



LAFCO SPECIAL MEETING
AGENDA
Monday, June 19, 2006 4:00PM

Napa County Administration Building
1195 Third Street, Room 305
Napa, CA 94559

Bill Dodd, Chair
Dr. Andrew Alexander, Vice-Chair
Kevin Block, Commissioner
Guy Kay, Commissioner
Brad Wagenknecht, Commissioner
Cindy Coffey, Alt. Commissioner
Brian Kelly, Alt. Commissioner
Mark Luce, Alt. Commissioner

Keene Simonds, Executive Officer
Jacqueline Gong, Commission Counsel
Kathy Mabry, Commission Secretary

1. CALL TO ORDER; ROLL CALL

2. PLEDGE OF ALLEGIANCE

3. PUBLIC COMMENT

In this time period, anyone may comment to the Commission regarding any subject over which the Commission has jurisdiction, or request consideration to place an item on a future Agenda. No comments will be allowed involving any subject matter that is scheduled for hearing or discussion as part of this Agenda. Individuals will be limited to a three-minute presentation. No action will be taken by the Commission as a result of any item presented at this time.

4. COMMISSION ACTION ITEMS

a) Impartial Analysis on the Napa County Regional Park and Open Space District (Action)

The Commission will consider the approval of an impartial analysis regarding the proposed formation of the Napa County Regional Park and Open Space District. The formation of the proposed district has been initiated by resolutions of the County of Napa Board of Supervisors. (California Government Code §57144 and Public Resources Code §5517.1)

b) Amendment to Lease Agreement for Office Space (Action)

The Commission will consider an amendment to its lease for office space at 1700 Second Street, Napa, California. The amendment is to extend the lease term and modify the monthly rental to a fixed rate through June 2009.

5. ADJOURNMENT TO NEXT REGULAR MEETING: AUGUST 7, 2006



**Local Agency
Formation Commission**
LAFCO of Napa County

1700 Second Street, Suite 268
Napa, CA 94559
(707) 259-8645
FAX (707) 251-1053
<http://napa.lafco.ca.gov>

JUNE 19, 2006
AGENDA ITEM NO. 4a

June 15, 2006

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer

SUBJECT: Impartial Analysis on the Napa County Regional Park and Open Space District (Action)

The Commission will consider the approval of an impartial analysis regarding the proposed formation of the Napa County Regional Park and Open Space District pursuant to Public Resources Code §5500 et. seq.. The formation of the proposed district has been initiated by resolutions of the County of Napa Board of Supervisors.

On June 13, 2006, the County of Napa Board of Supervisors adopted resolutions initiating proceedings for the formation of a countywide independent special district pursuant to Public Resources Code §5500 et. seq.. The proposed special district, titled the "Napa County Regional Park and Open Space District," would be governed by an elected five-member board of directors for the purpose of providing focused and enhanced park and recreational services for residents of Napa County. Funding for the proposed special district would be provided by the County, which may eventually be supplemented or replaced by assessments or service fees. Formation proceedings are subject to confirmation by the voters, which has been scheduled for November 7, 2006.

California Government Code §57144 and Public Resources Code §5517.1 require that the Executive Officer prepare an impartial analysis on ballot propositions for certain proposals that are under the jurisdiction of the Commission, including the formation of special districts. These code sections require that the Commission approve the impartial analysis with or without modification prior to submittal to the County Registrar of Voters. The approved impartial analysis will appear on the November 7th ballot.

Note: The formation of a park and open space district in Napa County is not subject to Commission formation procedures as a result of special legislation enacted in 1992 (Public Resources Code § 5539.4). Similar exemptions from LAFCO proceedings for park and open space district formations exist in Marin, San Diego, Sacramento and Sonoma Counties.

Dr. Andrew Alexander, Vice-Chair
Mayor, City of Calistoga

Kevin Block, Commissioner
Councilmember, City of Napa

Cindy Coffey, Alt. Commissioner
Councilmember, City of American Canyon

Bill Dodd, Chair
Supervisor, 4th District

Brad Wagenknecht, Commissioner
Supervisor, 1st District

Mark Luce, Alt. Commissioner
Supervisor, 2nd District

Guy Kay, Commissioner
Representative of the General Public

Brian Kelly, Alt. Commissioner
Representative of the General Public

Keene Simonds
Executive Officer

RECOMMENDATION

It is recommended for the Commission to take the following actions:

- 1) Approve the attached draft impartial analysis regarding the proposed formation of the Napa County Regional Park and Open Space District with any desired modifications; and
- 2) Direct staff to transmit a certified copy of the approved impartial analysis to the Napa County Registrar of Voters.

Respectfully submitted,

Keene Simonds
Executive Officer

Attachments:

- 1) Draft Impartial Analysis
- 2) County of Napa Resolution No. 06-110 (draft copy)
- 3) County of Napa Resolution No. 06-111 (certified copy)

Draft Impartial Analysis
Formation of the Napa County Regional Park and Open-Space District
(Measure “I”)

This proposition is to form the Napa County Regional Park and Open-Space District, which is hereafter referred to as the “District.” The District would be an independent government entity governed by an elected five-member board of directors, none of whom would be a member of the County of Napa Board of Supervisors. Each director would reside and represent one of five wards in Napa County. The jurisdictional boundary of the District would include all territory in Napa County, including the incorporated cities.

