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**Orland-Artois Water District  
Attn: General Manager  
6505 County Road 27  
Orland, CA 95963**

**Official Document, Exempt from Recording  
Fees Pursuant to Gov't Code §§ 6103; 27383**

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Revenue & Taxation Code 11922**

Assessor's Parcel No.:

-- This Space for Recorder's Use Only --

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## **AGREEMENT FOR ANNEXATION AND A SECONDARY WATER SUPPLY**

THIS AGREEMENT is made on \_\_\_\_\_, 20\_\_ by and between Orland-Artois Water District, a California water district ("OAWD"), and \_\_\_\_\_ ("Landowner").

### **RECITALS**

As a basis for this Agreement, the parties hereto acknowledge the following facts:

A. Landowner owns all of the land to be annexed into OAWD, which is referred to herein as the "\_\_\_\_\_ Annexation". A legal description (and plat map) showing the lands to be annexed are attached to and made a part of this Agreement as Exhibit "A." In accordance with OAWD's Annexation Policy, Landowner has made application to the District and, upon Landowner's satisfaction of certain conditions provided in this Agreement, District will make application to the Glenn County Local Agency Formation Commission ("LAFCO") for annexation of the \_\_\_\_\_ Annexation to OAWD.

B. In addition, the lands to be annexed are not within the District's existing sphere of influence, which will also require the District to apply for and obtain an expansion of its sphere of influence in order to complete the \_\_\_\_\_ and such sphere of influence expansion will be deemed to be part of the annexation proceedings for the benefit of the Landowner.

C. The purpose of entering into this agreement is to set forth the conditions that will apply to the District's approval of the \_\_\_\_\_ Annexation and the conditions for approving the necessary facilities for OAWD to deliver a supplemental water supply or supplies obtained by Landowner after the \_\_\_\_\_ Annexation is approved and the subject property is included within OAWD's service area. Specifically, water will be supplied to Landowner only on a secondary priority basis.

D. OAWD's water supply available under its Central Valley Project ("CVP") water service contract was determined as a reliable supply only to serve the lands that comprise the OAWD Lands as defined in Section 2 of this Agreement.

E. Because OAWD's CVP water service contract is subject to reductions even for existing landowners, OAWD's ability to provide a priority right to surface water supplies for lands requesting annexation is constrained. As a result, OAWD is only able to offer an interruptible, second-priority supply to any new lands desiring to be annexed into the District.

F. Because of federal policies affecting contracting for additional CVP water supplies, it is extremely uncertain that OAWD will ever be able to increase its CVP contract water supply in an amount adequate to assure water service to any lands, including the \_\_\_\_\_ Annexation, other than the OAWD Lands and the parties hereto assume for the purposes of this Agreement that OAWD will never be able to do so.

G. Certain provisions of the California Water Code pertaining to OAWD apportion OAWD's water supply on a pro-rata basis to all lands in OAWD. Those laws, however, also permit OAWD to limit its obligations by agreement with landowners who wish to annex into OAWD.

H. Annexations of additional land into OAWD, and further apportionment of its water supply would result in a decrease in the pro-rata water entitlement of the OAWD Lands. OAWD's Board of Directors therefore has determined that such further apportionment of its water supply would not be in the best interests of the owners of OAWD Lands and that any annexation of new lands into OAWD will be approved only if the annexing landowner executes a written agreement under which that landowner will receive a secondary water supply to be made available when OAWD has surplus water supplies.

I. There are times when OAWD may have surplus water available under its CVP water service contract or from other sources that could be delivered to the \_\_\_\_\_ Annexation.

J. Landowner wishes to have the property referred to as the \_\_\_\_\_ Annexation annexed into OAWD, subject to the terms and conditions of this Agreement, including the condition that Landowner accept an interruptible and second priority to any surface water deliveries from OAWD on an as- and when-available basis.

K. Landowner knowingly and voluntarily agrees to annex upon the condition that service provided to the \_\_\_\_\_ Annexation will be on a secondary priority basis only.

L. OAWD has evaluated the \_\_\_\_\_ Annexation and has found that the land is capable of receiving water service from pumping and conveyance facilities to be

installed and dedicated to OAWD at Landowner's sole cost, subject to approval by OAWD of the design and installation of such facilities, and has found that if such service is provided on secondary water priority basis on the terms provided in this Agreement, the annexation will be in the best interests of OAWD and will not injure the landowners of OAWD Lands.

