



CITY OF NAPA

*Napa Valley Corporate Park
Landscape and Lighting District*

Engineer's Report

Fiscal Year 2018/19

OFFICE LOCATIONS:

Temecula – Corporate Headquarters
32605 Temecula Parkway, Suite 100
Temecula, CA 92592

San Francisco – Regional Office
870 Market Street, Suite 1223
San Francisco, CA 94102

California Satellite Offices
Atascadero, Davis,
Huntington Beach,
Joshua Tree, Riverside,
Sacramento, San Jose

www.nbsgov.com

Prepared by:



EXHIBIT "A"

CITY OF NAPA

P.O. Box 660

Napa, California 94559

Phone - (707) 257-9500

Fax - (707) 257-9534

CITY COUNCIL

Jill Techel, Mayor

Peter Mott, Vice Mayor

Doris Gentry, Councilmember

Scott Sedgley, Councilmember

Jim Krider, Councilmember

CITY STAFF

Jacques R. LaRochelle, P.E., P.L.S., Director of Public Works

Heather M. Maloney, Public Works Department – Administrative Services Manager

NBS

Tim Seufert, Client Services Director

Greg Davidson, Project Manager

Andrew Kraus, Financial Analyst

EXHIBIT "A"

TABLE OF CONTENTS

Section 1.	EXECUTIVE SUMMARY.....	1-1
Section 2.	PLANS AND SPECIFICATIONS.....	2-1
2.1	Description of Boundaries.....	2-1
2.2	Assumption of Maintenance Obligations.....	2-1
2.3	Description of Improvements and Services	2-1
Section 3.	ESTIMATE OF COSTS	3-1
3.1	District Budget.....	3-1
3.2	Security Deposit	3-1
3.3	Definitions of Budget Items.....	3-1
Section 4.	ASSESSMENTS	3-1
4.1	Assessment Methodology	4-1
4.2	Assessment Rate Adjustments	4-1
4.3	Maximum Assessment Rates	4-2
Section 5.	ASSESSMENT DIAGRAM	5-1
Section 6.	AGREEMENT FOR ASSUMPTION OF MAINTENANCE OBLIGATION	6-1
Section 7.	ASSESSMENT ROLL	7-1

EXHIBIT "A"

Section 1. EXECUTIVE SUMMARY

On May 15, 2018, the City Council of the City of Napa (the "City"), State of California, under the Landscaping and Lighting Act of 1972 (the "Act"), adopted a resolution initiating proceedings for the levy of assessments and ordering the preparation of an Engineer's Report for the Napa Valley Corporate Park Landscape and Lighting District (the "District") for Fiscal Year 2018/19.

The foregoing resolution directed NBS to prepare and file a report presenting plans and specifications describing the general nature, location and extent of the improvements to be maintained within the District, an estimate of the costs to administer the District, a diagram of the District showing the area and properties to be assessed, and an assessment amount, per acre, that will be assessed upon all assessable lots and/or parcels within the district in proportion to the special benefit received for the referenced fiscal year.

On June 30, 2010, the City and the Napa Valley Corporate Park Property Owners Association (the "POA") entered into an Agreement for Assumption of Maintenance Obligations of Napa Valley Corporate Park Landscaping and Lighting District (City of Napa Agreement No. C201031) (the "Agreement"). With respect to the District, the Agreement states "... the District will exist as a dormant district meeting the legal requirements for such existence as reasonably determined by the City." The Agreement further states "... the District shall perform only such actions as are necessary for its continued existence unless and until there is a default by POA under this Agreement."

In order to meet the legal requirements for the District's continued existence, the City levies an annual assessment. The assessment is levied sufficient to meet only the costs of the administrative activities required to place the assessments on the tax roll (including preparation of resolutions, staff reports, this engineer's report, noticing the public hearing, and tracking funds). The assessment no longer funds maintenance of the improvements. As required by the Agreement, the POA handles the maintenance of the improvements and funds the costs through its own assessment not related to the District.

The following is a summary of the proposed 2018/19 assessment:

Total Administrative Costs	\$7,832.67
Total Maintenance Costs Charged to District	0.00 ⁽¹⁾
Total Assessed Acreage	161.69
Assessment per Acre	\$48.44
Total Amount to be Assessed ⁽²⁾	\$7,832.36

(1) Pursuant to the Agreement, the POA is responsible for maintenance of the improvements and the costs thereof.

(2) Amount is slightly less than total costs due to installment rounding.

Section 2. PLANS AND SPECIFICATIONS

The District was originally formed to provide funding for the continued maintenance, servicing, and administration of various landscaping and lighting improvements and associated appurtenances located within the public right-of-way and dedicated easements within the boundaries of the District.

