

Appendix A

Program Authority

User Agreement for the Purchase and
Sale of Reclaimed Water (sample
language)

AGREEMENT
WITH "RECYCLED WATER USER"
FOR THE PURCHASE AND SALE OF RECLAIMED WATER

THIS AGREEMENT (the Agreement) is entered into as of _____, among THE TOWN OF YOUNTVILLE, a municipal corporation (Producer) and the "Recycled Water User" (User), at Yountville, California.

RECITALS

This Agreement is entered into with reference to the following facts:

A. Producer owns and operates jointly with the California Veterans' Home a wastewater treatment plant in Napa County, California, which is in the San Francisco Bay Region of the California Regional Water Quality Control Board (the Regional Board), and collects and treats wastewater, discharges treated wastewater to the Napa River and delivers wastewater generated within the Producer's service area for reclamation purposes.

B. User leases two parcels of real property consisting of approximately ____ and ____ acres in Napa County, California from Owner, commonly known as APNs _____, respectively, more particularly described on Exhibit "A" attached hereto and incorporated herein by reference, which land has been improved with a _____ and related improvements. Located on the _____ Parcels is an improved irrigation pond which has a capacity of approximately _____ million gallons (____ acre feet).

C. The User, a California corporation, owns a parcel of real property consisting of approximately ____ acres in Napa County, California, commonly known as APN _____. The User, a California corporation, owns a contiguous parcel of real property consisting of approximately ____ acres in Napa County, California, commonly known as APN _____. Both parcels are more particularly described on Exhibit "B" attached hereto and incorporated herein by reference. The _____ Parcels have been improved with a _____, _____, and related improvements, and an improved irrigation pond which has a capacity of approximately ____ million gallons. The _____ Parcels and the _____ Parcels are referred to collectively as the Parcels.

D. Producer employs wastewater reclamation as a means of reducing the discharge of treated wastewater to the Napa River. Producer accordingly desires to have disposal sites for storage and/or irrigation, such as those provided by the Parcels.

E. While Producer is authorized to irrigate with reclaimed water those lands identified in Order 89-074, adopted by the Regional Board in 1989, the parties understand that Producer, as of this date, is not authorized to irrigate the Parcels with reclaimed water. However, Producer represents that it is currently diligently pursuing such authorization with the Regional Board and that it expects to receive such authorization. As used in this Agreement, the term "Order" shall mean Order 89-074 as it is now and as it may be amended or replaced with another order of the Regional Board and Order 96-011 which the parties acknowledge they will become subject to upon authorization to irrigate the Parcels with reclaimed water.

F. On _____, Producer; _____ and _____ entered into an Agreement for the Purchase and Sale of Reclaimed Water, approved by Producer's Resolution No. 1416-98, whereby reclaimed water was obtained from Producer for use in irrigating the _____ Parcels. Also on _____, Producer and _____, a California corporation, entered into an Agreement for the Purchase and Sale of Reclaimed Water, approved by Producer's Resolution No. 1415-98, whereby reclaimed water was obtained from Producer for use in irrigating the _____ Parcels.

G. Producer has entered into reclaimed water agreements with other users as well. Subsequent to the negotiation of those agreements and the Agreements for the Purchase and Sale of Reclaimed Water referenced in Recital F, the needs of the users have changed, as have Producer's needs and regulatory requirements. Other users also wish to obtain reclaimed water from Producer. Therefore, the parties desire to supercede both Agreements for the Purchase and Sale of Reclaimed Water entered into on _____, and enter into this Agreement.

AGREEMENT

In consideration of the foregoing and other valuable consideration, the parties agree as follows:

1. **Agreement Supercedes Effluent Discharge Agreement.** This Agreement supercedes both Agreements for the Purchase and Sale of Reclaimed Water entered into on _____, described in Recital F. The parties acknowledge that the terms and conditions of this Agreement shall be the new Agreement between the parties, and that the previous Agreements for the Purchase and Sale of Reclaimed Water shall have no further force or effect.

