



Local Agency Formation Commission of Napa County
Subdivision of the State of California

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We Manage Local Government Boundaries, Evaluate Municipal Services, and Protect Agriculture

Agenda Item 6b (Public Hearing)

TO: Local Agency Formation Commission

PREPARED BY: Brendon Freeman, Executive Officer
Dawn Mittleman Longoria, Analyst II

MEETING DATE: October 7, 2019

SUBJECT: Authorization of an Outside Water Service Agreement Involving the City of Napa and the Carneros Inn Mutual Water Company and Associated CEQA Findings

RECOMMENDATION

It is recommended the Commission take the following actions:

- 1) Open the public hearing and take testimony;
- 2) Close the public hearing;
- 3) Adopt the Resolution of the Local Agency Formation Commission of Napa County Making Determinations – Authorization of an Outside Water Service Agreement Involving the City of Napa and the Carneros Inn Mutual Water Company (CMWC) making California Environmental Quality Act (CEQA) findings (Attachment One). Standard conditions are also recommended

SUMMARY

Area: Approximately 27.7 acres
APNs: 047-100-062, 047-110-(003, 027, and 028), and 047-400-(001 through 028)
Location: 4040, 4044, 4280, 4300, and 4310 Sonoma Highway
Jurisdiction: Unincorporated County of Napa
Sphere of Influence (SOI) Consistency: No
Proposed Actions: Authorize the City to provide outside water service to CMWC pursuant to G.C. Section 56133.5
Policy Consistency: Yes
CEQA: Exempt
Current Land Uses: Carneros Resort and Spa, 96 guest cottages, 24 single-family homes, and 17 fractional ownership homes (hereinafter “affected territory”)

Kenneth Leary, Vice Chair
Councilmember, City of American Canyon

Margie Mohler, Commissioner
Councilmember, Town of Yountville

Scott Sedgley, Alternate Commissioner
Councilmember, City of Napa

Brad Wagenknecht, Commissioner
County of Napa Supervisor, 1st District

Diane Dillon, Commissioner
County of Napa Supervisor, 3rd District

Ryan Gregory, Alternate Commissioner
County of Napa Supervisor, 2nd District

Gregory Rodeno, Chair
Representative of the General Public

Eve Kahn, Alternate Commissioner
Representative of the General Public

Brendon Freeman
Executive Officer

An aerial map of the affected territory is provided below.



BACKGROUND

In 2002, the County of Napa approved a proposal to build the Carneros Inn.

In 2004, the Carneros Inn was opened to the public.

In 2007, CMWC was formed to provide potable water to the affected territory.

On or about 2014, the County Environmental Health Services Department issued a domestic water supply permit to CMWC authorizing the use of trucked water during emergency water shortfalls.

In 2015, then-Assembly member Bill Dodd authored Assembly Bill 402, enacted on January 1, 2016, and codified as California Government Code (G.C.) Section 56133.5 (Attachment Two). This code section established a pilot program that allows Napa and San Bernardino LAFCOs to authorize cities and special districts to provide municipal services outside both their jurisdictional boundaries and SOIs under unique circumstances.¹

On December 4, 2017, the Commission adopted the *Congress Valley Water District Municipal Service Review and Sphere of Influence Update* (hereinafter “CVWD MSR/SOI Update”), which includes a determinative statement consistent with G.C. Section 56133.5 identifying a need for water service within the affected territory.

On March 20, 2018, the City of Napa (“City”) approved conceptual terms of a wholesale water agreement whereby the City would supply a maximum of 43 acre-feet of potable water annually to CMWC. The water would be wheeled through a Congress Valley Water District waterline to a privately owned waterline that would be constructed and maintained by CMWC.

On August 20, 2019 the County of Napa made CEQA determinations and approved Use Permit Major Modification P15-00190-MOD modifying the existing allowed uses on the affected territory which includes as a condition of approval the receipt of public water service to the affected territory from the City.

On August 27, 2019, the County of Napa adopted Ordinance No. 1447 approving an amended development agreement with the landowners (Attachment Three). Notably, the development agreement specifies the landowner relinquishes and waives the right to construct any new residential units that were previously permitted within the affected territory but not yet constructed.

On September 9, 2019, the Executive Officer received a written request from the City to provide public water service to CMWC pursuant to G.C. Section 56133.5. The application materials submitted by the City are included (Attachment Four).

¹ G.C. Section 56133.5 will be repealed on January 1, 2021.

Notable Public Serving Benefits

The following are stated benefits to the public associated with the amended development agreement and conceptual wholesale water agreement:

- **Affordable housing:** Payment by landowner to the County of \$100,000 applied to affordable housing.
- **Enhance public safety:** Landowner will donate an acre of land for relocation of the existing fire facility or for a new station; pay for construction of cement pad for the station; construct a roadway sufficient for fire engines (75,000 pounds) and dismantle existing fire facility if a new station is built.
- **Water storage tank:** Contribute up to \$1.75 million toward construction by the City of a new water storage tank to serve the Browns Valley area, increasing emergency storage, redundancy, and system reliability.
- **Eliminate groundwater use:** Reduce stress on the Carneros aquifer by transitioning the largest groundwater user to piped municipal water.
- **Eliminate trucked water:** Eliminate the need to rely on trucked water to the affected territory. An underground line is an environmentally superior means of delivering water to the Carneros Mutual Water Company's service area.
- **Water conservation:** Landowner agrees to rigorously implement the existing water conservation measures and agrees to operate and maintain its state-of-the-art recycled water plant.

ANALYSIS

Statutory Considerations

Pursuant to G.C. Section 56133.5, and if consistent with adopted policy, the Commission may authorize a city or special district to provide municipal services outside its jurisdictional boundary and SOI if the Commission makes three specific determinations. The three determinations are listed and addressed below, and are also included in the draft resolution (Attachment One).

(1) The extension of service or services deficiency was identified and evaluated in a review of municipal services prepared pursuant to Section 56430.

The CVWD MSR/SOI Update adopted in December 2017 identified and evaluated providing public water service to the affected territory including the need for public water facilities and services to the affected territory and the capacity and adequacy of public water services to the affected territory. The CVWD MSR/SOI Update included the following determination:²

The portion of the Old Sonoma Road Study Area comprising the Carneros Resort and Spa, Carneros Cottages, and Carneros Homes has a present need for water service. Adding these properties to CVWD's sphere may not be feasible based on the Commission's adopted policies due to the designation of the land as agricultural. Any extension of water service under G.C. Section 56133.5 would need to be authorized by the Commission as a separate action in response to a formal request in accordance with G.C. Section 56133.5.

(2) The extension of service will not result in either adverse impacts on open space or agricultural lands, or growth inducing impacts.

The County of Napa's approval of an amended development agreement with the landowners, included as part of Attachment Three, discussed the proposal and that it will not result in adverse impacts to open space or agricultural lands, or result in growth inducing impacts for the following reasons:

- CMWC is prohibited by law from providing water to anyone except its shareholders, who are the owners of property within the CMWC service area.
- The right to receive water from CMWC is appurtenant to the land, meaning that the right transfers to the new owner when property changes hands.

² The CVWD MSR/SOI Update is available online at: https://www.napa.lafco.ca.gov/uploads/documents/CVWD_MSRSOI_RevisedFinalReport_December2017.pdf. Notably, the report confirms there are no alternate service providers based on the existing jurisdictional boundaries and spheres of influence of all local agencies in proximity to the affected territory. The discussion of public water service to the affected territory is at pages 32-36 of the CVWD MSR/SOI Update.

- CMWC and its shareholders are prohibited from using, selling or transferring water outside the boundaries of the CMWC service area.
- The boundaries of the CMWC service area fixed by contract with the City and County and may not expand.
- The uses being served and the maximum amount of water provided are fixed by contract with the City and County and may not intensify or increase.
- The waterline will be sized to serve the CMWC service area only.
- City water will serve existing development only and will not set precedent for service to new development.
- Municipal water will be supplied on a wholesale, water company to water company basis, and will not set precedent for new residential service.
- The waterline extension will be privately owned; no users except CMWC will be allowed to connect. Restrictive zoning within CMWC's service area, most of which is zoned *Agricultural Watershed*, will further impede any intensification or expansion of uses.
- The project site is designated as *Agricultural Resource* on the County's adopted General Plan Land Use Map and is zoned *Commercial Limited*, *Agricultural Watershed*, and *Planned Development*. General Plan Agricultural Preservation and Land Use Policy AG/LU-45 allows for the continuation and limited expansion of existing commercial uses which are located on commercially-zoned property, despite the fact that the underlying General Plan land use designation may be agricultural. All existing and previously approved development is consistent with County zoning regulations and General Plan policies.

(3) A sphere of influence change involving the affected territory and its affected agency is not feasible under this division or desirable based on the adopted policies of the commission.

The CVWD MSR/SOI Update adopted in December 2017 evaluated the potential for a sphere amendment involving CVWD and the affected territory. The report determined a sphere change is not feasible or desirable based on the County's assigned land use designation for the affected territory coupled with the Commission's adopted policies that prohibit sphere expansions involving land designated for agricultural land use. While the referenced report is specific to CVWD's sphere, this determination also applies to the City's sphere given the affected territory is designated as *Agricultural Resource* on the County's adopted General Plan Land Use Map, and adopted local policies preclude lands designated as agricultural from inclusion within any city's sphere unless the Commission determines an exception is warranted.

Policy Considerations

The Commission's adopted *Policy on Outside Service Agreements* ("the Policy") is included as Attachment Five. The Policy directs the Commission to consider seven specific factors in reviewing requests by cities and special districts to provide new or extended services outside their jurisdictional boundaries and SOIs. No single factor is determinative. The purpose in considering these factors is to help inform the Commission in its decision-making process. An evaluation of these factors as it relates to the City's request follows.

(1) The ability of the applicant to extend the subject service to the affected territory.

The City of Napa's Urban Water Management Plan 2015 Update (UWMP) was adopted on September 5, 2017, and estimates the total annual raw water supply during normal conditions is 31,778 acre-feet. The City's total annual water supply decreases to 24,001 acre-feet during multiple-dry year conditions and 16,867 acre-feet during single-dry year conditions. The City's available water supplies are more than sufficient under all conditions in accommodating current annual demand, which totaled 12,034 acre-feet in 2015 as reported in the UWMP.

The City approved a maximum annual water supply of 43.0 acre-feet for the affected territory to correspond with recent and projected demands. This amount represents approximately 0.3% of the total current amount of water delivered by the City to all customers. The City has sufficient water supply, treatment, storage, and delivery capacities to serve the affected territory at its projected usage without adversely affecting existing customers.³

The City's application materials indicate the water service will be installed by a connection to an existing 8-inch Congress Valley Water District (CVWD) water main on Old Sonoma Road. The City supplies all water to CVWD, maintains CVWD's pipelines, and may wheel water through CVWD pipelines to City customers pursuant to City Agreement No. 5387 as amended on May 22, 2017 (Attachment Six). CVWD authorized CMWC to connect to the pipeline pursuant to CVWD Resolution No. 67, executed on December 10, 2018 (Attachment Seven). CMWC will install a private water line that will connect to the CVWD 8-inch water main.

(2) The application's consistency with the policies and general plans of all affected local agencies.

The affected territory is unincorporated and designated *Agricultural Resource* in the County of Napa General Plan. Further, the affected territory is zoned *Agricultural Watershed* for approximately 12 acres of the Carneros Resort, *Commercial Limited* for approximately 12 acres of the Carneros Resort (including the Carneros Cottages), and *Planned Development* for approximately four acres representing the Carneros Homes.

³ This statement is predicated on information contained in the Commission's *Central County Region Municipal Service Review*, adopted in 2014, which is available online at: https://www.napa.lafco.ca.gov/uploads/documents/MSR_CentralCounty_FinalReport_2014.pdf.

As noted on page six of this report, the application is consistent with the County's General Plan Agricultural Preservation and Land Use Policy AG/LU-45, which allows for the continuation and limited expansion of existing commercial uses which are located on commercially-zoned property, despite the fact that the underlying General Plan land use designation may be agricultural. All existing and previously approved development is consistent with County zoning regulations and General Plan policies.

(3) The application's effect on growth and development within and adjacent to the affected territory.

The terms of the County's approval of a use permit modification eliminate all growth potential within the affected territory with respect to land use densities and intensities. Further, the approved use permit modification eliminates the potential for additional properties to connect to the proposed private water pipeline that would serve CMWC. Therefore, the application could not be expected to result in new growth or development within or adjacent to the affected territory.

(4) The documentation presented pursuant to G.C. Section 56133(c)(1), which must provide substantial evidence to support a finding by the Commission of an impending threat to the health or safety of the public or the residents of the affected territory.

The application was submitted pursuant to G.C. Section 56133.5, which does not require a finding by the Commission with respect to an impending threat to the health or safety. Therefore, G.C. Section 56133(c)(1) does not apply to the application.

(5) The application's potential impacts on prime agricultural or open space lands.

The application would have no impacts on prime agricultural or open space lands given the development of the affected territory was approved by the County and constructed over ten years ago. The current, County approved, Development Agreement includes conditions which prevent any expansion of the area, the land use, or the provision of water to third parties or outside the boundary of the affected territory. Therefore, the proposed outside service agreement will have no impact on prime agricultural or open space lands. See *Statutory Considerations #2* on pages five and six of this report for additional information.

(6) The application's consistency with the Commission's adopted municipal service review determinations and recommendations.

The application is consistent with the determinations adopted in 2014 as part of the Commission's *Central County Region Municipal Service Review*, as well as the determinations adopted in 2017 as part of the Commission's CVWD MSR/SOI Update. Specifically, the *Central County Region Municipal Service Review* indicates the City has established adequate system wide capacities and controls relating to public water service. As noted in this report, the CVWD MSR/SOI Update includes a specific determination identifying a water service deficiency within the affected territory.

(7) The application's potential impacts with respect to supporting affordable or farmworker housing.

The application would have positive impacts with respect to supporting affordable housing. Specifically, the landowner will contribute \$100,000 to the County to be earmarked for affordable housing. This requirement is a condition within the amended development agreement.

ENVIRONMENTAL REVIEW

The outside water service agreement qualifies for an exemption from further review under CEQA Guidelines Section 15282(k), which exempts the installation of new pipeline as long as the project does not exceed one mile in length. The outside water service agreement also qualifies for a Class 3 exemption under California Code of Regulations, Title 14, Section 15303, which exempts utility extensions of reasonable length to serve new construction or conversion of small structures. The County of Napa evaluated the project for purposes of CEQA to support the approvals on August 20, 2019, and August 27, 2019, and the County review included the extension of the water line pursuant to the outside water service agreement. Staff believes the recommended CEQA exemptions are appropriate given the installation of new pipeline will not exceed one mile in length from its point of connection and there is no reasonable possibility that activity will have a significant effect on the environment due to unusual circumstances.

ATTACHMENTS

- 1) Draft Resolution Authorizing the Outside Service Agreement and Making CEQA Findings
- 2) California Government Code Section 56133.5
- 3) County of Napa Ordinance No. 1447 & Amended Development Agreement
- 4) Application Materials from the City of Napa for Outside Service Agreement
- 5) Policy on Outside Service Agreements
- 6) City of Napa Agreement No. 5387 as Amended May 22, 2017
- 7) Congress Valley Water District Resolution No. 67

RESOLUTION NO. ____

**RESOLUTION OF
THE LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY
MAKING DETERMINATIONS**

**AUTHORIZATION OF AN OUTSIDE WATER SERVICE AGREEMENT INVOLVING THE
CITY OF NAPA AND THE CARNEROS INN MUTUAL WATER COMPANY**

WHEREAS, the Local Agency Formation Commission of Napa County, hereinafter referred to as the “Commission,” administers California Government Code Section 56000 et. seq., known as the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000; and

WHEREAS, the Commission is responsible for authorizing cities and special districts to enter into outside service agreements in accordance with California Government Code Section 56133.5; and

WHEREAS, the Commission received an application consistent with California Government Code Section 56133.5 from the City of Napa, hereinafter referred to as the “proposal”, requesting authorization to provide potable water service to the Carneros Inn Mutual Water Company for purposes of serving unincorporated territory located outside the City’s jurisdictional boundary and sphere of influence at 4040, 4044, 4280, 4300, and 4310 Sonoma Highway, and identified by the County Assessor’s Office as 047-100-062, 047-110-(003, 027, and 028), and 047-400-(001 through 028); and

WHEREAS, on or about 2014, the County Environmental Health Services Department issued a domestic water supply permit to the Carneros Inn Mutual Water Company authorizing the use of trucked water during emergency water shortfalls; and

WHEREAS, California Government Code Section 56133.5 was enacted on January 1, 2016, to establish a pilot program that allows the Commission to authorize cities and special districts to provide municipal services outside both their jurisdictional boundaries and spheres of influence under unique circumstances; and

WHEREAS, on December 4, 2017, the Commission adopted the Congress Valley Water District Municipal Service Review and Sphere of Influence Update, which includes a determinative statement consistent with California Government Code Section 56133.5 identifying a need for water service within the affected territory; and

WHEREAS, on March 20, 2018, the City of Napa approved conceptual terms of a wholesale water agreement whereby the City would supply a maximum of 43 acre-feet of potable water annually to the Carneros Inn Mutual Water Company and the water would be wheeled through a Congress Valley Water District waterline to a privately owned waterline that would be constructed and maintained by the Carneros Inn Mutual Water Company; and

WHEREAS, on August 20, 2019, the County of Napa approved Use Permit Major Modification P15-00190-MOD modifying the existing allowed uses on the affected territory which includes as a condition of approval the receipt of public water service to the affected territory from the City of Napa; and

WHEREAS, on August 27, 2019, the County of Napa adopted Ordinance No. 1447 approving an amended development agreement with the landowners that specifies the landowner relinquishes and waives the right to construct any new residential units that were previously permitted within the affected territory but not yet constructed; and

WHEREAS, the Commission is required pursuant to California Government Code Section 56133.5 to make a statement of written determinations with regards to certain factors; and

WHEREAS, the Executive Officer prepared and presented a written report to the Commission in the manner provided by law and adopted policy for purposes of considering the proposal; and

WHEREAS, the Commission heard and fully considered all the evidence presented on the proposal as required by law at a noticed public hearing held on October 7, 2019.

NOW, THEREFORE, THE COMMISSION DOES HEREBY RESOLVE, FIND, DETERMINE, AND ORDER as follows:

1. The foregoing recitals are true and correct.
2. In accordance with the applicable provisions of the California Environmental Quality Act (CEQA), the Commission finds the proposal is exempt from CEQA pursuant to CEQA Guidelines Section 15282(k), which exempts the installation of new pipeline as long as the project does not exceed one mile in length. The Commission also finds the proposal qualifies for a Class 3 exemption under California Code of Regulations, Title 14, Section 15303, which exempts utility extensions of reasonable length to serve new construction or conversion of small structures.
3. In accordance with California Government Code Section 56133.5, the Commission adopts the Statement of Determinations as set forth in Exhibit One, which is attached hereto and incorporated by reference.
4. The Commission authorizes the City of Napa to provide new water service to the Carneros Inn Mutual Water Company.
5. The Commission hereby directs staff to file a Notice of Exemption in compliance with CEQA.

The foregoing Resolution was duly and regularly adopted by the Commission at a regular meeting held on October 7, 2019, after a motion by Commissioner _____, seconded by Commissioner _____, by the following vote:

AYES: Commissioners _____

NOES: Commissioners _____

ABSENT: Commissioners _____

ABSTAIN: Commissioners _____

Gregory Rodeno
Commission Chair

ATTEST: _____
Brendon Freeman
Executive Officer

Recorded by: Kathy Mabry
Commission Secretary

EXHIBIT ONE

STATEMENT OF DETERMINATIONS

**CALIFORNIA GOVERNMENT CODE SECTION 56133.5 FACTORS FOR
AUTHORIZATION OF AN OUTSIDE WATER SERVICE AGREEMENT INVOLVING THE
CITY OF NAPA AND THE CARNEROS INN MUTUAL WATER COMPANY**

1. The extension of service or services deficiency was identified and evaluated in a review of municipal services prepared pursuant to Section 56430.

The Congress Valley Water District Municipal Service Review and Sphere of Influence Update (CVWD MSR/SOI Update) adopted in December 2017 identified and evaluated providing public water service to the affected territory including the need for public water facilities and services to the affected territory and the capacity and adequacy of public water services to the affected territory. The CVWD MSR/SOI Update included the following determination:

The portion of the Old Sonoma Road Study Area comprising the Carneros Resort and Spa, Carneros Cottages, and Carneros Homes has a present need for water service. Adding these properties to CVWD's sphere may not be feasible based on the Commission's adopted policies due to the designation of the land as agricultural. Any extension of water service under G.C. Section 56133.5 would need to be authorized by the Commission as a separate action in response to a formal request in accordance with G.C. Section 56133.5.

2. The extension of service will not result in either adverse impacts on open space or agricultural lands, or growth inducing impacts.

The County of Napa's approval of an amended development agreement with the landowners discussed the proposal and that it will not result in adverse impacts to open space or agricultural lands, or result in growth inducing impacts for the following reasons:

- a) The Carneros Inn Mutual Water Company (CMWC) is prohibited by law from providing water to anyone except its shareholders, who are the owners of property within the CMWC service area.
- b) The right to receive water from CMWC is appurtenant to the land, meaning that the right transfers to the new owner when property changes hands.
- c) CMWC and its shareholders are prohibited from using, selling or transferring water outside the boundaries of the CMWC service area.
- d) The boundaries of the CMWC service area fixed by contract with the City and County and may not expand.

- e) The uses being served and the maximum amount of water provided are fixed by contract with the City and County and may not intensify or increase.
 - f) The waterline will be sized to serve the CMWC service area only.
 - g) City water will serve existing development only and will not set precedent for service to new development.
 - h) Municipal water will be supplied on a wholesale, water company to water company basis, and will not set precedent for new residential service.
 - i) The waterline extension will be privately owned; no users except CMWC will be allowed to connect. Restrictive zoning within CMWC's service area, most of which is zoned Agricultural Watershed, will further impede any intensification or expansion of uses.
 - j) The project site is designated as Agricultural Resource on the County's adopted General Plan Land Use Map and is zoned Commercial Limited, Agricultural Watershed, and Planned Development. General Plan Agricultural Preservation and Land Use Policy AG/LU-45 allows for the continuation and limited expansion of existing commercial uses which are located on commercially-zoned property, despite the fact that the underlying General Plan land use designation may be agricultural. All existing and previously approved development is consistent with County zoning regulations and General Plan policies.
3. A sphere of influence change involving the affected territory and its affected agency is not feasible under this division or desirable based on the adopted policies of the commission.

The CVWD MSR/SOI Update adopted in December 2017 evaluated the potential for a sphere of influence amendment involving CVWD and the affected territory. The report determined a sphere of influence change is not feasible or desirable based on the County's assigned land use designation for the affected territory coupled with the Commission's adopted policies that prohibit sphere of influence expansions involving land designated for agricultural land use. While the referenced report is specific to CVWD's sphere of influence, this determination also applies to the City's sphere of influence given the affected territory is designated as Agricultural Resource on the County's adopted General Plan Land Use Map, and adopted local policies preclude lands designated as agricultural from inclusion within any city's sphere of influence unless the Commission determines an exception is warranted.



State of California

GOVERNMENT CODE

Section 56133.5

56133.5. (a) A pilot program is hereby established for the Napa and San Bernardino commissions. If consistent with adopted policy, the Napa and San Bernardino commissions may authorize a city or district to provide new or extended services outside its jurisdictional boundary and outside its sphere of influence to support existing or planned uses involving public or private properties, subject to approval at a noticed public hearing in which the commission makes all of the following determinations:

(1) The extension of service or services deficiency was identified and evaluated in a review of municipal services prepared pursuant to Section 56430.

(2) The extension of service will not result in either (1) adverse impacts on open space or agricultural lands or (2) growth inducing impacts.

(3) A sphere of influence change involving the affected territory and its affected agency is not feasible under this division or desirable based on the adopted policies of the commission.

(b) Subdivision (d) of Section 56133 shall apply to any request for new or extended services pursuant to this section.

(c) For purposes of this section, "planned use" means any project that is included in an approved specific plan as of July 1, 2015.

(d) The Napa and San Bernardino commissions shall submit a report before January 1, 2020, to the Legislature on their participation in the pilot program, including how many requests for extension of services were received pursuant to this section and the action by the commission to approve, disapprove, or approve with conditions. The report required to be submitted pursuant to this subdivision shall be submitted in compliance with Section 9795 of the Government Code.

(e) The pilot program established pursuant to this section shall be consistent with Chapter 8.5 (commencing with Section 1501) of the Public Utilities Code.

(f) This section shall remain in effect only until January 1, 2021, and as of that date is repealed.

(Amended by Stats. 2018, Ch. 86, Sec. 4. (AB 3254) Effective January 1, 2019. Repealed as of January 1, 2021, by its own provisions.)

ORDINANCE NO. 1447

**AN ORDINANCE OF THE NAPA COUNTY BOARD OF SUPERVISORS,
STATE OF CALIFORNIA, APPROVING THE DEVELOPMENT
AGREEMENT BETWEEN NAPA COUNTY AND GF CARNEROS HOLDINGS, LLC,
GF CARNEROS INN, LLC, GF CARNEROS TENANT, LLC, AND
CARNEROS INN MUTUAL WATER COMPANY**

WHEREAS, to strengthen the public planning process, encourage private participation in comprehensive planning and reduce the economic risk of development, the Legislature of the State of California adopted Government Code Sections 65864-65869.5 (the “Development Agreement Statute”), authorizing municipalities to enter into development agreements in connection with the development of real property within their jurisdiction by qualified applicants with a requisite legal or equitable interest in the real property which is the subject of such development agreement; and

WHEREAS, the purpose of the Development Agreement Statute is to authorize municipalities, in their discretion, to establish certain development rights in real property for a period of years regardless of intervening changes in land use regulations; and

WHEREAS, GF Carneros Holdings, LLC, a Delaware limited liability company (the “Carneros Resort Partners”) holds legal or equitable interests in the approximately 28-acres of real property in Napa County located at 4048 Sonoma Highway, Napa, California, designated by Assessor’s Parcel Numbers (APN) 047-110-027; 047-110-028; 047-110-003; 047-400-(001-28 SFAP); and 047-100-062 (the “Property”), and is more particularly described in the legal description shown on Exhibit A and depicted on the site map shown on Exhibit B to the form of Development Agreement attached to this Ordinance as Attachment 1. It is the entity that owns GF Carneros Inn, LLC and GF Carneros Tenant, LLC and aggregates the ownership of the partners in the Carneros Resort; and

WHEREAS, GF Carneros Inn, LLC (“Landowner”) is a Delaware limited liability company that holds legal or equitable interests in and owns the Property; and

WHEREAS, GF Carneros Tenant, LLC, (the “Operator”) holds legal or equitable interests in the Property and operates the Carneros Resort and Spa (“Carneros Resort”) located on the Property; and

WHEREAS, Carneros Inn Mutual Water Company (“Mutual Water Company”) holds legal or equitable interests in the Property and is a nonprofit mutual water company created under California Corporations Code §§ 14300 *et seq.* It supplies water to the 28-acre Carneros community (“Service Area”), which consists of 24 single-family homes, 17 fractional ownership homes, and the Carneros Resort. Mutual Water Company’s shareholders are the owners of parcels within its Service Area. GF Carneros Inn, LLC, the owner of the land on which the Carneros Resort is situated, owns approximately 90% of the shares in the Mutual Water Company; and

WHEREAS, Landowner, Operator, Carneros Resort Partners and Mutual Water Company has proposed Use Permit Major Modification No. P15-00190 to modify the Carneros Resort’s existing use permits to allow: a) relocation of the main entryway and installation of a new entry structure and signage; b) installation of off-site roadway landscape improvements within Caltrans and County right-of-ways; c) replacement of the existing wood fence along Old Sonoma Road with a decorative masonry wall; d) relocation of the Boon Fly Café restaurant to The Market location and use of the existing Boon Fly Café location for storage and staff needs; e) relocation of The Market space to a smaller, existing office space in the adjacent building; f) relocation of six existing recreational vehicle spaces to the Hilltop location; g) alteration and enhancement of the existing Hilltop pool area; h) relocation of the kitchen gardens located on the

flag lot to the farm area; i) Carneros Inn Mutual Water Company's installation of a private waterline from the terminus of an existing waterline to the Property so that the City of Napa can supply water to the Carneros Inn Mutual Water Company, thereby eliminating groundwater use at the site; j) installation of two pickle ball courts; (k) use of the adjoining CL zoned parcel (APN 047-110-003) as overflow parking for the Carneros Resort; (l) abandonment of the southerly portion of the Old Sonoma Highway and re-use as kitchen gardens; and (m) conveyance to the County of one-acre of Carneros Resort land on Old Sonoma Road for use as a future fire station. The project further proposes that Landowner relocate the existing fire facility from the 0.2-acre parcel to the Old Sonoma Road location and to install a concrete pad or to dismantle and demolish the existing fire facility at its cost and expense. Regardless of the County's decision to either relocate the existing fire facility or to construct a new fire station, Landowner proposes, at its cost and expense, to provide a driveway connection from the Fire Station Site to Old Sonoma Road with a surface that shall be capable of supporting fire apparatus weighing 75,000 pounds. Landowner and Mutual Water Company propose to allow the County to connect to Mutual Water Company's waterline to serve the relocated fire facility. The County intends to eventually construct a new fire facility at the Old Sonoma Road location. The project also includes an Exception to the County Road and Street Standards to acknowledge widths of less than 22-feet for the existing private internal access drives. All of the improvements referenced herein are referred to as the "Project;" and

WHEREAS, on October 30, 2018, the Board of Supervisors approved a Term Sheet between the County and Landowner, setting forth material terms upon which the County and Landowner would negotiate and enter into a development agreement; and

WHEREAS, the County has determined that the Project is a development for which a development agreement is appropriate. The Development Agreement will eliminate uncertainty in the County's land use planning process and secure orderly development of the Project, assure progressive and timely installation of necessary improvements and mitigation appropriate to each stage of development of the Project, and otherwise achieve the goals and purposes for which the Development Agreement Statute was enacted. The County desires to provide certainty through the Development Agreement with respect to specific development criteria that will be applicable to the Property in accordance with sound planning principles. The Development Agreement, if approved, would guide development within the existing Carneros Resort development area, and define the rights and obligations of County and the Landowner, Carneros Resort Partners, Operator and Mutual Water Company; and

WHEREAS, after conducting a duly noticed public hearing in accordance with the Development Agreement Statute, the Napa County Planning Commission by a vote of 5:0, on July 17, 2019, recommended that the Board adopt the Development Agreement; and

WHEREAS, thereafter on August 20, 2019, the Board held a duly noticed public hearing on the Development Agreement pursuant to the Development Agreement Statute.

NOW, THEREFORE, the Napa County Board of Supervisors, State of California, ordains as follows:

SECTION 1. The above recitals are true and correct.

SECTION 2. The Board finds that pursuant to California Government Code Section 65867.5, the Development Agreement is consistent with the County's Zoning Ordinance and the following goals, policies, action items and objectives and programs of the County's General Plan:

Goals: AG/LU-6, CON-10, CON-11, CON-13, and E-2,

Policies: AG/LU-30, AG/LU-45, AG/LU-46, AG/LU-108, AG/LU-126.5, CON-51, CON 52, CON-53, CON-60, CON-60.5, and E-6.

SECTION 3. The Board finds that the Project approved by the Development Agreement provides substantial public benefits to persons residing or owning property outside the boundary of the Property beyond the exactions for public benefits required in the normal development review process under federal, state or local law, as described in the foregoing recitals and in the Development Agreement. The Board further finds that the Development Agreement is in compliance with Government Code Section 65867.5 and therefore may be approved.

SECTION 4. The Development Agreement substantially in the form attached hereto as Attachment 1 and incorporated herein by reference between the County and GF Carneros Inn, LLC, a Delaware limited liability company, GF Carneros Tenant, LLC, a Delaware limited liability company, GF Carneros Holdings, LLC, a Delaware limited liability company, and Carneros Inn Mutual Water Company, a California corporation doing business as Carneros Mutual Water Company, is hereby approved. The Board authorizes and directs the Chair to execute the Development Agreement, subject to any further modifications that the Executive Officer determines, in consultation with the County Counsel, are in the best interest of the County, do not materially decrease the benefits to or materially increase the obligations or liabilities of the County, and are in compliance with all applicable laws.

SECTION 5. The Project Approval or Subsequent Approval set forth in the Development Agreement shall prevail in the event of any conflict or inconsistency with the County Subdivision Code.

SECTION 6. All actions taken by County officials in preparing and submitted the Development Agreement to the Board for review and consideration are hereby ratified and confirmed, and the Board further authorizes the Executive Officer and any other appropriate officers, agents or employees of the County to take any and all steps as they or any of them

deems necessary or appropriate, in consultation with the County Counsel, in order to consummate the matters set forth in the Development Agreement.

SECTION 7. Pursuant to Government Code § 65868.5, the Clerk of the Board of Supervisors shall record with the County Recorder of the County of Napa a copy of the Development Agreement within ten (10) days after the Development Agreement is fully executed.

SECTION 8. This ordinance shall be effective thirty (30) days from and after the date of its passage.


SECTION 9. A summary of this ordinance shall be published at least once 5 days before adoption and at least once before the expiration of 15 days after its passage in the Napa Valley Register, a newspaper of general circulation published in Napa County, together with the names of members voting for and against the same.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

The foregoing Ordinance was recommended for adoption and public hearing held thereon before the Napa County Planning Commission at a regular meeting of the Commission on the 17th day of July, 2019. The Planning Commission’s recommendation was considered by the Board of Supervisors and this Ordinance was introduced and read at a regular meeting of the Napa County Board of Supervisors (“the Board”), State of California, held on the 20th day of August, 2019, and passed at a regular meeting of the Board held on the 27th day of August, 2019, by the following vote:

AYES:	SUPERVISORS	PEDROZA, WAGENKNECHT, DILLON, RAMOS and GREGORY
NOES:	SUPERVISORS	NONE
ABSTAIN:	SUPERVISORS	NONE
ABSENT:	SUPERVISORS	NONE

NAPA COUNTY, a political subdivision of the State of California

By: 
 RYAN GREGORY, Chair of the Board of Supervisors

<p>APPROVED AS TO FORM Office of County Counsel</p> <p>By: <u>Laura J. Anderson (e-sign)</u> Deputy County Counsel</p> <p>By: <u>Erin Cossen</u> County Code Services</p> <p>Date: 8/7/2019</p>	<p>APPROVED BY THE NAPA COUNTY BOARD OF SUPERVISORS</p> <p>Date: August 27, 2019</p> <p>Processed By:  Deputy Clerk of the Board</p>	<p>ATTEST: JOSE LUIS VALDEZ Clerk of the Board of Supervisors</p> <p>By: </p>
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I HEREBY CERTIFY THAT THE ORDINANCE ABOVE WAS POSTED IN THE OFFICE OF THE CLERK OF THE BOARD IN THE ADMINISTRATIVE BUILDING, 1195 THIRD STREET ROOM 310, NAPA, CALIFORNIA ON 8/28/2019.


 JOSE LUIS VALDEZ, CLERK OF THE BOARD



2019-0016950

Recorded
Official Records
County of
Napa
JOHN TUTEUR
Assessor-Recorder-Co.

REC FEE 0.00
NO FEE CONFORME 0.00
MS
Page 1 of 135

OFFICIAL BUSINESS
Fee Exempt per Government Code Section 27383

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

Napa County
1195 Third Street, Suite 310
Napa, California 94559

Attention: Clerk of the Board of Supervisors

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

DEVELOPMENT AGREEMENT

BY AND BETWEEN

Napa County Agreement No. 8595

NAPA COUNTY

AND

GF CARNEROS HOLDINGS, LLC

AND

GF CARNEROS INN, LLC

AND

GF CARNEROS TENANT, LLC,

AND

CARNEROS INN MUTUAL WATER COMPANY

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**DEVELOPMENT AGREEMENT
CARNEROS INN**

This Development Agreement (the “**Agreement**”) is entered into on this 27th day of August, 2019, by and between **Napa County**, a political subdivision of the State of California (the “**County**”), **GF Carneros Holdings, LLC**, a Delaware limited liability company (the “**Carneros Resort Partners**”), **GF Carneros Inn, LLC**, a Delaware limited liability company (the “**Landowner**”), **GF Carneros Tenant, LLC**, a Delaware limited liability company (the “**Operator**”), and **Carneros Inn Mutual Water Company**, a California corporation doing business as Carneros Mutual Water Company (the “**Mutual Water Company**”). County, Landowner, Carneros Resort Partners, Operator and Mutual Water Company and their respective successors and Transferees are collectively referred to in this Agreement as the “**Parties**” and singularly as a “**Party**.”

RECITALS

- A. **Authorization.** To strengthen the public planning process, encourage private participation in comprehensive planning and reduce the economic risk of development, the legislature of California adopted Government Code Sections 65864, et seq. (the “**Development Agreement Statute**”), which authorizes the County and any person having a legal or equitable interest in real property to enter into a development agreement, establishing certain development rights in the property that is the subject of the development project application. The purpose of the Development Agreement Statute is to authorize local agencies, in their discretion, to establish certain development rights regardless of intervening changes in land use regulations.
- B. **Property; Landowner.** Landowner holds legal or equitable interests in a parcel of real property in Napa County located at 4048 Sonoma Highway, Napa, California, designated by Assessor’s Parcel Numbers (APN) 047-110-027; 047-110-028; 047-110-003; 047-400-(001-28 SFAP) and 047-100-062, and is more particularly described in the legal description attached hereto as Exhibit “A” (the “**Property**”) and depicted on the Illustrative Master Plan (“**Site Plan**”) attached hereto as Exhibit “B.”
- C. **Property; Operator.** Operator holds legal or equitable interests in the Property and operates the Carneros Resort and Spa (“**Carneros Resort**”) located on the Property.
- D. **Property; Carneros Resort Partners.** The Carneros Resort Partners holds legal or equitable interests in the Property. It is the entity that owns GF Carneros Inn, LLC and GF Carneros Tenant, LLC and aggregates the ownership of the partners in the Carneros Resort.
- E. **Property; Mutual Water Company.** Mutual Water Company holds legal or equitable interests in the Property and is a nonprofit mutual water company created under California Corporations Code Sections 14300 et seq. It supplies water to the 28-acre Carneros community (“**Service Area**”), which consists of 24 single-family homes, 17 fractional ownership homes, and the 96-unit Carneros Resort. Mutual Water Company’s shareholders are the owners of parcels within its Service Area. GF Carneros Inn, LLC, the owner of the land on which the Carneros Resort is situated, owns approximately 90% of the shares in the Mutual Water Company.

F. Historical Background.

The Property known today as the Carneros Resort totals 28-acres and includes 24 single-family homes, 17 fractional residences, and a 96-unit resort hotel/recreational vehicle park with amenities and supporting infrastructure. The principal parcels are commonly referred to as the Carneros Inn Parcel (APN 047-100-062) and the Carneros Lodge Parcel (APN 047-110-027). A summary of the permit history for the Carneros Inn Parcel and Carneros Lodge Parcel is attached as Exhibit "C."

F.1. The first use permit associated with the Carneros Inn Parcel was issued in 1961. It authorized the establishment of a mobile home park on a 14-acre parcel zoned Commercial Limited ("CL"). In 1965, the owner at that time received approval to expand the mobile home park, which also included a small bar and restaurant (now the Boon Fly Café). In 1972, both the Carneros Inn Parcel and Carneros Lodge Parcel were rezoned in two separate actions to Planned Development ("PD").

F.2. In 1990, the County approved Use Permit No. U-89-20 for the construction and operation of a 96-unit recreational vehicle park on the Carneros Inn Parcel, including a 12,000 square foot recreational building, a storage reservoir and a sewage pond. By then, the parcel had expanded to 18-acres and included a bar and restaurant and 22-space mobile home park. Later that year, the northern portion of the parcel on which the recreational vehicle park was situated was rezoned Agricultural Watershed: Recreational Vehicle Park Combining District ("AW: RVP"), while the southern portion, encompassing the restaurant and mobile home park, retained its PD zoning.

F.3. In 1999, the existing use permit (U-89-20) was modified to redesign the layout of the mobile home and recreational vehicle parks; reconstruct and relocate the restaurant; and construct a new package wastewater treatment plant. The permit was modified again the following year to change the layout of internal roads; to relocate certain recreational vehicle sites, the restaurant and wastewater treatment plant; and to change certain building uses, elevations and floorplans.

F.4. A predecessor of the Carneros Lodge Parcel was permitted in 1972 as a storage yard for trailers, mobile homes, recreational vehicles and campers. A portion of the property was rezoned PD; the rest retained its CL zoning. Various parties expressed interest in developing the property over the years, but development activity did not begin until the Carneros Lodge Parcel and the Carneros Inn Parcel came under common ownership in the 1990s.

F.5. In 1999, a predecessor of Landowner's applied for a use permit to establish a new resort hotel facility on the Property and in 2002, the County approved a proposal to build a lodge consisting of 25 cottage-style units; retail, meeting and banquet space; a 100-seat restaurant; and a 10,000 square foot public square. Use Permit No. 98511-UP recognized that the Carneros Lodge Parcel and Carneros Inn Parcel were under common ownership; would share amenities and infrastructure, such as roads, sewage treatment, water supply and recreational facilities; and would effectively operate as a single integrated resort complex. Modifications to the use permit in 2005 and 2006 reduced the total number of cottage units from 25 to 17.

F.6. In 2014, Landowner acquired the Property.

F.7. In 2015, Landowner applied for Use Permit Major Modification No. P15-00190 to realign the main entryway, construct a new entry gate and install new signage, relocate the Boon Fly Café and six existing RV spaces, install new landscaping and other minor internal improvements to the Carneros Resort.

G. Water Supply Background.

G.1. Use Permit No. 98511-UP for the development of the Carneros Lodge Parcel included a condition of approval that restricted groundwater pumping on the site to 26.96 acre-feet per year.

G.2. On or about 2014, the County Environmental Health Services Department (“**County EH**”) issued a new Domestic Water Supply Permit (# 249815) to Mutual Water Company. The water supply permit authorized use of the Rogal Well 1 as the approved water supply source and authorized the use of trucked water by haulers to serve the water system only during emergency water shortfalls.

G.3. On or about June, 2015, County EH confirmed that the Carneros Resort reported water use (trucked and groundwater) at 40 acre-feet for the prior 11-month period, which, reported by the Landowner as the result of an improperly functioning water meter, was significantly more water than had been previously reported. The County also first became aware that Landowner, Operator and Mutual Water Company were importing trucked water from City of Napa (the “**City**”) fire hydrants to supply potable water to the Property.

G.4. During late 2015 and 2016, County, Landowner, Operator and Mutual Water Company met and discussed options for addressing the water overuse and a work plan for achieving a stable long-term water supply for the Carneros Resort and the Property. Ultimately, it was decided that Landowner, Operator and Mutual Water Company would seek approvals from the City, the Local Agency Formation Commission of Napa County (“**LAFCO**”) and such other approvals as are needed to allow the City of Napa to wheel water through an existing Congress Valley Water District (“**Water District**”) waterline that currently terminates approximately one-half mile from the Property. Mutual Water Company would construct a privately owned waterline from the terminus to the Property and receive water from the City through the Water District.

G.5. The proposed long-term water supply solution agreed upon by the Parties would require all of the following:

G.5.1. LAFCO approval of an outside service agreement allowing the City to wheel water through Water District pipes; and

G.5.2. City approval of a Wholesale Water Agreement with the Mutual Water Company to supply water to the Property.

G.6. On or about February 6, 2017, LAFCO directed its staff to return with a Municipal Services Review prior to LAFCO taking any formal action on the Water District's Sphere of Influence ("SOI") Update so that LAFCO could make the required determinations to facilitate an outside service agreement with the City pursuant to Government Code Section 56133.5.

G.7. On or about December 5, 2017, LAFCO affirmed its intent to approve the Water District's SOI Update and rely upon the County's environmental determination under the California Environmental Quality Act ("CEQA") for the Project for LAFCO's future approval of the SOI Update.

G.8. On or about March 20, 2018, the City conceptually approved the terms of a Wholesale Water Agreement whereby the City would supply a maximum of 43 acre-feet of potable water per year to the Mutual Water Company. The final Wholesale Water Agreement may be approved by City staff and does not require further action by the City Council. The water would be wheeled through an existing Water District waterline to a privately owned waterline that would be constructed and maintained by Mutual Water Company. The water supplied to the Mutual Water Company would be solely for the Mutual Water Company's shareholders for their own use within the Mutual Water Company's existing Service Area, as provided by law and the Mutual Water Company's articles of incorporation. Under the terms of the Wholesale Water Agreement, Mutual Water Company would build, install and maintain a private waterline to the Property from an existing Water District waterline that terminates approximately one-half mile from the Property. The Wholesale Water Agreement prohibits the Mutual Water Company and its customers from providing water to third parties or transferring water outside of the Mutual Water Company's Service Area in effect on March 1, 2018. The conceptual term sheet of the Wholesale Water Agreement is attached as Exhibit "D" and is expected to be approved in substantially the same form by the City in 2019.

G.9. On or about December 2018, Water District approved a new waterline connection for the Mutual Water Company for the purpose of allowing the City to wheel water through Water District waterlines to serve the Mutual Water Company.

H. **Project Description.** On June 2018, Landowner proposed an updated project description which includes the following: 1) relocation of the main entryway and installation of a new entry structure and signage; 2) installation of off-site roadway landscape improvements within Caltrans and County right-of-ways; 3) replacement of the existing wood fence along Old Sonoma Road with a decorative masonry wall; 4) relocation of the Boon Fly Café restaurant to The Market location and use of the existing Boon Fly Café location for storage and staff needs; 5) relocation of The Market space to a smaller, existing office space in the adjacent building; 6) relocation of six existing recreational vehicle spaces to the Hilltop location; 7) alteration and enhancement of the existing Hilltop location; 8) relocation of the kitchen gardens located on the flag lot to the farm area; 9) Mutual Water Company's installation of a private waterline from the terminus of an existing waterline to the Property so that the City of Napa can supply water to the Mutual Water Company, thereby eliminating groundwater use at the site; 10) installation of two pickle ball courts; 11) use of the adjoining CL zoned parcel (APN 047-110-003) as overflow parking for the Carneros Resort; 12) abandonment of the southerly portion of the Old Sonoma Highway and re-use as kitchen gardens; and 13) conveyance to the County of one-acre of

Carneros Resort land on Old Sonoma Road for use as a future new fire facility. The project also requests an Exception to the County Road and Street Standards to acknowledge widths of less than 22-feet for the existing private internal access drives.

Landowner further proposed to relocate the existing fire facility from the 0.2-acre parcel to the Old Sonoma Road location and to install a concrete pad or to dismantle and demolish the existing fire facility at its cost and expense. Regardless of the County's decision to either relocate the existing fire facility or to construct a new fire station, Landowner proposed, at its cost and expense, to provide a driveway connection from the Fire Station Site to Old Sonoma Road with a surface that shall be capable of supporting fire apparatus weighing 75,000 pounds. Landowner and Mutual Water Company proposed to allow the County to connect to Mutual Water Company's waterline to serve the relocated fire facility. The County intends to eventually construct a new fire facility at the Old Sonoma Road location. All of the improvements described in this Recital G shall be referred to as the "**Project**" and are shown on the Site Plan attached as Exhibit "B."

I. **Environmental Review.** On July 17, 2019, in a memorandum to the Planning Commission attached hereto as Exhibit "E", the County preliminarily determined the Project was exempt from environmental review under various categorical exemptions to CEQA.

J. **Board Direction on Terms.** In an effort to resolve all pending disputes between the Parties and to define the rights and obligations of the Parties, on October 30, 2018, the Board held a public meeting and took public testimony regarding the terms and conditions of a proposed development agreement with Landowner, Operator and Mutual Water Company. After considering public and staff testimony, the Board provided direction to County staff consistent with the terms herein.

K. **Planning Commission Public Hearing.** On July 17, 2019, at a duly-noticed public hearing, the Planning Commission, serving as the County's planning agency for purposes of development agreement review pursuant to Government Code Section 65867, considered this Agreement. The Commission also considered the Project. The Commission recommended that the Board adopt the Categorical Exemptions under CEQA; approve Use Permit Major Modification No. P15-00190-MOD; and adopt the proposed Ordinance approving the Development Agreement between the County, Landowner, Operator, Carneros Resort Partners and Mutual Water Company.

L. **Project Approvals.** The County has adopted the following land use approval (the "**County Project Approval**") for the application for the Project located on the Property, which County Project Approval includes and is the subject of this Agreement:

Use Permit Major Modification No. P15-00190-MOD, recommended for approval of the Project by the Planning Commission and approved by the Napa County Board of Supervisors on August 27, 2019, attached hereto as Exhibit "F."

M. **Other Project Approval.** County Project Approval is contingent upon and expressly conditioned upon Landowner and Mutual Water Company receiving all Final Project Approvals required by LAFCO, the City and such other approvals as are needed for the City to wheel water

through an existing Water District waterline that currently terminates approximately one-half mile from the Property. Mutual Water Company will construct and maintain a private waterline from the terminus of the Water District waterline to the Property and receive water supplied by the City.

N. Appropriateness of Development Agreement. The County has determined a development agreement is appropriate for this Project. A development agreement will eliminate uncertainty in the County's land use planning process and secure orderly development of the Project consistent with the County Project Approval, assure progressive and timely installation of necessary improvements, and otherwise achieve the goals and purposes for which the Development Agreement Statute was enacted. The County desires to provide certainty through this Agreement with respect to specific development criteria that will be applicable to the Property in accordance with sound planning principles. The Development Agreement defines the rights and obligations of the Parties.

O. Public Benefits Provided Pursuant to the Development Agreement. The Board has determined that the development of the Project will afford the County and its citizens and the surrounding region with the following primary benefits (all as set further forth in Section 12.2 of this Agreement), which include both public benefits provided by the Project in accordance with the County Project Approvals and public benefits in excess of those which could be expected from the Project in absence of this Agreement (collectively, the "**Public Benefits**"):

O.1. Payment to the County of One Hundred Thousand Dollars (\$100,000) by Landowner, earmarked for affordable housing, provided however, that the County retains sole discretion in determining how the funds are ultimately spent.

O.2. Landowner agrees to convey in fee title to the County one-acre of Carneros Resort land for use by the County Fire Department on the Old Sonoma Road side of the Carneros Resort as shown on Exhibit "B" attached hereto ("**Fire Station Site**"). No later than six (6) months after the Effective Date of this Agreement, the County shall elect whether to relocate the existing fire facility from its current location to the Fire Station Site, or to construct a new fire facility at the Fire Station Site. If the County elects to relocate the existing fire facility, (a) the County shall, at its expense and within sixty (60) days of making such election, provide Landowner with plans for the construction of a concrete pad of sufficient size to accommodate the relocated facility and (b) the Landowner shall, at its expense and within one hundred eighty (180) days of receiving County's plans, construct said pad to the County's satisfaction and relocate the existing fire facility to the Fire Station Site. Should the County elect instead to construct a new fire facility at the Fire Station Site, County shall complete such construction within twenty-nine (29) months of making such election and Landowner shall, at its expense, dismantle or demolish the existing fire facility structure and remove accessory buildings, vehicles and equipment from the site within thirty (30) days of final occupancy of the new fire facility. Regardless of the County's decision to either relocate the existing fire facility or to construct a new fire station, Landowner shall, at its cost and expense, provide a driveway connection from the Fire Station Site to Old Sonoma Road with a surface that shall be capable of supporting fire apparatus weighing 75,000 pounds.