2.1 Description of Boundaries

The District is located within the incorporated territory of the City, comprising approximately 217.82 acres formerly known as the Napa Valley Corporate Park. The area is now known as the Napa Valley Commons.

A map showing the general location of the District and associated landscaping easements is included in Section 5 of this report. The Assessment Diagram for the District has been submitted to the City Clerk in the format required under the provision of the Act.

2.2 Assumption of Maintenance Obligations

As noted in the Executive Summary, the City and the POA have entered into an agreement where the POA has agreed to assume the maintenance obligations for the improvements related to the District. As such, the District does not currently fund the maintenance activities described in Section 2.3. The assessments are levied in an amount sufficient to meet only the costs of the administrative activities required to place the assessments on the tax roll.

2.3 Description of Improvements and Services

The District was formed to provide for the maintenance and servicing of various improvements within the boundaries of the District as described below.

Facilities to be maintained and serviced may include, but are not limited to landscaping, parking lots, walkways, crosswalks, fences, signs, parks and parkways, street lights, retaining walls, embankments, drainage facilities, sprinkler systems, electrical energy for irrigation controllers and street lights, the grape crusher sculpture and park and associated appurtenant facilities. Landscaping may include ornamental planting including lawns, shrubs and trees. Servicing may include installing, operating, maintaining, repairing and replacing the public facilities together with the equipment, facilities, staff time and any necessary administrative activities. The repair, removal or replacement of all or any part of any improvement, providing for the life, growth, health and beauty of the landscaping, treating for disease or injury, as well as the maintenance, repair and replacement, as necessary, of all irrigation systems and graffiti removal from walls immediately adjacent to the cultivated areas.

As required by the Agreement, the POA now handles maintenance activities and funds the costs of those activities through its own assessment not related to the District.

EXHIBIT "A"

Section 3. ESTIMATE OF COSTS

3.1 District Budget

The following table shows the estimated costs of administering the District.

Description	Fiscal Year 2018/19 Budget
Administrative Expenses	
City Administration	\$3,647.33
Assessment Engineering	4,010.34
Legal Advertising	125.00
County Servicing Costs	<u>50.00</u>
Total Administrative Expenses	\$7,832.67
Total Maintenance Costs Charged to District	\$0.00 (1)
Total Budget	\$7,832.67

(1) Pursuant to the Agreement, the POA is responsible for maintenance of the improvements and the costs thereof.

3.2 Security Deposit

Per Section 1.11 of the Agreement, "... the sum of \$45,000 [is] to be held by the District in an interest bearing account as security for the POA's performance of its obligations and duties hereunder and to be used by the District in the event of default by POA as set forth in this Agreement."

3.3 Definitions of Budget Items

The following definitions describe the items that are included in the District Budget:

Administrative Expenses:

City Administration: the cost to all particular departments and staff of the City for providing the administration, coordination and management of District services.

Assessment Engineering: the cost of assessment engineering services, including preparation of the annual Engineer's Report.

Legal Advertising: the costs associated with publishing the "Notice of Public Hearing" in a local newspaper.

County Servicing Costs: the costs of the Napa County Auditor-Controller to place the assessments on the tax roll.

EXHIBIT "A"

Section 4. ASSESSMENTS

The assessment will be apportioned to each parcel in the District as shown on the latest equalized roll of the Napa County Assessor. The description of each lot or parcel is part of the records of the Napa County Assessor and such records are, by reference, made part of this Report.

4.1 Assessment Methodology

Even though the assessment is not currently being levied to pay for maintenance of the improvements, the same assessment methodology originally developed by the formation engineer and approved by the property owners is still being used to levy the assessments to fund administrative expenses.

The Total Costs are divided by the Total Assessed Acreage in order to determine the Assessment per Acre. There are 161.69 assessable acres within the District. When a parcel or portion of a parcel is specifically designated as a landscaping easement, utility easement, or open space easement, the acreage associated with such an easement is exempted from assessment. This type of acreage would not experience benefit from the maintenance of landscaping or open space because it is dedicated to providing these functions. The table below summarizes the assessment:

Total Costs	\$7,832.67
Total Assessed Acreage	161.69
Assessment per Acre	\$48.44
Total Amount to be Assessed ⁽¹⁾	\$7,832.36

(1) Amount is slightly less than total costs due to installment rounding.

4.2 Assessment Rate Adjustments

For each year after the base year (2007/08), the Maximum Assessment Rate per Acre is increased by the percentage change in the U.S. Department of Labor, Bureau of Labor Statistics, Consumer Price Index for all Urban Consumers (CPI-U) for the San Francisco-Oakland-San Jose area as of February. If the percentage change is negative, the Maximum Assessment Rate per Acre remains the same as it was in the prior year. The Actual Assessment Rate per Acre may be less than, but may not exceed the Maximum Assessment Rate per Acre unless appropriate proceedings are conducted by the City to authorize such an increase.

