

OFFICIAL BUSINESS

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RECORDING REQUESTED BY Graton Community Services District
WHEN RECORDED MAIL TO:
Graton Community Services District
Attn: District Manager
P.O. BOX 534
Graton, CA 95444

RE: APN 130-090-020

(SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE)

**OUT-OF-DISTRICT SEWER SERVICE AGREEMENT
BETWEEN THE GRATON COMMUNITY SERVICES DISTRICT AND PROPERTY
OWNER, MANZANA PRODUCTS CO INC.
APNs: 130-090-002, 130-090-020, and 130-090-021**

This Out-of-District Sewer Service Agreement (“Agreement”) between the Graton Community Services District and Manzana Products Co, Inc. is entered into by and between the GRATON COMMUNITY SERVICES DISTRICT, a special district of the State of California, (“District”) and MANZANA PRODUCTS CO., INC. (“Landowner”).

RECITALS

- A.** Landowner owns real property used for food processing purposes, commonly known as Manzana Products Co. Inc., 9141 and 1943 Green Valley Road and 3860 Ross Road, Sebastopol, CA 95472, Sonoma County APNs: 130-090-002, 130-090-020, and 130-090-021, which are collectively referred to as “Property” or “the Property”. A map depicting the Property is attached hereto as Exhibit “A” which is incorporated herein by reference.
- B.** On April 30, 2020, the District approved an Outside Service Area Agreement for public sewer service for domestic wastewater discharges the Property for Parcel No. 130-090-020 (“Domestic Service”).
- C.** Landowner previously paid all required connection fees to District for receiving the Domestic Service.
- D.** District is willing to provide, and Landowner consents to accept, subject to the conditions set forth herein, collection and treatment of commercial process wastewater, as defined below, produced as a result of the business and associated processes performed by Landowner in accordance with this Agreement.

- E. District has capacity to provide additional sewer services to the Property for commercial wastewater discharge as is set forth herein, with no physical changes to the environment.
- F. Landowner shall be responsible for the proper installation of all connection to the District's sewer collection system infrastructure and must comply with all regulatory water quality requirements imposed by the District.
- G. The Board of Directors of District has consented to the provision of additional outside area sewer services to the Property, conditioned upon (1) LAFCO approving the Agreement and (2) Landowner executing and recording this Agreement.

AGREEMENT

District and Landowner agree that the RECITALS set forth above are true and correct and are made a part of this Agreement, and further agree as follows:

1. **TERM.** This Agreement shall have no defined term. Landowner or District may terminate this Agreement at any time during the Term by giving the other party one (1) year advance written notice of termination. Upon termination, any outstanding fees and balances shall become immediately due and owing. Alternatively, if the Property is annexed to the District in the future, this Agreement shall be terminated as a condition of such annexation, and the Property shall be subject to all regulations, conditions, and fees as established by the District with respect to public sewer service.
2. **COST OF SEWER SERVICES FOR COMMERCIAL PROCESS WASTE WATER.** The District shall assess, annually, the adopted fee for providing sewer service to Landowner. Landowner represents that the volume of commercial process wastewater (defined for the purpose of this Agreement as "any water which, during manufacturing or processing, that comes into direct contact with or results from the production or use of any raw material, intermediate product, finished product, byproduct, or waste product" ("process wastewater")) discharged into the District's sewer collection system is estimated to be 37,000 gallons per day (101 Equivalent Service Dwellings) with a strength of 50 mg/l of BOD and 50 mg/l of TSS. The initial first year fee will be based on this representation. On the calendar anniversary of the first wastewater discharge, and each subsequent year, the District shall adjust the annual fee based on the actual reported volume process wastewater discharged and strength reported for the previous year.

The District contracts with the County of Sonoma and collects annual sewer service fees using the property tax bills. The District anticipates that this mechanism can be utilized as well for Landowner. In the event that the District cannot collect sewer fees using the services of the County of Sonoma, Landowner's payment for sewer services shall be due within thirty (30) days of receipt of a semi-annual invoice.

Additionally, the District assesses "Connection and Capacity Fees" to all new connections. Both Parties agree to a \$400,000 one-time Connection and Capacity Fee payment to

District by Landowner; this payment shall be due and payable at the time the Landowner physically connects its system to the District's system.

