

NONPOTABLE WATER AGREEMENT

THIS AGREEMENT (“Agreement”) is made this _____ day of _____, 2024, (“Effective Date”) between the COACHELLA VALLEY WATER DISTRICT, a public agency of the State of California (hereinafter denoted “CVWD”) and CRM Mutual Water Company (hereinafter denoted “Customer”) located at 72700 Frank Sinatra Drive in Rancho Mirage, CA 92270 for provision of Nonpotable Water (as defined below) for landscape irrigation at residential, commercial and Homeowner association maintained landscaped areas at Cotino, a Storyliving by Disney community within Section 31, Township 4 South, Range 6 East, San Bernardino Meridian (the “Property”) legally described on Exhibit “A” attached hereto and located at 72700 Frank Sinatra Drive in Rancho Mirage, California 92270. CVWD and Customer are referred to herein individually as “Party” and collectively as “Parties.”

RECITALS

I. It is in the best interest of CVWD and Customer to protect the Coachella Valley’s aquifer in order to ensure the long-term economic health of the region. One way to protect the aquifer is to promote the use of Nonpotable Water sources such as Recycled Water and/or Canal Water in place of Groundwater, as such terms are defined in Section I herein.

II. CVWD has embarked upon a long-term water management plan that encourages the use of alternative Nonpotable Water sources of water, thus protecting valuable Groundwater resources for domestic consumption.

III. CVWD owns and operates three Water Reclamation Plants (“Plants”), capable of producing and providing Recycled Water to customers. In addition, CVWD operates the Coachella Branch of the All-American Canal and the Mid-Valley Pipeline, and associated distribution pipelines which serve Canal Water. Both Recycled Water and Canal Water (collectively, “Nonpotable Water”) may be beneficially used for landscape irrigation in place of Groundwater, as such terms are defined herein.

IV. California Water Code Section 32600-32603 requires the use of Nonpotable Water source(s), including Recycled Water, for irrigation of cemeteries, parks, highway landscaped areas, new industrial facilities, and golf courses if a suitable Nonpotable Water source is available and it is of suitable quality, available at a reasonable cost, and meets all conditions of these foregoing sections and other applicable laws.

V. CVWD currently administers its Recycled Water Program under Board Order WQ 2016-0068-DDW-R7001-01. The current program does not permit the use of recycled water for dual-plumbed systems (where separate piping systems supply both potable and recycled water to a home or business), such as the system installed by the Customer. CVWD is collaborating with the State Water Resources Control Board (SWRCB) to determine the necessary steps to expand the Recycled Water Program to allow the use of Recycled Water in dual-plumbed systems, including those found on the Property. This may involve preparing an Engineering Report and/or amending the previously approved Notice of Intent and Recycled Water Program Technical Report. CVWD will engage an external engineering consulting firm to produce these additional reports as required by the SWRCB. The Customer is responsible for reimbursing the actual costs associated with the preparation of these reports.

VI. Customer has been formed solely to provide nonpotable water for landscape irrigation at the Property including for residential homesites. Customer will be responsible for upholding the rules and regulations for the use of Recycled Water on the Property and will be liable for any violations and subsequent fines properly issued for landscape irrigation violations occurring on the Property. Customer intends to provide its members with irrigation water from the following sources in the indicated order of priority and up to the available amounts of each: 1) Recycled Water 2) Canal Water; and 3) Groundwater, to the extent available and subject to the terms of this Agreement. Customer's members are, or will be, owners of the Property or portions thereof. "Owners" shall be deemed to be all owners of portions of the Property and will include the entities developing Cotino, future condo and resort developers and Storyliving by Disney at RM LLC in addition to homeowners and any commercial pad owners.

VII. Customer hereby represents and warrants that it: 1) is a mutual water company duly formed and operating under the laws of the State of California; 2) has all necessary powers under California law, its articles of incorporation, bylaws and any other documentation/filings to enter into and perform this Agreement; 3) has the power to enter into and perform all obligations under a Recycled Water Use Permit issued by CVWD as said requirements may be revised from time to time; and 4) has all necessary powers to perform, or directly contract to have performed, all obligations of a recycled water on-site supervisor as said requirements may be revised from time to time.