EXHIBIT "A"

4.3 Maximum Assessment Rates

The table below shows the historical CPI increases, Maximum Assessment per Acre, and Actual Assessment per Acre.

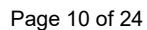
Fiscal Year	CPI Increase ^{(1) (2)}	Maximum Assessment Per Acre	Actual Assessment Per Acre ⁽³⁾
2007/08		\$3,135.02	\$3,135.02
2008/09	2.77%	3,221.93	3,221.93
2009/10	1.16%	3,259.40	3,259.40
2010/11	1.79%	3,317.77	56.20
2011/12	1.70%	3,374.05	56.63
2012/13	3.00%	3,475.27	57.43
2013/14	2.45%	3,560.31	45.00
2014/15	2.45%	3,647.43	45.00
2015/16	2.53%	3,739.78	45.27
2016/17	3.02%	3,852.59	46.98
2017/18	3.44%	3,985.03	47.85
2018/19	3.56%	4,127.07	48.44

- (1) The CPI Increase, as displayed in this table, is a rounding of the actual CPI Increase. The Maximum Assessment per Acre is calculated by using the actual CPI Increase, not the rounding of the actual CPI Increase.
- (2) As the Bureau of Labor Statistics replaced the San Francisco-Oakland-San Jose CPI in January 2018 with the San Francisco-Oakland-Hayward index (the "New Index"), the CPI increase in Fiscal Year 2018/19 reflects the change in CPI as of February from this New Index. The New Index will be used moving forward as it is the closest, comparable index to the previously existing San Francisco-Oakland-San Jose index. This New Index is the only Northern California index in existence currently.
- (3) Beginning in Fiscal Year 2010/11 the POA assumed the maintenance obligations for the improvements within the District. Therefore, the Actual Assessment per Acre was reduced significantly.

Section 5. ASSESSMENT DIAGRAM

An Assessment Diagram for the District has been submitted to the City Clerk in the format required under the provision of the Act and is incorporated herein by reference. The map on the following page is a general map of the District and its landscaping easements.

LANDSCAPE MAINTENANCE EASEMENT SETBACKS



**Section 6. AGREEMENT FOR ASSUMPTION OF
MAINTENANCE OBLIGATION**

The following pages show the agreement for assumption of maintenance obligation for the District.

**AGREEMENT FOR ASSUMPTION OF
MAINTENANCE OBLIGATIONS OF
NAPA VALLEY CORPORATE PARK
LANDSCAPING AND LIGHTING DISTRICT**

This Agreement for Assumption of Maintenance Obligations of Napa Valley Corporate Park Landscaping and Lighting District (hereinafter the "Agreement") is made and entered into by and between the City of Napa, a municipal corporation (hereinafter "City"), and Napa Valley Corporate Park Property Owners Association, a California mutual benefit corporation (hereinafter "POA"). The City and the POA may be collectively referred to in this Agreement as the "parties" or individually as a "party."

RECITALS

A. The POA was formed pursuant to provisions of the Amended and Restated Declaration of Covenants and Restrictions for Napa Valley Corporate Park (the "CC&Rs") recorded on April 23, 2009 as Instrument No. 2009-0009790 in the Official Records of Napa County. The City is a third-party beneficiary under the CC&Rs.

B. The POA was formed for the benefit of the lot owners within the Napa Valley Corporate Park (the "Park") and, in part, to assume responsibility for the Maintenance Obligations (defined in Section 1.6) as required under Section II. B of the Development Agreement (defined in Section 1.1). All of the property owners within the Park are members of the POA. The POA uses the Fiscal Year (defined in Section 1.4) for the basis of its accounting.

C. The District (defined in Section 1.2) levies assessments against the property within the Park to pay for the conduct of the Maintenance Obligations within the Maintenance Areas (defined in Section 1.5) of the Park. The District uses the Fiscal Year for the basis of its accounting. The Maintenance Obligations have been funded by assessments levied against all of the assessable acreage within the Park and collected by the City.

D. The City requires the operation and management of the Maintenance Obligations by an acceptable entity. LBA Realty LLC has been performing the maintenance obligations since May 2006.

E. The parties desire that the POA immediately take over the day-to-day responsibility for all aspects of the Maintenance Obligations and, during the Transition Period (defined in Section 1.12), fund the Maintenance Obligations through a release to the POA of funds collected by the City from District assessments against the POA property owners.

