – The Cadiz Water Project”.

Additional Eastern Mojave Properties

In addition to the Cadiz Property, we also own approximately 11,000 additional acres in the eastern Mojave Desert portion of San Bernardino County, California at two separate properties.

Piute: We own approximately 9,000 acres in the Piute Valley. This landholding is located 15 miles from the resort community of Laughlin, Nevada, and about 12 miles from the Colorado River town of Needles, California. Extensive hydrological studies, including the drilling and testing of a full-scale production well, have demonstrated that this landholding is underlain by high-quality groundwater and could be suitable for agricultural development or solar energy production. The Piute properties are private inholdings in the Mojave Trails National Monument, and are proximate to or border areas designated by the state and federal government as Critical Desert Tortoise Habitat and/or Desert Wilderness Areas and are therefore ideally suited for preservation and conservation. Approximately 7,500 acres of our Piute Valley properties are reserved in our Fenner Valley Desert Tortoise Conservation Bank, which is the largest land bank in California dedicated to protecting the desert tortoise. The Bank offers credits that can be acquired by public and private entities required to mitigate or offset impacts to the desert tortoise linked to planned development. We are presently marketing these credits to a variety of planned developments in the region.

Danby: We own nearly 2,000 acres near Danby Dry Lake in Ward Valley, approximately 30 miles southeast of the Cadiz Property. Our Danby Dry Lake property is located approximately 10 miles north of the Colorado River Aqueduct. Initial hydrological studies indicate that it has excellent potential for a water supply project. Certain of the properties in this area may also be suitable for agricultural development, renewable energy and/or preservation and conservation lands. The Danby properties are currently managed for open space purposes.

Executive Offices

We lease approximately 3,800 square feet of office space in Los Angeles, California for our executive offices. This lease is month-to-month. Current base rent under the lease is approximately \$8,500 per month.

Cadiz Real Estate

The title to all of our real estate assets is held by Cadiz Real Estate LLC (“Cadiz Real Estate”), a wholly owned subsidiary of Cadiz Inc. The Board of Managers of Cadiz Real Estate currently consists of two managers appointed by us. As the ownership of the real estate held by Cadiz Real Estate has no effect on our ultimate beneficial ownership of these assets, we refer throughout this Report to assets owned of record either by Cadiz Real Estate or by us as “our” properties.

Cadiz Real Estate is a co-obligor under our senior secured term loan, for which assets of Cadiz Real Estate have been pledged as security.

Debt Secured by Properties

Our assets have been pledged as collateral for \$50.0 million of senior secured debt outstanding as of December 31, 2021. Information regarding interest rates and principal maturities is provided in Note 6 to the Consolidated Financial Statements, “Long-Term Debt”.

ITEM 3. Legal Proceedings

As noted under Item 1A, Risk Factors, third parties have the ability to file litigation challenging government approvals related to our property. On March 23, 2021, two lawsuits were filed by The Native American Land Conservancy/National Park Conservation Association and Center for Biological Diversity/Defenders of Wildlife/Sierra Club against the United States Department of the Interior, Bureau of Land Management (“BLM”) and agency decision makers in United States District Court for the Central District of California (the “Court”). The lawsuits allege violations by BLM of various regulations in its issuance to our subsidiary, Cadiz Real Estate LLC, of two right-of-way permits that now enable us to transport water through the Northern Pipeline over BLM-managed lands and seek to vacate the permits and require additional federal review. We were not a named party to these lawsuits, but in June 2021 we filed motions to intervene in each lawsuit to join the defense of these right-of-way permits. In August 2021, our motions were granted, and we were recognized by the Court as an Intervening Defendant.

In December 2021, counsel for BLM filed a Motion for Voluntary Remand seeking to vacate the permits and require additional environmental review. We believe the record reflects that the permits were lawfully issued to us and that our conversion of this pipeline to water conveyance will not cause any disturbance to the public lands or harm to the environment.

In March 2022, we filed our opposition to the motion for voluntary remand with the Court. The Court will hold a hearing on the motion in early May 2022.

While we continue to believe the lawsuits are without merit, we cannot reasonably predict the outcome of the motion or the cases at this time.

Additionally, from time to time we are involved in various lawsuits and legal proceedings that arise in the ordinary course of business. At this time, the Company is not aware of any other pending or threatened litigation that it expects will have a material adverse effect on its business, financial condition, liquidity, or operating results. Legal claims are inherently uncertain, however, and it is possible that the Company’s business, financial condition, liquidity and/or operating results could be adversely affected in the future by legal proceedings.

ITEM 4. Mine Safety Disclosures

Not Applicable.

PART II**ITEM 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchase of Equity Securities**

Our common stock is currently traded on The NASDAQ Global Market ("NASDAQ") under the symbol "CDZI." The following table reflects actual sales transactions for the dates that we were trading on NASDAQ, as reported by NASDAQ.

Quarter Ended	High Sales Price	Low Sales Price
2020:		
March 31	\$ 11.78	\$ 11.38
June 30	\$ 10.19	\$ 9.92
September 30	\$ 10.03	\$ 9.87
December 31	\$ 10.75	\$ 10.57
2021:		
March 31	\$ 9.67	\$ 9.35
June 30	\$ 13.82	\$ 13.50
September 30	\$ 7.18	\$ 6.63
December 31	\$ 3.99	\$ 3.59

On March 24, 2022, the high, low and last sales prices for the shares were \$2.30, \$2.13, and \$2.15, respectively.

As of March 24, 2022, the number of stockholders of record of our common stock was 61.

To date, we have not paid a cash dividend on our common stock and do not anticipate paying any cash dividends on our common stock in the foreseeable future. Our senior secured term loan has covenants that prohibit the payment of dividends on our common stock.

Holders of Series A Preferred Stock, when and as authorized by the Company's Board of Directors, are entitled to cumulative cash dividends at the rate of 8.875% of the \$25,000.00 (\$25.00 per Depositary Share) liquidation preference per year (equivalent to \$2,218.75 per share per year or \$2.21875 per Depositary Share per year). Dividends will be payable quarterly in arrears, on or about the 15th of January, April, July and October, beginning on or about October 15, 2021.

All securities sold by us during the three years ended December 31, 2021, which were not registered under the Securities Act of 1933, as amended, have been previously reported in accordance with the requirements of Rule 12b-2 of the Securities Exchange Act of 1934, as amended.

ITEM 6. [Reserved]

ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

In connection with the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, the following discussion contains trend analysis and other forward-looking statements. Forward-looking statements can be identified by the use of words such as "intends", "anticipates", "believes", "estimates", "projects", "forecasts", "expects", "plans" and "proposes". Although we believe that the expectations reflected in these forward-looking statements are based on reasonable assumptions, there are a number of risks and uncertainties that could cause actual results to differ materially from these forward-looking statements. These include, among others, our ability to maximize value from our land and water resources and our ability to obtain new financings as needed to meet our ongoing working capital needs. See additional discussion under the heading "Risk Factors" above. Our forward-looking statements are made only as of the date hereof. We assume no duty to update these forward-looking statements to reflect new, changed or unanticipated events or circumstances, other than as may be required by law.

We are a water resources development company and agribusiness committed to sustainable water and farming projects in California. We are one of the largest private landowners in the state and control significant water supply, storage and conveyance assets capable of being part of the solution to California's systemic water challenges.

We own approximately 45,000 acres of land with high-quality, naturally recharging groundwater resources in three areas of Southern California's Mojave Desert – the Cadiz Valley (35,000 acres), Danby Dry Lake (2,000 acres), and the Piute Valley (9,000 acres) ("Cadiz Property"). Our properties represent a unique private reserve of lands with vested water rights located in a remote area of eastern San Bernardino County that is at the crossroads of major highway, rail, energy, and water infrastructure supplying and delivering necessary resources to communities in California and across the Western United States.

California and the Western U.S. face a persistent challenge in meeting the water needs of all of its residents. While the State of California has recognized a Human Right to Water, competing municipal, agricultural and environmental demands outpace the State's available supply limiting the ability to deliver on that promise. Recent analysis from the California State Water Resources Control Board estimates that more than 1 million Californians lack reliable access to water and several communities are short of long-term reliable and affordable safe-drinking supply.

We are principally focused on developing the Cadiz Valley Water Conservation, Recovery and Storage Project ("Water Project") at our Cadiz Valley property that can help address California's persistent systemic water challenges and deliver new water access to California communities that presently lack reliable water supplies and infrastructure. Through management of groundwater at the Cadiz Property, the Water Project would conserve groundwater otherwise used for agriculture to augment supply in California communities in need and utilize capacity available in the managed groundwater aquifer system at Cadiz to bank and store imported water for use in future dry years.

The Water Project has completed extensive environmental review in accordance with local, state and federal law and has secured permits to manage the groundwater aquifer in Cadiz to make available an average of 50,000 acre-feet of water per year for 50 years to communities off of the Cadiz Property. Permitting has also authorized the storage of imported water in the aquifer system to return in future dry years. The Cadiz aquifer system has the capacity to store one million acre-feet of imported water.

To deliver conserved water to communities in need or to offer storage, the Water Project must provide conveyance facilities capable of delivering water to and from the Cadiz area for participating water providers. We own a retired, 30” steel natural gas pipeline (“Northern Pipeline”) that extends 220-miles from California’s Central Valley near the California Aqueduct southeast across Kern and San Bernardino Counties terminating in Cadiz. Engineering and technical assessments indicate that the Northern Pipeline can safely convey 25,000 acre-feet of water in either direction. We also maintain a 99-year lease with the Arizona & California Railroad Company (“ARZC”) to co-locate and construct a 43-mile approximately 55-85” steel water conveyance pipeline (“Southern Pipeline”) within the existing, active railroad right-of-way that intersects the Colorado River Aqueduct (“CRA”), one of Southern California’s primary sources of drinking water in Southern California. The Southern Pipeline is designed to convey up to 75,000 acre-feet per year in either direction.

To utilize the Northern Pipeline for water conveyance related to the Water Project or to construct and operate the Southern Pipeline in coordination with existing water conveyance facilities, we must complete additional permitting and regulatory processes.

We expect to complete any necessary permitting in coordination with any contract to use the facility.

Our agricultural operations provide the Company’s current principal source of revenue, although our working capital needs are not fully supported by our agricultural lease and farming returns at this time. We believe that the ultimate implementation of the Water Project will provide a significant source of future cash flow for the business and our stockholders. We presently rely upon debt and equity financing to support our working capital needs and development of the Water Project (see “Liquidity and Capital Resources”, below).

Our current and future operations also include activities that further our commitments to sustainable stewardship of our land and water resources, good governance and corporate social responsibility. We believe these commitments are important investments that will assist in maintenance of sustained stockholder value.

Results of Operations**Year Ended December 31, 2021 Compared to Year Ended December 31, 2020**

We have not received significant revenues from our water resource and real estate development activities to date. Our revenues have been limited to rental income from our agricultural leases (see “Sustainable Agricultural Development”, above). As a result, we have historically incurred a net loss from operations. The net loss totaled \$31.2 million for the year ended December 31, 2021, compared with a net loss of \$37.8 million for the year ended December 31, 2020. The higher loss in 2020 was primarily due to a loss on early extinguishment of debt in the amount of \$12.4 million, which was a non-cash charge, reflecting the excess of the fair value of the new preferred stock issued over the historical book value of the related convertible debt retire pursuant to certain conversion and exchange Agreements entered into in March 2020, offset by higher compensation costs in 2021 related to stock-based non-cash bonus awards to employees.

Our primary expenses are our ongoing overhead costs associated with the development of the Water Project (i.e., general and administrative expense) and our interest expense. We will continue to incur non-cash expense in connection with our management and director equity incentive compensation plans.

Revenues. Revenue totaled \$564 thousand during the year ended December 31, 2021, compared to \$541 thousand during the year ended December 31, 2020. The revenue is primarily related to rental income from our agricultural leases (see “Sustainable Agricultural Development”, above).

General and Administrative Expenses. General and administrative expenses during the year ended December 31, 2021, exclusive of stock-based compensation costs, totaled \$12.9 million compared with \$9.8 million for the year ended December 31, 2020. The higher general and administrative expenses in 2021 primarily related to legal fees and technical studies related to putting the Northern Pipeline into use.

Compensation costs from stock and option awards for the year ended December 31, 2021, totaled \$4.7 million compared with \$2.1 million for the year ended December 31, 2020. The higher 2021 expense was primarily due to stock-based non-cash bonus awards to employees.

Depreciation. Depreciation expense totaled \$423 thousand for the year ended December 31, 2021, and \$381 thousand for the year ended December 31, 2020.

Interest Expense. Interest expense totaled \$11.4 million during the year ended December 31, 2021, compared to \$11.5 million during the year ended December 31, 2020. The following table summarizes the components of net interest expense for the two periods (in thousands):

	Year Ended December 31,	
	2021	2020
Interest on outstanding debt	\$ 8,485	\$ 10,604
Unrealized gains on warrants	(573)	(139)
Amortization of debt discount	1,110	295
Amortization of deferred loan costs	2,364	766
	<u>\$ 11,386</u>	<u>\$ 11,526</u>

Other Income. Other income totaled \$0 during the year ended December 31, 2021, and \$33 thousand for the year ended December 31, 2020.

Loss from Equity-Method Investments. Loss from equity-method investments related to our 50% ownership in the SoCal Hemp JV LLC totaled \$942 thousand during the year ended December 31, 2021, compared to \$2.2 million during the year ended December 31, 2020 resulting from a reduction in acres planted in 2021 to 50 acres from 242 acres in 2020 and continued market price pressures on hemp biomass in 2021.

Liquidity and Capital Resources

(a) Current Financing Arrangements

As we have not received significant revenues from our development activities to date, we have been required to obtain financing to bridge the gap between the time water resource and other development expenses are incurred and the time that revenue will commence. Historically, we have addressed these needs primarily through secured debt financing arrangements and private equity placements.

In July 2020, we entered into an At Market Issuance Sales Agreement under which the Company could issue and sell shares of its common stock having an aggregate offering price of up to \$30 million from time to time in an “at-the-market” offering (the “July 2020 ATM Offering”) for further development of our land and agricultural assets, and for working capital purposes. The Company completed the offering in July 2021, having issued a total of 2,748,339 shares of common stock in the July 2020 ATM Offering for gross proceeds of \$30 million and aggregate net proceeds of approximately 29.2 million.

On June 7, 2021, we completed the sale and issuance of 1,219,512 shares of the Company’s common stock to certain institutional investors under a placement agent agreement with B. Riley Securities, Inc. (“BRS”). The shares of common stock were sold at a purchase price of \$12.30 per share, for aggregate gross proceeds of \$15 million and aggregate net proceeds of approximately \$14.1 million. We used the net proceeds from this offering, together with cash on hand, to fund the \$19 million payment made on June 30, 2021 to complete the acquisition of a 124-mile extension of the Northern Pipeline.

On June 29, 2021, we entered into an Underwriting Agreement with BRS as representative of the several underwriters named therein, to issue and sell an aggregate of 2,000,000 depositary shares (the “Depositary Shares”), as well as up to 300,000 Depositary Shares that may be sold pursuant to the exercise of an option to purchase additional Depositary Shares, each representing 1/1000th of a share of Series A Preferred Stock (“Depositary Share Offering”). The liquidation preference of each of each share of Series A Preferred Stock is \$25,000 (\$25.00 per Depositary Share). The Depositary Share Offering was completed on July 2, 2021 for net proceeds of approximately \$54 million.

On July 2, 2021, we entered into a \$50 million new credit agreement (“Credit Agreement”) (see Note 6 to the Condensed Consolidated Financial Statements – “Long-Term Debt”). The proceeds of the Credit Agreement, together with the proceeds from the Depositary Share Offering, were used to (a) to repay all our outstanding obligations under the Prior Senior Secured Debt in the amount of approximately \$77.5 million (b) to deposit approximately \$10.2 million into a segregated account, representing an amount sufficient to pre-fund eight quarterly dividend payments on the Series A Preferred Stock underlying the Depositary Shares issued in the Depositary Share Offering, and (c) to pay transaction related expenses. The remaining proceeds will be used for working capital needs and for general corporate purposes.

On March 23, 2022, the Company completed the sale and issuance of 6,857,140 shares of the Company's common stock to certain institutional and individual investors in a registered direct offering. The shares of common stock were sold at a purchase price of \$1.75 per share, for aggregate gross proceeds of \$12 million and aggregate net proceeds of approximately \$11.8 million. The proceeds will be used for working capital needs and for general corporate purposes. See Note 14 to the Consolidated Financial Statements – "Subsequent Events".

Limitations on our liquidity and ability to raise capital may adversely affect us. Sufficient liquidity is critical to meet our resource development activities. To the extent additional capital is required, we may increase liquidity through a variety of means, including equity or debt placements, through the lease, sale or other disposition of assets or reductions in operating costs. If additional capital is required, no assurances can be given as to the availability and terms of any new financing.

As we continue to actively pursue our business strategy, additional financing will continue to be required (see "Outlook", below). The covenants in the Credit Agreement do not prohibit our use of additional equity financing and allow us to retain 100% of the proceeds of any common equity financing. We do not expect the loan covenants to materially limit our ability to finance our water and agricultural development activities.

Cash Used for Operating Activities. Cash used for operating activities totaled \$15.3 million for the year ended December 31, 2021, and \$13.4 million for the year ended December 31, 2020. The cash was primarily used to fund general and administrative expenses related to our water development efforts and agricultural development efforts.

Cash Used for Investing Activities. Cash used for investing activities in the year ended December 31, 2021, was \$23.5 million, compared with \$9.8 million for the year ended December 31, 2020. The cash used in the 2021 period primarily related to the Northern Pipeline acquisition totaling \$19 million and development costs for the initial planting of 760 acres of alfalfa. The 2020 period included additions to our interests in SoCal Hemp JV LLC, well development costs for three new wells and professional water quality and structural testing of a five-mile segment of pipeline.

Cash Provided by Financing Activities. Cash provided by financing activities totaled \$51.2 million for the year ended December 31, 2021, compared with cash provided by financing activities of \$14.9 million for the year ended December 31, 2020. Proceeds from financing activities for the 2021 period are related to the completion of the Depositary Share Offering, issuance of shares under at-the market and direct offerings and refinancing of the Company's Prior Senior Secured Debt. Proceeds from financing activities for the 2020 period are related to the issuance of shares under at-the-market offerings.

(b) Outlook

Short-Term Outlook. The completion of both the Depositary Share Offering and the Credit Agreement (see Note 6 and Note 8 to the Consolidated Financial Statement – "Long-Term Debt" and "Common and Preferred Stock") in July 2021, provided the Company with net cash proceeds of approximately \$21 million. In March 2022, the registered direct offering of common stock (see Note 14 to the Consolidated Financial Statements – "Subsequent Events") provided additional net cash proceeds of approximately \$11.8 million. These net cash proceeds, together with cash on hand, provide us with sufficient funds to meet our short-term working capital needs.

Long-Term Outlook. In the longer term, we will need to raise additional capital to finance working capital needs and capital expenditures (see “Current Financing Arrangements”, above). Our future working capital needs will depend upon the specific measures we pursue in the entitlement and development of our water resources and other developments. Future capital expenditures will depend on the progress of the Water Project and further expansion of our agricultural assets.

We are evaluating the amount of cash needed, and the manner in which such cash will be raised, on an ongoing basis. We may meet any future cash requirements through a variety of means, including equity or debt placements, or through the sale or other disposition of assets. Equity placements would be undertaken only to the extent necessary, so as to minimize the dilution effect of any such placements upon our existing stockholders. No assurances can be given, however, as to the availability or terms of any new financing. Limitations on our liquidity and ability to raise capital may adversely affect us. Sufficient liquidity is critical to meet our resource development activities.

(c) Critical Accounting Policies

As discussed in Note 2 to our Consolidated Financial Statements, “Summary of Significant Accounting Policies”, the preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect amounts reported in the accompanying consolidated financial statements and related footnotes. In preparing these financial statements, management has made its best estimates and judgments of certain amounts included in the financial statements based on all relevant information available at the time and giving due consideration to materiality. However, application of these policies involves the exercise of judgment and use of assumptions as to future uncertainties and, as a result, actual results could differ from these estimates. Management has concluded that the following critical accounting policies described below affect the most significant judgments and estimates used in the preparation of the consolidated financial statements.

(1) Intangible and Other Long-Lived Assets. Property, plant and equipment, intangible and certain other long-lived assets are depreciated or amortized over their useful lives. Useful lives are based on management’s estimates of the period over which the assets will generate revenue.

(2) Valuation of Goodwill and Long-Lived Assets. The Company assesses long-lived assets for recoverability whenever events or changes in circumstances indicate that their carrying value may not be recoverable through the estimated undiscounted future cash flows resulting from the use of the assets. If it is determined that the carrying value of long-lived assets may not be recoverable, the impairment is measured by using the projected discounted cash-flow method. No impairment charge was recorded during the current fiscal year.

The Company performs an annual impairment test to identify potential goodwill impairment and measure the amount of a goodwill impairment loss to be recognized (if any). In performing the impairment test, we have the option to first assess qualitative factors to determine whether it is necessary to perform a quantitative assessment for goodwill impairment. If the qualitative assessment indicates that it is more-likely-than-not that the fair value of the reporting unit is less than its carrying value, we perform a quantitative assessment.

This impairment assessment is performed at least annually in the fourth quarter. An impairment loss will be recognized for the amount by which the reporting unit's carrying amount exceeds its fair value, not to exceed the carrying amount of goodwill in that reporting unit. In our annual impairment analysis for the fourth quarter 2021, the goodwill was evaluated utilizing a qualitative assessment. Based on this assessment, we determined that the fair value of the reporting unit was more-likely-than-not greater than its respective carrying value; therefore, no impairment charge was recorded during the current fiscal year.

(3) Accounting for Debt and Equity Instruments. Amendments and changes to debt and equity instruments are analyzed for correct accounting application based upon our financial condition and the changes in the debt or equity instrument features and terms. Accounting guidance used in the analysis includes ASC 470-60 Troubled Debt Restructuring, ASC 470-50 Modifications and Extinguishments and ASC 470-20 Accounting for Debt with Conversion or Other Options.

On July 2 2021 (the "Original Issue Date"), the Company entered into a new \$50 million senior secured credit agreement with lenders party thereto from time to time ("Lenders") and BRS, as administrative agent for the Lenders ("Current Senior Secured Debt") (see Note 2 to the Consolidated Financial Statements – "Long-Term Debt"). In connection with the issuance of the Current Senior Secured Debt, on the Original Issue Date the Company issued to the Lenders two warrants ("A Warrants" and "B Warrants"), each granting an option to purchase 500,000 shares of our common stock (collectively, the "Warrants"). As a result of the issuance of the Warrants, the Company recorded additional paid-in capital in the amount of \$1.9 million which was the fair value of the Warrants on the issuance date. In addition, the fair value of the Warrants was recorded as debt discount and is being amortized over the term of the Current Senior Secured Debt.

(4) Liquidity. Management assesses whether the Company has sufficient liquidity to fund its costs for the next twelve months from the financial statement issuance date. Management evaluates the Company's liquidity to determine if there is a substantial doubt about the Company's ability to continue as a going concern. In the preparation of this liquidity assessment, management applies judgement to estimate the projected cash flows of the Company including the following: (i) projected cash outflows (ii) projected cash inflows and (iii) categorization of expenditures as discretionary versus non-discretionary. The cash flow projections are based on known or planned cash requirements for operating costs as well as planned costs for project development.

(d) **New Accounting Pronouncements**

See Note 2 to the Consolidated Financial Statements, “Summary of Significant Accounting Policies”.

ITEM 7A. Quantitative and Qualitative Disclosures about Market Risk

We are a smaller reporting company as defined by Reg. 240.12b-2 of the Securities and Exchange Act of 1934 and are not required to provide the information under this item.

ITEM 8. Financial Statements and Supplementary Data

The information required by this item is submitted in response to Part IV below. See the Index to Consolidated Financial Statements.

ITEM 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

Not applicable.

ITEM 9A. Controls and Procedures

Disclosure Controls and Procedures

We have established disclosure controls and procedures to ensure that material information related to the Company, including its consolidated entities, is accumulated and communicated to senior management, including Chief Executive Officer (the “Principal Executive Officer”) and Chief Financial Officer (the “Principal Financial Officer”) and to our Board of Directors. Based on their evaluation as of December 31, 2021, our Principal Executive Officer and Principal Financial Officer have concluded that the Company’s disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934) are effective to ensure that the information required to be disclosed by the Company in the reports that it files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms, and such information is accumulated and communicated to management, including the principal executive and principal financial officers as appropriate, to allow timely decisions regarding required disclosures.

Management’s Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f). Under the supervision and with the participation of our management, including our Principal Executive Officer and Principal Financial Officer, we evaluated the effectiveness of our internal control over financial reporting based on the criteria in the Internal Control-Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on our evaluation under that framework, our management concluded that our internal control over financial reporting was effective as of December 31, 2021.

Changes in Internal Control Over Financial Reporting

In connection with the evaluation required by paragraph (d) of Rule 13a-15 under the Exchange Act, there was no change identified in the Company's internal control over financial reporting that occurred during the last fiscal quarter ended December 31, 2021, that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

ITEM 9B. Other Information

Not applicable.

ITEM 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

None.

PART III**ITEM 10. Directors, Executive Officers and Corporate Governance**

Our Board of Directors currently consists of eight directors. Set forth below is certain biographical information, the present occupation and the business experience for the past five years or more of each director.


Name	Age	Position with Cadiz
Susan P. Kennedy	61	Chair of the Board ⁽¹⁾
Keith Brackpool	64	Director ⁽¹⁾
Stephen E. Courter	67	Director
Maria Echaveste	67	Director
Geoffrey Grant	61	Director
Winston H. Hickox	79	Director
Scott S. Slater	64	Director, President and Chief Executive Officer
Carolyn Webb de Macías	74	Director


⁽¹⁾ Ms. Kennedy was appointed to serve as Chair of the Board, an executive officer role, effective February 4, 2022, replacing Mr. Brackpool in that position. Mr. Brackpool continues to serve on the Board in a non-executive role.

Executive Officers not also on the Board of Directors:

Name	Age	Position with Cadiz
Stanley Speer	61	Chief Financial Officer and Secretary

Director Biographical Information and Highlights


<p>Susan P. Kennedy Chair of the Board of Directors</p>	<p>Director Since: 2021</p>	<p>Age: 61</p>	
<p>Biography</p> <p>Susan P. Kennedy was appointed a director of the Company on March 24, 2021. Ms. Kennedy is an accomplished policymaker and strategist with a distinguished career as founder and chief executive of a renewable energy company, top advisor to two California Governors, former Commissioner of the California Public Utilities Commission, and advisor to high-profile governing boards in the corporate, regulatory, government, and non-profit sectors. She currently serves as a Senior Executive at Lyft, Inc. Previously, Ms. Kennedy founded California renewable energy start-up Advanced Microgrid Solutions, serving as chief executive officer and board chair from 2013-2020 until it was acquired by Siemens/AES in 2020. Prior to entering the private sector, Ms. Kennedy served for two decades at the highest levels of government, including chief of staff to Governor Arnold Schwarzenegger (2006-2011) and cabinet secretary and deputy chief of staff to Governor Gray Davis (1999-2003). From 2003 to 2006, Ms. Kennedy served as Commissioner of the California Public Utilities Commission (CPUC), which regulates the state's investor-owned electricity, gas, telecommunications, and water utilities. In this role, she oversaw the CPUC's efforts to ensure water utilities deliver clean, safe, and reliable water to their customers at reasonable rates. In addition to her service on the CPUC, Ms. Kennedy was confirmed by the California Senate to serve on the California Bay-Delta Authority, the statewide body responsible for overseeing one of the largest water projects in the world — the \$8 billion, 10-year restoration of the San Francisco Bay Delta ecosystem. In this role, Ms. Kennedy was responsible for agreements among environmentalists, agricultural interests, and urban water users for multi-billion-dollar co-investments in water storage facilities, water use efficiency, and restoration of impaired waterways and fisheries. Ms. Kennedy holds a B.A. in Management from Saint Mary's College of California.</p>			
<p>Skills & Qualifications</p> <p>Ms. Kennedy's vast public service experience, including as the Commissioner of the California Public Utilities Commission, and experience founding and leading her own renewable energy company enable her to provide key leadership, public policy, strategy, and industry expertise to the Board.</p>	<p>Cadiz Board Committees</p> <p>N/A</p>		

<p>Keith Brackpool Director, Former Chair of the Board of Directors</p>	<p>Director Since: 1986</p>	<p>Age: 64</p>	
--	-----------------------------	----------------	---

Biography

Keith Brackpool is a co-founder of the Company. Mr. Brackpool served as Chair of the Board from 2001 to 2022. Mr. Brackpool was first appointed to the Board of Directors in 1986 and previously served as CEO from 1991 – 2013. In addition to his role with Cadiz, Mr. Brackpool is currently a principal of 1334 Partners L.P., a partnership that owns and develops a portfolio of destination hospitality properties in California. Mr. Brackpool has extensive public policy experience, particularly in California, and served as Co-Chair of the California Commission on Building for the 21st Century, a diverse panel that developed long-term policy proposals to meet the state’s future water, housing, technology and transportation needs from 2001 – 2002. Mr. Brackpool also served as Chair of the California Horse Racing Board from 2010 – 2013, after which he went on to serve as the Chair of west coast operations for The Stronach Group, an entertainment and real estate company in North America focused on Thoroughbred horse racing and pari-mutual wagering from 2013 – 2018. Earlier in his career, Mr. Brackpool served as director and chief executive officer of North American Operations for Albert Fisher Group, a multi-billion dollar food company.