VIII. The Parties understand and agree that Nonpotable Water is an interruptible water supply.

IX. The Property lies outside CVWD's existing irrigation service area, Improvement District No. 1; and Canal Water delivery may be available through the Mid-Valley Pipeline Project for landscape irrigation at the Customer's Property, as is Recycled Water.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

AGREEMENT

I. DEFINITIONS

- A. Canal Water – Nonpotable Colorado River water delivered via the Coachella Branch of the All-American Canal and/or the Mid-Valley Pipeline.
- B. Customer Facilities – The Nonpotable Water system facilities located upon the Property, including all pipelines and pumping equipment located from the POC, as defined below, and throughout the Customer's irrigation system, but not including any CVWD Facilities. Customer hereby represents and warrants that it has all powers, title or interest in the Property, including all rights to locate the Customer Facilities upon the Property, which may be necessary for performance of this Agreement and for the receipt of deliveries hereunder.
- C. CVWD Facilities – All pipelines, floats, valves, levels, and pumping equipment located at the Canal and to the POC, as defined below, including the flow meter, but shall not include any part of Customer Facilities.
- D. Days – Calendar days unless otherwise specified herein.

- E. Default – Defined as set forth in Section XI.
- F. Groundwater – Water produced through wells from any aquifer underlying the Coachella Valley.
- G. Nonpotable Water – Either Recycled Water produced by the Plants, or Canal Water, or a combination of such sources.
- H. Nonpotable Water Charge (“NPWC”) – CVWD’s charge per acre foot for Nonpotable Water delivered as defined in Section VIII (B) herein.
- I. Point of Connection (“POC”) – The point of delivery of Nonpotable Water from CVWD Facilities to Customer Facilities, which for this Agreement shall be the flow meter vault.
- J. Pumping Costs (“PC”) – The pumping cost is the cost of electrical energy required to pump an acre foot of water through a well.
- K. Recycled Water – Recycled water generated by the Plants meeting the requirements of Section 60301.230 of Title 22 of the California Code of Regulations, including any amendments thereof.
- L. Replenishment Assessment Charge (“RAC”) – Paid by public and private well owners or other entities who pump more than 25 acre-feet of water from the aquifer in any year and partially funds local groundwater replenishment programs. CVWD has a RAC for Groundwater production in each of three separate areas of benefit within CVWD’s service area, an “area of benefit” being that geographic area benefited by recharge of the Groundwater, primarily with imported water. The annual adjustment of the RAC will be reflected in the NPWC, as described in Section VIII below.

II. FACILITIES

- A. CVWD owns, operates, maintains, and repairs all CVWD Facilities up to the POC.
- B. Customer owns, operates, maintains, and repairs all Customer Facilities from and after the POC.
- C. Customer acknowledges that CVWD holds a perpetual non-exclusive easement to operate, inspect, maintain, repair, and improve CVWD Facilities within the Property. Customer shall ensure that the owner of the Property provides reasonable access for CVWD to inspect the Property, including the POC to the Customer Facilities, and to inspect in, on, over, under, along, through and across the Property with reasonable right of access to and from said easement for the purposes of exercising the rights granted herein as required by CVWD.

III. SOURCES OF WATER

- A. Customer understands that CVWD’s Nonpotable Water supply is subject to interruption and that at times Customer may be required to meet its irrigation demands with

Groundwater from a private well located at the Property as its backup supply, either solely or in conjunction with CVWD's available supply of Nonpotable Water. For that reason, Customer shall have a backup supply available (Groundwater) equal to One Hundred Percent (100%) of its peak irrigation water demands in "ready" status, and Customer's irrigation system shall be capable of operating in tandem with CVWD Facilities in order to augment CVWD deliveries with such Groundwater as and when required. Customer hereby waives and releases CVWD from any claim, loss, damage or action that it may have against CVWD for failure to deliver Nonpotable Water, including, but not limited to, damages, loss of business, loss of profit or inconvenience.

