2010-0032123

Recording requested by and
when recorded send to:

Napa County Conservation, Development,
And Planning Department
1195 Third Street, Suite 210
Napa, California 94559

Recorded
Official Records
County of
Napa
JOHN TUTEUR
Assessor-Recorder-Cou

REC FEE 0.00
CCN1-NO FEE CON 0.00

CW
11:45AM 28-Dec-2010 Page 1 of 20

Recording Exempt from Recording Fee:
Gov. Code section 27383

APN (s): 027-280-066

FOR USE BY RECORDER ONLY

NAPA COUNTY AGRICULTURAL PRESERVE CONTRACT

(TYPE "A")

THIS TYPE A AGRICULTURAL PRESERVE CONTRACT NO. P06-01192-AGK is made and entered into as of this 7th day of December, 2010, by and between the COUNTY OF NAPA, a political subdivision of the State of California, hereinafter referred to as "County," and RME, Inc., a California Corporation, hereinafter referred to as "Owner".

RECITALS

WHEREAS, Owner is the owner of certain real property ("the subject property") located in the unincorporated area of the County of Napa, known as Assessor's Parcel Number 027-280-066 on the Napa County Assessor's Maps in effect on the date first above written, and further described in Exhibit "A," attached hereto and incorporated by reference herein; and

WHEREAS, both Owner and County desire to enter into this Contract to limit the use of the subject property, which has been designated in County's zoning regulations as Agricultural Preserve (AP), to agricultural uses and other uses compatible with agriculture as part of an overall program under the Williamson Act (Government Code section 51200 *et seq.*, hereinafter referred to as "Williamson Act" or "Act") designed to conserve the economic resources of the State of California and County by maximizing the amount of agricultural land preserved so as to maintain the local agricultural economy, assure an adequate food supply for future residents of the County and State, discourage premature and unnecessary conversion of agricultural land to other than agricultural uses, and prevent loss of the value to the public of the open space utility of the land, both parties recognizing that such land when so preserved for agriculture and open space constitutes an important physical, social, aesthetic and economic asset of County and the State of California; and

WHEREAS, placement of the subject property in an agricultural preserve and accompanying execution and approval of this Contract by the Board of Supervisors of County constitutes a determination by the Board that the highest and best use of the subject property during the term of the Contract or any renewal thereof is for agricultural and compatible uses, as defined in this Contract, the rules and regulations applicable to the agricultural preserve, and the Williamson Act; and

WHEREAS, Owner and County intend the terms, conditions and restrictions of this Contract to be substantially similar to or, as permitted by Government Code section 51240, more restrictive than those required generally for agricultural preserve contracts by the Williamson Act and to that end intend that this Contract shall constitute an "enforceable restriction" within the meaning and for the purposes of Section 8 of Article XIII of the California Constitution and Sections 422 and 423 of the California Revenue and Taxation Code;

TERMS

NOW, THEREFORE, Owner and County, in consideration of the mutual promises, covenants and conditions herein contained and the substantial public benefits to be derived therefrom, do hereby agree as follows:

I. **CONTRACT MADE PURSUANT TO LAND CONSERVATION ACT:** This Contract is made and entered into pursuant to the California Land Conservation Act of 1965 (Chapter 7 of Part 1 of Division 1 of Title 5 of the California Government Code, commencing with Section 51200), as amended, commonly known as the Williamson Act, and is subject to all the provisions of that Act which are herein incorporated by reference, including any subsequent amendments thereto. This Contract is also subject to the provisions of those Type A Rules adopted by resolution of County's Board of Supervisors and amended from time to time thereafter which are in effect during the term of this Contract.

II. **DEFINITIONS:** Except as expressly otherwise set forth herein, the definitions set forth in Government Code section 51201 shall apply to this Contract. In addition, for purposes of this Contract, "Owner" or "Owners" shall mean all persons having any record title interest in the subject property.

III. **CONSIDERATION AND WAIVER OF PAYMENT:** Owner shall not receive any payment from County in consideration of the obligations imposed on Owner or its successors in interest under this Contract, it being recognized and agreed that the consideration for the execution of this Contract is the substantial public benefit to be derived therefrom, and the advantage that may accrue to the Owner as a result of the effect upon the assessed value of the subject property on account of the restrictions on the use of the subject property contained in this Contract.

IV. **RESTRICTIONS ON USE OF PROPERTY:**

A. Permitted Uses. During the term of this Contract, the subject property shall not be used by Owner or Owner's successors in interest for any purpose other than the following, obtaining all necessary use or other permits for such uses when required by County zoning, building, or other ordinances:

(1) *Agriculture*, which, for the purposes of this Contract shall mean the raising of crops or livestock, including the following:

- Growing and raising trees, vines, shrubs, berries, vegetables, nursery stock, hay, grain and similar food crops and fiber crops;
- Grazing of livestock and feeding incidental thereto;
- Animal husbandry, including, without limitation, the breeding and raising of cattle, sheep, horses, goats, pigs, rabbits, and poultry and egg production;
- Sale of agricultural products grown, raised or produced on the subject property.

(2) Farm management uses meeting all of the standards in subsections (E)(1) through (E)(6) of section 18.08.040 of the Napa County Code.

(3) *One single family dwelling or one mobilehome* for the entire subject property, if otherwise permitted by County's zoning, building and safety regulations. If more than one single family dwelling (including a second unit otherwise permitted by County zoning regulations including those pertaining to legal nonconformities) exists on the subject property upon commencement of the term of the Contract, Owner shall either convert such additional unit(s) to one of the other uses permitted under this Section or shall remove the unit(s);

(4) *Residential Care Facilities (Small)*, as defined in Section 18.08.540(A) of the Napa County Code;

(5) *Family Day Care Homes (Small)*, as defined in Section 18.08.290(A) of the Napa County Code;

(6) *Family Day Care Homes (Large)*, subject to Section 18.08.290(B) of the Napa County Code;

(7) *One guest cottage* provided that all of the conditions set forth in Section 18.104.080 are met;

(8) *Farm labor housing;*

(9) *Agricultural processing facilities*, including but not limited to, wineries, dairies, dehydrators, and fruit and vegetable packing plants;

(10) *Kennels and veterinary facilities;*

(11) *Feed lots;*

(12) *Non-commercial wind energy and conversion systems;*

(13) *Antennas, cable, telephone and other telecommunications facilities, including satellite earth stations*, to the extent permitted by Chapters 18.16, 18.119 and/or 18.120 of the Napa County Code;

(14) *Maintenance and emergency repairs of legally-created levees*, as permitted by Section 18.20.020 of the Napa County Code;

(15) *Temporary Events*, as defined in Chapter 5.36 of the Napa County Code, as long as such events are conducted during normal fallow periods in the agricultural use of the subject property or are otherwise conducted in a manner which does not prevent or interfere with use of the subject property for agriculture;

(16) *Erection, construction, alteration or maintenance of gas, electric, water and sewage facilities*, including transmission lines and water reservoirs, as long as such facilities do not prevent or otherwise interfere with the primary use of the subject property for agriculture.