## AGREEMENT

NOW, THEREFORE, in recognition of the foregoing, the parties hereto agree as follows:

1. Recitals. The recitals set forth above are true and are incorporated herein by reference.

2. Definitions. As used in this Agreement, the following terms shall have the definitions shown:

a. "Annexation Policy" means the Policy of the Orland-Artois Water District Annexation Policy and Criteria, as that policy may be amended from time to time by the OAWD Board of Directors.

b. "\_\_\_\_\_ Annexation" means land presently owned by Landowner, but not now included within OAWD's boundaries, that is more fully described in Exhibit "A", and the annexation and sphere of influence expansion for which Landowner has filed an application with the District.

c. "Landowner Water" means any water that Landowner may acquire, such as by transfer, that is not OAWD Water.

d. "Reclamation" means the United States Bureau of Reclamation, an agency in the United States Department of the Interior.

e. "Water" means both OAWD Water and Landowner Water, unless otherwise specified.

f. "OAWD Lands" means the lands within the boundaries of OAWD that are entitled to a CVP water supply because they were part of OAWD before January 1, 2019 and are not otherwise subject to any secondary water supply agreement.

g. "OAWD Water" means water that OAWD acquires, either under its CVP water service contract or from other sources and that is intended to provide service to OAWD Lands on a priority basis.

- h. “TCCA” means the Tehama-Colusa Canal Authority.
- i. “Year” means the water year defined in OAWD’s water service contract with Reclamation, currently March 1 through the last day of the following February.
- j. “Project Processing Task” means tasks and preparation of work product and services deemed necessary by OAWD, LAFCO, Reclamation, TCCA or any other jurisdictional agency in order to complete the annexation of lands into OAWD.

3. Annexation of Landowners’ Property.

(a) Landowner has applied to annex the \_\_\_\_\_ Annexation to OAWD, and by executing this Agreement affirms Landowner’s consent to all annexation and sphere of influence expansion proceedings and requirements as provided in the Annexation Policy. Upon execution of this Agreement, OAWD will commence proceedings for the \_\_\_\_\_ Annexation. Landowner understands and agrees that the annexation will be made subject to the terms and conditions of this Agreement as well as any other terms and conditions that may be imposed by the Glenn LAFCO. Without limiting the foregoing, Landowner understands and agrees that Reclamation and TCCA also must approve the annexation. In accordance with the Annexation Policy, which is attached to and made a part of this Agreement as Exhibit “B”, Landowner shall pay all costs associated with the annexation, including for the required sphere of influence expansion, and/or reimburse OAWD for any costs that it incurs in processing the \_\_\_\_\_ Annexation. OAWD will apply that deposit for the payment of such costs, and will require Landowner to replenish the initial deposit if fully expended and the District will incur additional costs, or refund any remaining deposit amount upon completion of the annexation. OAWD’s processing of and participation in the annexation proceedings is specifically conditioned upon Landowner remaining current in Landowner’s deposits of funds with OAWD.

(b) OAWD’s Board of Directors shall, in its sole discretion, consider adopting a Resolution of Application to the Glenn LAFCO. If the Board approves that Resolution of Application, then District staff shall file the application of annexation and sphere of influence expansion with LAFCO. The application shall include the Resolution of Application and any other information and documents required by LAFCO. Landowner shall timely provide all assistance required by OAWD for preparing and filing the Resolution of Application and supporting documentation. Representatives of OAWD and Landowner shall appear as required at all LAFCO-noticed public hearings and support the request and provide all information requested by LAFCO from time to time.