O.3. Mutual Water Company agrees to allow the County to connect to Mutual Water Company's waterline immediately after the waterline is completed and operational. Mutual Water Company will bill the County for the fire facility's water use either at cost or at the same rate it charges its other existing customers. Electrical connection and septic system for the relocated fire facility will be the responsibility of the County.

O.4. Landowner, Operator, Carneros Resort Partners and Mutual Water Company agree to use all good faith efforts and work diligently to obtain all Final Project Approvals necessary to establish an uninterrupted water supply consistent with the terms of the Wholesale Water Agreement with the City wheeled through the Water District to a private waterline that will be constructed, owned and maintained by Mutual Water Company. A Water District waterline currently terminates approximately one-half mile from the Property as shown on the map attached as Exhibit "G." Landowner agrees to pay all costs and expenses required to extend a private waterline from this terminus to the Property. Mutual Water Company agrees to promptly commence and diligently pursue construction of the private waterline.

O.5. Upon receipt of all Final Project Approvals, the County will reasonably grant Mutual Water Company an encroachment permit for the extension of a private waterline from the terminus of the Water District waterline to be located in the County's public right-of-way on Old Sonoma Road. Mutual Water Company will be responsible for returning the County's public-right-of-way on Old Sonoma Road to the same or better condition as it existed prior to Mutual Water Company's construction and installation of the waterline subject to the County's satisfaction. Mutual Water Company will be responsible for obtaining encroachment permits from Caltrans for any work or improvements in the Caltrans right-of-way.

O.6. Once Mutual Water Company's privately owned waterline connection is complete and operational, Landowner, Operator and Mutual Water Company agree to refrain from trucking water to the Property except in an emergency. For purposes of this Agreement, an "emergency" is defined as any time that the City is unable to provide the required supply, pressure, and/or the water is contaminated. In such an event, Landowner, Mutual Water Company and Operator may use a standby source. A standby source may not be used for more than the duration of the emergency. The start and end of an emergency shall be determined by the Planning Building and Environmental Services Director ("**PBES Director**"). The PBES Director shall be notified by Landowner or Mutual Water Company within 24 hours of using a standby source. Notification shall include the reason for the use and estimated duration. The State Water Resources Control Board shall be notified within 72 hours per Title 22 of the California Code of Regulations Section 64414.

O.7. Once the Mutual Water Company's privately owned waterline connection is complete and operational, Landowner, Operator, Carneros Resort Partners and Mutual Water Company agree to immediately cease all groundwater pumping thereby eliminating approximately 26.96 acre-feet per year of groundwater use at the site. Landowner or Mutual Water Company will promptly cap the groundwater wells on site and they shall remain capped for so long as the City's water supply continues, except in case of emergency (as defined above in Recital O.6) as determined by the PBES Director. Landowner agrees to promptly provide written notice to the PBES Director after the groundwater wells have been capped. The County shall have the right to inspect the groundwater wells to confirm that they have been capped.

O.8. Landowner may develop the new primary entrance to the west, connecting to Old Sonoma Highway as shown on the Site Plan attached as Exhibit "B", at the earliest possible date after Final Project Approvals.

O.9. Landowner agrees to permanently relinquish and waive the right to construct any new residential units that were previously permitted on the Property but not yet constructed as of the Effective Date of this Agreement.

O.10. Landowner and County reaffirm and acknowledge that the property covered under the "Covenant and Use Restriction" dated November 5, 2003, and as amended March 21, 2017, attached hereto as Exhibit "H" shall continue to be used in a manner consistent with the terms of the Covenant. Nothing in this Agreement alters, modifies or supersedes this Covenant and Use Restriction.

O.11. Landowner, Operator, Carneros Resort Partners and Mutual Water Company agree to rigorously implement the existing water conservation measures identified in Exhibit "I." Mutual Water Company agrees to operate and maintain its state-of-the-art recycled water plant.

O.12. Landowner agrees to pay all County costs, permit fees, staff time and related expenses associated with processing the Project and preparing this Agreement.

O.13. Operator agrees to be bound by the terms of this Agreement.

O.14. Mutual Water Company agrees to be bound by the terms of this Agreement.

O.15. Landowner, Operator, Carneros Resort Partners and Mutual Water Company agree that Landowner, Operator, Carneros Resort Partners and Mutual Water Company will not pursue annexation of the Property into the City. Landowner, Operator, Carneros Resort Partners and Mutual Water Company further agree to cooperate with the County to oppose any efforts to annex the Property.

P. Reasons for this Agreement.

P.1. Landowner, Operator, Carneros Resort Partners and Mutual Water Company Benefits. In exchange for the Public Benefits of the Project that exceed those required by law, Landowner, Operator, Carneros Resort Partners and Mutual Water Company desire to receive assurances that the County will grant permits and approvals required for the development of the Project, over the Project's estimated development horizon, in accordance with procedures provided by law and in this Agreement, and that Landowner, Operator, Carneros Resort Partners and Mutual Water Company may proceed with the Project in accordance with the County Code as of the Effective Date (the "**Applicable Rules**") subject to the further terms and conditions of this Agreement. To effect these purposes, the Parties desire to enter into this Agreement.

NOW, THEREFORE, in consideration of the mutual promises, conditions, and covenants hereinafter set forth, the Parties agree as follows:

AGREEMENT

1. Incorporation of Exhibits and Recitals. The Preamble, Recitals, Exhibits, and all defined terms set forth therein are hereby incorporated into this Agreement as if set forth herein in full.

2. Definitions. Each reference in this Agreement to any of the following terms shall have the meaning set forth below for each such term. Certain other terms shall have the meaning set forth for such term in this Agreement.

2.1 Adoption Date. August 27, 2019, the date the Board approved the Project and adopted this Agreement.

2.2 Agreement. The Development Agreement entered into on August 27, 2019, by and between Napa County, a political subdivision of the State of California, GF Carneros Inn, LLC, a Delaware limited liability company, GF Carneros Tenant, LLC, a Delaware limited liability company, GF Carneros Holdings, LLC, a Delaware limited liability company and Carneros Inn Mutual Water Company, a California corporation doing business as Carneros Mutual Water Company.

2.3 Annual Review Date. The anniversary date of the Effective Date of this Agreement as defined in Section 16.1.

2.4 Applicable Rules. Defined in Recital P.1.

2.5 Board. The Napa County Board of Supervisors.

2.6 Carneros Resort. The Carneros Resort and Spa located at 4048 Sonoma Highway, Napa, California.

2.7 Carneros Resort Partners. GF Carneros Holdings, LLC, a Delaware limited liability company. It is the entity that owns GF Carneros Inn, LLC and GF Carneros Tenant, LLC and aggregates the ownership of the partners in the Carneros Resort.

2.8 CEQA. The California Environmental Quality Act (Publ. Resources Code, §§ 21000 et seq.) the Guidelines thereunder (Cal. Code Regs., tit. 14, §§ 15000 et seq.) and the County's Local Guidelines for Implementing CEQA.

2.9 Claims. Defined in Section 17.

2.10 Commission. The Napa County Planning Commission, serving as the County's planning agency for purposes of development agreement review pursuant to Government Code Section 65867.

2.11 Complaining Party. The Party claiming another Party is in default.

2.12 Water District. The Congress Valley Water District, a water district.

2.13 County. Napa County, a political subdivision of the State of California.

2.14 County Project Approval. Defined in Recital L.

2.15 Default. Defined in Section 19.

2.16 Development Agreement Statute. California Government Code Sections 65864 et seq.

2.17 PBES Director. Defined in Recital O.6.

2.18 Effective Date. Defined in Section 7.2.

2.19 Final Project Approvals. County Project Approval is contingent upon and expressly conditioned upon Landowner and Mutual Water Company receiving all final project approvals and/or agreements required by LAFCO, the City and such other approvals as are needed for the City to supply water through an existing Water District waterline that currently terminates approximately one-half mile from the Property. Final Project Approvals includes final approvals and/or agreements from LAFCO, the City and Water District and the expiration of all applicable appeal periods.

2.20 Landowner. GF Carneros Inn, LLC, a Delaware limited liability company.

2.21 LAFCO. Napa County Local Agency Formation Commission.

2.22 Mutual Water Company. Carneros Inn Mutual Water Company, a California corporation doing business as Carneros Mutual Water Company.

2.23 Minor Amendment. Defined in Section 18.4.

2.24 Operator. GF Carneros Tenant, LLC, a Delaware limited liability company.

2.25 Other Project Approvals. Defined in Recital M.

2.26 Party. County, Landowner, Operator, Aggregate Ownership of the Carneros Resort Partners and Mutual Water Company and their respective successors and transferees. Collectively, they shall be called the "Parties."

2.27 Party in Default. The Party alleged to be in Default.

2.28 Permitted Delay. Defined in Section 26.

2.29 Prevailing Party. Defined in Section 22.

2.30 Project. Described in Recital H.

2.31 Property. Defined in Recital B.

2.32 Public Benefits. Defined in Recital O.

2.33 Service Area. The service area for the Mutual Water Company in effect on March 1, 2018.

2.34 Subsequent Rule. County ordinances, resolutions, rules, regulations, or official policies enacted after the Adoption Date, as further defined in Section 10.

2.35 Substantive Amendment. Defined in Section 18.3.

2.36 Term. Defined in Section 7.3.

2.37 Timely. Defined in Section 23.

2.38 Transferee. Defined in Section 13.1.

3. Parties to the Development Agreement. The Parties to this Development Agreement are:

- a. Napa County, a political subdivision of the State of California exercising general governmental functions and power. The principal place of business of the County is located at 1195 Third Street, Suite 310, Napa, CA 94559.
- b. GF Carneros Inn, LLC, a Delaware limited liability company. The principal place of business of Landowner is located at 4048 Sonoma Highway, Napa, CA 94559.
- c. GF Carneros Tenant, LLC, a Delaware limited liability company. The principal place of business of Operator is located at 4048 Sonoma Highway, Napa, CA 94559.
- d. Carneros Inn Mutual Water Company, a California corporation doing business as Carneros Mutual Water Company. The principal place of business of the Mutual Water Company is located at 4048 Sonoma Highway, Napa, CA 94559.
- e. GF Carneros Holdings, LLC, a Delaware limited liability company. The principal place of business of Carneros Resort Partners is located at 4048 Sonoma Highway, Napa, CA 94559.

4. Description of Property. The Property that is the subject of this Agreement is described generally in Recital B and with greater particularity in Exhibit "A" attached hereto.

5. Interest of Landowner, Carneros Resort Partners, Operator and Mutual Water Company. The Landowner, Carneros Resort Partners, Operator, and Mutual Water Company hereby represent and warrant that each presently has a legal or equitable interest in the entire Property sufficient to satisfy the requirement of California Government Code Section 65865.

6. Relationship of County, Landowner, Operator, Carneros Resort Partners and Mutual Water Company. The Parties specifically acknowledge that the Project is a private development, that no Party is acting as the agent of the other in any respect hereunder, and that each Party is a distinct contracting entity with respect to the terms, covenants, and conditions

contained in this Agreement. None of the terms or provisions of this Agreement shall be deemed to create a partnership between or among the Parties in the businesses of Landowner or Operator or Carneros Resort Partners or Mutual Water Company, the affairs of the County, or otherwise, nor shall it cause them to be considered joint venturers or members of any joint enterprise. County, Landowner, Operator, Carneros Resort Partners and Mutual Water Company hereby renounce the existence of any form of joint venture or partnership between them, and agree that nothing contained herein or in any document executed in connection herewith shall be construed as making County, Landowner, Carneros Resort Partners, Operator and Mutual Water Company joint venturers or partners.

7. Execution and Recording; Effective Date; Term.

7.1 Execution and Recording. Not later than ten (10) days after the date the Board approves the Project and adopts this Agreement (the “**Adoption Date**”), the Parties shall execute and acknowledge this Agreement. Not later than forty (40) days after the Effective Date, the County Clerk shall cause this Agreement to be recorded in the Official Records of Napa County, State of California.

7.2 Effective Date. This Agreement shall not become effective and neither Party shall have any rights or obligations hereunder until the “Effective Date,” which for purposes of this Agreement shall mean the effective date of County Ordinance No. 1447, which is the Adoption Date.

7.3 Term. The term of this Agreement (the “**Term**”) shall commence on the Effective Date and shall continue thereafter until the earlier of the following: (i) the date that is ten (10) years after the Effective Date; (ii) the date this Agreement is terminated pursuant to Section 18.6 of this Agreement; or (iii) the date this Agreement is terminated pursuant to Section 18.7 of this Agreement.

7.4 Extension of Term Due to Litigation. In the event that Litigation is filed by a third party (i.e., an entity other than a Party to this Agreement), or by any party hereto, that seeks to invalidate this Agreement or any of the Project Approvals, the Term of this Agreement shall be extended for a period of time equal to the length of time from the date a summons and complaint and/or petition are first served on the defendant(s)/respondent(s) until the date that the resolution of the litigation is final and not subject to appeal; provided, however, that the total amount of time for which the Term may be extended as a result of any and all litigation shall not exceed five (5) years.

7.5 Rights and Obligations upon Expiration of the Term or Earlier Termination. Upon termination of this Agreement, all of the rights, duties, and obligations of the Parties hereunder shall terminate and be of no further force and effect, except as otherwise expressly set forth herein or as may be required by law; and except as to Landowner’s, Operator’s, Carneros Resort Partners’ and Mutual Water Company’s obligation to provide Public Benefits. Termination shall not affect any pre-existing rights of Landowner, including without limitation those arising from any previously granted Project Approval and Subsequent Approval for development of all or any portion of the Property, including, without limitation, Landowner’s right to complete and/or occupy any building or other improvement authorized by such Project

Approval or Subsequent Approval, provided that any such building or improvement is completed in accordance with all previously granted Project Approvals and Subsequent Approvals in effect at the time of such termination except as to any entitlements expressly waived by Landowner as referenced in Section 12.2.11. Landowner, Operator, Carneros Resort Partners and Mutual Water Company hereby waive all rights to object to or challenge the conditions of approval of any previously granted Project Approval under the Mitigation Fee Act (Government Code Sections 66000-66011) or any other law or authority.

8. Vested Rights.

8.1 Vested Rights and Permitted Uses. During the Term of this Agreement, except to the extent County reserves its discretion as expressly set forth in this Agreement or in the Applicable Rules, Landowner, Operator, Carneros Resort Partners and Mutual Water Company shall have the vested right to exercise its discretion within the limits and constraints of the Applicable Rules in designing any buildings, structures, streets, sidewalks, buildings, and development within the Property. County shall not exercise or require any design review approval for Landowner's, Operator's, Carneros Resort Partners' and Mutual Water Company's use of the Property unless expressly set forth in the Applicable Rules. In connection therewith, Landowner, Operator, Carneros Resort Partners and Mutual Water Company acknowledge that nothing in this Agreement is intended to override any review and approval requirements contained in the Applicable Rules or to preclude County from the exercise of any discretionary authority it has under the Applicable Rules, provided that pursuant to Government Code Section 65865.2, "such conditions, terms, restrictions, and requirements for subsequent discretionary actions shall not prevent development of the land for the uses and to the density or intensity of development" set forth in this Agreement.

In addition to the foregoing, Landowner, Operator, Carneros Resort Partners and Mutual Water Company acknowledge and agree that nothing herein is intended to vest Landowner, Operator, Carneros Resort Partners and Mutual Water Company with any environmental approvals that may be required in connection with the future development of the Property, and that Landowner and Mutual Water Company must submit, process, and obtain the approval of all documentation and information required to comply with CEQA (California Public Resources Code Sections 21000 et seq.) with regard to any future development of the Property.

9. Applicable Rules. Other than as expressly set forth in this Agreement, during the Term of this Agreement, the terms and conditions of development applicable to the Property, including but not limited to the permitted uses, the density and intensity of use, and the maximum height, size, and location of proposed buildings, shall be those set forth in the Applicable Rules, the County Project Approval and this Agreement. The permitted uses, density and intensity of development, and the maximum height, location, and size of proposed buildings permitted under the Project conform with the development studied and contemplated by the County Project Approval.

During the Term of this Agreement, County shall not prevent development of the Property consistent with the County Project Approval and this Agreement that is in compliance with the Applicable Rules, or require Landowner, Operator, Carneros Resort Partners or Mutual Water Company to modify or redesign any building which complies with the Applicable Rules.

Landowner, Operator, Cameros Resort Partners and Mutual Water Company may apply to County for permits or approvals necessary to modify or amend the development specified in this Agreement and the Applicable Rules, provided that the request does not propose an increase in the maximum density, intensity, height, or size of proposed structures, or a change in use that generates greater environmental impacts or water use. This Agreement does not constitute a promise or commitment by County to approve any such permit or approval, or to approve the same with or without any particular requirements or conditions, and County's discretion with respect to such matters shall be the same as it would be in the absence of this Agreement.

The provisions of this Section 9 shall survive expiration of the Agreement and shall run with the land.

10. Subsequent Rules and Approvals. During the Term of this Agreement, no County ordinances, resolutions, rules, regulations, or official policies enacted after the Adoption Date (the "Subsequent Rule") that conflict with the Vested Rights of Landowner, Operator, Cameros Resort Partners and Mutual Water Company or the rights of Landowner, Operator, Cameros Resort Partners and Mutual Water Company set forth in this Agreement shall be applicable hereunder without Landowner's, Operator's, Cameros Resort Partners' or Mutual Water Company's written consent; provided, however, that nothing shall prevent County from taking such action as may be necessary and appropriate to protect County residents against specific physical public health and/or safety impacts.

10.1 Conflicting Actions. For purposes of Section 10 above, any action or proceeding of the County (whether enacted by administrative action, or by a commission, board, the legislative body or the electorate) undertaken without the consent of Landowner, Operator, Cameros Resort Partners and Mutual Water Company that has any of the following effects on the Project shall be considered in conflict with the Vested Rights, this Agreement, and the Applicable Rules:

10.1.1 limiting, reducing or modifying the uses, height, bulk, density or intensity of permitted uses of all or any part of the Project, or otherwise requiring any reduction in the square footage or total number or location of or other improvements;

10.1.2 limiting the location or sites, grading, roadways or other improvements or facilities on the Property in a manner that conflicts with, or is more restrictive than the limitations included in this Agreement or the County Project Approval;

10.1.3 limiting or controlling the rate, timing, phasing, or sequencing of the approval, development, or construction of all or any part of a Project except as otherwise provided herein, including the demolition or removal of existing buildings, facilities or materials;

10.1.4 requiring the issuance of Subsequent Approvals other than those required or contemplated under the existing County land use regulations;

10.1.5 limiting the processing or procuring of applications and approvals of Subsequent Approvals that are required to implement the County Project Approval;

10.1.6 imposing or increasing any Development Fees in a manner that conflicts with this Agreement;

10.1.7 changing or limiting the County Project Approval; and/or

10.1.8 limiting, reducing or substantially modifying vehicular access from that described in the County Project Approval or as otherwise contemplated under the County Project Approval.

10.2 Change in State or Federal Law. This Agreement shall not preclude the application to development of the Property of Subsequent Rules mandated and required by changes in state or federal law.

11. Subsequent Approvals. Applications for Subsequent Approvals associated with the Project shall be processed by County, and consistent with the Applicable Rules. Development of the Project is subject to discretionary and ministerial Subsequent Approvals in accordance with the Project Approval. In considering, reviewing and acting on applications for Subsequent Approvals, the County shall apply the Applicable Rules. County shall exercise its authority consistent with the Applicable Rules and the terms of this Agreement, and provided that the scope of County's review of Subsequent Approvals shall be limited to a determination of compliance and consistency with the Project Approval and any Subsequent Approvals in effect at the time of the review. In the course of such review, County shall not apply criteria or standards that would conflict with the County Project Approval or existing Subsequent Approvals. Consequently, County shall not use its authority to change the policy decisions reflected by the County Project Approval and this Agreement, expressly or otherwise, or to prevent, delay or modify development of the Project as contemplated by the County Project Approval, during the term of this Agreement, except in the case of a violation or other enforcement action.

12. Project Summary and Public Benefits.

12.1 Project Summary. The Project shall be consistent with the application as amended to reflect the updated project description and includes the following:

12.2 Public Benefits.

12.2.1 Payment by Landowner to the County of One Hundred Thousand Dollars (\$100,000), over a period of five (5) years earmarked for affordable housing, provided however, that the County retains sole discretion in determining how the funds are ultimately spent. Within ten (10) days of Final Project Approval, Landowner shall make the first installment of \$20,000 (Twenty Thousand Dollars) to the County, and every year thereafter on or before the anniversary of the Effective Date of this Agreement for the next four (4) years.

12.2.2 Within thirty (30) days of Final Project Approval, Landowner shall convey in fee title to the County one-acre of Carneros Resort land on the Old Sonoma Road side of the Carneros Resort for a future new fire facility to be located as shown on the map attached as Exhibit "B" (the "**Fire Station Site**"). The County intends to eventually demolish the existing fire facility and construct a new fire facility at the Fire Station Site.

12.2.3 No later than six (6) months after the Effective Date of this Agreement, the County shall elect whether to relocate the existing fire facility from its current location to the Fire Station Site, or to construct a new fire facility at the Fire Station Site. If the County elects to relocate the existing fire facility, (a) the County shall, at its expense and within sixty (60) days of making such election, provide Landowner with plans for the construction of a concrete pad of sufficient size to accommodate the relocated facility and (b) the Landowner shall, at its expense and within one hundred eighty (180) days of receiving County's plans, construct said pad to the County's satisfaction and relocate the existing fire facility to the Fire Station Site. Should the County elect instead to construct a new fire facility at the Fire Station Site, County shall complete such construction within twenty-nine (29) months of making such election and Landowner shall, at its expense, dismantle or demolish the existing fire station structure and remove accessory buildings, vehicles and equipment from the site within thirty (30) days of final occupancy of the new fire facility. Regardless of the County's decision to either relocate the existing fire facility or to construct a new fire station, Landowner shall, at its cost and expense, provide a driveway connection from the Fire Station Site to Old Sonoma Road with a surface that shall be capable of supporting fire apparatus weighing 75,000 pounds.

12.2.4 Mutual Water Company shall allow the County to connect to Mutual Water Company's private waterline once it is complete and operational. Mutual Water Company will bill the County for the fire facility's water use either at cost or at the same rate it charges its other customers. Electrical connection and septic system for the relocated fire facility shall be the responsibility of the County.

12.2.5 Landowner, Operator, Carneros Resort Partners and Mutual Water Company shall make all good faith efforts and work diligently to obtain all Final Project Approvals necessary from LAFCO, the City and such other approvals as are needed to establish an uninterrupted water supply from the City as determined in the Wholesale Water Agreement, wheeled through the Water District to a private waterline to be owned and constructed by Mutual Water Company. A Water District pipeline currently terminates approximately one-half mile from the Property as shown on the map attached as Exhibit "G." Landowner and Mutual Water Company shall pay all costs and expenses required to extend a private waterline from the terminus of the Water District waterline to the Property. Mutual Water Company shall promptly commence and diligently pursue construction of the private waterline immediately upon receipt of all Final Project Approvals.

12.2.6 Upon the issuance of all Final Project Approvals, the County will reasonably grant Mutual Water Company an encroachment permit for the extension of the private waterline in the County's public right-of-way on Old Sonoma Road. Mutual Water Company shall be responsible for returning the County's public right-of-way on Old Sonoma Road to the same or better condition as it existed prior to Mutual Water Company's construction and installation of the waterline subject to the County's satisfaction. Mutual Water Company shall be responsible for obtaining encroachment permits from Caltrans for any work or improvements in the Caltrans right-of-way.

12.2.7 Mutual Water Company's privately owned waterline shall be sized to only serve the Carneros Resort, the Property and the boundaries of its Service Area. Mutual Water Company shall only supply water to its shareholders for their own use within its Service Area, as provided by law and its articles of incorporation. Neither Mutual Water Company nor its customers may provide water to third parties or transfer it for use outside the Service Area. Neither the boundaries of the Service Area nor the number of units (96 resort cottages plus 24 whole ownership and 17 fractional ownership homes) shall be expanded by Mutual Water Company, Operator or Landowner.

12.2.8 Once Mutual Water Company's private waterline connection is complete and operational, Landowner, Operator, Carneros Resort Partners and Mutual Water Company shall refrain from trucking water to the Property except in an emergency. For purposes of this Agreement, an "emergency" is defined as any time that the City is unable to provide the required supply, pressure, and/or the water is contaminated. The starting date and length of an emergency shall be determined by the PBES Director. In such an event, Landowner, Carneros Resort Partners, Mutual Water Company and Operator may use a standby source. A standby source may not be used for more than five (5) consecutive calendar days, or for more than fifteen (15) calendar days within one year without approval from the PBES Director. The PBES Director shall be notified within 24 hours of using a standby source. Notification shall include the reason for the use and estimated duration. The State Water Resources Control Board shall be notified within 72 hours per Title 22 of the California Code of Regulations Section 64414.

12.2.9 Once Mutual Water Company's privately owned waterline connection is complete and operational, Landowner, Operator, Carneros Resort Partners and Mutual Water Company shall immediately cease all groundwater pumping thereby eliminating 26.96 acre-feet per year of groundwater use at the site. Landowner and Mutual Water Company shall cap the groundwater wells on site within thirty (30) days of initial operation of the private waterline and they shall remain capped for so long as the City's water supply continues, except in case of emergency (as defined above in Section 12.2.8) as determined by the PBES Director. Landowner shall promptly provide written notice to the PBES Director after the groundwater wells are capped. The County shall have the right to inspect the groundwater wells to confirm that they have been capped.

12.2.10 Landowner may develop the new primary entrance to the west, connecting to Old Sonoma Highway as shown on the Site Plan attached as Exhibit "B", after receipt of Final Project Approvals.

12.2.11 Landowner hereby permanently relinquishes and waives the right to construct any new residential units that were previously permitted on the Property but not yet constructed as of Effective Date of this Agreement.

12.2.12 Landowner and County reaffirm and acknowledge that the property covered under the "Covenant and Use Restriction" dated November 5, 2003, and as amended March 21, 2017, attached hereto as Exhibit "H" shall continue to be used in a manner consistent with the terms of the Covenant. Nothing in this Agreement alters, modifies or supersedes the Covenant and Use Restriction.

12.2.13 Landowner, Operator, Carneros Resort Partners and Mutual Water Company shall rigorously implement the existing water conservation measures identified in Exhibit "I" and shall operate the Carneros Resort in the most water efficient and sustainable manner possible consistent with reasonable commercial practice. Mutual Water Company shall operate and maintain its state-of-the-art recycled water plant.

12.2.14 The County agrees that parking for the Carneros Resort may occur on the A-1 Parcel (APN 047-110-003) as shown on the map attached as Exhibit "B", which is zoned Commercial Limited, and under common ownership with the Landowner. Said parcel may be developed to accommodate such parking in accordance with County standards in existence at the time parking is developed or, in the alternative, the A-1 Parcel may be voluntarily merged with the Carneros Lodge Parcel (APN 047-110-027) to accommodate such parking.

12.2.15 The County agrees that the 100-seat limitation in County Code Section 18.28.030 on restaurants, cafés and coffee shops in the CL Zoning District does not preclude the relocation of 49 Boon Fly Café seats from the Carneros Inn to the Carneros Lodge Parcel (APN 047-110-027).

12.2.16 The Parties disagree about whether the trucking of water to the Property violates applicable law and/or Mutual Water Company's Domestic Water Supply Permit No. 249815. So long as Landowner and Mutual Water Company are diligently pursuing all Final Project Approvals, the County agrees not to pursue the existing enforcement action concerning the trucking of water to the Property, and Landowner and Mutual Water Company may continue to use trucked water until Mutual Water Company's connection to the City's water system is established and operational. Until Mutual Water Company's waterline is complete and operational, Mutual Water Company shall provide quarterly reports to the PBES Director regarding the total monthly-trucked water usage. If Mutual Water Company's water connection is not operational within two (2) years of the Effective Date of this Agreement, then the County may resume pursuit of an enforcement action against the Landowner and Mutual Water Company. Mutual Water Company may request an extension of time from the PBES Director upon demonstration of reasonable delay based on factors outside of Mutual Water Company's control. Any such requests for an extension of time shall be reported to the County Board by the PBES Director.

12.2.17 Landowner shall pay all County costs, permit fees, staff time and related expenses associated with processing the Project and preparing and executing this Agreement.

12.2.18 Landowner, Operator, Carneros Resort Partners and Mutual Water Company agree that Landowner, Operator and/or Mutual Water Company will not pursue annexation of the Property into the City. Landowner, Operator, Carneros Resort Partners and Mutual Water Company further agree to cooperate with the County to oppose any efforts to annex the Property.

12.2.19 Landowner, Carneros Resort Partners, Mutual Water Company and County agree that the County Project Approval is expressly contingent upon and expressly conditioned upon Landowner and Mutual Water Company receiving all Final Project Approvals required by LAFCO, the City and such other approvals as will allow the City to supply water through an existing Water District waterline that currently terminates approximately one-half mile from the Property. Landowner shall report to the PBES Director once a month on the status of the Final Project Approvals. If all Final Project Approvals do not occur within one (1) year from the Effective Date of this Agreement, Landowner's Use Permit Major Modification No. P15-00190 may be scheduled, at the PBES Director's discretion for a status review before the Commission. If Landowner and Mutual Water Company are unable to obtain all Final Project Approvals within two (2) years from the Effective Date of this Agreement or as may be reasonably extended by the PBES Director, then the Landowner, Mutual Water Company and Operator shall not pump more than 26.96 acre-feet of groundwater per year on the Property as set forth in the conditions of approval for Use Permit Major Modification No. P15-00190.

12.3 Benefits to Landowner, Operator, Carneros Resort Partners and Mutual Water Company. Landowner, Operator, Carneros Resort Partners and Mutual Water Company have expended and will continue to expend substantial amounts of time and money on the planning of the Project and construction of infrastructure for and in conjunction with the Project. Landowner, Operator, Carneros Resort Partners and Mutual Water Company represent and County acknowledges that Landowner, Operator, Carneros Resort Partners and Mutual Water Company would not make these expenditures without this Agreement, and that Landowner, Operator, Carneros Resort Partners and Mutual Water Company make these expenditures in reliance upon this Agreement. A benefit to Landowner, Operator, Carneros Resort Partners and Mutual Water Company under this Agreement is the assurance that Landowner, Operator, Carneros Resort Partners and Mutual Water Company will preserve the right to develop the Property in accordance with the terms of this Agreement. County acknowledges that Landowner, Operator, Carneros Resort Partners and Mutual Water Company will be investing money and planning efforts in the Project in reliance on County's covenants and representations in this Agreement. County agrees that Landowner, Operator, Carneros Resort Partners and Mutual Water Company may reasonably and justifiably rely on County's covenants and representations in this Agreement and on the enforceability of this Agreement.

13. Transfers and Assignments.

13.1 Transfers Generally. Subject to the terms of this Section 13.1, Landowner shall have the right to sell, lease, transfer, encumber or assign the Property in whole or in part to any person, partnership, joint venture, firm, or corporation (the "Transferee") at any time during the Term of this Agreement without the consent of County. Any sale or transfer of the Property shall include the assignment and assumption of all rights, duties, and obligations arising from this Agreement to the transferee. Landowner shall no longer be obligated under this Agreement for the Property if Landowner is not in default under this Agreement at the time of the sale or transfer. Landowner shall provide written notice to the County within thirty (30) days after the effective date of any sale or transfer of its interest in all or any portion of the Property or any of its interests, rights, and obligations under this Agreement. Upon the completion of such sale or transfer, the Transferee shall be deemed a Party to this Agreement.

13.2 Effect of Transfer; Agreement Binding on Successors and Assigns. The burdens of this Agreement are binding upon, and the benefits of this Agreement inure to, all successors in interest of the Parties to this Agreement, and constitute covenants that run with the Property. To provide continued notice, the Parties will record this Agreement and any subsequent amendments to it.

13.3 Constructive Notice. Every person or entity who now or hereafter owns or acquires any right, title or interest in or to any portion of the Property is, and shall be, constructively deemed to have consented to every provision contained herein, whether or not any reference to this Agreement is contained in the instrument by which such person acquired an interest in the Property. Every person or entity who now or hereafter owns or acquires any right, title or interest in or to any portion of the Property and undertakes any development activities on the Property is, and shall be, constructively deemed to have consented and agreed to, and is obligated by, all of the terms and conditions of this Agreement, whether or not any reference to this Agreement is contained in the instrument by which such person acquired an interest in the Property.

14. Lender Obligations and Protections.

14.1 Encumbrances on Property. The Parties agree that this Agreement shall not prevent or limit Landowner in any manner from encumbering the Property, any part of the Property, or any improvements on the Property with any Mortgage securing financing.

14.2 Mortgagee Obligations. A mortgagee, trustee or beneficiary under a deed of trust who is not in legal possession of the Property or any portion thereof (collectively, "Mortgagee") shall not be subject to the obligations or liabilities of the Landowner under this Agreement, including the obligation to construct or complete construction of improvements or pay fees. A Mortgagee in legal possession shall not have any obligation or duty under this Agreement to construct or complete the construction of improvements, or to pay, perform, or provide any fee, dedication, improvements, or other imposition. A Mortgagee in legal possession of the Property or portion thereof shall be entitled to use of Property, or in Mortgagee's discretion, to construct any improvements on the Property in accordance with the Project Approvals and this Agreement, if Mortgagee fully complies with the terms of this Agreement; provided, however, that a Mortgagee shall not have any obligation or duty under this Agreement or the Project Approvals to construct or complete the construction of improvements or to pay, perform or provide any fee, dedication, improvement or other imposition.

14.3 Mortgagee Protection. This Agreement shall be superior and senior to any lien placed upon the Property, or any portion thereof, after the date of recording this Agreement, including the lien for any deed of trust or Mortgage. Notwithstanding the foregoing, no breach of this Agreement shall defeat, render invalid, diminish or impair the lien of any Mortgage made in good faith and for value, but all the terms and conditions contained in this Agreement shall be binding upon and effective against any Person or entity, including any Mortgagee that acquires title to the Property, or any portion thereof, by foreclosure, trustee's sale, deed in lieu of foreclosure, or otherwise, and any such Mortgagee or successor to a Mortgagee that takes title to the Property or any portion thereof shall be entitled to the benefits arising under this Agreement.

14.4 Notice of Default to Mortgagee; Right of Mortgagee to Cure. If County receives notice from a Mortgagee requesting a copy of any notice of Default given Landowner under this Agreement and specifying the address for service thereof, then County shall deliver to such Mortgagee, concurrently with service thereon to Landowner, any notice given to Landowner with respect to any claim by County that Landowner is in Default and/or Certificate of Non-Compliance. Each Mortgagee shall have the right during the same period available to Landowner to cure or remedy, or to commence to cure or remedy, the Default or non-compliance as provided in this Agreement; provided, however, that if the Default, noncompliance or Certificate of Non-Compliance is of a nature which can only be remedied or cured by such Mortgagee upon obtaining possession, such Mortgagee may seek to obtain possession with diligence and continuity through a receiver or otherwise, and shall thereafter remedy or cure the Default, noncompliance or Certificate of Non-Compliance within ninety (90) days after obtaining possession. If any such Default, noncompliance or Certificate of Non-Compliance cannot, with diligence, be remedied or cured within such ninety (90) day period, then such Mortgagee shall have such additional time as may be reasonably necessary to remedy or cure such Default, noncompliance or Certificate of Non-Compliance (including but not limited to proceeding to gain possession of the Property) if such Mortgagee commences cure during such ninety (90) day period, and thereafter diligently pursues completion of such cure to the extent possible.

15. Estoppel Certificate. Any Party may, at any time, and from time to time, deliver written notice to any other Party requesting such Party to certify in writing that, to the knowledge of the certifying Party, (a) this Agreement is in full force and effect and a binding obligation of the Parties, (b) this Agreement has not been amended or modified either orally or in writing, and if so amended, identifying the amendments, (c) the requesting Party is not in Default in the performance of its obligations under this Agreement, or if in Default, to describe therein the nature and amount of any such Default, and (d) such other information as may reasonably be requested. A party receiving a request hereunder shall execute and return such certificate within thirty (30) days following the receipt thereof. The County Executive Officer, or the County Executive Officer's designee, shall have the right to execute any certificate requested by Landowner hereunder. County acknowledges that a certificate hereunder may be relied upon by Transferees, lenders, and Mortgagees.

Once Landowner and Mutual Water Company have satisfied all of the obligations required in Section 12.2 of this Agreement, County will issue and send to Landowner and Mutual Water Company a written confirmation that Landowner and Mutual Water Company have fulfilled their obligations under this Agreement.

16. Annual Review.

16.1 Review Date. The annual review date for this Agreement shall occur each year on the anniversary date of the Effective Date of this Agreement (the "Annual Review Date"). The annual review letters required hereunder shall be submitted by the Landowner (or a Transferee), Operator and Mutual Water Company pursuant to Section 16.

16.2 Required Information from Landowner, Operator, Carneros Resort Partners and Mutual Water Company. Not more than sixty (60) days and at least forty-five

(45) days prior to the Annual Review Date, Landowner, Operator, Carneros Resort Partners and Mutual Water Company shall each provide a letter to County's PBES Director demonstrating their compliance with this Agreement, including, but not limited to, compliance with the requirements regarding the public benefits to be provided under this Agreement.

16.3 County Report. Within forty (40) days after Landowner, Operator, Carneros Resort Partners and Mutual Water Company submit their letters, County shall review the information submitted and all other available evidence on Landowner's, Operator's, Carneros Resort Partners' and Mutual Water Company's compliance with this Agreement. All such available evidence including public or non-privileged staff comments and final staff reports, if any, shall, upon receipt by County, be made available as soon as practicable to Landowner, Operator, Carneros Resort Partners and Mutual Water Company. County shall notify Landowner, Operator, Carneros Resort Partners and/or Mutual Water Company in writing whether each Party has complied with the terms of this Agreement. If County finds each Party in compliance, County shall issue a Certificate of Compliance to the Party. If County finds the Party is not in compliance, County shall issue a Certificate of Non-Compliance after complying with the procedures set forth in Section 16.4. County's failure to timely complete the annual review is not deemed to be a waiver of the right to do so at a later date.

16.4 Non-compliance with Agreement; Hearing. If County, on the basis of substantial evidence, finds that Landowner, Operator, Carneros Resort Partners and/or Mutual Water Company has not complied with the terms of this Agreement, it shall specify in writing to Landowner, Operator, Carneros Resort Partners and/or Mutual Water Company, with reasonable specificity, the respects in which the Party has failed to comply. County shall specify a reasonable time for the Party to respond, to provide additional evidence of compliance, or to meet the terms of compliance, which time shall be not more than thirty (30) days, and may be extended by the PBES Director where reasonably related to the time necessary for the Party to adequately bring its performance into compliance; provided, however, that if the non-compliance solely involves a monetary Default, then County may require payment in thirty (30) days. If after the reasonable time for the Party to meet the terms of compliance has passed and County, on the basis of substantial evidence, continues to find that Landowner, Operator, Carneros Resort Partners and/or Mutual Water Company has not complied, then County shall issue a Certificate of Non-Compliance.

Any Certificate of Non-Compliance shall be made in writing with reasonable specificity as to the reasons for the determination, and a copy shall be provided to Landowner, Operator, Carneros Resort Partners and/or Mutual Water Company in the manner prescribed in Section 16.3.

If County issues a Certificate of Non-Compliance, then the Board shall conduct a hearing within thirty (30) days of the County's issuance of the Certificate of Non-Compliance, or at the next available, regularly scheduled hearing thereafter. The Party shall be given not less than twenty (20) days written notice of the hearing and copies of the evidence upon which County made its determination. The Party will be given the opportunity to present evidence at the hearing. If the Board of Supervisors determines that the Party is not in compliance with this Agreement, it may proceed to County's rights and remedies, including, modifying or terminating this Agreement at a subsequent public hearing.

16.5 Appeal of Determination. The decision of the Board as to Landowner's, Operator's, Carneros Resort Partners' and/or Mutual Water Company's compliance shall be final, and any Court action or proceeding to attack, review, set aside, void or annul any decision of the determination by the Board shall be commenced within ninety (90) days of the final decision by the Board.

16.6 Costs. Costs reasonably incurred by County in connection with the annual review and related hearings shall be paid by Landowner in accordance with the County's schedule of fees and billing rates for staff time in effect at the time of review.

16.7 No Limits on Remedies for Default. The rights and powers of the County under this Section are in addition to, and shall not be limited to the rights of the County to terminate or take other action under this Agreement on account of the commission by Landowner, Operator, Carneros Resort Partners and/or Mutual Water Company of an event of Default.

17. Indemnification. Landowner, Operator, Carneros Resort Partners and Mutual Water Company agree to indemnify, defend, and hold harmless County, County's designee, and their respective elected and appointed councils, boards, commissions, officers, agents, employees, volunteers and representatives from any and all loss, liability, fines, penalties, forfeitures, costs and damages (whether in contract, tort or strict liability, including but not limited to personal injury, death or physical property damage) and from any and all claims, demands, and actions in law or equity (including attorneys' fees and litigation expenses) (collectively, "**Claims**") by any third party, that may arise, directly or indirectly, from the acts, omissions, or operations of Landowner, Operator's, Carneros Resort Partners' or Mutual Water Company's their agents, contractors, subcontractors, agents, or employees pursuant to this Agreement.

Notwithstanding the foregoing, Landowner, Operator, Carneros Resort Partners and Mutual Water Company shall have no indemnification obligation with respect to the gross negligence or willful misconduct of County or their respective contractors, subcontractors, agents or employees, or by any one or more persons directly or indirectly employed by or acting as an agent for Landowner or any of Landowner's, Operator's, Carneros Resort Partners' or Mutual Water Company's contractors or subcontractors.

The indemnity under this Section 17 shall survive termination of this Agreement. Except as otherwise provided herein, Landowner, Operator and Mutual Water Company shall timely pay all costs incurred by County in defending Claims or challenges, and Landowner, Operator, Carneros Resort Partners and Mutual Water Company shall be solely responsible to pay, in a timely manner and on County's behalf, any and all awards of money damages, attorney fees and court costs against County resulting from such Claims.

18. Amendment, Cancellation or Suspension.

18.1 Modification Because of Conflict with State or Federal Laws. In the event that Laws or regulations enacted after the Adoption Date of this Agreement prevent or preclude compliance with one or more provisions of this Agreement or require substantial and material changes in the Project or County Project Approvals, the Parties shall meet and confer in good faith in a reasonable attempt to modify this Agreement to comply with such change in Laws.

Any such amendment of the Agreement shall be approved by the Board, in accordance with existing local laws and this Agreement.

18.2 Amendment by Mutual Consent. This Agreement may be amended in writing from time to time by mutual consent of the Parties hereto and in accordance with the procedures of State law, the County Code, and this Agreement.

18.3 Substantive Amendments. Any substantive amendment to the Agreement shall require approval of an amendment to this Agreement in accordance with state law and County Code. The term "Substantive Amendment" is defined to include the following: (a) any change to the Term of this Agreement; (b) any changes to the permitted uses of the Project or the density and/or intensity of use of the Project; (c) any changes to provisions in this Agreement or the Project Approvals related to monetary contributions or payments by Landowner; (d) change in the water purveyor or amount of water supplied to the Property or Carneros Resort or (e) any other proposed amendment reasonably determined by the County Executive Officer to be a Substantive Amendment.

18.4 Minor Amendment. A "Minor Amendment" is any amendment of this Agreement other than a Substantive Amendment. Subject to compliance with the requirements of Section 18.2, a Minor Amendment may be approved by means of a written agreement, without a public hearing, by the County Executive Officer.

18.5 Amendment Exemptions. No Subsequent Approval and no amendment of a Project Approval or a Subsequent Approval, shall require an amendment to this Agreement. Upon approval of an amendment to a Project Approval, the meaning of the term "Project Approval" as used in this Agreement shall be amended to reflect the approved amendment to the Project Approval, and, along with any Subsequent Approval or amendment to a Subsequent Approval, shall be deemed to be incorporated automatically into the Project and vested under this Agreement (subject to any conditions set forth in the Subsequent Approval or amendment). Notwithstanding the foregoing, in the event of any direct conflict between the terms of this Agreement and a Subsequent Approval, or between this Agreement and any amendment to a Project Approval or Subsequent Approval, the terms of this Agreement shall prevail.

18.6 Cancellation by Mutual Consent. This Agreement may be terminated in whole or in part by the mutual consent of all the Parties or their successors in interest, in accordance with the provisions of the State law and the County Code. Any fees or payments of any kind paid pursuant to this Agreement prior to the date of mutual termination shall be retained by County.

18.7 Cancellation by County. This Agreement may be terminated in whole or in part if Landowner and Mutual Water Company are unable to obtain all Final Project Approvals. Any fees or payments of any kind paid pursuant to this Agreement prior to the date of termination shall be retained by County.

18.8 Suspension by County. County may suspend a portion of this Agreement, if it finds, in its reasonable and sole discretion, that suspension is necessary to protect persons or property from a condition which would create an immediate and serious risk to the physical health and safety of the general public or residents or employees who are occupying or will

occupy the Property, such as might be the case in the event of a major earthquake or natural disaster of similar magnitude.

19. Default. Subject to Section 18, a Party's violation of any material term of this Agreement or failure by any Party to perform any material obligation of this Agreement required to be performed by such Party shall constitute a default (the "**Default**").

19.1 Default by Landowner, Operator, Carneros Resort Partners or Mutual Water Company. Pursuant to California Government Code Section 65865.1, if County determines following a noticed public hearing and on the basis of substantial evidence that Landowner, Operator, Carneros Resort Partners and/or Mutual Water Company has not complied in good faith with Landowner's, Operator's, Carneros Resort Partners' and/or Mutual Water Company's obligations pursuant to this Agreement, County shall by written notice to Landowner, Operator, Carneros Resort Partners and/or Mutual Water Company specify the manner in which Landowner, Operator, Carneros Resort Partners and/or Mutual Water Company has failed to comply and state the steps Landowner, Operator, Carneros Resort Partners and/or Mutual Water Company must take to bring itself into compliance. If Landowner, Operator, Carneros Resort Partners and/or Mutual Water Company does not initiate steps reasonably necessary to bring itself into compliance within thirty (30) days after receipt of the County's written notice, and thereafter diligently pursue such steps to completion, then Landowner, Operator, Carneros Resort Partners and/or Mutual Water Company shall be deemed to be in default under the terms of this Agreement. County may then: (1) seek a modification of this Agreement, (2) terminate this Agreement, or (3) seek any other available remedies as provided in this Agreement.

19.2 Default by County. If County has not complied with any of its obligations and limitations under this Agreement, Landowner, Operator, Carneros Resort Partners and/or Mutual Water Company shall by written notice to County specify the manner in which County has failed to comply and state the steps necessary for County to bring itself into compliance. If County does not initiate steps reasonably necessary to bring itself into compliance within thirty (30) days after receipt of the written notice from Landowner, Operator, Carneros Resort Partners and/or Mutual Water Company, and thereafter diligently pursue such steps to completion, then County shall be deemed to be in default under the terms of this Agreement. Landowner, Operator, Carneros Resort Partners and/or Mutual Water Company may then exercise any or all of the following remedies: (1) seek a modification of this Agreement; (2) terminate this Agreement; (3) withhold payments that might be otherwise due to County under this Agreement; and/or (4) seek specific performance or pursue other available legal and/or equitable remedies.

20. Remedies for Default. Subject to the notice and opportunity to cure provisions in Section 21 below, the available remedies for any Party in the event of a Default by the other Party (except with respect to a payment Default) shall be an action in mandamus, or for damages, specific performance, or other injunctive or declaratory relief. In addition, upon the occurrence of a Default and subject to the procedures described in Section 21, the non-defaulting Party shall have the right to terminate this Agreement, but any such termination shall not affect such Party's right to seek such remedies as are provided for in this Agreement on account of the Default for which this Agreement has been terminated, and shall be subject to the procedures specified in

this Agreement. Any legal action by a Party alleging a Default shall be filed within one hundred eighty (180) days from the end of the default procedure described in Section 21.

21. Procedure Regarding Defaults. A Complaining Party shall not exercise any of its remedies as the result of Default unless such Complaining Party first gives notice to the Party in Default as provided in this Section 21, and the Party in Default fails to cure such Default within the applicable cure period.

21.1 Notice; Meet and Confer. The Complaining Party shall give written notice of Default to the Party in Default, specifying the Default alleged by the Complaining Party. Delay in giving such notice shall not constitute a waiver of any Default nor shall it change the time of Default.

Before sending a Notice of Default, the Party which may assert that the other Party has failed to perform or fulfill its obligations under this Agreement shall first attempt to meet and confer with the other Party to discuss the alleged failure and shall permit such Party a reasonable period, but not less than ten (10) days, to respond to or cure such alleged failure; provided, however, the meet and confer process shall not be required (i) for any failure to pay amounts due and owing under this Agreement or (ii) if a delay in sending a notice pursuant to this Section 21.1 would materially and adversely affect a Party or its rights under this Agreement. The Party asserting such failure shall request and if, despite the good faith efforts of the requesting Party, such meeting has not occurred within seven (7) business days of such request, such Party shall be deemed to have satisfied the requirements of this Section 21.1 and may proceed in accordance with the issuance of a notice of default.

21.2 Cure. The Party in Default shall have thirty (30) days from receipt of the Notice of Default to effect a cure prior to exercise of remedies by the Complaining Party. If the nature of the alleged Default is such that it cannot practicably be cured within such thirty (30) day period, then it shall not be considered a Default during that thirty (30) day period so long as: (a) the cure was commenced at the earliest practicable date following receipt of the notice; (b) the cure was diligently prosecuted to completion at all times thereafter; (c) at the earliest practicable date (in no event later than thirty (30) days after the curing Party's receipt of the notice), the curing Party provided written notice to the Complaining Party that the cure cannot practicably be completed within such thirty (30) day period; and (d) the cure was completed at the earliest practicable date. The Party in Default shall diligently endeavor to cure, correct or remedy the matter complained of, provided such cure, correction or remedy shall be completed within the applicable time period set forth herein after receipt of written notice (or such additional time as may be agreed to by the Complaining Party to be reasonably necessary to correct the matter).

21.3 Failure to Assert. Any failures or delays by a Complaining Party in asserting any of its rights and remedies as to any Default shall not operate as a waiver of any Default or of any such rights or remedies. Delays by a Complaining Party in asserting any of its rights and remedies shall not deprive the Complaining Party of its right to institute and maintain any actions or proceedings, which it may deem necessary to protect, assert, or enforce any such rights or remedies.