The primary purpose for forming the District is to coordinate and provide an elevated level of park, recreation, and open-space services to residents of Napa County. The District would be authorized to plan, improve, and operate a system of public parks, playgrounds, golf courses, beaches, trails, natural areas, ecological and open space preserves, parkways, scenic drives, boulevards, and other facilities for public recreation. The District would also be authorized to provide programs and classes in outdoor science and conservation education.

If formed, the District’s operations would be financed by the County of Napa at a level and manner determined by the Board of Supervisors. The District would also be empowered to receive funding through the collection of service fees, assessments, general obligations, gifts, and grants. All assessments and general obligation bonds would require voter approval. **THIS MEASURE DOES NOT AUTHORIZE THE LEVY OF ANY ASSESSMENTS OR BONDS.**

The District would not have the power of eminent domain. The District could only acquire property from willing sellers or by donations. The District would not have the power to regulate land use. The District would be subject to all applicable city and county regulations.

A “yes” vote on this measure supports the formation of the District. The vote required to form the District is a majority of the votes cast.

The above statement is an impartial analysis of Measure I. If you desire a copy of the measure, please call the elections official’s office at (707) 253-4321 and a copy will be mailed at no cost to you.

Prepared by Keene Simonds, LAFCO Executive Officer
June 15, 2006

Maximum Words Permitted: 500
Number of Words in Draft: 338

RESOLUTION NO. 06-110**RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF NAPA,
STATE OF CALIFORNIA, INITIATING PROCEEDINGS FOR THE FORMATION
OF THE NAPA COUNTY REGIONAL PARK AND OPEN SPACE DISTRICT**

WHEREAS, Napa County is blessed with an open space landscape of great beauty and productivity; and

WHEREAS, the responsible stewardship of the County's public watersheds and natural areas is critical to water quality and a sustainable water supply for use by people, agriculture and wildlife; and

WHEREAS, a network of connected public open spaces is important to the conservation of natural resources and wildlife; and

WHEREAS, the County's policy of protecting open space lands and directing population growth to its cities has increased the demand for outdoor recreational opportunities; and

WHEREAS, outdoor recreation is beneficial to public health and the quality of life; and

WHEREAS, regional parks and associated recreation programs contribute to the character development of our youth; and

WHEREAS, the County of Napa would like to improve the stewardship and safe enjoyment of public open spaces, which today constitute nearly one-fourth of the county; and

WHEREAS, within the open space areas of Napa County are many significant archaeological, cultural, and historic sites that enrich the quality of life and offer unique educational opportunities; and

WHEREAS, the development of new recreational opportunities is consistent with and subject to the policies of the County of Napa General Plan, and shall be compatible with and not adversely affect agriculture; and

WHEREAS, the lack of a countywide public agency dedicated to parks and public open space has hindered the effective stewardship and safe use of public open spaces; and

WHEREAS, an independent countywide park and open space district working in voluntary and cooperative partnership with the County of Napa and its cities, other agencies, non-profit organizations, community groups and businesses offers the most potential for effectively and efficiently conserving and utilizing public open space resources; and

WHEREAS, on August 26, 2003, this Board adopted Resolution 03-157 which created an open space advisory committee, which committee has recommended the creation of an open

space district pursuant to the provisions of Article 3, Chapter 3 of Division 5 of the Public Resources Code (commencing with Section 5500) with responsibility for protecting and stewarding public open space resources and providing outdoor recreational and educational opportunities; and

WHEREAS, the County of Napa intends to provide the initial operational support for the recommended District at a level comparable to that which the County is currently budgeting for park, recreation and related open space purposes, with the expectation that the District will develop additional sources of revenue in future years; and

WHEREAS, Public Resources Code Section 5506.4 authorizes the Board to initiate by resolution proceedings for the formation of a proposed open space district, the creation of which may be ordered and declared by the Board of Supervisors only if first approved by the voters.

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of the County of Napa as follows:

1. The name of the proposed district is the Napa County Regional Park and Open Space District (hereafter the "District"). The reasons for forming the District are the creation of safe parks and trails and other recreational facilities and interpretive programs, the conservation, restoration and enhancement of natural areas, water quality, and archaeological, cultural and historic resources, protection of wildlife, preservation of agricultural watershed lands, reduction of wildfire risk, and other related purposes, utilizing voluntary means.

2. The District shall be divided into five wards, and each ward's boundaries shall be the same as the Supervisorial Districts of Napa County, as described in Napa County Code Section 1.08.010 through 1.08.050, as the same may be amended in the future.

3. The District shall be governed by a board of five directors, one from each ward, elected in accordance with the provisions of Article 3, Chapter 3 of Division 5 of the Public Resources Code. No member of the Board of Supervisors shall be a director.

4. The territory of the District shall include all of the territory within the County of Napa, including the incorporated cities.

5. The District shall not have, and may not exercise, the power of eminent domain pursuant to Public Resources Code Section 5542, or any other provision of law.

