

STAFF REPORT

To: Coastside County Water District Board of Directors

From: David Dickson, General Manager

Agenda: November 14, 2017

Report

Date: November 7, 2017

Subject: Approval of Agreement for Acquisition of Permanent Easements and Joint Escrow Instructions Between Coastside County Water District and the James and Alice Cozzolino 1988 Family Trust

Recommendation:

Authorize the General Manager to execute the attached Agreement for Acquisition of Permanent Easements and Joint Escrow Instructions between the District and the James and Alice Cozzolino 1988 Family Trust to acquire a permanent pipeline easement at a cost of \$75,000, and to execute the accompanying Grant of Easement.

Background:

The District's Capital Improvement Program (CIP) includes \$3,300,000 to replace about 12,000 feet of 12-inch welded steel pipeline supplying water to customers along Highway 92 (Project #14-01). This pipeline is one of the oldest in the District and is past the end of its useful life. The section of pipe running in front of and east of La Nebbia Winery has required numerous expensive leak repairs in recent years.

In response to a leak which occurred just east of La Nebbia in Summer 2017, the Board, at its August 8 meeting, authorized staff to proceed with a project to install a bypass pipeline around La Nebbia on property owned by the Cozzolino family. We completed construction of approximately 1,000 feet of bypass pipeline in September 2017 under a temporary Right of Entry Agreement between the District and the Cozzolinos. The Right of Entry Agreement anticipated that the parties would subsequently enter into a purchase and sale Agreement for a permanent easement.

At its October 10, 2017 meeting, the Board designated the General Manager and Assistant General Manager as the District's real property negotiators for the purchase of a permanent easement from the Cozzolinos. Working with District General Counsel Patrick Miyaki and with the Cozzolinos, we have developed the attached Agreement for Acquisition of Permanent Easements. Because it will be highly advantageous for the District to avoid construction in Highway 92 by continuing the recently completed bypass pipeline an additional 2,250 feet

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through the Cozzolinos' property, the Agreement provides for approximately 3,250 feet of permanent easement at an agreed price of \$75,000.

Following easement acquisition, staff anticipates constructing the remaining segment of pipeline in the Cozzolino property in Fiscal Year 2019-2020.

Fiscal Impact:

Easement cost of \$75,000. The approved CIP includes \$300,000 in funding for replacing this section of pipeline, about \$123,000 of which has been expended in the fiscal year to date.

**AGREEMENT FOR ACQUISITION OF PERMANENT EASEMENTS
AND JOINT ESCROW INSTRUCTIONS**

THIS AGREEMENT ("Agreement") is entered into this ____ day of _____, 2017, by and between the COASTSIDE COUNTY WATER DISTRICT, a county water district ("Buyer"), and the JAMES AND ALICE COZZOLINO 1988 FAMILY TRUST, JAMES COZZOLINO, TRUSTEE ("Seller"), for the acquisition by Buyer of permanent non-exclusive easements ("PE") for water pipelines and related water system facilities as described herein. The Buyer desires the PE for water distribution purposes as part of the Highway 92 Potable Water Pipeline Replacement Project ("Project").

IT IS HEREBY MUTUALLY AGREED BETWEEN THE PARTIES AS FOLLOWS:

1. AGREEMENT TO SELL AND PURCHASE. Seller is the owner of that certain real property located in the City of Half Moon Bay, San Mateo County, California, described in Attachment 1 ("Property"). Seller agrees to sell to Buyer, and Buyer agrees to purchase from Seller, upon the terms and for the consideration set forth herein, the PE that is approximately 20 feet wide and 3,250 feet long, for a total PE of about 1.5 acres (as described and depicted in Attachment 2). The PE is referred to as the "Easements" and the areas affected are collectively referred to as the "Easement Area."

2. PURCHASE PRICE. The total purchase price, payable in cash through escrow, shall be the sum of

SEVENTY-FIVE THOUSAND DOLLARS
(\$75,000)

The purchase price reflects the fair market value of the Easements without any reduction in value due to the presence of hazardous materials (as defined in Section 14) if any.

