

Exhibit B

CONDITIONS OF APPROVAL

Grgich Hills Estate

Use Permit Major Modification Application № P08-00648-MOD and Variance

Application № P08-00656-VAR

1829 and 1849 St. Helena Highway, Rutherford, Calif. 94573

Current Assessor's Parcel №s 027-470-005 (3 acres) & 027-470-024 (21.5 acres)

1. **SCOPE:** *This approval shall only become effective upon final recordation of a Lot Line Adjustment locating all winery improvements on the same, approximately 13 ¼ acre, parcel* and shall be limited to:

A **Variance** from required winery road setbacks to allow additions to an existing residence to create a winery hospitality center 285 feet from Hwy. 29 (600 feet required) and 250 feet from an unnamed private driveway (300 feet required) and additions to an existing barn to create a winery storage barn 360 feet from Hwy. 29 (600 feet required) and 110 feet from an unnamed private driveway (300 feet required).

A **Modification** to Use Permit № U-407677, as previously modified by № U-297980, № U-28485, № U-90-3, № 94348-MOD, № 95639-MOD, № 98376-MOD, and № 99528-MOD, to allow the following:

- conversion of and renovations to an existing 2,500 square foot residence to create a winery hospitality center, including installation of a commercial kitchen;
- phased additions to the proposed hospitality center totaling 3,733 square feet (for an eventual building area of 6,200 square feet);
- conversion of approximately .15 acres of vineyard into a winery hospitality center garden;
- conversion of and additions to an existing 1,800 square foot agricultural storage barn to create a 5,000 square foot barrel, case goods, and winery storage barn;
- widening and realignment of existing residential drives to provide access from the existing Grgich Hills Estate driveway entrance and to meet Napa County winery road standards (minimum 18 foot pavement widths);
- 3 new full time employees, legalization of 15 existing full time employees, and 2 new peak employees. The resulting total employment would be 38 full time employees, 12 part time employees, and up to 2 peak/event employees;
- Installation of a new sanitary sewage septic system including a grease interceptor, a septic tank with effluent filter, an AdvanTex pretreatment system, and ultimate disposal via either subsurface drip (approx. 2,760 square feet) or a pressure distribution system (approx. 5,000 square feet);

- 22 additional parking spaces, relocation of certain existing parking spaces as shown in submitted plans for a net total of 59 parking spaces, and the deletion of previous restrictions allocating certain parking spaces to employees and certain other spaces to visitors; and
- Installation of one 6,000 gallon fire storage water tank.

Excepting the approved 400 square foot second story deck, no second story space is approved within the hospitality building. Should a second story addition be proposed in the future, it would require approval of a further use permit modification.

Except as they may be modified by the project revision statement or by these conditions of approval, the winery shall be designed in substantial conformance with the submitted site plan, elevation drawings, and other submittal materials and shall comply with all requirements of the Napa County Code. It is the responsibility of the applicant to communicate the requirements of these conditions and mitigations (if any) to all designers, contractors, employees, and guests of the winery to ensure compliance is achieved. Any expansion or changes in use shall be approved in accordance with Section 18.124.130 of the Napa County Code and may be subject to the Use Permit modification process.

2. **MARKETING:** This approval shall be limited to new and/or additional marketing events including:

- **Private Promotional Tastings with Meals** (not to exceed 3 per week) - up to 75 people, with food catered or prepared on site in the hospitality center kitchen. Time of day: a 4 hour window between 11 am and 10 pm.
- **Small Private Tastings with Food Pairings** (not to exceed 4 per week) - up to 30 people, with food catered or prepared on site in the hospitality center kitchen. Time of day: a 3 hour window between 11 am and 10 pm.
- **Private Tasting Events** (not to exceed 15 per year) - up to 100 people, with food catered or prepared on site in the hospitality center kitchen. Time of day: a 4 hour window between 11 am and 10 pm.

In addition, the following previously-approved marketing events are recognized:

- **Spring and Fall Release of Wines** – 2 events annually, up to 100 people, no food service;
- **July 4th Event** – 1 event annually, up to 400 people, with food service;
- **Blessing of the Grapes** – 1 event annually, up to 100 people, with food service;

- **Anniversary Celebration** – 1 event annually, up to 400 people, with food service;
- **Employee Party** – 1 event annually, up to 50 people, with food service;
- and participation in **Auction Napa Valley**.

