

# Exhibit D-3

STATE OF CALIFORNIA  
STATE WATER RESOURCES CONTROL BOARD  
**DIVISION OF WATER RIGHTS**

## ORDER

Application 24287 Permit 17297 License \_\_\_\_\_

**ORDER APPROVING CHANGES TO PLACE OF USE,  
A NEW DEVELOPMENT SCHEDULE,  
AND AMENDING THE PERMIT**

**WHEREAS:**

1. Permit 17297 was issued to Marion C. Jeager, William P. Jeager Jr., and Lila F. Jeager on May 10, 1978, pursuant to Application 24287. Permit 17297 was subsequently assigned to Jeager Vineyards, Jerome W. Komes, and TRI National Vinters, Inc., a Nevada Corporation.
2. A petition to change the place of use by increasing the acreage from 52 to 145 acres in which to develop the project and apply the water to the proposed use has been filed with the State Water Resources Control Board (SWRCB).
3. The SWRCB has determined that the petition for changes does not constitute the initiation of a new right nor operate to the injury of any other lawful user of water.
4. A petition for an extension of time within which to develop the project and apply the water to the proposed use has been filed with the SWRCB.
5. The permittee has proceeded with diligence and good cause has been shown for said changes and extension of time.

**NOW, THEREFORE, IT IS ORDERED THAT:**

1. The place of use for Permit 17297 shall be changed as follows:

1 acre within the NE $\frac{1}{4}$  of SW $\frac{1}{4}$  of projected Section 6, T7N, R5W, MDB&M;  
13 acres within the SE $\frac{1}{4}$  of SW $\frac{1}{4}$  of projected Section 6, T7N, R5W, MDB&M;  
35 acres within the SW $\frac{1}{4}$  of SE $\frac{1}{4}$  of projected Section 6, T7N, R5W, MDB&M;  
5 acres within the SE $\frac{1}{4}$  of SE $\frac{1}{4}$  of projected Section 6, T7N, R5W, MDB&M;  
2 acres within the NW $\frac{1}{4}$  of NW $\frac{1}{4}$  of projected Section 7, T7N, R5W, MDB&M;  
14 acres within the NE $\frac{1}{4}$  of NW $\frac{1}{4}$  of projected Section 7, T7N, R5W, MDB&M;  
7 acres within the SE $\frac{1}{4}$  of NW $\frac{1}{4}$  of projected Section 7, T7N, R5W, MDB&M;  
25 acres within the NW $\frac{1}{4}$  of NE $\frac{1}{4}$  of projected Section 7, T7N, R5W, MDB&M;  
21 acres within the NE $\frac{1}{4}$  of NE $\frac{1}{4}$  of projected Section 7, T7N, R5W, MDB&M;  
3 acres within the SW $\frac{1}{4}$  of NE $\frac{1}{4}$  of projected Section 7, T7N, R5W, MDB&M;  
15 acres within the SE $\frac{1}{4}$  of NE $\frac{1}{4}$  of projected Section 7, T7N, R5W, MDB&M;  
2 acres within the NW $\frac{1}{4}$  of NW $\frac{1}{4}$  of projected Section 8, T7N, R5W, MDB&M; and  
2 acres within the SW $\frac{1}{4}$  of NW $\frac{1}{4}$  of projected Section 8, T7N, R5W, MDB&M.

145 acres total

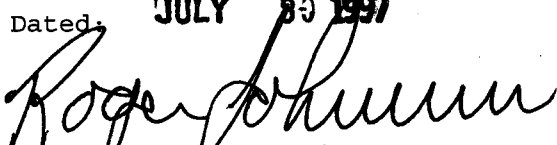
2. Condition 7 of the permit be amended to read:

CONSTRUCTION WORK SHALL BE  
COMPLETED ON OR BEFORE December 31, 2002 (0000008)

