HEUBLEIN, INC.
DBA
BEAULIEU VINEYARD WATER AGREEMENT

THIS AGREEMENT, entered into on 3/1/92, 1992, between the CITY OF ST. HELENA (City), a municipal corporation, and HEUBLEIN, INC., a Connecticut corporation, dba Beaulieu Vineyard (Beaulieu Vineyard), provides as follows:

RECITALS

A. Beaulieu Vineyard is the owner of real property (the Property) in the County of Napa, California, located outside the city limits of City, as more particularly described in Exhibit "A" attached hereto. A winery is located on the property and is authorized by Use Permit #U-158081 issued on September 2, 1981, to produce up to 1.19 million gallons of wine per year (the Use Permit).

B. City, through the St. Helena Water Enterprise, has provided unlimited water service to the Property for many years. Water usage for the calendar year 1991 was 9,874 million gallons.

C. On November 4, 1991, Beaulieu Vineyard filed an application for an Amendment to the Use Permit with the County of Napa Conservation, Development and Planning Department seeking to expand production of the winery to 1.8 million gallons per year (the Amended Use Permit). Beaulieu Vineyard must ensure to the satisfaction of the County that it has a supply of water adequate to support the expansion. City already has an overburdened water system and is concerned about guaranteeing unlimited water to the Property in perpetuity.

D. The parties hereto wish to clarify their rights and obligations with respect to water service to the Property.

THIS DOCUMENT IS BEING RE-RECORDED TO ADD THE LEGAL DESCRIPTION.
AGREEMENT

NOW THEREFORE, in consideration of the mutual covenants contained herein, the parties agree as follows:

1. City agrees to and shall provide up to 12.6 million gallons of water per year (the Annual Limitation) to the Property commencing January 1, 1992, and every calendar year thereafter, upon the terms and conditions set forth herein.

2. Water provided by City hereby shall be limited to service for uses approved and permitted by the Amended Use Permit only (or by the Use Permit in the event the Amended Use Permit is not approved). City shall not be obligated to provide water service for any other use nor for any further expansion of the Amended Use Permit.

3. Beaulieu Vineyard shall install at its expense, on all new construction and existing wine tasting facilities, only low-volume flush toilets. All existing or new shower heads shall be equipped with flow restrictors. All landscaping may continue to be irrigated with the present system using City water. All new landscaping which requires City water shall feature native, drought-resistant species requiring minimal irrigation. Beaulieu Vineyard shall make reasonable, good faith efforts to evaluate alternative water sources, including on-site wells, to supplement or replace City water. The retrofitting of existing wine tasting facilities and shower heads shall be completed by January 1, 1995.

4. All applications for water service connections shall be made pursuant to ordinances of City as they exist at the time application is made and as otherwise applicable to customers of the Water Enterprise. While water is furnished to Beaulieu Vineyard pursuant to this Agreement, Beaulieu Vineyard shall be bound by and subject to all lawful resolutions, rules, regulations, directives, ordinances and orders of the City pertaining to water service as may be enacted from time to time for all other applicable users of City water, including, without limitation, provisions relating to rate charges and water shortage emergencies. In interpreting and applying water restriction regulations, the City and its agencies agree to recognize and take into consideration the conservation measures Beaulieu Vineyard has already implemented and those undertaken pursuant to this Agreement.

5. Beaulieu Vineyard shall monitor its water usage on a bimonthly basis and employ all measures necessary to ensure that the Annual Limitation is not exceeded. In the event the City Director of Public Works reasonably determines that the Annual Limitation inevitably will be exceeded or that the Annual Limitation has been exceeded, City may require Beaulieu Vineyard
to undertake reasonable additional conservation measures and may require Beaulieu Vineyard, upon ten (10) days prior written notice, to terminate water service for nonessential uses.

6. In the event Beaulieu Vineyard exceeds its Annual Limitation, it shall pay to City a penalty surcharge equal to sixty percent (60%) of the water rate charge for each hundred cubic feet, or portion thereof, used in excess of the Annual Limitation. Such penalty surcharge shall be due and payable within 30 days after calculation and demand by City. In addition to the 60% surcharge, City may avail itself of all rights and remedies set forth in paragraph 8.

7. Beaulieu Vineyard agrees that if any request or application for approval of amendments or modifications to the Amended Use Permit is submitted to the Napa County Planning Department, Planning Commission, or Board of Supervisors, City shall be informed on or before the date on which any such requests or applications are submitted. In addition, Beaulieu Vineyard agrees to provide City with copies of all supporting documents or other information submitted in connection with such requests or applications on or before the date such materials are submitted to the County. Finally, Beaulieu Vineyard agrees to inform the St. Helena City Council of any requests for the Napa County Planning Commission or Napa County Board of Supervisors to agendize discussion of any changes, approvals, or other actions related to the Beaulieu Vineyard Amended Use Permit on or before the date on which the request to be agendized is submitted to Napa County.

