

**Vineyard Mutual Water Co.
5725 Ralston St., Suite 200
Ventura, CA 93003**

November 22, 2022

County of Ventura Public Works
Attn: Jeff Pratt
800 South Victoria Ave.,
Ventura, California 93009

Re: Letter of Intent

Dear Ventura County:

The Vineyard Mutual Water Co. ("VMW"), owns and operates a water distribution system consisting of water wells, pumps, motors, pipelines and a variety of distribution facilities ("VMW System") located to the north of Vineyard Avenue, Oxnard and generally servicing the properties having access to Vineyard Avenue, Montgomery Avenue and Lambert Street.

The Board of Directors of VMW, and its shareholders, would prefer not to operate the VMW System. They would like to explore with you the legal process by which VMW could convey and transfer all of its assets to the County of Ventura ("County"), or one of its affiliated water departments, to own, operate, manage and be responsible for the VMW System.

VMW recognizes that there are likely any number of legal and practical limitations on this transaction. VMW is willing to discuss the terms for a transfer of the VMW System to the County. VMW would intend to distribute to its shareholders all of its cash reserves as part of the transaction.

It is our hope and expectation that the County would undertake the investigation of the legal requirements such as compliance with any environmental requirements under CEQA, approval from LAFCO, if required, and obtaining the appropriate public approvals from the County's Board of Supervisors.

The final form, terms and conditions of the transaction documents would require the affirmative approval of VMW's Board of Directors and shareholders. The transaction would be conditional upon our receipt of such approvals.

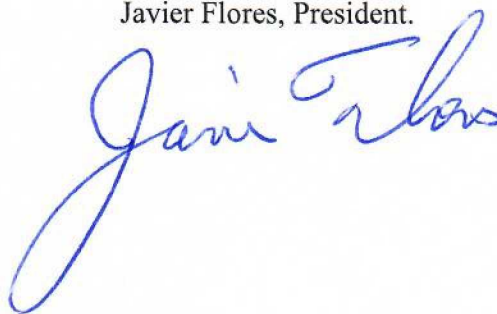
As part of this process, we would also like to understand how the County would continue to provide the water delivery services currently provided by VMW. Among other issues, we would like to make sure there is no interruption in service and to better understand the cost or rates that the members of VMW would pay for the delivery of water.

Attached is a copy of VMW's financial statements that were reviewed as of December 31, 2021. We suspect that you will need additional information, but hopefully this will allow us to begin our discussions.

Please advise us if the County is willing to explore the proposed transaction. We look forward to hearing from you.

Vineyard Mutual Water Co.

Javier Flores, President.

A handwritten signature in blue ink, appearing to read "Javier Flores", written in a cursive style.