B. Effect of Zoning Regulations. This Contract may prohibit certain uses of the subject property that would otherwise be allowed by the zoning district in which the subject property is located. Nevertheless, during the term of this Contract the permitted uses of the subject property shall be limited to those uses identified in subsection (A), above. County and Owner further agree that if, during the term of this Contract, County's Board of Supervisors amends such Rules, in the manner permitted by the Williamson Act, to permit additional uses within Type A preserves or to restrict or eliminate within Type A preserves any of the uses set forth in subsection (A), such amendment shall be deemed automatically incorporated into subsection (A), above, as an amendment of this Contract from that point forward. Notwithstanding the preceding sentence, in the event that the zoning is changed to eliminate a use which is provided for in subsection (A), and Owner has not exercised such use if a use permit is not required, or obtained a use permit and used that use permit in the manner contemplated by subsection (A)(2) or (A)(3), or subsection (B), of section 18.124.080 prior to the adoption of the zoning change, exercising such use shall not be permitted. If an Owner has engaged in a use formerly allowed by both subsection (A) and the zoning regulations in the manner contemplated by subsection (A)(2) or (A)(3), or subsection (B), of section 18.124.080, and the zoning subsequently changes to prohibit such use, Owner shall not be prevented from continuing to exercise such use a legal nonconforming use.

V. PARCEL SIZE AND NUMBER REQUIREMENTS:

A. One Legal Parcel Per Contract. During the term of this Contract, the subject property shall consist only of one "legal parcel" as that term is defined in Napa County Code section 17.02.320, as amended from time to time, and all of the property within that legal parcel shall be subject to this Contract. If, at any time during the term of this Contract, the subject property is determined by the County Assessor to contain more than one legal parcel in consequence of the application by Owner and subsequent recordation by County of one or more certificate(s) of compliance, Owner agrees to immediately commence and diligently pursue to completion prior to the next property tax lien date all legal actions, including the payment of any fees prescribed by law or by resolution of County's Board of Supervisors, necessary to either rescind this Contract and simultaneously to enter into separate Williamson Contracts for each of the legal parcels within the subject property or to merge into a single legal parcel all such parcels or portions of parcels then comprising the subject property and to record and/or consent to the recordation of such documents. County and Owner further agree that if Owner establishes, to the satisfaction of the County Director of Conservation, Development and Planning, that it has become legally impossible for Owner, for reasons beyond the control of Owner, to either complete such merger of the subject property into a single legal parcel or to

rescind and replace this Contract with new Williamson Act contracts for all of the subject property, then by their respective approval of this Contract County's Board of Supervisors shall be deemed to have authorized Owner, and Owner shall be deemed to have consented and agrees to immediately file with the County Director of Conservation, Development and Planning a Notice of Non-Renewal (partial) of the Contract, as permitted by Government Code section 51245 and provided in Section VII, below, for the portions of the subject property for which such corrective actions have been so determined to be legally impossible, as permitted by Government Code section 51245. Such Notice of Non-Renewal (partial) shall be accompanied by the processing fee then in effect established to cover the cost of processing the request. Simultaneously with filing such Notice of Non-Renewal (partial), Owner shall also file an application with the County Assessor, accompanied by the processing fee then in effect, requesting the County Assessor to separate for purposes of assessment ("SFAP") as of the next assessment roll the portion of the property to which the Notice of Non-Renewal (partial) applies from the remaining portion of the subject property. As long as Owner has filed and not withdrawn such Notice of Non-Renewal (partial) and SFAP Application with the accompanying processing fees, following such determination of legal impossibility, County agrees not to seek court redress from Owner for the violation of this subsection otherwise caused by this multiplicity of legal parcels within the subject property during the remainder of term of the Contract applicable to the non-renewed portion of the subject property.

B. Minimum Parcel Size. Except as otherwise permitted in accordance with Government Code section 51230.2 in relation to certain subdivisions made for the purpose of agricultural laborer housing facilities, the legal parcel containing and comprised of the subject project during the term of this Contract shall be no less than ten (10) acres in size in the case of "prime agricultural land" and no less than forty (40) acres in size in the case of land which is not "prime agricultural" land," as such term is defined in Section 51201(c) of the Government Code.

VI. TERM:

A. Date of Commencement. The term of this Contract shall commence on the property tax lien date (January 1) immediately following the date of its execution by Owner and County.

B. Length of Initial Term. The initial term of this Contract shall be ten (10) years from the Date of Commencement, unless sooner terminated in accordance with the provisions hereof.

C. Automatic Renewal. This Contract shall be automatically renewed on each succeeding January 1st, which shall be deemed to be the "annual renewal date" of the Contract. Upon each such annual renewal date, one (1) additional year shall be automatically added to the initial term hereof, unless Notice of Non-Renewal is given by Owner or County as provided in Section VII, below.

D. Length of Term after Notice of Non-Renewal. If County or Owner serves notice of intent in any year to not renew this Contract, the Contract shall remain in effect for the balance of the term remaining, dated from the Date of Commencement of the Contract or from the last automatic renewal of the Contract, whichever is latest. During the balance of the

term remaining after service of the Notice of Non-Renewal, the terms and conditions of the Contract shall remain in full force and effect.

