



NAPA SANITATION DISTRICT

IMPROVEMENT AGREEMENT – PRIVATE SANITARY SEWER IMPROVEMENTS

STANLY RANCH ONSITE – PHASE II

THIS AGREEMENT is made as of this _____ day of _____, 20__ by and between SRGA LP, a Delaware limited liability company (“OWNER”) and the Napa Sanitation District, a California special district (“DISTRICT”) with reference to the following facts.

RECITALS

A. In connection with the development of certain real property located in the City of Napa commonly referred to as **Assessor's Parcel No.(s) 047-230-059, 047-230-060, and 047-230-061** (Subject Property") Owner has been required by the City of Napa (the "City") to construct certain sanitary sewer improvements described in paragraph 1 below (the "Sanitary Sewer Improvements") as a condition of approval of Owner's development project for the Subject Property. The Sanitary Sewer Improvements are to be constructed to the satisfaction of the District.

B. To satisfy said condition of approval Owner has submitted to the City and the District, and the District has approved, improvement plans (the "Improvement Plans") setting forth the Sanitary Sewer Improvements proposed to be constructed by Owner in connection with the development of the Subject Property.

C. In addition to the Sanitary Sewer Improvements, the Improvement Plans include certain water system improvements (the "Water System Improvements") and road and storm drain improvements (the "Road and Storm Drain Improvements"). All three categories are referred to collectively herein as the "Development Improvements."

D. In addition, the project is required to install onsite recycled water improvements that are designed on a separate plan set. The requirements for the recycled water improvements will be covered under a separate Improvement Agreement.

E. In addition, the project is required to install offsite sanitary sewer improvements that are designed on a separate plan set. The requirements for the offsite sanitary sewer improvements are covered under a separate Improvement Agreement.

F. Owner wishes to proceed with the development project without prior completion of the Sanitary Sewer Improvements.

G. District is willing to accommodate Owner's wish to proceed with the development project without having completed the Sanitary Sewer Improvements so long as the District has assurance that the Sanitary Sewer Improvements will be completed within the time and in the manner specified in this agreement.



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AGREEMENT

NOW, THEREFORE, for and in consideration of the District allowing the Owner to proceed with the development project, and in order to insure satisfactory performance by Owner of Owner's obligations, the parties hereto agree as follows:

1. Construction of Improvements.

(a) Owner, for and in consideration of approval to proceed with the development project and the other things set forth herein agrees, at Owner's own cost and expense, within eighteen months of the date of this Agreement to furnish all engineering, labor, equipment and materials necessary to perform and complete, and to perform and complete in good and workmanlike manner, the Sanitary Sewer Improvements as designated in the Napa Sanitation District Components Bond Amount Estimate Sanitary Sewer System attached as Exhibit "A", in accordance with those Improvement Plans for said development project that have been approved by the District and are on file with the City and the District, and to do all work incidental thereto in accordance with the applicable standards set forth in the Sanitary Sewer and Recycled Water Standards, Napa Sanitation District (the "Standard Specifications"). Said Improvement Plans are entitled **"Stanly Ranch – Vineyard Homes – Sanitary Sewer Improvement Plans" dated June 9, 2020, and "Stanly Ranch – Villas – Sanitary Sewer Improvement Plans" dated June 9, 2020**, and by this reference are hereby expressly made a part of this contract as though set forth herein in full. In the event of any conflict between the Improvement Plans and the above referenced Standard Specifications the more extensive and stringent provisions shall govern.

(b) The work to be performed hereunder does not include the work necessary to complete the Water System Improvements and the Road and Storm Drain Improvements although such improvements are shown on the Improvement Plans. These improvements shall be contracted for, secured and completed pursuant to the provisions of separate development agreements with the City of Napa, covering this additional work.

(c) Owner shall perform any changes or alterations in the installation of the Sanitary Sewer Improvements required by the District in connection with unanticipated conditions and/or to resolve potential conflicts with other utilities, prior to approval and acceptance of the Improvements as set forth in paragraph 5 below. All costs for said changes and alterations shall be borne by Owner as set forth in this agreement.

2. Cost of Improvements. The estimated cost of the above required Sanitary Sewer Improvements is the sum of **Two Million Twenty Two Thousand dollars (\$2,022,000.00)** as more particularly set out in Exhibit A.

3. Completion of Work; Notification by District.



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(a) All of the Sanitary Sewer Improvements shall be done under the inspection of and to the satisfaction of the District and shall not be deemed complete until determined to be complete by the District. Upon completion of the required Sanitary Sewer Improvements in conformance with this Agreement the District shall forward to the Owner a written acknowledgment that the District considers the Sanitary Sewer Improvements complete.

(b) Neither the written acknowledgment of completion of the Sanitary Sewer Improvements pursuant to subparagraph (a), nor any periodic or progress inspection or approval by any person, shall be construed as requiring the District to accept the Sanitary Sewer Improvements for maintenance or otherwise, nor shall it constitute a waiver of any other breach of this Agreement including but not limited to the requirement that the Owner complete or correct any portion of the Sanitary Sewer Improvements that are later determined to be defectively completed.

