

ASSIGNMENT AND ASSUMPTION AGREEMENT

This Assignment and Assumption Agreement (“Assignment Agreement”) is made and entered into as of _____, 2025 (“Execution Date”), by and between **Wheeler Ridge-Maricopa Water Storage District**, a California water storage district formed and existing pursuant to Water Code section 39000, et seq. (“Assignor” or “District”), and **Santa Clara Valley Water District**, a California special district created by Legislature (“Assignee”), sometimes referred to herein collectively as the “parties” and singularly as a “party,” with reference to the following facts:

WHEREAS, Assignor is a Project Agreement Member under that certain “*SITES PROJECT AUTHORITY - 2019 RESERVOIR PROJECT AGREEMENT DATED AS OF APRIL 1, 2019 BY AND AMONG SITES PROJECT AUTHORITY AND THE PROJECT AGREEMENT MEMBERS LISTED HEREIN*” as amended from time to time (“Project Agreement”), which is attached as **Exhibit A** hereto and incorporated herein by this reference;

WHEREAS, Assignor is willing to assign its rights to 6,234 acre-feet (of Assignor’s 19,014 acre-feet) of project storage allocation (Box b of Project Agreement Exhibit, A), 1,000 acre-feet (of Assignor’s current 3,050 acre-feet) of its estimated annualized Project releases or yield (Box a of Project Agreement, Exhibit A), and 0.5902% (of Assignor’s 1.8%) of total project Agreement Member storage (Project Agreement, Exhibit A “Percent”) (hereinafter, “Amount of Participation Percentage”) of Assignor’s Participation Percentage (as defined in the Project Agreement), on the terms described in this Assignment Agreement;

WHEREAS, Assignee is also a Project Agreement Member under said Project Agreement;

WHEREAS, Section 12 of the Project Agreement provides for assignments of Sites Project Participation among Project Agreement Members as follows:

“Section 12 Assignment; Binding on Successors. Except as otherwise provided in this Project Agreement, the rights and duties of the Project Agreement Members may not be assigned or delegated without the written consent of the other Project Agreement Members and the [Sites Project] Authority, which consent shall not be unreasonably withheld. Any attempt to assign or delegate such rights or duties in contravention of this Project Agreement shall be null and void. Project Agreement Members may assign and delegate their rights and duties under this Project Agreement to other Project Agreement Members, and they may assign, sell, trade, or exchange all or a fraction of the potential benefits (e.g. acre-feet of water supply, megawatt-hours of power) they expect to receive through their participation in this Project Agreement. Any approved assignment or delegation shall be consistent with the terms of any contracts, resolutions, indemnities and other obligations of the Authority then in effect. This Project Agreement shall inure to the benefit of, and be binding upon, the successors and assigns of the Authority and the Project Agreement Members.”; and

WHEREAS, Assignee understands that Assignor is willing to facilitate the assignment and assumption of all rights and obligations associated with the Amount of Assignor's Participation Percentage, provided that Assignor is fully indemnified, defended, and held harmless for any claims including legal challenges arising out of or relating to the assignment and assumption, and Assignor makes no representations or warranties whatsoever regarding the validity of said assignment and assumption or the rights being assigned, or what environmental review or approvals may be required to effectuate the same.

NOW, THEREFORE, for valuable consideration received, the Parties hereby agree as follows:

1. Assignment and Assumption. Subject to Assignee having first obtained all necessary approvals and consents and having satisfied all required conditions precedent pertaining to the effectiveness of the subject assignment and assumption at no cost to Assignor, including, without limitation, having obtained the written consents required by Section 12 of the Project Agreement, Assignor hereby permanently assigns, transfers, conveys and delegates to Assignee all of Assignor's rights, obligations and liabilities in and to Assignor's right to 6,234 AF (of Assignor's 19,014 acre-feet) of project storage allocation (Box b of Project Agreement Exhibit, A), 1,000 acre-feet (of Assignor's current 3,050 acre-feet) of its estimated annualized Project releases or yield (Box a of Project Agreement, Exhibit A), and 0.5902% (of Assignor's 1.8%) of total project Agreement Member storage (Project Agreement, Exhibit A "Percent") ("Amount of Participation Percentage"), and Assignee hereby accepts the foregoing assignment, transfer, conveyance and delegation, and hereby assumes and agrees to perform all of Assignor's obligations and liabilities under the Project Agreement and otherwise relating to the Assignor's Amount of Participation Percentage whether arising from this or any other applicable agreement or approval concerning the Sites Project from and after the Effective Date hereof as defined immediately below.

Without limiting the scope of Assignee's obligation as described above, Assignee shall be responsible for all future Sites Project costs and any past Sites Project cost adjustments based on Amount of Participation associated with the assignment and assumption of this Amount of Participation Percentage, and Assignor shall be relieved of same but only with respect to the assignment and assumption of Assignor's Amount of Participation Percentage that is the subject of this Assignment Agreement.

2. Effective Date. This Assignment Agreement shall become effective upon the *latest* of the following events: written consent to this assignment by the other Project Agreement Members and the Sites Project Authority; and execution by both parties to this Assignment Agreement by their duly authorized representatives.
3. Payment. Assignee shall pay Assignor \$608.50 per acre-foot for the amount of its estimated annualized Project releases or yield assigned (\$608,500) minus its deposit payment within 30 days of the Effective Date. Also, upon billing by Assignor, Assignee shall reimburse Assignor for its staff and attorney costs associated with developing and executing the Assignment Agreement, which costs shall not exceed \$10,000.

4. Deposit/Time is of the Essence. Assignee shall deposit \$30 per acre-foot of the assigned Participation Percentage (\$30,000) to Assignor within 14 days of execution of this Assignment Agreement. The Deposit shall be applied toward the Payment.

Time is of the essence. The Parties shall diligently pursue the necessary approvals with a target for approval by all Project Agreement Members and by the Sites Project Authority by February 1, 2026. In the event that any Project Agreement Member or the Sites Project Authority refuses to provide a written consent to this assignment by this date, the Deposit shall be refunded in full to Assignee within 30 days thereafter unless both Parties mutually agree in writing to continue this February 1, 2026 deadline to a later date.

5. Termination. Assignee or Assignor shall have the right to terminate this Assignment Agreement upon 30 days' notice to the other party. If Assignee gives notice of terminating this Assignment Agreement, the Deposit shall be forfeited. If Assignor terminates this Assignment Agreement, the Deposit shall be refunded to Assignee within 30 days of such notice of termination.
6. Indemnification. Assignee agrees to indemnify, defend and hold harmless Assignor, and its respective officers, directors, agents, attorneys, contractors and employees from and against any and all threatened and actual claims, demands, liens, losses, injuries, damages, liabilities, causes of action, suits, judgments, expenses and costs (including but not limited to reasonable attorneys' paralegals' and expert witness fees and litigation costs, including pre-litigation and post-litigation costs) (collectively, "Claims") that are or may hereafter be incurred by Assignor that arise out of or otherwise relate (in whole or in part) to any acts or omissions associated with entry into or implementation of this Assignment Agreement, including, without limitation, the assignment and assumption of rights and obligations and liabilities associated with the Participation Percentage to Assignee, including but not limited to any Claims concerning compliance with Public Resources Code section 21000, et seq. ("CEQA"), as may be required in order for Assignor to assign its Participation Percentage for use by Assignee as provided herein.
7. Environmental Review/Legal Compliance. Assignor and Assignee acknowledge that the Sites Project Authority certified its Final Environmental Impact Report ("FEIR") and issued approval for the Sites Project on or about November 17, 2023, and that the certification and approval were upheld in a judgment issued in *Friends of the River, et al. v. Sites Project Authority, et al., Yolo County Superior Court, Case No. CV2023-2626*, which trial court judgment was affirmed by the Third Appellate District Court of Appeals on September 20, 2024. Assignor makes no representations or warranties and expresses no opinion regarding whether the subject assignment and assumption are covered by the FEIR, exempt from CEQA review, or whether further environmental review may be required for the same. Assignee shall be solely responsible for all costs associated with determining whether any further CEQA review is required and conducting any further environmental review as may be necessary in order for the subject assignment and assumption to comply with CEQA and any other applicable law and regulations and requirements. Assignee shall act as lead agency for any CEQA compliance, if required,