2. **Term.** This Agreement shall become effective on the date set forth above and, except as provided in Section 23, shall remain in effect until December 31, 2026, except that User shall have an option to extend the initial term for an additional seven (7) years (to December 31, 2033) by giving written notice to Producer during calendar year 2025. Any extended term shall be subject to all terms and conditions of this Agreement.

3. **Delivery of Reclaimed Water.**

3.1. **Amount of Reclaimed Water Delivered.** For each calendar year of the term of this Agreement, Producer shall be obligated to deliver no less than _____ million and no more than _____ million gallons of reclaimed water to User at the maximum rate of _____ gallons per minute (gpm) and User shall be obligated to accept such water; provided that User has no obligation to accept reclaimed water when Producer is permitted to discharge to the Napa River or during the months of January, February, and March.

3.2. **Delivery Schedule.** Producer shall deliver to User a base water allocation of _____ million gallons each month in June, July, August, September, and October (the Base Allocation), plus additional water as may be available to equal or exceed User's requested amount, up to _____ million gallons for each calendar year. Producer shall use its best efforts to deliver the Base Allocation at an average daily flow of approximately _____ gallons with a variance of no more than twenty five percent (25%) (_____ gallons minimum and _____ gallons maximum), except as otherwise agreed by the parties. Producer may require that the water be delivered to User when User has no immediate need for the water and that the water may be delivered at a pressure not suitable for User's irrigation needs. User shall take delivery

of reclaimed water for storage in User's reservoirs in such a manner that delivery does not interfere with Producer's other reclamation operations.

3.3. Notification of Delivery Needs. User agrees to cooperate with Producer in establishing reasonable and mutually agreeable delivery schedules for the reclaimed water within the limits set forth in paragraphs 3.1 and 3.2. User shall notify Producer no later than the 20th of each month of User's anticipated water needs for the remainder of the month and the subsequent month, so that Producer may optimize the delivery of reclaimed water to its users.

3.4. Order of Priority. Concurrent with the execution of this Agreement, Producer is entering into Reclaimed Water Agreements with _____ and related parties and _____, whereby Producer also is agreeing to deliver to such users a monthly Base Allocation of ____ million gallons each during June through October. During those five (5) months, as among _____, _____, and User, _____ shall have priority on the first ____ million gallons a month; _____ and User shall have equal priority to the next ____ million gallons a month; and any amount in excess of the first ____ million gallons a month shall be delivered as-needed on an equal basis among User, _____, and _____ up to their maximum contractual limits. Any subsequent reclaimed water contracts Producer may enter into shall not affect User's priority. Water produced by Producer in excess of User's ____ million gallon limit may be delivered to User, if requested, and/or to other users in Producer's sole discretion. In any event, Producer may distribute reclaimed water to other users when User is not taking the reclaimed water and Producer has other willing and available users. User recognizes that the requests of all users, including the California Veteran's Home, may exceed the capacity of Producer's wastewater treatment plant and delivery systems and that Producer therefore may need to reduce the rates at which reclaimed water is delivered to users from time to time. If Producer reduces User's requested rate of delivery, Producer shall use its best efforts to restore the requested rate of delivery as soon as possible and provide User with that amount of water it would have received had its rate of delivery not been reduced.

3.5. Winter Discharge Period. User acknowledges and understands that Producer's delivery of reclaimed water during the winter discharge period is subject to Producer's Order and the waste discharge requirements imposed by the Regional Board, as such may be amended from time to time.