- B. Customer hereby agrees to use Nonpotable Water as the Customer's primary source of irrigation water for landscape irrigation upon the Property to the maximum extent practical, subject, however, to the requirement that in the irrigation of golf courses and related landscaping, at least Eighty Percent (80%) of said irrigation shall be with Nonpotable Water, provided that CVWD is able to, and does, provide sufficient Nonpotable Water to meet this requirement, subject to the potential for interruption in service as explained herein. See Section VIII(D) below regarding a surcharge for noncompliance with this requirement.

The requirement to use Eighty Percent (80%) Nonpotable Water recognizes that the Customer may use up to Twenty Percent (20%) potable and or Groundwater for purposes determined necessary by the Customer. If Customer uses at least Eighty Percent (80%) Nonpotable water to serve its customers water for landscape irrigation, CVWD will consider Customer to have met the condition set forth above regarding the use of Nonpotable Water as the Customer's primary source of irrigation water to the maximum extent practical.

- C. Subject to Sections III(A) and (B) above, Groundwater from one or more private wells located within the Property shall be the secondary source of irrigation water.
- D. In the event of a shortage of available Canal Water, irrigation water use shall conform with CVWD's Colorado River Water Shortage Contingency Plan.
- E. The owner of the Property has executed and recorded a Well Metering Agreement with CVWD, which is attached hereto as Exhibit B. Customer hereby represents and warrants that it has all of the necessary powers to enter into and perform, or cause to be performed, the Well Metering Agreement, and that such Agreement shall be assigned to Customer when the well is no longer used as a source of construction water.

IV. WATER QUALITY, REGULATORY APPROVALS, VIOLATIONS

A. Regulatory Compliance

1. Customer understands, acknowledges, and agrees that Nonpotable Water may not be used for potable purposes.
2. CVWD will provide Nonpotable Water to Customer in accordance with CVWD's Rules and Regulations Governing Canal Water And Drainage Service as said Rules And Regulations may be amended, revised or re-named from time to time.

3. The Customer acknowledges that landscaping within the Property must be irrigated by a method that does not permit unreasonable use or waste of water. Only sprinkler, drip irrigation, or lake level maintenance as presently installed on the Property will be permitted without CVWD's written approval, which approval shall not be unreasonably withheld.
4. In connection with the distribution and use of Nonpotable Water by Customer, Customer shall obtain all necessary authorizations or approvals from regulatory agencies having jurisdiction and shall at all times comply with the provisions of its waste discharge permit or a general permit issued by the California State Water Resources Control Board, Order WQ2016-0068-DDW and CVWD's Recycled Water Ordinance #1440 (together attached as Exhibit C) or subsequent waste discharge permit or a general permit issued by the appropriate State of California agency. In the event an expanded Recycled Water Program is not approved by the State Water Resources Control Board, as described in Finding V, Customer shall only deliver Nonpotable Water to non-dual plumbed areas to comply with the approvals, permits and Ordinances which are in effect from time to time and as described herein. In reference to this subparagraph, CVWD agrees to cooperate and make a good faith effort to assist Customer in obtaining all necessary authorizations or approvals from regulatory agencies having jurisdiction over the use of such Nonpotable Water and to conform to all such regulatory requirements.

