



TRIUNFO SANITATION DISTRICT

A PUBLIC AGENCY

Board of Directors
Triunfo Sanitation District
Ventura County, California

February 23, 2011

TRANSFER AGREEMENT WITH CALLEGUAS MUNICIPAL WATER DISTRICT FOR LINDERO FEEDER

Summary

As part of the Conifer Tank Replacement Project, the District is purchasing certain surplus properties from Calleguas Municipal Water District (CMWD). The proposed agreement is included in this agenda packet.

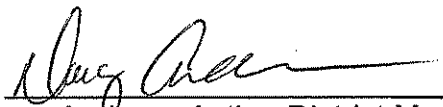
General Counsel has drafted an agreement for the transfer of the CMWD surplus property which includes provisions for the abandonment in place of certain pipelines. As the Board will recall, this arrangement has been made for cost efficiency reasons to avoid the District having to construct new pipelines.

The agreement has been reviewed by General Counsel for CMWD and is ready for execution by the Triunfo Board.

Recommendation

Authorize the Chairman of the Board to execute the CMWD/TSD Transfer Agreement and submit it to CMWD for execution.

APPROVED FOR FEBRUARY 28, 2011 AGENDA



Doug Anders— Acting District Manager

Item 12-1

AGREEMENT FOR TRANSFER OF
SURPLUS FACILITIES

THIS AGREEMENT FOR TRANSFER OF SURPLUS FACILITIES (the "Agreement") is entered between CALLEGUAS MUNICIPAL WATER DISTRICT ("Calleguas") and TRIUNFO SANITATION DISTRICT (referred to herein as "TSD"), with reference to the following facts:

A. Calleguas is a member agency of the Metropolitan Water District of Southern California, and was formed pursuant to the Municipal Water Act of 1911 for the purpose of providing its service area with a supplemental supply of water.

B. TSD is a public agency formed pursuant to California Health and Safety Code Section 4700 and is a member agency of Calleguas, providing both imported water purchased from Calleguas and recycled water to its service area.

C. Calleguas owns certain water pipelines and related facilities located generally within and east of the unincorporated area of Oak Park in Ventura County, California, and commonly known by the parties as the "Lindero Feeder Unit 2", the "Lindero Meter Station", the "Kanan Meter Station", the "Doubletree Meter Station", the "Palo Comado Pump Station", the "Lindero Feeder Unit 3", and the "Chesebro Reservoir". Calleguas also holds certain real property interests in connection therewith. The pipelines, facilities and related real property interests (collectively referred to in this Agreement as the "Facilities") include the following:

(1) A fee simple interest in that certain real property commonly identified by Calleguas as Parcel 2108F situated east of the unincorporated community of Oak Park, California, and more particularly described in the Grant Deed dated August 27, 1968, recorded in the Office of the Ventura County Recorder on October 24, 1968 in Book 3388, Pages 532 to 534, a copy which is attached hereto as Exhibit A. Such property is referred to in this Agreement as the "Chesebro Reservoir Site";

(2) The approximately four million gallon steel water tank (referred to in this Agreement as the "Chesebro Reservoir") located on the Chesebro Reservoir Site and generally described in Calleguas' Plans and Specifications No. 179;

(3) The following easements (collectively referred to in this Agreement as the "Easements"):

(a) Those certain easement(s) and rights held by Calleguas pursuant to the Easement Deed dated February 2, 1970, recorded in the Official Records of the Office of the Ventura County Recorder on or about September 2, 1971 as Instrument No. 53067 in Book 3858, Pages 707 to 713 with respect to the real property commonly identified by Calleguas as Parcels 2105A and 2105B as more particularly described in said Easement Deed a copy of which is attached hereto as Exhibit B. Such Easements are collectively referred to in this Agreement as the "2105 Easements";

(b) Those certain easement(s) and rights held by Calleguas pursuant to the Easement Deed dated March 25, 1969, recorded in the Official Records of the Office of the Ventura County Recorder on November 24, 1969 as Instrument No. 61873, in Book 3583, Pages 322 to 327, and the Easement Deed dated April 14, 1969, recorded in the Official Records of the Office of the Ventura County Recorder as Instrument No. 65435 in Book 3592, Pages 480 to 483, with respect to that certain real property that is commonly identified by Calleguas as both Parcel 2106 and Parcel 2111, as more

particularly described in said Easement Deeds copies of which are attached hereto as Exhibit C. Such Easements are collectively referred to in this Agreement as the "2106/2111 Easement";

(c) Those certain easement(s) and rights held by Calleguas pursuant to the Judgment and Final Order of the Superior Court of the State of California for the County of Ventura, recorded in the Official Records of the Office of the Ventura County Recorder on June 20, 1975 as Instrument No. 39960, in Book 4421, Pages 917 to 930, with respect to the real property commonly identified by Calleguas as Parcels 2107A, 2107B, 2107S-1, 2107S-2, and 2107F as more particularly described in said Order a copy of which is attached hereto as Exhibit D. Such Easements are collectively referred to in this Agreement as the "2107 Easements";

(d) Those certain easement(s) and rights held by Calleguas pursuant to the Easement Deed dated August 27, 1968, recorded in the Official Records of the Office of the Ventura County Recorder on October 24, 1968 as Instrument No. 56457 in Book 3388, Pages 535 to 541, with respect to the real property commonly identified by Calleguas as Parcels 2108A, 2108B, 2108-S1, and 2108-S2 as more particularly described in said Easement Deed a copy of which is attached hereto as Exhibit E. Such Easements are collectively referred to in this Agreement as the "2108 Easements";

(e) Those certain easement(s) and rights held by Calleguas Municipal Water District pursuant to the Easement Deed dated August 27, 1968, recorded in the Office of the Ventura County Recorder on June 20, 1969 as Instrument No. 31529, Book 3505, Pages 451 to 453, with respect to the real property commonly identified by Calleguas as Parcel 2108S as more particularly described in said Easement Deed a copy of which is attached hereto as Exhibit F. Such Easement is referred to in this Agreement as the "2108S Easement";

(f) Those certain easement(s) and rights held by Calleguas Municipal Water District pursuant to the Easement Deed dated January 16, 1969, recorded in the Official Records of the Office of the Ventura County Recorder on April 24, 1969 as Instrument No. 20164, Book 3474, Pages 327 to 333, with respect to the real property commonly identified by Calleguas as Parcel 2109 and 2109-S as more particularly described in said Easement Deed a copy of which is attached hereto as Exhibit G. Such Easements are together referred to in this Agreement as the "2109 Easements"; and

(g) Those certain easement(s) and rights held by Calleguas Municipal Water District pursuant to the Easement Deed dated January 16, 1969, recorded in the Official Records of the Office of the Ventura County Recorder on April 24, 1969 as Instrument No. 20163, Book 3474, Pages 320 to 326, with respect to the real property commonly identified by Calleguas as Parcels 2110 and 2110-S, as more particularly described in said Easement Deed a copy of which is attached hereto as Exhibit H. Such Easements are together referred to in this Agreement as the "2110 Easements";

(h) Those certain easement(s) and rights held by Calleguas Municipal Water District pursuant to the Easement Deed dated November 18, 1985, recorded in the Official Records of the Office of the Ventura County Recorder on December 19, 1985 as Instrument No. 145332, with respect to the real property commonly identified by Calleguas as Parcel 3050, as more particularly described in said Easement Deed a copy of which is attached hereto as Exhibit I. Such property is referred to in this Agreement as the "Lindero Meter Site".

(i) Those certain easements and rights held by Calleguas in that certain real property commonly identified by Calleguas as Parcel 3035 and more particularly described in the Corporation Grant Deed dated April 21, 1980, recorded in the Official Records of the Office of the Ventura County Recorder on July 7, 1980 as Instrument No. 060651, Book 5681, Pages 995 to 996, as

more particularly described in said Grant Deed a copy of which is attached hereto as Exhibit J. Such property is referred to in this Agreement as the "Kanan Meter Site".

(4) The approximately 24 to 36 inch in diameter underground pipeline commonly known by the parties as the "Lindero Feeder Units 2 and 3" which extends generally east of the new meter station to be built on the southeast corner of Kanan Road and Falling Star Avenue (as described in Section 4.1 of this Agreement) and is generally described in Calleguas' Plans and Specifications No. 174 and portions of 173 (referred to in this Agreement as the "Pipeline");

(5) The pump station facilities commonly known by the parties as the "Palo Comado Pump Station", located on the Parcel 2107F easement and generally described in Calleguas' Plans and Specification Nos. 176 and 177, including all equipment and materials making up the pump station (collectively referred to in this Agreement as the "Pump Station");

(6) The meter station commonly referred to as the "Kanan Meter Station" located at 696 Kanan Road on a both public right of way and on the Kanan Meter Site and generally described in Calleguas' Plans and Specifications No. 219, including all equipment and materials making up the meter station (collectively referred to in this Agreement as the "Kanan Meter Station");

(7) The meter station commonly referred to as the "Doubletree Meter Station" located on a public right of way at 1201 North Doubletree Road (the "Doubletree Meter Site") and generally described in Calleguas' Plans and Specifications No. 376, including all equipment and materials making up the meter station (collectively referred to in this Agreement as the "Doubletree Meter Station");

(8) The meter station commonly referred to as the "Lindero Meter Station" located at the northeast corner of Lindero Canyon Road and Kanan Road on the Lindero Meter Site and generally described in Calleguas' Plans and Specifications No. 275, including all equipment and materials making up the meter station (collectively referred to in this Agreement as the "Lindero Meter Station");

(9) All property, equipment and materials making up the cathodic protection systems connected to Lindero Feeder Units 2 and 3 east of Falling Star Avenue and generally described in Calleguas' Plans and Specification Nos. 323 and portions of 414 (the "Cathodic Protection System").

D. The Facilities are designed and exist exclusively for water storage and distribution purposes and are operated and maintained solely for the benefit of TSD customers. Calleguas has determined that continued operation and maintenance of these Facilities is not consistent with its role as a wholesale water supplier and has designated such Facilities as surplus.

E. TSD can use the Facilities in the operation of its water distribution system and desires to acquire the Facilities to facilitate operation of its planned Oak Canyon Reservoir in order to minimize on-peak pumping, improve reliability, and minimize costs.

F. Subject to and upon the terms and conditions of this Agreement, Calleguas desires to convey the Facilities to TSD, and TSD desires to acquire the Facilities from Calleguas.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Calleguas and TSD agree as follows:

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1. Transfer of Facilities. As of the Closing (as defined in Section 2, below) and subject to all of the terms and conditions of this Agreement, Calleguas shall convey to TSD, and TSD shall accept from Calleguas, any and all of Calleguas's rights, title and interest in and to the Facilities as follows:

(a) By Quitclaim Deed in the form attached hereto as Exhibit K, Calleguas shall convey to TSD all of Calleguas's fee simple interest in the Chesebro Reservoir Site (2108F), and all structures and fixtures located thereon, including without limitation the Chesebro Reservoir, and all water pipelines and conduits, together with all fixtures, devices and appurtenances used in the operation thereof;

(b) By Grant Deed in the form attached hereto as Exhibit L, Calleguas shall convey to TSD that portion of the 2105 Easement described in that Grant Deed and shall reserve to Calleguas that portion of the 2105 Easement described in "Exhibit A" and depicted on Exhibit "B" to that Grant Deed and as further described in paragraph 4.1 of this Agreement;

(c) By Quitclaim Deed in the form attached hereto as Exhibit M, Calleguas shall convey to TSD any and all of Calleguas's rights, title and interest in and to the Kanan Meter Site (3035), and all structures and fixtures located thereon, including without limitation all water pipelines and conduits, together with all fixtures, devices and appurtenances used in the operation thereof;

(d) By Quitclaim Deed in the form attached hereto as Exhibit N, Calleguas shall convey to TSD any and all of Calleguas rights, title and interest in and to the 2106/2111 Easements, the 2107 Easements, the 2108 Easements, the 2108S Easement, the 2109 Easements, the 2110 Easements, and the Lindero Meter Site (3050); and

(e) By Bill of Sale in the form attached hereto as Exhibit O, Calleguas shall convey to TSD all of Calleguas's interest in the Pipeline, the Pump Station, the Kanan Meter Station, the Doubletree Meter Station, the Lindero Meter Station, the Chesebro Reservoir, and the Cathodic Protection System, including all of the equipment and materials comprising such facilities and used in connection therewith; except that Calleguas shall retain ownership of the control cabinet at the Lindero Meter Station and all of its contents, which will be relocated by Calleguas to the Falling Star Meter Station.

2. Closing. The "Closing" and effective date of the transfers contemplated by this Agreement shall be the date that the Deeds described in Section 1, above (collectively referred to herein as the "Recordable Instruments") are recorded in the Official Records of the Ventura County Recorder. Notwithstanding anything to the contrary provided in this Agreement, if the Closing fails to occur on or before December 31, 2012, this Agreement, and all rights and obligations of the parties hereunder, shall terminate. The execution of this Agreement and the Bill of Sale, and the execution and recording of the Recordable Instruments and corresponding Closing of this transaction shall occur as follows:

(a) Upon due approval of this Agreement and all Exhibits, as required under its governing documents, TSD shall duly execute the Agreement and shall deliver a duly executed original of the same to Calleguas;

(b) Upon receipt of the duly executed Agreement from TSD, Calleguas shall submit the Agreement, Recordable Instruments, and Bill of Sale to its Board of Directors for approval. Upon approval of the Calleguas Board of Directors, Calleguas shall cause the Agreement to be signed and shall deliver a copy of the signed Agreement to TSD;

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(c) Calleguas shall hold the original signed Agreement and the unsigned Recordable Instruments and Bill of Sale "in escrow" pending TSD's delivery to Calleguas of both the Purchase Price (as defined in Section 3, below) and cash in the amount of Four Hundred and Eighty-Five Thousand Dollars (\$485,000) representing the final design and construction deposit (the "TSD Contract Deposit") due to Calleguas pursuant to the TSD Contract referred to in Section 4.2, below. The parties have agreed upon the sum of \$485,000 as the TSD Contract Deposit notwithstanding that Calleguas' engineer has not provided its final design and construction cost estimate as contemplated by the TSD Contract. TSD shall remain obligated for costs exceeding the TSD Contract Deposit as provided in the TSD Contract.

(d) Upon its receipt of the Purchase Price and the TSD Contract Deposit, Calleguas shall execute and deliver to TSD a duly executed original counterpart of the Agreement and the duly executed original Recordable Instruments and Bill of Sale;

(e) Upon receipt of the duly executed originals as provided in subsection (d), TSD shall (i) duly execute the Bill of Sale, (ii) take such action as required by its governing instruments to approve and attach to the Recordable Instruments a duly executed Certificate of Acceptance, (iii) cause the Recordable Instruments to be recorded with the Office of the Ventura County Recorder, and (iv) deliver to Calleguas a duly executed original counterpart of the Bill of Sale and copies of the duly recorded Recordable Instruments.

3. Purchase Price. The parties acknowledge and agree that the purchase price (the "Purchase Price") for the Facilities conveyed pursuant to this Agreement shall consist of the sum of One Dollar (\$1.00) and TSD's covenants and agreements contained in this Agreement, including without limitation TSD's assumption of all present and future obligations and liabilities arising from and in connection with the Facilities.

4. Further Covenants and Agreements.

4.1 Falling Star Meter Station. The parties acknowledge that, as of the Closing of this Agreement, Calleguas is in the process of constructing a new meter station (referred to herein as the "Falling Star Meter Station") on a portion of the 2105 Easement and in public right of way. In connection therewith, the parties agree as follows:

(a) At the Closing, Calleguas shall transfer to TSD a portion of the 2105 Easement, but Calleguas shall reserve for itself a portion of that easement as Calleguas deems necessary for the construction, maintenance and operation of the Falling Star Meter Station and of the Lindero Feeder Unit 2 Pipeline west of the Falling Star Meter Station. TSD acknowledges that, subsequent to the Closing, Calleguas may need to increase, decrease, or otherwise adjust the portion of the 2105 Easement reserved by Calleguas in order to construct and operate the Falling Star Meter Station. TSD agrees to such adjustment as may be required by Calleguas, and shall execute and deliver a deed and/or such other documents and instruments as Calleguas may reasonably request in order to effect the adjustment.

(b) At all times prior to operation of the Falling Star Meter Station, TSD shall grant all reasonable access to Calleguas on the Lindero Meter Site and (Parcel 3050) and Lindero Meter Station, the Kanan Meter Site (Parcel 3035) and the Kanan Meter Station, and the Doubletree Meter Site and the Doubletree Meter Station, to operate the meter stations, and to remove the control cabinet from the Lindero Meter Station.

(c) Within one month of the commencement of operation of the Falling Star Meter Station, Calleguas and TSD shall send a joint letter to the California Department of Public Health

documenting the change in ownership and requesting that each party's water supply permit be modified accordingly.

(d) All further transfers and conveyances pursuant to this Section 4.1 shall be subject to all of the terms and conditions of this Agreement.

4.2 Falling Star Service Connection. TSD (contracting under the name Oak Park Water Service) and Calleguas entered into TSD Contract No. T08-006 dated January 26, 2009 (the TSD Contract") pursuant to which Calleguas agreed, at TSD's expense, to construct a service connection (the "Falling Star Service Connection") on Lindero Feeder No. 2 as provided in that Agreement. The terms of the TSD Contract are incorporated into this Agreement by this reference. Notwithstanding anything to the contrary provided in this Agreement, the parties acknowledge and agree that the delivery and availability of water to TSD through the Falling Star Service Connection is subject to the terms of that contract including without limitation all rules and regulations for water service set forth in Ordinance 12 adopted by Calleguas, as may be amended by Calleguas from time to time.

4.3 Removal of Calleguas Insignia. Within two (2) years after Closing, TSD shall remove all remaining evidence of Calleguas's ownership of the Facilities, including without limitation printed names, raised letters on manhole lids and valve caps, stickers, markings, insignia or other signs identifying the Facilities as the property of Calleguas. Calleguas shall be given reasonable access to the Facilities subsequent to the Closing for the purpose of confirming the removal of such insignia. If TSD fails to remove the insignia as set forth herein, Calleguas may do so and invoice TSD for the cost of such removal. TSD shall promptly reimburse Calleguas upon receipt of such invoice(s).

5. Due Diligence; As-Is Transaction.

5.1 Due Diligence Complete. TSD acknowledges and agrees that it has substantial knowledge and familiarity with all of the Facilities it is acquiring pursuant to this Agreement, and the condition of such Facilities. TSD further acknowledges that, prior to execution of this Agreement, Calleguas has provided to TSD copies of records Calleguas has in its possession regarding the condition of the Facilities (collectively the "Records"). A list of those Records provided by Calleguas to TSD is set forth on Appendix I attached hereto. By execution of this Agreement, TSD acknowledges and agrees that it (a) has received and read the Records, (b) has requested, ordered and obtained all further information, documents, instruments and reports, including without limitation all title reports and surveys regarding the condition of title to all real property interests, and made such further investigations that it desires in connection with its acquisition of the Facilities, (c) has consulted with all experts and professionals, and conducted all inspections, surveys, testing and analyses that it desires, and (d) has otherwise fully satisfied itself regarding the rights being acquired pursuant to this Agreement, the physical condition of the Facilities, and all other aspects and conditions of the Facilities, as it deems necessary to make an informed decision to acquire the Facilities pursuant to this Agreement.

