
JOINT EXERCISE OF POWERS AGREEMENT

by and between

SAN BERNARDINO COUNTY,

and

FENNER GAP MUTUAL WATER COMPANY

creating the

SAN BERNARDINO WATER & POWER AUTHORITY

Dated as of April 21, 2026

JOINT EXERCISE OF POWERS AGREEMENT

THIS AGREEMENT, dated April 21, 2026, by and between the SAN BERNARDINO COUNTY, a political subdivision of the State of California (the “County”), and Fenner Gap Mutual Water Company, a mutual water company organized and existing under and by virtue of the laws of the State of California (“FGMWC”).

DECLARATION OF PURPOSE

A. Chapter 5 of Division 7 of Title 1 of the California Government Code (the “Act”) authorizes the County and FGMWC to create a joint exercise of powers entity which has the power to exercise any powers common thereto and to exercise additional powers granted to it under the Act. This Agreement creates such an agency, which shall be known as the San Bernardino Water & Power Authority (the “Authority”) for the purposes set forth in Section 2 hereof and to exercise the powers described herein.

B. The County and FGMWC are each authorized to buy, sell, lease and use property and to incur indebtedness for public purposes pursuant to the California Water Code, the California Government Code and other laws of the State of California.

C. Article 4 of the Act (known as the “Marks-Roos Local Bond Pooling Act of 1985”) authorizes and empowers the Authority to issue bonds and to purchase bonds issued by, or to make loans to, the County or FGMWC for financing public capital improvements, working capital, liability and other insurance needs, or projects whenever there are significant public benefits, as determined by the Authority. The Marks-Roos Local Bond Pooling Act of 1985 further authorizes and empowers the Authority to sell bonds so issued or purchased to public or private purchasers at public or negotiated sale.

TERMS OF AGREEMENT

Section 1. Definitions. Unless the context otherwise requires, the terms defined in this Section 1 shall for all purposes of this Agreement have the meanings herein specified.

“Act” shall mean Chapter 5 of Division 7 of Title 1 of the California Government Code, as amended from time to time.

“Agreement” shall mean this Joint Exercise of Powers Agreement, as it may be amended from time to time, creating the Authority.

“Authority” shall mean the San Bernardino Water & Power Authority created by this Agreement.

“Board” or “Board of Directors” shall mean the governing board of the Authority.

“Bonds” shall mean bonds and any other evidences of indebtedness of the Authority authorized and issued pursuant to the Act.

“Indenture” shall mean each indenture, trust agreement, resolution or other such instrument pursuant to which Bonds are issued.

“*Local Agency*” shall mean any Member or any other public agency which enters into a Security Agreement with the Authority.

“*Members*” shall mean the County and FGMWC and any additional Member which joins the Authority in accordance with Section 16.

“*Security Agreement*” means any installment purchase agreement, lease agreement, payment agreement or other agreement which in each case obligates a Local Agency to pay all or a portion of the principal and interest on Bonds.

“*State*” shall mean the State of California.

Section 2. Purpose. This Agreement is made pursuant to the Act for the purpose of assisting in the financing and refinancing of capital improvement projects of the Local Agency or Local Agencies, including but not limited to the acquisition of water storage and conveyance facilities, working capital for the Local Agencies and other costs described in the Act by exercising the powers referred to in this Agreement. Any Bonds issued by the Authority shall be solely for projects benefiting the Local Agency or Local Agencies entering into a Security Agreement with respect to such Bonds.

Section 3. Term. This Agreement shall become effective as of the date hereof and shall continue in full force and effect until the Members terminate this Agreement in writing; provided however this Agreement shall not terminate so long as any Bonds or other obligations of the Authority remain outstanding under the terms of any indenture, trust agreement, contract, agreement, lease, sublease or other instrument pursuant to which such Bonds are issued or other obligations are incurred.

Notwithstanding the foregoing, County shall have the unilateral right to withdraw from the Authority, without majority vote of the Members, (i) once there are at least three Members (including the County) in the Authority such that the Authority will be able to remain in place with only two Members remaining at the time the County withdraws or (ii) prior to the issuance of indebtedness if the indebtedness would bind the County to remain in the Authority for the Term as set forth in the above paragraph or as otherwise stated in the Agreement. The County will provide 60 days’ written notice of intent to exercise its right to withdraw from the Authority, and will provide notice to the Members as provided in Section 16.