For example, and not by way of limitation, Customer's obligations hereunder shall include the following:

- (i) Including a notification in the recorded Supplemental Declarations to Covenants, Conditions and Restrictions that all Owners of any portion of the Property are aware that there are CVWD imposed restrictions relating to use of non-potable water, a copy of the then current requirements are part of the Rules and Regulations for the Property, and a copy can be obtained from the Project Association. The Rules and Regulations pertaining to non-potable water use shall include the following, subject to adjustment from time to time as approved by CVWD.
- (ii) Hiring qualified professionals to serve as the on-site supervisor to operate and maintain Customer's water distribution system and plantings.
- (iii) Designating the on-site supervisor for the Customer by submitting name and contact information to CVWD.
- (iv) Selecting and retaining qualified landscape company/companies (up to 3 companies may be hired) to be available for to maintain the plantings irrigated with Recycled Water on residential and commercial lots and common areas, and the Recycled Water distribution system within such lots landscape Said landscape companies shall be subject to approval by CVWD.
- (v) Taking action to prevent homeowners, renters, and commercial staff from making contact with the Recycled Water distribution system and plantings irrigated with Recycled Water and only permitting the

qualified landscape companies referenced in subsection 4(iv) above to make contact with such distribution system and plantings. The foregoing does not apply to tree trimming, landscape lighting and blowing of fugitive dust, which may be handled directly by homeowners, renters or commercial staff.

- (v) Making immediate repairs to any system leaks which constitute regulatory violations.
- (vi) Ensuring that each landscape company's representative(s) and the Customer's on-site supervisor's representatives will receive training from CVWD, at least once every three years as per CVWD Ordinance #1440, as amended from time to time.
- (vii) Ensuring that the selected landscape company/companies will be responsible for the operation and maintenance of the Recycled Water distribution system and plantings in each residential front and back yard, commercial property's landscape (distribution and plantings), and common area distribution and plantings in a manner consistent with the requirements of this Agreement.
- (viii) Submitting initial plan check documents to CVWD for review and approval for each residence being irrigated with Recycled Water for cross-connection prevention review and for each residential model plan type being irrigated for Water Management's landscape and irrigation plan check.
- (ix) Submitting change of plans documents to CVWD for review and approval for any changes made to the initially approved distribution system serving the common areas and at each residence being irrigated with Recycled Water.
- (x) Complying with open trench verification of installed pipelines at each residence for initial inspection and change of plan inspections.
- (xi) Exposing unauthorized changes to approved pipe installations when requested.
- (xii) Participating in the annual inspections at each residence by the designated on-site supervisor.
- (xiii) Scheduling annual inspections in a concentrated area and will send out notifications to be received by the owners of the residences being inspected the week prior to the inspection.
- (xiv) Informing residents and scheduling 30 minutes to 1 hour of testing time annually at each residence irrigating with recycled water between the months of May and October (27 weeks at no more than 6 hours per day).
- (xv) Ensuring that dissimilar pipe material is utilized for domestic water service and recycled water service, that different colored pipe material, specifically and including purple pipe for recycled water is utilized, and that labels are included and legible on the type of pipe for the type of service provided.
- (xvi) Ensuring that there is an effective barrier of a minimum of three feet from the landscape irrigation system's above ground appurtenances, and the overspray therefrom, from any swimming pool or spa.
- (xvii) Educating and regularly reminding homeowners that they are not permitted to engage in landscaping activities in their yards in areas

served with Recycled Water and should avoid any contact with plants watered with Recycled Water.

- (xviii) Creating access rights with the home owner for immediate repairs if there are leaks in the Nonpotable Water system.
- (xix) Reimbursing CVWD the cost of updating the documents mentioned above in Finding V.

5. This Agreement is subject to the applicable U.S. Bureau of Reclamation rules and regulations, as the same may be revised from time to time, in regard to CVWD Facilities.

B. Reporting Violations

Customer agrees to notify CVWD of any non-compliance with its California State Water Resource Control Board Order WQ2016-0068-DDW Water Reclamation Requirements for Recycled Water Use, (Exhibit "C"), CVWD's Recycled Water Ordinance #1440 adopting CVWD's Chapter 3.35 of its Code or any subsequent order within 24 hours of becoming aware of the non-compliance. In the event an expanded Recycled Water Program is not approved by the State Water Resources Control Board, as described in Finding V, Customer shall comply with the approvals, permits and Ordinances which are in effect from time to time and as described herein for delivery of Nonpotable Water to non-dual plumbed areas within the Property. Customer also agrees to notify CVWD prior to making any modifications to the Property that would result in a material change in the quality or quantity of Nonpotable Water used, or any material change in the location of the use.