3. **SUBDIVISION.** If the Property is subdivided within the duration of this Agreement, this Agreement shall become null and void. District acknowledges that Landowner has an application for a Lot Line Adjustment pending before Sonoma County and that the prohibition on subdivisions does not apply to any lot line adjustment.
4. **EQUIPMENT; CONNECTION STANDARDS.** Landowner will pay for the installation, maintenance and repair of all equipment required to discharge wastewater into the District's public sewer collection system. District will maintain all municipal collection and treatment infrastructure. Connection to the District's sewage collection shall be performed in compliance with District standards, including provisions related to areas subject to flooding, which include but are not limited to, the installation and Landowner-maintained backflow prevention device(s), mechanical plugs in cleanouts, bolt down and gasketed cover for the lift station, bolt down and gasketed frames and covers for the manholes and sampling manholes, and other pertinent standards.
5. **OPERATION.**
 - a. Both parties to this Agreement recognize and agree that the wastewater flow from Landowner will include co-mingled process wastewater from making food products from apples and domestic waste from the previously approved public sewer connection.
 - b. Both parties to this Agreement recognize and agree that the process wastewater discharge into the District's sewer system may be impacted by unforeseen conditions related to wet weather. Landowner agrees to cease discharge and store process wastewater, on-site at the request of the District. The District agrees to allow Landowner to increase process wastewater discharge volume, up to an amount not exceeding 45,000 gallons per day during dry weather periods, such that the average discharge does not exceed 37,000 gallons per day annually.
 - c. Other than in an emergency, District will attempt to give reasonable notice of any reduction, interruption, or cessation of process wastewater discharge by the Landowner in an effort to cause as minimal disturbance as possible to the Landowner and Landowner's discharge needs. However, District makes no guarantee that it will minimize prevent any such disturbances.
 - d. Landowner shall operate and maintain a continuous flow meter to monitor process flows prior to mixing with domestic wastewater. This flow data will be reported to the District annually, in writing, and available to the District electronically.
 - e. Landowner shall collect process wastewater samples no less than weekly to measure BOD, pH and TSS concentrations. Additionally, Landowner will utilize the services of a certified third party analytical laboratory to collect monthly

samples to measure BOD, pH and TSS concentrations. Samples shall be collected for process wastewater prior to it being comingled with domestic wastewater. Landowner agrees to conduct any additional process wastewater monitoring, requested by the State or in the event that the District is experiencing a treatment process upset and required to adequately assess and characterize the process wastewater to manage its impact on the District's treatment process.

- f. Landowner shall coordinate with District regarding process wastewater discharge service needs or changes.

6. COMPLIANCE WITH LAW.

- a. Landowner agrees to pre-treat and discharge process wastewater, under this Agreement, in such a manner that is in compliance with all applicable laws.
 - b. Landowner shall comply with all of the terms of the Wastewater Discharge Permit issued by the District.
 - c. Landowner's non-compliance with applicable laws, ordinances, permit requirements or regulations governing the use of the District's municipal sewer collection and treatment system, will be a breach of this Agreement and the District may immediately terminate this Agreement.
 - d. Landowner hereby grants District, its employees, officers, directors, and agents, permission to enter the Property for the narrow purpose of conducting inspections to confirm compliance with all applicable laws, ordinances, regulations, and the terms of this Agreement. District shall be accompanied by Landowner or its representative at all times while on the Property.
7. **RUN WITH THE LAND.** This Agreement shall run with the Property as both a covenant and an equitable servitude and is binding upon Landowner's heirs, successors in interest and assigns. Upon the transfer of ownership of any portion or parcel of the Property, the transferor of the Property shall notify the District of the transferee's mailing address for purposes of receipt of any notices from District.
8. **LIMITED RIGHTS.** This Agreement does not create any entitlement to sewer service or any other right or interest under California and/or Federal laws, nor does it create any right or interest which attaches to the Property.
9. **NO THIRD-PARTY BENEFICIARIES.** The Parties expressly acknowledge that it is not their intent to create in any other individual or entity the status of third-party beneficiary, and this Agreement shall not be construed so as to create such status. The rights, duties, and obligations contained in this Agreement shall operate only between the Parties to this Agreement, and shall inure solely to the benefit of the Parties to this Agreement. The Parties intend and expressly agree that only the parties to this Agreement shall have any legal or equitable right to seek to enforce this Agreement, to seek any

remedy arising out of the performance or failure to perform any term or condition of this Agreement, or to bring an action for breach of this Agreement.