3. Condition 8 of the permit be amended to read:

COMPLETE APPLICATION OF THE  
WATER TO THE PROPOSED USE  
SHALL BE MADE ON OR BEFORE December 31, 2006 (0000009)

Dated, JULY 30 1997

101   
Edward C. Arzon, Chief  
Division of Water Rights

A24287  
P17297

10/25/79 Partial Assignment to Jerome W. Komes

9-14-81 Ownership chgd to Curtis Ranches, a Partnership +  
Jerome W. Komes

4-17-84 Name of Curtis Ranches, a Partnership chgd to Jaeger  
Vineyards

*assigned  
over*

STATE OF CALIFORNIA  
STATE WATER RESOURCES CONTROL BOARD  
DIVISION OF WATER RIGHTS

**ORDER**

APPLICATION 24287

PERMIT 17297

LICENSE \_\_\_\_\_

ORDER APPROVING A NEW DEVELOPMENT SCHEDULE AND AMENDING THE PERMIT

WHEREAS:

1. Permit 17297 was issued to Marion C. Jaeger, William P. Jaeger Jr., and Lila F. Jaeger on May 10, 1978 pursuant to Application 24287.
2. Permit 17297 was subsequently assigned to Jaeger Vineyards and Jerome W. Komes.
3. A petition for extension of time within which to develop the project and apply the water to the proposed use has been filed with the State Water Resources Control Board.
4. The permittee has proceeded with diligence and good cause has been shown for extension of time.
5. Permit Condition 11 pertaining to the continuing authority of the Board should be updated to conform to standard permit term 12 as contained in Title 23, California Code of Regulations, Section 780(a).

NOW, THEREFORE, IT IS ORDERED THAT:

1. Condition 7 of the permit be amended to read:

CONSTRUCTION WORK SHALL BE  
COMPLETED ON OR BEFORE

December 31, 1992 (0000008)

2. Condition 8 of the permit be amended to read:

COMPLETE APPLICATION OF THE  
WATER TO THE PROPOSED USE  
SHALL BE MADE ON OR BEFORE

December 31, 1993 (0000009)

3. Condition 11 of this permit be amended to read:

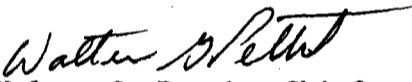
Pursuant to California Water Code Sections 100 and 275, and the common law public trust doctrine, all rights and privileges under this permit and under any license issued pursuant thereto, including method of diversion, method of use, and quantity of water diverted, are subject to the continuing authority of the State Water Resources Control Board in accordance with law and in the interest of the public welfare to protect public trust uses and to prevent waste, unreasonable use, unreasonable method of use, or unreasonable method of diversion of said water.

The continuing authority of the Board may be exercised by imposing specific requirements over and above those contained in this permit with a view to eliminating waste of water and to meeting the reasonable water requirements of permittee without unreasonable draft on the source. Permittee may be required to implement a water conservation plan, features of which may include but not necessarily be limited to: (1) reusing or reclaiming the water allocated; (2) using water reclaimed by another entity instead of all or part of the water allocated; (3) restricting diversions so as to eliminate agricultural tailwater or to reduce return flow; (4) suppressing evaporation losses from water surfaces; (5) controlling phreatophytic growth; and (6) installing, maintaining, and operating efficient water measuring devices to assure compliance with the quantity limitations of this permit and to determine accurately water use as against reasonable water requirements for the authorized project. No action will be taken pursuant to this paragraph unless the Board determines, after notice to affected parties and opportunity for hearing, that such specific requirements are physically and financially feasible and are appropriate to the particular situation.

The continuing authority of the Board also may be exercised by imposing further limitations on the diversion and use of water by the permittee in order to protect public trust uses. No action will be taken pursuant to this paragraph unless the Board determines, after notice to affected parties and opportunity for hearing, that such action is consistent with California Constitution Article X, Section 2; is consistent with the public interest and is necessary to preserve or restore the uses protected by the public trust.