All new and/or additional marketing events shall occur in the hospitality center. Previously-approved marketing events may be relocated to the hospitality center. No tours and tastings visitation, be it public or by-appointment, is approved at the hospitality center.

All marketing events which are permitted to incorporate food may include catered food or food prepared on site.

"Marketing of wine" means any activity of a winery identified in this paragraph which is conducted at the winery and is limited to members of the wine trade, persons who have pre-established business or personal relationships with the winery or its owners, or members of a particular group for which the activity is being conducted on a prearranged basis. Marketing of wine is limited to activities for the education and development of the persons or groups listed above with respect to wine which can be sold at the winery on a retail basis, and may include food service without charge except to the extent of cost recovery when provided in association with such education and development, but shall not include cultural and social events unrelated to such education and development. (Ord. 1104 § 11, 1996: Ord. 947 § 9 (part), 1990: prior code § 12071).

No marketing event, be it approved hereby or recognized above, may begin, end, or otherwise create a substantial volume of traffic to or from the site between the hours of 4 pm and 6 pm on weekdays or 1 pm and 3 pm on weekends. All activity, including clean up and/or event breakdown, shall cease by 10 pm.

Parking during marketing events shall be subject to all requirements enumerated elsewhere in these conditions of approval, the project revision statement, and those documents incorporated herein by reference.

3. **TOURS AND TASTING:** Except as specifically amended below, no changes to previously approved public or by-appointment tours and tasting visitation are approved:
 - Tours of the winery shall be conducted by prior appointment only and shall occur between the hours of 9:00 am and 3:30 pm.

"Tours and tastings" means tours of the winery and/or tastings of wine, where such tours and tastings are limited to members of the wine trade, persons invited by a winery who have pre-established business or personal relationships with the winery or its owners, and

persons who have made unsolicited prior appointments for tours or tastings. (Ord. 947 § 9 (part), 1990: prior code § 12070). For purposes of this condition, “tours and tastings” shall also include that public visitation allowed by previous use permits and use permit modifications affecting the subject property.

A log book (or similar record) shall be maintained which documents the number of visitors to the winery, and the dates of their visit. This record of visitors shall be made available to the Planning Department upon request. Said log book shall not supersede or otherwise replace any measures for monitoring visitation to the facility previously required by the County.

4. **OUTDOOR WINE CONSUMPTION:** The outdoor consumption of wine purchased on-site consistent with Assembly Bill 2004 (Evans) and the Planning Director’s July 17, 2008 memo, “Assembly Bill 2004 (Evans) & the Sale of Wine for Consumption On-Premises” shall be limited to the following areas:

- the enclosed lawn and garden area adjacent to the private VIP tasting room of the existing winery building;
- the internal courtyard of the proposed hospitality center; and
- the outdoor lawn and garden area surrounding and directly adjacent to the proposed hospitality center.

5. **PHASING:** The approved project shall occur in three phases:

- **The first phase** shall include construction of the winery storage barn.
- **The second phase** shall include conversion of the existing house to a hospitality center, construction of new ADA-accessible parking spaces in the existing Grgich Hills parking lot, installation of the new wastewater treatment system, construction of the driveway connector, and construction of the proposed vehicle barrier at Highway 29.
- **The third phase** shall include 3,733 square feet of additions to the hospitality center, construction of new parking areas near the storage barn and hospitality center, and installation of the vehicle barrier blocking access to the private driveway to the south.

Unless phases number two and number three are compressed and a building permit is issued for the entirety of the work included in those phases, no building permit for any of the work included in phase number three shall be issued until the wastewater treatment

system, ADA parking spaces, vehicle barrier, and driveway connector included in phase number two have been installed to the satisfaction of the Planning Director.

6. **SIGNS:**

A sign readily and easily readable by the passing motoring public on Highway 29 indicating that the winery is "Closed to the Public" shall be placed out at 4:00 pm (and shall remain there until at least 6:30 pm) on weekdays and 4:30 pm (and shall remain there until at least 6:00 pm) on weekends. While the required sign need not reference by-appointment visitation, previously-adopted conditions and mitigation measures restricting both public and by-appointment tours and tasting visitation during these, and other, hours remain in full force and effect.