22. Attorneys' Fees and Costs in Legal Actions by Parties to the Agreement. If either Party brings an action or proceeding (including, without limitation, any cross-complaint, counterclaim, or third-party claim) against another Party by reason of a Default, or otherwise arising out of this Agreement, the prevailing Party in such action or proceeding shall be entitled to its costs and expenses of suit, including but not limited to reasonable attorneys' fees (including, without limitation, costs and expenses), which shall be payable whether or not such action is prosecuted to judgment. "Prevailing Party" within the meaning of this Section 22 shall include, without limitation, a Party who dismisses an action for recovery hereunder in exchange for payment of the sums allegedly due, performance of covenants allegedly breached, or consideration substantially equal to the relief sought in the action.

23. Attorneys' Fees and Costs in Legal Actions by Third Parties. If any person or entity not a Party to this Agreement initiates an action at law or in equity to challenge the validity of any provision of this Agreement, the Project Approvals or the Subsequent Approvals, the Parties shall cooperate in defending such action. Landowner, Operator, Carneros Resort Partners and/or Mutual Water Company shall bear its own costs of defense as a real party in interest in any such action, and Landowner, Operator, Carneros Resort Partners and/or Mutual Water Company shall timely reimburse County for all costs (including court costs) and attorneys' fees incurred by County in defense of any such action or other proceeding. For purpose of this provision, "timely" reimbursement means full payment by Landowner, Operator, Carneros Resort Partners and/or Mutual Water Company of all costs incurred by County, as applicable, not later than forty-five (45) days following Landowner's, Operator's, Carneros Resort Partners' and/or Mutual Water Company's receipt of an invoice from County describing costs previously incurred by County in defense of such action. In its sole discretion, Landowner, Operator, Carneros Resort Partners and/or Mutual Water Company may tender its defense of such action to County or defend the action itself. Upon tender of defense to Landowner, Operator, Carneros Resort Partners and/or Mutual Water Company by County, Landowner, Operator, Carneros Resort Partners and/or Mutual Water Company shall defend through counsel approved by County, which approval shall not be unreasonably withheld, and Landowner, Operator, Carneros Resort Partners and Mutual Water Company shall bear all attorneys' fees and costs from the date of tender.

24. Third Party Court Action/Limitation on Action. If any court action or proceeding is brought by any third party to challenge any Project Approval or this Agreement, then (a) Landowner shall have the right to terminate this Agreement upon thirty (30) days' notice, in writing to County, given at any time during the pendency of such action or proceeding, or within ninety (90) days after the final determination therein (including any appeals), irrespective of the nature of such final determination, and (b) any such action or proceeding shall constitute a Permitted Delay(s).

25. Agreement Runs with the Land. All of the provisions, agreements, rights, terms, powers, standards, covenants, and obligations contained in this Agreement shall be binding upon the Parties and their respective heirs, successors and assignees, representatives, lessees, and all other Persons acquiring the Property, or any portion thereof, or any interest therein, whether by operation of law or in any manner whatsoever. All of the provisions of this Agreement shall be enforceable as equitable servitudes and shall constitute covenants running with the land pursuant to applicable laws, including, but not limited to, Section 1468 of the Civil Code of the State of California, and the burdens and benefits shall be binding upon and inure to the benefit of each of

the Parties and their respective heirs, successors (by merger, consolidation, or otherwise), assigns, devisees, administrators, representatives, and lessees.

26. Excuse for Nonperformance. Notwithstanding anything to the contrary in this Agreement, the Parties shall be excused from performing any obligation or undertaking provided in this Agreement, except any obligation to pay any sum of money under the applicable provisions hereof, in the event and so long as the performance of any such obligation is prevented or delayed, retarded or hindered by act of God, fire, earthquake, flood, explosion, action of the elements, war, civil unrest, quarantine restrictions, invasion, insurrection, riot, mob violence, sabotage, inability to procure or shortage of labor, equipment, facilities, materials or supplies in the open market, failure of transportation, freight embargoes, strikes, lockouts, labor disputes, condemnation, requisition, changes in Laws, litigation, orders of governmental, civil, military or naval authority, the failure of any governmental agency, public utility or communication or transportation provider to issue a permit, authorization, consent, or approval required for development, construction, use, or operation of the Project or portion thereof within typical, standard or customary timeframes, or any other cause, whether similar or dissimilar to the foregoing, not within the control of the Party claiming the extension of time to perform (a “**Permitted Delay**”). The Party claiming such extension shall send written notice of the claimed extension to the other Party within thirty (30) days from the commencement of the cause entitling the Party to the extension.

27. Third Party Beneficiary. This Agreement is made and entered into solely for the protection and benefit of the Parties, and their respective successors and assigns, and no other Person shall have any right of action based upon any provision in this Agreement.

28. Notice. Any notice to any Party required by this Agreement, the enabling legislation, or the procedure adopted pursuant to Government Code Section 65865, shall be in writing and given by delivering the same to such party in person or by sending the same by registered or certified mail, or express mail, return receipt requested, with postage prepaid, to the Party’s mailing address. The respective mailing addresses of the Parties are, until changed as hereinafter provided, the following:

County:	Napa County 1195 Third Street, Suite 310 Napa, California 94559 Attn: County Executive Officer
With a copy to:	Napa County Counsel 1195 Third Street, Suite 301 Napa, California 94559
Landowner:	GF Carneros Inn, LLC 4048 Sonoma Highway Napa, California 94559
Mutual Water Company:	Carneros Inn Mutual Water Company 4048 Sonoma Highway Napa, California 94559

Operator: GF Carneros Tenant, LLC
4048 Sonoma Highway
Napa, California 94559

Carneros Resort Partners: GF Carneros Holdings, LLC
4048 Sonoma Highway
Napa, California 94559

With a copy to: Kevin Block, Esq.
Block & Block, LLP
1109 Jefferson Street
Napa, CA 94559

Any Party may change its mailing address at any time by giving written notice of such change to the other Party in the manner provided herein at least ten (10) days prior to the date such change is affected. All notices under this Agreement shall be deemed given, received, made or communicated on the date personal delivery is effected or, if mailed, on the delivery date or attempted delivery date shown on the return receipt.

29. Severability. Except as set forth herein, if any term, covenant or condition of this Agreement or the application thereof to any Person, entity or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term, covenant or condition to Persons, entities or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term, covenant or condition of this Agreement shall be valid and be enforced to the fullest extent permitted by law; provided, however, if any provision of this Agreement is determined to be invalid or unenforceable and the effect thereof is to deprive a Party hereto of an essential benefit of its bargain hereunder, then such Party so deprived shall have the option to terminate this entire Agreement from and after such determination.

30. Waiver; Remedies Cumulative. Failure by a Party to insist upon the strict performance of any of the provisions of this Agreement by the other Party, irrespective of the length of time for which such failure continues, shall not constitute a waiver of such Party's right to demand strict compliance by such other Party in the future. No waiver by a Party of a Default shall be effective or binding upon such Party unless made in writing by such Party and no such waiver shall be implied from any omission by a Party to take any action with respect to such Default. No express written waiver of any Default shall affect any other Default, or cover any other period of time, other than any Default and/or period of time specified in such express waiver. Except as provided in Section 20, all of the remedies permitted or available to a Party under this Agreement, or at law or in equity, shall be cumulative and not alternative, and invocation of any such right or remedy shall not constitute a waiver or election of remedies with respect to any other permitted or available right or remedy.

31. Applicable Law and Venue. This Agreement, and the rights and obligations of the Parties, shall be governed by and interpreted in accordance with the laws of the State of California. The Parties agree that any lawsuit or legal proceeding arising hereunder shall be

heard in the Federal District Court in the Northern District (San Francisco branch) if in federal court or the Napa County Superior Court if in California Superior Court.

32. Further Assurances. Each Party covenants, on behalf of itself and its successors, heirs and assigns, to use good faith efforts to take all actions and do all things as may reasonably be necessary or appropriate to carry out this Agreement, the Project Approvals and Subsequent Approvals, and to execute, with acknowledgment or affidavit if required, any and all documents and writings that may be necessary or appropriate to achieve the purposes and objectives of this Agreement, the Project Approvals and Subsequent Approvals.

33. Not a Public Dedication. Except as provided herein and in the Project Approvals, nothing contained herein shall be deemed to be a gift or dedication of the Property to the general public, for the general public.

34. Entire Agreement. This Agreement and the Exhibits hereto contain all the representations and the entire agreement between the Parties with respect to the subject matter hereof. Except as otherwise specified in this Agreement, any prior correspondence, memoranda, agreements, warranties or representations are superseded in total by this Agreement.

35. Form of Agreement; Entirety; Recordation; Exhibits. This written Agreement, which consists of thirty-three (33) pages and nine (9) exhibits (Exhibits "A" through "I", contains all of the representations and the entire agreement between the Parties with respect to its subject matter. Except as otherwise specified herein, any prior correspondence, memoranda, agreements, warranties or representations by, among and between the Parties are superseded in total by this Agreement. The County shall cause this Agreement, any amendment hereto and any termination of any parts or provisions hereof, to be recorded, at Landowner's expense, with the County Recorder within ten (10) days of the Adoption Date, the date of the approval of an amendment hereto, or the date of termination of any parts or provisions hereof, as applicable. Any amendment or termination of this Agreement to be recorded that affects less than all of the Property shall describe the portion thereof that is the subject of such amendment or termination. This Agreement is executed in three duplicate originals, each of which is deemed to be an original.

EXHIBIT DESIGNATION	DESCRIPTION
A	Legal Description
B	Illustrative Master Plan/Site Plan
C	Summary of the permit history for the Carneros Inn Parcel and Carneros Lodge Parcel
D	Conceptual Terms of City of Napa Wholesale Water Agreement

EXHIBIT DESIGNATION	DESCRIPTION
E	CEQA Memorandum Dated July 17, 2019
F	Use Permit Major Modification No. P15-00190 Conditions of Approval
G	Diagram of Water District's Existing Waterline Within One-Half Mile of Property
H	Covenant and Use Restriction
I	Water Conservation Measures

36. Construction of Agreement. The provisions of this Agreement shall be construed as a whole according to their common meaning in order to achieve the objectives and purposes of the Parties, and not strictly for or against any Party. The captions and headings are included only for convenience of reference and shall be disregarded in the construction and interpretation of this Agreement. Wherever required by the context, the singular shall include the plural and vice versa, and the masculine gender shall include the feminine or neuter genders, or vice versa. The exhibits to this Agreement are intended to be and shall be incorporated into this Agreement as if stated fully herein. The use in this Agreement of the words "including", "such as" or words of similar import when following any general term, statement or matter shall not be construed to limit such statement, term or matter to the specific items or matters, whether or not language of non-limitation, such as "without limitation" or "but not limited to", or words of similar import, are used with reference thereto, but rather shall be deemed to refer to all other items or matters that could reasonably fall within the broadest possible scope of such statement, term or matter. This Agreement has been reviewed and revised by legal counsel for Landowner and Local Agency, and no presumption or rule that ambiguities shall be construed against the drafting Party shall apply to the interpretation or enforcement of this Agreement.

37. Signature Pages. For convenience, the signatures of the Parties to this Agreement may be executed and acknowledged on separate pages in counterparts which, when attached to this Agreement, shall constitute this as one complete Agreement.

38. Time Is of the Essence. Time is of the essence of this Agreement and of each and every term and condition hereof.


39. Enforcement. Unless amended or canceled as provided in Section 18 of this Agreement, or modified or suspended pursuant to California Government Code Section 65869.5, this Agreement is enforceable by either Party despite any change in any applicable general or specific plan, zoning, subdivision, or building regulation or other applicable ordinance or regulation adopted by County that purports to apply to any or all of the Property.

40. Non-Liability of County Officers and Employees. No official, officer, director, employee, agent, or representative of either Party shall be personally liable to the other Party or its successors and assigns for any loss arising out of or connected with this Agreement.

41. Authority to Execute. The persons executing this Agreement warrant and represent that they have the authority to execute this Agreement on behalf of the entity for which they are executing this Agreement. They further warrant and represent that they have the authority to bind their respective Party to the performance of its obligations under this Agreement.

42. Bankruptcy. The obligations of this Agreement shall not be dischargeable in bankruptcy.

GF CARNEROS INN LLC, a Delaware limited liability company *signed in counterpart (see attached)*

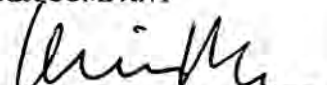
APPROVED AS TO FORM
GF CARNEROS INN, LLC
By: 
Kevin Block, Counsel
Date: 8/20/19


By: Greg Flynn
Its: Vice- President

By: Jonathan Romick
Its: Secretary

“LANDOWNER”

THE CARNEROS INN MUTUAL WATER COMPANY, a California corporation doing business as the Carneros Mutual Water Company *signed in counterpart (see attached)*

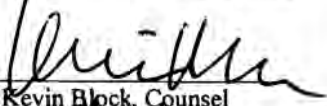
APPROVED AS TO FORM
THE CARNEROS INN MUTUAL WATER COMPANY
By: 
Kevin Block, Counsel
Date: 8/20/19


By: Greg Flynn
Its: Vice- President

By: Jonathan Romick
Its: Secretary


“MUTUAL WATER COMPANY”

APPROVED AS TO FORM
GF CARNEROS TENANT, LLC

By: 
Kevin Block, Counsel

Date: 8/20/17

GF CARNEROS TENANT, LLC, Delaware limited liability company *signed in counterpart (see attached)*




By: Greg Flynn
Its: Vice- President

By: Jonathan Romick
Its: Secretary


“OPERATOR”

APPROVED AS TO FORM
GF CARNEROS TENANT, LLC

By: 
Kevin Block, Counsel

Date: 8/20/17

GF CARNEROS HOLDINGS, LLC, Delaware limited liability company *signed in counterpart (see attached)*

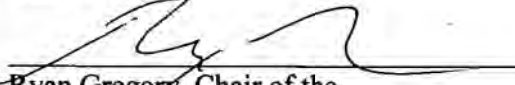


By: Greg Flynn
Its: Vice- President

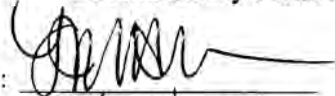

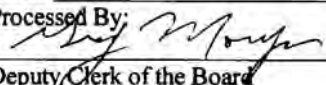
By: Jonathan Romick
Its: Secretary

“CARNEROS RESORT PARTNERS”

NAPA COUNTY, a political subdivision of the State of California


Ryan Gregory, Chair of the Board of Supervisors

“COUNTY”

<p>APPROVED AS TO FORM Office of County Counsel</p> <p>By:  Deputy County Counsel</p> <p>Date: <u>8/20/17</u></p>	<p>ATTEST: JOSE LUIS VALDEZ Clerk of the Board of Supervisors</p> <p>By: </p>	<p>APPROVED BY THE NAPA COUNTY BOARD OF SUPERVISORS</p> <p>Date: <u>8/27/2019</u></p> <p>Processed By:  Deputy Clerk of the Board</p>
--	---	--

SEAL AFFIXED

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 Napa)

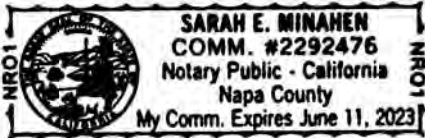
On 8/20/2019 before me, Sarah E. Minahen, Notary Public,
personally appeared Greg Flynn (Gregory Grant Flynn)

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: Sarah E. Minahen



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 _____)

On _____ before me, _____, Notary Public,
personally appeared _____

_____ ,
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: _____

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

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State of California)
County of Napa)

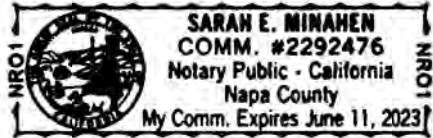
On 8/20/2019 before me, Sarah E. Minahen, Notary Public,
personally appeared Greg Flynn (Gregory Grant Flynn)

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: Sarah E. Minahen



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 _____)

On _____ before me, _____, Notary Public,
personally appeared _____

_____ ,
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 _____


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.

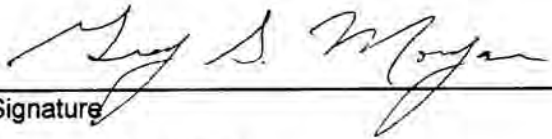
State of California

County of Napa} ss.

On August 27, 2019 before me, Greg S. Morgan, Notary Public, personally appeared Ryan Gregory, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person 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

GREG S. MORGAN
Commission #2130314
Notary Public – California
Napa County
My Commission Expires October 15, 2019
Work Phone: 707-299-1515



40. Non-Liability of County Officers and Employees. No official, officer, director, employee, agent, or representative of either Party shall be personally liable to the other Party or its successors and assigns for any loss arising out of or connected with this Agreement.

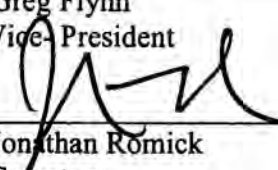
41. Authority to Execute. The persons executing this Agreement warrant and represent that they have the authority to execute this Agreement on behalf of the entity for which they are executing this Agreement. They further warrant and represent that they have the authority to bind their respective Party to the performance of its obligations under this Agreement.

42. Bankruptcy. The obligations of this Agreement shall not be dischargeable in bankruptcy.

GF CARNEROS INN LLC, a Delaware limited liability company

APPROVED AS TO FORM
GF CARNEROS INN, LLC

By: _____
Kevin Block, Counsel
Date: _____

By: Greg Flynn
Its: Vice-President


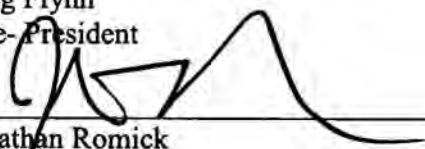
By: Jonathan Romick
Its: Secretary

“LANDOWNER”

THE CARNEROS INN MUTUAL WATER COMPANY, a California corporation doing business as the Carneros Mutual Water Company

APPROVED AS TO FORM
THE CARNEROS INN MUTUAL
WATER COMPANY

By: _____
Kevin Block, Counsel
Date: _____

By: Greg Flynn
Its: Vice-President


By: Jonathan Romick
Its: Secretary

“MUTUAL WATER COMPANY”

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~~ ^{Illinois})
County of COOK)

On August 21, 2019 before me, _____, Notary Public,
personally appeared JONETON ROMICIC, Secretary

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: Jennifer Jones



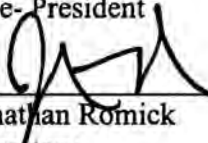
APPROVED AS TO FORM
GF CARNEROS TENANT, LLC

By: _____
Kevin Block, Counsel

Date: _____

GF CARNEROS TENANT, LLC, Delaware limited liability company

By: Greg Flynn
Its: Vice-President


By: Jonathan Romick
Its: Secretary

“OPERATOR”

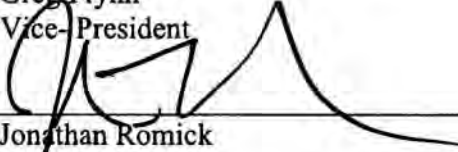
APPROVED AS TO FORM
GF CARNEROS TENANT, LLC

By: _____
Kevin Block, Counsel

Date: _____

GF CARNEROS HOLDINGS, LLC, Delaware limited liability company

By: Greg Flynn
Its: Vice-President


By: Jonathan Romick
Its: Secretary

“CARNEROS RESORT PARTNERS”

NAPA COUNTY, a political subdivision of the State of California

Ryan Gregory, Chair of the Board of Supervisors

“COUNTY”

<p>APPROVED AS TO FORM Office of County Counsel</p> <p>By: _____ Deputy County Counsel</p> <p>Date: _____</p>	<p>ATTEST: JOSE LUIS VALDEZ Clerk of the Board of Supervisors</p> <p>By: _____</p>	<p>APPROVED BY THE NAPA COUNTY BOARD OF SUPERVISORS</p> <p>Date: _____</p> <p>Processed By: _____ Deputy Clerk of the Board</p>
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CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

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State of ~~California~~ ^{Illinois})
County of COOK)

On August 21, 2019 before me, _____, Notary Public,
personally appeared Jonathan Pomruk, Secretary

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: *Jennifer Jones*



LEGAL DESCRIPTION

The land referred to in this report is situated in the unincorporated area of the County of Napa, State of California, and is described as follows:

TRACT ONE:

COMMENCING at a point on the northerly line of the State Highway leading from Napa to Sonoma as the same existed in 1933, said point being at the intersection of the northerly line of said highway with the northeastern line of the one-half acre tract of land conveyed by Robert Finley to Mrs. S. Neuenschwander by deed dated May 29, 1912 and recorded in Book 102 of Deeds, page 332, said Napa County Records; thence along the northeastern line of said one-half acre tract North 40 $\frac{3}{4}$ ° West 164 feet, more or less, to the most northerly corner thereof on the northwestern line of the 25.15 acre tract of land conveyed by F.L. Gift and wife, to Robert Finley by deed dated December 27, 1910 and of record in Book 96 of Deeds, page 397, said Napa County Records; thence along the northwestern line of said 25.15 acre tract North 49° 37' East 202 feet to the most westerly corner of a parcel of land owned by J.N. Sutherland and described in deed from Osker J. Aldrich and wife to said J.N. Sutherland dated February 16, 1933 and recorded February 28, 1933 in Book 74 at page 218 of Official Records of Napa County; thence South 26° 10' East, 318 feet to a stake on the northerly line of said State Highway; and thence North 80° 42' West, along said State Highway line, 190 feet to the point of commencement.

APN 047-110-003

TRACT TWO:

PARCEL ONE:

BEGINNING at the most northern corner of Parcel One of Tract One as described in the Deed from 452 First Street East, a Limited Partnership to Cameros Inn, LLC, a California Limited Liability Company, filed on May 20, 1998 under Series Number 1998-0013761 Napa County Records, said corner also being the $\frac{1}{2}$ rebar tagged LS 6436 marking the most western corner of the Lands of Zopfi as shown on that certain Record of Survey filed on July 26, 1991 in Book 28 of Surveys at Page 19, Napa County Records; thence along the northwestern line of said Parcel One South 49°24'46" West (North 49°30' East per 1998-013761) 379.78 feet to the TRUE POINT OF BEGINNING; thence continuing along said northwestern line South 49°24'46" West (North 49°30' East per 1998-013761) 236.92 feet to the westernmost corner of Tract Two as described in aforesaid Series Number 1998-0-013761; thence along the western line of said Tract Two South 25°53'41" East (South 26°10' East per 1998-0-013761) 318.18 feet (318.00 feet per 1998-0013761); thence along the southern lines of said Tract Two and said Parcel One, South 80°58'55" East (South 80°42' East per 1998-0013761) 199.65 feet to the beginning of a curve concave to the north having a radius of 670.00 feet; thence easterly 133.11 feet along said curve through a central angle of 11°22'59" to the northern line of the State Highway as described in the deed to the State of California filed August 25, 1954 in Book 451 of Official Records at Page 104 of Napa County Recorder; thence along said northern line North 77°02'24" East (North 77°26'24" per 451 OR 104) 438.93 feet to the most eastern corner of said Parcel One, said corner also being the southernmost corner of said Lands of Zopfi; thence along the southwestern line of said Lands of Zopfi North 34°17'17" West (South 38 $\frac{1}{2}$ East per 1998-013761) 307.11 feet; thence leaving said southwestern line South 49°24'46" West 193.82 feet; thence North 40°35'14" West 281.40 feet; thence South 49°24'46" West 129.75 feet; thence North 40°35'14" West 104.88 feet; thence North 49°24'46" East 22.00 feet; thence North 40°35'14" West 37.00 feet; thence South 49°24'46" West 28.50 feet; thence North 40°35'14" West 27.00 feet to the TRUE POINT OF BEGINNING.

APN 047-110-027

PARCEL TWO:

A Reciprocal Easement for ingress and egress for maintaining wastewater treatment facilities over that property described in Exhibit "B" in that certain Agreement recorded April 16, 2004 as Series Number 2004-0015075 of Official Records of Napa County.

TRACT THREE:

An undivided 93/170th interest in and to the following described Parcels One and Two:

PARCEL ONE:

BEGINNING at the most northern corner of Parcel One of Tract One as described in the Deed from 452 First Street East, a Limited Partnership to Carneros Inn, LLC, a California Limited Liability Company, filed on May 20, 1998 under Series Number 1998-013761 Napa County Records, said corner also being the ½ rebar tagged LS 6436 marking the most western corner of the Lands of Zopfi as shown on that certain Record of Survey filed on July 26, 1991 in Book 28 of Surveys at Page 19, Napa County Records; thence along the northwestern line of said Parcel One South 49°24'46" West (North 49°30' East per 1998-013761) 379.78 feet; thence leaving said northwestern line South 40°35'14" East 27.00 feet; thence North 49°24'46" East 28.50 feet; thence South 40°35'14" East 37.00 feet; thence South 49° 24' 46" West 22.00 feet; thence South 40°35'14" East 104.88 feet; thence North 49°24'46" East 129.75 feet; thence South 40°35'14" East 281.40 feet; thence North 49°24'46" East 193.82 feet to the southwestern line of said Lands of Zopfi; thence along said southwestern line North 34°17'17" West (South 38 ½° East per 1998-013761) 453.02 feet to the POINT OF BEGINNING.

APN 047-110-028 (ptn)

EXCEPTING therefrom the exclusive right to use and occupy said Parcel One during all "Use Periods" and "Maintenance Periods" (as the quoted terms are defined in that certain Declaration of Covenants, Conditions and Restrictions For the Orchard at Carneros recorded July 2, 2007 as Series Number 2007-0022257, in the Office of the County Recorder of Napa County, as amended from time to time (the "Declaration").

ALSO EXCEPTING therefrom all those certain easements referred to in the Declaration, together with the right to grant said easements to others.

PARCEL TWO:

Non-exclusive easements for ingress, egress, use and enjoyment in and to the Property, subject to the provisions of that certain Reciprocal Easement and Road Maintenance Agreement recorded on July 2, 2007 as Series Number 2007-0022259, in the Office of the County Recorder of Napa County, as amended (the "Road Easement").

TRACT FOUR:

PARCEL ONE:

All that real property situated in the County of Napa, State of California being all that land conveyed to Carneros Inn, LLC, a California limited liability company by Deed recorded February 26, 2002 as Series Number 2002-0008175 of Official Records of Napa County, and all of Parcel 2 shown on Map No. 2227 entitled, "Portion of Entre Napa Rancho, Lands of John P. and Leota I. Zopfi", filed July 10, 1972 in Book 4 of Parcel Maps at page 21 in the office of the County Recorder of said Napa County, and a portion of Entre Napa Rancho, said lands being a portion of the lands conveyed to Carneros Inn, LLC, a California limited liability company by Deed recorded May 20, 1998 as Series Number 1998 013760 of Official Records of Napa County, and more particularly described as follows:

BEGINNING at the southwestern corner of the Lands of Zopfi (716 O.R. 993) as shown on that certain map entitled, "Record of Survey, The Lands of John P. & Leota I. Zopfi as described in 716 O.R. 993 N.C.R. and a

Portion of 648 O.R. 129 N.C.R. and lying within the Entre Napa Rancho", filed on July 26, 1991 in Book 28 of Surveys at Page 19, Napa County Records; thence running along the southwestern line of said Lands of Zopfi, North 34° 17' 17" (shown as 33°53'17" on 28 RS 19) West 760.13 feet to the northwestern corner of said Lands of Zopfi; thence continuing along the northwestern line of said Lands of Zopfi, North 49° 24' 46" (shown as 49° 48' 46" on 28 RS 19) East 137.64 feet to the southwestern corner of Tract Two as described by Grant Deed filed under Series Number 1998-0024109, Napa County Records; thence continuing along the southwestern line of said Tract Two, North 40° 00' 54" (described as 40-1/2° by 1998-0024109) West 856.18 feet to the southwestern corner of the Land granted to County of Napa filed on February 24, 1966 in Book 740 of Official Records at Page 790, Napa County Records; thence along the southeastern line of said Land of Napa County, the following courses and distances: North 32° 24' 36" East 60.20 feet; North 78° 50' 31" East 14.14 feet; North 33° 50' 31" East 24.92 feet to the southeastern corner of said Land of Napa County, said corner also being on the northeastern line of said Tract Two; thence running parallel with the southwestern line of said Tract Two, South 40° 00' 54" (described as 40-1/2° by 1998-0024109) East 497.34 feet to the western corner of Parcel 2 as shown on that certain map entitled, "Parcel Map No. 2227, Portion of Entre Napa Rancho, Lands of John P. and Leota I. Zopfi" filed on July 10, 1972 in Book 4 of Parcel Maps at Page 21, Napa County Records; thence leaving said corner and along the boundary of said Parcel 2, the following courses and distances: North 50° 13' 33" (shown as 49°45'35" on 4 PM 21) East 456.83 feet (shown as 450.00 feet on 4 PM 21); South 39° 06' 43" (shown as 39°37'39" on 4 PM 21) East 369.81 feet (shown as 380.00 feet on 4 PM 21); South 49° 24' 46" (shown as 49°45'35" on 4 PM 21) West 129.59 feet to the northern corner of said Lands of Zopfi (716 O.R. 993); thence along northeastern line of said Lands of Zopfi, South 39° 57' 38" (shown as 39°33'38" on 28 RS 19) East 565.80 feet to a point on said northeastern line; thence leaving said northeastern line, the following courses and distances: South 49° 29' 06" West 504.44 feet; South 40° 30' 53" East 90.61 feet; South 49° 29' 07" West 11.82 feet; South 40° 30' 53" East 99.14 feet; North 77° 07' 36" East 87.17 feet; North 12° 52' 24" West 8.54 feet; North 77° 07' 36" East 132.00 feet; South 12° 57' 36" East 7.69 feet; North 77° 02' 24" East 196.07 feet; South 12° 57' 36" East 52.81 feet to a point on the southeastern line of said Lands of Zopfi (716 O.R. 993); thence along said southeastern line South 73° 49' 14" (shown as 74°13'14" on 28 RS 19) West 16.75 feet; thence South 77° 02' 24" (shown as 77°26'24" on 28 RS 19) West 498.77 feet to the POINT OF BEGINNING.

EXCEPTING THEREFROM, however, any portion thereof lying within Old Sonoma Road, as described in the Deed to the County of Napa recorded February 24, 1966 in Book 740 at page 790 of Official Records of Napa County.

APN 047-100-062

PARCEL TWO:

A Reciprocal Easement for ingress and egress for maintaining wastewater treatment facilities over that property described in Exhibit "A" in that certain Agreement recorded April 16, 2004 as Series Number 2004-0015075 of Official Records of Napa County.

TRACT FIVE:

PARCEL ONE:

Beginning at the most Southeastern corner of the Lands of Zopfi (716 O.R. 993) as shown on that certain map entitled "Record of Survey, The Lands of John P. & Leota I. Zopfi as described in 716 O.R. 993 N.C.R. and a portion of 648 O.R. 129 N.C.R. and lying within the Entre Napa Rancho", filed on July 26, 1991 in Book 28 of Surveys at Page 19, Napa County Records; thence running along the Northeastern line of said Lands of Zopfi North 17° 02' 24" (shown as 17°26'24" on 28 RS 19) East 55.23 feet; thence North 39° 57' 38" (shown as 39°33'38" on 28 RS 19) West 453.46 feet to a point on said Northeastern line; thence leaving said northeastern line, the following courses and distances: South 49° 29' 06" West 504.44 feet, South 40° 30' 53" East 90.61 feet, South 49° 29' 07" West 11.82 feet, South 40° 30' 53" East 99.14 feet, North 77° 07' 36" East 87.17 feet, North

12° 52' 24" West 8.54 feet, North 77° 07' 36" East 132.00 feet, South 12° 57' 36" East 7.69 feet, North 77° 02' 24" East 196.07 feet, and South 12° 57' 36" East 52.81 feet to a point on the Southeastern line of said Lands of Zopfl (716 OR. 993); thence along said southeastern line North 73° 49' 14" (shown as 74°13'14" on 28 RS 19) East 133.14 feet to the point of beginning.

APN: 047-400-001-028

PARCEL TWO:

A non-exclusive easement for the ingress and egress of vehicles and pedestrians as described in that certain document entitled "Easement Agreement (Access Easement)" recorded April 16, 2004 as Instrument No. 2004-0015080 of Official Records of Napa County.

PARCEL TWO:

A Reciprocal Easement for ingress and egress for maintaining wastewater treatment facilities over that property described in Exhibit "B" in that certain Agreement recorded April 16, 2004 as Series Number 2004-0015075 of Official Records of Napa County.

TRACT THREE:

An undivided 93/170th interest in and to the following described Parcels One and Two:

PARCEL ONE:

BEGINNING at the most northern corner of Parcel One of Tract One as described in the Deed from 452 First Street East, a Limited Partnership to Carneros Inn, LLC, a California Limited Liability Company, filed on May 20, 1998 under Series Number 1998-013761 Napa County Records, said corner also being the ½ rebar tagged LS 6436 marking the most western corner of the Lands of Zopfi as shown on that certain Record of Survey filed on July 26, 1991 in Book 28 of Surveys at Page 19, Napa County Records; thence along the northwestern line of said Parcel One South 49°24'46" West (North 49°30' East per 1998-013761) 379.78 feet; thence leaving said northwestern line South 40°35'14" East 27.00 feet; thence North 49°24'46" East 28.50 feet; thence South 40°35'14" East 37.00 feet; thence South 49° 24' 46" West 22.00 feet; thence South 40°35'14" East 104.88 feet; thence North 49°24'46" East 129.75 feet; thence South 40°35'14" East 281.40 feet; thence North 49°24'46" East 193.82 feet to the southwestern line of said Lands of Zopfi; thence along said southwestern line North 34°17'17" West (South 38 ½° East per 1998-013761) 453.02 feet to the POINT OF BEGINNING.

APN 047-110-028 (ptn)

EXCEPTING therefrom the exclusive right to use and occupy said Parcel One during all "Use Periods" and "Maintenance Periods" (as the quoted terms are defined in that certain Declaration of Covenants, Conditions and Restrictions For the Orchard at Carneros recorded July 2, 2007 as Series Number 2007-0022257, in the Office of the County Recorder of Napa County, as amended from time to time (the "Declaration").

ALSO EXCEPTING therefrom all those certain easements referred to in the Declaration, together with the right to grant said easements to others.

PARCEL TWO:

Non-exclusive easements for ingress, egress, use and enjoyment in and to the Property, subject to the provisions of that certain Reciprocal Easement and Road Maintenance Agreement recorded on July 2, 2007 as Series Number 2007-0022259, in the Office of the County Recorder of Napa County, as amended (the "Road Easement").

TRACT FOUR:

PARCEL ONE:

All that real property situated in the County of Napa, State of California being all that land conveyed to Carneros Inn, LLC, a California limited liability company by Deed recorded February 26, 2002 as Series Number 2002-0008175 of Official Records of Napa County, and all of Parcel 2 shown on Map No. 2227 entitled, "Portion of Entre Napa Rancho, Lands of John P. and Leota I. Zopfi", filed July 10, 1972 in Book 4 of Parcel Maps at page 21 in the office of the County Recorder of said Napa County, and a portion of Entre Napa Rancho, said lands being a portion of the lands conveyed to Carneros Inn, LLC, a California limited liability company by Deed recorded May 20, 1998 as Series Number 1998 013760 of Official Records of Napa County, and more particularly described as follows:

BEGINNING at the southwestern corner of the Lands of Zopfi (716 O.R. 993) as shown on that certain map entitled, "Record of Survey, The Lands of John P. & Leota I. Zopfi as described in 716 O.R. 993 N.C.R. and a

Portion of 648 O.R. 129 N.C.R. and lying within the Entre Napa Rancho", filed on July 26, 1991 in Book 28 of Surveys at Page 19, Napa County Records; thence running along the southwestern line of said Lands of Zopfi, North 34° 17' 17" (shown as 33°53'17" on 28 RS 19) West 760.13 feet to the northwestern corner of said Lands of Zopfi; thence continuing along the northwestern line of said Lands of Zopfi, North 49° 24' 46" (shown as 49° 48' 46" on 28 RS 19) East 137.64 feet to the southwestern corner of Tract Two as described by Grant Deed filed under Series Number 1998-0024109, Napa County Records; thence continuing along the southwestern line of said Tract Two, North 40° 00' 54" (described as 40-1/2° by 1998-0024109) West 856.18 feet to the southwestern corner of the Land granted to County of Napa filed on February 24, 1966 in Book 740 of Official Records at Page 790, Napa County Records; thence along the southeastern line of said Land of Napa County, the following courses and distances: North 32° 24' 36" East 60.20 feet; North 78° 50' 31" East 14.14 feet; North 33° 50' 31" East 24.92 feet to the southeastern corner of said Land of Napa County, said corner also being on the northeastern line of said Tract Two; thence running parallel with the southwestern line of said Tract Two, South 40° 00' 54" (described as 40-1/2° by 1998-0024109) East 497.34 feet to the western corner of Parcel 2 as shown on that certain map entitled, "Parcel Map No. 2227, Portion of Entre Napa Rancho, Lands of John P. and Leota I. Zopfi" filed on July 10, 1972 in Book 4 of Parcel Maps at Page 21, Napa County Records; thence leaving said corner and along the boundary of said Parcel 2, the following courses and distances: North 50° 13' 33" (shown as 49°45'35" on 4 PM 21) East 456.83 feet (shown as 450.00 feet on 4 PM 21); South 39° 06' 43" (shown as 39°37'39" on 4 PM 21) East 369.81 feet (shown as 380.00 feet on 4 PM 21); South 49° 24' 46" (shown as 49°45'35" on 4 PM 21) West 129.59 feet to the northern corner of said Lands of Zopfi (716 O.R. 993); thence along northeastern line of said Lands of Zopfi, South 39° 57' 38" (shown as 39°33'38" on 28 RS 19) East 565.80 feet to a point on said northeastern line; thence leaving said northeastern line, the following courses and distances: South 49° 29' 06" West 504.44 feet; South 40° 30' 53" East 90.61 feet; South 49° 29' 07" West 11.82 feet; South 40° 30' 53" East 99.14 feet; North 77° 07' 36" East 87.17 feet; North 12° 52' 24" West 8.54 feet; North 77° 07' 36" East 132.00 feet; South 12° 57' 36" East 7.69 feet; North 77° 02' 24" East 196.07 feet; South 12° 57' 36" East 52.81 feet to a point on the southeastern line of said Lands of Zopfi (716 O.R. 993); thence along said southeastern line South 73° 49' 14" (shown as 74°13'14" on 28 RS 19) West 16.75 feet; thence South 77° 02' 24" (shown as 77°26'24" on 28 RS 19) West 498.77 feet to the POINT OF BEGINNING.

EXCEPTING THEREFROM, however, any portion thereof lying within Old Sonoma Road, as described in the Deed to the County of Napa recorded February 24, 1966 in Book 740 at page 790 of Official Records of Napa County.

APN 047-100-062

PARCEL TWO:

A Reciprocal Easement for ingress and egress for maintaining wastewater treatment facilities over that property described in Exhibit "A" in that certain Agreement recorded April 16, 2004 as Series Number 2004-0015075 of Official Records of Napa County.

TRACT FIVE:

PARCEL ONE:

Beginning at the most Southeastern corner of the Lands of Zopfi (716 O.R. 993) as shown on that certain map entitled "Record of Survey, The Lands of John P. & Leota I. Zopfi as described in 716 O.R. 993 N.C.R and a portion of 648 O.R. 129 N.C.R. and lying within the Entre Napa Rancho", filed on July 26, 1991 in Book 28 of Surveys at Page 19, Napa County Records; thence running along the Northeastern line of said Lands of Zopfi North 17° 02' 24" (shown as 17°26'24" on 28 RS 19) East 55.23 feet; thence North 39° 57' 38" (shown as 39°33'38" on 28 RS 19) West 453.46 feet to a point on said Northeastern line; thence leaving said northeastern line, the following courses and distances: South 49° 29' 06" West 504.44 feet, South 40° 30' 53" East 90.61 feet, South 49° 29' 07" West 11.82 feet, South 40° 30' 53" East 99.14 feet, North 77° 07' 36" East 87.17 feet, North

12° 52' 24" West 8.54 feet, North 77° 07' 36" East 132.00 feet, South 12° 57' 36" East 7.69 feet, North 77° 02' 24" East 196.07 feet, and South 12° 57' 36" East 52.81 feet to a point on the Southeastern line of said Lands of Zopfl (716 OR. 993); thence along said southeastern line North 73° 49' 14" (shown as 74°13'14" on 28 RS 19) East 133.14 feet to the point of beginning.

APN: 047-400-001-028

PARCEL TWO:

A non-exclusive easement for the ingress and egress of vehicles and pedestrians as described in that certain document entitled "Easement Agreement (Access Easement)" recorded April 16, 2004 as Instrument No. 2004-0015080 of Official Records of Napa County.

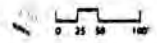
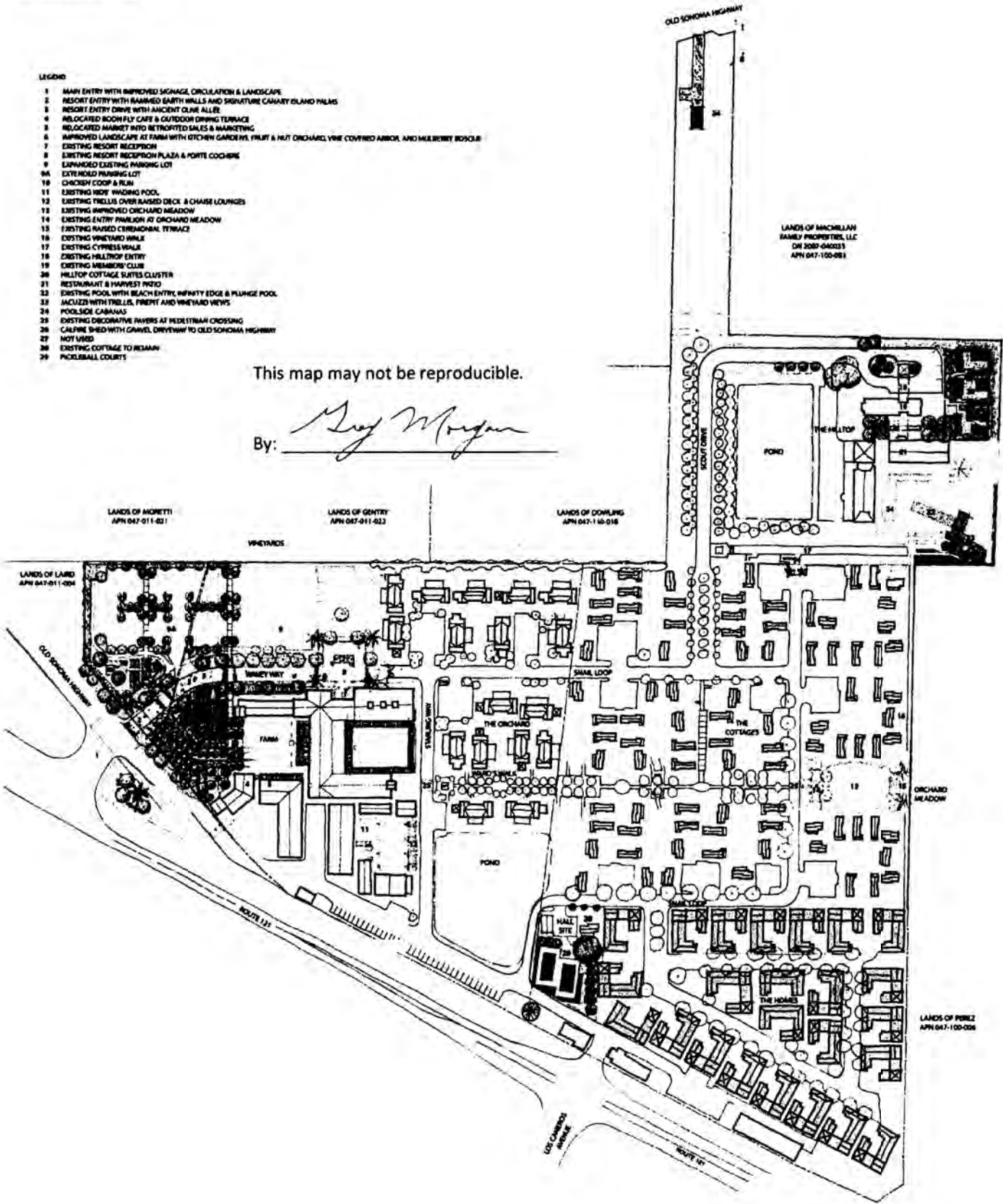
ILLUSTRATIVE MASTER PLAN

LEGEND

- 1 MAIN ENTRY WITH IMPROVED SIGNAGE, CIRCULATION & LANDSCAPE
- 2 RESORT ENTRY WITH RAMMED EARTH WALLS AND SIGNATURE CAHARY ISLAND PALMS
- 3 RESORT ENTRY DRIVE WITH ANCIENT OLIVE ALLIE
- 4 RELOCATED ROOM FLY CAFE & OUTDOOR DINING TERRACE
- 5 RELOCATED MARKET INTO RETORTED SALES & MARKETING
- 6 IMPROVED LANDSCAPE AT FARM WITH KITCHEN GARDENS, FRUIT & NUT ORCHARD, VINE COVERED ARBOR, AND MULBERRY BOSCUI
- 7 EXISTING RESORT RECEPTION
- 8 EXISTING RESORT RECEPTION PLAZA & PORTE COCHERE
- 9 EXPANDED EXISTING PARKING LOT
- 10 EXTENDED PARKING LOT
- 11 CHICKEN COOP & RUN
- 12 EXISTING BODY WADING POOL
- 13 EXISTING TRILLUS OVER RAISED DECK & CHAIRS LOUNGES
- 14 EXISTING IMPROVED ORCHARD MEADOW
- 15 EXISTING ENTRY PAVILION AT ORCHARD MEADOW
- 16 EXISTING RAISED CERAMONIAL TERRACE
- 17 EXISTING VINEYARD WALK
- 18 EXISTING CYPRESS WALK
- 19 EXISTING HILLTOP ENTRY
- 20 EXISTING MEMBERS CLUB
- 21 HILLTOP COTTAGE SUITES CLUSTER
- 22 RESTAURANT & HARVEST PHOTO
- 23 EXISTING POOL WITH BEACH ENTRY, INFINITY EDGE & PLUNGE POOL
- 24 JACKED WITH TREES, FRENCH AND VINEYARD VIEWS
- 25 POOLSIDE CABANAS
- 26 EXISTING DECORATIVE RAYERS AT PEDESTRIAN CROSSING
- 27 CALIFRNE SHED WITH GRAVEL DRIVEWAY TO OLD SONOMA HIGHWAY
- 28 HOT LINDS
- 29 EXISTING COTTAGE TO RESEAN
- 30 PICKLEBALL COURTS

This map may not be reproducible.

By: *Ray Morgan*



Carneros Inn Project History

P15-00190

[as of April 17, 2018]

THE INN

Use Permit #	APN	Date	Use Permit Description
CARNEROS INN			Mobile homes, RVs, Recreation buildings [Current uses: Homes, Cottages, Hill Top (spa/pool/food)]
5-62	047-100-062	9/7/61	UP to establish a 17-space trailer court. Zoned CL. Appeal was denied by BOS on 11/7/61
24-66	047-100-062	9/27/65 PC 11/9/65 Res. adopted	Rezone portion of R-1:A to CL (portion of current 047- 100-062)
25-66	047-100-062	10/4/65	Add 19 additional trailer spaces at trailer park for a total of 36 spaces (PC found project to be consistent w/development and allowed expansion on CL)
48-67	047-100-062	3/6/67	UP for sanitation ponds
County Counsel opinion	047-100-062	7/29/80	County Counsel opinion – owner installed 5 of 19 spaces and “used” permit. Unbuilt spaces must comply w/Ord. 331 for mobile homes (except open space req.)
E36-83 CLN	047-100-062	8/3/83	PC hearing on non-conforming use <ul style="list-style-type: none"> - From 1965-1980 premises were used as a restaurant and bar. 1980 lessee dies and lease terminated - Use was lawful prior to the date of rezoning - Finding – the applicant did not form an intention to abandon the non-conforming use (loan and plan prep). Temporary non-use while making preparation to rebuild as required by law is not an abandonment. - Contains a valid non-conforming use as restaurant and bar. Use is measured by the number of seats that were in existing during 1980 (49)
		9/28/83	Appeal denied

Use Permit #	APN	Date	Use Permit Description
CARNEROS INN			Mobile homes, RVs, Recreation buildings [Current uses: Homes, Cottages, Hill Top (spa/pool/food)]
Building Permit Letter		12/20/85	Building letter re: 14 mobile home spaces (only 5 of 19 were built). 14 spaces must be in compliance w/County mobile home park regulations
#U-89-20	047-100-062	8/8/90 11/29/90	96-space RV park (park model spaces); 12,000 sf two- story rec building, storage reservoir and sewage pond. PC denied because rezoning wasn't complete. Appeal was taken to the BOS with the direction to approve w/rezoning. * BOS conditioned approval on Rezoning Request #R- 58889 (approved Nov. 29, 1990)
Rezoning Request #R-58889		11/29/90	Rezoning Request – Portion rezoned from PD to AW:RVP Ordinance No. 976
Ordinance No. 976	047-100-062	10/30/90	Rezoning of portion of APN 047-100-034 (Now 047- 100-062) from PD to AW:RVP
#98290-MOD		2/19/99 (ZA) 2/23/99 letter	<ul style="list-style-type: none"> - Redesign layout of 96-space RV park (#U-89-20) - Redesign of 36-space mobile home park and convert into a 24-space mobile home park. (Modify UP #5-62 and #25-66 that established a total of 36- space mobile home park) - Redesign/relocate 12,000 sf rec building into 3 smaller buildings: reception, rec/health, pool house - Redesign/relocate of legally nonconforming 49- seat restaurant (E36-83 CLN), with dining areas limited to within the 1,700 sf floor area of the restaurant. Terrace cannot be used for dining/social activities. - Remove (e) and (p) sewage storage ponds, relocate ponds - Construct 1,120 sf water treatment plant and 3,450 sf sewage treatment plan
#99281-UPX		2/8/2000 (ZA)	Extension of time to use #98290-MOD for the reconfiguration of approved "used" but unconstructed 96-space RV park.

