

# EXHIBIT F

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# VHR

VINE HILL RANCH

NAPA VALLEY

August 19, 2019

Don Barrella  
Planner  
County of Napa  
1195 Third Street  
Second Floor  
Napa, CA 94559

Dear Mr. Barrella,

I am writing on behalf of the owners of the following parcels in my capacity as Managing Partner of Phillips Family Farming LLC in order to convey our agreement to supply the necessary water resources to support the vineyard as proposed under permit P19-00194.

APN 027-381-015  
APN 027-381-016  
APN 027-490-007  
APN 027-500-032

Thank you for your continued consideration of this permit application.

Sincerely,



Bruce Phillips  
Managing Partner  
Phillips Family Farming LLC



1993 043112  
 OFFICIAL RECORDS OF  
**NAPA COUNTY**  
 H. KATHLEEN BONDS

RECORDING REQUESTED BY  
 AND WHEN RECORDED RETURN TO:

JOSEPH M. KEEBLER  
 DICKENSON, PEATMAN & FOGARTY  
 809 COOMBS STREET  
 NAPA, CALIFORNIA 94559

AT REQUEST OF: DICKENSON, PEATMAN  
 12/30/1993 11:47 am  
 Fee: \$ 59.00 Pgs: 19  
 TT : \$ .00

WATER SYSTEM, ROADWAY AND UTILITIES EASEMENTS,  
 USAGE AND MAINTENANCE AGREEMENT

Alexandra K. Phillips and W. Robert Phillips, Trustees of the Phillips Family Trust created on August 28, 1989 (hereinafter called Phillips) and Rawson Kelham (hereinafter called Kelham) agree as follows:

1. Phillips and Kelham are the owners of the following parcels of real property located in Napa County, California and more specifically described in Exhibit "A" attached hereto:

<u>Napa County Assessor's Parcel Number</u>	<u>Common Description Hereinafter Utilized</u>	<u>Owner</u>
27-490-07	F	Phillips
27-490-05	G	Phillips
27-500-17	K	Phillips
27-500-19	L	40.2%-Phillips 59.8%-Kelham
27-381-01	M	Phillips
27-381-05	N	Phillips
27-381-02	O	Kelham
27-381-03	P	Kelham
27-381-10	Q	Kelham

II. Phillips and Kelham hereby grant to each other for the mutual benefit and use of parcels F, G, K, L, M, N, O, P and Q owned by them the following reciprocal easements and water facilities usage rights:

A. Rights To Use Of Reservoir and Water System and Maintenance Agreement:

1. The owners of Parcels F, G, K, L, M, N, O, P and Q shall at all times have the rights to the use of all water produced by the existing water collection system or any replacement or reconstructed water collection system located on Parcels L, P and

1965

Q which is stored in the existing or any replacement or reconstructed water storage reservoir located on Parcel L, together with the rights to utilize the existing water system for the purpose of distributing water, including the drainage collection lines and inlets, pumping equipment, water lines from the collection inlets to the reservoir, and water distribution main lines from the reservoir to each Parcel, subject to the following conditions:

a. Subject to the provisions of subparagraph b, each of the parcels shall be allocated and shall have the right to the appropriation and use of the following total annual percentage shares of the total supplies of water collected and stored by the existing reservoir and water system:

<u>Parcel</u>	<u>Percentage Share</u>
F, G, K, M & N	50
L, O, P & Q	50
Total	100%

b. If the owners of Parcel L shall, in their sole and unrestricted discretion, expand the capacity of the existing reservoir and the water collection system beyond its existing capacity of 3,300,000 gallons, all water produced in excess of said existing capacity of 3,300,000 gallons shall be allocated to and appropriated and used solely by the owners of Parcel L upon Parcels L, O, P and Q in whatever manner said owners of Parcel L shall determine.

c. The existing water system shall be used solely for vineyards or agricultural livestock and crops uses, and shall not

be used for landscaping, commercial or domestic water purposes for any residences, wineries or other uses upon said properties. The owners of all of the parcels shall cooperate with each other to fairly allocate the times and quantities of their respective uses during times when limited water supplies or distribution system problems exist so as to fairly and equally allocate the available water supplies among the parcels.

