

Project: La Cumbre Well Ground
Lease
Folio: 002184
APN: 061-040-023
Project Mgr: JC

GROUND LEASE AGREEMENT

THIS GROUND LEASE AGREEMENT (hereinafter “Agreement”) is made by and between

the COUNTY OF SANTA BARBARA, a political subdivision of the State of California, hereinafter “COUNTY”;

and

LA CUMBRE MUTUAL WATER COMPANY, a corporation, hereinafter referred to as “LESSEE” (and together with COUNTY, collectively, the “Parties” and each a “Party”);

with reference to the following:

WHEREAS, COUNTY is the fee owner of that certain real property within the City of Santa Barbara, State of California, with an address on the 4500 block of Hollister Avenue, located on the north side of Hollister Avenue with U.S. Highway 101 to the north, more particularly described as County Assessor’s Parcel Number 061-040-023, consisting of approximately 25,269 square feet, and shown as the diagonally slashed area of Exhibit A, attached hereto and incorporated herein by reference (“Property”); and

WHEREAS, LESSEE desires to provide for construction, development, operation and maintenance on a portion of the Property for a water well and appurtenances consisting of approximately 8,425 square feet, (“Well Site #18”) and shown as the crisscross slashed area of Exhibit B, attached hereto and incorporated herein by reference (“Premises”); and

WHEREAS, the Parties have entered into a Real Property Purchase Agreement (“Easement Agreement”) through with the COUNTY has acquired right-of-way and construction easements on LESSEE’s fee-owned property for the COUNTY’s Modoc Multi-Use Path Project;

WHEREAS, pursuant to the terms of the Easement Agreement, in lieu of cash payment to the LESSEE for the COUNTY’s acquisition of the Modoc Multi-Use Path project easements, the COUNTY has agreed to enter into a 34-year lease for Well Site #18 with no rental payment for the 34-year term;

WHEREAS, COUNTY desires to lease the Premises to LESSEE, and LESSEE desires to lease the Premises from the COUNTY, for the purpose of using the Premises to provide water to the community; and

WHEREAS, the LESSEE will be responsible for construction of Well Site #18, including any associated appurtenances that may be incidental to the activities of Well Site #18, in, on and along the Premises for the construction of Well Site #18; and

WHEREAS, LESSEE shall be responsible for construction, operation, maintenance and repairs with respect to the Premises, including Well Site #18 and all other improvements in and on the Premises; and

WHEREAS, COUNTY has determined that the Premises will not be needed for COUNTY purposes during the time of possession contemplated herein.

NOW, THEREFORE, in consideration of the mutual covenants, conditions, promises and agreements hereinafter set forth, COUNTY and LESSEE agree that any and all prior lease agreements between the Parties for, related to, or in connection with the use or occupancy of the Premises are hereby terminated, and that the following terms and conditions shall govern LESSEE'S use and occupancy of the Premises.

1. **ADMINISTRATION AND ENFORCEMENT:** The provisions of this Agreement shall be administered and enforced for the COUNTY through the General Services Department by the Director, or designee of the COUNTY'S General Services Department.

2. **LEASED AREA: COUNTY:** For and in consideration of the covenants to be performed by LESSEE under this Agreement, COUNTY, fee owner of County Assessor's Parcel Number 061-040-023, consisting of approximately 25,265 square feet, and depicted on Exhibit A, ("Property") hereby leases a portion of the Property to LESSEE and LESSEE hereby takes from COUNTY, a specific portion of the Property further depicted on Exhibit "B" attached hereto and incorporated by reference, consisting of approximately 8,425 square feet for construction, operation, maintenance and repairs of LESSEE'S water well ("Well Site #18").

3. **PURPOSE AND USE:** LESSEE shall use the Premises to construct, maintain, repair, alter, replace and/or remove or have constructed, maintained, repaired, altered, replaced, and/or removed all or any portion of Well Site #18, ("Improvements"), including but not limited to Improvements depicted on Exhibit "C" attached hereto and incorporated by reference, shown and not shown above and below grade equipment, utilities, and all other appurtenant equipment for the operations and maintenance for Well Site #18, which are incidental thereto and necessary to operate and maintain LESSEE'S Improvements associated with Well Site #18 ("Facilities"), and to provide water to the community. LESSEE shall be responsible for supplying, installing and maintaining all power and utilities for the Premises. LESSEE shall not expand its use of the Premises beyond the purpose and use of this Agreement, nor use the Premises for any other purposes without the express written consent of COUNTY.