6. The District's operations shall be financed by the County of Napa at a level and manner determined by the Board of Supervisors. The District shall have the right to seek future financing by all means, and subject to applicable limitations, provided in Article 3, Chapter 3 of Division 5 of the Public Resources Code, including but not limited to grants, donations, and revenues raised from operations.

7. The Board, by adopting Resolution No. 06-111 concurrently with this Resolution, hereby calls an election pursuant to Public Resources Code Section 5514.

THE FOREGOING RESOLUTION WAS DULY AND REGULARLY ADOPTED by the Board of Supervisors of the County of Napa, State of California, at a regular meeting of the Board held on the _____ day of June, 2006, by the following vote:

AYES: SUPERVISORS _____

NOES: SUPERVISORS _____

ABSENT: SUPERVISORS _____

BILL DODD, Chair of the Board of Supervisors

ATTEST: PAMELA A. MILLER
Clerk of the Board of Supervisors

By: _____

APPROVED AS TO FORM
Office of County Counsel
By: Rob Paul, Deputy (by e-signature)
Date: June 9, 2006

**APPROVED BY THE NAPA COUNTY
BOARD OF SUPERVISORS**
Date: _____
Processed by: _____
Deputy Clerk of the Board

RESOLUTION NO. 06-111

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF NAPA, STATE OF CALIFORNIA, CALLING A SPECIAL ELECTION AND CONSOLIDATING IT WITH THE NOVEMBER 7, 2006 STATEWIDE ELECTION FOR THE PURPOSE OF ENABLING THE PEOPLE OF NAPA COUNTY TO VOTE ON THE QUESTION OF WHETHER A REGIONAL PARK AND OPEN SPACE DISTRICT SHOULD BE FORMED

WHEREAS, on August 26, 2003, this Board did by Resolution No. 03-157 create a parks and open space advisory committee, which committee has recommended the creation of a park and open space district pursuant to the provisions of Article 3, Chapter 3 of Division 5 of the Public Resources Code (commencing with Section 5500) with responsibility for protecting and stewarding public open space resources and providing outdoor recreational and educational opportunities; and

WHEREAS, Public Resources Code Section 5506.4 authorizes the Napa County Board of Supervisors to initiate by resolution, proceedings for the formation of the proposed park and open space district; and

WHEREAS, on June 13, 2006, this Board adopted a resolution (Resolution No. 06-110) initiating proceedings for the purpose of enabling the voters of Napa County to create the Napa County Regional Park and Open Space District (“the District”); and

WHEREAS, the question of whether or not the District should be created must now be presented to the voters; and

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of the County of Napa, State of California, pursuant to Elections Code section 12001 and Public Resources Code sections 5506.4 and 5514, hereby orders and proclaims that the question of whether the District should be created and the first board of directors for the District elected if the District is created, shall be submitted to the voters of the County of Napa at a special election as County Measure “I,” to be held and conducted on the 7th day of November, 2006 and that the polls shall be open from the hours of 7:00 a.m. to 8:00 p.m. on said election day. The manner of holding the election and the procedure for voting for and against the question presented shall, unless Article 3 of Chapter 3 of Division 5 of the Public Resources Code provides otherwise, be in accordance with the general election laws of the State for a local special election, which is consolidated with a statewide election.

BE IT FURTHER RESOLVED that said special election shall be, and it is, hereby consolidated with the statewide election to be held on said day, and all precincts established and all election officers appointed for said statewide election shall be the precincts and election officers for said special election, and said election officers shall conduct said election and make return thereof according to law.

BE IT FURTHER RESOLVED that, the Registrar of Voters is hereby instructed to cause a ballot pamphlet concerning the district formation to be created in the form set forth in Public Resources Code section 5517.4, to include such pamphlet as part of the general sample ballot, and to mail such pamphlet as set forth in section 5517.4 to all voters entitled to vote on the district formation question.

BE IT FURTHER RESOLVED that the ballots for the election shall contain such instructions as are required by law and shall in addition contain the proposition on district formation as "Measure I," in the following form and in accordance with sections 13103 and 13247 of the Elections Code and Section 5518 of the Public Resources Code:

Shall the Napa County Regional Park and Open Space District be created and established to improve the quality of life of Napa County residents by: providing safe parks, trails and outdoor recreational opportunities; preserving, restoring and enhancing natural areas, water quality and historic resources; conserving wildlife; protecting agricultural watershed lands; and reducing wildfire risk; using voluntary agreements and partnerships, without utilizing eminent domain or regulatory authority over lands not owned or managed by the District? YES
NO

BE IT FURTHER RESOLVED the ballots shall contain, and the Registrar of Voters is hereby ordered to include on said ballots, the names of the persons nominated in each ward to serve as a member of the board of directors of the District, showing separately each ward and its nominees.

BE IT FURTHER RESOLVED that any person may be nominated for the office of director of the District upon written petition of 50 or more qualified electors of the ward in which the nominee resides.

BE IT FURTHER RESOLVED that a person is not entitled to serve as a director unless he is a resident and elector of the ward and district as provided in Public Resources Code section 5522

BE IT FURTHER RESOLVED that directors shall be nominated and elected by ward, as provided in Public Resources Code section 5527.

BE IT FURTHER RESOLVED that the Registrar of Voters is hereby authorized and ordered to set and collect fees for the filing of candidate statements, as authorized by Elections Code section 13307.