d. To determine the amount of water utilized by each parcel, the owners of each of Parcels F, G, K, L, M, N, O, P and Q, shall, at such owners' sole cost, place a separate water measuring meter on the water main line where the separate water service line for such owners' parcel is connected to the water system. At all times while any two or more of the parcels are commonly owned by the same owners, those common owners may elect to utilize a single water meter and connection to the water system main line to service two or more of their parcels and may allocate the total percentage shares of their commonly owned parcels among those parcels in whatever manner said common owners determine in their sole discretion.

e. If the reservoir and water system which is the subject of this agreement is now or later becomes subject to the regulations of any State, County or local governmental agencies or authorities, all of the parcels shall at all times cooperate together and shall sign any applications or other documents reasonably necessary to comply with all regulations of the State, County and other local governmental agency ordinances, statutes

and regulations now existing or hereafter amended, recodified or otherwise adopted which regulate the maintenance, operation and use of this water system and the water furnished thereby. All costs of such compliance with such ordinances, statutes and regulations including all costs for applications, testing, engineering, legal, and other consulting costs, shall be treated as water system reconstruction costs under Paragraph 2 for purposes of division between and payment by the Parcels.

2. The existing water system and reservoir shall be operated, maintained and kept in good condition and shall be repaired, reconstructed or replaced when necessary to maintain the same in good service and repair. All costs of the operation, maintenance, repair, reconstruction and replacement shall be divided between Parcels F, G, K, L, M, N, O, P and Q as follows:

(a) all pumping and other operating costs and all maintenance and repair costs shall be divided and paid proportionate with each parcel's actual metered use of the water produced, (b) all reconstruction and replacement costs shall be divided and paid proportionate with each parcel's allocated percentage share of the total reservoir capacity provided in Paragraphs 1.a. and 1.b. (c) any repairs, reconstruction or replacement costs required because of negligent or improper use by the owners of a parcel or their family members, employees or independent contractors shall be paid solely by the parcel owners causing such negligent or improper use.

The owners of Parcel L are authorized to act at all

times as the sole agent to arrange and manage the operation, maintenance, repair, reconstruction, replacement and joint use of the reservoir and water system, to take such actions as are necessary to comply with governmental ordinances, statutes and regulations, to maintain records of the operations and costs, and to bill to and collect from the owners of each parcel payment for such costs pursuant to the provisions of this agreement. Water meter readings for each parcel shall be taken on a quarter-annual basis, and accurate records of the water usage of each parcel shall be maintained. The actual metered water use and the proration of water system costs shall be itemized and billed to each parcel on a quarter-annual basis. The water system records maintained by the owners of Parcel L may be examined by any of the other parcel owners at any reasonable time.

3. The owners of any parcel may terminate their rights to share in the use of the reservoir and the water produced and their obligations to prorate and pay any further costs accruing after such termination for the operation, maintenance, repair and reconstruction of said water system by recording written termination of said rights and obligations. Said termination shall become final and effective thirty (30) days after serving written notice of having recorded said termination upon the owners of Parcel L.

B. Reciprocal Water System Easements.

The owners of each of the Parcels F, G, K, L, M, N, O, P and Q grant to the owners of the remaining parcels non-exclusive

easements over each and every parcel for the use and benefit of the remaining parcels commencing with the areas on Parcels L and P and Q where the water collection lines and catch basins or sumps are located, together with an area ten (10) feet in width surrounding the same, continuing thence (ten) 10 feet in width along and with the centerline being the existing water collection pipelines to the existing pumping facilities and water reservoir on Parcel L, together with an area ten (10) feet in width surrounding the existing pumping facilities and water reservoir, and continuing thence from said area ten (10) feet in width along and with the centerline being the existing water distribution main lines servicing each of Parcels F, G, K, L, M, N, O, P and Q for the purpose of maintaining, operating, using, inspecting and testing the water collection, storage and distribution pipelines, inlets, reservoir, pumping and metering facilities and performing maintenance, repair, reconstruction and replacement of all components of the water system.

C. Rights To Use Of Existing Paved Roadway and Drainage Facilities, New Roadways To Parcel N and the Trust Parcels, and Existing Utilities Service Facilities.

