

Attachment A to Staff Report

Draft Cease and Desist Order and Connection Restriction for Napa Berryessa Resort Improvement District Wastewater Treatment Facility, Napa County

Comment Letters:

- Napa Berryessa Resort Improvement District
- U.S. Department of Interior Bureau of Reclamation
- The Pensus Group

Post-it® Fax Note	7671	Date	8/24/08	# of pages ▶	10
To	Kensley Wipke	From	Shelene		
Co./Dept.		Co.			
Phone #	916 468 4681	Phone #			
Fax #		Fax #			

NAPA BERRYESSA RESORT IMPROVEMENT DISTRICT

Office of the District Counsel

August 24, 2010

VIA E-MAIL AND FACSIMILE

Kenneth Landau
Assistant Executive Officer
California Regional Water Quality Control Board Central Valley Region
11020 Sun Center Drive, # 200
Rancho Cordova, CA 95670-6114

Re: Comments on the Draft Cease and Desist Order and Connection
Restriction for Napa Berryessa Resort Improvement District Wastewater
Treatment System

Dear Mr. Landau and Members of the Advisory Team:

Napa Berryessa Resort Improvement District (the "District") appreciates the opportunity to review and comment on the Draft Cease and Desist Order and Connection Restriction for Napa Berryessa Resort Improvement District Wastewater Treatment System, issued on August 10, 2010 ("CDO"). The District also looks forward to the opportunity to provide testimony on the CDO at the hearing scheduled for September 22-24, 2010. Please be assured that NBRID is making every reasonable effort to come into compliance with its waste discharge requirements, and appreciates the Regional Water Board's understanding of the challenges the District faces. We understand the prosecution team's concerns about recent violations and had hoped to avoid additional enforcement action. In any event, we believe it is important that the CDO reflect accurately the facts and circumstances that have affected the District's ability to comply and that the requirements and time frames set forth in the CDO be feasible.

The District respectfully asks that the Advisory Team consider the following comments on the draft CDO:

1. The draft CDO incorrectly states that the District failed to hire a second operator.

The draft CDO states: "As of the date of this Order, the Discharger has not hired another operator." (Paragraph 27(d), p. 6.) This statement does not accurately reflect the District's actions. After submitting its Staffing Analysis Report for the Wastewater Treatment Facility ("WWTF"), as required by the 2006 CDO, the District went through a number of steps related to hiring an additional operator. To address the need for an additional operator, a rate increase was proposed and passed in April 2007 that included the revenue necessary to fund the additional operator position. In anticipation of hiring a full-time employee by the fall of 2007, the County hired HydroScience Operations on a short-term basis to supplement the operations staff provided by the County to the District. However, the County was unsuccessful in hiring an operator (who would be assigned to the District and funded by the District) at that time as no suitable candidates applied for the position. In addition, the revenue generated by the rate increase was not sufficient to pay for HydroScience Operations for an extended period of time. Due to a lack of applicants and subsequent funding issues, the District (through the County) did not hire a full-time operator until May 2, 2009. That operator, however, subsequently left the District on July 2,

Kenneth Landau
Re: Comments on Draft CDO
August 24, 2010
Page 2 of 5

2009. As a result of the successful public protest of the District's proposed rate increase in fiscal year 2009-2010, funding for this additional position is not available, and the position has not been refilled. Therefore, to more accurately reflect the events that have transpired, the District proposes the following revisions to this paragraph:

Paragraph 27.d., page 6:

d. By 1 January 2007, a Staffing Analysis Report for the WWTF. The Discharger's report states that at least one additional full time treatment plant operator is needed. However, the report stated that the District did not have sufficient income to hire an additional operator. As of the date of this Order, the Discharger has not hired another operator. Accordingly, the District hired a contract operator in June 2007 for a period of several months, and then a full-time operator on May 2, 2009. The operator subsequently left the District and the position was not refilled due to a lack of funding.

2. The District did not supervise the capping of Steele Park Resort sewer connections.

The draft CDO states: "By October 2009, the Steel Park Resort was closed and all sewer connections had been permanently capped under the supervision of NBRID staff." (Paragraph 29, p.7) This statement is incorrect; NBRID staff did not supervise or oversee the permanent capping of sewer connections in Steele Park. Rather, NBRID staff verified the disconnection of the Steele Park facilities from the District's system by subsequent inspection. Thus, the District proposes the following changes to this paragraph:

Paragraph 29, page 7:

29. By October 2009, the Steele Park Resort was closed and all sewer connections had been permanently capped to the District's facilities had been disconnected, under the supervision of NBRID staff verified disconnection through spot inspection.

3. Uncertainty surrounding the development of Steele Park Resort, rather than the "economic climate," prevented the District from selling bonds.

The draft CDO states that the District informed staff at the Regional Board, "The economic climate and the loss of income from Steele Park Resort made it unlikely that the Discharger could sell enough bonds to fund the improvements project." (Paragraph 32(c), p.8) (The District is unaware of the source of this communication to the Regional Board.) However, the reason that the bonds could not be sold was the uncertainty surrounding the plans for and timing of future resort development. Without knowing the extent of services required, the facilities needed to serve development, and without confirmation of the properties available to pay the debt service, bond counsel determined the bond sale could not go forward. Further, the District's bond counsel advised that without a signed concessionaire agreement between the Bureau of Reclamation and its proposed concessionaire (ultimately Pensus) bonds could not be sold. That agreement was not signed until April 2010. Accordingly, the District proposes the following revisions to this paragraph:

Kenneth Landau
 Re: Comments on Draft CDO
 August 24, 2010
 Page 3 of 5

Paragraph 32.c., p. 8:

- c. ~~The economic climate and the loss of income from Uncertainty surrounding the plans for and timing of future development of Steele Park Resort, including the nonexistence of a signed agreement between the Bureau of Reclamation and its proposed concessionaire, made it unlikely that prevented the Discharger could from selling enough bonds to fund the improvements project.~~

4. The District may need access agreements with landowners in addition to BLM.

The draft CDO provides: "[a]dditional time will allow the Discharger to reconsider its options for expansion of the effluent disposal capacity, possibly including pursuing access agreements with the United States Bureau of Land Management, which owns the adjacent lands." (Paragraph 51(c), p. 12.) The District anticipates that it may need to negotiate access agreements with adjacent landowners in addition to the Bureau of Land Management. Thus, the District proposes the following changes:

Paragraph 51.c., page 6:

- c. ~~Additional time will allow the Discharger to reconsider its options for expansion of the effluent disposal capacity, possibly including pursuing access agreements with the United States Bureau of Land Management, which owns the adjacent landowners.~~

5. The District may need additional time to complete Phases I and II of its capacity expansion.

The draft CDO indicates that Phase I of the Revised Wastewater Disposal Plan shall be completed by October 1, 2015, and Phase II shall be completed by October 1, 2017. (Paragraph 7, p. 16.) The District understands and shares the Regional Board's desire to complete the necessary capacity expansion of the District's WWTF as soon as possible. There are, however, a number of variables outside of the District's control that could make these timelines impossible for the District to meet, such as the time necessary to complete possible CEQA/NEPA reviews. In light of this, the District requests that the CDO be modified to extend these dates in the event the District must complete an Environmental Impact Report and or Environmental Impact Statement. Furthermore, the District's ability to complete Phases I and II in the timelines above is subject to assessments, including but not limited to bond assessments, being successfully levied. Accordingly, the District proposes that the last paragraph on page 16 be revised as follows:

Paragraph 7, page 16:

The Revised Wastewater Disposal Plan shall provide a detailed schedule for the Phase I and Phase II projects that includes planning, CEQA compliance, project financing, engineering design, permitting, contractor procurement, construction, and startup testing. The schedule shall show that the Phase I expansion project will be completed by 1 October 2015 and the Phase II project will be completed by 1 October 2017. If preparation of an environmental impact report (EIR) and/or an environmental impact statement (EIS) becomes necessary, these timelines shall be extended one year to 1 October 2016 for Phase I and 1 October 2018 for Phase II. In addition, the Discharger shall identify the interim measures it has taken/will take to prevent unauthorized wastewater discharges prior to construction of the expanded facilities.

Kenneth Landau
Re: Comments on Draft CDO
August 24, 2010
Page 4 of 5

6. The CDO should account for the possibility that an additional background well may be infeasible.

The draft CDO provides: "By 1 February 2011, the Discharger shall submit a Groundwater Monitoring Well Installation Workplan that proposes an expansion of the wastewater disposal site groundwater monitoring network to provide at least one background groundwater monitoring well." (Paragraph 15, p. 18.) The District understands the importance of verifying background water quality in the vicinity of the disposal site. However, hydrogeological conditions at the site are such that it may simply not be feasible to install a well at a reasonable cost that will yield usable groundwater data. Due to the mountainous terrain and remote setting, there is no practical access to the area above the upper reaches of the sprayfield area within the same watershed boundary to locate a well within a representative hydrogeologic regime upgradient/outside the influence of the discharge zone. (See Declaration of Richard M. Thomasser, P.G., In Support of Napa Berryessa Resort Improvement District Regarding Draft Cease and Desist Order Proposed to Be Issued to Napa Berryess Resort Improvement District (August 10, 2010).)

To address this, the District proposes the following changes:

Page 18:

Compliance with Groundwater Limitations

15. By 1 February 2011, the Discharger shall submit a *Groundwater Monitoring Well Installation Workplan* that proposes an expansion of the wastewater disposal site groundwater monitoring network to provide at least one background groundwater monitoring well, or demonstrates that such an expansion is not feasible. The workplan shall contain items found in the second section of Attachment B.
16. By 1 October 2011, if the *Groundwater Monitoring Well Installation Workplan* finds that expansion of the wastewater disposal site groundwater monitoring network is feasible, the Discharger shall submit a *Groundwater Monitoring Well Installation Report* that describes the installation of background groundwater monitoring well(s) installed in accordance with the approved *Groundwater Monitoring Well Installation Workplan*. The well installation report shall contain items found in the second section of the Attachment B.

Kenneth Landau
Re: Comments on Draft CDO
August 24, 2010
Page 5 of 5

Thank you for considering these comments. Finally, the District is pleased to inform the Advisory Team that it will be meeting with Pensus, the Bureau of Reclamation, and Regional Board Staff on September 15, 2010, to discuss Pensus' plans for development of Lupine Shores. Please contact Roberta Larson or Brian Poulsen at (916) 446-7979 if you wish to discuss this further.

Sincerely,



Robert Westmeyer
District Counsel

Enclosures

cc: NBRID Board of Directors
Wendy Wyels, Regional Water Quality Control Board
Patrick Pulupa, Regional Water Quality Control Board
Roberta Larson, Somach Simmons & Dunn
Don Ridenhour, District Engineer
Georgi Maule-Finch, Pensus
Mike Finnegan, Bureau of Reclamation

BDP:yd

Napa Berryessa Resort Improvement District's Witness List for the California Regional Water Quality Control Board, Central Valley Region, Hearing to Consider Draft Cease and Desist Order Proposed to be Issued to Napa Berryessa Resort Improvement District

Napa Berryessa Resort Improvement District (NBRID) may call any of the following witnesses:

Witness	Affiliation
Keith Caldwell *	Member, Board of Directors, NBRID
Betsy Elzufon *	Larry Walker Associates
Diane Dillon *	Chair, Board of Directors, NBRID
John Larson *	John Larson Consulting
Annamaria Martinez *	Associate Engineer, NBRID
Don Ridenhour *	District Engineer, NBRID
Felix Riesenberg *	Assistant District Engineer, NBRID
Richard Thomasser **	Watershed and Flood Control Operations Manager, Napa County Flood Control and Water Conservation District

* The above listed witnesses will testify as to the district's compliance record, the future planning, capital improvements and operations, and the district's financial outlook and constraints.

** The above witness will testify to the feasibility of installing groundwater background monitoring wells.

**Declaration of Richard M. Thomasser, P.G.
In Support of Napa Berryessa Resort Improvement District Regarding Draft
Cease and Desist Order Proposed to Be Issued to Napa Berryessa Resort
Improvement District (August 10, 2010)**

I, Richard M. Thomasser, P.G., declare as follows:

1. I obtained a Bachelor of Science (B.S.) degree from the University of Minnesota Institute of Technology in 1986. I became a licensed State of California Professional Geologist (Registration No. 6256) in 1995 and have over 23 years of experience directing environmental projects, including development of groundwater monitoring plans and remedial action plans. Presently, I am employed by County of Napa, Department of Public Works, and the Napa County Flood Control and Water Conservation District as a Watershed and Flood Control Operations Manager.
2. This declaration is provided as an explanation regarding the limitations on expansion of the existing groundwater monitoring well network at the subject facility to provide a location to monitor representative background groundwater quality. A Cease and Desist Order (CDO) is pending, which includes requirements to expand the existing network of monitoring wells to provide at least one background groundwater monitoring well. It is my professional opinion that this requirement should account for the possibility that such a well may be technically infeasible or impracticable based on the local hydrogeologic conditions at this facility.
3. In 2006, in compliance with the WDR, the District submitted a workplan to install three groundwater monitoring wells. This workplan was prepared under my direction. The intent of the workplan was to establish two monitoring wells immediately downgradient of the facility sprayfield and treated water recirculation/holding pond and

one well upgradient, or outside the influence of these facility components to monitor background groundwater quality. Upon approval of the workplan by the RWQCB, the wells were installed in 2007. Groundwater monitoring, sampling and reporting has been conducted under my review since 2007 in accordance with the WDR.

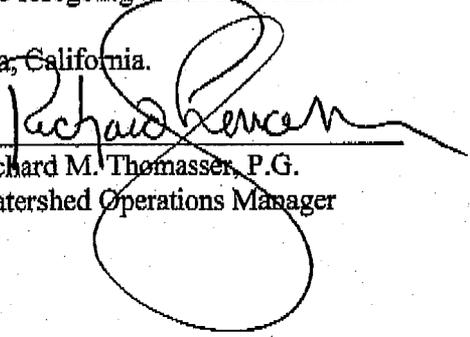
4. The two wells designed to monitor groundwater quality downgradient of the sprayfield and treated water recirculation/holding pond (MW-2 and MW-3) have consistently exhibited the presence of groundwater, while the upgradient well (MW-1) has consistently exhibited no groundwater. In fact, during drilling there was no indication of the presence of groundwater throughout the entire depth of drilling at MW-1 (total depth of 41 feet) and into competent bedrock. Routine monitoring over three hydrologic cycles has demonstrated that natural groundwater is absent in the area of the facility not influenced by the sprayfield and/or the treated water recirculation/holding pond. The groundwater observed within MW-2 and MW-3, which are drilled into the shallow alluvium and fractured/weathered bedrock, is believed to be sustained principally by the discharge from the sprayfield and potential seepage from the treated water recirculation/holding pond. In the absence of this source of water, it is likely that no groundwater would be sustained within this stratigraphic zone. Due to the mountainous terrain and remote setting, there is no practical access to the area above the upper reaches of the sprayfield area within the same watershed boundary to locate a well within a representative hydrogeologic regime upgradient/outside the influence of the discharge zone. Furthermore, the likelihood of groundwater presence in the upper reaches of the drainages in which the sprayfield is operated is low. Locating a well outside these local drainage areas would be technically inappropriate to establish background for the facility

due to potential natural variation in groundwater quality due to differing soil or other conditions.

5. In my professional opinion, the focus should be on evaluation of the water quality observed in the 2 wells that the District has been monitoring for over 3 years. The water quality at these locations is clearly representative of worst-case impacts from the District's operations. Analysis of the potential impacts to local groundwater quality and any impediments on beneficial uses could be determined readily from these data.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on August 23, 2010, Napa, California.


Richard M. Thomasser, P.G.
Watershed Operations Manager



United States Department of the Interior

BUREAU OF RECLAMATION

Central California Area Office
7794 Folsom Dam Road
Folsom, California 95630-1799

IN REPLY REFER TO:

CC-402
ENV-8.00

AUG 23 2010

Mr. Guy Childs
Engineering Geologist
California Regional Water Quality Control Board
11020 Sun Center Road, Suite 200
Rancho Cordova, California 95670

Subject: Comments on Proposed Hearing for Napa Berryessa Resort improvement District
(CDO RS-2006-0113) Scheduled for September 2010

Dear Mr. Childs:

The Bureau of Reclamation has reviewed the Cease and Desist Order and Connection Restriction (Order) for the Napa Berryessa Resort Improvement District (NBRID) Wastewater Treatment Facility dated August 10, 2010. Please be aware that the named responsible party should be, Mike Finnegan, Area Manager, Central California Area Office, rather than Dan Kolda.

As the landowner of record, Reclamation is prepared to work in cooperation with NBRID and our concession operator, Pensus LBP, LLC (Pensus) to constructively respond to the Order as it applies to Steele Park Concession Area (now known as Lupine Shores Concession Area). Reclamation also has an obligation to protect the overall water quality at Lake Berryessa for project purposes.

To the best of our knowledge, the description of past events, system overages, and the Steele Park Concession Area outlined in the subject Order is substantially accurate. All wastewater inflow was terminated in October 2009 when the previous concession contract expired and Steele Park Concession Area was closed. Since that time, there has been no discharge or wastewater from Steele Park into the NBRID collection system; the ability to discharge into the system was effectively disabled by the removal of lift station pumps and equipment by the former concession contractor.

On April 28, 2010, Reclamation awarded a new long-term contract to Pensus for development and operation of the Lupine Shores Concession Area. In conformance with the contract, Pensus will be submitting a Concession Facilities Improvement Plan (CFIP) for Lupine Shores by September 15, 2010 for review and approval by Reclamation. The CFIP represents a master plan for full build-out of facilities over the term of the contract, including estimated visitation and Equivalent Dwelling Units expected to be generated at Lupine Shores. Also by September 15, 2010, Pensus will provide Reclamation with an "Improvement Management Plan" (IMP) detailing the infrastructure, utilities, structures, and services expected to be developed in the concession area in the near-term (1-3 years). Reclamation anticipates that in order to provide for visitor use, and public health and safety at Lupine Shores, Pensus will need to use the NBRID Wastewater Treatment Facility for their near-term facilities starting in the spring of 2011.

Because Pensus' development plans are a consideration in NBRID's facility improvement process, Reclamation recommends that the Regional Water Quality Control Board postpones making its decision until the parties have time to review and evaluate Pensus' forthcoming CFIP and IMP. Regardless of the date, Reclamation is committed to a timely outcome that is fully responsive to Board requirements and addresses key interests of the principals.

Reclamation's primary point of contact on this matter is Ms Peggi Brooks. Please contact Ms. Brooks at 916-989-7128 or pbrooks@usbr.gov with any additional correspondence or questions.

Sincerely,

MICHAEL R. FINNEGAN

Michael R. Finnegan
Area Manager

bc: CC-402, CC-410, CC-418, CC-419, CC-421, CC-435, CC-440, CC-444

WBR:MHarris:JTaylor:08/23/10:916-989-7162

R:\Public\Typing\Harris\ SWRCB-Final Response to NBRID dh (2)

>>> Georgi Ffinch <GFinch@Pensus.com> 8/24/2010 11:58 AM >>>

Wendy,

Please find attached the electronic copy of our comments. I will also fax to the number below.

Thank you,

Georgi Maule-ffinch
Pensus Group Holdings, LLP
2929 North 44th St., Ste. 228
Phoenix, AZ 85018
Ph. 602.912.1663
Cel: 602.373.0121
Fax: 602.926.2400

THE PENSUS GROUP

FACSIMILE TRANSMITTAL SHEET

TO:

Wendy Wyels

FROM:

Georgi Maule-Ffinch

COMPANY:

DATE:

8/24/2010

FAX NUMBER:

(916)-464-4681

TOTAL NO. OF PAGES, INCLUDING COVER:

9

PHONE NUMBER:

RE:

Comments to NBRID Hearing

URGENT FOR REVIEW PLEASE COMMENT PLEASE REPLY PLEASE RECYCLE



August 24, 2010

Mr. Guy Childs
Engineering Geologist
California Regional Water Quality Control Board
11020 Sun Center Road, Suite #200
Rancho Cordova, California 95670

Subject: Comments on Proposed Hearing for Napa Berryessa Resort Improvement District (CDO R5-2006-0113) Scheduled for September 2010.

Dear Mr. Childs:

Pensus Lake Berryessa Properties has received and reviewed the Cease and Desist Order and Connection Restriction (Order) for the Napa Berryessa Resort Improvement District (NBRID) Wastewater Treatment Facility dated August 10, 2010.

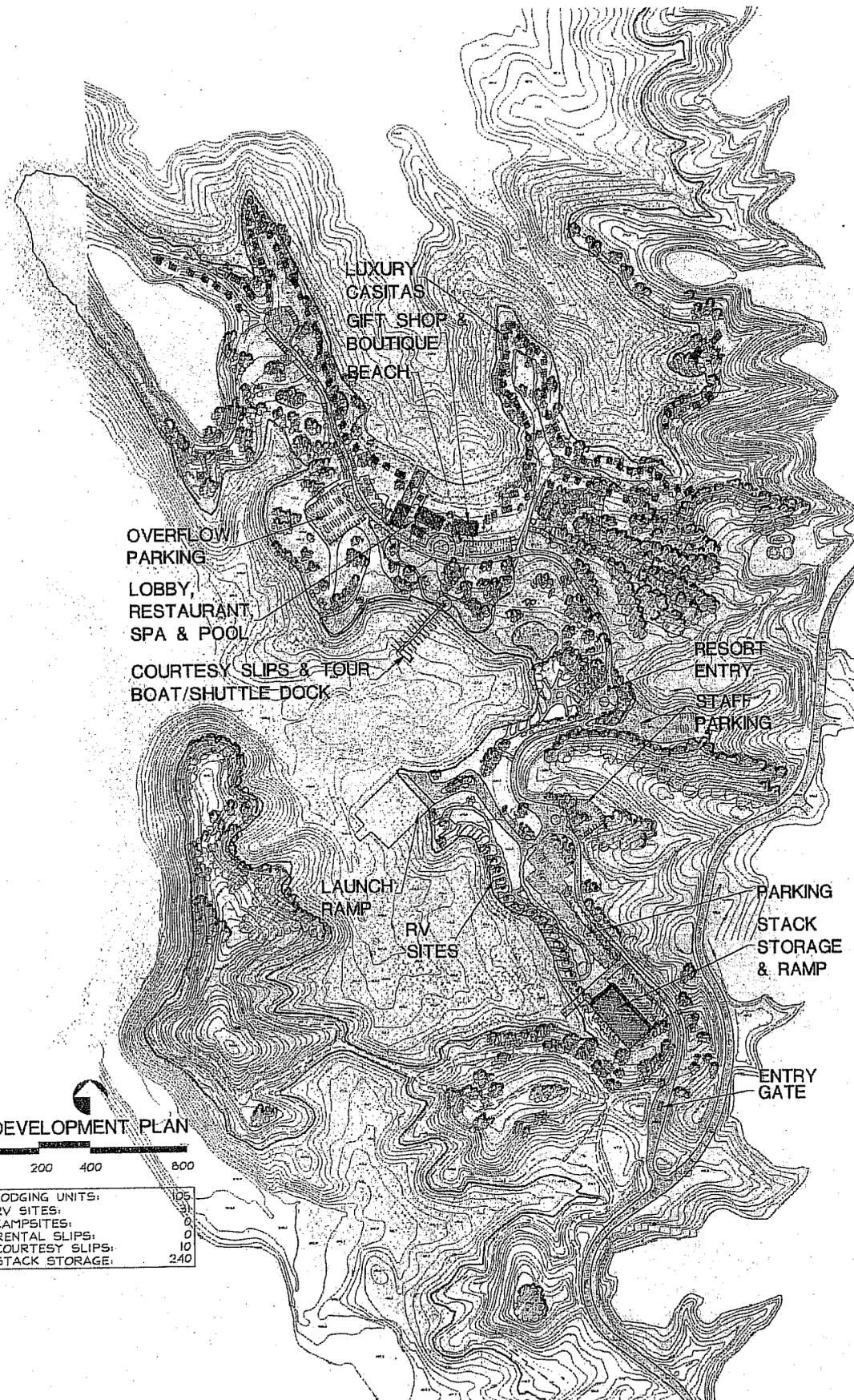
As the new Concession Contractor Pensus is in agreement with Reclamation's comments on the Proposed Hearing for The Napa Berryessa Resort Improvement District. Pensus would also support a recommendation to postpone the Central Valley Water Board decision. Pensus is prepared to work in cooperation with NBRID and Reclamation to respond to the Order as it applies to the Lupine Shores Concession Area.

In 1-2 weeks Pensus expects to present to Reclamation revised conceptual development plans for all of the concessions. In the case of Lupine Shores (Steele Park) we expect minimal modification to what has already been presented.

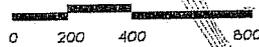
We have attached a copy of the conceptual site plan for Lupine Shores accompanied by the written narrative of the development.

Sincerely,

Georgi Maule-finch



DEVELOPMENT PLAN



LODGING UNITS:	105
RV SITES:	21
CAMPSITES:	0
RENTAL SLIPS:	0
COURTESY SLIPS:	10
STACK STORAGE:	240



STEELE PARK RESORT
 LAKE BERRYESSA RECREATION RESORTS
 LAKE BERRYESSA, CALIFORNIA





LUPINE SHORES RESORT

SERVICES

The following demonstrates the minimum of improvements planned for installation within the first ten years of the concession term. Some authorized services not shown within the first 10 years on the Development Plan have been included in these descriptions as they may be built within 10 years subject to market demand.

SUMMARY OF SERVICES

- A boutique resort with 25 short-term occupancy lodging units
- Tour / shuttle boat dock
- 10 Courtesy slips
- A dry stack building to accommodate 240 watercraft
- On land fueling for watercraft
- A new launch ramp
- 31 Reconfigured and improved RV sites (all hookups)
- New effluent and potable water infrastructure to allow for hook-up to the NBRID treatment facility
- New road alignments and entry configuration
- New in-ground water, sewer and power
- Area clean up and beautification

DETAILED DESCRIPTION OF SERVICES

LODGING

Positioning:

Higher end resort, rated 3 to 4 Diamond

Annual Operational Days:

"Round the clock" check in 365 days (See Operating Plan and Important Notes)

Type of Occupancy:

Short term only

Number of Units:

A minimum of 25 units and a maximum of 80 bedroom units will be built fronting the shoreline and generally in the areas presently occupied by the existing trailer sites. Any units in excess of the first 25 will be subject to market demand. Units will be either free standing or in clusters of two, three or four – to be determined during detailed planning and engineering. The clusters will serve as individual rentals but with the ability to be utilized as two to three bedroom suites. In each cluster one bedroom will be larger than the others, with a wet bar / kitchenette area, to act as a living area for a suite rental.

Timing:

Installation of 25 units will occur in Year 5. No additional lodging is guaranteed to be constructed at Steele Park until a financially viable 200-unit middle market hotel has been established at the Monticello Resort area. It is important that, in the near term, lodging development is grouped / focused primarily in one area to maximize market perception. Subsequently, lodging will be expanded to all concession areas.

Price Point:

Per night rates will be between \$290 per night in low season and \$480 per night during high season dependant upon specific unit size and interiors (subject to adjustment to future market rates when the first units are provided).

Design and Physical Quality:

All units will be fully air conditioned and heated. Construction will be frame or block with approximate size mix will be 500 and 650 square feet per room to include a bathroom and closet.

Interiors will have high quality stone or wood floors. Walls will be finished in smooth plaster with rounded corners.

Bathrooms will have a combined bath and shower (stone or tile surfaced – no prefabricated fiberglass units) a toilet and a wash hand basin and a full length mirror. Walls will be finished in tile or stone to wainscot level. Other amenities will a hair dryer, lighted magnifier mirror, fine soaps, bath salts and premium quality towels.

Each unit will have a private covered exterior patio of 200+ square feet with two chaise lounges, a table with four chairs and views of the lake.

Interior furniture and convenience items will include a king bed, premium quality hotel linens, two bedside tables, two bedside lamps, low drawer unit for clothing, a wall mounted 42" flat screen TV, DVD player, a personal sound system, quality wall mounted art, a 36" round dining table with four chairs, telephone, internet connection, coffee maker, safe, mini bar, concierge service 16 hours per day, bellmen and car valet. Closet area for hanging clothes will include an iron, personal robe and slippers.

Services:

Room cleaning daily, turn down service, 24-hour room service, inventoried forgotten items such as razors, creams and toothbrushes.

Lobby, Gift Store, Spa / Fitness Center and Clothing Boutique (7,500 square feet):

The Resort Spa, accessed from the central lobby, will be an intimate retreat and an environment reflective of the surrounding countryside. The spa's exterior walls will have the same stucco or stone finish as the resort. The entire structure will be designed for environmental friendliness and energy efficiency. Floor to ceiling glass will be designed to fully open to maximize airflow when the weather allows increasing energy efficiency and opening the facility to embrace nature.

Treatments offered will include, but not be limited to, the following:

- Massage therapies
- Spa body scrubs
- Body treatments
- Skin care treatments
- Manicures and pedicures
- Hair and scalp treatments
- Full-service salon
- Hot tub and cold plunge
- Fitness center

The state-of-the-art fitness and movement center will include instruction in Pilates, meditation, Yoga, aerobics, weight training & nutrition. The men's and ladies' private locker rooms will include a sauna, steam room, Jacuzzi whirlpool and power shower. The lockers will provide the guest with a plush robe, spa slippers and towel. Personal amenities will also be provided along with complimentary refreshments.

The clothing boutique and gift store also accessed from the central lobby will have a selection of high quality recreation attire for men and women, specialty items, spa wear, swim wear, a full line of luxury spa products and cosmetics, and gift items related to the local area.

The Restaurant (approximately 4,000 square feet):

The restaurant is located next to the lobby and spa and will be divided into separate dining area in a multi-level setting with divided outdoor patios. The restaurant interiors will be inspired by the resort's Old Spanish architecture and designs. The theme will be incorporated within the dining room's furnishings and textiles, the interiors of the bathrooms and the bar and lounge areas.

The restaurant will include an exhibition kitchen and adjoining outdoor patio, which will feature a wood burning fireplace (either with spark arrestors, charcoal filters or

electrostatic precipitators in the exhaust hood) and beautiful views. The restaurant will be open for breakfast, lunch and dinner.

The bar and lounge area will open up to the outdoor terrace.

Pool and Cabana Area:

The pool will be flush with its surrounding teak deck and feature soothing underwater music. Private cabanas will be adjacent, some with kitchenettes and mini-bars. All guests at the pool will be able to enjoy some spa and food and beverage services.

Private Member Laundry Rooms:

There will be a laundry room with (coin operated) automatic washing and drying machines.

WATERCRAFT STORAGE & LAUNCH / RETRIEVAL FACILITIES

SELF LAUNCH AND RETRIEVAL

Continuation of this service without interruption

MARINA WATERCRAFT DRY STORAGE

MARINA DRY STACK OPERATION

Annual Operational Days:

“Round the clock” golf cart shuttle service 365 days (See Operating Plan and Important Notes)

Occupancy Term:

Annual contracts renewable at the will of the concession

Number of Units:

240 Dry stack storage racks. No wet slips will be re-installed to protect the extraordinary beauty of this part of the lake.

Price Point:

\$14 per linear foot per month

Timing:

240 Dry stack units are planned to be completed at both Markley Cove and Spanish Flat by the end of year 4. Additional dry stack storage at any concession will be dependent upon market demand.

Services included in monthly rental

- 24 hour security
- Security camera network with one month recording
- Chase and assistance boat - service for on lake breakdowns, fuel depletions, accidents and medical emergencies

Dry Stack Boat Storage Building:

The building will be located at the south end of the large parking field close to the concession entryway. It will be a pre-engineered double skinned metal building with racks to stack boats four high with accommodations for up to 240 boats. The floor will be 6-inch reinforced concrete and there will be a series of concrete pier projections into the lake to accommodate launch and retrieval at varying lake levels. The building will have a fire sprinkler system. A forklift will install and remove boats from the racks and launch and retrieve boats from the water.

A holding dock will be part of the operation with a capacity to hold 20 boats. Customers will be required to provide 24 hours notice for launch or retrieval.

RECREATION VEHICLE SITES

Annual Operational Days:

365 days (See Operating Plan and Important Notes)

Occupancy Term:

Maximum stay 14 days

Number of Sites:

31

Timing:

Immediate continuation and re-organization of existing operation

Price Point:

\$60 per night

Location:

The new RV sites will be located in the same area as the existing spaces and also around the bay to the north. The number is reduced as the dry stack boat storage building will utilize some of the existing RV area and the spacing of sites will be increased to afford greater privacy.

All the sites will have water, power and effluent hook up.

Types of Premium Amenities that May Be Provided:

- Location/view
- 50-amp electric service
- Propane grill
- Delivered newspaper
- Upgraded table/chairs
- Patio furniture
- Larger site size
- Paved patio
- Wireless internet
- TV/cable hookup

ADDITIONAL FACILITIES WITHIN THREE YEARS

Entryway:

The entryway will be aesthetically improved, signage updated and identity improved. Automatic card readers will be installed to allow automated access for marina occupants.

Launch Ramp:

The existing launch ramp will be refurbished with perimeter curbs and resurfacing as necessary and provided with 20 launch customer courtesy slips.

Resort Courtesy Wet Slips:

10 Courtesy slips will be available for lake born visitors to the resort.

Parking

Parking for cars and parking for trailers of boat launch customers will remain in its existing location subject to some reconfiguration.

CLEAN UP AND BEAUTIFICATION

A large quantity of discarded materials and other items until recently existed throughout the project. Any that remain will be removed. Landscaping, irrigation and 'hard surface trim' will be installed to substantially augment the aesthetics of the area.