No other signage is approved at this time and, excepting the closed sign required above, **NO PORTABLE (or other non-approved) SIGNAGE IS ALLOWED.**

7. **GATES/ENTRY STRUCTURES:**

The final design and operation of the approved vehicle barriers is subject to Public Works Department and the Napa County Fire Department approval prior to the issuance of a building permit either for said barriers or for any associated work.

No other gate or entry structure is approved at this time.

8. **LIGHTING:**

All exterior lighting, including landscape lighting, shall be shielded and directed downward, shall be located as low to the ground as possible, shall be the minimum necessary for security, safety, or operations, and shall incorporate the use of motion detection sensors to the greatest extent practical. No flood-lighting or sodium lighting of the building is permitted, including architectural highlighting and spotting. Low-level lighting shall be utilized in parking areas as opposed to elevated high-intensity light standards.

Prior to issuance of any building permit pursuant to this approval, two copies of a detailed lighting plan showing the location and specifications for all lighting fixtures to be installed on the property during that phase of the project shall be submitted for Planning Division review and approval. All lighting shall comply with the California Building Code.

9. **LANDSCAPING/PARKING:**

Two (2) copies of a detailed final landscaping plan, including parking details, shall be submitted for Planning Division review and approval prior to the issuance of any building permit associated with this approval. The plan shall indicate the names and locations of all

plant materials to be used along with the method of maintenance. **Plant materials shall be purchased locally when practical. The Agricultural Commissioner's office (707.253.4357) shall be notified of all impending deliveries of live plants with points of origin outside of Napa County.**

The location of parking spaces and truck loading zone areas shall be identified along with proposed circulation and traffic control signage (if any). **Landscaping and parking shall be completed prior to occupancy, though the Planning Director may, at her discretion, waive portions of the landscape work until occupancy of later approved project phases.** Landscaping shall be permanently maintained in accordance with the landscaping plan.

This approval includes removal of up to five pines with diameters at breast height (DBH) ranging between nine and fourteen inches. No other trees greater than 6" DBH shall be removed. Before the start of any clearing, excavation, construction, or other work in their vicinity, the redwood trees located to the south of the existing winery parking lot shall be securely fenced-off at the dripline. Such fences shall remain continuously in place for the duration of work undertaken in connection with this approval. **In no case shall construction materials or debris be stored within the fenced tree protection area.**

Evergreen screening shall be installed between the industrial portions of the operation (e.g. tanks, crushing area, parking area, etc.) and off-site residences that can view such areas.

Parking shall be limited to approved parking spaces only. Parking shall not occur in other locations except during harvest and approved marketing events (parking during said marketing events being further fully subject to all requirements enumerated elsewhere in these conditions of approval, in the project revision statement, and in those documents incorporated herein by reference). In no case shall parking impede emergency vehicle access, public roads, or any private road providing access to other properties.

10. **OUTDOOR STORAGE/SCREENING/UTILITIES:**

All outdoor storage of winery equipment shall be screened from the view of adjacent properties by a visual barrier consisting of fencing or dense landscaping. No item in storage is to exceed the height of the screening. Water and fuel tanks, and similar structures, shall be screened to the extent practical so as to not be visible from public roads and adjacent parcels.

New utility lines required for this project that are visible from any designated scenic transportation route (see Chapter 18.106 of the Napa County Zoning Ordinance for designated roads) shall be placed underground or in an equivalent manner be made virtually invisible from the subject roadway.

11. RENTAL/LEASING:

No winery facilities, or portions thereof, including, without limitation, kitchens, barrel storage areas, and warehousing space, shall be rented, leased, or used by entities other than persons producing and/or storing wine at the on-site winery, except as may be specifically authorized in this use permit or pursuant to the Temporary Events Ordinance (N.C.C. Chapter 5.36).