V. SCHEDULING

A. CVWD Interruptions

CVWD shall make commercially reasonable efforts to complete delivery of the Nonpotable Water source(s) as soon as practicable, subject, however, to Nonpotable Water availability. CVWD may cause interruptions of Nonpotable Water service due to scheduled maintenance, equipment malfunctions, and natural disasters creating an emergency condition. CVWD shall make commercially reasonable efforts to give Customer 48 hours' notice of any scheduled maintenance which would interfere or interrupt Nonpotable Water delivery to Customer but shall not be liable to Customer for any reason whatsoever for failure to give such notice. CVWD shall make commercially reasonable efforts to minimize any interruption relating to maintenance and shall, at all times, make a good-faith effort to facilitate the delivery of Nonpotable Water to Customer. The scheduling and advance notice of any maintenance which would interfere with or interrupt Nonpotable Water delivery to Customer shall be determined by CVWD pursuant to the applicable rules and regulations and as said scheduling and notice may be revised from time to time.

B. Customer Interruptions

Customer shall provide prior written notice to CVWD of any plans to interrupt acceptance of delivery of Nonpotable Water from CVWD for a period of longer than 48 hours. Said

notice shall include the number of days of the interruption which are in excess of 48 hours and a schedule for restoration of deliveries. The schedule shall be subject to CVWD's approval, which approval shall not be unreasonably delayed or withheld. Customer shall further make every reasonable effort to minimize any interruption in deliveries due to maintenance or any other reason and shall, at all times, make a good faith effort to facilitate the acceptance of Nonpotable Water deliveries from CVWD pursuant to this Agreement.

VI. DELIVERY PRESSURE AND FLOW RATE

The manner of delivering Nonpotable Water shall be determined by CVWD pursuant to the applicable rules and regulations as the same may be amended or revised from time to time and based on pressure and other conditions as determined by CVWD. For example, only, it is anticipated that such delivery will be pursuant to pressures within the range of zero to 150 pounds per square inch (psi). CVWD will not be responsible or obligated to provide any particular range of pressurization of the irrigation system beyond the POC to the Property. CVWD will not be responsible or obligated to provide the Customer's daily irrigation demand in less than twelve hours. The typical rate of delivery will be established to provide a constant flow rate for 24 hours per day.

VII. MANAGEMENT, INDEMNIFICATIONS

- A. Customer agrees to accept full and exclusive responsibility for the management and use of all Nonpotable Water delivered by CVWD from and after the POC and shall, except for the negligence of CVWD, defend and hold CVWD its officers, employees, and agents free and harmless from any injuries, damages to the real or personal property of Customer and the claims of any third party which may result directly or indirectly from management and use of such Nonpotable Water by Customer beyond said POC.
- B. CVWD agrees to accept full and exclusive responsibility for the management and delivery of the Nonpotable Water served by CVWD up to and including the POC only and, except for claims and damage directly related to negligence on the part of Customer, shall defend and hold Customer harmless from claims from third parties related to said management and delivery of the Nonpotable Water up to and including the POC. Said obligations of CVWD shall end once Nonpotable Water passes through the POC.

VIII. NONPOTABLE WATER CHARGES

A. Invoices

- 1. Invoicing and payment for delivery of Nonpotable Water shall be as follows:
 - a. CVWD shall bill Customer monthly for the delivery of Nonpotable Water to the Property. A Nonpotable Water statement shall be submitted to Customer which will include: (1) the Nonpotable Water delivery dates, (2) the water, tolls and charges, (3) the amount of Nonpotable Water consumed in acre-feet, and (4) the amount to be paid by Customer to CVWD, and (5) conservation charge, if applicable.

