

JOINDER AGREEMENT

THIS JOINDER AGREEMENT ("Agreement") is made as of this 9th day of March, 2018, by and between Santa Margarita Water District, a California water district ("SMWD"), Fenner Valley Water Authority, a California joint powers authority ("FVWA") and Cadiz, Inc., a Delaware corporation and its affiliate Cadiz Real Estate LLC, a Delaware limited liability company (as appropriate, each entity or both together being "Cadiz"). Cadiz, FVWA and SMWD are each a "party" and collectively the "parties."

RECITALS

- A. SMWD and Cadiz are parties to that certain Water Purchase and Sale Agreement dated July 31, 2012 ("Purchase Agreement"), which Purchase Agreement superseded that certain Option Agreement between SMWD and Cadiz dated August 16, 2010 ("Option Agreement").
- B. The purpose of the Option Agreement and then the Purchase Agreement was to set forth the terms upon which SMWD would become a participant in and lead agency for the Cadiz Valley Water Conservation, Recovery and Storage Project ("Project"), including without limitation, the lead agency for CEQA and permitting purposes.
- C. In consideration of the role of SMWD in the Project, Cadiz entered into the following agreements to reimburse and indemnify SMWD against certain costs and liabilities: (i) that certain Environmental Processing and Cost Sharing Agreement as of June 23, 2010, between Cadiz and SMWD, (ii) that certain Escrow Agreement dated January 25, 2012 between Cadiz and SMWD ("Escrow Agreement"), and (iii) that certain Joint Defense and Confidentiality Agreement dated as of May 25, 2012 between Cadiz, SMWD, Fenner Valley Mutual Water Company ("FVMWC") and the County of San Bernardino, as amended (collectively, the "Reimbursement Agreements").
- D. In addition to the reimbursement and indemnity obligations in the Reimbursement Agreements, the Purchase Agreement provides that Cadiz will be responsible for certain Retained Costs (as defined therein) and obligations to fund certain activities of SMWD and FVWA pursuant to Sections 3.4 and 3.5 of the Purchase Agreement ("Cost Sharing Obligations").
- E. As contemplated in the Purchase Agreement, SMWD and FVMWC have formed FVWA to substitute for SMWD as the primary oversight and permitting agency with respect to the Project in coordination with FVMWC. SMWD and FVWA have entered into that certain Administrative Services Agreement, dated March 9th 2018 ("Administrative Services Agreement") whereby SMWD will provide staff and resources to carry out FVWA functions and provide critical support, however, SMWD's primary role moving forward will be as a Project Participant.

- F. In recognition of the role of FVWA in connection with the Project, the Parties desire to join FVWA as a beneficiary of the Reimbursement Agreements and the Cost Sharing Obligations in accordance with the terms set forth herein.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Joinder of FVWA. Cadiz hereby agrees that FVWA will be entitled to all of the rights of SMWD with respect to the Reimbursement Agreements, the Cost Sharing Obligations and all indemnity obligations of Cadiz to the extent that FVWA takes responsibility for the obligations of SMWD under the Reimbursement Agreements and the Purchase Agreement. The rights of FVWA and SMWD will be joint and several, provided, however, that all payments will be made directly to FVWA and then allocated between FVWA and SMWD as appropriate. In no event will Cadiz be responsible for any dispute between FVWA and SMWD with respect to the allocation of payments made by Cadiz.

2. Reimbursement of Costs. With respect to the reimbursement of costs under the Reimbursement Agreements, FVWA will take the lead role working with Cadiz to set budgets for Project activities and coordinate the deposit and disbursement of funds from escrow. With respect to the Escrow Agreement, SMWD will continue to coordinate with the "Escrow Holder," as defined in the Escrow Agreement, as part of the services provided to FVWA under the Administrative Services Agreement.

3. Responsibilities under Purchase Agreement. FVWA agrees that it will take responsibility for and be bound by all of the obligations and responsibilities for the Project that are allocated to FVWA pursuant to the terms of the Purchase Agreement.

4. Additional Agreements. The Parties acknowledge that additional studies, planning, evaluation and compliance work may become necessary in connection with the Project implementation and that to the extent such actions are undertaken by FVWA as the lead agency, the Parties will enter into such additional agreements as may be reasonably necessary from time to time to set the budget and terms for such actions.

5. Further Assurances. The Parties hereby covenant that each will, at any time and from time to time upon request by another Party and without the assumption of any additional liability thereby, execute and deliver such further documents and do such further acts as such a Party may reasonably request in order to fully effect the purpose of this Agreement.

6. Successors. The provisions of this Agreement shall be binding upon, and shall inure to the benefit of, each of the Parties hereto and to their respective successors, transferees and assigns.

7. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which when taken together shall constitute one and the same agreement.

8. Facsimile/PDF Signatures. This Agreement may be executed and delivered by facsimile or PDF signatures, which shall be binding on the Parties hereto.

9. Governing Law. This Assignment shall be governed by and construed in accordance with the laws of the State of California.

10. Entire Agreement. Except for the Purchase Agreement and the Reimbursement Agreements, this Agreement is the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements between the parties hereto with respect thereto. This Agreement may not be altered, amended, changed, terminated or modified in any respect or particular, unless the same shall be in writing and signed by the Parties.

[signature page follows]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the day and year first above written.

SMWD:

Santa Margarita Water District

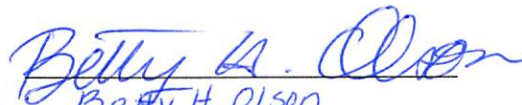
By: 
Name: Justin McCusker
Title: Board President

Attest:

By: 
Board Secretary

FVWA

Fenner Valley Water Authority


By: 
Name: Betty H. Olson
Title: Chairwoman

Attest:

By: 
GENERAL COUNSEL

CADIZ

Cadiz, Inc.

By: 
Name: Amir Shuker
Title: CFO