In no event shall the County be a Member to this Authority for more than three (3) years from the date that this Agreement becomes effective and will not be subject to any indebtedness that would extend the County’s participation in the Authority beyond three years. The County’s participation in this Agreement shall automatically terminate and the County shall automatically withdraw from the Agreement three years from the date the County executes the Agreement; provided that if on the date that is three (3) years after the effective date of this Agreement, there are Bonds outstanding and upon the automatic withdrawal of the County, there would be less than two Members of the Authority, such automatic withdrawal shall be stayed until an additional Member is added or the Bonds are no longer outstanding. During the stay, the County would remain a Member of the Authority. The automatic withdrawal of the County does not require written notice by the County to any Members. Upon the County’s withdrawal from the Authority, all provisions of this Agreement shall remain in full force and effect as set forth herein except for those provisions that apply specifically to the County, or as may be amended by the remaining Members thereafter.

Section 4. The Authority.

(a) *Creation of the Authority.* There is hereby created pursuant to the Act an authority and public entity to be known as the “San Bernardino Water & Power Authority.” As provided in the Act, the Authority shall be a public entity separate from the Members. The geographic boundaries of the Authority shall be coextensive with the boundaries of the Members. The debts, liabilities and obligations of the Authority shall not constitute debts, liabilities or obligations of the Members. Notwithstanding any other provision of this Agreement, the Authority shall not have the power to incur any debt, liability or obligation that is not subject to the preceding sentence, including but not limited to any debt, liability or obligation to a public retirement system or otherwise for pension, health care or other retirement benefits.

Within 30 days after the effective date of this Agreement or any amendment hereto, the Authority will cause a notice of this Agreement or amendment to be prepared and filed with the office of the Secretary of State of the State in the manner that is set forth in Section 6503.5 of the Act. Such notice shall also be filed with the office of the Finance Director of the State.

(b) *Governing Board.* The Authority shall be administered by a Board of Directors, which is hereby established. The Board of Directors shall always consist of an odd number of Directors and as long as the County is a Member of the Authority, the County Board of Supervisors shall appoint a majority of the Board of Directors for the Authority, and file with the Authority notice of the appointments. Other Members may each designate one Director for that Member, whom shall be designated by the Member by motion or resolution of the governing board of the Member, which motion or resolution shall be filed with the Authority.

Following the withdrawal of the County as a Member, if there are an even number of Members, each Member shall designate one Director for that Member and the Members shall jointly vote to designate an additional Director to have an odd number of Directors. In the event that an additional Member is added, the Director selected by the means set forth in the prior sentence shall be removed and replaced by a Director designated by such additional Member as provided in this paragraph.

For each Director appointed, a Member may appoint an alternate Director who may act in place of the Director, if a Director is unable to attend a meeting.

Each Director, or alternate Director if applicable, shall have one vote.

Members of the Board shall not receive any compensation for serving as such, but shall be entitled to reimbursement for any expenses actually incurred in connection with serving as a member if the Board shall determine that such expenses shall be reimbursed and there are unencumbered funds available for such purpose.

The Board may adopt bylaws, rules and policies consistent with this Agreement. In the event of a conflict, this Agreement controls.

(c) *Meetings of Board.*

(1) The Board shall hold the first regular meeting on the third Thursday of the calendar month at 10:00 A.M. at the offices of FGMWC and all future meetings will be held at a date, time and location as determined by the Board in accordance with California law. The Board may

suspend the holding of regular meetings so long as there is no need for Authority business. The Board may hold special meetings at any time and from time to time in accordance with law, provided that, so long as required by the Act, any action taken regarding the sale of Bonds shall occur by resolution placed on a noticed and posted meeting agenda for a regular meeting of the Authority.

(2) All regular and special meetings of the Board shall be called, noticed, held and conducted subject to the provisions of the Ralph M. Brown Act (Chapter 9 of Part 1 of Division 2 of Title 5 of the California Government Code), or any successor legislation hereafter enacted.