(00000 12)

Dated: JUNE 13 1988

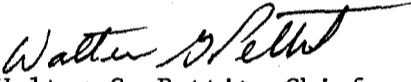
  
Walter G. Pettit, Chief  
Division of Water Rights

The continuing authority of the Board may be exercised by imposing specific requirements over and above those contained in this permit with a view to eliminating waste of water and to meeting the reasonable water requirements of permittee without unreasonable draft on the source. Permittee may be required to implement a water conservation plan, features of which may include but not necessarily be limited to: (1) reusing or reclaiming the water allocated; (2) using water reclaimed by another entity instead of all or part of the water allocated; (3) restricting diversions so as to eliminate agricultural tailwater or to reduce return flow; (4) suppressing evaporation losses from water surfaces; (5) controlling phreatophytic growth; and (6) installing, maintaining, and operating efficient water measuring devices to assure compliance with the quantity limitations of this permit and to determine accurately water use as against reasonable water requirements for the authorized project. No action will be taken pursuant to this paragraph unless the Board determines, after notice to affected parties and opportunity for hearing, that such specific requirements are physically and financially feasible and are appropriate to the particular situation.

The continuing authority of the Board also may be exercised by imposing further limitations on the diversion and use of water by the permittee in order to protect public trust uses. No action will be taken pursuant to this paragraph unless the Board determines, after notice to affected parties and opportunity for hearing, that such action is consistent with California Constitution Article X, Section 2; is consistent with the public interest and is necessary to preserve or restore the uses protected by the public trust.

(0000012)

Dated: JUNE 13 1988

  
Walter G. Pettit, Chief  
Division of Water Rights

A24287  
P17297

10/25/79 Partial Assignment to Jerome W. Komes

9-14-81 Ownership chgd to Curtis Ranches, a Partnership +  
Jerome W. Komes

4-17-84 Name of Curtis Ranches, a Partnership chgd to Jaeger  
Vineyards

STATE OF CALIFORNIA  
THE RESOURCES AGENCY  
STATE WATER RESOURCES CONTROL BOARD  
DIVISION OF WATER RIGHTS

ORDER

APPLICATION 24287

PERMIT 17297

LICENSE \_\_\_\_\_

ORDER APPROVING A NEW DEVELOPMENT SCHEDULE AND AMENDING THE PERMIT

WHEREAS:

1. A petition for extension of time within which to develop the project and apply the water to the proposed use has been filed with the State Water Resources Control Board.
2. The permittee has proceeded with diligence and good cause has been shown for extension of time.

NOW, THEREFORE, IT IS ORDERED THAT:

1. Paragraph 7 of the permit is amended to read as follows:

CONSTRUCTION WORK SHALL BE  
COMPLETED ON OR BEFORE

December 1, 1985 (0000008)

2. Paragraph 8 of the permit is amended to read as follows:

COMPLETE APPLICATION OF THE  
WATER TO THE PROPOSED USE  
SHALL BE MADE ON OR BEFORE

December 1, 1986 (0000009)


3. Paragraph 11 of this permit is deleted. A new Paragraph 11 is added as follows:

Pursuant to California Water Code Sections 100 and 275, all rights and privilege under this permit and under any license issued pursuant thereto, including method of diversion, method of use, and quantity of water diverted, are subject to the continuing authority of the State Water Resources Control Board in accordance with law and in the interest of the public welfare to prevent waste, unreasonable use, unreasonable method of use, or unreasonable method of diversion of said water.

The continuing authority of the Board may be exercised by imposing specific requirements over and above those contained in this permit with a view to minimizing waste of water and to meeting the reasonable water requirements of permittee without unreasonable draft on the source. Permittee may be required to implement such programs as (1) reusing or reclaiming the water allocated; (2) using water reclaimed by another entity instead of all or part of the water allocated; (3) restricting diversions so as to eliminate agricultural tailwater or to reduce return flow; (4) suppressing evaporation losses from water surfaces; (5) controlling phreatophytic growth; and (6) installing, maintaining, and operating efficient water measuring devices to assure compliance with the quantity limitations of this permit and to determine accurately water use as against reasonable water requirements for the authorized project. No action will be taken pursuant to this paragraph unless the Board determines, after notice to affected parties and opportunity for hearing, that such specific requirements are physically and financially feasible and are appropriate to the particular situation.