- b. Customer shall make payment to CVWD upon receipt of invoice and shall be subject to the applicable rules and regulations regarding due dates, late charges and interest charges as said rules and regulations may be revised from time to time. For example, and not by way of limitation, unless otherwise specifically provided for in this Agreement, the terms and conditions for payment shall be pursuant to the Rules and Regulations Governing Canal Water and Drainage Service. Nonpotable Water will be measured in or converted to acre feet for invoicing.

B. Charges

Customer is considered a Type A Customer since Customer uses Nonpotable Water in lieu of groundwater or domestic water and Customer's water use is within the West Whitewater Replenishment Subbasin Area of Benefit. The Type A NPWC will be calculated at 85% of the RAC rate plus pumping cost (PC), where the RAC is the Replenishment Assessment Charge for the West Whitewater Replenishment Subbasin Area of Benefit then in effect on July 1 of each year, and the PC is the average pumping cost established at \$54.57 per acre foot, to be escalated by 3% on July 1 of each year, at the Board's discretion. The NPWC shall be subject to change from time to time.

C. PC Adjustments

The PC will be adjusted annually by CVWD, as appropriate, to account for changes in electrical costs and pumping plant efficiencies.

D. Conservation Charge

There will be a Conservation Charge invoiced to Customer for any year wherein the gross annual water use of Nonpotable Water for landscape irrigation within the Property does not equal or exceed Eighty percent (80%) of the total water used for landscape irrigation within the Property, except to the extent caused by CVWD's inability or failure to deliver sufficient Nonpotable Water to the Property, subject to the potential for interruption in service as explained herein. . Revenue from the Conservation Charge is to fund conservation programs designed to protect the aquifer, in keeping with the intent of this Agreement. CVWD will determine the total number of acre feet used below Eighty Percent (80%) by Customer in the fiscal year. The fiscal year shall be from July 1 to June 30. CVWD will provide monthly updates on Customer's performance in meeting this Eighty Percent (80%) requirement. The Conservation Charge will be calculated by multiplying the number of acre feet below Eighty Percent (80%) by one-half of the NPWC. An invoice will be sent to Customer within sixty (60) days of the end of any fiscal year where Customer used less than Eighty Percent (80%) Nonpotable Water.

If CVWD interrupts service of Nonpotable Water, as described in Section V(A) above, for example, such interruption will be taken into account in the calculation to determine whether or not the requirement to use Eighty percent (80%) Nonpotable Water has been met.

IX. SURFACE IMPROVEMENTS

CVWD shall use reasonable and ordinary care in the removal of any surface improvements within the Property that CVWD may be required to remove in the future to access the Nonpotable Water delivery system or CVWD Facilities. If surface improvements are required to be removed by CVWD to access the delivery system or CVWD Facilities, CVWD shall only be responsible for replacing and repairing concrete curb and gutters and asphalt paving ("Covered Surface Improvements"). CVWD shall not be responsible for replacing any other surface improvements such as, but not limited to, landscaping, stamped concrete or concrete pavers, the repair and replacement of which shall be at Customer's sole expense ("Not Covered Surface Improvements"). Any Not Covered Surface Improvements installed upon or immediately adjacent to the delivery system or CVWD Facilities shall be at Customer's sole risk, cost and expense. Therefore, Customer waives all rights it may have under Civil Code Section 1542 to seek damages from CVWD for repair or replacement of Not Covered Surface Improvements. In the event CVWD requires said access, Customer shall be responsible, at its sole cost and expense, for exposing onsite piping facilities, which are part of the Customer Facilities, if needed by CVWD for its activities.

X. TERM

The Term of this Agreement shall be for a period of five (5) years from the Effective Date subject to the termination provisions in Section XII. This Agreement shall automatically renew for additional five (5) year terms without further action by the Parties until this Agreement is terminated pursuant to Section XII below. At all times during the original and any extended terms, this Agreement shall be subject to CVWD's right, in its sole discretion, to unilaterally amend and modify the provisions of this Agreement at any time to implement CVWD policy changes applicable to all CVWD Nonpotable Water users. Unless otherwise determined by the CVWD Board of Directors, any such changes shall be effective immediately as of the date of the written notice to Customer. Any changes to this Agreement that are unique to Customer will be documented by way of mutually acceptable amendment to this Agreement.