4. **TERM:** The term of this Agreement is for a period of thirty-four (34) years ("Term"), commencing on December 1, 2024, (hereinafter "Commencement Date"), and shall

terminate on November 30, 2058, unless sooner terminated as hereinafter provided.

5. **RENT:** There shall be no rental payment for the 34-year term of this Agreement pursuant to the terms of the Easement Agreement dated *month day*, 2024, entered into by and between the Parties.

6. **SITE SUITABILITY:** LESSEE has inspected the Premises and has determined that the Premises are suitable for LESSEE purposes including the construction and operation of LESSEE'S Facilities, and therefore, LESSEE hereby accepts, by way of executing this Agreement, the Premises AS-IS, in its existing condition as of Agreement's Effective

LESSEE ACKNOWLEDGES THAT, EXCEPT AS STATED HEREIN, COUNTY HAS MADE NO REPRESENTATIONS OR WARRANTIES ABOUT THE CONDITION OF THE PREMISES, OR THE SUITABILITY OF SAME FOR THE INTENDED USE BY LESSEE.

7. **CONSTRUCTION OF THE PROJECT AND FUTURE ALTERATIONS:** Well Site #18's, Improvements and Facilities collectively shall be referred to as the Project. The LESSEE intends to construct the Project and it shall be at sole cost and expense of the LESSEE, including any and all future changes or additions proposed after completion of initial Project on the Premises. LESSEE shall be responsible for construction of the Project and related Facilities, such as above and below grade well equipment, pipes, valves, meters, electrical and control panels including and any appurtenances for the operation and maintenance in and on the Premises, including, but not limited to, construction and drilling of the water well, or drilling and construction of a new water well to take the place of the existing well, and associated appurtenances. LESSEE shall not create or permit to be created or to remain, and shall promptly discharge, any lien, encumbrance, or charge levied on account of any mechanic's, laborer's, or materialman's lien which might or does constitute a lien, encumbrance, or charge upon the Property, or any part thereof, or the income therefrom, having a priority or preference over or ranking on a parity with the estate, rights, or interest of COUNTY in the Property or any part thereof, or the income therefrom. Nothing in this Agreement shall be deemed or construed in any way as constituting the consent or request of COUNTY, express or implied, by inference or otherwise, to the filing of any lien against the Property by any contractor, subcontractor, laborer, materialman, architect, engineer, or other person for the performance of any labor or the furnishing of any materials or services for or in connection with the Premises or any part thereof.

The requirements relating to construction set forth herein are those of COUNTY as landowner and not as a governmental entity. Nothing in this Agreement shall be construed to entitle LESSEE to undertake construction of the Project or additional future improvements without complying with all permitting required by COUNTY in its governmental capacity.

Any and all future changes or additions proposed after completion of initial Project, must adhere to the then current processes and procedures that shall be requested by the LESSEE from the General Services Department Real Property Division, Real Property Manager.

Any and all Project alterations and improvements including any future changes or additions proposed after completion of initial construction must conform to and comply with: (1) approved improvement plans applicable to initial and future construction; (2) the County of Santa Barbara Building Code; and (3) any permit(s) issued by the County of Santa Barbara or other applicable regulatory agency and applicable to the initial and future Project and (4) all provisions of California law regarding construction that constitutes a

public works project to prevailing wage requirements. Any initial and future agreement(s) between LESSEE and a third party for work that legally constitutes a public works project, said agreement, contract or document shall include the following provisions, if required:

“Contractor shall pay, and shall require any subcontractor to pay, not less than the specified prevailing rates of per diem wages to all laborers, workers, and mechanics employed by them in the execution of this Contract in accordance with the provisions of Article 2 (commencing with section 1770) of Chapter 1 of Part 7 of Division 2 of the Labor Code. Copies of the prevailing rate of per diem wages are on file at the County of Santa Barbara’s Department of Public Works, and are available to Contractor upon request. Contractor shall also pay, and shall require each subcontractor to pay, travel and subsistence payments to each laborer, worker, and mechanic needed to execute the work.”.

public

In addition to any other indemnification provision of this Agreement, LESSEE shall indemnify and hold COUNTY harmless from and defend COUNTY against any and all claims of liability for any failure by LESSEE arising in part or in whole from LESSEE’s or its agents, contractors, or employees’ failure to comply with the requirements set forth in this Provision 7, CONSTRUCTION OF THE PROJECT AND FUTURE ALTERATIONS and the Labor Code.

8. **TITLE TO FACILITIES:** During the Term, and with the exception of Well #18 Improvements as provided in this Lease, LESSEE does not have the right to, and shall not at any time during the Term, erect any improvements in or upon the Premises without the prior written consent of the COUNTY. Title to the Facilities shall vest with LESSEE. Upon expiration of the Term, or earlier termination of this Agreement as provided herein, at COUNTY's option, title to the Facilities shall pass to COUNTY, and LESSEE shall execute whatever documents are requested by COUNTY to evidence such transfer of title.

During the Term, the Facilities shall be and remain the property of LESSEE. Title to the Facilities shall remain with LESSEE after the expiration or termination of this Agreement, unless at COUNTY's option, title to the Facilities passes to COUNTY. In the event title to the Facilities does not pass to COUNTY and Facilities are not removed within thirty (30) calendar days of the expiration or termination of this Agreement, title to some or all of the Facilities shall, at COUNTY’S election, transfer to and vest in the COUNTY. Such transfer or vesting of title shall not constitute a waiver of any right or remedy which the COUNTY may have against LESSEE or any other person for any damage, loss, or injury suffered by the COUNTY as a result of any act or omission by LESSEE in connection with this Agreement.

LESSEE shall not have the right to waste, destroy, demolish or remove the Facilities, except as provided in this Agreement. In the event that LESSEE discontinues use of the Facilities, this Agreement may be terminated as provided in Section 11 ABANDONMENT OF THE PREMISES and/or FACILITIES. In such event, LESSEE shall remove and dispose of the Facilities in accordance with Section 30, SURRENDER OF PREMISES, below.

9. **MAINTENANCE AND REPAIR/GRAFFITI REMOVAL:** LESSEE agrees at its sole expense to keep in good working order and repair, reasonable wear and tear excepted, the Premises and Facilities. If LESSEE delays in making any repairs necessary to keep the Premises and the Facilities in good repair and working order COUNTY shall have the right, but not the obligation, to make such repairs and LESSEE shall pay the cost of such repairs then LESSEE shall reimburse COUNTY for such amounts within thirty (30) calendar days of receipt of a written invoice for the cost of such repairs from the COUNTY. For the avoidance of doubt,

notwithstanding the foregoing, COUNTY shall not have any responsibility to repair or maintain the Premises or Facilities. LESSEE shall, within twenty (20) business days after receipt of notice from COUNTY, perform maintenance and repair and remove or have removed graffiti from the Premises and Facilities at LESSEE'S sole expenses.

10. **UTILITIES:**

a. **Utility Charges.** LESSEE, at its sole cost and expense, shall install, provide, and maintain the necessary mains, laterals, meters and ancillary equipment required to maintain utility services to the Premises and Facilities, in accordance with all Applicable Laws, and shall obtain, maintain in full force and effect, and remain in compliance with, at all times during the Term, all required utility permits and approvals. LESSEE shall make and file all notifications and registrations as required by Applicable Laws in connection with the utilities. All accounts for such utilities shall name LESSEE as the responsible party. LESSEE shall pay when due all charges for all utilities.

b. **Removal.** Upon expiration or termination of the Agreement, LESSEE shall, at its sole cost and expense, remove all utility improvements and ancillary equipment in, on, and below the Premises, unless COUNTY provides otherwise in writing with respect to specified utility