3. CONVEYANCE OF EASEMENTS. Seller agrees to convey to Buyer the PE by Easement Deeds in substantially the same forms as attached to this Agreement as Attachment 3 ("Grant Documents").

Seller and Buyer acknowledge that the location and alignment of the Easements shown on Attachment 3 is generally where the water pipelines and related water system facilities will be located. However, Seller and Buyer acknowledge that there may be unexpected underground conditions that may require the water pipelines and related water system facilities to be located in a slightly different alignment than shown. Therefore, Seller and Buyer agree that the metes and bounds legal description of the Easements will be prepared by a licensed surveyor after the water pipelines and related water system facilities have been constructed, and that new Easement Deeds will be signed and recorded at that time. All fees and cost associated with preparing the new Easement Deeds will be at Buyer's sole cost. As long as the Easements remain a total area of approximately 1.5 acres, there will be no adjustment in the Purchase Price. If the total area of the Easements is 1.6 acres or more, the Buyer will pay to Seller additional compensation of \$5,000 per one-tenth of an acre.

4. ESCROW. Seller may elect to open an escrow in accordance with this Agreement at an escrow company of Seller's choice. This Agreement constitutes the joint escrow instructions of Buyer and Seller, and Escrow Agent to whom these instructions are delivered is hereby empowered to act under this Agreement. The parties agree to perform all acts reasonably necessary to close this escrow in the shortest possible time.

Seller shall execute and deliver the Grant Documents to Escrow Agent concurrently with this Agreement. After opening of escrow, Buyer will deposit executed Certificates of Acceptance with Escrow Agent. Buyer agrees to deposit the purchase price upon demand of Escrow Agent. Buyer and Seller agree to deposit with Escrow Agent any additional instruments as may be reasonably necessary to complete this transaction.

All funds received in this escrow shall be deposited with other escrow funds in a general escrow account(s) and may be transferred to any other such escrow trust account in any State or National Bank doing business in the State of California. All disbursements shall be made by check from such account.

5. CLOSE OF ESCROW. Escrow Agent is authorized to and shall disburse funds and deliver the Grant Documents when conditions of this escrow have been fulfilled by Buyer and Seller. The term "close of escrow" means the date necessary instruments of conveyance are recorded in the office of the County Recorder. Recordation of instruments delivered through this escrow is authorized if necessary or proper in the issuance of said policy of title insurance.

All time limits within which any matter herein specified is to be performed may be extended by mutual agreement of the parties hereto. Any amendment of, or supplement to, any instructions must be in writing.

TIME IS OF THE ESSENCE IN THESE INSTRUCTIONS AND ESCROW IS TO CLOSE AS SOON AS POSSIBLE.

6. ESCROW FEES, CHARGES AND COSTS. Buyer agrees to pay all Buyer's and Seller's usual fees, charges, and costs which arise in this escrow.
7. POSSESSION AND USE. Buyer currently possesses and occupies a portion of the Easements pursuant to a Right of Entry Agreement entered into on August 25, 2017, a copy of which is attached to this Agreement as Attachment 4. Upon the recordation of the Grant Documents, the Right of Entry Agreement will terminate.

Upon taking possession and use of the Easements pursuant to the recorded Grant Documents, Buyer shall release, defend (with counsel reasonably satisfactory to Seller) and indemnify Seller from and against all liability, cost, and expense for loss of or damage to property and for injuries to or death of any person (including, but not limited to, the Property and employees of each party) when arising or resulting from acts or omission of Buyer, its employees, consultants and contractors in connection with the use of the Property pursuant to this Agreement, except to the extent that Seller causes such damage, injury, or liability. The duty of Buyer to indemnify and save harmless includes the duties to defend as set forth in Section 2778 of the California Civil Code.