XI. DEFAULT

Failure on the part of CVWD or Customer to meet any condition or requirement of this Agreement, other than as a result of conditions beyond the control of CVWD and/or Customer, such as force majeure/acts of God, shall constitute a default. The nondefaulting Party shall provide the other Party with written notice of default before taking further action, and the other Party shall have thirty (30) days from the date of the notice of default to commence to cure same. In the absence of cure, the nondefaulting Party may pursue all legal remedies available to it, including the termination of this Agreement or suit to collect damages or outstanding charges due.

XII. TERMINATION

- A. CVWD shall have the right to terminate this Agreement upon giving Customer one hundred twenty (120) days written notice of termination.
- B. In addition, CVWD may terminate delivery of Nonpotable Water in the event of mandatory changes in the requirements applicable to Nonpotable Water imposed by regulatory agencies (other than CVWD) having jurisdiction over Nonpotable Water and/or changes in its water quality which would cause CVWD to expend funds for capital expenditures to such an extent that the delivery of Nonpotable Water to Customer would no longer be

economically feasible. Customer hereby waives any claim that it may have against and will defend and indemnify CVWD against any claim by others for damage or economic loss resulting from the termination of Nonpotable Water service to the Property for any reason. CVWD shall give Customer a minimum of one hundred twenty (120) days' notice of its intent to permanently terminate Nonpotable Water service pursuant to this subparagraph.

- C. In the event of termination of this Agreement pursuant to this Section XII, Customer shall be responsible for acceptance of deliveries and payment for deliveries of Nonpotable Water up to and including the date of termination as well as any other applicable costs and charges under this Agreement pursuant to the payment provisions of Section VIII(A)(1)(b) herein.

XIII. TRANSFER OF CUSTOMER'S FACILITIES

In the event the Customer transfers or leases the Customer Facilities, or any portion thereof, the Customer hereby agrees to deliver a copy of this Agreement to the transferees or lessees on or before said transfer. Concurrently with the delivery of the Agreement to the transferees or lessees, the Customer shall obtain a written acknowledgment and acceptance of the terms of this Agreement executed by the transferees or lessees indicating that: (a) the transferees or lessees have received a copy of the Agreement, and (b) the transferees or lessees have or shall have, prior to the date the Customer Facilities are transferred or leased to the transferees or lessees, acknowledged the terms and provisions contained in this Agreement, and (c) expressly agree to assume any and all obligations of the Customer under this Agreement which apply to the Customer Facilities or any portion thereof. CVWD shall have the right to approve the proposed assignment of this Agreement, which approval may be denied in CVWD's reasonable discretion. The Customer shall deliver the executed acknowledgment to CVWD within five (5) business days of receipt.

XIV. GENERAL PROVISIONS

- A. Further Assurances. Each Party shall execute, acknowledge and deliver such other documents and instruments as are reasonably necessary to carry out the intent and purposes of this Agreement.
- B. Counterparts. This Agreement may be executed in two or more counterparts; each counterpart shall be deemed an original instrument as against the Party who signed it.
- C. Binding on Successors. This Agreement is binding and shall inure to the benefit of the Parties hereto and to their respective successors, assigns and representatives.
- D. Attorneys' Fees. In the event that any action, suit or other proceeding is instituted to remedy, prevent or obtain relief from a breach of this Agreement, or arising out of a breach of this Agreement, the prevailing Party shall recover reasonable attorneys' fees incurred in each and every such action, suit or other proceeding, including any and all appeals or petitions.
- E. No Prior Assignment. The Parties to this Agreement hereby warrant and represent that the Parties have not heretofore assigned or transferred or purported to have assigned or transferred to any person whomsoever, any matter, including claims, released or covered by this Agreement or any part or portion thereof. Further, the Parties hereto agree to

indemnify and hold harmless the Parties hereto from any claims resulting from any person or entity asserting any such claim pursuant to any such assignment or transfer by the indemnifying Party.