12. COMPLIANCE WITH OTHER DEPARTMENTS AND AGENCIES:

The permittee shall comply with all applicable building codes, zoning standards, and requirements of County Departments and Agencies, including but not necessarily limited to:

- Department of Environmental Management as stated in their memo of July 20, 2009;
- Department of Public Works as stated in their memo of October 9, 2009;
- County Fire Department as stated in their memos of January 13, 2009 and July 9, 2009; and
- Building Division as stated in their printed comments of December 14, 2008.

The determination as to whether or not the permittee has substantially complied with the requirements of other County Departments and Agencies shall be determined by those Departments or Agencies. The inability to substantially comply with the requirements of other County Departments and Agencies may result in the need to modify the approved use permit.

13. GRADING AND SPOILS:

All grading and spoils generated by construction of the project facilities shall be disposed of per Public Works direction. All spoils piles shall be removed prior to occupancy.

14. WELLS:

The permittee may be required (at the permittee's expense) to provide well monitoring data if the Director of Environmental Management determines that water usage at the winery is affecting, or would potentially affect, groundwater supplies or nearby wells. Data requested could include, but would not necessarily be limited to, water extraction volumes and static well levels. If the applicant is unable to secure monitoring access to neighboring wells, onsite monitoring wells may need to be established to gauge potential impacts on the groundwater resource utilized for the project proposed. Water usage shall be minimized by use of best available control technology and best water management conservation practices.

In the event that changed circumstances or significant new information provide substantial evidence that the groundwater system referenced in the use permit would significantly affect the groundwater basin, the Director of Environmental Management shall be authorized to recommend additional reasonable conditions on the permittee, or revocation of this permit, as necessary to meet the requirements of the Napa County Groundwater Ordinance and protect public health, safety, and welfare. That recommendation shall not become final unless and until the Director has provided notice and the opportunity for hearing in compliance with the County Code §13.15.070 (G-K).

15. NOISE:

Construction noise shall be minimized to the greatest extent practical and allowable under State and local safety laws. Construction equipment muffling and hours of operation shall be in compliance with County Code Chapter 8.16. Equipment shall be shut down when not in use. Construction equipment shall normally be staged, loaded, and unloaded on the project site. If project terrain or access road conditions require construction equipment to be staged, loaded, or unloaded off the project site (such as on a neighboring road or at the base of a hill), such activities shall only occur between the hours of 8 AM to 5 PM.

Exterior winery equipment shall be enclosed or muffled and maintained so as not to create a noise disturbance in accordance with the Code.

There shall be no amplified sound system or amplified music utilized outside of approved, enclosed, winery buildings.

16. COLORS:

The colors used for the roof, exterior walls, and built landscaping features of the winery shall be in substantial compliance with submitted plans and specifications and shall be similar to those used at the existing winery facility, subject to the review and approval of the Planning Director. The applicant shall obtain the written approval of the Planning Division prior to painting or re-painting buildings. Highly reflective surfaces are prohibited.

17. DUST CONTROL:

Water and/or dust palliatives shall be applied in sufficient quantities during grading and other ground disturbing activities on-site to minimize the amount of dust produced. Outdoor construction activities shall not occur during windy periods.

18. ARCHEOLOGICAL FINDING:

In the event that archeological artifacts or human remains are discovered during construction, work shall cease in a 50-foot radius surrounding the area of discovery. The

permittee shall contact the Conservation, Development, and Planning Department for further guidance, which will likely include the requirement for the permittee to hire a qualified professional to analyze the artifacts encountered and to determine if additional measures are required. If human remains are encountered during the development, all work in the vicinity must be, by law, halted, and the Napa County Coroner informed, so that he can determine if an investigation of the cause of death is required, and if the remains are of Native American origin. If the remains are of Native American origin, the nearest tribal relatives as determined by the State Native American Heritage Commission would be contacted to obtain recommendations for treating or removal of such remains, including grave goods, with appropriate dignity, as required under Public Resources Code Section 5097.98.

19. PREVIOUS APPROVALS:

The permittee shall comply with all conditions for previous County approvals except as explicitly modified by this action. To the extent there is a conflict between this modification and any prior approval, this modification and these conditions of approval shall control.

20. TRAFFIC:

All road improvements on private property shall be maintained in good working condition subject to the review and approval of the Department of Public Works.