8. DISCLOSURE. In the event Seller plans to sell, lease, or rent the Property prior to the completion of the Project as described in this Agreement, Seller shall inform, in writing, the Buyer.
9. PROPERTY CONDITION. Seller agrees that no improvements or use, other than those already on and in the Easement Area shall be placed or permitted thereon; and the planting of any crops, trees, or shrubs, or alterations, repairs, or additions to existing improvements, or grazing, or stabling livestock within the Easement Area, which may hereafter be placed thereon or therein, are at Seller's risk and without expectation of payment if removed by Buyer or Buyer's agent.
10. EMINENT DOMAIN. Buyer requires the Easements for a public use for which Buyer could acquire the Easements through the exercise of Buyer's power of eminent domain. Seller and Buyer acknowledge that this transaction is a negotiated settlement in lieu of condemnation. Seller acknowledges that the sums received from Buyer under this Agreement constitute full payment of just compensation in eminent domain. Seller acknowledges that the amounts paid under this Agreement constitute the total amount due Seller, and that no further payments are due, owing or payable.
11. WARRANTIES, REPRESENTATIONS, AND COVENANTS OF SELLER. Seller hereby warrants, represents, and/or covenants to Buyer that:
 - a. To the best of Seller's knowledge, there are no actions, suits, material claims, legal proceedings, or any other proceedings affecting the Property or any portion thereof, at law, or in equity before any court or governmental agency, domestic or foreign.
 - b. To the best of Seller's knowledge, there are no encroachments onto the Easements by improvements on any adjoining property.
 - c. Prior to the closing, Seller shall not do anything which would impair Seller's title to any of the Property.
 - d. To the best of Seller's knowledge, neither the execution of this Agreement nor the performance of the obligations herein will conflict with, or breach any of the provisions of any bond, note, evidence of indebtedness, contract, lease, or other agreement or instrument to which the Property may be bound.
 - e. Until the closing, Seller shall, upon learning of any fact or condition which would cause any of the warranties and representations in this Section 11 not to be true as of closing, immediately give written notice of such fact or condition to Buyer.
 - f. Seller, at the time of execution of this Agreement, is in legal possession of the Property in fee simple absolute and is the lawful owner of and has good, indefeasible title to the Property.
 - g. HAZARDOUS WASTE. Neither Seller nor, to the best of Seller's knowledge, any previous owner, tenant, occupant, or user of the Property used, generated, released, discharged, stored, or disposed of any hazardous waste, toxic substances, or related materials ("Hazardous Materials") on, under, in, or about the Property, or transported any Hazardous Materials to or

from the Property. Seller shall not cause or permit the presence, use, generation, release, discharge, storage, or disposal of any Hazardous Materials on, under, in, or about, or the transportation of any Hazardous Materials to or from, the Property. If Buyer incurs any costs or losses (including fines, penalties, or attorneys' fees) associated with the presence of Hazardous Materials found on the Easements, Buyer may elect to recover such costs or losses from those parties who caused or contributed to the contamination or any other party who is legally responsible for such costs or losses. In addition, the parties specifically agree to the following:

1) Definitions.

- a) Hazardous Materials. "Hazardous Materials" means any chemical, compound, material, mixture, or substance that is now or may in the future be regulated by any Environmental Laws or identified as a deleterious substance under such Environmental Laws, including any naturally occurring substances such as radon or asbestos.
- b) Environmental Laws. "Environmental Laws" means all present and future federal, state and local laws (whether under common law, statutes, ordinances, regulations, rules, administrative rules and policies, guidance, judicial and administrative orders and decrees, or otherwise), and all other requirements of governmental authorities relating to the protection of human health or the environment.

- 12. COUNTERPARTS. This Agreement may be executed in counterparts, each of which so executed shall, irrespective of the date of its execution and delivery, be deemed an original, and all such counterparts together shall constitute one and the same instrument.
- 13. JURISDICTION AND VENUE. This Agreement shall be governed by and constructed in accordance with the laws of the State of California. The parties consent to the jurisdiction of the California Courts with venue in San Mateo County.
- 14. ASSIGNMENT. The terms and conditions, covenants, and agreements set forth herein shall apply to and bind the heirs, executors, administrators, assigns and successors of the parties hereto.
- 15. COOPERATION. Each party agrees to cooperate with the other in the closing of this transaction and, in that regard, to sign any and all documents which may be reasonably necessary, helpful, or appropriate to carry out the purposes and intent of this Agreement including, but not limited to, releases or additional agreements.
- 16. ENTIRE AGREEMENT, WAIVER AND MODIFICATION. This Agreement is the entire Agreement between the parties with respect to the subject matter of this Agreement. It supersedes all prior agreements and understandings, whether oral or written, between the parties with respect to the matters contained in this Agreement. Any waiver, modification, consent or acquiescence with respect to any provision of this Agreement shall be set forth in writing and duly executed by

or on behalf of the party to be bound thereby. No waiver by any party of any breach hereunder shall be deemed a waiver of any other or subsequent breach.