unless some other public agency is required by law to act as lead agency. In the event Assignor is required to act as lead or responsible agency for any CEQA review, then Assignee shall reimburse Assignor for all costs of doing so, and, if requested by Assignor, shall enter into a separate agreement in a form acceptable to Assignor for such purpose. In the event further CEQA review is required, the Parties each retain their full and independent discretion under CEQA to consider and adopt mitigation measures and alternatives, including the alternative of not implementing the assignment and assumption of Assignee's Participation Percentage.

8. Costs of Defense of Legal Action. Without limiting Assignor's rights to be indemnified as provided in Section 6 above, in the event of any legal action by a third party to challenge implementation of this Assignment Agreement, Assignor shall cooperate in the defense thereof but shall be fully indemnified, as provided in Section 6 above, and Assignee shall, at its sole discretion, either retain counsel to represent Assignor or instead reimburse Assignor for its reasonable attorneys' fees and costs in defending itself in such litigation.
9. No Warranties. Assignor makes no representations or warranties whatsoever regarding the rights being assigned or obligations being assumed in connection with this Assignment Agreement, including, without limitation, the nature, extent or status of the Sites Project or its costs or yield, now or in the future, or what environmental review or approvals or conditions may be required to be obtained or need to be satisfied to enter into or implement this Assignment Agreement or whether it will be possible to obtain such review or approvals or satisfy such conditions.
10. Authority. The undersigned representatives of the Parties hereby represent and warrant that they are authorized to execute this Assignment Agreement.
11. Notice. Written notice may be provided by either party to the other by first-class mail, postage prepaid, to the following addresses:

Assignee: Santa Clara Valley Water District,
5750 Almaden Expressway,
San Jose, CA 95118,
Attn: Cindy Kao, Imported Water Unit Manager

Assignor: Wheeler Ridge-Maricopa Water Storage District
12109 Highway 166
Bakersfield, CA 93313
Attn: Sheridan Nicholas, Engineer-Manager

12. Further Assurances. Subject to Assignee reimbursing Assignor for any required costs as specified herein, each of the Parties hereto shall execute and deliver any and all additional papers, documents, and other assurances and shall do any and all acts reasonably necessary in connection with the performance of their obligations hereunder.

13. Binding Effect. All of the terms and provisions of this Assignment Agreement shall inure to the benefit of, and shall be binding upon, the parties hereto and their respective successors and assigns.
14. Governing Law; Venue. This Assignment Agreement shall in all respects be governed by the laws of the State of California.
15. Recovery of Litigation Expenses. In the event action be instituted by any Party to enforce any of the terms and provisions contained herein, the prevailing party in such action shall be entitled to its reasonable attorneys' fees, costs and expenses as may be fixed by the Court.
16. Execution in Counterparts. This Assignment Agreement may be executed in two or more separate counterparts, each of which, when so executed, shall be deemed to be an original. Such counterparts shall, together, constitute and be one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this and Assumption Agreement as of the Effective Date first above written.

Assignee: SANTA CLARA VALLEY WATER DISTRICT

BY: _____
Melanie Richardson, Interim Chief Executive Officer

Assignor: WHEELER RIDGE- MARICOPA WATER STORAGE DISTRICT

BY: _____
Sheridan Nicholas, Engineer-Manager

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