

7.2 Water Quality

7.2.1 Semitropic shall not operate the SWRU to cause Stored Water recovered for the benefit of the Original Banking Partners, which would otherwise meet applicable water quality standards for delivery into the California Aqueduct, to exceed such standards. Semitropic shall design and construct all Stored Water recovery components of the SWRU to allow the SWRU Well Field and operations of the Original Banking Program (including the facilities for recovery of 50,000 acre-feet annually from Area A as described in attached Exhibit A) to be operated in complete physical isolation from each other.

7.2.2 Inasmuch as the SWRU will also rely on Unused Program Entitlement Exchange Rights, the Original Banking Partners shall have a first priority to (i) exchange up to 133,000 acre-feet per year of Semitropic's Table A entitlement allocations from DWR (i.e., to exercise the Program Entitlement Exchange Rights), and (ii) to exercise other options that may be available as provided in Section 5.7 of their respective Original Banking Program Agreements. Such options may include, but are not necessarily limited to, blending or substituting water that Semitropic purchases, exchanges with others, and/or by treating and improving Stored Water quality to acceptable standards for direct pumpback.

7.2.3 Semitropic shall provide DWR and downstream users of the California Aqueduct which are Original Banking Partners and SWRU Banking Partners water quality information applicable to each Semitropic SWP turn-in facility, including but not limited to turn-in facilities utilized by the SWRU and Original Banking Program. Additionally, Semitropic shall provide the Technical Advisory Committee ("TAC") information regarding the quantity and quality of water measured at locations sufficient to determine the water quality within each major Semitropic system.

7.2.4 The Original Banking Partners shall have no responsibility and/or obligation to compensate or otherwise provide mitigation to Semitropic or SWRU Banking Partners as a result of any adverse impacts of the Original Banking Program on water quality that

affects the SWRU.

7.3 15-Foot/3 Year Rule

7.3.1 The Original Banking Partners shall have no responsibility and/or obligation to compensate or otherwise provide mitigation to Semitropic or SWRU Banking Partners as a result of any adverse impacts of the Original Banking Program on the SWRU, including but not limited to the “15 Foot/3 Year Rule” contained in the September 14, 1994 Memorandum of Understanding referred to in Section 5.5 (“MOU”).

7.3.2 Semitropic shall endeavor to operate the SWRU to ensure that it has no adverse impacts to the Original Banking Program including, but not limited to, capability of the Original Banking Program to avoid reduction in or termination of Stored Water pumping, in current and future years.

In this regard, the Original Banking Program Agreements provide that if SWRU pumping directly or indirectly causes such an adverse impact, Semitropic shall assume all obligations to provide mitigation to the impacted Original Banking Partner(s), consisting of a like amount of water to be provided by Semitropic, which is of quality acceptable for delivery into the California Aqueduct, on a schedule acceptable to the affected Original Banking Partner(s) and in Reach 10 of the California Aqueduct, all as would have been available to the Original Banking Partner(s) absent the SWRU operations. In the event the SWRU causes a violation of the 15-foot/3-year rule, such that Stored Water cannot be returned to the California Aqueduct and, if resolution of impacts is delayed, Semitropic shall provide mitigation. If resolution of impacts caused by SWRU operations is untimely, then mitigation shall be as selected by each affected Original Banking Partner, from the following:

(a) Semitropic shall, if directed by an Original Banking Partner, and at such Original Banking Partner's sole discretion, by whatever means and facilities are available at that time, credit an equivalent amount of water to the Original Banking Partner's Storage Account and shall not charge the Original Banking Partner the storage

payment provided for by Section 6.2 (Storage Payments), with the result that the Original Banking Partner's Storage Account is credited with the amount of the "put"; without being debited the ten percent (10%) loss in Article IV; or

(b) Semitropic shall reimburse the affected Original Banking Partner(s) for all costs associated with acquiring an equivalent amount of water; or

(c) Other remedy mutually agreeable to the affected Banking Partner and Semitropic.