Use Permit #	APN	Date	Use Permit Description
CARNEROS INN			Mobile homes, RVs, Recreation buildings [Current uses: Homes, Cottages, Hill Top (spa/pool/food)]
#00097-MOD		10/20/2000 (ZA)	Revise layout of the "used" but incomplete #U-89-20. - Modify internal road, location of RV sites, mobile home sites, relocate wastewater treatment facility and nonconforming restaurant - Clarification of item 17 Project Revision statement from #U-89-20 #U-89-20 – "used" #98290-MOD – not used. No extension of use permitted.
#02470-MOD		10/21/02	Move 3 units and various internal roadway changes
#03308-MOD	(record under 047- 100-062)	8/6/03	Added COAs [to #U-89-20 and #98290-MOD] Kitchen/seating area (in one of the approved rec room buildings) is for use of registered guests or unit owners of the Inn/Lodge only and their guests Inn=cottages; Lodge=The Orchard (time shares)
#04145-MOD		3/23/04	Allow construction of an exercise room and bathroom within the existing water treatment building.
P06-0007- VMM		2/2/06	Approved improvements to the deck attached to the existing spa building to allow massages.
P15-00190 Major Mod			Current application under 047-110-027

THE LODGE

Use Permit #	APN	Date	Use Permit Description
CARNEROS LODGE			Meeting/banquet space, restaurant, lodge units (originally 25, now 17 per P06-0092 VMM) [Current uses: Meeting/banquet space, restaurant, The Orchard]
U-417172	047-110-027 047-110-028	4/3/72	Operation of a 100 space trailer and recreational vehicle storage yard on 6 acres. The approval was limited to three years with the option to renew the permit (was APN 047-110-001)
U-527374	047-110-027 047-110-028	6/5/74	Allowed the continued operation of the permit listed above.
U-287677	047-110-027 047-110-028	4/20/77	Expand the recreational vehicle storage business with the addition of the adjacent 3 acre parcel. Allowed the storage of up to 100 travel trailers, mobile homes, pick-up campers and motor homes.
98511-UP	047-110-027 047-110-028 (record and file under 047-100-062)	7/18/01 PC Agenda 11/12/02 Approved	On 3 parcels (047-110-05/26 and "access parcel 047-110-019) <ul style="list-style-type: none"> - 25 unit lodge (multiple units) - 172 parking spaces (25 for employees) - 100 seat restaurant/bar - 2,500 sf of retail space, 500 sf post office - 5,000 sf of meeting/banquet space - 10,000 sf public square w/bocce court 11/12/02 BOS Appealed – Denied
P05-0315-MOD	047-110-027 047-110-028 (record under 047-100-062)	9/21/05 Admin approval	Modify 98511-UP (lists APN 047-110-047) <ul style="list-style-type: none"> - Replace/relocate approved 25 cottages w/20 cottages w/same total sf. - Construct structure over existing pumping station
P05-0316-MOD	047-110-027 047-110-028 (record under 047-100-062)	11/16/05 PC	Construct roadway improvements <ul style="list-style-type: none"> - Hwy 12/121 intersection w/Old Sonoma Hwy: deletion of requirement to install left turn lanes in/out of intersection and install tapers to facilitate right turns only - Hwy 12/121 intersection w/Old Sonoma Road: install traffic signal, installation of dedicated left and right turn lanes southbound on Old Sonoma Road and improvements of turn lane from Hwy in both directions onto Old Sonoma Road - Old Sonoma Hwy: improvements to shoulders for pedestrian access along length of Old Sonoma Hwy.

Use Permit #	APN	Date	Use Permit Description
CARNEROS LODGE			Meeting/banquet space, restaurant, lodge units (originally 25, now 17 per P06-0092 VMM) [Current uses: Meeting/banquet space, restaurant, The Orchard]
P06-0092 VMM	(record under 047- 100-062)	3/13/06	Replace approved 20 cottages w/17, same total sf.
P15-00190 Major Mod			Current application.

LOCATION NAMES

[Staff understanding - April 17, 2018]

Location names on the property	Original description	Current description
The Inn	96-space RV park.	Now specifically the cottages for rent (between residences and Hill Top)
Hill Top area	Part of The Inn	Includes reception, pool, spa, dining area (guests/owners only)
The Lodge	Approved under 98511-UP, included a lodge building and meeting/banquet/restaurant/retail buildings.	Time share units referred to as The Orchard. Owners may still refer to the overall parcel with meeting/banquet/restaurant/retail as the Lodge parcel
The Orchard	Approved under 98511-UP as the lodge building	Time share units
The Homes	Mobile home park	Homes

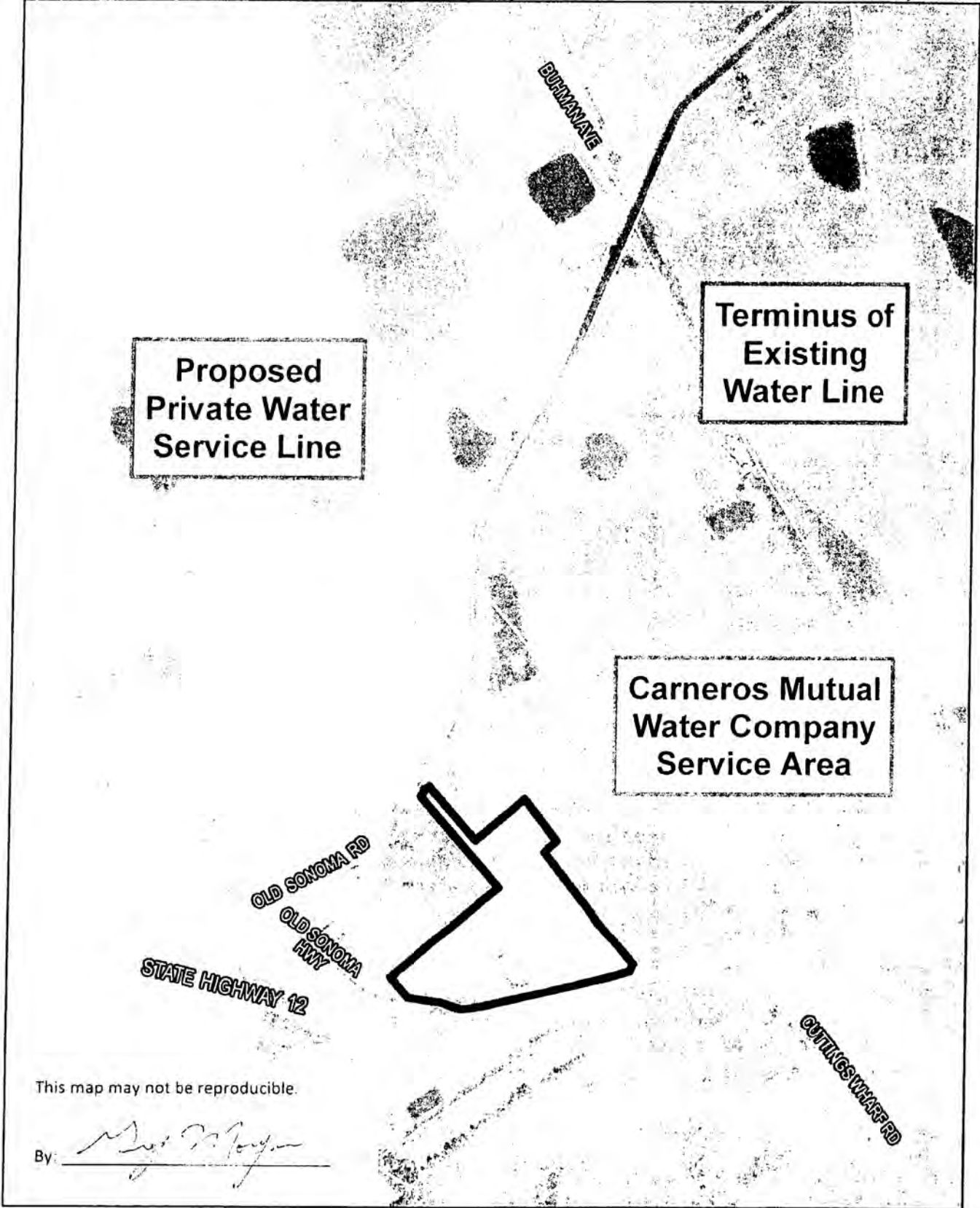
**NON-BINDING SUMMARY OF CONCEPTUAL TERMS
of a
WHOLESALE WATER AGREEMENT
between the City of Napa
and Carneros Mutual Water Company**

(February 18, 2018)

This Non-Binding Summary of Conceptual Terms of a Wholesale Water Agreement (“Summary Terms”) is intended to reflect a summary of the conceptual terms tentatively agreed upon between the negotiating representatives from the City of Napa (“City”) and the Carneros Mutual Water Company (“Company”). These Summary Terms are not binding on either party unless they are embodied in a Wholesale Water Agreement negotiated and executed by both parties.

- 1. Supply: City will supply Company with a minimum of 33 and a maximum of 43 acre-feet of water per year. The water will be wheeled through Congress Valley Water District (“District”) pipes pursuant to the terms of the current water supply contract between the City and the District.**
- 2. Term: The term of the proposed Wholesale Water Agreement will be 50 years.**
- 3. Rates and Fees:**
 - Company will pay for water at City’s outside commercial rate, as that rate may be adjusted from time to time by resolution of the City Council.**
 - If Company receives less than 33 acre-feet in any fiscal year, Company will pay City the minimum annual payment for that fiscal year equal to the outside commercial rate for 33 acre-feet.**
 - Company will pay all standard water fees to establish connection to the system.**
- 4. Water Use: Company may only supply water to its shareholders for their own use within its service area, as provided by law and Company’s articles of incorporation. Neither Company nor its customers may provide water to third parties or transfer it for use outside the service area in effect on March 1, 2018 (the “Contract Service Area”).**
- 5. No Expansion: Neither the boundaries of the Contract Service Area nor the current number of units within it (86 resort cottages plus 24 whole ownership and 17 fractional ownership homes) shall be expanded during the term of the Wholesale Water Agreement. There shall be no intensification of current uses, which include two restaurants, a market, a spa and fitness center, meeting space and outdoor recreation areas.**

6. **Water Line:** Company will, at its own expense, design, build, maintain and operate a private water line from a City meter (to be installed by the City near the terminus of the existing 8-inch water line on Old Sonoma Road) to the Company's Contract Service Area (identified as the "proposed water line extension" on the map attached). Company will be responsible for obtaining all property interests necessary to construct, maintain, and operate the proposed water line extension, which may include the use of County of Napa ("County") right of way on Old Sonoma Road.
7. **Contribution:** Company will pay the City an amount equal to 50% of the City's cost to design and construct a new water storage tank to serve the Browns Valley area, up to a maximum payment by Company of \$1.75 million. This payment by Company represents a supplemental contribution by Company in consideration for the City's discretionary approval of the terms of the proposed Wholesale Water Agreement, since the Company's use of water under the proposed Wholesale Water Agreement does not require construction of the new tank. Company will pay the City \$1.75 million prior to receiving wholesale water from the City via the newly-constructed pipeline extension, and the City will place that amount in an escrow account until construction of the storage tank is complete. At the time of completion of construction of the storage tank: (a) if the cost of construction is \$3.5 million or greater, the City will retain the entire \$1.75 million payment; and (b) if the cost of construction is less than \$3.5 million, the City will reimburse Company in an amount equal to \$1.75 million less 50% of the cost of construction.
8. **Groundwater:** Nothing in the Wholesale Water Agreement will preclude Company from continuing to extract and use groundwater up to a maximum amount to be determined by County.
9. **Reporting:** Company will report all water use to County, which will be responsible for all permit and license enforcement. City may inspect Company's water records upon request.
10. **Environmental:** Company will, at its own expense, obtain all permits necessary to construct and operate the water line. Since the County will be the lead agency for CEQA review, the County's approval of compliance with CEQA will be a condition precedent of the proposed Wholesale Water Agreement. Company will pay the cost of environmental review.
11. **City's Right to Interrupt Water Supply:** Company agrees that the terms of the proposed Wholesale Water Agreement will be subject to the City's standard terms of delivery of wholesale water, including the right to interrupt water supply due to circumstances that are outside the control of the City, based on terms similar to those set forth in the Water Supply Agreement between the City of Napa and the City of St. Helena.



This map may not be reproducible.

By: *[Signature]*

CIMWC Contract Service Area





A Tradition of Stewardship
A Commitment to Service

MEMORANDUM

Planning, Building & Environmental Services

1195 Third Street, Suite 210
Napa, CA 94559
www.countyofnapa.org

David Morrison
Director

To: Napa County Planning Commission	From: Sean Trippi, Project Planner
Date: July 17, 2019	
Re: CEQA Memorandum for Carneros Inn Development Agreement and Use Permit Major Modification No. P15-000190	

I. INTRODUCTION AND BACKGROUND

Pursuant to Section 303 of Napa County's Local Procedures for Implementing the California Quality Act (CEQA), the Planning, Building and Environmental Services Department has prepared this environmental evaluation for the proposed Carneros Resort Use Permit Modification Application (File No. P15-00190-MOD) submitted by GF Carneros Holdings, LLC (the entity that owns GF Carneros Inn, LLC and GF Carneros Tenant, LLC), GF Carneros Inn, LLC, (the "Landowner"), GF Carneros Tenant, LLC (the "Operator") and Carneros Inn Mutual Water Company (the "Mutual Water Company")(all of which are hereafter referred to as the "Applicant"). The project is located on a 27.77± acre parcel located at 4048 Sonoma Highway on the north side of Highway 12/121 at the intersection with Old Sonoma Highway. The Carneros Resort property consists of five parcels (APN 047-100-062, 047-110-003, 047-110-027, 047-110-028 and 047-400-(001-028 SFAP)) and includes 24 whole ownership homes, 17 fractional residences and a 96-unit recreational vehicle park/resort hotel with amenities and supporting infrastructure.

The Applicant requests approval of a major modification to its existing use permits. The first use permit issued in 1961, approved the construction and establishment of a mobile home park on a 14-acre parcel zoned Commercial Limited (CL) on a parcel located at 4048 Sonoma Highway. In 1965, that permit was modified to expand the number of mobile home park, which also included a small bar and restaurant (now the Boon Fly Café).

Permit U-89-20 was issued in 1990 and authorized the construction of a 96-space recreational vehicle park, including a 12,000 square foot two story recreational building, storage reservoir, sewage pond and RV storage spaces, on a different portion of the same parcel. In 2000, a use permit modification (#00097-MOD) authorized reconfiguration of the Resort's internal road network and approved changes to the design, uses and locations of various buildings.

Today, the 18.29 acre parcel housing the mobile home park and RV park, commonly referred to as the "Lodge Parcel," carries mixed zoning. The southern portion, encompassing the mobile home park and restaurant, is zoned Planned Development (PD). The northern portion, housing the RV park and sewage treatment pond, is zoned AW:RVP (Agricultural Watershed; Recreational Vehicle Combination District)

Planning Division
(707) 253-4417

Building Division
(707) 253-4417

Engineering & Conservation
(707) 253-4417

Environmental Health
(707) 253-4471

Parks & Open Space
(707) 259-5933

(Ordinance No. 976). The Recreational Vehicle Combination District was eliminated from the County Code in 1996 (Ord. No. 1105) but recreational vehicle parks already permitted, such as the one on the Lodge Parcel, continue to be recognized as permitted uses in the Agricultural Watershed Zoning District (NCC 18.20.020(O)).

In the 1990s, the Lodge Parcel and an adjoining parcel (commonly referred to now as the "Inn Parcel"), entitled as a mobile home park and RV storage yard, came into common ownership. In 2002, use permit #98511-UP was issued approving the establishment on the Inn Parcel of a 25-unit lodge consisting of cottage-style units and associated administrative and recreational amenities, parking, a 100-seat restaurant and bar, 2,500 square feet of retail space, a 500 square foot post office, 5,000 square feet of banquet and meeting space, and a 10,000 square foot "public square."

Use permit #98511-UP recognized that the 9.48 acre Inn Parcel and the 18.29 acre Lodge Parcel were under common ownership, would share recreational amenities, water supply, sewage treatment and a road network, and would effectively operate as a single integrated resort. The permit was subsequently modified in 2005 and 2006 to reconfigure roads (#P05-0316-MOD) and reduce the number of cottages from 25 to 17 (#P05-0315-MOD and #P06-00092-MOD).

Water Background

Water is provided to the Carneros Resort by the Carneros Inn Mutual Company ("Mutual Water Company"), which supplies the resort and related residential community within its 28-acre service area ("Service Area"). The Mutual Water Company is a nonprofit mutual water company created under California Corporations Code §§ 14300 *et seq.* Its shareholders are the owners of parcels within its Service Area. GF Carneros Inn, LLC, the owner of the land on which the resort is situated, holds approximately 90% of the shares in the mutual water company.

By law, the right to receive water from the Mutual Water Company is appurtenant to the land, meaning that it transfers to the new owner whenever a Service Area parcel is sold. The Mutual Water Company may not supply water, and its shareholders may not use Mutual Water Company, outside the Service Area. The right to receive water from the Mutual Water Company may not be sold or transferred separately from the ownership of Service Area land. The Service Area may not be expanded under terms approved by the Napa City Council for the wholesale supply of municipal water to Mutual Water Company.

The Mutual Water Company currently relies on groundwater from two wells on the Carneros Resort's property. The groundwater contains high levels of iron, magnesium, sodium and other elements, which affect taste and smell, corrode pipes and stain clothing. The Carneros Resort has also experienced a groundwater deficit in recent years, requiring it to truck in municipal water to meet demand. Mutual Water Company's water distribution system includes a state-of-the-art water recycling plant. All domestic water is recycled onsite and all irrigation on the property is done with recycled water. The Carneros Resort also employs water conservation technology, such as smart booster pumps, and has implemented rigorous water conservation practices.

The Current Application under CEQA Review

In May 2015, the Applicant submitted an application for a major modification to its use permits. That application has since been revised. The applicant is currently requesting approval to:

1. Relocate the main vehicular entryway to the Resort and install new entry structure and signage;
2. Install off-site roadway landscape improvements within Caltrans and County rights-of-way;
3. Replace the existing wood fence along Old Sonoma Road with a decorative masonry wall;
4. Relocate the Boon Fly Cafe restaurant seating to The Market restaurant location and use the existing Boon Fly location for storage and staff needs;
5. Relocate The Market space to a smaller, existing office space in the adjacent building;
6. Relocate six existing RV (recreational vehicle) spaces to the Hilltop location;
7. Alter and enhance of the existing Hilltop pool;
8. Relocate the kitchen gardens located on the flag lot to the farm area;
9. Install a permanent water line to supply the Carneros Inn Mutual Water Company with water from the City of Napa, thereby eliminating groundwater use at the site;
10. Install two pickle ball courts;
11. Convey one-acre of land along Old Sonoma Road to the County for use as a future new fire facility;
12. Use the adjoining Commercial Limited (CL) zoned parcel (APN 047-110-003) as overflow parking for the Resort; and
13. Abandon the southerly portion of the Old Sonoma Highway and re-use the area as kitchen gardens.

The request also includes an Exception to the County Road and Street Standards to acknowledge widths of less than 22-feet of the existing private internal access drives.

A Development Agreement is also proposed between GF Carneros Inn, LLC, GF Carneros Tenant LLC, GF Carneros Holdings, LLC, Carneros Inn Mutual Water Company, and the County which would provide the Applicant with a vested right to develop the project for 10 years in accordance with the applicable laws and entitlements in effect at the time of project approval. In exchange, the Applicant would agree to terms to address the impacts of the project which could not have been otherwise required under applicable law. A summary of the material terms and conditions of the proposed Development Agreement include the following:

- a. Applicant will convey one-acre of land on the Old Sonoma Road side of the Carneros Resort to the County for use by the County Fire Department. If the County elects to relocate the existing fire facility, at no cost to the County, Applicant will construct a new pad for the relocated facility. Should the County elect to construct a new fire station, the Applicant will pay \$20,000 as the equivalent cost of constructing a pad and relocating the existing facility. The Applicant will also connect the fire facility to the Applicant's water line with a separate meter. Electrical connection and a septic system will be the responsibility of the County.

b. Applicant will install approximately 0.5 miles of permanent water line from the terminus of the existing 8-inch water main of the Congress Valley Water District ("District") to the Mutual Water Company within the County right-of-way along Old Sonoma Road. The City of Napa has agreed to provide the Applicant up to 42 acre-feet of municipal water per year by wheeling the water through existing pipelines belonging to the Congress Valley Water District. Once the new Mutual Water Company water line is operational, groundwater pumping at the Carneros Resort will cease.

c. Once the new Mutual Water Company water line is operational, all trucking of water to the Carneros Resort would cease, except in the case of emergency and with immediate notification to the County.

d. Applicant will develop a new primary entrance to the Carneros Resort to the west, reducing use of the entrance near the current location of the Boon Fly Café.

e. Applicant will waive the right to construct any residential units that are permitted but not yet constructed.

f. Applicant will reaffirm the covenant on the flag lot parcel to the north of the Carneros Resort, and continue to use the lot in a manner consistent with the terms of the covenant.

g. Resort parking will be allowed on the adjoining parcel to the west.

h. The Boon Fly Café will be allowed to relocate onto the same parcel as The Market restaurant.

i. So long as diligent efforts are made to complete the water line, the County will not pursue enforcement action against Mutual Water Company regarding its continued use of trucked water. Applicant will provide quarterly reports to the County regarding trucked water usage until the water line is operational.

j. If the Mutual Water Company's water line extension is not operational within two years, then the County may pursue an enforcement action against Mutual Water Company regarding trucked water.

After careful review, the PBES Department has concluded that the proposed Development Agreement, Use Permit Modification No. P15-00190, and Exception to the Road and Street Standards are exempt from environmental review under the California Environmental Quality Act ("CEQA;" Pub. Res. Code, § 21000 et seq) and the CEQA Guidelines (14 CCR, § 15000 et seq) as set forth below.

II. APPLICABLE EXEMPTIONS

Requirements of Class 1, Napa County Local CEQA Guidelines, Appendix B, Section 1(a), Class 3, Class 4, Class 11 and Common Sense Exemptions and Public Resources Code § 21080.21(a).

The language of the pertinent exemptions and how they apply are analyzed below:

- **Class 1 Exemption (“Existing Facilities”)** provides an exemption for the operation, repair, maintenance, permitting, leasing, licensing or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency’s determination. (14 CCR, § 15301.)

Except for the pipeline extension to supply municipal water to the Mutual Water Company, the project proposes minimal construction to existing facilities, no increase in building footprints, no increase in guest rooms or visitors or employees, and no intensification of use. The vehicular entrance to the Carneros Resort will be realigned but not expanded or materially changed. Relocation of the Boon Fly Café will improve parking and circulation within the Resort. The project will have no aesthetic impacts, will not change any zoning or other land use designations, and will not increase noise or demand on public services. The Planning Division finds the project, except for the pipeline extension, to be categorically exempt from the CEQA under Section 15301 Existing facilities and the Napa County Local CEQA Guidelines Appendix B, Class 1, Existing Facilities, Section (1) (a).

- **Napa County Local CEQA Guidelines, Appendix B, Section 1(a)** provides an exemption for the repair, maintenance, reconstruction, replacement and minor expansion of existing roads, streets, highways, bicycle and pedestrian paths, and appurtenant facilities.
- **Class 3 Exemption (“New Construction or Conversion of Small Structures”)** provides an exemption for new construction or conversion of small structures. (14 CCR §15303.) Here, the conversion of the Market to house the proposed relocation of the Boon Fly Café and the extension of the water line to the project site is covered by this exemption.
- **Class 4 Exemption (“Minor Alterations to Land”)** provides an exemption for minor alterations to land such as the gardens and landscaping proposed by the project. (14 CCR §15304.)
- **Class 11 Exemption (“Accessory Structures”)** provide an exemption for accessory structures such as the parking lot expansion, decorative masonry wall, and signage proposed by the project. (14 CCR §15311.)
- **Common Sense Exemption.** The CEQA Guidelines include an exemption based on “the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment.” (14 CCR, § 15061(b)(3); see *Muzzy Ranch Co. v. Solano County Airport Land Use Comm’n* (2007) 41 Cal.4th 372.) Under this exemption, an agency can find a project is exempt from environmental review if “it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.” (14 CCR, § 15061(b)(3).)

Installation of the pipeline will have a temporary environmental impact during construction in the form of earthmoving activities, the use of heavy equipment and construction noise, but that impact will be short-lived and insignificant. On balance, the pipeline project will improve environmental conditions. First, by eliminating the Carneros Resort's need to supplement groundwater sources with trucked water, the project will take water trucks off the road, thereby reducing greenhouse gas emissions, noise and traffic congestion. Second, the project will relieve stress on the Carneros aquifer by eliminating the largest single user in the region, Carneros Resort, which has a maximum threshold of 26.96 acre-feet of groundwater per year. Third, the project will enhance public safety by facilitating the construction of a full-service fire station, supplied with a reliable source of water, to serve the Carneros region and beyond.

The pipeline extension will not have any growth-inducing effects for the following reasons:

- Legal restrictions on the Mutual Water Company as a mutual water company prevent the transfer of water rights or the use of water outside the Mutual Water Company's Service Area.
- The water supply agreement between the Mutual Water Company and the City of Napa will fix the Mutual Water Company's Service Area in its current configuration, precluding future expansion.
- The water supply agreement between Mutual Water Company and the City of Napa also limits the amount of municipal water to be provided, and expressly prohibits the expansion or intensification of uses on the Carneros Resort property.
- Restrictive zoning within the Mutual Water Company's Service Area, most of which is zoned Agricultural Watershed (AW) will further impede and intensification or expansion of uses.
- The proposed extension will serve existing uses only, and is not precedent for extending service to new uses.
- The proposed extension supports a wholesale or bulk water transfer (public water system to public water system), comparable to the City of Napa's arrangements with St. Helena, and is not precedent for extending retail service to new users.
- The pipeline extension will be privately owned by Mutual Water Company, meaning that no other party will have a right to connect, ensuring that Mutual Water Company and its shareholders will be the sole user.

III. CONCLUSION

For all of the reasons articulated above and contained within the administrative record for the Project, PBES staff have determined the Project is categorically exempt. Furthermore, none of the exceptions in 14 CCR Section 15300.2 for the Class 3, 4, and 11 exemptions are applicable because the site is not in a

mapped environmentally sensitive area, would not result in a cumulative impact as the project proposes minimal improvements to existing facilities, with no increase in building footprints, no increase in guest rooms or employees, and no intensification of use. Further, the project will not have a significant effect on the environment due to unusual circumstances, as the project site has been developed in its current state since the mid to late 2000's. The site is not located on a designated scenic highway or on any of the lists of hazardous waste sites enumerated under Government Code Section 65962.5.

CONDITIONS OF APPROVAL

**Carneros Resort and Spa
Use Permit Modification Application No. P15-00190-MOD
4048 Sonoma Highway, Napa**

APN's #047-100-062, 047-110-003, 047-110-027, 047-110-028, 047-400-(01-28 SFAP)

This Permit encompasses and shall be limited to the project commonly known as the Carneros Resort and Spa, located at 4048 Sonoma Highway. Part I encompasses the Project Scope and general conditions pertaining to statutory and local code references, project monitoring and the process for any future changes or activities. Part II encompasses the ongoing conditions relevant to the operation of the project. Part III encompasses the conditions relevant to construction and the prerequisites for a Final Certificate of Occupancy. It is the responsibility of the permittee to communicate the requirements of these conditions and mitigations (if any) to all designers, contractors, employees, and the general public to ensure compliance is achieved.

Where conditions are not applicable or relevant to this project, they shall be noted as "Reserved" and, therefore, have been removed.

When modifying a legally established entitlement related to this project, these conditions are not intended to be retroactive or to have any effect on existing vested rights except where specifically indicated.

PART I

1.0 PROJECT SCOPE

This Permit encompasses and modifies, in relevant part, the terms of Use Permit Nos. 98511-UP, 98290-MOD, 00097-MOD, 03308-MOD, and P06-00092-MOD, and shall be limited to:

- 1.1 Approval of an Exception to the Napa County Road and Street Standards (RSS) to allow widths of less than 22-feet (20-foot wide road with 22-feet of unobstructed horizontal clearance) for the existing internal private roadway/driveway system. All new driveway and parking drive aisles shall comply with the 2019 RSS.
- 1.2 Approval of a Use Permit Modification to the Carneros Resort and Spa (Carneros Resort) previous approvals, as follows:
 - a. relocation of the main entryway and installation of a new entry structure and signage;
 - b. installation of off-site roadway landscape improvements within Caltrans and County right-of-ways;
 - c. replacement of the existing wood fence along Old Sonoma Road with a decorative masonry wall;
 - d. relocation of the Boon Fly Café restaurant to The Market location and use of the existing Boon Fly Café location for storage and staff needs;
 - e. relocation of The Market space to a smaller, existing office space in the adjacent building;
 - f. relocation of six existing recreational vehicle spaces to the Hilltop location;

- g. alteration and enhancement of the existing Hilltop pool area;
- h. relocation of the kitchen gardens located on the flag lot to the farm area;
- i. Carneros Inn Mutual Water Company's (Mutual Water Company) installation of a private waterline from the terminus of an existing Congress Valley Water District waterline to the Property so that the City of Napa can supply water to the Mutual Water Company, thereby eliminating groundwater use at the site;
- j. installation of two pickle ball courts;
- k. use of the adjoining CL zoned parcel (APN 047-110-027) as overflow parking for the Carneros Resort;
- l. abandonment of the southerly portion of the Old Sonoma Highway and re-use as kitchen gardens;
- m. conveyance to the County of one-acre of Carneros Resort land on Old Sonoma Road for use as a future new fire facility; and,
- n. relocation of the existing fire facility from the 0.2-acre parcel to the Old Sonoma Road location including the construction of a concrete pad or dismantling and demolition the existing fire facility at Permittee's cost and expense. Regardless of the County's decision to either relocate the existing fire facility or to construct a new fire station, Permittee shall, at its cost and expense, provide a driveway connection from the fire station site to Old Sonoma Road with a surface that shall be capable of supporting fire apparatus weighing 75,000 pounds and allow the County to connect to Mutual Water Company's waterline to serve the relocated fire facility.

The Carneros Resort shall be designed in substantial conformance with the submitted site plan, elevation drawings, and other submittal materials and shall comply with all requirements of the Napa County Code (the County Code). It is the responsibility of the permittee to communicate the requirements of these conditions and mitigations (if any) to all designers, contractors, employees, and the general public to ensure compliance is achieved. Any expansion of or change in use or alternative locations for fire suppression or other types of water tanks shall be approved in accordance with the County Code and may be subject to the permit modification process.

2.0 STATUTORY AND CODE SECTION REFERENCES

All references to statutes and code sections shall refer to their successor as those sections or statutes may be subsequently amended from time to time.

3.0 MONITORING COSTS

All Staff costs associated with monitoring compliance with these conditions, previous permit conditions, and project revisions shall be borne by the permittee and/or property owner. Costs associated with conditions of approval and mitigation measures that require monitoring, including investigation of complaints, other than those costs related to investigation of complaints of non-compliance that are determined to be unfounded, shall be charged to the property owner or permittee. Costs shall be as established by resolution of the Board of Supervisors in accordance with the hourly consulting rate established at the time of the monitoring and shall include maintenance of a \$500 deposit for construction compliance monitoring that shall be retained until issuance of a Final Certificate of Occupancy. Violations of conditions of approval or mitigation measures caused by the permittee's contractors, employees, and/or guests are the responsibility of the permittee.

The Planning Commission may implement an audit program if compliance deficiencies are noted. If evidence of a compliance deficiency is found to exist by the Planning Commission at some time in the future, the Planning Commission may institute the program at the permittee's expense (including requiring a deposit of funds in an amount determined by the Commission) as needed until compliance assurance is achieved. The Planning Commission may also use the data, if so warranted, to commence revocation proceedings in accordance with the County Code.

PART II

4.0 OPERATIONAL CHARACTERISTICS OF THE PROJECT

Permittee shall comply with the following during operation of the project:

- 4.1 GROUND WATER MANAGEMENT – WELLS **[RESERVED]**
- 4.2 AMPLIFIED MUSIC
There shall be no amplified sound system or amplified music utilized outside of approved, enclosed, buildings.
- 4.3 TRAFFIC
To the maximum extent feasible, scheduling of reoccurring vehicle trips to and from the site for employees and deliveries shall not occur during peak travel times 4:00 PM to 6:00 PM weekdays; 1:00 PM to 3:00 PM Saturdays and Sundays. All road improvements on private property required per Engineering Services shall be maintained in good working condition and in accordance with the Napa County Roads and Streets Standards.
- 4.4 PARKING **[RESERVED]**
- 4.5 BUILDING DIVISION – USE OR OCCUPANCY CHANGES
Please contact the Building Division with any questions regarding the following:

In accordance with the California Building Code (CBC), no change shall be made in the use or occupancy of an existing building unless the building is made to comply with requirements of the current CBC as for a new building.
- 4.6 FIRE DEPARTMENT – TEMPORARY STRUCTURES **[RESERVED]**
- 4.7 NAPA COUNTY MOSQUITO ABATEMENT PROGRAM **[RESERVED]**
- 4.8 GENERAL PROPERTY MAINTENANCE – LIGHTING, LANDSCAPING, PAINTING, OUTDOOR EQUIPMENT STORAGE, MECHANICAL EQUIPMENT, AND TRASH ENCLOSURE AREAS
 - a. All lighting shall be permanently maintained in accordance with the lighting and building plans approved by the County.
 - b. All landscaping shall be permanently maintained in accordance with the landscaping approved by the County.

- c. All outdoor screening, storage, mechanical equipment and utility structures shall be permanently maintained in accordance with the landscaping and building plans approved by the County. No stored items shall exceed the height of the screening. Exterior equipment shall be maintained so as to not create a noise disturbance or exceed noise thresholds in the County Code.
- d. The colors used for the roof, exterior walls and built landscaping features of the project shall be limited to earth tones that will blend the facility into the colors of the surrounding site specific vegetation. The permittee shall obtain the written approval of the Planning Division prior to any change in paint color that differs from the approved building permit. Highly reflective surfaces are prohibited.
- e. Designated trash enclosure areas shall be made available and properly maintained for intended use.

4.9 NO TEMPORARY SIGNS

Temporary off-site signage, such as "A-Frame" signs are prohibited.

4.10 COMPLIANCE WITH OTHER DEPARTMENTS AND AGENCIES - OPERATIONAL CONDITIONS

The attached project conditions of approval include all of the following County Divisions, Departments and Agencies' requirements. Without limiting the force of those other requirements which may be applicable, the following are incorporated by reference as enumerated herein:

- a. Engineering Services Division operational conditions as stated in their Memorandum dated June 4, 2019.
- b. Environmental Health Division operational conditions as stated in their Memorandum dated June 19, 2019.
- c. Building Division operational conditions as stated in their Memorandum dated June 15, 2018.
- d. Department of Public Works operational conditions as stated in their Memorandum dated June 11, 2015.
- e. Fire Department operational conditions as stated in their Inter-Office Memo dated June 27, 2019.

The determination as to whether or not the permittee has substantially complied with the requirements of other County Divisions, Departments and Agencies shall be determined by those County Divisions, Departments or Agencies. The inability to substantially comply with the requirements of other County Divisions, Departments and Agencies may result in the need to modify this permit.

4.11 OPERATIONAL MITIGATION MEASURES **[RESERVED]**

4.12 OTHER CONDITIONS APPLICABLE TO THE OPERATIONAL ASPECTS OF THE PROJECT

- a. There shall be no groundwater pumping at the Carneros Resort site once the Mutual Water Company's privately owned waterline connection is complete and operational. The on-site wells shall be capped and remain capped for so long as the City's water supply continues except in case of an emergency. The PBES Director shall have the right to inspect the wells to confirm that they have been capped as determined by the PBES Director.
- b. There shall be no trucking of water to the project site except in case of an emergency once the Mutual Water Company's privately owned waterline connection is complete and operational. An "emergency" is defined as any time that the City is unable to provide the required supply, pressure, and/or the water is contaminated. In such an event, the Mutual Water Company may use a standby source. A standby source may not be used for more than the duration of the emergency. The Planning Building and Environmental Services (PBES) Director shall be notified by the permittee or Mutual Water Company within 24 hours of using a standby source. Notification shall include the reason for the use and estimated duration. The State Water Resources Control Board shall be notified within 72 hours per Title 22 of the California Code of Regulations Section 64414.
- c. The permittee shall rigorously implement the existing water conservation measures identified in Exhibit A and shall operate the Carneros Resort in the most water efficient and sustainable manner possible consistent with reasonable commercial practice.
- d. The Mutual Water Company shall operate and maintain its state-of-the-art recycled water plant.
- e. If the permittee is unable to obtain all Final Project Approvals within two (2) years from the Effective Date of the Development Agreement or as may be reasonably extended by the PBES Director, then the permittee shall not pump more than 26.96 acre-feet of groundwater per year on the Property.
- f. The Boon Fly Café shall be limited to 49 seats, indoors and outdoors.
- g. There shall be no new residential units (R occupancy per the CBC) constructed on the project site.
- h. There shall be no direct access to the project site from Old Sonoma Road.

- i. Any gardens planted in the flag portion of APN 047-100-062 shall not be open to the public.
- j. The location of visitor parking and truck loading zone areas shall be identified along with proposed circulation and traffic control signage (if any). Parking shall be limited to approved parking spaces only and shall not occur along access or public roads or in other locations. In no case shall parking impede emergency vehicle access or public roads.
- k. The permittee and/or designee shall obtain a tent permit from the Fire Department for any temporary structures utilized for any permitted or temporary events.
- l. No signage, advertising (including the internet) or any other external communication which is intended to attract non-registered guests to the facility is permitted. **[Relocated by the Planning Commission]**
- m. Since the Carneros Inn project relies on the Carneros Lodge parcel for access, a deed restriction shall be placed on the Carneros Inn and Carneros Lodge parcels requiring that all parcels be sold together. The deed restriction shall be recorded prior to the issuance of grading or building permits, whichever occurs first. **[Relocated and revised by the Planning Commission]**
- n. The permittee shall monitor and report all water use on the property to the PBES Director on an annual basis commencing upon the effective date of the Development Agreement. **[Added by the Planning Commission]**

4.13 PREVIOUS CONDITIONS

The permittee shall comply with the following previous conditions of approval for the project as consolidated into the attached document as Exhibit B. To the extent there is a conflict between a previous condition of approval identified in the attached document and these conditions, the more stringent condition shall control.

PART III

5.0 PREREQUISITE FOR ISSUANCE OF PERMITS

5.1 PAYMENT OF FEES

No building, grading or sewage disposal permits shall be issued or other permits authorized until all accrued planning permit processing fees have been paid in full. This includes all fees associated with plan check and building inspections, associated development impact fees established by County Ordinance or Resolution, and the Napa County Affordable Housing Mitigation Fee in accordance with County Code.

6.0 GRADING/DEMOLITION/ENVIRONMENTAL/BUILDING PERMIT/OTHER PERMIT PREREQUISITES

Permittee shall comply with the following with the submittal of a grading, demolition environmental, building and/or other applicable permit applications:

6.1 COMPLIANCE WITH OTHER DEPARTMENTS AND AGENCIES - PLAN REVIEW, CONSTRUCTION AND PREOCCUPANCY CONDITIONS

The attached project conditions of approval include all of the following County Divisions, Departments and Agencies' requirements. The permittee shall comply with all applicable building codes, zoning standards, and requirements of County Divisions, Departments and Agencies at the time of submittal and may be subject to change. Without limiting the force of those other requirements which may be applicable, the following are incorporated by reference as enumerated herein:

- a. Engineering Services Division plan review/construction/preoccupancy conditions as stated in their Memorandum dated June 4, 2019.
- b. Environmental Health Division plan review/construction/preoccupancy conditions as stated in their Memorandum dated June 19, 2019.
- c. Building Division plan review/construction/preoccupancy conditions as stated in their Memorandum dated June 15, 2018.
- d. Department of Public Works plan review/construction/preoccupancy conditions as stated in their Memorandum dated June 11, 2015.
- e. Fire Department plan review/construction/preoccupancy conditions as stated in their Inter-Office Memo dated June 27, 2019.

The determination as to whether or not the permittee has substantially complied with the requirements of other County Divisions, Departments and Agencies shall be determined by those County Divisions, Departments or Agencies. The inability to substantially comply with the requirements of other County Divisions, Departments and Agencies may result in the need to modify the permit.

6.2 BUILDING DIVISION – GENERAL CONDITIONS

Please contact the Building Division with any questions regarding the following:

- a. A building permit shall be obtained for all construction occurring on the site not otherwise exempt by the CBC or any State or local amendment adopted thereto
- b. If there are any existing structures and/or buildings on the property that will need to be removed to accommodate construction activities, a separate demolition permit shall be required from the Building Division prior to removal. The permittee shall provide a "J" number from the Bay Area Air Quality Management District (BAAQMD) at the time the permittee applies for a demolition permit if applicable.
- c. All areas of newly designed and newly constructed buildings, facilities and or site improvements must comply with the CBC accessibility requirements, as well as, American with Disabilities Act requirements

when applicable. When alterations or additions are made to existing buildings or facilities, an accessible path of travel to the specific area of alteration or addition shall be provided as required per the CBC.

6.3 LIGHTING – PLAN SUBMITTAL

- a. Two (2) copies of a detailed lighting plan showing the location and specifications for all lighting fixtures to be installed on the property shall be submitted for Planning Division review and approval. All lighting shall comply with the CBC.
- b. All exterior lighting, including landscape lighting, shall be shielded and directed downward; located as low to the ground as possible; the minimum necessary for security, safety, or operations; on timers; and shall incorporate the use of motion detection sensors to the greatest extent practical. All lighting shall be shielded or placed such that it does not shine directly on adjacent properties or impact vehicles on adjacent streets. No flood-lighting or sodium lighting of the building is permitted, including architectural highlighting and spotting. Low-level lighting shall be utilized in parking areas as opposed to elevated high-intensity light standards.

6.4 LANDSCAPING – PLAN SUBMITTAL

- a. Two (2) copies of a detailed final landscaping and irrigation plan, including parking details, shall be submitted with the building permit application package for the Planning Division's review and approval prior to the issuance of any building permit associated with this permit. The plan shall be prepared pursuant to the Water Efficient Landscape Ordinance (Chapter 18.118 of the County Code) requirements in effect at the time of building permit application submittal, as applicable, and shall indicate the names and locations of all plant materials to be used along with their method of maintenance.
- b. Plant materials shall be purchased locally when practical, and, to the greatest extent possible, the plant materials shall be the same native plants found in Napa County. The Agricultural Commissioner's office shall be notified of all impending deliveries of live plants with points of origin outside of Napa County.
- c. No trees greater than 6" diameter at breast height shall be removed, except for those identified on the submitted site plan. Any Oak trees removed as a result of the project shall be replaced at a 2:1 ratio and shown on the landscaping plans for the Planning Division's review and approval. Trees to be retained shall be protected during construction by fencing securely installed at the outer most dripline of the tree or trees. Such fencing shall be maintained throughout the duration of the work undertaken in connection with project development/construction. In no case shall construction material, debris or vehicles be stored in the fenced tree protection area.

- d. Evergreen screening shall be installed between the industrial portions of the operation (e.g., tanks, crushing area, parking area, etc.) and any off-site residence from which these areas can be viewed.
- e. All landscaped areas and sidewalks shall be separated from parking and drive aisle areas by a minimum 6-inch raised concrete curb.

6.5 COLORS

The colors used for the roof, exterior walls and built landscaping features of the project shall be limited to earth tones that will blend the facility into the colors of the surrounding site specific vegetation. The permittee shall obtain the written approval of the Planning Division in conjunction with building permit review and/or prior to painting the building. Highly reflective surfaces are prohibited.

6.6 OUTDOOR STORAGE/SCREENING/UTILITIES

- a. Details of outdoor storage areas and structures shall be included on the building and landscape plans. All outdoor storage of equipment shall be screened from the view of residences of adjacent properties by a visual barrier consisting of fencing or dense landscaping. No stored item shall exceed the height of the screening. Water and fuel tanks, and similar structures, shall be screened to the extent practical so as to not be visible from public roads and adjacent parcels.
- b. New utility lines required for this project that are visible from any designated scenic transportation route (see Community Character Element of the General Plan and the County Code) shall be placed underground or be made virtually invisible from the subject roadway.

6.7 MECHANICAL EQUIPMENT

- a. Roof mounted equipment shall be screened by a parapet wall of equal or greater height than the highest piece of roof mounted equipment or vent. Equipment may be screened by a separate roof screen that is architecturally integrated with the building if screening by a parapet wall is not feasible or is architecturally undesirable. When separate roof screens are used, roof equipment should be organized into major groups screening a smaller number of units rather than multiple areas. The PBES Director may approve exceptions for solar equipment. All screening is subject to review and approval by the PBES Director. Any skylights shall be subject to review and approval by the PBES Director prior to the issuance of building permits.
- b. The term "equipment" includes roof mounted equipment or vents, electrical equipment, gas meter, communication antennas, irrigation valves, storage tanks, or other mechanical equipment. The manner of screening shall be as follows: Communications equipment, including microwave equipment, may remain unscreened if visually integrated with the building design through color, location, and construction; all building mounted equipment, including but not limited to louvers, pipes, overhead doors or service doors, access ladders, downspouts, conduit, and electrical/service boxes, shall be painted consistent with the color scheme of the building.

- c. Ground mounted equipment shall be screened by walls or landscaping to the satisfaction of the PBES Director.
- d. Exterior equipment shall be located, enclosed or muffled so as not to exceed noise thresholds in the County Code.

6.8 TRASH ENCLOSURES

Adequate area must be provided for collection and loading of garbage and recyclables generated by the project. The applicant must work with the franchised garbage hauler for the service area in which they are located, in order to determine the area and the pedestrian and vehicle access needed for the collection site. The garbage and recycling enclosure shall meet the minimum enclosure requirements established by staff and the franchised hauler, which shall be included in the building permit submittal.

6.9 ADDRESSING

All project site addresses shall be determined by the PBES Director, and be reviewed and approved by the United States Post Office. The PBES Director reserves the right to issue or re-issue an appropriate situs address at the time of issuance of any building permit to ensure proper identification and sequencing of numbers. For multi-tenant or multiple structure projects, this includes building permits for later building modifications or tenant improvements.

6.10 HISTORIC RESOURCES **[RESERVED]**

6.11 DEMOLITION ACTIVITIES **[RESERVED]**

6.12 VIEWSHED – EXECUTION OF USE RESTRICTION **[RESERVED]**

6.13 PERMIT PREREQUISITE MITIGATION MEASURES **[RESERVED]**

6.14 PARCEL CHANGE REQUIREMENTS **[RESERVED]**

6.15 FINAL MAPS **[RESERVED]**

6.16 OTHER CONDITIONS APPLICABLE TO THE PROJECT PERMITTING PROCESS **[RESERVED]**

7.0 PROJECT CONSTRUCTION

Permittee shall comply with the following during project construction:

7.1 SITE IMPROVEMENT

Please contact Engineering Services with any questions regarding the following:

a. GRADING & SPOILS

All grading and spoils generated by construction of the project facilities shall be managed per Engineering Services direction. Alternative locations for spoils are permitted, subject to review and approval by the PBES Director, when such alternative locations do not change the overall

concept, and do not conflict with any environmental mitigation measures or conditions of approval.

b. **DUST CONTROL**

Water and/or dust palliatives shall be applied in sufficient quantities during grading and other ground disturbing activities on-site to minimize the amount of dust produced. Outdoor construction activities shall not occur when average wind speeds exceed 20 mph.

c. **AIR QUALITY**

During all construction activities the permittee shall comply with the most current version of BAAQMD Basic Construction Best Management Practices including but not limited to the following, as applicable:

1. Post a publicly visible sign with the telephone number and person to contact at the lead agency regarding dust complaints. The BAAQMD's phone number shall also be visible.
2. Water all exposed surfaces (e.g., parking areas, staging areas, soil piles, grading areas, and unpaved access roads) two times per day.
3. Cover all haul trucks transporting soil, sand, or other loose material off-site.
4. Remove all visible mud or dirt tracked onto adjacent public roads by using wet power vacuum street sweepers at least once per day. The use of dry power sweeping is prohibited.
5. All vehicle speeds on unpaved roads shall be limited to 15 mph.
6. All roadways, driveways, and sidewalks to be paved shall be completed as soon as possible. Building pads shall be laid as soon as possible after grading unless seeding or soil binders are used.
7. Idling times shall be minimized either by shutting off equipment when not in use or reducing the maximum idling time to five (5) minutes (as required State Regulations). Clear signage shall be provided for construction workers at all access points.
8. All construction equipment shall be maintained and properly tuned in accordance with manufacturer's specifications. All equipment shall be checked by a certified visible emissions evaluator. Any portable engines greater than 50 horsepower or associated equipment operated within the BAAQMD's jurisdiction shall have either a California Air Resources Board (ARB) registration Portable Equipment Registration Program (PERP) or a BAAQMD permit. For general information regarding the certified visible emissions evaluator or the registration program, visit the ARB

FAQ http://www.arb.ca.gov/portable/perp/perpfaq_04-16-15.pdf or the PERP website <http://www.arb.ca.gov/portable/portable.htm>.

d. **STORM WATER CONTROL**

The permittee shall comply with all construction and post-construction storm water pollution prevention protocols as required by the County Engineering Services Division, and the State Regional Water Quality Control Board.

7.2 **ARCHEOLOGICAL FINDING**

In the event that archeological artifacts or human remains are discovered during construction, work shall cease in a 50-foot radius surrounding the area of discovery. The permittee shall contact the PBES Department for further guidance, which will likely include the requirement for the permittee to hire a qualified professional to analyze the artifacts encountered and to determine if additional measures are required.

If human remains are encountered during project development, all work in the vicinity must be halted, and the Napa County Coroner informed, so that the Coroner can determine if an investigation of the cause of death is required, and if the remains are of Native American origin. If the remains are of Native American origin, the permittee shall comply with the requirements of Public Resources Code Section 5097.98.

7.3 **CONSTRUCTION NOISE**

Construction noise shall be minimized to the greatest extent practical and feasible under State and local safety laws, consistent with construction noise levels permitted by the General Plan Community Character Element and the County Noise Ordinance. Construction equipment muffling and hours of operation shall be in compliance with the County Code. Equipment shall be shut down when not in use. Construction equipment shall be staged, loaded, and unloaded on the project site, if at all practicable. If project terrain or access road conditions require construction equipment to be staged, loaded, or unloaded off the project site (such as on a neighboring road or at the base of a hill), such activities only shall occur daily between the hours of 8:00 AM to 5:00 PM.

7.4 **CONSTRUCTION MITIGATION MEASURES [RESERVED]**

7.5 **OTHER CONSTRUCTION CONDITIONS APPLICABLE TO THE PROJECT PROPOSAL [RESERVED]**

8.0 TEMPORARY CERTIFICATE OF OCCUPANCY – PREREQUISITES

A Temporary Certificate of Occupancy (TCO) may be granted pursuant to the County Code to allow specific limited use of the project recreational vehicle units prior to completion of all project improvements. Permittee shall comply with the following before a TCO is granted:

8.1 **TEMPORARY OCCUPANCY**

All life and safety conditions shall be addressed prior to issuance of a TCO by the County Building Official. TCOs shall not be used for the occupancy of hospitality buildings and shall not exceed the maximum time allowed by the County Code which is 180 days. In special circumstances, Departments and/or Agencies with jurisdiction over the project are authorized as part of the TCO process to require a security deposit or other financial instrument to guarantee completion of unfinished improvements.