(3) The Secretary of the Authority shall cause minutes of all meetings of the Board to be kept and shall, as soon as practicable after each meeting, cause a copy of the minutes to be forwarded to each member of the Board and to the Members.

(4) A majority of the members of the Board shall constitute a quorum for the transaction of business, except that less than a quorum may adjourn meetings from time to time.

(d) Officers; Duties; Bonds.

(1) The officers of the Authority shall be the Chair, Vice Chair, Executive Director, Secretary and Treasurer who will each serve at the pleasure of the Board.

(2) The Chair of the Authority shall be elected by a vote of the Board for a one year term; provided that the initial term of the Chair shall end on June 30, 2027. The Chair shall preside at all meetings of the Authority, and shall submit such information and recommendations to the Board as he or she may consider proper concerning the business, policies and affairs of the Authority.

(3) The Vice Chair of the Authority shall be elected by a vote of the Board for a one year term; provided that the initial term of the Vice Chair shall end on June 30, 2027. The Vice Chair shall perform the duties of the Chair in the absence or incapacity of the Chair. In case of the resignation or death of the Chair, the Vice Chair shall perform such duties as are imposed on the Chair, until such time as a new Chair is selected or appointed.

(4) The Executive Director of the Authority shall be elected by a vote of the Board and shall serve at the pleasure of the Board. Only as authorized by the Board, the Executive Director or the Executive Director's designee shall sign all contracts, deeds and other instruments executed by the Authority. In addition, subject to the applicable provisions of any trust agreement, indenture or resolution providing for a trustee or other fiscal agent, the Executive Director is designated as the public officer or person who has charge of, handles or has access to any property of the Authority, and shall file an official bond if so required by the Board and, as such, shall have the powers, duties and responsibilities that are specified in Section 6505.1 of the Act.

(5) The Secretary of the Authority shall be elected by a vote of the Board for a one year term; provided that the initial term of the Secretary shall end on June 30, 2027. The Secretary shall keep the records of the Authority, shall act as Secretary at the meetings of the Authority and record all votes, and shall keep a record of the proceedings of the Authority in a journal of proceedings to be kept for such purpose, and shall perform all duties incident to the office. Any assistant secretary of one of the Members shall also serve as an assistant secretary of the Authority and

may take any actions for which the Secretary has become authorized by the Agreement, any Indenture, and any resolution of the Board of the Authority or otherwise.

(6) The Treasurer of the Authority shall be elected by a vote of the Board for a one year term; provided that the initial term of the Treasurer shall end on June 30, 2027. The Treasurer of the Authority is designated as the public officer or person who has charge of, handles, or has access to any property of the Authority, and such officer shall file an official bond as required by the Board, and as such shall have the power, duties and responsibilities that are specified in Section 6505.1 of the Act. The cost of the bond shall be paid by the Authority.

(7) So long as required by Sections 6505 and 6505.5 of the Act, the Treasurer of the Authority shall prepare or cause to be prepared: (a) a special audit as required pursuant to Section 6505 of the Act every year during the term of this Agreement; and (b) a report in writing on the first day of July, October, January and April of each year to the Board and the Members, which report shall describe the amount of money held by the Treasurer of the Authority for the Board, the amount of receipts since the last such report, and the amount paid out since the last such report (which may exclude amounts held by a trustee or other fiduciary in connection with any Bonds to the extent that such trustee or other fiduciary provides regular reports covering such amounts).

(8) The services of the officers shall be without compensation by the Authority. The Members may provide such other administrative services as required by the Authority.

(9) The Board shall have the power to appoint such other officers and employees as it may deem necessary and to retain independent counsel, consultants and accountants.

(10) All of the privileges and immunities from liability, exemptions from laws, ordinances and rules, all pension, relief, disability, worker's compensation and other benefits which apply to the activities of officers, agents or employees of the Members when performing their respective functions within the territorial limits of the Members, shall apply to them to the same degree and extent while engaged in the performance of any of their functions and duties extraterritorially under the provisions of this Agreement.

