

RANCHO NORTH PROPERTIES AND MURIETA GARDENS
FINANCING AND SERVICES AGREEMENT

This Financing and Services Agreement (“**Agreement**”) is entered into this 27th day of May 2014 (“**Effective Date**”), by and among the Rancho Murieta Community Services District (“**DISTRICT**”), a community services district organized under the laws of the State of California, and the following owners of land in the District - Cosumnes River Land, LLC (“**CRL**”); Murieta Industrial Park, LLC (“**MIP**”); Murieta Lakeside Properties, LLC (“**MLP**”); and Murieta Highlands, LLC (“**MH**”) (CRL, MIP, MLP, and MH collectively are the “**Owners**” and individually an “**Owner**”). The DISTRICT, CRL, MIP, MLP, and MH are also sometimes individually referred to herein as a “**Party**” and collectively as “**Parties**.”

RECITALS

A. DISTRICT is authorized to provide services within the DISTRICT, including, without limitation, obtaining a raw water supply, storage of raw water, treatment, storage and distribution of potable water, collection, treatment and disposal of wastewater, management and control of storm water runoff and drainage, provision of security services, provision of solid waste collection and disposal, and the administrative support required for such services.

B. Each Owner owns certain lands within the boundaries of DISTRICT, and Owners represent that such lands have been granted or are seeking land use entitlements by the County of Sacramento. CRL owns the 62 acre property and project known as the Murieta Gardens I & II (“**Gardens**”), which property is more particularly described in Exhibit A-1. MIP owns the real property which is described in Exhibit A-2. MLP owns the real property which is described in Exhibit A-3. MH owns the real property which is described in Exhibit A-4. The lands described in and shown on Exhibits A-1, A-2, A-3, and A-4, are individually referred to herein as a “**Property**” and one or more thereof collectively as the “**Properties**”. The Properties described in Exhibits A-2, A-3 and A-4 are sometimes referred to herein as the “**Rancho North Properties**” and the project to be constructed thereon as the “**Rancho North Project**” which currently is comprised of approximately 800 acres of unimproved lands intended to be developed primarily for residential uses. Rancho Murieta Properties, LLC, a California limited liability company (“**RMP**”) owns or controls the Owners. A general diagram of the Rancho North Properties is attached as Exhibit A-5.

C. DISTRICT presently owns and operates two water treatment plants and facilities known as Water Treatment Plant #1 (“**WTP #1**”) and Water Treatment Plant #2 (“**WTP #2**”). WTP #1 has reached its useful life and WTP #2 is also technologically outdated.

D. Owners wish to obtain a commitment in the form of "will serve" letters from the DISTRICT that the water services provided by DISTRICT will be available to the owners, residents and occupants of the Properties. As the first step in obtaining such services, the Owners and DISTRICT have signed and delivered a Fee and Services Agreement Term Sheet approved on December 18th, 2013 by the Board of Directors of the DISTRICT and fully executed by all parties (the “**Term Sheet**”). This Agreement terminates and supersedes the

Term Sheet. CRL delivered to the DISTRICT a check in the amount of \$180,000 (the “**Initial Payment**”) and, in exchange, the DISTRICT delivered to CRL a provisional “will serve” letter for 30 equivalent dwelling units (EDUs) of water service to the Gardens Property currently intended to be used for an 83 room hotel, 24 extended stay units and related improvements (the “**Initial Will Serve Letter**”), all in conformance with the Term Sheet and the District EDU Standard (as defined in Exhibit B, the “**District EDU Standard**”). A copy of the Initial Will Serve Letter, dated January 13, 2014, is attached hereto as Exhibit C. DISTRICT and its DISTRICT Engineer represent and warrant that the DISTRICT currently has sufficient water supply and water treatment capacity to provide the 30 EDUs of water service and that the issuance of the Initial Will Serve Letter is not conditioned upon satisfaction of any further requirements of the DISTRICT.

E. DISTRICT and Owners, as well as other owners of property within the DISTRICT’S boundaries, desire to provide for the design, permitting, expansion and upgrade of WTP #1 (the “**WTP Improvements**”), which currently serves existing residents of Rancho Murieta. DISTRICT plans to proceed with the WTP Improvements upon execution of this Agreement and delivery of Owners security. The Parties acknowledge that the WTP Improvements may be constructed (with installation of cassettes and filters) in phases to better meet the timing of demand for potable water for existing users and future development by the Owners and DISTRICT and to reduce costs. DISTRICT will construct Phase 1 of the WTP Improvements consisting of four water treatment process basins, cassettes and filtration membranes for installation in three process trains within basins 1 through 3 sufficient to generate 4 million net gallons per day (4 mgd) of usable treated water capacity. Upon Owners’ request, the DISTRICT will complete the fourth water treatment process train including cassettes and filter membranes and related improvements sufficient to generate one mgd net of additional usable treated water capacity as Phase 2 of the WTP Improvements. The plant is designed for subsequent additions to capacity, which may be phased to provide capacity such that total plant capacity could reach 6.0 mgd of net usable treated water capacity. This last one mgd of net capacity would be undertaken at the discretion of the DISTRICT based on need.

F. DISTRICT has entered into one or more separate reimbursement and shortfall agreements with other landowners and through the Community Facilities District #1 (“**CFD#1**”) within Rancho Murieta to obtain, *inter alia*, landowner financial assistance towards the WTP Improvements one of which such agreements, together with any amendments thereto, is commonly known as the “**670 FSA**”.

G. The Owners desire that the DISTRICT undertake the design and construction of the WTP Improvements to the extent that (1) upon completion of Phase 1, the WTP Improvements will provide sufficient usable treated water capacity to allow 500,000 net gpd thereof to be reserved to the Owners’ Properties, and (2) upon completion of Phase 2, the WTP Improvements will provide an additional 1.0 mgd net of usable treated water capacity reserved to the Owners’ Properties, for a combined total of 1.5 mgd net of usable treated water capacity to be reserved to the Properties. The Phase 1 and 2 allocation of the 1.5 mgd net capacity to the Properties shall be allocated among each of the Properties as shown on the attached Exhibit D, and the balance of the usable treated water net capacity to be made available by the completion and operation of the WTP Improvements is intended to be allocated also as provided in Exhibit D. The usable treated water capacity reserved to each Property as shown on this exhibit for

subsequent allocation to the Owners' Properties is referred to in this Agreement as the Owners' "**Purchased Capacity.**"

H. DISTRICT and Owners desire that the DISTRICT begin construction on the Phase 1 WTP Improvements as soon as possible and Owners desire to provide their fair share funding for such effort, including, without limitation, the Initial Payment, plus additional funding as is more particularly provided in this Agreement, for the purpose of facilitating the timely construction and operation of the WTP Improvements for Owners to obtain treated water capacity for the timely development of their Properties.

I. DISTRICT acknowledges that it is a party to an "Agreement for Use of Reclaimed Water", with Rancho Murieta Country Club, Inc., Rancho Murieta Properties, LLC and Murieta Industrial Park, LLC, Recorded in Sacramento County on May 16, 1988.

J. This Agreement is primarily a financing agreement and is not a "project" under the California Environmental Quality Act ("CEQA") and, therefore, is not subject to CEQA review. The environmental impacts of the projects contemplated by this Agreement have been or will be properly reviewed and assessed by DISTRICT or County of Sacramento pursuant to CEQA.

K. The Owners and DISTRICT desire to enter into this Agreement to set forth their respective obligations and timing towards funding, designing and constructing the WTP Improvements to serve the Properties and the terms upon which DISTRICT will provide treated water capacity will serve letters for the Properties, and to address certain other related matters which are intended to facilitate the development of the Properties. By entering into this Agreement, the Owners are agreeing to pay the fees and costs identified below, in exchange for the DISTRICT designing and constructing the WTP Improvements (and facilitating a related municipal financing for the Owners if requested and as described below) and providing treated water capacity to serve the Properties.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants herein contained, the receipt and sufficiency of which is hereby acknowledged, and further confirming the accuracy and completeness of the foregoing Recitals, which Recitals are incorporated into this Agreement, the Parties hereto agree as follows:

AGREEMENT

SECTION 1. Water Treatment Plant

1.1. Potable Water Usage.

The Parties agree that the existing facilities of DISTRICT for the treatment and production of potable water are inadequate to produce the volume of potable water necessary to serve the entirety of the Owners' Properties when developed. The Parties further agree that the potable water demand and allocation for the Properties shall be determined by DISTRICT based on the District EDU Standard, the number and types of lots and the lot sizes within each Owner's respective Property and the Property's Purchased Capacity allocation as shown in Exhibit D. Owners and the DISTRICT acknowledge and agree that the District EDU Standard may be modified by the DISTRICT in the future based on such properties' future use of recycled water and other relevant factors.

1.2. Transfer or Sale of EDUs; Will Serve Letters.

A. Provided that CRL is not then in material default under this Agreement, prior to the development of the Gardens Property, CRL may transfer and assign to another Property, based on scheduling and need, any portion of the 30 EDUs covered by the Initial Will Serve Letter by delivering written notice of assignment (in a form satisfactory to DISTRICT) to the DISTRICT and the assignee/Owner of the other Property.

B. Upon completion of construction of the Phase 1 WTP Improvements, Owners will then have a collective Purchased Capacity of 500,000 (net) gpd. Upon completion of Phase 2 WTP Improvements, Owners will then have Purchased Capacity of 1,500,000 (net) gpd. When requested by an Owner, DISTRICT will issue provisional water capacity will serve letters to the applicable Owner for its respective Property, from its respective portion of the Purchased Capacity reservation and allocation as shown on Exhibit D. The Purchased Capacity will be allocated by water capacity will serve letter to specific Properties and once so allocated, the allocation will remain with the Property unless transferred and assigned pursuant to this Agreement. The allocations identified in the will serve letters shall thereafter run with the Property identified therein. DISTRICT shall create and maintain accurate books and records to memorialize the allocations and transfers (if any) of Owners' Purchased Capacity. District shall also maintain accurate records of all other treated water capacity available from the WTP Improvements allocated to applicable properties.

C. Provided that an Owner is not then in material default under this Agreement with respect to such Owner's share of the aggregate Owners' Financial Obligation (as defined in Section 1.3 C.(2)(a) below), an Owner may transfer and assign to another Property inside the District boundaries all or a portion of such Owner's share of the (i) Purchased Capacity provided that such portion of the Purchased Capacity has not yet been allocated to such Owner by the issuance of a will serve letter therefor, or (ii) Purchased Capacity which has been allocated to such Owner by the issuance of a will serve letter therefor, but which allocation such Owner agrees will not be used or necessary for development of such Owner's Property, by delivering written notice of such assignment to the DISTRICT and the assignee/Owner of the other Property (in a form satisfactory to DISTRICT).

