PETITION TO THE COUNTY OF NAPA TO FORM THE NAPA VALLEY TOURISM IMPROVEMENT DISTRICT

We petition you to initiate special assessment proceedings to form a Tourism Improvement District in accordance with the Property and Business Improvement District Law of 1994, Streets and Highways Code Section 36600 et seq., for the purpose of undertaking and implementing the Tourism BID as described in the attached summary of the Management District Plan attached hereto as Exhibit A.

Napa Valley Tourism Improvement District formation requires submittal of petitions from lodging businesses within the proposed district boundaries representing more than 50% of the total annual assessment. Specifically, each lodging establishment's petition will be weighted by the total gross room rental revenue (less any local, State or Federal sales taxes or transient occupancy taxes) of that lodging establishment. If written petitions representing more than 50% of the total assessment revenue (each revenue dollar represents one petition vote) support formation, the petitions will be forwarded to the Napa County Board of Supervisors for a public meeting and a public hearing, and an opportunity for a written protest. The assessed lodging business owners will receive notice of the public hearings by mail.

Lodging Establishment	Business Owner
A the field of the Proposition (Or an New York 1994)	
Authorized Owner Representative/Owner Name (printed)	Title
Signature	Date

EXHIBIT A

MANAGEMENT DISTRICT PLAN SUMMARY

Location:

The proposed NVTID includes all lodging businesses (hotels, motels, inns, or any other structure or portion thereof occupied, intended, or designed for occupancy by transients as defined in the municipality's municipal code) located within the cities of American Canyon, Calistoga, Napa, St. Helena, and Yountville, and the unincorporated areas of Napa County. The NVTID does not include vacation rentals, campgrounds, or traditional space-rental only r.v. parks, which shall each be defined as specified in each municipality's municipal code.

Services:

Marketing, sales promotions and other tourist serving activities to increase tourism and to market Napa Valley as a tourist, meeting and event destination.

Budget:

The total NVTID annual budget for each year of its five (5) year operation is anticipated to be approximately \$4,000,000. Of that amount, approximately \$2,220,000 will be allocated to Valley-wide marketing efforts, \$1,000,000 to individual destination promotional efforts, \$500,000 to operational expenses, \$200,000 to a contingency fund, and \$80,000 to municipal administrative costs. The annual budget is expected to fluctuate based on market conditions, however, expenditures shall generally remain proportionally the same.

Cost:

Annual assessment rates are 2.0% of gross short term (stays of 30 days or less) room rental revenue on lodging businesses. Based on the benefit received, assessments will not be collected on stays of more than thirty (30) consecutive days. Stays by government employees on government business shall not be subject to assessment. "Government employee" shall mean foreign or domestic government employees subject to exemption from transient occupancy tax pursuant to each municipality's municipal code.

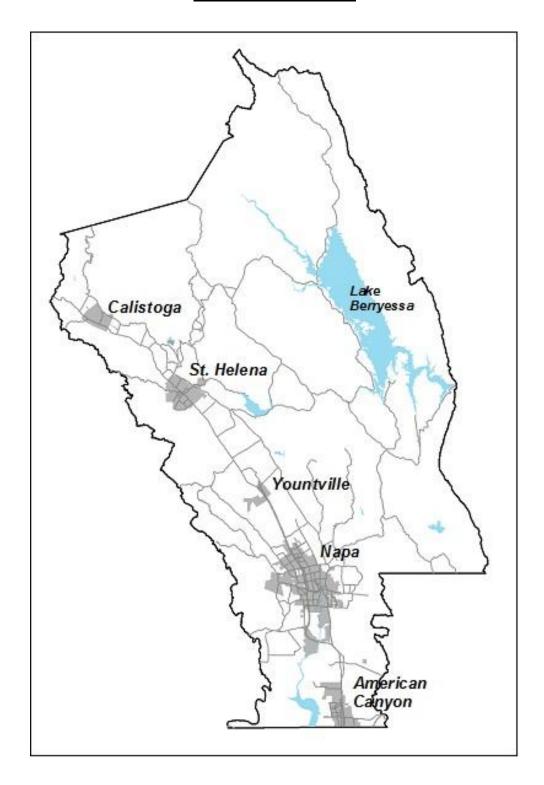
Duration:

The proposed NVTID will have a five (5) year life. The NVTID assessment will be implemented beginning July 1, 2010. Once per year beginning on the anniversary of the formation of the district there is a 30 day period in which owners paying more than 50% of the assessment may protest and terminate the district.

A complete copy of the Management District Plan will be furnished upon request. Requests for a complete copy of the Management District Plan should be made to:

Mr. Clay Gregory Napa Valley Destination Council 1310 Napa Town Center Napa, CA 95449 (707)226-5813

DISTRICT BOUNDARY MAP



The boundaries of the NVTID will be the boundaries of the County of Napa.