9.0 FINAL CERTIFICATE OF OCCUPANCY – PREREQUISITES

Permittee shall comply with the following before a Final Certificate of Occupancy is granted by the County Building Official, which upon granting, authorizes all use permit activities to commence:

9.1 FINAL OCCUPANCY

All project improvements, including compliance with applicable codes, conditions, and requirements of all Departments and Agencies with jurisdiction over the project, shall be completed.

9.2 SIGNS

Detailed plans, including elevations, materials, color, and lighting for any project identification or directional signs shall be submitted to the Department for administrative review and approval prior to installation. Administrative review and approval is not required if the signage to be installed is consistent with signage plans submitted, reviewed and approved as part of this permit approval. All signs shall meet the design standards as set forth in the County Code. Any off-site signs allowed shall be in conformance with the County Code.

9.3 GATE/ENTRY STRUCTURES

Any gate installed at the project entrance shall be reviewed by the PBES Department and the Fire Department to assure that the design allows large vehicles, such as motorhomes, to turn around if the gate is closed without backing into the public roadway, and that fire suppression access is available at all times. If the gate is part of an entry structure an additional permit shall be required pursuant to the County Code and in accordance with the Napa County Roads and Street Standards. A separate entry structure permit is not required if the entry structure is consistent with entry structure plans submitted, reviewed, and approved as part of this permit approval.

9.4 LANDSCAPING

Landscaping shall be installed in accordance with the approved landscape plan.

9.5 ROAD OR TRAFFIC IMPROVEMENT REQUIREMENTS [RESERVED]

9.6 DEMOLITION ACTIVITIES [RESERVED]

9.7 GRADING SPOILS

All spoils piles shall be removed in accordance with the approved grading permit and/or building permit.

9.8 MITIGATION MEASURES APPLICABLE PRIOR TO ISSUANCE OF A FINAL CERTIFICATE OF OCCUPANCY **[RESERVED]**

9.9 OTHER CONDITIONS APPLICABLE PRIOR TO ISSUANCE OF A FINAL CERTIFICATE OF OCCUPANCY

All project improvements and conditions of approval, including compliance with prior conditions of approval in Exhibit B, shall be completed prior to issuance of a final certificate of occupancy.

Exhibit A

**Carneros Resort and Spa
Use Permit Modification Application No. P15-00190-MOD
4048 Sonoma Highway, Napa
APN's #047-100-062, 047-110-003, 047-110-027, 047-110-028, 047-400-(01-28 SFAP)**

**Summary of Water Conservation Measures Taken
Carneros Resort and Spa**

Domestic Water:

- Since the project opened in 2004, guest cottage hot water is provided through a central hot water plant. In the cottages hot water is available instantly. This eliminates the waste that often occurs as one waits for the water to heat up. This central plant is also much more efficient than having many satellite hot water heaters.
- 2.5 max GPM shower heads installed at all guest units.
- Low flow 1.0 GPM aerator installed at all guest units.
- 1.0 GPF urinals installed in all public areas.
- Low flow 1.6 gallon/flush toilets installed in all public areas.
- Project was originally outfitted with low flow toilets throughout. In 2014, Ultra Low flow 1.0 gallon/flush Toto Drake II toilets installed in all guest units.
- Smart booster pumps installed in 2016 to provide domestic water pressure to the property. These units have sensors to detect leaks or high flow conditions and will shut the systems down to conserve water in the event of a large leak or rupture.

Waste Water Recycling:

- The Carneros Inn has a state-of-the-art water recycling plant, constructed at great cost, and all of our domestic waste water is recycled onsite. This water is stored and used to irrigate the grounds and to provide water for fire protection. All of the properties' sewage treatment takes place in a state-of-the-art Zenon membrane bioreactor, or MBR. All of the waste on the property gravity drains to 2 below-grade, equalization basins that provide emergency storage potential and allow us to meter the flows and process waste at off-peak energy consumption hours. From these tanks the waste is pumped into the MBR plant located in Barn 2. The tertiary treatment process uses ultra-filtration membranes submerged in deep tanks to reduce the footprint of the structure. No need for large settling tanks, ponds and clarifiers. The entire plant capable of producing ~80,000 gallons per day of the highest quality (California Title 22 certified) recycled water takes up less than 4000 square feet. From the plant the recycled water is pumped to seasonal storage ponds where it is used to irrigate all the plant material and charge the fire protection lines.

Irrigation:

-All irrigation on property (with the current exception of the culinary garden) is irrigated with recycled waste water produced by our MBR plant described above. Prior to 2015, the landscape areas of the 24 private homes on the property were irrigated with domestic water. In April 2015, we converted the irrigation systems for all homes to recycled water. The final available conversion from domestic to recycled water...of the kitchen gardens...is currently in process and expected to be completed in 2016.

-Aside from turf areas, all irrigation at the property is performed via drip irrigation.

Exhibit B

**Carneros Resort and Spa
Use Permit Modification Application Number P15-00190
4048 Sonoma Highway, Napa
APN's #047-100-062, 047-110-003, 047-110-027, 047-110-028, & 047-400-(01-28 SFAP)**

PREVIOUS CONDITIONS

The previous entitlements and conditions that have been superseded or replaced have been struck through. Annotations indicate where older permits or conditions have been replaced or superseded by more recent permits or if the improvements have been completed. Those previous conditions that have been struck through but have not been annotated were generally satisfied or required to be completed prior to issuance of final occupancy or finaling a building permit.

- 4.13 The permittee shall comply with the following previous conditions of approval for the facility as consolidated in this document. To the extent there is a conflict between a previous condition of approval identified in this document and the Recommended Conditions of Approval, the more stringent condition shall control (*Text shown in italics has been added by staff.*)

THE FOLLOWING USE PERMITS AND MODIFICATIONS ARE ASSOCIATED WITH APN'S 047-110-027 & 028:

A. USE PERMIT NO. U-417172 (KING)

[Use Permit] to operate a trailer and recreation vehicle storage yard on a six (6) acre parcel of land located on the north side of State Route 121 approximately 2000 feet east of Old Sonoma Road. ***[The use(s) entitled by this permit has been discontinued and superseded.]***

~~COA No. 1 — The use permit be limited to a three-year period on Stage 1 (approximately 3 acres) of the overall development, with options for renewal.~~
Superseded by U-527374.

~~COA No. 2 — Use of the property shall be limited to the storage of travel trailers, mobile homes, pick up campers, and motorhomes. Any sales, maintenance, repair, or dismantling operations are to be prohibited.~~
Superseded by 98511-UP.

~~COA No. 3 — Submission of a landscape plan for review and approval by the Department. Said plan to show the method of screening the trailers when viewed from State Route 121 and Old Sonoma Road.~~
Replaced by P15-00190-MOD Condition of Approval 6.4.

~~COA No. 4 — The site be kept in a clean and orderly condition at all times.~~
Replaced by P15-00190-MOD Condition of Approval 4.8.

~~COA No. 5 — The trailer storage area be approved by the County Engineer to provide a dust free, all weather surface.~~

~~COA No. 6 — The issuance of this permit be contingent upon approval of the proposed rezoning of the property to a PD District by the Board of Supervisors.~~

~~COA No. 7 — Compliance with all applicable building codes and requirements of the Division of Environmental Quality Control, the Engineering Department and the Flood Control and Water Conservation District.~~

B. USE PERMIT NO. U-527374 (KING)

[Use Permit] to continue operating a trailer and recreational vehicle storage yard and to develop the remaining 3-acre portion of land located on a 6.0 acre parcel north of State Highway 121 east of Old Sonoma Rd in a PD (Planned Development) District. **[The use(s) entitled by this permit has been discontinued and superseded.]**

~~COA No. 1 — Exhibit "A" be considered as the general Development Plan for this property.~~

~~COA No. 2 — Use of the property shall be limited to the storage of travel trailers, mobile homes, pick-up campers, and motorhomes. Any sales, maintenance, repair, or dismantling operations are to be prohibited.~~
Superseded by 98511-UP.

~~COA No. 3 — The site be kept in a clean and orderly condition at all times.~~
Replaced by P15-00190-MOD Condition of Approval 4.8.

~~COA No. 4 — The trailer storage area be provided with a dust free, all weather surface to the satisfaction of Public Works.~~

~~COA No. 5 — Any signs to be approved by the Department for design, area, height and placement.~~
Replaced by P15-00190-MOD Condition of Approval 9.2.

~~COA No. 6 — Compliance with all applicable building codes, zoning regulations and requirements of the Public Works, Environmental Health, Flood Control and Water Conservation District and the State Division of Forestry.~~

C. USE PERMIT NO. U-287677 (KING)

[Use Permit] to expand an existing recreational vehicle storage business with the addition of the adjacent three (3) acre parcel located on the north side of Old Sonoma Road within a PD District. **[The use(s) entitled by this permit has been discontinued and superseded.]**

~~COA No. 1 — Exhibit "A" be considered as the general Development Plan for this property pending approval of a specific plan.~~

~~COA No. 2 — Use of the property shall be limited to the storage of 100 travel trailers, mobile homes, pick-up campers, and motorhomes. Any sales, maintenance, repair, or dismantling operations, or additional residences are prohibited.~~
Superseded by 98511-UP.

- COA No. 3 ~~The site be kept in a clean and orderly condition at all times.~~
Replaced by P15-00190-MOD Condition of Approval 4.8.
- COA No. 4 ~~The trailer storage area be provided with a dust free, all weather surface approved by Public Works.~~
- COA No. 5 ~~Any signs to be approved by the Department for design, area, height and placement.~~
Replaced by P15-00190-MOD Condition of Approval 9.2.
- COA No. 6 ~~Compliance with all applicable building codes, zoning regulations and requirements of the Public Works, Environmental Health, Flood Control and Water Conservation District and the State Division of Forestry.~~
- COA No. 7 ~~The permit expire on June 5, 1979 to coincide with the expiration date of Use Permit #U 527374 for the existing facility located on an adjacent parcel to the east. The property owner may seek renewal.~~
Superseded by U-17980.
- COA No. 8 ~~Landscaping to be in accordance with "Exhibit B" and maintained in a healthy condition.~~

D. USE PERMIT NO. U-17980 (KING)

[Use Permit] to renew an existing permit and to utilize an existing structure to service recreational vehicles located on two (2) parcels on Old Sonoma Rd. within a PD (Planned Development) District. *[Note: numbering scheme below follows approval letter format]*
[The use(s) entitled by this permit has been discontinued and superseded.]

- COA No. 1 ~~The permit be limited to: the storage of recreational vehicles and the use of an existing structure to service recreational vehicles stored on the property.~~
Superseded by 98511-UP.
- COA No. 4 ~~Plans for any outdoor signs be submitted to the Department for review and approval with regard to design, area, height and placement.~~
Replaced by P15-00190-MOD Condition of Approval 9.2.
- COA No. 9 ~~Compliance with all applicable building codes, zoning standards and requirements of various County departments and agencies.~~
- COA No. 10 ~~Trailer storage area to maintain a dust free, all weather surface approved by Public Works.~~
- COA No. 11 ~~Landscaping to be maintained in accordance with approved landscaping plans for the property.~~
Replaced by P15-00190-MOD Condition of Approval 4.8.
- COA No. 12 ~~Submission of an updated General Development Plan for the property.~~

E. USE PERMIT NO. 98511-UP (CARNEROS PARTNERS)

COA No. 1 This permit is limited to the establishment of a resort lodging complex with accessory facilities as identified herein, integrated in a single design scheme:

- A. ~~A 25-unit lodge, consisting of cottage style units, and associated administrative and recreational amenities;~~
Superseded by P06-0092-MOD.
- B. 172 improved parking spaces, as identified on site plan (25 spaces for employees)
- C. A 100-seat restaurant/bar;
- D. 2,500 sq. ft. of retail space, plus a 500 sq. ft. Post Office, to be occupied by retail uses as specified in the Zoning Code for the CL District;
- E. 5,000 sq. ft. of meeting/banquet space, constructed and operated as part of the lodge and/or restaurant; and,
- F. A 10,000 sq. ft. "Public Square", including a bocce court.

The project shall be in substantial conformance to the conceptual site plan submitted to the County dated ~~10/24/02~~ **Superseded by the Illustrative Master Plan dated 6/21/2019 as part of P15-00190-MOD.** If a disagreement between these conditions of approval and the site plan arises, the text of these conditions of approval shall control. Any changes to uses or designs will be submitted to the Department for review and determination of the appropriate approval process pursuant to County standards, policies, and ordinances.

COA No. 2 Use by the Lodge Complex of recreational, water supply, sewage treatment, and access amenities associated with the approved Carneros Inn complex on the adjacent parcel under common ownership, wherever those facilities may be located, is recognized and permitted. ~~pursuant to these conditions.~~

COA No. 3 ~~A final landscape plan for the project will be submitted for Department review and approval prior to installation. Along with the internal areas of the project, the landscaping plan shall include the entire project perimeter, including on and in front of any sound walls installed. Landscaping shall also be installed to shield from the view the sound walls from Hwy 12/121. This landscaping shall include new trees interspersed with the existing trees that exist between Old Sonoma Highway and Hwy 12/121. Caltrans encroachment permits will be sought where necessary. Landscaping installation shall be substantially complete prior to opening of the Lodge.~~
Language struck through replaced by P15-00190-MOD Condition of Approval 6.4.

COA No. 4 ~~No signs are included in project approval, and any project signage visible from off site will require prior approval of the Department.~~
Replaced by P15-00190-MOD Condition of Approval 9.2.

- COA No. 5 In order to ensure that project water supply remains adequate, and continues to minimize or eliminate effects on surrounding groundwater users, the project shall implement the following measures:
- A. See Department of Public Works and Department of Environmental Management Conditions.
 - B. Materials distributed to lodge guests shall include advice that it is the policy of the Lodge to conserve water use.
[On-going]
 - C. Permittee will participate, proportionate to its groundwater extraction, in basin-wide conservation measures when and if such measures are adopted by the Board of Supervisors.
- ~~COA No. 6 Project lighting shall be focused on security and minimal identification needs, and shall be designed and/or managed to minimize potential effects on ambient night sky light levels.
Replaced by P15-00190-MOD Condition of Approval 6.3.~~
- ~~COA No. 7 The permittee shall pay a housing fee in accordance with Napa County Ordinance section 15.60.100.
[Completed]~~
- ~~COA No. 8 Permittee shall comply with applicable building codes, zoning standards, and requirements of various County Departments and other agencies as set forth in the following:~~
- ~~• Public Works comments dated November 13, 2002~~
 - ~~• Fire Department comments dated June 7, 1999~~
 - ~~• Building Division comments dated May 7, 1999~~
 - ~~• Environmental Management comments dated September 10, 2002~~
 - ~~• Caltrans comments dated September 26, 2002~~
- ~~COA No. 9 All staff costs associated with monitoring compliance with these conditions and project revisions shall be borne by the permittee and/or property owner, other than those costs related to investigation of complaints of non-compliance which are determined to be unfounded. Costs shall be as established by Resolution #05-77 or as such Resolution may be amended from time to time.
Replaced by P15-00190-MOD Condition of Approval 3.0.~~
- ~~COA No. 10 Permittee shall comply with Mitigation Measures identified in the Carneros Lodge Revised Final Environmental Impact Report as certified by the Board of Supervisors, as duplicated on the attached pages.~~
- ~~COA No. 11 Deleted **[As appears in original approval letter.]**~~
- COA No. 12 The project applicant shall prepare a binding agreement for the approval of the Planning Department to limit on-site meetings so that they do not end

during the p.m. peak commute period. All full day or afternoon meetings would be sold "bundled" with a reception event on-site during or after the p.m. commute hour.

- COA No. 13 The project applicant shall manage employee shift schedules to minimize employee turnover during the a.m. and p.m. commute hours.
- COA No. 14 Maximum capacity of the meeting/conference facilities shall be 175 persons/day. These facilities shall only be used by groups that have some members who are also staying at the Lodge. A log shall be maintained, which is available for County review, detailing the number of persons using the facility on a daily basis.
- COA No 15 The spa and pool facilities shall be used by persons staying at the Lodge and their personal friends only. They are not to be rented or used by the general public.
- COA No. 16 All project parking shall be accommodated on the project site. No parking is authorized along the shoulders of any State or County road to support the project. In the event parking lots are ever filled to capacity the Lodge shall establish off-site parking at a legal parking facility and a shuttle service shall be established to handle the overflow.
- ~~COA No. 17 In consideration of the Lodge being allowed to use the access road on the Carneros Inn parcel to get to the common reception center, a Lot Line Adjustment shall be performed to place said access road entirely onto the parcel that contains the Carneros Inn. The LLA shall be limited to the portion needed for the driveway — or — a deed restriction, in a form acceptable to County Counsel, shall be recorded to prohibit the remainder of the former access parcel from being used as an access to Old Sonoma Road or to support the Carneros Inn or Lodge in any manner (except for disposal of treated wastewater).
[Deed recorded November 12, 2003.]~~
- ~~COA No. 18 A signed indemnification agreement, in a form acceptable to County Counsel, shall be signed prior to issue of any permits.
[Completed]~~
- COA No. 19 A deed restriction shall be placed on the Carneros Inn and Carneros Lodge parcels requiring that all parcels be sold together.

F. USE PERMIT NO. P05-0315-MOD (CARNEROS LODGE, LLC)

This approval applies only to the changes proposed in the submittal of August 29, 2005. In summary, the approved changes are as follows:

- COA No. 1 ~~Replace the originally approved 25 cottages with 20 cottages, arranged per the submitted site plan occupying the same total square footage as the original 25 cottages.
Superseded by P06-0092.~~

~~COA No. 2~~ Construct a structure, in substantial conformance with the submitted drawings, over the existing pumping station.
[Completed]

G. USE PERMIT NO. P05-0316-MOD (CARNEROS LODGE, LLC)

COA No. 1 Scope: **[The following improvements identified in COA No. 1 (A-C) have been completed.]**

~~Construction of roadway improvements generally described below and in substantial conformance with the submitted engineering drawings:~~

~~A. Highway 12/121 intersection with Old Sonoma Highway: deletion of the requirement to install left turn lanes in and out of this intersection, and installation of tapers to facilitate right turns only in and out of the intersection.~~

~~B. Highway 12/121 intersection with Old Sonoma Road: installation of a traffic signal, installation of dedicated left and right turn lanes southbound on Old Sonoma Road, and improvements of turn lanes from the highway in both directions onto Old Sonoma Road.~~

~~C. Old Sonoma Highway: improvements to shoulders to facilitate safe pedestrian access along the complete length of Old Sonoma Highway.~~

~~It is the responsibility of the applicant to communicate the requirements of these conditions to all designers, contractors, and employees to ensure compliance is achieved. Any expansion or change in use, or substantial project changes, which are necessitated by the requirements of other department or agencies, are subject to further County approval.~~

~~COA No. 2~~ Signs

~~The applicant shall develop a detailed signage plan (for County approval), as well as written materials for guests, which directs guests from Highway 12/121, to Old Sonoma Road, to Old Sonoma Highway, to the project entrance (and the same route on exit). The signage plan will be designed to discourage trips toward the City of Napa on Old Sonoma Road east of the Old Sonoma Highway intersection. Detailed plans for any signs shall be submitted to the Planning Department and either Caltrans or the Department of Public Works as applicable for administrative review with regards to design, materials, area, height, and placement. Signage shall ~~[be]~~ complete~~[d]~~ prior to certificate of occupancy.~~

[Completed]

~~COA No. 3~~ COMPLIANCE WITH OTHER DEPARTMENTS AND AGENCIES:

~~The applicant shall comply with all applicable building codes, zoning standards and requirements of various County departments and Caltrans including the following:~~

~~A. Department of Public Works memo dated October 4, 2005 (revised)~~

~~The determination as to whether or not the permittee has substantially complied with the requirements of other County Departments and Agencies shall be determined by those Departments or Agencies. The inability to substantially comply with the requirements of other County Departments and Agencies may result in the need to modify the approved use permit.~~

~~COA No. 4 — LANDSCAPING:~~

~~Any required landscaping shall be coordinated with Caltrans. Any required plant materials shall be purchased locally when practical. The Agricultural Commissioner's office (707-253-4357) shall be notified of all impending deliveries of live plants with points of origin outside of Napa County.~~

~~**Replaced by P15-00190-MOD COA 6.4.**~~

~~COA No. 5 — NOISE:~~

~~Construction noise shall be minimized to the maximum extent practical and allowable under State and local safety laws. Construction equipment muffling and hours of operation shall be in compliance with County Code Chapter 8.16. Equipment shall be shut down when not in use. Construction equipment shall normally be staged, ~~staged~~ and unloaded on the project site.~~

~~**Replaced by P15-00190-MOD COA 7.3.**~~

~~COA No. 6 — DUST CONTROL:~~

~~Water and/or dust palliatives shall be applied in sufficient quantities during grading and other ground disturbing activities on-site to minimize the amount of dust produced. Construction activities shall not occur during windy periods.~~

~~**Replaced by P15-00190-MOD COA 7.1.**~~

~~COA No. 7 — ARCHEOLOGICAL FINDING:~~

~~In the event that archeological artifacts or human remains are discovered during construction, work shall cease in a 50-foot radius surrounding the area of discovery. The Department will be contacted for further guidance, which will likely include the requirement for the applicant to hire a qualified professional to analyze the artifacts encountered and to determine if additional measures are required. If human remains are encountered during the development, all work in the vicinity must be, by law, halted, and the Napa County Coroner informed, so that he can determine if an investigation of the cause of death is required, and if the remains are of Native American origin. If the remains are of Native American origin, the nearest tribal relatives as determined by the State Native American Heritage Commission would be contacted to obtain recommendations for treating or removal of such remains, including grave goods, with appropriate dignity, as required under Public Resources Code Section 5007.98.~~

~~**Replaced by P15-00190-MOD COA 7.2.**~~

~~COA No. 8 — STORMWATER CONTROL~~

~~For any construction activity that results in disturbance of greater than one acre of total land area, permittee shall file a Notice of Intent with the California Regional Water Quality Control Board (SRWQCB) prior to any grading or construction activity. All hazardous materials stored and used on site that could cause water pollution (e.g. motor oil, cleaning chemicals, paints, etc.) shall be stored and used in a manner that will not cause pollution, with secondary containment provided. Such storage areas shall be regularly cleaned to remove litter and debris. Any spills shall be promptly cleaned up and appropriate authorities notified. If any discharge of concentrated surface waters is proposed in the any "Waters of the State," the permittee shall consult with and secure any necessary permits from the State Regional Water Quality Control Board.~~

~~Replaced by P15-00190-MOD COA 7.1.~~

~~COA No. 9 — INDEMNIFICATION~~

~~An indemnification agreement, in the form attached hereto, shall be signed and returned to the County within twenty (20) days of the granting of this approval.~~

~~[Completed]~~

~~COA No. 10 — MONITORING COSTS:~~

~~All staff costs associated with monitoring compliance with these conditions, previous permit conditions and project revisions shall be borne by the permittee and/or property owner. Costs associated with conditions and mitigation measures that require monitoring, including investigation of complaints, other than those costs related to investigation of complaints of non-compliance that are determined to be unfounded, shall be charged. Costs shall be as established by Board Resolution in accordance with the hourly consulting rate established at the time of the monitoring (\$116.00/hour as of January, 2004). Violations of conditions of approval or mitigations measures caused by the permittee's contractors, employees, and guests are the responsibility of the permittee.~~

~~The Planning Commission may implement an audit program if compliance deficiencies are noted. If evidence of compliance deficiencies is found to exist by the Planning Commission at some time in the future, the Planning Commission may institute the program at the applicant's expense (including requiring a deposit of funds in an amount determined by the Commission) as needed until compliance assurance is achieved. The Planning Commission may also use the data, if it is so warranted, to commence revocation hearings in accordance with section the County Code.~~

~~Replaced by P15-00190-MOD COA 3.0.~~

~~COA No. 11 — Mitigation Measure Compliance:~~

~~The applicant shall comply with all mitigation measures and previous conditions of approval (except where modified herein) contained in the original project Environmental Impact Report and project approval.~~

~~COA No. 12 Fair Share for Future Improvements:
Should Caltrans or the County undertake a road improvement project at the creek crossing on Highway 12/121 to the west of Old Senoma Road the permittee shall be responsible to pay their fair share towards construction of that project.
[Completed]~~

~~COA No. 13 Construction Schedule:
Construction schedule for the work at Highway 12/121 and Old Senoma Road shall be developed to ensure ingress/egress to the Madonna Estates winery is not impacted. The schedule shall be provided to the winery and the County at least three weeks prior to start of construction to allow the winery time to provide comments.
[Completed]~~

~~COA No. 14 Temporary Post Office Location:
The temporary post office location proposed in the applicant's letter of November 15, 2005 is approved as proposed.
[Completed]~~

~~COA No. 15 Construction Completion:
Roadway improvements approved via this proposal shall be completed prior to a temporary or permanent certificate of occupancy for any structures on the Carneros Lodge (aka Carneros Inn Phase II) parcels.
[Completed]~~

H. USE PERMIT NO. P06-0092-MOD (CARNEROS INN, LLC)

This approval applies only to the changes proposed in the submittal of March 2, 2006. In summary, the approved changes are as follows:

COA No. 1 Replace the currently approved 20 cottages with 17 cottages, arranged per the submitted site plan occupying substantially the same total square footage as the original 25 cottages.
[Note: The cottages referred to in this condition are identified as "The Orchard" on the Illustrative Master Plan, dated 6/21/2019, as part of P15-00190-MOD.]

No other changes were requested or approved. All previous conditions of the use permit except as modified herein remain in full effect. Appropriate building permits must be obtained prior to conducting any work.

THE FOLLOWING USE PERMITS AND MODIFICATIONS ARE ASSOCIATED WITH APN 047-100-062:

I. USE PERMIT NO. 5-62 (NORTON)

A Use Permit is hereby granted for the following:

- To establish a trailer court on Sonoma Highway (17 spaces)

[The use(s) entitled by this permit has been discontinued and superseded by 98290-MOD.]

J. USE PERMIT NO. 25-66 (ZOPFI)

~~[Use Permit] to establish 10 additional trailer spaces at the Los Carneros Trailer Park, located on the north side of Sonoma Highway west of Los Carneros Road extended in a CL District; subject to the development plan for the park as submitted by the applicant.~~

[The use(s) entitled by this permit has been discontinued and superseded by 98290-MOD.]

K. USE PERMIT NO. 48-67 (ZOPFI)

~~[Use Permit] to establish sanitation oxidation ponds and appurtenant facilities for the Carneros Mobile Home Park on the southwest corner of a 29.9 acre parcel of land fronting Old Sonoma Road (Assessor's 47-100-28 now 047-100-062) in a R-1:A District [now in an AW (Agricultural Watershed) District.]~~

[The use(s) entitled by this permit has been discontinued and superseded by 98290-MOD.]

L. USE PERMIT NO. U-89-20 (ZOPFI)

COA No. 1 The permit ~~[shall]~~ be limited to construction of a 96-space recreational vehicle park, including a 12,000 sq. ft., two-story recreation building, storage reservoir and sewage pond.

Superseded by 98290-MOD.

Any expansion or changes to the Development Plan shall be by separate Use Permit submitted for Commission consideration or site plan review approval by the Planning Director.

~~COA No. 2 Submission of a detailed landscaping, fencing and parking plan to the Department for review and approval indicating names and locations of plant materials, method of maintenance and location of off-street parking spaces. Said plan shall include upgrading of the parcel's Highway 12/121 frontage. Said plan to be submitted prior to issuance of the Building Permit. Landscaping, fencing and parking to be completed prior to issuance of a Certificate of Occupancy or use of the site for any purpose authorized by this permit. Landscaping shall be permanently maintained in accordance with the approved landscape plan.~~

Replaced by P15-00190-MOD COA 6.4.

~~COA No. 3 Landscaped buffer zones around the perimeter of the RV park shall be increased from 10 feet to 20 feet to comply with zoning requirements.~~

- COA No. 4 — ~~Provision for a minimum of 96 off street parking spaces on a dust free all weather surface approved by Public Works.~~
Completed
- COA No. 5 — ~~Plans for any outdoor signs be submitted to the Department for review and approval with regard to design, area, height and placement.~~
Replaced by P15-00190-MOD COA 9.2.
- COA No. 6 — ~~All open storage shall be screened from view of adjacent properties by a visual barrier. No open storage to exceed height of screening.~~
Replaced by P15-00190-MOD COA 6.6.
- COA No. 7 — ~~Reduction in the number of RV storage spaces from 12 to 10 to meet zoning regulations.~~
- COA No. 8 — ~~All RV park lighting shall be equipped with shields to direct illumination downward and away from adjacent mobile homes and nearby residences and properties and public or private roads.~~
Replaced by P15-00190-MOD COA 6.3.
- COA No. 9 — ~~Noise generated by the RV park shall be kept to levels consistent with the County Noise Ordinance (Section 5810, et seq. or a subsequently adopted section).~~**(Now Chapter 8.16 - Noise Control Regulations)**. Use of outdoor electrical amplification equipment is prohibited.
- COA No. 10 — ~~Submission of an exterior building color scheme to the Department for review and approval prior to issuance of the Building Permit.~~
Replaced by P15-00190-MOD COA 6.5.
- COA No. 11 — ~~Submission of a revised General Development Plan to the Department for review and approval. Said Plan to include all changes required by these conditions. The revised Plan shall replace the submitted General Development Plan dated February 22, 1987, and amended on August 14 and September 27, 1989.~~
- COA No. 12 — ~~Compliance with all applicable building codes, zoning standards and requirements of various County departments and other agencies.~~
- COA No. 13 — ~~Compliance with Mitigation Measures #1 thru #35 contained in the Project Revision Statement.~~
- COA No. 14 — ~~Except as specifically provided for by County ordinance, or approved as part of this permit, no outside social activities, including picnicking, outside dining, wine tasting, live music, outdoor festivals or other activities of a similar nature.~~
Superseded by #03308-MOD.
- COA No. 15 — ~~General Development Plan required by Condition #11 above shall detail the specific location of the access way linking this parcel to Assessor's Parcel #47-110-01. The applicant shall enter into an agreement acceptable to the County to utilize this access point, allow for reciprocal use and~~

~~construct improvements necessary to facilitate its use. Such an agreement shall be recorded with the deed of this parcel.~~

M. USE PERMIT NO. 98290-MOD (CARNEROS PARTNERS)

COA No. 1 This permit is limited to:

- A. The modification of the development plan approved by Use Permit #U-89-20 (establishing a 96-space recreational vehicle park on this site) to redesign the layout of the approved 96-space recreational vehicle park in accordance with the attached site plan; and
[Note: The 96-space recreational vehicle park referred to in this condition is identified as "The Cottages" on the Illustrative Master Plan, dated 6/2/2019, as part of P15-00190-MOD.]
- B. The modification of Use Permits #5-62 and #25-66 (establishing a 36-space mobile home park) to redesign the layout of the mobile home park and convert the mobile home park into a 24-space mobile home park, in accordance with the approved site plan.
- C. The redesign and relocation of the proposed 12,000 ft² two-story rec[r]eation building to result in three smaller structures: a 2,684 ft² reception building, a 9,068 ft² recreation/health structure, and a 300 ft² pool house. The total area of the three structures shall not exceed 12,000 ft² and shall be located in compliance with the approved site plan and constructed in accordance with the approved floor plan and elevation drawings.
- ~~D. The redesign and relocation of a legally nonconforming 49-seat restaurant, with dining areas limited to within the 1,700 ft² floor area of the restaurant, located in accordance with the approved site plan and constructed in compliance with the approved floor plan and elevation drawings. The proposed 760 ft² terrace shall not be used for dining or social activities, in accordance with Condition #14 of Use Permit #U-89-20, and Sec. 18.132.030(A) of the Napa County Code.
Superseded by P15-00190-MOD~~
- ~~E. The removal of existing and proposed sewage storage ponds, and the relocation of the proposed water storage pond in accordance with the approved site plan.
[Completed]~~
- ~~F. The construction of an enclosed 1120 ft² water treatment plant and 3450 ft² sewage treatment plan [t] in accordance [with] the attached site plan, floor plans and elevations.
[Completed]~~

~~Any expansion or changes in use shall be by separate Use Permit submitted for Commission or Zoning Administrator consideration.~~

~~COA No. 3 The Permittee shall submit four (4) copies of a detailed landscaping, fencing, and parking plan to the Department for review and approval indicating names and locations of plant materials, method of maintenance and location and number of all off-street parking spaces. Fencing plans for the northwestern portion of the site shall be coordinated with the owners of APN 047-110-018. Said plan is to be submitted prior to issuance of any building permit. Landscaping, fencing, and parking to be completed prior to final occupancy. Landscaping shall be permanently maintained in accordance with the approved landscape plan.~~

Replaced by P15-00190-MOD COA 6.4

~~COA No. 4 The Permittee shall comply with all applicable conditions and measures which were included in the previously approved use permit #U-89-20. Any conditions that are in conflict with the requirements of this permit shall be null and void.~~

~~COA No. 5 The Permittee shall comply with all applicable building codes, zoning standards, and requirements of County Departments and agencies, including but not limited to:~~

- ~~• The Department of Environmental Management as stated in their letter of January 20, 1999.~~
- ~~• The Department of Public Works as stated in their letter of December 1, 1989.~~
- ~~• The County Fire Department as stated in their memo of January 18, 1999.~~
- ~~• The Building Division as stated in their memo of December 30, 1998.~~

~~COA No. 6 All staff costs associated with monitoring compliance with these conditions and project revisions shall be borne by the applicant and/or property owner, other than those costs related to investigation of complaints of non-compliance which are determined to be unfounded. Costs shall be as established by Resolution #95-77 or as such Resolution may be amended from time to time.~~

Replaced by P15-00190-MOD COA 3.0.

~~COA No. 7 The redesigned mobile home spaces shall comply with the provisions of Title 25 of the State Code (The Mobile Home Parks Act) and with all County code regulations established by Article II of Chapter 15.40 of the Napa County Code. Prior to issuance of any building permits, the Permittee shall submit to the Building Codes Administrator, a mobile home lot identification site plan prepared in compliance with Title 25 of the State Code.~~

~~COA No. 8 The permittee shall sign a standard "Right-to-Farm" statement prior to installation of any park-model Recreational Vehicle, or any change in tenancy of a mobile home, whichever comes first. Permittee shall provide a copy of this statement to each park-model and new mobile home tenant thereafter.~~

N. USE PERMIT NO. 00097-MOD (CARNEROS PARTNERS)

COA No. 1 This permit is limited to modifications of Use Permits #U-89-20 and 98290-MOD to:

A. Modify the internal road networks, location of Recreational Vehicle Sites, mobile home sites, and relocate wastewater treatment facility ~~and nonconforming restaurant~~ as outlined in the approved site plan;

Superseded by P15-00190-MOD.

B. Modifications to the uses of approved buildings, building elevations, floor plans, and landscaping plans as shown in the approved floor plans and elevation drawings submitted; and,

~~C. Clarification of Item 17 of the Project Revision statement to indicate that the required westbound right turn improvements to the State Highway shall consist of those improvements requested by Caltrans, but at least the installation of right turn "tapers."~~

[Completed]

~~Any expansion or changes in use, or project changes which are necessitated by the requirements of other department or agencies, are subject to further County approval. Should Caltrans require right turn improvements which are less than tapers, the project is subject to further Commission review.~~

COA No. 2 The Permittee shall comply with all applicable conditions and measures which were included in the previously approved use permits #U-89-20 Permit and #98290-MOD. The layout, uses, and associated approved plans referred to in #1A and B above shall supersede all prior plans and render prior plans null and void. Any permit conditions that are in conflict with the requirements of this permit shall be null and void.

~~COA No. 3 The Permittee shall comply with all applicable building codes, zoning standards, and requirements of County Departments and agencies, including but not limited to:~~

- ~~• The Department of Environmental Management as stated in their letter of September 13, 2000.~~
- ~~• The Department of Public Works as stated in their letter of August 24, 2000.~~
- ~~• The County Fire Department as stated in their memo of September 4, 2000.~~
- ~~• The Building Division as stated in their memo of August 22, 2000.~~

~~COA No. 4 All staff costs associated with monitoring compliance with these conditions and project revisions shall be borne by the applicant and/or property owner, other than those costs related to investigation of complaints of non-compliance which are determined to be unfounded.~~

~~Costs shall be as established by Resolution #95-77 or as such Resolution may be amended from time to time.~~

Replaced by P15-00190-MOD COA 3.0.

O. USE PERMIT NO. 02470-MOD (CARNEROS PARTNERS)

~~This approval applies only to the project as described in the proposal of October 18, [2002] (movement of 3 units and various internal roadway changes) as shown in the plans submitted with your letter. Permits shall be obtained for all work as required by County Codes. All previous Conditions of Approval for the Inn, except as modified herein, remain in full effect.~~

[Completed]

P. USE PERMIT NO. 03308-MOD (CARNEROS PARTNERS)

COA No. 1 This use permit modification is for the purpose of adding the following conditions of approval to the existing Inn Use Permit (and its subsequent modifications). ~~All previous conditions, except as modified herein, remain in full effect.~~ References to the Carneros Lodge project relate to Use Permit #98511-UP on the adjacent parcels.

- A. The kitchen/seating area identified in the Inn's site plan is to be used for the preparation and serving of food, wine, and alcoholic beverages and is limited to the exclusive use of registered guests or unit owners of the Inn/Lodge only and their guests;
- B. Since the kitchen and seating area is accessory to the Inn, maximum seating shall be limited to be consistent with the expected maximum guest load (defined here as the number of approved rooms X an average 1.2 persons/room). It is recognized that the above mentioned activities may also occur on the terrace and courtyard areas adjacent to the inside seating area. Noise from these external activities shall be carefully managed to control noise levels at the property line to ensure compliance with the County noise ordinance (Section 8.16). No amplified music shall be allowed. The permittee is responsible to conduct noise surveys as needed if noise problems are identified. Outside activities will be modified and restricted as needed to ensure the decibel levels required by the County Code are complied with.
- ~~C. Water usage at the area shall be included in the overall site groundwater extraction cap at the Inn/Lodge projects established by the Board in the Carneros Lodge Use Permit. Groundwater monitoring for the Inn shall commence prior to Certification of Occupancy (COO) of Inn, and the water usage cap for the combined Inn/Lodge projects shall become effective at this time as well. See paragraph 2 of the Department of Public Works (DPW) letter dated November 13, 2002.~~
Superseded by P15-00190-MOD COA 4.12(a).

- D. No signage, advertising (including the internet) or any other external communication which is intended to attract non-registered guests to the facility is permitted.

[On-going]

~~COA No. 2 A final landscape plan for the project will be submitted for Department review and approval prior to installation. Along with the internal areas of the project, the landscaping plan shall include the entire project perimeter, including on and in front of any sound walls installed. Perimeter landscaping for the project shall be complete prior to certification of occupancy. The landscaping shall provide substantial screening of the reception complex from adjacent dwellings. Final building heights shall not exceed limits as set forth in accordance with the County Code. Landscaping shall also be installed to shield from view the sound walls from Hwy 12/121. Caltrans encroachment permits will be sought where necessary.~~

[Completed]

COA No. 3 In order to ensure that project water supply remains adequate, and continues to minimize or eliminate effects on surrounding groundwater users, the project shall implement the following measures:

A. ~~See Condition 1 above.~~

B. Materials distributed to lodge guests shall include advice that it is the policy of the Lodge to conserve water use.

[On-going]

C. ~~Permittee will participate, proportionate to its groundwater extraction, in basin-wide conservation measures when and if such measures are adopted by the Board of Supervisors.~~

[Superseded by P15-00190-MOD COA 4.12(a).]

~~COA No. 4 Project lighting shall be focused on security and minimal identification needs, and shall be designed and/or managed to minimize potential effects on ambient night sky light levels.~~

Replaced by P15-00190-MOD COA 6.3.

~~COA No. 5 All staff costs associated with monitoring compliance with these conditions and project revisions shall be borne by the permittee and/or property owner, other than those costs related to investigation of complaints of non-compliance which are determined to be unfounded. Costs shall be as established by Resolution #95-77 or as such Resolution may be amended from time to time.~~

Replaced by P15-00190-MOD COA 3.0.

~~COA No. 6 A signed indemnification agreement, in a form acceptable to County Counsel, shall be signed prior to certification of occupancy.~~

[Completed]

~~COA No. 7 The road improvements under County jurisdiction specified by the Lodge project for the Highway 121/Old Sonoma Highway intersection, and the entrance area to the Lodge, as well as the road across the Lodge parcel to the Inn, must be completed prior to COO of the Inn. An encroachment application and plans for the road improvements at Highway 121/Old Sonoma Highway which are under Caltrans jurisdiction shall be submitted to Caltrans prior to COO, and the permittee agrees to expeditiously pursue approval of these plans and completion of construction with all practical haste. Road improvements shall be designed in conformance with the design requirements contained in the Carneros Lodge Use Permit. The County DPW shall assist with Caltrans in these efforts. See paragraph 1.a of DPW letter dated November 13, 2002.~~

[Completed]

COA No. 8 Since the Carneros Inn project relies on the Carneros Lodge parcel for well water and access, a deed restriction shall be placed on the Carneros Inn and Carneros Lodge parcels requiring that all parcels be sold together, or in the event the Lodge project is not constructed and the Lodge parcel(s) sold, an irrevocable easement, in a form satisfactory to County Counsel, shall be completed prior to the sale of the Lodge parcel(s) to ensure continued access and water availability. In the event parcels are sold, the maximum water use shall be reduced by 1 acre-ft/year for each acre sold.

COA No. 9 A Lot Line Adjustment shall be performed to place the access road to the reception center (which enters the Inn parcel through the Lodge parcels) onto the parcel that contains the Carneros Inn. The LLA shall be limited to the portion needed for the driveway or a deed restriction, in a form acceptable to County Counsel, shall be recorded to prohibit the remainder of the former access parcel from being used as an access to Old Sonoma Road or to support the Carneros Inn or Lodge in any manner (except for disposal of treated wastewater).

[Deed recorded November 12, 2003]

Q. USE PERMIT NO. 04145-MOD (CARNEROS PARTNERS)

~~This approval allows construction of an exercise room and associated bathroom for guest use. This approval is subject to the attached Environmental Management conditions, as well as any Fire Department conditions imposed on the building permit. All previous Conditions of Approval for the Inn, except as modified herein, remain in full effect.~~

[Completed]

R. USE PERMIT NO. P06-0007-MOD (CARNEROS INN, LLC)

~~This approval applies only to the changes proposed in your submittal of January 9, 2006. In summary, the approved changes are as follows:~~

~~COA No. 1 Make improvements to the deck attached to the existing spa building per the submitted site plan in order to make the deck usable for conducting massages.~~

[Completed]

~~No other changes were requested or approved. All previous conditions of your use permit except as modified herein remain in full effect. Appropriate building permits must be obtained prior to conducting any work.~~



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David Morrison
Director

MEMORANDUM

To: Sean Trippi, Planning	From: Jeannette Doss, Engineering <i>JD</i>
Date: June 4, 2019	Re: Carneros Inn Use Permit Mod - Engineering CoA 4048 Sonoma Highway, Napa, CA P15-00190 APNs 047-110-027/28, 047-110-003, & 047-100-060

The Engineering Division received a referral for comment on a modification to an existing use permit, generally requesting the following:

To relocate several of the existing services and structures along with several onsite improvements. The project also proposes off-site roadway and landscape improvements within Caltrans and Napa County right of ways.

Based upon the information provided in the application, Engineering finds the application complete and recommends the following conditions of approval:

RECOMMENDED APPROVAL CONDITIONS:

OPERATIONAL CHARACTERISTICS

1. All roadway, access drive, and parking area improvements shall be completed prior to execution of any new entitlements approved under this Use Permit Modification.

PREREQUISITES FOR ISSUANCE OF PERMITS

2. All on site civil improvements including but not limited to the excavation, fill, general grading, drainage, curb, gutter, surface drainage, storm drainage, parking and drive isles, shall be constructed according to plans prepared by a registered civil engineer, which will be reviewed and approved by the Engineering Division of the Napa County Planning, Building, and Environmental Services Department (PBES) prior to the commencement of any on site land preparation or construction. Plans shall be wet signed and submitted with the building and/or grading permit documents at the time of permit application. A plan check fee will apply.

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Carneros Inn Use Permit Modification

Engineering Division – Recommended Conditions of Approval

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3. Grading and drainage improvements shall be constructed according to the current Napa County Road and Street Standards, and Chapter 16.28 of the Napa County Code, and Appendix J of the California Building Code.
4. **Prior to issuance of a building or grading permit the owner shall submit the necessary documents for Erosion Control as determined by the area of disturbance of the proposed development in accordance with the Napa Countywide Stormwater Pollution Prevention program Erosion and Sediment Control Plan Guidance for Applicant and Review Staff dated December 2014.**
5. **Prior to issuance of a building or grading permit the owner shall demonstrate on the plans that all roadway construction associated with this application shall conform to the Road Exception Evaluation composed by this Division, dated June 4, 2019 and enclosed herein, and per the accepted construction and inspection practices defined in Federal, State and Local codes. Any roadway, proposed new or reconstructed, not included in the above mentioned Road Exception Evaluation shall meet the requirements for a Commercial Driveway as outlined in the 2019 Napa County Road and Street Standards (RSS).**
6. **Prior to issuance of a building or grading permit the owner shall prepare a Stormwater Control Plan (SCP) in accordance with the latest edition of the BASMAA Post-Construction Manual for review and approval by the Engineering Division in PBES.**

PREREQUISITES FOR TEMPORARY CERTIFICATE OF OCCUPANCY

7. All roadway and parking improvements shall be completed prior to issuance of any temporary certificate of occupancy for any building or grading permits issued for site improvements requested as part of this entitlement.

**** If no temporary occupancy is requested, then the above become a requirement prior to final occupancy.**

PREREQUISITES FOR FINAL CERTIFICATION OF OCCUPANCY

8. Site shall be completely stabilized to the satisfaction of the County Engineer prior to Final Occupancy.

Any changes in use may necessitate additional conditions for approval.

If you have any questions regarding the above items, please contact Jeannette Doss from Napa County Planning, Building, and Environmental Services Department, Engineering and Conservation Division, at (707)259-8179 or by email at Jeannette.Doss@countyofnapa.org



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Napa, CA 94559
www.countyofnapa.org

David Morrison
Director

MEMORANDUM

To: Sean Trippi, Planning Division	From: Jeannette Doss, Engineering Division (JD)
Date: June 4, 2019	Re: Caneros Inn Evaluation of Napa County Road and Street Standards Exception Request 4048 Sonoma Highway, Napa, CA P15-00190 APN 047-110-027-000

Road Modification Request

The Engineering Division received a request (the request) by Summit Engineering, dated January 29, 2019 for an exception to the commercial driveway design criteria as outlined in the latest edition of the Napa County Road and Street Standards (RSS), Revised Revised April 23, 2019 [Resolution 2019-053] as part of an application for a modification to an existing Use Permit. Access to the subject property is off of Sonoma Highway. The existing site consists of several internal roadways connecting the various lodging units. The applicant is seeking an exception to width of these internal roadways. All other portions of the proposed and existing roadways will be improved to minimum design standards for commercial access, per the 2019 RSS. The nature and constraints for the road exception are as follows:

EXCEPTION #1 ROADWAY WIDTH:

The RSS requires a commercial driveway to have a 20 foot wide road with 22 feet of unobstructed horizontal clearance. The existing internal roadways generally vary in width from 17 feet to 19 feet. These existing roadways are bounded by the numerous lodging units and other structures that make up the resort. The applicant is proposing to provide clear space around all fire hydrants, provide fire lane signage and/or striping adjacent to the existing hydrants, and provide additional fire lane/no parking signage at the main ingress roadways.

Engineering Division Evaluation and Recommendation:

Engineering Division staff has reviewed the Request noted above and has made the following determination:

- The exception request has provided the necessary documentation as required by RSS Section 3. The request is in connection with a use permit application, and has received the appropriate environmental review from the Planning Division, therefore the approving body shall be the Planning Commission.

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 Engineering Division – Recommendations
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- The project site is located entirely within the Local Responsibility Area (LRA) according to the Cal Fire Fire Hazard Severity Zones Map. The property is also not designated as being in a Very High Fire Hazard Severity Zone (VHFHSZ).
- In accordance with Section 5 and Section 3 of the RSS, the Request has demonstrated that the project as proposed will provide measures which provide safe access for emergency apparatus, safe civilian evacuation, and the avoidance of delays in emergency response based on the demands of the property.

The determinations stated above are based on existing site conditions and previous approvals. The Engineering Division supports the approval of the exception request as proposed with the following conditions that are in addition to any and all conditions previously placed on the project as part of the discretionary application. All roadway improvements shall be completed prior to execution of any new entitlement or final on all new development proposed:

1. Access road shall meet the road surfacing requirements as described in the RSS for the entire length of the roadway.
2. All portions of commercial driveway not identified herein shall fully comply with the 2019 Napa County Road and Street Standards.
3. The private drive surface and structures shall be periodically maintained by the property owner to assure sufficient structural section for loading conditions equivalent support apparatus weighing 75,000 pounds, and the design Traffic Index.
4. The property owner shall also install clear address signage at the entrance to the main driveway and all internal roadways. The address signage shall be consistent with California Department of Forestry and Fire Protection requirements and shall be a minimum 6 inch letter height, .75 inch stroke, reflectorized, contrasting with the background color of the sign.
5. The roadway improvements shall be constructed and maintained to the approved condition prior to any new commercial use and/or occupancy. Maintenance of the roadway shall continue throughout the life of the parcel and its proposed use. The County may require future road design changes if changes in use or intensity are proposed in the future.
6. Any/all future road design changes or changes in use of this roadway beyond the existing use shown on the above noted request dated January 29, 2019 shall require re-evaluation of the roadway to comply with the requirements of adopted codes, standards and regulations and may require additional conditions.

P15-00190 – Carneros Inn Road Exception Evaluation
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EXHIBIT A
CARNEROS INN
ROAD EXCEPTION REQUEST



January 29, 2019

Patrick Ryan
 Napa County Planning, Building, and
 Environmental Services
 1195 Third Street
 Room 210
 Napa, CA 94559

RE: Driveway Exception Request Letter
 Carneros Resort & Spa
 4048 Sonoma Highway, Napa, California
 Permit # P15-00190, Summit Project No. 2018118

Dear Patrick:

The Carneros Resort & Spa hereby requests an exception to the Napa County Road and Street Standards (NCRSS), Section 13, for driveways or roadways serving the interior portions of the Resort.

The project involves a major use permit modification to facilitate various site improvements, including the relocation of six existing cottage structures, reconfiguration of the existing outdoor pool area, relocation of the existing Boon Fly Café into another building, and parking and landscaping improvements near the facility's main entrance. According to use permit documentation, there is no increase in traffic, guests, employees or other intensification of use associated with the permit modification. The site is located within the Local Responsibility Area (LRA) and is not in a Very High Fire Hazard Severity Zone. The driveways or roadways that are the subject of this request are utilized only by resort staff and patrons, and do not provide access to other parcels or properties.