D. Except as set forth herein, an Owner shall not transfer or sell any Purchased Capacity (whether reserved or already allocated) to any other real property. In the event any Owner's Property is entitled or develops in a manner that requires fewer EDUs and Purchased Capacity than initially reserved or allocated to such Owner for such Property, or if such Owner does not anticipate needing any excess reserved or allocated Purchased Capacity in the foreseeable future for its Property or for any other properties located within the DISTRICT boundaries which may have been acquired by such Owner after the Effective Date, such Owner may notify the DISTRICT of the availability of such excess Purchased Capacity and request the DISTRICT to approve the transfer and assignment of the excess Purchased Capacity to the DISTRICT or to the landowner of other real property within the DISTRICT. Upon receipt of such a request, the DISTRICT Board of Directors will approve or disapprove the request as determined by the Board in its reasonable discretion. The Board will render its written decision along with the reasons for the decision within 40 days from the date of the request. If the DISTRICT approves the request, then the excess Purchased Capacity reserved or allocated to the applicant Owner's Property may be transferred and assigned to the DISTRICT or the other real property (if applicable) by delivering written notice of assignment to the DISTRICT and the

assignee/landowner of the other property (if applicable) in a form satisfactory to DISTRICT. In the event the DISTRICT approves such a transfer, such Owner's excess Purchased Capacity shall be transferred for consideration payable to the transferring Owner equal to \$5,000 per EDU so transferred ("**EDU Base Price**"), escalated each June 30th after the date of substantial completion of the WTP Improvements based on the previous year's change in the construction cost index for 20 U.S. cities as reported in the Engineering News Record Construction Cost Index ("**EDU Escalated Price**"), an example of which is shown on Exhibit O. Such payment of the EDU Escalated Price shall be made by the DISTRICT or the assignee/landowner to the applicable Owner(s) at the time of the transfer of such excess Purchased Capacity (in a form acceptable to the District). In the event that the transferring Owner is in default under this Agreement at the time it seeks approval for a foregoing transfer, the existence of such default shall not serve to prohibit the foregoing transfer so long as the transferee agrees in writing to assume and perform, or does perform, all necessary actions to cure the default. The performance of such cure shall relieve and release the transferring Owner of the consequences of such default.

1.3 Water Treatment Plant Expansion; Phasing; Financing; Construction.

A. WTP Improvements; Allocated Purchased Capacity. In further specific consideration of the DISTRICT'S receipt of the Initial Payment from the Owners, and the Owners' financial covenants set forth below, DISTRICT shall design, engineer, permit, and construct the WTP Improvements as described in the Recitals. The DISTRICT represents and warrants that the Phase 1 and Phase 2 WTP Improvements when constructed will be sufficient to reserve and allocate no less than 1.5 mgd (net) Purchased Capacity for the Owners' Properties. By the Parties entering into and the Owners performing the Owners' Financial Obligation (as defined in Section 1.3(C)(2)(a) below), DISTRICT agrees that upon completion of the WTP Improvements, the reservation and allocation of the Purchased Capacity (i.e., the Phase 1 Purchased Capacity upon completion of construction of Phase 1, and the Phase 1 and 2 Purchased Capacity upon completion of construction of Phase 2) to the Owners and their Properties, and the Owners' rights and ability to transfer same as provided in this Agreement, are secured to and vested with the Owners' and the Properties based on the allocations in Exhibit D. The DISTRICT agrees that until will serve letters have been issued by the DISTRICT covering the entire Purchased Capacity, the allocations among the Properties set forth in Exhibit D may be amended by the Owners with respect to Purchased Capacity that remains unallocated, such amendment to occur by the Owners delivering to the DISTRICT a substitute Exhibit D accompanied by a written summary of the changes shown in the amended Exhibit D. However, after development of a Property and installation of a water connection to a building or structure, the allocation of Purchased Capacity attributable (based on EDU) to that building or structure will be secured and vested in that portion of the Property indefinitely and water service thereafter may only be terminated or suspended for good cause in accordance with the DISTRICT Code and policies.

B. Phasing of the WTP Improvements.

(1) Owners request and DISTRICT agrees that of the Phase 1 WTP Improvements to be constructed initially, 500,000 net gpd of the Purchased Capacity will be reserved for the applicable Properties so identified in Exhibit D (as amended from time to time).

(2) Owners may initiate the process for the DISTRICT to complete the Phase 2 WTP Improvements by providing no less than one year's prior written notice to DISTRICT for

DISTRICT to install the Phase 2 capacity. Owners may request dividing the Phase 2 additional treatment capacity into two separate subphases of 500,000 net gpd of filter membranes at their discretion, as so indicated in the written notice.

(3) Nothing in this Agreement will preclude the DISTRICT from undertaking other WTP#1 or WTP#2 improvements or expansion from other available funding provided that such other improvements or expansions do not materially delay the completion of the Phase 1 or Phase 2 WTP Improvements or increase the Owners' fair share of the costs therefor.

C. Financial Obligations for the WTP Improvements. The DISTRICT has determined that the costs of the WTP Improvements are to be shared among three sources: (i) one or more letters of credit provided to DISTRICT through the CFD#1, (ii) the Owners, and (iii) the DISTRICT, as follows:

(1) DISTRICT has calculated the CFD#1's share of the costs for the Phase 1 WTP Improvements to be \$4,136,099 ("**CFD#1's Financial Obligation**"). DISTRICT represents and warrants to the Owners that it holds letters of credit ("**CFD#1 L/C**") in the amount of not less than \$4,136,099 issued by Wells Fargo Bank in favor of the DISTRICT to secure completion of CFD#1's share of the Phase 1 WTP Improvements (as shown on Exhibit E). DISTRICT shall draw funds from CFD#1 L/C and apply same to the costs of the Phase 1 WTP Improvements to cover the CFD#1's Financial Obligation, as provided below.

(2) The remaining balance of the costs for the Phase 1 and Phase 2 WTP Improvements shall be shared between Owners and the DISTRICT as follows:

(a) Owners will pay \$4,358,245 toward the costs of the Phase 1 and 2 WTP Improvements ("**Owners' Financial Obligation**") against which amount the Initial Payment shall be applied as a credit, and from which amount the sum of \$540,000 shall be reserved to be used as Owners' share of the incremental costs for the balance of its Purchased Capacity comprising Phase 2 of the WTP Improvements.

(i) To secure the Owners' Financial Obligation toward the Phase 1 and 2 costs, within ten (10) days of the execution and delivery of this Agreement by the Parties, the Owners will provide to the DISTRICT an irrevocable letter of credit in the face amount of Four Million Dollars (\$4,000,000.00), with RMP as the applicant thereunder, in favor of, and in a form and issued by a bank reasonably acceptable to, the DISTRICT ("**Owners' L/C**"). Owners' L/C shall name DISTRICT as beneficiary thereunder and provide that draws, including partial draws, will be honored upon the delivery to the issuer of a written notice signed by DISTRICT that the Owners are in default of their obligations under this Section 1.3 to pay a WTP Quarterly Payment (as defined in and pursuant to Section 1.3(G) below) pertaining to the WTP Improvements beyond the applicable payment period set forth therein. The Owners' L/C shall also provide that the face amount of the letter of credit may be reduced periodically at the time and in proportion to the percentage of the Owners' Financial Obligation that the Owners pay or are credited with paying toward their share of each WTP Quarterly Invoice as provided in Section 1.3(G) below.

(ii) In addition, no later than the date of providing the Owners' L/C, the Owners will provide to the DISTRICT an additional cash deposit of \$178,245 to cover the difference between the total of the Owners' Financial Obligation, (after crediting the Initial Payment) and the original face amount of the Owners' L/C ("**Second Initial Payment**").

(iii) Owners' Financial Obligation less the Initial Payment and the Second Initial Payment is defined as the "**Owners' Residual Financial Obligation.**" Owners' Residual Financial Obligation may be paid either by (A) Owners paying in cash their share of the Quarterly WTP Invoices as provided in Section 1.3(G) below, in which case the Owners' L/C shall remain in place and serve as security for the Owners' Residual Financial Obligation, or (B) Owners depositing into a separate bank account the entire sum of the Owners' Residual Financial Obligation ("**Owners' Construction Account**"), in which case the Owners' L/C shall be released. The Owners' Construction Account, if and when created, may be funded from the proceeds of equity from or private debt financing arranged by the Owners, or from a Municipal Financing Program more particularly described below. The DISTRICT shall be granted access rights to draw funds from the Owners' Construction Account in conformance with the terms and conditions of this Agreement and any applicable conditions of the financial institution holding said funds.

(iv) If proposed by the Owners, the DISTRICT will consider and adopt a financing program for the benefit of the Owners whereby the Owners may finance the Owners' Residual Financial Obligation. Such financing program may involve the adoption of a municipal financing program as more particularly described in Exhibit F ("**Municipal Financing Program**"). If a Municipal Financing Program is entered into by the Owners and by the DISTRICT, the Owners shall arrange for the net proceeds of such financing program (other than interest reserve and other reserves which may be required as a part of such financing program and the applicable costs for formation thereof as provided in this Agreement) to be deposited into the Owners' Construction Account. Upon the deposit of such funds covering the Owners' Residual Financial Obligation into the Owners' Construction Account, the Owners' L/C shall be released in full.

(b) DISTRICT will pay \$4,358,245 toward the costs of the Phase 1 and 2 WTP Improvements plus any cost overruns in accordance with Section 1.3(E) and subject to a priority right to reimbursement as provided in Section 1.3(E) below.

