EXEMPT FROM RECORDING FEES PURSUANT TO GOVERNMENT CODE SECTION 27383

RECORDING REQUESTED BY AND WHEN RECORDED MAIL TO:

City Clerk
City of St. Helena
1480 Main Street
St. Helena, California 94574

Assessor's Parcel No. 009-180-032

WATER SERVICE AGREEMENT
(VINELAND STATION LP WATER AGREEMENT)

THIS AGREEMENT, entered into on April 12, 2011, between the City of St. Helena, a municipal corporation (City), and Vineland Station LP (Customer), provides as follows:

RECATALS

A. Customer is the owner of real property (the Property) located at 633 Main Street, St. Helena, Napa County, known as Assessor’s Parcel Nos. 009-180-032, located inside the City Limits, and;

B. On July 27, 2010 City Council approved a Tentative Parcel Map, Use Permit, Design Review and Demolition Permit (Resolutions 2010-78 & 2010-79) for Rodney Friedrich for the Vineland Station L.P. located at 633 Main Street. On December 14, 2010 City Council declared the City’s intent to provide municipal water services to approved projects (Resolution 2010-130), and;

C. The conditions of approval require a water agreement providing water to the “Hotel” portion of the property located on the Vineland Station LP property at the currently approved Annual Limitation of 1,407,075 gallons per year. Existing water currently used and/or permitted for the remainder of the Vineland Station LP property are not affected by this Agreement, and;

D. The City has constraints on its water supply and cannot guarantee an unlimited water supply to the Property in perpetuity, therefore;
E. The parties hereto wish to enter into this Water Agreement to fulfill the Resolutions 2010-78, 2010-79 & 2010, 130 and condition of approval requiring such an agreement.

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

AGREEMENT

1. City shall provide water to the “Hotel” portion of the property located on the Vineland Station LP property at the currently approved Annual Limitation of 1,407,075 gallons per year. Existing water currently used and/or permitted for the remainder of the Vineland Station LP property are not affected by this Agreement. The terms and conditions set forth herein.

As used herein, the term Water Year shall mean the twelve-month period between the City’s last water meter reading of a calendar year and the last water meter reading of the following calendar year. At present, City’s last meter reading in a calendar year is in mid-December; a Water Year will run from mid-February to the following mid-December.

2. Customer agrees to the following hierarchy of non-potable water sources:
   A. Well Water from on-site private well for landscaping and irrigation purposes.
   B. Raw water from City raw water station, if well water is not available.

3. City water shall be used only for those uses as authorized by the Use Permit. City shall not be obligated to provide water service for any other use nor for any further expansion of the uses allowed by the Use Permit. Under no circumstances shall City potable water be used for landscape, vineyard or agricultural irrigation.

4. Customer shall furnish and install at its expense, a City Standard water meter, the proper size as needed to serve the hotel under this agreement, with automatic read function to serve the site. New meter shall be placed in a new meter box also furnished and installed by the Customer at its expense.

5. Customer shall install at its expense, on all new construction and existing facilities, only low volume flush toilets and urinals, showerheads and faucets. All existing faucets and showerheads shall be equipped with flow restrictors.

6. While water is furnished to Customer pursuant to this Agreement, Customer shall be bound by and subject to all lawful resolutions, rules, regulations, directives, ordinances and orders
of the City pertaining to water services 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.

7. Customer 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 Customer to undertake
reasonable additional conservation measures and may require Customer, upon ten (10) days prior
written notice, to terminate water service for nonessential uses. For purposes of this Agreement, the
term “nonessential uses” shall mean uses for which non-potable water would suffice.

8. In the event Customer exceeds its Annual Limitation, it shall pay to City a penalty
surcharge equal to 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 10 of this Agreement.

9. Customer agrees that any future request or application for approval of
amendments or modifications to any of the use permits for the Property shall be submitted to the
City of St. Helena. In addition, Customer agrees to provide City with copies of all supporting
documents or other information submitted in connection with such requests or applications.

10. 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.

11. 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
Name be entitled to all reasonable attorney's fees, court costs and necessary disbursements in
connection with such action.

12. 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 shall remain in full force and effect unless amended or modified by mutual consent of the
parties in writing.

13. The provisions of this Agreement shall be binding on all tenants, heirs, assigns and
successors in interest to the parties hereto and shall be a covenant that runs with the land.
Executed the day and year first above written.

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CUSTOMER:

Dated: 8-5-2011

By: [Signature]
(Customer Signatory)

Dated: [Blank]

By: [Signature]

CITY:

CITY OF ST. HELENA,
a municipal corporation,

Dated: 8-22-2011

By: [Signature]
Karen Scalabrini
Its: Interim City Manager, CITY OF ST. HELENA

APPROVED AS TO FORM:

[Signature]
John Trukaw, City Attorney
END OF DOCUMENT

STATE OF CALIFORNIA )
) ss.
COUNTY OF NAPA )

On August 22, 2011, before me, F. Maxine Mendoza, a Notary Public in and for the State of California, personally appeared —— Reinhard Friedrich —— 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.

WITNESS my hand and official seal.

Notary's Signature

STATE OF CALIFORNIA )
) ss.
COUNTY OF NAPA )

On August 22, 2011, before me, F. Maxine Mendoza, a Notary Public in and for the State of California, personally appeared —— Karen Scaldamore —— 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.

WITNESS my hand and official seal.

Notary's Signature