

2017

LICENSE AGREEMENT AND WATER RIGHTS AGREEMENT

This 10 year License Agreement and Water Rights Agreement with another 10 years negotiable agreement entered into on June 21, 2017, by and between GLORIA STORNETTA, Grantor and POINT ARENA WATER WORKS, INC., Grantee.

WITNESSETH:

IN CONSIDERATION of the terms, covenants and conditions herein expressed, to be kept and performed by the respective parties hereto, it is mutually agreed by the parties as follows:

RECITALS:

1. Grantor is the owner of the property herein described.
2. Grantee is a privately owned water works, regulated by the California Public Utilities Commission.
3. Grantee has drilled two wells on Grantor's property and desires to transport water by pipeline from the wells to Grantee's water storage tank in the City of Point Arena, California.
4. The parties hereto wish to reduce their understanding of their respective rights to writing.

NOW, THEREFORE, IT IS HEREBY AGREED:

1. Grantor conveys to Grantee the following:
 - a. The right to drill and maintain in perpetuity the wells at a point approximately 100 feet southerly of the Garcia River and 150 feet westerly of Windy Hollow Road and to take an amount of water from the wells sufficient to meet the requirements of Grantee, provided, however, that except in cases of fire emergency where no limit will apply, Grantee will not take more than an average of 100 gallons per minute on a 24 hour day basis (i.e., a total of 144,000 gallons per day). If the wells now in existence prove insufficient for any reason, Grantee has the right to improve, by deepening or otherwise, such wells mutually agreeable to Grantor and Grantee.
 - b. An easement, 20 feet wide from the well across Grantor's property at a place to be located for the purpose of laying and maintaining a pipeline and electrical transmission line necessary to transport water. The pipeline and electrical transmission line are to be buried.
 - c. An easement over the ground within 100 foot diameter from the well for the purpose of ingress and

egress to and from and for maintaining the well and appurtenant facilities.

2. Grantor agrees to cooperate with Grantee to facilitate Grantee's implementation and operation of the rights conveyed. This includes, without limitation, the filing of all necessary applications with governmental bodies; it also includes the obligation to cooperate with Grantee in the application for an appropriative water right with a point of diversion at the wells if it should be determined that the water being taken from the well is subject to control by the State of California.
3. Grantee will pay Grantor a consideration in cash for the rights herein conveyed to Grantee in the amount of Six Thousand Dollars (\$6,000.00) per year. \$3,000.00 payable every six (6) months.
4. Grantee agrees to indemnify and hold harmless Grantor from any and all costs and damages caused by Grantee's exercise of the rights herein conveyed. This agreement to indemnify and save harmless is to be interpreted liberally for the protection of Grantor, her heirs, employees, agents, successor, and representatives.
5. In the event that the ownership of the Grantee changes, Grantor, or her successors, shall have the right to renegotiate this agreement upon six (6) months written notice.
6. Grantor agrees to at all times during the term of this agreement keep in full force and effect a general liability insurance policy providing no less than one million dollars (\$1,000,000.00) in coverage naming as an additional insured Grantor and her successors. Grantee will provide Grantor a written copy of the certification of insurance referenced herein.
7. This agreement will terminate if Grantee, or its successor in interest, cease to serve water to the City of Point Arena.

8. If the rights herein granted terminate, or cease to be used for any continuous period of time greater than 5 years, Grantee will, if requested by Grantor, remove all physical facilities placed on the surface of the land of Grantor pursuant to this agreement. If Grantee fails to remove such facilities, Grantor may do so at the expense of Grantee.
9. In the event of any litigation between the parties hereto, the prevailing party in such litigation shall be entitled to recover from the other party its costs, expenses and reasonable attorney fees.
10. Grantor has the right to use the well also as long as it does not interfere with the Grantee's operation.

IN WITNESS, WHEREOF, the parties hereto have executed this agreement the day and year hereinabove set forth.

Gloria Stornetta
Gloria Stornetta

William Hay, Jr.
William Hay, Jr.
Point Arena Water Works, Inc.

Date: June 21-2017 Date: June 21-2017

Policy period 8/1/2022 to 8/1/2023

Philadelphia Indemnity Insurance Company

PI-WDI-054 (10/17)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – DESIGNATED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

COMMERCIAL LIABILITY COVERAGE FORM WATER DISTRICTS INSURANCE PROGRAM

SCHEDULE

Name of Person(s) or Organization(s):
Gloria Stornetta & Family 21601 S Hwy 1 Point Arena, CA 95468

SECTION II – WHO IS AN INSURED is amended to include as an insured the person(s) or organization(s) shown in the endorsement **SCHEDULE** above, but only with respect to liability arising out of your operations or premises owned by or rented to you.

All other terms and conditions of this policy remain unchanged.