

**Operating Agreement By and Between
the Napa Valley Community College District and
the Viticulture & Winery Technology Foundation**

This Operating Agreement (“Agreement”) is made and entered into this 20th day of November, 2025, by and between the Napa Valley Community College District, a California community college district and political subdivision of the State of California (“District”), and the Viticulture & Winery Technology Foundation, a California Nonprofit Public Benefit Corporation (“Foundation”) and replaces all prior Operating Agreements entered into between the District and the Foundation. District and Foundation may hereinafter be referred to individually as “Party” and collectively as “Parties.”

ARTICLE 1. PURPOSE AND FINDING

The purpose of the Foundation is to promote the District and assist the District’s educational mission by administering the sale of wine and similar products for the benefit of the District and its students. The District has determined that administration by the Foundation of the functions and activities described herein, instead of administration by the District is more effective in accomplishing these functions and activities than would be possible under usual governmental budgetary, purchasing, and other fiscal procedures. Further, the District expects to benefit from the experience and expertise of the Foundation.

ARTICLE 2. FOUNDATION SERVICES, PROGRAMS, AND FUNCTIONS

The Parties mutually agree that the Foundation will manage, operate, and administer the following services, programs, and functions:

- Food and Campus Services – administration of winery, grape grower, and sales related licensing, compliance, and/or operations; and,
- Public relations programs and activities to build public support for the District.

ARTICLE 3. SPECIFIC AREAS OF AUTHORITY AND RESPONSIBILITY.

ARTICLE 3.1 Foundation Authority and Responsibility. The Foundation shall perform the following with respect to the services, programs and functions set forth in Article 2 of this Agreement:

ARTICLE 3.1.1 – Wine Sales. The Foundation administers the sale of wine produced through the District’s Viticulture and Winery Technology Teaching Program.

ARTICLE 3.1.2 – Permits & Licenses Holder. The Foundation holds and manages California Alcoholic Beverage Control licenses, Tax and Trade Bureau (TTB) general permit and label approvals, and other licenses and permits related to the production and sale of wine for the Napa Valley Viticulture Teaching Winery (the “Winery”).

ARTICLE 3.1.3 – Special Events. The Foundation may, from time to time, organize and host special events related to the District’s educational programs in accordance with directives from or approval by the District Superintendent/President. The Foundation is not permitted to use the District’s name, seal, or other District identifying insignia for such events without the Superintendent/President’s, or designee’s, prior authorization.

ARTICLE 3.2 – District Authority and Responsibility. The District shall perform the following with respect to the services, programs and functions set forth in Article 2 of this Agreement:

ARTICLE 3.2.1 – Special Events. The District, through its Superintendent/President or designee, will review and may authorize any events organized and hosted by the Foundation in the District's name, or in support of District educational programs. The Foundation is not permitted to use the District's name, seal, or other District identifying insignia for such events without its prior authorization.

ARTICLE 4. CONSIDERATION.

As consideration for the service support functions provided to the District by the Foundation, the District shall provide the Foundation the following benefits:

ARTICLE 4.1 - Direct Support. The District Board of Trustees may establish an annual service fee to support Foundation functions, upon the recommendation of the Superintendent/President through the District's Adopted Budget. The annual service fee may include a base service support amount and any additional amounts designated for unrestricted or restricted purposes within the authorized functions of the Foundation. The approved annual fee, if any, shall be distributed on either a monthly or quarterly basis as mutually determined by the Parties.

ARTICLE 4.2 - In-Kind Support. It is further acknowledged that in-kind support is provided to the Foundation by the District only for those services and functions that are consistent with this Agreement and the policies, rules, and regulations which have been or may be adopted by the District Board of Trustees or its designee, and include, but are not limited to (a) the use of District facilities and related custodial, maintenance, and repair of these facilities, as set forth in this Agreement; (b) Salaries and benefits for District staff assigned to provide services to the Foundation as set forth in Article 7 of this Agreement; and (c) apportioned custodial, maintenance, utilities, audit fees, software, contract services, technology, postage, etc. as set forth in this Agreement.

ARTICLE 4.3 – Discretionary Support. District Superintendent/President may provide for additional resources for the Foundation for specific purposes through supplemental instruments, which may include funding for the District Superintendent/President's discretionary accounts, NVC Rotary Fund of the President, Barnes & Noble Community Fund, or similar.

The Parties acknowledge and agree that direct and in-kind support provided by the Foundation to the District and its students will meet or exceed the District's direct and in-kind support to the Foundation, including any tangible or intangible benefits and such support is intended to reimburse the District for any monetary benefit or support of other value provided to the Foundation.

ARTICLE 5. USE OF DISTRICT FACILITIES

The Foundation may occupy, operate and use, either separately or jointly, such District facilities as are mutually identified as appropriate. The Foundation does not exclusively use any of the facilities identified, including those identified in **Exhibit A - Facilities Use & Licensed Areas** that is attached to this Agreement.

The Foundation's use of the District's facilities does not establish a landlord/tenant relationship between the District and the Foundation, unless such relationship is otherwise established by a separate written agreement entered into between the District and the Foundation.

The Foundation shall use the facilities and property only for those services and functions that are

consistent with this Agreement and the policies, rules, and regulations, which have been or may be adopted by the Board of Trustees of the District. The Foundation shall keep and maintain all utilized District facilities in a clean and orderly condition to the degree it uses the facilities and equipment.

The District agrees that it will keep the described facilities in good repair and will pay for normal, reasonably anticipated maintenance costs and repairs. The District and its agents shall have the right to enter District facilities utilized or occupied by the Foundation or any part thereof for the purpose of examination or supervision.

The right to use any of the District facilities or equipment included in this Agreement or amendments shall cease upon written notice by the Superintendent/President that the facilities are needed for the exclusive use of the District.

During the term of this Agreement, the Foundation shall have the right to place and attach fixtures, signs, furniture, and equipment in or upon facilities as authorized in writing by the District Superintendent/President, or designee, as to number, site, and location. Fixtures, signs, or equipment so erected, placed, or attached by the Foundation shall be and remain the property of the Foundation and shall be removed therefrom by the Foundation upon termination of this Agreement or at any time when directed by the District Superintendent/President in writing.

ARTICLE 6. CHARGE FOR USE OF DISTRICT FACILITIES

Set Fee. The Foundation shall reimburse the District for its proportional use of District facilities by paying a rental charge to the District for such use. The annual charge for such use shall be \$1.00 for the term of this Agreement.

The District reserves the right to charge the Foundation for costs related to excessive use beyond normal wear and tear of District facilities utilized by the Foundation.

ARTICLE 7. REIMBURSEMENT FOR DISTRICT SERVICES, MAINTENANCE, AND OPERATING EXPENSES

The method of reimbursement by the Foundation shall include non-monetary or intangible benefits. The Foundation shall provide the District sales revenue, both campus services and community relations services in the Napa Valley College service area that actively promote, recruit, educate, and/or heighten the awareness of District programs, services and/or student needs. By serving as ambassadors of goodwill for the District, the Foundation board will strive to enhance the reputation of the District both locally and statewide.

District staff assigned to perform services to the Foundation as identified in Appendix A – District Employees Providing Professional Services to Foundation, shall be provided with a salary, working conditions, and benefits determined by the District, which are comparable to the salary, working conditions, and benefits provided to District employees performing similar services for the District.

To the extent the District and Foundation annually agree to assign District employees to provide services to the Foundation under the terms of this Agreement, assigned employees shall remain employees of the District and subject to the direction and control of the District, and not of the Foundation.

ARTICLE 8. INDIRECT COSTS

If the Foundation administers any special or federally sponsored programs, it shall reimburse the District for indirect costs associated with the performance of services by the District for the Foundation relating to the same. In advance of administering such program, the District and the Foundation agree to assign a simple and stable method for determining the extent of the Foundation's liability for indirect costs. Such liability shall take into consideration the District's special or federal indirect cost rate and the approved indirect cost allocation, if any, of the special or federal program award.

ARTICLE 9. MAINTENANCE OF OPERATING EXPENSES

The Foundation shall be responsible for maintenance and payment of its operating expenses.

ARTICLE 10. PUBLIC RELATIONS EXPENDITURES

With respect to any expenditures for public relations or other purposes that would serve the District, the Foundation may expend funds in such amounts and for such purposes as are approved by the Foundation's Board of Directors. Prior to any expenditure under this Article, the Foundation will submit to the District Superintendent/President a statement of its Board-approved policy on accumulation and use of public relations funds and fund development. The statement will include the policy and procedures on solicitation of funds, source of funds, amounts, purposes for which the funds will be used, allowable expenditures, and procedures of control.

ARTICLE 11. CAPITALIZATION AND DISPENSATION OF NET EARNINGS

The Foundation shall adopt financial standards to ensure fiscal viability. Such standards shall include proper provision for professional management, adequate working capital, and adequate reserve funds for current operations, capital replacements, contingencies, and adequate provisions for new business requirements.

Income generated by the Foundation in excess of costs and appropriate provision for equipment, maintenance, working capital, and reserves shall be used for the general benefit of the District, its students, and its educational programs as determined by the Board of Directors of the Foundation and approved by the Superintendent/President, or designee, pursuant to Articles 2 and 3 of this Agreement.

The Foundation's Board shall approve all expenditures and fund appropriations consistent with its mission and the terms of this Agreement. The Foundation shall obtain District approval for the appropriation of any funds for use outside of the Foundation's normal business operations.

ARTICLE 12. RESERVE.

The Foundation shall establish and maintain a reserve contingency of ten percent of its general, unrestricted operating fund to provide the Foundation with sufficient reserves for operations in the case of unexpected events.

ARTICLE 13. DISPENSATION OF NET ASSETS UPON DISSOLUTION OR CESSATION OF OPERATIONS

Upon dissolution of the Foundation or the cessation of operations of the Foundation under this

Agreement, unless extended or renewed, the net assets of the Foundation resulting or arising from this Agreement shall be transferred to the District or expended for the benefit of the District. If the District removes the Foundation from its list of auxiliary organizations in good standing, the Foundation's net assets and liabilities shall be distributed to the District.

ARTICLE 14. COVENANTS

ARTICLE 14.1 – Compliance with Education Code Statutes, Regulations, and District Policies and Procedures. During the term of this Agreement, including any renewals and extensions thereof, the Foundation agrees to maintain its organization and to operate in accordance with such statutes and regulations of the State of California as may, from time to time, apply to auxiliary foundations, including Education Code sections 72670 through 72682 and the regulations contained in Title 5, section 59250 *et seq.*, as well as District Board Policy and the District's Auxiliary Organization Implementing Regulations as set forth in Administrative Procedure 3600.

ARTICLE 14.2 – Compliance with Foundation Incorporating Documents. The Foundation shall comply with the provisions of its Articles of Incorporation and Bylaws as, from time to time, amended. The Foundation shall not amend any provisions of its Articles, Bylaws, or other governing documents, policies, or procedures to violate or frustrate the purpose of this Agreement.

ARTICLE 14.3 – Compliance with State and Federal Law Regarding Exempt Status. The Foundation agrees to maintain its organization and operate in accordance with Internal Revenue Code sections 170(b)(1)(A), 501(c)(3), and 509(a)(1), Corporations Code sections 5110-6815, California Government Code section 12580, and the Foundation shall maintain compliance with all requirements thereof at all times.

ARTICLE 15. ADVICE OF COUNSEL AND CERTIFIED PUBLIC ACCOUNTANT

The Foundation shall obtain the services and counsel of at least one attorney admitted to practice law in this State. The attorney need not be a member of the Foundation's Board, but the Foundation is responsible for the costs associated with such counsel. The Foundation shall obtain the services and counsel of at least one licensed certified public accountant. The certified public accountant need not be a member of the Foundation's Board, but the Foundation is responsible for the costs associated with such counsel.

ARTICLE 16. LIMITATION ON CONTRACTS OR BUSINESS ARRANGEMENTS INVOLVING REAL PROPERTY

The Foundation shall not enter into any contract or other business arrangement involving real property either by lease involving payments of more than \$25,000 per annum and duration terms of more than one year, or by purchase without prior approval of the Superintendent/President.

ARTICLE 17. THIRD-PARTY AGREEMENTS

The Foundation shall not enter into any contract that would obligate the District, its facilities, equipment or personnel, without the prior written approval of the District, except that the District delegates to the Foundation the authority to enter into and manage rental or lease of District facilities or equipment of up to five years' duration.

ARTICLE 18. ACCOUNTING AND RECORDS

ARTICLE 18.1 – Maintenance of Foundation Financial Records. The Foundation shall maintain in its own files, records, and accounts of its program expenditures pursuant to its budgets for a minimum of five years, in accordance with Administrative Procedure 3600, or as otherwise required by law. The Foundation's program and budget records shall be maintained in accordance with prudent business practices and generally accepted accounting principles, and shall include transactions of purchases, disbursements, and investments. Unless prohibited by law, the Foundation shall provide the District with copies of such records upon request. The Foundation shall further disclose records to the extent required by the Internal Revenue Code, the California Corporations Code, and the Richard McKee Transparency Act as set forth in Education Code section 72690, *et. seq.*

ARTICLE 18.2 – Annual Audit Reports. The Foundation shall retain a CPA firm to annually audit the Foundation. The Foundation is responsible for the costs of the CPA audit services. The Foundation shall notify the District of the CPA selected within 30 days of such selection. Thereafter, the CPA shall conduct an audit in accordance with auditing and reporting procedures provided by the District. The Foundation shall provide the District with its completed audit reports within 30 days of receipt by the Foundation, and no later than December 15 each year, in accordance with Administrative Procedure 3600 – Auxiliary Organizations. It shall additionally publish and disseminate such reports as widely as feasible and be available to any person on request, except as otherwise provided by law.

ARTICLE 19. MISCELLANEOUS

ARTICLE 19.1 - Non-Assignability. This Agreement may not be assigned by either the District or the Foundation, either in whole or in part, without the express written consent of the other.

ARTICLE 19.2 – Notices. All notices herein required to be given, or which may be given by either party to the other, shall be deemed to have been fully given when made in writing and served personally, or three days after mailing if sent by certified mail, postage prepaid.

Notice to the Auxiliary shall be addressed as follows:

Carollee Cattolica, Director, Enterprise and Auxiliary Services
Napa Valley Community College District
2277 Napa-Vallejo Hwy.
Napa, CA 94558

Notice to the District shall be addressed as follows:

James Reeves, Assistant Superintendent/President & Vice President of Administrative Services
Napa Valley Community College District
2277 Napa-Vallejo Hwy.
Napa, CA 94558

Any party may change the address or persons to which notices are to be sent to it by giving the written notice of such change of address or persons to the other parties in the manner provided for giving notice.

ARTICLE 19.3 - Term of Agreement. This Agreement shall commence upon its effective date, and shall continue for a term of five years, unless sooner terminated as herein provided; provided, however, that this Agreement shall be renewed automatically for subsequent annual periods, unless either party notifies the other in writing not later than 90 days prior to any renewal date of its intention not to renew. In the event of termination, the provisions governing the distribution of assess upon dissolution or cessation of operations (Article 13), shall survive such termination.

If the Foundation does not remain in good standing in accordance with the District's Implementing Regulations (AP 3600), this Agreement will immediately terminate, and the Foundation will terminate any contracts with third parties, subject to the provisions Article 13 of this Agreement, which shall survive such termination. Immediately upon notice of termination by either Party, the Foundation shall arrange for the vacation and return of any space, facilities, equipment, or other property of the District provided under this Agreement.

ARTICLE 19.4 - Governing Law. This Agreement shall be construed in accordance with the laws of the State of California applicable to agreements made and to be performed in such state, and the state and federal courts located in Napa County, California and the Northern District of California shall have exclusive jurisdiction of all suits and proceedings arising out of or in connection with this Agreement. Both Parties hereby submit to jurisdiction of those courts for purposes of any such suit or proceeding and waive any claim that any such forum is inconvenient.

ARTICLE 19.5 – Headings. The titles and headings of the various sections of this Agreement are intended solely for convenience of reference and are not intended to explain, modify, or place any construction on any of the provisions of this Agreement.

ARTICLE 19.6 - Amendment of Agreement. This Agreement may be amended solely by means of a written instrument, executed by the District and Foundation, and appended to this Agreement.

ARTICLE 19.7 – Indemnification. The Foundation agrees to indemnify, defend, and hold harmless the District, its officers, agents, and employees from any and all loss, damage, or liability that may be suffered or incurred by the District, its officers, agents, and employees, caused by, arising out of, or in any way connected with this Agreement, or the use of any of facilities by the Foundation in connection with this Agreement; provided that the loss, damage, or liability does not arise from the intentional or negligent acts or omissions of the District, its officers, agents, or employees.

It is expressly understood and agreed that the foregoing provision is intended to be as broad and inclusive as is permitted by the law of the State of California, that this indemnity will survive the expiration or termination of this Agreement, and that this indemnity shall not be limited by a limitation on amount or type of damages, compensation, or benefits payable by or for the Foundation under workers' compensation acts, disability benefit acts, or other employment benefit acts.

ARTICLE 19.8 – Insurance. In Accordance with AP 3600 – Auxiliary Organizations, the Foundation shall secure and maintain insurance adequate to protect its operations from catastrophic losses and as required by law.

In any insurance policy secured by the Foundation, the District shall be named as additional insured. A copy of each policy or endorsement or insurance certificates setting forth the coverage and limits shall be provided to the District within 30 days from the receipt of the document. In obtaining the insurance coverage, the Foundation may secure the insurance directly through its own broker or through the District.

The Parties acknowledge and agree that the District's workers compensation insurance will cover District employees providing services to the Foundation.

ARTICLE 19.9 – Termination of Prior Agreements. By executing this Agreement, the Parties agree that all former agreements entered into between the District and the Foundation prior to the date of this Agreement are hereby terminated and of no further force and effect.

ARTICLE 19.10 – Entire Agreement. This Agreement and any appendices to it contain all representations and the entire understanding and agreement between the Parties. Correspondence, memoranda, and oral or written agreements that originated before the date of the Agreement are replaced in total by this Agreement, unless otherwise expressly stated in this Agreement.

ARTICLE 19.11 – Binding Effect of Agreement. This Agreement is for the benefit of and shall be binding on the Parties and their respective predecessors, successors, Board of Trustees or Directors, or governing body, principals, officers, employees, agents, representatives, and assigns. Nothing contained in this Agreement shall be deemed to create any contractual relationship between the District and any third party, nor shall anything contained in this Agreement be deemed to give any third party any claim or right of action against the District.

staff positions set forth in paragraph 1 above are comparable to the positions in which they provide services to the Foundation.

5. Reimbursement for District employees providing services to the Foundation. The District shall invoice, and the Foundation shall reimburse the District for the time District staff spend serving the Foundation as set forth in the Operating Agreement between the District and Foundation regarding reimbursement for services provided performed by District employees.

IT IS SO AGREED:



Jennifer Baker
President
Board of Trustees
Napa Valley Community College District
Date: _____



James Reeves
Chair
Board of Directors
Napa Valley College Viticulture & Winery
Technology Foundation
Date: 6/11/26

APPENDIX A

DISTRICT EMPLOYEES PROVIDING PROFESSIONAL SERVICES TO FOUNDATION

1. Services provided by District employees. The following District employees will provide the following services to the Foundation, equivalent to the number of hours or proration of time described below:
 - The District's Vice President of Administrative Services/Associate Superintendent/President shall provide **Board Chair** functions services to the Foundation for up to 2% of his/her/their regular hourly commitment to the District.
 - The District's Director of Enterprise & Auxiliary Services shall provide **Executive Director** services to the Foundation for up to 10% of his/her/their regular hourly commitment to the District.
 - The District's Hospitality, Food & Wine Operations Manager shall provide **Winery Operations Manager** services to the Foundation for up to 75% of his/her/their regular hourly commitment to the District.
 - The District's Grants Accountant shall provide accounting services to the Foundation for up to 15% of his/her/their regular hourly commitment to the District.
 - The District's Controller shall provide accounting services to the Foundation for up to 5% of his/her/their regular hourly commitment to the District.
 - The District's Administrative Assistant-Enterprise & Auxiliary Services shall provide administrative support services to the Foundation for up to 10% of his/her/their regular hourly commitment to the District.

All hours that District employees serve on behalf of the Foundation must be logged, including a general description of the work performed, for record-keeping and auditing. District staff shall not perform work for the Foundation outside of the hours of work assigned to the Foundation.

2. Direction of employees. District employees, even while providing services to the Foundation, remain District employees who report directly to the District Superintendent/President or designee.
3. Evaluation of District employees providing services to the Foundation. All District employees providing services to the Foundation shall be evaluated by the District only, in accordance with District evaluation standards. However, the District may seek feedback from Foundation Board members who interact with District staff in furtherance of the District's evaluation of such employees.
4. Compensation and benefits provided to District employees providing services to the Foundation. While serving the Foundation, District employees shall be paid at the same rate of pay, and entitled to the same benefits, as those established for their corresponding District position. It is understood and agreed between the parties that the work and working conditions of the District

staff positions set forth in paragraph 1 above are comparable to the positions in which they provide services to the Foundation.

5. Reimbursement for District employees providing services to the Foundation. The District shall invoice, and the Foundation shall reimburse the District for the time District staff spend serving the Foundation as set forth in the Operating Agreement between the District and Foundation regarding reimbursement for services provided performed by District employees.

IT IS SO AGREED:

Jennifer Baker
President
Board of Trustees
Napa Valley Community College District
Date: _____

James Reeves
Chair
Board of Directors
Napa Valley College Viticulture & Winery
Technology Foundation
Date: _____

Exhibit A – Facilities Use & Licensed Areas

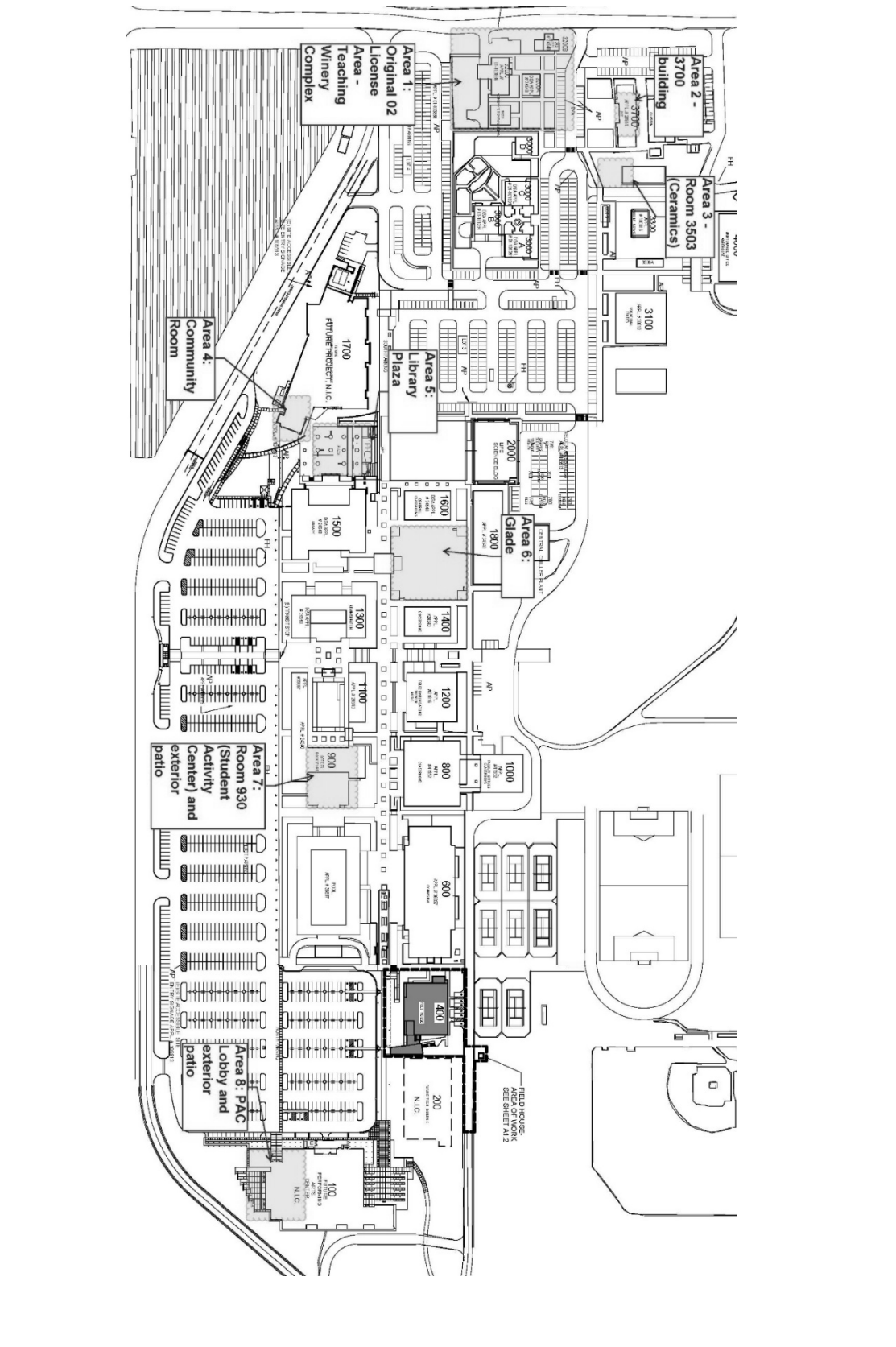


Exhibit A – Facilities Use & Licensed Areas, continued

Main Campus – 2277 Napa-Vallejo Hwy., Napa, CA 94558

Diagram 1 – Winery Complex, Buildings 3200 A, B, C, and D, and exterior spaces,

Diagram 2 – Visual Arts Lobby Gallery, Building 3700

Diagram 3 – Ceramics Studio, Building 3500

Diagram 4 – Community Room, Building 1700

Diagram 5 – Library Plaza, exterior space adjacent to Buildings 1500 and 1700

Diagram 6 – Glade, exterior space adjacent to Buildings 1400 and 1600

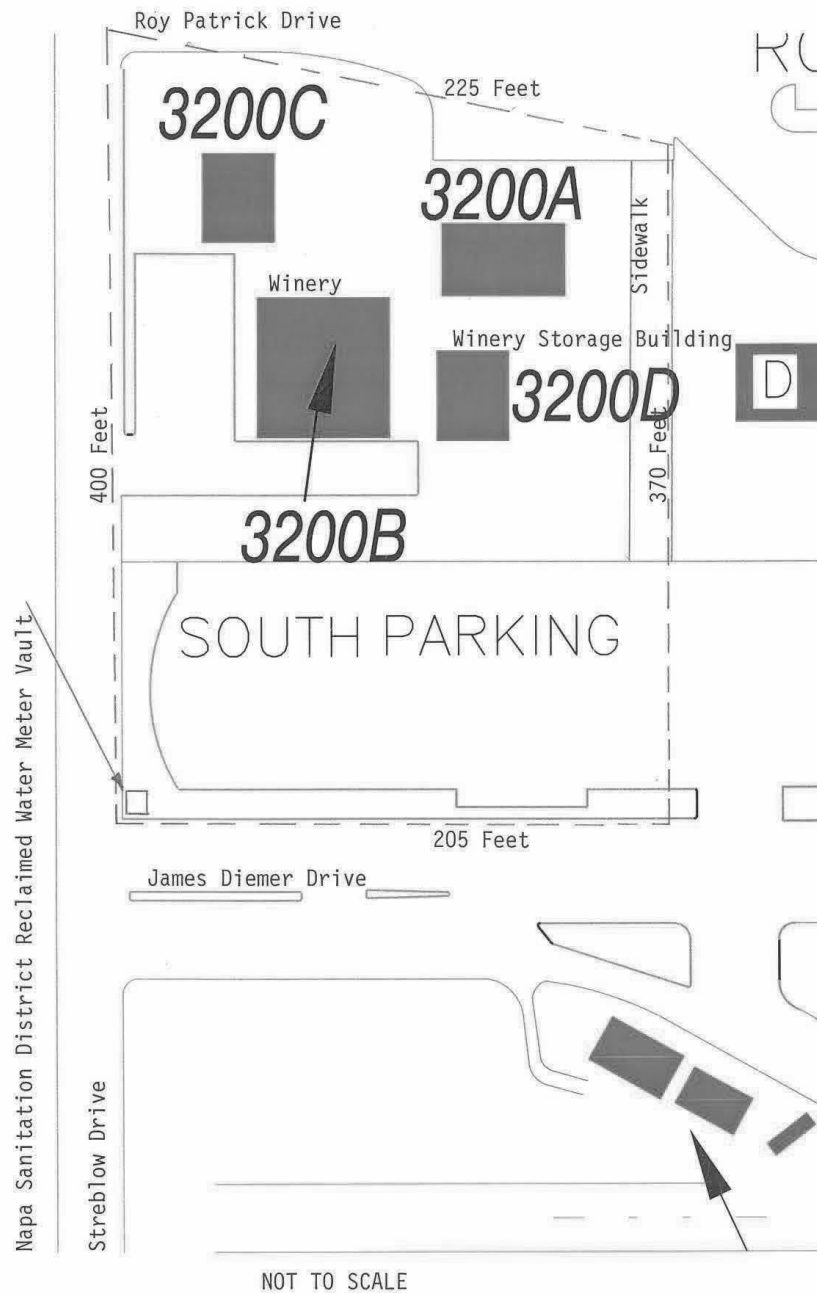
Diagram 7 – Student Activities Center, Building 900, and exterior patio space

Diagram 8 – Performing Arts Center, Paul Ashe Lobby, Building 400

Upper Valley Center, 1088 College Avenue, St. Helena, CA 94558

Diagram 9 – Building A and exterior spaces (quad, amphitheater)

Exhibit A – Facilities Use & Licensed Areas, continued

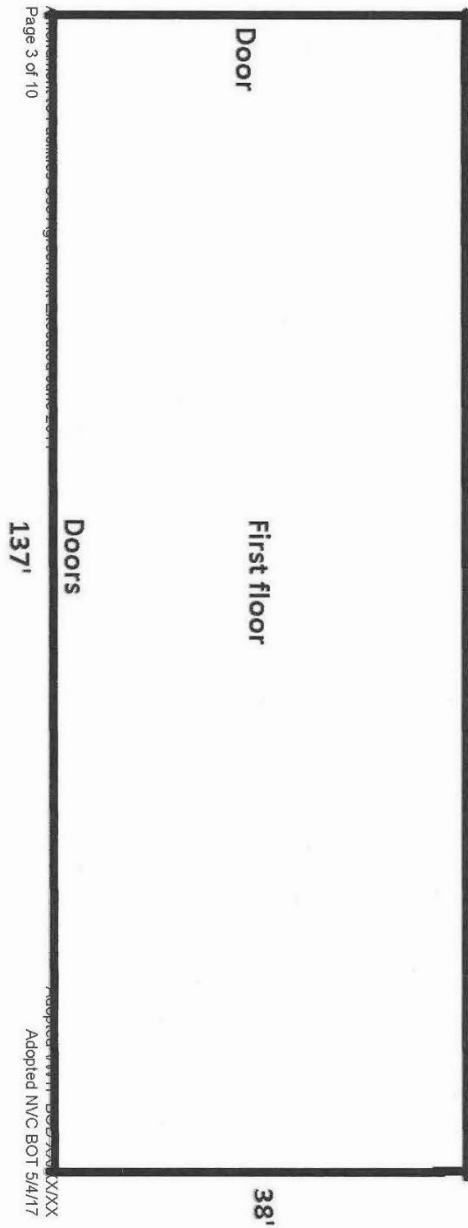


Amendment to Facilities Use Agreement Executed June 2011
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Adopted VWTF BOD XX/XX/XX
Adopted NVC BOT 5/4/17

Area 2: Visual Arts Center- 3700 building

Licensed area



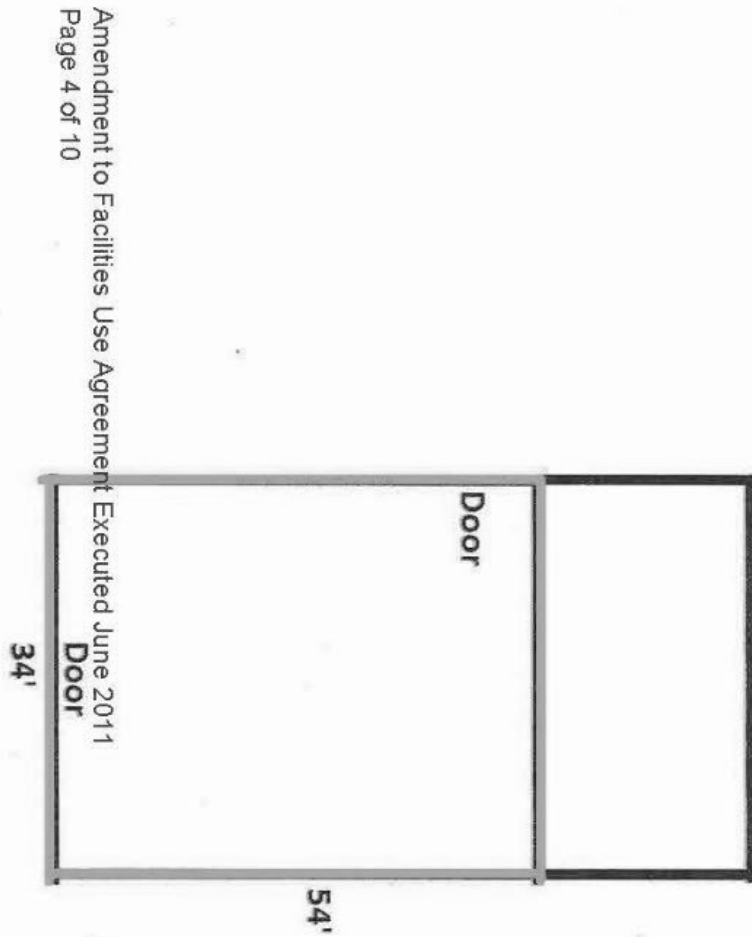
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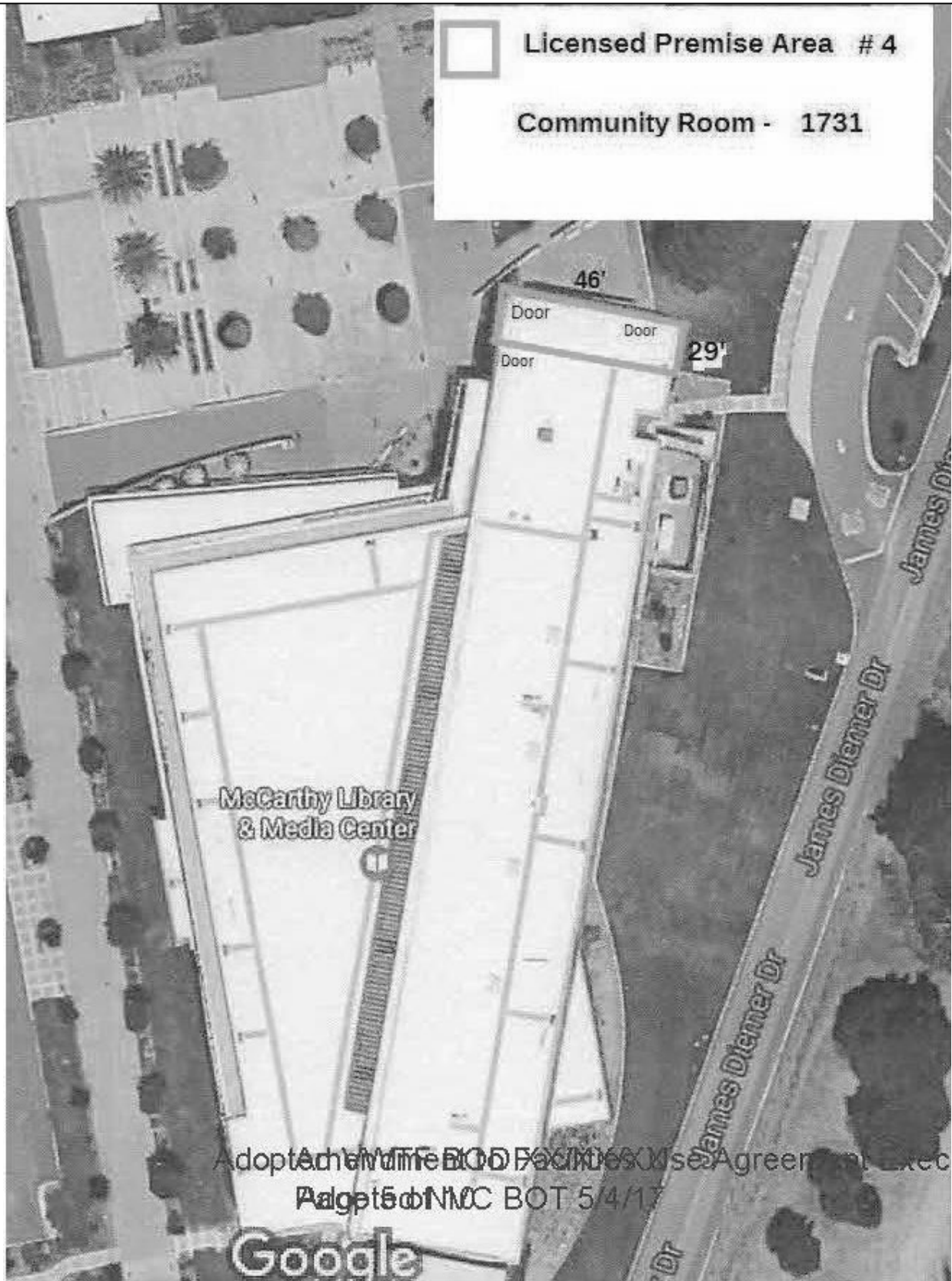
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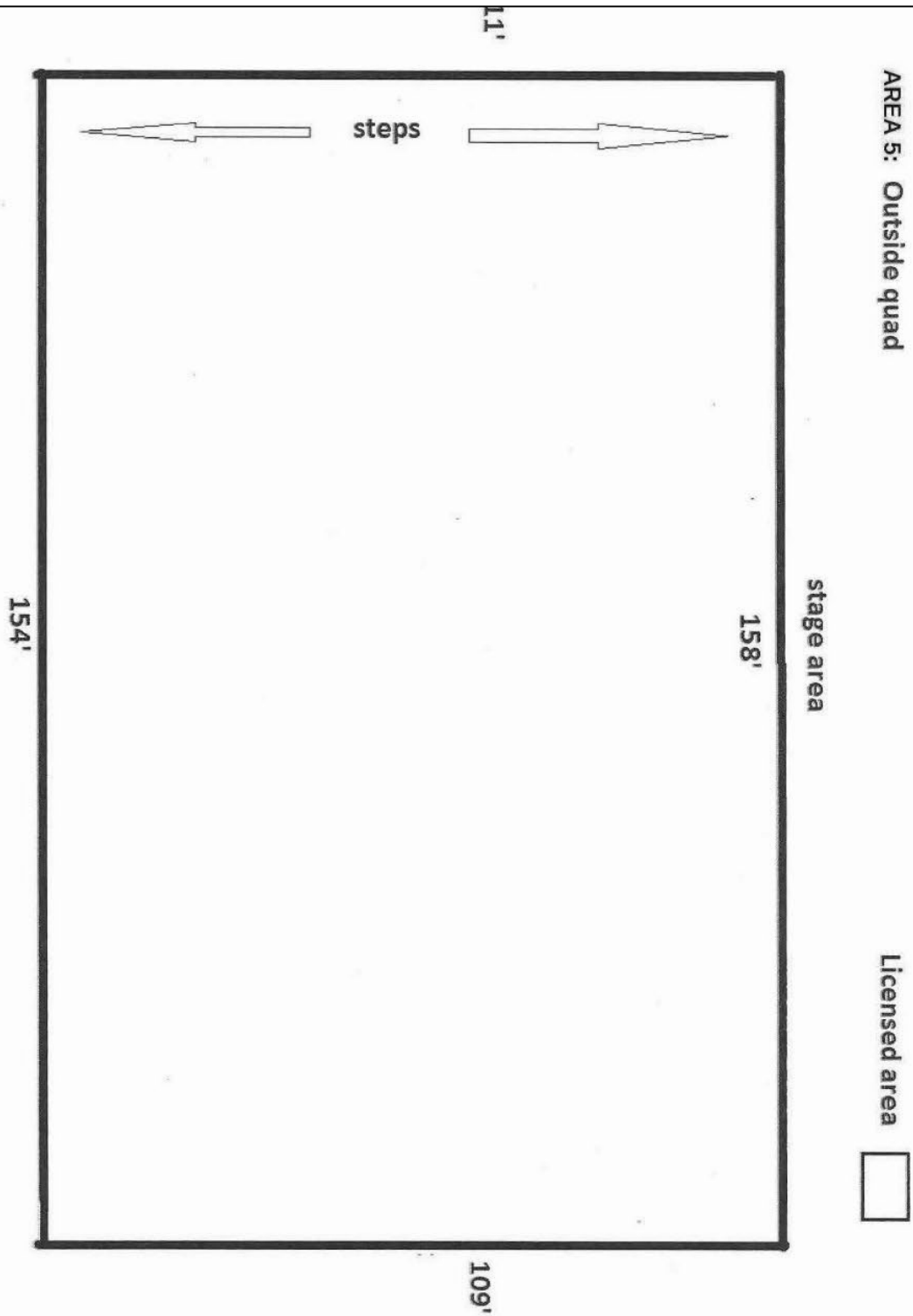
38'

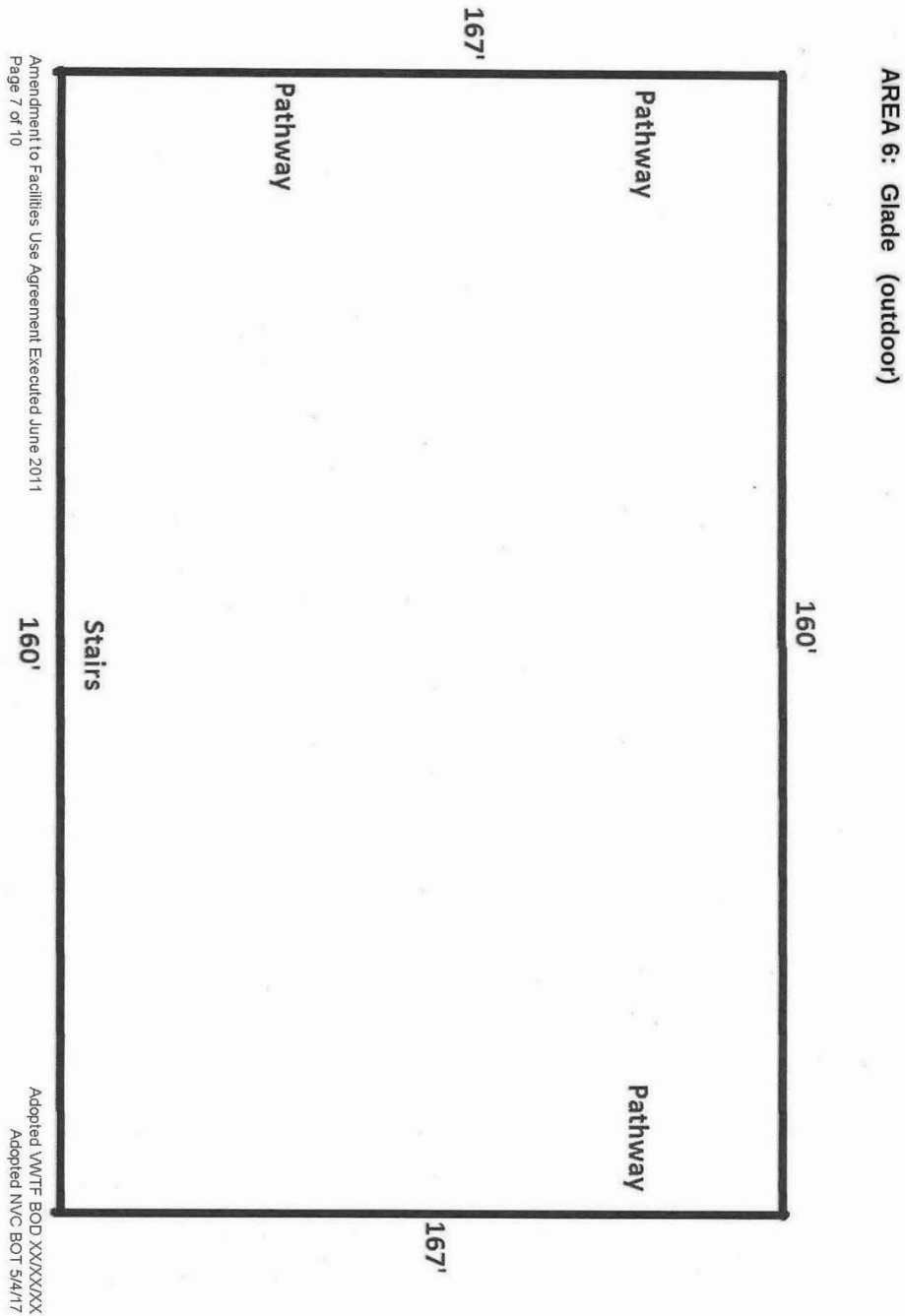
AREA 3: Ceramics Studio- Room 3503

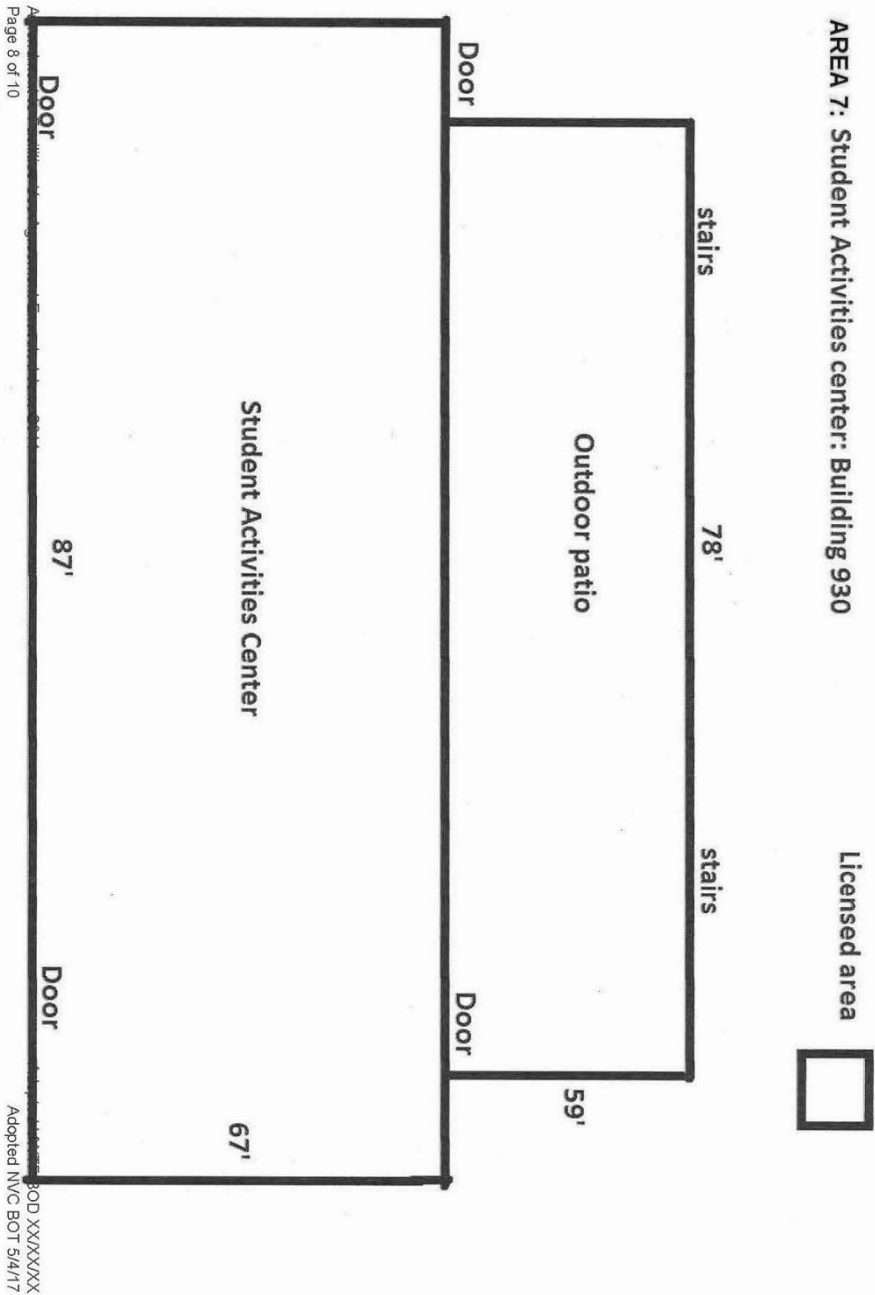
Licensed area











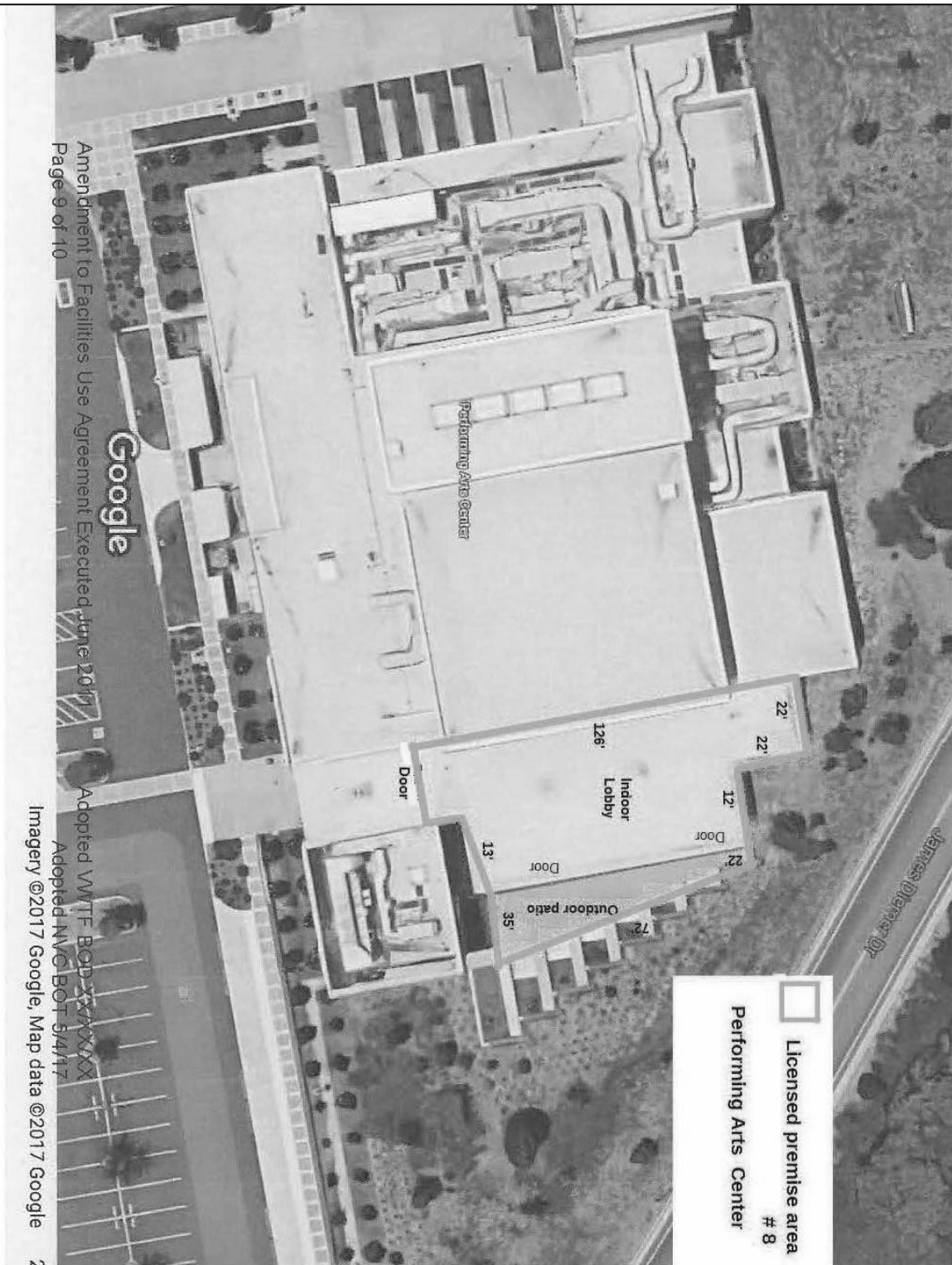
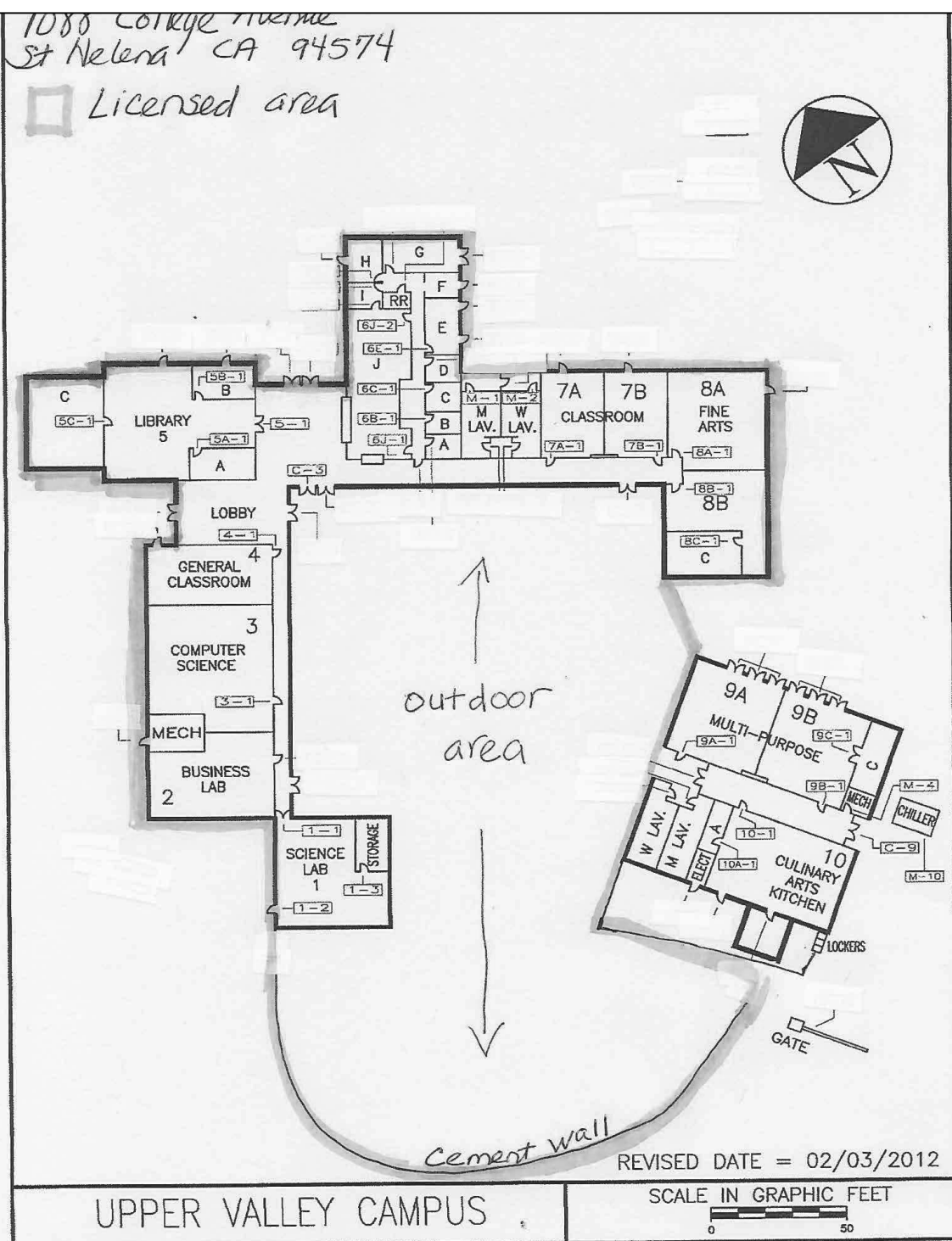


Exhibit A – Facilities Use & Licensed Areas, continued



Amendment to Facilities Use Agreement Executed June 2011
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Adopted VWTF BOD XX/XX/XX
Adopted NVC BOT 5/4/17