

WATER SERVICE PARTICIPATION AND DROUGHT MITIGATION AGREEMENT

This Water Service Participation and Drought Mitigation Agreement (“Agreement”) is made this ____ day of _____, between the Camrosa Water District and the County of Ventura with regards to the following facts:

I. RECITALS

A. The Camrosa Water District (“Camrosa”) is a public entity, independent special district organized and operated pursuant to California Water Code section 34000 et seq. Camrosa provides retail water service within the Camrosa boundary, located within portions of the City of Camarillo, Thousand Oaks, and the unincorporated areas of Ventura County, California.

B. Rancho Sierra I LP, a California limited liability company (“Developer”) has obtained entitlement approvals from the County of Ventura (“County”) allowing the development of 50 rental units of permanent and affordable senior housing (“Senior Housing Project”) on approximately three to four acres (the “Property”) owned by County and located at 1732 South Lewis Road in unincorporated Ventura County, (APN 230-0-050-340). Camrosa is the designated public water supplier for the Senior Housing Project.

C. Camrosa and County are also referred to in this Agreement individually as a “Party” or collectively as the “Parties.”

D. Among other requirements to obtain water service, Camrosa has a permanent moratorium on the issuance of water availability and water will serve letters for new development that will result in unmitigated new demand upon all water (potable, non-potable, and recycled) delivered by any water distribution system within Camrosa’s service boundary.

E. Camrosa has made participation in a Water Demand Offset Project, as defined in Section IV herein, available to County so that County may satisfy Camrosa’s Resolution No. 14-08 providing for a moratorium on the provision of water service to new development, unless the total demand associated with such new development is fully mitigated.

F. In addition to the mitigation required as established by Resolution No. 14-08, a Drought Mitigation Fee is required. This fee is proportionate to an additional 30% of the Senior Housing Project’s new water demand (all water).

G. The Parties intend that County’s performance pursuant to this Agreement and specifically, County’s payment of its share of the Water Demand Offset Project Costs and Drought Mitigation fee, as provided in Section V herein, shall provide complete

mitigation as required by Camrosa's Resolution No.14-08 for the Senior Housing Project generating 10.1 acre feet of net new water demand above, and in addition to, the County of Ventura's current agreement allocation from Camrosa.

H. It is understood that in addition to the terms of this Agreement, County must also meet and satisfy the terms of the Oversizing Agreement, the Development Improvement Agreement, pay all the Capital Improvement fees, and all other associated fees before a Water Will Serve Letter (WWSL) will be issued.

In consideration of the foregoing recitals that are incorporated herein by reference and the mutual terms and conditions set forth herein, the Parties agree as follows:

II. PURPOSE

The purpose of this Agreement is to enable Camrosa and County to meet their respective obligations with respect to the Water Demand Offset Project so that: (1) County provides certain payments to Camrosa for County's participation in the Water Demand Offset Project and Drought Mitigation requirement, and (2) conditioned upon County's performance of its obligations under this Agreement and in the separate Oversizing Agreement and Development Agreement and its payment of all required fees and costs, Camrosa provides a commitment to provide water service to the Senior Housing Project consistent with the terms of this Agreement.

III. EFFECTIVE DATE AND TERM

A. This Agreement shall be effective on the date executed by both Parties ("Effective Date") and shall terminate on the earlier of ("Term"):

1. The date on which County has paid to Camrosa the Costs, as such term is defined in Section V below, and Camrosa has issued to County a final WWSL for the Property as provided in this Agreement.
2. One Hundred Twenty (120) days from the Effective Date if County has not paid the Costs (County's Share) as defined in Section V.

IV. WATER DEMAND OFFSET PROJECT

A. The Water Demand Offset Project consists of a reverse osmosis treatment facility known as the Conejo Wellfield RO Plant to be constructed by Camrosa, subject to its sole discretion and capital project schedule. Camrosa anticipates constructing the Water Demand Offset Project within one to four years. Although the fees provided herein have been calculated based upon a specific project that is planned by

Camrosa, Camrosa has sole discretion to use the fees for any other capital improvement project(s) or facilities for the storage, treatment, and distribution of water, for the collection, treatment, reclamation, and disposal of sewage, or for the collection and disposal of storm waters and for flood control purposes. However, in the event Camrosa uses the fees for a different capital project than the one upon which the fees were calculated, the fees due from County under this Agreement shall not be subject to any increases or decreases and Camrosa shall still be obligated to provide water service to the Senior Housing Project on the terms described in this Agreement.