VII. NOTICE OF NON-RENEWAL:

A. Service of Notice of Non-Renewal. If either party desires in any year not to renew this Contract, the party shall serve written Notice of Non-Renewal upon the other party in advance of the annual renewal date of the Contract. If the notice is filed by the owner, the notice shall be accompanied by the fee then in effect established to cover the cost of processing the Notice. Unless such written Notice of Non-Renewal is served by Owner at least ninety (90) days prior to the annual renewal date, or by County at least sixty (60) days prior to the annual renewal date, this Contract shall be considered renewed for another year as provided in Section VI(C), above. A Notice of Non-Renewal filed after such dates but prior to the annual renewal date shall be deemed to have been filed after the annual renewal date and shall not become effective until the next annual renewal date.

No later than twenty (20) days after County receives a Notice of Non-Renewal from Owner, serves a Notice of Non-Renewal upon Owner, or withdraws a Notice on Non-Renewal, the clerk of the board shall record with the county recorder a copy of the Notice of Non-Renewal or Notice of Withdrawal of Non-Renewal.

B. Protest and Withdrawal. If County serves a written Notice of Non-Renewal of this Contract as provided in (A), above, Owner may submit to County, within ten (10) days after Owner's receipt of the Notice of Non-Renewal, a written protest of such non-renewal. County may, in its sole discretion, at any time prior to the next annual renewal date, withdraw its Notice of Non-Renewal, in which case this Contract shall continue in full force and effect as if no Notice of Non-Renewal had been served by County.

C. Execution of Notice of Non-Renewal. A written Notice of Non-Renewal submitted for Owner must be executed by all owners of a fee interest and by all owners of a security interest in the subject property.

D. Partial Non-Renewal. Except as provided in Section V(A), above, a written Notice of Non-Renewal under this Contract must relate to the whole of the subject property, including but not limited to all property that was originally included in a single Williamson Act contract but later was subdivided for joint family management purposes pursuant to Government Code section 51230.1 and each resulting parcel placed in its own Williamson Act contract.

VIII. ASSESSMENT:

A. Enforceable Restriction. The subject property shall be enforceably restricted within the meaning, and for the purpose, of Section 8 of Article XIII of the California Constitution. The County Assessor shall assess the subject property in accordance with the provisions of Article 1.5 of Chapter 3 of Part 2 of Division 1 of the California Revenue and Taxation Code, commencing with Section 421 thereof.

B. Calculation of Income. For the purposes of Revenue and Taxation Code Section 423(a)(3), the parties stipulate that for purposes of calculating the value of the subject property, County, through its Assessor, shall apply either (*i*) the then actual agricultural and compatible

uses rental income earned by the subject property, or (*ii*) the fair rental income (also known as the market or economic rental income) which the subject property is capable of earning, whichever is greater.

C. **Valuation After Service of Notice of Non-Renewal.** If either party serves a Notice of Non-Renewal pursuant to the provisions of Section VII, above, the County Assessor shall thereafter value the subject property in the manner provided in Revenue and Taxation Code Section 426; provided, however, that if during the term of this Contract the State of California provides through appropriate legislation other methods for assessing the subject property either before or after the filing of a Notice of Non-Renewal, the County Assessor shall assess the subject property in accordance with such legislation and any amendments thereto.

IX. AUTOMATIC TERMINATION BY EMINENT DOMAIN: The effect on the subject property and the legal relationship of the parties under this Contract of any of the following events shall be as set forth in the Williamson Act, as such may be amended from time:

A. **Eminent Domain.** Any action in eminent domain for condemnation of the fee title or any interest less than the fee title of the subject property or any portion thereof; or

B. **Acquisition in Lieu of Eminent Domain.** The acquisition of the subject property for a "public improvement" by a public agency or other person "in lieu of eminent domain," as those terms are defined in the Act; or

C. **Federal Acquisition.** Any such action or acquisition by the federal government or any person, instrumentality or agency acting under authority or power of the federal government.

X. CONTRACT SUBJECT TO EXERCISE OF POLICE POWER: Nothing in this Contract shall limit or supersede the planning, zoning, health, safety or other police powers of County or the right of County to exercise such powers with regard to the subject property, including, but not limited to, those powers derived from the State Planning and Zoning Law and the State Housing Law.

XI. CANCELLATION:

A. **Petition for Cancellation.** Except as otherwise provided in Government Code section 51257 in relation to removal of land from Williamson Act contracts in connection with certain lot line adjustments, this Contract may not be canceled in whole or in part in relation to any portion of the subject property except following a request by Owner in conformance with the provisions of this Section and in compliance with the provisions of the Williamson Act pertaining to cancellation. In accordance with such cancellation provisions, Owner may petition the Board for cancellation of this Contract as to all or any portion of the subject property. Any Owner-initiated request to cancel must be joined in by all owners of a fee interest and all owners of a security interest in the subject property. For purposes of this Section, "subject property" includes, but is not limited to, all property originally included in a single Williamson Act contract but later subdivided pursuant to Government Code section 51230.1 and each resulting parcel placed in its own Williamson Act contract.

B. Notice and Hearing on Petition for Cancellation. Following the filing of the petition for cancellation of the Contract described in subsection (A), above, County shall give notice of, and the Board shall hold a public hearing on the matter in accordance with the provisions of California law pertaining to cancellation of Williamson Act contracts, including Government Code Section 51284. In addition, at least ten (10) working days prior to the hearing, a notice of the hearing and a copy of the Owner's Petition for Cancellation shall be mailed to the Director of Conservation.

C. Required Findings. Following such public hearing, the Board may approve the requested cancellation of the Contract only if the Board makes such findings as are required by Sections 51280 et. seq. of the Act. The existence of an opportunity for another use of the subject property shall not be sufficient reason for the cancellation of this Contract. A potential alternative use of the subject property may be considered only if there is no proximate, non-contracted land suitable for the use proposed for the subject property. Likewise, the uneconomic character of an existing agricultural use shall not be sufficient reason for cancellation of this Contract, but shall be considered only if the subject property may be put to no other reasonable or comparable agricultural use.

D. Payment of Cancellation Fees. As part of any petition by Owner for the cancellation of this Contract, Owner shall acknowledge Owner's readiness and willingness to pay to the County Treasurer a cancellation fee equal to the amount calculated pursuant to Section 51283 of the Code, as that section may be in effect at the time of the petition. If the petition for cancellation is approved by the Board, collection and distribution of the cancellation fee shall be accomplished in the manner as specified in the Williamson Act. Upon compliance with the provisions of Government Code section 51283.4, the Board shall execute a certificate of cancellation of contract and cause the same to be recorded.