10. **INDEMNIFICATION:** Landowner, on behalf of itself, its heirs, guests, agents, contractors, subsidiaries, affiliates, shareholders, officers, directors, successors in interest, assignees, and beneficiaries, agrees to assume all risk of loss or damage to its operation arising out of or in any way related to the delivery of the services provided by the District. Landowner further agrees to defend, indemnify, hold harmless and release the District, its officers, agents and employees, from and against any and all actions, claims, damages, liabilities or expenses that may be asserted by any person or entity, including Landowner, arising out of or in connection with the performance of Landowner hereunder, whether there is concurrent negligence on the part of the District, but excluding liability due to the sole active negligence or sole willful misconduct of the District.
11. **LAFCO APPROVAL.** This Agreement shall not be effective until Sonoma County LAFCO has reviewed and approved it and this Agreement has been recorded with the Sonoma County Recorder's Office. Landowner agrees to submit an application to the Sonoma County LAFCO for review and approval of this Agreement, and to pay the LAFCO processing costs and fees as determined by LAFCO. The District's approval of this Agreement is conditioned upon the review and approval of this Agreement by LAFCO. This Agreement is based upon and is consistent with the criteria adopted by LAFCO for Outside Service Area Agreements.
12. **ENTIRE AGREEMENT.** This Agreement integrates all terms and conditions, and constitutes the entire agreement between the Parties. Any prior arrangements, agreements, warranties, representations, or undertakings are superseded. No verbal agreements or conversations with any public official or employee of the District, either before or after execution of this Agreement, shall affect or modify any of the terms or obligations contained in this Agreement.
13. **DOMESTIC WASTEWATER.** Nothing in this Agreement shall change District's provision of Domestic Service pursuant to the Outside Service Area Agreement dated April 30, 2020. Landowner continues to agree to support proceedings to annex the Property to the District and to waive all rights to protest annexation to the District in accordance with the April 30, 2020 agreement.
14. **INTERPRETATION.** The parties agree that they have carefully reviewed this Agreement, have consulted independent counsel if they saw fit or have independently elected not to do so. The doctrine that any ambiguities in a contract are to be resolved against the drafting party, shall not be employed in the interpretation of this Agreement or any amendments or exhibits hereto. This Agreement shall be interpreted and construed according to the laws of the State of California.
15. **JURISDICTION.** Any dispute arising out of this Agreement, shall be filed and heard within Sonoma County, California.

16. **NOTICES.** Any notice or other communication required or permitted to be given under this Agreement shall be in writing and shall be personally delivered or deposited in the U.S. mail, first class and postage prepaid, addressed to the parties at their respective addresses as listed below.

17. **AGREEMENT COUNTERPARTS.** This Agreement may be executed in multiple counterparts and all counterparts so executed shall constitute one agreement that shall be binding on all of the parties, notwithstanding that all of the parties are not signatory to the original or the same counterpart.

IN WITNESS THEREOF, the Parties hereto have executed this Agreement as of the Effective Date.

MANZANA PRODUCTS CO INC.:

GRATON COMMUNITY SERVICES DISTRICT

By: _____

By: Chad Dawson

Name: _____

General Manager

Date: _____

Date: 1-17-2023

Address: _____

Address: 250 Ross Ln, Sebastopol

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

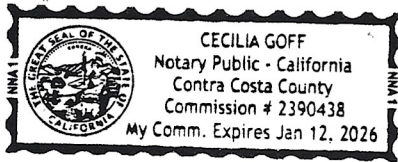
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of Contra Costa)
On January 17, 2023 before me, Cecilia Goff, Notary Public,
Date Here Insert Name and Title of the Officer
personally appeared Chad Davison
Name(s) of Signer(s)

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 [Signature]
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: manzana outside services agreement
Document Date: 1/17/2023 Number of Pages: 6
Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Individual Attorney in Fact
 Trustee Guardian or Conservator
 Other: _____
Signer Is Representing: _____

Signer's Name: _____
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Individual Attorney in Fact
 Trustee Guardian or Conservator
 Other: _____
Signer Is Representing: _____