F. The parties further desire that from and after the end of the Transition Period the City will cease to use District Funds (defined in Section 1.3) to fund the maintenance of the Maintenance Areas (except in the event of a default by POA hereunder) and such maintenance will be paid for by the POA from assessments it levies against the POA property owners. At the

EXHIBIT "A"

end of the Transition Period the District will exist as a dormant district meeting the legal requirements for such existence as reasonably determined by the City.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and consideration identified herein, the parties hereby agree as follows:

1. DEFINITIONS. In addition to the terms defined elsewhere in this Agreement, the terms set forth below have the following meanings.

1.1 "Development Agreement" means that certain Development Agreement By and Between City of Napa and Peter B. Bedford for Napa Valley Corporate Park dated April 17, 1984 and recorded in Vol. 1334, Page 969, Official Records of the County of Napa, incorporating by reference therein the Specific Plan for the Park duly reviewed and approved by the City on May 17, 1983. Section II. B of the Development Agreement requires the developer of the Park to form a property owners association to assume the Maintenance Obligations.

1.2 "District" means The Napa Valley Corporate Park Landscaping and Lighting District formed by the City, with the consent of the developer of the Park, pursuant to the Landscaping and Lighting Act of 1972. The District was formed to assess property within the Park to provide funds to pay for the Maintenance Obligations.

1.3 "District Funds" means assessments paid to the City by property owners within the District.

1.4 "Fiscal Year" means an accounting period starting July 1 and ending June 30 of the subsequent year.

1.5 "Maintenance Areas" means and refers to all of the areas and matters to be maintained by the POA as set forth in the Development Agreement or the Specific Plan for the Park, including, without limitation: (i) the Landscape Maintenance Easement Areas shown on Parcel Map 3702 recorded on Feb. 29, 1984, Book 13 of Maps, Pages 96-100 ("Parcel Map 3702"); (ii) the Landscape Maintenance Easement Areas shown on Parcel Map 3822 recorded on June 24, 1985, Book 14 of Parcel Maps, Pages 49-50 ("Parcel Map 3822"); (iii) the Landscape Maintenance Easement Areas shown on Parcel Map 4845 recorded on Dec. 4, 1995, Book 20 of Maps, Pages 30-32, ("Parcel Map 4845"); (iv) landscape and drainage easements as shown on Parcel Maps 3702, 3822 and 4845; (v) all of Lot 11-F as shown on Parcel Map 4845 and the wetlands thereon; and (vi) the Grape Crusher statue maintenance areas defined on Exhibit C attached to the CC&Rs. The Maintenance Areas include all irrigation systems, lawn, shrubs, trees, and ornamental planting in the public right-of-way in the areas set forth in subparts (i) through (vi), above, as well as the lighting system including poles, fixtures, posts, wires, conduits and other items necessary for the maintenance of the systems in all such areas.

EXHIBIT "A"

1.6 “Maintenance Obligations” means all tasks reasonably required to repair, operate and maintain the Maintenance Areas within the Park including those set forth in Section II, B of the Development Agreement, which reads as follows:

“ . . . maintenance of walkways, crosswalks, fences, signs, park and parkway, retaining walls and embankments, and all structures or other facilities which are appurtenant to the foregoing or necessary or convenient for the maintenance or servicing thereof; maintenance of drainage facilities and the restored wetlands; maintenance of irrigation systems, lawn, shrubs, trees, and ornamental planting in the public right-of-way and the landscape maintenance easement; and maintenance of the lighting system including poles, fixtures, posts, wires, conduits and other items necessary for the maintenance of the system.”

1.7 “Maintenance Standards” means the standards for maintaining the Maintenance Areas that are set forth in Exhibit D to the CC&Rs.

1.8 “NBS Budget” means the District budget for the current Fiscal Year that was prepared by NBS.

1.9 “Permitted District Retention” is the sum of (i) the amount of the Security Deposit and (ii) the sum that is reasonably required to fund the continued existence of the District through subsequent Fiscal Year.

1.10 “Reserve Analysis” means an analysis of reserve requirements for the Maintenance Areas and Maintenance Obligations prepared in accordance with and satisfying the requirements of California Civil Code Section 1365.5 (e) and any related regulations promulgated by the California Department of Real Estate.

1.11 “Security Deposit” means the sum of \$45,000.00 to be held by the District in an interest bearing bank account as security for the POA’s performance of its obligations and duties hereunder and to be used by the District in the event of default by POA as set forth in this Agreement.

1.12 “Transition Period” means the period from the full execution of this Agreement through and including June 30, 2010.