5.2 As-Is. TSD is acquiring the Facilities "as-is," "with all faults". TSD acknowledges that Calleguas has made no representations or warranties to TSD as to any matters concerning the Facilities. Without limiting the foregoing, Calleguas makes no representations or warranties concerning topography, seismic condition, soil, subsoil, subsidence, square footage, drainage, access, workmanship or quality of materials of personal property, or the fitness or adequacy of the Facilities for any particular purpose. Further, TSD acknowledges that Calleguas makes no representations as to the accuracy or completeness of any third party records or reports received by TSD from Calleguas or from any other source.

5.3 Assumption. From and after the Closing, except for the obligations of Calleguas specified in this Agreement, TSD shall be solely responsible for the Facilities, including without limitation the maintenance, repair and operation of the Facilities, the quantity and quality of water flowing into and out of the Facilities, and the responsibility for compliance with all applicable state, federal and local laws of whatever kind or nature. Without limiting the foregoing, TSD assumes as of the Closing all obligations, including without limitation all maintenance and repair obligations, under each of the Easements assigned by Calleguas to TSD pursuant to this Agreement. TSD is obligated, at its sole cost and expense, to obtain and maintain any and all permits and licenses necessary to conduct any operations with respect to the Facilities.

6. Representations and Warranties.

6.1 TSD Representations and Warranties. In addition to all other representations and warranties of TSD expressly set forth in this Agreement, if any, TSD represents and warrants to Calleguas as follows:

(a) TSD has all legal right, power and authority to enter into and perform all of its obligations under this Agreement;

(b) All requisite action has been taken by TSD to duly and validly authorize its execution, delivery and performance of this Agreement, and the individual executing this Agreement on behalf of TSD has been duly authorized to execute the Agreement; and

(c) The execution, delivery and performance of this Agreement will not violate the terms and conditions of the organizational documents of TSD or the terms and conditions of any agreement or obligation to which TSD is a party or by which it is bound.

6.2 Calleguas Representations and Warranties. In addition to all other representations and warranties of Calleguas expressly set forth in this Agreement, if any, Calleguas represents and warrants to TSD as follows:

(a) Calleguas has all legal right, power and authority to enter into and perform all of its obligations under this Agreement;

(b) All requisite action has been taken by Calleguas to duly and validly authorize its execution, delivery and performance of this Agreement, and the individual executing this Agreement on behalf of Calleguas has been duly authorized to execute the Agreement;

(c) The execution, delivery and performance of this Agreement will not violate the terms and conditions of the organizational documents of Calleguas or the terms and conditions of any agreement or obligation to which Calleguas is a party or by which it is bound; and

(d) Except as otherwise disclosed to TSD in accordance with this Agreement, Calleguas has not received any written notice from any governmental agency asserting that the Facilities, or any portion thereof, are in material violation of applicable laws or regulations.

7. Recording Costs and Expenses. TSD shall be solely responsible for payment of any and all sales tax, transfer taxes, assessments, and recording fees arising from this transaction including the recording of the Recordable Instruments.

8. Indemnity. TSD shall defend, indemnify and hold harmless Calleguas, its officers, directors, employees, agents, and each of their respective successors and assigns, from and against any and all direct and indirect, known and unknown, obligations, liabilities, judgments, claims, demands, losses (including consequential losses), costs, expenses and fees (including reasonable attorneys' fees and costs of defense), of whatsoever kind or nature arising out of or relating to (i) the Facilities, and any portion thereof, and (ii) any breach or default by TSD with regard to its obligations arising from or relating to this Agreement, including without limitation its ownership, maintenance and operation of the Facilities.

9. Miscellaneous.

(a) Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which, together, shall constitute one and the same instrument.

(b) Amendments. The terms of this Agreement may not be modified or amended except by an instrument in writing duly executed and authorized by each party.

(c) Fees and Other Expenses. Except as otherwise specifically provided in this Agreement, each party shall pay its own fees and expenses in connection with the negotiation and consummation of this Agreement.

(d) Entire Agreement. This Agreement supersedes any prior agreements, negotiations and communications, oral or written, and contains the entire agreement between TSD and Calleguas as to its subject matter; except as provided in Section 4.2 of this Agreement regarding TSD Contract No. T08-006. No subsequent agreement, representation, or promise made by either party, or by or to an employee, officer, agent or representative of either party, shall be of any effect unless it is in writing and executed by the party to be bound thereby.