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

MAILING ADDRESS OF SELLER

James and Alice Cozzolino 1988 Family Trust
12291 San Mateo Road
Half Moon Bay, CA 94____
Attn: James Cozzolino, Trustee

James Cozzolino, Trustee
Date:_____

MAILING ADDRESS OF BUYER

Coastside County Water District

766 Main Street
Half Moon Bay, CA 94019
Attn: General Manager

COASTSIDE COUNTY WATER DISTRICT

By:_____ Name: David Dickson
Title: General Manager

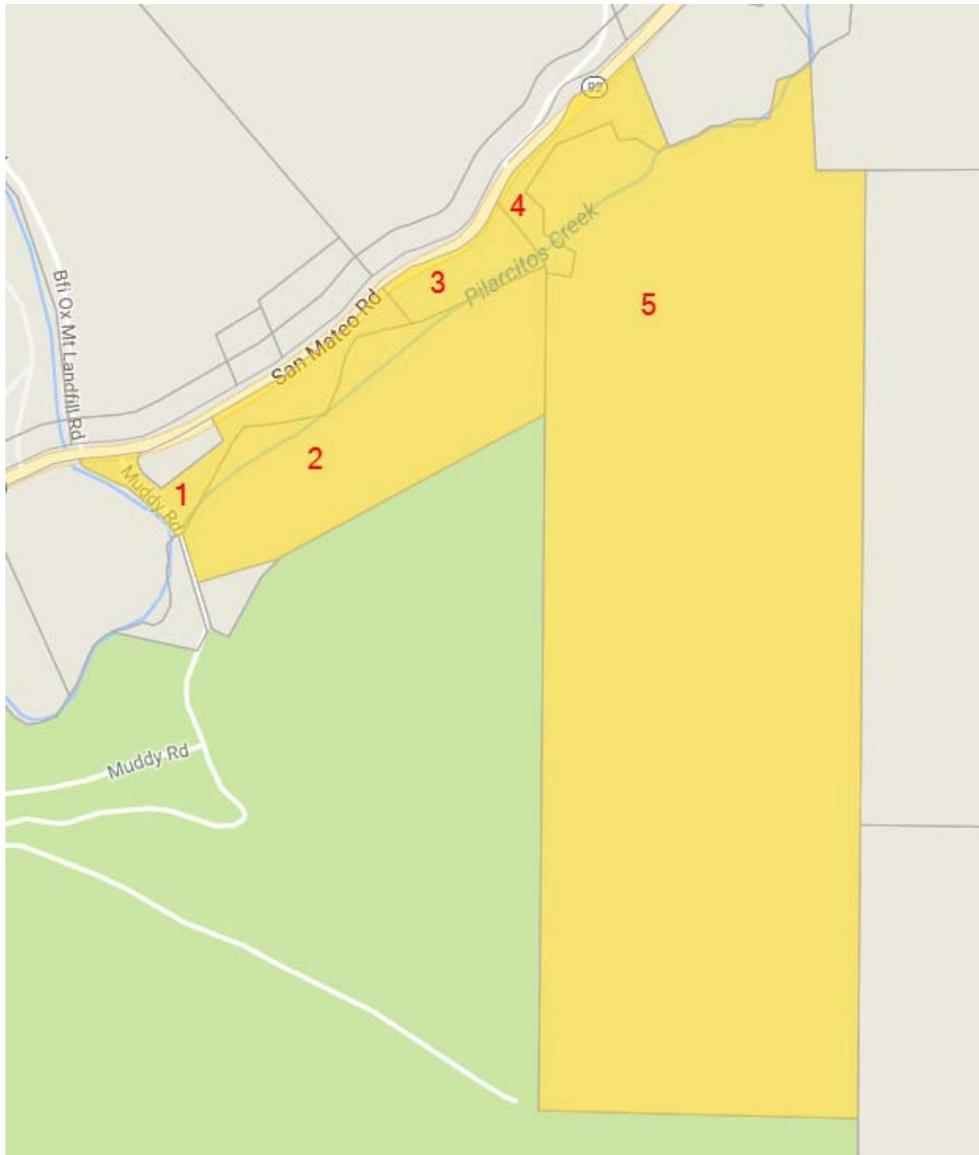
Date:_____

ATTACHMENT 1

[Drawing Showing Cozzolino Property]

Cozzolino Property Parcels

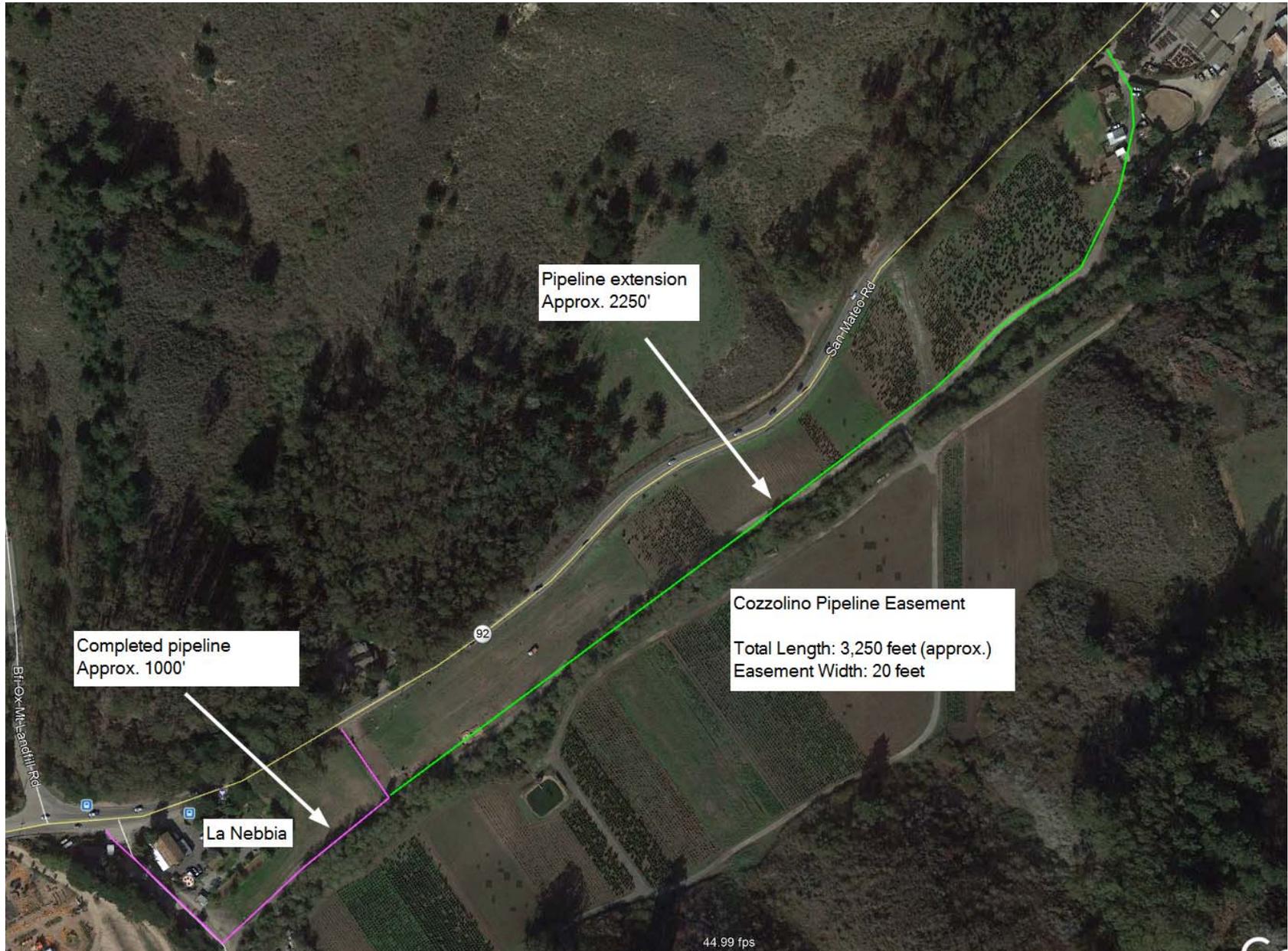
<u>Map No.</u>	<u>APN</u>
1	056-331-110
2	056-331-050
3	056-331-120
4	056-331-130
5	056-450-040