(11) None of the officers, agents or employees, if any, directly employed by the Authority shall be deemed, by reason of their employment by the Authority, to be employed by the Members or, by reason of their employment by the Authority, to be subject to any of the requirements or benefits of the Members.

(12) The Authority shall be the primary responsible party with respect to all claims, liabilities, losses, damages, fines, penalties and costs (including reasonable attorneys' fees and expenses) arising out of or related to the Authority's operations. Members hereby confirm their intent and agree that, as provided in Section 4(a) hereof and in the Act, the debts, liabilities and obligations of the Authority shall not constitute debts, liabilities or obligations of the Members, except as stated in the following paragraphs.

To the fullest extent permitted by law, the Authority agrees to indemnify, defend (with counsel reasonably acceptable to the County), and hold harmless the County and its authorized officers, employees, agents and volunteers (indemnitees) from any and all claims, actions, losses, damages and/or liability arising out of this Agreement from any cause whatsoever, including the acts, errors or omissions of any person and for any costs or expenses incurred by the County on account of any claim.

This indemnification provision shall apply regardless of the existence or degree of fault of indemnitees. The Authority's indemnification obligation applies to the County's "active" as well as "passive" negligence but does not apply to the County's "sole negligence" or "willful misconduct" within the meaning of Civil Code section 2782.

Each Member (other than the County) shall, to the fullest extent permitted by law indemnify, defend (with counsel reasonably acceptable to the County) and hold harmless the County and its authorized officers, employees, agents and volunteers (indemnitees) from any and all claims, actions, losses, damages and/or liability arising out of this Agreement from any cause whatsoever, including the acts, errors or omissions of any person and for any costs or expenses incurred by the County on account of any claim. This indemnification provision shall apply regardless of the existence or degree of fault of indemnitees. The Member's indemnification obligation applies to the County's "active" as well as "passive" negligence but does not apply to the County's "sole negligence" or "willful misconduct" within the meaning of Civil Code section 2782.

To the fullest extent permitted by law, neither the Authority nor any insurer or Member shall seek contribution, equitable indemnity, or subrogation from the County for losses arising out of this Agreement or the Authority's operations.

To the fullest extent permitted by law, in any dispute between the Authority and the County, the Authority waives, and shall cause its Members to waive, claims for consequential, incidental, special, exemplary, or punitive damages, and lost profits.

These paragraphs shall survive the termination of this Agreement and the County's withdrawal from the Authority.

(13) In any event, the Authority shall cause all records regarding the Authority's formation, existence, operations, any Bonds issued by the Authority, obligations incurred by it and proceedings pertaining to its termination to be retained for at least six (6) years following termination of the Authority or final payment of any Bonds issued by the Authority, whichever is later.

(14) Confirmation of officers shall be the first order of business at the first meeting of the Authority, regular or special, held in each calendar year.

(15) No Board member, officer, agent or employee of the Authority, without prior specific or general authority by a vote of the Board, shall have any power or authority to bind the Authority by any contract, to pledge its credit, or to render it liable for any purpose in any amount.

(16) The Board shall adopt an annual operating and capital budget. The budget shall identify Member contributions, assessments, reserves, revenues, and planned expenditures. The County shall not be obligated to appropriate funds beyond those approved by the County's governing body. The Authority shall establish and maintain prudent reserves for operations, contingencies, insurance and deductibles.

(17) The Authority shall adopt procurement policies ensuring competitive practices as required by law and internal control procedures for disbursements and financial reporting.

(18) The Authority shall obtain and maintain at its sole expense insurance and/or pooled risk coverage of types and in amounts determined by the Board. Policies shall name the

County, its board, officers, employees and agents as additional insureds on a primary and noncontributory basis, with waivers of subrogation in favor of the County, to the fullest extent permitted by law.

Section 5. Powers. The Authority shall have any and all powers which are common powers of the Members, and the powers separately conferred by law upon the Authority. All such powers, whether common to the Members or separately conferred by law upon the Authority, are specified as powers of the Authority, except any such powers which are specifically prohibited to the Authority by applicable law. The Authority's exercise of its powers is subject to the restrictions upon the manner of exercising the powers of the County. Upon the County withdrawing from the Authority, this provision will be amended such that the Authority's exercise of its powers will be subject to the restrictions upon the manner of exercising the powers of one of the remaining Members.