D. WTP Improvements Costs; Guaranteed Maximum Budget. The total project cost estimates for the Phase 1 and 2 WTP Improvements are described and shown in Exhibit E. The construction and related cost components for Phases 1 and 2 include the following: (i) the Guaranteed Maximum Budget for the construction costs which includes the Construction Manager at Risk ("**CMAR**") contract fees and expenses, as defined in the CMAR Contract; (ii) engineering fees and costs; (iii) other consultants fees and costs; (iv) costs of land and right of way acquisition (if any); (v) other costs (including, without limitation, permitting, plan check and inspection, and temporary facilities needed during construction); and (vi) DISTRICT staff time, overhead, and legal fees relating to the project (not to exceed \$50,000) (collectively the "**Total Project Costs**"). DISTRICT represents that the Exhibit E cost estimate is based upon the DISTRICT having (x) obtained firm bids with the intent to enter into contracts for all trades and components of the Phase 1 WTP Improvements upon receiving Owners' Financial Obligation in full, (y) adopted a Project Authorization Amendment to replace the original estimate figures attached to the CMAR contract with the itemization and sum of the bid prices, and (z) made its best estimate of all other costs to be incurred for the Phase 1 and 2 WTP Improvements, such that the Total Project Costs are only those items and costs listed on Exhibit E, which items and amounts Owners hereby accept. The final total cost estimate for each phase as shown on Exhibit E is referred to as the "**Final Cost Estimate.**" The Final Cost Estimate includes a contingency amount of \$540,564 for Phase 1 ("**Phase 1 Contingency**"), and also

includes the sum of \$540,000 being the estimated amount reserved to construct and complete the Phase 2 WTP Improvements (“**Phase 2 Estimated Costs**”). The Phase 2 Estimated Costs are not included in the bids currently held by the DISTRICT.

E. Cost Overruns. If the actual final Total Project Costs of the Phase 1 WTP Improvements or Phase 2 WTP Improvements exceed the portion of the Final Cost Estimate applicable thereto (e.g., due to change orders, claims, unexpected or unforeseen conditions, or changed circumstances), then the DISTRICT shall pay the cost overrun and be reimbursed for fifty percent (50%) thereof from the Owners’ share of reimbursement due from any non-participating landowner as defined in the 670 FSA until fully repaid. An example of how such reimbursement would be calculated is described in Exhibit G.

F. DISTRICT Obligation To Design and Construct. DISTRICT shall design, engineer, permit and construct the Phase 1 WTP Improvements within the time period and as provided in this Section 1.3(F).

(1) DISTRICT represents that it has retained HDR, Inc. as the principal engineer (“**Engineer**”) for designing and engineering the Phase 1 WTP Improvements who has prepared and completed final 100% complete plans and specifications for the Phase 1 WTP Improvements. A complete and accurate list of all the final plans and specifications for the Phase 1 WTP Improvements is attached hereto as Exhibit H (the “**Phase 1 Approved Plans and Specifications**”). A digital copy of the Phase 1 Approved Plans and Specifications shall be provided to Owners on c/d rom disc upon the execution and delivery of this Agreement.

(2) Upon receipt of the Owners’ L/C and Second Initial Payment in full, DISTRICT will immediately accept all bids, sign all related contract documents, assign those contracts to the CMAR contractor, and direct it to undertake the permitting and commence the construction of the Phase 1 WTP Improvements. DISTRICT shall use diligent good faith efforts to obtain all necessary permits and approvals for the WTP Improvements. DISTRICT and Owners will work cooperatively in good faith to reasonably control the cost of the WTP Improvements.

(3) Upon receipt of all necessary regulatory permits and approvals, DISTRICT and its contractor will immediately commence construction of the Phase 1 WTP Improvements. Following commencement of construction, DISTRICT shall cause its contractor(s) to diligently prosecute such construction to completion in conformance with the applicable construction contracts and achieve substantial completion thereof by the Substantial Completion Date identified in the Approved Phase 1 Construction Schedule (as defined in Section 1.3(F)(5) below and subject to extension as provided in that provision). The WTP Improvements shall be constructed (a) in a good and workmanlike manner, and (b) in accordance with applicable laws, regulations and codes, and in conformity with the Phase 1 Approved Plans and Specifications. DISTRICT shall obtain from all contractors, including engineers, subcontractors and suppliers, all normal and customary guaranties and defect and performance warranties for the WTP Improvements.

(4) DISTRICT covenants to keep the Owners’ Properties and the Owners’ Construction Account free from any liens and stop notices, including mechanic’s liens, which may arise in connection with the construction of the WTP Improvements, unless such lien or stop notice results from a breach of this Agreement by the Owners or is levied as part of the creation of the Municipal Financing Program. The Parties acknowledge that the Owners’ obligations

hereunder relate primarily to financing of the WTP Improvements, and Owners shall have no responsibility or liability whatsoever for design, engineering or construction defects, materials, practices or procedures related to or arising out of the construction of the WTP Improvements. DISTRICT shall diligently enforce, or cause to be enforced, the terms and provisions of the CMAR contract and all other contracts and purchase orders relating to the WTP Improvements in a timely manner.

(5) Construction Schedule. Exhibit I is a copy of the Master Construction Schedule for the Phase 1 WTP Improvements project which has been developed by the CMAR, which DISTRICT and Owners hereby approve (“**Approved Phase 1 Construction Schedule**”). The substantial completion date for the Phase 1 WTP Improvements is shown on the Approved Phase 1 Construction Schedule. The substantial completion date already takes into consideration delays due to inability to construct in the summer months in accordance with standard industry practice. DISTRICT, in coordination with the CMAR, will diligently endeavor to undertake and complete the Phase 1 work in accordance with the Approved Phase 1 Construction Schedule. DISTRICT may extend the substantial completion date for good cause based on circumstances beyond DISTRICT’s control.

(6) Changes; Contingency; Cost Overruns. DISTRICT shall give immediate written notice (together with all relevant supporting documentation) to Owners if and to the extent (i) any changes are proposed to be made to the Phase 1 Approved Plans and Specifications or to the WTP Improvements (other than minor construction field directives which will have no effect on the Total Project Cost or have no material effect on the operations and capacity of the WTP Improvements) from those shown on the Phase 1 Approved Plans and Specifications; (ii) any change orders which are proposed by the CMAR to be approved by the DISTRICT; (iii) any proposal that all or any portion of the contingency is to be used; (iv) any proposed shift of funds allocated between line items in the Guaranteed Maximum Budget; and (v) any projected or actual cost overruns for the Phase 1 WTP Improvements (collectively, a “**Change**”). Prior to making any Change, the Parties expeditiously will confer and attempt in good faith to reach a consensus on the appropriate action to be taken on account of each proposed Change and in such a manner so as to not delay project construction. Each such Change also shall be presented and discussed at the quarterly status meetings (defined in Section 1.3(H) below). Prior to incurring any Total Project Costs in excess of the Final Cost Estimate, DISTRICT will prepare and provide to the Owners a written explanation and accounting of the cost overrun and the Parties will meet and confer to review the cost overrun.

(7) Phase 2 WTP Improvements. Upon written request by the Owners, the DISTRICT shall obtain bids, enter into applicable contracts and purchase orders therefor and expeditiously construct and install such cassettes, filters, pumps and other improvements constituting the Phase 2 WTP Improvements in conformity with the Phase 2 Estimated Costs and other requirements set forth in this Section 1.3(F), made applicable to Phase 2.

G. Allocation of Total Project Costs; Invoices for WTP Improvement Construction Costs Progress Payments. The DISTRICT shall allocate the Total Project Costs among the CFD#1 L/C, the DISTRICT and the Owners in proportion to their respective financial obligations as provided in Section 1.3(C) and as provided in this Section 1.3(G).

(1) Funds necessary to pay each WTP Quarterly Invoice (as defined below) for the Total Project Costs for the Phase 1 WTP Improvements shall be drawn proportionally

from each of the CFD#1 L/C, the DISTRICT and the Owners in proportion of their respective financing obligations and in the percentages as calculated and shown on Exhibit E. The Owners' relative portion of each such payment shall be drawn first from the Initial Payment (until fully applied), then from the Second Initial Payment (until fully applied) and subsequent amounts either from cash payments made by the Owners to the DISTRICT, from the Owners' L/C, or from the Owners' Construction Account (if same has been created), as more specifically described below; provided, however, the DISTRICT agrees that it will defer until after September 14, 2014 drawing funds from the Owners' Construction Account or drawing upon the Owners' L/C.

(2) Prior to and during the course of construction of the WTP Improvements, DISTRICT shall, on a quarterly basis, concurrently invoice ("**WTP Quarterly Invoice**") the Owners, the CFD#1 and the DISTRICT for their respective portion of the Total Project Costs for the applicable phase of the WTP Improvements which the DISTRICT reasonably estimates will be needed to be paid for work to be performed during each next ninety (90) day period ("**WTP Quarterly Invoice Period**"). Each such invoice shall include and separately identify such portion of the Owners' Financial Obligation (along with equivalent information with respect to the CFD#1's and the DISTRICT'S share of such invoice) which is applicable to such next WTP Quarterly Invoice Period. With respect to each WTP Quarterly Invoice, the DISTRICT shall conduct normal inspections of the work and project site with its Engineer. DISTRICT shall at the same time provide the Owners with supporting documentation for the estimated costs for the next WTP Quarterly Invoice Period and funds remaining with respect to completing the project, as well as supporting documentation for costs incurred during the preceding WTP Quarterly Invoice Period; however any claimed insufficiency of such documentation shall not be grounds for delay in submitting a WTP Quarterly Invoice to the Owners. Supporting documentation shall include, without limitation, certification from the project Engineer or CMAR that the labor and materials for work identified in the preceding period has been properly and timely performed or provided and suitably stored on site, the percentage of work completed and percentage of work scheduled to be completed during the ensuing WTP Quarterly Invoice Period, copies of invoices and applications for payment from the CMAR certified for payment by the Engineer, together with evidence of payment for costs incurred during such prior billing period and conditional and unconditional lien and stop notice releases for work performed, and confirmation that the contractor(s), subcontractors and suppliers are in full conformance with their respective contracts. The amount designated in each WTP Quarterly Invoice shall reflect adjustments for any of the foregoing factors respecting work performed or not performed along with applicable retention policies and any Changes. DISTRICT agrees that it will only pay contractors in the amount and at the time such payment is lawfully due under applicable contracts and laws. Any payment to such contractors and any WTP Quarterly Invoice delivered to the Owners shall take into account the retention policy provided in the respective contracts and/or DISTRICT policy.

(3) Owners shall have ten (10) days from their receipt of each such WTP Quarterly Invoice to review and provide comments on such invoice. If the Owners object to any such invoice, the DISTRICT shall meet with the Owners to review the objection and attempt to resolve any Owner concerns in good faith ("**Resolution Effort**"). Provided that the DISTRICT has complied with the foregoing Resolution Effort obligations with respect to any objections or comments of the Owners respecting a WTP Quarterly Invoice, the WTP Quarterly Invoice will be paid to DISTRICT within 30 days from Owners' receipt of the invoice as follows (after exhausting funds available from the Initial Payment and Second Initial Payment): Owners may

pay the invoice in cash within the 30-day period; if Owners do not pay the invoice within the 30-day period and if the Owners' Construction Account has been funded at the time such payment is due, DISTRICT will draw the funds from the Owners' Construction Account; and, if Owners do not pay the invoice within the 30-day period and if the Owners' Construction Account has not been funded by the time such payment is due, DISTRICT will draw payment from the Owners' L/C, subject to the provisions of Section 1.3(G)(1) above. Any Resolution Effort process will not extend the 30-day payment deadline, unless the parties so agree in writing.