(c) OAWD shall act as lead agency for purposes of conducting

environmental review of the proposed \_\_\_\_\_ Annexation under the California Environmental Quality Act (“CEQA”). Landowner shall pay all fees and costs for the District’s CEQA review work as required by Section 4 of this Agreement. Landowner understands and agrees that the District is acting as lead agency for the required CEQA review of the \_\_\_\_\_ Annexation solely for the benefit of Landowner and, as such, Landowner agrees, as a condition of its annexation application, to defend, indemnify, and hold harmless the District and its consultants, directors, officers, employees, attorneys and agents from any claim, action, or proceeding (collectively referred to as a “Claim”) brought against the District or its consultants, directors, officers, employees, attorneys and agents to attack, set aside, or void: (i) any approval of the annexation application; and/or (ii) any action taken to provide related environmental clearance under CEQA by the District and its Board of Directors. Landowner’s indemnification obligation is intended to include, but not be limited to, damages, fees and/or costs awarded against the District, if any, and costs of suit, attorney’s fees, and other costs, liabilities and expenses incurred in, connected to or arising from a Claim, whether incurred by the District, its CEQA consultant, Landowner, or any party initiating or bringing a Claim. Landowner also agrees to indemnify the District for all of the District’s costs, fees, and damages incurred in enforcing the indemnification provisions of this Agreement. Landowner further agrees to defend, indemnify and hold harmless the District and its consultants, directors, officers, employees, attorneys and agents for all costs incurred in additional investigation or study of, or for supplementing, redrafting, revising, or amending any document related to the proposed annexation and sphere of influence expansion (for example, an EIR, negative declaration, or LAFCO approval) if made necessary by a successful Claim in order to permit Landowner to pursue and obtain all approvals required to complete \_\_\_\_\_ Annexation. If Landowner is required to defend the District in connection with a Claim, the District shall have the right to approve: (i) counsel to defend the District; (ii) all significant decisions concerning the manner in which the defense is conducted; and (iii) any and all settlements, which approval shall not be unreasonably withheld. The District also shall have the right to not participate in the defense, except that the District agrees to cooperate with the Property Owner/Lessee in the defense of the proceeding. If the District chooses to have its counsel participate in the defense of any Claim where the Landowner has already retained counsel to defend the District, the fees and expenses of the counsel selected by the District shall be paid by the District. The defense and indemnification of the District provided in this subsection 3(c) shall remain in full force and effect throughout all stages of litigation, including appeals of any lower court judgments involving the Claim.

(d) Landowner understands and agrees that OAWD’s proceeding with the \_\_\_\_\_ Annexation will subject the \_\_\_\_\_ Annexation to such terms and conditions of annexation as will reflect the terms and conditions of this Agreement, the Annexation Policy, Resolution of Application and other applicable documents. Without Landowner’s agreement to comply with such terms and conditions,

OAWD would not approve the annexation. Landowner agrees to not challenge the legality of any such terms and conditions, the authority of OAWD to enforce any such terms and conditions, nor the authority of OAWD to condition water service to the \_\_\_\_\_ Annexation on such terms and conditions.

#### 4. Project Processing Tasks; Funding of Costs.

(a) OAWD, through its Board of Directors, staff, legal, engineering and other consultants, shall perform and undertake the Project Processing Tasks. OAWD's staff and consultants shall work directly for the District and be responsible only to OAWD. OAWD reserves complete discretion concerning the Project Processing Tasks and related documents and the terms and conditions under which it may agree to annex the \_\_\_\_\_ Annexation to OAWD. As requested by OAWD, Landowner shall fully and timely cooperate with the District's Board, staff and consultants to perform the Project Processing Tasks.

(b) As a condition of OAWD's approval and execution of this Agreement, Landowner will make an initial deposit of \$XX,XXX in immediately available U.S. funds and during the term will maintain a deposit of funds with OAWD as further provided in this Section 4. OAWD will draw on this deposit to pay or reimburse periodic invoices from OAWD's consultants and to reimburse OAWD for the cost of OAWD staff time and materials to perform Project Processing Tasks. The funding may be used to reimburse OAWD's costs incurred before execution of this Agreement for performing Project Processing Tasks as necessary.

(c) If at any time before completion of the Project Processing Tasks the deposit balance is drawn down to less than \$15,000, OAWD reserves the right to demand that Landowner make additional deposits in an amount sufficient to replenish the deposit fund up to the initial deposit amount of \$ XX,XXX. Landowner will make any replenishment deposit to OAWD within 15 days of the date of OAWD's invoice or demand.