ATTACHMENT 2

[Drawing Showing Pipeline Easement]

Attachment 2
Cozzolino Permanent Easement Location



ATTACHMENT 3

[Easement Deeds for Permanent Easement]

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO

Coastside County Water District
Attn: General Manager
766 Main Street
Half Moon Bay, CA 94019

SPACE ABOVE THIS LINE FOR RECORDER'S USE

This Instrument is exempt from Recording Fees
(Gov't Code Section 27383)

Grant of Easement

Documentary transfer tax is \$00.00. Exempt pursuant to Rev. and Tax Code Section 11922

The undersigned Grantor declares:

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

JAMES AND ALICE COZZOLINO 1988 FAMILY TRUST, JAMES COZZOLINO, TRUSTEE ("Owner")

HEREBY GRANTS to the Coastside County Water District ("District") a perpetual easement over, across, through and/or under the real property generally shown on Exhibit A, which is attached hereto and incorporated herein (the "Easement Area"). Owner and District agree that the location and alignment of the Easement Area is twenty (20) feet wide, and ten (10) feet on each side of the centerline of the pipeline installed on the property. The Owner and District agree that the precise location of the pipeline may be in a different alignment than as shown on Exhibit A due to unexpected underground conditions. The Owner and District further agree that after all the pipelines have been installed that a metes and bounds legal description of the Easement Area will be prepared and new Grant of Easement documents will be executed and recorded, all in accordance with the November __, 2017, Agreement for Acquisition of Permanent Easements and Joint Escrow Instructions. This Grant of Easement for the water pipeline and related facilities will remain in effect until the new Grant of Easement is recorded with the metes and bounds legal description of the Easement Area. The Easement Area may be used for the purposes of installing, constructing, reconstructing, removing, replacing, repairing, maintaining and using a pipeline for the conveyance of water, together with valves, braces, concrete vaults and other appurtenances.

This Grant of Easement includes the right to excavate and refill ditches and/or trenches for the location or relocation of such pipelines and appurtenances, and the right to remove trees, bushes, undergrowth and other obstructions interfering with the construction, maintenance, repair, replacement and/or use of such pipelines, and the further right to mark the location of the Easement Area by suitable markers set in the ground, provided that such markers shall be placed in locations which will not interfere with Owner's rights reserved hereunder. District shall not erect permanent fences within or around the Easement Area. District shall promptly backfill any excavations made by it on the Easement Area and repair any damage it does to Owner's property.

Owner also hereby grants to District permanent access for ingress and egress over, across and through the Easement Area. District shall have the right, without notice or permit, and without prior institution of any suit or proceeding at law or equity, at all times as may be necessary to enter upon the Easement Area for the purposes described herein. Owner expressly acknowledges that District is not responsible for the maintenance of roadways or other maintenance of the Easement Area, or for drainage around, under or across the Easement Area or for facilities designed to convey drainage around, under, or across the Easement Area.

This easement is nonexclusive. Owner reserves the right to use the Easement Area for purposes, and in ways, which will not interfere with District's full enjoyment of the rights hereby granted. Owner shall not construct any building or other structure, drill or operate any well, or plant any tree within, or place any other obstruction either above or below grade within the Easement Area, or diminish or substantially add to the earth cover over District's facilities, nor shall Owner authorize or permit any other person to do so. Owner may construct legal fences so long as such fences do not interfere with District's full enjoyment of the rights hereby granted.