(4) Funds necessary to pay WTP Quarterly Invoices for the construction and installation of the Phase 2 WTP Improvements shall be paid by the Owners in the same manner as is applicable to Phase 1, except that there will not be any funding contributions by CFD#1 or DISTRICT.

H. Status Meetings. After commencement of construction of the WTP Improvements, DISTRICT and Owners agree to meet at least quarterly, or more frequently if required to avoid delays in completion of the WTP Improvements, to review the status, progress and costs of the WTP Improvements. DISTRICT shall be responsible for scheduling such meetings and providing a report, with reasonable supporting documentation, on the status, progress and costs of the WTP Improvements. DISTRICT plans to provide monthly updates and summaries of the WTP Improvements status and costs at its normally scheduled monthly Improvements Committee meeting.

I. Retention and Release of Unused Funds; Delay and Termination of the Project.

(1) Subject to compliance with any applicable terms and conditions of a Municipal Finance Program or other private debt financing arrangement which applies to the use of funds in the Owners' Construction Account (if same has been created), upon the earlier of (i) recording of a valid notice of completion, or (ii) the actual completion of the Phase 1 WTP Improvements, DISTRICT agrees to release to the Owners any remaining unspent portion of Owner's funds actually received by DISTRICT for application towards Owners' share of costs for the Phase 1 WTP Improvements ("**Owners' Funds**") (except any of the Owners' Funds equal to the Phase 2 Estimated Costs which shall remain in the Owners' Construction Account) and release any claim or restrictions on the Owners' Construction Account, except Owners' proportionate share with respect to the extent there are any claims relating to the construction of the Phase 1 WTP Improvements. If there are any such claims filed prior to or during such ninety (90) day period, a portion of the Owners' Funds for Phase 1 equal to the Owners' proportionate share of the amount of the claim may be retained by DISTRICT until the final resolution of such claim, and any balance remaining thereafter shall be allocated as provided above.

(2) Subject to compliance with any applicable terms and conditions of a Municipal Finance Program or other private debt financing arrangement which applies to the use of funds in the Owners' Construction Account (if same has been created), within ninety (90) days following the earlier of (i) recording of a valid notice of completion, or (ii) the actual completion or cessation of the work, of the Phase 2 WTP Improvements, as applicable, DISTRICT agrees to release to the Owners any remaining unspent portion of Owner's Funds for Phase 2 and release any claim or restrictions on the Owners' Construction Account, except Owners' proportionate share with respect to the extent there are any claims relating to the construction of the Phase 2 WTP Improvements. If there are any such claims filed prior to or during such ninety (90) day period, a portion of the Owners' Funds for Phase 2 equal to the

Owners' proportionate share of the amount of the claim may be retained by DISTRICT until the final resolution of such claim, and any balance remaining thereafter shall be allocated as provided above. Subject to the foregoing, to the extent that any funds remain unspent in the Owners' Construction Account after completion of the Phase 2 WTP Improvements, such funds shall be released to the Owners.

(3) If the construction of the WTP Improvements is delayed more than ninety (90) consecutive days, or if DISTRICT ceases or abandons construction prior to the completion thereof, then Owners' Financial Obligation shall cease. In either such case, the DISTRICT shall immediately return to the Owners all previously contributed Owners' funds which have not already been spent by the DISTRICT as of such date and shall not draw upon or otherwise utilize any further payments from the Owners' Construction Account. DISTRICT shall not re-start the WTP Improvement project thereafter using funding and financing from the Owners without obtaining the prior express written consent of the Owners, which consent may be granted, conditioned or denied in Owners' sole and absolute discretion

J. Reimbursement from Nonparticipating Landowners; Purchase of Excess DISTRICT Capacity by the Owners. If and to the extent that the DISTRICT allocates usable treated water capacity from the Phase 1 or 2 WTP Improvements to a landowner or developer located in the DISTRICT that did not participate in and pay its fair share of the Total Project Costs (e.g. Residences of Murieta Hills-East and -West), then the DISTRICT will develop and implement a reimbursement program, via separate agreement, to require the nonparticipating landowner/developer to pay its fair share of the Total Project Costs (determined pursuant to an EDU calculation by the DISTRICT based on the nonparticipating landowner/developer development project EDUs, final Total Project Costs, and total capacity of the WTP Improvements). The reimbursement program will be developed and implemented consistent with the applicable provisions in the 670 FSA and this Agreement. Under the reimbursement program, DISTRICT will impose and collect reimbursement from the nonparticipating landowner/developer and the Owners shall be reimbursed proportionately for such water service capacity allocated to the nonparticipating landowner/developer, subject to the provisions of Section 1.3(E) of this Agreement. Owners' share of reimbursement will be based on its total share of the Total Project Costs relative to the portions paid by the DISTRICT and through the CFD#1 L/C, and not based on the relative treated water capacity reserved or allocated to each such funding source. A summary of the policy terms comprising said excess capacity purchase and reimbursement program and relevant examples for pricing are described in Exhibit J.

K. Verification of Water Services Capacity. Upon written request by an Owner for a water supply verification in connection with a proposed subdivision or other Property development project, the DISTRICT agrees to timely provide written verification to Sacramento County of available water supply and water treatment capacity for the Owner's Property as part of the Owner's application to Sacramento County to obtain entitlements, tentative and final tract map approvals, removal or amendment to restrictive covenants and conditions of approval or other necessary or desirable land development entitlements, both as to the DISTRICT'S existing capacity and to future capacity upon the completion of the WTP Improvements. The water supply verification will be provided consistent with the allocations set forth in Exhibit D (as amended) and applicable laws.

L. Reimbursement for Previously Constructed Infrastructure. The Parties acknowledge that the Owners of the Gardens and Rancho North Properties owe reimbursement

to the DISTRICT for infrastructure previously built (“PCI”) by or on behalf of the DISTRICT. As part of the consideration under this Agreement, the DISTRICT agrees to cap the reimbursement obligations for the Gardens and Rancho North Properties for PCI as follows:

(1) With respect to the Gardens Property, and in full satisfaction of the CRL’s obligations to the DISTRICT for PCI on that Property, DISTRICT and CRL agree that CRL shall pay to the DISTRICT the sum of \$5,900 per EDU for PCI constructed by the DISTRICT, such amounts payable at the time water permits are issued for each EDU.

(2) With respect to the Rancho North Properties, for the PCI which was constructed by previous landowners thereof, RMP agrees to negotiate in good faith on behalf of the Owners of the Rancho North Properties with Rancho Murieta 205, LLC and SHF Corporation for satisfaction of any obligation of said Owners to reimburse costs for PCI constructed on the Rancho North Properties; provided, however, such negotiation efforts or any success or lack thereof, shall not be a condition precedent or subsequent to the other obligations or rights of the Parties under this Agreement.

SECTION 2. Wastewater Disposal Matters.

2.1 Van Vleck Irrigation Easement.

A. Owners agree to work with the other members of Rancho Murieta 670, LLC (“**RM670**”) to request, support and encourage RM670 to convey by appropriate instrument the Landowner Irrigation Easement (as defined in the 670 FSA) to DISTRICT (“**RM670 Landowner Irrigation Easement**”). In consideration for such conveyance, DISTRICT agrees to forward reimbursement amounts received from Elk Grove Bilby Partners, LP and PCCP CSGF RB PORTFOLIO, LLC (aka the Lakeview and Riverview landowners) to CRL in a sum to be determined (but estimated at \$379,347 for illustrative purposes) as shown on Exhibit K. The payment, if any, shall occur within thirty (30) days of the DISTRICT’S receipt of such payments from the Lakeview and Riverview landowners

B. Upon receipt of the RM670 Landowner Irrigation Easement, DISTRICT agrees to utilize good faith efforts to maintain the RM670 Landowner Irrigation Easement in good condition and to maintain and operate same for wastewater disposal or in the event of plant upset or in case of other unanticipated events or needs, for all of the 670 FSA properties, which specifically includes Gardens I & II and Retreats.

C. CRL agrees to pay its fair pro rata share of the costs of the engineering, construction management, construction, plan check and inspection, change orders and DISTRICT administrative costs relating to the Landowner Irrigation Facilities (as described in the 670 FSA) applicable to the Gardens Property if and when the DISTRICT determines that the installation and operation of the Landowner Irrigation Facilities are necessary, DISTRICT and CRL agree that CRL’s fair pro rata share thereof (calculated in accordance with the Landowner Irrigation Facilities provisions in the 670 FSA) is as follows: $149 \text{ EDU} / 670 \text{ EDU} = 22.238\%$.

2.2 Irrigation Facilities Maintenance Costs.

For the Gardens, and conditioned upon completion of the RM670 Landowner Irrigation Facilities, CRL agrees to deposit with DISTRICT a one-time payment of Two Hundred Twenty Five Dollars (\$225.00) for each lot or commercial EDU at the time of issuance of a water permit for each such lot or EDU, to pay the estimated cost of maintaining such facilities from

completion through estimated build-out of the Property (“**Irrigation Facilities Maintenance Cost**”). The Parties agree that the total payment for the Irrigation Facilities Maintenance Cost for the Properties is Thirty-three Thousand Seven Hundred Fifty Dollars (\$33,750.00). CRL and its successors waive and release any present or future rights or claims they may have regarding DISTRICT’s imposition and collection of the payment to be collected under this section.

2.3 Provision and Denial of Service.

A. As consideration for the terms and conditions set forth herein, as of the Effective Date, when sufficient WTP Improvements have been completed and are operational, DISTRICT agrees to provide to the Owners provisional treated water capacity will serve letters upon request of an Owner which letter(s) will provide that upon compliance with this Agreement, and compliance with other applicable requirements of the DISTRICT Code and policies, such Owner will be entitled to a final treated water capacity will serve letter for the Owner’s Property. DISTRICT agrees to provide water service and wastewater service and other services provided by the DISTRICT to each Owner’s Property, subject to and contingent upon (i) Owner’s satisfactory performance of and compliance with all of the terms and conditions of this Agreement and of other legal obligations as set forth in the DISTRICT Code and policies and other duly enacted or adopted ordinances and regulations of DISTRICT, and (ii) Owner’s payment of all fees, charges and other amounts as required by and in accordance with applicable provisions of the DISTRICT Code, policies, ordinances and resolutions.