11. **ABANDONMENT OF THE PREMISES and/or FACILITIES:** LESSEE shall not abandon, vacate, surrender, or assign or otherwise transfer, directly or indirectly, whether by operation of law or otherwise, use of the Facilities shall not abandon, vacate, or surrender the Premises at any time during the term of this Agreement. Any personal property belonging to LESSEE that is left on the Site more than one hundred twenty (120) calendar days after any such abandonment, vacation or surrender of the Facilities, or after the expiration or termination of this Agreement, shall be deemed abandoned at the option of the COUNTY, and title to such personal property shall transfer to COUNTY. Notwithstanding the foregoing, COUNTY acknowledges that the Facilities will be operated as an unmanned water well, and will be remotely monitored using computer systems.

12. **TAXES AND ASSESSMENTS:** This Agreement may confer a possessory interest on LESSEE, and LESSEE shall pay and discharge any and all property taxes and/or assessments, including special assessments and possessory interest taxes, if any, arising out of the Premises or LESSEE's Facilities which may be levied upon the Property, Premises and/or Facilities during the Term with respect to a period of time during the Term.

13. **ASSIGNMENT/SUBLEASE:** LESSEE shall not assign, license, sublease, or otherwise transfer, directly or indirectly, whether by operation of law or otherwise, the Premises, Facilities or any part thereof, or any right or privilege appurtenant thereto, without COUNTY'S prior written consent. Consent by COUNTY to any one such assignment, transfer, license or sublease shall not be deemed to constitute consent to any subsequent assignment, transfer, license or sublease. Any assignment, transfer, license or sublease made contrary to this Section shall be null and void at the election of COUNTY, in COUNTY'S sole discretion.

14. **NON-INTERFERENCE:** LESSEE agrees not to use, nor permit those under its control, including, but not limited to, its employees, tenants, invitees, patients, clients, agents and/or contractors, to use any portion of the Property or Premises in any way which interferes with the general public, other tenants at the Property. Such interference shall be deemed a material breach, and LESSEE shall terminate said interference immediately upon notice from COUNTY. In the

event LESSEE fails to stop such interference promptly, this Agreement shall terminate at the option of the COUNTY.

15. **SUCCESSORS IN INTEREST:** This Agreement and the covenants contained herein shall be binding upon and inure to the benefit of the respective parties, their heirs, successors and assigns, and to any government or private organization into which LESSEE may be merged.

16. **INDEMNIFICATION AND INSURANCE:** LESSEE shall comply with the indemnification and insurance provisions as set forth in Exhibit "D" attached hereto and incorporated herein by reference.

17. **NONDISCRIMINATION:** LESSEE shall comply with COUNTY law, rules and regulations regarding nondiscrimination as such are found in the Santa Barbara Code and as such may from time to time be amended. These provisions are incorporated herein as if they were fully set forth.

Noncompliance with provisions of this section shall constitute a material breach of this Lease and in addition to any other remedies provided by law, COUNTY shall have the right to terminate this Lease and the interest hereby created without liability therefore. LESSEE shall comply with applicable laws, rules and regulations regarding nondiscrimination.

18. **ENVIRONMENTAL IMPAIRMENT:** LESSEE shall comply with all applicable laws, regulations, rules, and orders regardless of when they become or became effective, including without limitation those relating to construction, grading, signing, health, safety, noise, environmental protection, waste disposal, water and air quality, and shall furnish satisfactory evidence of compliance upon request of COUNTY.

Should any discharge, leakage, spillage, emission, or pollution of any type occur upon or from the Facilities, Premises or Property due to LESSEE's use and occupancy, LESSEE shall clean all property affected to the satisfaction of COUNTY and any governmental body having jurisdiction therefore. LESSEE shall indemnify, hold harmless, and defend COUNTY from and against all liability, claim, cost, and expense (including without limitation any fines, penalties, judgments, litigation costs, attorney's fees, consulting, engineering and construction costs) incurred by COUNTY as a result of LESSEE's breach of this section, or as a result of any such discharge, leakage, spillage, emission or pollution due to LESSEE's use and occupancy, regardless of whether such liability, cost or expense arises during or after the term of this Lease, except to the extent of any active negligence or willful misconduct of COUNTY. Lessee shall not be held liable as described above for any pre-existing contamination