2. POA DUTIES.

2.1 Assumption of Maintenance Obligations. From and after the date of full execution of this Agreement the POA shall take full responsibility for performing all of the Maintenance Obligations. From and after the end of the Transition Period the POA shall collect from its members by monthly or quarterly assessments under the CC&Rs all sums necessary: (i) to perform the Maintenance Obligations; (ii) to fund the administrative and other operations of the POA; (iii) to fund necessary capital improvements to the Maintenance Areas, including, without limitation, repairing and replacing median irrigation systems, repairing and replacing street signs, installing new

EXHIBIT "A"

entry monuments, installing reclaimed water lines, and/or repairing or replacing perimeter fencing; and (iv) to provide for adequate reserves for the operation and maintenance of the Maintenance Areas [collectively items (i) through (iv) above are the "Permitted Funding Uses"]. The District shall not be responsible for funding the Maintenance Obligations after the Transition Period.

2.2 Transition Period Accounting Deliveries. Not less frequently than once per month during the Transition Period, and including the month following the end of the Transition Period, the POA shall supply the City with an accounting and appropriate back up invoices and other documentation for all expenditures made by the POA in connection with the Permitted Funding Uses. These submittals shall be in comparable form and substance to the documentation that has been provided to the City for the 12 months preceding the full execution of this Agreement for the release of District Funds.

2.3 Post Transition Period Accounting Deliveries. After the Transition Period the POA shall supply the City with all of the following information in the frequency noted in each subsection:

a. Annually, not later than 120 days after the end of the Fiscal Year, a CPA prepared income and expense statement and balance sheet showing the appropriate financial details of the operations of the POA for that Fiscal Year.

b. Every three years, not later than 120 days after the end of the prior Fiscal Year, a Reserve Analysis.

c. Annually, before the end of the then current Fiscal Year, a budget for the upcoming POA Fiscal Year showing projected expenses for all of the Permitted Funding Uses.

2.4 Inspection. The City shall have the right to inspect the books and records of the POA during regular business hours on 48 hours prior Notice (defined in Section 11).

3. CITY DUTIES.

3.1 Minimizing District. After the date of full execution of this Agreement the City shall take appropriate steps to cause the District to reduce its 2010-2011 and subsequent assessments only to an amount reasonably necessary for the continued existence of the District. After the Transition Period, the District shall perform only such actions as are necessary for its continued existence unless and until there is any default by POA under this Agreement.

3.2 Payments to POA. After the date of full execution of this Agreement the City shall release to the POA all District Funds except for the Permitted District Retention. All additional assessments collected by the District during the Transition Period shall be similarly released to the POA within 30 days of receipt subject only to the

EXHIBIT "A"

District maintaining the Permitted District Retention. On September 30, or as soon thereafter as is practicable, of each subsequent year the City shall release to POA any District Funds in excess of the Permitted District Retention. The funds released to the POA per this Section shall be used for Permitted Funding Uses and shall be subject to the accounting and recordkeeping requirements set forth in Section 2.2.

4. EVENTS OF DEFAULT. Any of the following shall constitute a "Default" under this Agreement if not cured by POA within 30 days of receipt of Notice from City advising POA of such Default.

4.1 Maintenance. The failure of the POA to adequately perform the Maintenance Obligations in accordance with the Maintenance Standards.

4.2 Reserves. The failure of the POA to maintain reserves of not less than 75% of the amount required under any Reserve Analysis: provided, however, that for the first five years of this Agreement the percentage of reserves required of the POA shall be 20, 30, 40, 50, and 60 percent of the Reserve Analysis for years 1 to 5, respectively, to allow the POA adequate time to build up its reserves. This phase in of the reserve requirement is in recognition of the fact that there are several major capital projects to be undertaken by the POA that have been deferred because of prior unavailability of available funds.

4.3 Bond. The failure of the POA to maintain a bond or other protection against theft of POA funds (so long as such insurance is available at commercially reasonable rates) and/or the failure to provide liability and other insurance coverage as set forth in Section 7 of this Agreement.

4.4 Bankruptcy. The filing of any petition under the bankruptcy law or state insolvency laws or laws for the reorganization of debtors by the POA or its creditors.

4.5 Reporting. The failure of the POA to timely provide the District with any of the reporting required under Sections 2.2 and 2.3, above.

4.6 Collect Assessments. The failure of the POA to assess or to collect from its members sufficient funds to perform the Maintenance Obligations in accordance with the Maintenance Standards.

5. REMEDIES UPON DEFAULT.

5.1 Remedies. In the event of a default by the POA under the terms of this Agreement the City would have the rights to: (i) seize for its use in connection with performing the Maintenance Obligations all cash and reserve accounts of the POA, (ii) exercise any of the lien and other rights available to the City under the provisions of the CC&Rs, and/or (iii) increase the assessments on the property within the Park to a rate sufficient to fund the Maintenance Obligations and all of the related operations of the District.

EXHIBIT "A"

5.2 No Waiver. Efforts by City to mitigate the damages caused by POA's default under this Agreement shall not constitute a waiver of any of City's other rights hereunder.