B. Notwithstanding the provisions of Section 2.3(A) above, in the event that an Owner has not satisfactorily performed all of its respective legal and contractual obligations with respect to any individual Property or portion thereof, pursuant to the terms and conditions of this Agreement, or in duly enacted and adopted ordinances and regulations of DISTRICT, DISTRICT may withhold issuance of water permits and water service to that Owner with respect to that Property which is the subject of the Owners’ failure to perform. DISTRICT shall not, however, withhold water service to that Owner with respect to any other portions of that Property not subject to the Owners’ failure to perform, nor to any other Property owned by that Owner, or to other non-defaulting Owners and their respective Properties, on account of such defaulting Owner’s failure to comply with any of its foregoing obligations.

C. Notwithstanding anything to the contrary in this Agreement, even if an Owner is in default under any provision of this Agreement or pursuant to duly enacted and adopted ordinances and regulations of DISTRICT, if such Owner has satisfactorily performed its share of the Owners’ Financial Obligation, the DISTRICT shall not take or reallocate such Owner’s Property’s share of the Purchased Capacity to any other property or for any other purpose except as provided in Section 1.2 above.

SECTION 3. Various Fees and DISTRICT Policy and Program Intentions.

3.1 Security Impact Fees.

Each of the Owners voluntarily agrees to pay, at the time of water permit issuance, a security impact fee for the following Properties at the indicated rate: (i) for Gardens, \$750 per residential lot or commercial/retail EDU; and (ii) for Rancho North Properties, \$1,200 per residential lot (collectively, the “**Security Impact Fees**”). Owners acknowledge that the DISTRICT Board of Directors intends to adopt one (or more) policy statement(s) that will apply to the implementation and use of the Security Impact Fees consistent with the draft sample

policy in Exhibit L. DISTRICT may consider security improvements of a public nature consistent with the policy, installed by the Owners and dedicated to the DISTRICT, to be subject to in lieu offset. DISTRICT and Owners agree to work cooperatively with the Rancho Murieta Association (“RMA”), Rancho North Association and future commercial owners association of Gardens I and II and/or RMA or Rancho North Property owners association to implement this policy statement. The Owners and each Owner and their successors waive and release any present or future rights or claims Owner may have regarding DISTRICT’s imposition and collection of the fees to be collected under this section.

3.2 Water Augmentation Fee Program.

As a part of the Water Supply Augmentation fee program, DISTRICT acknowledges that it has identified, for the last 20 years, a project to construct a commercial raw water delivery loop to increase the amount of potable water available for drought protection and water augmentation for DISTRICT. However, the DISTRICT’S Integrated Water Master Plan Update (2010) does not address the need for this commercial loop and the DISTRICT is in the process of replacing and re-identifying projects contemplated by the Water Supply Augmentation Fee and shall consider a commercial recycled water conveyance project for inclusion for funding under the Water Augmentation Supply fee program in a timely manner

3.3 Standard DISTRICT Fees.

With respect to the development of the Properties, Owners agree to pay the following standard DISTRICT fees at the time of water permit issuance: a) Capital Improvement fee; b) Water Augmentation fee (less a Recycled Water credit as applicable); c) Water meter installation fee; and d) Water and Sewer Inspection Fees. Other customary plan checking, environmental review and extension agreement costs and fees charged by the DISTRICT for each subdivision or other development project submitted to Sacramento County Planning Department will be paid and handled in accordance with DISTRICT’s normal planning and plan check process. These fees are documented and established in the DISTRICT Code and will be charged according to the fees in place at the time of water permit issuance. Except as provided below, nothing in this section shall prevent the DISTRICT from adopting, levying and collecting, in compliance with State law, future taxes, assessments, fees or charges which may be charged against the Properties, Owners or development of the Properties. Notwithstanding the foregoing or anything else to the contrary in this Agreement, as further consideration for the Owners’ Financial Obligation towards the construction of the WTP Improvements, DISTRICT agrees that the Properties and their future ratepayers shall be exempt from the imposition by the DISTRICT of any charges, assessments or special taxes (or portion of same) that would provide revenue to fund, or repay DISTRICT debt associated with, the design and construction of the WTP Improvements.

3.4 Audit. DISTRICT shall keep itemized records of the expenses incurred that are related to the design and construction of the WTP Improvements, and all such records shall be retained for a minimum of three (3) years following completion of each improvement and shall be made available to the Owners for review during regular business hours, upon at least 72 hours advance written notice.

3.5 Zone Assessments.

DISTRICT agrees to cooperate with Owners' future requests for property owner initiated zone assessments or special taxes, as per California Government Code Sections 61140-61144 and/or other applicable law, for municipal financing of project related costs for this Fee and Services Agreement or other future community projects.

3.6 Winter Impoundments.

Owners acknowledge that (i) previous studies have indicated additions to winter impoundments (storage) for secondary treated wastewater effluent may be necessary based upon future build-out conditions, and (ii) the design and construction of such wastewater effluent storage improvements may be required as a condition of providing sewer service to the Properties. Owners have entered into negotiations with their tenant, Joint Apprenticeship Training Center ("JATC"), to perform certain work on certain portions of the Property, and other lands within the District for wastewater treatment facilities, which may be necessary for construction of such additions to storage. DISTRICT and Owners agree to work cooperatively to develop plans and specifications for the improvements, in a timely manner. However, final specifications, timing and method of construction, including the use of JATC or a bona fide licensed contractor, shall be at the DISTRICT'S sole discretion. DISTRICT acknowledges that an early determination of need and funding by the Owners for design engineering for such improvements is important for the Owners to secure their tenant's assistance in constructing improvements if agreed to by the DISTRICT at its sole discretion. DISTRICT agrees to commence work on engineering design of additional winter impoundments upon all tentative map approvals by Sacramento County for the balance of the Rancho North Properties of the Owners. This will permit the DISTRICT and the Owners to project maximum build-out density for DISTRICT planning purposes.

3.7 Recycled Water Policy.

Owners acknowledge that DISTRICT has adopted a recycled water policy, ordinance and standards and agree to abide thereby. The DISTRICT policy directs the implementation and use of recycled water for future development where economically feasible. Owners acknowledge the use of recycled water is Owners' responsibility for wastewater disposal and water supply augmentation demand reductions. Nothing herein shall impair or limit the legislative discretion of the DISTRICT Board to revise its policy, ordinance, and/or standards in the future.

SECTION 4. Default by Owner: Joint and Several Liability.

4.1 Delinquent Owners.

Any Owner or successor who fails, beyond any applicable notice and cure periods set forth in this Agreement, to contribute its pro-rata share of the Owners' Financial Obligation, as specifically required hereunder, or who fails to pay any other fees and costs or perform other obligations specifically required hereunder, shall be referred to as a "**Delinquent Owner**", and shall be considered in material default under this Agreement. For any Delinquent Owner, but subject to the limitations set forth in Section 2.3(C) above, DISTRICT may (i) pursue any available breach of contract or other remedies that it may have, (ii) refuse to issue any will serve letters to the Delinquent Owner's Property, and (iii) refuse to take any other action toward extending other utility services to the Delinquent Owner's Property. To the extent that the applicable notice and cure period for any failure by an Owner to comply with its obligations under this Agreement is not set forth elsewhere in this Agreement, an Owner shall not become a

Delinquent Owner unless and until such Owner has failed to cure any material default hereunder after receipt of no less than thirty (30) days prior written notice from the DISTRICT specifically describing such alleged default and such Owner fails to cure same with such thirty (30) days after receipt of such notice. Except as otherwise provided above or elsewhere specifically in this Agreement, Owners agree that they are jointly and severally liable to the DISTRICT for the costs, fees, other amounts and other obligations to DISTRICT under this Agreement.

SECTION 5. Miscellaneous Provisions.

5.1 Covenant to Grant Easements.

Each Owner agrees to convey to DISTRICT, upon demand at any time following approval of a final subdivision map for the Property containing such easement or right of way, any water, sewer or storm drainage easements or rights of way reasonably required to accommodate the facilities and improvements required by DISTRICT to serve the Property, without compensation or subject to any conditions.

5.2 Authority of DISTRICT.

DISTRICT represents and warrants that it has the authority to enter into this Agreement and perform all of its obligations set forth herein. Owners and DISTRICT agree that nothing in this Agreement is intended to limit or restrict the exercise of the normal and customary powers of DISTRICT to act in accordance with its obligations to protect the public health and safety of the residents, owners, and occupants of property within the DISTRICT. DISTRICT retains the right and obligation to adopt ordinances and regulations addressing the needs of DISTRICT provided that all such ordinances and regulations are uniformly applicable to similarly situated property within the boundaries of DISTRICT.

5.3 Binding Agreement; Runs With Land.

This Agreement shall constitute a contract under the laws of the State of California between Owners and DISTRICT, and an equitable servitude of each Owner (and Owner's successors and assigns) as to the Properties described and shown on Exhibits A-1, A-2, A-3, A-4, and A-5, and such servitude shall obligate each Owner (and Owner's successors and assigns), as to such lands, for the benefit of DISTRICT and other lands within the DISTRICT and for the benefit of each Owner and the lands of each such Owner. A memorandum of this Agreement shall be recorded in the Official Records of the County of Sacramento, California, substantially in the form attached hereto as Exhibit M. This Agreement is, and shall be, a covenant running with the land pursuant to Civil Code Section 1468 and shall run with, and bind DISTRICT and the current and future owners of the Properties described in this Agreement, subject to the termination of this Agreement as specifically provided herein. Notwithstanding the foregoing, any right to reimbursement by the DISTRICT hereunder is personal to each Owner and such right to reimbursement shall not run with the land and shall remain with such Owner unless expressly assigned as part of an executed assignment and assumption agreement that is delivered to DISTRICT.

5.4 Term.

The term of this Agreement shall run from the Effective Date until December 31, 2034 (“**Term**”). The Term may be extended for one ten (10) year period upon mutual written agreement by the Parties executed prior to the expiration date of the initial Term.

Notwithstanding the foregoing, any provision in this Agreement which by its terms is specified to survive the expiration or earlier termination of this Agreement shall so survive.