1. The owners of Parcels L, M, N, O, "P" and "Q" grant to each such Parcel and to Parcels F, G, and K joint and non-exclusive roadway easements sixty (60) feet in width for the use and benefit of each of said parcels for vehicular and pedestrian ingress and egress, the centerline of which shall be the existing roadway, commencing at the public roadway of State Highway 29, running thence southwesterly to approximately the easterly

boundary of Parcel M, thence southeasterly approximately along the easterly boundary of Parcel M to the northwesterly boundary of Parcel N.

To the extent that any portion of said sixty (60) foot roadway easement commencing at State Highway 29 and running southwesterly to the easterly boundary line of Parcel O is not located entirely upon Parcels Q and P, the easement shall be relocated to the extent reasonably necessary to provide a full sixty (60) foot width easement located entirely upon Parcels Q and P, and the centerline of the sixty (60) foot wide easement shall be further relocated from the point where the centerline of the relocated easement intersects the easterly boundary line of Parcel O to run southwesterly straight from said point to the point where the centerline of the existing roadway running southwesterly intersects the centerline of the existing roadway running southeasterly towards Parcel N.

2. The owners of Parcels F, K, L, M, O, P and Q grant to and for the use and benefit of each and all of the parcels described in Exhibit "B" attached hereto (the Trust Properties) which are owned by Rawson Kelham, W. Robert Phillips and Wells Fargo Bank, N.A. as Trustees of the Alexandra K. Phillips Trust of 1965 as to an undivided 1/2 interest and Rawson Kelham, W. Robert Phillips and Wells Fargo Bank, N.A. as Trustees of the Rawson Kelham Trust of 1965 as to an undivided 1/2 interest, a non-exclusive easement for vehicular and pedestrian ingress and egress over and along the existing paved roadway, the centerline

of which shall be the existing roadway, commencing at the public roadway known as State Highway 29, running thence southwesterly to approximately the southwesterly boundary of Parcel L, thence along the existing roadway northerly and easterly across Parcels K and F to the point where said roadway provides the closest reasonable access for a new roadway running northerly to the most southeasterly boundary of Parcel E (Napa County A.P. No. 27-490-06) of the Trust Properties, thence northerly in the shortest course reasonably possible from the existing roadway to the most southeasterly boundary of Parcel E of the Trust Properties.

3. a. Each of the foregoing roadway ingress and egress easements shall include the rights of the users thereof to maintain, repair, replace, reconstruct and improve the existing and any reasonable additional drainage facilities and roadway improvements within said easement.

b. The roadway and all related drainage facilities shall be maintained in good condition and shall be repaired, reconstructed, improved or replaced when necessary to maintain the same in good repair and in safe and reasonable condition for use by all of the Parcels. All costs of such maintenance, repair or reconstruction shall be divided equally between and paid by all parcels of land utilizing said roadway, including any such parcels hereafter created by lot line adjustment, parcel map or subdivision of the present parcels; provided, however, that each of the Trust Properties described in Exhibit "B" shall not be counted in the allocation nor required to contribute to such

costs until that Trust parcel is developed with vineyards or other cultivated agricultural uses or with residential or business buildings or structures. No parcel utilizing said roadway or easement shall be entitled under Civil Code Section 845 to any proration of costs or reduction of its equal share of said costs to reflect that parcel's actual proportionate use.

All costs of repair, maintenance, replacement or reconstruction of the roadway and related drainage facilities required because of negligent or improper use by the owners of a parcel or their employees, family members or independent contractors, including damages caused by heavy vehicles or farm or construction equipment, shall be paid solely by the parcel owners causing said negligent or improper use.

4. The owners of Parcels F, G, K, L, M, N, O, P and Q grant to and for the use and benefits of each of said parcels non-exclusive easements to install, construct, connect to, maintain, repair, replace, reconstruct, improve, use, and, to the extent reasonably necessary to accomplish and continue such uses, to relocate in the same vicinity as the existing facilities, any and all existing utilities services or other utilities services available now or hereafter to those Parcels, including, but not limited to, electricity, gas, water and telephone services, and all utilities lines, wires, pipes and other structures necessary to provide those utilities services, with said easements being ten (10) feet in width running along and the centerline being the centerline of all such existing utility services lines, wires and

pipes, or the necessary relocated lines, wires and pipes.