21. ADDRESSING:

All project site addresses shall be determined by the Planning Director, and be reviewed and approved by the United States Post Office, prior to issuance of any building permit. The Planning Director reserves the right to issue or re-issue an appropriate situs address at the time of issuance of any building permit to ensure proper identification and sequencing of numbers.

For multi-tenant or multiple structure projects, this includes building permits for later building modifications or tenant improvements.

22. STORM WATER CONTROL:

The permittee shall file a Notice of Intent with the California Regional Water Quality Control Board (SRWQCB) prior to any grading or construction activity and shall submit a Stormwater Pollution Prevention Plan for the review and approval of the Department of Public Works prior to the issuance of a building, grading, or any other development permit.

All hazardous materials stored and used on-site that could cause water pollution (e.g. motor oil, cleaning chemicals, paints, etc.) shall be stored and used in a manner that will not cause pollution, with secondary containment provided. Such storage areas shall be regularly

cleaned to remove litter and debris. Any spills shall be promptly cleaned up and appropriate authorities notified. Parking lots shall be designed to drain through grassy swales, buffer strips, or sand filters prior to any discharge from the impervious surface into a watercourse. If any discharge of concentrated surface waters is proposed in the any "Waters of the State," the permittee shall consult with and secure any necessary permits from the State Regional Water Quality Control Board. All trash enclosures must be covered and protected from rain, roof, and surface drainage.

23. INDEMNIFICATION:

An indemnification agreement was signed and submitted with initial application materials.

24. MITIGATION MEASURES:

The permittee shall comply with all mitigation measures identified in the adopted Initial Study/Subsequent Mitigated Negative Declaration and Project Revision Statement/Mitigation Monitoring and Reporting Program prepared for the project, inclusive of the following:

AGRICULTURE RESOURCES

Mitigation Measure:

1. Prior to issuance of a certificate of temporary or final occupancy for any building permit associated with this project, and prior to the initiation of any winery activities on the parcel now known as APN 027-470-005, the permittee shall complete and record an amended Williamson Act contract consistent with the rules and regulations governing that program.

HAZARDS AND HAZARDOUS MATERIALS

Mitigation Measure:

2. Prior to the issuance of a building permit for any construction associated with this project, the permittee shall have the onsite agricultural underground storage tank located and shall submit a site plan depicting the tank for the review and approval of Building, Planning, and Environmental Management. If construction is proposed which may impact the tank, it must be removed and appropriately disposed of.

TRANSPORTATION/TRAFFIC

Mitigation Measures:

3. Any newly-approved private tours and/or tasting events and all marketing events proposed in the Marketing Plan submitted as part of Use Permit Modification application P08-00648/Variance application P08-00656 shall begin and end outside of identified peak traffic hours (4:00 PM to 6:00 PM on weekdays and 1:00 PM to 3:00 PM on weekends).
4. The 30, 75, and 100 person marketing events proposed in this project shall be scheduled such that no 30 or 75 person event shall occur on the day of a 100 person event and no two 75 person events may occur on the same day.
5. If any event is held which will exceed the requested 59 on-site parking capacity, the applicant shall arrange for off-site parking and shuttle service to the winery. Off-site parking is presumed to be necessary for any event with a visitation of more than 100 persons, unless adequate

alternate measures (such as staggered arrival times) are proposed which would render approved on-site parking adequate.

EXISTING (PREVIOUSLY ADOPTED) MITIGATION MEASURES, AS REVISED:

Use Permit #0-90-3, approved October 19, 1990

Mitigation Measure:

“Aesthetics (Light & Glare Annoyance)”

6. Any existing light standards replaced in the future shall substantially conform with the standard requirement that they shall be shielded and directed downward, shall be located as low to the ground as possible, shall be the minimum necessary for security, safety, or operations, and shall incorporate the use of motion detection sensors to the greatest extent practical. No flood-lighting or sodium lighting of the building is permitted, including architectural highlighting and spotting. Low-level lighting shall be utilized in parking areas as opposed to elevated high-intensity light standards. (Use Permit #0-90-3, Mitigation Measure № 4, *as revised*.)

Mitigation Measure:

“Public Safety (Traffic Hazard Exposure)”

7. The driveway to the expanded winery shall remain at least 20 feet wide along its entire length and the first 300 feet off Highway 29 shall be paved. (Use Permit #0-90-3, Mitigation Measure № 6, *as revised*.)