(d) In addition to funding on-going Project Processing Tasks in accordance with Paragraph 4(a) above, any Project Processing Task that requires OAWD to enter into an agreement with a consultant or to purchase materials and supplies costing \$10,000 or more shall be funded in advance by Landowner. To obtain such advance funding, OAWD will advise Landowner in writing of the cost and purpose of the proposed Project Processing Task. If Landowner concurs that the work is a necessary Project Processing Task, it will advance the total estimated cost of the work under the consultant agreement to OAWD within 15 days of the written notice of the proposed Project Processing Task. If Landowner objects to the proposed work, it will send OAWD a written notice of its objections and specific grounds therefore within ten days of receipt of the District's notice, and request that OAWD meet and confer to modify the proposal to address Landowner's concerns or to otherwise resolve the dispute within 30 days of Landowner's written notice to OAWD. If, after meeting and conferring, the dispute is not resolved OAWD in its sole discretion may give written notice to Landowner that OAWD will proceed with the proposed Project Processing Task and require

Landowner to fund such task. If Landowner then refuses to fund the work in the time provided in Paragraph 4(c), such refusal will constitute a default and District may elect to terminate this Agreement as provided in Section 24 hereof.

(e) If any requested deposit is not timely made in accordance with Paragraph 4(c), OAWD will notify Landowner and Landowner will have ten days to cure the default. If Landowner does not make the required deposit within the ten-day cure period or if the deposit funds become depleted, then OAWD may suspend all work on the Project Processing Tasks until receipt of Landowner's deposit or payment and/or may elect to declare a default and terminate the Agreement in accordance with Section 24 hereof.

(f) OAWD will deposit Landowner's deposits into a special accounting fund for the purpose of tracking and reimbursing OAWD costs on the Project Processing Tasks (the "Project Fund"). Any Landowner deposit remaining upon completion of the Project Processing Tasks will be refunded by OAWD without interest to Landowner. If the final total costs of the Project Processing Tasks exceed the amount of the deposits into the Project Fund, Landowner will pay the difference to OAWD within the time specified in Paragraph 4(c) above. OAWD will provide to Landowner an accounting of its expenditures from the Project Fund no more than once per month. The accounting will include copies of all supporting documentation such as consultant invoices and receipts for purchases and fees paid to other agencies.

5. System Connection. Capacity in OAWD's water diversion and conveyance facilities may not be available or capable of serving the \_\_\_\_\_ Annexation. As a result, Landowner may be required to serve the \_\_\_\_\_ Annexation through capacity improvements or new facilities for diverting and conveying water to the \_\_\_\_\_ Annexation from the Tehama-Colusa Canal in accordance with a facilities and operation plan approved by OAWD and any additional approvals required by other authorizing agencies including TCCA or Reclamation (the "Water Conveyance Facilities"). The Water Conveyance Facilities required for providing water service to the \_\_\_\_\_ Annexation shall be installed at Landowner's sole cost in accordance with all District requirements and technical standards, subject to the requirements of Section 6 hereof. Landowner also shall be responsible for the cost of any facilities necessary to make use of Water within the \_\_\_\_\_ Annexation. Landowner must install the Water Conveyance Facilities within one year of executing this Agreement, unless otherwise permitted in writing by OAWD.

6. Ownership, Operation and Maintenance of Water Conveyance Facilities. Upon completion of the Water Conveyance Facilities, Landowner shall transfer ownership of the water measurement meter to OAWD, which shall operate and maintain the meter in accordance with the terms of this Agreement and all applicable OAWD ordinances, policies, rules, and regulations. OAWD and TCCA also shall have adequate access to the Landowner-installed diversion facilities on the Tehama-Colusa Canal and the measurement meter at all times. OAWD shall not be responsible for the operation, repair, maintenance or replacement of any other Water Conveyance Facilities or the costs thereof. Landowner is prohibited from

making any additional connections to the Water Conveyance Facilities of any kind or for any purpose, including to serve any other lands other than those comprising the \_\_\_\_\_ Annexation. By executing this Agreement, Landowner provides OAWD with the right to immediately enter and remove any additional valves, connections or equipment that Landowner constructs or installs on the Water Conveyance Facilities to serve water to any other lands other than the \_\_\_\_\_ Annexation. Landowner shall be liable for all costs for removing any such prohibited connections. Failure by Landowner to pay any such removal costs incurred by OAWD within 30 days of being billed shall constitute a lien on the parcel or parcels constituting the \_\_\_\_\_ Annexation, and also a material breach of this Agreement under which OAWD may terminate water service until the costs are fully paid. Landowner also shall be solely responsible for paying all costs of electric power to operate all Water Conveyance Facilities, including the meter.