Said utilities service lines, wires, pipes and other structures shall be maintained, repaired, replaced, reconstructed and improved and the costs thereof shall be divided among and paid by the owners of the parcels served thereby in an equitable manner as the parties may agree, and if the parties fail to agree within 60 days after reimbursement is requested by the parties who incurred such costs, the division and reimbursement obligations shall be determined by binding arbitration pursuant to Paragraph IV.

D. Survey of Easements and Amendments To Agreement To Provide Surveyed Descriptions.

The owners of any parcel or parcels affected by the easements provided herein may at any time survey any part or all of any such easements, and, upon completion of any such survey, shall prepare an amendment to this agreement setting forth the specific metes and bounds surveyed descriptions of those portions of the easements so surveyed. All of the owners of the parcels affected by such surveyed easement shall execute said amendment to this agreement within thirty (30) days after said amendment is presented to them, and said amendment shall be recorded in the Napa County Official Records after execution by all affected owners. The owners who procure such survey and prepare and record such amendment shall pay all costs incurred by them without any reimbursement from the other owners affected thereby, unless said other owners have agreed in advance to incur and to share said costs.

III. When reference is made in this agreement to obligations

or rights of the owners of Parcels F, G, K, L, M, N, O, P and Q such reference shall be construed to impose said obligations or confer said rights on all owners of said parcels and all owners of additional parcels created by subdivision, lot split or lot line adjustment from the same and upon all heirs, transferees, assignees or other successors in right, title or interest to all or any part of said owners' rights, title or interests. This agreement shall run with the title to and shall encumber Parcels F, G, K, L, M, N, O, P and Q, and the obligations hereunder shall be and shall constitute a lien and charge against any parcel responsible for payment of the same.

IV. All claims and disputes arising under the provisions of this agreement or from the breach thereof shall be resolved by binding arbitration conducted pursuant to the rules and procedures of the American Arbitration Association, with a single arbitrator selected pursuant to said rules and procedures. In the event that any arbitration or action is filed to enforce the provisions of this agreement or to recover damages for any breach thereof, the prevailing party shall be awarded reasonable attorneys' fees and costs, to be fixed by the arbitrator or the Court.

Dated: December 15, 1993

Alexandra K. Phillips  
ALEXANDRA K. PHILLIPS, Trustee

Dated: December 16, 1993

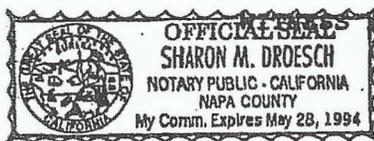
Rawson Kelham  
RAWSON KELHAM

Dated: December 36, 1993

W. Robert Phillips  
W. ROBERT PHILLIPS, Trustee

STATE OF CALIFORNIA )  
 )  
COUNTY OF NAPA ) SS.

On December 15, 1993, before me, a Notary Public in and for the State of California, personally appeared ALEXANDRA K. PHILLIPS, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity, and that by her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.



WITNESS my hand and official seal.

*Sharon M. Drosch*  
\_\_\_\_\_  
NOTARY'S SIGNATURE

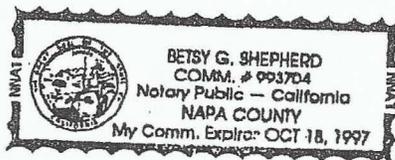
STATE OF CALIFORNIA )  
 )  
COUNTY OF NAPA ) SS.

On December 16, 1993, before me, a Notary Public in and for the State of California, personally appeared RAWSON KELHAM, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

*Betsy G. Shepherd*  
\_\_\_\_\_  
NOTARY'S SIGNATURE

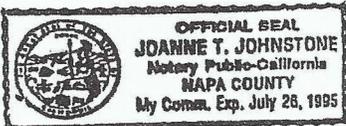
jak\philwtri.agr



STATE OF CALIFORNIA )  
 ) SS.  
COUNTY OF NAPA )

On December 30, 1993, before me, a Notary Public in and for the State of California, personally appeared W. ROBERT PHILLIPS, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.



*Joanne T. Johnstone*  
NOTARY'S SIGNATURE

jak\philwtr1.agr