5.3 Cumulative Remedies. The various rights, options, election powers, and remedies of City contained in this Article and elsewhere in this Agreement are cumulative. None of them is exclusive of any others or of any legal or equitable remedy that City might otherwise have in the event of breach or default, and the exercise of one right or remedy by City will not in any way impair its right to any other right or remedy.

6. INDEMNIFICATION. To the full extent provided by law, POA shall indemnify, hold harmless, release and defend City, its officers, employees and agents from and against any and all actions, claims, demands, damages, disability, losses, expenses including attorney's fees and other defense costs, and liabilities of any nature that may be asserted by any person or entity including POA, in whole or in part, arising out of POA's activities hereunder, including the activities of other persons employed or utilized by POA in the performance of this Agreement excepting liabilities due to the admitted or adjudicated sole negligence or willful misconduct of City. If the admitted or adjudicated sole negligence or willful misconduct of City has contributed to a loss, POA shall not be obligated to indemnify City for the proportionate share of such loss caused by such sole negligence or willful misconduct. This indemnification obligation is not limited in any way by any limitation on the amount or type of damages or compensation payable by or for POA under Worker's Compensation, disability or other employee benefit acts or the terms, applicability or limitations of any insurance held or provided by POA and shall continue to bind the parties after the termination/completion of this Agreement.

7. INSURANCE. Without limiting POA's indemnification provided herein, POA shall take out and maintain, throughout the term of this Agreement, the following policies of insurance placed with insurers with a current A.M. Best's rating of no less than A:VII or its equivalent against injury/death to persons or damage to property which may arise from or in connection with the activities hereunder of POA, its agents, employees or subcontractors.

7.1. CGL Policy. POA shall maintain Comprehensive or Commercial General Liability Insurance at least as broad as Insurance Services Office of Commercial General Liability coverage (occurrence form CG 0001), in an amount of \$1,000,000 per occurrence. If work involves explosive, underground or collapse risks, XCU must be included. If general aggregate limit is used, either the general aggregate limit shall apply separately to the Park or the general aggregate shall be twice the required occurrence limit. Said policy shall contain, or be endorsed with, the following provisions:

(1) The City, its officers, employees and agents are covered as insureds for liability arising out of the operations performed by or on behalf of POA. The coverage shall contain no special limitations on the scope of protection afforded to the City, its officers, agents and employees.

(2) The policy shall not be cancelled or materially reduced in coverage without 30 days prior Notice (10 days for non-payment of premium) to the City by certified mail.

EXHIBIT "A"

7.2 Certificates. POA shall furnish City with certificates and original endorsements evidencing the required coverage prior to execution of this Agreement by City. The endorsements shall be on forms provided by City or as approved by the City Attorney. Any deductible or self-insured retention over \$100,000 shall be disclosed to and approved by the City. If POA does not keep all required insurance policies in full force and effect, City may, in addition to its other remedies under this Agreement, take out the necessary insurance and POA shall pay the costs of such insurance.

8. ASSIGNMENT. The POA's rights, obligations and duties under this Agreement shall not be assigned in whole or in part without the written consent of the City.

9. TERM. This term of this Agreement shall be through and including June 30, 2020 (the "Termination Date"); provided, however that on said Termination Date and each subsequent Termination Date this Agreement shall be deemed renewed and extended for an additional five-year term by the parties unless any party has given Notice to all other parties of its intention to terminate this Agreement. Such termination Notice shall be given not later than six months prior to the then current Termination Date of the Agreement.

10. STANDARD OF CARE. City relies of the professional ability of POA and its contractors and representatives regarding the type of work to be preformed as a material inducement to entering into this Agreement. POA agrees that acceptance of its work by the City shall not operate as a waiver or release of the obligation of POA to ensure that the work is properly performed.

11. NOTICE. Any notice, request, demand, consent, approval or other communication (any of which is called "Notice" herein) provided or permitted under this Agreement shall be in writing, signed by the party giving such Notice, and shall be deemed to have been given: (a) upon hand delivery, (b) one day after being deposited with Fed Ex or another reliable overnight courier service, (c) upon delivery if transmitted by facsimile, or (d) two days after being deposited in the United States mail, registered or certified mail, postage prepaid, return receipt required, and addressed as follows:

If to City: City of Napa
 P.O. Box 660
 Napa, CA 94559
 Attn.: Dana Smith, Assistant City Manager
 Fax: (707) 257-9530

If to POA: c/o Advanced Property Management
 P.O. Box 23743
 Pleasant Hill, CA 94523
 Attn.: Bob Breitenstein
 Fax: (925) 946-0749

EXHIBIT "A"

12. MERGER. This Agreement comprises the entire integrated understanding between the parties concerning the services described in the Agreement. This Agreement supersedes all prior negotiations, agreements, and understandings regarding the services described herein, whether written or oral. The documents incorporated by reference into this Agreement are complementary; what is called for in one is binding as if called for in all.