XII. SUBDIVISION; LOT LINE ADJUSTMENT:

A. Subdivision. The subject property shall not be subdivided during the term of this Contract except to the extent:

(1) permitted by section 51230.1, in which case Owner and County shall simultaneously rescind and enter into new Williamson Act contracts for each of the resulting parcels; or

(2) permitted by section 51230.2, in which case all of the subdivided property shall be subject to the same contract.

B. Lot Line Adjustment. County and Owner expressly agree that application by Owner for a lot line adjustment involving the subject property or any portion thereof shall be deemed by Owner and County to constitute a request and consent by Owner to rescind and replace this Contract with one or more new Williamson Act contracts for the resulting parcels, so as to ensure that all of the subject property will remain under Williamson Act contract following approval and completion of the lot line adjustment, except as otherwise provided by Government Code section 51257 if the lot line adjustment is approved prior to sunset of that provision, and to further ensure that all of the property within each adjusted parcel which contains any portion of the subject property will fully comply with the requirements of subsection (A) of Section V that each replacement Williamson Act contract contain only one

legal parcel and all property within each successor legal parcel remains subject to a Williamson Act contract. County hereby agrees that as long as Owner has executed such replacement contracts, obtained execution of such contracts with any other owners of land involved in the lot line adjustment, and filed such executed contracts with County, along with any required contract application fees, prior to or simultaneously with the filing with County Director of Public Works of the deeds necessary to consummate the lot line adjustment, County will not deem Owner to be in breach of Section V of this Contract even though, in consequence of those provisions of the Williamson Act pertaining to the timing of approval of new contracts, approval and recording of the replacement Williamson Act contracts at the earliest legally available opportunity may not occur until after the lot line adjustment deeds have been recorded.

XIII. VOLUNTARY CONVEYANCE; ENCUMBRANCES:

A. Conveyance Limitations for Subject Property under Joint Management Agreement. Subject property originally included with other property in a single Williamson Act contract but later subdivided into a separate legal parcel pursuant to Government Code section 51230.1 subject to a family joint management agreement and thereafter incorporated into this Contract shall not be conveyed by Owner to anyone other than a member of his/her immediate family unless all of the resulting parcels containing the property included in the original single Williamson Act contract are conveyed to a single individual by deeds which merge all such parcels into a single legal parcel subject to a replacement Williamson Act contract.

B. Encumbrance Limitations for Subject Property under Joint Management Agreement. Subject property originally included with other property in a single Williamson Act contract but later subdivided into a separate legal parcel pursuant to Government Code section 51230.1 subject to a family joint management agreement and thereafter incorporated into this Contract shall not be encumbered unless all of the parcels containing the property that had been included in the original Williamson Act contract prior to such subdivision are also encumbered as a part of the same transaction.

XIV. AUTOMATIC TERMINATION: If it should be finally determined by judicial proceedings that this Contract does not constitute an enforceable restriction within the meaning of the California Revenue and Taxation Code, except for an unenforceability arising out of the non-renewal of this Contract, for any tax year during the term of this Contract or any renewals thereof, then, and in that event, this Contract shall be null, void and without further effect, and the subject property shall be from that time free from any restriction whatsoever under this Contract.

XV. ENFORCEMENT OF CONTRACT: Any conveyance, contract, or authorization (whether oral or written) by Owner or the successors in interest of Owner which would permit use of the subject property contrary to the terms of this Contract may be declared void by the County's Board of Supervisors and such declaration and the terms and provisions of this Contract may be enforced by County by an action filed in the Superior Court of the County for

the purpose of compelling compliance or restraining the breach thereof. The enforcement proceedings provided in this Contract shall not be exclusive, and both the Owner and County may pursue any other remedies available to them in law or equity.

XVI. MATERIAL BREACH: Any commercial, industrial, or residential building constructed that exceeds 2,500 square feet, that is not allowed under the Williamson Act, this contract, local uniform rules or ordinances consistent with the provisions of the Williamson Act, and that is not related to an agricultural use or compatible use, will be considered to be a material breach of the contract pursuant to California Government Code Section 51250. The County shall notify the Owner of the breach. The Owner will have sixty (60) days from the time of delivery of the notice, if delivered in person, sixty-five (65) days from the date of mailing if the notice is mailed to the Owner at an address within the State of California, or seventy (70) days from the date of mailing if the notice is mailed to the Owner at an address outside the State of California to eliminate the condition that caused the breach. If the breach is not eliminated within the specified timeframe, the Board shall hold a noticed public hearing pursuant to California Government Code Section 51250 to hear evidence regarding the alleged breach and if the Board determines at the conclusion of the hearing that a material breach continues to exist as described in this section, the Board may order the Owner to eliminate the condition that caused the breach or assess a monetary penalty and record a certificate of contract termination. If the Owner disagrees with the determination, he or she may pursue any other legal remedy that is available. All County costs associated with elimination of the breach shall be borne by the Owner. Costs shall be as established by Resolution of the Board.

XVII. INDEMNIFICATION; EXCULPATORY CLAUSE:

A. **Hold Harmless, Defense and Indemnification.** Owner agrees to defend, indemnify and hold County harmless from any claim, demand or causes of action or action for damages involving Owner's interest or rights in and to the subject property or arising out of the existence or implementation of this Contract.

B. **Warranty of Authority of Signatories for Owner and Encumbrance Holders.** All persons signing this Contract as Owner represent that they own fee title interest in the subject property and are entitled to and possess the authority to enter into this Contract and to bind the subject property in accordance with the terms of this Contract. All persons signing this Contract as lessees or as holders of encumbrances on the subject property represent that they legally own such leasehold interest or hold such encumbrances and are authorized and entitled to subrogate such encumbrances or leasehold interests to the terms and conditions of this Contract.

XVIII. COSTS OF LITIGATION: If County is made party, without any fault on its part, to any litigation commenced by or against Owner, Owner shall and will pay all costs together with reasonable attorney's fees incurred by or imposed upon County by or in connection with such litigation; further, Owner shall and will pay all costs and reasonable attorney's fees which may be incurred or paid by County in enforcing the covenants and agreements of this Contract.