Mitigation Measures:

“Traffic (Congestion Increases)”

8. The visitor and retail facilities at the expanded winery shall be closed to the general public between 4:00 PM and 6:30 PM on weekdays and 4:30 PM and 6:00 PM on weekends. A sign readily and easily readable by the passing motoring public on Highway 29 indicating that the winery is closed shall be placed out at 4:00 PM on weekdays and 4:30 PM on weekends. No tours and/or tasting shall be initiated between these hours. (Use Permit #0-90-3, Mitigation Measure № 7.)
9. Tours of the winery shall be conducted by prior appointment only and shall be conducted entirely and solely between the hours of 9:00 AM - 3:30 PM. (Use Permit #0-90-3, Mitigation Measure № 8, *as revised*.)
10. No dinners, festivals, or other marketing events shall be held at the expanded winery that begin or end during peak travel periods (between 4:00 and 6:00 PM on weekdays and 1:00 PM and 3:00 PM on weekends). (Use Permit #0-90-3, Mitigation Measure № 9, *as revised*.)
11. The fact that the subject winery has displays of art or items of historical, enological or viticultural significance, or other special attractions shall not be promoted nor advertised. This prohibition shall apply to any promotional literature or brochures the winery publishes or advertisements in trade or general circulation publications it places. (Use Permit #0-90-3, Mitigation Measure № 10.)
12. Normal work hours for 30% of the subject winery's employees shall be scheduled to avoid travel to or from the winery during peak traffic periods (between 4:00 and 6:00 PM on weekdays and between 1:00 and 3:00 PM on Saturdays and Sundays). This restriction shall be maintained year-round except during crush, when it shall be maintained to the greatest extent feasible. (Use Permit #0-90-3, Mitigation Measure № 11, *as revised*.)
13. Winery employees shall be encouraged to carpool to the greatest extent practical. Prior to issuance of a certificate of final occupancy for any improvements associated with P08-00648 &/or P08-00656, the permittee shall institute an employee trip reduction program including provisions incentivizing employee carpooling and other forms of commuting to and from work that do not

involve the use of single- occupancy vehicles. (Use Permit #0-90-3, Mitigation Measure № 12, *as revised.*)

14. All routine pick-up and delivery of supplies and products shall be scheduled on weekdays between 7:00 AM and 4:00 PM except during crush. Moreover, the pickup and delivery of supplies and products shall be scheduled to the greatest extent feasible outside the hours when the winery is open for tours, tasting or retail sales, or when guests are likely to be arriving or departing from dinners, festivals, or other marketing events held at the winery. (Use Permit #0-90-3, Mitigation Measure № 13.)
15. Grapes shall normally be transported to the expanded winery in 8 ton or larger loads. (Use Permit #0-90-3, Mitigation Measure № 14.)

Mitigation Measures:

“Traffic (Parking)”

16. The proposed 59 space parking areas shall include one space designed and sized for bus use. All improved parking spaces provided shall meet Napa County Public Works Department standards as to size, surfacing, etc. (Use Permit #0-90-3, Mitigation Measure № 15, *as revised.*)
17. No additional parking spaces beyond 59 shall be created without prior approval of a modified use permit. (Use Permit #0-90-3, Mitigation Measure № 16, *as revised.*)
18. Parking of vehicles on-site outside the 59 improved parking spaces present shall be prohibited except during:
 - a) crush, when seasonal vineyard employees may park outside improved parking areas;
 - b) the week of the Napa Valley Wine Auction;
 - c) the annual, one day July 4th Independence Day New Wines Tasting Celebration;
 - d) the annual, one day Blessing of the Grapes Celebration;
 - e) private tasting events of up to 100 people, with food service catered or prepared on-site, limited to 15 such events per year;
 - f) the annual, one day Special Anniversary Celebration; and
 - g) emergencies.