Name of Property Owner

Date: _____

By: _____

Name: _____

Title: _____

Date: _____

By: _____

Name: _____

Title: _____

ACKNOWLEDGMENT

State of California)
County of _____)

On _____ before me, _____
(here insert name and title of the officer)

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 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 _____ (Seal)

ACKNOWLEDGMENT

State of California)
County of _____)

On _____ before me, _____
(here insert name and title of the officer)

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 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 _____ (Seal)

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the Grant of Easement dated _____ from JAMES AND ALICE COZZOLINO 1988 FAMILY TRUST, JAMES COZZOLINO, TRUSTEE to COASTSIDE COUNTY WATER DISTRICT, a political corporation, is hereby accepted by order of the undersigned officer pursuant to authority conferred by Resolution No. 603 of the Board of Directors of Coastsides County Water District adopted on May 12, 1981, and the Grantee consents to recordation thereof by its duly authorized officer.

Dated: _____

David Dickson, Secretary of the District
Coastsides County Water District

EXHIBIT A

Cozzolino Permanent Easement Location



ATTACHMENT 4

[Copy of 2017 Right of Entry Agreement]

RIGHT OF ENTRY AGREEMENT

This Right of Entry Agreement ("Agreement") is entered into as of 8-25-17, 2017 ("Effective Date"), by and between the Coastside County Water District ("District") and the James and Alice Cozzolino 1988 Family Trust, James Cozzolino, Trustee ("Owner").

RECITALS:

A. Owner is the owner of that certain real property located at 12291 and 12361 San Mateo Road, Half Moon Bay, CA 94019, City of Half Moon Bay, County of San Mateo, with APN 056-331-110 and APN 056-331-050 (collectively, "Premises").

B. District is a county water district that provides retail water service in the City of Half Moon Bay and parts of unincorporated San Mateo County, including to Owner and occupants of the Property. District desires to use the Owner's Premises as shown specifically on the drawing attached to this Agreement as Exhibit A ("Property").

C. Owner is willing to grant a right of entry to District on the terms and conditions hereinafter set forth.

AGREEMENT

FOR VALUABLE CONSIDERATION, the receipt of which is acknowledged, the parties agree as follows:

1. Right of Entry. Owner permits District and District's consultants and contractors to enter on to the Property shown on Exhibit A to construct, repair, improve, operate and maintain a bypass water pipeline, and all related appurtenances, to replace a section of the Highway 92 potable water pipeline, all at District's sole cost and expense. The initial installation of the water pipeline may commence upon the execution of this Agreement by both parties and must be substantially completed no later than September 22, 2017.

District may not use the Property for any other purpose, unless approved in writing by the Owner. Owner reserves the right to accompany District while on the Property.

2. Use of Property and Installation. This right of entry is made subject and subordinate to the right of the Owner to use the Property for Owner related purposes. District must maintain the Property in a safe and reasonably neat condition while District is using or occupying the Property.

District will comply with all land use, building, subdivision, zoning, pollution, and similar laws, rules and ordinances, and regulations promulgated by any governmental authority and applicable to the work.

Upon completion of the work required to install the pipeline, and all related appurtenances, the District agrees to return any disturbed areas and any areas used for ingress,

gress and construction to as close to their original condition prior to District's installation, as is reasonable.

3. Term. The term of this Agreement will commence on August 28, 2017 and shall terminate on August 27, 2022. Owner and District acknowledge that this Agreement is being entered into in anticipation of Owner and District entering into a Purchase and Sale Agreement for a permanent easement for the water pipeline and related appurtenances installed on the Property.

Upon expiration or termination of this Agreement, at Owner's sole discretion, District will, at its own cost, either (1) cap and abandon the water pipeline in place, or (2) remove all personal property, materials, supplies, debris, and any other items District has placed or allowed on the Property and District will restore the Property to the condition it was in at the time District first entered onto the Property pursuant to this Agreement.

4. Consideration. As consideration for Owner permitting entry as set forth in this Agreement, District has agreed to pay Owner a one-time fee in the amount of Ten Thousand Dollars (\$10,000.00). District shall pay the Fee to Owner no later than August 31, 2017.