XIX. PENALTY:

A. **Failure of Interested Party to Sign Contract.** If, after submission of this Contract by Owner to County and execution of this Contract by County, it is determined that a person or entity who has an interest in the subject property has not signed the Contract, then Owner shall be obligated to County for a sum equal to the difference between the taxes actually assessed and paid under the Contract and the taxes that would have been assessed and paid in the absence of a Contract. Such additional sum shall be levied for all times during which such interested person has not signed the Contract. The calculation of such tax differential shall be pro rated on a monthly basis until Owner obtains the necessary additional signatures.

B. **Continuing Obligation Absent Recorded Assumption.** In the event of a conveyance of the subject property, the Owner shall continue to be personally liable for such additional sums incurred under subsection (A) even after the conveyance of all of Owner's interest in the subject property, unless there has been recorded in the office of the Napa County Recorder a document approved as to form by the Napa County Counsel, by which the new Owner assumes all such liabilities.

XX. NO WAIVER: The waiver by either party to this Contract of any breach or violation of any requirement of this Contract by the other party shall not be deemed to be a waiver of any such breach in the future, or of the breach of any other requirement of this Contract.

XXI. NOTICES: All notices required or authorized by this Contract shall be in writing and shall be delivered in person or by deposit in the United States mail, by certified mail, postage prepaid, return receipt requested. Any mailed notice, demand, request, consent, approval or communication that either party desires to give the other party shall be addressed to the other party at the address set forth below. Either party may change its address by notifying the other party of the change of address. Any notice sent by mail in the manner prescribed by this paragraph shall be deemed to have been received on the date noted on the return receipt or five days following the date of deposit, whichever is earlier.

COUNTY
Napa County
Conservation, Development
And Planning Department
1195 Third Street, Suite 210
Napa, CA 94559

OWNER
RME, Inc.
c/o Constellation Brands Inc.
207 High Point Drive, Bldg 100
Victor NY 14564

AGENT FOR SERVICE OF PROCESS
CT Corporation
818 West 7th Street
2nd Floor
Los Angeles, CA 90017

XXII. SEVERABILITY: If any of the provisions of this Contract shall contravene, or be invalid under any law, such contravention or invalidity shall not invalidate the whole Contract, but it shall be construed as if not containing the particular provision or provisions held to be invalid, and the rights and obligations of the parties hereto shall be construed and enforced accordingly.

XXIII. SUCCESSORS IN INTEREST: This Contract shall constitute a covenant running with the subject property and shall be binding upon and inure to the benefit of the heirs, successors and assigns of the parties. This Contract may be enforced by either party or by any owner of land within the same agricultural preserve which is subject to a similar Contract.

XXIV. ASSESSMENT INFORMATION: During the term of this Contract and thereafter until all statutes of limitation applicable to assessment of property taxes for the subject property for periods during the term of the Contract, Owner shall provide County, upon request, with all information concerning Owner's agricultural activities upon the subject property, including income derived and expenses incurred in the course of Owner's agricultural pursuits in relation to the subject property. Said information is agreed by the parties to be necessary to implement the property tax assessment process, pursuant to the Williamson Act and the corresponding relevant portions of the California Revenue and Taxation Code, and said information shall be, at the request of the County, verified by a public accountant without expense to County.

XXV. JOINT MANAGEMENT AGREEMENT: If, during the term of this Contract, Owner desires to subdivide the subject property under the conditions permitted by Government Code section 51230.1 for intra-family transfers under joint management agreement, the following provisions shall apply:

A. **Obligation to Submit Joint Management Agreement to County.** Owner agrees that no final subdivision or parcel map submitted by or on behalf of Owner to the County Director of Public Works shall be deemed authorized by Owner for recordation unless Owner has simultaneously submitted to County a fully executed written joint management agreement between Owner and the immediate family members of Owner who are parties to the proposed transfer of the parcels to be created by the subdivision map or parcel map.

B. **Minimum Contents of Joint Management Agreement.** The joint management agreement required under subsection (A), above, shall provide, at a minimum, the following: the parties to the agreement warrant that the portion of land to be transferred will be operated under the joint management of the parties subject to the terms and conditions and for the duration of this Contract as if it were still a single unsubdivided unit; for purposes of the joint management agreement and Government Code section 51230.1, the term "immediate family" means the spouse, registered domestic partner, the biological, adopted, or step children, the parents, or the siblings of Owner; the parties to the agreement agree and acknowledge that County is an intended third party beneficiary of the joint management agreement; County shall have the right, as a third party beneficiary to the agreement, to enforce the terms thereof; and the parties to the agreement, including Owner, shall be jointly and severally liable to pay all

costs and reasonable attorney's fees which may be incurred or paid by County in enforcing the agreement.

IN WITNESS WHEREOF, Owner and County have hereunto executed this Contract as of the day and year first above written.

OWNER(S): RME Inc.

Gregory P. Fowler SVP Operations
Signature Title

AKA: Gregory P. Fowler
Printed Name AKA: GREG FOWLER

Signature Title

Printed Name

COUNTY OF NAPA, a political subdivision of the State of California

By Diane Dillon

DIANE DILLON, Chair
Napa County Board of Supervisors

ATTEST: SEAL AFFIXED

GLADYS COIL
Clerk of the Board

By: Gladys D. Coil

Approved by the Napa County Board of Supervisors
Date: 12-7-2010
Processed by: Mary Jan McLaughlin
Deputy Clerk of the Board

APPROVED AS TO FORM
Office of County Counsel
By:
Deputy County Counsel
Date: 11/24/2010

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California
County of NAPA

On Nov 4 2010 (Date) before me, Randi J. Reistad Notary Public (Here Insert Name and Title of the Officer)

personally appeared Greg Fowler (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.