Readily perceivable “No Parking” signs shall be installed and maintained as necessary in other areas where people might park, including but not limited to, along the edges of the driveway to the expanded winery. (Use Permit #0-90-3, Mitigation Measure № 17, *as revised.*)

19. The parking of vehicles along Highway 29 frontage of the subject property shall be prohibited. “No Parking” signs shall be installed and maintained as necessary. (Use Permit #0-90-3, Mitigation Measure № 18.)
20. Adequate facilities shall be provided on-site for the loading, unloading, and turn-around of all delivery trucks serving the expanded winery. These loading and turn-around areas shall neither have direct access off a public or common private road nor shall they use any part of such a road. (Use Permit #0-90-3, Mitigation Measure № 19, *as revised.*)

Mitigation Measure:

“Public Health (Insect Annoyance)”

21. Pomace from the subject winery that is applied to vineyards shall be mixed into the soil within 7 days of application, weather permitting, unless it is properly composted in compliance with Environmental Management Department guidelines. Stockpiling and field application of pomace and other waste materials within 200 feet of any dwelling not located on the winery property shall be prohibited. (Use Permit #0-90-3, Mitigation Measure № 20.)

25. AFFORDABLE HOUSING MITIGATION:

Prior to County issuance of a building permit, the applicant shall pay the Napa County Affordable Housing Mitigation Fee in accordance with the requirements of County Code Chapter 15.60 or as may be amended by the Board of Supervisors.

26. MONITORING COSTS:

All staff costs associated with monitoring compliance with these conditions, previous permit conditions, and project revisions shall be borne by the permittee and/or property owner. Costs associated with conditions and mitigation measures that require monitoring, including investigation of complaints, other than those costs related to investigation of complaints of non-compliance that are determined to be unfounded, shall be charged. Costs shall be as established by resolution of the Board of Supervisors in accordance with the hourly consulting rate established at the time of the monitoring. Violations of conditions of approval or mitigation measures caused by the permittee's contractors, employees, and/or guests are the responsibility of the permittee.

The Conservation, Development, and Planning Commission may implement an audit program if compliance deficiencies are noted. If evidence of compliance deficiencies is found to exist by the Commission at some time in the future, the Commission may institute the program at the applicant's expense (including requiring a deposit of funds in an amount determined by the Commission) as needed until compliance assurance is achieved. The Planning Commission may also use the data, if so warranted, to commence revocation hearings in accordance with §18.124.120 of the Napa County Code.

27. TEMPORARY AND FINAL OCCUPANCY:

All project improvements, including compliance with applicable codes, conditions, and requirements of all departments and agencies with jurisdiction over the project, shall be completed prior to granting of a Certificate of Final Occupancy by the County Building Official, which, upon granting, authorizes all use permit activities to commence. The County Building Official is authorized to grant a Temporary Certificate of Occupancy to allow specified limited use of the project, such as commencement of production activities, prior to completion of all project improvements. Marketing and/or Tours and Tastings are not typically authorized until grant of Final Occupancy, but exceptions where extenuating circumstances exist and are subject to review and approval by the County Building Official, County Fire Marshal, and the Planning Director. In special circumstances, departments and/or agencies with jurisdiction over the project are authorized as part of the Temporary Certificate of Occupancy process to require a security deposit or other financial instrument to guarantee completion of unfinished improvements.

GRGICH HILLS ESTATE

RESTATEMENT OF AND AMENDMENTS TO USE PERMIT MODIFICATION N~~o~~ U-90-3 CONDITIONS OF APPROVAL:

Additions are underlined, deletions are ~~struck through~~.

1. The permit shall be limited to the following:
 - a) increase in the winery's production capacity to 250,000 gallons/yr;
 - b) construction of a building addition for fermentation/aging in conformance with the attached floor plans with a square footage not to exceed 18,500 square feet; AND
 - c) marketing in compliance with the Marketing Plan submitted as a component of Use Permit Major Modification Application N~~o~~ P08-00648-MOD and Variance Application N~~o~~ P08-00656-VAR attached as Exhibit A and hereby amended by the conditions of this permit, except as amended by these conditions and by the superseding conditions of Use Permit Major Modification Application N~~o~~ P08-00648-MOD and Variance Application N~~o~~ P08-00656-VAR.

The exterior elevations of the proposed addition shall substantially conform with the submitted architectural renderings. Style, size, materials and colors used shall be such as to make the addition blend with the existing structure and appear to be an integral part thereof.