The Authority is hereby authorized, in its own name, to do all acts necessary or convenient for the exercise of its powers, including, but not limited to, any or all of the following: to sue and be sued; to make and enter into contracts; to employ agents, consultants, attorneys, accountants, and employees; to acquire, hold or dispose of property, whether real or personal, tangible or intangible, wherever located; to issue Bonds or otherwise incur debts, liabilities or obligations to the extent authorized by the Act or any other applicable provision of law and to pledge any property or revenues or the rights thereto as security for such Bonds and other indebtedness.

Notwithstanding the foregoing, the Authority shall have any additional powers conferred under the Act or under applicable law, insofar as such additional powers may be necessary to accomplish the purposes set forth in Section 2 hereof.

This section shall be subject to the limitations on the powers of the Authority set forth in Section 4(a).

Section 6. Termination of Powers. The Authority shall continue to exercise the powers herein conferred upon it until the termination of this Agreement in accordance with Section 3 hereof.

Section 7. Fiscal Year. The first fiscal year of the Authority shall be the period from the date of this Agreement to last day of June 30, 2026. Each subsequent fiscal year of the Authority shall be the period from July 1 of each year through June 30 of the succeeding year, unless changed by resolution of the Board.

Section 8. Disposition of Assets. Upon termination of this Agreement pursuant to Section 3 hereof, any surplus money in possession of the Authority or on deposit in any fund or account of the Authority shall be returned in proportion to any contributions made as required by Section 6512 of the Act. The Board is vested with all powers of the Authority for the purpose of concluding and dissolving the business affairs of the Authority.

Section 9. Contributions and Advances. Contributions or advances of public funds and of personnel, equipment or property may be made to the Authority by the Members for any of the purposes of this Agreement. Payment of public funds may be made to defray the cost of any such contribution. Any such advance made in respect of a revenue-producing facility shall be made subject to repayment, and shall be repaid, in the manner agreed upon by the Members, and the Authority at the time of making such advance as provided by Section 6512.1 of the Act. It is mutually understood and

agreed that the Members have no obligation to make advances or contributions to the Authority to provide for the costs and expenses of administration of the Authority.

Section 10. Bonds.

(a) *Authority to Issue Bonds.* When authorized by the Act or other applicable provisions of law and by resolution of the Board, the Authority may issue Bonds for the purpose of raising funds for the exercise of any of its powers or to otherwise carry out its purposes under this Agreement. Said Bonds shall have such terms and conditions as are authorized by the Board, and shall be in in such a way as to allow County to withdraw from the Authority as set forth in Section 3.

(b) *Bonds Limited Obligations.* The Bonds, including the principal and any purchase price thereof, and the interest and premium, if any, thereon, shall be special obligations of the Authority payable solely from, and secured solely by, the revenues, funds and other assets that are pledged therefor under the applicable Indenture(s) and shall not constitute a charge against the general credit of the Authority or the Members. The Bonds shall not be secured by a legal or equitable pledge of, or lien or charge upon or security interest in, any property of the Authority or of the County or any other Members (other than property of a Member other than the County executing a Security Agreement to secure such Bonds and only to the extent set forth in such Security Agreement) or any Authority income or receipts or any County income or receipts or any other Members income or receipts (other than income or receipts of a Member other than the County executing a Security Agreement to secure such Bonds and only to the extent set forth in such Security Agreement) except the property, income and receipts pledged therefor under the applicable Indenture(s). The Bonds shall not constitute a debt, liability or obligation of the State or any public agency thereof, including any Member, other than the special obligation of the Authority as described above. Neither the faith and credit nor the taxing power of the State or any public agency thereof, including any Member, shall be pledged to the payment of the principal or purchase price of, or the premium, if any, or interest on the Bonds, nor shall the State or any public agency or instrumentality thereof, including any Member, in any manner be obligated to make any appropriation for such payment. The Authority shall have no taxing power.

