

AGREEMENT FOR DELIVERY OF WATER

This Agreement for Delivery of Water ("Agreement") is dated _____, 2024 (the "Effective Date") and is entered into by and between County Sanitation District No. 2 of Los Angeles County ("District"), a county sanitation district formed and existing pursuant to California Health and Safety Code §§ 4700 et seq., acting on behalf of the County Sanitation Districts of Los Angeles County ("Districts"), and J.G. Boswell Company, a California corporation ("Boswell"). The Parties make this Agreement based on the following agreed background facts ("Recitals").

R E C I T A L S:

A. The Districts own approximately 14,469 acres of land in the unincorporated area of Kings County, California (the "Property"), shown and described on Exhibit A, which includes approximately 12,000 acres of farmable land on which the Districts apply compost as a soil amendment;

B. The Districts have constructed and are operating a composting facility on approximately 200 acres of the Property ("Tulare Lake Compost" or "TLC"), also shown and depicted on Exhibit A;

C. The Districts' Property in Kings County has rights to State Water Project, Kings River and Tule River water attributable to it;

D. Boswell owns property adjacent to the Districts' Property, along with a canal system capable of conveying State Water Project, Kings River and Tule River water (the Boswell Conveyance Facilities");

E. The Boswell Conveyance Facilities in place that allow for water to be delivered to existing canals within the Districts' Property [we will identify specific points of conveyance in Exhibit A].

F. The Districts' desire the ability to request that Boswell convey certain quantities of State Water Project, Kings and/or Tule River water through the Boswell Conveyance Facilities to Districts' Property.

THEREFORE, the Parties agree as follows:

1. The Districts may request in writing to Boswell a certain flowrate of water in cubic feet per second at one or more of the delivery points identified on Exhibit A for a certain period of time.

2. The request needs to be made in a commercially reasonable period of time prior to the date water delivery is to begin.

3. Boswell will respond to the Districts' request within a commercially reasonable period of time from receipt of the request, indicating whether or not the request can be accommodated.

4. Boswell and the Districts may agree on alternative timing and flowrates as necessary.

5. Boswell will identify the location where the State Water Project, Kings or Tule River water will need to be delivered to Boswell Conveyance Facilities.

6. The Districts will coordinate the release of either State Water Project, Kings or Tule River water in cooperation with Boswell and the Tulare Lake Basin Water Storage District ("TLBWSD").

7. The quality of the water delivered to the Districts will be similar to that which is being conveyed in the Boswell Conveyance Facilities, as opposed to, specifically, State Water Project, Kings, or Tule River water.

8. Prior to the delivery of water, the Parties will confer regarding the delivery point and the means necessary to convey water to the Districts' property. Boswell will make reasonable efforts to deliver the requested water in the most efficient way, given the conditions at the time of delivery.

9. Boswell will estimate the cost to deliver water to the Districts prior to the delivery of any water. This cost is expected to initially be approximately \$45 per acre foot. Boswell will invoice the Districts quarterly for Boswell's actual costs of delivery.

10. The Districts will pay each Boswell invoice within 30 days of receipt.

11. The Districts may transfer State Water Project, Kings or Tule River water to Boswell in exchange for a like quantity of water delivered by Boswell.

12. The term of this Agreement is five years from the Effective Date, with the potential for two five year extensions, subject to repricing, exercisable by either Party not less than one year prior to the then expiration date. Either Party may terminate this Agreement upon 30 days written notice to the other party.

13. The Districts will bear the cost of any CEQA compliance arising from this Agreement.

14. The Parties waive any potential conflict arising from the preparation of this Agreement by the law firm of Griswold, LaSalle, Cobb, Dowd & Gin, L.L.P.

15. The procedure for giving notice under this Agreement shall be as follows: All notices and other communications required under this Agreement must be in writing, and will be deemed to have been duly given on the date of service, if served personally on the agent for receipt of notice for the party to whom notice is to be given, or in lieu of such personal service, when delivered by certified or registered mail, postage prepaid, return receipt requested, or by Federal Express or other overnight courier service, to the addresses set out herein. Notwithstanding the methods of notice specified in this paragraph, the Parties may also give notice by electronic mail and will be deemed delivered upon no receipt of a delivery failure notice. Certified mail will be deemed delivered on the date indicated on the return receipt, whether it be the date delivered or the date returned for failure to retrieve. Any Party may change its address for the purpose of this paragraph by giving written notice of such change to the other party in the manner provided herein.

IF ON DISTRICTS:

COUNTY SANITATION DISTRICT NO. 2
OF LOS ANGELES COUNTY
ATTN: Ajay Malik, Department Head, Technical Services
1955 Workman Mill Road
Whittier, CA 90601
Telephone: (562) 908-4288 ext. 2501
Facsimile: (562) 695-8660
Email: amalik@lacs.org

IF ON BOSWELL:

J.G. BOSWELL COMPANY
ATTN: Mark Unruh
27922 Dairy Ave.
Corcoran, CA 93212
Telephone: (559) 992-5011
Facsimile: (559) 992-8391
Email: munruh@jgboswell.com

IN WITNESS WHEREOF, the Parties have executed this Agreement effective as of the date first above written.

BOSWELL---J.G. BOSWELL COMPANY

By: _____
Name:
Title:

DISTRICTS--COUNTY SANITATION DISTRICT
NO. 2 of LOS ANGELES COUNTY

By: _____
Chairperson, Board of Directors

Attest:

Approved as to Form:
Lewis Brisbois Bisgard & Smith LLP

By: _____
Secretary

By: _____
District Counsel

EXHIBIT A
DISTRICT PROPERTY