Any expansion or changes in use including installation of entrance gates shall be by separate Use Permit submitted to the Department for Commission consideration. Internal changes in the layout of the proposed addition shall be submitted to the Director for review and approval.

2. The production capacity of the winery shall not exceed 250,000 gallons/year as averaged over any consecutive three (3) year period. In any given year production shall not exceed 300,000 gallons. ~~The applicant shall report to the Planning Department in December of each year the number of gallons produced during that year.~~
3. ~~The applicant shall report to the Department on an annual basis the source of his grapes verifying that 75% of his production over 150,000 gallons is from Napa County grapes. The report shall include the Assessor's Parcel Number of the properties involved and the tons of grapes obtained from each. This information is proprietary and as such shall not be available to the public. For the public record, the applicant shall annually, submit to the Department a statement indicating compliance with the County's grape sourcing requirement and specifying the percentage of Napa County grapes utilized~~

At least 75% of the grapes used to make any and all wine beyond the first 150,000 gallons per year shall be grown within the County of Napa. The permittee shall keep records of annual production documenting the source of grapes to verify that 75% of the production is from Napa County grapes. The report shall recognize the Agriculture Commission's format for County of origin of grapes and juice used in the Winery Production Process. The report shall be provided to the Conservation, Development and Planning Department upon request, but shall be considered proprietary information not available to the public.

4. ~~A detailed landscaping plan shall be submitted to the Department for review and approval prior to the issuance of the building permit. Said plan shall indicate the names and locations of plant materials and the method of maintenance proposed. Landscaping shall be completed prior to occupancy of the new fermentation/aging addition. Said Landscaping as shown on the landscape plan submitted and approved as a component of the building permits implementing Use Permit Modification № U-90-3 shall thenceforth be permanently maintained in accordance with said plan.~~
5. ~~A detailed parking plan providing no more than 35 parking spaces shall be submitted to the Department within the 240 days of use permit approval but in no case less than 10 working days prior to commencement of any work on the parking lot itself. Said plan shall clearly number and differentiate between employee and visitor spaces, with no more than 15 spaces available to visitors.~~
6. Plans for any new outdoor signs shall be submitted to the Department for review and approval with regard to design, area, height, and placement. No signs shall be installed that would promote left turns into the expanded winery including but not limited to directional signs on the east side of Hwy 29 and winery identification signs that are oriented to be read by northbound traffic on Hwy 29. Use of portable or moveable advertising signs shall cease immediately (Section 12603(f)). The sign informing the public that the winery is closed (see Mitigation Measure 7 ~~and Condition 7~~) shall be the only moveable sign allowed.
7. The maximum number of visitor carrying vehicles entering the subject winery for tours and tastings visitation, be it public or by-appointment, shall be limited to 220 per day on an annualized basis. The applicant shall submit a plan to the Department for review and approval within 60 days of permit approval to implement this limitation.
8. Retail sales shall be limited to wine permitted by Section 12202(g)(5)(c) of the Napa County Code and wine glasses sold only in conjunction with tasting.
9. All uses of the site henceforth undertaken by the winery in conjunction with marketing shall be in compliance with the Marketing Plan approved herein and incorporated by reference. The winery facility shall not be used for events hosted by entities other than the winery itself.
10. ~~No commercial kitchen or commercial food preparation shall be permitted at the winery.~~
11. No picnicking or outdoor wine tasting shall be permitted until such time as a use permit modification indicating where and how outdoor wine tasting will occur may be approved.
12. ~~The fermentation/aging addition shall be for the exclusive use of the on-site winery. No portion of the structure shall be rented, leased or otherwise used by any other entity.~~
13. The winery shall comply with Mitigation Measures 1 through 22 contained in the ~~attached~~ Use Permit Modification № U-90-3 Project Revision Statement signed by the applicant except as they may be modified or superseded by the Mitigation Measures and/or conditions governing Use Permit Major Modification Application № P08-00648-MOD and Variance Application № P08-00656-VAR.

14. The winery shall comply with all applicable building codes, zoning standards and requirements of various County departments and agencies that are not in conflict with these conditions.
15. All provisions of previously approved use permits that are in conflict with the requirements of this permit shall be null and void.