RANDI J. REISTAD
COMM. # 1865059
NOTARY PUBLIC - CALIFORNIA
NAPA COUNTY
MY COMM. EXP. OCT. 12, 2013

Signature Randi J. Reistad (Signature of Notary Public)

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

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

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

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

RIGHT THUMBPRINT OF SIGNER
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CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California
County of Napa }

On Dec. 7, 2010 (Date) before me, Lupe Ramirez Peterkin, Notary Public (Here Insert Name and Title of the Officer)

personally appeared Diane Dillon (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 Lupe Ramirez Peterkin (Signature of Notary Public)

LUPE RAMIREZ PETERKIN
Commission # 1803859
Notary Public - California
Napa County
My Comm. Expires Jun 24, 2012

Lupe Ramirez Peterkin
Napa County-California
Commission # 1803859
My Comm. Expires June 24, 2012
707-253-4421

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

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Title or Type of Document: _____

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

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

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

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EXHIBIT "A"

PARCEL ONE:
All that real property situated in the County of Napa, State of California, being a portion of the lands of Robert Mondavi Properties, Inc., a California Corporation as described in the Corporation Grant Deed recorded October 20, 1999 as instrument number 1999-0032793 in the Official Records of the County of Napa together with a portion of the lands of R.M.E. Inc., a California Corporation as described in the Corporation Grant Deed recorded October 20, 1999 as instrument number 1999-0032794 in the Official Records of the County of Napa, said portions being described as a whole as follows:

Beginning at that corner of said lands of Robert Mondavi Properties, Inc, which is the Southern corner of the 145.81 acre tract of land described in the deed to Beaulieu Vineyards, a Corporation, recorded October 8, 1910 in Book 99 at Page 249 of Official Records of Napa County;

thence, along the Southwestern line of said 145.81 acre tract North 40°30'00" West 749.88 feet to the most Northern corner of said lands of Robert Mondavi Properties, Inc.;

thence along the Northwestern line of said lands South 51° West 290.00 feet to the Northern corner of the 70 acre tract of land described in the deed John U. Calkins recorded June 29, 1937 in Book 119 at Page 185 of Official Records of the County of Napa;

thence along the Eastern lines of said 70 acre tract South 27°00' East 1308 feet, South 22°15' West 455 feet and South 01°30' East 455 feet, more or less to the intersection thereof with a line that is parallel to and 10.3 feet Northwesterly of a vineyard block as it existed in the year 2005;

thence, on bearings based on Map No. 1935 filed April 2, 1970 in Book 2 of Parcel Maps at Page 35 in the Office of the Recorder of the County of Napa, parallel to and 10.3 feet Northwesterly of said vineyard block North 54°23'44" east 204.0 feet to the middle of a vineyard avenue;

thence along said middle of vineyard avenue South 35°38'42" East 251.6 feet to the intersection thereof with the middle of a second vineyard avenue;

thence along the middle of said second vineyard avenue North 55°07'42" East 1002.7 feet, more or less to the Southwestern line of said land of R.M.E., Inc.;

thence leaving said Southwestern line North 55°07'42" East 2.7 feet to the middle of a third vineyard avenue;

thence along the middle of said third vineyard avenue North 35°30'19" West 730.3 feet to a point on a line that is parallel to the split between a vine row marked "CS15" to the Northwest and a vine row marked "CS 4" to the Southeast;

thence North 35°55' West 742 feet, more or less to a point on the Southeastern line of said 145.81 acre tract distant thereon North 55° East 41.00 feet from the Southern corner of said 145.81 acre tract;

thence along said Southeastern line South 55° West 41.00 feet to the point of beginning of this description.

PARCEL TWO:

An easement for ingress, egress, roadway and utility purposes over, under, along and across a strip of land 40.00 feet wide, the Northeastern line of which is the Southwestern line of the 90 acre tract of land described in the deed to Beaulieu Vineyard, a Corporation, recorded July 28, 1943 in Book 202 at Page 70 of the Official Records of the County of Napa and the Northwesterly extension thereof to the Southeastern line of the lands conveyed to Robert Mondavi Winery, a California Corporation by the Corporation Grant Deed recorded December 20, 2007 as instrument number 2007-0039437 of Official Records of Napa County. The Southwestern line of this strip of land shall be lengthened or shortened as necessary to end at the Southeastern line of said lands conveyed to Robert Mondavi Winery, Inc. and to end at the Northwestern line of Walnut Drive, a private roadway which is described in said instrument number 1999-0032793.

PARCEL THREE:
An easement for ingress, egress, roadway and utility purposes over, under, along and across a strip of land 22.00 feet in width, lying 11.00 feet on each side of the following described center line:

Beginning at the Northeastern terminus of that certain course described as having a length of "284.4 feet" in the description of parcel of land conveyed by the Corporation Grant Deed recorded December 20, 2007 as instrument number 2007-0039435 of Official Records of Napa County;

thence along the exterior boundaries of said parcel South 55°10'04" West 284.4 feet to an angle point therein and North 35°36' West 482.8 feet to the Northern corner thereof;

thence on the production of said last described boundary line North 35°36' West 730 feet, more or less to a point that lies 11.00 feet Southeasterly, measured at a right angle from the Southeasterly line of said 145.81 acre tract of land described in the deed to Beaulieu Vineyards, a Corporation, recorded October 8, 1910 in Book 99 at Page 249 of Official Records of Napa County;

thence parallel to and 11.00 feet Southeasterly from said Southeasterly line South 55° West 985 feet, more or less to the northeastern line of the above described Parcel One.

The sidelines of this 22.00 foot wide strip shall be lengthened or shortened as necessary so as to end at said northeastern line of the above described parcel and to end at the Northwesterly production of the Northeasterly line of the above described 40 foot wide easement.

PARCEL FOUR:
A Right of Way, 50 feet in width, over Walnut Drive as described in the Deed to Italian Swiss Colony, a corporation, recorded March 7, 1951 in Book 360 at page 176 of Official Records of Napa County.

PARCEL FIVE:
A Right of Way, 23 feet in width, being the summation of two 11.5 foot wide easements as described in the Deeds recorded July 28, 1943 in Book 202 at page 70 and in Book 202 at page 72 of Official Records of Napa County.

PARCEL SIX:
A Right of Way, 12 feet in width, as reserved in the Deed from Caroline Bishop Stelling, a widow, to Hedwig Detert, a widow, recorded June 10, 1954 in Book 443 at page 314 of Official Records of Napa County.

PARCEL SEVEN:
A Right of Way, 12 feet in width, as reserved in the Deed from Caroline Bishop Stelling to Francis S. Low, et ux, Recorded August 1, 1955 in Book 483 at page 409 of Official Records of Napa County.

PARCEL EIGHT:
A Right of Way, 25 feet in width, as reserved in the Deed from Robert Mondavi Vineyards, Inc., a corporation, to Gabriele Detert Horton, a married woman, recorded August 31, 1976 in Book 1007 at page 692 of Official Records of Napa County.