<p>Skills & Qualifications</p> <p>Mr. Brackpool’s experience as a co-founder and former CEO of the Company, in addition to his extensive public and water policy experience, enables him to provide key leadership, industry, and policy perspectives to the Board.</p>	<p>Cadiz Board Committees</p> <p>N/A</p>
--	---

<p>Steven E. Courter</p>	<p>Director Since: 2008</p>	<p>Age: 67</p>	
---------------------------------	-----------------------------	----------------	---

Biography


Stephen E. Courter was appointed a director of the Company effective October 9, 2008. Mr. Courter was originally appointed to the Board as a designee of LC Capital Master Fund for a term expiring at the 2009 annual meeting of stockholders. Mr. Courter is currently on the faculty of the McCombs School of Business, University of Texas at Austin where he teaches MBA courses in strategy and new venture creation. He also serves as a director of Upland Software, a business process software company. Mr. Courter has over 30 years of experience in management positions in the technology/telecommunications industry, serving most recently as CEO of Broadwing Communications from 2006 to 2007 and CEO of NEON Communications from 2000 to 2006. Mr. Courter has also previously served as a director on several corporate boards, including NEON Communications from 2001-2006, Broadwing Communications from 2006-2007, and GLOBIX from 2006-2007. Mr. Courter began his career as an officer in the U.S. Army and has also held various executive positions, both in the U.S. and Europe, at several major corporations including KPMG, IBM and Sprint.


Skills & Qualifications


Mr. Courter’s experience in the technology industry and his extensive executive and leadership experience enable him to provide valuable leadership, strategy, finance, and risk management insights to the Board.

Cadiz Board Committees

- Audit & Risk (Chair)
- Corporate Governance & Nominating

<p>Maria Echaveste</p>	<p>Director Since: 2019</p>	<p>Age: 67</p>	
<p>Biography</p> <p>Maria Echaveste was elected as a director at the Company’s 2019 Annual Meeting. Ms. Echaveste is a scholar with a distinguished career working as a community leader, public policy advisor, lecturer, senior White House official, and attorney. She is presently President and CEO of the Opportunity Institute, a non-profit working to increase economic and social mobility focused on equity for the most vulnerable communities. Ms. Echaveste has been affiliated with UC Berkeley in various capacities since 2004 including: lecturing at the School of Law and in the undergraduate division on immigration and education; serving as program and policy director of the Law School’s Chief Justice Earl Warren Institute on Law and Social Policy from 2006 -2012; serving as a Senior Fellow at UC Berkeley’s Center for Latin American Studies since 2008; and as a Visiting Scholar with the Berkeley Food Institute from 2015-2016. Previously, from 1998 to 2001 Ms. Echaveste served as Assistant to the President and Deputy Chief of Staff for President Bill Clinton focused on issues relating to immigration, civil rights, education, finance, Mexico and Latin America. From 1993 to 1997 she served as Administrator of the Wage and Hour Division at the US Department of Labor. In 2009, then-Secretary of State Hillary Clinton appointed Ms. Echaveste as a special representative to Bolivia. From 2015-2017, Ms. Echaveste served as vice-chair of the California International Trade and Investment Advisory Committee, an appointment by Governor Brown. Ms. Echaveste presently serves on the board of directors of the Level Playing Field Institute, Mi Familia Vota and UCSF Benioff Children’s Hospitals.</p>			
<p>Skills & Qualifications</p> <p>Ms. Echaveste’s accomplished career in public service and extensive community leadership enables her to provide valuable public policy and stakeholder insights to the Board.</p>		<p>Cadiz Board Committees</p> <ul style="list-style-type: none"> • Corporate Governance & Nominating (Chair) • Equity, Sustainability & Environmental Justice 	

<p>Geoffrey Grant</p>	<p>Director Since: 2007</p>	<p>Age: 61</p>	
<p>Biography</p> <p>Geoffrey Grant was appointed a director of the Company effective January 22, 2007. Mr. Grant is presently a private investor. In 2012, Mr. Grant retired from Grant Capital Partners, an asset management firm founded by Mr. Grant in 2008, where he was the Managing Partner and the Chief Investment Officer. Prior to founding Grant Capital Partners, Mr. Grant was a Managing Partner and the Chief Investment Officer of Peloton Partners LLP, a global asset management firm. Mr. Grant co-founded Peloton Partners LLP in 2005. Mr. Grant's career in financial markets spans 35 years beginning at Morgan Stanley in 1982 in foreign exchange options and currency derivatives, then with Goldman Sachs from 1989 to 2004 where he ultimately served as Head of Global Foreign Exchange and Co-head of the Proprietary Trading Group in London.</p>			
<p>Skills & Qualifications</p> <p>Mr. Grant's experience leading several asset management firms enables him to provide valuable leadership, finance, and investment perspectives to the Board.</p>		<p>Cadiz Board Committees</p> <ul style="list-style-type: none"> • Compensation • Audit & Risk 	

<p>Winston Hickox Lead Independent Director</p>	<p>Director Since: 2006</p>	<p>Age: 79</p>	
--	-----------------------------	----------------	---

Biography


Winston Hickox was appointed a director of the Company in October 2006. Mr. Hickox is currently a partner at the public policy consulting firm California Strategies, a position he has held since 2006, Mr. Hickox also currently serves as a Member of the Strategic Advisory Group of Paladin Capital Group. Previously, from 2007 until 2012, Mr. Hickox chaired the FTSE Environmental Markets Committee responsible for bi-annual reset of the FTSE Environmental Markets Index Series. From 2004 – 2006, Mr. Hickox served as Senior Portfolio Manager with the California Public Employees’ Retirement System (CalPERS), designing its environmentally-oriented impact investment initiatives for the fund’s now \$477.3 billion investment portfolio. Prior to CalPers, from 1999 – 2003, Mr. Hickox served as Secretary of the California Environmental Protection Agency (CalEPA) and a member of the Governor’s cabinet. Earlier in his career, Mr. Hickox’s additional private sector experience includes head of Portfolio Management, Managing Director and Partner at Lasalle Investment Management from 1987 to 1998, where he managed a \$2B real estate portfolio, and President of his own securities brokerage firm, the Hickox Financial Corporation. Mr. Hickox has also served on numerous corporate boards, including Thomas Properties Group, a publicly traded full service real estate investment firm, and GRIDiant Corporation, a privately held corporation in the energy technology sector. Mr. Hickox’s prior government service includes the Board of the \$12.6 billion Sacramento County Employees’ Retirement System (SCERS) from 1998 – 2012, Chair of the Market Advisory Committee, which helped prepare for the implementation of AB 32 California’s sweeping effort to address climate change, and seven years as a Special Assistant to the Governor for Environmental Affairs as well as a Deputy Secretary for Environmental Affairs. From April 1997 to January 1999, Hickox also served as one of the California Assembly Speaker’s appointees to the California Coastal Commission. Mr. Hickox holds an MBA from Golden Gate University and a BS from California State University.


Skills & Qualifications

Mr. Hickox’s vast investment experience and roles with the State of California and other industry groups enable him to provide valuable leadership, public policy, investment, finance, and industry expertise to the Board.


Cadiz Board Committees

- Compensation (Chair)
- Audit & Risk
- Equity, Sustainability & Environmental Justice

<p>Scott Slater Chief Executive Officer (CEO)</p>	<p>Director Since: 2012</p>	<p>Age: 64</p>	
<p>Biography</p> <p>Scott S. Slater is the Company’s President and Chief Executive Officer, appointed to the role of President in April 2011 and Chief Executive Officer effective February 1, 2013. In addition, Mr. Slater has been a member of the Company’s Board of Directors since February 2012. Mr. Slater is an accomplished water rights transactional attorney and litigator and, in addition to his role at the Company, is a shareholder in Brownstein Hyatt Farber Schreck LLP, the nation’s leading water law firm. For nearly 40 years, Mr. Slater has focused on negotiation of agreements and enacting policy related to the acquisition, distribution, and treatment of water. He has served as lead negotiator on a number of important water transactions, including the negotiation of the largest conservation-based water transfer in U.S. history on behalf of the San Diego County Water Authority. Mr. Slater serves on the Limoneira Company Board of Directors (NASDAQ: LMNR) and sits on its Executive and Risk Committees. Mr. Slater also has an extensive background in state, federal and international water policy and is the author of <i>California Water Law and Policy</i>, the state’s leading treatise on the subject. He has taught water law and policy courses at University of California, Santa Barbara, Pepperdine University, and the University of Western Australia, (China) among others. He is presently advising the nation of Tunisia on water policy.</p>			
<p>Skills & Qualifications</p> <p>Mr. Slater’s experience as the Company’s CEO and as an accomplished water rights lawyer enable him to provide the Board with valuable leadership, strategy, legal, and industry perspectives.</p>		<p>Cadiz Board Committees</p> <p>N/A</p>	

<p>Carolyn Webb de Macías</p>	<p>Director Since: 2019</p>	<p>Age: 74</p>	
<p>Biography</p> <p>Carolyn Webb de Macías was elected as a director at the Company’s 2019 Annual Meeting. Carolyn Webb de Macías is a community leader with an extensive career in public policy and higher education. Ms. Webb de Macías currently serves as Board Chair for the Partnership for Los Angeles Schools, a non-profit organization that manages 19 schools through a Memorandum Of Understanding with the Los Angeles Unified School District, and as Member of the Board of the Community Coalition of South Los Angeles, a community education and advocacy organization. Previously Ms. Webb de Macías served in the office of Elementary and Secondary Education in the US Department of Education as an appointee of President Barack Obama from 2010-2012. From 1997 – 2008, Ms. Webb de Macías served in various roles at the University of Southern California including adjunct faculty member in the USC Rossier School of Education, associate provost from 1997 – 2002 and vice president for external relations from 2002 – 2008. Upon retirement from USC in 2008, Ms. Webb de Macías was granted the title of Vice President Emeritus. From 1991 – 1997 Ms. Webb de Macías served as chief of staff for Los Angeles City Councilman Mark Ridley-Thomas. Ms. Webb de Macías’ strong record of community service includes roles as founding member of the Board for the Alliance for Regional Collaboration to Heighten Educational Success (ARCHES), member of the Boards of the Los Angeles African American Women’s Public Policy Institute and the International Black Women’s Public Policy Institute, member of the Central City Association Executive Committee, and founding president of the Education Consortium of Central Los Angeles. Ms. Webb de Macías has been honored for her work as a founding member of Young Black Scholars of Los Angeles and named a <i>Black Woman of Achievement</i> by the NAACP Legal Defense and Education Fund.</p>			
<p>Skills & Qualifications</p> <p>Ms. Webb de Macías’ long history of public service and role as a community leader in Southern California enables her to provide valuable public policy expertise and California community insights to the Board.</p>		<p>Cadiz Board Committees</p> <ul style="list-style-type: none"> ● Compensation ● Corporate Governance & Nominating ● Equity, Sustainability & Environmental Justice (Chair) 	

Executive Officer Biographical Information and Highlights

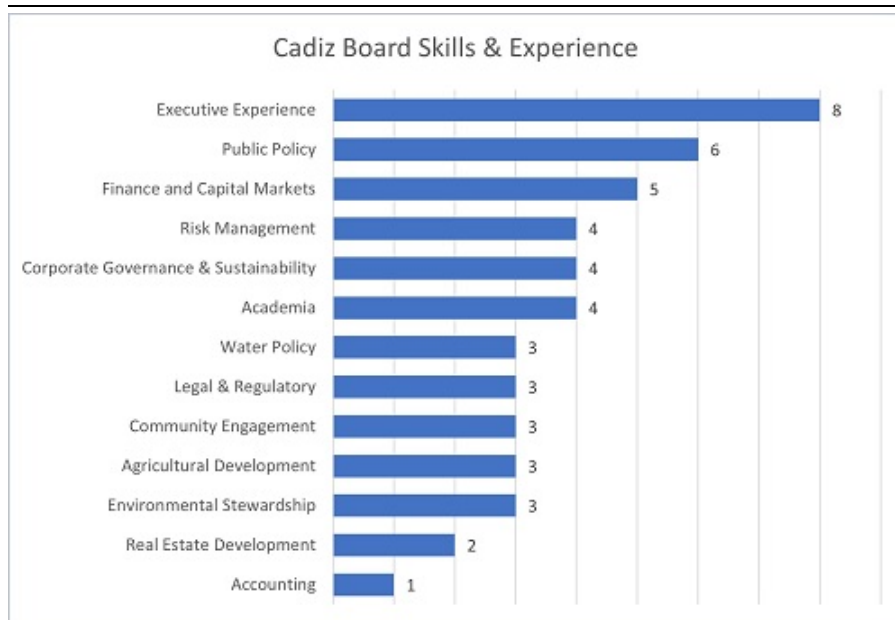
<p>Stanley Speer Chief Financial Officer (CFO)</p>	<p>Appointed: 2020</p>	<p>Age: 61</p>	
---	------------------------	----------------	---

Biography

Stanley Speer was appointed Chief Financial Officer (CFO) on May 5, 2020. In addition to his role at the Company, Mr. Speer is the principal of Speer and Associates, LLC, a consulting firm he founded in 2012 to provide practical operational, financial and strategic financial solutions to public and private businesses. Mr. Speer is also a member of the Board of Directors of Sunworks (NASDAQ: SUNW) and the Chair of its Audit Committee. Previously, Mr. Speer was a Managing Director with Alvarez & Marsal (“A&M”), a global professional services firm specializing in advising and assisting boards of directors, investment groups, management groups and lenders in a wide range of turnaround, restructuring and reorganization situations. Prior to joining A&M, Mr. Speer served as Chief Financial Officer for Cadiz from 1997 to 2003 and its subsidiary Sun World International, a fully-integrated agriculture company. Earlier, Mr. Speer was a partner with Coopers & Lybrand (now PricewaterhouseCoopers), where he spent 14 years in the Los Angeles office specializing in business reorganizations. Mr. Speer earned his bachelor’s degree in business administration from the University of Southern California.

Our Directors have extensive and diverse experience in a variety of fields relevant to the Company’s natural resources development and environmental sustainability focused goals and initiatives, including:

	Kennedy	Brackpool	Courter	Echaveste	Grant	Hickox	Slater	Webb de Macias
Executive Experience	X	X	X	X	X	X	X	X
Water Policy	X	X					X	
Agricultural Development		X			X		X	
Real Estate Development		X				X		
Environmental Stewardship	X					X	X	
Finance and Capital Markets	X	X	X		X	X		
Risk Management			X	X	X	X		
Accounting			X					
Public Policy	X	X		X		X	X	X
Community Engagement	X			X				X
Corporate Governance & Sustainability			X	X		X		X
Academia			X	X			X	X
Legal & Regulatory	X					X	X	



The Directors also have demonstrated significant leadership experience in the following roles at Cadiz or other companies or organizations:

- Chief executive officer: (Mr. Brackpool, Mr. Courter, Ms. Echaveste, Mr. Grant, Mr. Hickox, , Ms. Kennedy, and Mr. Slater,)
- Government Leaders, including high-ranking appointments in state and federal government administrations: (Mr. Brackpool, Ms. Echaveste, Mr. Hickox, Ms. Kennedy, and Ms. Webb de Macías,),
- Chairs of community and academic foundation boards: (Ms. Echaveste and Ms. Webb de Macías).

The Board believes that these combined skills and experiences are important for the success of the current Board of Directors.

The diversity of our Board members, including gender, ethnic, cultural and racial diversity as well as diversity of thought and perspectives, is also an important factor in determining board composition to ensure that our Board can offer management the benefit of difference experiences and viewpoints to best inform Company practices and strategic goals, and to ensure Board members reflect the diversity of the areas in which we operate.

Board Diversity Matrix (as of March 24, 2022)

Board Size:				
Total number of Directors				8
	Female	Male	Non-Binary	Did not Disclose Gender
Gender:				
Directors	3	5	-	-
Number of Directors who identify in Any of the Categories Below:				
African American or Black	1	-	-	-
Alaskan Native or Native American	-	-	-	-
Asian (other than South Asian)	-	-	-	-
South Asian	-	-	-	-
Hispanic or Latinx	1	-	-	-
Native Hawaiian or Pacific Islander	-	-	-	-
White	1	5		
Two or More Races or Ethnicities	-	-	-	-
LGBTQ+			1	
Persons with Disabilities			-	

Corporate Governance

As enshrined in the Company's bylaws, all business and affairs of the Company shall be managed by or under the direction of the Board of Directors. The Board of Directors is responsible for the Company's management and strategic direction and for establishing our broad corporate policies, including our leadership structure. The Board also oversees and reviews key aspects of the Company's risk management efforts and annually reviews our strategic business plans, which includes evaluating the objectives of and risks associated with these plans.

Directors of the Company hold office until the next annual meeting of stockholders or until their successors are elected and qualified. There are no family relationships between any directors or current officers of the Company. Officers serve at the discretion of the Board of Directors,

In addition, under its charter, the Audit Committee (acting on its behalf and concomitantly as the Risk Committee) reviews and discusses with management the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies.

The Audit Committee is composed of Stephen E. Courter, Geoffrey Grant and Winston H. Hickox. The Board of Directors has determined that Mr. Courter, a member of the Company's Audit Committee, is an "audit committee financial expert" as that term is defined in Item 407(d)(5) of Regulation S-K under the Securities Act.

Code of Ethics

The Company has adopted a code of conduct and ethics that applies to all our employees, including the CEO and CFO. A copy of the code of conduct and ethics may be found on the Company's website at <http://www.cadizinc.com>.

The code of conduct and ethics defines and prohibits conflicts of interest and provides for means for communicating potential conflicts. It also prohibits using corporate opportunities, property, information, or position for personal gain. The code of conduct and ethics also includes confidentiality restrictions, rules for protection and proper use of Company assets, fair dealing requirements for interactions with customers, suppliers, and competitors and requirements for compliance with applicable law, including insider trading laws.

Any employee who becomes aware of any existing or potential violation of the code of conduct and ethics is required to report it. Any waivers from and amendments to the code of ethics granted to directors or executive officers will be promptly disclosed on the Company's website at <http://www.cadizinc.com>. There are no waivers from the code of conduct and ethics applicable to any employee at this time.

Anti-Bribery and Anti-Corruption Policy

Pursuant to our Anti-Bribery and Anti-Corruption Policy Statement, we prohibit all of our directors, officers, employees, and consultants from acts of bribery or corruption as defined by the policy statement. The Anti-Bribery and Anti-Corruption policy also defines conflicts of interest and requirements to minimize such conflicts. In addition, the policy defines and prohibits facilitation payments and outlines guidelines for acceptable behavior.

Whistleblower Policy

Pursuant to our Whistleblower Policy Statement, we encourage and enable employees and others to raise serious concerns internally so that any inappropriate conduct and actions can be addressed and corrected. It is the responsibility of all board members, officers, employees, contractors and volunteers to report concerns about violations of the Company's code of conduct and ethics or suspected violations of law or regulations that govern the Company's operations. The Whistleblower policy statement includes a non-retaliation policy and reporting procedures which provides information on how to contact the Chairman of the Audit and Risk Committee directly. The Audit and Risk Committee oversees treatment of all complaints.

Delinquent Section 16(a) Reports

Section 16(a) of the Securities Exchange Act of 1934 (the "1934 Act") requires our directors and executive officers, and persons who beneficially own more than 10% of a registered class of our equity securities ("reporting persons"), to file with the Securities and Exchange Commission initial reports of ownership and reports of changes in ownership of common stock and other equity securities of the Company. Reporting persons are required by the Commissions regulations to furnish the Company with copies of all Section 16(a) forms they file.

To our knowledge, based solely on a review of the copies of reports and amendments thereto on Forms 3, 4 and 5 furnished to us by reporting persons and forms that we filed on behalf of certain directors and officers, during, and with respect to, our fiscal year ended December 31, 2021, and on a review of written representations from reporting persons to us that no other reports were required to be filed for such fiscal year, all Section 16(a) filing requirements applicable to our reporting persons were satisfied in a timely manner.

ITEM 11. Executive Compensation***Compensation Discussion and Analysis****Overview*

The Company's compensation policies and practices are developed and implemented through the Compensation Committee of the Board of Directors. It is the Committee's responsibility to review and consider annually the performance of the Company's named executive officers in achieving both corporate and individual goals and objectives, and to assure that the Company's compensation policies and practices are competitive and effective in incentivizing management.

The Compensation Discussion and Analysis section provides a description of the primary elements of the Company's fiscal year 2021 compensation program and policies for the following individuals, who are referred to throughout this proxy statement as our current and former 2021 named executive officers:

- Susan Kennedy, Chair of the Board (effective February 2022)
- Scott Slater, President and Chief Executive Officer
- Stanley Speer, Chief Financial Officer
- Keith Brackpool, Former Chair of the Board (non-executive director effective February 2022)

It is an important recommendation of the Board that the roles of Chief Executive Officer ("CEO") and Chair of the Board be held by two different individuals. As CEO, Mr. Slater manages the day-to-day operation of the Company and the development of its projects and Ms. Kennedy holds the essential role of advising management regarding its project development strategy as Chair of the Board.

Mr. Brackpool, one of the Company's founders, was Chair of the Board until February 2022 and served in an executive capacity advising management in 2021. Mr. Brackpool remains on the Board of Directors, but no longer holds an executive position. His compensation in 2021 as chair of the Board during that calendar year is discussed further under "Elements of 2021 Compensation", below. Ms. Kennedy's compensation as Chair commenced with her appointment in February 2022 and was established in accordance with the basic principles outlined below.

In 2021, our named executive officers effectively navigated the impacts on the Company of the COVID-19 pandemic and oversaw multiple initiatives important to the long-term success of the Company, including:

- Completed the final acquisition of the Company's Northern Pipeline asset after the completion of required diligence and satisfaction of conditions precedent. The Company had maintained an option to acquire the pipeline since 2011.
- Defended in Court the federal rights-of way necessary to operate the Company's Northern Pipeline asset for water conveyance.

- Advanced discussions with water providers interested in securing water and storage from the Water Project.
- Supported studies and technical work necessary for construction and operation of the Company’s Southern Pipeline Asset and conversion of the Northern Pipeline asset to water convenience.
- Improved water supply infrastructure and agricultural assets at the Cadiz Ranch property, including expansion of irrigation infrastructure to support over 3,000 acres of fruit, vegetable, grain and hemp crops.
- Negotiated and executed financial transactions to improve the Company’s balance sheet.

Compensation Committee activities in 2021 included:

- Evaluating the performance of the Company’s executive officers;
- Reviewing, analyzing and approving the total compensation and benefits of the Company’s executive officers, including cash compensation and long-term incentive compensation; and
- Reviewing guidelines and standards regarding the Company’s compensation practices and philosophy.

For the Company’s named executive officers, other than Mr. Slater, the committee established compensation levels based, in part, on the recommendations of Mr. Slater as CEO.

This section should be read in conjunction with the “Summary Compensation Table” and related tables pertaining to the compensation earned in 2021 by the named executive officers presented in this Annual Report under the caption “Executive Compensation”.

Compensation Philosophy

The Company’s business plan and goals have historically been and continue to be linked to the development of our diverse land and water assets, including the Water Project. The Company’s annual cash resources have historically been focused on funding the Water Project’s development process, as well as our ongoing land management initiatives. Due to the long-term nature of developing our assets, the progress made by the Company in the development of the Water Project and the general development of our land and water resources does not generally bear a direct relationship to quarterly and annual results of operations.

It is critical to the development of our assets and the Water Project that the Company attracts and retains well-qualified executives familiar with the agriculture and water sectors as well as with infrastructure and project development. As a result, the Company’s executive compensation programs seek to maintain a competitive annual salary structure and emphasize long-term, equity-based incentives that are connected to the ultimate implementation of our projects. These programs strive to align the interests of the executive officers and senior management with those of the Company’s stockholders. In doing so, the Company intentionally reduces the risk that executives will place too much focus on short-term achievements to the detriment of the long-term plans and goals of the Company.

We welcome direct stockholder feedback on our compensation programs. Throughout the year we met, both in person, online and via telephone calls, with stockholders representing approximately 75% of shares outstanding and have taken into consideration the issues that have been expressed as being important to them regarding executive compensation.

Elements of Compensation

The Company's compensation program has four primary components: cash salary, performance-based cash awards, long-term incentives through equity stock awards, and benefits. Each element of the Company's compensation program has been specifically chosen to reward, motivate and incentivize the executives of the Company to complete the long-term development and implementation of the Water Project and our other resource development initiatives. The Compensation Committee determines the amount for both total compensation and each compensation element through discussions with the Company's management, consideration of benchmarking data, past performance and future corporate and individual objectives. The four basic elements of compensation, described in further detail below, are:

- **SALARY.** Base salaries for the Company's named executives are determined by the Compensation Committee depending on a variety of factors including the scope of their responsibilities, their leadership skills and values, their performance and length of service. Salaries for our named executive officers are intended to create a minimum level of compensation that is competitive with other companies deemed comparable, depending on the prior experience and position of the executive. Salaries are typically paid in cash but could also be paid with restricted stock awards. Decisions regarding salary increases are also affected by the named executive's current salary and the amounts paid to their peers within and outside the Company.
- **LONG-TERM INCENTIVES.** The primary form of incentive compensation that is offered to the Company's executives consists of long-term incentives in the form of equity awards. The use of such long-term incentives is intended to focus and align goals of Company executives with those of stockholders and creates a direct interest in the results of operations, short and long-term performance and achievement of the Company's milestones and goals.
- **PERFORMANCE BASED CASH AWARDS.** The Compensation Committee believes that it is sometimes important to offer cash incentives to executives for the achievement of specified objectives that yield increased value for stockholders and will utilize performance-based cash awards from time to time to provide additional incentives.
- **BENEFITS.** The Compensation Committee also incorporates retirement, insurance, termination and severance benefits in the compensation program for executive officers. These benefits are offered to retain top executives, maintain their health and wellness and remain competitive in the industry. The retirement and insurance benefits are consistent with those benefits offered more broadly to the Company's employees.

The Company's overall compensation packages for our named executive officers have historically emphasized equity incentives due to the long-term development timelines of our projects and the focus of the Company on achieving the implementation of these projects. Even with the emphasis on long-term incentives, the Company's overall compensation is established at a level comparable to our peer group of companies, which share a similar focus on long-term development of assets. As the Water Project has finalized important permitting milestones, the Committee has also utilized performance-based cash awards to reward achieved milestones and goals in that calendar year.

Use of Peer Group

Our main asset consists of a large land position with water rights in Southeastern California and our business is primarily focused on developing this asset for its highest and best use, including a water supply and storage project at our primary property in Cadiz, California. Because no other publicly-traded company is situated with similar assets and projects, it is difficult to identify directly comparable peer companies.

While the Company is often compared to water utility companies due to our focus on water supply development, we view our peers as operating in the property and natural resource asset development sectors specifically companies with comparable market capitalization and an emphasis on the development of property and real estate, including for agriculture, in the Southwestern United States. This includes companies in Standard & Poor's Global Industry Classification Standard (GICS) code 601020, Real Estate Management and Development. We believe our peer group includes the following nine publicly traded companies:

- Alico, Inc.
- Forestar Group, Inc.
- Limoneira Company
- Maui Land & Pineapple
- PICO Holdings, Inc.
- Pure Cycle Corp.
- Stratus Properties
- Tejon Ranch Co.
- The St. Joe Company

Benchmarking

The Compensation Committee believes it is important to understand and analyze the current compensation programs of other companies when making compensation decisions. We traditionally consider the compensation programs of our peers when determining compensation for the Company's named executive officers. This year the Committee reviewed publicly available information for our peer group companies to compare the components of our compensation program for the executive officers with those of the peer group. In 2022, we also consulted with Coda Advisors, which reviewed our current executive compensation program and those of our peers and recommended adjustments to our programs to ensure continued competitiveness amongst our peers.

Due to the Company's unique business plan with particular emphasis on development of the Water Project, the Compensation Committee exercises its discretion in determining compensation packages that may differ from the peer group. Nevertheless, the peer group is instructive in assessing elements of compensation and structure for similarly situated real estate and land development companies.

Upon review of publicly available information for our peers, the Committee found the annual base salary of our CEO in 2021 was below the median among our peers and that total direct compensation of our CEO was in the second quartile, near median at the 55th percentile in the peer group.

Performance Objectives

The Committee emphasizes performance objectives for executives when granting long-term equity compensation awards from existing plans. Currently, as described above, the Company is focused on the performance of objectives related to implementation of the Water Project and the continued success of our agricultural development, and connects equity grants to the satisfaction project development objectives utilizing both restrictions on sale and vesting schedules commensurate with the anticipated project development timelines.

Elements of 2021 Compensation

1. SALARY. In evaluating base salaries for 2021, the Compensation Committee believed it was important to maintain competitive base salary compensation that would also keep cash compensation expenditures to a minimum. In 2021, annual base salaries of the Company's CEO, CFO and the Chair remained the same as in 2020.

2. LONG-TERM INCENTIVES. The Committee has chosen to rely upon equity instruments, such as restricted stock and options, in designing compensation packages for executives. The Committee views the grant of equity-based awards as an incentive for successful performance since the value of these equity-based awards will increase as the Company's stock price increases, thereby satisfying the Committee's goal of linking executive compensation to share price appreciation over the longer term and promoting the retention of the key executives throughout the development process of our projects. The Committee is conscious of the potential dilutive effect arising from the use of equity incentives and tries to limit issuances to maintain appropriate ratios of overall ownership levels in the Company from year to year.

To maintain alignment with the goals of stockholders when utilizing equity-based incentive compensation, the Compensation Committee and the Board have created plans subject to stockholder approval. The Company's most recent equity incentive program (the "2019 Incentive Plan") was approved at the Company's 2019 Annual Meeting of Stockholders. The 2019 Incentive Plan reserved 1,200,000 shares for issuance; the plan currently has 75,061 shares available for issuance.

In April 2021, Mr. Brackpool and Mr. Slater each received a long-term equity incentive award of 255,000 shares of the Company's common stock in the form of Restricted Stock Units ("RSUs"). Under the terms and conditions and at the time of each grant of RSUs, Mr. Brackpool and Mr. Slater would each be issued 170,000 shares of the Company's common stock upon achievement of certain milestone events, as described in the Employment Arrangements section of this report, and 85,000 shares on March 1, 2023. The RSU incentive award is subject in each case to continued employment with the Company through the vesting date. On February 4, 2022 ("Effective Date"), Mr. Brackpool stepped down as Chair of the Board of Directors. Mr. Brackpool remains on the Board in a non-executive role. As of the Effective Date, Mr. Brackpool's existing employment arrangement with the Company was amended to reflect the modification of his duties and his unvested RSUs were accelerated and became fully vested at that time.