In comments dated June 18, 2018, Jeannette Doss of the Engineering and Conservation Division notes that some of the Resort's internal roadways do not meet the 22-foot width requirement under the current Napa County Road and Street Standards ("NCRSS"). Existing roadways are bounded by numerous lodging units, residences and other structures that make up the Resort and cannot be widened without demolishing the development. The Resort is therefore requesting an exception to allow the continued use of existing roadways which, as Ms. Doss notes, have a width of approximately 17 to 19 feet.

On December 14, 2018, representatives of Calfire, Napa County, Carneros Resort, and Summit participated in a site visit for the purpose of discussing the road exception request and reviewing alternative measures to ensure adequate fire apparatus access to existing fire hydrants. As a result of the on-site review, Carneros Resort and Spa proposes the following improvements:

- Provide clear space around hydrants where necessary to facilitate access. Parked vehicles in some areas near the cottages are currently limiting hydrant access.
- Provide additional fire lane signage and/or striping adjacent to some existing fire hydrants.

- Provide additional fire lane/no parking signage at main ingress roadways.

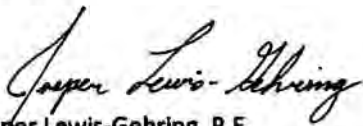
Improvements necessary to achieve required hydrant and roadway access, as agreed with Calfire, will be implemented prior to completion of the project. It is our understanding that, when fully implemented, these improvements will provide the same overall level of emergency apparatus access and fire safety as NCRSS. We propose that Calfire, Carneros Resort, and Summit representatives conduct a site walk following the commencement of construction to determine the location of specific fire hydrants and roadways throughout the site where access improvements are needed.

Per Section 5 of the NCRSS, exceptions to the road standards may be permitted for properties located within the LRA if measures are proposed to provide safe access for emergency apparatus, safe civilian evacuation, and the avoidance of delays in emergency response. The proposed access improvements meet that standard for the following reasons:

- Driveway shoulders are flat and clear and, although unpaved, can readily be used as a short-term driving, passing, or parking surface. This allows for concurrent vehicle passing, or concurrent civilian evacuation and emergency vehicle staging.
- Improvements to specific fire hydrant's access and emergency apparatus access will be identified in consultation with County fire officials, and implemented during construction, subject to final approval by Calfire.

We ask that the requested road-width exception be approved on grounds that the none of the use permit modifications will increase delays in emergency evacuation or response, that the existing driveways and surrounding areas allow for concurrent civilian egress and emergency personnel ingress, and that the Resort will provide clear access to existing fire hydrants on site as recommended by fire officials.

Sincerely,



Jasper Lewis-Gehring, P.E.

Civil Division Manager

cc: Kevin Block, Block & Block LLP
 Greg Flynn, GF Carneros Holdings, LLC
 Matt Rush, Pound Management Inc.
 Amy Mortimore, Pound Management Inc.



A Tradition of Stewardship
A Commitment to Service

Planning, Building & Environmental Services

1195 Third Street, Suite 210
Napa, CA 94559
www.countyofnapa.org

David Morrison
Director

MEMORANDUM

To: Sean Trippi, Project Planner	From: Kim Withrow, Environmental Health Supervisor
Date: June 19, 2019	Re: Use Permit – Carneros Inn Major Mod APN 047-110-027, -028, -003, 047-100-060 File P15-00190

Environmental Health Division staff has reviewed the revised application requesting approval to relocate existing approved uses including the Boon Fly Café and six RV sites, realign the hilltop pool and connect to the City of Napa water supply among other items described in application materials. This Division has no objection to approval of the application with the following conditions of approval:

Upon Use Permit approval:

1. The parcel(s) must be connected to the City of Napa water system.

Prior to building permit issuance:

2. Complete plans and specifications for the food preparation, service area(s), storage area(s) and the employee restrooms must be submitted for review and approval by this Division prior to issuance of any building permits for said areas. An annual food permit will be required.
3. The relocation of the RV units must comply with Title 25 California Code of Regulations. Setbacks shall be identified on building plans submitted to this Department for review and approval.
4. Complete plans for the swimming pool and/or spa must be submitted to this Division for review and approval prior to approval of building permits. An annual pool permit will be required.

During construction and prior to final occupancy:

5. During the construction, demolition, or renovation period of the project the applicant must use the franchised garbage hauler for the service area in which they are located for all wastes generated during project development, unless applicant transports their own

waste. If the applicant transports their own waste, they must use the appropriate landfill or solid waste transfer station for the service area in which the project is located.

6. Applicant shall obtain operating permits for relocated food facility and swimming pool.

Upon final occupancy and thereafter:

7. The well(s) no longer in use must be in compliance with Napa County Code, specifically maintained without defects in construction which would cause pollution or contamination to the ground water by surface water, covered with a safe well cover, marked so as to be clearly seen, and the ground area surrounding the well(s) be sloped away from the casing and kept clear of brush and debris.

If the existing well(s) is to be destroyed, a well destruction permit must be obtained from this Division by a licensed well driller. If this well is not destroyed, it must be properly protected and an approved backflow prevention device installed according to the Water System's specifications.

8. All solid waste shall be stored and disposed of in a manner to prevent nuisances or health threats from insects, vectors and odors.



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Planning, Building, & Environmental Services

1195 Third Street, Suite 210
Napa, CA 94559
www.co.napa.ca.us

Main: (707) 253-4417
Fax: (707) 253-4336

David Morrison
Director

To: Sean Trippi, Project Planner	From: Marie Taylor, Building Inspector
Date: June 15, 2018	Re: Use Permit – Carneros Inn File # P15-00190 Address: 4048 Sonoma Highway Napa, Ca. 94558 APN: 047-110-027

Building Inspection Division; Planning Use Permit Review Comments

The plans provided for the Use Permit application P15-00190 do not provide enough information in sufficient detail to determine code requirements. A complete plan check will be performed at the time of application and plan submittal to the building division for required permits. The following are provided to prepare the applicant for some standard submittal requirements for the plan review of the building permit process.

Any existing structures and/or buildings on the property that will be demolished require a separate demolition permit issued by The Napa County Building Division prior to demolition. The applicant will be required to provide a J number form Bay Area Air Quality Management District at the time of application for the permit.

The site and associated buildings are required to be accessible to persons with disabilities. This includes but not limited to, parking, accessible path of travel from parking to all buildings and areas on site that are available to employees and the public. Plans must also include all accessibility features for the interior work. An Accessible Upgrade Worksheet must be submitted with plans as a part of the permit process.

Occupant load will determine occupancy types, exiting requirements, and restroom facilities.

Any change in occupancy or use will require building to comply with the requirements of the California Building Code for a new occupancy or use.

Should you have any questions, please contact Marie Taylor at (707) 299-1359

Department of Public Works

1195 Third Street, Suite 101
 Napa, CA 94559-3092
www.countyofnapa.org/publicworks

Main: (707) 253-4351
 Fax: (707) 253-4627

Steven Lederer
 Director



A Tradition of Stewardship
 A Commitment to Service

MEMORANDUM

To: PBES Staff	From: Rick Marshall Deputy Director of Public Works
Date: June 11, 2015	Re: Carneros Inn P15-00190

Thank you for the opportunity to review the subject permit application. I offer the following comments from the Department of Public Works:

Encroachment Permit required. The plans indicate a new or revised driveway connection to Old Sonoma Highway, a County-maintained road. An encroachment permit will be required during the building permit phase. Please contact the Roads office at (707) 944-0196 to initiate the encroachment permit process.

More information on this is available at our website:
<http://www.countyofnapa.org/publicworks/roads/>

Other. I have reviewed the report, "Analysis of Potential Changes in Site Trip Generation Associated with Proposed Phase III Building and Circulation Improvements," dated May 6, 2015, by Peter Galloway of Omni-Means. I concur with the assumptions made, the methods used and the conclusions reached in the analysis. I recommend that the project be conditioned to require placement of a Stop sign at the point where the realigned project driveway will connect with Old Sonoma Highway, and that an additional plaque be added which reads, "Traffic from highway does not stop."

Please contact me at Rick.Marshall@countyofnapa.org or call (707) 259-8381 if you have questions or need additional information.

TO:	Planning Department	DATE:	6/27/2019
FROM:	James Bales, Fire Captain	PERMIT #	P19-00190
SUBJECT:	Carneros Inn	APN:	047-110-027-000

The Napa County Fire Marshal's Office has reviewed the submittal package for the above proposed project. The Fire Marshal approves as submitted and requires the following conditions to be incorporated as part of permit issuance.

1. All construction and use of the facility shall comply with all applicable standards, regulations, codes and ordinances at time of Building Permit issuance.
2. Beneficial occupancy will not be granted until all fire department fire and life safety items have been installed, tested and finalized.
3. The permittee and/or designee shall obtain a permit from the Fire Department for any temporary structures/canopies/tents utilized for authorized events.
4. All buildings, facilities, and developments shall be accessible to fire department apparatus by way of approved access roadways and/or driveways. The fire access road shall comply with the requirements of the Road Exception Evaluation dated June 4, 2019.
5. Access roads shall be designed and maintained to support the imposed loads of fire apparatus and shall be surfaced to provide all-weather driving capabilities. Provide an engineered analysis of the proposed roadway noting its ability to support apparatus weighing 75,000 lbs.
6. Parking prohibited within 15' in either direction of hydrant and shall have approved red striping and/or signage.
7. All buildings shall comply with California Building Code, Chapter 10 Means of Egress requirements. Including but not limited to; exit signs, exit doors, exit hardware and exit illumination.
8. Provide 100 feet of defensible space around all structures.

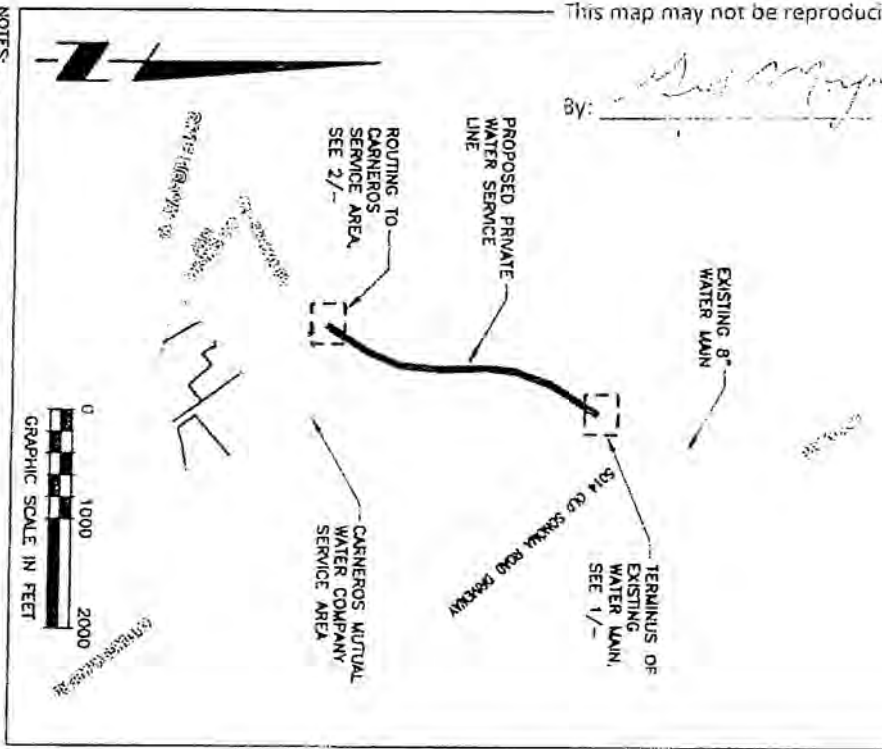
9. Provide 10 feet of defensible space fire hazard reduction on both sides of all roadways of the facility.

Please note that the comments noted above are based on a Fire Marshal's Office review only. There may be additional comments or information requested from other County Departments or Divisions reviewing this application submittal package. Napa County Fire Marshal's Office Development Guidelines can be found @ www.countyofnapa.org/firemarshal. Should you have any questions of me, contact me at (707)299-1463 or email at james.bales@countyofnapa.org.

P:\2018\2018118 CARNEROS RESORT AND SPA\CAD\CIVIL\WATER LINE\1118-WATER LINE EXHIBIT.DWG

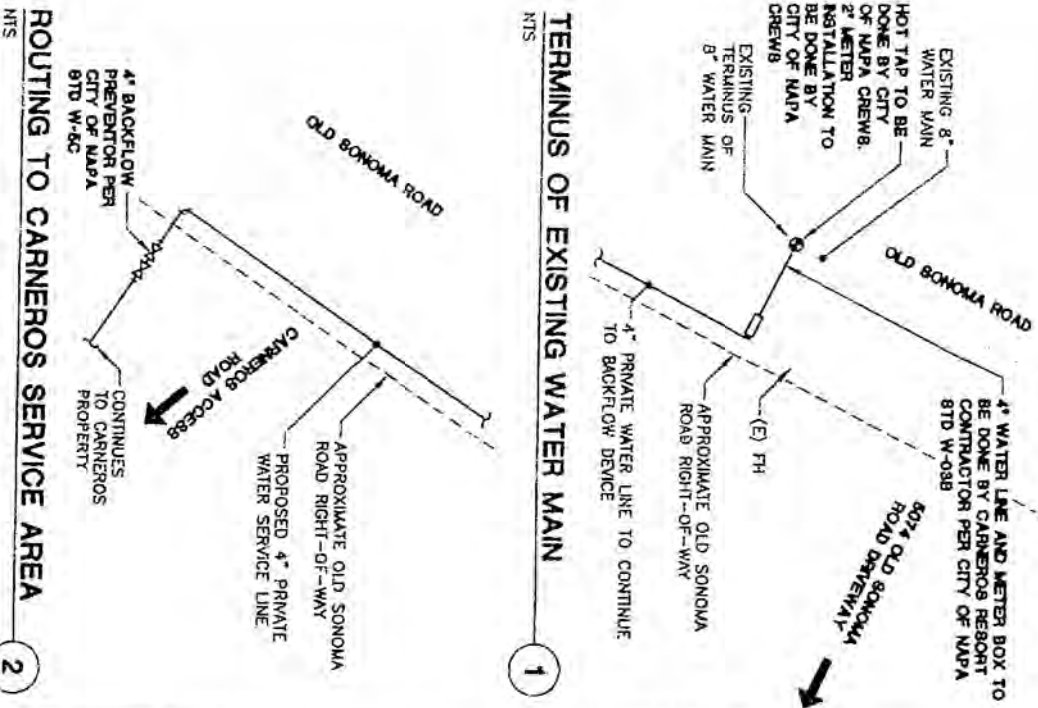
DATE: 11/30/2018 11:12 AM

- NOTES:
- ROUTING AND SIZE OF THE EXISTING WATER MAIN IS APPROXIMATE BASED ON INFORMATION PROVIDED IN THE CITY OF NAPA TECHNICAL MEMO DATED JANUARY 2, 2018 AND THE CONCEPTUAL WHOLESALE WATER AGREEMENT BETWEEN THE CITY AND CARNEROS MUTUAL WATER COMPANY DATED FEBRUARY 18, 2018.
 - CARNEROS RESORT TO OBTAIN AN EASEMENT FROM THE COUNTY OF NAPA TO ENCOMPASS THE PRIVATE WATER LINE BETWEEN THE METER AND THE CARNEROS PROPERTY.



This map may not be reproducible.

By: *[Signature]*



<p>THE CARNEROS RESORT 4048 SONOMA HIGHWAY NAPA, CA 94659 APH 047-10-008, 047-100-002, 047-100-027 & 028</p>	<p>USE PERMIT</p>	<p>SUMMIT</p> <p><small>Summit Engineering Inc. 453 Arden Blvd., Ste 700 • Suisun Bay, CA 94575 707-227-4075 • www.summit-e.com</small></p>
	<p>PROJECT NO. <u>2018118</u> DATE <u>2018-11-20</u> BY <u>JA</u> CHK <u>RP</u> SHT NO. <u>1</u> OF <u>1</u></p>	



2017-0006974

Recorded	REC FEE	28.00
Official Records		
County of	PHOTOWORK	10.00
Napa		
JOHN TUTEUR		
Assessor-Recorder-Cou		

11:02AM 22-Mar-2017	LS	Page 1 of 5
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**Recording Requested By and
Return Recorded Document To:**

Kevin P. Block
Meyer Block LLP
1109 Jefferson Street
Napa, CA 94559

APN 047-100-062

**AMENDMENT TO COVENANT
AND USE RESTRICTION ON PROPERTY**

This Amendment and Use Restriction on Property ("Amendment") is made as of March 21, 2017 by GF Carneros Inn, LLC, a Delaware limited liability company ("Owner") for the benefit of the County of Napa, California ("County").

RECITALS

A. On or about November 5, 2003, Owner's predecessor and County executed that certain Covenant and Use Restriction on Property, which was recorded on November 12, 2003 in the Official Records of Napa County as Document No. 2003-0060573 ("Covenant").

B. On or about June 6, 2014, Owner purchased a fee simple interest in that certain real property located in the County of Napa, described in the Covenant and more particularly described in Exhibit A attached hereto and incorporated herein by reference ("Property").

C. Owner's purchase of the Property was subject to the Covenant, which runs with the land and burdens a portion of the Property depicted on the map attached hereto as Exhibit B and incorporated herein by reference ("Burdened Property").

D. Owner desires to plant a garden on a portion of the Burdened Property, and wishes to make clear that such use is consistent with, and does not violate, the terms and conditions of the Covenant.

AMENDMENT

NOW, THEREFORE, for good and valuable consideration, the adequacy and receipt of which are hereby acknowledged, the Owner, with the County's consent, does hereby amend the Covenant as follows:

Notwithstanding any other provision of the Covenant to the contrary, no term or condition of the Covenant shall prohibit or restrict, or be construed to prohibit or restrict, the planting and cultivation of a garden on the Burdened Property and the harvesting of fruits, vegetables and herbs therefrom.

All terms and provisions of the Covenant which are not modified by this Amendment shall remain in full force and effect.

IN WITNESS WHEREOF, Owner has executed this Amendment as of the date first set forth above.

OWNER:
GF Carneros Inn, LLC
a Delaware limited liability company

By: 
Greg Flynn
Vice President

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

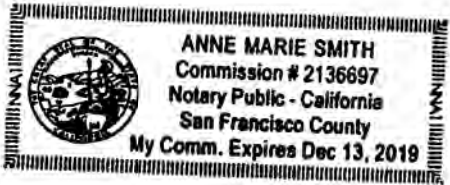
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of SAN FRANCISCO)
On 3/21/2017 before me, Anne Marie Smith
Date Here Insert Name and Title of the Officer
personally appeared Greg Flynn
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 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: Amend to Covenant Document Date: 3/21/2017
Number of Pages: 4 Signer(s) Other Than Named Above: N/A

Capacity(ies) Claimed by Signer(s)
Signer's Name: Greg Flynn
 Corporate Officer - Title(s): VP
 Partner - Limited General
 Individual Attorney in Fact
 Trustee Guardian or Conservator
 Other: _____
Signer Is Representing: GP Corporation LLC

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

Exhibit A

Legal Description of Real Property

All that real property situated in the County of Napa, State of California being all that land conveyed to Cameros Inn, LLC, a California limited liability company by Deed recorded February 26, 2002 as Series Number 2002-0008175 of Official Records of Napa County, and all of Parcel 2 shown on Map No. 2227 entitled, "Portion of Entre Napa Rancho, Lands of John P. and Leota I. Zopfi", filed July 10, 1972 in Book 4 of Parcel Maps at page 21 in the office of the County Recorder of said Napa County, and a portion of Entre Napa Rancho, said lands being a portion of the lands conveyed to Cameros Inn, LLC, a California limited liability company by Deed recorded May 20, 1998 as Series Number 1998 013760 of Official Records of Napa County, and more particularly described as follows:

BEGINNING at the southwestern corner of the Lands of Zopfi (716 O.R. 993) as shown on that certain map entitled, "Record of Survey, The Lands of John P. & Leota I. Zopfi as described in 716 O.R. 993 N.C.R. and a Portion of 648 O.R. 129 N.C.R. and lying within the Entre Napa Rancho", filed on July 26, 1991 in Book 28 of Surveys at Page 19, Napa County Records; thence running along the southwestern line of said Lands of Zopfi, North $34^{\circ} 17' 17''$ (shown as $33^{\circ} 53' 17''$ on 28 RS 19) West 760.13 feet to the northwestern corner of said Lands of Zopfi; thence continuing along the northwestern line of said Lands of Zopfi, North $49^{\circ} 24' 46''$ (shown as $49^{\circ} 48' 46''$ on 28 RS 19) East 137.64 feet to the southwestern corner of Tract Two as described by Grant Deed filed under Series Number 1998-0024109, Napa County Records; thence continuing along the southwestern line of said Tract Two, North $40^{\circ} 00' 54''$ (described as $40-1/2^{\circ}$ by 1998-0024109) West 856.18 feet to the southwestern corner of the Land granted to County of Napa filed on February 23, 1966 in Book 740 of Official Records at Page 790, Napa County Records; thence along the southeastern line of said Land of Napa County, the following courses and distances: North $32^{\circ} 24' 36''$ East 60.20 feet; North $78^{\circ} 50' 31''$ East 14.14 feet; North $33^{\circ} 50' 31''$ East 24.92 feet to the southeastern corner of said Land of Napa County, said corner also being on the northeastern line of said Tract Two; thence running parallel with the southwestern line of said Tract Two, South $40^{\circ} 00' 54''$ (described as $40-1/2^{\circ}$ by 1998-0024109) East 497.34 feet to the western corner of Parcel 2 as shown on that certain map entitled, "Parcel Map No. 2227, Portion of Entre Napa Rancho, Lands of John P. and Leota I. Zopfi" filed on July 10, 1972 in Book 4 of Parcel Maps at Page 21, Napa County Records; thence leaving said corner and along the boundary of said Parcel 2, the following courses and distances: North $50^{\circ} 13' 33''$ (shown as $49^{\circ} 45' 35''$ on 4 PM 21) East 456.83 feet (shown as 450.00 feet on 4 PM 21); South $39^{\circ} 06' 43''$ (shown as $39^{\circ} 37' 39''$ on 4 PM 21) East 369.81 feet (shown as 380.00 feet on 4 PM 21); South $49^{\circ} 24' 46''$ (shown as $49^{\circ} 45' 35''$ on 4 PM 21) West 129.59 feet to the northern corner of said Lands of Zopfi (716 O.R. 993); thence along northeastern line of said Lands of Zopfi, South $39^{\circ} 57' 38''$ (shown as $39^{\circ} 33' 38''$ on 28 RS 19) East 565.80 feet to a point on said northeastern line; thence leaving said northeastern line, the following courses and distances: South $49^{\circ} 29' 06''$ West 504.44 feet; South $40^{\circ} 30' 53''$ East 90.61 feet; South $49^{\circ} 29' 07''$ West 11.82 feet; South $40^{\circ} 30' 53''$ East 99.14 feet; North $77^{\circ} 07' 36''$ East 87.17 feet; North $12^{\circ} 52' 24''$ West 8.54 feet; North $77^{\circ} 07' 36''$ East 132.00 feet; South $12^{\circ} 57' 36''$ East 7.69 feet; North $77^{\circ} 02' 24''$ East 196.07 feet; South $12^{\circ} 57' 36''$ East 52.81 feet to a point on the southeastern line of said Lands of Zopfi (716 O.R. 993); thence along said southeastern line South $73^{\circ} 49' 14''$ (shown as $74^{\circ} 13' 14''$ on 28 RS 19) West 16.75 feet; thence South $77^{\circ} 02' 24''$ (shown as $77^{\circ} 26' 24''$ on 28 RS 19) West 498.77 feet to the POINT OF BEGINNING.

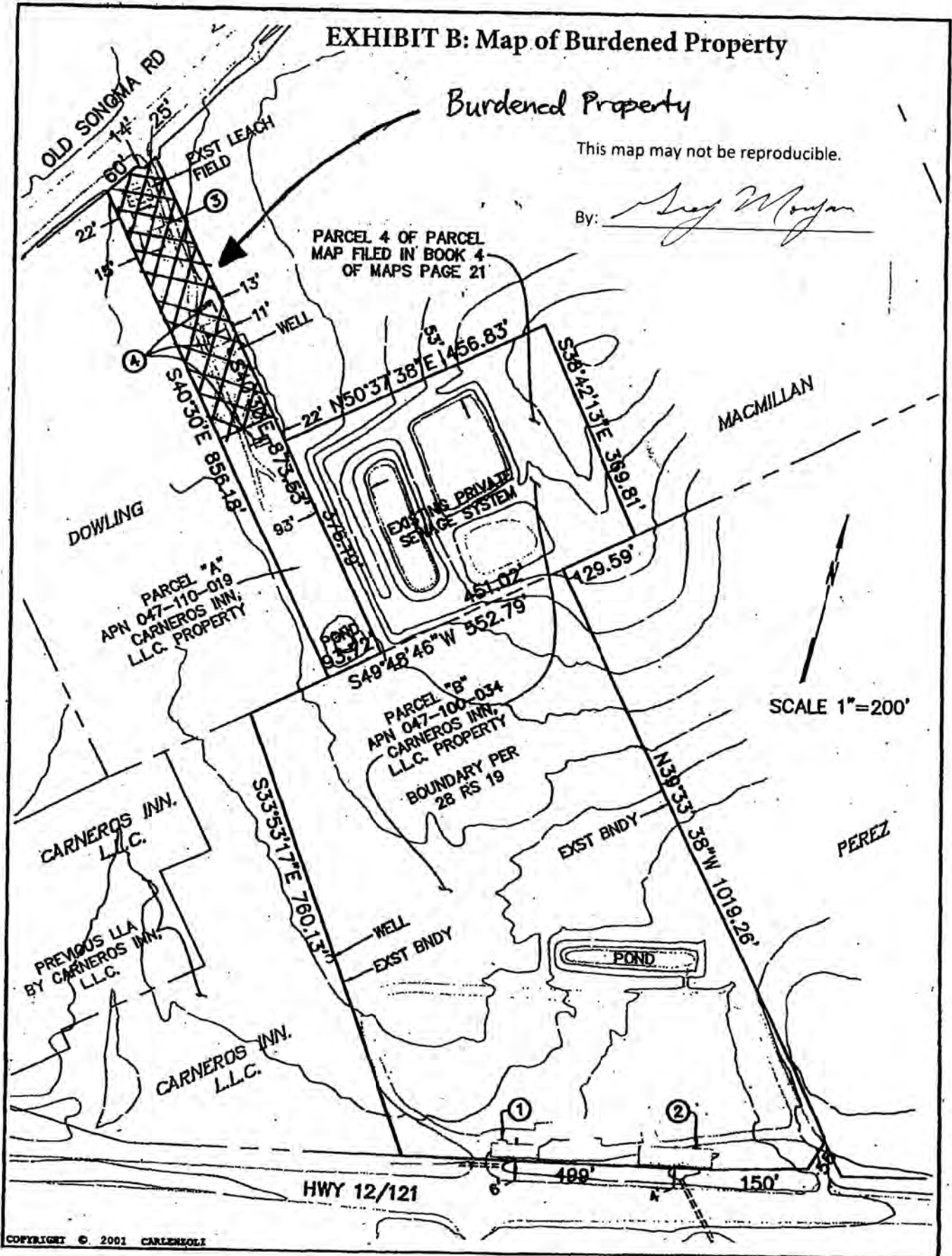
APN 047-100-062

EXHIBIT B: Map of Burdened Property

Burdened Property

This map may not be reproducible.

By: *[Signature]*





2003-0060573

Recorded
Official Records
County Of
NAPA
JOHN TUTEUR
Recorder

REC FEE 34.00

10:36AM 12-Nov-2003

LS
Page 1 of 10

**Recording Requested By And
When Recorded, Mail To:**

Carneros Inn, LLC
Hearst Building
5 Third Street, Suite 700
San Francisco, CA 94103
Attn: Keith H. Rogal

COVENANT AND USE RESTRICTION ON PROPERTY

This Covenant and Use Restriction on Property (this "Covenant") is made as November 5, 2003, by Carneros Inn, LLC, a California limited liability company ("Inn"), and Carneros Lodge, LLC, a California limited liability company ("Lodge"), for the benefit of the County of Napa, California ("County"). Inn and Lodge are collectively referred to herein as "Owner".

RECITALS

A. Owner holds fee title to that certain real property located in the County of Napa, California more particularly described in Exhibit A attached hereto and incorporated herein by this reference (the "Property").

B. Owner has applied to the County for a lot line adjustment ("LLA") involving the Property and adjacent real property owned by Owner.

C. As a condition to the issuance of the LLA, Owner has agreed to restrict the use of that portion of the Property indicated by cross-hatching on Exhibit B attached hereto and incorporated herein by this reference (the "Burdened Property") in accordance with the terms and conditions hereof.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, Owner hereby covenants, declares and agrees as follows:

1. Recitals. Owner hereby affirms the accuracy of the foregoing Recitals which are incorporated herein by this reference

2. Restrictions on Use. Owner agrees that, other than for purposes of disposing of treated wastewater and activities directly related thereto (including ingress and egress in and out of the Burdened Property for such purposes), the Burdened Property shall not be used as an access to the hotel from Old Sonoma Road or to support the hotel or commercial activities of the Carneros Inn or the Carneros Lodge located on adjacent legal parcels in any manner. The

foregoing shall not be construed to prohibit non-commercial uses of the Burdened Property permitted by current zoning restrictions. All parcels which in sum comprise the Carneros Inn and Carneros Lodge shall be held in direct or indirect common ownership since the road system, water and wastewater systems are integrally linked. In the event the Carneros Lodge project is not constructed and the Lodge parcel(s) is sold, an irrevocable easement, in a form satisfactory to County Counsel, shall be completed prior to the sale of the Lodge parcel(s) to ensure continued access, water and wastewater availability. In the event parcels are sold, the maximum groundwater extracted from the Lodge parcel(s) for use for the Carneros Inn shall be reduced by 1 acre-ft/year for each acre sold.

3. Restrictions Run With Land. The use restrictions set forth in this Covenant ("Restrictions") shall run with the land, and pass with each and every portion of the Burdened Property, and shall apply to and bind Owner, its successors-in-interest and all persons entitled by ownership, leasehold, or other legal relationship to the right to possess all or any portion of the Burdened Property, and shall inure to the benefit of the County and its successor-in-interest. The Restrictions are enforceable by the County.

4. Concurrence of Owners and Lessees Presumed. All purchasers, lessees, or possessors of any portion of the Burdened Property shall be deemed by their purchase, leasing, or possession of such Burdened Property, to be in accord with the foregoing and to agree for and among themselves, their heirs, successors, and assignees, and the agents, employees, and lessees of such owners, heirs, successors, and assignees, that the Restrictions as herein established must be adhered to for the benefit of the County and that the interest of the owners and occupants of the Burdened Property shall be subject to the Restrictions contained herein. Recordation of this Covenant shall be deemed binding on all successors, assigns, and lessees, regardless of whether a copy of this Covenant has been attached to or incorporated into any given deed or lease.

5. Enforcement. Without limiting any other rights or remedies of the County, the Restrictions shall be enforceable by an action for specific performance.

6. Variance. Owner may apply to the County for a written variance from the provisions of this Covenant, provided that the County shall have the sole discretion to approve or disapprove such variance.

7. Term. Unless terminated with written consent of the County, this Covenant shall continue in effect in perpetuity.

8. No Dedication Intended. Nothing set forth herein shall be construed to be a gift or dedication, or offer of a gift or dedication, of the Burdened Property or any portion thereof to the general public.

8. Partial Invalidity. If any portion of the Restrictions or terms set forth herein is determined to be invalid for any reason, the remaining portion shall remain in full force and effect as if such portion had not been included herein.

9. Article Headings. Headings at the beginning of each numbered article of this Covenant are solely for the convenience of the parties and are not a part of the Covenant.

10. Applicable Law. This Covenant shall be construed in accordance with the laws of the State of California.

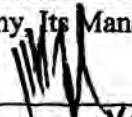
IN WITNESS WHEREOF, Owner has executed this Covenant as of the date first set forth above.

INN:

CARNEROS INN, LLC,
a California limited liability company

By: Carneros Holdings, LLC,
a California limited liability company
Its Manager

By: Carneros Partners, LLC,
a California limited liability
company, Its Manager

By: 
Name: Keith Rogal*
Title: MANAGER

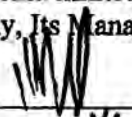
* Keith Rogal

LODGE:

CARNEROS LODGE, LLC,
a California limited liability company

By: Carneros Holdings, LLC,
a California limited liability company
Its Manager

By: Carneros Partners, LLC,
a California limited liability
company, Its Manager

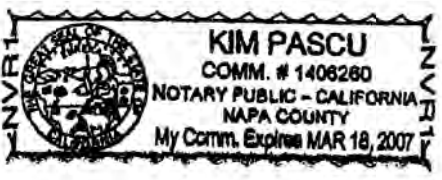
By: 
Name: Keith Rogal*
Title: MANAGER

* Keith Rogal

State of California)
)ss.
County of Napa)

On Nov 11th, 2007, before me, Kim Pascu, Notary Public,
personally appeared Keith Haman Royal, personally known to me (or 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.

WITNESS my hand and official seal.
Kim Pascu
NOTARY PUBLIC



State of _____)
)ss.
County of _____)

On _____, 200_, before me, _____, Notary Public,
personally appeared _____, personally known to me (or 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.

WITNESS my hand and official seal.

NOTARY PUBLIC

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

Real property situated in the State of California, County of Napa and is described as follows:

TRACT TWO:

Commencing at a point in the original centerline of the County Road leading from Napa to Sonoma (known as Old Sonoma Road) at the most Northern corner of the land conveyed by Chris Oesch to A. D. Welch, by Deed recorded May 17, 1909 in Book 91 of Deeds, at Page 487, said Napa County Records; running thence South $40-1/2^\circ$ East along the Northeastern line of said land 14.27 chains to the most Eastern corner of said land; thence South $49-1/4^\circ$ West along the Southeastern line of said land 1.42 chains; thence North $40-1/2^\circ$ West parallel to the Northeastern line of said land 13.92 chains to the original centerline of said County Road above referred to; thence Northeasterly along said centerline of said County Road to the point of commencement.

Being a portion of the Entre Napa Rancho.

Excepting therefrom, however, that portion thereof lying within Old Sonoma Road, as described in the Deed to the County of Napa recorded February 24, 1966 in Book 740, at Page 790, of Official Records of Napa County.

APN: 047-110-019

PARCEL ONE:

All that real property situats in the County of Napa, State of California, being that portion of the Entre Napa Rancho, more particularly described as follows:

Beginning at the Most Northerly corner of Parcel One of Tract One as described in the Deed from 452 First Street East, a limited partnership to Carneros Inn, LLC, a California limited liability company, filed in the Office of the County Recorder of said Napa County on May 20, 1998, as Document Number 1998-013761, Official Records of Napa County, said corner shown as a 1/2" rebar tagged LS 6436 marking the most Westerly corner of the "Lands of Zopff" on that certain Record of Survey filed in the office of the County Recorder of said Napa County on July 26, 1991, in Book 28 of Surveys at Page 19, and running thence South 49° 24' 46" West (shown as North 49° 30' East in said Document Number 1998-013761), along the Northwesterly line of said Parcel One of Tract One, a distance of 151.00 feet; thence leaving said Northwesterly line South 40° 35' 14" East, a distance of 174.00 feet; thence South 49° 24' 46" West, a distance of 89.00 feet; thence South 40° 35' 14" East, a distance of 168.00 feet; thence South 49° 24' 46" West, 251.00 feet; thence South 40° 35' 14" East, a distance of 33.00 feet; thence South 49° 24' 46" West, a distance of 149.20 feet to a point on the Southerly line of Tract Two as described in aforesaid Document Number 1998-013761; thence South 80° 58' 55" East (shown as South 80° 42' East in Said Document Number 1998-013761), along said Southerly line of Tract Two, a distance 111.38 feet; thence continuing along said Southerly line of Tract Two, and along the Southerly line of aforesaid Parcel One of Tract One, along the arc of a tangent curve, concave to the North, having a radius of 670.00 feet, a central angle of 11° 22' 59", and a length of 133.11 feet to a point on the Northerly line of the State Highway as described in the Deed to the State of California, filed August 25, 1954, in Volume 451 of Official Records of Napa County at Page 104; thence North 77° 02' 24" East (shown as North 77° 26' 24" East in said Volume 451 of Official Records at Page 104), along said Northerly line of the State Highway, being the Southerly line of aforesaid Parcel One of Tract One, a distance of 438.93 feet to the most Easterly corner of said Parcel One of Tract One; and thence North 34° 17' 17" West (shown as South 38 1/2° East in said Document Number 1998-013761), along the Northeasterly line of said Parcel One of Tract One, a distance of 760.13 feet to the point of beginning.

APN: 047-110-025

PARCEL TWO:

All that real property situats in the County of Napa, State of California, being that portion of the Entre Napa Rancho, more particularly described as follows:

Beginning at a point on the Northwesterly line of Parcel One of Tract One as described in the Deed from 452 First Street East, a limited partnership to Carneros Inn, LLC, a California limited liability company filed in the Office of the County Recorder of said Napa County on May 20, 1998, as Document Number 1998-013761, Official Records of Napa County, that is South 49° 24' 46" West (shown as North 49° 30' East in said Document Number 1998-013761), a distance of 151.00 feet from the most Northerly corner of said Parcel One of Tract One, and running thence South 40° 35' 14" East, leaving said Northwesterly line, a distance of 174.00 feet; thence South 49° 24' 46" West, a distance of 89.00 feet; thence South 40° 35' 14" East, a distance of 168.00 feet; thence South 49° 24' 46" West, a distance of 251.00 feet; thence South 40° 35' 14" East, a distance of 33.00 feet; thence South 49° 24' 46" West, a distance of 149.20 feet to a point on the Southerly line of Tract Two as described in aforesaid Document Number 1998-013761; thence North 80° 58' 55" West (shown as South 80° 42' East in said Document Number 1998-013761) along the Southerly line of said Tract Two, a distance of 88.27 feet to the Southwest corner of said Tract Two; thence North 25°

S3' 41" West, along the Westerly line of said Tract Two, a distance of 318.18 feet (shown as South 26° 10' East 318.00 feet in said Document Number 1998-013761), to the most Westerly corner of said Tract Two; thence North 49° 24' 46" East, along the Northwesternly line of said Tract Two, a distance of 353.28 feet (shown as South 49° 15' West, 356.00 feet in said Document Number 1998-013761), to the most Northerly corner of said Tract Two; and thence North 49° 24' 46 East (shown as North 49° 30' East in said Document Number 1998-013761) along the Northwesternly line of aforesaid Parcel One of Tract One, a distance of 112.42 feet to the point of beginning.

APN: 047-110-026

REV. 10/92

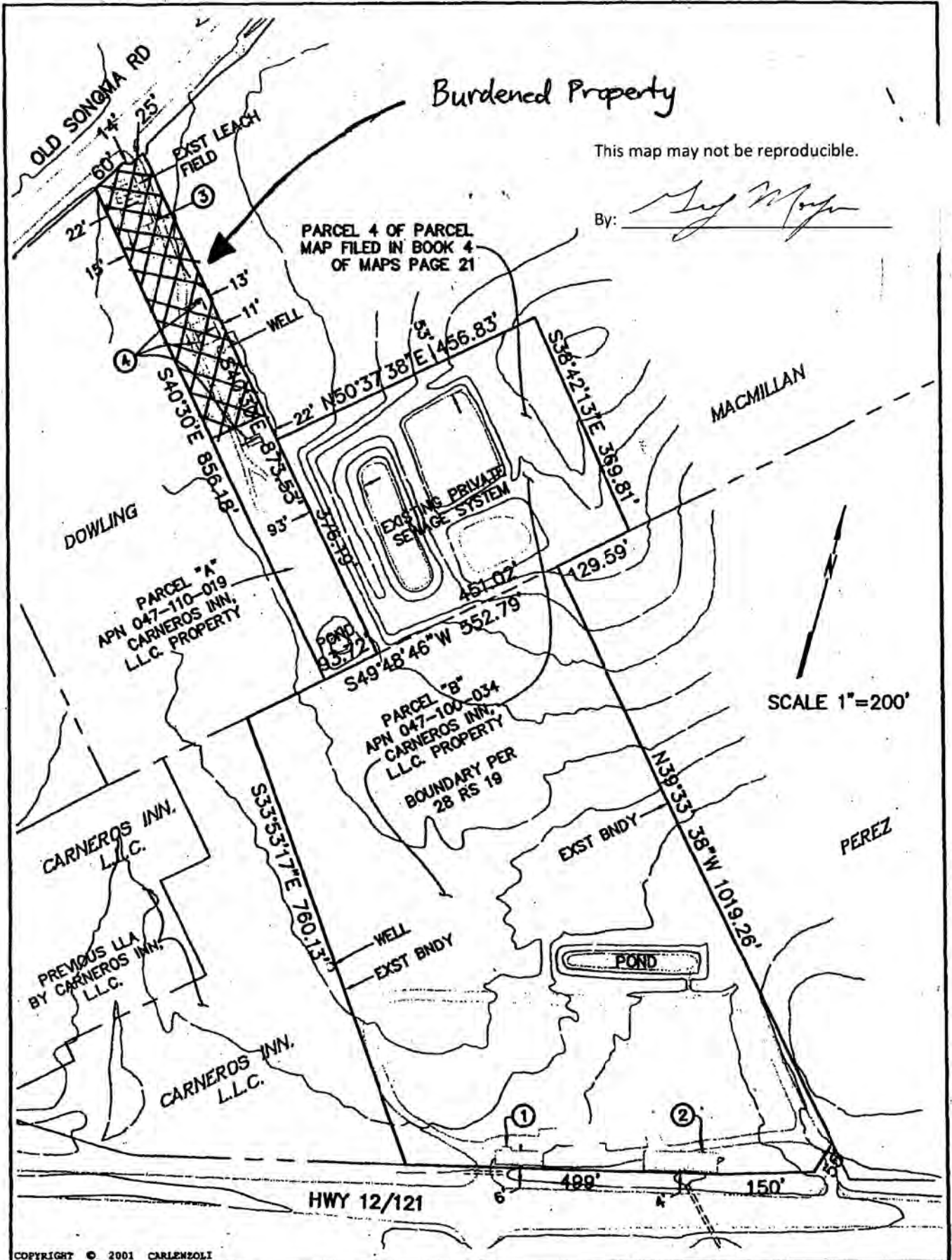


EXHIBIT B
MAP OF BURDENED PROPERTY

END OF DOCUMENT

Summary of Water Conservation Measures Taken Carneros Resort and Spa

Domestic Water:

- Since the project opened in 2004, guest cottage hot water is provided through a central hot water plant. In the cottages hot water is available instantly. This eliminates the waste that often occurs as one waits for the water to heat up. This central plant is also much more efficient than having many satellite hot water heaters.
- 2.5 max GPM shower heads installed at all guest units.
- Low flow 1.0 GPM aerator installed at all guest units.
- 1.0 GPF urinals installed in all public areas.
- Low flow 1.6 gallon/flush toilets installed in all public areas.
- Project was originally outfitted with low flow toilets throughout. In 2014, Ultra Low flow 1.0 gallon/flush Toto Drake II toilets installed in all guest units.
- Smart booster pumps installed in 2016 to provide domestic water pressure to the property. These units have sensors to detect leaks or high flow conditions and will shut the systems down to conserve water in the event of a large leak or rupture.

Waste Water Recycling:

- The Carneros Inn has a state-of-the-art water recycling plant, constructed at great cost, and all of our domestic waste water is recycled onsite. This water is stored and used to irrigate the grounds and to provide water for fire protection. All of the properties' sewage treatment takes place in a state-of-the-art Zenon membrane bioreactor, or MBR. All of the waste on the property gravity drains to 2 below-grade, equalization basins that provide emergency storage potential and allow us to meter the flows and process waste at off-peak energy consumption hours. From these tanks the waste is pumped into the MBR plant located in Barn 2. The tertiary treatment process uses ultra-filtration membranes submerged in deep tanks to reduce the footprint of the structure. No need for large settling tanks, ponds and clarifiers. The entire plant capable of producing ~80,000 gallons per day of the highest quality (California Title 22 certified) recycled water takes up less than 4000 square feet. From the plant the recycled water is pumped to seasonal storage ponds where it is used to irrigate all the plant material and charge the fire protection lines.

Irrigation:

-All irrigation on property (with the current exception of the culinary garden) is irrigated with recycled waste water produced by our MBR plant described above. Prior to 2015, the landscape areas of the 24 private homes on the property were irrigated with domestic water. In April 2015, we converted the irrigation systems for all homes to recycled water. The final available conversion from domestic to recycled water...of the kitchen gardens...is currently in process and expected to be completed in 2016.

-Aside from turf areas, all irrigation at the property is performed via drip irrigation.

SEP 9 2019

NAPA COUNTY



LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY

**APPLICATION
OUTSIDE SERVICE AGREEMENT**

A. Applicant Information

- 1) Agency Name: City of Napa
- 2) Contact Person and Title: Phil Brun, Utilities Director
- 3) Contact Information: 707-257-9316 Telephone pbrun@cityofnapa.org E-Mail
- 4) Mailing Address: PO Box 660 Address Napa, CA 94559 City, State, Zip Code

B. Type of Outside Service Agreement

- 1) New Extended
- 2) Water Sewer Other: _____

C. Location of Territory to be Served
(attach additional sheets if necessary)

- 1) Assessor Parcel Number: See Attachment A for Parcel Information
Size: _____ Current Use: _____
- 2) Assessor Parcel Number: _____
Size: _____ Current Use: _____
- 3) Assessor Parcel Number: _____
Size: _____ Current Use: _____

D. Service Information

- 1) Describe how the agency would provide the proposed new or extended service to the subject territory. Please identify any necessary infrastructure or facility improvements and associated funding requirements necessary to provide service to the subject territory.

The water service will be installed on an existing 8-inch Congress Valley Water District (District) water main on Old Sonoma Road. The City of Napa supplies water to the District, maintains District pipelines and can wheel water through District pipelines to City customers pursuant to City Agreement No. 5387. The District authorized Carneros Mutual Water Company to connect to the pipeline with District Resolution No. 67, executed on December 10, 2018. Carneros Mutual Water Company will install a private water line from the connection to the 8-inch water main to the subject property.

- 2) If the proposed new or extended service involves water or sewer, identify the anticipated demand in terms of use (i.e., gallons) associated with serving the subject territory.

Maximum annual demand is 43 acre-feet.

- 3) Does the agency have sufficient capacities to provide the proposed new or extended service to the subject territory without adversely effecting existing service levels?

The City of Napa water system has sufficient capacities to provide the proposed water service to this property without adversely affecting existing customers.

- 4) What services, if any, are currently provided to the subject territory?

None by City of Napa.

Carneros Mutual Water provides water, recycled water and wastewater service.

E. Additional Information

- 1) Identify the subject territory's land use designation and zoning standard along with the minimum parcel density requirements.

See Attachment A for land use designations, zoning, and maximum density.

- 2) Are there any proposed or approved, but not yet built, development projects involving the subject territory?

Yes No

If yes, describe the proposed projects or the approved permits/land use entitlements.

Owner has limited the number of structures and types of uses on the property to those currently in place, and has agreed not to expand the current boundaries of the mutual water company's service area, in agreements with the City of Napa and County of Napa.

- 3) The Commission's action regarding this request by the agency to provide new or extended services outside its jurisdictional boundary is subject to the requirements of the California Environmental Quality Act (CEQA). Has the agency conducted any CEQA reviews for any projects associated with this application?

Yes No Napa County has completed CEQA review - See Attached.

If yes, please provide copies of the environmental documentation, including the Notice of Exemption or Notice of Determination as well as proof of payment of applicable California Department of Fish & Game fees.

- 4) Is the subject territory located within the agency's sphere of influence?

Yes No

If no, please identify whether there is an existing or impending threat to public health and safety or to the residents in support of the application.

This request is pursuant to GC 56133.5 which does not require an existing or impending threat to public health and safety.

ATTACHMENT A
Application by the City of Napa
to Napa County Local Agency Formation Commission
for Outside Service Agreement

Information Responsive to
Item C: Location of Territory to Be Served
and Item E: Additional Information

	Size	APN	Address	GP	Zoning	Density	Current Use
Parcel 1	0.94	047-110-003	4310 Sonoma Hwy	AR	CL	1 dwelling/parcel	vacant
Parcel 2	5.79	047-110-027	4300 Sonoma Hwy	AR	CL	1 dwelling/parcel	resort
Parcel 3	2.75	047-110-028	4280 Sonoma Hwy	AR	CL	1 dwelling/parcel	fractionals
Parcel 4	14.36	047-100-062	4040 Sonomy Hwy	AR	AW	1 dwelling/parcel	resort
Parcel 5	3.93	047-400-001/028	4044 Sonoma Hwy	AR	PD	1 dwelling/parcel	residences

2019-101

ENDORSED

AUG 29 2019

JOHN TUTEUR
Napa County Recorder-County Clerk
By [Signature]
DEPUTY RECORDER - CLERK

NOTICE OF EXEMPTION

NAPA COUNTY PLANNING, BUILDING, & ENVIRONMENTAL SERVICES
DEPARTMENT
1195 THIRD STREET, SUITE 210, NAPA, CA 94559

To: Office of Planning and Research
PO Box 0334
1400 Tenth Street, Room 121
Sacramento, CA 95814

Napa County Clerk
900 Coombs St
Napa, CA 94559

PROJECT TITLE: Carneros Resort and Spa

PERMIT(S): Use permit Major Modification (P15-00190-MOD), Road and Street Standards (RSS) Exception Request & Development Agreement

PROJECT LOCATION - SPECIFIC: The project site is located at 4048 Sonoma Highway Trail in unincorporated Napa County. Assessor's Parcel Number's 047-100-062; 047-110-003/027/028/062; and, 047-400-(01-28 SFAP).

PROJECT LOCATION - CITY (NEAREST): Napa

PROJECT LOCATION - COUNTY: Napa

PROJECT DESCRIPTION: Approval of a use permit modification to relocate and enhance the main entrance, relocate the Boon Fly Café from its current location to an existing building near the improved main entrance, relocate six existing recreational vehicle spaces, alter and enhance the hilltop swimming pool, provide a one-acre site to the County for use by the Fire Department, and other associated improvements. The proposal also includes receiving water from the City of Napa via existing waterlines in the Congress Valley Water District and new private waterlines installed by the Applicant, thereby eliminating reliance on groundwater. An exception to the County RSS is requested to acknowledge widths of less than 22-feet of the existing on-site private internal access drives. The applicant is also proposing to enter into a Development Agreement with the County.

Name of Public Agency Approving Project: County of Napa

NAME OF PERSON OR AGENCY CARRYING OUT PROJECT: Greg Flynn, GF Carneros Holdings, LLC
ADDRESS: 2250 Bush Street, #1470, San Francisco, 94104
PHONE: (415) 835-0225

REPRESENTATIVE: Kevin Block, Block & Block, LLP
ADDRESS: 1109 Jefferson Street, Napa, CA 94559
PHONE: (707) 251-9871

EXEMPT STATUS (CHECK ONE):

- Ministerial (Sec. 21080(b)(1); 15268);
- Declared Emergency (Sec. 21080(b)(3); 15269(a));
- Emergency Project (Sec. 21080(b)(4); 15268(b)(c));
- Categorical Exemption. State type and California Environmental Quality Act Guidelines (CEQAG) section number: Categorical Exemptions Section 15301, Class 1, Section 15303, Class 3, Section 15304, Class 4, Section 15311, Class 11, and the General Rule
- Statutory Exemptions. State code number:

REASONS WHY PROJECT IS EXEMPT:


The project consists of minor alterations and improvements to the Carneros Resort and Spa. There is no reasonable possibility that the project would have a significant effect on the environment, or damage scenic resources because there will be only minor changes to the existing facility. The site of this proposed project is not on any of the lists of hazardous waste sites enumerated under Government Code Section 65962.5 and is not within the boundaries of any airport land use plan.

LEAD AGENCY CONTACT PERSON: Sean Trippi, Project Planner

PHONE: (707) 253-4417

IF FILED BY APPLICANT:

- 1. Attach certified document of exemption finding.
- 2. Has a Notice of Exemption been filed by the public agency approving the project? Yes No

Signature: 

Title: Principal Planner

Date: 2/28/19

- Signed by Lead Agency
- Signed by Applicant

Date received for filing at OPR: N/A.

RESOLUTION R2018-032

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NAPA, STATE OF CALIFORNIA, AUTHORIZING THE PUBLIC WORKS DIRECTOR TO EXECUTE A WHOLESALE WATER AGREEMENT WITH THE CARNEROS MUTUAL WATER COMPANY, AUTHORIZING AN APPLICATION TO THE LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY ("LAFCO") FOR AN OUTSIDE SERVICE AGREEMENT, AND DETERMINING THAT THE ACTIONS AUTHORIZED BY THIS RESOLUTION WERE ADEQUATELY ANALYZED BY A PREVIOUS CEQA ACTION

WHEREAS, the Carneros Mutual Water Company (CMWC) has requested wholesale water service from the City to serve existing development within CMWC service area depicted on Exhibit "A"; and

WHEREAS, City Charter Section 180 prohibits extension of water service outside City limits and the City Rural Urban Limit Line (RUL) unless the extension is approved by a four-fifths (4/5) vote of the City Council (or under limited exceptions not applicable to this Application); and

WHEREAS, the property which is the subject of this action is outside the City limits and outside the RUL and requires four-fifths (4/5) vote of approval by City Council to be granted service; and

WHEREAS, under State LAFCO law (the Cortese-Knox-Hertzberg Local Government Reorganization Act), particularly California Government Code Section 56133, the Local Agency Formation Commission of Napa County ("LAFCO") is generally required to review and approve any proposed new or extended water service outside the City limits (subject to exceptions to this general rule that are not applicable to this Application); and

WHEREAS, pursuant to Government Code Section 56133.5, LAFCO can approve an extension of City water service to property outside the City limits to support existing or planned uses involving public or private properties, subject to making determinations specified in Government Code Section 56133.5, including: (1) the extension of services or services deficiency was identified and evaluated in a review of municipal services, (2) the extension of service will not result in either adverse impacts on open space or agricultural lands or growth inducing impacts, and (3) a sphere of influence change involving the subject territory and its affected agency is not feasible under this division or desirable based on the adopted policies of the commission; and

WHEREAS, City staff has evaluated the Application and concluded that the potential demand of the water service will have no adverse effect on water supply availability; and

WHEREAS, City staff has evaluated the Application and concluded that the City has sufficient treatment, storage, and conveyance capacity to accommodate the requested service; and

WHEREAS, pursuant to the Agreement with Congress Valley Water District, the City has the right to wheel water through District pipelines to serve City customers; and

WHEREAS, CMWC is responsible for securing a connection to the Congress Valley Water District pipeline; and

WHEREAS, the City Council has considered all information related to this matter, as presented at the public meetings of the City Council identified herein, including any supporting reports by City Staff, and any information provided during public meetings.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Napa, as follows:

1. The City Council hereby finds that the facts set forth in the recitals to this Resolution are true and correct, and establish the factual basis for the City Council's adoption of this Resolution.

2. The City Council hereby determines that the actions authorized by this resolution fall within the scope of, and were adequately analyzed by, the Environmental Impact Report (EIR) for Envision Napa 2020, the City's General Plan (the "General Plan EIR"), certified on December 1, 1998, pursuant to CEQA Guidelines section 15168. Section 15168(c) states that if the City determines that, pursuant to CEQA Guidelines section 15162, no new effects could occur and no new mitigation measures would be required due to adoption of the resolution, then the City can approve the resolution as being within the scope of the impacts examined in the General Plan EIR. No changes to the City's treatment, storage, conveyance or water supply systems are required to provide water service to CMWC. The General Plan EIR and the City Water System Optimization and Master Plan adequately evaluated the potential program level environmental impacts of this action, and no further environmental review is required pursuant to CEQA Guidelines Section 15162. At a project level, no physical construction or delivery of water, as contemplated by the proposed Wholesale Water Agreement, will be authorized by the City until after the Applicant has obtained all required permits from the County of Napa (the lead agency for the project level permits), including approval of project level compliance with CEQA.

3. The City Council hereby authorizes by at least 4/5 vote of the City Council, extension of outside-City water service to Carneros Mutual Water Company, subject to: (a) execution of a Wholesale Water Agreement in a form satisfactory to the Public Works

Director, and approved as to form by the City Attorney, in substantial conformance with the Non-Binding Summary of Conceptual Terms presented to City Council concurrently with this resolution; (b) authorization from LAFCO to extend the water service to existing uses involving public or private properties; and (c) approval of a use permit and CEQA analysis by Napa County.

4. The City Council hereby authorizes the Public Works Director to execute a Wholesale Water Agreement with Carneros Mutual Water Company, and to submit an application to LAFCO to authorize the extension of water service in accordance with this Resolution.

5. This Resolution shall take effect immediately upon its adoption.

I HEREBY CERTIFY that the foregoing Resolution was duly adopted by the City Council of the City of Napa at a public meeting of said City Council held on the 20th day of March, 2018, by the following vote:

AYES: Krider, Mott, Gentry, Techel


NOES: Sedgley

ABSENT: None

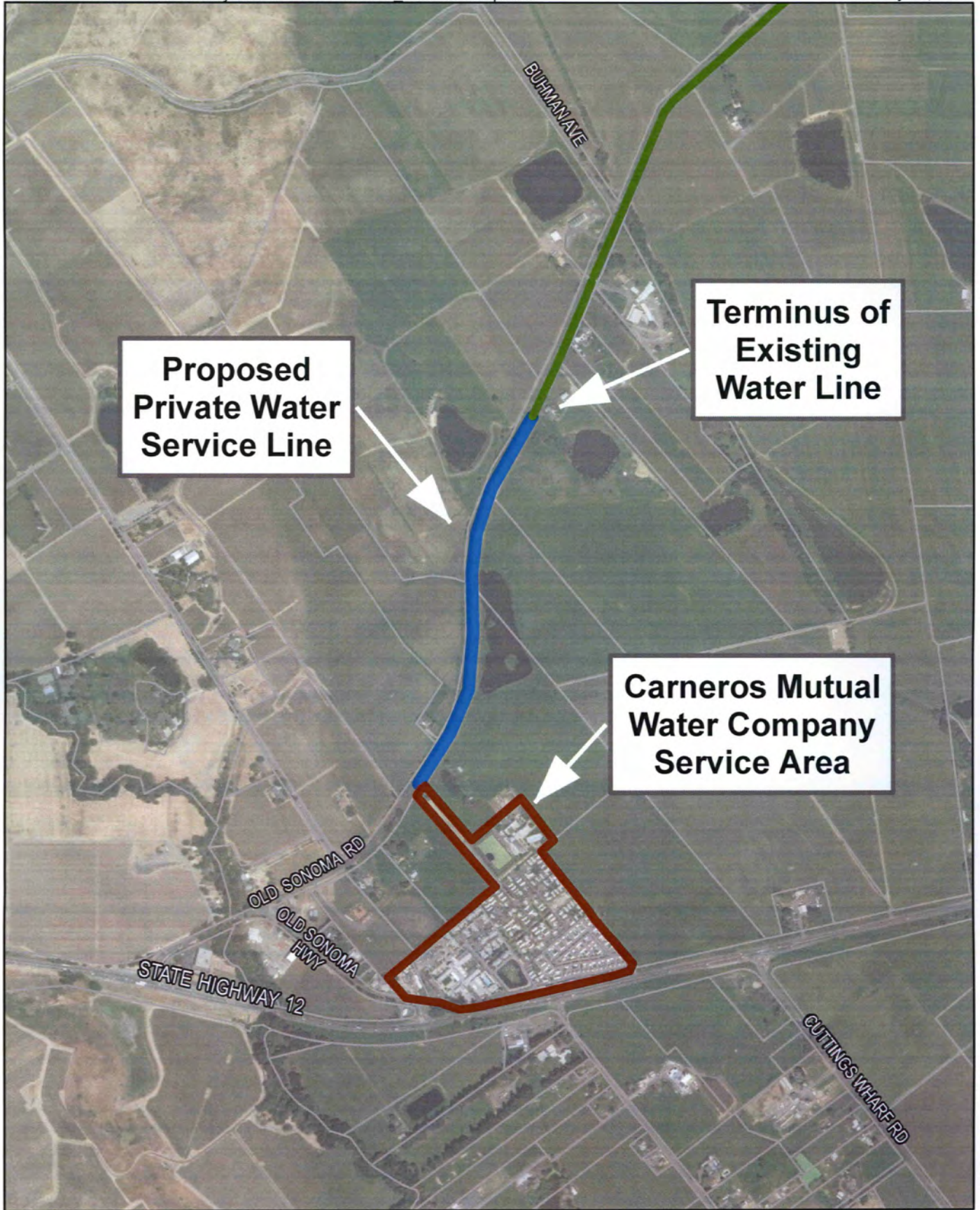
ABSTAIN: None

ATTEST: 
Dorothy Roberts
City Clerk

Approved as to form:



Michael W. Barrett
City Attorney



CIMWC Contract Service Area



Indemnification Agreement

Name of Proposal: Authorization for an Outside Water Service Agreement Involving the City of Napa and the Carneros Mutual Water Company

Should the Local Agency Formation Commission of Napa County (“Napa LAFCO”) be named as a party in any litigation (including a “validation” action under California Civil Code of Procedure 860 et seq.) or administrative proceeding in connection with a proposal, the applicant Carneros Inn Mutual Water Company and/or GF Carneros Inn, LLC (real party in interest: the landowner) agree to indemnify, hold harmless, and promptly reimburse Napa LAFCO for:

1. Any damages, penalties, fines or other costs imposed upon or incurred by Napa LAFCO, its agents, officers, attorneys, and employees from any claim, action, or proceeding brought against any of them, the purpose of which is to attack, set aside, void, or annul the approval of this application or adoption of the environmental document which accompanies it. The Napa LAFCO Executive Officer may require a deposit of funds to cover estimated expenses of the litigation. Applicant and/or real party in interest agree that Napa LAFCO shall have the right to appoint its own counsel to defend it and conduct its own defense in the manner it deems in its best interest, and that such actions shall not relieve or limit Applicant’s and/or real party in interest’s obligations to indemnify and reimburse defense cost; and
2. All reasonable expenses and attorney’s fees in connection with the defense of Napa LAFCO.

This indemnification obligation shall include, but is not limited to, expert witness fees or attorney fees that may be asserted by any person or entity, including the applicant, arising out of, or in connection with, the approval of this application. This indemnification is intended to be as broad as permitted by law.

[signature page attached]

Local Agency Formation Commission

Print Name

Date


Landowner: Carneros Inn, LLC

Print Name

Date


Operator: Carneros Mutual Water Co.

Print Name

Date



LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY

Policy on Outside Service Agreements

(Adopted: November 3, 2008; Last Amended: February 5, 2018)

I. BACKGROUND

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 includes provisions requiring cities, towns, and special districts to request and receive written approval from the Commission before providing new or extended services by agreements outside their jurisdictional boundaries with limited exemptions pursuant to Government Code (G.C.) Sections 56133, 56133.5, and 56134.

The Commission may authorize a city, town, or special district to provide new or extended service outside its jurisdictional boundary, but within its sphere of influence, in anticipation of a subsequent change of organization, such as an annexation. The Commission may also authorize a city, town, or special district to provide new or extended service outside its jurisdictional boundary *and* sphere of influence (a) to address an existing or impending threat to public health or safety or (b) if the Commission makes the determinations set forth in Section V(A)(4) of this policy at a noticed public hearing.

II. PURPOSE

The purpose of these policies is to guide the Commission in reviewing city, town, and special district requests to provide new or extended services by agreement outside their jurisdictional boundaries. This includes making policy statements and establishing consistent procedures with respect to the form, review, and consideration of requests.

III. OBJECTIVE

The objective of the Commission in implementing these policies is to ensure the extension of services by cities, towns, and special districts outside their jurisdictional boundaries is logical and consistent with supporting orderly growth and development in Napa County, and to prevent the circumvention of the LAFCO process by providing services by contract instead of through the annexation of territory. The Commission recognizes the importance of considering local conditions and circumstances in implementing these policies.

From LAFCO's perspective, an Outside Service Agreement can:

- 1) Protect the public from threats to health and safety.
- 2) Impose restrictions that limit development to existing intensities.
- 3) Permit a city or town to plan for future development in an orderly manner through the use of traditional zoning or specific plans.
- 4) Discourage premature development of fringe properties.

IV. DEFINITIONS

The Commission shall incorporate the following definitions in administering this policy:

- A. “Services” shall mean any municipal service provided by a city, town, or special district unless otherwise exempted under G.C. Section 56133.
- B. “New” shall mean the extension of a service to previously unserved non-jurisdictional land.
- C. “Extended” shall mean the intensification of existing services.
- D. “Outside Service Agreement” shall mean an agreement contemplated by G.C. Sections 56133, 56133.5, or 56134.

V. LOCAL CONSIDERATIONS

A. Consideration of New or Extended Services Outside a Jurisdictional Boundary and Outside the Sphere of Influence (G.C. Sections 56133(c) or 56133.5)

When considering any proposed Outside Service Agreement pursuant to G.C. Section 56133(c) or the Pilot Program under G.C. Section 56133.5, the Commission will consider the following, which will be addressed in the Executive Officer’s written report:

- 1) The ability of the applicant to extend the subject service to the affected territory.
- 2) The application’s consistency with the policies and general plans of all affected local agencies.
- 3) The application’s effect on growth and development within and adjacent to the affected territory.
- 4) The documentation presented pursuant to G.C. Section 56133(c)(1), which must provide substantial evidence to support a finding by the Commission of an impending threat to the health or safety of the public or the residents of the affected territory.
- 5) The application’s potential impacts on prime agricultural or open space lands.
- 6) The application’s consistency with the Commission’s adopted municipal service review determinations and recommendations.
- 7) The application’s potential impacts with respect to supporting affordable or farmworker housing.

B. Consideration of New or Extended Services Outside the Jurisdictional Boundary but within the Sphere of Influence in Anticipation of a Later Change of Organization (G.C. Section 56133(b))

Annexations to cities, towns, and special districts involving territory located within the affected agency's sphere of influence are preferred to Outside Service Agreements. The Commission recognizes, however, that there may be instances when Outside Service Agreements involving territory within the affected agency's sphere of influence are appropriate given unique local circumstances.

When submitting an application under G.C. Section 56133(b), the city, town, or district must state with specificity the nature and timing of the anticipated later change of organization for the area affected by the potential Outside Service Agreement.

C. Environmental Review

The review of a proposed Outside Service Agreement will be subject to the review procedures defined in the California Environmental Quality Act (CEQA) and the Napa LAFCO CEQA Guidelines. Napa LAFCO will act as the Lead Agency under CEQA for its environmental review of any Outside Service Agreement request.

If an environmental assessment/analysis was prepared for the project associated with the service extension request (i.e. the County or agency's environmental analysis for a project) and LAFCO was afforded the opportunity to evaluate and comment during the Lead Agency's environmental review process, then LAFCO can act as a Responsible Agency under CEQA for its environmental review of an Outside Service Agreement.

A complete set of the adopted environmental documents prepared for the project, a copy of the filed Notice of Determination/Notice of Exemption, and a copy of the Department of Fish and Wildlife fee receipt must be submitted as part of the application. Completion of the CEQA review process will be required prior to action by the Executive Officer or the Commission.

VI. FORM OF REQUEST

The Commission encourages cities, towns, and special districts to coordinate with the Executive Officer prior to filing a request under G.C. Sections 56133 or 56134 in order to determine if the Pilot Program under G.C. Section 56133.5 or the exemptions under G.C. Section 56133(e) may apply.

Requests to authorize an Outside Service Agreement shall be filed with the Executive Officer by the affected city, town, or special district. Requests shall be made by resolution of application with a cover letter accompanying a completed application using the form provided in Attachment A. Requests shall identify any assurances that the Outside Service Agreement would not induce growth or result in the premature conversion of agricultural or open space lands to an urban use.

Requests shall include a check in the amount prescribed under the Commission's adopted fee schedule along with a copy of the proposed Outside Service Agreement. The application shall be signed by an authorized representative of the city, town, or special district.

VII. REVIEW OF REQUEST

The Executive Officer shall review and determine within 30 days of receipt whether the request to authorize an Outside Service Agreement is complete. If a request is deemed incomplete, the Executive Officer shall immediately notify the applicant and identify the information needed to accept the request for filing.

VIII. CONSIDERATION OF REQUEST

Once a request is deemed complete, the Executive Officer will prepare a written report with a recommendation.

In the case of a request involving an existing or impending public health or safety emergency, the Executive Officer will consult with the Chair regarding the request. If the Chair agrees that the request should be granted, then the Executive Officer may approve the request. The Commission shall ratify the approval at the next scheduled meeting. If the Chair does not agree, then the request will be presented at the Commission's next meeting.

For requests not involving an existing or impending public health or safety threat, the Executive Officer will present his or her report and recommendation at a public hearing for Commission consideration. The public hearing will be scheduled for the next meeting of the Commission for which adequate notice can be given but no later than 90 days from the date the request is deemed complete.

The Commission may approve, approve with conditions, or deny the request for an Outside Service Agreement. The Commission's determination and any required findings will be set out in a resolution that specifies the property or area to be served, the services to be provided, and the authority of the agency to provide its services outside its boundaries.

If the request is approved, the Commission's approval shall expire within one year from approval unless a contract has been executed and the construction of any needed infrastructure improvements has commenced. A one-time extension may be requested by the applicant for a period of time that is necessary to complete the Commission's conditions. Time extension requests shall include a check in the amount prescribed under the Commission's adopted fee schedule.

**FIRST AMENDMENT TO
WATER SUPPLY CONTRACT BETWEEN
THE CITY OF NAPA AND
THE CONGRESS VALLEY WATER DISTRICT
(CITY AGREEMENT NO. 5387)**

THIS FIRST AMENDMENT to the Water Supply Contract (hereinafter "First Amendment") between the CITY OF NAPA, a California charter city (hereinafter referred to as the "City") and CONGRESS VALLEY WATER DISTRICT, a County Water District (formerly the Congress County Water District, and hereinafter referred to as "District") is entered into as of the 21st day of May, 2017.

RECITALS

- A. On or about July 1987, the City and District entered into the Water Supply Contract (City Agreement No. 5387, hereinafter referred to as "Agreement"), which describes the terms by which the City supplies water to the District.
- B. Pursuant to the Agreement, the District is responsible to initiate proceedings to dissolve the District during the final year of the Agreement, prior to expiration on July 1, 2017.
- C. The District has requested to extend the term of the Agreement in order to allow for the ongoing provision of water service to properties within the District.
- D. Accordingly, the parties now desire to amend the terms of the Agreement to extend the term for a period of five years, and to modify other terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual promises contained in this First Amendment, and for other good and valuable consideration, the parties agree as follows:

ARTICLE 1. TERM

Section 1 of the Agreement is hereby deleted and replaced with the following:

"This Agreement shall become effective upon its execution by both parties. The term of this Agreement shall end on July 1, 2022, unless terminated earlier in accordance with the terms of this Agreement."

ARTICLE 2. ANNEXATION TO CITY

Section 5 of the Agreement is hereby deleted in its entirety. The City and the District hereby agree that the City is not required to make any payment to the District under the terms of former Section 5 of the Agreement.

ARTICLE 3. PRICE AND PAYMENT

Section 6 of the Agreement is hereby deleted and replaced with the following:

“6. PRICE AND PAYMENT.

6a. In return for all water provided by the City to the District, and customers within the District, in accordance with the terms of this Agreement, effective January 1, 2018, the District shall pay the City at the rates and fees in effect for “Outside City” customers, including the fees to cover the City’s costs to install or modify water services. The City shall establish the amount of the “Outside City” rates and fees in accordance with all requirements of State law, including Proposition 218. Each rate and fee identified in this Section 6 (6a through 6d) shall be as defined by resolution adopted by the City Council.

6b. In lieu of the City collecting rates and fees from the District (pursuant to Section 6a), the District hereby authorizes the City to directly bill and collect from each customer within the District the rates and fees that would otherwise be owed by the District, under the terms set forth in Sections 6c through 6e.

6c. The City shall establish an individual account with each customer (property owner or other responsible party) within the District in order to directly bill and collect the Outside City water rates and fees from each customer.

6d. As a condition of the City providing any new or modified water service: (1) the District shall provide written approval to the City, and (2) the customer has paid the City a water capacity fee (formerly called “connection fee”).

6e. Any customer receiving City water under the terms of this Agreement shall be subject to the requirements imposed on any other person receiving City water service in accordance with Napa Municipal Code Title 13.

6f. This Agreement does not prohibit the District from establishing separate fees or charges, in addition to the Outside City water fees and rates described above, to be imposed on customers and collected by the District.”

ARTICLE 4. COLLECTION AND DISBURSEMENT OF FUNDS

Section 7 of the Agreement is hereby deleted in its entirety.

ARTICLE 5. RESPONSIBILITY OF THE CITY

Section 11b of the Agreement is hereby deleted and replaced with the text set forth below. The City and the District hereby agree that the City is not required to make any payment to the District under the terms of former Section 11b of the Agreement.

“The City shall be responsible for the complete operation, maintenance and later replacement of the distribution system serving the properties within the District. The City’s responsibility ends at the meter connection to each property.”

ARTICLE 6. RESPONSIBILITY OF THE DISTRICT

Section 12b of the Agreement is hereby deleted and replaced with the following:

“No later than two (2) years prior to the termination of this agreement, the District shall initiate and facilitate discussions with the City, LAFCO, Napa County and others as appropriate to establish a transition plan for the ongoing provision of water service to the properties within the District. The plan may include some combination of the District’s initiation of dissolution proceedings, the City otherwise taking over the District’s responsibilities to provide water service, a longer term commitment by the District to continue to provide water service, or another option mutually agreeable by the District and the City.

In consideration of the services provided by the City under the terms of this Agreement, the District shall: (i) convey to the City title to all physical system assets of the District, and (ii) pay to the City any “connection fees, special assessment fees, or mitigation fees” collected by the District under the terms of former section 7 of City Agreement No. 5387, to the extent those fees were not spent by the District on physical system assets. The District shall satisfy its obligation under the preceding sentence no later than thirty (30) days prior to the earlier to occur of: (x) termination of this Agreement, or (y) dissolution of the District. The District’s physical system assets estimated to be in place at the end of this Agreement are as described on Exhibit “C,” attached hereto and incorporated herein by reference.

The District hereby authorizes the City to “wheel” water through District pipelines at no additional compensation.

The District shall be responsible for giving notice to property owners within the District of the increase in rates and fees under Proposition 218.”

ARTICLE 7. TERMINATION

Section 18 of the Agreement is hereby added as follows:

Upon thirty (30) days prior written notice to the City, the District may terminate this Agreement. If this Agreement is terminated, the District acknowledges that the City shall have no obligation to provide water service to any property within the District without a subsequent application to the City, and approval by the City Council in accordance with City Charter Section 180(B).

ARTICLE 8. FULL FORCE AND EFFECT

Except as expressly modified by this First Amendment, all terms and conditions contained in the original Agreement (City Agreement No. 5387) shall remain in full force and effect.


IN WITNESS WHEREOF, City and District have executed this First Amendment as of the day and year first above written.

CITY OF NAPA:

CONGRESS VALLEY WATER DISTRICT, A COUNTY WATER DISTRICT:

By: 
(Signature)

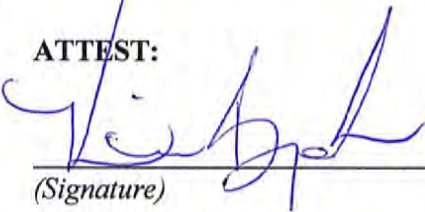
By: 
(Signature)

 Jacques R. LaRoche, Public Works Director
(Type Name and Title)
Eric B. Whan, Deputy Public Works Director

Timothy Josten, President
(Type Name and Title)

ATTEST:

(Signature)

ATTEST:

(Signature)

Dorothy Roberts, City Clerk
(Type Name and Title)

Kiersten Bjorkman, Board Secretary
(Type Name and Title)

COUNTERSIGNED:

COUNTERSIGNED:


(Signature)


(Signature)

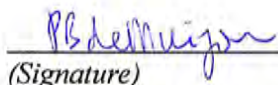
For Desiree Brun, City Auditor
(Type Name and Title)

Janine Layland, Vice President
(Type Name and Title)

SASHA PAYASLIAN, Deputy City Auditor

APPROVED AS TO FORM:

(Signature)

APPROVED AS TO FORM:

(Signature)

Michael Barrett, City Attorney
(Type Name and Title)

Priscillia de Muizon, Attorney
(Type Name and Title)

EXHIBIT C
to First Amendment to the Water Supply Contract Between
The City of Napa and the Congress Valley Water District
(City Agreement No. 5387)

Description of District's Physical System Assets

The Congress Valley Water District's physical system assets estimated to be in place at the end of this Agreement are described as all water pipelines, service lines, valves, fire hydrants, meters and other appurtenances within the District's boundaries that are associated with the conveyance, operation, maintenance, monitoring and/or control of the of water supply from the City of Napa.

WATER SUPPLY CONTRACT

BETWEEN

THE CITY OF NAPA AND THE CONGRESS VALLEY WATER DISTRICT

The CITY OF NAPA, a municipal corporation in the County of Napa, State of California, hereinafter called "City", agrees to sell, and the CONGRESS COUNTY WATER DISTRICT, a county water district, hereinafter called "District", agrees to buy water under the following terms and conditions:

RECITALS

A. The City is the owner and operator of a water system in the County of Napa, State of California, and is engaged in the supply and distribution of water to customers inside and outside of the corporate limits of said City.

B. The District is the owner and operator of a water system in the County of Napa, State of California, and is engaged in the distribution of water to customers within the boundaries of said District.

C. The District is currently purchasing its water supply from the City under an existing agreement dated October 30, 1951, the term of which having expired has been extended by mutual agreement of the District and City until this replacement agreement is executed.

D. The District has no developed water supply resources and no storage facilities.

E. The District has requested that the City continue to furnish a supply of water to the District, but under different terms and conditions than provided for in the original agreement.

F. The City is willing to furnish a supply of water to the District.

THEREFORE, the parties hereby agree to the following:

1. TERM OF AGREEMENT. This Agreement shall become effective upon its execution by both parties and shall run for a term of thirty (30) years, or to July 1, 2017, whichever shall occur first.

2. SERVICE AREA. The District shall deliver the water furnished under this Contract to consumers only within the territory shown and described on attached "EXHIBIT B", entitled "Congress County Water District Service Area", and no other or additional territory. No water service shall be provided by the District to any parcel within said service area as shown on attached "EXHIBIT B", until said parcel has been annexed to the District.

3. QUANTITY OF WATER. The City shall furnish water to the District, as it may need to supply its customers only in accordance with the terms and conditions of this Agreement, in an amount not to exceed a total of one hundred (100) acre feet in any calendar year, at a reasonable rate of flow at the delivery point or points.

4. CONDITIONS OF SERVICE. The District shall deliver water it receives under this Agreement to a maximum of 140 service connections to serve existing parcels of record as described below and no others, for domestic, agricultural, and winery purposes only. (For the purposes of this Contract, a winery is defined as a facility appurtenant to the manufacture of wine or similar products. Additionally, fifty percent (50%) of the grapes processed must be grown in the service area. Additionally, no items other than the product manufactured at site of the winery may be sold.) The District shall deliver water it receives under this Agreement only to service connections existing or approved on the effective date of this agreement, and to parcels of land existing within the District Service Areas as defined in "EXHIBIT B", on the effective date of this Agreement.

5. ANNEXATION TO CITY. City agrees that if any portion of the District is annexed to the City during the term of this Agreement, City shall annually reimburse the District up to an amount equal to the average annual revenue that would have been derived from the sale of water to that portion of the District so annexed had that portion of the District remained in the District. Such payment shall be applied to any bond redemption, interest payment, or reserve accounts, therefor, which are then an existing obligation of the District. No such payment shall be required, if no such obligations then exist.

6. PRICE AND PAYMENT. The District shall pay to the City the sum of one dollar and twenty-three cents (\$1.23) per one thousand (1,000) gallons. Said quantity rate charge shall be adjusted administratively from time to time, concurrent with adjustments in the quantity rate and service charge applicable

to retail domestic customers inside the City limits. The adjusted quantity rate applicable to the District shall be identical to the quantity rate applicable to retail domestic customers inside the City limits.

7. COLLECTION AND DISBURSEMENT OF FUNDS. City agrees to bill District's customers at the rate specified by the District (subject to change on an annual basis). District's rate structure shall be similar to City's structure. City will collect all proceeds in a fashion consistent with its own procedures and deposit same in a separate account. Periodically the proceeds so collected and deposited shall be released to an entity as directed in writing by District.

Any connection fees, special assessment fees, or mitigation fees designated by the District shall not be collected by City. It shall be the responsibility of the District to collect such fees.

Any work done by City, such as to install new services or to make modifications as requested by District shall be on a fixed fee basis or time and materials basis, as is appropriate. City requires a deposit for such work in accordance with its codes, and the City will collect and retain same.

8. MEASUREMENTS AND CONTROL OF WATER DELIVERED. The water delivered pursuant to this Agreement shall be measured by meters at the points of delivery hereinafter referred to as the customers meter connection. On any new customer meter connection, the city shall install the necessary meters, valves, and appurtenances appropriate to operate and maintain such connection. Said meters, valves, and appurtenances shall be maintained in good repair and replaced when

necessary by the City. Each party shall have the right to test any meter at its own expense, or the parties may share the cost as mutually agreed. City reserves the right to replace any meter at any time.

9. CONSERVATION MEASURES. District agrees to enact and enforce water conservation programs substantially equivalent in effect to such water conservation programs adopted by the City or which may be adopted by the City.

10. QUALITY OF WATER. The quality of water at the point of delivery furnished to the District will be the same as that furnished to other City customers under the permit from the State of California Department of Health Services or its successor agency.

11a. NON-RESPONSIBILITY OF THE CITY. Neither the City nor any of its officers, agents or employees, shall be liable for any loss or damage direct or indirect, arising from shortages in the amount of water to be made available for delivery, interruption of delivery or failure of any kind caused by drought or any other cause beyond the control of the City.

11b. RESPONSIBILITY OF THE CITY. The City shall be responsible, during the term of this Contract, for the complete operation, maintenance (and later replacement) of the District's water system.

City agrees to make the District whole for additional costs incurred in installing the twelve inch (12") waterline stipulate in the section of this Agreement entitled "Responsibility of District".

The amount of the make whole cost is to be determined by multiplying the number of feet of waterline so oversized by the difference in cost obtained by subtracting the contract cost of a twelve inch (12") waterline in this area from a theoretical contract cost for an eight inch (8") waterline in the same work area. The theoretical contract cost is assumed to be the contract cost for eight inch (8") waterline installed elsewhere in the District during the replacement project.

City shall reimburse District within thirty (30) days of submission of each of the successive contract progress payments submitted by District's Contractor during the replacement project, showing the number of feet of the oversized line installed.

City agrees to install, at its cost, a twelve-inch (12") main from the City limits on Old Sonoma Road to the point of connection with the transmission line in Foothill Boulevard when the need for such installation is established.

12a. NON-RESPONSIBILITY OF THE DISTRICT. Neither the District nor any of its officers, agents or employees shall be liable for the control, carriage, handling, use, disposal or distribution of water, nor for any damage of any nature whatsoever, including but not limited to property damages, personal injury or death, arising out of or connected with the same.

12b. RESPONSIBILITY OF THE DISTRICT. It shall be the responsibility of the District to, during year 30, pass title for all improvements and assets of

the District to the City for the sum of one dollar (\$1.00). The Board of Directors of District shall during year 30, initiate proceedings to dissolve the District pursuant to the District Reorganization Act or as it may be amended.

Additionally, District agrees to cause the size of the waterline to be installed in Thompson Avenue, in Congress Valley Road, from Thompson Avenue to Old Sonoma Road, and in Old Sonoma Road, from Congress Valley Road easterly to City's corporate boundary (to the extent that the waterline will be replaced) to be installed as 12-inch waterline. This is herein referred to as the oversized waterline.

Additionally, District will allow City to "wheel" water through said waterline at no additional compensation.

13. BACKFLOW PREVENTION: District agrees to require its water service customers to comply with City's backflow prevention device program.

14. ASSIGNMENTS. No assignment of this Agreement or of any right or obligation of any part hereunder, in whole or in part, can be made without the express written consent of all parties hereto, which consent shall not be unreasonably withheld.

15. MODIFICATIONS. Modification to this Agreement shall be specific amendment, executed by all parties hereto.

16. APPLICABLE LAW. The law of California then existing shall govern the interpretation of this Contract.

17. NOTICES. All notices required under this Contract shall be sent to:

City of Napa

P.O. Box 660

Napa, CA 94559

Congress County Water District

P.O. Box 3023

Napa, CA 94558

CITY OF NAPA,
a municipal corporation

CONGRESS COUNTY WATER DISTRICT,
a County Water District

By: Brad Weyer
MAYOR

By: Robert A. Oslak
PRESIDENT

ATTEST:

ATTEST:

Pamela Means
CITY CLERK

Dorothy L. Strick
SECRETARY

APPROVED AS TO FORM:

Joe Oran
CITY ATTORNEY

R. Hyz Rocho
CONGRESS COUNTY
WATER DISTRICT ATTORNEY

COUNTERSIGNED:

[Signature]
CITY AUDITOR

Paul A. King
DISTRICT AUDITOR

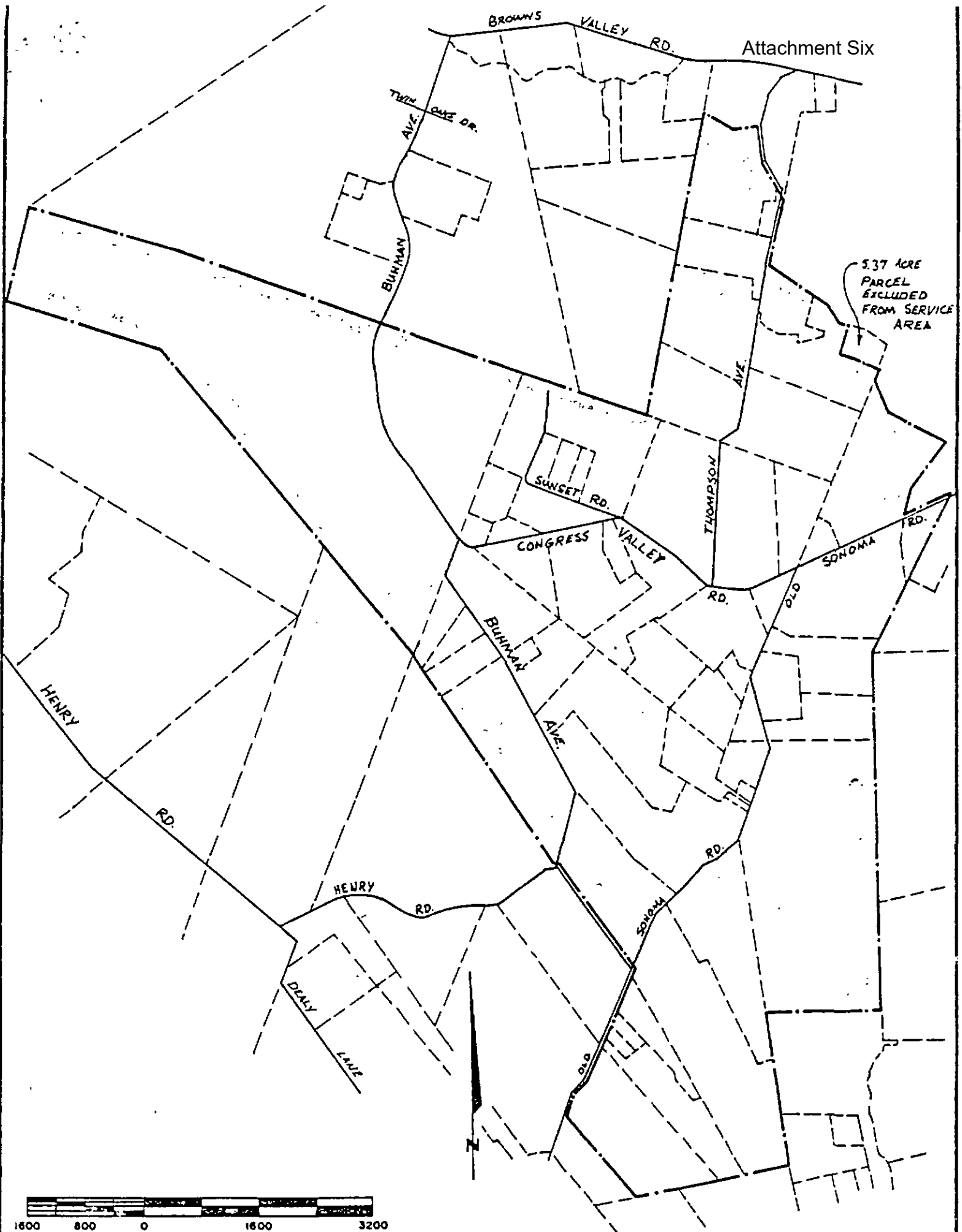


EXHIBIT "B"

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DATE JUN 9/03/87
TIME JUN 11:51:20

FORMATTED QUERY LISTING FOR FILE TAXYST ABALIB Attachment Six

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TOTAL # RECORDS PRINTED 101

CONGRESS VALLEY WATER DISTRICT
 P.O. BOX 3023
 NAPA, CALIFORNIA 94558

NOTICE OF DETERMINATION

TO: (X) OFFICE OF PLANNING AND RESEARCH (X) COUNTY CLERK
 1400 TENTH STREET, ROOM 121 COUNTY OF NAPA
 SACRAMENTO, CA. 95814

PROJECT TITLE: Waterline Rejuvenation FILE # _____
 (SCH# 85120302)

PROJECT DESCRIPTION AND LOCATION:

The 1,330 acre District is applying for \$1,000,000 from the 1984 Safe Drinking Water Bond Fund for the replacement of in excess of 20,000 feet of 35 year old two inch (+) galvanized iron pipe. The existing lines would be replaced with eight inch, six inch and 12 inch diameter waterlines. The project also calls for the placement of at least 60 water services and 10 fire hydrants. It lies along Congress Valley and Old Sonoma Roads 1/2 mile southwest of the City of Napa.

THIS IS TO ADVISE THAT THE BOARD OF DIRECTORS HAS APPROVED THE PROJECT AND MADE THE FOLLOWING DETERMINATIONS ON January 22, 1986.

1. THE PROJECT () WILL, (X) WILL NOT HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT.
2. AN () ENVIRONMENTAL IMPACT REPORT, (X) NEGATIVE DECLARATION WAS PREPARED FOR THIS PROJECT PURSUANT TO THE PROVISIONS OF CEQA. A COPY OF THIS DOCUMENT MAY BE EXAMINED AT THE OFFICE OF THE NAPA COUNTY CONSERVATION, DEVELOPMENT AND PLANNING DEPARTMENT.
3. A STATEMENT OF OVERRIDING CONSIDERATIONS () WAS, (X) WAS NOT ADOPTED FOR THIS PROJECT.

CONTACT PERSON: _____ CHUCK W. SHINNAMON
 (707) 252-3301

BY Robert a Osterberg
 ROBERT OSTERBERG, President

DATE: 22 Jan 86

COUNTY OF NAPA
 CONSERVATION, DEVELOPMENT AND PLANNING DEPARTMENT
 1195 Third St., Rm. 210
 Napa, California 94559
 (707) 253-4416/4376

INITIAL STUDY

PROJECT NAME: Congress County Water District
FILE NO: Waterline Revitalization Project

PROJECT DESCRIPTION: The 1,330 acre District is applying for \$1,000,000 from the 1984 Safe Drinking Water Bond Fund for the replacement of in excess of 20,000 feet of 35 year old two inch (+) galvanized iron pipe. The existing lines would be replaced with eight inch, six inch and 12 inch diameter waterlines. The project also calls for the placement of at least 60 water services and 10 fire hydrants. It lies along Congress Valley and Old Sonoma Roads 1/2 mile southwest of the City of Napa.

JURISDICTIONAL BACKGROUND:

Public Plans and Policies

Based on an initial review completed by the Environmental Protection Section, the following findings were made for the purpose of the Initial Study and do not constitute a final finding by the County in regard to the question of consistency.

	YES	NO	N/A
Is the project consistent with:			
a) Regional and Subregional Plans and Policies?	<u>X</u>	---	---
b) LAFCOM Plans and Policies?	<u>X</u>	---	---
c) The County General Plan?	<u>X</u>	---	---
d) Appropriate City General Plans?	<u>X</u>	---	---
e) Adopted Environmental Plans and Goals of the Community?	<u>X</u>	---	---
f) Pertinent Zoning?	<u>X</u>	---	---

Responsible Agencies

Napa County Division of Environmental Health
 Napa County Department of Public Works
 City of Napa

ENVIRONMENTAL SETTING: Steeply to moderately sloping area (slopes typically 5 - 30%) between an elevation of 100' and 480' MSL. Located ~~west~~ east of the Sonoma notch between Browns Valley and Carneros areas. Foundation material consists of Sonoma Volcanic Series, Domengine sandstone, mudstones and siltstones overlain by soils of shallow alluvium. The project is located within the West Napa Fault Zone. A few landslides have been noted in the hilly portions. Portions of the project lie within the designated floodplain of Carneros Creek. Vegetative cover is primarily grassland and agricultural uses. Existing land uses include scattered single-family residences, vineyards and livestock raising. Surrounding land uses include dense residences easterly in City of Napa, vineyards of the Carneros application southerly and westerly, a wooded ridge and suburban Browns Valley northerly.

Initial Study
Page 2

ENVIRONMENTAL EFFECTS:

Normally Significant Individual Impacts

YES	NO	
	<u>X</u>	(Geology)
<u> </u>		1. Exposure of new site users to substantial life and/or property hazards from geologic processes (eg., severe settlement, sliding, faulting, intense seismically induced ground shaking, seismically-induced ground failures, etc.).
<u> </u>	<u>X</u>	2. Exposure of existing area occupants to substantially increased life and/or property hazards from geologic processes.
<u> </u>	<u>X</u>	3. Damage, destruction or burial of any unique or scientifically important geologic or geomorphologic feature.
	<u>X</u>	(Meteorology)
<u> </u>		4. Substantial modification of climatic or microclimatic conditions (eg., temperature, rainfall, wind, shadow patterns, etc.).
	<u>X</u>	(Hydrology)
<u> </u>		5. Exposure of new site users to substantial life and/or property hazards from flooding (eg., stream flooding, tsunamis, seiches, dam or levee failure, etc.).
<u> </u>	<u>X</u>	6. Exposure of existing area occupants to substantially increased life and/or property hazards from flooding.
<u> </u>	<u>X</u>	7. Substantial temporary construction period increase in erosion and/or sedimentation.
<u> </u>	<u>X</u>	8. Substantial permanent increase in erosion and/or sedimentation.
<u> </u>	<u>X</u>	9. Substantial depletion of groundwater resources or significant interference with groundwater recharge.
	<u>X</u>	(Water Quality)
<u> </u>		10. Substantial degradation of the quality of waters present in a stream, lake, or pond.
<u> </u>	<u>X</u>	11. Substantial degradation of the quality of groundwater supplies.
<u> </u>	<u>X</u>	12. Substantial contamination of a public or private water supply.
	<u>X</u>	(Air Quality)
<u> </u>		13. Exposure of new site users to substantial health hazards from breathing polluted air.
<u> </u>	<u>X</u>	14. Exposure of existing area occupants to substantially increased health hazards from breathing polluted air.
<u> </u>	<u>X</u>	15. Substantial degradation of local or regional air quality.
<u> </u>	<u>X</u>	16. Exposure of new site users or existing area occupants to annoyance from dust and/or highly objectionable odors.
	<u>X</u>	(Noise)
<u> </u>		17. Exposure of new site users to health hazards from noise levels in excess of those recognized as necessary to protect public health and welfare.

* Mitigated (see Mitigation Measures below)

o Cumulatively Significant Only

Initial Study
Page 3

- | YES | NO | |
|--------------------|--------------|--|
| <u> </u> | <u> X </u> | * 18. Exposure of existing area occupants to health hazards from noise levels in excess of those recognized as necessary to protect public health and welfare. |
| <u> </u> | <u> X </u> | * 19. Exposure of people to high construction noise levels for substantial periods of time. |
| <u> </u> | <u> X </u> | 20. Exposure of existing area occupants to annoyance from substantially increased ambient noise levels. |
| (Ecosystem) | | |
| <u> </u> | <u> X </u> | 21. Substantial reduction in the number of a rare or endangered species of plant or animal or damage or restriction of the habitat of such a species. |
| <u> </u> | <u> X </u> | 22. Destruction of or substantial damage to a unique, scarce, or particularly productive biological area (eg., marshes, riparian galleries, vernal pools, etc.). |
| <u> </u> | <u> X </u> | 23. Substantial reduction in habitat for plants, fish, and/or wildlife. |
| <u> </u> | <u> X </u> | 24. Substantial modification in the number or diversity of plant or animal species present. |
| <u> </u> | <u> X </u> | 25. Substantial interference with the movement of a resident or migratory fish or wildlife species. |
| (Social) | | |
| <u> </u> | <u> X </u> | 26. Disruption or division of an established community. |
| <u> </u> | <u> X </u> | 27. Displacement of a large number of people. |
| (Aesthetic) | | |
| <u> </u> | <u> X </u> | 28. Blockage or substantial degradation of important public or private views. |
| <u> </u> | <u> X </u> | 29. Exposure of new site users or existing area occupants to annoyance from increased nighttime light levels or glare. |
| <u> </u> | <u> X </u> | 30. Creation of a litter problem. |
| (Cultural) | | |
| <u> </u> | <u> X </u> | * 31. Destruction of or substantial damage to a recognized archaeological site. |
| <u> </u> | <u> X </u> | 32. Destruction of or substantial damage to the historical character of a recognized historical structure, facility, or feature. |
| <u> </u> | <u> X </u> | 33. Elimination of or conflict with the established recreational, educational, religious, or scientific uses of the project site or surrounding properties. |
| (Traffic) | | |
| <u> </u> | <u> X </u> | 34. Exposure of new site users to substantial life and/or property hazards from traffic accidents. |
| <u> </u> | <u> X </u> | 35. Exposure of the existing users of the roads providing access to the project site to substantially increased life and/or property hazards from traffic accidents. |
| <u> </u> | <u> X </u> | 36. Exposure of the users of the roadways providing access to the project site to annoyance from noticeably increased traffic congestion. |

Initial Study
Page 4

YES NO

___ X 37. Increase in traffic on the roadways providing access to the project site which is substantial in relation to the existing traffic load and capacity of the street system.

___ X 38. Creation of a substantial local parking problem.

(Energy)

___ X 39. Increase in the demand for energy which is substantial in relation to the existing energy demands of the area.

___ X 40. Creation of a facility or development which will use fuel or energy in a wasteful manner.

___ X 41. Creation of a facility or development which will use substantially higher than average amounts of fuel or energy for transportation purposes.

(Public Health)

___ X 42. Exposure of new site users to substantial health hazards from contaminated drinking water, inadequately treated sewage and/or insect or rodent pests.

___ X 43. Exposure of existing area occupants to substantially increased health hazards from contaminated drinking water, inadequately treated sewage and/or insect or rodent pests.

___ X 44. Exposure of new site users to substantial life and/or property hazards from fire.

___ X 45. Exposure of existing area occupants to substantially increased life and/or property hazards from fire.

___ X 46. Exposure of new site users to substantial life and/or property hazards from air crashes.

___ X 47. Exposure of existing area occupants and/or existing air or heliport users to substantially increased life and/or property hazards from air crashes.

___ X 48. Exposure of new site users or existing area occupants to substantial annoyance from insect or rodent pests.

(Community Services)

___ X 49. Increase in the demand for a community service (eg., sewer, water, fire protection, schools, etc.) which is substantial in relation to the currently existing uncommitted capacity of the agency involved to provide such a service.

(Commercial Resources)

___ X 50. Perclusion of the development of aggregate, rock product, or mineral resources of current or potential importance.

___ X 51. Removal of a substantial amount of agricultural or grazing land from current or potential production.

(Fiscal)

___ X 52. Creation of a development to which it would cost the community substantially more to provide services than it would return in taxes.

(Growth Induction)

___ X * 53. Induction of substantial residential, commercial, or industrial development.

Mandatory Findings of Significance

	YES	NO
Does the project:		
a) Have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory?	—	<u>X</u>
b) Have the potential to achieve short-term, to the disadvantage of long-term, environmental goals?	—	<u>X</u>
c) Have possible environmental effects which are individually limited but cumulatively considerable?	—	<u>X</u>
d) Have environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly?	—	<u>X</u>

Impact Discussion (Optional)

- a) From a hydraulic analysis perspective, the waterlines are sized to handle design fire flows rather than sized for domestic flows. For example a comparison of 60 homes at the end of 5000 foot run of line vs. a normal fire flow (at a 60 psi pressure drop) would yield say 250 gpm vs. 1000 gpm and approximately a 4 inch line vs. a 8 inch line, respectively.
- b) In the tentative agreement with the City on a long term water supply contract, the District has agreed that the only parcels eligible for service are those existing at the date the contract is signed and only newly created parcels if they are 40 acres or more in size.
- c) The zoning of the area is AW in which any new parcel would have to be a minimum of 40 acres in size.
- d) The County's General Plan provides for a County-wide growth rate of 1% per year.

