



OUT-OF-CITY WATER SERVICE AND ANNEXATION AGREEMENT

This Agreement is made between the City of Coalinga, a municipal corporation, hereinafter referred to as the "City", and Turk Station Pistachio, LLC, hereinafter referred to as "Water User".
Name/Business

RECITALS

- A. The City owns and operates a municipal water system to provide domestic water to the inhabitants of the City.
- B. Water User owns property outside of the City limits which he/she desires to subdivide and/or develop and, in connection therewith, has requested the City to provide City water to the said property for facilitate its subdivision and/or development. The property is described as follows:
24500 Phelps Ave., 24532 Phelps Ave., 24538 Phelps Ave., 24554 Phelps Ave., 24562 Phelps Ave., 24564 Phelps Ave., 24568 Phelps Ave., 24570 Phelps Ave., 24574 Phelps Ave., 24580 Phelps Ave., 24600 Phelps Ave., Coalinga, CA
Address/Property Description
- C. City policy allows the extension of its water service to out-of-city property only after the water user either petitions for annexation or, if applicable, waives rights to oppose annexation to the City and executes a "Water Service and Annexation Agreement".

Now therefore, the parties hereto agree to as follows:

1. **Agreement:** City agrees to allow Water User to take surplus water from the City's water delivery system for a rate established by the City Council as the City Council may, from time to time, determine for the purposes set forth herein. It is agreed by the parties hereto that the rate for out-of-City (rural) users, such as Water User, shall be the rate paid by rural residential users, as determined by the City Council from time to time. Said rate may be higher than for City residents. Water User may take such water only so long as City has surplus water available. If, at any time, the City Council determines that there is insufficient water to meet the needs of the City residents as well as the out-of-City water users, such as including Water User, then the City may unilaterally terminate water service to Water User or may, in the sole discretion of the City Council, allocate what water the City has as surplus over and above the needs of the resident water users of the City, among the out-of-City water users, including Water User, as the City Council then sees fit.
2. **Use:** The parties hereto covenant and agree that such water service is intended to serve only, domestic and household water purposes. In the event that The City, at its sole discretion, determines that the water is being used for any other purpose than those set forth herein, it may, at any time, discontinue the providing of water service to Water User without liability to the City. For this purpose, Water User grants the City the right of entry to inspect the use of the water on said property. Water User shall not use the water itself nor shall it allow anyone else to use the water for anything but domestic and household purposes.
3. **Costs:** Water User shall pay, both now and in the future, all costs or charges to install water lines, meters, protective devices, storage, or treatment facilities as shall be required by the City or regulatory agencies. In addition, Water User shall pay for the actual costs to the City, as determined by the City, of the installation of the service.

4. **Recordation and Assignment:** It is understood and agreed that this Agreement may be recorded at City's discretion. This agreement is not subject to assignment and any attempted assignment of this Agreement by Water User will be invalid and shall have no force or effect as against the City. In the event that there is such as attempted assignment, the City may, without liability, disconnect such water service without notice.
5. **Annexation of the Property Waiver of Protest Rights:** Water User agrees that if any annexation of the subject property be proposed hereunder either by the City or any other applicant, Water User will join in and support such annexation and hereby forever waives all rights to protest or object to an annexation. Water User further covenants and agrees to join and participate without opposition in the formation of such service, improvement or assessment districts necessary to provide or facilitate adequate water flow for fire protection and/or for such other needs of the water system as determined by the City. Concurrently herewith, Water User has signed an irrevocable petition for annexation of the property to the City, which the City will file with the Fresno County Local Agency Formation Commission (hereafter referred to as "LAFCO") when the subject property qualifies for annexation. If, when the property qualifies for annexation, the petition has expired or becomes invalid for any reason, Water User, their heirs and assigns, agree to execute another petition for annexation in a form and format provided by the City.
6. **Owner Permits:** Water User shall file with the City copies of any permits required by the County of Fresno and other permitting agencies regarding the use of the property.
7. **Rules and Regulations:** Water User agrees to follow all rules and/or regulations of any kind whatsoever adopted by the City Council, and from time to time modified by subsequent City Council action, which apply to City water users, unless out-of-City water users are specifically exempted from the application of such rule or regulation by terms thereof.
8. **Interruption of Service:** Water User agrees that, as a condition of water service, Water User understands and consents to any disruption of water service caused by action of the City. It is clearly understood between the parties hereto that the City has no obligation to supply water to the subject property, either by law or otherwise, except by the express terms of this agreement.
9. **Prohibition on Resale or Transportation:** Any water furnished to Water User under the terms of this Agreement shall not be transported off of the subject property nor shall Water User resell the water so furnished nor allow its use by any other person. For purposes of this Agreement the only property entitled to receive and benefit from water sold hereunder is described as:
24500 Phelps Ave., 24532 Phelps Ave., 24538 Phelps Ave., 24554 Phelps Ave., 24562 Phelps Ave., 24564 Phelps Ave., 24568 Phelps Ave.,
24570 Phelps Ave., 24574 Phelps Ave. 24580 Phelps Ave., 24600 Phelps Ave., Coalinga, CA

Address/Property Description

This agreement shall expire and terminate if the subject property is subdivided.

10. **Prior Approval:** Prior to the commencement of any service under this water service agreement, the improvements installed for the taking of such water shall be inspected by the Director of Utilities or his designated representative of the City. Such services shall not begin until each of said Director, or his designee, shall have approved the equipment and its installation.
11. **Future Expansion by City:** Water User covenants and agrees that upon demand by the City, Water User will execute water line easements to City or City's nominee, at no cost to the City or to City's nominee, for the purpose of the extension of water service by City past property owned by Water User.

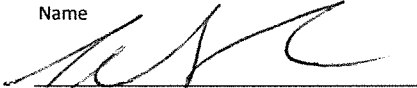
12. **Violation of Agreement:** City may, at its sole discretion, terminate this Agreement upon violation of its terms or for a material violation by Water User of any of the City's rules or regulations relating to water users.
13. **Disclaimer:** In obtaining water from the City, Water User does recognize and agrees that the City is in no way responsible for the effects of the close proximity of Water User's property to the oil fields, agriculture and the feed yard, all of which are recognized by Water User to materially affect the environment of Water User's property. Water User agrees to defend, indemnify, and to hold the City harmless from any and all liability by reason of supplying water under this agreement.
14. If legal action is undertaken by either part to this Agreement to remedy a breach hereof or to interpret is provision, the prevailing party shall be entitled to an award of its reasonable attorney's fees and costs.
15. This agreement and the covenants, benefits and obligations described herein, shall be binding on the parties, and their heirs, successors, and assigns.

IN WITNESS OF, the parties hereto have set their hand, the day and year reitten below.

WATER USER:

Turk Station Pistachio, LLC

Name



Name

2/20/2020

Date

2/20/2020

Date

CITY OF COALINGA:

City Manager

Date

Attest:

Assistant to the City Manager

Date