13. HEADINGS. The titles and headings of the various Sections hereof are intended solely for means of reference and are not intended for any purpose whatsoever to modify, explain or place any construction on any of the provisions of this Agreement.

14. SEVERABILITY. If any of the provisions of this Agreement or the application thereof to any persons or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Agreement by the application of such provision or provisions to persons or circumstances other than those as to whom or which it is held invalid or unenforceable shall not be affected thereby, and every provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

15. ATTORNEYS' FEES. If a dispute arises between the parties hereto concerning the meaning or interpretation of any provision of this Agreement, then the party not prevailing in such dispute shall pay any and all costs and expenses incurred by the other party on account of such default and/or in enforcing or establishing its rights hereunder, including, without limitation, court costs, attorneys' fees and disbursements. Attorneys' fees and other expenses incurred by either party in enforcing a judgment in its favor under this Agreement shall be recoverable separately from and in addition to any other amount included in such judgment. Such attorneys' fees obligation is intended to be severable from the other provision of this Agreement and to survive and not be merged into any such judgment.

16. ASSIGNMENT. POA may not assign its rights hereunder, in whole or in part, without the prior written consent of City.

17. CONSTRUCTION. The parties acknowledge that with respect to the transactions contemplated herein: (a) each party and its counsel have reviewed and revised this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any amendments or exhibits thereto; (b) neither party has received from the other any accounting, tax, legal or other advice; and (c) each party has relied solely upon the advice of its own accounting, tax, legal and other advisor.

18. COUNTERPART AND FACSIMILE SIGNATURES. This Agreement may be executed in two or more counterparts, each of which is deemed an original, but all of which when taken together shall constitute one agreement. Signatures received by facsimile transmission shall be of the same force and effect as original signatures.

19. GOVERNING LAW. The laws of the State of California shall govern this Agreement and any question arising hereunder shall be construed or determined according to such law.

EXHIBIT "A"

20. SIGNATURES. The individuals executing this Agreement represent and warrant that they have the right, power, legal capacity, and authority to enter into and to execute this Agreement on behalf of the respective legal entities of the POA and the City. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

[Signatures are on the following page.]

EXHIBIT "A"

IN WITNESS WHEREOF, the City and the POA do hereby agree to the full performance of the terms set forth herein.

CITY OF NAPA:


(Signature)


Mike Parness, City Manager
(Type name and title)

ATTEST:


(Signature)

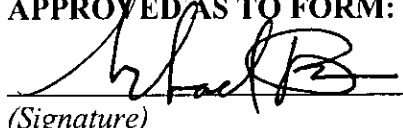
Dorothy Roadman, City Clerk
(Type name and title)

COUNTERSIGNED:


(Signature)

Ann Mehta, City Auditor
(Type name and title)

APPROVED AS TO FORM:


(Signature)

Michael W. Barrett, City Attorney
(Type name and title)

Budget Code: 24106 - 53201

POA:

Napa Valley Corporate Park Property Owners Association, a California Mutual Benefit corporation

By: 

Eric Dameron-Drew, President
(Type name and title)

By: 

Elizabeth C. Trowbridge, Secretary
(Type name and title)

Address: c/o Advanced Property Mgmt.

P. O. Box 23743

Pleasant Hill, CA 94523

Telephone: (925) 917-0900

*Corporation, partnership, limited liability corporation, sole proprietorship, etc.

Unless corporate resolution delegates an individual to sign contracts, an agreement with a corporation shall be signed by the President or Vice President and the Secretary or Treasurer of the corporation. A general partner shall sign on behalf of a general partnership. The managing member, if authorized, may sign on behalf of a limited liability corporation.

Section 7. ASSESSMENT ROLL

The following pages provide a listing of parcels assessed within the District for Fiscal Year 2018/19.

EXHIBIT "A"

