

Exhibit C

CONDITIONS OF APPROVAL

**Raymond Winery
Use Permit Modification Application № P11-0156
849 Zinfandel Lane, St. Helena, Calif., 94574
Assessor's Parcel №. 030-270-013**

1. SCOPE

The permit shall be limited to:

A. Use Permit Modification to allow the following:

1. Increase visitation by 100 by appointment only tours and tastings from 400 public to 500 total visitation (100 by appointment + 400 public);
2. Increase production from 250,000 gallon pre-WDO entitlement and 500 post-WDO entitlement by 750,000 gallon, for a total annual production of 1,500,000 gallons per year;
3. Adoption of a marketing plan to allow 50 total annual events, not to exceed eight events per month, as follows: (2) 500 people , (4) 250 people, (6) 150 people, (12) 100 people , and (26) events up to 50 people.
4. Improve the existing wastewater treatment ponds and enlarge the spray fields;
5. Construction of 50 additional parking spaces for a total of 130 parking spaces;
6. Inclusion of food and wine pairing as part of tours and tastings;
7. Construction of a left-hand turn lane;
8. Construction of 210 sq. ft. outdoor restrooms;
9. Remodel the existing 855 sq. ft. pool house and convert it to private tasting;
10. Remodel the existing 4,070 sq. ft. residence and convert to 2,764 sq. ft. of private tasting and 1,338 sq. ft. residence;
11. Construction of a vineyard viewing platform;
12. Increase the tours and tastings hours of operation from 10 am to 4 pm to 10 am to 6:30 pm;
13. Increase the production hours of operation from 6 am to 6 pm to 6 am to 10 pm for only 30-weekdays a calendar year;
14. Increase the number of employees by 66 from 24 to 90;
15. Construction of 17,400sq. ft. of production space and interior modifications, including the conversion of 10,670 sq. ft. of production space to accessory space and the construction of a commercial kitchen;
16. Modify the existing conditions of approval to allow for outdoor events;
17. Conversion of the existing swimming pool to landscape, and
18. Display of public art within one-acre of landscape.

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 by the approved in accordance with Section 18.124.130 of the Napa County Code and may be subject to the Use Permit modification process.

2. **PROJECT SPECIFIC CONDITIONS**

Should any of the below Project Specific Conditions conflict with any of the other, standard, conditions included in this document, the Project Specific Condition shall supersede and control.

A. Marketing

1. Events larger than 100 guests shall comply with the submitted parking plan.
2. Food may be prepared in the winery commercial kitchen or may be catered.
3. The applicant shall email or mail advance notice of large events (above 75 people) to any neighbors requesting contact.
4. One weekend a month during the months of May-October shall not include events over 100 guests.
5. All events shall conclude by 10 pm.
6. The two 500 people events shall be subject to a temporary event permit and include off-site parking and shuttling.
7. The four events per year for up to 250 people shall be conditioned so that three of them are to be evening events, two of which are outdoor, and one indoor/outdoor daytime event.
8. The six events per year for up to 150 people shall be conditioned so that three of them are evening events, two of which are outdoor, three of them are indoor/outdoor daytime events.
9. The 12 events per year for up to 100 people shall be conditioned so that eight are evening events, four of them outdoor and four of them are indoor/outdoor daytime events.
10. The 26 events per year for up to 50 people shall be conditioned so that 18 are indoor/outdoor evening and 8 daytime events.

B. Roadway Improvements

1. Prior to issuance of a certificate of occupancy any improvements and prior to any increase in marketing, tours and tasting, or production, the permittee shall complete all roadway improvements approved and/or required pursuant to this use permit.
2. Prior to issuance of final occupancy, the permittee shall pay a traffic impact fee for the impacts to the State Route 29/Zinfandel Lane intersection. 154 new trips divided by 1928 existing trips is 8%. The typical costs to install a traffic signal would be \$325,000. 8% of \$325,000 is \$26,000.

C. On-site signage

1. Prior to installation, additional signage shall be subject to administrative approval from the Planning Department. Signage shall include the tours and tastings times by appointment from 4-6:30 p.m.

D. Code enforcement

1. Applicant shall obtain the necessary building permits to convert the pool house to a private tasting room immediately.
2. Submit and obtain building permits for the vineyard viewing platform immediately, should it not comply with ADA, it shall be removed and the applicant shall contact the Code Enforcement Department to confirm removal.