5.5 Notices.

A. General. All notices, requests, demands and other communication given or required to be given hereunder shall be in writing and (i) personally delivered, (ii) sent by United States registered or certified mail, postage prepaid, return receipt requested, (iii) sent by nationally recognized courier service such as Federal Express, or (vi) sent by facsimile or e-mail, provided that any notice sent by facsimile or e-mail shall also be sent by one of the other methods provided above. All notices, requests, demands or other communications shall be addressed to the Parties as follows:

To DISTRICT:	Rancho Murieta Community Services District 15160 Jackson Road Rancho Murieta, CA 95683 Attention: General Manager
With copy to:	Bartkiewicz, Kronick & Shanahan 1011 22nd Street Sacramento, CA 95816-4907 (916) 446-4254 Attention: Richard P. Shanahan, General Counsel

Notices required to be given to Owners and/or RMP shall be addressed as follows:

To CRL:	Cosumnes River Land, LLC 14670 Cantova Way Suite 220 Rancho Murieta, CA 95683 Attention: John M. Sullivan, Manager
To RMP:	Rancho Murieta Properties, LLC 24591 Silver Cloud Court, Suite 100 Monterey, CA 93940 Attention: Thomas S. deRegt, Manager
With copy to:	Rancho Murieta Properties, LLC 14670 Cantova Way Suite 220 Rancho Murieta, CA 95683-1280 Attn: Carol Anderson Ward, Manager
To any and all other Owners:	c/o CRL and RMP 14670 Cantova Way Suite 220 P. O. Box 1280 Rancho Murieta, CA 95683-1280 Attn: Antonio Velez, CFO

With copy to:

Law Office of Larry R. Vollintine
50 Biehs Court
Oakland, CA 94618
Attention: Larry R. Vollintine

Delivery of any notice or other communication hereunder shall be deemed made on the date of actual delivery thereof to the address of the addressee, if personally delivered, and on the date indicated in the return receipt or courier's records as the date of delivery or as the date of first attempted delivery, if sent by mail or courier service. Notice may also be given by facsimile or e-mail (provided another method in subsection (i)-(iii) above is also used) which shall be deemed delivered when received by the facsimile machine or e-mail of the receiving party if received before 5:00 p.m. (Pacific Time) on a business day, or if received after 5:00 p.m. (Pacific Time) or on a day other than a business day (i.e., a Saturday, Sunday, or legal holiday), then such notice shall be deemed delivered on the following business day. The transmittal confirmation receipt produced by the facsimile machine or e-mail server of the sending party shall be prima facie evidence of such receipt (provided another method is used in addition to such fax or e-mail). Any party may change its address, facsimile number or e-mail for purposes of this Section by giving notice to the other Parties as herein provided.

B. Notice to Owners. If a provision in this Agreement states that notice is to go to the "Owners" it shall mean notice is to be given to each Owner.

C. Notice by Owners.

(1) This subsection will apply from the Effective Date until the completion of construction of the WTP Improvements. For any notice, request or other communication to be given by the "Owners" to DISTRICT, the communication must be given and signed by Antonio Velez as the representative of all of the Owners. During such period, the DISTRICT may rely upon any Owners' communication given by Mr. Velez as a communication by and on behalf of all of the Owners. Similarly, during such period, the DISTRICT will not acknowledge or accept a communication from any other person purporting to represent the Owners as a communication by all of the Owners. The Owners' representative under this provision may be changed at any time by a notice to the DISTRICT approved and signed by an authorized representative of each of the Owners.

(2) This subsection will apply after completion of construction of the WTP Improvements. For any notice, request or other communication to be given by the "Owners" to DISTRICT, to be effective, the communication must be given and signed by an authorized representative of each of the Owners. DISTRICT will not acknowledge or accept a communication from any person purporting to represent all the Owners as a communication by all of the Owners and nor will DISTRICT acknowledge or accept a communication from less than all of the Owners as a communication by all of the Owners.

5.6 Force Majeure.

Performance by any Party related to construction of improvements shall not be deemed to be in default during any period where delays or defaults are due to war, acts of terrorism, insurrection, strikes, walkouts, riots, floods, earthquakes, fires, casualties, acts of God, or enactment of conflicting state or federal laws or regulations, to the extent that such event was not within the reasonable control of the Party asserting rights to excuse timely performance on

account thereof, except that payment of any amounts due hereunder shall not be excused for Force Majeure events.

5.7 Entire Agreement.

This is an integrated Agreement, and contains all of the terms, consideration, understanding and promises of the Parties. It is intended to be, and shall be, read as a whole. All Recitals and the exhibits referenced herein are incorporated herein. This Agreement and the exhibits hereto contain the entire agreement between the Parties with respect to the subject matter hereof. Except as otherwise specified in this Agreement, all prior correspondence, memoranda, agreements, warranties or representations, including, without limitation, the Term Sheet, are superseded in total by this Agreement and the exhibits hereto.

5.8. Legal Action/Remedies.

In addition to any other rights or remedies, and, except as specifically waived or restricted as provided in this Agreement, each Party shall have all rights and remedies at law and equity with respect to any material default by another Party including, without limitation, instituting legal action to cure, correcting or remedying any default, enforcing any covenant or agreement herein, or enjoining any threatened or attempted violation.

5.9 Attorneys' Fees.

In the event of any litigation (including non-judicial arbitration) arising out of this Agreement, the prevailing Party (or Parties) in such action, in addition to any other relief which may be granted, shall be entitled to recover its reasonable attorneys' fees and costs. Such attorneys' fees and costs shall include fees and costs on any appeal, and all other reasonable costs incurred in investigating such action, taking depositions and discovery, retaining expert witnesses, and all other necessary and related costs with respect to such litigation or arbitration. All such fees and costs shall be deemed to have accrued on commencement of the action and shall be enforceable whether or not the action is prosecuted to judgment.

5.10 Applicable Law.

This Agreement shall be construed and enforced in accordance with the laws of the State of California. Venue for any such legal action shall be in Sacramento County, California.

5.11 Indemnity.

The Owners hereby agree to and shall defend, indemnify and hold DISTRICT, its Board, officers, agents, and employees harmless from any liability for damage, liability, litigation or claims for damages for personal injury, or bodily injury including death, as well as from claims for property damage (collectively “**Claims**”) brought by third parties against the DISTRICT arising out of (i) any breach of this Agreement by the Owners or any Owner, (ii) any misrepresentation regarding the authority of the Owners or any Owner to enter into and perform this Agreement, or (iii) any tort committed by the Owners or any Owner in connection with this Agreement, in all cases to the extent such Claims arise from the actions or inactions of the Owners or an Owner relating to this Agreement, whether such action or inaction be by the Owner, or by any one or more persons directly or indirectly employed by, or acting as agent for, the Owner, unless and to the extent such Claim arises from the negligence or willful misconduct of DISTRICT and/or its Board, officers, agents, contractors, subcontractors or employees. Provided and during such time that the Owners collectively obtain and maintain during the Term

of this Agreement a commercial general liability insurance policy with limits of no less than \$5,000,000 per occurrence and in the aggregate and provide proof of such insurance to the DISTRICT, the foregoing Owner indemnity shall be limited to the Claims that would be covered by such insurance policy. Except as expressly provided otherwise in this Agreement, the indemnity obligations of the Owners provided above shall be joint and several.

5.12 No Joint Venture.

It is specifically understood and agreed by and among the Parties hereto that the subject project is a private development. No partnership, joint venture or other association of any kind is formed by this Agreement.

5.13 Third Parties.

This Agreement is made and entered into for the sole protection and benefit of the Parties. No other person shall have any right of action based upon any provision in this Agreement.

5.14 Time of the Essence.

The Parties agree that time is of the essence for each Agreement provision of which time is an element.

5.15 Assignment.

Subject to the provisions of Section 1.2 above, each Owner shall have the right to assign this Agreement, or any portion thereof, or any EDUs of the Purchased Capacity, in connection with any sale, transfer or conveyance of the Owner's Property, or any portion thereof, to a subsequent owner of the Property or any portion, and upon the express written assignment by the Owner and assumption by the assignee of this Agreement in the form of Exhibit N, and the conveyance of Owner's interest in the Property. Upon provision of a copy of the executed assignment and assumption agreement to the DISTRICT, such Owner shall be released from any future liability or obligation hereunder, related to the portion of the Property so conveyed and the assignee shall be deemed the "Owner," with all rights and obligations related thereto, with respect to such conveyed Property or portion.

5.16 Amendments.

This Agreement may be amended only in writing by mutual consent of the Parties or their successors in interest. Notwithstanding the foregoing, in the event there is additional excess capacity in the WTP Improvements or the Landowner Irrigation Facilities (in addition to the capacity for the Properties), the Owners and DISTRICT agree to cooperate in good faith on the amendment of this Agreement to allow any other property owner within the DISTRICT to become a party to this Agreement in order to obtain capacity in the WTP Improvements or the Landowner Irrigation Facilities by complying with the terms and conditions herein. Such amendment will allocate any excess capacity to such property owner and provide for the additional property owner to become a party hereunder and comply with the financial and other landowner obligations in the Agreement.

5.17 Severability

The provisions of this Agreement are intended to be severable. If any term or provision of this Agreement is illegal or invalid for any reason whatsoever, any invalidation by judgment or

court order shall in no way affect any of the other provisions hereof or the application thereof to any other person and the remainder of the Agreement shall remain in full force and effect, unless enforcement of this Agreement as so partially invalidated would be unreasonable or grossly inequitable under all the circumstances or would frustrate the purposes of this Agreement, or if such severance would deprive a Party to a material part of the consideration contemplated to be received under this Agreement.

5.18 Counterparts.

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which when taken together, constitute one and the same document. The signature of any party to any counterpart shall be deemed a signature to, and may be appended to any other counterpart.

5.19 Exhibits.

The following exhibits are attached hereto and are incorporated herein by this reference:

- A-1 Legal Description and general diagram of the Murieta Gardens I and II
- A-2 Legal Description of MIP Property
- A-3 Legal Description of MLP Property
- A-4 Legal Description of MH Property
- A-5 General diagram of Rancho North Properties
- B District EDU Standard
- C Copy of January 13, 2014 Provisional Will Serve Letter to CRL Property for 30 EDUs
- D Phase 1 and 2 Usable Treated Water Capacity Allocations to the Owners' Properties and Allocations to Other Users
- E May 6, 2014 Phase 1 and 2 Cost Estimate and Funding Allocation (Worksheet)
- F Municipal Financing Program Option
- G Example of Reimbursement Calculations for District Cost Overruns
- H Phase 1 Approved Plans and Specifications (list)
- I Phase 1 Master Construction Schedule from Final CMAR Contract
- J Non-participating Landowner Reimbursement Program Summary
- K Van Vleck Ranching Resources Easement Reimbursement Chart (same as Exhibit H-2 from 670 FSA)
- L Draft Policy for Implementation and Use of Security Impact Fees
- M Memorandum of Financing and Service Agreement (Form)

- N Form of Assignment and Assumption Agreement for Transfers of Owners' Purchased Capacity
- O Example of ENR Adjustment for Purchased Capacity Reimbursement

SIGNATURE BLOCKS ON FOLLOWING PAGES

IN WITNESS WHEREOF, the Parties hereto execute this Agreement:

_____, 2014


RANCHO MURIETA COMMUNITY SERVICES DISTRICT

APPROVED BY THE BOARD OF DIRECTORS AT ITS MEETING ON THE 21st DAY OF MAY 2014

By: _____
Gerald E. Pasek,
President, Board of Directors

"DISTRICT"

Approved as to form:

By: 
Richard P. Shanahan,
District General Counsel

OWNERS:

_____, 2014

COSUMNES RIVER LAND, LLC, a Delaware limited liability company

By: _____
John M. Sullivan, Manager
Authorized Signatory

" Murieta Gardens I and II"

_____, 2014

MURIETA INDUSTRIAL PARK, LLC, a Delaware limited liability company

By: _____
Printed Name: _____
Authorized Signatory

[signatures continue on next page]

IN WITNESS WHEREOF, the Parties hereto execute this Agreement:

May 23, 2014

APPROVED BY THE BOARD OF DIRECTORS AT ITS MEETING ON THE 21st DAY OF MAY 2014

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

By: Gerald E. Pasek
Gerald E. Pasek,
President, Board of Directors

"DISTRICT"

Approved as to form:

By: _____
Richard P. Shanahan,
District General Counsel

OWNERS:

MAY 23rd, 2014

COSUMNES RIVER LAND, LLC, a Delaware limited liability company

By: John M. Sullivan
John M. Sullivan, Manager
Authorized Signatory

" Murieta Gardens I and II"

MAY 23rd, 2014

MURIETA INDUSTRIAL PARK, LLC, a Delaware limited liability company

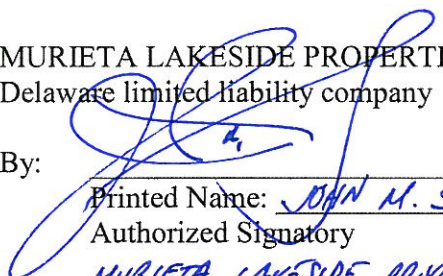
By: John M. Sullivan
Printed Name: JOHN M. SULLIVAN
Authorized Signatory MANAGER
MURIETA INDUSTRIAL PARK, LLC

[signatures continue on next page]

MAY 23rd, 2014

MURIETA LAKESIDE PROPERTIES, LLC, a Delaware limited liability company


By:


Printed Name: JOHN M. SULLIVAN
Authorized Signatory MANAGER
MURIETA LAKESIDE PROPERTIES, LLC

MAY 23rd, 2014

MURIETA HIGHLANDS, LLC, a Delaware limited liability company

By:


Printed Name: JOHN M. SULLIVAN
Authorized Signatory MANAGER
MURIETA HIGHLANDS, LLC
"OWNERS"

State of California)
County of Sacramento)

On May 23, 2014 before me, Christina Bermudez, a notary public, personally appeared Gerald E. Pasek, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Christina Bermudez (Seal)



State of California)
County of Sacramento)

On May 23, 2014 before me, Christina Bermudez, a notary public, personally appeared John M. Sullivan, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Christina Bermudez (Seal)



EXHIBIT A-1

FINANCING AND SERVICES AGREEMENT

Legal Description of the Murieta Gardens I and II

Exhibit A-1

Exhibit "A"

Legal Description

Real property in the an unincorporated area, County of Sacramento, State of California, described as follows:

PARCEL 1:

BEING A PORTION OF LOT 10 AS SHOWN ON THE "PLAT OF SUBDIVISION OF PARCEL NO. 14 RANCHO MURIETA", FILED FOR RECORD IN THE OFFICE OF THE RECORDER OF SACRAMENTO COUNTY ON MAY 19, 1976, IN BOOK 103 OF MAPS, MAP NO. 16, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST NORTHERLY CORNER OF SAID LOT 10, SAID POINT ALSO BEING ON THE SOUTHWEST RIGHT OF WAY LINE OF JACKSON ROAD (STATE HIGHWAY ROUTE 16); THENCE ALONG SAID SOUTHWEST RIGHT OF WAY LINE THE FOLLOWING FIVE (5) COURSES AND DISTANCES: 1.) SOUTH 56° 37' 39" EAST, 198.43 FEET; 2.) SOUTH 57° 16' 11" EAST, 103.93 FEET; 3.) SOUTH 53° 20' 25" EAST, 56.41 FEET; 4.) SOUTH 57° 33' 54" EAST, 256.06 FEET; 5.) SOUTH 51° 02' 37" EAST, 138.79 FEET; THENCE LEAVING SAID SOUTHWEST RIGHT OF WAY LINE, SOUTH 35° 00' 00" WEST, 133.46 FEET; THENCE SOUTH 44° 39' 54" WEST, 68.50 FEET; THENCE SOUTH 35° 00' 00" WEST, 24.21 FEET; THENCE ALONG THE ARC OF AN 820.00 FOOT RADIUS CURVE, CONCAVE TO THE NORTHWEST, THROUGH A CENTRAL ANGLE OF 55° 02' 21", THE CHORD OF WHICH BEARS SOUTH 62° 31' 10" WEST, 757.76 FEET; THENCE NORTH 89° 57' 39" WEST, 300.15 FEET TO A POINT ON THE EAST LINE OF MURIETA DRIVE, A PRIVATE ROAD; THENCE ALONG SAID EAST RIGHT OF WAY LINE THE FOLLOWING TWO (2) COURSES AND DISTANCES: 1.) NORTH 00° 02' 21" EAST, 407.59 FEET; 2.) ALONG THE ARC OF A 960.00 FOOT RADIUS CURVE, CONCAVE TO THE SOUTHEAST, THROUGH A CENTRAL ANGLE OF 27° 07' 16" THE CHORD OF WHICH BEARS NORTH 13° 35' 59" EAST, 450.19 FEET TO THE MOST WESTERLY CORNER OF LOT 9 AS SHOWN ON SAID "PLAT OF SUBDIVISION OF PARCEL NO. 14 RANCHO MURIETA"; THENCE ALONG THE SOUTH BOUNDARY OF SAID LOT 9 THE FOLLOWING THREE (3) COURSES AND DISTANCES: 1.) SOUTH 56° 37' 39" EAST, 25.00 FEET; 2.) SOUTH 64° 34' 50" EAST, 172.00 FEET; 3.) NORTH 50° 47' 04" EAST, 220.01 FEET; 4.) NORTH 33° 22' 21" EAST, 65.00 FEET TO THE POINT OF BEGINNING, AS DESCRIBED IN THE LOT LINE ADJUSTMENT RECORDED DECEMBER 9, 2005 IN BOOK 20051209, PAGE 931, OFFICIAL RECORDS.

PARCEL 2:

BEING A PORTION OF LOT 10 AS SHOWN ON THE "PLAT OF SUBDIVISION OF PARCEL NO. 14 RANCHO MURIETA", FILED FOR RECORD IN THE OFFICE OF THE RECORDER OF SACRAMENTO COUNTY ON MAY 19, 1976, IN BOOK 103 OF MAPS, MAP NO. 16, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE MOST EASTERLY CORNER OF SAID LOT 10, SAID POINT ALSO BEING ON THE SOUTHWEST RIGHT OF WAY LINE OF JACKSON ROAD (STATE HIGHWAY ROUTE 16); THENCE ALONG THE NORTHEAST LINE OF SAID LOT 10 THE FOLLOWING TWO (2) COURSES AND DISTANCES: 1.) NORTH 45° 50' 17" WEST, 220.06 FEET (SHOWN OF RECORD AS BEING 225.05 FEET); 2.) NORTH 51° 02' 37" WEST, 19.58 FEET TO THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION; THENCE FROM SAID POINT OF BEGINNING, LEAVING SAID RIGHT OF WAY LINE, SOUTH 38° 54' 30" WEST, 64.50 FEET; THENCE SOUTH 82° 51' 35" WEST, 5.34 FEET; THENCE ALONG THE ARC OF A NON-TANGENT 78.00 FOOT RADIUS CURVE, CONCAVE TO THE WEST, FROM A RADIUS POINT THAT BEARS SOUTH 82° 51' 35" WEST, THROUGH A CENTRAL ANGLE OF 46° 02' 55", THE CHORD OF WHICH BEARS SOUTH 15° 53' 02" WEST 61.02 FEET; THENCE SOUTH 38° 54' 30" WEST, 36.71 FEET; THENCE ALONG THE ARC OF A 245.00 FOOT RADIUS CURVE, CONCAVE TO THE NORTHWEST, THROUGH A CENTRAL ANGLE OF 24° 15' 35", THE CHORD OF WHICH BEARS SOUTH 51° 02' 18" WEST, 102.96 FEET; THENCE ALONG THE ARC OF A REVERSING 169.00 FOOT RADIUS CURVE, CONCAVE TO THE SOUTHEAST, THROUGH A CENTRAL ANGLE OF 22° 20' 37", THE CHORD OF WHICH BEARS SOUTH 51° 59' 47" WEST, 65.49 FEET, THENCE ALONG THE ARC OF A REVERSING 1357.79 FOOT RADIUS CURVE, CONCAVE TO THE NORTHWEST, THROUGH A CENTRAL ANGLE OF 31° 05' 27", THE CHORD OF WHICH BEARS SOUTH 56° 22' 11" WEST, 727.78 FEET; THENCE SOUTH 15° 22' 17" EAST, 81.04 FEET; THENCE SOUTH 74° 37' 43"

WEST, 80.47 FEET; THENCE SOUTH 53° 19' 12" WEST, 320.67 FEET; THENCE NORTH 37° 32' 53" WEST, 108.36 FEET; THENCE NORTH 89° 57' 39" WEST, 353.34 FEET TO A POINT ON THE WEST LINE OF SAID LOT 10, ALSO BEING THE EAST RIGHT OF WAY LINE OF MURIETA DRIVE, A PRIVATE ROAD; THENCE ALONG SAID WEST LOT LINE THE FOLLOWING THREE (3) COURSES AND DISTANCES: 1.) NORTH 00° 02' 21" EAST, 464.15 FEET; 2.) NORTH 11° 20' 57" EAST, 50.99 FEET; 3.) NORTH 00° 02' 21" EAST, 160.85 FEET; THENCE LEAVING SAID WEST PROPERTY LINE, SOUTH 89° 57' 39" EAST, 300.15 FEET; THENCE ALONG THE ARC OF AN 820.00 FOOT RADIUS CURVE, CONCAVE TO THE NORTHWEST, THROUGH A CENTRAL ANGLE OF 55° 02' 21", THE CHORD OF WHICH BEARS NORTH 62° 31' 10" EAST, 757.76 FEET; THENCE NORTH 35° 00' 00" EAST, 24.21 FEET; THENCE NORTH 44° 39' 54" EAST, 68.50 FEET; THENCE NORTH 35° 00' 00" EAST, 133.46 FEET TO A POINT ON THE NORTHEAST PROPERTY LINE OF SAID LOT 10, ALSO BEING THE SOUTHWEST RIGHT OF WAY OF SAID JACKSON ROAD; THENCE ALONG SAID LOT LINE, SOUTH 51° 02' 37" EAST, 558.63 FEET TO THE POINT OF BEGINNING, AS DESCRIBED IN THE LOT LINE ADJUSTMENT, RECORDED DECEMBER 9, 2005, BOOK 20051209, PAGE 931 OFFICIAL RECORDS.