CITY OF NAPA NAPA VALLEY CORPORATE PARK LANDSCAPE AND LIGHTING DISTRICT FISCAL YEAR 2018/19 ASSESSMENT ROLL

APN	OWNER	ROUNDING ADJUSTMENT	TOTAL ASSESSMENT
046-600-007-000	KAISER FOUNDATION HOSPITALS	(\$0.01)	\$406.90
046-600-012-000	KB NAPA HOLDINGS LLC	0.00	276.60
046-600-013-000	DONLOR NAPA LLC	(0.01)	112.66
046-600-017-000	DARIOUSH KHALEDI WINERY LLC	0.00	148.66
046-600-018-000	360 HARBOR WAY ASSOCIATES ETAL	0.00	339.10
046-600-019-000	VALACAL COMPANY	(0.01)	191.82
046-600-021-000	LATOUR COURT 1 LP	0.00	131.62
046-600-022-000	MAUDRU WILLIAM F & TERRI LEE	0.00	51.56
046-600-023-000	CALIFORNIA STATE OF	(0.01)	77.10
046-600-024-000	LATOUR I LLC	(0.01)	106.74
046-600-025-000	LATOUR I LLC	(0.01)	111.16
046-600-030-000	LOWENBERG ASSOCIATES LP	(0.01)	401.36
046-610-008-000	STEPHENS & STEPHENS XX LLC	(0.01)	308.30
046-610-009-000	PHG NAPA LLC	0.00	260.98
046-610-011-000	KAISER FOUNDATION HOSPITALS	(0.01)	391.00
046-610-016-000	KAY NAPA INVESTMENTS LLC	0.00	181.70
046-610-018-000	COVEC PAUL A	(0.01)	85.66
046-610-019-000	TRINITAS REALTY LLC	0.00	87.90
046-610-020-000	TRINITAS REALTY LLC	(0.01)	210.48
046-610-021-000	NAPA COUNTY OF	(0.01)	1,162.64
046-620-003-000	MERITAGE COMMONS	0.00	400.86
046-620-004-000	CARNEROS I LLC	0.00	333.72
046-620-015-000	SHELL OWNERS ASSOCIATION WEST	0.00	250.38
046-620-017-000	MERITAGE RESORT LLC	0.00	512.32
046-630-004-000	INTELSAT CORPORATION	(0.01)	136.96
046-630-005-000	INTELSAT CORPORATION	0.00	135.82
046-630-006-000	INTELSAT CORPORATION	0.00	465.02
046-630-008-000	NAPA REDEVELOPMENT PARTNERS LLC	(0.01)	180.28
046-730-002-000	MERITAGE CONDOS LLC	0.00	17.94
046-730-003-000	MERITAGE CONDOS LLC	0.00	19.60
046-730-004-000	MERITAGE CONDOS LLC	0.00	20.02
046-730-005-000	MA VINEYARD PROPERTIES LLC	0.00	19.74
046-730-006-000	TUCKER BRIAN & KRISTIN	0.00	19.60
046-730-007-000	ANDERSEN TODD H	0.00	22.30
046-730-008-000	SCHUEMANN DAVID H & LISA A	0.00	18.14
046-730-009-000	AGAJANIAN GARY L	0.00	17.46
046-730-010-000	KINNAIRD PROPERTIES INC	(0.01)	17.84
046-730-011-000	GIOVANNONI JOHN M & KAREN	0.00	17.46
046-730-012-000	1111 SOSCOL FERRY SELF STORAGE LLC	(0.01)	19.28
046-730-013-000	BRADLEY RICHARD J & MONENE P	0.00	17.46

EXHIBIT "A"

CITY OF NAPA

NAPA VALLEY CORPORATE PARK LANDSCAPE AND LIGHTING DISTRICT FISCAL YEAR 2018/19 ASSESSMENT ROLL

APN	OWNER	ROUNDING ADJUSTMENT	TOTAL ASSESSMENT
046-730-014-000	TAC INVESTMENTS LLC	(0.01)	19.28
046-730-015-000	PARKER GREGORY F & MARY ANN	(0.01)	5.80
046-730-016-000	BLUE SKY INVESTMENTS LLC	(0.01)	5.80
046-740-002-000	PRMBC LLC	(0.01)	8.36
046-740-003-000	PRMBC LLC	0.00	4.40
046-740-004-000	PRMBC LLC	(0.01)	5.06
046-740-005-000	PRMBC LLC	(0.01)	8.36
046-740-006-000	PRMBC LLC	(0.01)	9.14
046-740-007-000	PRMBC LLC	(0.01)	7.40
046-740-008-000	PRMBC LLC	(0.01)	7.44
046-740-009-000	PRMBC LLC	(0.01)	7.48
046-740-010-000	YOUNG LEROY A & PATRICIA J	(0.01)	9.40
046-740-011-000	YOUNG LEROY A & PATRICIA J	(0.01)	3.60
046-740-012-000	VANDERTOOLEN CUDDY LLC	(0.01)	13.96
046-740-013-000	CUDDY VANDERTOOLEN LLC	(0.01)	9.14
046-740-014-000	CUDDY VANDERTOOLEN LLC	(0.01)	7.40
046-740-016-000	YOUNG LEROY A & PATRICIA J	0.00	5.30
046-740-017-000	YOUNG LEROY A & PATRICIA A	0.00	7.36
046-740-018-000	YOUNG LEROY A & PATRICIA A	0.00	1.54
Totals:	59 Parcels	(\$0.31)	\$7,832.36