

**NON-BINDING SUMMARY OF CONCEPTUAL TERMS
of a
DECLARATION OF COVENANTS AND AGREEMENT REGARDING WATER SERVICE
between the City of Napa
and Napa Valley Grapegrowers
for
NAPA VALLEY GRAPEGROWERS OFFICE HEADQUARTERS**

(November 8, 2024)

This Non-Binding Summary of Conceptual Terms of a Declaration of Covenants and Agreement Regarding Water Service (“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 Napa Valley Grapegrowers (“NVG”) for Napa Valley Grapegrowers Office Headquarters (“Project”) at 7855 St Helena Highway, APN 027-280-077-000 (“Property”). These Summary Terms are not binding on either party unless they are embodied in a Declaration of Covenants and Agreement Regarding Water Service negotiated and executed by both parties.

- 1. Project:** As shown on Exhibit A-1, the Project consists of approximately 15,698 square feet of office and meeting space, agricultural equipment storage, a pump room, and parking. The Property is zoned Agricultural Preserve under Napa County zoning, and the Project’s uses are permitted as a legal nonconformity that cannot be expanded under Napa County’s General Plan and zoning.

- 2. Water Services:** The following terms are applicable to the existing ¾-inch City of Napa domestic water service to the Property (“**Domestic Water Service**”) and the new 6-inch City of Napa fire water service to the Property (“**Fire Water Service**”), (collectively referred to as “**Water Services**”):
 - A. The Water Services will be used only for the purpose of servicing the Project on the Property and no other uses. The Water Services shall only be used for office building, and fire sprinkler protection and shall not be used for irrigation, livestock, or other commercial uses. Water shall only be used on the Property and may not be used to serve outside sources or properties, and may not be sold, given, or traded to outside sources or properties.

 - B. As shown on Exhibit A-2, NVG shall provide:
 - i. 6-inch fire service line installed with:
 - meter and meter box
 - electronic radio transmitter (ERT)
 - backflow device
 - tap into existing hydrant lateral

 - ii. Abandon existing domestic service, replace, and relocate 1-inch domestic

water service line installed per City standards with:

- Relocated meter and meter box
 - Electronic radio transmitter (ERT)
 - Backflow device on the private side of the meter
- iii. Hot taps to be performed by City staff.
 - iv. No new taps in the 36-inch transmission main.
 - v. All work shall be performed at NVG expense
- C. NVG shall comply with all City codes, regulations, standard specifications and other requirements applicable to the installation of the Water Services and other infrastructure described herein.
- D. Prior to activation of Water Services, NVG shall pay all applicable fees and charges required for the Water Services and shall comply with all provisions of Summary Terms contained herein.
- E. The City shall not be liable for damage to facilities caused by fire or any associated reason including but not limited to the Water Services being turned off for failure of payment.
- F. NVG shall pay all applicable water rates for Outside services as approved by resolution of the City Council.
- G. Backflow Device:
- i. NVGG shall purchase and install an AWWA approved backflow device for the fire service line and install it immediately on the private side of the meter at the edge of Walnut Drive right-of-way. The backflow device shall be an above ground reduced pressure backflow device.
 - ii. Prior to activation of the fire service, NVG shall install the backflow device, have it tested by an AWWA certified tester from a list of testers provided by the City, and submit the test results to the City of Napa Water Division.
 - iii. Backflow devices shall be the property of the NVGG and shall tested by NVG annually per City of Napa requirements.
- H. The City does not guarantee pressure or flow through Water Services lines. NVG shall be responsible for making any improvements necessary to account for insufficiencies in the pressure or flow to the Property. Improvements made, if any, shall be installed after the backflow device and may not exceed the flow capacities of the Water Services lines.
- I. NVG shall grant the City the right to access the Property to inspect all water facilities during normal business hours, and the right to access the Water Services lines located on the Property for the purposes of confirming that City water service is not

being provided to other properties and is not being used for purposes other than those permitted herein after providing 24-hour prior notification to NVG and allowing NVG the opportunity to accompany the City representative.

3. Easements and Permits:

- A. As shown on Exhibit A-2, NVG shall obtain the following easements to be dedicated to the City of Napa and provide proof of their recordation with Napa County prior to installation of Water Services:
 - i. Twenty (20) foot water line easement along the existing alignment of the City's 36-inch water main on the Property.
 - ii. Ten (10) foot water line easement for the new fire service line to connect to the existing fire hydrant lateral on property 027-280-016 within easement conveyed by the Waterline Easement Agreement dated April 16, 2024 and recorded as document number 2024-0006595 in the Official Records of Napa County.
 - iii. Ten (10) foot water line easement to the City of Napa for public service line facilities up to the meter on the NVG Property and existing public water system facilities including the hydrant and water line on property 027-280-016.

- B. NVG shall obtain a County encroachment permit for any construction work, traffic control, or other activities that impacts or occurs on County right of way.

4. Agreement to Run with the Land: The Declaration of Covenants and Agreement Regarding Water Service shall run with the land and shall be binding upon all parties having any right, title, and interest in the real Property, or any part thereof, and their heirs, successors, and assigns; and shall be recorded to provide notice of such intention.

5. Future Annexation: NVG shall not file an objection to any future requests to annex the Property into the City. The Declaration of Covenants and Agreement Regarding Water Service shall serve as a petition to annex, which the City may pursue by proposing a boundary change or reorganization to LAFCO by submitting a resolution adopted by the City.