8. In addition to any other rights or remedies, either party may institute legal action to cure, correct or remedy any default of this Agreement; to enforce any covenants or agreements herein or to enjoin any threatened or attempted violation thereof; to recover damages for any default; or to obtain any other remedy consistent with the purpose of this Agreement.

9. This Agreement shall be construed and enforced in accordance with the laws of the State of California. Should any legal action be brought by either party because of breach of this Agreement or to enforce any provision of this Agreement, the prevailing party in such action shall be entitled to all reasonable attorney's fees, court costs and necessary disbursements in connection with such litigation.

10. The parties hereto agree that the provisions of this Agreement are severable. If any provision of this Agreement is held invalid, the remainder of this Agreement shall not be affected and remain in full force and effect unless amended or modified by mutual consent of the parties in writing.

11. The provisions of this Agreement shall be binding on all heirs, assigns and successors in interest to the parties hereto and shall be a covenant that runs with the land.
EXHIBIT "A"

TRACT ONE:

PARCEL ONE:
Commencing at the most Southern corner of the 15 acre tract of land described as Parcel Two in the Deed to Elwood J. Mee recorded December 21, 1959 in Book 604 at page 739 of Official Records of Napa County; running thence South 17° 29' East along the extension of the Southwesterly property line of said 15 acre tract approximately 1213 feet to a point in the center of the slough that forms the Western boundary of "Hastings Island"; thence in a general Northerly direction, up the center of said slough to the Southwestern corner of the tract of land described in the Deed to Gary Walter Mee recorded February 17, 1967 in Book 761 at page 360 of Official Records of Napa County, said point being also on the Eastern line of the 5 acre tract of land described in the Deed to Beaulieu Vineyard, recorded August 12, 1954 in Book 450 at page 168 of Official Records of Napa County; thence running North 72° 31' East approximately 375 feet to the point of commencement.

PARCEL TWO:
A non-exclusive Right of Way for road purposes and all purposes usually incidental thereto over all roadway rights of way reserved to Clifton J. Mee in the Deed of Conveyance to Elwood J. Mee recorded December 21, 1959 in Book 604 at page 739 of Official Records of Napa County.

PARCEL THREE:
Commencing in the center of Hopper Slough on the Northeastern line of the 146.1 acre tract of land described in the Deed to Janice E. Lawson recorded March 5, 1934 in Book 81 at page 245 of Official Records of Napa County, distant thereon South 52° 17' East 184.00 feet, South 65° 16' East 155.00 feet, North 70° 10' East 185.80 feet and South 68° 24' East 231.60 feet from the most Northern corner of said 146.1 acre tract; running thence South 43° 16' West 538.18 feet to the center of Bale Slough; thence following the center of Bale Slough, South 38° 24' East 27.00 feet, South 74° 24' East 183.00 feet, South 38° 50' East 114.00 feet, South 74° 50' East 75.00 feet, South 45° 50' East 97.00 feet, South 1° 50' East 92.00 feet, North 80° 10' East 79.00 feet, South 66° 50' East 151.42 feet and North 44° 40' East 135.50 feet to the Northeastern line of said 146.1 acre tract (being also the center of Hopper Slough above mentioned); thence following the Northeastern line of said 146.1 acre tract, North 29° 34' West 95.00 feet, South 56° 45' West 71.60 feet, North 45° 14' West 186.15 feet, North 0° 34' West 482.50 feet and North 68° 24' West 101.40 feet to the point of commencement.

AP# 030-110-015

TRACT TWO:
Commencing at the most Northern corner of Parcel A as shown on the map entitled "Record of Survey Map of a Portion of the Lands of Janice Lawson", filed November 13, 1964 in Book 12 of Surveys at page 89 in the office of the County Recorder of said Napa County; thence South 38° 03' East 553.15 feet to the most Eastern corner of said Parcel A; thence North 51° 28' East to and along the Northwestern line of the tract of land described in the Deed to Eliza Jane Calderwood recorded in Book 110 of Deeds at page 189, said Napa County Records, 117.02 feet to the most Northern corner of said Calderwood tract; thence South 38° 03' East along the Northeastern line thereof, 150 feet to the Northwestern line of the State Highway known as Rutherford Avenue; thence North 51° 28' East along said Northwestern line, 14 feet; thence North 38° 03' West 150 feet; thence North 51° 28' East parallel to said line of Rutherford Avenue 183.98 feet; thence North 38° 03' West 553.24 feet; thence South 51° 27' West 315.00 feet to the point of commencement.

AP# 030-110-019
HEUBLEIN, INC., a Connecticut Corporation dba BEAULIEU VINEYARD

DATED: 4/1/92

By: [Signature]
Its: Anthony A. Bell
   Assistant Secretary

CITY OF ST. HELENA, a municipal Corporation,

DATED: 4/6/92

By: [Signature]
Its: Gene Armstead
   City Administrator

ATTEST:

Delia Guijosa, Deputy City Clerk

APPROVED AS TO FORM:

Diane Price, City Attorney

DATED: 12/1/92

HEUBLEIN, INC., a Connecticut Corporation dba BEAULIEU VINEYARD

By: [Signature]
Its: Assistant Secretary
STATE OF CALIFORNIA }  
COUNTY OF NAPA } ss.