BE IT FURTHER RESOLVED that no person is entitled to vote at the election unless he or she is a qualified elector of the territory included in the proposed district.

BE IT FURTHER RESOLVED that the election, including the nomination and election of directors of the District shall be held and conducted and the result ascertained, determined and declared as provided by law.

BE IT FURTHER RESOLVED that the Board hereby delegates to the Registrar of Voters the task of canvassing the votes cast on the proposition and canvassing the returns of the election with respect to the persons voted for as directors.

BE IT FURTHER RESOLVED that Public Resources Code section 5532 and relevant sections of the Elections Code shall apply to the election of directors, nomination papers, certification of candidates, and oaths of office.

BE IT FURTHER RESOLVED that the vote required for creation of the district shall be a majority of the votes cast. With respect to the election of directors, the persons receiving the highest number of votes for each ward, respectively, shall be elected directors of the district, to hold office until the first Monday after the first day in January next following the first general election held at least eleven (11) months after the formation election, and until their successors are elected and qualified, or as otherwise provided by law.

BE IT FURTHER RESOLVED that notice be, and it hereby is, given that the final date for submission to the Registrar of Voters of arguments not to exceed 300 words in length for or against the measure shall be August 18, 2006, and that such arguments shall be submitted to the Registrar at the Office of the Registrar, 900 Coombs Street, Room #256, Napa, California, 94559, no later than 5:00 p.m. on said day and included in the official ballot materials.

BE IT FURTHER RESOLVED that the final date for submission to the Registrar of Voters of rebuttal arguments for or against the measure shall be August 28, 2006, and that such arguments shall be submitted to the Registrar at the Office of the Registrar, 900 Coombs Street, Room #256, Napa, California, 94559, no later than 5:00 p.m. on said day and included in the ballot pamphlet.

BE IT FURTHER RESOLVED that the election, including the nomination and election of directors and all matters not otherwise provided for by Article 3 of Chapter 3 of Division 5 of the Public Resources Code beginning with sections 5500 et seq., shall be held and conducted and the

the result ascertained, determined, and declared in accordance with the general election laws of the State, as nearly as may be.

BE IT FURTHER RESOLVED that the Clerk of the Board is hereby ordered to transmit, by registered mail, a written notification of this call of election to the executive officer of LAFCO on or before June 18, 2006, in the form of a certified copy of this resolution.

BE IT FURTHER RESOLVED that the executive officer of LAFCO is required to submit, within five days of receiving notice of the election, to LAFCO for its approval or modification, an impartial analysis, not exceeding 500 words in length, which shall include a specific description of the boundaries of the proposed District, of the proposed district formation.

BE IT FURTHER RESOLVED that LAFCO, within five days of the receipt of the executive officer's analysis, is required to approve or modify said analysis and submit it to the Elections Department.

BE IT FURTHER RESOLVED that said impartial analysis shall be filed with the Registrar at the Office of the Registrar, 900 Coombs Street, Room #256, Napa, California, 94559, no later than 5:00 p.m. on or before August 14, 2006 and included in the official ballot materials.

BE IT FURTHER RESOLVED that the Registrar of Voters shall give notice of the election, stating the name of the proposed district and describing its boundaries. The notice shall also describe the boundaries of the wards provided for the purpose of electing directors by including in the notice the legal descriptions contained in Napa County Code sections 1.08.010 through 1.08.050. Notice shall be given as provided by sections 5516 and 5517 of the Public Resources Code.

BE IT FURTHER RESOLVED that the Registrar of Voters may publish a notice of the election in a newspaper of general circulation within the County of Napa not later than fifty (50) days prior to the election.

BE IT FURTHER RESOLVED that pursuant to Elections Code section 12001 a Proclamation of Election is hereby issued for said election and the measure to be voted on in accordance with the terms hereinabove stated.

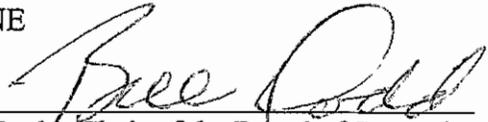
BE IT FURTHER RESOLVED that the entire text of Measure I shall be printed in the voter information portion of the sample ballot.

///

///

THE FOREGOING RESOLUTION WAS DULY AND REGULARLY ADOPTED by the Board of Supervisors of the County of Napa, State of California, at a regular meeting of the Board held on the 13th day of June, 2006, by the following vote:

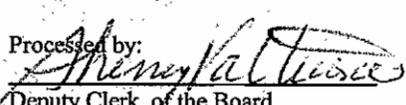
AYES: SUPERVISORS WAGENKNECHT, LUCE and DILLON
NOES: SUPERVISORS DODD and MOSKOWITZ
ABSENT: SUPERVISORS NONE


Bill Dodd, Chair of the Board of Supervisors

ATTEST: PAMELA A. MILLER
Clerk of the Board of Supervisors

By:  for

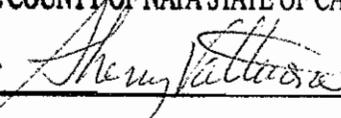
APPROVED AS TO FORM
Office of County Counsel
By: Silva Darbinian (e-signature)
Date: June 6, 2006