7. Water Delivery. When Water and adequate capacity is available, OAWD will deliver Water to the \_\_\_\_\_ Annexation through the Water Conveyance Facilities in accordance with OAWD's Rules and Regulations, ordinances, policies, and standard practices applicable to water orders and deliveries. The parcel or parcels comprising the \_\_\_\_\_ Annexation shall be the only lands served under this Agreement.

8. Water Charge. Any Water delivered to Landowner through the Water Conveyance Facilities shall be measured by a meter or other measuring method acceptable to OAWD (and if required USBR and TCCA) and as required by law. OAWD will neither allocate nor convey any Water to Landowner for use on the \_\_\_\_\_ Annexation lands if Landowner is delinquent in the payment of any water or other district charge.

9. Annual Assessments. The \_\_\_\_\_ Annexation shall be subject to the same assessments as all other lands in OAWD. Nothing in this Agreement shall be construed as otherwise limiting OAWD's rights or authorities under state law to assess the \_\_\_\_\_ Annexation, nor to fix and collect rates or charges from the \_\_\_\_\_ Annexation, Landowner, or Landowner's tenants, agents, successors or assigns. Landowner understands and acknowledges that OAWD will assess the \_\_\_\_\_ Annexation even in years when there may be no OAWD Water available and that such assessments will not be adjusted based on the unavailability of any such water.

10. Landowner Water. Nothing in this Agreement shall limit or impair Landowner's rights to acquire water from any source other than OAWD. Landowner is solely responsible for delivering or arranging for the delivery of Landowner Water to the Water Conveyance Facilities, and for the costs for wheeling that water in the Tehama-Colusa Canal, other non-District conveyance or the Water Conveyance Facilities to the \_\_\_\_\_ Annexation.

11. No Guarantee of Water. Nothing in this Agreement shall be construed to provide or warrant, and OAWD specifically disclaims, and that it is able or will provide any OAWD Water to the \_\_\_\_\_ Annexation. Landowner acknowledges and agrees



that there may be many years in which they receive no OAWD Water whatsoever on the \_\_\_\_\_ Annexation.

12. Secondary Water Service. IT IS EXPRESSLY UNDERSTOOD AND AGREED THAT LANDOWNER HAS NO CLAIM OR ENTITLEMENT TO ANY PORTION OF THE SUPPLY OF OAWD WATER OR RIGHT TO CAPACITY IN THE WATER CONVEYANCE FACILITIES OR OTHER PORTIONS OF OAWD'S WATER SYSTEM TO SERVE THE LAND THAT CONSTITUTES THE \_\_\_\_\_ ANNEXATION, OTHER THAN THE RIGHT TO RECEIVE SECONDARY WATER SERVICE UNDER THE TERMS AND CONDITIONS SET FORTH IN THIS AGREEMENT AND IN ACCORDANCE WITH THE BOARD'S ANNUAL DECLARATION OF SECONDARY WATER AVAILABILITY ON OR AFTER APRIL 1 OF EACH YEAR. NOTWITHSTANDING ANY OTHER PROVISIONS OF LAW THAT MIGHT BE TO THE CONTRARY, LANDOWNER SHALL HAVE NO CLAIM AND WILL NOT CLAIM ANY RIGHT TO A SHARE OF OAWD WATER FOR THE LAND THAT CONSTITUTES THE \_\_\_\_\_ ANNEXATION.

13. Conditions of Water Delivery. When Water is available that is surplus to the needs of the OAWD Lands and capacity is available in the Water Conveyance Facilities and other necessary portions of the OAWD water system, OAWD shall deliver Water to the \_\_\_\_\_ Annexation in accordance with this Agreement, applicable federal and state laws, OAWD's CVP water service contract, and OAWD rules and regulations, ordinances and policies. Landowners acknowledge that they are familiar with all of the foregoing and will fully comply with all applicable legal and OAWD requirements. In the years in which the OAWD Board of Directors determines that Water is available under the terms of this Agreement, OAWD will notify Landowner within a reasonable time on or after April 1.

14. Subsequent Annexations by OAWD. Landowner acknowledges and agrees that OAWD may make future annexations of land on the same or different terms as set forth in this Agreement. Landowner understands that if OAWD subsequently annexes land on a secondary water supply basis, the \_\_\_\_\_ Annexation will *not* have priority over the newly annexed land, rather, the new annexation(s) together with the \_\_\_\_\_ Annexation will each separately receive the benefits of their respective agreements, subject to the respective terms of those agreements, and, without limiting the foregoing, secondary to the needs of OAWD Lands. Notwithstanding the foregoing, in any year when OAWD has surplus water available from its CVP supplies, it shall initially offer a pro rata share of that supply to each landowner with a secondary water supply agreement.