B. The timing of the construction of the Water Demand Offset Project is subject to Camrosa's sole and complete discretion. Provided County meets its payment obligations under this Agreement, the timing of completion of the Water Demand Offset Project or Camrosa's decision to not pursue the Water Demand Offset Project will not in any way impact Camrosa's commitment to provide water service to the Senior Housing Project.

V. WATER DEMAND MITIGATION COSTS AND DROUGHT COSTS

A. The Parties acknowledge and agree that the cost of the Water Demand Offset Project is Twenty Million Dollars \$20,000,000.

B. County's portion of the Demand Mitigation Costs is based on estimated Water Demand Offset Project Costs divided by the Water Demand Offset Project's expected annual water supply production (1541 AFY) multiplied by the Senior Housing Project's estimated yearly average day potable and non-potable water demand above the County of Ventura's current water allocation from Camrosa (10.1 AFY).

Demand Mitigation Costs: $(\$20,000,000 / 1541 \text{ AFY}) \times 10.1 \text{ AFY} = \$131,084$

C. County's portion of the Drought Mitigation Costs is calculated based on an additional 30% of the Senior Housing Project's new water demand (all water). The estimated Water Demand Offset Project Costs is divided by the Water Demand Offset Project's expected annual water supply production (1541 AFY) multiplied by 30% of the Senior Housing Project's estimated yearly average day potable and non-potable water demand above the County of Ventura's current water allocation from Camrosa (10.1 AFY).

Drought Mitigation Costs: $(\$20,000,000 / 1541 \text{ AFY}) \times (10.1 \text{ AFY} \times .30) = \$39,325$

D. The Total Amount Due for County's share of the combined Demand Mitigation Costs and Drought Mitigation Costs is: $\$131,084 + 39,325 = \$170,409$.

County's Share shall not be increased or decreased because of any increase or decrease to total Demand Mitigation Costs or the total Drought Mitigation Costs.

VI. Water Demand Offset Project Costs Funding Increments

A. Within one hundred twenty days (120) after the Effective Date of this Agreement, County shall pay to Camrosa an amount equal to one hundred percent (100%) of County's Share as defined in Section V above.

B. Within thirty (30) days of verification that all conditions in this Agreement, the Oversizing Agreement, and the Development Improvement Agreement, are met, and all payment of the Capital Improvement fees are paid, Camrosa will issue a WWSL Letter for the Senior Housing Project.

VII. RESOLUTION OF DISPUTES

The Parties shall attempt to amicably and promptly resolve any dispute arising between the Parties under this Agreement. Nothing in this Agreement shall preclude any Party from taking any lawful action it deems appropriate to enforce its rights under this Agreement.

VIII. LIABILITY

Except as to the negligent or willful misconduct of a Party, each Party shall release and hold harmless the other Parties from and against any and all third-party liabilities, losses, damages, and expenses arising from, alleged to arise from, in connection with, or incidental to the services rendered under this Agreement. Neither Party shall be liable to the other Party for any attorney's fees, consequential, incidental, punitive, special, or exemplary damages or lost opportunity costs, lost profit, or other business interruption damages, by statute or in tort or contract, under any provision of this Agreement.

IX. WATER SERVICE

Once water service is provided to the individual customers associated with the Senior Housing Project, each customer shall be entitled to and receive water service on the same terms and conditions as similar class(es) of customers within Camrosa's service area.

X. RELATIONSHIP OF THE PARTIES

Nothing in this Agreement shall be construed to create an association, joint venture, trust, or partnership, or to impose a trust or partnership covenant, obligation, or liability on or with regard to any Party or Parties. Each Party shall be individually responsible for its own

covenants, obligations and liabilities as herein provided. No Party shall be under the control of or shall be deemed to control another Party. No Party shall be the agent of or have a right or power to bind another Party without such other Party's express written consent, except as provided in this Agreement.