**APPROVED BY THE NAPA COUNTY
BOARD OF SUPERVISORS**
Date: June 13, 2006
Processed by: 
Deputy Clerk of the Board

**THE FOREGOING INSTRUMENT IS A CORRECT COPY
OF THE ORIGINAL ON FILE IN THIS OFFICE**

ATTEST: 6/13/06
PAMELA A. MILLER

**CLERK OF THE BOARD OF SUPERVISORS OF
THE COUNTY OF NAPA STATE OF CALIFORNIA**

BY  DEPUTY



**Local Agency
Formation Commission**
LAFCO of Napa County

1700 Second Street, Suite 268
Napa, CA 94559
(707) 259-8645
FAX (707) 251-1053
<http://napa.lafco.ca.gov>

JUNE 19, 2006
AGENDA ITEM NO. 4b

June 15, 2006

TO: Local Agency Formation Commission

FROM: Keene Simonds, Executive Officer

SUBJECT: Amendment to Lease Agreement for Office Space

The Commission will consider an amendment to its lease agreement for office space at 1700 Second Street, Napa, California. The amendment is to extend the lease term and modify the monthly rental to a fixed rate through June 2009.

At its August 14, 2003 meeting, the Commission approved a three-year lease agreement for office space at 1700 Second Street in Napa, California with Robert Louis Stevenson Plaza Associates. The term of the lease agreement is scheduled to expire on June 30, 2006. If no extension is reached by this date, the lease shall become a month-to-month tenancy terminable on a 30-day written notice given at any time by either party.

With the assistance of the County of Napa Public Works Department, staff has negotiated an amendment to the lease agreement to extend tenancy through June 30, 2009. The total monthly rent shall be a fixed rate of \$2,250 over the three-year period. This rate represents a monthly square foot cost of \$1.80, which is a \$0.10 increase from the current rate. County Public Works has advised staff this is a reasonable and competitive rate for the downtown area.

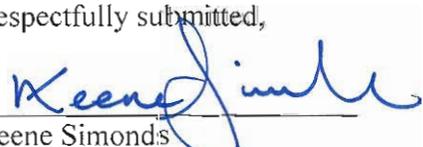
Commission Counsel Gong finalized the attached lease amendment prior to sending it to the landlord for this space, Robert Louis Stevenson Plaza Associates. The landlord has signed the lease amendment. It remains for the Commission to approve the lease amendment and direct the Chair to execute it.

RECOMMENDATION

It is recommended for the Commission to take the following action:

- 1) Approve the attached Amendment No. 1 to LAFCO's Lease Agreement 03-01 with Robert Louis Stevenson Plaza Associates.

Respectfully submitted,


Keene Simonds
Executive Officer

Attachments:

- 1) Amendment No. 1 to LAFCO Lease Agreement 03-01
- 2) LAFCO Lease Agreement 03-01

Dr. Andrew Alexander, Vice-Chair
Mayor, City of Calistoga

Kevin Block, Commissioner
Councilmember, City of Napa

Cindy Coffey, Alt. Commissioner
Councilmember, City of American Canyon

Bill Dodd, Chair
Supervisor, 4th District

Brad Wagenknecht, Commissioner
Supervisor, 1st District

Mark Luce, Alt. Commissioner
Supervisor, 2nd District

Guy Kay, Commissioner
Representative of the General Public

Brian Kelly, Alt. Commissioner
Representative of the General Public

Keene Simonds
Executive Officer

**LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY
AGREEMENT NO. 03-01
AMENDMENT NO. 1**

LEASE AGREEMENT

THIS AMENDMENT NO. 1 to LEASE AGREEMENT NO. 03-01 ("Agreement") is made and entered into as of this 1st day of July, 2006, by and between **ROBERT LOUIS STEVENSON PLAZA ASSOCIATES**, a Limited Partnership, hereinafter referred to as "Lessor," and the **LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY**, hereinafter referred to as "Lessee", a local public agency formed pursuant to the Cortese-Knox Local Government Reorganization Act of 1985, who agree as follows:

RECITALS

WHEREAS, on August 14, 2003, by Lease Agreement No. 03-01 ("Agreement"), Lessor leased to Lessee that certain premises described in the Agreement as "the leased premises"; and

WHEREAS, the parties now mutually wish to modify the terms of the Agreement to extend the lease term and modify the monthly rental;

TERMS

NOW, THEREFORE, the Agreement is amended as follows:

1. Paragraph 2 of the Agreement is amended to read in full as follows:
 2. **TERM**: The term of this lease shall be for a period commencing on July 1, 2006, and expiring on June 30, 2009, unless terminated earlier in accordance with Paragraphs 15 or 16.
2. Paragraph 3 of the Agreement is amended to read in full as follows:

RENTAL: The total monthly rent shall be a fixed rate over the three year period at **\$2,250** per month payable in advance.

3. Except as provided in (1) and (2) above, the terms and provisions of the Agreement shall remain in full force and effect as previously approved.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment No. 1 of the Local Agency Formation Commission of Napa County Agreement No. 03-01 as of the date first above written.