5. Repair. District will be responsible for, and bear the entire cost and expense of, repairing any damage to the Property arising from District's use of the Property.

6. Hazardous Materials. District may not bring any hazardous materials on to the Property at any time. District shall, at its own expense, be responsible for all damage or liability arising from any hazardous material District brings onto or allows to be brought onto the Property.

7. Assumption of Risk. District will assume all risk of damage to property or injury to persons arising from the District's use and occupancy of the Property. The Owner will not be responsible for any damage, injury, or liability arising from District's use of the Property, except to the extent that Owner causes such damage, injury, or liability.

8. Indemnity. District shall release, defend (with counsel reasonably satisfactory to Owner) and indemnify Owner from and against all liability, cost, and expense for loss of or damage to property and for injuries to or death of any person (including, but not limited to, the property and employees of each party) when arising or resulting from acts or omission of District, its employees, consultants and contractors in connection with the use of the Property pursuant to this Agreement, except to the extent that Owner causes such damage, injury, or liability. The duty of District to indemnify and save harmless includes the duties to defend as set forth in Section 2778 of the California Civil Code. This indemnity shall survive termination of this Agreement.

9. Insurance. Prior to the entry onto the Property, District agrees to maintain or to require its consultants and contractors to procure and maintain, at its (or its consultant's and subcontractor's) sole cost and expense, the insurance described below:

(a) Workers' Compensation and Employers' Liability Insurance.

District shall maintain Workers' Compensation and Employers' Liability in accordance with the laws of the State of California. Such insurance shall have coverage for a minimum of One Million Dollars (\$1,000,000) covering District's employees in connection with the use of the Property. District shall ensure the procurement and maintenance of such insurance by all of District's consultants and contractors.

(b) Commercial General Liability Insurance.

District shall, at its own cost and expense, also procure and maintain Commercial General Liability insurance (including automobile liability insurance).

The Commercial General Liability insurance shall provide bodily injury and property damage coverage with a combined single limit of at least One Million Dollars (\$1,000,000) each occurrence or claim. This insurance shall include coverage for any liability arising out of the use of the Property as contemplated by this Agreement.

10. Compliance with Laws. District shall comply, at District's expense, with all applicable laws, regulations, rules and orders with respect to the use of the Property. District also must obtain and shall comply with all necessary permits and governmental approvals.

11. Notices. All notices required or permitted to be given under this Agreement shall be in writing and mailed postage prepaid by certified or registered mail, return receipt requested, or by personal delivery or by overnight courier, to the appropriate address indicated below or at such other place or places as either Owner or District may, from time to time, respectively, designate in a written notice given to the other. Notices shall be deemed sufficiently served four (4) days after the date of mailing by certified or registered mail, one (1) day after mailing by overnight courier or upon personal delivery.

To Owner:

~~Michael McCormack
44 Montgomery Street
San Francisco, CA 94104~~

Mary Alice Cozzolino
11881 San Mateo Rd
Half Moon Bay, CA

To District:

Coastside County Water District
766 Main Street
Half Moon Bay, CA 94019
Attn: General Manager

12. No Waiver. No waiver of any default or breach of any covenant of this Agreement by either party shall be implied from any omission by either party to take action on account of such default if such default persists or is repeated.

13. Governing Law. The rights and liability of the parties under this Agreement shall be interpreted in accordance with the laws of the State of California.

14. Integration. This Agreement constitutes the complete expression of the agreement between the parties and supersedes any prior agreements, whether written or oral, concerning the subject of this Agreement. Any modification of or addition to this Agreement must be in writing signed by both parties.

15. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original but both of which together shall constitute one and the same agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written by their duly authorized representatives.

DISTRICT:
COASTSIDE COUNTY WATER DISTRICT

OWNER:
JAMES AND ALICE COZZOLINO 1988
FAMILY TRUST

By: 

Name: DAVID R. DICKSON

Title: GENERAL MANAGER

By: 

Name: Mary Alice Cozzolino

Title: owner

Attachment A Proposed Pipeline Replacement