(0000012)

Dated: FEBRUARY 11 1983

  
Raymond Walsh, Chief  
Division of Water Rights



STATE OF CALIFORNIA  
THE RESOURCES AGENCY  
STATE WATER RESOURCES CONTROL BOARD  
DIVISION OF WATER RIGHTS

## PERMIT FOR DIVERSION AND USE OF WATER

PERMIT 17297

Application 24287 of Marion C. Jaeger, William P. Jaeger Jr., and Lila F. Jaeger  
2125 Inglewood Avenue, St. Helena, California 94574

(over)

filed on January 16, 1973, has been approved by the State Water Resources Control Board SUBJECT TO VESTED RIGHTS and to the limitations and conditions of this Permit.

Permittee is hereby authorized to divert and use water as follows:

1. Source:

Unnamed Streams (2)

Bale Slough thence Tributary to:  
Napa River

2. Location of point of diversion:

40-acre subdivision of public land survey or projection thereof	Section	Township	Range	Base and Meridan
1. N200 ft and W600 ft from S $\frac{1}{4}$ Corner of Section 6	SE $\frac{1}{4}$ of SW $\frac{1}{4}$	6	7N	5W MD
2. N1000 ft and W600 ft from S $\frac{1}{4}$ Corner of Section 6	SE $\frac{1}{4}$ of SW $\frac{1}{4}$	6	7N	5W MD

County of Napa

3. Purpose of use:	4. Place of use:	Section	Township	Range	Base and Meridan	Acres
Frost Protection						
Heat Control						
Irrigation	SE $\frac{1}{4}$ of SW $\frac{1}{4}$	6	7N	5W	MD	15
	SW $\frac{1}{4}$ of SE $\frac{1}{4}$	6	7N	5W	MD	21
	SE $\frac{1}{4}$ of SE $\frac{1}{4}$	6	7N	5W	MD	16
					Tptal	52

The place of use is shown on map filed with the State Water Resources Control Board.

5. The water appropriated shall be limited to the quantity which can be beneficially used and shall not exceed 90 ACRE-Feet per annum to be collected from November 1 of each year to May 15 of the succeeding year.

THIS PERMIT DOES NOT AUTHORIZE COLLECTION OF WATER TO STORAGE OUTSIDE OF THE SPECIFIED SEASON TO OFFSET EVAPORATION AND SEEPAGE LOSSES OR FOR ANY OTHER PURPOSE.

THE MAXIMUM RATE OF DIVERSION TO OFFSTREAM STORAGE SHALL NOT EXCEED 1.25 CUBIC FEET PER SECOND. (000005)

6. The amount authorized for appropriation may be reduced in the license if investigation warrants. (000006)

~~Actual construction work shall begin on or before two years from date of permit and shall thereafter be prosecuted with reasonable diligence and if not so completed and prosecuted the permit may be revoked~~

7. Said construction work shall be completed on or before DECEMBER 1, 1981. (000008)

8. Complete application of the water to the proposed use shall be made on or before DECEMBER 1, 1982. (000009)

9. Progress reports shall be submitted promptly by permittee when requested by the State Water Resources Control Board until license is issued. (000010)

10. Permittee shall allow representatives of the State Water Resources Control Board and other parties, as may be authorized from time to time by said Board, reasonable access to project works to determine compliance with the terms of this permit. (000011)

11. Pursuant to California Water Code Section 100 all rights and privileges under this permit and under any license issued pursuant thereto, including method of diversion, method of use, and quantity of water diverted, are subject to the continuing authority of the State Water Resources Control Board in accordance with law and in the interest of the public welfare to prevent waste, unreasonable use, unreasonable method of use, or unreasonable method of diversion of said water.