If Semitropic notifies Participant that this second paragraph of Section 7.3.2 may become operative, and the Participant notifies Semitropic that it nonetheless requests that Semitropic continue the return of Stored Water, Participant shall provide the mitigation on behalf of Semitropic which is herein required.

7.3.3 For purposes of determining whether reduction or termination of Stored Water pumping is required, Original Banking Program and SWRU groundwater level impacts, both for current conditions and forecasted conditions, shall be determined by Semitropic through groundwater modeling using the following methodology:

(a) Groundwater levels shall be estimated based on no Semitropic banking operations occurring (i.e. without Original Banking Program or SWRU);

(b) Groundwater levels shall be estimated based on only the Original Banking Program operations and without the SWRU operations; and

(c) Groundwater levels shall be estimated based on combined operations of the Original Banking Program and SWRU operations (i.e., actual conditions).

The groundwater level impacts due to the Original Banking Program at any given location as prescribed by the September 14, 1994 MOU shall be the difference between groundwater levels in Paragraphs (a) and (b) above. The groundwater level impacts due to the SWRU at any given location as prescribed by the MOU shall be the difference between groundwater levels in Paragraphs (b) and (c) above. Groundwater level impacts due to the difference between groundwater levels in Paragraphs (a) and (c) shall be determined consistent with the process prescribed by the MOU.

Semitropic shall periodically provide the Technical Advisory Committee information regarding the change in groundwater elevation measured at locations needed to identify any impacts of the SWRU on the 15-foot/3 year rule.

7.4 Technical Advisory Committee

A Technical Advisory Committee ("TAC") shall monitor implementation of Original Banking Program Agreements, as amended and the agreements governing the rights of SWRU Banking Partners. The Committee shall consist of one representative from each of the Original Banking Partners so long as each is a participant in the Program, one representative from the SWRU and one representative from Semitropic. The SWRU representative shall be annually selected by the SWRU Banking Partners based on their respective Shares. Semitropic shall chair such Committee and provide for periodic communication with Committee members. The TAC shall meet at least annually to discuss implementation and operation of the SWRU and any future programs. Any two members of the TAC may call a meeting of the TAC. Meetings of the TAC shall be held at the District's headquarters, unless its members agree otherwise.

ARTICLE 8.
DIVISION OF RISK RESPONSIBILITIES

Semitropic and Participant agree to cooperate, and Semitropic shall require other Banking Partners to cooperate, in reducing, to the greatest extent practicable, the risk from claims arising against any of the Parties from implementation of this Agreement. In the event of claims by third parties relating to this Agreement, the responsibilities of Semitropic, whether acting in its individual and/or trustee capacity, Participant and the other Banking Partners shall be divided as follows:

8.1 Semitropic shall defend, indemnify and hold harmless Participant and the other Banking Partners, and their respective directors, officers, agents and employees against any and all losses, claims, demands and causes of action (herein collectively referred to as "**claims**") and shall assume responsibility for payment of any settlements, judgments, costs and attorneys' fees arising from claims concerning the following:

- (a) Control, carriage, handling, use, disposal, or distribution of water in Semitropic's facilities;
- (b) Any contest or dispute by any landowner or water user within the service area of, or otherwise served by, Semitropic concerning the allocation of benefits among or the assessment of charges to Semitropic landowners or water users;
- (c) Construction, repair, modification, or replacement of any Semitropic facilities;
- (d) Semitropic's operation of the Program or Semitropic facilities or the actions of its officers, employees or agents; and
- (e) Any other activities under Semitropic's exclusive control.

If Participant is named in any such action, it may submit its defense to Semitropic, which shall bear the full cost of defense, except to the extent that Participant utilizes its own counsel for such defense. Notwithstanding the foregoing, the responsibility for any claims challenging the validity, underlying authority or enforceability of the Program under this Agreement shall be as provided at Section 8.3.