15. Limitation of Liability. As set forth above in this Agreement, OAWD and Landowner expect that water shortages may occur, up to the entire quantity normally available, in the quantity of OAWD Water that could be made available to Landowner, and in no event shall any liability accrue against OAWD or any of its Directors, officers, employees, or agents for any damage, direct or indirect, arising from such shortages nor from OAWD's exercise of any other rights or authorities under this Agreement. Landowner

understands and acknowledges that because of demands for water to serve OAWD Lands, there may be years in which absolutely no Water is available to the \_\_\_\_\_ Annexation.

16. Lien and Assignment.

a. The parties to this Agreement hereby declare that: (1) the water to be furnished under this Agreement and the right to secondary water service are intended to form a part of the appurtenances of the \_\_\_\_\_ Annexation; (2) such water and right to secondary water service are of direct benefit to such land; (3) the covenants of secondary water service are of direct benefit to such land; and (4) the covenants of Landowner to pay for such water and for the right to secondary water service, and other obligations of Landowner under this Agreement shall run with and bind such land. By executing this Agreement, Landowner expressly creates liens upon the lands comprising the \_\_\_\_\_ Annexation with the same force, effect and priority as an assessment lien, to secure the obligations of Landowner under this Agreement, which lien shall bind such land despite any transfer, hypothecation or alienation thereof. OAWD and Landowner agree that this Agreement shall be recorded in the Official Records of Glenn County, California as evidence of such lien; provided, however, that the lien created upon the lands comprising the \_\_\_\_\_ Annexation shall in no manner affect interests in oil, gas, minerals or other hydrocarbon substances underlying such land.

b. The provisions of this Agreement shall apply to and bind the successors and assigns of Landowner and OAWD. As a result, none of the rights of Landowners under this Agreement shall be transferred or assigned apart from the land that comprises the \_\_\_\_\_ Annexation. Nothing in this Agreement shall be construed as affecting in any manner the right of Landowners or their successors to transfer or assign ownership of the \_\_\_\_\_ Annexation, subject to the lien and obligations established in this Agreement.

17. Easements. If compliance with any aspect of this Agreement requires that OAWD obtain an easement on any property, including for purposes of complying with Section 6 of this Agreement, Landowner will grant or obtain the necessary easement(s) in OAWD's name and pay all costs associated with those easement acquisitions.

18. Express Condition. The parties agree that this Agreement is expressly conditioned on completion of the \_\_\_\_\_ Annexation, and, if necessary, the approval of Reclamation and TCCA.

19. Right of Entry. Landowner hereby grants OAWD and any of its representatives the right to enter upon the \_\_\_\_\_ Annexation at any time to monitor drainage, to inspect the use Landowner is making of Water or for any other purpose reasonably necessary for District purposes or to carry out the intent of this Agreement.

20. Landowner's Rights. Except for the limitations specifically set forth in this Agreement, Landowner and Landowner's successors and assigns are entitled to the same rights, benefits and obligations as any other OAWD landowner. Likewise, except for any limitations set forth in this Agreement, the \_\_\_\_\_ Annexation is entitled to the same rights, benefits and obligations as are OAWD Lands and their owners.

21. Compliance with Laws and Regulations.

a. This Agreement is subject to all requirements imposed upon OAWD and Landowner by the terms of OAWD's CVP water service contract and other contracts with the United States or others. Nothing in this Agreement shall be deemed to require Landowner or OAWD to perform any obligation in conflict with those contracts. Landowner acknowledges that Landowner may obtain copies of those contracts from OAWD or Reclamation.

b. This Agreement is also subject to all requirements imposed upon OAWD and Landowner by any provisions of applicable United States Reclamation laws. Landowner is responsible for being informed about the requirements of Reclamation law and for complying with it. If at any time Landowner is found to be in violation of any of the provisions of Reclamation law, Landowners' rights under this Agreement shall be suspended until such violation is cured, except that all other provisions of this Agreement, including the obligation of Landowner to pay all charges levied by OAWD as provided herein, shall continue in full force and effect.

c. Landowner also acknowledges and agrees that Landowner's failure to pay OAWD's assessments and charges, even in years when no OAWD Water is available to the \_\_\_\_\_ Annexation, will result in: (1) a loss of rights to any OAWD service until such amounts (plus penalties and interest) are paid; and (2) OAWD's recording of liens to secure the unpaid sum and commencement of proceedings in the nature of a county real property tax sale that could result in the taking and sale of the property from Landowner.