PARCEL NINE:
A Right of Way and Easement for vehicular and foot traffic, sewers and public utilities of all kinds above, or below the ground, excepting railroads and railways, in, over and upon a parcel of land described as follows:

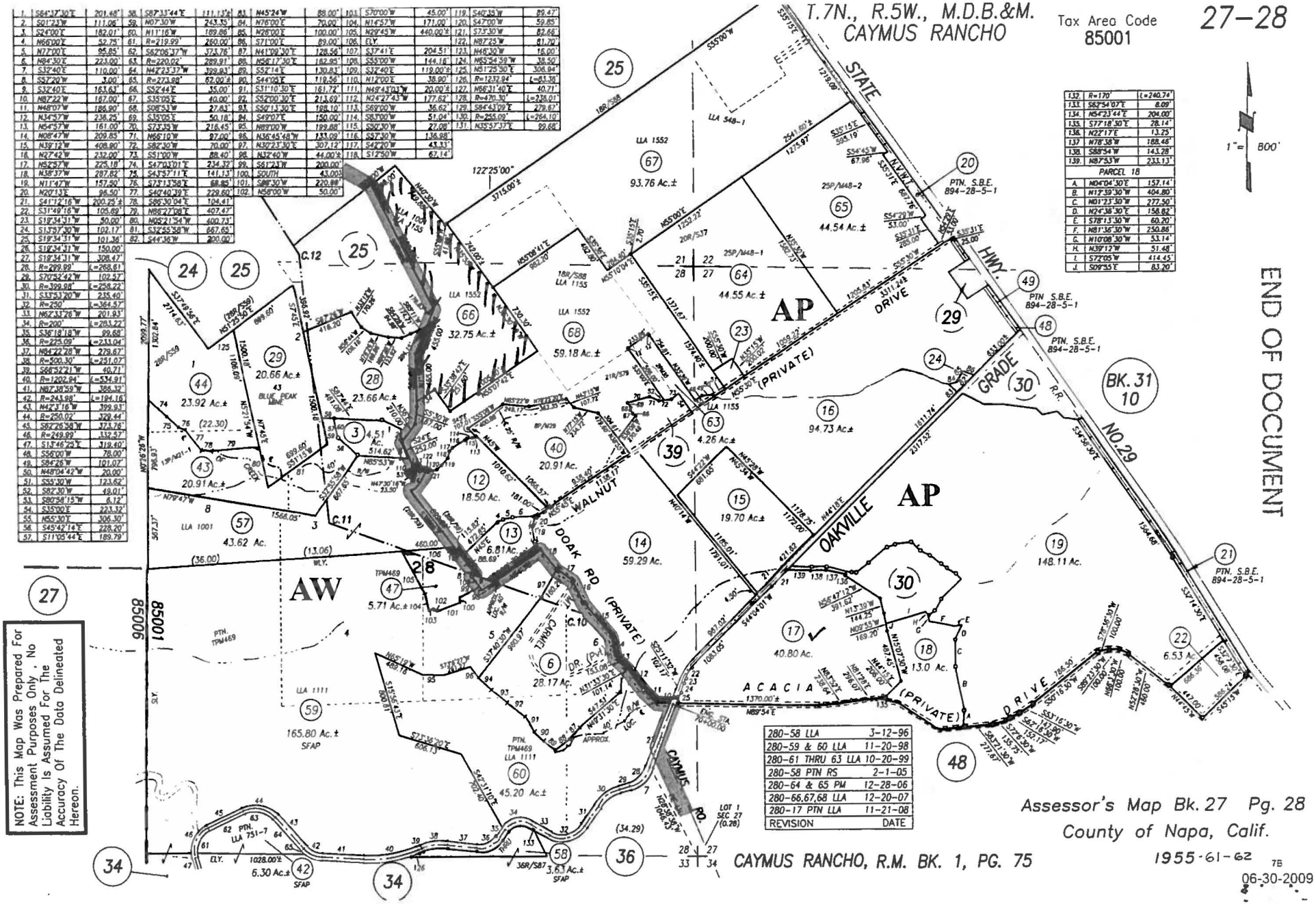
COMMENCING at the point of commencement of the above described 156.21 acre tract of land; running thence South 55° West 61.67 feet, thence North 35°31' West 2.24 feet; thence South 55°30' West 3542.97 feet; thence South 55°45' West 1138.17 feet; thence South 20°13' West 96.50 feet, thence South 11°47' East 157.50 feet; thence South 38° 37' East 287.82 feet; thence South 52°57' East 225.18 feet; thence South 27°42' East 232.0 feet; thence South 39°12' East

408.90 feet; thence South 08°47' East 209.85 feet; thence South 54° 57' East 161.0 feet; thence South 34°57' East 236.25 feet, thence South 48°07' East 186.90 feet, thence South 87°22' East 167.00 feet to the western line of Dry Creek Road; thence along said western line North 16°10½' East 25.72 feet; thence leaving said western line and running North 87°22' West 164.22 feet; thence North 48°07' West 175.10 feet; thence North 34°57' West 237.77 feet; thence North 54°57' West 154.76 feet; thence North 08°47' West 205.98 feet; thence North 39°12' West 413.16 feet; thence North 27°42' West 235.08 feet; thence North 52°57' West 227.64 feet; thence North 38°37' West 278.72 feet, thence North 11°47' West 144.37 feet; thence North 20°13' East 81.32 feet; thence North 55°45' East 1130.16 feet; thence North 55°30' East 3604.93 feet; thence North 35°11' West 23.35 feet to the point of commencement as reserved in the deed recorded March 7, 1951 in Book 360 at page 176 of Official records of Napa County.

PARCEL TEN:
A non-exclusive riparian right to divert water from the creek that runs along the southerly boundary of the lands of Robert Mondavi Properties, Inc. described in the Corporation Grant Deed recorded December 20, 2007 as Instrument No. 2007-0039435, including an easement for vehicular and pedestrian access over said land to the creek or watercourse, for installation, use, operation, maintenance, repair and replacement of pumps, pipelines, and all necessary water diversion and conveyance facilities necessary for the full enjoyment of the riparian right referred to above.

The consolidation of underlying lots, parcels, or portions thereof as set forth in the above metes and bounds description, constitutes an expressed written statement of the Grantor, merging said underlying lots, parcel or portions thereof pursuant to Section 1093 of the California Civil Code.