XI. THIRD-PARTY BENEFICIARIES

There are no third-party beneficiaries to this Agreement. This Agreement shall not confer any right or remedy upon any person or entity other than the Parties and their respective successors and assigns permitted under Section XII. This Agreement shall not release or discharge any obligation or liability of any third party to any Party or give any third party any right of subrogation or action over or against a Party.

XII. ASSIGNMENT OF INTERESTS

Neither Party may assign this Agreement without the prior written consent of the other Parties. Camrosa acknowledges that County may assign this Agreement to (i) a single purpose entity whose responsibility is the implementation of the Senior Housing Project, or (ii) any entity which acquires all of County's fee interest in the Property and intends to develop the Senior Housing Project. Camrosa shall provide timely approval of such assignment upon written request by County provided the assignee entity provides written confirmation to Camrosa that its sole purpose is the implementation of the Senior Housing Project.

XIII. COMPLETE AGREEMENT

This Agreement contains the entire agreement and understanding between the Parties as to the subject matter of this Agreement.

XIV. CONSTRUCTION OF AGREEMENT

Ambiguities or uncertainties in the wording of this Agreement shall not be construed for or against any Party but shall be construed in a manner that most accurately reflects the intent of the Parties when this Agreement was executed and is consistent with the nature of the rights and obligations of the Parties with respect to the matter being construed.

XV. EVENTS OF DEFAULT

In the event that a Party materially defaults in the performance of its obligations under this Agreement, the authorized representatives of the non-defaulting Party may give written notice of the default to the authorized representative of the defaulting Party. If within thirty (30) days after the non-defaulting Party's authorized representative gives such written notice to the defaulting Party's authorized representative, the defaulting Party will have failed to cure

the default in its performance of this Agreement, or if such default requires more than thirty (30) days to cure, and the defaulting Party fails to commence such cure and diligently prosecute such cure to completion, in addition to any other remedies provided by law, the non-defaulting Parties may terminate this Agreement by written notice of termination. In addition to any other cause of default arising hereunder, a Party shall be in a default if:

- A. It fails to timely meet a material obligation provided in this Agreement; or
- B. It becomes insolvent; or
- C. It makes a general assignment of substantially all of its assets for the benefit of its creditors, files a petition for bankruptcy or reorganization, or seeks other relief under any applicable insolvency laws; or
- D. It has filed against it a petition for bankruptcy, reorganization or other relief under any applicable insolvency laws and such petition is not dismissed within sixty (60) days after it is filed.

XVI. AMENDMENTS

This Agreement may be modified, supplemented, or amended only by a writing duly executed by the Parties.

XVII. WAIVERS

Any waiver at any time by any Party of its rights with respect to a default under this Agreement, or with respect to any other matter arising in connection with this Agreement, shall not be deemed a waiver with respect to any subsequent default or other matter arising in connection therewith. Any delay, short of the statutory period of limitation in asserting or enforcing any right, shall not be deemed a waiver of such right.

XVIII. SECTION HEADINGS

All captions and headings appearing in this Agreement are inserted to facilitate reference and shall not govern, except where logically necessary, the interpretations of the provisions hereof.

XIX. GOVERNING LAW

This Agreement shall be interpreted, governed by and construed under the laws of the State of California or the laws of the United States as applicable, as if executed and to be performed wholly within the State of California.

XX. NOTICES

A. Any notice, demand or request provided for in this Agreement, or served, given or made in connection with it, shall be in writing and shall be deemed properly served, given or made if delivered in person, by email or sent by United States mail, postage prepaid, to the persons specified below, unless otherwise provided for in this Agreement:

Camrosa Water District
Attention: General Manager
7385 Santa Rosa Road
Camarillo, California 93012

County of Ventura
Attention: CEO's Office

B. Any Party may, at any time, by written notice to the other Parties, change the designation or address of the person so specified as the one to receive notices pursuant to this Agreement.

XXI. SIGNATURE CLAUSE

The signatories hereto represent that they have been appropriately authorized to enter into this Agreement on behalf of the Party for whom they sign.

CAMROSA WATER DISTRICT

Date: _____, 2023
By: TONY STAFFORD
GENERAL MANAGER

COUNTY OF VENTURA

Date: _____, 2023
By: