

### ANNUAL COMPLIANCE EVALUATION FORM

This Annual Compliance Evaluation Form is submitted to the City of Calistoga ("City") by Silver Rose Property Owner LP and Silver Rose Residential Owner LP (collectively, "Developer") pursuant to the requirements of California Government Code Section 65856.1 and Chapter 17.39 of the City Municipal Code regarding Developer's good faith compliance with its obligations under the Development Agreement between the City and Developer by Ordinance No. 682 ("Development Agreement").

**Annual Review Period: April 1, 2017 to April 1, 2018.**

*Please attach description and/or documentation in support of any "Yes" answers*


- A. Development activities during this annual review period: Yes:  No:
- B. Development impact Fees, processing fees, architectural review fees and/or other fees paid during this annual review period: Yes:  No:
- C. On- and/or off-site infrastructure improvements completed or paid for during this annual review period: Yes:  No:
- D. Other Development Agreement obligations completed during this annual review period: Yes:  No:
- E. Transfers, assignments, or dedications from or by Developer during this annual review period: Yes:  No:
- F. Awareness of any facts or circumstances that may be construed as a default by Developer during this annual review period: Yes:  No:

The undersigned representative of Developer confirms that Developer is:

In compliance with its obligations under the Development Agreement for this annual review period.

Not in compliance with its obligations under the Development Agreement for this annual review period, in response to which Developer is taking the actions set forth in the attachment hereto.

IN WITNESS WHEREOF, Developer has executed this Annual Compliance Evaluation Form as of this 1st day of March, 2018.

By:   
William Kelly Foster  
Principal

**ANNUAL COMPLIANCE EVALUATION FORM ADDENDUM**  
**Annual Review Period: April 1, 2017 to April 1, 2018**

- A. *Development activities during this review period*
- a. Continued implementation of Storm Water Prevention Plan.
  - b. Renewed Model Room Permit #6375.
  - c. Extended Encroachment Permit #3762 (Offsite Improvements) to September 30, 2018.
  - d. Three foundation permits were issued for lodge complex, pool buildings/guest villas, and residences (#B16-57, #B16-58 and #B16-59).
  - e. Three construction permits were issued for lodge complex, pool buildings/guest villas, and residences (#B16-134, #B16-95 and #B16-96).
  - f. Permits #B17-4 and #G17-21, revisions to grading Permit #6251 R4.
  - g. Permit #B17-151 for ground improvements amending Permit #B16-57.
  - h. Permit #B17-309 for residential roof trusses.
  - i. Permit #G17-2 for the three standard residential upgrades.
  - j. Permit #PR18-5 for standard residence upgrades to Residence #18.
- B. *Development impact fees, processing fees, architectural review fees and/or other fees paid during this period*
- a. *Development Impact Fees*
    - i. April 5, 2017: Paid \$116,510.04 School Impact Fees to CJUSD
    - ii. April 26, 2017: Paid \$3,925,390.87 Development Impact Fees per attached invoice
    - iii. April 30, 2017: Paid remaining \$145,545.54 School Impact Fees to CJUSD
    - iv. June 13, 2017: Paid balance of \$1,065.51 Solage sewer & water reimbursement fees
  - b. *Permit Processing Fees*
    - i. April 5, 2017: Paid \$19,524.70 issuance fee for Permit #B16-57, foundation permit for lodge complex
    - ii. April 5, 2017: Paid \$12,896.25 issuance fee for Permit #B16-58, foundation permit for pool buildings & guest villas
    - iii. April 5, 2017: Paid \$12,635.44 issuance fee for Permit #B16-59, foundation permit for residences
    - iv. May 26, 2017: Paid \$42,248.64 issuance fee for Permit #B16-96, construction permit for residences
    - v. June 16, 2017: Paid \$3,670.80 revision of Permit 6251 R4 / G17-4 (Civil Pkg. #3)
    - vi. June 21, 2017: Paid \$62,968.03 issuance fee for Permit #B16-95, construction permit for pool buildings & guest villas
    - vii. August 4, 2017: Paid \$90,933.79 issuance fee for Permit #B16-134, construction permit for lodge complex (hotel, restaurant, spa & winery)
    - viii. November 7, 2017: Paid \$352.30 for Permit #G17-21 (grading permit revision)
    - ix. December 13, 2017: Paid \$1,136 for Permit #B17-151 (revision to B16-57)
    - x. December 13, 2017: Paid \$619.13 for Permit #B17-309 (residential roof trusses)
    - xi. February 1, 2018: Paid \$1,660.91 for Permit #PR17-2 (3 standard residential upgrades)
    - xii. February 1, 2018: Paid \$385 for Permit #PR18-5 (standard upgrades to Residence 18)

- c. Developer Deposit Account (“DDA”)
  - i. April 10, 2017: Paid \$2,521.50 to DDA #42-2220-0166 “Expansion”
  - ii. October 17, 2017: Paid \$1,258.49 to DDA #42-2220-0226 “Inspections”
  - iii. December 13, 2017: Paid \$7,494.25 to DDA #42-2220-0226 “Inspections”
  - iv. February 16, 2018: Paid \$1,775 to DDA #42-2220-0226 “Inspections”

C. *On- and/or off-site infrastructure improvements completed or paid for during this annual review period:*

- a. The major site grading and utilities are complete.
- b. The hotel core and winery core concrete are nearly complete with approximately 7,500 cubic yards of concrete poured to date.

D. *Other Development Agreement obligations completed during this annual review period:*

- a. Development Impact fees were paid as described above in (B)(a).

Silver Rose Property Owner LP  
Silver Rose Residential Owner LP  
1334-B Lincoln Avenue  
Calistoga, CA 94515  
(707) 341-3166

March 2, 2018

*Via Hand Delivery*

Mr. Dylan Feik, City Manager  
City of Calistoga  
1232 Washington St.  
Calistoga, CA 94515

RE: Annual Review of Silver Rose Resort  
Project Development Agreement

Dear Dylan:

Enclosed is the Development Agreement Annual Compliance Evaluation for the period April 1, 2017 to April 1, 2018, with Addendum. Under separate letter, we are requesting a one-year extension of the expiration date for the Development Agreement to June 14, 2019. Our check in the amount of \$260 is enclosed, covering both the \$130 processing fee for the Annual Compliance Evaluation, and the \$130 processing fee for the extension request.

There has been significant progress during this review period. Four of the 20 homes are framed, roofed, and dried in. We anticipate making rapid headway in the months ahead on the remaining 16 homes. Construction of the hotel room buildings is proceeding apace, with six of the 18 buildings substantially framed and roofing being installed. Foundations and under slab utilities are underway for all 18 buildings. Enclosed is a series of photos taken this week at the job site. We thought you might enjoy a bird's eye view of the resort.

We are targeting Q1 2019 for substantial completion, and a Q2 2019 grand opening. Home sales are progressing well with 14 of the 20 homes under binding contract. The hotel operator hiring sequence has begun with the hiring of the GM who will start in April. Other key executive positions will follow in the second half of 2018.

Please let us know if you have any questions or need additional information.

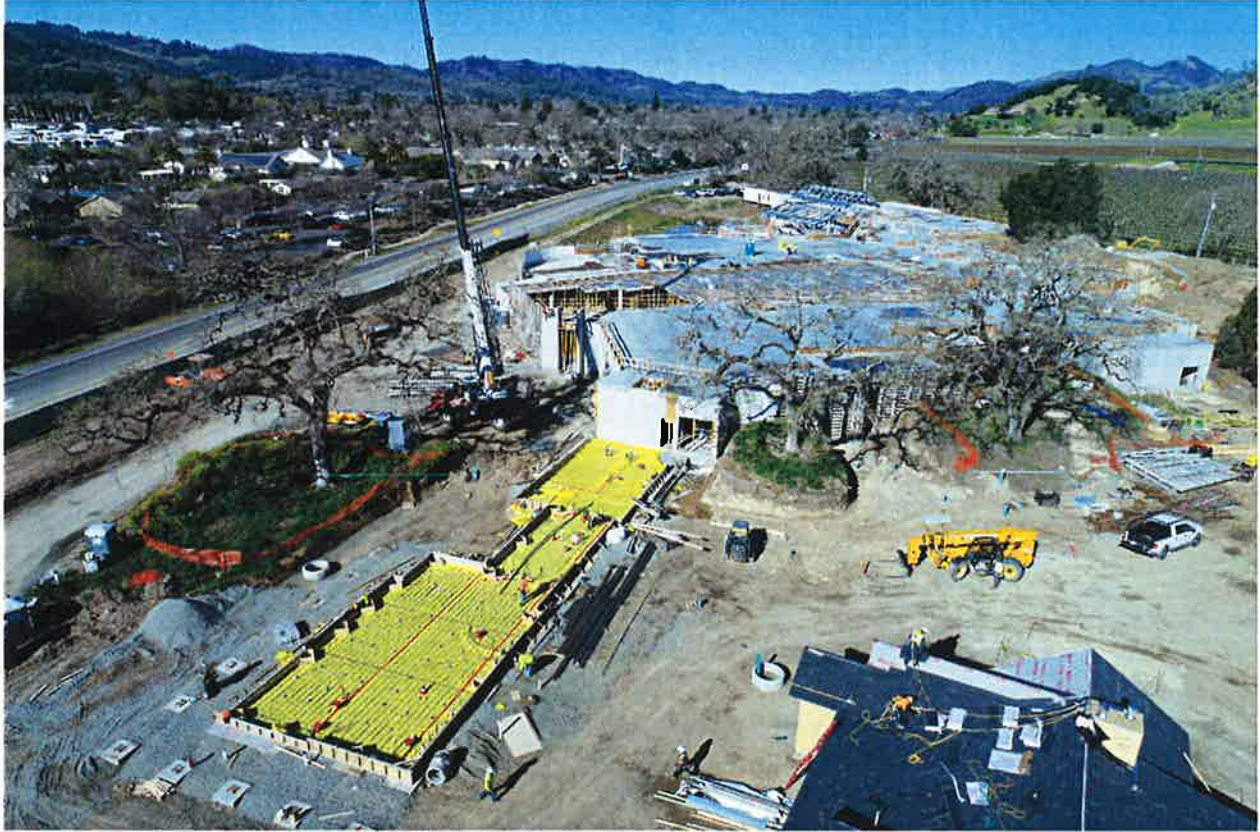
Best regards,

  
Kelly Foster

KF/nj

Cc: Lynn Goldberg, Director  
Planning & Building 















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March 2, 2018

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City of Calistoga  
1232 Washington St.  
Calistoga, CA 94515

RE: Silver Rose Development Agreement

Dear Dylan:

Ordinance 682, which authorized the referenced Development Agreement, was approved by City Council on May 15, 2012, and became effective thirty (30) days later on June 14, 2012. Pursuant to Development Agreement Section 1.1, the Agreement became effective that same date for an Initial Term of five (5) years. This Initial Term expired June 14, 2017, and pursuant to Section 1.4 of the Agreement, the City granted us a one-year extension to June 14, 2018.

While significant progress has been achieved this past year, we must request another one-year extension of this expiration date. Major site grading and utilities are complete. Hotel and winery core concrete is nearing completion, and construction of the homes and hotel rooms is rapidly progressing. We anticipate substantial completion of the resort in Q1 2019, so this will be our final extension request. Enclosed is our check in the amount of \$130 for the processing fees.

Thank you for your consideration, and please let me know if you need additional information.

Best regards,



Kelly Foster  
Principal

KF/nj

Enclosure

Cc: Lynn Goldberg, Director  
Building & Planning Department

City of Calistoga

03/01/2018 Check# 2427

Invoice Number	Invoice Date	Open Total	Retention	Discount	Amount Paid	Job #	Job Name
ANNUAL REVIEW	3/1/2018	260.00	0.00		260.00	1 PRE-CON	Pre-Development Budget

THE REVERSE SIDE OF THIS DOCUMENT INCLUDES MICROPRINTED ENDORSEMENT LINES AND ARTIFICIAL WATERMARK - HOLD AT AN ANGLE TO VIEW

**SILVER ROSE PROPERTY OWNER, LP**  
 P.O. BOX S  
 ASPEN, CO 81612  
 970-925-2114

WELLS FARGO BANK, N.A.  
 119 SOUTH MILL STREET  
 ASPEN, CO 81611  
 11-24/1210

2427

CHECK NO.

DATE

AMOUNT

March 01, 2018

260.00

Two hundred sixty and xx / 100\*\*\*\*\*

PAY TO THE ORDER OF

City of Calistoga  
 Attn: Finance Department  
 1232 Washington Street  
 Calistoga, CA 94515



AUTHORIZED SIGNATURE



Annual Review / Extension

SILVER ROSE PROPERTY OWNER, LP  
 City of Calistoga

03/01/2018 Check# 2427

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260.00                      0.00                      260.00

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