MITIGATION MEASURES:Included By Applicant As Part of Project

See Attachment 1

Identified By This StudyDETERMINATION:

Agency Staff Participating in the Initial Study:

Resource Evaluation:	_____ JAMES O'LOUGHLIN _____	Date: <u>Oct. 10, 1985</u>
Site Review By:	_____	Date: _____
Planning/Zoning Review By:	_____	Date: _____

Initial Study
Page 6

On the basis of this preliminary evaluation:

_____ I find that the project COULD NOT have a significant effect on the environment, and adoption of a NEGATIVE DECLARATION is recommended.

 X I find that although the proposed project could have a significant effect on the environment, there will not be a significant effect in this case because the mitigation measures described above have been added to the project. Adoption of a MITIGATED NEGATIVE DECLARATION is therefore recommended.

_____ I find the proposed project MAY have a significant effect on the environment, and an ENVIRONMENTAL IMPACT REPORT is required.

DATE: _____ BY: JAMES O'LOUGHLIN

ATTACHMENT 1
Mitigation Measures for Congress County
Waterline Revitalization Project

NOISE

1. Limitation of all construction activities proposed to weekdays between 7:30 A.M. and 5:30 P.M.
2. Installation or reinstallation as needed of the state-of-the-art muffler systems required by current law on the construction equipment used. Proper maintenance of said muffler systems shall be provided.
3. Requiring proper maintenance of the construction equipment including mufflers.
4. Selection of construction techniques, staging plans, and equipment designed to produce a minimum amount of noise.
5. Existing truck roads, tractor trails and stream crossings shall be used during the operation to maximum extent possible.

ARCHAEOLOGY

6. For the site NAP516, a testing procedure of borings should be undertaken along the route of the proposed waterline prior to preparation of the construction drawings. These borings would aid in assessing the areal and vertical dimensions of the site only in its relation to proposed waterline location. A sample surface collection should also be made in the area. The surface material should then be compared to material recovered from the borings. If ~~no~~ archaeological materials are found, the District may relocate the proposed waterline to a different route that is found not to contain archaeological materials; or, at its discretion, the District may retain the services of an archaeologist to perform a salvage excavation if the materials are deemed important enough; or the District could retain the services of an archaeologist to be present during the excavation of the trench to assure that any archaeological material or human remains would be handled properly in the event they were discovered during the trenching.

If no materials are found during the testing along the proposed route, all construction shall be ceased only if any archaeological materials are found during excavation. Work could not recommence until a qualified archaeologist has reviewed the materials and developed an appropriate mitigation to cover these materials.

7. Inasmuch as spoils at site ARS 80-18-2 were found under previous testing to have minimal significance, the following shall be the only mitigation measure required. If any archaeological materials are discovered in the course of excavation in the vicinity of site ARS 80-18-2 all work shall stop until such time as a qualified archaeologist is retained to review the material and come up with an appropriate mitigation measure.

HYDROLOGY

8. Restriction of all ground disturbing activities (i.e., grading in areas off improved roads) to the dry season between April 15 and October 15.

9. Replanting of all areas disturbed by grading and construction activities prior to the beginning of the rainy season (by Mid-October) to the satisfaction of the Resource Conversation District. It is recommended that topsoil be stockpiled to be redistributed on cut and fill slopes for more successful revegetation efforts.
10. Use for West Napa Fault crossing and slide area crossing the same techniques as City of Napa, i.e. restrained joint, metal waterline through the risk area crossing as shown on attached sketch.
11. Preliminary design of the project shall be reviewed with the County Public Works Department to assure structural integrity of the County Roads and the traveling safety of the general public during construction.
12. Construction within the County Roads right-of-way shall be under the terms of an encroachment permit issued by County Public Works Department.

4 Dec 1985
DATE

Robert A Osterberg
ROBERT OSTERBERG
President

RESOLUTION NO. 67
BOARD OF DIRECTORS
OF THE
CONGRESS VALLEY WATER DISTRICT

A RESOLUTION APPROVING CONDITIONS OF APPROVAL FOR
THE CARNEROS MUTUAL WATER COMPANY
PROPOSED CONNECTION AND PIPELINE EXTENSION

WHEREAS, on January 4, 2018, through legal counsel Kevin Block, the Carneros Mutual Water Company ("CMWC") requested approval of a connection to the Congress Valley Water District (the "District") system to enable the City of Napa to wheel water through the District's pipes to CMWC (letter request attached hereto as **Exhibit A**); and

WHEREAS, the Board of Directors of the District has worked with District Counsel and received input from CMWC counsel in order to prepare a conditional approval for the proposed connection and pipeline extension;

NOW THEREFORE, the Board of Directors of the District hereby resolves as follows:

Section 1: All of the recitals set forth above are true and correct, and this Board of Directors hereby so finds and determines.

Section 2: The District hereby approves of the Conditions of Approval attached hereto as Exhibit B.

Section 3: This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED by the Board of Directors of the Congress Valley Water District, State of California, this 10th day of December, 2018, by the following vote:

AYES: Directors *Edi Namroni, Roland Cavanaugh,*
Erk Erickson, Renee Siread

NOES:

ABSENT: *Director Peter Edridge*



Peter Edridge, President

Roland Cavanaugh, Vice President

Attest:

Acting Clerk:




Kiersten Bjorkman

Approved as to form:

DISTRICT COUNSEL

December 10, 2018



Priscillia de Muizon

EXHIBIT A
to CVWD Resolution

January 4, 2018 letter request from Meyer Block
Re : Carneros Mutual Water Company



January 4, 2018

Cindy Colo, President
Peter Edridge, Vice President
Roland Cavanagh
Richard Nominni
Erik Erickson
Board of Directors
Congress Valley Water District
P.O. Box 3023
Napa, CA 94558

Re: Carneros Mutual Water Company

Dear Board Members:

I am writing on behalf of Carneros Mutual Water Company ("CMWC") to request your approval of a connection to the Congress Valley Water District ("CVWD") distribution system. The connection will enable the City of Napa to wheel water through CVWD pipes to CMWC for distribution to the mutual water company's shareholders. The project will be carried out at no cost to CVWD and will have no negative impact on its operations or infrastructure. As described in this letter, the project will in fact benefit CVWD by increasing system reliability and improving water quality.

A. Mutual Water Company

CMWC is a nonprofit mutual water company created under California Corporations Code §§ 14300 *et seq.* It supplies water to the 28-acre Carneros community ("Service Area") (Exhibit A), which consists of 24 single family homes, 17 fractional ownership homes, and a resort hotel. CMWC's shareholders are the owners of parcels within its Service Area.

By law, the right to receive water from CMWC is appurtenant to the land, meaning that it transfers to the new owner whenever a Service Area parcel is sold. CMWC may not supply water, and its shareholders may not use CMWC water, outside the

Congress Valley Water District
January 4, 2018
Page Two

Service Area. The right to receive water from CMWC may not be sold or transferred separately from the ownership of Service Area parcels.

CMWC operates a public water system regulated under state and local law. It relies primarily on groundwater from two wells located on the resort's property. Its water distribution system includes a state-of-the-art water recycling plant and other water conservation technology, and it has implemented rigorous water conservation practices.

Groundwater quality in the Service Area is not ideal for domestic use because of high levels of iron, magnesium, sodium and other elements, which affect taste, corrode pipes and stain clothing. For that reason, and because demand for groundwater from the Carneros aquifer exceeds supply, extracting more groundwater is not feasible or desirable.

B. Trucked Water

In 2008, CMWC began purchasing water from the City of Napa through a nearby hydrant and trucking it on site to supplement and blend with its groundwater supply. CMWC purchased between 13 and 15 acre feet of water from the City during each of the past two years.

In 2014, at the County's request, the new owners of the Carneros Resort agreed to search for ways to get the water trucks off the road. After extensive investigation, the parties agreed that the best solution is for CMWC to purchase water from the City of Napa by extending an existing underground water line, which currently terminates approximately 2,700 feet from the boundary of CMWC's Service Area (Exhibit A). The extended line will be located entirely within the County right of way.

C. The Proposed Extension

CMWC proposes to construct the extension at its own expense as a private water line. Because it will be private, no other users will be entitled to connect to the line without CMWC's consent. To alleviate fears that the extension will be growth-inducing, CMWC has offered to encumber the line with a "no connect" covenant, which would run with the land and preclude third party connections to the extension.

Congress Valley Water District
January 4, 2018
Page Three

CMWC is asking the City of Napa for the right to purchase 38 to 48 acre feet of water per year ("AFY") at outside commercial rates for a term of 50 years. This range is consistent with CMWC's use since 2014, plus a small margin (about 5 AFY) to accommodate a potential increase in resort occupancy rates over the agreement's lifespan.

D. CVWD Benefits

According to the attached Technical Memorandum from City of Napa Public Works engineers (Exhibit B), the proposed extension will not have any negative impact on the CVWD water system. In fact, the project has multiple benefits for CVWD, its ratepayers and Carneros residents.

First, the extension will enable water to consistently flow through the existing main on Old Sonoma Road, preventing water from aging in that long dead-end pipe, resulting in fresher, better quality water for all users.

Second, CMWC has agreed to pay one half the City's cost of a new water storage tank in the Browns Valley pressure zone, up to \$1.75 million. The new tank will increase emergency storage, redundancy and system reliability.

Third, switching CMWC to a municipal water supply will relieve significant stress on the Carneros aquifer by eliminating the need of the largest groundwater user to extract groundwater.

Fourth, the switch to municipal water will remove CMWC's water trucks from the road. An underground pipe, as opposed to trucks, is the environmentally superior means of delivering water to the CMWC Service Area.

Fifth, CMWC has agreed to provide 0.7 acres of land within its Service Area to the Napa County Fire Department for a fire station, and to serve the station with water through its extended pipeline. According to Chief Barry Biermann, the new station will significantly enhance his department's ability to serve the Carneros region.

Congress Valley Water District
January 4, 2018
Page Four

E. Conclusion

The proposed pipeline extension will cost Congress Valley Water District nothing, will have no negative impact on its system, and will only benefit the District and its constituents. Carneros Mutual Water Company respectfully requests the Board to approve the connection.

Sincerely,



Kevin P. Block

cc: Priscillia de Muizon
Phil Brun

EXHIBIT A

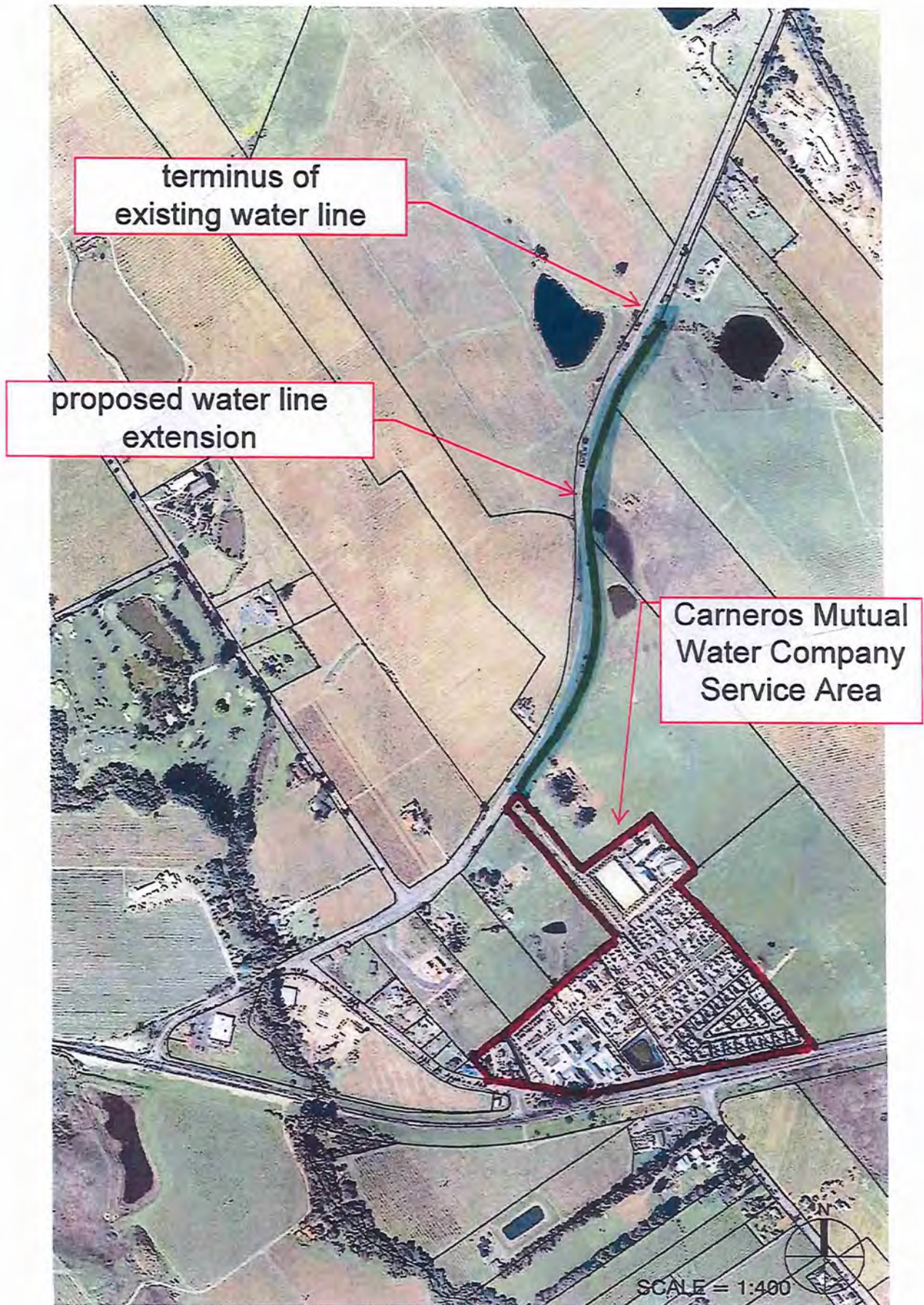


EXHIBIT B



TECHNICAL MEMORANDUM

TO: Phil Brun, Deputy Director of Public Works - Operations

FROM: Doug De Master, P.E., Associate Engineer - Water Division

DATE: January 2, 2018

SUBJECT: Hydraulic Impact of Carneros Inn Mutual Water Company (CIMWC) Connection on Congress Valley Water District (CVWD)

PURPOSE

The Carneros Inn Mutual Water Company (CIMWC) has requested a wholesale water agreement with the City of Napa Public Water System (the City). The closest pipeline is at the southwest end of the existing 8-inch CVWD water main at 5074 Old Sonoma Rd. Water provided at this location would pass through the Congress Valley Water District (CVWD) pipelines. This Technical Memorandum is provided to describe the predicted hydraulic impact to CVWD should CIMWC connect at this location.

SUMMARY

The proposed connection by Carneros Inn Mutual Water Company (CIMWC) to the City of Napa Public Water System (the City) will have a slight, but hydraulically insignificant impact on pressures and pipeline velocities in the Congress Valley Water District (CVWD). The proposed connection will have positive impacts on water quality in CVWD by decreasing water age and on system reliability by contributing to tank storage.

EXISTING CONDITIONS

CVWD is in Pressure Zone 4B of the City of Napa Water System (Figure 1). This zone includes parts of Browns Valley and is served by a single one-million-gallon tank ("B" Tank on Montana Dr), and two pump stations—Browns Valley Pump Station (BVPS) and Alston Pump Station (APS). Zone 4B has an average daily water consumption of 952,000 gallons, with CVWD comprising about 62,000 gallons of that consumption (based on meter data for 2013). CIMWC would add about 36,000 gallons, or 3.8%, to the Zone 4B daily demand.

HYDRAULIC MODEL – DEMANDS AND CONSUMPTION

The City's model uses consumption data from 2013, because this data represents relatively recent conditions and development, without being impacted by unusually low consumption due to the recession or recent droughts. The model is developed with the InfoWater software from Innovyze, Inc., an industry standard.

The City determines Average Day Consumption in the hydraulic model by spatially locating a year's worth of customers' metered usage as recorded in the City's billing system. Consumption for several customers is summed up and grouped at "nodes" throughout the system. For example, the 99 accounts for the Congress Valley Water District are distributed among 34 nodes in the hydraulic model.

Maximum Day Demand and Peak Hour Demand are calculated from pumping rates and tank level changes throughout the system. This data is continuously collected by the City's Operational Control system. These values are then compared to the City's Average Day Demand as calculated from the same pumping and tank level data, resulting in Maximum Day and Peak Hour Factors. The Maximum Day Factor is the ratio between Maximum Day and Average Day Demand. The Peak Hour Factor is the ratio between Peak Hour and Average Day Demand.

These factors are then applied to the meter data used for the Average Day Demand values in the model to determine Maximum Day and Peak Hour Demands for the model. The model uses a Maximum Day Demand Factor of 2.0 and a Peak Hour Demand Factor of 3.6, so the ratio of Peak Hour to Maximum Day is 1.8 ($3.6 / 2.0$). These same Factors are used for all areas of the City, and were used in this analysis for the CIMWC demands.

CIMWC

CIMWC reported a Maximum Day consumption of 77,657 gallons in 2016, which is equivalent to 54 gallons per minute (gpm). For purposes of this hydraulic analysis, CIMWC Peak Hour consumption is estimated to be 97 gpm, based on the standard methods the City uses to calculate Peak Hour Demands, as described above in the Hydraulic Model section, using the 1.8 ratio of Peak Hour to Maximum Day. $54 \text{ gpm} * 1.8 = 97 \text{ gpm}$.

While 2013 consumption is used in this hydraulic analysis for CVWD and for the rest of the City water system, 2016 consumption is used for CIMWC, partly because 2013 data was not available for CIMWC. Also, the 2016 data represented the highest consumption level among the CIMWC data available (2014-2016), and was therefore considered to result in a reasonably conservative analysis.

HYDRAULIC ANALYSES

The following hydraulic analyses were conducted to compare current conditions within CVWD to expected conditions after the proposed connection by CIMWC.

- Peak Hour Demand
- Fire Flow with Maximum Day Demand
- Water Age with Low Demand
- Storage

This study was completed using the City's previously-developed and calibrated hydraulic model, which is routinely used to study system pressures, development impacts, and fire flow requirements.

PEAK HOUR DEMAND

The peak hour demand analysis calculates pressures and pipeline velocities that are expected during the highest one-hour demand period of the day and year. This demand level is calculated for the entire Pressure Zone 4B from pump station data and from the change in tank levels recorded by the City. As shown in Figure 2, the impact of a future CIMWC connection on pressures and pipeline velocities in CVWD during peak hour demand conditions are insignificant.

FIRE FLOW

The City's standard fire flow analysis procedure examines how the use of water to fight a fire impacts system pressure, water storage, and pipeline velocity. Analyses are conducted with a conservative, worst-case scenario approach, as is the industry standard. The simulated conditions consider a fire occurring on the year's Maximum Demand Day, with the tanks about half full. In the case of Zone 4B, one of the two pump stations is considered to be out of service.

This study analyzes the impact of CIMWC's Maximum Day domestic and commercial consumption on the fire flow impacts to CVWD. CIMWC would not rely on the proposed connection to the City for fire flow, as CIMWC has available non-potable water sources for fire flow, such as recycled water. Therefore, the fire flow analysis conducted for this study accounts for CIMWC domestic and commercial consumption only.

The City requires that during fire flow conditions, residual pressures of 20 psi are maintained throughout the system, and pipeline velocities do not exceed 10 feet per second.

With the CIMWC connection, pressures during a 1,000 gpm Fire Flow are expected to be 1 to 2 psi lower on Thompson Rd, Sunset Rd and Congress Valley Rd, and on the northern portion of Old Sonoma Road (Figure 3). On the southern portion of Old Sonoma Road, residual pressures during Fire Flow are more affected by the CIMWC demand, with pressures being 5 to 9 psi lower, but still above the City's required minimum pressure of 20 psi.

Figure 4 shows the Design Fire Flow, which represents the maximum flow that can be expected in a water main while maintaining the minimum 20 psi throughout the system. These flows include any domestic non-Fire Flow demand as well as the expected Fire Flow. The lower Design Fire Flows shown in Figure 4 represent the impact of the proposed CIMWC connection. All Design Fire Flows meet the same City Fire Flow requirements with the proposed CIMWC connection as without the connection.

PIPELINE VELOCITIES

The City's water system is designed to ensure that maximum pipeline velocities do not put undue stress on the pipelines. The City recommends that pipeline velocities under average operational conditions not exceed 5 feet per second, under peak hour conditions do not exceed 7 feet per second, and under fire flow conditions do not exceed 10 feet per second.

The CIMWC connection would not result in pipeline velocities greater than 2 feet per second during either average or peak hour conditions.

Under fire flow conditions, the CIMWC connection would result in maximum pipeline velocities along Old Sonoma Road increasing by about 0.35 feet per second due to the added demand at CIMWC. In no case would velocities during fire flows exceed 7 feet per second, always well below the City's 10 fps maximum limit.

WATER AGE

The addition of CIMWC consumption would result in a more consistent flow of water through the CVWD pipelines, thereby decreasing water age and increasing water freshness. While water age varies greatly throughout CVWD depending on time of year, variable usage patterns, and specific customer locations, the age of the water reaching CVWD customers would be significantly reduced, especially on the southwest end of Old Sonoma Road, which is at the end of a 7,600-foot 8-inch pipeline. This pipeline holds approximately 20,000 gallons, but customers along this line currently only use about 11,000 gallons a day—less in the winter. Additional water usage by CIMWC at the end of this line would help to provide fresh water every day.

STORAGE

Pressure Zone 4B currently has a single one-million-gallon tank. Standard water storage recommendation for the zone is 2.44 million gallons. CIMWC will be contributing to the City's existing plans to increase storage in this zone.

The standard storage requirement for a pressure zone is equal to the Maximum Day Demand in that zone, plus that zone's most stringent fire flow requirement. For Zone 4B, the Maximum Day Demand is 1.9 million gallons, and the most stringent fire flow requirement (for Browns Valley Elementary School) is to provide 3,000 gpm for 3 hours, or 540,000 gallons, for a total of 2.44 million gallons. The City is currently able to provide adequate fire flow to Zone 4B with the combination of the existing one-million-gallon B Tank and pumping capacity from the two pump stations that provide water to the zone, along with the 4-million-gallon A Tank at Alston Park, which is just outside of Zone 4B.

The City plans to construct an additional 2-million-gallon tank within Zone 4B to meet the fire flow requirement with in-zone storage, providing additional redundancy in case of emergency. For example, a recent water main break on Browns Valley Road caused the B Tank water level to drop from 24 to 6 feet in less than 2 hours, and caused a 50% pressure drop in some areas of Zone 4B. The additional tank would limit such a tank-level drop to less than half of this recent event, helping to maintain pressures during emergencies.

CIMWC METER SIZE AND SERVICE SIZE

Based on a projected peak-hour demand of 97 gpm, the City would recommend a 2-inch Ultrasonic Meter for CIMWC. This meter is rated for continuous flows of 0.50 gpm to 160 gpm.

The proposed CIMWC metered connection to the end of the CVWD pipeline is approximately 2,700 feet from the Carneros customers that would be served by this connection. As shown in the table below, a 2,700-foot, 2-inch pipeline cannot deliver the peak hour flows. Therefore, to transport the water from this connection to the CIMWC customers, CIMWC will likely need to install a pipeline that is at least 4 inches in diameter.

CIMWC Pipe Size (inches)	Water Demand Conditions	CIMWC Demand (gpm)	CIMWC Pressure (psi)	Pipeline Velocity (fps)
2	Maximum Day	54	36	5.5
4	Maximum Day	54	116	1.4
2	Peak Hour	97	-120	9.6
4	Peak Hour	97	103	2.5

CONCLUSIONS

The proposed connection by Carneros Inn Mutual Water Company (CIMWC) to the City of Napa Public Water System (the City), with water wheeled through Congress Valley Water District (CVWD) pipelines, will have a slight, but hydraulically insignificant impact on pressures and pipeline velocities in CVWD. The proposed connection will have a positive impact on water quality in CVWD by decreasing water age. The proposed connection will also have a positive impact on system reliability during emergencies by contributing to additional tank storage within the zone. The proposed connection is well within the City's current operating requirements and ability to serve, and will cause no detrimental impact to CVWD.

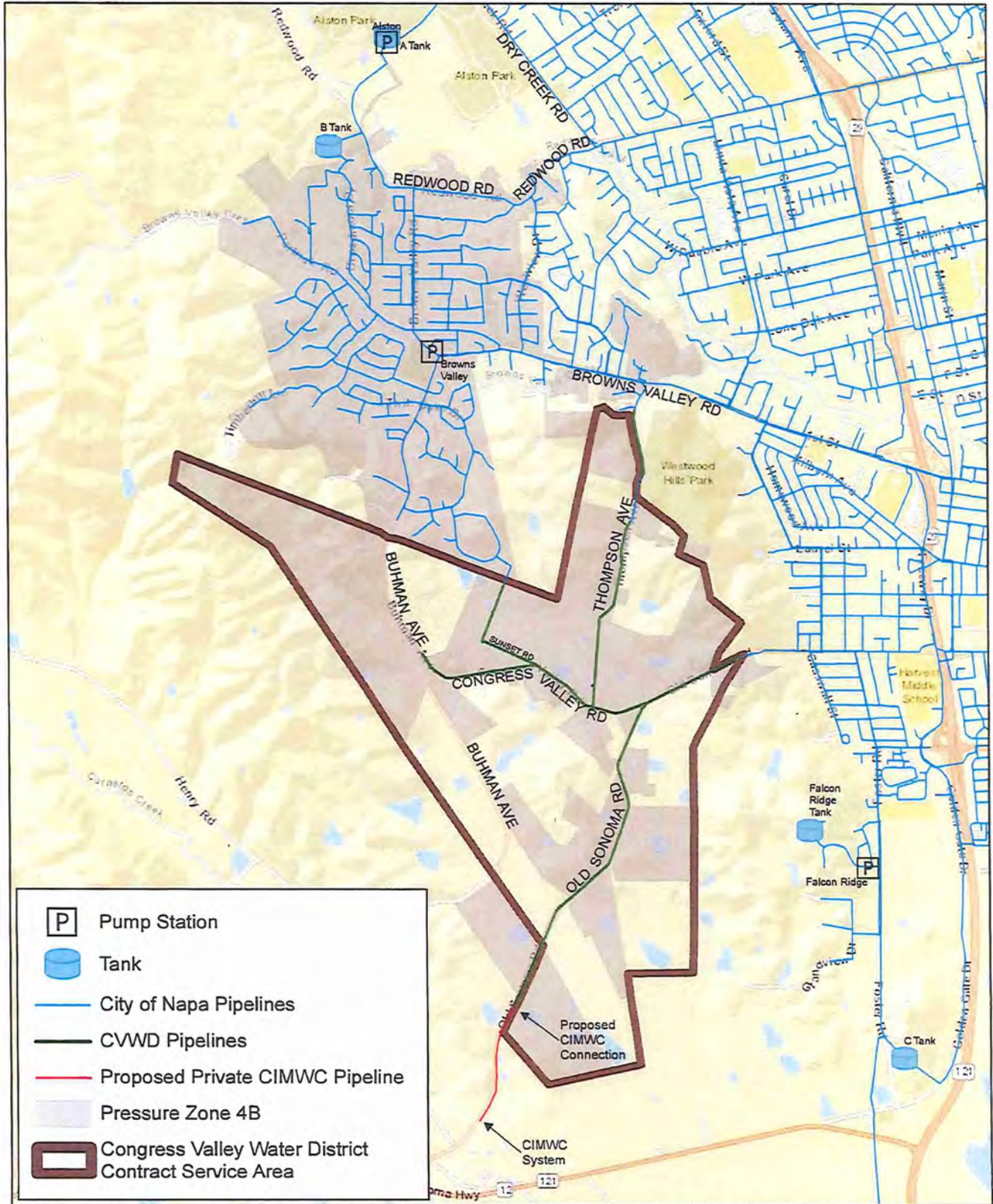


Figure 1: City of Napa Water System Pressure Zone 4B and Congress Valley Water District



0 5,000 Feet



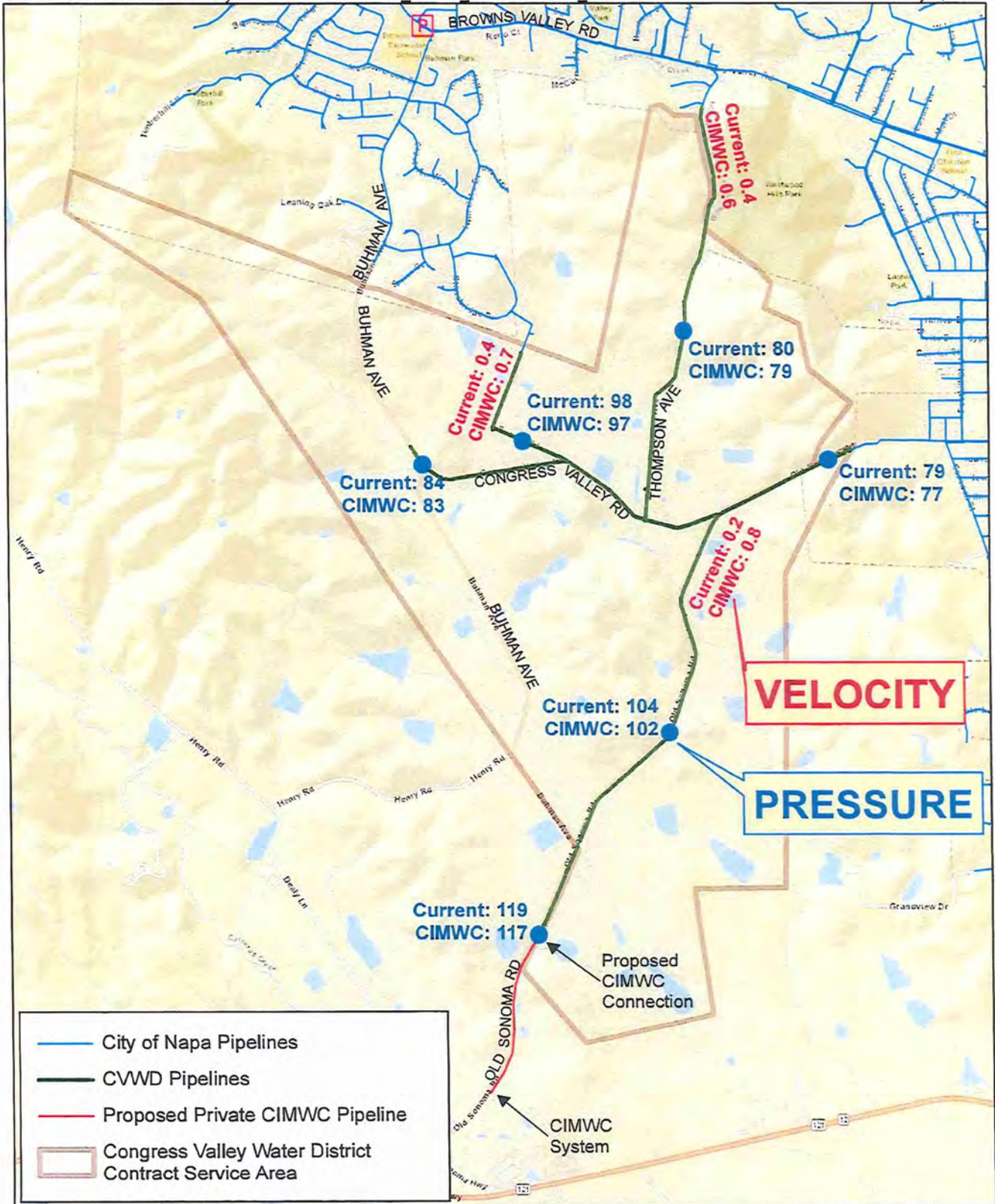


Figure 2: Pressure and Velocity During Peak Hour Water Usage
 Pressure (psi) and Velocity (fps) Without ("Current") connection and With ("CIMWC")
 by Careros Inn Mutual Water Company



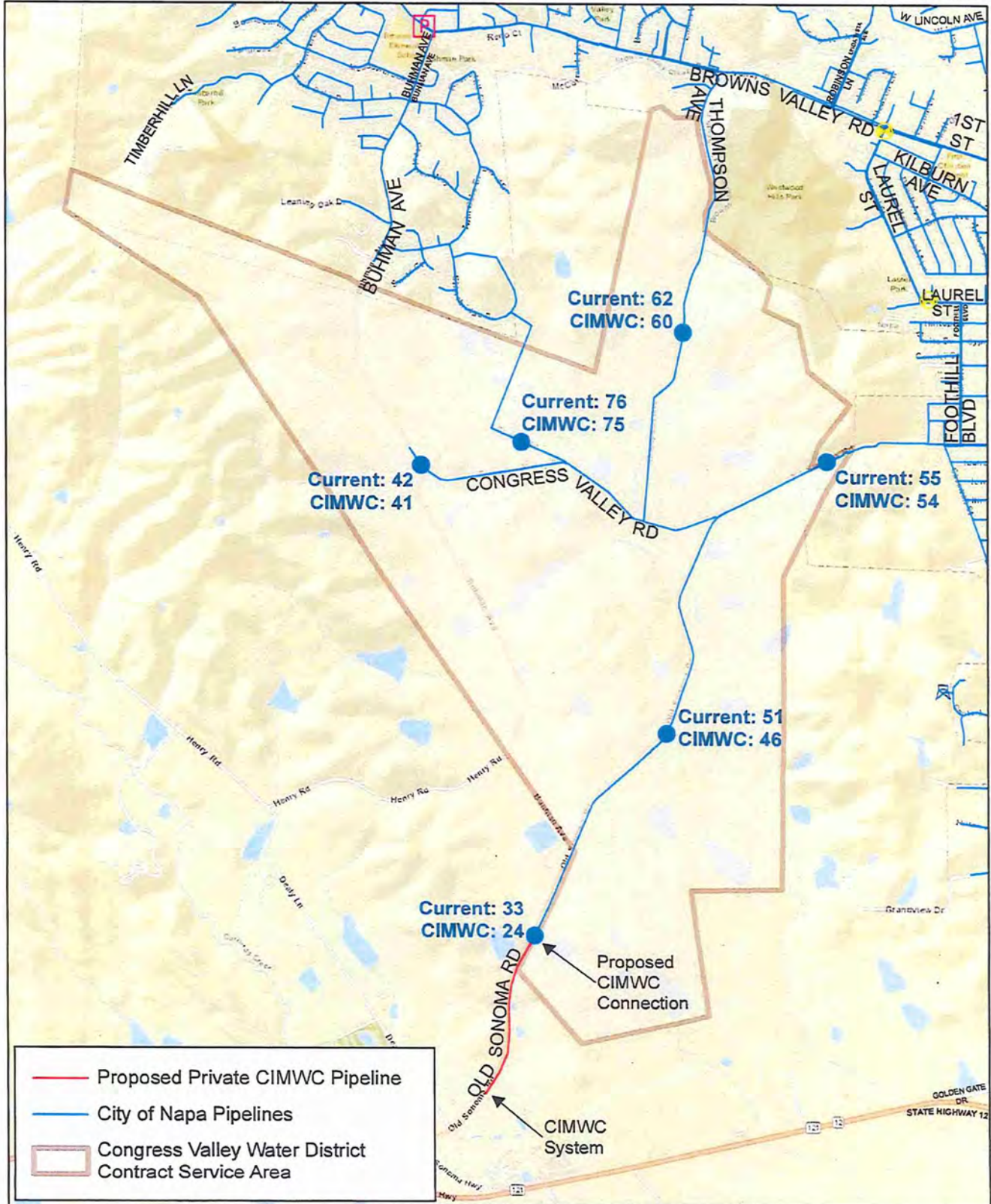


Figure 3: Residual Pressures During Fire Flow

Pressures shown at each node represent the expected residual pressure during a Fire Flow of 1,000 gpm at that same node.

"Current" = Without connection by Careros Inn Mutual Water Company

"CIMWC" = With connection by Careros Inn Mutual Water Company



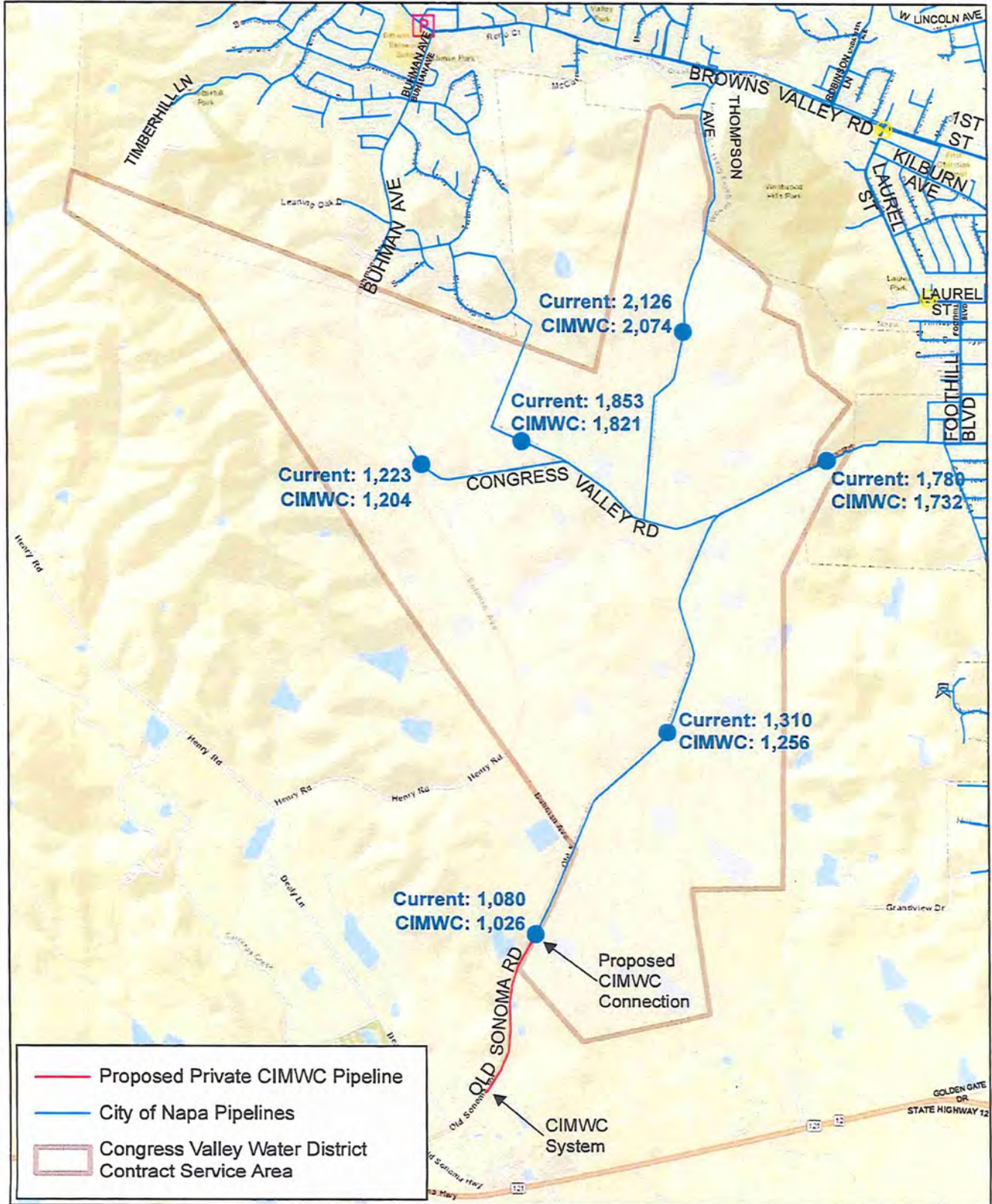


Figure 4: Design Fire Flow

Design Fire Flow (gpm) in Congress Valley Water District with and without connection by Carneros Inn Mutual Water Company



**EXHIBIT B
to CVWD Resolution**

Conditions of Approval

CONGRESS VALLEY WATER DISTRICT

CONDITIONS OF APPROVAL

**CARNEROS MUTUAL WATER COMPANY PROPOSED CONNECTION
AND PIPELINE EXTENSION**

The Board of Directors of the Congress Valley Water District hereby conditionally approves the establishment of a metered connection at the terminus of the District's existing 8-inch main at 5074 Old Sonoma Road for the purpose of enabling the City of Napa ("City") to wheel water to the Carneros Mutual Water Company ("CMWC") through a pipeline extension to be constructed by CMWC for the purpose of supplying its current service area ("Proposed Connection").

The District's approval of this connection is premised on the parties' understanding that (i) the connection will be substantially the same as the one described in the City of Napa and Carneros Mutual Water Company's February 18, 2018 Summary of Terms, attached hereto as Exhibit A; and (ii) the connection will result in no negative impact to the District's water system and deliveries to its current or future water users. Material changes to the Proposed Connection described in Exhibit A must be presented to the District for approval prior to connection. For purposes of these Conditions of Approval, changes to the terms and limitations described in Exhibit A, paragraph 1, 2, 4, 5 and 6; or changes to the Contract Service Area identified on Exhibit A, page 3 shall be considered a material change to the Proposed Connection.

The District's approval of the Proposed Connection is subject to the following terms and conditions:

1. The size and scope of the Connection shall be limited as follows:
 - (a) The maximum size of the meter at the Connection point shall be 2 inches, installed pursuant to then-current City of Napa permitting standards and best engineering practices.
 - (b) The diameter of the CMWC pipeline extension, which shall be privately owned by CMWC, shall not exceed 4 inches.
 - (c) The annual quantity of water to be supplied to CMWC through the Connection shall not exceed 43 acre-feet.
2. Installation, maintenance, and operation of the Connection shall be the responsibility of the City and/or CMWC. The District shall not incur any expense related to the Connection, the construction of the pipeline extension, or the wheeling of water by the City to CMWC. CMWC agrees to hold harmless, defend, and indemnify the District and its directors, officers, agents and employees (each an "Indemnified Party"), from any and all claims, demands, damages, costs, expenses, attorney's fees, or liability arising out of or in any way related to

- (a) the establishment of the Connection and the construction or operation of the pipeline extension, including but not limited to physical damages to District facilities, excepting only such claims, damages, losses, expenses, liability and other costs as may be caused by the sole negligence, willful misconduct, or active negligence of the Indemnified Party; and
- (b) enforcement of these Conditions of Approval.

3. Prior to beginning work on any District-owned facilities, the City and CMWC shall provide reasonable notice to the District.

4. Deliveries of water through the Proposed Connection will not operate to the detriment of the District or its current or future water users. In the event that District Board determines that the Proposed Connection has resulted in damages to the District's system, reductions in District water deliveries, or reductions in water qualities or pressure available to District customers, the District shall give notice to CMWC and the City, whereupon the parties shall cooperate in good faith to resolve the issue in a manner that is satisfactory to the District. In the event that a timely and satisfactory resolution is not reached, the District reserves its right to pursue all legal remedies.

5. The District may inspect CMWC water records upon reasonable request.

6. The District's approval of the proposed Connection is subject to the review and approval of the proposed Connection and any associated project components by the County of Napa, as CEQA lead agency for County Project P15-00190. The District reserves the right to provide comments on the Project P15-00190 during the course of the CEQA process.

**NON-BINDING SUMMARY OF CONCEPTUAL TERMS
of a
WHOLESALE WATER AGREEMENT
between the City of Napa
and Carneros Mutual Water Company
(February 18, 2018)**

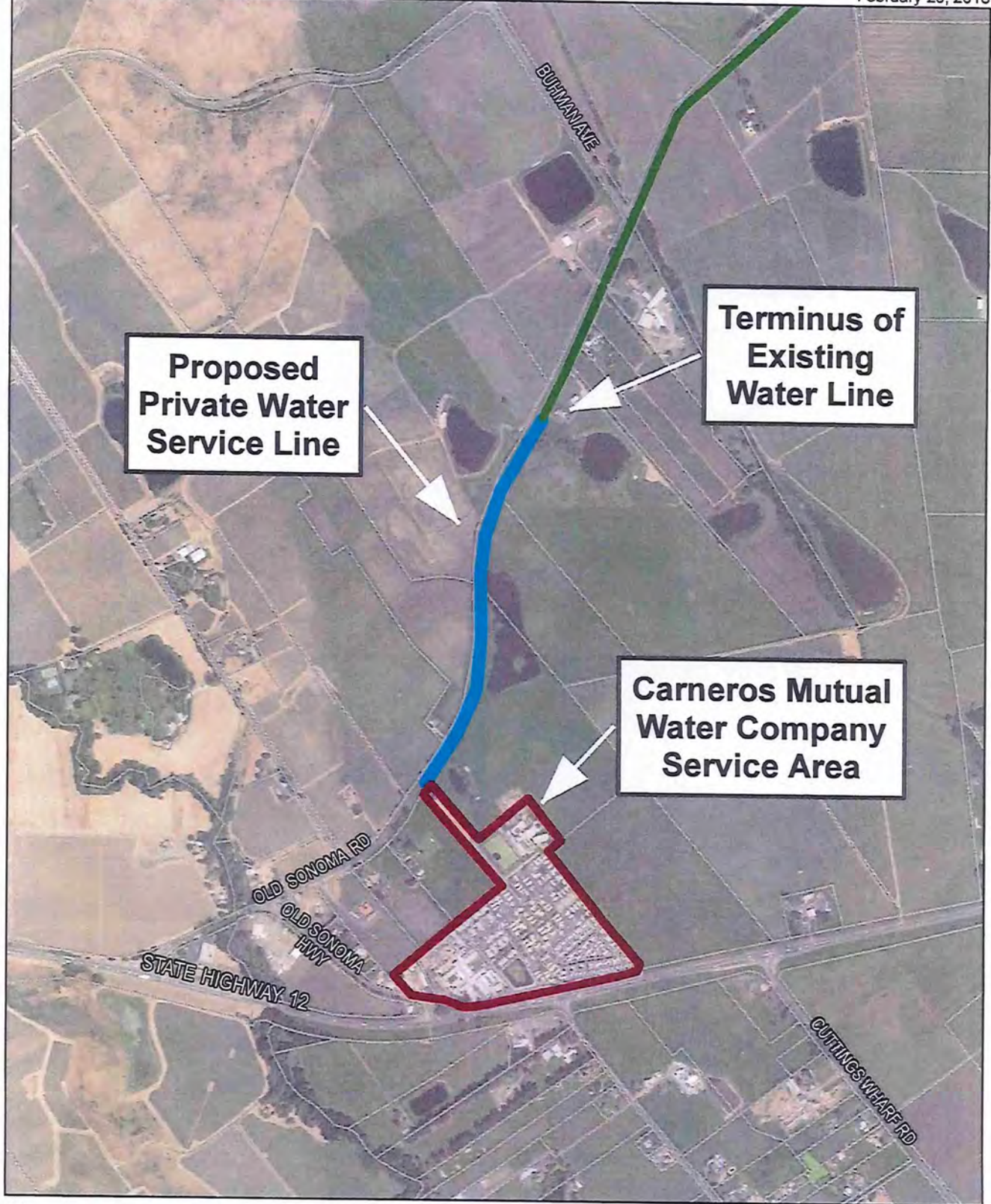
This Non-Binding Summary of Conceptual Terms of a Wholesale Water Agreement (“Summary Terms”) is intended to reflect a summary of the conceptual terms tentatively agreed upon between the negotiating representatives from the City of Napa (“City”) and the Carneros Mutual Water Company (“Company”). These Summary Terms are not binding on either party unless they are embodied in a Wholesale Water Agreement negotiated and executed by both parties.

1. **Supply:** City will supply Company with a minimum of 33 and a maximum of 43 acre-feet of water per year. The water will be wheeled through Congress Valley Water District (“District”) pipes pursuant to the terms of the current water supply contract between the City and the District.
2. **Term:** The term of the proposed Wholesale Water Agreement will be 50 years.
3. **Rates and Fees:**
 - Company will pay for water at City’s outside commercial rate, as that rate may be adjusted from time to time by resolution of the City Council.
 - If Company receives less than 33 acre-feet in any fiscal year, Company will pay City the minimum annual payment for that fiscal year equal to the outside commercial rate for 33 acre-feet.
 - Company will pay all standard water fees to establish connection to the system.
4. **Water Use:** Company may only supply water to its shareholders for their own use within its service area, as provided by law and Company’s articles of incorporation. Neither Company nor its customers may provide water to third parties or transfer it for use outside the service area in effect on March 1, 2018 (the “Contract Service Area”).
5. **No Expansion:** Neither the boundaries of the Contract Service Area nor the current number of units within it (86 resort cottages plus 24 whole ownership and 17 fractional ownership homes) shall be expanded during the term of the Wholesale Water Agreement. There shall be no intensification of current uses, which include two restaurants, a market, a spa and fitness center, meeting space and outdoor recreation areas.

ATTACHMENT 5

6. **Water Line:** Company will, at its own expense, design, build, maintain and operate a private water line from a City meter (to be installed by the City near the terminus of the existing 8-inch water line on Old Sonoma Road) to the Company's Contract Service Area (identified as the "proposed water line extension" on the map attached). Company will be responsible for obtaining all property interests necessary to construct, maintain, and operate the proposed water line extension, which may include the use of County of Napa ("County") right of way on Old Sonoma Road.
7. **Contribution:** Company will pay the City an amount equal to 50% of the City's cost to design and construct a new water storage tank to serve the Browns Valley area, up to a maximum payment by Company of \$1.75 million. This payment by Company represents a supplemental contribution by Company in consideration for the City's discretionary approval of the terms of the proposed Wholesale Water Agreement, since the Company's use of water under the proposed Wholesale Water Agreement does not require construction of the new tank. Company will pay the City \$1.75 million prior to receiving wholesale water from the City via the newly-constructed pipeline extension, and the City will place that amount in an escrow account until construction of the storage tank is complete. At the time of completion of construction of the storage tank: (a) if the cost of construction is \$3.5 million or greater, the City will retain the entire \$1.75 million payment; and (b) if the cost of construction is less than \$3.5 million, the City will reimburse Company in an amount equal to \$1.75 million less 50% of the cost of construction.
8. **Groundwater:** Nothing in the Wholesale Water Agreement will preclude Company from continuing to extract and use groundwater up to a maximum amount to be determined by County.
9. **Reporting:** Company will report all water use to County, which will be responsible for all permit and license enforcement. City may inspect Company's water records upon request.
10. **Environmental:** Company will, at its own expense, obtain all permits necessary to construct and operate the water line. Since the County will be the lead agency for CEQA review, the County's approval of compliance with CEQA will be a condition precedent of the proposed Wholesale Water Agreement. Company will pay the cost of environmental review.
11. **City's Right to Interrupt Water Supply:** Company agrees that the terms of the proposed Wholesale Water Agreement will be subject to the City's standard terms of delivery of wholesale water, including the right to interrupt water supply due to circumstances that are outside the control of the City, based on terms similar to those set forth in the Water Supply Agreement between the City of Napa and the City of St. Helena.

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**Proposed
Private Water
Service Line**

**Terminus of
Existing
Water Line**

**Carneros Mutual
Water Company
Service Area**



CIMWC Contract Service Area