3.6. Interruption of Service. The parties acknowledge that Producer's supply and delivery of reclaimed water and User's ability to take delivery of the water may occasionally be interrupted or curtailed due to acts of God, power failures, accident, fire, strikes, riots, war, facility failures, facility improvements, inspection, maintenance and repairs of plant and equipment, action or decisions by a governmental agency (other than Producer), or any other condition outside of a party's control. Neither party shall be liable to the other for damages arising out of interruption or curtailment of service for these reasons, so long as the affected party has made best efforts to avoid or minimize the effect of the intervening circumstance. To the extent feasible, the party whose performance is affected by such condition shall give the other party at least 72 hours advance notice of a temporary discontinuance or reduction in its delivery (in the case of Producer) or in its acceptance (in the case of User) of reclaimed water, except in the case of emergency, in which case notice shall be given as soon as possible. In the event of such discontinuance or reduction, the parties shall deliver or accept, as appropriate, upon resumption of service and as nearly as may be feasible, the quantity of reclaimed water that would have been delivered or accepted in the absence of such discontinuance or reduction.

4. Price for Reclaimed Water.

4.1. Meter charge. User shall pay a monthly meter charge to Producer in the amount of \$_____, commencing on the first of the month following the effective date of this Agreement and continuing on the first of each month thereafter for the term of this Agreement and any extension thereof. The meter charge shall be payable within 30 days of billing by Producer. The meter charge shall not be subject to adjustment, as it already includes a cost-of-living adjustment over the term of this Agreement. The meter charge reimburses Producer for the cost of existing capital expenditures incurred by Producer to provide the reclaimed water to User.

4.2. Use charge. In addition to the monthly meter charge, User shall pay a use charge to Producer in the amount of \$_____ for every ten thousand (10,000) gallons (\$_____ per acre foot), or portion thereof, of reclaimed water satisfying water quality standards established by the Order and delivered to User in the months of June, July, August, September and October of each year, commencing with the effective date of this Agreement over the term of this Agreement. The use charge shall be payable monthly within 30 days of billing by

Producer and shall increase by five percent (5%) per annum commencing one year from the effective date of this Agreement and on each anniversary date thereafter.

4.3. Adjustments for Cost of Tertiary Treatment. If Producer upgrades its treatment facilities to deliver tertiary Title 22 water (California Code of Regulations, Title 22, Division 4, Sections 60301-60355, as amended from time to time), Producer may increase the use charge for the reasonable percentage increase in costs of operation, treatment, maintenance and capital costs attributable to the upgrade, up to a cap of one hundred percent (100%) of the use charge described in paragraph 4.2, including the annual increase, for the term of this Agreement (for example, if Producer's costs of operation increase twenty percent (20%), then User's use charge may be increased up to twenty percent (20%)). All capital costs shall be amortized over a period of not less than twenty (20) years.

4.4. Adjustments for Changed Requirements. If, in accordance with paragraph 5.2, changed requirements and conditions are imposed on Producer by the Regional Board or other authority that result in increased costs to Producer of operation, treatment, maintenance and capital costs, Producer may increase the use charge for the reasonable percentage increase in costs of operation, treatment, maintenance and capital costs attributable to the changed requirements and conditions, up to a cap of one hundred percent (100%) of the use charge described in paragraph 4.2 (including the annual increase but exclusive of any increase attributable to adjustments for tertiary treatment pursuant to paragraph 4.3) for the term of this Agreement. All capital costs shall be amortized over a period of not less than twenty (20) years. In no case may the use charge, as adjusted for tertiary treatment pursuant to paragraph 4.3 and for changed requirements and conditions pursuant to this paragraph 4.4, exceed 200% of the use charge described in paragraph 4.2, including the annual increase, for the term of this Agreement.

