

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 Resort
APN 047-410-001, 047-410-002
047-410-003, 047-410-004
047-410-005, 047-410-006
047-410-007, 047-410-008
047-410-009, 047-410-010
047-230-060
047-230-061, 047-230-062

<p style="text-align: center;">MAINTENANCE AGREEMENT – STANLY RANCH PUMP STATION AND RIVER CROSSING</p>
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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. Owner owns certain real property located in the County of Napa, State of California, commonly referred to as APN 047-410-001, 047-410-002, 047-410-003, 047-410-004, 047-410-005, 047-410-006, 047-410-007, 047-410-008, 047-410-009, 047-410-010, 047-230-060, 047-230-061, and 047-230-062, formerly Lots 3, 4, 9, and 10 as shown on the map entitled "Final Map of the Stanly Ranch Vineyards Subdivision", 24 RM 32, (individually, the "Parcels" and together, the "Subject Property").

B. The Subject Property including other properties located in Stanly Ranch ("Stanly Ranch Annexation Area") were annexed into the boundaries of the Napa Sanitation District.

C. Conditions of annexation require the Owner to install sanitary sewer improvements to serve the Subject Property.

D. Conditions of annexation require the property owners within the Stanly Ranch Annexation Area shown in Exhibit A to be responsible for all operations, maintenance, and replacement costs of the proposed pump station and force main crossing the Napa River.

E. District requires Owner to enter into this Agreement to require that the Owner's portion of the operation, maintenance, and replacement costs are paid for by the Owner pursuant to the terms hereof.

AGREEMENT

NOW, THEREFORE, in order to ensure satisfactory performance by Owner of Owner's obligations, the parties hereto agree as follows:

1. **Improvements.** This agreement covers the Stanly Ranch Pump Station and the sewer force main (from the pump station to its discharge point on the east side of the river) including the crossing of the Napa River ("Improvements") shown on Exhibit A.

2. **Costs to be Reimbursed.** Owner agrees to reimburse the District for annual costs to operate and maintain the Improvements. Additionally, Owner agrees to annually pay District for the eventual replacement of the Improvements.

a. Operational costs – costs necessary to operate the Improvements including, but not limited to, electricity, fuel for backup generator, odor control devices and/or chemicals, permit costs, and operation staff costs.

b. Maintenance costs – costs necessary to repair, replace, and/or rehabilitate individual components and parts of the Improvements, which also includes testing and preventative maintenance activities. Maintenance costs include labor, services, and materials.

c. Replacement costs – annually contribute to replace the Improvements at the end of their useful life.

d. Calculation Methodology for Replacement Cost – District will assume an inflation rate of 3% per year for construction inflation. Every five years, the District will review the actual construction inflation indices for the last five years based on the Engineering News Record Construction Cost Index (ENR-CCI) and adjust its inflation rate assumption to ensure that by the end of the Improvements' useful lives adequate revenue has been collected to replace the Improvements. The District shall use the inflation-adjusted estimated replacement costs to set an annual replacement cost component based on the number of EDU connected to the system in the Stanly Ranch Annexation Area. The District shall also include in its calculation either the assumption or the reality that the payments made are segregated into a separate interest-bearing account, with said interest accruing at the same rate as the Napa County Local Government Investment Pool and credited against the annual replacement costs to be collected.

3. **Payment method.** The costs will be calculated annually by the District and placed on each parcel's property tax statement as an additional charge for services furnished by the District. This additional charge is in addition to the usual annual sewer service charges applied to developed parcels according to their type of development. Owner agrees that this

agreement and its approval by the Board of Directors satisfies the necessary procedural requirements for collecting such charges on the tax roll pursuant to Health and Safety Code section 5471.

4. Determination of Operation and Maintenance Costs. The District will track the annual operation and maintenance cost for the Improvements and the costs will be split between the connections based on sewer service charge equivalent dwelling units (EDU). Operation and maintenance costs will be tracked annually starting in calendar year 2021 and will be assessed on tax statements starting in fiscal year 2022-2023.

5. Determination of Replacement Costs. Replacement costs will be based on the bond estimate cost of the improvements. The bond estimate for the force main was \$1,662,000 in 2014 and has an expected useful life of 50 years for replacement in 2064. The bond estimate for the pump station was \$1,017,000 in 2020 and has an expected useful life of 30 years for replacement in 2050. Replacement costs will be assessed on tax statements starting in fiscal year 2023-2024.

6. Owner's Warranty. The undersigned warrants to District that Owner is the sole titleholder and lease holder to the Subject Property, and the signatory is authorized to execute this Agreement on behalf of the Owner.

7. Hold Harmless. Owner shall hold harmless and, upon request, promptly and fully protect, defend and indemnify District and its officers, agents, and employees from any liability or claims, including any actions at law or equity, for personal injury, including death, to any person or damage to any property arising out of the acts or omissions of Owner or of any officer, agent or employee of Owner or any contractor or subcontractor of Owner during (i) the use of the Improvements or (ii) caused in whole or in part by any activity authorized or required by this Agreement, including those matters arising out of the deferment of permanent facilities, or the adequacy, safety, use or non-use of temporary facilities, or the performance or nonperformance of the work. This obligation shall apply regardless of whether or not insurance policies may be determined to be applicable to any such damages or claims for damages.

8. Default. Owner shall be deemed to be in default of this Agreement if Owner or any officer, agent or employee of Owner fails to comply with any of the provisions of this Agreement and to remedy such failure within ten (10) calendar days of receipt of written notice from District specifying the nature of such failure. The determination as to whether such default has occurred shall be made by the District General Manager.

9. Attorneys Fees. Should it become necessary for either party hereto to institute legal action against the other to enforce any part of this Agreement or any lien arising thereunder, all reasonable costs and expenses incurred by the prevailing party in successfully enforcing this Agreement or lien shall be paid by the non-prevailing party, including reasonable attorney fees. All such costs, expenses and fees shall be taxed as costs and included in any judgment rendered, and may also become a lien on the Subject Property.

10. Agreement Binding on Successors in Interest. The provisions of this Agreement are for the benefit of the Subject Property as well as for the protection of the health, safety, and welfare of the residents of the District. For this reason, such provisions are intended to bind, and shall bind the heirs, executors, administrators, grantees and any other assignees or successors in interest of the Owner; and any burden imposed by such provisions shall run with the Subject Property.

11. Recordation. Immediately following execution, this Agreement shall be recorded by District in the Official Records of the County Recorder of the County of Napa.

12. Notices. All notices given by District to Owner pursuant to Paragraphs 3 and 11 of this Agreement shall be by personal service or sent by certified or registered mail, return receipt requested, with delivery restricted to addressee only. The date of delivery on the return receipt shall be conclusive upon all parties to this Agreement. All other notices, demands, requests, consents, approvals or communications that either party desires or is required by this Agreement to give to the other shall be in writing and either served personally or sent by prepaid, first-class mail. Notice mailed in this manner shall be conclusively deemed communicated within forty-eight (48) hours from time of mailing. Either party may change its address by notifying the other party in writing. Until notification of such change has been received, all notices sent under this Paragraph shall be addressed as follows:

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

13. Interpretation. The parties agree that they have carefully reviewed this Agreement, have consulted independent counsel if they saw fit or have independently elected not to do so. The doctrine that any ambiguities in a contract are to be resolved against the drafting party, shall not be employed in the interpretation of this Agreement or any amendments or exhibits hereto. This Agreement shall be interpreted and construed according to the domestic laws of the State of California, without regard to the choice of law doctrine.

14. Severability. If any part, term, or provision of this Agreement is held by any court 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.

15. Modification. This Agreement may be modified or amended only with the prior written consent of the parties, or their successors in interest. Such modifications and amendments shall be executed with the same formality as this Agreement, shall be recorded, and shall be interpreted as provided in this Agreement.

16. Quitclaim Deed. Upon performance of Owner's obligations under this Agreement, District agrees, if requested by Owner, to execute, acknowledge and deliver a quitclaim deed to Owner within thirty (30) days after performance and to execute, acknowledge and deliver any other documents required by any title company to remove the cloud of this Agreement from the title to the Subject Property.

17. Effective Date. This Agreement shall become effective on the date of execution, which shall be deemed to be the date first written above.

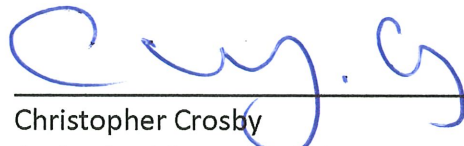
* * * * *

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:

Scott Sedgley
Chair, Board of Directors

ATTEST:

By:

Cheryl Schuh
Secretary, Board of Directors

APPROVED AS TO FORM:

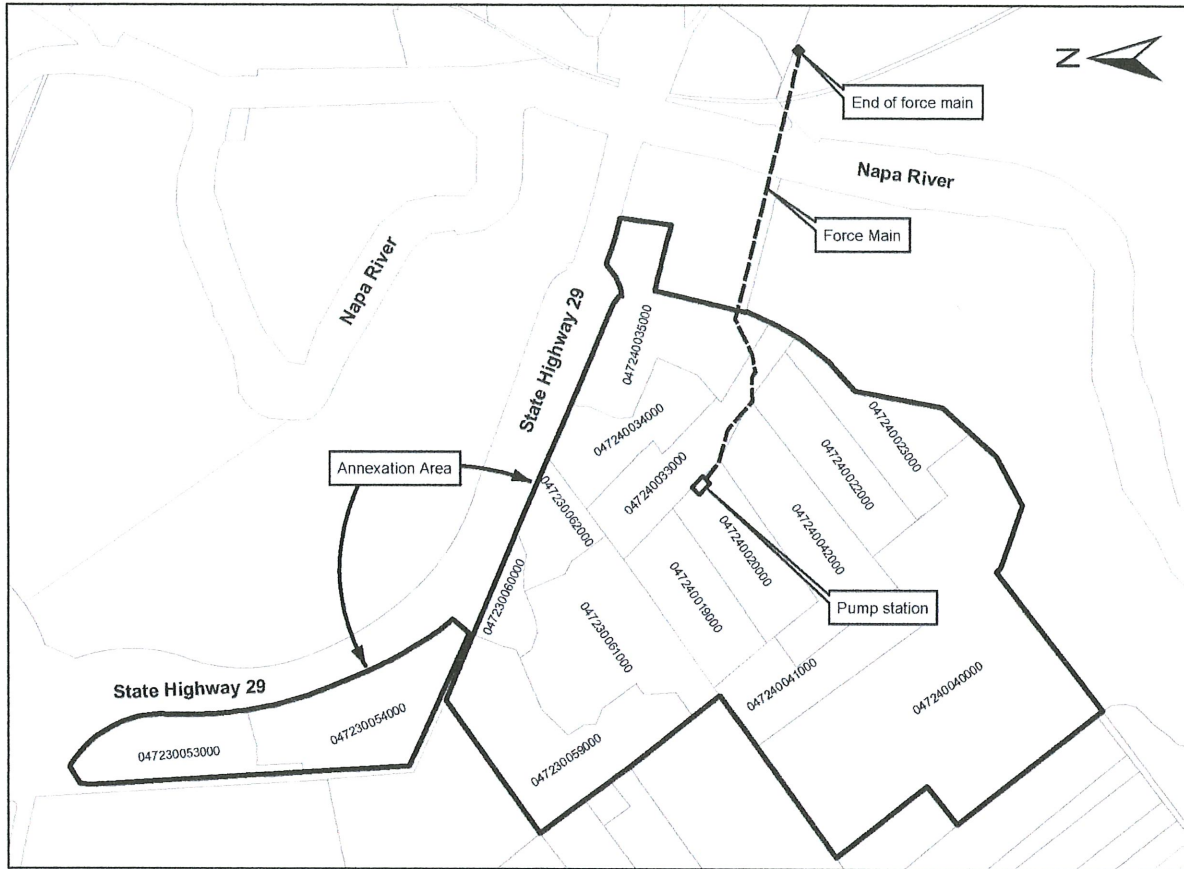
By: 

John Bakker

District Legal Counsel

Exhibit A

STANLY RANCH AGREEMENT - EXHIBIT A



ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

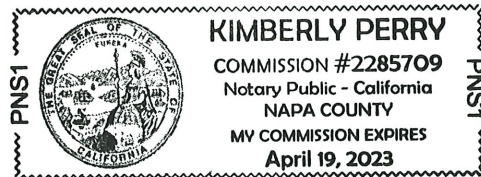
County of Napa

On July 20, 2021 before me, Kimberly Perry, Notary Public
(insert name and title of the officer)

personally appeared Christopher G. Crosby,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same in
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing
paragraph is true and correct.

WITNESS my hand and official seal.



Signature Kimberly Perry (Seal)