4. Fees. Owner shall pay to the District plan check fees, inspection fees, and other development fees as required by District Code, based on the rates in effect at the time they are paid, to reimburse the District for its costs in performing engineering, inspection, and other services relative to said development. These fees are non-refundable.

5. Maintenance of Improvements; Private Main Agreement. Owner agrees to maintain the Sanitary Sewer Improvements. Owner agrees to enter into a Private Main Agreement with the District that outlines the maintenance responsibilities of the Owner in regards to the Sanitary Sewer Improvements. The Private Main Agreement shall be in the form set forth in the attached Exhibit "B", and shall be executed and recorded within thirty (30) days after recordation of the Final Map/Parcel Map.

6. Effect of Failure to Construct or Maintain Improvements.

(a) In the event Owner or his agents or employees fail to comply with any of the provisions of this Agreement; fail to prosecute the work with such diligence as to ensure its completion within the time specified in Paragraph One, or within such extensions of time as have been granted by the District; fail to maintain the Sanitary Sewer Improvements; or refuse or fail to perform satisfactorily any of the provisions of the applicable Improvement Plans, specifications or standards, Owner shall be in default of this Agreement and notice in writing of such default shall be mailed to him. Such notice shall specify the default and shall demand that same be remedied within such reasonable period of time as is set forth in the notice, such period having been determined by the District; provided, however, that the reasonable period of time shall not exceed one hundred and twenty (120) calendar days.

(b) In the event of the failure of the Owner to comply with any demand made pursuant to subparagraph (a) the District may, in addition to all other legal remedies available, after not less than ten (10) business days prior written notice to Owner, terminate all rights of the Owner to complete the construction or maintain the Sanitary Sewer Improvements and elect to complete construction, repair or replace any defects in the work, or cause to have



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same completed on behalf of and at the expense of the Owner. This right of the District is permissive and shall not be construed as requiring the District to terminate the rights of the Owner, complete the construction or maintain the Sanitary Sewer Improvements. This notice shall be in addition to, and separate from, any notice that may be given pursuant to subparagraph (a). In such a case, and if the District completes the construction or repairs or replaces any defects in the work or causes same to be completed on behalf of and at the expense of the Owner, the District shall be entitled to recover from Owner, or from any security provided by the Owner, its actual cost of completing said Sanitary Sewer Improvements.

(c) In the event Owner, or its surety, fails to reimburse the District for expenses it incurs within a period of ten (10) business days after written demand is mailed by certified mail to the Owner requesting payment, the actual cost of completing the Sanitary Sewer Improvements shall become a lien against the Subject Property. Nothing herein is intended to waive the right of the District to recover from any security or deposit that is established to ensure completion of the Sanitary Sewer Improvements for the required one-year period or, to limit any other remedy the District may have in law or in equity.

(d) The District may also exercise any other remedy available to the District under law including but not limited to requiring any surety or other guarantor to complete the Sanitary Sewer Improvements or pay for the cost of same.

7. Encroachment Permit Required. Owner must apply for and be granted by City an encroachment permit for all facilities which are to be constructed, operated and maintained by others within the City right-of-way.

8. Installation of Utilities. Owner is solely responsible for making all arrangements and assuming all expenses as may be required in connection with the furnishing and installing of utility service facilities.

9. Notices to the Public and to the District.

(a) Owner agrees at all times to give good and adequate warning to the traveling public of each and every dangerous condition caused by the construction of the Sanitary Sewer Improvements and to protect the traveling public from such defective or dangerous conditions.

(b) Owner or his agents or employees shall give notice to the District at least seventy-two (72) hours before beginning the construction of the required Sanitary Sewer Improvements and shall furnish the District with all reasonable facilities for obtaining full information respecting the progress and completion of the Sanitary Sewer Improvements.

10. Right of Entry. Owner hereby grants to the District, and to any agent or employee of the District, the irrevocable permission to enter upon the Subject Property or the lands upon which the Sanitary Sewer Improvements are to be located, if other than the Subject



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Property, for the purpose of inspecting the Sanitary Sewer Improvements and, if necessary, to complete the Sanitary Sewer Improvements pursuant to paragraph 6(b) of this Agreement. Owner shall ensure that any agreement Owner enters into for the completion of required Sanitary Sewer Improvements to be located on property not under the control of Owner shall contain appropriate provisions granting to the District the above right of entry.

11. Hold Harmless; Indemnification.

(a) The District shall not, nor shall any elective or appointive boards, commissions, officers, agents or employees of the District, be liable or responsible for any accident, loss, damage or injury, including death, as well as claims for property damage that may arise in the course of constructing and maintaining the Sanitary Sewer Improvements.

(b) To the fullest extent permitted by law, Owner agrees to, and shall, hold the District and its elective or appointive boards, commissions, officers, agents or employees (collectively, "Indemnitees") harmless from any liability for damage or claims for damage for personal injury, including death, as well as from claims for property damage which may arise out of the acts or omissions of Owner, its agents or employees, any of the Owner's contractors or subcontractors, or by one or more persons directly or indirectly employed by, or acting as agent of Owner or any of Owner's contractors or subcontractors, in the course of completing the Sanitary Sewer Improvements. All of the liabilities of this paragraph 11(b) are assumed by Owner.

(c) To the fullest extent permitted by law, Owner agrees to, and shall upon request, promptly and fully defend the Indemnitees from any suits or actions at law or in equity for damages caused, or alleged to have been caused, by reason of any of the activities for which Owner is indemnifying the District under paragraph 11(b) above.

(d) The provisions of this paragraph shall apply to all damages and claims for damage of every kind suffered or alleged to have been suffered, by reason of the construction of the Sanitary Sewer Improvements or maintenance of said improvements regardless of whether or not the District has prepared, supplied, or approved of, the Improvement Plans and/or specifications for the land division or the Sanitary Sewer Improvements relating thereto, and regardless of whether or not insurance policies may be determined to be applicable to any of such damages or claims for damages.

12. Pollution Liability. The Owner is responsible for impacts from sanitary sewer overflows from the Sanitary Sewer Improvements during construction and during the warranty period, including but not limited to, cleanup and repair costs and any fines imposed by regulatory agencies for sanitary sewer overflows. To the fullest extent permitted by law, Owner shall also indemnify, defend and hold Indemnitees harmless from any and all losses, liabilities, damages, costs, claims, demands, penalties, deficiencies, fines, orders, judgments, actions, suits, judicial or administrative proceedings, injunctive or other relief, expenses and charges (including attorneys' fees and court costs) arising from or related to sanitary sewer overflows from the Sanitary Sewer Improvements during construction and during the warranty period.



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13. Security Required.

(a) Owner shall file with the District prior to the date of Owner obtaining permits from the District to construct the sanitary sewer improvements for the subject property, a good and sufficient improvement security in an amount not less than the estimated cost of the work and improvements for the faithful performance of the terms and conditions of this Agreement and a good and sufficient security for payment of labor and materials equal to the amount of the faithful performance bond to secure the claims to which reference is made in Title 15 of Part 4 of Division 3 of the Civil Code of the State of California (commencing with Section 3082).

(b) Acceptable types of security are:

(1) A bond or bonds by one or more duly authorized corporate sureties: or

(2) A deposit with the District of cash or negotiable bonds of the kind approved for securing deposits of public moneys; or

(3) An instrument of credit, in a form acceptable to the District's counsel, from an agency of the State, Federal, or local government when any such agency provides at least twenty percent of the financing for the portion of the act or agreement requiring security, or from one or more financial institutions subject to regulation by the state or federal government pledging that the funds necessary to carry out the agreement are on deposit and guaranteed for payment.

(4) A letter of credit, in a form acceptable to the District's counsel, issued by a financial institution that is subject to regulation by the state or federal government guaranteeing that all or any portion of the funds available pursuant to the letter of credit will be paid upon written demand of the District and that such written demand need not present documentation of any kind as a condition of payment, including proof of loss.

(c) Owner, if the improvement security is a bond and if the sureties, either on the Faithful Performance Bond or on the Bond securing payment of Labor and Materials, or both, or the amount of said bonds, in the reasonable opinion of the District becomes insufficient, agrees to renew each and every said bond or bonds with good and sufficient sureties or increase the amount of said bonds, or both, within ten (10) business days after being notified by the District that the sureties or amount are insufficient. Notwithstanding any other provision herein, if Owner fails to take such action as is necessary to comply with said notice, he shall be in default of this Agreement unless all required Sanitary Sewer Improvements are



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completed within ninety (90) days of the date on which the District notified the Owner in writing of the insufficiency of the sureties or the amount of the bonds, or both.

(d) Owner, if the improvement security is a deposit or instrument of credit utilizing a deposit, and the deposit in the reasonable opinion of the District becomes insufficient to complete the work, agrees to increase the deposit to an amount that will be sufficient to complete the work within ten (10) business days after being notified by the District that the amount is insufficient and what amount must be deposited. Notwithstanding any other provision herein, if Owner fails to take such action as is necessary to comply with said notice, he shall be in default of this Agreement unless all of the Sanitary Sewer Improvements are completed within ninety (90) days of the date on which the District notified the Owner in writing of the insufficiency of the deposit.

(e) In the event it is deemed necessary to extend the time of completion of the Sanitary Sewer Improvements, extensions of the time may be granted, from time to time, by the District, either at its own option or upon request of the Owner, and such extensions shall in no way affect the validity of this Agreement or release the surety or sureties that have issued the required bonds or other security. Owner agrees to maintain the aforesaid bond or bonds or other security in full force and effect during the term of this Agreement, including such extensions of time as may be granted.

(f) All bonds shall be on a form approved by the District which shall be substantially in a form set forth at Section 66499.1 and 66499.2 of the California Government Code.

14. Determination of District Conclusive. The determination by the District of the question as to whether any of the terms of this Agreement or the plans, specifications and/or standards set forth herein have been violated, or have not been performed satisfactorily, shall be conclusive upon the Owner, and any and all parties who may have any interest in the contract or any portion thereof. The foregoing provisions of this section shall be in addition to all other rights and remedies available to the District under law.

15. Agreement Binding on Successors in Interest. The obligations of Owner hereunder shall not be exonerated or voided by any sale, transfer or assignment by Owner of all or any portion of Owner's interest in or to the Subject Property and/or the Sanitary Sewer Improvements, but shall continue to bind Owner. All such obligations are also the joint and several obligations of each such purchaser, transferee or assignee until such obligations are fully satisfied and to this extent the provisions of this Agreement relating to the construction of said Sanitary Sewer Improvements are intended to bind, and do bind the heirs, executors, administrators, grantees and successors in interest of Owner and said Agreement shall run with the real property until the obligations created by this Agreement are fully satisfied. Owner shall ensure that any agreement to sell any portion of the Subject Property shall contain language substantially similar to the language found in this section.



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16. Notices. Any notice, demand, request, consent, approval, or communication that either party desires to give to the other party or to the Napa Sanitation District shall be in writing and either served personally or sent by prepaid, certified or registered first-class mail. Any notice, demand, request, consent, approval, or communication that either party desires to give to the other party shall be addressed to the other party at each of the addresses set forth below. Either party may change its address by notifying the other party of the change of address. Notice shall be deemed communicated within forty-eight (48) hours from the time of mailing if mailed as provided in this paragraph.

Owner: SRGA LP
Attn: Christopher Crosby
1644 Platte Street, Suite 130
Denver, CO 80202

Napa Sanitation District: Napa Sanitation District
1515 Soscol Ferry Road
Napa, CA 94558

17. Attorneys Fees. In the event suit is brought on this contract or upon bond guaranteeing the completion or maintenance of the Sanitary Sewer Improvements or to enforce any lien created by this Agreement, all costs and reasonable expenses and fees incurred by the prevailing party in successfully enforcing any obligations or rights created by this Agreement shall be paid by the other party, including reasonable attorney fees and upon entry of judgment, all such costs, expenses and fees shall be taxed as costs and included in any judgment rendered.

18. Severability. It is understood and agreed by the parties hereto that if any part, term or provision of this Agreement is held by the courts to be unlawful and void the validity of the remaining portions shall not be affected and the rights and obligations of the parties shall be construed and enforced as if the Agreement did not contain the particular part, term or provision held to be invalid.

19. Compliance With Sanitary Improvement Plans. Owner covenants and agrees that in the performance of all things to be done hereunder, Owner, its successors, assigns, agents, employees, contractors and subcontractors shall fully comply with and satisfy all conditions of approval of the Sanitary Sewer Improvement Plans.

20. Effective Date. The parties agree that this Agreement shall become effective upon the date first above written.



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* * * * *

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

OWNER: SRGA LP, a Delaware limited liability company

By: Christopher G. Crosby
Christopher Crosby
Authorized Representative

NAPA SANITATION DISTRICT: Napa Sanitation District, a California Special District

By: _____
Jill Techel
Chair, Board of Directors

ATTEST: By: _____
Cheryl Schuh
Secretary, Board of Directors



NAPA SANITATION DISTRICT

APPROVED AS TO FORM:

By: 

John Bakker
District Legal Counsel



EXHIBIT A

CIVIL ENGINEERS • SURVEYORS • PLANNERS

ENGINEER'S PRELIMINARY BOND ESTIMATE
PRIVATE SANITARY SEWER IMPROVEMENTS
STANLY RANCH - VINEYARD HOMES AND VILLAS
NAPA, CALIFORNIA

June 8, 2020
Job No.: 2912-000

Table with columns: Item, Description, Quantity, Unit, Unit Price, Amount. Includes sections for Vineyard Homes Sanitary Sewer and Villas Sanitary Sewer, with a subtotal of 1,838,500 and a 10% contingency of 183,850, totaling 2,022,000.

Notes:

- 1. This estimate is based on the Vineyard Homes at Stanly Ranch Sanitary Sewer Improvement Plans prepared by Carlson, Barbee & Gibson, Inc., dated: June 8, 2020; and on the Villas at Stanly Ranch Sanitary Sewer Improvement Plans prepared by Carlson, Barbee & Gibson, Inc., dated: June 8, 2020.
2. This estimate is based on information available at this time and this office assumes no liability for changes in prices due to unforeseen conditions or changes required by governing agencies.
3. This estimate is for bonding purposes only.
4. No Agency fees have been included in this estimate.



EXHIBIT B - SAMPLE

RECORDED AT THE REQUEST OF AND
RETURN TO:

Napa Sanitation District
1515 Soscol Ferry Road
Napa, CA 94558

Exempt from Recording Fees
Per G.C. 27383

RE: Stanly Ranch – Vineyard Homes
APN 047-230-059

PRIVATE SANITARY SEWER AND RECYCLED WATER MAIN AGREEMENT

THIS AGREEMENT is made as of this _____ day of _____, 20____ by and between SRGA, LP, a Delaware limited liability company (“Owner”) and the Napa Sanitation District, a California special district (“District”) with reference to the following facts.

RECITALS

A. The Owner is the fee simple owner of certain real property located within the City of Napa, California, known as Lots 1 through 10, (individually, the “Parcels”) as shown on the map entitled “Stanly Ranch – Vineyard Homes” filed in the office of the County Recorder of Napa County in Book _____ of Final Maps at Pages _____ (the “Property”).

B. Due to the configuration of the Parcels, the parties have agreed that the Owner will own and maintain a private sanitary sewer and recycled water mains on the Property (the “Private Mains”). The parties have agreed that this private ownership arrangement is preferable to public mains owned and maintained by the District, which would require an easement dedicated to the District and certain setback and access requirements.

C. In the Covenants, conditions, and restrictions (CC&Rs) associated with the Property, the “Private Mains” are any line that runs from the Napa Sanitation District’s public sanitary mains located within the public easements to a location on private property.

D. This Agreement is to clarify the rights, duties and obligations of the parties regarding the maintenance of the Private Mains and the private laterals that connect each Parcel Owner’s buildings or irrigation systems to the Private Mains (“Lateral”).

AGREEMENT

EXHIBIT B - SAMPLE

1. Construction of Private Mains and Laterals. Except for the setbacks and access requirements, the design and construction of the Private Mains and Laterals, as shown on Exhibit A and Exhibit B attached hereto and incorporated herein by this reference, shall be carried out in full accordance with all District specifications. The District must inspect and sign off on the construction before it is backfilled.

2. Maintenance of the Private Mains. The Owner, on behalf of itself and for the benefit of each future owner of the Parcels comprising the Property and the District, hereby agrees to require via a provision in the CC&Rs or otherwise, all future owners of the Parcels (the "Parcel Owners") to agree to maintain, repair and replace as necessary the Private Mains. The costs of this obligation shall be borne by the Parcel Owners served by the Private Mains.

3. Maintenance of Laterals. The Owner, on behalf of itself and for the benefit of the Parcel Owners and the District, hereby agrees to require all Parcel Owners, in accordance with the CC&R's, to be responsible for the maintenance, repair and replacement as necessary of all portions of any Private Laterals.

4. Performance of Required Maintenance by Managing Parcel Owner. Prior to June 30th of each calendar year, the Parcel Owners shall select by majority vote (each Parcel Owner entitled to one vote for each Parcel owned) one of the Parcel Owners to serve as the Managing Parcel Owner for the following calendar year.

(a) The Managing Parcel Owner ("Managing Parcel Owner") shall be responsible for contracting with appropriate licensed contractors to perform the inspection and maintenance work required hereunder and for ensuring that any required documentation is submitted to the District. The Managing Parcel owner also shall be responsible for distributing proof of inspection to all Parcel Owners who shall retain copies of such proof. The Managing Parcel Owner shall promptly notify all Parcel Owners of the estimated cost of any work of maintenance, operation, repair or replacement which is identified by the contractor(s). The Manager Parcel Owner may also have such other responsibilities as agreed upon by majority of the Parcel Owners.

(b) As an alternative to the Managing Parcel Owner directly employing contractors, the Parcel Owners may authorize the Managing Parcel Owner to select and contract with a certified property management company ("Management Company") experienced in managing real property in the North Bay Area to work with the Managing Parcel Owner and performing all or a portion of his/her responsibilities. Any contract with a Management Company shall not exceed three (3) years in length and shall be terminable for cause. The cost of employing the Management Company shall be shared equally by the Parcel Owners.

(c) Costs of Maintenance.

(1) Allocation of Costs. The costs of inspection, maintenance repair, or replacement of the Private Mains shall be borne by the Parcel served by the Private Mains. In the event of damage to the Private Mains

EXHIBIT B - SAMPLE

caused by the sole negligence or willful action of a Parcel Owner or its invitee, then that Parcel Owner shall be solely responsible for arranging for the repairs, including payment the cost of repairs. The work shall be promptly commenced and diligently pursued to completion.

(2) Enforcement of Nonpayment. In accordance with California law, and in addition to all other remedies provided by law, each Parcel Owner may enforce the obligations of this Agreement, including the obligation of other Parcel Owners to pay the costs or special charges provided for in this Agreement, including interest thereon at the maximum rate allowed by law in any manner provided by law including, but not limited to, by maintaining a suit at law against any Lot Owner personally obligated to pay a cost or charge. Any judgment rendered in any action shall include the amount of the delinquency accumulated interest and any other amounts as the court may award.

5. Grant and Establishment of Reciprocal Easements. Owner grants to each Parcel and each Parcel Owner as the dominant tenements the following mutual, perpetual, and reciprocal easements:

(a) Access Easement. A nonexclusive easement over and under the private roads and any other portion of each Parcel under which the Private Mains is situated, encumbering each Parcel to provide vehicular and equipment ingress and egress.

(b) Maintenance Easement. Each Parcel as a servient tenement is subject to an easement in favor of each other Parcel as the dominant tenement for the purpose of providing each Parcel Owner and their agents such access as may be necessary to perform the maintenance duties described herein.

The easements granted herein shall be deemed to be established upon the recordation of this Agreement, whether or not they are set forth in the grant deed to the parcels, and shall thenceforth be deemed to be and are enforceable as equitable servitudes and covenants running with the land for the use and benefit of the Parcel Owners.

6. Notice to Subsequent Owners. In the event that ownership of the Parcel or any portion of the Parcel is transferred to a subsequent owner(s), the Owner of that parcel agrees to notify in writing the subsequent owner(s) a minimum of thirty (30) days prior to the close of escrow on the subject parcel, of the existence of this recorded agreement.

7. Hold Harmless; Indemnification.

(a) The District shall not, nor shall any elective or appointive boards, commissions, officers, agents or employees of the District (collectively, "Indemnitees"), be liable or responsible for any accident, loss, damage or injury, including death, as well as claims for property damage that may arise in the course of construction, operation or maintenance of

EXHIBIT B - SAMPLE

the Private Mains or any Laterals except for accident, loss, damage, injury, death and claims for property damages caused by the negligence or intentional misconduct of the District, its agents or employees.

(b) To the fullest extent permitted by law, Owner agrees to, and shall hold harmless and indemnify the Indemnitees from any and all liability, loss, cost, expense (including without limitation attorney's fees and costs of litigation), claim, demand, action, suit, judicial or administrative proceeding, penalty, deficiency, fine, order, and damage (collectively, "Claims"), which directly or indirectly, in whole or in part, are caused by, arise in connection with, result from, relate to, or are alleged to be caused by, arise in connection with, result from, or relate to the construction, operation, or maintenance of the Private Mains or Laterals except for Claims caused by the sole and active negligence or intentional misconduct of the Indemnitees.

(c) Owner agrees to require, via CC&Rs or other document, Parcel Owners to hold harmless and indemnify the Indemnitees from any Claims which directly or indirectly, in whole or in part, are caused by, arise in connection with, result from, relate to, or are alleged to be caused by, arise in connection with, result from, or relate to the construction, operation, or maintenance of the Private Mains or Laterals except for Claims caused by the sole and active negligence or intentional misconduct of the Indemnitees.

(d) Owners agree to, and shall upon request, promptly and fully defend the Indemnitees from any suits or actions at law or in equity for damages caused or alleged to have been caused, by reason of any activities for which Owners are indemnifying the Indemnitees under paragraph 7(b) above.

(e) The provisions of this section shall apply to all Claims of every kind suffered or alleged to have been suffered, in the course of construction, operation, or maintenance of the Private Mains or Laterals regardless of whether or not the District has prepared, supplied, or approved of the improvement plans and/or specifications for the land division or the Private Mains or Laterals relating thereto, and regardless of whether or not insurance policies may be determined to be applicable to any of such Claims.

8. Covenants Running with the Land. The provisions of this Agreement shall be equitable servitudes and covenants running with the land, binding upon and inure to the benefit of each Parcel and each successive Parcel Owner. The provisions of this Agreement are enforceable by Owner, the District and any future Parcel Owner against any other owner, tenant or occupant of a Parcel. Each Parcel Owner shall have the right to enforce, in any manner permitted by law or in equity, including by arbitration, any and all of the provisions of this Agreement upon other Parcel Owners.

9. Failure to Maintain. In the event the District believes that Owner or Parcel Owners have failed to comply with the requirements of this Agreement, or if the District believes that lack of proper maintenance has created the potential for adverse impacts to public health and safety, the District is hereby granted the right to enter upon the Property to access the Private Mains and perform whatever work is reasonably necessary to correct the

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situation. In such case, the District may bill Parcel Owners for the entire cost and expense of such maintenance, including administrative costs, and interest to the maximum amount permitted by law from and after 30 days from the date the maintenance expense bill is mailed by the District to Parcel Owners, their successors and assigns. In the event any such maintenance expense bill is not paid within said 30 days, the District may initiate a civil action to recover the amount owed, and the prevailing party in such action shall be entitled to recover its costs, including reasonable attorney's fees. The District also shall be entitled to cause a lien for any such unpaid maintenance expense bill to be recorded against the Property or Parcel whose Owner has not paid the bill. In addition, the District shall be entitled to have the unpaid amount of the maintenance expense bill placed as a special assessment on the next regular tax bill levied against the Property, Parcel or lot, after which such assessment shall be collected in the same manner as ordinary municipal taxes are collected, and shall be subject to the same penalties and same procedures under foreclosure and sale in the case of delinquency as provided for ordinary municipal taxes. The actions described in this section are in addition to and not in lieu of other legal remedies provided by law. Notwithstanding the above, it is understood that the District is under no obligation to repair or maintain the Private Mains or the Laterals and in no event shall this Agreement be construed to impose any such obligation on the District.

10. Pollution Liability. The Owner or Parcel Owners are responsible for impacts from sanitary sewer overflows or recycled water leaks from the Private Mains or Laterals. The Owner's or Parcel Owners' liability for such sanitary sewer overflows or recycled water leaks shall include, but not be limited to, cleanup and repair costs and any fines imposed by local, state or federal regulatory agencies in connection with such sanitary sewer overflows or recycled water leaks. To the fullest extent permitted by law, the Owner or Parcel Owners shall also indemnify, defend and hold Indemnitees harmless from any and all Claims, which directly or indirectly, in whole or in part, are caused by, arise in connection with, result from, relate to, or are alleged to be caused by, arise in connection with, result from, or relate to sanitary sewer overflows or recycled water leaks from the Private Mains or Laterals.

11. General Provisions. This Agreement contains the entire agreement of the parties and cannot be amended or modified except by written agreement. This Agreement shall be construed and interpreted in accordance with the laws of the State of California. This Agreement shall run with the property and the parcels comprising it, and be binding on and inure to the benefit of the respective successors, assigns, heirs, and personal representatives of the parties. Except for its own obligations to indemnify and hold harmless the District, Owner may assign its rights and delegate its obligations under this Agreement to Parcel Owners without the consent of the District, whereupon the Owner shall have no further liability to the District hereunder.

12. Amendment of CC&Rs. Owner agrees to include a provision in the CC&Rs that requires the District approval before any amendments can be made to the CC&Rs that affect any District-requested provisions.

EXHIBIT B - SAMPLE

* * * * *

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

OWNER: SRGA, LP, a Delaware limited liability company

By: _____
Christopher Crosby
Authorized Representative

NAPA SANITATION DISTRICT: Napa Sanitation District, a California Special District

By: _____
Jill Techel
Chair, Board of Directors

ATTEST:

By: _____
Cheryl Schuh
Secretary, Board of Directors

All signatures must be notarized.

Attachments: Exhibit A, Exhibit B

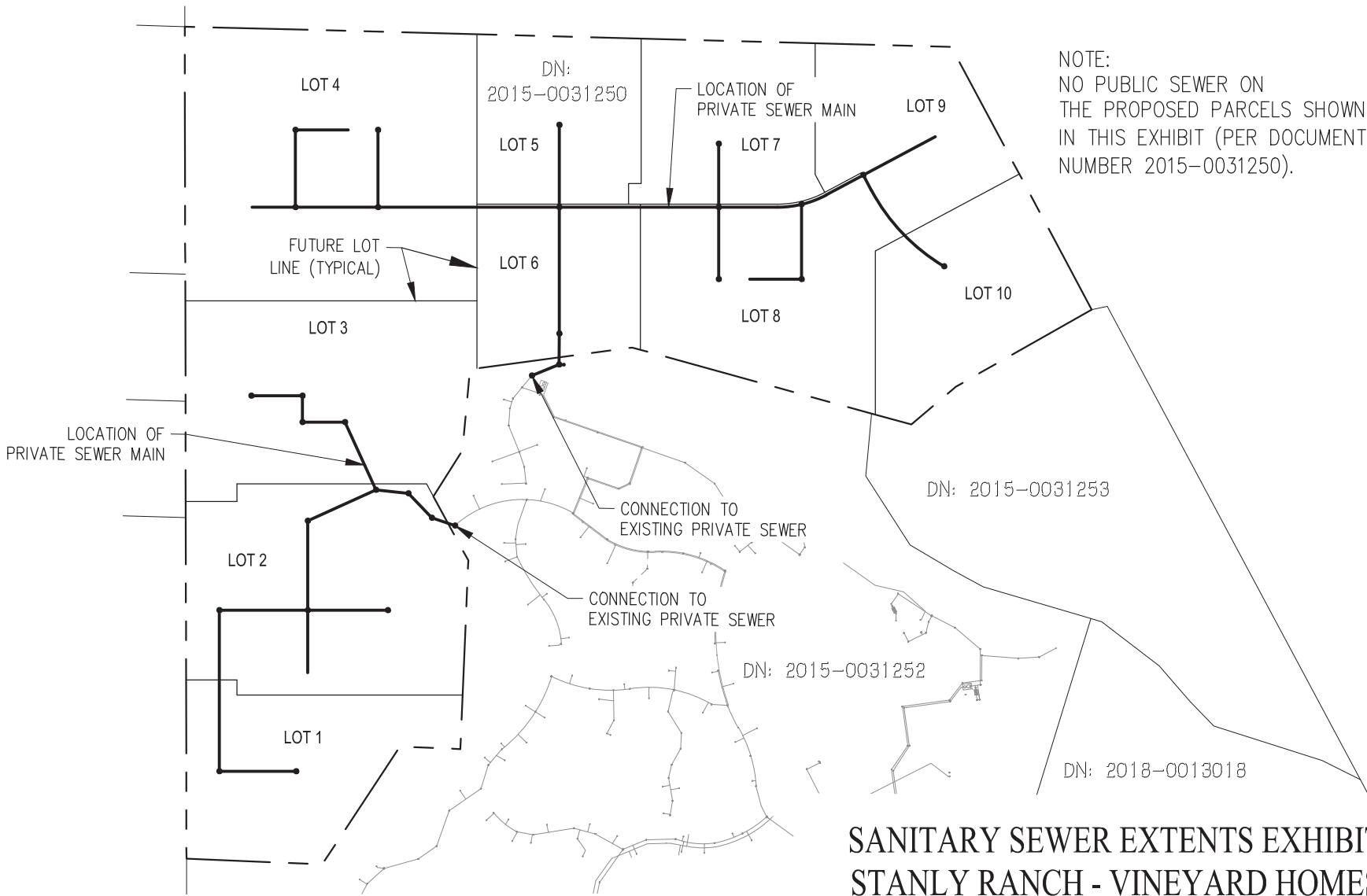
EXHIBIT B - SAMPLE

APPROVED AS TO FORM:

By: _____
John Bakker
District Legal Counsel

SAMPLE

EXHIBIT B - SAMPLE



NOTE:
NO PUBLIC SEWER ON
THE PROPOSED PARCELS SHOWN
IN THIS EXHIBIT (PER DOCUMENT
NUMBER 2015-0031250).

**SANITARY SEWER EXTENTS EXHIBIT
STANLY RANCH - VINEYARD HOMES**

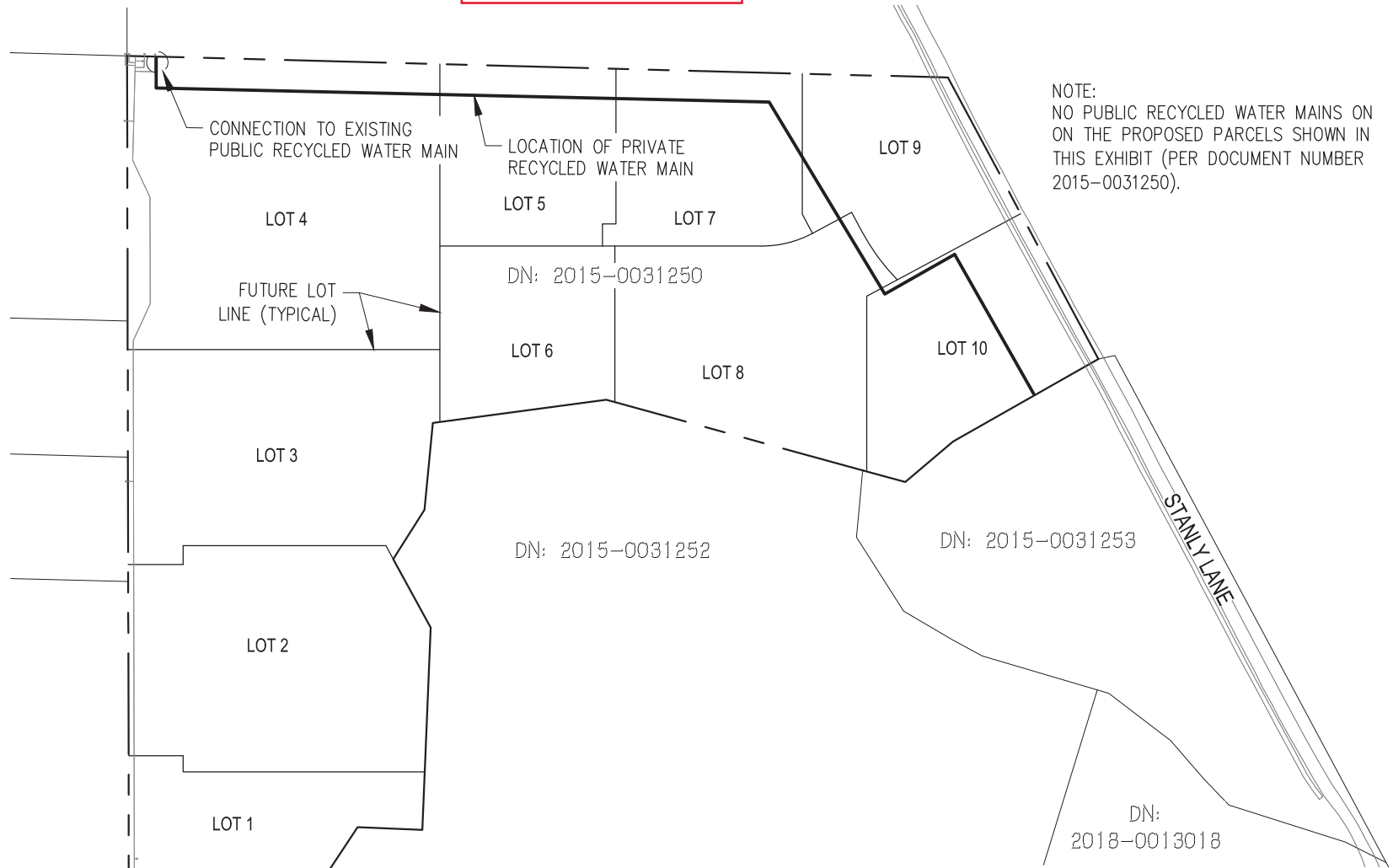
CITY OF NAPA NAPA COUNTY CALIFORNIA
DATE: JUNE 8, 2020 SCALE: 1"=300'



SAN RAMON (925) 866-0322
SACRAMENTO (916) 375-1877
WWW.CBANDG.COM

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EXHIBIT B - SAMPLE



NOTE:
NO PUBLIC RECYCLED WATER MAINS ON
ON THE PROPOSED PARCELS SHOWN IN
THIS EXHIBIT (PER DOCUMENT NUMBER
2015-0031250).

**RECYCLED WATER EXTENTS EXHIBIT
STANLY RANCH - VINEYARD HOMES**

CITY OF NAPA NAPA COUNTY CALIFORNIA

DATE: JUNE 9, 2020 SCALE: 1"=300'



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