5. Compliance with Order and Requirements of Producer.

5.1. Water Quality Control Board Order. Producer and User shall comply with all the provisions and requirements of the Order described in Recital E. User acknowledges to Producer that User is aware that the water sold pursuant to this Agreement is wastewater that has been reclaimed as a result of sewerage treatment operations, and is suitable only for those uses, and in those areas specified in the Order. User is familiar with and understands all of the provisions and requirements contained in Order 89-074 and that those provisions and

requirements are reasonable. User covenants and warrants that it shall comply with all the provisions and requirements of the Order in the purchase and use of the reclaimed water;

5.2. Changed Requirements and Conditions Imposed on Producer.

Changed requirements and conditions, including new or amended reclaimed water orders, may be imposed on Producer by the Regional Board, or any other department, authority, or agency having legal jurisdiction over Producer, which may cause Producer to change the terms and conditions of this Agreement regarding the purchase and usage of reclaimed water by User. User, except as otherwise provided in this paragraph, agrees to such changes, and agrees that Producer shall be held harmless from any liabilities arising from such changes, so long as Producer has made best efforts to minimize the impact on User of such changed requirements and conditions. If, however, any such changes result in the inability of User to use the reclaimed water for vineyard irrigation, User shall have the option, upon 120 days written notice to Producer, to terminate this Agreement. If the Order is revoked, Producer agrees to use its best efforts to reinstate the Order. If such reinstatement is denied, this Agreement shall terminate.

5.3. Performance Conditioned Upon Procurement of Order.

The parties understand that the obligation of each to perform under this Agreement is based upon the Producer obtaining a new Order from the Regional Board authorizing it to sell reclaimed water to the User and the User being authorized to irrigate its lands with such reclaimed water. If Producer or User is unable to obtain the necessary authorization from the Regional Board or if the new Order imposes a hardship that severely compromises the purpose or scope of this Agreement, this Agreement shall terminate at the election of any party.

6. Quality of Reclaimed Water Sold. The quality of the reclaimed water provided pursuant to this Agreement shall comply in all respects with the quality criteria established by the Order and the most current regulations promulgated by the Department of Health Services in the California Code of Regulations Title 22, Division 4, Chapter 3, Sections 60301-60355 (as amended from time to time), although the reclaimed water's quality may vary within those criteria. Currently, Producer provides disinfected secondary-23 reclaimed water, not tertiary quality water, and Producer makes no representation that it will provide tertiary quality water in the future. Producer shall test the reclaimed water as required by the Regional Board to ensure that it meets the quality criteria set forth in the Order. The results of this testing program shall be made available upon User's request. User is under no obligation to accept water that does not

~~6.~~ meet the quality criteria set forth in the Order. The foregoing provisions notwithstanding, User is responsible for assuring itself that the reclaimed water is fit for User's particular purposes. Producers shall notify User if water does not satisfy the quality criteria as set forth in the Order and shall discontinue pumping. Producer shall be responsible for submitting all reports required by the Board involving the distribution and use of such reclaimed water. Producer shall use best efforts to minimize the amount of algae content and ensure that the ph level of water delivered to User be between a level of 6 and 8.

7. **Installation and Maintenance of Capital Improvements.** Producer will deliver the reclaimed water to User through a pipeline extension from Producer's treatment and reclamation site located in Yountville, California, to a delivery point on the Parcels shown on the site plan at Exhibit "C" attached hereto and incorporated herein by this reference (the Delivery Point). Subject to permit approval, User shall provide, at User's cost, adequate storage facilities on the Parcels to accommodate Producer's delivery needs and irrigation pump stations. In addition, User shall be responsible at User's cost, for the installation, operation, maintenance and repair of the pipeline transporting the reclaimed water from the Delivery Point to User's places of use. Producer shall be responsible for the installation, operation, maintenance and repair of the pipeline transporting reclaimed water to the Delivery Point.

8. **Measurement of Reclaimed Water.** All reclaimed water delivered pursuant to this Agreement shall be measured by the Producer at the flow meter to be located on the reclamation site near the Delivery Point. Producer shall own, install, inspect, operate, maintain, repair and replace the measuring equipment and any required regulating valves for control of reclaimed water delivery. All determinations relative to the measuring of reclaimed water shall be reasonably made by the Producer. Upon request by User, the accuracy of a measurement shall be investigated by the Producer and any error appearing therein shall be adjusted. User may inspect such measuring equipment for the purpose of determining the accuracy thereof.