(e) Assignment of Agreement. TSD shall not assign this Agreement, or any interest or right under this Agreement, or nominate another party to take title to the Facilities, without the prior written consent of Calleguas, which consent shall not be unreasonably withheld. In any event, no assignment shall be effective unless and until Calleguas receives satisfactory written evidence that the assignee has assumed in writing all of TSD's ongoing duties, obligations, and responsibilities under this Agreement from and after the effective date of the assignment. No assignment, nomination or transfer shall be deemed to release TSD from any liability arising from breach of its obligations or responsibilities under this Agreement.

(f) Successors and Assigns. Subject to the restrictions set forth in subsection (e), above, this Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the parties. Without limiting the foregoing, the restriction on assignment contained in subsection (e), above, shall be binding upon all assignees of TSD and all other assignees.

(g) Notice. Any notice, demand or request to be given under or pursuant to this Agreement shall be given in writing at the physical addresses set forth below by personal service; telecopy; overnight courier; or registered or certified, first class mail, return receipt requested:

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If to Calleguas: Calleguas Municipal Water District
2100 Olsen Road
Thousand Oaks, California 91360
Attn: General Manager

With a copy to: Doug E. Kulper, Esq.
Ferguson, Case, Orr, Paterson & Cunningham, LLP
1050 S. Kimball Road
Ventura, CA 93004

If to TSD: Triunfo Sanitation District
Aka "Oak Park Water Service"
1001 Partridge Drive, Suite 150
Ventura, CA 93003
Attn: General Manager

With a copy to: Arnold, Bleuel, LaRochelle, Matthews & Zirbel, LLP
300 Esplanade Drive, Suite 2100
Oxnard, CA 93036
Attn: Robert Krimmer, Esq.

(h) Attorney's Fees. In the event that any dispute between the parties arising under this Agreement results in litigation or arbitration, the prevailing party in such dispute shall be entitled to recover from the other party all reasonable fees, costs and expenses (including attorney's fees) incurred in such action.

(i) Further Assurances. The parties shall take such further actions and execute such further documents as shall be reasonably necessary to effect the transactions contemplated under this Agreement.

(j) No Inducement. Each party acknowledges to the other that no one (including, without limitation, any party, or any agent or attorney of any party) has made any promise, representation, or warranty whatsoever, expressed or implied, written or oral, not contained herein concerning the subject matter hereof to induce it to execute this Agreement, and each party acknowledges that it has not executed this Agreement in reliance on any promise, representation, or warranty not contained herein.

(k) Governing Law and Venue. The provisions of this Agreement shall be governed by and construed in accordance with the laws of the State of California and the venue for all legal or equitable actions relating to or arising from this Agreement shall be Ventura County, California.

(l) Partial Invalidity. If any term, covenant, condition or provision of this Agreement, is found by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions herein shall remain in full force and effect, and shall in no way be affected, impaired, or invalidated thereby.

(m) Joint Drafting. This Agreement has been jointly negotiated and drafted. The language of this Agreement shall be construed as a whole according to its fair meaning and not strictly for or against any party.

(n) Authority. Each person executing this Agreement warrants and represents to the other party that it has the authority to execute this Agreement, that it has read and fully understands this Agreement, and that it is entering into this Agreement freely and voluntarily.

(o) Exhibits and Recitals. All Recitals set forth above, and all Exhibits attached to this Agreement are intended to be and hereby are specifically made a part of this Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have entered into this Agreement for Transfer of Surplus Facilities in Ventura County, California.

Dated: _____, 2011

CALLEGUAS MUNICIPAL
WATER DISTRICT

By: _____
Ted Grandsen, President

By: _____
Susan Mulligan, General Manager

Dated: _____, 2011

TRIUNFO SANITATION DISTRICT

By: _____
Michael Paule, Chairman

By: _____
Mark Lawler, District Manager

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