No covenant or agreement contained in any Bond or Indenture shall be deemed to be a covenant or agreement of any director, officer, agent or employee of the Authority, a Member or a Local Agency, in his or her individual capacity, and no director or officer of the Authority executing a Bond shall be liable personally on such Bond or be subject to any personal liability or accountability by reason of the issuance of such Bond.

Section 11. Agreement not Exclusive. This Agreement shall not be exclusive and shall not be deemed to amend or alter the terms of other agreements between the Members.

Section 12. Accounts and Reports. All funds of the Authority shall be strictly accounted for in books of account and financial records maintained by the Authority, including a report of all receipts and disbursements. The Authority shall establish and maintain such funds and accounts as may be required by generally accepted accounting principles and by each Indenture for outstanding Bonds (to the extent that such duties are not assigned to a trustee for owners of Bonds). The books and records of the Authority shall be open to inspection at all reasonable times by the Members and their representatives.

The Authority shall require that each Indenture provide that if a trustee is appointed thereunder, such trustee shall establish suitable funds, furnish financial reports and provide suitable accounting procedures to carry out the provisions of such Indenture. Said trustee may be given such duties in said Indenture as may be desirable to carry out the requirements of this Section 12.

(a) *Audits.* The Treasurer of the Authority shall cause an independent audit to be made of the books of accounts and financial records of the Authority in compliance with the requirements of the Act. Any costs of the audit, including contracts with, or employment of, certified public accountants or public accountants in making an audit pursuant to this Section 12, shall be borne by the Authority and shall be a charge against any unencumbered funds of the Authority available for that purpose.

(b) *Audit Reports.* The Treasurer of the Authority, as soon as practicable after the close of each fiscal year but in any event within the time necessary to comply with the requirements of the Act shall file a report of the audit performed pursuant to this Section 12(b) as required by the Act and shall send a copy of such report to public entities and persons in accordance with the requirements of the Act.

Section 13. Funds. Subject to the provisions of each Indenture for outstanding Bonds providing for a trustee to receive, have custody of and disburse funds which constitute Authority funds, the Treasurer of the Authority shall receive, have the custody of and disburse Authority funds pursuant to accounting procedures approved by the Board and shall make the disbursements required by this Agreement or otherwise necessary to carry out the provisions and purposes of this Agreement.

Section 14. Adoption of Certain Codes and Policies. The Board shall, by resolution, adopt a Conflict of Interest Code, an investment policy and a debt management policy.

Section 15. Notices. Notices and other communications hereunder to the parties shall be sufficient if delivered to the clerk or secretary of the governing body of each party.

Section 16. Additional Members. It is recognized that public agencies other than the original Members to this Agreement may wish to participate in the Authority. As determined by the Board of Directors, in its sole discretion, any such public agency must have the common powers specified in the Declaration of Purpose, above. Additional public agencies may become Members upon such terms and conditions as approved by a majority vote of the Board, including establishment of an appropriate cost allocation for that Additional Member and payment by the Additional Member of an acceptable financial contribution to offset prior expenses or obligations incurred by the existing Members, if any. The Authority shall revise Exhibit A to reflect such Additional Member and shall attach the revised Exhibit A as a replacement exhibit. Such replacement Exhibit A shall not constitute an amendment to this Agreement.

Section 17. Withdrawal. Any Member may withdraw from this Agreement prior to the end of the term of this Agreement determined in accordance with Section 3 provided however, that if the Member has any financial responsibility for Bonds, such Member may not withdrawal prior to such Bonds being paid or being deemed paid in accordance with the terms thereof and provided further that if any Bonds are outstanding, no Member may withdraw if the remaining Members after such withdrawal would be less than two. Notwithstanding the foregoing the County shall have the unilateral right to withdraw from the Authority and the County shall automatically withdraw as provided in Section 3.

Section 18. Issuance of Bonds While the County is a Member. Notwithstanding anything herein to the contrary, so long as the County is a Member of the Authority, the Authority shall not issue Bonds or otherwise incur indebtedness unless there are at least three Members of the Authority on the date of issuance of the Bonds or the incurrence of the indebtedness. The County may unilaterally withdraw from the Authority prior to the Authority issuing any Bonds or otherwise incur indebtedness that would bind the County to remain in the Authority as provided in Section 3.