9. **User's Rights to Reclaimed Water Nontransferable.** Except as provided in Section 21 of this Agreement, User's rights to reclaimed water deliveries hereunder are not transferable or assignable, including sale or gifts, without the prior written consent of Producer. Apart from Owner, or any assignee of the lease referred to in Recital B, User shall not sell, give, transfer or distribute any of the reclaimed water purchased by it pursuant to this Agreement to any other person or entity for any use. User shall be the sole party using the reclaimed water, and the reclaimed water shall be used solely on the properties described in Exhibits "A" and "B".

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10. Hold Harmless and Indemnification. User will indemnify and hold harmless Producer, its officers, directors, agents and employees from and defend Producer against any and all costs, loss, damage, liability, claim or damage of any nature whatsoever, including but not limited to property damage, personal injury or death arising out of or in any way connected with User's use of the reclaimed water in any fashion not authorized by the Order or this Agreement or with User's disposal of reclaimed water on any of the properties indicated on Exhibits "A" and "B" or on any properties to which rights hereunder are transferred pursuant to paragraph 9. Producer will indemnify and hold harmless User, its officers, directors, agents and employees from and defend User against any and all costs, loss, damage, liability, claim or damage of any nature whatsoever, including but not limited to property damage, personal injury or death arising out of or in any way connected with Producer's actions related to providing the reclaimed water hereunder or to Producer's use of that water in any fashion not authorized by the Order or this Agreement; provided, however, that Producer shall be liable to User for all costs, loss, damage, liability, claim or damage of any nature whatsoever, including but not limited to property damage, groundwater pollution, soil contamination, vine or crop loss, personal injury or death caused by the quality of the reclaimed water delivered hereunder if the water does not meet the quality criteria set forth in the Order and this Agreement.

11. Notices. Any notice, action, or demand by either party to the other in connection with this Agreement shall be deemed to have been fully given or made when such notice, action, or demand is written and deposited in a sealed envelope postage prepaid, and addressed as follows:

Producer: Town of Yountville
6550 Yount Street
Yountville, CA 94599

User: _____

Napa, CA

Owner: _____

Napa, CA

Either party may change its address by giving the other party written notice of its new

address as herein provided.

12. Amendments. This Agreement may not be amended except by a written instrument that is signed by all parties.

13. Construction. Each party has reviewed and contributed to the drafting of this Agreement and the rule of construction of Section 1654 of the California Civil Code to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the construction or interpretation of this Agreement or any amendments or exhibits hereto.

14. Interpretation. Subject to paragraph 13 above, this Agreement shall be construed, interpreted, and applied according to the laws of the State of California.

15. Successors. This Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of the parties; provided that User has complied with paragraph 9 hereof.

16. Attorneys' Fees. If any party commences an action at law or in equity, arbitration or other proceeding against another party to enforce or interpret this Agreement, the prevailing party shall be entitled to recover from the losing party reasonable attorneys' fees and costs of such proceeding, in addition to any other amounts which may be awarded.

17. Memorandum of Agreement. The parties agree to execute and Producer shall record a Memorandum of Agreement substantially in the form attached hereto as Exhibit "D."

18. Severability. If any clause or provision of the Agreement is or becomes illegal, invalid, or unenforceable because of present or future laws, or any rules or regulations of any governmental body or entity, effective during its term, the intention of the parties is that the remaining parts of this Agreement shall remain in full force and effect if the fundamental purpose of the Agreement is not destroyed.

19. Mediation. No party shall commence any suit, arbitration, administrative action, civil action or any other legal action arising out of or in any way relating to the parties' rights and obligations under the terms of this Agreement without first submitting the dispute to mediation by a neutral mediator acceptable to both parties. Failure or refusal to mediate shall result in the refusing party's forfeiture of recovery of legal expenses, including attorneys' fees

and costs, in any subsequent action, as detailed above, regardless of whether that party is deemed the prevailing party in that action.