8.2 Each Banking Partner (including Participant) shall defend, indemnify and hold harmless Semitropic and the other Banking Partners, and their respective directors, officers, agents and employees, against any and all claims and shall assume responsibility for payment of any settlements, judgments, costs or attorneys' fees arising from claims concerning the following:

(a) Control, carriage, handling, use, disposal or distribution of Stored Water in facilities of that Banking Partner or in SWP facilities, to the extent that the claim relates to use of SWP facilities to implement this Agreement with respect to that Banking Partner;

(b) Any claim by a landowner, resident, public agency or other entity within the service area of, or otherwise served by, that Banking Partner challenging the appropriateness of that Banking Partner entering into this Agreement;

(c) Construction, repair, modification or replacement of any of the facilities of that Banking Partner;

(d) Operation of the facilities of or the actions of the officers, employees or agents (other than Semitropic) of that Banking Partner; and

(e) Any other activities under the exclusive control of that Banking Partner.

If Semitropic is named in any such action, it may submit its defense to the Banking Partner involved, which Banking Partner shall bear the full cost of defense, except to the extent Semitropic utilizes its own counsel for such defense. Notwithstanding the foregoing, the responsibility for any claims challenging the validity, underlying authority or enforceability of the Program under this Agreement shall be as provided at Section 8.3. Semitropic shall not be entitled to any indemnification from Participant except as set forth in this Section 8.

8.3 As for any claims by a third party with respect to the SWRU which are not otherwise provided for at Sections 8.1 or 8.2, including any claims challenging the underlying authority for or the validity or enforceability of the SWRU under this Agreement, each SWRU Banking Partner shall be responsible for payment of its allocable share of any settlements or judgments to which it is a party with respect to such claims. If Semitropic is named in any action with respect to such a claim, it may submit its defense to the SWRU Banking Partners which are parties to that action with respect to that claim and those SWRU Banking Partners shall bear the full cost of defense, except to the extent Semitropic utilizes its own counsel for such defense.

8.4 At the request of Participant and/or other SWRU Banking Partners, Semitropic shall join in the defense of any claim which is not adverse to Semitropic's water supply or financial interests in which case the requesting Party shall reimburse Semitropic for all of its costs of defense. However, and notwithstanding Section 8.3 with respect to claims in which one or more of the plaintiffs resides or does business in Kern County challenging the recovery of groundwater under this Agreement, and with respect to any third party claim challenging this Agreement or the right of Participant to the return of its Stored Water in accordance with the terms of this Agreement, Participant may demand that Semitropic join in the defense of claims. In such case, Semitropic must comply with any such demand, the Parties shall jointly manage the litigation, and Participant and other SWRU Banking Partners who are parties to such litigation shall pay one-half of Semitropic's defense costs, if one or more of the plaintiff resides or does business in Kern County; and in other such cases, shall reimburse Semitropic for all of its costs of defense.

8.5 In all other water banking and exchange agreements involving Semitropic and any SWRU Banking Partner, the division of risk and indemnification responsibilities between and among Semitropic and the SWRU Banking Partner(s) shall be identical to the responsibilities provided in Sections 8.1, 8.2, 8.3, 8.4 and 8.6. In particular:

8.5.1 Each SWRU Banking Partner shall be required to assume the duty to defend, indemnify and hold harmless Semitropic and the other SWRU Banking Partners from claims arising from or otherwise concerning the activities described in Section 8.2 of that SWRU Banking Partner.

8.5.2 Each Banking Partner shall be required to assume the duty to pay its allocable share of any claims of the type described in Section 8.3. Unless otherwise provided in the settlement or judgment, each SWRU Banking Partner's share of such settlements, judgments, or attorney fees as provided at Section 8.3 shall be determined according to the ratio of that SWRU Banking Partner's Share of SWRU divided by the sum of all involved SWRU Banking Partners' Share of SWRU.

8.6 In the event that payments are made in settlement of a claim, in satisfaction of a judgment or for defense costs where the claim arises from issues applying to both Semitropic and one or more SWRU Banking Partners, payments shall be divided in proportion to the relative liability of each arising from the common claim. If the Parties cannot agree on the proportion, then the share to be paid by each of Semitropic and the SWRU Banking Partners shall be submitted to binding arbitration as provided at Article 10 hereof.

ARTICLE 9.

REQUIRED FOR IMPLEMENTATION

Implementation of this Agreement is contingent upon:

9.1 Execution of appropriate Delivery Agreement(s) or other documentation allowing for water transfer and delivery which is acceptable to Semitropic, between Participant and all affected parties such as DWR, the Agency, etc.

9.2 Delivery of a Letter of Credit to Semitropic, as provided in Section 6.2.2.

9.3 Payment of any remaining fees for prior storage of water pursuant to Section 3.7.

The Parties will keep each other informed concerning the satisfaction of Article 9 Conditions.

ARTICLE 10.

DISPUTE RESOLUTION

10.1 In the event of a dispute regarding interpretation or implementation of this Agreement, or if the parties are unable to agree upon a matter as to which their agreement is provided for hereunder, the Parties will endeavor to resolve the dispute by using the service of a mutually acceptable consultant. The fees and expenses of the consultant shall be shared equally by the Parties.

10.2 If a consultant cannot be agreed upon, or if the consultant's recommendations are not acceptable to the Parties, and unless the Parties otherwise agree, the matter shall be resolved by arbitration as provided in this Article 10 and in the California Arbitration Act (Part 3 [commencing with § 1280], Tit. 9, Calif. Code Civ. Proc.), including Section 1283.05. The Parties agree to be bound by the majority decision of a three-member panel to be selected as follows:

(a) One member shall be selected by Participant (or if the dispute is between various Banking Partners and Semitropic, the Banking Partners involved shall collectively agree on the member).

(b) One member shall be selected by Semitropic; and

(c) The third member shall be selected by the other two (2) members.

If the two (2) members selected by the Banking Partner(s) and Semitropic are unable to agree on the selection of a third member or if Banking Partners are unable to agree on a member among themselves, either Party may petition a court to appoint such member pursuant to Code of Civil Procedure Section 1281.6. The fees and expenses of the panel members shall be paid as follows: Semitropic pays for its member, Participant pays for its member (or if the dispute involves more than one Banking Partner, the participating Banking Partners share the fees and expenses of the member according to the ratio of each participating Original Banking Partner's Permanent Storage Allocation and each participating SWRU Banking Partner's SWRU Storage Capacity divided by the sum of all participating Original Banking Partner's Permanent Storage Allocation and the sum of all participating SWRU Banking Partner's SWRU Storage Capacity), and the fees and expenses of the third member of the panel shall be shared fifty percent (50%) by Semitropic with the remainder to be shared among the other Banking Partners participating in the dispute resolution process according to the same formula immediately referenced above. Alternatively, if the dispute is between Banking Partners and Semitropic has no direct interest in the outcome, the total costs of arbitration shall be paid by the Banking Partners according to the ratio of each participating Original Banking Partner's Permanent Storage Allocation and each participating SWRU Banking Partner's SWRU Storage Capacity divided by the sum of all participating Original Banking Partner's Permanent Storage Allocation and the sum of all participating Original Banking Partner's SWRU Storage Capacity. (As an example if (i) all Banking Partners are involved in a dispute, (ii) a Participant has 20,000 Shares (thus having SWRU Storage Capacity of 60,000 AF), (iii) all Original Banking Partners have fully vested Permanent Storage Allocations and (iv) 100,000 SWRU Shares have been acquired (represents SWRU Storage Capacity of 300,000 AF) then the Participant's share of such costs allocated among the Banking Partners would be $60,000 / (1,000,000 + 300,000) = 4.62\%$.)

If a Party asserts that another Party has breached obligations under this Agreement, it may request that the arbitration panel order the other Party to comply with this Agreement.

Upon the panel finding that a Party has in fact breached this Agreement, the panel shall order compliance. The panel may order any other equitable relief permitted by California law, including declaratory or injunctive relief, applicable to the matter before the panel for resolution. If termination is sought by a party pursuant to the terms hereof, the panel may determine the issues of whether a default has occurred or other condition precedent to the termination alleged has been satisfied and, if so, may issue orders implementing that termination. The orders of the panel shall be judicially enforceable. The panel may order that the effective date of its order be the date of the breach, if appropriate. If Participant has suspended payments under Section 12.1.2, it shall reimburse Semitropic for any monies withheld and then due to Semitropic as soon as Semitropic again fully complies with this Agreement. The panel may not order any damages (including consequential or punitive damages) beyond those provided for or permitted under this Agreement.

ARTICLE 11.

TERM OF AGREEMENT

11.1 Unless this Agreement is earlier pursuant to Sections 12.1.3, 12.2, 12.3 or 13.2, this Agreement shall terminate on December 31, 2035, the date of termination of the Agency's Long-Term Water Supply Contract.

11.2 At the election of Participant, this Agreement may be renewed by Participant for an additional term of 10 years on the terms and conditions set forth herein by providing notice of renewal to Semitropic not later than six months prior to the expiration of the initial term of this Agreement; provided, that Semitropic may reject such notice of renewal and terminate this Agreement at the end of the initial term if, at the end of the initial term, Semitropic will no longer be engaged in water banking for any party other than water banking for the direct benefit of its landowners. Further, if Semitropic's water supply contract with the Agency governing Semitropic's State Water Project water supply is not renewed, or if it is renewed with terms materially different from Semitropic's water supply contract in effect as of the effective date of this Agreement and such different terms materially and adversely affect (i) the economic consequences of this Agreement to Semitropic or (ii) Semitropic's ability to perform under this

Agreement, then after Participant delivers its notice of renewal the parties shall negotiate equitable amendments to this Agreement to mitigate those adverse effects

11.3 After that first renewal term, Participant shall have the right to renew this Agreement for sequential terms of 10 years each on the terms and conditions applicable during the first renewal period (provided Semitropic is continuing banking programs with third parties as provided in Section 11.2) by providing notice of renewal to Semitropic not later than six months prior to the expiration of then current term of this Agreement; provided, that Semitropic may reject any such notice of renewal and terminate this Agreement at the end of the then current term. However, if Semitropic rejects such a notice and then offers water banking services to any other party utilizing the same capacities as provided under this Agreement, such services shall be offered first to Participant at the same level and on the same terms offered to such other party.

ARTICLE 12.

REMEDIES

12.1 Remedies in Event of Semitropic's Voluntary Failure to Perform

12.1.1 If Participant alleges that Semitropic has not substantially performed according to the terms of this Agreement (including, but not limited to, by failing to construct adequate SWRU Facilities and/or securing agreements or operational arrangements, all as necessary to provide those levels of capabilities, capacities and rights described in this Agreement, or by causing (or, if within Semitropic's jurisdiction, permitting) other entities or persons to interfere with the SWRU operation, or by attempting to resign its obligations as trustee under this Agreement or by failing to accept or return water as and when required by this Agreement), or if Semitropic has otherwise breached its obligations under this Agreement, which failure to perform or breach is not subject to Section 13.2, and notice has been provided to Semitropic pursuant to Section 14.4 and Semitropic has failed to cure the alleged breach within the time provided in Section 14.4, Participant may, at any time thereafter while the default is continuing, advise Semitropic of the remedy or remedies provided in Article 10 (Dispute Resolution), and Sections 12.1.2 and 12.1.3 below which Participant intends to pursue with

respect to such default. Semitropic may challenge at any time, through Article 10, whether in fact there has been a breach of or default under this Agreement by Semitropic.

12.1.2 In the event of an alleged breach as to which Participant has given notice to Semitropic pursuant to Section 12.1.1, Participant may elect to suspend any payment obligations it may have under Article 6 of this Agreement until Semitropic complies with the terms of this Agreement and cures such breach or default or is determined, pursuant to Article 10, not to have violated the Agreement. Notwithstanding such suspension of Participant's payment obligations, this Agreement shall remain in effect unless and until Participant elects to terminate the Agreement under Section 12.1.3 or Article 11, in which case termination shall occur in accordance with and as provided in such provision. Notwithstanding an election by Participant under this Section 12.1.2 to suspend payment obligations, Participant or Semitropic may thereafter also seek relief under Article 10.

12.1.3 If, pursuant to Section 12.1.1, Participant elects to terminate this Agreement, Semitropic will purchase the amount of Participant's Stored Water in its Storage Account Balance for an amount equal to Participant's direct previous payments with respect to such Stored Water, adjusted based on the index referenced at Section 6.4.1, plus twenty percent (20%) of said payments, all payable within one (1) year of said election by Participant to terminate. Once such payment has been fully made, this Agreement shall be fully terminated except for Articles 1 (Definitions); 8 (Division of Risk Responsibilities); 10 (Dispute Resolution); and Article 14 (Miscellaneous Provisions). Upon payment in full by Semitropic as provided above, Participant's beneficial interest in the amount of Participant's Stored Water in Participant's Storage Account Balance shall vest in Semitropic and Semitropic shall be entitled to produce and use such water for its own account.

12.2 Remedies in the Event of Participant's Voluntary Failure to Perform

If Participant has not substantially performed according to the terms of this Agreement, and notice has been provided to Participant pursuant to Section 14.4 and Participant has failed to cure the alleged breach within the time provided in Section 14.4, Semitropic may at

its election, at any time thereafter while the default is continuing, either (1) suspend further performance (except that Semitropic shall continue to hold the Trust Property in trust) and thereafter seek relief under Article 10, and shall recommence performance once Participant complies with the Agreement, or (2) terminate this Agreement, except that Articles 1, 8, 10 and 14 shall remain in effect. If Semitropic elects to terminate this Agreement, Semitropic shall purchase the amount of Participant's Stored Water in Participant's Storage Account Balance in the manner and for the price provided in Section 13.2, provided, however, if Semitropic has financed construction of facilities, all or in part, based in reliance upon this Agreement, and such financed securities have not been prepaid, Semitropic shall not be required to pay such amount if it so elects nor shall Semitropic be required to pay such amount to the extent it incurs damages as a result of Participant's failure to perform. Participant may challenge at any time, through Article 10, whether in fact there has been a breach of this Agreement by Participant. In addition to other remedies herein provided, Semitropic shall have all remedies provided under Section 6.2.2 and the applicable Letter of Credit then in effect in event Participant is delinquent in payment of capital payments due under Section 6.2.1.

12.3 Remedies in Event of Failure of Certain Other Remedies.

If: (i) Semitropic has breached or defaulted in the performance of its obligations under this Agreement, and (ii) Participant has given notice of the breach or default pursuant to Section 12.1.1, and (iii) Semitropic has failed to cure that breach or default within thirty (30) days as required by Section 14.4, and (iv) Participant has elected a remedy for that breach or default pursuant to Section 12.1.1, and (v) Semitropic has agreed to such remedy or, if Semitropic has not so agreed, Participant has obtained a judgment or court order against Semitropic (whether based on an order of an arbitration panel under Article 10 or otherwise) which judgment or court order Semitropic has failed or refused to perform, *then* Participant may notify Semitropic that Participant is entitled to and intends to exercise its right to appointment of a successor trustee in place of Semitropic and, thereafter, Participant may apply to a court of competent jurisdiction for such appointment of a successor trustee who shall be charged with performing the duties of the trustee pursuant to the terms of this Agreement. The successor trustee, when appointed, shall be

entitled to exercise any and all rights theretofore held by Semitropic as trustee for Participant including, without limitation, those under or relating to the Trust Property (excepting, however, the right to receive additional water for storage hereunder), until such time as the successor trustee has collected and recovered water from the property of Semitropic in an amount sufficient to return water in an amount equal to the amount of Participant's Stored Water in Participant's Storage Account Balance and has transported that water to the California Aqueduct at Reach 10A for exchange to Participant pursuant to Section 5.1 of this Agreement. Upon the receipt by Participant of water in an amount equal to Participant's Storage Account Balance pursuant to the exercise by such successor trustee of its rights in the Trust Property, this Agreement shall be fully terminated except for Articles 1 (Definitions); 8 (Division of Risk Responsibilities); 10 (Dispute Resolution); and 14 (Miscellaneous Provisions), all in accordance with the terms of this Agreement.

ARTICLE 13.

EARLY TERMINATION

13.1 Resignation of Semitropic. Because Semitropic is uniquely situated for performing its duties as trustee, Semitropic may not resign its duties and obligations under this Agreement for the term of this Agreement except as permitted by Sections 12.2 and 13.2, and any other attempt by Semitropic to resign shall be deemed to be a breach of its obligations hereunder.

13.2 Involuntary Termination. Notwithstanding Article 12, in the event that Semitropic is unable despite its best efforts to perform its obligations under this Agreement for reasons beyond its control, and that inability to perform includes the inability of Semitropic to return Stored Water which remains in the Participant Storage Account Balance, Semitropic will purchase the Stored Water which Semitropic is unable to return for an amount equal to the costs which Semitropic would have incurred to purchase such water as entitlement water under its Member Unit contracts with the Agency referenced at Recital C (including all fixed and variable costs for delivery of such entitlement water to the Semitropic Turnout in Reach 10A) in the year Participant delivered such Stored Water to Semitropic. "Reasons beyond its control" as used in

the aforesaid sentence shall not include any reasons caused by Semitropic's breach of its obligations under this Agreement or other failure to comply with any of its legal obligations. Such payment by Semitropic to Participant upon involuntary termination under this Section 13.2 shall be financed over time upon terms mutually agreeable to Participant and Semitropic. If Participant and Semitropic are unable to agree on such terms in a reasonable period of time, they shall resolve their disagreement pursuant to Article 10. Once such payments have been fully made, this Agreement shall be fully terminated except for Articles 1 (Definitions); 8 (Division of Risk Responsibilities); 10 (Dispute Resolution); this Section 13.2 and Article 14 (Miscellaneous Provisions). If payment is made as provided above, the beneficial interest in the amount of Participant's Stored Water in Participant's Storage Account Balance which Semitropic is unable to return shall vest in Semitropic.

In addition to such payment, if, subsequent to such involuntarily termination, Semitropic is able to negotiate another arrangement or program with another entity which utilizes SWRU Delivery Capacity which was developed as a result of payments by Participant pursuant to this Agreement, and which capacity would have been available to Participant absent such involuntary termination, the Parties shall negotiate a payment schedule to reimburse Participant for the undepreciated balance of capital costs which Participant has paid, deducting payments made or to be made by Semitropic as provided above, and which does not render such new program infeasible. Attached as Exhibit G are the assumptions to be used in such calculation. If Participant and Semitropic are unable to agree on the terms of a payment schedule in a reasonable period of time, they shall resolve their disagreement pursuant to Article 9.

ARTICLE 14.

MISCELLANEOUS PROVISIONS

14.1 Successors and Assigns. This Agreement shall bind and inure to the benefit of the successors and assigns of the Parties; provided, however, neither Party shall assign any of their rights or obligations under this Agreement without the prior written consent of the other. Provided, further, that Participant may subcontract with other entities to receive benefits under this Agreement, provided that Participant shall remain responsible for performing all duties