ROBERT LOUIS STEVENSON PLAZA
ASSOCIATES

BY: 
ERIC LEHMAN, General Partner

"LESSOR"

LOCAL AGENCY FORMATION
COMMISSION OF NAPA COUNTY

BY: _____
BILL DODD, Chair of LAFCO

"LESSEE"

ATTEST: Keene Simonds, LAFCO Executive Officer

APPROVED AS TO FORM:
LAFCO Counsel

BY: E-Signature Jackie Gong

**LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY
AGREEMENT NO. 03-01**

LEASE AGREEMENT

THIS LEASE AGREEMENT ("Agreement") is made and entered into as of this 14TH day of August, 2003, by and between **ROBERT LOUIS STEVENSON PLAZA ASSOCIATES**, a Limited Partnership, hereinafter referred to as "Lessor," and the LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY, hereinafter referred to as "Lessee", a local public agency formed pursuant to the Cortese-Knox Local Government Reorganization Act of 1985, who agree as follows:

TERMS

1. **DESCRIPTION OF LEASED PREMISES:** Lessor hereby leases to Lessee, and Lessee hires from Lessor, on the terms and conditions hereinafter set forth, those certain premises (hereinafter referred to as "leased premises") with appurtenances situated in the City of Napa, County of Napa, State of California, and described as follows:

That portion of Lessor's building and premises identified as Assessor's Parcel Number 003-196-010, in the City of Napa, County of Napa, State of California, situated at 1700 Second Street, Suite 268 with a total area leased (including common area apportionment) of approximately 1,252 square feet, and the following appurtenant rights: all facilities and conveniences provided by Lessor for the use of tenants to be used in common with each other, including the use of the elevator, public men's and ladies' lavatories, and sidewalks in front of the building and to the rear and side of the building as they are available and provided on other portions of Lessor's premises or upon premises contiguous thereto. This includes use of three (3) parking spaces in the lot across Second Street.

2. **TERM:** The term of this lease shall be for a period commencing on October 1, 2003, and expiring on June 30, 2006, unless terminated earlier in accordance with Paragraph 15.

3. **RENTAL:** The total monthly rent shall be as follows:

(a) **October 1, 2003 through June 30, 2004:** Total rent shall be in the amount of ONE THOUSAND EIGHT HUNDRED FIFTEEN AND 40/100 DOLLARS (\$1,815.40) per month payable in advance.

(b) **July 1, 2004 through June 30, 2005:** Total rent shall be in the amount of TWO THOUSAND THREE AND 20/100 DOLLARS (\$2,003.20) per month payable in advance.

(c) **July 1, 2005 through June 30, 2006:** Total rent shall be in the amount of TWO THOUSAND ONE HUNDRED TWENTY EIGHT AND 40/100 DOLLARS (\$2,128.40) per month payable in advance.

4. **PROCEDURE FOR PAYMENT:** It is understood and agreed that Lessee shall complete and file a claim for each monthly installment as the same becomes due and payable hereunder for processing in the manner required by the Napa County Auditor-Controller.

5. **FURNISHINGS, FIXTURES AND EQUIPMENT FURNISHED BY LESSOR:**

a. **Heating, Lighting, Water and Electrical Service:** It is understood and agreed that Lessor will provide satisfactory and adequate heating, lighting, air conditioning, water and electrical service facilities for the leased premises. Lessor agrees to maintain such facilities in reasonably good working order, repair and operation during the term of this Lease.

b. **Payment of Utility Bills and Services:** Lessor agrees to pay for all gas, electricity, water and sewer charges.

c. **Taxes:** Lessor shall pay all City, County, State or Federal taxes of any type whatsoever relating to the leased premises, the building which the leased premises are contained within and appurtenances thereto.

d. **Custodial and Garbage Service:** Lessor is responsible for obtaining and paying for custodial service within the leased premises and weekly garbage service.

6. **USE OF LEASED PREMISES:** Lessee shall use the leased premises only for the conduct and operation of LAFCO business or any other lawful purpose of Lessee. Lessor shall provide Lessee access to the leased premises 24 hours per day, 365 days per year.

7. **ALTERATIONS:** Lessee shall not alter, change or modify the leased premises in any manner or permit any alterations without the written consent of Lessor except for nonstructural alterations to the interior of the leased premises which Lessee requires in order to conduct its business on the leased premises, for which no prior consent of the Lessor shall be required. For the purpose of this Paragraph, all interior walls shall be considered structural improvements. In either event, any alteration or additions shall become the property of Lessor with the exception of personal property that can be removed without injury to the leased premises, which shall remain the property of Lessee.

8. **ASSIGNMENT:** Lessee shall not assign or encumber its interest in this lease or sublet to anyone other than a governmental entity all or any portion thereof without prior written consent of Lessor. Any assignment, encumbrance, or sublease without Lessor's consent shall be voidable and, at Lessor's election, shall constitute a default. No consent to any assignment, encumbrance or sublease shall constitute a further waiver of the provisions of this Paragraph.

9. **MAINTENANCE:** Lessor agrees to maintain in good condition the exterior of the leased premises, including parking lot area, walls, roof, glass windows, paving, walks and halls as well as interior common areas. Lessor agrees to provide and properly care for and maintain all walkways and all grounds landscaping. Lessee agrees to maintain the interior of the leased premises in good condition and repair, subject to reasonable use and wear thereof.