Section 19. Effectiveness. This Agreement shall become effective and be in full force and effect and a legal, valid and binding obligation of the Members when each party has executed a counterpart of this Agreement.

Section 20. Severability. Should any part, term, or provision of this Agreement be decided by the courts to be illegal or in conflict with any law of the State, or otherwise be rendered unenforceable or ineffectual, the validity of the remaining parts, terms or provisions hereof shall not be affected thereby.

Section 21. Successors; Assignment. This Agreement shall be binding upon and shall inure to the benefit of the successors of the parties hereto. Except to the extent expressly provided herein, neither party may assign any right or obligation hereunder without the consent of the other.

Section 22. Amendment of Agreement. This Agreement may be amended by supplemental agreement executed by the Members at any time; provided, however, that this Agreement may be terminated only in accordance with Section 3 hereof and, provided further, that such supplemental agreement shall be subject to any restrictions contained in any Bonds or documents related to any Bonds to which the Authority is a party.

Section 23. Waiver of Personal Liability. No Member, member of the Board, officer or employee of the Authority or the Members shall be individually or personally liable for any claims, losses, damages, costs, injury and liability of any kind, nature or description arising from the actions of the Authority or the actions undertaken pursuant to this Agreement, and the Authority shall defend such Members, members of the Board, officers or employees against any such claims, losses, damages, costs, injury and liability. Without limiting the generality of the foregoing, no Member, member of the Board, officer or employee of the Authority or of any Member shall be personally liable on any Bonds or be subject to any personal liability or accountability by reason of the issuance of Bonds pursuant to the Act and this Agreement. To the full extent permitted by law, the Board shall provide for indemnification by the Authority of any person who is or was a member of the Board, or an officer, employee or other agent of the Authority, and who was or is a party or is threatened to be made a party to a proceeding by reason of the fact that such person is or was such a member of the Board, or an officer, employee or other agent of the Authority, against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with such proceeding, if such person acted in good faith and in the course and scope of his or her office, employment or agency. In the case of a criminal proceeding, the Board may provide for indemnification and defense of a member of the Board, or an officer, employee or other agent of the Authority to the extent permitted by law.

Section 24. Notices. Notices to a Member hereunder shall be sufficient if delivered to the General Manager or Chief Executive Officer of such Member.

Section 25. Section Headings. All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this Agreement.

Section 26. Miscellaneous. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. The parties shall be entitled to sign and transmit an electronic signature of this Agreement (whether by facsimile, PDF or other mail transmission), which signature shall be binding on the party whose name is contained therein. Each party providing an electronic signature agrees to promptly execute and deliver to the other party an original signed Agreement upon request.

Where reference is made to duties to be performed for the Authority by a public official or employee, such duties may be performed by that person's duly authorized deputy or assistant. Where reference is made to actions to be taken by a Member, such action may be exercised through the officers, staff or employees of such Member in the manner provided by law.

The principal office of the Authority shall be the principal office of FGMWC]\.

THIS AGREEMENT IS MADE IN THE STATE, UNDER THE CONSTITUTION AND LAWS OF THE STATE AND IS TO BE CONSTRUED AS A CONTRACT MADE AND TO BE PERFORMED IN THE STATE.

This Agreement is the complete and exclusive statement of the agreement among the parties with respect to the subject matter hereof, which supersedes and merges all prior proposals, understandings, and other agreements, whether oral, written, or implied in conduct, between the parties relating to the subject matter of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their proper officers or officials thereunto duly authorized, as of the day and year first above written.

SAN BERNARDINO COUNTY

By _____
[Dawn Rowe, Chair, Board of Supervisors]

Dated: _____

SIGNED AND CERTIFIED THAT A COPY OF THIS DOCUMENT HAS BEEN DELIVERED TO THE CHAIRMAN OF THE BOARD

Lynna Monell
Clerk of the Board of Supervisors
of the San Bernardino County

By _____
Deputy

FENNER GAP MUTUAL WATER COMPANY

By _____
[President]

EXHIBIT A

AUTHORITY MEMBERS

1. San Bernardino County
2. Fenner Gap Mutual Water Company