On February 4, 2022, Ms. Kennedy was appointed Chair of the Board of Directors, an executive officer role. At the time of her appointment, Ms. Kennedy received an equity incentive award of 450,000 shares of the Company's common stock in the form of Performance Stock Units ("PSUs"). Under the terms and conditions of the grant of PSUs, Ms. Kennedy would be issued 450,000 shares of the Company's common stock or cash, at the option of the Compensation Committee, upon achievement of certain performance events, as described in the Employment Arrangements section of this report. The PSU incentive award is subject to continued employment with the Company through the vesting date.

In April 2021, Mr. Speer received a long-term equity incentive award of 127,500 shares of the Company's common stock in the form of RSUs. Under the terms and conditions of the grant of RSUs, Mr. Speer would be issued 85,000 shares of the Company's common stock upon achievement of certain milestone events, as described in the Employment Arrangements section of this report, and 42,500 shares on March 1, 2023. The RSU incentive award is subject to continued employment with the Company through the vesting date.

3. CASH AWARDS. While the Compensation Committee believes that equity based awards rather than cash based awards generally allow the Company to better preserve existing cash resources and, accordingly, has relied primarily upon the grant of equity based awards to reward executive performance (see "Long-Term Incentives") of named executive officers, the Compensation Committee also believes that it is important to offer cash incentives to executives for the achievement of specified objectives that yield increased value for stockholders and to reduce the tax burdens associated with the issuance of restricted equity based awards. In April 2021, Mr. Brackpool and Mr. Slater were each granted a \$300,000 cash award, and Mr. Speer was granted a \$150,000 cash award, by the Board for implementing Company objectives, including directing the Company through the successful acquisition of right-of-way grants for the Northern Pipeline asset, as well as for successful liquidity management through an effective at-the-market equity offering.

4. BENEFITS. Per their employment arrangements described below, Mr. Brackpool and Mr. Speer each received retirement benefits as part of their compensation packages in 2021.

Severance and Change in Control Provisions

The Company's compensation agreements with Messrs. Brackpool and Speer as in effect during 2021 provided for certain severance provisions and benefits associated with various termination scenarios, as well as certain vesting acceleration for equity-based compensation in the event of a change-in-control. The severance and change in control provisions were determined largely by negotiations between the parties as one of the many elements of a larger negotiation involving the particular executive's employment or consulting agreement with the Company. These agreements are designed to be competitive in the marketplace and provide security for these executives in the event that the Company is acquired, and their position is impacted. This will allow the Company's executives to consider and implement transformative transactions of significant benefit to our stockholders without undue concern over their own financial situations. Nevertheless, if an executive departs under circumstances that call into question whether any compensation amounts paid to him or her were validly earned, we will pursue any legal rights we deemed appropriate under the circumstances.

A summary of the severance and change-in-control provisions applicable to compensation arrangements with the Company's named executive officers named in the Summary Compensation Table, along with a quantification of the benefits available to each named officer as of December 31, 2021, can be found in the section captioned "Potential Payments upon Termination or Change in Control". The Company does not provide excise tax gross-ups as part of these benefits.

Tax and Accounting Considerations**Impact of Code Section 162(m)**

The Compensation Committee has considered the impact of provisions of the Internal Revenue Code of 1986, specifically Code Section 162(m). Section 162(m) limits to \$1 million the Company's deduction for compensation paid to each of our executive officers, which does not qualify as "performance based". The 2019 Equity Incentive Plan was designed to permit grant awards that qualify as performance-based compensation, thereby permitting the Company to receive a federal income tax deduction in connection with the awards.

Compensation Committee Report

The Compensation Committee has reviewed and discussed the foregoing Compensation Discussion and Analysis with management of the Company. Based on this review and discussion, we recommend to the Board of Directors that the Compensation Discussion and Analysis be included in this proxy statement.

THE COMPENSATION COMMITTEE

Mr. Winston H. Hickox, Chair
Mr. Geoffrey Grant
Ms. Carolyn Webb de Macías

The foregoing report shall not be deemed incorporated by reference by any general statement incorporating by reference this statement into any filing under the Securities Act of 1933 or under the Securities Exchange Act of 1934, except to the extent that the Company specifically incorporates this information by reference and shall not otherwise be deemed filed under such Acts.

Executive Compensation Tables*Summary Compensation Table*

The following table shows the compensation awarded to, earned by, or paid during the years ended December 31, 2021, 2020 and 2019, to the Company's current chief executive officer and president, chief financial officer and our former Chair.

Name and Principal Position⁽¹⁾	Year	Salary (\$)	Bonus (\$)	Stock Awards⁽²⁾ (\$)	Option Awards⁽²⁾ (\$)	All Other Compensation⁽³⁾ (\$)	Total (\$)
Scott Slater President and current Principal Executive Officer	2021	300,000	-	1,315,343	-	-	1,615,343
	2020	300,000	300,000	198,060	-	-	798,060
	2019	300,000	200,000	-	-	-	500,000
Stanley E. Speer Current Principal Financial Officer and Secretary	2021	350,000	-	657,672	-	20,000	1,027,672
	2020	216,346	150,000	-	-	12,923	366,346
	2019	-	-	-	-	-	-
Keith Brackpool Former Chair	2021	275,000	-	1,315,343	-	43,030	1,633,373
	2020	275,000	300,000	198,060	-	51,111	824,171
	2019	275,000	200,000	-	-	51,111	526,111

- (1) The executive officers listed in the Summary Compensation Table above were the Company's only executive officers during the year ended December 31, 2021. Mr. Brackpool served as chair of the Board of Directors until February 4, 2022, when the position was assumed by Ms. Susan Kennedy. Mr. Brackpool continues to serve on the Board in a non-executive role.
- (2) This column discloses the dollar amount of compensation cost recognized for the respective fiscal year in accordance with FASB ASC Topic 718. The assumptions used for determining the value of stock awards and options are set forth in Note 9 to the Consolidated Financial Statements, "Stock-Based Compensation Plans and Warrants". All Stock Awards listed were approved by Stockholders as part of the 2019 Equity Incentive Plan.
- (3) All Other Compensation includes a 401k match that is generally available to all employees. Messrs. Brackpool, and Speer received \$11,000 and \$11,600, respectively, in 401k matching contributions in 2021. In 2021, Mr. Brackpool's Other Compensation also includes \$32,030 of company paid expenses related to a leased automobile. Mr. Speer's Other Compensation for 2021 also includes \$8,400 in a car allowance. The value of perquisites for Mr. Slater was less than \$10,000, and thus no amount relating to perquisites is included in the Summary Compensation Table.

Grants of Plan-Based Award

The following table set forth each non-equity incentive plan award and equity incentive award granted to our named executive officers in 2021.

Name	Grant Date ⁽¹⁾	Estimated Future Payouts Under Equity Incentive Plan Awards Target (#)	Grant Date Fair Value of Stock and Option Awards (\$)
Scott Slater	4/26/2021	85,000 ⁽²⁾	960,500
	4/26/2021	170,000 ⁽³⁾	1,921,000
Stanley Speer	4/26/2021	42,500 ⁽²⁾	480,250
	4/26/2021	85,000 ⁽³⁾	960,500
Keith Brackpool	4/26/2021	85,000 ⁽⁴⁾	960,500
	4/26/2021	170,000 ⁽⁴⁾	1,921,000

- (1) The grant date set forth in this table is the date the grants became effective.
- (2) Restricted stock units granted by the Company under the 2019 Equity Incentive Plan. See “Employment Arrangements”, below.
- (3) Restricted stock units subject to satisfaction of milestone-based vesting conditions granted by the Company under the 2019 Equity Incentive Plan. See “Employment Arrangements”, below.
- (4) On February 4, 2022, these restricted stock units were accelerated and became fully vested as a result of amended employment arrangements with the Company to reflect modification of Mr. Brackpool's duties. See "Employment Arrangements", below.

Outstanding Equity Awards at Fiscal Year End

The following table sets forth certain information concerning outstanding stock and option awards as of December 31, 2021, for each named executive officer.

Name	Option Awards				Stock Awards		
	Securities Underlying Unexercised Options (#) Exercisable	Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price (\$)	Option Expiration Date	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Marked or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$)	
Scott Slater	-	-	-	-	170,000 ⁽¹⁾	656,200 ⁽²⁾	
Stanley Speer	-	-	-	-	85,000 ⁽¹⁾	328,100 ⁽²⁾	
Keith Brackpool	-	-	-	-	170,000 ⁽¹⁾⁽³⁾	656,200 ⁽²⁾⁽³⁾	

- (1) Unvested portion of restricted stock units granted by the Company under the 2019 Equity Incentive Plan as of December 31, 2021. See “Grant of Plan-Based Awards”, above.
- (2) Based on \$3.86 per share which was the closing market price of the Company’s common stock on December 31, 2021.
- (3) On February 4, 2022, these restricted stock unities were accelerated and became fully vested as a result of amended employment arrangements with the Company to reflect modification of Mr. Brackpool's duties. See "Employment Arrangements", below.

Option Exercises and Stock Vested

The following table sets forth certain information concerning stock option exercises and restricted stock vesting during 2021 for each named executive officer.

Name	Option Awards		Stock Awards	
	Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)	Shares Acquired on Vesting (#)	Value Realized on Vesting (\$)
Scott Slater	-	-	85,000 ⁽¹⁾	960,500
Stanley E. Speer	-	-	42,500 ⁽¹⁾	480,250
Keith Brackpool	-	-	85,000 ⁽¹⁾	960,500

(1) Vested portion of restricted stock units granted by the Company under the 2019 Equity Incentive Plan. See “Grant of Plan Based Award”, above.

Pension Benefits

The Company does not have any qualified or non-qualified defined benefits plans.

Nonqualified Deferred Compensation

The Company does not have any non-qualified defined contribution plans or other deferred compensation plans.

Employment Arrangements

Mr. Scott S. Slater has served with the Company since November 2008 pursuant to an agreement with the law firm Brownstein Hyatt Farber and Schreck LLP, where Mr. Slater is also a shareholder. From 2008 – 2012, Mr. Slater was primarily focused on the development of the Company's Water Project and did not receive a base salary from the Company for his role as General Counsel (2008 – 2012) and President (2011 – 2012). Mr. Slater's compensation from the Company consisted exclusively of long-term incentives due to the nature of the development of the Water Project. On February 1, 2013, Mr. Slater was named Chief Executive Officer in addition to his ongoing role as President. As a result, Mr. Slater's employment arrangements were amended to reflect the broadening of his responsibilities and leadership role over all of the Company's asset development initiatives. In consideration of Mr. Slater's agreement to serve as Chief Executive Officer and President, Mr. Slater began to receive an annual base salary from the Company of \$300,000 effective February 1, 2013. In April 2021, Mr. Slater received a long-term equity incentive award of 255,000 shares of the Company's stock in the form of 255,000 Restricted Stock Units (“RSU”). Of the 255,000 RSUs granted, 170,000 RSUs vest upon completion of certain milestones, including (a) 85,000 RSUs which vested in July 2021 upon completion of refinancing of the Company's Prior Senior Secured Debt and funding to complete the purchase of the Northern Pipeline, and (b) 85,000 RSUs scheduled to vest upon completion of final binding water supply agreement(s) for the delivery of at least 9,500 acre-feet of water per annum to customers. The remaining 85,000 RSUs are scheduled to vest on March 1, 2023. The determination of whether the RSUs related to milestone events have vested will be made by the Company's Compensation Committee.

Mr. Stanley E. Speer entered into an employment agreement with the Company effective May 21, 2020 (“Employment Agreement”). Mr. Speer serves as the Chief Financial Officer of the Company and as Chair and Chief Executive Officer of the Board of Managers of Cadiz Real Estate LLC, our subsidiary holding title to the Company’s land and water assets. Pursuant to his Employment Agreement, Mr. Speer receives an annual base salary of \$350,000, and is eligible to participate in the Company’s bonus and equity incentive programs. In April 2021, Mr. Speer received a long-term equity incentive award of 127,500 shares of the Company’s stock in the form of 127,500 RSUs. Of the 127,500 RSUs granted, 85,000 RSUs vest upon completion of certain milestones, including (a) 42,500 RSUs which vested in July 2021 upon completion of refinancing of the Company’s Prior Senior Secured Debt and funding to complete the purchase of the Northern Pipeline, and (b) 42,500 RSUs scheduled to vest upon completion of final binding water supply agreement(s) for the delivery of at least 9,500 acre-feet of water per annum to customers. The remaining 42,500 RSUs are scheduled to vest on March 1, 2023. The determination of whether the RSUs related to milestone events have vested will be made by the Company’s Compensation Committee.

During 2021, Mr. Keith Brackpool served as Chair of the Board of Directors pursuant to an amended and restated employment agreement effective July 1, 2014 (“2014 Amended Agreement”) replacing a May 2009 employment agreement. The 2014 Amended Agreement provided for a new base salary compensation structure and established milestone principles for further long-term incentive equity awards. Effective July 1, 2014, Mr. Brackpool's received a total of 100,000 RSUs - 20,000 in 2014 and 40,000 each in 2015 and 2016 in lieu of annual cash salary compensation. Effective January 1, 2017, the annual base cash salary for Mr. Brackpool was returned to \$275,000. In April 2021, Mr. Brackpool received a long-term equity incentive award of 255,000 shares of the Company’s stock in the form of 255,000 RSUs. Of the 255,000 RSUs granted, 170,000 RSUs vest upon completion of certain milestones, including (a) 85,000 RSUs which vested in July 2021 upon completion of refinancing of the Company’s Prior Senior Secured Debt and funding to complete the purchase of the Northern Pipeline, and (b) 85,000 RSUs scheduled to vest upon completion of final binding water supply agreement(s) for the delivery of at least 9,500 acre-feet of water per annum to customers. The remaining 85,000 RSUs were scheduled to vest on March 1, 2023. On February 4, 2022 (“Effective Date”), Mr. Brackpool stepped down as Chair of the Board. Mr. Brackpool will remain on the Board in a non-executive role. As of the Effective Date, Mr. Brackpool’s existing employment arrangement with the Company was amended to reflect the modification of his duties. Also upon the Effective Date, Mr. Brackpool’s heretofore unvested restricted stock units were accelerated and became fully vested.

Ms. Susan Kennedy entered into an employment agreement with the Company effective February 4, 2022 (“Employment Effective Date”) (“2022 Employment Agreement”). As of the Employment Effective Date, Ms. Kennedy was appointed to serve as Chair of the Board, an executive officer role. Pursuant to her 2022 Employment Agreement, Ms. Kennedy receives an annual base salary of \$300,000, and is entitled to performance-based bonus awards. At the time of her appointment, Ms. Kennedy received an equity incentive award of 450,000 shares of the Company’s stock in the form of performance stock units (“PSUs”). The PSUs vest upon the Company’s common stock achieving price hurdles (“Price Hurdles”), including (a) 200,000 PSUs to vest upon a Price Hurdle of \$7 per share, (b) 150,000 PSUs to vest upon a Price Hurdle of \$9 per share, (c) 50,000 PSUs vest upon a Price Hurdle of \$11 per share, and (d) 50,000 PSUs to vest upon a Price Hurdle of \$13 per share and are payable, at the option of the Compensation Committee, in either common stock or cash. The PSU incentive award is subject to continued employment with the Company through the vesting date.

Potential Payments Upon Termination or Change in Control

The following table and summary set forth estimated potential payments the Company would be required to make to our named executive officers upon termination of employment or change in control of the Company, pursuant to each executive’s employment or consulting agreement in effect at year end. Except as otherwise indicated, the table assumes that the triggering event occurred on December 31, 2021.

Name	Benefit	Termination without Cause or Resignation upon Company Material Breach (\$)	Death or Disability (\$)	Termination Following Change of Control (\$)
Scott Slater	Salary	-	-	-
	Bonus	-	-	-
	Equity Acceleration	-	-	-
	Benefits Continuation ⁽¹⁾	-	-	-
	Total Value	-	-	-
Stanley E. Speer	Salary	175,000	175,000	350,000
	Bonus	-	-	-
	Equity Acceleration	-	-	-
	Benefits Continuation ⁽¹⁾	23,462	-	46,923
	Total Value	198,462	175,000	396,923
Keith Brackpool ⁽²⁾	Salary	275,000	550,000	550,000
	Bonus	-	-	-
	Equity Acceleration	-	-	-
	Benefits Continuation ⁽¹⁾	72,154	-	144,308
	Total Value	347,154	550,000	694,308

(1) The benefits continuation amounts include car allowances, 401(k) matching benefits and paid vacation.

(2) As fo February 4, 2022, Mr. Brackpool stepped down as Chair of the Board of Directors and his theretofore unvested these restricted stock unties were accelerated and became fully vested. See "Employment Arrangements", above. Mr. Brackpool is not currently entitled to any further required payments as a consequence of termination or change in control.

Termination without Cause or Resignation upon Company Material Breach

Mr. Speer’s Employment Agreement provides that if Mr. Speer were terminated by the Company without cause or if he resigns due to a breach of the Employment Agreement by us, then the Company is obligated to pay severance and continuation of benefits (to the extent such benefits could then be lawfully made available by the Company) for one hundred eighty days following the effective date of the termination, as though Mr. Speer were continuing to provide services to the Company under the Employment Agreement.

Mr. Brackpool's 2014 Amended Agreement, as in effect during 2021, provided that if Mr. Brackpool were terminated by the Company without cause or if he resigns due to a breach of the 2014 Amended Agreement by us, then the Company is obligated to pay severance and continuation of benefits (to the extent such benefits could then be lawfully made available by the Company) for one year following the effective date of the termination, as though Mr. Brackpool were continuing to provide services to the Company under his 2014 Amended Agreement.

Ms. Kennedy's Employment Agreement, effective as of February 4, 2022, provides that if Ms. Kennedy were terminated by the Company without cause or if she resigns due to a breach of the Employment Agreement by us, then the Company is obligated to pay severance and continuation of benefits (to the extent such benefits could then be lawfully made available by the Company) for one hundred eighty days following the effective date of the termination, as though Ms. Kennedy were continuing to provide services to the Company under her Employment Agreement.

Termination of Employment Due to Death or Disability

Mr. Speer's Employment Agreement provides that if he dies or became disabled, he or his estate would be entitled to receive severance for one hundred eighty days consisting of his base compensation.

Mr. Brackpool's 2014 Amended Agreement, as in effect during 2021, provided that if he dies or became disabled, he or his estate would be entitled to receive severance for two years consisting of his base compensation.

Ms. Kennedy's Employment Agreement, effective as of February 4, 2022, provides that if she dies or became disabled, she or her estate would be entitled to receive severance for one hundred eighty days consisting of her base compensation.

Change in Control

Mr. Speer's Employment Agreement provides that if Mr. Speer is terminated by the Company following a change in control, the Company is obligated to pay severance and continuation of benefits (to the extent such benefits could then be lawfully made available by the Company) for one year following the effective date of the termination, as though Mr. Speer were continuing to provide services to the Company under his Employment Agreement.

Mr. Brackpool's 2014 Amended Agreement, as in effect during 2021, provided that if Mr. Brackpool is terminated by the Company following a change in control, the Company is obligated to pay severance and continuation of benefits (to the extent such benefits could then be lawfully made available by the Company) for two years following the effective date of the termination, as though Mr. Brackpool were continuing to provide services to the Company under his 2014 Amended Agreement.

Ms. Kennedy's Employment Agreement, effective as of February 4, 2022, provides that if Ms. Kennedy is terminated by the Company following a change in control, the Company is obligated to pay severance and continuation of benefits (to the extent such benefits could then be lawfully made available by the Company) for one year following the effective date of the termination, as though Ms. Kennedy were continuing to provide services to the Company under her Employment Agreement.

Director Compensation

The following table summarizes the compensation earned by each of the non-employee directors in 2021. Directors who are also officers or employees of the Company receive no compensation for duties performed as a director. No current director has an agreement or arrangement with any third party relating to compensation or other payments in connection with the director's candidacy or service as a director.

Name	Fees Earned or Paid in Cash (\$)	Stock Awards \$(1)	Option Awards \$(2)	Total (\$)
Stephen E. Courter	62,500	25,000	-	87,500
Maria Echaveste	62,500	25,000	-	87,500
Geoffrey Grant	-	87,500	-	87,500
Winston H. Hickox	62,500	25,000	-	87,500
Murray H. Hutchison (3)	-	50,000	-	50,000
Susan P. Kennedy	62,500	25,000	-	87,500
Richard Nevins (3)	-	50,000	-	50,000
Carolyn Webb de Macias	62,500	25,000	-	87,500

(1) This column discloses the dollar amount of compensation cost recognized in 2021 based on the fair value at grant date in accordance with FASB ASC Topic 718. These awards were valued at the market value of the underlying stock on the date of grant in accordance with FASB ASC Topic 718.

(2) Directors of the Company do not receive stock option awards.

(3) Mr. Hutchison and Mr. Nevins retired from service on the Board of Directors in 2021, and did not stand for re-election at the 2021 Annual Meeting.

Director Compensation Policy

Effective July 1, 2021, all non-employee directors are entitled to receive, for each 12-month period ending June 30 of each year, the amount of \$75,000, an increase from the previous year's cash compensation of \$50,000. This amount is prorated for directors serving less than the full 12 months. Payments will be made in 4 quarterly installments of \$18,750. A director may elect to receive any or all of his or her cash compensation earned in the form the Company's common stock. A director is entitled to a \$18,750 fee for any quarter in which services are rendered. Each June 30, non-employee directors are also entitled to receive a deferred stock award consisting of shares of the Company's common stock with a value equal to \$25,000 (calculated with reference to the average closing price of the Company's common stock during the one month preceding the annual award date), prorated for directors serving less than the full 12 months.

Director Stock Ownership Policy

The Company encourages stock ownership on behalf of our directors. Thus, the Company's compensation structure for non-employee directors includes awards of stock as compensation for director services. See "Director Compensation Policy", above.

Pay Ratio Disclosure

Pursuant to the Dodd-Frank Act, the Securities and Exchange Commission adopted a rule requiring annual disclosure of the ratio of the total annual compensation of the principal executive officer (“CEO”) to the median employee’s annual total compensation. Mr. Scott Slater is the Company’s Chief Executive Officer. In the pay ratio table below, Mr. Slater’s total compensation as reflected in the foregoing Summary Compensation Table, is compared to the median employee’s total compensation. For simplicity, the value of the Company’s retirement plan was excluded for Mr. Slater and all permanent employees, as all employees, including the CEO, are offered the same benefits. In determining the median employee, a listing was prepared of all employees that were actively employed as of December 31, 2021, with the exception of Mr. Slater. All wages, bonuses and stock awards paid to each employee were deemed to be the employee’s total compensation. If a permanent employee was not employed by the Company for the entirety of the year, an annualized total compensation was calculated for that employee. The below table presents the ratio of the total annual compensation of the Company’s Chief Executive Officer, Mr. Slater, to the median employee’s annual total compensation:

Mr. Scott Slater (CEO) total annual compensation	\$	1,615,343
Median Employee total annual compensation	\$	346,926
Ratio of CEO to Median Employee total annual compensation		4.66 : 1.00

Compensation Committee Interlocks and Insider Participation

In fiscal 2021, there were no Compensation Committee interlocks and no insider participation in Compensation Committee decisions that were required to be reported under the rules and regulations of the 1934 Act.

ITEM 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The following table sets forth the beneficial ownership of the Company's voting securities, as of March 24, 2022, by each stockholder whom the Company knows to own beneficially more than five percent of our common stock or preferred stock, and by each director, each named executive officer, and all directors and executive officers as a group, excluding, in each case, rights under options or warrants not exercisable within 60 days. All persons named have sole voting power and investment power over their shares except as otherwise noted.

Name and Address	Amount and Nature of Beneficial Ownership ⁽¹⁾⁽²⁾	Percent of Class
Heerema International Services Group SA Jacobus Muller Route de Florissant 81, 1206 Geneve Switzerland	17,966,965 ⁽³⁾	35.4%
Keith Brackpool c/o 550 S. Hope St., Suite 2850 Los Angeles, CA 90071	1,689,055	3.33%
Geoffrey Grant c/o 550 S. Hope St., Suite 2850 Los Angeles, CA 90071	501,067 ⁽⁴⁾	*
Winston H. Hickox c/o 550 S. Hope St., Suite 2850 Los Angeles, CA 90071	76,915	*
Scott S. Slater c/o 550 S. Hope St., Suite 2850 Los Angeles, CA 90071	69,634 ⁽⁵⁾	*
Stanley Speer c/o 550 S. Hope St., Suite 2850 Los Angeles, CA 90071	39,460 ⁽⁶⁾	*
Stephen Courter c/o 550 S. Hope St., Suite 2850 Los Angeles, CA 90071	30,098	*
Maria Echaveste c/o 550 S. Hope St., Suite 2850 Los Angeles, CA 90071	4,236	*
Carolyn Webb de Macias c/o 550 S. Hope St., Suite 2850 Los Angeles, CA 90071	4,236	*

Susan P. Kennedy c/o 550 S. Hope St., Suite 2850 Los Angeles, CA 90071	950 ⁽⁷⁾	*
All Directors and officers as a group (nine individuals)	2,415,651 (4)(5)(6)(7)	4.8%

* Represents less than one percent of the 50,752,203 outstanding shares of common stock of the Company as of March 24, 2022.

Footnotes

- (1) Does not include the Company's currently outstanding 329 shares of Series 1 Preferred Stock, all of which are held by Elkhorn Partners L.P. and which represent less than 1% of the voting power of the Company's outstanding voting securities.
- (2) Does not include the Company's outstanding Depositary Shares, which are not currently voting securities.
- (3) Based upon a Form 13D filed on December 1, 2021 with the SEC, Heerema International Services Group SA ("Heerema Group") owns 15,109,823 shares of the Company's common stock. Mr. Jacobus Miller is manager of certain funds of the Heerema Group (such funds, the "Heerema Funds"). Additionally, Heerema Group purchased 2,857,142 shares in the Company's registered direct offering completed on March 23, 2022. Pursuant to management agreements between Mr. Miller and the Heerema Funds, the Reporting Person has voting and dispositive power of securities held directly by the Heerema Funds.
- (4) Includes 30,500 shares held in five separate trusts, each holding 6,100 shares for the benefit of Mr. Grant's children. The trustee of these trusts is not a member of the Reporting Person's immediate family. Mr. Grant disclaims beneficial ownership of the shares held by these trusts.
- (5) Does not include 170,000 restricted stock units which have not yet vested. Each restricted stock unit represents a contingent right to receive one share of Cadiz Inc. common stock. Mr. Slater disclaims beneficial ownership of these securities until such time, and to the extent, that ownership of these securities has vested.
- (6) Does not include 85,000 restricted stock units which have not yet vested. Each restricted stock unit represents a contingent right to receive one share of Cadiz Inc. common stock. Mr. Speer disclaims beneficial ownership of these securities until such time, and to the extent, that ownership of these securities has vested.
- (7) Does not include 450,000 performance rights units that have not yet vested. Each performance rights unit represents a contingent right to receive one share of Cadiz Inc. common stock. Ms. Kennedy disclaims beneficial ownership of these securities until such time, and to the extent, that ownership of these securities has vested.

Equity Compensation Plan Information

The following table provides information as of December 31, 2021 with respect to shares of the Company's common stock that may be issued under its existing compensation plans. The table includes plan grants to executive officers and other Company employees.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by stockholders	-	-	79,708 ⁽¹⁾
Total	-	-	79,708

(2) Represents 79,708 securities issuable under the Company's 2019 Equity Incentive Plan as of December 31, 2021.

ITEM 13. Certain Relationships and Related Transactions, and Director Independence***Certain Relationships and Related Transactions***

There have been no transactions since the beginning of our last fiscal year with our directors and officers and beneficial owners of more than five percent of our voting securities and their affiliates requiring disclosure, except for the following:

As previously reported on Form 8K, on March 20, 2022, the Company entered into a Securities Purchase Agreement with certain institutional and individual investors relating to the sale and issuance by the Company of 6,857,140 shares of the Company's common stock ("Shares") to such investors in a registered direct offering (the "Purchase Agreement"). The purchasers in this offering include (i) the Company's founder, current director and former Chairman, Keith Brackpool, who purchased 1,142,857 Shares, (ii) the Company's director, Geoffrey Grant (collectively with Mr. Brackpool, the "Participating Directors"), who purchased 285,714 Shares, and (iii) the Company's largest stockholder, a fund represented by Heerema International Group Services S.A. (such fund referred to herein as "Heerema"), which beneficially owned approximately 34.42% of the issued and outstanding shares of the Company's common stock prior to this offering, purchased 2,857,142 Shares in this offering. Following this offering, Heerema and its affiliates beneficially own approximately 35.4% of the issued and outstanding shares of the Company's common stock representing approximately 35.33% of the voting power of the Company's outstanding capital stock. The Shares were sold at a purchase price of \$1.75 per share, which exceeds the last consolidated closing bid price of the common stock on the Nasdaq Stock Market preceding the execution of the Purchase Agreement, for an aggregate purchase price of approximately \$12 million. The Shares were offered and sold pursuant to a prospectus dated June 25, 2021 and a prospectus supplement dated March 20, 2021 filed with the Securities and Exchange Commission (the "SEC"), pursuant to the Company's registration statement on Form S-3 (File No. 333-257159), which was declared effective by the SEC on June 25, 2021.

