

This Well Sharing Addendum to Purchase Agreement (the "Addendum") is incorporated into that certain **Residential Purchase Agreement and Joint Escrow Instructions** (the "Agreement") by and between _____ ("Buyer") and _____ ("Seller") dated _____. This Addendum shall be the only agreement or contract regarding water availability, wells or water sharing agreements entered into between Buyer and Seller (the "Parties") as of the date hereof regarding the purchase of the real property commonly known or described as _____ (the "Property"). To the extent this Addendum differs from the terms of the Agreement, this Addendum shall control. Capitalized terms not otherwise defined herein shall have the respective meanings as set forth in the Agreement.

1. **Superseding Effect.** The Parties agree that this Addendum supersedes and replaces any and all prior representations, understandings or terms regarding a shared water well, a shared water well agreement, or terms on which a well will be shared, whether between the Parties, or between one or both of the Parties and a third party, which have been made in connection with the sale of the Property, or which have been set forth or referenced in any previously executed contract or addendum between the Parties with respect to the sale of the Property by Seller to Buyer are of no further force and effect. Unless and until a written agreement as to any shared well is entered into or approved by Buyer, Buyer acknowledges they do not have and shall not have or acquire any water rights from or the ability to remove or secure water from any adjoining property, except as may be provided by an existing covenant running with the Property.

2. **Well Agreement.** The Parties hereby acknowledge that it is their mutual intent to enter into a new written agreement to provide the Property access to a domestic water supply to be provided from a well, pump and water system (the "Well") located on the real property commonly known as _____, which property is owned by _____ (if not Seller, "Well Land Owner") or to amend any written agreement already in place with respect to the Well, to reflect the parties final mutual understandings with respect thereto.

3. **Condition of Closing.** The offer or acceptance of any offer by either Buyer or Seller entered into either prior to the date of this Agreement for the purchase or sale of the Property shall now be deemed to be subject to and contingent upon one of the following occurring prior to Close of Escrow of the Property:

A. In the event a new Well Sharing Agreement is to be created: Buyer and Seller (or Buyer and Well Land Owner, if applicable) shall execute a new Well Sharing Agreement (the "New Well Agreement"), prepared by appropriate third parties or legal counsel acceptable to the Parties, prior to the Close of Escrow. **Buyer and Seller are hereby strongly advised by Broker to have such Agreement approved by their own legal counsel prior to close of escrow.** The New Agreement shall provide for, but not be limited to, allocation of all costs necessary to provide for the operation, maintenance and repair of the Well, and shall define how the quantity of water produced from the Well shall be allocated among the Parties. Buyer and Seller are strongly encouraged by Broker to have the New Well Agreement (or memorandum thereof) recorded simultaneously with the Grant Deed at the Close of Escrow. If Seller is also transferring an ownership interest in the Well itself, Seller shall also provide a bill of sale to Buyer with respect to Seller's interest therein.

B. In the event a Well Sharing Agreement currently exists between the Seller (or fee owner of the Property) and a Well Land Owner (an "Existing Agreement"), either of the following shall be a condition precedent to the purchase of the Property and the Closing of Escrow associated there with:

(1) Buyer's written approval of the Existing Agreement; or

(2) Buyer and the Well Land Owner shall execute an amendment to the Existing Agreement (the "Amendment"), prepared by legal counsel acceptable to the Buyer and the third party property owner, to be effective at the Close of Escrow. Buyer is strongly encouraged by Broker to have the Amendment (and Existing Agreement if not previously recorded) (or a memorandum thereof) recorded simultaneously with the Grant Deed at the Close of Escrow.

(3) If Seller is also transferring an ownership interest in the Well itself, Seller shall also provide a bill of sale to Buyer with respect to Seller's interest therein.

By signing below, Buyer hereby acknowledges receipt of a complete copy of the Existing Agreement.

5. No Representation by Broker. Mokha Real Estate, its officers, employees, directors or agents and any other Real Estate licensee representing Buyer or Seller ("Brokers") have not made and shall not make any representation or warranty, oral or otherwise, regarding the existence of any New Well Agreement, Existing Agreement, or Amendment (each a "Well Agreement"), or: (i) the terms and conditions, content, lack of contact or transferability of any Well Agreement; (ii) the effectiveness, enforceability, or ability of any Well Agreement to accomplish the intended purpose of Buyer, Seller, or any third party; (iii) Buyer's ability to participate in any Well Agreement or assume any membership or other rights in such Well Agreement (iv) the effect of any Well Agreement on the Property or any financial obligations of the owner of the Property related thereto; or (v) the quality or quantity of water that may be produced or made available to the Property or the Parties. Buyer is hereby advised to independently investigate all of the above with legal counsel or other experts prior to proceeding with this purchase. The Parties are hereby strongly advised by Brokers not to accept or enter into any such Well Agreement prior to its review and approval by their independent legal counsel. Brokers are not qualified to prepare, interpret, or explain water rights or water sharing agreements of the Agreement. The Parties hereby jointly and severally acknowledge that Brokers have not done so.

6. Release. The Parties, individually and jointly and severally, forever remove, relinquish, waive, discharge, release and agree to hold harmless Broker's and their shareholders from any and all demands, actual damages, costs, causes of action, legal or administrative proceedings, remedies, setoffs, attorney's fees, claims, liabilities, punitive damages, losses, expenses or damages of any kind, in law or equity, known or unknown, which either Buyer or Seller or both incurs or claims as a result of this transaction or agreement, including, but not limited to those which may originate from, or be associated with, the use of any Well Agreement, the conditions, terms or contents of the Well Agreement or any terms, conditions, or content that may be absent therefrom.

It is the undersigned Buyer and Seller' intent to grant the broadest possible release of all claims of the undersigned, whether known or unknown, against Mokha Real Estate, its agents, officers, directors and shareholders. Therefore, each of the undersigned hereby expressly waives the provisions and benefits of section 1542 of the California Civil Code which provides as follows:

“A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.”

7. All reasonable legal costs associated with the preparation, assumption or transfer of any Well Agreement of any/all applicable documentation to effect the above requirement shall be shared equally between Buyer and Seller, or as they may otherwise agree in subsequent writing.

Buyer

Seller

Buyer

Seller

Date

Date