20. Cooperation and Further Assurances. The parties agree that they shall execute and deliver all further documents and do all further acts necessary and desirable to carry out the purposes of this Agreement, or to comply with any laws, rules, or regulations.

21. Covenants Running with the Land. User, Owner and Producer declare that this Agreement constitutes covenants running with and benefiting the land within the meaning of California Civil Code Section 1468, shall benefit the treatment works and lands of Producer, User and Owner, and shall burden and benefit the real property described in Exhibits "A" and "B" attached hereto and incorporated herein by reference.

22. Joint Liability. User and Owner shall be jointly and severally responsible to perform the obligations of User, pursuant to the terms of this Agreement.

23. Performance Conditioned on Easement Extensions. The parties understand that Producer's ability to perform this Agreement is dependent on Producer's continued ability to use the easements for pipelines which it currently enjoys over lands between Producer's treatment plant and User's Property. These easements are located on lands owned by Robert Mondavi Properties Inc., Joseph and Marjorie Miller, and the Disney-Miller Estate, and terminate on December 31, 2022. Should Producer be unable to obtain an extension of such easements on substantially the same terms and conditions as the existing easements, Producer's duty to perform pursuant to this Agreement shall be excused during the period that Producer is unable to obtain such extensions. Similarly, the parties understand that the User's ability to perform this Agreement is dependent upon User's continued ability to lease the _____ Parcels as referenced in Recital B. These leases terminate on December 31, 2022. Should User be unable to obtain an extension of both leases on substantially the same terms and conditions as the existing leases, User's duty to perform pursuant to this Agreement shall be excused during the period that User is unable to obtain such extensions.

24. Entire Agreement. This Agreement shall constitute the entire agreement between the parties relating to the rights granted and obligations assumed in this Agreement. Any oral representations or modifications concerning this Agreement shall be of no force and effect unless contained in a subsequent written modification signed by both parties.

THE FOREGOING IS AGREED TO BY:

Town of Yountville

Date: _____, 2003

By: _____
Kevin Plett, Town Administrator

“Recycled Water User”
A California Corporation

Date: _____, 2003

By: _____
Title: Chief Executive Officer

“Recycled Water User”
A California Corporation

Date: _____, 2003

By: _____
Title: Chief Executive Officer

“Recycled Water User”

Date: _____, 2003

By: _____
Title: General Partner

APPROVED AS TO FORM:

By: _____
Diane M. Price
Town Attorney
Attorneys for Producer

LAW OFFICE OF DANIEL F. GALLERY, P.C.

By: _____
Jesse W. Barton

EXHIBIT A

Legal Description of _____ Parcels

PARCEL #:

Parcel One, as shown on the map entitled “map of the lands of _____”, filed March 23, 1973 in book ____ of Parcel Map at Page ____ in the office of the County Recorder of said Napa County.

APN _____

PARCEL #:

Parcel Two, as shown on the map entitled “Map of the lands of _____ filed March 23, 1973 in Book ____ of Parcel Map at Page ____ in the offices of the County Recorder of said Napa County.

APN _____

EXHIBIT B

Legal Descriptions of _____

Commencing at the Northwest corner of Parcel "B" as shown on Map No _____ recorded June 21, 1972 in Book ____ of Parcel Maps at Page _____, Napa County Records; thence along the Northwest line of said Parcel "B" North 56° 53' 15" East _____ feet to the Northeast corner thereof; thence along the Northeast line of said parcel "B South 26° 59' 08" East _____ feet to the Southeast corner thereof; thence along the Southeast line of said Parcel "B" South 74° 14' 21" West _____ feet; thence North 16° 25' 48" West 244.56 feet; thence South 74° 50' 26" West _____ feet; thence South 15° 22' 10" East 314.92 feet to a point on the southeast line of said Parcel "B"; thence along the Southwest line of said Parcel "B" North 34° 06' 00" West _____ feet to the point of commencement.