In connection with this offering, the Company entered into a Board Observer and Nomination Rights Agreement which provides Heerema (i) a right to appoint one observer to attend meetings of the Company's Board of Directors (the "Board") and committees of the Board and, in lieu of such observer right, the right to nominate one individual for election to the Board, and (ii) a right to require the Company to seek stockholder approval of an amendment to the Company's certificate of incorporation to permit the adoption of an amendment to our bylaws requiring the Board to call a special meeting of stockholders of the Company upon appropriate written request of a stockholder or stockholders of record of the Company owning not less than 20% of the voting power of our then outstanding shares of capital stock (such amendment to our certificate of incorporation, the "Amendment to Permit Stockholders to Call Special Meetings"), subject to and in accordance with the Delaware General Corporation Law. In furtherance of the rights granted regarding the Amendment to Permit Stockholders to Call Special Meetings, the Company has agreed to cause its annual meeting of stockholders for 2022 (the "2022 Annual Meeting") to be held on or before August 15, 2022 and submit the Amendment to Permit Stockholders to Call Special Meetings for adoption by our stockholders at the 2022 Annual Meeting. This agreement will terminate if and when Heerema and its affiliates collectively hold less than 10% of the outstanding shares of common stock of the Company.

Policies and Procedures with Respect to Related Party Transactions

Our Audit and Risk Committee Charter requires that the Audit and Risk Committee review and approve all related-party transactions between the Company, on the one hand, and directors, officers, employees, consultants, and any of their family members, on the other hand. In addition, the Company's written Code of Conduct and Ethics and Conflicts of Interest policy provides that no employee, officer or director may use or attempt to use his or her position at the Company to obtain any improper personal benefit for himself or herself, for his or her family, or for any other person.

In order to implement these requirements, the Company requires that, prior to entering into any transaction with the Company, a related party must advise Company management of the potential transaction. Management will, in turn, provide to the Audit and Risk Committee a description of the material terms of the transaction, including the dollar amount, the nature of the related party's direct or indirect interest in the transaction, and the benefits to be received by the Company from the transaction. The Audit and Risk Committee may make such other investigations as it considers appropriate under the circumstances. The Audit and Risk Committee will also consider whether the benefits of the proposed transaction could be obtained by the Company upon better terms from non-related parties, and whether the transaction is one that would be reportable by the Company in our public filings. The Audit and Risk Committee will then make a determination as to whether the proposed transaction is in the best interests of the Company and should therefore be approved.

Director Independence

Messrs. Courter, Grant, and Hickox and Ms. Echaveste and Webb de Macías have all been affirmatively determined by the Board to be "independent" under all relevant securities and other laws and regulations, including those set forth in SEC and regulations and pertinent listing standards of the NASDAQ Global Market, as in effect from time to time. Immediately following the 2021 Annual Meeting, Mr. Hickox became the Company's lead independent director, after four years of service in this role by Mr. Grant. The objective of the lead independent director is to further enhance independent board oversight of management and to provide a board liaison to stockholder interests independent of management.

The Company's independent directors meet routinely in executive session without the presence of management. Independent directors met in executive session at each regularly scheduled meeting of the Board, at least four (4) times annually, in each case outside the presence of any director who also serves as an executive officer. In addition to regularly scheduled board meetings, the Board of Directors and various committees of the Board regularly meet to receive and discuss operating and financial reports presented by the Chief Executive Officer and other members of management as well as reports by experts and other advisors.

Independence of Committee Members

All standing committees of the Board of Directors are comprised entirely of directors whom the Board has affirmatively determined to be independent, as they meet the objective requirements set forth by the NASDAQ Global Market and the SEC, and each of whom have no relationship, direct or indirect, to the Company other than as stockholders or through their service on the Board.

Each Board committee is chaired by an independent director and maintains a written charter detailing its authority and responsibilities. These charters are reviewed periodically as legislative and regulatory developments and business circumstances warrant, and are available in their entirety on the Company's website at <https://www.cadizinc.com/corporate-governance/> and to any stockholder otherwise requesting a copy.

ITEM 14. Principal Accounting Fees and Services

For the fiscal years ended December 31, 2021 and 2020, professional services were performed by PricewaterhouseCoopers LLP. The Company's Audit and Risk Committee annually approves the engagement of outside auditors for audit services in advance. The Audit and Risk Committee has also established complementary procedures to require pre-approval of all audit-related, tax and permitted non-audit services provided by PricewaterhouseCoopers LLP, and to consider whether the outside auditors' provision of non-audit services to the Company is compatible with maintaining the independence of the outside auditors. The Audit and Risk Committee may delegate pre-approval authority to one or more of its members. Any such fees pre-approved in this manner shall be reported to the Audit and Risk Committee at its next scheduled meeting. All services described below were pre-approved by the Audit and Risk Committee.

All fees for services rendered by PricewaterhouseCoopers LLP aggregated \$422,000 and \$424,000 during the fiscal years ended December 31, 2021 and 2020, respectively, and were composed of the following:

Audit Fees. The aggregate fees accrued by the Company for the audit of the annual financial statements during the fiscal years ended December 31, 2021 and 2020, for reviews of the financial statements included in the Company's Quarterly Reports on Form 10-Q, and for assistance with and review of documents filed with the SEC were \$422,000 for 2021 and \$424,000 for 2020.

Audit Related Fees. No audit-related fees were billed by PricewaterhouseCoopers LLP to the Company during the fiscal years ended December 31, 2021 and 2020.

Tax Fees. No tax fees were billed by PricewaterhouseCoopers LLP to the Company during the fiscal years ended December 31, 2021 and 2020.

All Other Fees. No other fees were billed during the fiscal years ended December 31, 2021 and 2020.

PART IV

ITEM 15. Exhibits, Financial Statement Schedules

1. Financial Statements. See Index to Consolidated Financial Statements.
2. Financial Statement Schedule. See Index to Consolidated Financial Statements. ***
3. Exhibits.

The following exhibits are filed or incorporated by reference as part of this Form 10-K.

- **3.1 [Cadiz Certificate of Incorporation, as amended](#)
- *3.2 [Cadiz Bylaws, as amended](#)
- **3.3 [Certificate of Designation of Series 1 Preferred Stock of Cadiz Inc.](#)
- **3.4 [Certificate of Designation of 8.875% Series A Cumulative Perpetual Preferred Stock of Cadiz Inc.](#)
- **4.1 [Form of Senior Indenture](#)
- **4.2 [Form of Subordinated Indenture](#)
- **4.3 [Deposit Agreement, dated effective as of July 2, 2021, by and among the Company, Continental Stock Transfer & Trust Company, as depository, and the holders of the depository receipts issued thereunder.](#)
- *4.4 [Description of Securities Registered Under Section 12 of the Securities Exchange Act of 1934](#)
- **4.5 [Warrant No. W-1 to Purchase Common Stock of Cadiz Inc. dated as of July 2, 2021](#)
- **4.6 [Warrant No. W-2 to Purchase Common Stock of Cadiz Inc. dated as of July 2, 2021](#)
- **10.1 [Limited Liability Company Agreement of Cadiz Real Estate LLC dated December 11, 2003](#)
- **10.2 [Amendment No. 1, dated October 29, 2004, to Limited Liability Company Agreement of Cadiz Real Estate LLC](#)
- **10.3 [Amendment No. 2 dated March 5, 2013, to Limited Liability Company Agreement of Cadiz Real Estate LLC](#)
- **10.4 [Longitudinal Lease Agreement dated September 17, 2008 between Arizona & California Railroad Company and Cadiz Real Estate, LLC](#)
- †**10.5 [2019 Equity Incentive Plan](#)
- **10.6 [Form of Option Agreement with Santa Margarita Water District](#)
- **10.7 [Form of Environmental Processing and Cost Sharing Agreement with Santa Margarita Water District](#)

-
- **10.8 [Form of Environmental Processing and Cost Sharing Agreement with Three Valleys Municipal Water District](#)
 - **10.9 [Option Agreement with Golden State Water Company dated June 25, 2010](#)
 - **10.10 [Option Agreement with Suburban Water Systems dated October 4, 2010](#)
 - †**10.11 [Letter agreement with Scott S. Slater dated April 12, 2011](#)
 - †**10.12 [Letter agreement with Scott S. Slater dated January 10, 2013](#)
 - **10.13 [Option Agreement with California Water Service Company dated December 1, 2011](#)
 - **10.14 [Form of Memorandum of Understanding by and among Cadiz Inc., County of San Bernardino and Santa Margarita Water District](#)
 - **10.15 [Water Purchase and Sale Agreement among Cadiz Inc., Cadiz Real Estate LLC, Fenner Valley Mutual Water Company and Santa Margarita Water District dated July 31, 2012](#)
 - **10.16 [Groundwater Management, Monitoring, and Mitigation Plan for the Cadiz Valley Groundwater Conservation, Recovery and Storage Project approved by the Santa Margarita Water District and the County of San Bernardino Board of Supervisors effective October 1, 2012](#)
 - †**10.17 [Revised Terms of Engagement with Brownstein Hyatt Farber and Schreck dated January 9, 2013](#)
 - **10.18 [Track Utilization Agreement dated September 16, 2013, between Arizona & California Railroad Company and Cadiz Real Estate LLC](#)
 - †**10.19 [Amended and Restated Employment Agreement between Timothy J. Shaheen and Cadiz Inc. dated June 13, 2014](#)
 - †**10.20 [Amendment No. 1 to Amended and Restated Employment Agreement between Timothy J. Shaheen and Cadiz Inc. dated March 10, 2020](#)
 - †**10.21 [Amendment No. 2 to Amended and Restated Employment Agreement between Timothy J. Shaheen and Cadiz Inc. dated as of May 21, 2020](#)
 - †**10.22 [Employment Agreement between Cadiz Inc. and Stanley E. Speer dated as of May 21, 2020](#)
 - **10.23 [Form of Water Purchase and Sale Agreement, dated as of December 29, 2014, by and between Cadiz Inc. and San Luis Water District](#)

-
- **10.24 [Amended and Restated Lease Agreement, dated as of February 8, 2016, by and among Cadiz Real Estate LLC, Cadiz Inc. and Fenner Valley Farm, LLC](#)
 - **10.25 [Purchase and Sale Agreement between El Paso Natural Gas Company, LLC, and Cadiz Inc. dated December 31, 2018](#)
 - **10.26 [First Amendment to Purchase and Sale Agreement dated February 3, 2020 by and between El Paso Natural Gas Company, LLC, a Delaware limited liability company and Cadiz Inc., a Delaware corporation](#)
 - **10.27 [Second Amendment to Purchase and Sale Agreement dated December 4, 2020 by and between El Paso Natural Gas Company, LLC, a Delaware limited liability company and Cadiz Inc., a Delaware corporation](#)
 - **10.28 [Limited Liability Company Agreement of SoCal Hemp JV LLC](#)
 - **10.29 [Agricultural Lease dated as of July 31, 2019 between Cadiz Real Estate LLC and SoCal Hemp JV LLC](#)
 - **10.30 [First Amendment to Agricultural Lease, dated as of March 1, 2020, by and between Cadiz Real Estate LLC and SoCal Hemp JV LLC](#)
 - **10.31 [Conversion and Exchange Agreement, dated March 5, 2020, by and between Cadiz Inc. and LC Capital Master Fund, Ltd.](#)
 - **10.32 [Conversion and Exchange Agreement, dated March 5, 2020, by and between Cadiz Inc. and Elkhorn Partners Limited Partnership](#)
 - **10.33 [Registration Rights Agreement, dated March 5, 2020, by and among Cadiz Inc. and the other parties thereto](#)
 - **10.34 [Placement Agent Agreement, dated as of June 2, 2021, by and between Cadiz Inc. and B. Riley Securities, Inc.](#)
 - **10.35 [Underwriting Agreement, dated as of June 29, 2021, by and among the Company and B. Riley Securities, Inc. as representative and the several underwriters named therein](#)
 - **10.36 [Credit Agreement, dated as of July 2, 2021, by and among Cadiz Inc. and Cadiz Real Estate LLC as borrowers, the lenders from time to time party thereto, and B. Riley Securities, Inc., as administrative agent](#)
 - **10.37 [Security Agreement, dated as of July 2, 2021, made by Cadiz Inc., Cadiz Real Estate LLC, in favor of B. Riley Securities, Inc.](#)
 - **10.38 [Deed of Trust, Assignment of Leases and Rents, Security Agreement, Financing Statement and Fixture Filing, dated as of July 2, 2021](#)

-
- †**10.39 [Employment Agreement between Cadiz Inc. and Susan P. Kennedy dated as of February 4, 2022](#)
 - †**10.40 [Letter from Cadiz Inc. to Keith Brackpool dated as of February 4, 2022](#)
 - **10.41 [Form of Securities Purchase Agreement](#)
 - **10.42 [Form of Boar Observer and Nomination Right Agreement](#)
 - **10.43 [Form of Registration Rights Agreement](#)
 - *21.1 [Subsidiaries of the Registrant](#)
 - *23.1 [Consent of Independent Registered Public Accounting Firm](#)
 - *31.1 [Certification of Scott Slater, Chief Executive Officer of Cadiz Inc. pursuant to Section 302 of the Sarbanes-Oxley Act of 2002](#)
 - *31.2 [Certification of Stanley E. Speer, Chief Financial Officer and Secretary of Cadiz Inc. pursuant to Section 302 of the Sarbanes-Oxley Act of 2002](#)
 - *32.1 [Certification of Scott Slater, Chief Executive Officer of Cadiz Inc. pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002](#)
 - *32.2 [Certification of Stanley E. Speer, Chief Financial Officer and Secretary of Cadiz Inc. pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002](#)

 - * 101.INS Inline XBRL Instance Document

 - * 101.SCH Inline XBRL Taxonomy Extension Schema

 - * Inline XBRL Taxonomy Extension Calculation
101.CAL

 - * 101.DEF Inline XBRL Extension Definition

 - * Inline XBRL Taxonomy Extension Label
101.LAB

 - * 101.PRE Inline XBRL Taxonomy Extension Presentation

 - 104 Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

† Management contract or compensatory plan or agreement.

* Filed herewith.

** Previously filed.

*** All financial statement schedules are omitted since the required information is not present or is not present in amounts sufficient to require submission of the schedule, or because the information required is included in the consolidated financial statements and notes thereto.

ITEM 16. Form 10-K Summary

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereto duly authorized.

CADIZ INC.

By: /s/ Scott S. Slater
 Scott S. Slater
 Chief Executive Officer

Date: March 29, 2022

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons in the capacities and on the dates indicated.

Name and Position	Date
<u>/s/ Susan Kennedy</u> Susan Kennedy, Chair	<u>March 29, 2022</u>
<u>/s/ Scott S. Slater</u> Scott S. Slater, Chief Executive Officer, President and Director (Principal Executive Officer)	<u>March 29, 2022</u>
<u>/s/ Stanley E. Speer</u> Stanley E. Speer, Chief Financial Officer (Principal Financial and Accounting Officer)	<u>March 29, 2022</u>
<u>/s/ Keith Brackpool</u> Keith Brackpool, Director	<u>March 29, 2022</u>
<u>/s/ Stephen E. Courter</u> Stephen E. Courter, Director	<u>March 29, 2022</u>
<u>/s/ Maria Echaveste</u> Maria Echaveste, Director	<u>March 29, 2022</u>
<u>/s/ Geoffrey T. Grant</u> Geoffrey T. Grant, Director	<u>March 29, 2022</u>
<u>/s/ Winston H. Hickox</u> Winston H. Hickox, Director	<u>March 29, 2022</u>
<u>/s/ Carolyn Webb de Macias</u> Carolyn Webb de Macias, Director	<u>March 29, 2022</u>

	Page
Report of Independent Registered Public Accounting Firm (PCAOB ID Number 238)	F-2
Consolidated Statements of Operations and Comprehensive Loss for each of the two years in the period ended December 31, 2021	F-4
Consolidated Balance Sheets as of December 31, 2021 and 2020	F-5
Consolidated Statements of Cash Flows for each of the two years in the period ended December 31, 2021	F-6
Consolidated Statements of Stockholders' Equity (Deficit) for each of the two years in the period ended December 31, 2021	F-7
Notes to the Consolidated Financial Statements	F-8

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of Cadiz Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Cadiz Inc. and its subsidiaries (the “Company”) as of December 31, 2021 and 2020, and the related consolidated statements of operations and comprehensive loss, of stockholders’ equity (deficit) and of cash flows for the years then ended, including the related notes (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these consolidated financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Liquidity Assessment

As described in Note 2 to the consolidated financial statements, management has prepared the Company's consolidated financial statements on a going concern basis, contemplating the continuity of operations, and the realization of assets and the satisfaction of liabilities in the normal course of business. The Company incurred losses of \$31.2 million for the year ended December 31, 2021. The Company had working capital of \$10.7 million as of December 31, 2021 and used cash in operations of \$15.3 million for the year ended December 31, 2021. As disclosed by management, management assesses whether the Company has sufficient liquidity to fund its costs for the next twelve months from the financial statement issuance date. Management evaluates the Company's liquidity to determine if there is substantial doubt about the Company's ability to continue as a going concern. In the preparation of this liquidity assessment, management applies judgment to estimate the projected cash flows of the Company, including the following: (i) projected cash outflows (ii) projected cash inflows and (iii) categorization of expenditures as discretionary versus non-discretionary. The cash flow projections are based on known or planned cash requirements for operating costs as well as planned costs for project development.

The principal considerations for our determination that performing procedures relating to the liquidity assessment is a critical audit matter are the significant judgment by management when assessing whether the Company has sufficient liquidity; this in turn led to a high degree of auditor subjectivity and effort in performing procedures and in evaluating audit evidence relating to management's liquidity assessment and the estimated (i) projected cash outflows (ii) projected cash inflows and (iii) categorization of expenditures as discretionary versus non-discretionary.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included (i) testing management's process for assessing whether the Company has sufficient liquidity; (ii) evaluating the appropriateness of the projected cash flow model; (iii) testing the completeness and accuracy of the underlying data used in the model; and (iv) evaluating the reasonableness of management's significant assumptions related to projected cash outflows, projected cash inflows and categorization of expenditures as discretionary versus non-discretionary. Evaluating management's assumptions related to projected cash outflows, projected cash inflows and categorization of expenditures as discretionary versus non-discretionary involved evaluating whether the assumptions used were reasonable considering (i) current and past performance of the Company; (ii) management's historical forecasting accuracy; and (iii) whether these assumptions were consistent with evidence obtained in other areas of the audit.

/s/ PricewaterhouseCoopers LLP
Los Angeles, California
March 29, 2022

We have served as the Company's auditor since at least 1995. We have not been able to determine the specific year we began serving as auditor of the Company.

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

<i>(In thousands, except per share data)</i>	December 31,	
	2021	2020
Total revenues (rental income)	\$ 564	\$ 541
Costs and expenses:		
General and administrative	17,653	11,914
Depreciation	423	381
Total costs and expenses	18,076	12,295
Operating loss	(17,512)	(11,754)
Interest expense, net	(11,386)	(11,526)
Other income	-	33
Loss on extinguishment of debt	(1,399)	(12,394)
Loss before income taxes	(30,297)	(35,641)
Income tax expense	(10)	(7)
Loss from equity-method investments	(942)	(2,169)
Net loss and comprehensive loss	<u>\$ (31,249)</u>	<u>\$ (37,817)</u>
Less: Preferred stock dividend requirements	<u>\$ 2,737</u>	<u>-</u>
Net loss and comprehensive loss applicable to common stock	<u>\$ (33,986)</u>	<u>\$ (37,817)</u>
Basic and diluted net loss per common share	<u>\$ (0.84)</u>	<u>\$ (1.11)</u>
Basic and diluted weighted-average shares outstanding	<u>40,561</u>	<u>34,188</u>

See accompanying notes to the consolidated financial statements.

CONSOLIDATED BALANCE SHEETS

(\$ in thousands, except per share data)	December 31,	
	2021	2020
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 10,965	\$ 7,290
Restricted Cash	1,288	-
Accounts receivable	270	55
Prepaid expenses and other current assets	691	691
Total current assets	13,214	8,036
Property, plant, equipment and water programs, net	78,890	53,481
Long-term deposit/prepaid expenses	420	3,000
Equity-method investments	976	1,354
Goodwill	3,813	3,813
Right-of-use asset	3,281	15
Long-term restricted cash	7,603	134
Other assets	4,296	4,530
Total assets	\$ 112,493	\$ 74,363
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current liabilities:		
Accounts payable	\$ 286	\$ 548
Accrued liabilities	808	674
Current portion of long-term debt	107	51
Warrant derivative liabilities	-	1,847
Dividend payable	1,288	-
Operating lease liabilities	24	15
Total current liabilities	2,513	3,135
Long-term debt, net	46,477	78,596
Long-term lease obligations with related party, net	18,855	17,183
Long-term operating lease liabilities	3,257	-
Deferred revenue	750	750
Other long-term liabilities	32	-
Total liabilities	71,884	99,664
Stockholders' equity (deficit):		
Preferred stock - \$.01 par value, 100,000 shares authorized at December 31, 2021 and December 31, 2020; shares issued and outstanding – 329 at December 31, 2021 and 7,531 at December 31, 2020	1	1
8.875% Series A cumulative, perpetual preferred stock - \$.01 par value; 7,500 shares authorized at December 31, 2021 and 0 shares at December 31, 2020; shares issued and outstanding – 2,300 at December 31, 2021 and 0 at December 31, 2020	-	-
Common stock - \$.01 par value; 70,000,000 shares authorized at December 31, 2021 and December 31, 2020; shares issued and outstanding: 43,656,169 at December 31, 2021, and 36,902,361 at December 31, 2020	436	368
Additional paid-in capital	613,572	513,744
Accumulated deficit	(573,400)	(539,414)
Total stockholders' equity (deficit)	40,609	(25,301)
Total liabilities and stockholders' equity (deficit)	\$ 112,493	\$ 74,363

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

<i>(\$ in thousands)</i>	For the Year Ended December 31,	
	2021	2020
Cash flows from operating activities:		
Net loss	\$ (31,249)	\$ (37,817)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	423	381
Amortization of debt discount and issuance costs	3,475	1,062
Amortization of right-of-use asset	15	-
Interest expense added to loan principal	4,267	7,270
Interest expense added to lease liability	1,647	1,451
Loss on equity method investments	942	2,169
Loss on debt conversion and extinguishment of debt	1,399	12,394
Compensation charge for stock and share option awards	4,747	2,096
Unrealized gain on warrant derivative liabilities	(573)	(139)
Changes in operating assets and liabilities:		
Accounts receivable	(215)	(6)
Prepaid expenses and other current assets	(420)	(305)
Other assets	234	(605)
Accounts payable	(92)	129
Accrued and other liabilities	126	(1,508)
Net cash used in operating activities	<u>(15,274)</u>	<u>(13,428)</u>
Cash flows from investing activities:		
Additions to property, plant and equipment and water programs	(22,908)	(5,729)
Contributions to equity-method investments	(564)	(3,109)
Additions to long-term investments	-	(1,000)
Net cash used in investing activities	<u>(23,472)</u>	<u>(9,838)</u>
Cash flows from financing activities:		
Net proceeds from issuance of common stock	32,459	14,767
Net proceeds from the issuance of 8.875% series A cumulative, perpetual preferred stock	54,209	-
Dividend payment	(1,449)	-
Proceeds from the issuance of long-term debt	50,137	150
Issuance costs of long-term debt	(2,878)	-
Principal payments on long-term debt	(77,595)	(43)
Costs for extinguishment of debt	(2,525)	-
Taxes paid related to net share settlement of equity awards	(1,184)	-
Other	4	-
Net cash provided by financing activities	<u>51,178</u>	<u>14,874</u>
Net increase (decrease) in cash, cash equivalents and restricted cash	12,432	(8,392)
Cash, cash equivalents and restricted cash, beginning of period	7,424	15,816
Cash, cash equivalents and restricted cash, end of period	<u>\$ 19,856</u>	<u>\$ 7,424</u>

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)

	Common Stock		Preferred Stock		8.875% Series A Cumulative Perpetual Preferred Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity (Deficit)
	Shares	Amount	Shares	Amount	Shares	Amount			
Balance as of December 31, 2019	28,480,567	\$ 285	-	\$ -	-	\$ -	\$ 419,194	\$ (501,597)	\$ (82,118)
Issuance of shares pursuant to ATM offerings	1,508,013	15	-	-	-	-	14,752	-	14,767
Issuance of shares pursuant to bond conversion	5,766,337	57	-	-	-	-	38,843	-	38,900
Reclassification of warrant liability	-	-	-	-	-	-	(865)	-	(865)
Issuance of preferred shares	-	-	10,000	1	-	-	39,735	-	39,736
Conversion of preferred shares to common shares	1,000,068	10	(2,469)	-	-	-	(10)	-	-
Stock-based compensation expense	147,376	1	-	-	-	-	2,095	-	2,096
Net loss and comprehensive loss	-	-	-	-	-	-	-	(37,817)	(37,817)
Balance as of December 31, 2020	36,902,361	368	7,531	\$ 1	-	\$ -	\$ 513,744	\$ (539,414)	\$ (25,301)
Issuance of restricted stock units	158,673	1	-	-	-	-	-	-	1
Net settlement for taxes related to equity awards	-	-	-	-	-	-	(1,184)	-	(1,184)
Issuance of shares pursuant to ATM offerings	1,649,318	17	-	-	-	-	18,366	-	18,383
Issuance of shares pursuant to direct offering	1,219,512	12	-	-	-	-	14,062	-	14,074
Conversion of preferred shares to common stock	2,917,167	29	(7,202)	-	-	-	(29)	-	-
Issuance of 8.875% series A cumulative perpetual preferred shares	-	-	-	-	2,300	-	54,209	-	54,209
Issuance of shares pursuant to exercise of warrants	362,500	4	-	-	-	-	-	-	4
Reclassification of warrant liability	-	-	-	-	-	-	3,179	-	3,179
Issuance of warrants	-	-	-	-	-	-	1,795	-	1,795
Issuance of shares to lenders	363,566	4	-	-	-	-	4,613	-	4,617
Dividends paid and declared on 8.857% series A cumulative perpetual preferred shares (\$1,190 per share)	-	-	-	-	-	-	-	(2,737)	(2,737)
Cancellation of stock options to consultants	-	-	-	-	-	-	71	-	71
Stock-based compensation expense	83,072	1	-	-	-	-	4,746	-	4,747
Net loss and comprehensive loss	-	-	-	-	-	-	-	(31,249)	(31,249)
Balance as of December 31, 2021	<u>43,656,169</u>	<u>\$ 436</u>	<u>329</u>	<u>\$ 1</u>	<u>2,300</u>	<u>\$ -</u>	<u>\$ 613,572</u>	<u>\$ (573,400)</u>	<u>\$ 40,609</u>

See accompanying notes to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**NOTE 1 – DESCRIPTION OF BUSINESS**

Cadiz Inc. (“Cadiz” or the “Company”) is a water resources development company and agribusiness committed to sustainable water and farming projects in California.

We own approximately 45,000 acres of land with high-quality, naturally recharging groundwater resources in three areas of Southern California’s Mojave Desert – the Cadiz Valley (35,000 acres), Danby Dry Lake (2,000 acres), and the Piute Valley (9,000 acres) (“Cadiz Property”). Our properties represent a unique private reserve of lands with vested water rights located in a remote area of eastern San Bernardino County that is at the crossroads of major highway, rail, energy, and water infrastructure supplying and delivering necessary resources to communities in California and across the Western United States.

Our properties were primarily assembled by our founders in the early 1980s, relying on NASA imagery that identified a unique desert land position at the base of a vast and topographically diverse Southern California watershed with potential for agricultural and water development. The Cadiz Valley property (“Cadiz Property”) is underlain by extensive, high-quality, naturally recharging groundwater able to support a variety of uses.

Our main objective is to realize the highest and best use of our land, water and related infrastructure assets in an environmentally responsible way. Our present activities are focused on developing our assets to meet growing long-term demand for access to sustainable water supplies and agricultural products. California has systemic water challenges and is not able to ensure that all people in California can reliably access safe-drinking water. We believe that the highest and best use of our assets will be realized by offering a combination of water supply, water storage and agricultural projects in ways that are responsive to California’s resource needs.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES***Basis of Presentation***

The Consolidated Financial Statements of the Company have been prepared on a going concern basis, which contemplates the continuity of operations, the realization of assets and the satisfaction of liabilities in the normal course of business.

The Company incurred losses of \$31.2 million and \$37.8 million for the years ended December 31, 2021 and 2020, respectively. The Company had working capital of \$10.7 million at December 31, 2021 and used cash in operations of \$15.3 million for the year ended December 31, 2021. The higher loss in 2020 was primarily due to a loss on early extinguishment of debt in the amount of \$12.4 million, which was a non-cash charge, reflecting the excess of the fair value of new preferred stock issued over the historical book value of the related convertible debt retired pursuant to certain conversion and exchange agreements entered into in March 2020, offset by higher compensation costs in 2021 related to stock-based non cash bonus awards to employees and an increase in general and administrative expenses primarily related to legal fees and technical studies related to putting the Northern Pipeline into use in 2021.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Cash requirements during the year ended December 31, 2021 primarily reflect certain administrative costs related to the Company's water project development efforts, the further development of its land and agricultural assets, including its 50% equity investment in SoCal Hemp JV LLC, and fees associated with the Company's refinancing and issuance of preferred stock. The Company's present activities are focused on development of its assets in ways that meet growing long-term demand for access to sustainable water supplies and agricultural products.

In July 2020, the Company entered into an At Market Issuance Sales Agreement under which the Company could issue and sell shares of its common stock having an aggregate offering price of up to \$30 million from time to time in an "at-the-market" offering (the "July 2020 ATM Offering"). As of July 2, 2021, the Company had sold the \$30 million in common stock authorized in the July 2020 ATM Offering through the sale of 2,748,339 shares resulting in aggregate net proceeds of approximately \$29.2 million.

On June 7, 2021, the Company completed the sale and issuance of 1,219,512 shares of the Company's common stock to certain institutional investors under a placement agent agreement with B. Riley Securities, Inc. ("BRS"). The shares of common stock were sold at a purchase price of \$12.30 per share, for an aggregate gross purchase price of approximately \$15 million. The Company used the net proceeds from this offering together with cash on hand to fund a \$19 million payment made on June 30, 2021 to complete the acquisition of a 124-mile extension of its Northern Pipeline.

On June 29, 2021, the Company entered into an Underwriting Agreement with BRS as representative of the several underwriters named therein, to issue and sell an aggregate of 2,000,000 depositary shares (the "Depositary Shares"), as well as up to 300,000 Depositary Shares that may be sold pursuant to the exercise of an option to purchase additional Depositary Shares, each representing 1/1000th of a share of Series A Preferred Stock ("Depositary Share Offering"). The liquidation preference of each share of Series A Preferred Stock is \$25,000.00 (\$25.00 per Depositary Share). The Depositary Share Offering was completed on July 2, 2021 for net proceeds of approximately \$54 million.

In May 2017, the Company entered into a \$60 million credit agreement with funds affiliated with Apollo Global Management, LLC ("Apollo") that replaced and refinanced its then existing \$45 million senior secured mortgage debt and provided \$15 million of new senior debt to fund immediate construction related expenditures ("Prior Senior Secured Debt"). The Company entered into two further agreements with Apollo which provided it with the right, at its option, to extend the maturity of the Prior Senior Secured Debt from its then current maturity of May 25, 2021 to May 25, 2022, and to November 25, 2022, respectively. On May 18, 2021, the Company exercised its first extension option to extend the maturity date to May 25, 2022.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

On July 2, 2021, the Company entered into a new \$50 million senior secured credit agreement with lenders party thereto from time to time (“Lenders”) and BRS, as administrative agent for the Lenders (“Current Senior Secured Debt”) (see Note 6 – “Long-Term Debt”). The proceeds of the Current Senior Secured Debt, together with the proceeds from the Depositary Share Offering, were used (a) to repay all our outstanding obligations under the Prior Senior Secured Debt in the amount of approximately \$77.5 million, (b) to deposit approximately \$10.2 million into a segregated account, representing an amount sufficient to pre-fund eight quarterly dividend payments on the Series A Preferred Stock underlying the Depositary Shares issued in the Depositary Share Offering, and (c) to pay transaction related expenses. The remaining proceeds will be used for working capital needs and for general corporate purposes. At December 31, 2021, the Company was in compliance with its debt covenants.

The Company may meet its debt and working capital requirements through a variety of means, including extension, refinancing, equity placements, the sale or other disposition of assets, or reductions in operating costs. The covenants in the Current Senior Secured Debt do not prohibit the Company’s use of additional equity financing and allow the Company to retain 100% of the proceeds of any common equity financing. The Company does not expect the loan covenants to materially limit its ability to finance its water and agricultural development activities.

On March 23, 2022, the Company completed the sale and issuance of 6,857,140 shares of the Company’s common stock to certain institutional and individual investors in a registered direct offering. The shares of common stock were sold at a purchase price of \$1.75 per share, for aggregate gross proceeds of \$12 million and aggregate net proceeds of approximately \$11.8 million. The proceeds will be used for working capital needs and for general corporate purposes. See Note 14 – “Subsequent Events”.

Management assesses whether the Company has sufficient liquidity to fund its costs for the next twelve months from the financial statement issuance date. Management evaluates the Company’s liquidity to determine if there is a substantial doubt about the Company’s ability to continue as a going concern. In the preparation of this liquidity assessment, management applies judgement to estimate the projected cash flows of the Company including the following: (i) projected cash outflows (ii) projected cash inflows and (iii) categorization of expenditures as discretionary versus non-discretionary. The cash flow projections are based on known or planned cash requirements for operating costs as well as planned costs for project development.

Limitations on the Company’s liquidity and ability to raise capital may adversely affect it. Sufficient liquidity is critical to meet the Company’s resource development activities. Although the Company currently expects its sources of capital to be sufficient to meet its near-term liquidity needs, there can be no assurance that its liquidity requirements will continue to be satisfied. If the Company cannot raise needed funds, it might be forced to make substantial reductions in its operating expenses, which could adversely affect its ability to implement its current business plan and ultimately impact its viability as a company.

Principles of Consolidation

The consolidated financial statements include the accounts of Cadiz Inc. and all subsidiaries. All significant intercompany transactions and balances have been eliminated in consolidation. We apply the equity method of accounting for investments in which we have significant influence but not a controlling interest.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS***Use of Estimates in Preparation of Financial Statements***

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. In preparing these financial statements, management has made estimates with regard to goodwill and other long-lived assets, stock compensation and deferred tax assets. Actual results could differ from those estimates.

Revenue Recognition

The Company recognizes rental income through its agricultural leases with Fenner Valley Farms LLC and SoCal Hemp JV LLC.

Stock-Based Compensation

General and administrative expenses include \$4.7 million and \$2.1 million of stock-based compensation expenses in the years ended December 31, 2021 and 2020, respectively.

Stock-based compensation is generally based upon grants of stock awards and restricted stock units (“RSU”) to its employees and consultants under the 2019 Equity Incentive Plan. For stock awards or RSUs granted, the Company determines the fair value of the stock award or RSU at the date of the grant and recognizes the compensation expense over the vesting period. For RSUs which vest upon completion of certain milestones, the fair value of the RSU is recognized when it is probable that the milestone will be achieved.

Net Loss Per Common Share

Basic net loss per share is computed by dividing the net loss applicable to common stock by the weighted-average common shares outstanding. Options, restricted stock units, convertible debt, convertible preferred shares and warrants were not considered in the computation of net loss per share because their inclusion would have been antidilutive. Had these instruments been included, the fully diluted weighted average shares outstanding would have increased by approximately 3,000,000 shares and 2,956,000 shares for the years ended December 31, 2021 and 2020, respectively.

Property, Plant, Equipment and Water Programs

Property, plant, equipment and water programs are stated at cost. Depreciation is provided using the straight-line method over the estimated useful lives of the assets, generally ten to forty-five years for land improvements and buildings, and five to fifteen years for machinery and equipment. Leasehold improvements are amortized over the shorter of the term of the relevant lease agreement or the estimated useful life of the asset.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Water rights, storage and supply programs are stated at cost. Certain costs directly attributable to the development of such programs have been capitalized by the Company. These costs, which are expected to be recovered through future revenues, consist of direct labor, drilling costs, consulting fees for various engineering, hydrological, environmental and additional feasibility studies, and other professional and legal fees. We have not commenced depreciation of these assets as they are not yet in service. While interest on borrowed funds is currently expensed, interest costs related to the construction of water project facilities will be capitalized at the time construction of these facilities commences.

Goodwill

As a result of a merger in May 1988 between two companies which eventually became known as Cadiz Inc., goodwill in the amount of \$7,006,000 was recorded. Approximately \$3,193,000 of this amount was amortized prior to the adoption of Accounting Standards Codification 350, "Intangibles – Goodwill and Other" ("ASC 350") on January 1, 2002. Since the adoption of ASC 350, there have been no goodwill impairments recorded. The Cadiz reporting unit to which \$3.8 million of goodwill is allocated had a positive carrying amount on December 31, 2021, and a negative carrying amount in 2020. As the Company uses the market approach to assess impairment, its common stock price is an important component of the fair value calculation. If the Company's stock price continues to experience significant price declines, this will impact the fair value of the reporting unit and could lead to potential impairment charges in future periods. Accordingly, no assurances can be given that the Company will not record an impairment loss on goodwill in the future.

Deferred Financing Costs

Deferred loan costs represent costs incurred to obtain debt financing. Such costs are amortized over the life of the related loan using the effective interest method, and are presented as a reduction of long-term debt. Deferred loan costs were \$2.3 million and \$0.8 million as of December 31, 2021 and 2020, respectively.

Impairment of Goodwill and Long-Lived Assets

The Company assesses long-lived assets, excluding goodwill, for recoverability whenever events or changes in circumstances indicate that their carrying value may not be recoverable through the estimated undiscounted future cash flows resulting from the use of the assets. If it is determined that the carrying value of long-lived assets may not be recoverable, the potential impairment charge is measured by using the projected discounted cash-flow method. No impairment charge was recorded during the current fiscal year.

The Company performs an annual impairment test to identify potential goodwill impairment and measure the amount of a goodwill impairment loss to be recognized (if any). In performing the impairment test, we have the option to first assess qualitative factors to determine whether it is necessary to perform a quantitative assessment for goodwill impairment. If the qualitative assessment indicates that it is more-likely-than-not that the fair value of the reporting unit is less than its carrying value, we perform a quantitative assessment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

This impairment assessment is performed at least annually in the fourth quarter. An impairment loss will be recognized for the amount by which the reporting unit's carrying amount exceeds its fair value, not to exceed the carrying amount of goodwill in that reporting unit. In our annual impairment analysis for the fourth quarter 2021, the goodwill was evaluated utilizing a qualitative assessment. Based on this assessment, we determined that the fair value of the reporting unit was more-likely-than-not greater than its respective carrying value; therefore, no impairment charge was recorded during the current fiscal year.

Income Taxes

Income taxes are provided for using an asset and liability approach which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the financial statement and tax bases of assets and liabilities at the applicable enacted tax rates. A valuation allowance is provided when it is more likely than not that some portion or all of the deferred tax assets will not be realized.

Fair Value of Financial Instruments

Financial assets with carrying values approximating fair value include cash and cash equivalents and accounts receivable. Financial liabilities with carrying values approximating fair value include accounts payable and accrued liabilities due to their short-term nature. The carrying value of the Company's secured debt approximates fair value, based on interest rates available to the Company for debt with similar terms. See Note 6 – "Long-Term Debt", for discussion of fair value of debt.

SoCal Hemp JV

On July 31, 2019, SoCal Hemp JV LLC (the "JV") was created by Cadiz Real Estate LLC (a fully owned subsidiary of Cadiz Inc.) and SoCal Hemp Co., LLC (a fully owned subsidiary of Glass House Brands, Inc., which is an unrelated company to Cadiz Inc.) when the two parties entered into a Limited Liability Company Agreement ("LLC Agreement"). The JV is 50% owned by Cadiz Real Estate LLC and 50% owned by SoCal Hemp Co., LLC ("SCHCO"). Pursuant to the LLC Agreement, the JV profits and losses are allocated to the members based on their ownership share. The Company accounts for its investment in the JV using the equity method of accounting.

The carrying value of the investment was \$1.0 million at December 31, 2021, and \$1.4 million at December 31, 2020. During 2021, the Company made contributions to the JV of \$0.8 million, offset by \$0.2 million in repayments by SCHCO to the Company for their share of initial costs which was funded by the Company under the LLC Agreement, and recorded \$1.0 million of losses. The losses resulted from a determination to write-off the cost of the 2021 plantings due to the continued significant reduced market price for hemp biomass experienced in 2021 due to an oversupply of product in the marketplace.

Supplemental Cash Flow Information

During the year ended December 31, 2021, approximately \$2.6 million in interest payments on the Company's senior secured debt was paid in cash. There are no scheduled principal payments due on the Current Senior Secured Debt prior to its maturity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

On May 18, 2021, the Company exercised its first extension option to extend the maturity date of the Prior Senior Secured Debt from May 25, 2021 to May 25, 2022 (“First Option Election Notice”). At the time of the First Option Election Notice, the Company paid an extension option fee equal to 1% of the aggregate amount of the accreted loan value as of the date of such notice (“Extension Option Fee”). The Extension Option Fee was payable in cash or in shares of the Company’s common stock, at the option of the Company in its sole discretion. The Company opted to pay the Extension Option Fee in common stock, and as a result issued 64,356 shares of common stock to its lenders.

In conjunction with the closing of an assignment and assumption agreement (see Note 6 – “Long-Term Debt”), on July 2, 2021, the Company issued 299,210 shares of the Company’s common stock to Apollo related to the repayment of the Prior Senior Secured Debt.

At December 31, 2021, accruals for cash dividends payable on the Series A Preferred Stock was \$1.29 million (see Note 8 – “Common and Preferred Stock”). The cash dividends were paid on January 18, 2022.

At December 31, 2021, accruals for purchases of PP&E received was approximately \$196 thousand, and are expected to be paid in the first fiscal quarter of 2022.

The balance of cash, cash equivalents, and restricted cash as shown in the condensed consolidated statements of cash flows is comprised of the following:

Cash, Cash Equivalents and Restricted Cash	December 31,	December 31,
<i>(in thousands)</i>	2021	2020
Cash and Cash Equivalents	\$ 10,965	\$ 7,290
Restricted Cash	1,288	-
Long-Term Restricted Cash	7,603	134
Cash, Cash Equivalents and Restricted Cash in the Consolidated Statement of Cash Flows	\$ 19,856	\$ 7,424

The restricted cash amounts primarily represent funds deposited into a segregated account, representing an amount sufficient to pre-fund quarterly dividend payments on Series A Preferred Stock underlying the Depositary Shares issued in the Depositary Share Offering through approximately July 2023.

Cash payments for income taxes were \$10 thousand and \$7 thousand for the years ended December 31, 2021 and 2020, respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**Recent Accounting Pronouncements***Accounting Guidance Not Yet Adopted*

In June 2016, FASB issued an accounting standards update which introduces new guidance for the accounting for credit losses on certain financial instruments. This update is effective for fiscal years beginning after December 15, 2022, and for interim periods within those fiscal years, with early adoption permitted. The Company is currently assessing this new guidance and expects this new standard will not have a material impact on the consolidated financial statements.

Accounting Guidance Adopted

In December 2019, FASB issued an accounting standards update which reduces complexity in accounting standards by removing certain exceptions to the general principles in Topic 740. This update is effective for fiscal years beginning after December 15, 2020, and for interim periods within those fiscal years, with early adoption permitted. The adoption of this new standard on January 1, 2021 had no impact on the Company's consolidated financial statements.

In August 2020, the FASB issued an accounting standards update which simplifies accounting for convertible instruments by removing major separation models required under current U.S. GAAP ("ASU 2020-6"). Consequently, more convertible debt instruments will be reported as a single liability instrument and more convertible preferred stock as a single equity instrument with no separate accounting for embedded conversion features. ASU 2020-06 also removes certain settlement conditions required for equity contracts to qualify for the derivative scope exception, which will permit more equity contracts to be eligible for it. The ASU also simplifies the diluted earnings per share (EPS) calculation in certain areas. ASU 2020-06 is effective for public business entities, excluding entities eligible to be smaller reporting companies as defined by the SEC, for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. Early adoption is permitted for annual reporting periods beginning after December 15, 2020. The Company early adopted the provisions of ASU 2020-06 effective January 1, 2021, on the modified retrospective transition method, to take advantage of the removal of certain conditions required for equity contracts to qualify for the derivative scope exception. Adopting ASU 2020-06 did not result in a cumulative impact of adoption during the year ended December 31, 2021.

NOTE 3 – PROPERTY, PLANT, EQUIPMENT AND WATER PROGRAMS

Property, plant, equipment and water programs consist of the following (dollars in thousands):

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	December 31,	
	2021	2020
Land and land improvements	\$ 27,548	\$ 26,798
Water programs	28,784	28,323
Pipeline	22,087	-
Buildings	1,599	1,576
Leasehold improvements	570	570
Furniture and fixtures	461	461
Machinery and equipment	2,200	2,029
Construction in progress	3,128	788
	<u>86,377</u>	<u>60,545</u>
Less accumulated depreciation	<u>(7,487)</u>	<u>(7,064)</u>
	<u>\$ 78,890</u>	<u>\$ 53,481</u>

On June 30, 2021, the Company recorded the acquisition of a 124-mile pipeline (“Northern Pipeline”). Depreciation on the Northern Pipeline will commence when construction is completed and required permits are secured in order to use the facility for the conveyance of water.

Land and land improvements primarily include land acquisitions, well development, irrigation systems and other related land infrastructure. Water programs primarily include costs directly attributable to the Company’s water project development efforts, including consulting fees for various engineering, hydrological, environmental and additional feasibility studies, and other professional and legal fees.

Depreciation expense on land improvements, buildings, leasehold improvements, machinery and equipment and furniture and fixtures was \$423 thousand and \$381 thousand for the twelve months ended December 31, 2021 and 2020, respectively.

NOTE 4 – OTHER ASSETS

Other assets include the following (dollars in thousands):

	December 31,	
	2021	2020
Prepaid rent	\$ 4,296	\$ 4,110

Prepaid rent primarily consists of fees incurred to obtain the rights-of-way for the Water Project. Amortization of prepaid rent was approximately \$115,000 for each of the years ended December 31, 2021 and 2020.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**NOTE 5 – ACCRUED LIABILITIES**

At December 31, 2021 and 2020, accrued liabilities consist of the following (dollars in thousands):

	December 31,	
	2021	2020
Payroll, bonus, and benefits	\$ 41	\$ 240
Legal and consulting	371	104
Well development	113	113
Other accrued expenses	283	217
	<u>\$ 808</u>	<u>\$ 674</u>

NOTE 6 – LONG-TERM DEBT

At December 31, 2021 and 2020, the carrying amount of the Company's outstanding debt is summarized as follows (dollars in thousands):

	December 31,	
	2021	2020
New senior secured debt due July 2, 2024		
Interest rate of 7% per annum	\$ 50,000	\$ -
Prior senior secured debt due May 25, 2021		
Interest accrues at 8% per annum	-	78,861
Other loans	171	152
Debt discount and debt issuance costs, net of accumulated accretion	(3,587)	(366)
Total outstanding long-term debt	<u>46,584</u>	<u>78,647</u>
Less current portion	<u>107</u>	<u>51</u>
Total outstanding debt	<u>\$ 46,477</u>	<u>\$ 78,596</u>

The carrying value of the Company's Senior Secured Debt approximates fair value. The fair value of the Company's Senior Secured Debt (Level 2) is determined based on an estimation of discounted future cash flows of the debt at rates currently quoted or offered to the Company by its lenders for similar debt instruments of comparable maturities by its lenders.

Pursuant to the Company's loan agreements, annual maturities of long-term debt outstanding on December 31, 2021, are as follows:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ending December 31	<i>(\$ in thousands)</i>
2022	\$ 107
2023	38
2024	50,026
2025	-
2026+	-
Total	\$ 50,171

In March 2020, the Company entered into an agreement that provided it the right, at its option, to extend the contractual May 25, 2021 maturity of the Prior Senior Secured Debt to May 25, 2022. On March 24, 2021, the Company entered into an additional agreement which provided it the right, at its option, to further extend the maturity date of its the Prior Senior Secured Debt to November 25, 2022. The fee to acquire this second extension option was the adjustment of the exercise price of 362,500 warrants held by Apollo from \$6.75 to \$0.01 (“Warrant Modification”).

As a result of the Warrant Modification, the Company reclassified the carrying value of the warrant prior to the modification from a warrant liability in the amount of \$1.3 million to additional paid-in capital. In addition, the Company recorded debt issuance costs in the amount of \$1.9 million, which was the increase in fair value of the warrant at the time of the modification, with a corresponding adjustment to additional paid-in capital. On May 10, 2021, Apollo exercised all of its 362,500 warrants, which allowed them to purchase 362,500 shares of common stock at \$0.01 per share. For the year ended December 31, 2021, the Company recognized a gain of \$573 thousand related to the remeasurement of the warrant liability prior to the Warrant Modification.

On May 18, 2021, the Company exercised its first extension option to extend the maturity date of the Prior Senior Secured Debt to May 25, 2022 (“First Option Election Notice”). At the time of the First Option Election Notice, the Company was required to pay an extension option fee equal to 1% of the aggregate amount of the accreted loan value as of the date of such notice (“Extension Option Fee”). The Extension Option Fee was payable in cash or in shares of the Company’s common stock, at the option of the Company in its sole discretion. The Company opted to pay the Extension Option Fee in common stock, and as a result issued 64,356 shares of common stock to Apollo.

On June 28, 2021, an affiliate of BRS entered into an assignment and assumption agreement (“Assignment”) whereby it agreed to purchase all outstanding obligations under the Company’s Prior Senior Secured Debt for \$77.5 million. This Assignment closed on July 2, 2021. In conjunction with the closing of the Assignment, the Company issued 299,210 shares of the Company’s common stock to Apollo.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

On July 2, 2021, the Company entered into a new \$50 million senior secured credit agreement (“Credit Agreement”) with Lenders and BRS, as administrative agent for the Lenders (“Current Senior Secured Debt”). The Current Senior Secured Debt will mature on July 2, 2024, unless the maturity is accelerated subject to the terms of the Credit Agreement. Interest is paid quarterly beginning on September 30, 2021 at a rate of seven percent per annum. The obligations under the Current Senior Secured Debt are secured by substantially all of the Company’s assets on a first-priority basis. In connection with any repayment or prepayment of the debt, the Company is required to pay a repayment fee equal to the principal amount being repaid or prepaid, multiplied by (i) 0.0%, if such repayment or prepayment is made prior to the six-month anniversary of the closing of the debt, (ii) 2.0%, if such repayment or prepayment is made on or after the six-month anniversary of the closing of the debt and prior to the eighteen-month anniversary of the closing of the debt, (iii) 4.0%, if such repayment or prepayment is made on or after the eighteen-month anniversary of the closing of the debt and prior to the thirty-month anniversary of the closing of the debt, and (iii) 6.0%, if such repayment or prepayment is made at any time after the thirty-month anniversary of the closing of the debt. At any time, the Company will be permitted to prepay the principal of the debt, in whole or in part, provided that such prepayment is accompanied by any accrued interest on such principal amount being prepaid plus the applicable repayment fee described above.

In the event of certain asset sales, the incurrence of indebtedness or a casualty or condemnation event, in each case, under certain circumstances as described in the Credit Agreement, the Company will be required to use a portion of the proceeds to prepay amounts under the debt. In the event of any additional issuance of depositary receipts (“Depositary Receipts”) representing interests in shares of 8.875% Series A Cumulative Perpetual Preferred Stock (“Series A Preferred Stock”) by the Company, the Company will be required to, within five business days after the receipt of the net cash proceeds, apply (i) 25%, in the case of an issuance within six months of the closing of the debt, (ii) 50%, in the case of any issuance immediately following the six months anniversary of the closing of the debt and up to and including the one year anniversary of the closing of the debt and (iii) 75%, in the case of any issuance anytime thereafter, of the net cash proceeds to prepay amounts due under the debt (including the applicable repayment fee described above).

The Credit Agreement includes customary affirmative and negative covenants, including delivery of financial statements and other reports. The negative covenants limit the ability of the Company to, among other things, incur debt, incur liens, make investments, sell assets, pay dividends and enter into transactions with affiliates. In addition, the Credit Agreement includes customary events of default and remedies.

While any amount remains outstanding under the debt, the Lenders will have the right to convert the outstanding principal, plus unpaid interest, on the debt into Depositary Receipts at the per share exchange price of \$25.00, as follows:

- on or before the 12-month anniversary of the closing of the debt, up to 25% of the outstanding principal and unpaid interest on the debt may be exchanged into Depositary Receipts;
- at any time after the 12-month anniversary of the closing of the debt, and on or before the 18-month anniversary of the closing of the debt, up to 50% of the principal and unpaid interest on the debt may be exchanged into Depositary Receipts;

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

- at any time after the 18-month anniversary of the closing of the debt, and on or before the 24-month anniversary of the closing of the debt, up to 75% of the principal and unpaid interest on the debt may be exchanged into Depositary Receipts; and
- at any time after the 24-month anniversary of the closing of the debt, up to 100% of the principal and unpaid interest on the debt may be exchanged for Depositary Receipts.

The proceeds of the Current Senior Secured Debt were used, together with the proceeds received from the Depositary Share Offering, (a) to repay all of the Company's outstanding obligations under the Prior Senior Secured Debt, (b) to deposit approximately \$10.2 million into a segregated account, representing an amount sufficient to pre-fund eight quarterly dividend payments on the Series A Preferred Stock underlying the Depositary Shares issued in the Depositary Share Offering, and (c) to pay transaction related expenses. The remaining proceeds will be used for working capital needs and for general corporate purposes. In addition, the Company incurred approximately \$2.9 million in legal and advisory fees which was recorded as additional debt discount and is being amortized over the term of the Current Senior Secured Debt.

In connection with the issuance of the Current Senior Secured Debt, on July 2, 2021 (the "Original Issue Date") the Company issued to the Lenders two warrants ("A Warrants" and "B Warrants"), each granting an option to purchase 500,000 shares of our common stock (collectively, the "Warrants"). The A Warrants may be exercised any time prior to July 2, 2024 (the "Expiration Date") and have an exercise price of \$17.38 equal to 120% of the closing price per share of our common stock on the Original Issue Date. The B Warrants may be exercised in the period from 180 days after the Original Issue Date to the Expiration Date and have an exercise price of \$21.72 equal to 150% of the closing price of our common stock on the Original Issue Date.

As a result of the issuance of the Warrants, which met the criteria for equity classification under applicable GAAP, the Company recorded additional paid-in capital in the amount of \$1.9 million which was the fair value of the Warrants on the issuance date. In addition, the fair value of the Warrants was recorded as debt discount and is being amortized over the term of the Current Senior Secured Debt.

NOTE 7 – INCOME TAXES

Deferred taxes are recorded based upon differences between the financial statement and tax basis of assets and liabilities and available carryforwards. Temporary differences and carryforwards which gave rise to a significant portion of deferred tax assets and liabilities as of December 31, 2021 and 2020 are as follows (dollars in thousands):

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	December 31,	
	2021	2020
Deferred tax assets:		
Net operating losses	\$ 64,418	\$ 75,303
Fixed asset basis difference	4,566	4,555
Contributions carryover	38	32
Deferred compensation	1,502	1,289
Accrued liabilities and others	333	303
	<u>70,857</u>	<u>81,482</u>
Total deferred tax assets	70,857	81,482
	<u>(70,857)</u>	<u>(81,482)</u>
Valuation allowance for deferred tax assets	(70,857)	(81,482)
	<u>\$ -</u>	<u>\$ -</u>
Net deferred tax asset	\$ -	\$ -

The valuation allowance decreased \$10,625,000 in 2021 and increased \$5,334,000 in 2020. The change in deferred tax assets resulted from current year net operating losses and changes to future tax deductions resulting from expiring net operating losses, terms of stock compensation plans, fixed assets, and accrued liabilities.

As of December 31, 2021, the Company had net operating loss (NOL) carryforwards of approximately \$328 million for federal income tax purposes and \$263 million for California income tax purposes. Such carryforwards expire in varying amounts through the year 2038 and 2041 for federal and California purposes, respectively. For federal losses arising in tax years ending after December 31, 2017, the NOL carryforwards are allowed indefinitely. Use of the carryforward amounts is subject to an annual limitation as a result of a previous ownership change and an ownership change that occurred in June of 2021.

As of December 31, 2021, the Company possessed unrecognized tax benefits totaling approximately \$0.9 million. None of these, if recognized, would affect the Company's effective tax rate because the Company has recorded a full valuation allowance against these tax assets.

The Company's tax years 2018 through 2021 remain subject to examination by the Internal Revenue Service, and tax years 2017 through 2021 remain subject to examination by California tax jurisdictions. In addition, the Company's loss carryforward amounts are generally subject to examination and adjustment for a period of three years for federal tax purposes and four years for California purposes, beginning when such carryovers are utilized to reduce taxes in a future tax year.

A reconciliation of the income tax benefit to the statutory federal income tax rate is as follows (dollars in thousands):

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	<u>2021</u>	<u>2020</u>
Expected federal income tax benefit at 21%	\$ (6,560)	\$ (7,940)
Increase (decrease) in valuation allowance	(8,530)	3,617
State income tax	10	7
Expiring carryforwards	14,260	1,547
Non-deductible expenses and other	830	2,776
	<u>10</u>	<u>7</u>
Income tax expense	<u>\$ 10</u>	<u>\$ 7</u>

Because it is more likely than not that the Company will not realize its net deferred tax assets, it has recorded a full valuation allowance against these assets. Accordingly, no deferred tax asset has been recorded in the accompanying balance sheet.

NOTE 8 – COMMON AND PREFERRED STOCK*Common Stock*

The Company is authorized to issue 70 million shares of Common Stock at a \$0.01 par value. As of December 31, 2021, and December 31, 2020, the Company had 43,656,169 and 36,902,361 shares issued and outstanding, respectively.

In January 2013, the Company revised its then existing agreement with the law firm of Brownstein Hyatt Farber Schreck LLP (“Brownstein”), a related party. Under this agreement, the Company is to issue up to a total of 400,000 shares of the Company’s common stock, with 200,000 shares earned to date and 100,000 shares to be earned upon the achievement of each of two remaining milestones as follows:

- 100,000 shares earned upon the signing of binding agreements for more than 51% of the Water Project’s annual capacity, which is not yet earned; and
- 100,000 shares earned upon the commencement of construction of all of the major facilities contemplated in the Final Environmental Impact Report necessary for the completion and delivery of the Water Project, which is not yet earned.

All shares earned upon achievement of any of the remaining two milestones will be payable three years from the date earned.

Additionally, the Company incurred direct expenses to Brownstein of approximately \$2.2 million and \$1.5 million in 2021 and 2020, respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSSeries 1 Preferred Stock

The Company has issued a total of 10,000 shares of Series 1 Preferred Stock (“Series 1 Preferred Stock”) to certain holders (“Holders”) under certain conversion and exchange agreements entered into in March 2020. Each share of Series 1 Preferred Stock is convertible at any time at the option of the Holder into 405.05 shares of Common Stock. As of December 31, 2021, Holders of Series 1 Preferred Stock exercised their option to convert 9,671 shares of Series 1 Preferred Stock into 3,917,235 shares of Common Stock. The Company has 329 shares of Series 1 Preferred Stock issued and outstanding as of December 31, 2021.

Series A Preferred Stock

On June 29, 2021, the Company entered into an Underwriting Agreement with BRS as representative of the several underwriters named there, to issue and sell an aggregate of 2,000,000 depositary shares (the “Depositary Shares”), as well as up to 300,000 Depositary Shares that may be sold pursuant to the exercise of an option to purchase additional Depositary Shares (“Depositary Share Offering”), each representing 1/1000th of a share of the 8.875% Series A Cumulative Perpetual Preferred Stock (the “Series A Preferred Stock”). The Depositary Share Offering was completed on July 2, 2021 for net proceeds of approximately \$54 million.

On July 1, 2021, the Company filed the Certificate of Designation (“Certificate of Designation”) for the Series A Preferred Stock with the Secretary of State of the State of Delaware, which became effective upon acceptance for record. The Certificate of Designation classified a total of 7,500 shares of the Company’s authorized shares of preferred stock, \$0.01 par value per share, as Series A Preferred Stock.

As set forth in the Certificate of Designation, the Series A Preferred Stock will rank, as to dividend rights and rights upon the Company’s liquidation, dissolution or winding up: (i) senior to Common Stock of the Company; (ii) junior to the Series 1 Preferred Stock with respect to the distribution of assets upon the Company’s voluntary or involuntary liquidation, dissolution or winding up; (iii) senior to the Series 1 Preferred Stock with respect to the payment of dividends and (iv) effectively junior to all the Company’s existing and future indebtedness (including indebtedness convertible into Common Stock or preferred stock) and to the indebtedness and other liabilities of (as well as any preferred equity interests held by others in) the Company’s existing or future subsidiaries.

Holders of Series A Preferred Stock, when and as authorized by the Company’s Board of Directors, are entitled to cumulative cash dividends at the rate of 8.875% of the \$25,000.00 (\$25.00 per Depositary Share) liquidation preference per year (equivalent to \$2,218.75 per share per year or \$2.21875 per Depositary Share per year). Dividends will be payable quarterly in arrears, on or about the 15th of January, April, July and October, beginning on or about October 15, 2021. As of December 31, 2021, the Company has paid cash dividends in the amount of \$1,449,000. On December 27, 2021, the Company’s Board of Directors declared that holders of Series A Preferred stock will receive a cash dividend equal to \$560.00 per whole share; therefore, holders of Depositary Shares will receive a cash dividend equal to \$0.56 per Depositary Share. The dividend was paid on January 18, 2022 to respective holders of record at of the close of business on January 6, 2022.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At the issuance of the Series A Preferred Stock, the Company pre-funded eight quarterly payments through July 2023 in a segregated account which appears as Restricted Cash on the Balance Sheet. Dividends on the Series A Preferred Stock underlying the depositary shares will continue to accumulate whether or not (i) any of our agreements prohibit the current payment of dividends, (ii) we have earnings or funds legally available to pay the dividends, or (iii) our Board of Directors does not declare the payment of the dividends.

Holders of depositary shares representing interests in the Series A Preferred Stock generally will have no voting rights. However, if we do not pay dividends on any outstanding shares of Series A Preferred Stock for six or more quarterly dividend periods (whether or not declared or consecutive), holders of the Series A Preferred Stock (voting separately as a class with all other outstanding series of preferred stock upon which like voting rights have been conferred and are exercisable) will be entitled to elect two additional directors to the Board of Directors to serve until all unpaid dividends have been fully paid or declared and set apart for payment.

On and after July 2, 2026, the shares of Series A Preferred Stock will be redeemable at the Company's option, in whole or in part, at a redemption price equal to \$25,000.00 per share (\$25.00 per Depositary Share), plus any accrued and unpaid dividends. Furthermore, upon a change of control or delisting event (each as defined in the Certificate of Designation), the Company will have a special option to redeem the Series A Preferred Stock at \$25,000.00 per share (\$25.00 per Depositary Share), plus any accrued and unpaid dividends.

Shares of Series A Preferred Stock are convertible into shares of Common Stock if, and only if, a change of control or delisting event (each as defined in the Certificate of Designation) has occurred, and the Company has not elected to redeem the Series A Preferred Stock prior to the applicable conversion date. Upon any conversion, each share of Series A Preferred Stock will be converted into that number of shares of Common Stock equal to the lesser of (i) the quotient obtained by dividing (A) the sum of (x) the \$25,000 liquidation preference per share plus (y) the amount of an accrued and unpaid dividends to, but not including, the conversion date by (B) the Common Stock Purchase Price (as defined in the Certificate of Designation), and (ii) 3,748.13 (the "Share Cap"), subject to certain adjustments.

The Company has 2,300 shares of Series A Preferred Stock issued and outstanding as of December 31, 2021.

NOTE 9 – STOCK-BASED COMPENSATION PLANS AND WARRANTS

The Company has issued options and has granted stock awards pursuant to its 2009 Equity Incentive Plan and 2019 Equity Incentive Plan, as described below.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**2009 Equity Incentive Plan**

The 2009 Equity Incentive Plan was approved by stockholders at the 2009 Annual Meeting. The plan provides for the grant and issuance of up to 850,000 shares and options to the Company's employees and consultants. The plan became effective when the Company filed a registration statement on Form S-8 on December 18, 2009. All options issued under the 2009 Equity Incentive Plan had a ten-year term with vesting periods ranging from issuance date to 24 months.

2019 Equity Incentive Plan

The 2019 Equity Incentive Plan was approved by stockholders at the July 10, 2019 Annual Meeting. The plan provides for the grant and issuance of up to 1,200,000 shares and options to the Company's employees, directors and consultants.

Effective July 1, 2021, under the 2019 Equity Incentive Plan, each outside director receives \$75,000 of cash compensation and receives a deferred stock award consisting of shares of the Company's common stock with a value equal to \$25,000 on June 30 of each year. The award accrues on a quarterly basis, with \$18,750 of cash compensation and \$6,250 of stock earned for each fiscal quarter in which a director serves. The deferred stock award vests automatically on the January 31 that first follows the award date.

Stock Options to Directors, Officers and Consultants

The Company had no options outstanding under either of the above plans as of December 31, 2021.

For officers and employees of the Company, the fair value of each option granted under the plans was estimated on the date of grant using an option-pricing model.

The risk-free interest rate is assumed to be equal to the yield of a U.S. Treasury bond of comparable maturity, as published in the Federal Reserve Statistical Release for the relevant date. The expected life estimate is based on an analysis of the employees receiving option grants and the expected behavior of each employee. The expected volatility is derived from an analysis of the historical volatility of the trading price per share of the Company's common stock on the NASDAQ Global Market. The Company does not anticipate that it will pay dividends to common stockholders in the future.

The Company recognized no stock-option-related compensation costs for the years ended December 31, 2021 and 2020 relating to these options. No stock options were exercised during 2021.

No options were granted in 2021 and 2020. A summary of option activity under the plans as of December 31, 2021, and changes during the year ended December 31, 2020 are presented below:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	Shares	Weighted-Average Exercise Price	Average Remaining Contractual Term	Aggregate Intrinsic Value (\$000's)
Outstanding at January 1, 2020	492,500	\$ 11.66	0.3	\$ 3,834
Granted	-	\$ -		
Forfeited, Expired or canceled	377,500	\$ 11.50		\$ 2,915
Exercised	-	\$ -		
Outstanding at December 31, 2020	115,000	\$ 12.17	0.4	\$ 919
Granted	-	\$ -		
Forfeited, Expired or canceled	115,000	\$ 12.17		\$ 919
Exercised	-	\$ -		
Outstanding at December 31, 2021	-	\$ -	0.0	\$ -
Options exercisable at December 31, 2021	-	\$ -	0.0	\$ -
Weighted-average years of remaining contractual life of options outstanding at December 31, 2021	0.0			

Stock Awards to Directors, Officers, Consultants and Employees

The Company has granted stock awards pursuant to its 2019 Equity Incentive Plan.

Of the total 1,200,000 shares reserved under the 2019 Equity Incentive Plan, 1,120,292 shares and restricted stock units ("RSUs") have been awarded to the Company directors, employees and consultants as of December 31, 2021. Of the 1,120,292 shares and RSUs awarded, 14,243 shares were awarded to the Company's directors for services performed during the plan year ended June 30, 2021. These shares vested and were issued on January 31, 2022. 850,000 RSUs were granted to employees in April 2021 as long-term equity incentive awards ("April 2021 RSU Grant"). Of the 825,000 RSUs granted under the April 2021 RSU Grant, 510,000 RSUs vest upon completion of certain milestones, including (a) 255,000 RSUs which vested in July 2021 upon completion of refinancing of the Company's Prior Senior Secured Debt and funding to complete the purchase of the Northern Pipeline ("Vesting Event"), and (b) 255,000 RSUs scheduled to vest upon completion of final binding water supply agreement(s) for the delivery of at least 9,500 acre-feet of water per annum to customers. Of the remaining 315,000 RSUs granted under the April 2021 RSU Grant, 60,000 RSUs are scheduled to vest on January 3, 2023, and 255,000 RSUs are scheduled to vest on March 1, 2023. The RSU incentive awards are subject in each case to continued employment with the Company through the vesting date. Of the 255,000 RSUs earned upon the Vesting Event, the Company issued 158,673 shares net of taxes withheld and paid in cash by the Company.

The accompanying consolidated statements of operations and comprehensive loss include approximately \$4,747,000 and \$2,096,000 of stock-based compensation expense related to stock awards in the years ended December 31, 2021 and 2020, respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

A summary of RSU activity under the plans during the years ended December 31, 2021 and 2020 is presented below:

	<u>Shares</u>	<u>Weighted-Average Grant-date Fair Value</u>
Nonvested at December 31, 2019	15,312	\$ 10.45
Granted	253,654	\$ 9.31
Forfeited or canceled	-	\$ -
Vested	<u>(149,685)</u>	\$ 9.60
Nonvested at December 31, 2020	119,281	\$ 9.10
Granted	850,729	\$ 11.31
Forfeited or canceled	-	\$ -
Vested	<u>(335,763)</u>	\$ 10.84
Nonvested at December 31, 2021	<u>634,247</u>	\$ 11.14

NOTE 10 – SEGMENT INFORMATION

The primary business of the Company is to acquire and develop land and water resources. As a result, the Company's financial results are reported in a single segment.

NOTE 11 – COMMITMENTS AND CONTINGENCIES

In the normal course of its agricultural operations, the Company handles, stores, transports and dispenses products identified as hazardous materials. Regulatory agencies periodically conduct inspections and, currently, there are no pending claims with respect to hazardous materials.

Pursuant to cost-sharing agreements that have been entered into by participants in the Company's Water Project, \$750,000 in funds have been received in order to offset costs incurred in the environmental analysis of the Water Project. These funds may either be reimbursed or credited to participants participation in the Water Project and, accordingly, are fully reflected as deferred revenue as of December 31, 2021 and December 31, 2020.

On December 14, 2020 the Company entered into a 30 year Right of Way Agreement with the BLM with respect to the Retained Pipeline. The Right of Way Agreement, which was effective on January 1, 2021, has an annual rent expense of approximately \$321,000, with annual defined inflation increases. The Company prepaid the 2022 rent in 2021 and has recorded the payment in Other Assets. In addition, on December 14, 2020, the Company deposited approximately \$420,000 towards a Performance and Reclamation Bond with the BLM which has been recorded in Long-Term Deposits.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The Company is from time to time involved in various lawsuits and legal proceedings that arise in the ordinary course of business. At this time, the Company is not aware of any other pending or threatened litigation that it expects will have a material adverse effect on its business, financial condition, liquidity, or operating results. Legal claims are inherently uncertain, however, and it is possible that the Company's business, financial condition, liquidity and/or operating results could be adversely affected in the future by legal proceedings.

NOTE 12 – LEASES

Effective January 1, 2021, the Company entered into two 29-year right-of-way agreements with the United States Bureau of Land Management ("BLM") with respect to the Company's Northern Pipeline asset which resulted in recording right-of-way assets and lease liabilities in the amount of \$3.3 million. The right-of-way agreements have a combined annual rent expense of approximately \$321,000, with annual defined inflation increases.

The Company also has operating leases for corporate offices, vehicles and office equipment. The Company's right-of-way agreements and leases have remaining lease terms of 1 month to 28 years as of December 31, 2021. However, the Company is not reasonably certain to exercise options to renew or terminate, and therefore renewal and termination options are not considered in the lease term or the right-of-use asset and lease liability balances. The Company's current lease arrangements expire in 2049. The Company does not have any finance leases.

The Company's lease population does not include any residual value guarantees, and therefore none were considered in the calculation of the lease balances. The Company has leases with variable payments, most commonly in the form of common area maintenance charges which are based on actual costs incurred. These variable payments were excluded from the right-of-use asset and lease liability balances since they are not fixed or in-substance fixed payments.

The Company elected to utilize the transition package of practical expedients permitted within the new standard, including the practical expedient not to reassess existing land easements, which among other things, allows the Company to carryforward the historical lease classification. The Company has lease agreements with lease and non-lease components and has elected the practical expedient to account for lease and non-lease components as a single lease component for real-estate class of leases only. For leases with terms greater than 12 months, the Company records the related asset and lease liability at the present value of lease payments over the lease term. Leases with an initial term of 12 months or less with purchase options or extension options that are not reasonably certain to be exercised are not recorded on the Consolidated Balance Sheets; the Company recognizes lease expense for these leases on a straight-line basis over the term of the lease.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Lease balances. Amounts recognized in the accompanying consolidated balance sheet as of December 31, 2021 and 2020 are as follows (in thousands):

As of December 31, 2021		
Activity	Balance Sheet Location	Balance
ROU assets	Other assets	\$ 3,281
Short-term lease liability	Other liabilities	\$ 24
Long-term lease liability	Other long-term liabilities	\$ 3,257

As of December 31, 2020		
Activity	Balance Sheet Location	Balance
ROU assets	Other assets	\$ 15
Short-term lease liability	Other liabilities	\$ 15
Long-term lease liability	Other long-term liabilities	\$ -

Lease cost. The Company's operating lease cost for the year ended December 31, 2021 was \$335 thousand.

Lease commitments. The table below summarizes the Company's scheduled future minimum lease payments under operating, recorded on the balance sheet as of December 31, 2021 (in thousands):

2022	\$	321
2023		321
2024		321
2025		321
2026+		7,691
Total lease payments		8,975
Less: Imputed interest		(5,694)
Present value of lease payments		3,281
Less: current maturities of lease obligations		(24)
Long-term lease obligations	\$	<u>3,257</u>

Most of our lease agreements do not provide a readily determinable implicit rate nor is it available to us from our lessors. Instead, we estimate the Company's incremental borrowing rate based on information available at either the implementation date of Topic 842 or at lease commencement for leases entered into thereafter in order to discount lease payments to present value. The table below presents additional information related to our leases as of December 31, 2021:

Weighted Average Remaining Lease Term	
Operating leases (years)	28
Weighted Average Discount Rate	
Operating leases	10%

From a lessor standpoint, in February 2016, the Company entered into a lease agreement with Fenner Valley Farms LLC ("FVF") (the "lessee"), pursuant to which FVF is leasing, for a 99-year term, 2,100 acres owned by Cadiz in San Bernardino County, California, to be used to plant, grow and harvest agricultural crops ("FVF Lease Agreement"). As consideration for the lease, FVF paid the Company a one-time payment of \$12.0 million upon closing. The Company expects to receive rental income of \$420 thousand annually over the next five years related to the FVF Lease Agreement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**NOTE 13 – FAIR VALUE MEASUREMENTS**

Fair values determined by Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets or liabilities. The Company considers a security that trades at least weekly to have an active market. Fair values determined by Level 2 inputs utilize data points that are observable, such as quoted prices, interest rates and yield curves. Fair values determined by Level 3 inputs are unobservable data points for the asset or liability, and include situations where there is little, if any, market activity for the asset or liability.

On March 24, 2021, the Company entered into an agreement which provided it the right, at its option, to further extend the maturity date of its Prior Senior Secured Debt to November 2022. The fee to acquire this second extension option was the adjustment of the exercise price of 362,500 warrants to purchase the Company's common stock held by Apollo from \$6.75 to \$0.01 ("Warrant Modification").

As a result of the Warrant Modification, the Company reclassified the carrying value of the warrant prior to the modification from a warrant liability in the amount of \$1.3 million to additional paid-in capital. In addition, the Company recorded debt issuance costs in the amount of \$1.9 million, which was the increase in fair value of the warrant at the time of the modification, with a corresponding adjustment to additional paid-in capital. Prior to the Warrant Modification, the fair value of the warrant was remeasured each reporting period using an option pricing model, and the change in fair value was recorded as an adjustment to the recorded warrant liability with the unrealized gains or losses reflected in interest expense.

During the year ended December 31, 2021, the Company recognized an unrealized gain of \$573 thousand related to the remeasurement of the warrant derivative liability at fair value prior to the Warrant Modification.

The following table presents a reconciliation of Level 3 activity for the years ended December 31, 2020 and 2021:

<i>(in thousands)</i>	<u>Level 3 Liabilities</u> <u>Warrant Liabilities</u>
Balance at January 1, 2020	\$ -
Reclassification of warrant liability	1,986
Unrealized gains on warrants, net	(139)
Balance at December 31, 2020	1,847
Unrealized gains on warrants, net	(573)
Reclassification of warrant liability to additional paid in capital upon Warrant Modification	(1,274)
Balance at December 31, 2021	<u>\$ -</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**NOTE 14 – SUBSEQUENT EVENTS**

On March 23, 2022, we completed the sale and issuance of 6,857,140 shares of the Company's common stock to certain institutional and individual investors in a registered direct offering. The shares of common stock were sold at a purchase price of \$1.75 per share, for aggregate gross proceeds of \$12 million and aggregate net proceeds of approximately \$11.8 million. The proceeds will be used for working capital needs and for general corporate purposes. The purchasers in this offering include (i) the Company's founder, current director and former Chairman, Keith Brackpool, who purchased 1,142,857 Shares, (ii) the Company's director, Geoffrey Grant, who purchased 285,714 Shares, and (iii) the Company's largest stockholder, a fund represented by Heerema International Group Services S.A., purchased 2,857,142 Shares in this offering and following the offering beneficially owns approximately 35.4% of the issued and outstanding shares of the Company's common stock.

BYLAWS OF CADIZ, INC.

ARTICLE I

CORPORATE OFFICES

1.1 Registered Office.

The registered office of the corporation shall be Corporation Trust Center, 1209 Orange Street, City of Wilmington, County of New Castle, State of Delaware 19801. The name of the registered agent of the corporation at such location shall be the Corporation Trust Company.

1.2 Principal Offices.

The Board of Directors shall fix the location of the principal executive office of the corporation at any place within or outside the State of Delaware. If the principal executive office is located outside this State and the corporation has one or more business offices in this State, the Board of Directors shall likewise fix and designate a principal business office in the State of Delaware.

1.2 Other Office.

The Board of Directors may at any time establish other offices at any place or places where the corporation is qualified to do business.

ARTICLE II

MEETINGS OF STOCKHOLDERS

2.1 Place of Meetings.

Meetings of stockholders shall be held at any place, within or outside the State of Delaware as designated by the Board of Directors. In the absence of any such designation, stockholders' meetings shall be held at the principal executive office of the corporation.

2.2 Annual Meeting.

The Annual Meeting of Stockholders shall be held each year on a date and at a time designated by the Board of Directors. At the meeting, directors shall be elected and any other proper business may be transacted.

2.3 Special Meeting.

A special meeting of the stockholders may be called only (a) by the Board of Directors pursuant to a resolution adopted by a majority of the total number of authorized directors (whether or not there exist any vacancies in previously authorized directorships at the time any such resolution is presented to the Board for adoption) or (b) by the Chief Executive Officer or the President. Special meetings may not be called by any other person or persons. Business transacted at each special meeting shall be confined to the purpose or purposes stated in the notice of such meetings.

2.4 Notice of Stockholders' Meetings.

Notices of meeting with stockholders shall be in writing and shall be sent or otherwise given in accordance with Section 2.5 of these Bylaws not less than ten (10) nor more than sixty (60) days before the date of the meeting to each stockholder entitled to vote at such meeting. The notice shall specify the place, date and hour of the meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called.

2.5 Manner of Giving Notice; Affidavit of Notice.

Written notice of any meeting of stockholders, if mailed, is given when deposited in the United States mail, postage prepaid, directed to the stockholder at his address as it appears on the records of the corporation, unless he shall have filed with the Secretary of the corporation a written request that notices be mailed to some other address, in which case it shall be directed to the stockholder at such other address. An affidavit of the Secretary or an assistant secretary or of the transfer agent of the corporation that the notice has been given shall be, in the absence of fraud, prima facie evidence of the facts stated therein.

2.6 Quorum.

The holders of a majority of the stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum at all meetings of the stockholders for the transaction of business except as otherwise provided by statute or by the Certificate of Incorporation. If, however, such quorum is not present or represented at any meeting of the stockholders, then either the chairman of the meeting of the stockholders entitled to vote thereat, present in person or represented by proxy, shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present or represented. At such adjourned meeting at which a quorum is present or represented, any business may be

transacted that might have been transacted at the meeting as originally noticed.

When a quorum is present at any meeting, the vote of the holders of a majority of the stock having voting power present in person or represented by proxy shall decide any question brought before such meeting, unless the question is one upon which, by provision of the statutes or of the Certificate of Incorporation, a different vote is required, in which case such express provision shall govern and control the decision of the questions.

2.7 Adjourned Meeting; Notice.

When a meeting is adjourned to another time or place, unless these Bylaws otherwise require, notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting, the corporation may transact any business that might have been transacted at the original meeting. If the adjournment is for more than thirty (30) days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

2.8 Conduct of Business.

At each meeting of stockholders, the Chairman of the Board, the President and Chief Operating Officer or a Vice President, as determined by the Board of Directors or, if not so determined, in the order referred to and by seniority if there be more than one officer of any rank so referred to, or in the absence of any such officer, a chairman chosen by the vote of the stockholders present in person or represented by proxy at the meeting and entitled to cast a majority of the votes which might be cast at such meeting for the election of directors or, if in the case of a special meeting at which directors are not to be elected, the other matter(s) to be voted on at the meeting, shall act as chairman. The Secretary, or in his or her absence an Assistant Secretary, or in the absence of the Secretary and all Assistant Secretaries, a person whom the Chairman of the meeting shall appoint, shall act as Secretary of the meeting and keep a record of the proceedings thereof. The Board of Directors of the corporation shall be entitled to make such rules or regulations for the conduct of meetings of stockholders as it shall deem necessary, appropriate or convenient. Subject to such rules and regulations of the Board of Directors, if any, the Chairman of the meeting shall have the right and authority to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such Chairman, are necessary, appropriate or convenient to the proper conduct of the meeting, including without limitation, establishing an agenda or order for business for the meeting, rules and procedures for maintaining order at the meeting and the safety of those present, limitations on participation in such meeting to stockholders of record of the corporation and their duly authorized and constituted proxies and such other persons as the Chairman shall permit, restrictions on entry to the meeting after the time fixed for the commencement thereof, limitations on the time allotted to questions or comments by participants and regulation of the opening and closing of the polls for balloting on matters which are to be voted on by ballot. Unless, and except to the extent determined by the Board of Directors or the Chairman of the meeting, meetings of stockholders shall not be required to be held in accordance with rules of parliamentary procedure.

2.9 Voting.

A stockholder may vote in person or by proxy. Except as otherwise provided by law, the Certificate of Incorporation or these Bylaws, any corporate action to be taken by a vote of the stockholders shall be authorized by the affirmative vote of the majority of shares present in person or represented by proxy at the meeting and entitled to vote thereon.

Except as may be otherwise provided in the Certificate of Incorporation, each stockholder shall be entitled to one vote for each share of capital stock held by such stockholder.

2.10 Waiver of Notice.

Whenever notice is required to be given under any provision of the General Corporation Law of Delaware, the Certificate of Incorporation or these Bylaws, a written waiver thereof, signed by the person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the stockholders need to be specified in any written waiver of notice unless so required by the Certificate of Incorporation or these Bylaws.

2.11 Record Date for Stockholder Notice; Voting; Giving Consents.

In order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix, in advance, a record date, which shall not be more than sixty (60) nor less than ten (10) days before the date of such meeting, nor more than sixty (60) nor less than ten (10) days prior to any other action. If the Board of Directors does not so fix a record date:

- a. The record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held.
- b. The record date for determining stockholders for any other purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution thereto.

A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

2.12 Proxies.

Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to corporate action in writing without a meeting may

authorize another person or persons to act for him by a written proxy, signed by the stockholder and filed with the Secretary of the corporation, but no such proxy shall be voted or acted upon after three (3) years from its date, unless the proxy provides for a longer period. A proxy shall be deemed signed if the stockholder's name is placed on the proxy (whether by manual signature, typewriting, telegraphic transmission or otherwise) by the stockholder or the stockholder's attorney-in-fact.

2.13 Stockholder Action by Written Consent Not Authorized.

Any election or other action by stockholders must be effected at an annual or special meeting of stockholders, and may not be effected by written consent without a meeting.

2.14 List of Stockholders.

The officer who has charge of the stock ledger of the corporation shall prepare and make, at least ten (10) days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten (10) days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present. Such list shall presumptively determine the identity of the stockholders entitled to vote at the meeting and the number of shares held by each of them.

2.15 Inspectors of Election.

Before any meeting of stockholders, the Board of Directors may appoint any persons to act as inspectors of election at the meeting or its adjournment. If no inspectors of election are appointed, the Chairman of the meeting may, and on the request of any stockholder or his proxy shall, appoint inspectors of election of the meeting. The number of inspectors shall be either one (1) or three (3). If inspectors are appointed at a meeting on the request of one (1) or more stockholders or proxies, the holders of a majority of shares or their proxies present at the meeting shall determine whether one (1) or three (3) inspectors are to be appointed. If any person appointed as inspector fails to appear or fails or refuses to act, the vacancy may be filled by appointment by the Board of Directors before the meeting, or by the Chairman at the meeting.

The duties of the inspectors of election shall be as follows:

- a. Determine the number outstanding and the voting power of each, the number of shares represented at the meeting, the existence of a quorum and the authenticity, validity and effect of proxies;
- b. Receive votes or ballots;
- c. Hear and determine all challenges and questions in any way arising in connection with the right to vote;
- d. Count and tabulate all votes;
- e. Determine the election result; and
- f. Do any other acts that may be proper to conduct the election or vote with fairness to all stockholders.

2.16 Notice of Stockholder Business.

At an annual meeting of stockholders, only such business shall be conducted as shall have been properly brought before the meeting. To be properly brought before an annual meeting, business must be (a) specified in the notice of the meeting (or any supplement thereto) given by or at the direction of the Board of Directors, (b) otherwise properly brought before the meeting by or at the direction of the Board of Directors or (c) otherwise properly brought before the meeting by a stockholder. For business to be properly brought before an annual meeting by a stockholder, a stockholder must have given timely notice in writing to the Secretary of the Corporation. To be timely, a stockholder's notice must be delivered to or mailed and received at the principal executive offices of the Corporation, not less than 90 days prior to the meeting. A stockholder's notice to the Secretary shall set forth as to each matter the stockholder proposes to bring before the meeting (a) a brief description of the business desired to be brought before the meeting and the reasons for conducting such business at the annual meeting, (b) the name and address, as they appear on the Corporation's books, of the stockholder proposing such business, (c) the class and number of shares of the Corporation which are beneficially owned by the stockholder and (d) any material interest of the stockholder in such business. Notwithstanding anything to the contrary, no business shall be conducted at an annual meeting except in accordance with the provisions of this Section 2.16. The Chairman of an annual meeting shall, if the facts warrant, determine and declare to the meeting that business was not properly brought before the meeting and in accordance with the provisions of this Section, and if he or she should so determine, he or she shall so declare to the meeting and any such business not properly brought before such meeting shall not be transacted.

ARTICLE III

DIRECTORS

3.1 Powers.

Subject to the provisions of the General Corporation Law of Delaware and any limitations in the Certificate of Incorporation or these Bylaws relating to action required to be approved by the stockholders or by the outstanding shares, the business and affairs of the corporation shall be managed and all corporate powers shall be exercised by or under the direction of the Board of Directors.

Without prejudice to such general powers, but subject to the same limitations, it is hereby expressly declared that the Board of Directors shall have the power and authority to:

- a. Select and remove all officers, agents and employees of the corporation, prescribe such powers and duties for them as may not be inconsistent with law, with the Certificate of Incorporation or these Bylaws, fix their compensation and require from them security for faithful service.
- b. Change the principal executive office or the principal business office in the State of Delaware, if any, from one location to another; cause the corporation to be qualified to do business in any other State, territory, dependency or foreign country, and conduct business within or without the State; designate any place within or without the State for the holding of any stockholders' meeting or meetings, including annual meetings; adopt, make and use a corporate seal, and prescribe the forms of certificates of stock, and alter the form of such seal and of such certificates from time to time as in their judgment they may deem best, provided that such forms shall at all times comply with the provisions of law.
- c. Authorize the issuance of shares of stock of the corporation from time to time, upon such terms as may be lawful.
- d. Borrow money and incur indebtedness for the purposes of the corporation, and cause to be executed and delivered therefor, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations or other evidences of debt and securities therefor.

3.2 Number of Directors.

This Board of Directors shall consist of seven (7) persons, and thereafter shall be fixed from time to time exclusively by the Board of Directors pursuant to a resolution adopted by a majority of the total number of authorized directors (whether or not there exist any vacancies in previously authorized directorships at the time any such resolution is presented to the Board for adoption).

No reduction of the authorized number of directors shall have the effect of removing any director before that director's term of office expires.

3.3 Election, Qualification and Term of Office of Directors.

Directors need not be stockholders unless so required by the Certificate of Incorporation or these Bylaws, wherein other qualifications for directors may be prescribed. Each director, including a director elected to fill a vacancy, shall hold office until his successor is elected and qualified or until his earlier resignation or removal.

3.4 Resignation and Vacancies.

Any director may resign at any time effective upon written notice to the attention of the Secretary of the corporation unless the notice specifies a later date for the effectiveness of such resignation, in which case such resignation shall be effective at the time specified. Unless such resignation specified otherwise, its acceptance by the corporation shall not be necessary to make it effective. When one or more directors so resigns and the resignation is effective at a future date, a majority of the directors then in office, though less than quorum, including those who have so resigned, or the sole remaining directors, shall have the power to fill such vacancy or vacancies, the vote thereon to take effect when such resignation or resignations shall become effective, and each director so chosen shall hold office as provided in this section in the filling of other vacancies.

Unless otherwise provided in the Certificate of Incorporation or these Bylaws:

- a. Vacancies and newly created directorships resulting from any increase in the authorized number of directors, elected by all of the stockholders having the right to vote as a single class, may be filled by a majority of the directors then in office, although less than a quorum, or by a sole remaining director.
- b. Whenever the holders of any class or classes of stock or series thereof are entitled to elect one or more directors by the provisions of these Bylaws, vacancies and newly created directorships of such class or classes or series may be filled by a majority of the directors elected by such class or classes or series thereof then in office, or by a sole remaining director so elected.
- c. A director elected or appointed to fill a vacancy shall serve until the next election of the class for which such director shall have been chosen, and until a successor shall be elected and qualified.

3.5 Place of Meetings; Meetings by Telephone.

The Board of Directors of the corporation may hold meetings, both regular and special, either within or outside the State of Delaware.

Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, members of the Board of Directors, or any committee designated by the Board, may participate in a meeting of the Board of Directors, or any committee, by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participating in a meeting shall constitute presence in person at the meeting.

3.6 Regular Meetings.

Regular meetings of the Board of Directors may be held without notice at such time and at such place as shall from time to time be determined by the Board. In the absence of such determination, regular meetings shall be held at the principal executive office of the corporation.

3.7 Special Meetings; Notice.

Special meetings of the Board of Directors for any purposes may be called at any time by the Chairman of the Board, the President, any vice president, the Secretary or any two (2) directors.

Notice of the time and place of special meetings shall be delivered personally or by telephone to each director or sent by first-class mail or telegram or other facsimile transmission, charges prepaid, addressed to each director at that director's address as it is shown on the records of the corporation. If the notice is mailed, it shall be deposited in the United States mail at least four (4) days before the time of the holding of the meeting. If the notice is delivered personally or by telephone or telegram, it shall be delivered personally or by telephone or to the telegraph company at least forty-eight (48) hours before the time of the holding of the meeting. Any oral notice given personally or by telephone may be communicated either to the director or to a person at the office of the director who the person giving the notice has reason to believe will promptly communicate it to the director. The notice need not specify the place of the meeting if the meeting is to be held at the principal executive office of the corporation.

3.8 Annual Meetings.

Immediately following each annual meeting of stockholders, the Board of Directors shall hold a regular meeting for the purpose of transacting other business. Notice of this meeting shall not be required.

3.9 Quorum; Adjournment.

At all meetings of the Board of Directors, a majority of the authorized number of directors shall constitute a quorum for the transaction of business and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board of Directors, except as may be otherwise specifically provided by statute, by the Certificate of Incorporation or these Bylaws. If a quorum is not present at any meeting of the Board of Directors, then the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present. Notice of the time and place of holding an adjourned meeting need not be given, unless the meeting is adjourned for more than twenty-four (24) hours, in which case notice of such time and place shall be given prior to the time of the adjourned meeting, in the manner specified in Section 3.7 of this Article III, to the directors who were not present at the time of the adjournment.

3.10 Waiver of Notice.

Whenever notice is required to be given under any provision of the General Corporation Law of Delaware, the Certificate of Incorporation or these Bylaws, a written waiver thereof, signed by the person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the directors, or members of a committee of directors, need to be specified in any written waiver or notice unless so required by the Certificate of Incorporation or these Bylaws.

3.11 Board Action by Written Consent Without a Meeting.

Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, any action required or permitted to be taken at any meeting of the Board of Directors, or of any committee thereof, may be taken without a meeting if all members of the Board or committee, as the case may be, consent thereto in writing or writings are filed with the minutes of proceedings of the Board or committee.

3.12 Fees and Compensation of Directors.

Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, the Board of Directors shall have the authority to fix the compensation of directors. The directors may be paid their expenses, if any, of attendance at each meeting of the Board of Directors or a stated salary as director. No such payment shall preclude any director from serving the corporation in any other capacity and receiving compensation therefor. Members of a special or standing committee may be allowed compensation for attending committee meetings.

3.13 Approval of Loans to Officers.

The corporation may lend money to, or guarantee any obligation of, or otherwise assist any officer or other employee of the corporation or of its subsidiary, including any officer or employee who is a director of the corporation or its subsidiary, whenever, in the judgment of the directors, such loan, guaranty or assistance may reasonably be expected to benefit the corporation. The loan, guaranty or other assistance may be with or without interest and may be unsecured, or secured in such manner as the Board of Directors shall approve, including, without limitation, a pledge of shares of stock of the corporation. Nothing contained in this section shall be deemed to deny, limit or restrict the powers of guaranty or warranty of the corporation at common law or under any statute.

3.14 Removal of Directors.

Unless otherwise allowed by statute, the Certificate of Incorporation or these Bylaws, any director or the entire Board of Directors may be removed only for cause by the holders of a majority of the shares voting and entitled to vote in an election of directors.

ARTICLE IV

COMMITTEES

4.1 Committees of Directors.

The Board of Directors may, by resolution passed by a majority of the Board, designate one or more committees, with each committee to consist of one or more of the directors of the corporation. The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent provided in the resolution of the Board of Directors establishing such committee or in the Bylaws of the corporation, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the corporation, and may authorize the seal of the corporation to be affixed to all papers that may require it, but no such committee shall have the power or authority to (i) amend the Certificate of Incorporation (except that a committee may, to the extent authorized in the resolution or resolutions providing for the issuance of shares of stock adopted by the Board of Directors, fix any of the preferences or rights of such shares relating to dividends, redemption, dissolution, any distribution of assets of the corporation or the conversion into, or the exchange of such shares for, shares of any other class or classes or any other series of the same or any other class or classes of stock of the corporation, (ii) adopt an agreement of merger or consolidation, (iii) recommend to the stockholders the sale, lease or exchange of all of the corporation's property and assets, (iv) recommend to the stockholders a dissolution of the corporation or a revocation of a dissolution or (v) amend the Bylaws if the corporation; and, unless the Board resolution establishing the Committee, the Bylaws or the Certificate of Incorporation expressly so provide, no such committee shall have the power or authority to declare a dividend, to authorize the issuance of stock or to adopt a certificate of ownership and merger.

4.2 Committee Minutes.

Each committee shall keep regular minutes of its meetings and report the same to the Board of Directors when required.

4.3 Meetings and Actions of Committees.

Meetings and actions of committees shall be governed by, and held and taken in accordance with the provisions of Article III of these Bylaws, Section 3.5 (place of meetings by telephone), Section 3.6 (regular meetings), Section 3.7 (special meetings and notice), Section 3.9 (quorum), Section 3.10 (waiver of notice), and Section 3.11 (Board action by written consent without a meeting), with such changes in the context of those Bylaws as are necessary to substitute the committee and its members of the Board of Directors and its members; provided, however, that the time of regular meetings of committees may also be called by resolution of the Board of Directors and that notice of special meetings of committees shall also be given to all alternate members, who shall have right to attend all meetings of the committee. The Board of Directors may adopt rules for the government of any committee not inconsistent with the provisions of these Bylaws.

ARTICLE V

OFFICERS

5.1 Officers.

The officers of the corporation shall be a Chairman of the Board, a President, a Secretary, and a Chief Financial Officer. The corporation may also have, at the discretion of the Board of Directors, a Chief Executive Officer, one or more vice presidents, a treasurer, one or more assistant secretaries, one or more assistant treasurers, and any such other officer as may be appointed in accordance with the provisions of Section 5.3 of these Bylaws. Any number of offices may be held by the same person.

5.2 Election of Officers.

The officers of the corporation, except such officers as may be appointed in accordance with the provisions of Sections 5.3 or 5.5 of these Bylaws, shall be chosen by the Board of Directors.

5.3 Subordinate Officers.

The Board of Directors may appoint, or empower the President to appoint such other officers and agents as the business of the corporation may require, each of whom shall hold office for such period, have such authority, and perform such duties as are provided in these Bylaws or as the Board of Directors may from time to time determine.

5.4 Removal and Resignation of Officers.

Any officer may be removed, whether with or without cause, by the Board of directors at any regular or special meeting of the board or, except in the case of an officer chosen by the Board of Directors, by any officer upon whom such power of removal may be conferred by the Board of Directors.

Any officer may resign at any time by giving written notice to the Secretary of the corporation. Any resignation shall take effect at the date of the receipt of that notice or at any later time specified in that notice; and unless otherwise specified in that notice, the acceptance of the resignation is without prejudice to the rights, if any, of the corporation under any contract to which the officer is a party.

5.5 Vacancies in Offices.

Any vacancy occurring in any office because of death, resignation, removal, disqualification or any other cause shall be filled in the manner prescribed in these Bylaws for regular appointments to that office.

5.6 Chairman of the Board.

The Chairman of the Board shall, if present, preside at meetings of the Board of Directors and exercise and perform such other powers and duties as may from time to time be assigned to him by the Board of Directors or as may be prescribed by these Bylaws. If there is no President or Chief Executive Officer, then the Chairman of the Board shall also be the chief executive officer of the corporation and shall have the powers and duties prescribed in Section 5.7 of these Bylaws.

5.7 Chief Executive Officer.

Subject to such supervisory powers, if any, as may be given by the Board of Directors to the Chairman of the Board, the Chief Executive Officer of the corporation shall, subject to the control of the Board of Directors, have general supervision, direction, and control of the business and the officers of the corporation. He shall preside at all meetings of the stockholders and, in the absence or nonexistence of a Chairman of the Board, at all meetings of the Board of Directors. He shall have the general powers and duties of management usually vested in the chief executive officer of a corporation and shall have such other powers and duties as may be prescribed by the Board of Directors or these Bylaws.

5.8 President.

Subject to such powers as may be given by these Bylaws or the Board of Directors to the Chairman of the Board or the Chief Executive Officer, if there be such officers, the President shall have general supervision, direction and control of the business and other officers of the corporation. He shall have the general powers and duties of management usually vested in the president of a corporation, and such other powers and duties as may be prescribed by the Board of Directors or these Bylaws. In the absence or disability of the Chairman of the Board, the President shall perform all the duties of the Chairman of the Board, and when so acting shall have all of the powers of, and be subject to all of the restrictions upon, the Chairman of the Board.

5.9 Vice Presidents.

In the absence or disability of the president, the vice presidents, if any, in order of their rank as fixed by the Board of Directors, or, if not ranked, a vice president designated by the Board of Directors, shall perform all of the duties of the President and Chairman of the Board and when so acting shall have all the powers of, and be subject to all the restrictions upon, the president. The vice presidents shall have such other powers and perform such other duties as from time to time may be prescribed for them respectively by the Board of Directors, these Bylaws, the President or the Chairman of the Board.

5.10 Secretary.

The Secretary shall keep or use to be kept, at the principal executive offices of the corporation or such other place as the Board of Directors may direct, a book of minutes of all meetings and actions of directors, committees of directors, and stockholders. The minutes shall show the time and place of each meeting, whether regular or special (and, if special, how authorized and the notice given), the names of those present at directors' meetings or committee meetings, the number of shares present or represented at stockholders' meetings, and the proceedings thereof.

The Secretary shall keep, or cause to be kept, at the principal executive offices of the corporation or at the office of the corporation's transfer agent or registrar, as determined by resolution of the Board of Directors, a share register, or a duplicate share register, showing the names of all stockholders and their addresses, the number and classes of shares held by each, the number and date of certificates evidencing such shares, and the number and date of cancellation of every certificate surrendered for cancellation.

The Secretary shall give, or cause to be given, notice of all meetings of the stockholders and of the Board of Directors required to be given by law or by these Bylaws. He shall keep the seal of the corporation, if one be adopted, in safe custody and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or by these Bylaws.

5.11 Chief Financial Officer.

The Chief Financial Officer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of accounts of the properties and business transactions of the corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings, and shares. The books of account shall at all reasonable times be open to inspection by any director.

The Chief Financial Officer shall deposit all money and other valuables in the name and to the credit of the corporation with such depositories as may be designated by the Board of Directors. He shall disburse the funds of the corporation as may be ordered by the Board of Directors, shall render to the President and directors, whenever they request it, an account of all of his transactions as Chief Financial Officer and of the financial condition of the corporation, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or these Bylaws.

5.12 Representation of Shares of Other Corporations.

The Chairman of the Board, the Chief Executive Officer, the President, any vice president, the Chief Financial Officer, the Secretary or assistant secretary of this corporation, or any other person authorized by the Board of Directors, the Chief Executive Officer, the President or a Vice President, is authorized to vote, represent, and exercise on behalf of this corporation all rights incident to any and all shares of any other corporation or corporations standing in the name of this corporation. The authority granted herein may be exercised by any other person authorized to do so by proxy or power of attorney duly executed by such persons having the authority.

ARTICLE VI

INDEMNITY

6.1 Third Party Actions.

The corporation shall indemnify and hold harmless to the fullest extent authorized by Delaware General Corporation Law, as the same exists and as hereafter amended (but, in the case of any such amendment, only to the extent that such amendment permits the corporation to provide broader indemnification rights than said Delaware General Corporation Law permitted the corporation to provide prior to such amendment) any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that he is or was a director or officer of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise, or was a director, officer, employee or agent of a foreign or domestic corporation which was a predecessor corporation of this corporation or of another enterprise at the request of such predecessor corporation (collectively, "Agent") against expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit, or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interest of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful. Such indemnification right shall be a contract right between the Agent and the corporation.

6.2 Action By or in the Right of the Corporation.

The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that he is or was an Agent of the corporation or serving at the request of the corporation against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with such defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interest of the corporation and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the Delaware Court of Chancery or the court in which such action or suit was brought shall determine upon application that despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

6.3 Successful Defense; Service as a Witness.

To the extent that an Agent of the corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Sections 6.1 or 6.2 of this Article VI, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

To the extent any person who is or was a director or officer of the corporation has served or prepared to serve as a witness in any action, suit or proceeding (whether civil, criminal, administrative or investigative in nature), or in any investigation by the corporation or the Board of Directors thereof or a committee thereof or by any securities exchange on which securities of the corporation are or were quoted or listed, by reason of, or in connection with, such person's services as a director or officer of the corporation or as a director or officer of any affiliate or predecessor of the corporation (other than in a suit commenced by such person), the corporation shall indemnify such person against expenses (including attorneys' fees and disbursements) and costs actually and reasonably incurred by such person in connection therewith within thirty (30) days after the receipt by the corporation from such person of a statement requesting such indemnification, averring such service and reasonably evidencing such costs and expenses. The corporation may indemnify any employee or agent of the corporation to the same extent as, or to a lesser extent than, it may indemnify any director or officer of the corporation pursuant to the foregoing sentence of this Section 6.3 of this Article.

6.4 Determination of Conduct.

Subject to any rights under any contract between this corporation and any Agent, any indemnification (unless ordered by a court) shall be made by the corporation only as authorized in the specific case upon a determination that indemnification of the Agent is proper in the circumstances because he has met the applicable standard of conduct set forth in Sections 6.1 or 6.2 of this Article VI. Such determination shall be made (1) by the Board of Directors (or by an executive committee thereof) by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or (2) if such a quorum is not obtainable, or, even if obtainable, if a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or (3) by the stockholders. Notwithstanding the foregoing, an Agent of the corporation shall be able to contest any determination that the director or officer has not met the applicable standard of conduct, set forth in Section 6.1 or 6.2 of this Article VI, by petitioning a court of appropriate jurisdiction.

6.5 Payment of Expenses in Advance.

Expenses incurred in defending or settling a civil or criminal action, suit or proceeding by an individual who may be entitled to indemnification pursuant to Section 6.1 or 6.2 of this Article VI shall be paid by the corporation in advance of the final disposition of such action, suit or proceeding as authorized by the Board of Directors upon receipt of an undertaking by or on behalf of the director or officer to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by the corporation as authorized in this Article VI. Such expenses incurred by other employees and agents may be so paid upon such terms and conditions, if any, as the Board of Directors deems appropriate.

6.6 Indemnity Not Exclusive.

The indemnification and advancement of expenses provided by, or granted pursuant to, the other subparagraphs of this Article VI shall not be deemed exclusive of, and shall be subject to, any other rights to which those seeking indemnification or advancement of expenses may be entitled under any Bylaw, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office.

6.7 Insurance Indemnification.

The corporation shall have the power to purchase and maintain insurance on behalf of any person who is or was an Agent of the corporation, or is or was serving at the request of the corporation as an Agent against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the corporation would have the power to indemnify him against such liability under the provisions of this Article VI.

6.8 Indemnification Contracts.

The Board of Directors is authorized to enter into a contract with any director, officer, employee or agent of the corporation, or any person serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, including employee benefit plans, providing for indemnification rights equivalent to or, if the Board of Directors so determines, greater than, those provided for in this Article VI.

6.9 Indemnity Fund.

Upon resolution passed by the Board of Directors, the Board of Directors may establish a trust or other designated account, grant a security interest or use other means (including, without limitation, a letter of credit), to ensure the payment of any or all of its obligations arising under this Article and/or agreements which may be entered into between the corporation and its officers from time to time.

6.10 Indemnification of Other Parties.

The provisions of this Article VI shall not be deemed to preclude the indemnification of any person who is not an Agent, but whom the corporation has the power or obligation to indemnify under the provisions of the General Corporation Law of the State of Delaware or otherwise. The corporation may, in its sole discretion, indemnify an employee, trustee or other agent as permitted by the General Corporation Law of the State of Delaware. The corporation shall indemnify an employee, trustee or other agent where required by law.

6.11 Accrual of Claims; Successors.

The indemnification provided or permitted under this Article VI shall apply in respect of any expense, cost, judgment, fine, penalty or amount paid in settlement, whether or not the claim or cause of action in respect thereof accrued or arose before or after the effective date of this Article. The right of any person who is or was a director or officer of the corporation to indemnification and expense advances under this Article shall continue after such person shall have ceased to be a director or officer and shall inure to the benefit of the heirs, distributees, executors, administrators and other legal representatives of such person.

6.12 Effect of Amendment.

Any amendment, repeal or modification of any provision of this Article VI by the stockholders and the director of the corporation shall not adversely affect any right or protection of a director or officer of the corporation existing at the time of such amendment, repeal or modification.

6.13 Settlement of Claims.

The corporation shall not be liable to indemnify any director or executive officer under this Article VI: (i) for any amounts paid in settlement of any action or claim effected without the corporation's written consent, which consent shall not be unreasonably withheld or (ii) for any judicial award, if the corporation was not given a reasonable and timely opportunity, at its expense, to participate in the defense of such action.

6.14 Subrogation.

In the event of payment under this Article VI, the corporation shall be subrogated to the extent of such payment to all of the rights of recovery of the indemnified party who shall execute all papers required and shall do everything that may be necessary to enable the corporation effectively to bring suit to enforce such rights.

6.15 No Duplication of Payments.

The corporation shall not be liable under this Article VI to make any payment in connection with any claim made against a director or executive officer to the extent such director or officer has otherwise actually received payment (under any insurance policy, agreement, vote, or otherwise) of the amounts otherwise indemnifiable hereunder.

6.16 The Corporation.

For purposes of this Article VI, references to "the corporation" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger, so that any person which is or was an Agent of such constituent corporation, or is or was serving at the request of such constituent corporation as an Agent, shall stand in the same position under the provisions of this Article VI (including, without limitation, the provisions of Section 6.4 of this Agreement) with respect to the resulting or surviving corporation as he would have with respect to such constituent corporation if its separate existence had continued.

6.17 Employee Benefit Plans.

For purposes of this Article VI, references to "other enterprises" shall include employee benefit plans; references to "fines" shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to "serving at the request of the corporation" shall include any service as a director, officer, employee or agent of the corporation which imposes duties on, or involved services by, such director, officer, employee or agent with respect

to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner he reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the corporation" as referred to in this Article VI.

6.18 Savings Clause.

If this Article or any portion thereof shall be invalidated on any ground by any court of competent jurisdiction, then the corporation shall nevertheless indemnify each Agent against expense (including attorneys' fees), judgments, fines and amounts paid in settlement with respect to any action, suit, proceeding or investigation, whether civil, criminal or administrative, and whether internal or external, including a grand jury proceeding and an action or suit brought by or in the right of the corporation, to the full extent permitted by any applicable portion of this Article that shall not have been invalidated or by any other applicable law.

ARTICLE VII

RECORDS AND REPORTS

7.1 Maintenance and Inspection of Share Register.

The Secretary of the corporation shall prepare and make, or cause to be made, at least ten (10) days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten (10) days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting or, if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present. The willful neglect or refusal of the directors to produce such a list at any meeting for the election of directors, shall make such directors ineligible for election to any office at such meeting.

The stock ledger shall be the only evidence as to who are the stockholders entitled to examine the stock ledger, the list of stockholders required under this Section 7.1 of Article VII or the books of the corporation, or to vote in person or by proxy at any meeting of stockholders.

Any stockholder, in person or by attorney or other agent, shall, upon five (5) days written demand under oath stating the purpose thereof, have the right during the usual hours for business to inspect for any proper purpose the corporation's stock ledger, a list of its stockholders, and its other books and records, and to make copies or extracts therefrom. A proper purpose shall mean a purpose reasonably related to such person's interest as a stockholder. In every instance where an attorney or other agent shall be the person who seeks the right to inspection, the demand under oath shall be accompanied by a power of attorney or such other writing which authorizes the attorney or other agent to so act on behalf of the stockholder. The demand under oath shall be directed to the Corporation at its registered office in this State or at its principal place of business.

If the corporation or an officer or agent thereof refuses to permit an inspection sought by a stockholder or attorney or other agent acting for the stockholder pursuant to this Section 7.1 or does not reply to the demand within five (5) business days after the demand has been made, the stockholder may apply to the Court of Chancery for an order to compel such inspection.

Any director shall have the right to examine the corporation's stock ledger, a list of its stockholders and its other books and records for a purpose reasonably related to his position as a director. The Court of Chancery is hereby vested with the exclusive jurisdiction to determine whether a director is entitled to the inspection sought.

7.2 Maintenance and Inspection of Bylaws.

The corporation shall keep at its principal executive office, or if its principal executive office is not in this State at its principal business office in this State, if any, the original or a copy of the Bylaws as amended to date, which shall be open to inspection by the stockholders at all reasonable times during office hours. If the principal executive office of the corporation is outside this State and the corporation has no principal business office in this State, the Secretary shall, upon the written request of any stockholder, furnish to such stockholder a copy of the Bylaws as amended to date.

7.3 Maintenance and Inspection of Other Corporate Records.

The accounting books and records and minutes of proceedings of the stockholders and the board of directors and any committee or committees of the board of directors shall be kept at such place or places designed by the board of directors, or, in the absence of such designation, at the principal executive office of the corporation. The minutes shall be kept in written form and the accounting books and records shall be kept either in written form or in any other form capable of being converted into written form. Such minutes and accounting books and records shall be open to inspection upon the written demand of any stockholder or holder of a voting trust certificate, at any reasonable time during usual business hours, for a purpose reasonably related to such holder's interests as a stockholder or as the holder of a voting trust certificate. Such inspection may be made in person or by an agent or attorney, and shall include the right to copy and make extracts.

Except as otherwise provided in Section 7.1 of this Article VII, every director shall have the absolute right at any reasonable time to inspect and copy all books, records and documents of every kind and to inspect the physical properties of the corporation and any subsidiary of the corporation in person or by agent or attorney and the right of inspection includes the right to copy and make extracts. The foregoing rights of inspection shall extend to the records of each subsidiary of the corporation.

7.4 Financial Statements.

A copy of any annual financial statement and any income statement of the corporation for each quarterly period of each fiscal year, and any

accompanying balance sheet of the corporation as of the end of each such period, that has been prepared by the corporation shall be kept on file in the principal executive office of the corporation for twelve (12) months and each such statement shall be exhibited at all reasonable times to any stockholder demanding an examination of any such statement or a copy shall be mailed to any such stockholder.

The corporation also shall, upon the written request of any stockholder, mail to the stockholder a copy of the last annual, semiannual and quarterly income statement which it has prepared and a balance sheet as to the end of such period.

ARTICLE VIII

GENERAL MATTERS

8.1 Checks.

From time to time, the Board of Directors shall determine by resolution which person or persons may sign or endorse all checks, drafts, other orders for payment of money, notes or other evidences of indebtedness that are issued in the name of or payable to the corporation, and only the persons so authorized shall sign or endorse those instruments.

8.2 Execution of Corporate Contracts and Instruments.

The Board of Directors, except as otherwise provided in these Bylaws, may authorize any officer or officers, or agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the corporation; such authority may be general or confined to specific instances. Unless so authorized or ratified by the Board of Directors or within the agency power of an officer, no officer, agent or employee shall have any power or authority to bind the corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or for any amount.

8.3 Stock Certificates; Partly Paid Shares.

The shares of the corporation shall be represented by certificates, provided that the Board of Directors of the corporation may provide by resolution or resolutions that some or all of any or all classes or series of its stock shall be uncertified shares. Any such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the corporation. Notwithstanding the adoption of such a resolution by the Board of Directors, every holder of stock represented by certificates and upon request every holder of uncertified shares shall be entitled to have a certificate signed by, or in the name of the corporation by the Chairman of the Board, or the President or Vice President, and by the Chief Financial Officer, or the Secretary or an assistant secretary of such corporation representing the number of shares registered in certificate form. Any or all of the signatures on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate has ceased to be such officer, transfer agent or registrar, before such certificate is issued, it may be issued by the corporation with the same effect as if he were such officer, transfer agent or registrar at the date of issue.

The corporation may issue the whole or any part of its shares as partly paid and subject to call for the remainder of the consideration to be paid therefor. Upon the face or back of each stock certificate issued to represent any such partly paid shares, upon the books and records of the corporation in the case of uncertified partly paid shares, the total amount of the consideration to be paid therefor and the amount paid thereon shall be stated. Upon the declaration of any dividend on fully paid shares, the corporation shall declare a dividend upon partly paid shares of the same class, but only upon the basis of the percentage of the consideration actually paid thereon.

8.4 Special Designation on Certificates.

If the corporation is authorized to issue more than one class of stock or more than one series of any class, then the powers, the designations, the preferences, and the relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights shall be set forth in full or summarized on the face or back of the certificate that the corporation shall issue to represent such class or series of stock; provided, however, that, except as otherwise provided in Section 202 of the General Corporation Law of Delaware, in lieu of the foregoing requirements there may be set forth on the face or back of the certificate that the corporation shall issue to represent such class or series of stock a statement that the corporation will furnish without charge to each stockholder who so requests such a statement of the powers, the designations, the preferences, and the relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights.

8.5 Lost Certificates.

The Board of Directors may direct a new certificate or certificates or uncertified shares to be issued in place of any certificate or certificates theretofore issued by the corporation alleged to have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen or destroyed. When authorizing such issue of a new certificate or certificates or uncertified shares, the Board of Directors may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen or destroyed certificate or certificates, or his legal representative, to advertise the same in such manner as it shall require and/or to give the corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the corporation with respect to the certificate alleged to have been lost, stolen or destroyed.

8.6 Annual Statement.

The Board of Directors shall present at each annual meeting, and at any special meeting of the stockholders when called for by vote of the stockholders, a full and clear statement of the business and condition of the corporation.

8.7 Construction; Definitions.

Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the Delaware General Corporation Law shall govern the construction of these Bylaws. Without limiting the generality of this provision, the singular number includes the plural, the plural number includes the singular, and the term "person" includes both a corporation and a natural person.

8.8 Dividends.

The Board of Directors of the corporation, subject to any restrictions contained in the General Corporation Law of Delaware or the Certificate of Incorporation, may declare and pay dividends upon the shares of its capital stock. Dividends may be paid in cash, in property, or in shares of the corporation's capital stock.

The directors of the corporation may set apart out of any of the funds of the corporation available for dividends a reserve or reserves for any proper purpose and may abolish any such reserve. Such purposes shall include but not be limited to equalizing dividends, repairing or maintaining any property of the corporation, and meeting contingencies.

8.9 Fiscal Year.

The fiscal year of the corporation shall be fixed by resolution of the Board of Directors and may be changed by the Board of Directors.

8.10 Seal.

The corporation may adopt and may subsequently alter the corporation seal and it may use the same by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

8.11 Transfer of Stock.

Upon surrender to the corporation or the transfer agent of the corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, it shall be the duty of the corporation to issue a new certificate to the person entitled thereto, cancel the old certificate, and record the transaction in its books.

8.12 Stock Transfer Accounts.

The corporation shall have the power to enter into and perform any agreement with any number of stockholders of any one or more classes of stock of the corporation to restrict the transfer of shares of stock of the corporation of any one or more classes owned by such stockholders in any manner not prohibited by the General Corporation Law of Delaware.

8.13 Registered Stockholders.

The corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends and to vote as such owner of shares, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of another person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

8.14 Ratification.

Any transaction questioned in any lawsuit on the ground of lack of authority, defective or irregular execution, adverse interest of director, officer or stockholder, nondisclosure, miscomputation or the application of improper principles or practices of accounting may be ratified, before or after judgment, by the Board of Directors or the stockholders and, if so ratified, shall have the same force and effect as if the questioned transaction had been originally duly authorized. Such ratification shall be binding upon the corporation and its stockholders and shall constitute a bar to any claim or execution of any judgment in respect of such questioned transaction.

ARTICLE IX

AMENDMENTS

9.1 Amendment by Stockholders.

Subject to the provisions of the Certificate of Incorporation, these Bylaws may be altered, amended or repealed at any regular meeting of the stockholders (or at a special meeting duly called for that purpose) by the approval of at least a majority of the outstanding shares entitled to vote at such meeting; provided that in the notice of such special meeting, notice of such purpose shall be given.

9.2 Amendment by Directors.

Subject to the laws of the State of Delaware, the Certificate of Incorporation and these Bylaws, the Board of Directors may, by the majority vote of the entire Board of Directors, amend these Bylaws or enact such other bylaws as in their judgment may be advisable for the regulation of the conduct of the affairs of the corporation.