E. Production phasing

1. On an annual basis, the applicant shall submit to the Planning Department grape source documentation. The information shall be proprietary and destroyed immediately and a note to the file will be made confirming the acreage or tonnage. Upon receipt of this documentation and confirmation that the existing production is conforming, this will allow the production to increase by 150,000 gallons per year up until it reaches the final approval of 1,500,000 gallons per year. After the grape source has been determined, the applicant shall retain the records on file and provide to the Department upon request only.

F. Hours of Operations

1. Extended operations for bottling operations only shall be limited to 10 p.m. 30 weekdays of the calendar year. The applicant shall maintain records of the production schedule and provide it to Planning staff on request. The extended operational hours shall not include any truck traffic or outdoor production.

G. Tours and Tasting

1. The additional 100 people per day by-appointment visitors may schedule tastings from 4-6:30 p.m., however public drop-in shall be prohibited during this time. This shall be monitored by signage and promotional materials.

H. Private Tasting

1. The existing kitchen in the main residence may be used as a commercial kitchen upon approval from the Department of Environmental Management or converted back to a residential use and not used by the winery.

I. Mitigation Measures

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

Prior to the increase of production, employees, or visitation the installation of the left hand turn lane shall be constructed and installed as per Napa County Roads and Street Standards.

3. COMPLIANCE WITH OTHER DEPARTMENTS AND AGENCIES

The permittee shall comply with all applicable building codes, zoning standards, and requirements of County Departments and Agencies. Without limiting the force of those other requirements which may be applicable, the following are incorporated by reference as if enumerated herein:

- A. Department of Environmental Management as stated in their memo of February 7, 2012;
- B. Department of Public Works as stated in their memo dated June 12, 2012; and
- C. County Fire Department as stated in their memo of November 7, 2012.

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.

4. **VISITATION**

Consistent with Sections 18.16.030 and 18.20.030 of the Napa County Code, marketing and tours and tastings may occur at a winery only where such activities are accessory and "clearly incidental, related, and subordinate to the primary operation of the winery as a production facility."

Permittee shall obtain and maintain all permits and licenses from the California Department of Alcoholic Beverage Control (ABC) and United States Tax and Trade Bureau (TTB) required to produce and sell wine, including minimum levels of crush and fermentation. In the event permittee loses required ABC and/or TTB permits and licenses, permittee shall cease marketing events and tours and tastings until such time as those ABC and/or TTB permits and licenses are re-established.

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 Department upon request.

A. **TOURS AND TASTING**

"Tours and tastings" means tours of the winery and/or tastings of wine, where such tours and tastings are limited to persons who have made unsolicited prior appointments for tours or tastings. Tours and tastings may include food and wine pairings, where all such food service is provided without charge except to the extent of cost recovery and is incidental to the tasting of wine. Food service may not involve menu options and meal service such that the winery functions as a café or restaurant. (Ord. 1340, 2010; Ord. 947 § 9 (part), 1990; prior code § 12070).

Start and finish time of tours and tastings shall be scheduled to minimize vehicles arriving or leaving between 4:00 PM and 6:00 PM, and shall be limited to those wines set forth in Napa County Code Sec. 18.16.030(G)(5)(c).

B. **MARKETING**

"Marketing of wine" means any activity of a winery which is conducted at the winery on a prearranged basis for the education and development of customers and potential customers with respect to wine which can be sold at the winery on a retail basis

pursuant to Chapters 18.16 and 18.20 of the Napa County Code. Marketing of wine may include cultural and social events directly related to the education and development of customers and potential customers provided such events are clearly incidental, related and subordinate to the primary use of the winery. Marketing of wine may include food service, including food and wine pairings, where all such food service is provided without charge except to the extent of cost recovery.

Business events are similar to cultural and social events, in that they will only be considered as “marketing of wine” if they are directly related to the education and development of customers and potential customers of the winery and are part of a marketing plan approved as part of the winery’s use permit. Marketing plans in their totality must remain “clearly incidental, related and subordinate to the primary operation of the winery as a production facility” (subsection (G)(5) of Sections 18.16.030 and subsection (I)(5) of 18.20.030 of the Napa County Code). To be considered directly related to the education and development of customers or potential customers of the winery, business events must be conducted at no charge except to the extent of recovery of variable costs, and any business content unrelated to wine must be limited. Careful consideration shall be given to the intent of the event, the proportion of the business event’s non-wine-related content, and the intensity of the overall marketing plan. (Ord. 1340, 2010; Ord. 1104 § 11, 1996; Ord. 947 § 9 (part), 1990; prior code § 12071).

All activity, including cleanup, shall cease by 10:00 PM. Start and finish time of activities shall be scheduled to minimize vehicles arriving or leaving between 4:00 PM and 6:00 PM.