This continuing authority of the Board may be exercised by imposing specific requirements over and above those contained in this permit with a view to minimizing waste of water and to meeting the reasonable water requirements of permittee without unreasonable draft on the source. Permittee may be required to implement such programs as (1) reusing or reclaiming the water allocated; (2) restricting diversions so as to eliminate agricultural tailwater or to reduce return flow; (3) suppressing evaporation losses from water surfaces; (4) controlling phreatophytic growth; and (5) installing, maintaining, and operating efficient water measuring devices to assure compliance with the quantity limitations of this permit and to determine accurately water use as against reasonable water requirements for the authorized project. No action will be taken pursuant to this paragraph unless the Board determines, after notice to affected parties and opportunity for hearing, that such specific requirements are physically and financially feasible and are appropriate to the particular situation. (000012)

12. The quantity of water diverted under this permit and under any license issued pursuant thereto is subject to modification by the State Water Resources Control Board if, after notice to the permittee and an opportunity for hearing, the Board finds that such modification is necessary to meet water quality objectives in water quality control plans which have been or hereafter may be established or modified pursuant to Division 7 of the Water Code. No action will be taken pursuant to this paragraph unless the Board finds that (1) adequate waste discharge requirements have been prescribed and are in effect with respect to all waste discharges which have any substantial effect upon water quality in the area involved, and (2) the water quality objectives cannot be achieved solely through the control of waste discharges. (000013)

13. THE STATE WATER RESOURCES CONTROL BOARD RESERVES JURISDICTION OVER THIS PERMIT TO IMPOSE ANY APPROPRIATE CONDITIONS AT SOME FUTURE DATE TO CONFORM THE PERMIT TO BOARD POLICY ON USE OF WATER FOR FROST PROTECTION. ACTION BY THE BOARD WILL BE TAKEN ONLY AFTER NOTICE TO INTERESTED PARTIES AND OPPORTUNITY FOR HEARING. (000020)

14. NO DIVERSION IS ALLOWED AFTER MARCH 15 OF EACH YEAR EXCEPT TO REPLENISH WATER STORED PRIOR TO MARCH 15. SUCH DIVERSION AFTER MARCH 15 IS CONTINGENT UPON CONTINUING PARTICIPATION BY PERMITTEE IN A WATER DISTRIBUTION PROGRAM APPROVED BY THE STATE WATER RESOURCES CONTROL BOARD. (0000999)

This permit is issued and permittee takes it subject to the following provisions of the Water Code.

Section 1390. A permit shall be effective for such time as the water actually appropriated under it is used for a useful and beneficial purpose in conformity with this division (of the Water Code), but no longer.

Section 1391. Every permit shall include the enumeration of conditions therein which in substance shall include all of the provisions of this article and the statement that any appropriator of water to whom a permit is issued takes it subject to the conditions therein expressed.

Section 1392. Every permittee, if he accepts a permit, does so under the conditions precedent that no value whatsoever in excess of the actual amount paid to the State therefor shall at any time be assigned to or claimed for any permit granted or issued under the provisions of this division (of the Water Code), or for any rights granted or acquired under the provisions of this division (of the Water Code), in respect to the regulation by any competent public authority of the services or the price of the services to be rendered by any permittee or by the holder of any rights granted or acquired under the provisions of this division (of the Water Code) or in respect to any valuation for purposes of sale to or purchase, whether through condemnation proceedings or otherwise, by the State or any city, city and county, municipal water district, irrigation district, lighting district, or any political subdivision of the State, of the rights and property of any permittee, or the possessor of any rights granted, issued, or acquired under the provisions of this division (of the Water Code).

Dated: MAY 10 1978

STATE WATER RESOURCES CONTROL BOARD

*C. W. [Signature]*  
EXECUTIVE DIRECTOR

~~Chief, Division of Water Rights~~