APN _____

Commencing at the Southwest corner of Parcel "A" as shown on Map No. 2217 recorded June 21, 1972 in Book ____ of Parcel Maps at Page _____, Napa County Records; thence along the South line of said Parcel "A" South 88° 04' 16" East _____ feet to the most Southern corner thereof; thence along the Eastern lines of said Parcel "A" North 15° 19' 30" East _____ feet and North 26° 59' 08" West _____ feet to the Northeast corner of said Parcel "A"; thence along the Northern line of said Parcel "A" South 74° 14' 21" West _____ feet; thence leaving said Northern line North 20° 35' 30" West _____ feet; thence South 74° 14' 21" West _____ feet; thence North 16° 25' 48" West _____ feet; thence South 74° 50' 26" West _____ feet; thence south 15° 22' 10" East _____ feet to a point on the Northern line of said Parcel "A"; thence along said Northern line South 74° 14' 21" West _____ feet to the Northwest corner of said Parcel "A"; thence along the West line of said Parcel "A" South 34° 06' 00" East _____ feet to the point of commencement.

APN _____

EXHIBIT C

Site Plan/Delivery Point

EXHIBIT D

**RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:**

Town of Yountville
6550 Yount Street
Yountville, California 94559

Exempt from Recording Fees
Government Code Section 6103

APNs _____, _____, _____

MEMORANDUM OF RECLAIMED WATER AGREEMENT

THIS MEMORANDUM, made as of _____, 2003, by and between the TOWN OF YOUNTVILLE (Yountville) and _____, a California corporation and _____, a California corporation (collectively User); and _____ (Owner), at Yountville, California:

1. Producer, User and Owner are the Producer, User and Owner, respectively, under that certain "Agreement with _____ for the Purchase and Sale of Reclaimed Water" (the Agreement) dated _____, 2003, whereby Producer owns and operates a wastewater treatment plant in Yountville, Napa County, California, which benefits certain property owned and/or leased by User and Owner, described on Exhibits A and B. The Agreement was approved by the Town Council of Producer by Resolution _____-03.

2. In consideration of the mutual promises set forth in the Agreement, the parties have conferred upon each other certain rights and confirmed certain matters, all as is more fully set forth in the Agreement.

3. Such rights shall take effect as of the date of the Agreement and shall continue in effect until December 31, 2026, (unless terminated earlier under certain conditions) except that User has an option to extend the initial term for an additional seven years, to December 31, 2033, by giving written notice to Producer during calendar year 2025.

4. Reference is made to the executed "Agreement with _____ for the Purchase and Sale of Reclaimed Water" in the possession of the parties hereto for all of its provisions. Those provisions are incorporated and made a part of this Memorandum as though fully set forth herein.

5. This Memorandum of Agreement may be executed in one or more counterparts, each of which when executed, shall be deemed an original, but all of which together shall be deemed to be one and the same instrument.

WITNESS the following signatures:

Town of Yountville

Date: _____, 2003

By: _____
Kevin Plett, Town Administrator

"Recycled Water User"
A California Corporation

Date: _____, 2003

By: _____

Title: Chief Executive Officer

"Recycled Water User"
A California Corporation

Date: _____, 2003

By: _____

Title: Chief Executive Officer

"Recycled Water User"

Date: _____, 2003

By: _____

Title: General Partner

State of California)
) ss.
County of Napa)

On _____, 2003, before me, _____, a notary public for the State of California, personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the persons whose names are subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacities, and that by his/her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Notary Public

State of California)
) ss.
County of Napa)

On _____, 2003, before me, _____, a notary public for the State of California, personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the persons whose names are subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacities, and that by his/her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Notary Public