5. GRAPE SOURCE

At least 75% of the grapes used to make the winery’s wine 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.

6. RENTAL/LEASING

No winery facilities, or portions thereof, including, without limitation, any kitchens, barrel storage areas, or 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).

7. SIGNS

Prior to installation of any winery identification or directional signs, detailed plans, including elevations, materials, color, and lighting, shall be submitted to the Planning Department for

administrative review and approval. Administrative review and approval is not required if signage to be installed is consistent with signage plans submitted, reviewed and approved as part of this use permit approval. All signs shall meet the design standards as set forth in Chapter 18.116 of the County Code. At least one sign placed and sized in a manner to inform the public must legibly include wording stating "Tours and Tasting by Prior Appointment Only".

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 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. Where applicable, the plan shall be prepared pursuant to the County's Water Efficient Landscape Ordinance (WELO) and shall indicate the names and locations of all plant materials to be used along with their 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 employee and visitor parking 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, and shall be permanently maintained in accordance with the landscaping plan.

No trees greater than 6" DBH shall be removed, except for those identified on the submitted site plan. Any trees that are removed not shown on the submitted site plan shall be replaced elsewhere on the property on a 2 for 1 basis of equivalent caliper. Replaced trees shall be identified on the landscaping plan. Trees to be retained shall be protected during construction by fencing securely installed at the outer most dripline of the tree or trees. Such fencing shall be maintained throughout the duration of the work undertaken in connection with the winery development/construction. In no case shall construction material, debris or vehicles be stored in 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 residence that can view these areas.

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) shall be placed underground or in an equivalent manner be made virtually invisible from the subject roadway.

11. COLORS

The colors used for the roof, exterior walls and built landscaping features of the winery shall be limited to earth tones that will blend the facility into the colors of the surrounding site specific vegetation and the applicant shall obtain the written approval of the Conservation, Development, and Planning Department prior to painting the building. Highly reflective surfaces are prohibited.

12. SITE IMPROVEMENTS AND PUBLIC WORKS-SPECIFIC CONDITIONS

Please contact (707) 253-4351 with any questions regarding the following.

A. GRADING AND SPOILS

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

B. TRAFFIC

Reoccurring and scheduled vehicle trips to and from the site for employees, deliveries, and visitors will not occur during peak (4-6 PM) travel times to the maximum extent possible. All road improvements on private property required per the Department of Public Works shall be maintained in good working condition.

C. 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.

D. STORM WATER CONTROL

The permittee shall comply with all construction and post-construction storm water pollution prevention protocols as required by County Public Works Department and the California Regional Water Quality Control Board (SRWQCB).

E. PARKING

The location of employee and visitor parking and truck loading zone areas shall be identified along with proposed circulation and traffic control signage (if any).

Parking shall be limited to approved parking spaces only and shall not occur along access or public roads or in other locations except during harvest activities and approved marketing events. In no case shall parking impede emergency vehicle access or public roads. If any event is held which will exceed the available on-site parking, the permittee shall prepare an event-specific parking plan which may include but, shall not necessarily be limited to, valet service or off-site parking and shuttle service to the winery.

F. GATES/ENTRY STRUCTURES

Any gate installed at the winery entrance shall be reviewed by the Conservation, Development and Planning Department, Public Works Department and the Napa County Fire Department to assure that it is designed to allow large vehicles, such as motorhomes, to turn around if the gate is closed without backing into the public roadway, and that fire suppression access is available at all times. If the gate is part of an entry structure an additional permit shall be required according to the County Code, A separate entry structure permit is not required if the entry structure is consistent with entry structure plans submitted, reviewed, and approved as part of this use permit approval.

13. ENVIRONMENTAL MANAGEMENT-SPECIFIC CONDITIONS

Please contact (707) 253-4471 with any questions regarding the following.

A. 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).

B. 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.

14. 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.

15. 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.

16. INDEMNIFICATION

If an indemnification agreement has not already been signed and submitted, one shall be signed and returned to the County within twenty days of the granting of this approval using the Department's standard form.

17. 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.

18. PREVIOUS CONDITIONS

The permittee shall comply with any previous conditions of approval for the winery use except as they may be explicitly modified by this action. To the extent there is a conflict between previous conditions of approval and these conditions of approval, these conditions shall control.

19. 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.

20. 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. Consistent with Board of Supervisors Resolution № 2010-48, "Temporary Certificates of Occupancy are generally not to be used to allow production of wine for more than one year."