- F. **Governing Law.** This Agreement shall in all respects be interpreted, enforced, and governed by the laws of the State of California. In the event that this Agreement must be enforced by a court of law, the Parties hereby agree that the said action shall be tried by the Superior Court of Riverside County of the State of California, Desert Judicial District.
- G. **Power to Execute.** The Parties represent and warrant that they have carefully read this Agreement and had the contents and legal effect hereof fully explained by legal counsel of their choosing; that the Parties have the sole and exclusive power and authority to execute this Agreement and do so of their own free act.
- H. **Entire Agreement.** This Agreement contains the entire agreement and understanding concerning the subject matter hereof between the Parties, and supersedes and replaces all prior negotiations, proposed agreement, and agreements, whether written or oral, expressed or implied, of any type whatsoever. Each of the Parties hereto acknowledge that neither Party, nor any of its employees or agents, has made any promise, representation or warranty whatsoever, expressed or implied, unless specifically contained in this Agreement, to induce a Party to execute this Agreement, and each Party acknowledges and warrants that this Agreement is not being executed by such Party in reliance on any promise, representation or warranty not contained herein.
- I. **Severability.** In the event that any of the provisions of this Agreement shall be held to be invalid, the same shall not affect, in any respect whatsoever, the validity of the remainder of this Agreement.
- J. **Notices.** All notices provided for hereunder shall be in writing a mailed (registered or certified, postage prepaid, return receipt requested), or by express carrier (return receipt requested) or hand delivered to the Parties at the addresses set forth below or at such other addresses as shall be designated by such Party and a written notice to the other Party in accordance with the provisions of this Section. All such notices shall, if hand delivered, or delivered by express carrier, be deemed received upon delivery and, if mailed, be deemed received three (3) business days after such mailing.

CVWD:
Coachella Valley Water District
Attention: Jim Barrett, General Manager
Post Office Box 1058
Coachella, California 92236

CUSTOMER:
CRM Mutual Water Company
Attention: Jay Critcher
72700 Frank Sinatra Drive
Rancho Mirage, California 92270

IN WITNESS WHEREOF, the Parties hereto have executed this Nonpotable Water Agreement as of Effective Date first above written.

**CRM MUTUAL WATER COMPANY, A CALIFORNIA NONPROFIT MUTUAL
BENEFIT CORPORATION**

By:  _____

Dated: 8/21/2024

Title: CRM Mutual Water Company, President

COACHELLA VALLEY WATER DISTRICT

By: _____

Dated: _____

Title: _____

PLEASE ATTACH APPROPRIATE
NOTARIAL CERTIFICATES

Attachments:

Exhibit A: Legal Description of Property

Exhibit B: Well Production Metering Agreement

Exhibit C: California State Water Resources Control Board, Order WQ 2016-0068-DDW

CALIFORNIA ACKNOWLEDGMENT

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

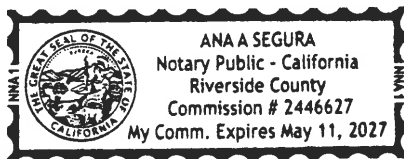
State of California

County of Riverside

On August 21, 2024 before me, Ana A. Segura, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared Jay Critcher
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacity(ies), and that by his/~~her/their~~ signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

Ana A. Segura
Signature of Notary Public

Place Notary Seal and/or Stamp Above

OPTIONAL

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Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

☐ Corporate Officer – Title(s): _____

☐ Partner – ☐ Limited ☐ General

☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian or Conservator

☐ Other: _____

Signer is Representing: _____

Signer's Name: _____

☐ Corporate Officer – Title(s): _____

☐ Partner – ☐ Limited ☐ General

☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian or Conservator

☐ Other: _____

Signer is Representing: _____