AMENDMENT TO THE BYLAWS

OF CADIZ INC.

This Amendment to the Bylaws of Cadiz Inc., a Delaware corporation, is effective as of June 10, 2016.

1. Section 3.14 of the Bylaws of the Company is amended to read as follows:

“3.14 Removal of Directors

Unless otherwise allowed by statute, the Certificate of Incorporation or these Bylaws, any director or the entire Board of Directors may be removed, with or without cause, by the holders of a majority of the shares voting and entitled to vote in an election of directors.”

2. Except as modified by this Amendment, the Bylaws of the Company remain unchanged and, as modified, continue in full force and effect.
-

AMENDMENT NO. 2 TO THE BYLAWS

OF CADIZ INC.

This Amendment No. 2 to the Bylaws of Cadiz Inc., a Delaware corporation (the “Company”), is effective as of June 11, 2019.

1. Section 2.16 of the Bylaws of the Company is amended to read as follows:

“2.16 Notice of Stockholder Business and Nominations.

a. At an annual meeting of stockholders, only such business shall be conducted at the annual meeting of the stockholders as shall have been properly brought before the meeting. To be properly brought before an annual meeting, business must be: (A) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board, (B) otherwise properly brought before the meeting by or at the direction of the Board of Directors, or (C) otherwise properly brought before the meeting by a stockholder (i) who is a stockholder of record on the date of the giving of notice provided for in this Section 2.16(a) and on the record date for the determination of stockholders entitled to vote at such annual meeting and (ii) who complies with the notice procedures set forth in this Section 2.16(a) (a “Proposing Person”). For business to be properly brought before an annual meeting by a Proposing Person, the Proposing Person must have given timely notice thereof in writing, containing all information required by this Section 2.16(a)(I)-(II), to the Secretary of the Corporation. To be timely, a Proposing Person’s notice must be delivered to or mailed and received at the principal executive offices of the Corporation not less than ninety (90) calendar days but no more than one hundred twenty (120) calendar days in advance of the date that is the one year anniversary of the date on which the Corporation first mailed its proxy statement to stockholders in connection with the previous year’s annual meeting of stockholders; *provided, however*, that in the event that no annual meeting was held in the previous year or the date of the annual meeting has been changed by more than thirty (30) days from the date that is the one year anniversary of the prior year’s meeting, notice by the Proposing Person to be timely must be so received not later than the close of business on the tenth (10th) day following the day notice of the date of the meeting was mailed or such public announcement (as defined below) was made by the Corporation, whichever occurs first. In no event shall an adjournment of an annual meeting for which notice has been given, or the public announcement thereof has been made, commence a new time period for the giving of a notice by a Proposing Person as described above. A Proposing Person’s notice to the Secretary of the Corporation shall set forth as to each matter the Proposing Person proposes to bring before the annual meeting:

I. Information Regarding the Proposal: (i) a description in reasonable detail of the business desired to be brought before the meeting and the reasons for conducting such business at the annual meeting, including why the Proposing Person believes that the taking of the action or actions proposed would be in the best interests of the Corporation and its stockholders; (ii) a description in reasonable detail of any material interest of any Proposing Person and any Associated Person (as defined below) in such business and a description in reasonable detail of all agreements, arrangements and understandings between the Proposing Person or any Associated Person and any other person or entity in connection with the proposal; and (iii) the text of the proposal or business (including the text of any resolutions proposed for consideration); and

II. Information Regarding the Proposing Person: (i) the name and address, as they appear on the Corporation’s books; of such Proposing Person and any Associated Person; (ii) the class, series and number of shares of the Corporation directly or indirectly beneficially owned or held of record by the Proposing Person or any Associated Person (including any shares of any class or series of the Corporation as to which such Proposing Person or any Associated Person has a right to acquire beneficial ownership, whether such right is exercisable immediately or only after the passage of time); (iii) a representation (1) that the Proposing Person is a holder of record of stock of the Corporation entitled to vote at the annual meeting and intends to appear at the annual meeting to bring such business before the annual meeting and (2) as to whether the Proposing Person intends to deliver a proxy statement and form of proxy to holders of at least the percentage of shares of the Corporation entitled to vote and required to approve the proposal; (iv) a description of (1) any option, warrant, convertible security, stock appreciation right or similar right or interest (including any derivative securities, as defined under Rule 16a-1 under the Securities Exchange Act of 1934, as amended, the “Exchange Act”), whether or not presently exercisable, with an exercise or conversion privilege or a settlement payment or mechanism at a price related to any class or series of securities of the Corporation or with a value derived in whole or in part from the value of any class or series of securities of the Corporation, whether or not such instrument or right is subject to settlement in whole or in part in the underlying class or series of securities of the Corporation or otherwise, directly or indirectly held of record, owned beneficially, or otherwise owned or held by such Proposing Person or any Associated Person and (2) each other direct or indirect right or interest that may enable such Proposing Person or any Associated Person to profit or share in any profit derived from, or to manage the risk or benefit from, any increase or decrease in the value of the Corporation’s securities, in each case regardless of whether (x) such right or interest conveys any voting rights in such security to such Proposing Person or any Associated Person, (y) such right or interest is required to be, or is capable of being, settled through delivery of such security, or (z) such Proposing Person or any Associated Person may have entered into other transactions that hedge the economic effect of any such right or interest (any such right or interest referred to in this clause (iv) being a “Derivative Interest”); (v) any proxy, contract, arrangement, understanding or relationship pursuant to which the Proposing Person or any Associated Person has a right to vote any shares of the Corporation or which has the effect of increasing or decreasing the voting power of such Proposing Person or any Associated Person; (vi) any rights directly or indirectly held of record, beneficially, or otherwise by the Proposing Person or any Associated Person to dividends on the shares of the Corporation that are separated or separable from the underlying shares of the Corporation; (vii) any performance-related fees (other than an asset-based fee) to which the Proposing Person or any Associated Person may be entitled as a result of any increase or decrease in the value of shares of the Corporation or Derivative Interests; and (viii) any other information that is required to be provided by the stockholder pursuant to Regulation 14A under the Exchange Act, in such Proposing Person’s capacity as a proponent to a stockholder proposal.

Notwithstanding anything in these Bylaws to the contrary, no business shall be conducted at any annual meeting except in accordance with

the procedures set forth in this paragraph (a). The Chairman of the meeting shall, if the facts warrant, determine and declare to the meeting that business was not properly brought before the meeting and in accordance with the provisions of this paragraph (a), and, if he or she should so determine, he or she shall so declare to the meeting that any such business not properly brought before the meeting shall not be transacted.

Notwithstanding the foregoing, in addition to the information described in this paragraph (a), in order to include information with respect to a stockholder proposal a proxy statement and form of proxy for a stockholder's meeting, stockholders must provide notice as required by the regulations promulgated under the Exchange Act.

b. Only persons who are nominated in accordance with the procedures set forth in this paragraph (b) shall be eligible for election as directors. Nominations of persons for election to the Board of Directors may be made at a meeting of stockholders by or at the direction of the Board of Directors or by any stockholder of the Corporation entitled to vote in the election of directors at the meeting who complies with the notice procedures set forth in this paragraph (b) (each such stockholder, a "Nominating Person"). Such nominations, other than those made by or at the direction of the Board of Directors, shall be made pursuant to timely notice in writing to the Secretary of the Corporation in accordance with the timing provisions of paragraph (a) of this Section 2.16. Such Nominating Person's notice shall set forth as to each person, if any, whom the stockholder proposes to nominate for election or re-election as a director (the "Proposed Nominee"):

I. Information Regarding the Proposed Nominee: (i) the name, age, business address, residence address, and principal occupation or employment of the Proposed Nominee; (ii) the information required by Section 2.16(a)(II), if the Proposed Nominee were a "Proposing Person;" (iii) any information relating to the Proposed Nominee that is required to be disclosed in solicitations of proxies for elections of directors, or is otherwise required, in each case pursuant to Regulation 14A under the Exchange Act (including, without limitation, the Proposed Nominee's written consent to being named in the proxy statement, if any, as a nominee and to serving as a director if elected); (iv) all information that would be required to be disclosed pursuant to Items 403 and 404 under Regulation S-K if the Nominating Person were the "registrant" for purposes of such rule and the Proposed Nominee were a director or executive officer of such registrant; (v) a completed questionnaire (in the form provided by the Secretary of the Corporation upon written request) with respect to the identity, background and qualification of the Proposed Nominee and the background of any other person or entity on whose behalf the nomination is being made; (vi) a description of all agreements, arrangements, or understandings between or among any of (A) the Nominating Person, (B) the Proposed Nominee, (C) any Associated Person of either the Nominating Person or the Proposed Nominee, and (D) any other person or persons (naming such person or persons) that relate to the nomination or pursuant to which the nomination or nominations are to be made by the Nominating Person or relating to the candidacy or service of the Proposed Nominee as a director of the Corporation; and (vii) a written representation and agreement (in the form provided by the Secretary of the Corporation upon written request) that the Proposed Nominee and all Associated Persons (1) are not and will not become a party to (x) any agreement, arrangement or understanding with, and has not given any commitment or assurance to, any person or entity as to how the Proposed Nominee, if elected as a director of the Corporation, will act or vote on any issue or question (a "Voting Commitment") that has not been disclosed to the Corporation or (y) any Voting Commitment that could limit or interfere with the Proposed Nominee's ability to comply, if elected as a director of the Corporation, with the Proposed Nominee's fiduciary duties under applicable law, (2) are not and will not become a party to any agreement, arrangement or understanding with any person or entity other than the Corporation with respect to any direct or indirect compensation, reimbursement or indemnification in connection with service or action as a director that has not been disclosed to the Corporation, and (3) if elected as a director of the Corporation, the Proposed Nominee would be in compliance and will comply, with all applicable publicly disclosed corporate governance, ethics, conflict of interest, confidentiality and stock ownership and trading policies and guidelines of the Corporation. The Corporation may require the Proposed Nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such Proposed Nominee to serve as an independent director of the Corporation or that could be material to a reasonable stockholder's understanding of the independence, or lack thereof, of such Proposed Nominee.

II. Information Regarding the Nominating Person: the information required to be provided pursuant to Section 2.16(a)(II) if the Nominating Person were a "Proposing Person."

No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the procedures set forth in this paragraph (b). The Chairman of the meeting shall, if the facts warrant, determine and declare to the annual meeting that a nomination was not made in accordance with the provisions of this paragraph (b), and if he or she should so determine, shall so declare to the meeting that the defective nomination shall be disregarded.

c. A Proposing Person or a Nominating Person providing notice of business or any nomination proposed to be brought before an annual meeting pursuant to this Section 2.16 must further update and supplement such notice, if necessary, so that the information provided or required to be provided in such notice pursuant to this Section 2.16 is true and correct at all times up to and including the date of the meeting (including any date to which the meeting is recessed, adjourned or postponed). Any such update and supplement must be delivered to, or mailed and received by, the Secretary at the principal executive offices of the Corporation, as promptly as practicable.

d. A stockholder is not entitled to have its proposal or director nomination included in the Corporation's proxy statement and form of proxy solely as a result of such stockholder's compliance with the foregoing provisions of this Section 2.16.

e. Notwithstanding the foregoing provisions of this Section 2.16, a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to matters set forth in this Section 2.16. Nothing in this Section 2.16 shall be deemed to affect any rights of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act.

f. An "Associated Person" of a person is (i) any person that is an associate of such person within the meaning of Rule 14a-1(a) under the Exchange Act and (ii) any person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such person; the term "control" (including the terms "controlled by" and "under common control with") means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the

ownership of voting securities, by contract, or otherwise.

g. For the purposes of this Section 2.16, “public announcement” shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act.”

2. Except as modified by this Amendment No. 2, the Bylaws of the Company remain unchanged and, as modified, continue in full force and effect.

DESCRIPTION OF SECURITIES REGISTERED UNDER SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934

The following is a description of the Common Stock, \$0.01 par value (the “*Common Stock*”) and depository shares of Cadiz Inc. (“*our*”, “*we*”, or the “*Company*”). The Common Stock and the depository shares (the “*Depository Shares*”) representing the 8.875% Series A Cumulative Perpetual Preferred Stock (the “*Series A Preferred Stock*”) are the only securities of the Company registered pursuant to Section 12 of the Securities Exchange Act of 1934, as amended (the “*Exchange Act*”).

The following summary description is qualified in its entirety by reference to the provisions of (i) the Company’s Certificate of Incorporation, as currently in effect (the “*Certificate of Incorporation*”), (ii) the Company’s By-laws, as currently in effect (the “*By-laws*”), and (iii) the certificates of designation of preferences, rights and limitations of the Series A Preferred Stock, as currently in effect, copies of which have been filed as exhibits to the Company’s Annual Report on Form 10-K, and the applicable provisions of the Delaware General Corporation Law (the “*DGCL*”).

General

The Company is authorized to issue (i) 70,000,000 shares of common stock, par value \$0.01 per shares and (ii) 100,000 shares of preferred stock, par value \$0.01 per share.

Our Common Stock is registered pursuant to Section 12(b) of the Securities Exchange Act of 1934. Our Common Stock is listed on the Nasdaq Global Market under the symbol “CDZI”.

Our Depository Shares (each representing a 1/1000th fractional interest in shares of Series A Preferred Stock) are registered pursuant to Section 12(b) of the Securities Exchange Act of 1934. Our Depository Shares are listed on the Nasdaq Global Market under the symbol “CDZIP”.

Common Stock

Dividend Rights. Subject to the rights of holders of any shares of preferred stock that may at the time be outstanding, record holders of our Common Stock are entitled to such dividends as the Board of Directors may declare.

Voting Rights. Holders of our Common Stock are entitled to one vote for each share owned of record on all matters submitted to a vote of our stockholders and do not have preemptive rights or cumulative voting rights.

No Calls or Assessments. Holders of our Common Stock are not subject to further calls or assessments as a result of their holding shares of Common Stock.

Right to Receive Liquidation Distributions. If the Company is liquidated, the holders of shares of Common Stock are entitled to share ratably in the distribution remaining after payment of debts and expenses and of the amounts to be paid on liquidation to the holders of shares of preferred stock (if any).

The 8.875% Series A Cumulative Perpetual Preferred Stock and the Depository Shares.

We have designated 7,500 shares of our Preferred Stock as Series A Preferred Stock. The Series A Preferred Stock represented by the Depository Shares will rank, as to dividend rights and rights upon liquidation, dissolution or winding up:

- (1) senior to all classes or series of our common stock and to each other class or series of capital stock issued by us other than any class or series of capital stock issued with terms specifically providing that such securities rank senior to or on a parity with the Series A Preferred Stock; provided, however, that the Series A Preferred Stock shall rank junior to the Series 1 Preferred Stock, par value \$0.01 per share (the “Series 1 Preferred Stock”) with respect to the distribution of assets upon our voluntary or involuntary liquidation, dissolution or winding up;
- (2) on a parity with each class or series of capital stock issued by us with terms specifically providing that such securities rank on a parity with the Series A Preferred Stock with respect to the declaration and payment of dividends and the distribution of assets upon our voluntary or involuntary liquidation, dissolution or winding up;
- (3) junior to each class or series of capital stock issued by us with terms specifically providing that such securities rank senior to the Series A Preferred Stock with respect to the declaration and payment of dividends and the distribution of assets upon our voluntary or involuntary liquidation, dissolution or winding up, none of which exists on the original effective date of the certificate of designation for the Series A Preferred Stock except the Series 1 Preferred Stock, which ranks junior to the Series A Preferred Stock with respect to the payment of dividends and senior to the Series A Preferred Stock with respect to the distribution of assets upon our voluntary or involuntary liquidation, dissolution or winding up; and
- (4) effectively junior to all our existing and future indebtedness (including indebtedness convertible into our common stock or preferred stock) and to the indebtedness and other liabilities of (as well as any preferred equity interests held by others in) our existing or future subsidiaries.

Dividends. We will pay cumulative cash dividends on the Series A Preferred Stock, when and as declared by the Board of Directors, at the rate of 8.875% of the \$25,000.00 liquidation preference per share (equivalent to \$25.00 per depository share) per year (equivalent to \$2,218.75 per share per year or \$2.21875 per depository share per year).

Dividends will be payable quarterly in arrears, on or about the 15th day of January, April, July and October, beginning on or about October 15, 2021; provided that if any dividend payment date is not a business day, then the dividend which would otherwise have been payable on that dividend payment date may be paid on the immediately preceding or next succeeding business day, and if paid on the next succeeding business day, no interest, additional dividends

or other sums will accumulate on the amounts so payable for the period from and after that dividend payment date to the next succeeding business day. Dividends will accumulate and be cumulative from, and including, the date of original issuance. Dividends on the Series A Preferred Stock underlying the depositary shares will continue to accumulate whether or not (i) any of our agreements prohibit the current payment of dividends, (ii) we have earnings or funds legally available to pay the dividends, or (iii) our Board of Directors does not declare the payment of the dividends.

Liquidation Preference. The liquidation preference of each share of Series A Preferred Stock is \$25,000.00 per share (equivalent to \$25.00 per depositary share). Upon liquidation, the holders of the Series A Preferred Stock will be entitled to receive the liquidation preference with respect to their shares of Series A Preferred Stock plus an amount equal to accumulated but unpaid dividends with respect to such shares. For the avoidance of doubt the Series 1 Preferred Stock shall be senior in liquidation preference to the Series A Preferred Stock.

Optional Redemption. We may not redeem the Series A Preferred Stock represented by the depositary shares prior to July 2, 2026, the fifth anniversary of July 2, 2021, except as described below under “Special Optional Redemption.” At any time on or after July 2, 2026, we may, at our option, redeem the Series A Preferred Stock, in whole or from time to time in part, by paying \$25,000.00 per share (equivalent to \$25.00 per depositary share), plus any accumulated and unpaid dividends to, but not including, the date of redemption. This feature is referred to as an “optional redemption.”

On or after the date fixed for redemption of shares of Series A Preferred Stock, each holder of depositary shares representing interests in the Series A Preferred Stock to be redeemed must present and surrender the depositary receipts evidencing the depositary shares to the depositary at the place designated in the notice of redemption. The redemption price payable to such holder of depositary shares will then be paid to or on the order of the person whose name appears on such depositary receipts as the owner thereof.

Special Optional Redemption Upon a Change of Control or Delisting Event. Upon the occurrence of a Delisting Event (as defined below), we may, at our option, redeem the Series A Preferred Stock represented by the depositary shares, in whole or in part, within 90 days after the first date on which such Delisting Event occurred, for cash, at a redemption price of \$25,000.00 per share (equivalent to \$25.00 per depositary share), plus any accrued and unpaid dividends to, but not including, the date of redemption, and the depositary will redeem a proportional number of depositary shares representing the shares redeemed.

A “Delisting Event” occurs when, after the original issuance of Series A Preferred Stock, both (i) the shares of Series A Preferred Stock (or the depositary shares) are no longer listed on the New York Stock Exchange (the “NYSE”), the NYSE American LLC (“NYSE AMER”) or the Nasdaq Stock Market LLC (“NASDAQ”), or listed or quoted on an exchange or quotation system that is a successor to the NYSE, the NYSE AMER or NASDAQ, and (ii) we are not subject to the reporting requirements of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), but any shares of the Series A Preferred Stock are still outstanding.

Upon the occurrence of a Change of Control (as defined below), we may, at our option, redeem the Series A Preferred Stock represented by the depositary shares, in whole or in part within 120 days after the first date on which such Change of Control occurred, for cash, at a redemption price of \$25,000.00 per share (equivalent to \$25.00 per depositary share), plus any accrued and unpaid dividends to, but not including, the date of redemption, and the depositary will redeem a proportional number of depositary shares representing the shares redeemed.

A “Change of Control” occurs when, after the original issuance of the Series A Preferred Stock, the following have occurred and are continuing:

- the acquisition by any person, including any syndicate or group deemed to be a “person” under Section 13(d)(3) of the Exchange Act, of beneficial ownership, directly or indirectly, through a purchase, merger or other acquisition transaction or series of purchases, mergers or other acquisition transactions of shares of any class or series of capital stock of the company entitling that person to exercise more than 50% of the total voting power of all shares of the company entitled to vote generally in elections of directors (except that such person will be deemed to have beneficial ownership of all securities that such person has the right to acquire, whether such right is currently exercisable or is exercisable only upon the occurrence of a subsequent condition); and
- following the closing of any transaction referred to in the bullet point above, neither we nor any acquiring or surviving entity (or if, in connection with such transaction shares of common stock are converted into or exchanged for (in whole or in part) common equity securities of another entity), has a class of common securities (or depositary receipts representing such securities) listed on the NYSE, the NYSE AMER or NASDAQ, or listed or quoted on an exchange or quotation system that is a successor to the NYSE, the NYSE AMER or NASDAQ

We refer to a redemption following a Delisting Event or Change of Control as a “special optional redemption.” If, prior to the Delisting Event Conversion Date or the Change of Control Conversion Date, as applicable, we have provided or provides notice of exercise of any of our redemption rights relating to the Series A Preferred Stock (whether our optional redemption right or our special optional redemption right), the holders of depositary shares representing interests in the Series A Preferred Stock will not have the conversion right described below.

Conversion Rights. Upon the occurrence of a Delisting Event or a Change of Control, as applicable, each holder of depositary shares representing interests in the Series A Preferred Stock will have the right (unless, prior to the Delisting Event Conversion Date or Change of Control Conversion Date, as applicable, we have provided or provide notice of our election to redeem the Series A Preferred Stock) to convert some or all of the Series A Preferred Stock represented by the depositary shares held by such holder on the Delisting Event Conversion Date or Change of Control Conversion Date, as applicable, into a number of shares of common stock (or equivalent value of alternative consideration) per depositary share equal to the lesser of:

- the quotient obtained by dividing (1) the sum of the \$25.00 per depositary share liquidation preference plus the amount of any accumulated and unpaid dividends to, but not including, the Delisting Event Conversion Date or Change of Control Conversion Date, as applicable (unless the Delisting Event Conversion Date or Change of Control Conversion Date, as applicable is after a record date for a Series A Preferred Stock dividend payment and prior to the corresponding Series A Preferred Stock dividend payment date, in which case no additional amount for such accumulated and unpaid dividend will be included in this sum) by (2) the Common Stock Price (as defined in herein); and
- 3.74813 (i.e., the Share Cap), subject to certain adjustments;

and subject, in each case, to the certain conditions, including, under specified circumstances, an aggregate cap on the total number of shares of common stock issuable upon conversion and to provisions for the receipt of alternative consideration.

If, prior to the Delisting Event Conversion Date or Change of Control Conversion Date, as applicable, we have provided or provide a redemption notice, whether pursuant to our special optional redemption right or our optional redemption right, holders of depositary shares representing interests in the Series A Preferred Stock will not have any right to convert the underlying Series A Preferred Stock, and any Series A Preferred Stock subsequently selected for redemption that has been tendered for conversion will be redeemed on the related date of redemption instead of converted on the Delisting Event Conversion Date or Change of Control Conversion Date, as applicable.

Except as provided above in connection with a Delisting Event or Change of Control, shares of the Series A Preferred Stock are not convertible into or exchangeable for any other securities or property. Because each depositary share represents a 1/1000th interest in a share of the Series A Preferred Stock, the number of shares of common stock ultimately received for each depositary share will be equal to the number of shares of common stock received upon conversion of each share of Series A Preferred Stock divided by 1,000. In the event that the conversion would result in the issuance of fractional shares of common stock, we will pay the holder of depositary shares cash in lieu of such fractional shares.

For purposes of this description of the Series A Preferred Stock and the underlying Depositary Shares, “*Change of Control Conversion Date*” means a business day fixed by our board of directors that is not fewer than 20 days nor more than 35 days after the date on which we provide the notice described above to the holders of the Depositary Shares representing interests in the Series A Preferred Stock.

For purposes of this description of the Series A Preferred Stock and the underlying Depositary Shares, “*Common Stock Price*” for any Change of Control will be: (1) if the consideration to be received in the Change of Control by the holders of our common stock is solely cash, the amount of cash consideration per share of common stock; and (2) if the consideration to be received in the Change of Control by holders of our common stock is other than solely cash (x) the average of the closing prices for our common stock on the principal U.S. securities exchange on which our common stock is then traded (or, if no closing sale price is reported, the average of the closing bid and ask prices per share or, if more than one in either case, the average of the average closing bid and the average closing ask prices per share) for the ten consecutive trading days immediately preceding, but not including, the date on which such Change of Control occurred as reported on the principal U.S. securities exchange on which our common stock is then traded, or (y) the average of the last quoted bid prices for our common stock in the over-the-counter market as reported by OTC Markets Group Inc. or similar organization for the ten consecutive trading days immediately preceding, but not including, the date on which such Change of Control occurred, if our common stock is not then listed for trading on a U.S. securities exchange. The “*Common Stock Price*” for any Delisting Event will be the average of the closing price per share of our Common Stock on the 10 consecutive trading days immediately preceding, but not including, the effective date of the Delisting Event.

For purposes of this description of the Series A Preferred Stock and the underlying Depositary Shares, “*Delisting Event Conversion Date*” means a business day fixed by our board of directors that is not fewer than 20 days nor more than 35 days after the date on which we provide the notice described above to the holders of the Depositary Shares representing interests in the Series A Preferred Stock.

Voting Rights. Holders of Depositary Shares representing interests in the Series A Preferred Stock generally will have no voting rights. However, if we do not pay dividends on any outstanding shares of Series A Preferred Stock for six or more quarterly dividend periods (whether or not declared or consecutive), holders of the Series A Preferred Stock (voting separately as a class with all other outstanding series of preferred stock upon which like voting rights have been conferred and are exercisable) will be entitled to elect two additional directors to the Board of Directors to serve until all unpaid dividends have been fully paid or declared and set apart for payment. In addition, certain material and adverse changes to the terms of the Series A Preferred Stock cannot be made without the affirmative vote of holders of at least 66 2/3% of the outstanding shares of Series A Preferred Stock, voting as a separate class.

Depositary. Continental Stock Transfer & Trust Company, located at 1 State Street 30th Floor, New York, New York.

Certain Other Provisions of our Certificate and Bylaws

Neither our Certificate nor our Bylaws permit stockholder action by written consent in lieu of a meeting of stockholders. In addition, our Bylaws provide advance notice procedures for stockholders seeking to bring business before the annual meeting of stockholders or to nominate candidates for election as directors at the annual meeting of stockholders, and specify certain requirements regarding the form and content of a stockholder’s notice. The foregoing could have the effect of delaying or preventing unsolicited takeovers and changes in control or changes in our management.

Anti-Takeover Effects of Delaware Law

We are subject to the "business combination" provisions of Section 203 of the DGCL. In general, such provisions prohibit a publicly held Delaware corporation from engaging in various "business combination" transactions with any interested stockholder for a period of three years after the date of the transaction in which the person became an interested stockholder, unless:

- prior to the date the interested stockholder obtained such status, the Board of Directors of the corporation approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder;
- upon consummation of the transaction which resulted in the stockholder becoming an interested stockholder, the stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced; or
- on or subsequent to such date, the business combination is approved by the Board of Directors of the corporation and authorized at an annual or special meeting of stockholders by the affirmative vote of at least 66 2/3% of the outstanding voting stock which is not owned by the interested stockholder.

A "business combination" is defined to include mergers, asset sales and other transactions resulting in financial benefit to an interested stockholder. In general, an "interested stockholder" is a person who, together with affiliates and associates, owns (or within three years, did own) 15% or more of a corporation's voting stock. The statute could prohibit or delay mergers or other takeover or change in control attempts with respect to the Company and,

accordingly, may discourage attempts to acquire the Company even though such a transaction may offer the Company's stockholders the opportunity to sell their stock at a price above the prevailing market price.

CADIZ INC.

SUBSIDIARIES OF THE COMPANY

Cadiz Real Estate LLC
Rancho Cadiz Mutual Water Company
SWI Estate, Inc.

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (No 333-257159) and Form S-8 (No. 333-233582) of Cadiz Inc. of our report dated March 29, 2022 relating to the financial statements which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP
Los Angeles, California
March 29, 2022

**CERTIFICATION PURSUANT TO SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002**

I, Scott S. Slater, certify that:

1. I have reviewed this annual report on Form 10-K of Cadiz Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonable likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: March 29, 2022

/s/ Scott S. Slater
Scott S. Slater
Chief Executive Officer

**CERTIFICATION PURSUANT TO SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002**

I, Stanley E. Speer, certify that:

1. I have reviewed this annual report on Form 10-K of Cadiz Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonable likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: March 29, 2022

/s/ Stanley E. Speer

Stanley E. Speer

Chief Financial Officer and Secretary

**STATEMENT PURSUANT TO SECTION 906 THE SARBANES-OXLEY ACT OF 2002
BY PRINCIPAL EXECUTIVE OFFICER AND PRINCIPAL FINANCIAL OFFICER**

I, Scott S. Slater, hereby certify, to my knowledge, that:

1. the accompanying Annual Report on Form 10-K of Cadiz Inc. for the year ended December 31, 2021 (the "Report") fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities and Exchange Act of 1934, as amended; and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Cadiz Inc.

IN WITNESS WHEREOF, the undersigned has executed this Statement as of the date first written above.

Dated: March 29, 2022

/s/ Scott S. Slater
Scott S. Slater
Chief Executive Officer

**STATEMENT PURSUANT TO SECTION 906 THE SARBANES-OXLEY ACT OF 2002
BY PRINCIPAL EXECUTIVE OFFICER AND PRINCIPAL FINANCIAL OFFICER**

I, Stanley E. Speer, hereby certify, to my knowledge, that:

1. the accompanying Annual Report on Form 10-K of Cadiz Inc. for the year ended December 31, 2021 (the "Report") fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities and Exchange Act of 1934, as amended; and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Cadiz Inc.

IN WITNESS WHEREOF, the undersigned has executed this Statement as of the date first written above.

Dated: March 29, 2022

/s/ Stanley E. Speer

Stanley E. Speer

Chief Financial Officer and Secretary