On April 1, 1992, before the undersigned, a Notary Public for the State of California, personally appeared
ANTHONY A. BELL, personally known to me or proved
to me upon the basis of satisfactory evidence, to be the person
whose name is subscribed to the within instrument and acknowledged that he executed same.

WITNESS my hand and official seal.

Notary Public

STATE OF CALIFORNIA }  
COUNTY OF NAPA } ss.

On December 1, 1992, before the undersigned, a Notary Public for the State of California, personally appeared
ANTHONY A. BELL, personally known to me or proved
to me upon the basis of satisfactory evidence, to be the person
whose name is subscribed to the within instrument and acknowledged that he executed same.

WITNESS my hand and official seal.

Notary Public

STATE OF CALIFORNIA }  
COUNTY OF NAPA } ss.

On this 6th day of April, 1992, before me, the undersigned, Deputy City clerk of the City of St. Helena, personally appeared Gene Armstead, personally known to me to be the City Administrator of the City of St. Helena whose signature is subscribed to the within instrument and acknowledged that he executed it on behalf of the City of St. Helena.

WITNESS my hand and official seal.

Della Guijosa, Deputy City Clerk
CITY OF ST. HELENA

RESOLUTION NO. 92 - 37

APPROVING A WATER AGREEMENT WITH HEUBLEIN, INC. DBA BEAULIEU VINEYARD

Be it resolved that the City Council hereby approves the attached Water Agreement with Heublein, Inc. dba Beaulieu Vineyard.

Be it further resolved that the City Administrator is hereby authorized to execute the agreement.

PASSED AND ADOPTED at a Regular Meeting of the City Council of the City of St. Helena held on the 11th day of February, 1992, by the following vote:

AYES: Councilmen Heitz, Salinger, Hardy, Mayor Hayne

NOES: None

ABSENT: None

ABSTAIN: Councilman Brown

APPROVED:

William A. Hayne, Mayor

ATTEST:

Gene Armstead, City Clerk/ City Administrator

The foregoing instrument is a correct copy of the original on file in this office of City Clerk and Clerk of the St. Helena City Council, County of Napa, State of California.

By: (Signature)
Date: 4/14/92

CITY OF ST. HELENA
STATE OF CALIFORNIA

(Seal)
CORPORATE ACKNOWLEDGMENT

State of California } SS.
County of Napa

On this the 1st day of December 1992, before me,

Janet G. Winchell

the undersigned Notary Public, personally appeared

Anthony A. Bell

☐ personally known to me
☐ proved to me on the basis of satisfactory evidence
to be the person(s) who executed the within instrument as
Assistant Secretary or on behalf of the corporation therein
named, and acknowledged to me that the corporation executed it.

WITNESS my hand and official seal.

Notary's Signature

END OF DOCUMENT

ATTENTION NOTARY: Although the information requested below is OPTIONAL, it could prevent fraudulent attachment of this certificate to another document.

THIS CERTIFICATE MUST BE ATTACHED TO THE DOCUMENT DESCRIBED AT RIGHT:

Title or Type of Document
Number of Pages Date of Document
Signer(s) Other Than Named Above

7120019

NATIONAL NOTARY ASSOCIATION • 8238 Remmet Ave. • P.O. Box 7164 • Canoga Park, CA 91304-7164

CORPORATE ACKNOWLEDGMENT

State of California } SS.
County of Napa

On this the 1st day of April 1992, before me,

Janet G. Winchell

the undersigned Notary Public, personally appeared

Anthony A. Bell

☐ personally known to me
☐ proved to me on the basis of satisfactory evidence
to be the person(s) who executed the within instrument as
Assistant Secretary or on behalf of the corporation therein
named, and acknowledged to me that the corporation executed it.

WITNESS my hand and official seal.

Notary's Signature

ATTENTION NOTARY: Although the information requested below is OPTIONAL, it could prevent fraudulent attachment of this certificate to another document.

Title or Type of Document
Number of Pages Date of Document
Signer(s) Other Than Named Above

7120019

NATIONAL NOTARY ASSOCIATION • 8238 Remmet Ave. • P.O. Box 7164 • Canoga Park, CA 91304-7164
STATE OF CALIFORNIA

COUNTY OF NAPA

On this 20th day of November, 1992, before me, the undersigned, Deputy City Clerk of the City of St. Helena, personally appeared Gene Armstead, personally known to me to be the City Administrator of the City of St. Helena whose signature is subscribed to the within instrument and acknowledged to me that he/she executed it on behalf of the City of St. Helena.

WITNESS my hand and official seal.

[Signature]

[Seal]

Celia Guijosa, Deputy City Clerk
City of St. Helena