APN 027-280-066



1.	S64°37'30"E	201.48'	58.	S87°33'44"E	111.13'±	81.	N45°24'W	88.00'	103.	S70°00'W	45.00'	119.	S40°35'W	89.47'
2.	S01°23'W	111.06'	59.	N07°30'W	243.35'	84.	N76°00'E	70.00'	104.	N14°57'W	171.00'	120.	S47°00'W	59.85'
3.	S24°00'E	182.01'	60.	N11°16'W	189.86'	85.	N26°00'E	100.00'	105.	N29°45'W	440.00'±	121.	S73°30'W	82.66'
4.	N66°00'E	52.75'	61.	R=219.99'	260.00'	86.	S71°00'E	89.00'	106.	ELY.		122.	N87°25'W	81.70'
5.	N77°00'E	95.85'	62.	S62°06'37"W	373.76'	87.	N41°09'30"E	128.56'	107.	S37°41'E	204.51'	123.	N46°30'W	16.00'
6.	N84°30'E	223.00'	63.	R=220.02'	289.91'	88.	N56°17'30"E	182.95'	108.	S55°00'W	144.16'	124.	N65°54'59"W	38.50'
7.	S32°40'E	110.00'	64.	N42°23'37"W	329.83'	89.	S52°14'E	130.83'	109.	S32°40'E	119.00'±	125.	N51°25'30"E	306.94'
8.	S52°20'W	3.00'	65.	R=273.88'	62.00'±	90.	S44°05'E	119.56'	110.	N12°00'E	38.90'	126.	R=1232.94'	L=83.38'
9.	S32°40'E	163.63'	66.	S52°44'E	35.00'	91.	S31°10'30"E	161.72'	111.	N45°43'02"W	20.00'±	127.	N66°31'40"E	40.71'
10.	N87°22'W	187.00'	67.	S35°05'E	40.00'	92.	S52°00'30"E	213.69'	112.	N24°27'43"W	177.62'	128.	R=470.30'	L=236.01'
11.	N48°07'W	186.90'	68.	S06°53'W	27.83'	93.	S56°13'30"E	198.10'	113.	S68°00'W	36.62'	129.	S84°43'09"E	279.67'
12.	N34°57'W	236.25'	69.	S35°05'E	50.18'	94.	S49°07'E	150.00'	114.	S83°00'W	51.04'	130.	R=255.09'	L=264.10'
13.	N54°57'W	161.00'	70.	S72°35'W	216.45'	95.	N89°00'W	199.88'	115.	S50°30'W	27.09'	131.	N35°57'37"E	99.68'
14.	N08°47'W	209.85'	71.	N66°10'W	97.00'	96.	N36°45'48"W	133.09'	116.	S37°30'W	136.98'			
15.	N39°12'W	408.80'	72.	S82°30'W	70.00'	97.	N32°23'30"E	307.12'	117.	S42°20'W	43.33'			
16.	N27°42'W	232.00'	73.	S51°00'W	88.40'	98.	N32°40'W	44.00'±	118.	S12°50'W	67.14'			
17.	N52°57'W	225.18'	74.	S47°03'01"E	234.32'	99.	S61°21'W	200.00'						
18.	N38°37'W	287.82'	75.	S43°57'11"E	141.13'	100.	SOUTH	43.00'						
19.	N11°47'W	157.80'	76.	S73°13'58"E	68.85'	101.	S89°30'W	220.89'						
20.	N20°13'E	96.50'	77.	S40°40'39"E	229.60'	102.	N56°00'W	50.00'						
21.	S41°12'16"W	200.25'±	78.	S86°30'04"E	104.41'									
22.	S31°49'16"W	105.69'	79.	N86°27'08"E	407.47'									
23.	S19°34'31"W	50.00'	80.	N05°21'54"W	400.73'									
24.	S13°57'30"W	102.17'	81.	S32°55'38"W	667.65'									
25.	S19°34'31"W	101.36'	82.	S44°36'W	200.00'									
26.	S19°34'31"W	150.00'												
27.	S19°34'31"W	308.47'												
28.	R=299.99'	L=268.61'												
29.	S70°52'42"W	102.57'												
30.	R=399.98'	L=258.22'												
31.	S33°53'20"W	235.40'												
32.	R=250'	L=364.57'												
33.	N62°33'26"W	201.93'												
34.	R=200'	L=283.22'												
35.	S36°18'18"W	89.68'												
36.	R=225.09'	L=233.04'												
37.	N84°22'28"W	278.67'												
38.	R=500.30'	L=251.07'												
39.	S66°32'21"W	40.71'												
40.	R=1202.84'	L=534.91'												
41.	N62°48'59"W	386.32'												
42.	R=243.98'	L=184.16'												
43.	N42°31'16"W	399.93'												
44.	R=250.02'	329.44'												
45.	S82°26'30"W	373.76'												
46.	R=249.99'	332.57'												
47.	S13°46'29"E	318.40'												
48.	S56°00'W	78.00'												
49.	S84°26'W	101.07'												
50.	N48°04'42"W	20.00'												
51.	S55°30'W	123.62'												
52.	S82°30'W	49.01'												
53.	S80°58'15"W	6.12'												
54.	S35°00'E	223.32'												
55.	N55°30'E	306.30'												
56.	S45°42'16"E	228.20'												
57.	S11°05'44"E	189.79'												

132.	R=170'	L=240.74'
133.	S82°54'07"E	8.09'
134.	N54°23'44"E	204.00'
135.	S77°18'30"E	28.14'
136.	N22°17'E	13.25'
137.	N78°38'W	188.48'
138.	S88°54'W	143.28'
139.	N87°53'W	233.13'
PARCEL 18		
A.	N04°04'30"E	157.14'
B.	N17°39'30"W	404.80'
C.	N01°23'30"W	277.50'
D.	N24°38'30"E	158.82'
E.	S78°13'30"W	60.20'
F.	N81°36'30"W	250.86'
G.	N10°08'30"W	53.14'
H.	N39°12'W	51.48'
I.	S72°05'W	414.45'
J.	S09°55'E	83.20'

280-58 LLA	3-12-96
280-59 & 60 LLA	11-20-98
280-61 THRU 63 LLA	10-20-99
280-58 PTN RS	2-1-05
280-64 & 65 PM	12-28-06
280-66,67,68 LLA	12-20-07
280-17 PTN LLA	11-21-08
REVISION	DATE