19. **TOXICS:** LESSEE shall not manufacture or generate hazardous wastes on or in the Facility, Site, Property, or surrounding property unless specifically authorized by this Agreement. LESSEE shall be fully responsible for any hazardous wastes, substances or materials as defined under federal, state or local law, regulation, or ordinance that are manufactured, generated, used, placed, disposed, stored, or transported by LESSEE, its agents, employees, or designees on or in the Facility, the Site, Property, or surrounding property during the term of this Agreement and shall comply with and be bound by all applicable provisions of such federal, state, or local law, regulation, or ordinance dealing with such wastes, substances, or materials. LESSEE shall notify COUNTY and the appropriate governmental emergency response agency(ies) immediately in the event of any release or threatened release of any such wastes, substances or materials

20. **COMPLIANCE WITH THE LAW:** LESSEE shall comply with all applicable local, County, State, and Federal laws, rules, and regulations affecting the Facilities, Premises, or Property now or hereafter in effect.

21. **NOTICES:** Any notice to be given to a Party hereunder shall be in writing and shall be delivered, either personally or by mail, to such Party as follows:

COUNTY: General Services Department
Real Property Division
260 N San Antonio Rd.
Santa Barbara, CA 93110
Attn: Real Property Manager
Phone: (805) 568-3070
e-mail: RealProperty@countyofsb.org

LESSEE: La Cumbre Mutual Water Company
695 Via Tranquila
Santa Barbara CA 93110
Attn: Mike Alvarado
Phone: (805) 967-2376
e-mail: MAlvarado@lacumbrewater.com

or to such Party at such other respective address as may be designated by such Party in writing in accordance with this Section 26. Such notices shall be served by depositing them addressed as set out above, postage prepaid, in the U.S. Postal Service mail, nationally recognized overnight courier, or by personal delivery. Notices personally or electronically delivered are considered received upon delivery. Notices sent by overnight delivery are considered received on the next business day. Mailed notices are considered received three (3) business days after deposit in the mail.

22. **DEFAULT:** Except as otherwise required herein, should LESSEE at any time be in material breach of any of the provisions of this Agreement (“Event of Default”), and COUNTY determines that such default is capable of being cured, COUNTY shall give notice to LESSEE specifying the particulars of such Event of Default and the actions required to cure, and LESSEE shall promptly commence remedial action to cure such Event of Default. Should such Event of Default continue uncured for a period of thirty (30) calendar days from such notice of such Event of Default, this Agreement shall terminate at the option of the COUNTY. In the event that COUNTY determines that such an Event of Default cannot be cured within such thirty (30) calendar day period, COUNTY may elect to allow LESSEE to complete cure of such Event of Default thereafter, within a period of time specified by COUNTY in writing (“Extended Cure Period”), provided that LESSEE diligently proceeds with all due speed to cure such Event of Default, as determined by COUNTY in COUNTY’s sole discretion.

23. **REMEDIES:** In the event of a default or breach, either Party may exercise any right or remedy at law or in equity which such Party may have by reason of such default or breach, including, but not limited to, the following:

- A. The non-defaulting Party may waive the default or breach in accordance with Section 25, WAIVER, below
- B. The non-defaulting Party may maintain this Agreement in full force and effect and recover monetary losses resulting from such default or breach.
- C. Where LESSEE is the non-defaulting party, LESSEE may terminate the Agreement and surrender use of the Premises
- D. Where COUNTY is the non-defaulting party, COUNTY may terminate the Agreement and LESSEE shall vacate the Premises within 30 days of written notice of such termination from COUNTY.

24. **WAIVER:** It is understood and agreed that any waiver, express or implied, of any term of this Agreement shall not be a waiver of any subsequent breach of a like kind or of any other provision of this Agreement.

25. **AMENDMENTS:** This Agreement may only be amended in writing duly executed by each of the Parties, and such changes shall be binding upon the successors and permitted assigns of the Parties.

26. **TERMINATION:** This Agreement shall terminate, and all rights of LESSEE hereunder shall cease, and LESSEE shall quietly and peacefully deliver to COUNTY possession of the Premises and possession of and all interest in and title to the Improvements:

- A. Upon ninety (90) calendar days' written notice from either party to the other. LESSEE acknowledges that should LESSEE wish to cancel this Agreement, pursuant to this Section 26, the terms and conditions of the Easement Agreement dated month day, 2024, executed concurrently with this Agreement, shall not be affected and shall remain in full effect; or
- B. Upon abandonment of the Improvements and/or Premises, as provided in Section 12, ABANDONMENT OF THE PROPERTY and/or IMPROVEMENTS; or
- C. Upon the failure of LESSEE to satisfy, observe or perform any of the covenants, obligations, conditions set forth in this Agreement and the expiration of the applicable cure period, if any, as provided in Section 27, DEFAULT; or
- D. As provided in Section 32, DESTRUCTION; or
- E. Upon expiration or other earlier termination of the Agreement in accordance the provisions of this Agreement

27. **DESTRUCTION:** If the Property, Premises and/or any of the Facilities are partially or totally destroyed by fire or other casualty, this Agreement, at the option of LESSEE shall terminate. Upon any such termination of this Agreement, LESSEE shall remove all Facilities from the Premises, unless otherwise directed by COUNTY in writing, and shall return the Premises in a good and safe condition.

28. **AGENCY DISCLOSURE:** LESSEE acknowledges that the General Services Department of the COUNTY is the agent for the COUNTY exclusively, and is neither the agent for LESSEE nor a dual agent in this transaction

LESSEE acknowledges that LESSEE is the agent for itself exclusively, and is neither the agent for the COUNTY nor a dual agent in this transaction.

29. **SURRENDER OF PREMISES:** Upon expiration or termination of this Agreement, LESSEE shall vacate and surrender possession of, and all claim to, the Premises, leaving it in the same or similar condition as of the Effective Date or good and safe condition acceptable to the COUNTY.

LESSEE shall be required to remove all of the Facilities upon the expiration or termination of this Agreement, except as otherwise directed by the COUNTY in writing. In the event that LESSEE fails to remove the Facilities in accordance with the provisions of this Agreement, COUNTY shall have the right, but not the obligation, to take title to the Facilities as described in Section 10 TITLE

30. **CONDEMNATION:** In the event the Premises or Improvements or any part thereof is taken by condemnation, eminent domain, or any such proceeding that precludes access to or use of the Premises and/or Improvements, COUNTY shall have the exclusive right to control the defense of any such action in condemnation or eminent domain, and to defend any such action and settle the same in COUNTY'S absolute discretion. LESSEE agrees that COUNTY shall have the right, but not the obligation, to defend or settle any such action of condemnation or eminent domain affecting LESSEE's Improvements on or interest in the Premises

LESSEE shall receive from COUNTY such proportionate amount of the judgment, award, or settlement as shall be attributable to LESSEE's interests hereunder.

In the event possession of the Premises or partial possession of the Premises is obtained by a public agency or other agency empowered to take by eminent domain, in a manner which precludes LESSEE's intended use hereunder, this Agreement shall terminate as of the effective date of such possession and, upon such termination, any obligations of LESSEE up to said termination date shall cease.

In the event of a partial taking, this Agreement may continue at COUNTY'S option.

31. **CAPTIONS:** The title or headings to the sections of this Agreement are not a part of this Agreement, and shall have no effect upon the construction or interpretation of any part hereof..

32. **SEVERABILITY:** If any one or more of the provisions contained herein shall for any reason be held by a court of competent jurisdiction to be invalid, illegal, or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions hereof, and such invalidity, illegality, or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

33. **EXECUTION IN COUNTERPARTS:** This Agreement may be executed in any number of counterparts and each such counterpart shall for all purposes be deemed to be an original, and all such counterparts, or as many of them as the parties shall preserve undestroyed, shall together constitute one and the same instrument

34. **CERTIFICATION OF SIGNATORY:** The signatories of this Agreement and each of them represent and warrant that they are authorized to execute this Agreement and that no

additional signatures are required to bind COUNTY and LESSOR to its terms and conditions or to carry out duties contemplated herein.

35. **CONSTRUCTION:** Each of the Parties agree that such party and its respective counsel have reviewed and approved this Agreement to the extent that such Party in its sole discretion has desired, The terms and provisions of this Agreement embody the Parties' mutual intent, and this Agreement shall not be construed more liberally in favor of, nor more strictly against any Party hereto

36. **ELECTRONICALLY/ FACSIMILE TRANSMITTED SIGNATURES:** In the event that the parties hereto utilize electronically transmitted documents or facsimile transmitted documents which include digital signatures, such documents shall be accepted as if they bore original signatures provided the name and title shall be directly below the electronic or facsimile signature and that the signature and execution comply with the California Uniform Electronic Transactions Act. Without limiting the foregoing, the parties agree that signatures effected and delivered through the DocuSign service will satisfy this requirement. In the event that the Santa Barbara County Recorder's Office requires original signatures, the parties shall produce such original signatures within seventy-two (72) hours or at such other time as the parties mutually agree.

37. **ENTIRE AGREEMENT:** This Agreement, including all exhibits and attachments hereto, constitutes the entire Agreement between the Parties with respect to the subject matter hereof, and there have been no promises, representations, agreements, warranties or undertakings by any of the Parties, either oral or written, of any character or nature hereafter binding except as set forth herein.

///

(COUNTY AND LESSEE SIGNATURES ON FOLLOWING PAGE)

Project: La Cumbre Well Ground
Lease
Folio: 002184
APN: 061-040-023

IN WITNESS WHEREOF, COUNTY and LESSEE have executed this Agreement by their respective authorized officers as set forth below to be effective as of the date executed by the COUNTY (“Effective Date”).

“COUNTY”
COUNTY OF SANTA BARBARA
a political subdivision of the State of California

By: _____
Kirk A. Lagerquist, Director
General Services Department
*(by authorization of the Board of Supervisors on
November 5, 2024)*

Date: _____

APPROVED AS TO FORM:
RACHEL VAN MULLEM
COUNTY COUNSEL

APPROVED AS TO FORM:
BETSY SCHAFFER, CPA, CPFO
AUDITOR-CONTROLLER

By: _____
Tyler Sprague
Deputy County Counsel

By: _____
C. Edwin Price, Jr
Deputy Auditor-Controller

APPROVED:
GENERAL SERVICES DEPARTMENT
REAL PROPERTY DIVISION

APPROVED AS TO FORM:
CEO/RISK MANAGEMENT

By: _____
James Cleary
Interim Real Property Manager

By: _____
Greg Milligan
Risk Manager

(LESSEE signatures continue on next page)

Project: La Cumbre Well Ground
Lease
Folio: 002184
APN: 061-040-023

IN WITNESS WHEREOF, COUNTY and LESSEE have executed this Agreement by their respective authorized officers as set forth below to be effective as of the date executed by the COUNTY (“Effective Date”).

“GRANTOR”
LA CUMBRE MUTUAL
WATER COMPANY, a corporation

By: _____

insert name
insert title

Date

By: _____

insert name
insert title

Date

EXHIBIT A
The Property

to be inserted

EXHIBIT B
The Premises

to be inserted

EXHIBIT C
The Improvements

to be inserted

EXHIBIT D

INDEMNIFICATION AND INSURANCE REQUIREMENTS

INDEMNIFICATION

LESSEE agrees to indemnify, defend (with counsel reasonably approved by COUNTY) and hold harmless COUNTY and its officers, officials, employees, agents and volunteers from and against any and all claims, actions, losses, damages, judgments and/or liabilities arising out of this Agreement from any cause whatsoever, including the acts, errors or omissions of any person or entity and for any costs or expenses (including but not limited to attorneys' fees) incurred by COUNTY on account of any claim except where such indemnification is prohibited by law. LESSEE'S indemnification obligation applies to COUNTY'S active as well as passive negligence but does not apply to COUNTY'S sole negligence or willful misconduct.

NOTIFICATION OF ACCIDENTS AND SURVIVAL OF INDEMNIFICATION PROVISIONS

LESSEE shall notify COUNTY immediately in the event of any accident or injury arising out of or in connection with this Agreement. The indemnification provisions in this Agreement shall survive any expiration or termination of this Agreement.

INSURANCE

LESSEE shall procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the LESSEE'S operation and use of the leased premises. The cost of such insurance shall be borne by the LESSEE.

A. Minimum Scope of Insurance

Coverage shall be at least as broad as:

1. **Commercial General Liability (CGL):** Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than \$2,000,000 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.
2. **Workers' Compensation:** Insurance as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease. **(This applies to LESSEES with employees).**

3. **Automobile Liability:** Insurance Services Office Form Number CA 0001 covering, Code 1 (any auto), or if LESSEE has no owned autos, Code 8 (hired) and 9 (non-owned), with limit no less than \$1,000,000 per accident for bodily injury and property damage.
4. **Property Insurance:** against all risks of loss to any tenant improvements or betterments, at full replacement cost with no coinsurance penalty provision

If the LESSEE maintains higher limits than the minimums shown above, the COUNTY requires and shall be entitled to coverage for the higher limits maintained by the LESSEE. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the COUNTY.

B. Other Insurance Provisions

The insurance policies are to contain, or be endorsed to contain, the following provisions:

1. **Additional Insured** – The COUNTY, its officers, officials, employees, and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the LESSEE including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the LESSEE'S insurance at (least as broad as ISO Form CG 20 10).
2. **Primary Coverage** – For any claims related to this contract, the LESSEE'S insurance coverage shall be primary insurance coverage at least as broad as ISO CG 20 01 04 13 as respects the COUNTY, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the COUNTY, its officers, officials, employees, or volunteers shall be excess of the LESSEE'S insurance and shall not contribute with it.
3. **Legal Liability Coverage** – The property insurance is to be endorsed to include Legal Liability Coverage (ISO Form CP 00 40 04 02 or equivalent) with a limit equal to the replacement cost of the leased property.
4. **Notice of Cancellation** – Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to the COUNTY.
5. **Waiver of Subrogation Rights** – LESSEE hereby grants to COUNTY a waiver of any right to subrogation which any insurer of said LESSEE may acquire against the COUNTY by virtue of the payment of any loss under such insurance. LESSEE agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation, but this provision applies regardless of whether or not the COUNTY has received a waiver of subrogation endorsement from the insurer.
6. **Deductibles and Self-Insured Retention** – Any deductibles or self-insured retentions must be declared to and approved by the COUNTY. The COUNTY may require the LESSEE to purchase coverage with a lower deductible or retention or provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention.

7. **Acceptability of Insurers** – Unless otherwise approved by Risk Management, insurance shall be written by insurers authorized to do business in the State of California and with a minimum A.M. Best's Insurance Guide rating of "A- VII".
8. **Verification of Coverage** – LESSEE shall furnish the COUNTY with original Certificates of Insurance including all required amendatory endorsements (or copies of the applicable policy language effecting coverage required by this clause) and a copy of the Declarations and Endorsement Page of the CGL policy listing all policy endorsements to COUNTY before occupying the premises. However, failure to obtain the required documents prior to the work beginning shall not waive the LESSEE'S obligation to provide them. The COUNTY reserves the right to require complete, certified copies of all required insurance policies, including endorsements, required by these specifications, at any time.
9. **Failure to Procure Coverage** – In the event that any policy of insurance required under this Agreement does not comply with the requirements, is not procured, or is canceled and not replaced, COUNTY has the right but not the obligation or duty to terminate the Agreement. Maintenance of required insurance coverage is a material element of the Agreement and failure to maintain or renew such coverage or to provide evidence of renewal may be treated by COUNTY as a material breach of contract.
10. **Special Risks or Circumstances** – COUNTY reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

Any change requiring additional types of insurance coverage or higher coverage limits must be made by amendment to this Agreement. LESSEE agrees to execute any such amendment within thirty (30) days of receipt.

Any failure, actual or alleged, on the part of COUNTY to monitor or enforce compliance with any of the insurance and indemnification requirements will not be deemed as a waiver of any rights on the part of COUNTY.