10. **LESSEE'S REMEDIES:** Lessor shall have 30 days after notice from Lessee to commence to perform its obligations under paragraphs 5 and 9, except that Lessor shall perform its obligations immediately if the nature of the problems presents a hazard or emergency or renders the leased premises uninhabitable. If Lessor does not perform its obligations within the time limitations in this Paragraph, Lessee shall notify Lessor of its default of this Agreement and Lessor

shall have three (3) days to provide the required services or, if repairs are required, to commence repairs. If Lessor does not commence repairs within said three (3) days from default notice, Lessee may perform the obligations and be reimbursed by Lessor for the sum Lessee actually expends in the performance of Lessor's obligations. If Lessor does not reimburse Lessee within 30 days after demand from Lessee, Lessee shall have the right to withhold from future rent due the sum Lessee has expended until Lessee is reimbursed in full.

11. **FLOOD ZONE:** Lessee understands that the leased premises are located in an area which may be subject to flooding. Lessee will provide such insurance as it deems appropriate.

12. **HOLD HARMLESS AND INSURANCE:**

a. **Hold Harmless.** Lessee shall hold Lessor harmless from all damages arising out of damage to any person or property occurring in, on, or about the leased premises, except that Lessor shall hold harmless Lessee for any damage resulting from the acts or omissions of Lessor or its authorized representatives.

b. **Liability Insurance.** Lessor and Lessee each agree to maintain general liability insurance in the amount of one million dollars (\$1,000,000) during the term of this Agreement covering liability for acts or omissions by each respective party or its officers, agents or employees in relation to the portions of the leased premises then being leased which cause personal injury (including death) or property damage to any person. Notwithstanding the foregoing, Lessor recognizes that Lessee is self-insured for general liability up to \$300,000 and agrees that such self-insurance satisfies Lessee's obligations under this subsection up to that amount. Upon written request from Lessor, Lessee shall name Lessor as an additional insured and provide a Certificate of Coverage for the insurance coverage obtained by Lessee above this self-insurance amount.

13. **DESTRUCTION:**

a. **If Repairable.** If, during the term of the Agreement, the then-leased portions of the leased premises or the building and other improvements in which the leased premises are located are totally or partially destroyed from any cause, rendering the leased premises totally or partially inaccessible or unusable, Lessor shall restore the leased premises or the building and other improvements in which the leased premises are located to substantially the same condition as they were in immediately before the destruction if the restoration can be made under the existing laws and can be completed within 90 working days after the date of the destruction. In the event of such timely restoration, the destruction shall not terminate this lease, except, however, to the extent the premises are rendered unusable or inaccessible as a result of such destruction, then Lessee's rent shall be reduced in proportion to such lack of usability or inaccessibility until such time as the premises are fully restored by Lessor.

b. **If Not Timely Repairable.** If the restoration cannot be made in the time stated in (a), above, then within sixty (60) days after the parties determine that the restoration cannot be made in the time stated in this paragraph, Lessee may terminate this Agreement immediately by giving notice to Lessor. If Lessee fails to terminate this Agreement and if restoration is permitted under the existing laws, Lessor, at its election, may either terminate this Agreement or restore the leased premises or the building and other improvements in which the leased premises are located within a reasonable time and this Agreement shall continue in full force and effect, except, however, to the extent the premises are rendered unusable or inaccessible as a

result of such destruction, then Lessee's rent shall be reduced in proportion to such lack of usability or inaccessibility until such time as the premises are fully restored by Lessor. If the existing laws do not permit the restoration, either party may terminate this Agreement immediately by giving written notice to the other party.

14. NOTICES: All notices required or authorized by this Agreement shall be in writing and shall be delivered in person or by deposit in the United States mail, by certified mail, postage prepaid, return receipt requested. Any mailed notice, demand, request, consent, approval or communication that either party desires to give the other party shall be addressed to the other party at the address set forth below. Either party may change its address by notifying the other party of the change of address. Any notice sent by mail in the manner prescribed by this paragraph shall be deemed to have been received on the date noted on the return receipt or five days following the date of deposit, whichever is earlier.

LESSEE: LAFCO of Napa County
Attn: Dan Schwarz, Executive
Officer

From date this lease is entered into through October 1, 2003:
1804 Soscol Ave., Ste. 205A
Napa, California 94559

From October 1, 2003 on:
1700 Second Street, Ste. 268
Napa, California 94559

LESSOR: Robert Louis Stevenson Plaza Associates
c/o Eric Lehman
P.O. Box 2880
Napa, California 94558-0536

15. **DEFAULT; CANCELLATION:**

(a) Default. If Lessee defaults in the payment of rent or in the performance of any of the other covenants or conditions of this Agreement, Lessor shall give Lessee notice of such default and if Lessee does not cure such default within five (5) days after the giving of such notice, then Lessor may either terminate this Agreement forthwith or continue this Agreement in full force and effect for such time as Lessor specifies by written notice to Lessee. Upon Lessor's election to terminate this Agreement due to default by Lessee, Lessee shall immediately quit and surrender the leased premises to Lessor. If this Agreement is terminated by Lessor for such default, Lessor may at any time thereafter resume possession of the leased premises by any lawful means and remove Lessee or other occupants and their effects.