22. No Warranty. OAWD does not warrant the condition of the District Facilities, its ability to deliver water to Landowner or the quality of any Water actually delivered to Landowner, all as more fully set forth in OAWD's rules and regulations. Without limiting the foregoing, OAWD Water is untreated, and OAWD's water delivery system has no water treatment capability. No Water delivered through the District Facilities is suitable for human consumption or other domestic use. Landowner shall ensure that no Water delivered pursuant to this Agreement is used for purposes for which the Water is not suitable.

23. Hold Harmless and Indemnity. Landowner shall indemnify, defend and hold OAWD, and its Board of Directors, employees and agents, harmless from any and all claims, expense, damages, losses and attorneys' fees arising out of any claim asserted or which could be asserted by Landowner, water users or any third parties which result from or in connection with the execution of this Agreement, the delivery of Water through the Water Conveyance

Facilities installed to serve the \_\_\_\_\_ Annexation, or resulting from the failure or inability of OAWD to deliver Water to the \_\_\_\_\_ Annexation, or resulting from Landowner's failure to comply with the terms of this Agreement.

24. Term of Agreement; Termination.

(a) The term of this Agreement shall be perpetual, except that this Agreement may be terminated as set forth in subsection (b) of this Section 24. If this Agreement is terminated, OAWD will record an appropriate termination document in the Official Records of Glenn County, California.

(b) This Agreement may be terminated upon the occurrence of the following events:

(i) By OAWD upon a breach or default of any material covenant or term of this Agreement by Landowner, which breach or default is not cured within ten days after receipt of written notice of breach or default.

(ii) By Landowner, if Landowner determines that it will be unable to complete the desired annexation and development of the \_\_\_\_\_ Annexation due to any action of refusal to act of any federal, state or local regulatory authority to which Landowner and the \_\_\_\_\_ Annexation is subject.

(iii) By mutual written agreement of OAWD and Landowner.

Should this Agreement be terminated for any reason, Landowner shall pay all sums due for Project Processing Tasks expended or encumbered up to the effective date of the termination under this section.

25. General Provisions.

a. A waiver at any time by either party to this Agreement of its rights with respect to default shall not be deemed to be a waiver with respect to any subsequent default.

b. The invalidity, illegality or unenforceability of any provision of this Agreement shall not render the other provisions unenforceable, invalid or illegal.

c. This Agreement may be amended only by a written document executed by both parties.

d. This Agreement will be governed by and construed in accordance with the laws of the State of California. The county and federal district court where OAWD's office

is located shall be venue for any state and federal court litigation concerning the enforcement or construction of this Agreement.

e. OAWD and Landowner each warrant that the person signing this Agreement is authorized to act on behalf of the party for whom that person signs. The parties may execute and deliver this Agreement and documents necessary to perform it, including task orders and amendments, in any number of original or facsimile counterparts. When each party has signed and delivered at least one counterpart to the other party, each counterpart shall be deemed an original and, taken together, the counterparts shall constitute one and the same document, which shall be binding and effective.

ORLAND-ARTOIS WATER DISTRICT:

LANDOWNER:

By: \_\_\_\_\_  
Michael Vereschagin  
President, Board of Directors

By: \_\_\_\_\_  
By: \_\_\_\_\_



**NOTARY ACKNOWLEDGEMENT**

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 \_\_\_\_\_ }  
COUNTY OF \_\_\_\_\_ }

On \_\_\_\_\_, 20 \_\_, before me, \_\_\_\_\_  
personally appeared \_\_\_\_\_ 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 the 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: \_\_\_\_\_

[Notary Seal]

**EXHIBIT A**

**LEGAL DESCRIPTION AND PLAT MAP OF \_\_\_\_\_ ANNEXATION**

SAMPLE



**EXHIBIT B**

**OAWD'S ANNEXATION POLICY**

SAMPLE