(b) Cancellation. Lessee shall have the right to cancel this Agreement at any time upon no less than sixty (60) days prior written notice if Lessee's Commission is unable, despite reasonable efforts and for reasons beyond the reasonable control of the Commission, to appropriate sufficient funding to pay the rental for the leased premises during the remainder of

the term Agreement. Notwithstanding anything to the contrary in this Agreement, if Lessee cancels this Agreement in accordance with the requirements of this subparagraph, Lessee shall owe to Lessor only that rent accruing prior to the effective date of the cancellation.

16. **SURRENDER OF LEASED PREMISES UPON EXPIRATION OF LEASE AND HOLD OVER:** Upon expiration of this Agreement or termination thereof in relation to any portion of the leased premises in any lawful manner, Lessee shall surrender and deliver up the portion of the leased premises so affected, along with all related fixtures and furnishings provided by Lessor in as good order and condition as the same were upon the date of commencement of this Agreement, or in which they may have been put in compliance with the provisions of this Agreement during the term or any renewals or extensions thereof, reasonable wear, tear and use excepted. If Lessee, with Lessor's consent, remains in possession of such portion of the leased premises after such expiration or termination of the lease relating thereto under this Agreement, such continued possession by Lessee shall be deemed to be a month-to-month tenancy terminable on 30 days' written notice given at any time by either party. All provisions of this Agreement shall apply to such holdover month-to-month except those pertaining to term.

18. **TIME OF ESSENCE:** Time is of the essence of each provision of this Agreement.

19. **INTERPRETATION OF LEASE:** This Agreement shall be construed and interpreted in accordance with the laws of the State of California.

20. **INTEGRATED AGREEMENT:** This Agreement contains all the agreements of the parties and cannot be amended or modified except by a written amendment mutually agreed to by the parties.

21. **SEVERABILITY:** The unenforceability, invalidity, or illegality of any provision of this Agreement shall not render the other provisions unenforceable, invalid or illegal.

22. **WAIVER:** The waiver by either party of any provision of this Agreement at any time shall not be deemed to constitute any future waiver. Either party may strictly enforce the provisions of this Agreement at any time irrespective of past conduct.

23. **ESTOPPEL CERTIFICATES:** Each party, within ten (10) business days of receipt of a request from the other party, shall execute and deliver to the other party, in recordable form, a certificate stating that this Agreement is unmodified and in full force and effect, or, if modified, stating the modifications. The certificate shall also state the amount of rent, the dates to which amounts due hereunder have been paid in advance, and the amount of any security deposit or prepaid rent. Failure to deliver the certificate within the ten (10) business days shall be conclusive upon the party failing to deliver the certificate, that this Agreement is in full force and effect, has not been modified except as may be represented by the party requesting the certificate and that no prepayments of rent have been made. If a party fails to deliver the certificate within the ten (10) business days, then the party failing to deliver the certificate irrevocably constitutes and appoints the other party as its special attorney-in-fact to execute and deliver the certificate to any third party.

24. **SUBORDINATION:** Lessor shall have the right to subordinate this Agreement and the leases provided for herein to any ground lease, deed of trust or mortgage encumbering the leased premises, any advances made on the security thereof and any renewals, modifications, consolidations, replacements or extensions thereof, whenever made or recorded. Lessee shall cooperate with Lessor and any lender which is acquiring a security interest in the leased premises or the Agreement, and Lessee agrees to execute and deliver to Lessor, without cost, within ten (10) days following Lessor's written request, any instrument that may be necessary to further effect the subordination of this Agreement and the leases provided for herein. Lessee shall execute such further documents and assurances as such lender may require, provided that Lessee's obligations under this Agreement shall not be increased in any material way (the performance of ministerial acts shall not be deemed material), and Lessee shall not be deprived of its rights under this Agreement. Lessee's right to quiet possession of the leased premises during the lease terms shall not be disturbed if Lessee pays the rent and performs all of Lessee's obligations under this Agreement and is not otherwise in default. If any ground lessor, beneficiary or mortgagee elects to have this Agreement and the leases provided for herein prior to the lien of its ground lease, deed of trust or mortgage and gives written notice thereof to Lessee, this Agreement shall be deemed prior to such ground lease, deed of trust or mortgage whether this Agreement is dated prior or subsequent to the date of said ground lease, deed of trust or mortgage or the date of recording thereof.

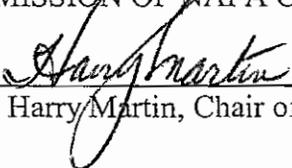
IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

ROBERT LOUIS STEVENSON PLAZA
ASSOCIATES

BY: 
ERIC LEHMAN, General Partner

"LESSOR"

LOCAL AGENCY FORMATION
COMMISSION OF NAPA COUNTY

BY: 
Harry Martin, Chair of LAFCO

"LESSEE"

ATTEST: Daniel Schwarz, LAFCO Executive Officer

APPROVED AS TO FORM:
LAFCO Counsel

BY: Jaqueline Song 7/30/03