PARCEL 3:

BEING A PORTION OF LOT 10 AS SHOWN ON THE "PLAT OF SUBDIVISION OF PARCEL NO. 14 RANCHO MURIETA", FILED FOR RECORD IN THE OFFICE OF THE RECORDER OF SACRAMENTO COUNTY ON MAY 19, 1976, IN BOOK 103 OF MAPS, MAP NO. 16, MORE PARTICULARLY DESCRIBED AS

FOLLOWS: BEGINNING AT THE MOST EASTERLY CORNER OF SAID LOT 10; THENCE ALONG THE SOUTHEASTERLY BOUNDARY THEREOF THE FOLLOWING SIX (6) COURSES AND DISTANCES: 1.) SOUTH 43° 58' 09" WEST, 1439.04 FEET; 2.) SOUTH 52° 30' 00" WEST, 100.00 FEET; 3.) NORTH 37° 30' 00" WEST, 225.00 FEET; 4.) SOUTH 52° 30' 00" WEST, 500.00 FEET; 5.) NORTH 37° 30' 00" WEST, 120.00 FEET; 6.) SOUTH 52° 30' 00" WEST, 293.97 FEET TO THE SOUTHWEST CORNER OF SAID LOT 10; THENCE ALONG THE WEST LINE THEREOF, THE FOLLOWING TWO (2) COURSES AND DISTANCES: 1.) ALONG THE ARC OF A NON-TANGENT 480.00 FOOT RADIUS CURVE CONCAVE TO THE NORTHWEST, FROM A RADIUS POINT THAT BEARS NORTH 37° 30' 00" WEST, THROUGH A CENTRAL ANGLE OF 52° 27' 39", THE CHORD OF WHICH BEARS NORTH 26° 16' 11" EAST, 424.30 FEET; 2.) NORTH 00° 02' 21" EAST, 241.64 FEET; THENCE LEAVING THE WEST LINE OF SAID LOT 10, SOUTH 89° 57' 39" EAST, 353.34 FEET; THENCE SOUTH 37° 32' 53" EAST, 108.36 FEET; THENCE NORTH 53° 19' 12" EAST, 320.67 FEET; THENCE NORTH 74° 37' 43" EAST, 80.47 FEET; THENCE NORTH 15° 22' 17" WEST, 81.04 FEET; THENCE ALONG THE ARC OF A NON-TANGENT 1357.79 FOOT RADIUS CURVE, CONCAVE TO THE NORTHWEST, FROM A RADIUS POINT THAT BEARS NORTH 18° 05' 05" WEST, THROUGH A CENTRAL ANGLE OF 31° 05' 27", THE CHORD OF WHICH BEARS NORTH 56° 22' 11" EAST, 727.78 FEET; THENCE ALONG THE ARC OF A REVERSING 169.00 FOOT RADIUS CURVE, CONCAVE TO THE SOUTHEAST, THROUGH A CENTRAL ANGLE OF 22° 20' 37", THE CHORD OF WHICH BEARS NORTH 51° 59' 47" EAST, 65.49 FEET; THENCE ALONG THE ARC OF A REVERSING 245.00 FOOT RADIUS CURVE, CONCAVE TO THE NORTHWEST, THROUGH A CENTRAL ANGLE OF 24° 15' 35", THE CHORD OF WHICH BEARS NORTH 51° 02' 18" EAST, 102.96 FEET; THENCE NORTH 38° 54' 30" EAST, 36.71 FEET; THENCE ALONG THE ARC OF A 78.00 FOOT RADIUS CURVE, CONCAVE TO THE NORTHWEST, THROUGH A CENTRAL ANGLE OF 46° 02' 55", THE CHORD OF WHICH BEARS NORTH 15° 53' 02" EAST, 61.02 FEET; THENCE NORTH 82° 51' 35" EAST, 5.34 FEET; THENCE NORTH 38° 54' 30" EAST, 64.50 FEET TO A POINT ON THE NORTHEAST LINE OF SAID LOT 10; THENCE ALONG SAID EAST LINE THE FOLLOWING TWO (2) COURSES AND DISTANCES: 1.) SOUTH 51° 02' 37" EAST, 19.58 FEET; 2.) SOUTH 45° 50' 17" EAST, 222.06 FEET TO THE POINT OF BEGINNING, AS DESCRIBED IN THE LOT LINE ADJUSTMENT RECORDED DECEMBER 9, 2005, BOOK 20051209 PAGE 931 OFFICIAL RECORDS.

PARCEL 4:

LOTS 4 AND 8, AS SHOWN ON THE OFFICIAL PLAT OF "SUBDIVISION OF PARCEL NO. 14, RANCHO MURIETA", RECORDED IN THE OFFICE OF THE COUNTY RECORDER OF SACRAMENTO COUNTY, ON MAY 19, 1976, IN BOOK 103 OF MAPS, MAP NO. 16 AND LOT 6, AS SHOWN ON THE PLAT OF "PARCEL NO. 11, RANCHO MURIETA", RECORDED IN THE OFFICE OF THE COUNTY RECORDER OF SACRAMENTO COUNTY, ON FEBRUARY 25, 1975, IN BOOK 98 OF MAPS, MAP NO. 25, AS DESCRIBED IN THE LOT LINE ADJUSTMENT RECORDED DECEMBER 9, 2005, BOOK 20051209 PAGE 931, OFFICIAL RECORDS.

PARCEL 5:

LOT 5, AS SHOWN ON THE "PLAT OF SUBDIVISION LOT 2 OF PARCEL NO. 11, RANCHO MURIETA", FILED NOVEMBER 1, 1977, MAP BOOK 116, PAGE 8, SACRAMENTO COUNTY RECORDS.

APN: 073-0470-004-0000; 073-0470-005; 073-0470-006; 073-0470-007; 073-0480-006; 073-0460-004;
073-0450-006

EXHIBIT A-2

FINANCING AND SERVICES AGREEMENT

Legal Description of the MIP Property

Exhibit A-2

Exhibit A to
Grant Deed

LEGAL DESCRIPTION

All that certain real property located in the Unincorporated area of the County of Sacramento, State of California, described as follows:

TRACT THREE:

PARCEL ONE

PARCEL 7B, AS SHOWN AND DESCRIBED ON THAT CERTAIN "PARCEL MAP OF RANCHO MARIETTA" RECORDED IN THE OFFICE OF THE COUNTY RECORDER OF SACRAMENTO COUNTY, STATE OF CALIFORNIA, ON June 11, 1973, IN BOOK 12 OF PARCEL MAPS, AT PAGE 47.

APN: 073-0180-009-0000

PARCEL TWO

A PORTION OF PARCELS 7A AND 8 AS SHOWN ON THAT CERTAIN PARCEL MAP OF RANCHO MURIETA FILED IN THE OFFICE OF THE RECORDER OF SACRAMENTO COUNTY, CALIFORNIA, IN BOOK 12 OF PARCEL MAPS, AT PAGE 47, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SAID PARCEL 8 BEING COMMON TO SAID PARCEL 7A; THENCE FROM SAID POINT OF BEGINNING COINCIDENT WITH THE WEST LINE OF THE EAST ONE-HALF OF THE SOUTHWEST QUARTER OF SECTION 3 AS SHOWN ON SAID PARCEL MAP; NORTH 00°20'53" WEST 1272.34 FEET; THENCE, LEAVING SAID WEST LINE, NORTH 00°21'06" WEST 496.88 FEET TO A POINT IN THE SOUTHERLY RIGHT OF WAY LINE OF STATE HIGHWAY NO. 16, OTHERWISE KNOWN AS JACKSON ROAD; THENCE, COINCIDENT WITH THE SOUTHERLY RIGHT OF WAY, THE FOLLOWING ELEVEN (11) COURSES:

- (1) NORTH 47°47'54" EAST 100.26 FEET;
- (2) ALONG THE ARC OF A 1060.00 FOOT RADIUS CURVE TO THE LEFT, SAID ARC BEING SUBTENDED BY A CHORD WHICH BEARS SOUTH 72°23'02" EAST 234.63 FEET;
- (3) SOUTH 78°44'17" EAST 381.72 FEET;
- (4) ALONG THE ARC OF A TANGENT 940.00 FOOT RADIUS CURVE TO THE RIGHT, SAID ARC BEING SUBTENDED BY A CHORD WHICH BEARS SOUTH 69°26'02" EAST 303.95 FEET;
- (5) SOUTH 59°32'57" EAST 273.01 FEET;
- (6) SOUTH 48°55'04" EAST 193.97 FEET;
- (7) SOUTH 55°55'46" EAST 446.52 FEET;
- (8) SOUTH 52°28'47" EAST 200.90 FEET;
- (9) SOUTH 42°46'32" EAST 143.96 FEET;
- (10) SOUTH 42°15'25" EAST 208.32 FEET;
- (11) SOUTH 41°16'20" EAST 201.41 FEET;

THENCE LEAVING SAID SOUTHERLY RIGHT OF WAY LINE, NORTH 75°57'50" WEST 194.20 FEET; THENCE, NORTH 48°09'57" WEST 595.29 FEET; THENCE, SOUTH 24°10'45" WEST 269.69 FEET TO A POINT IN THE LINE COMMON TO SAID PARCELS 7A AND 8; THENCE, COINCIDENT THEREWITH, THE FOLLOWING THREE (3) COURSES:

- (1) SOUTH 51°55'38" WEST 990.82 FEET;

Exhibit A to Grant
Deed

- (2) SOUTH 66°06'00" WEST 278.92 FEET; AND
- (3) SOUTH 88°53'11" WEST 450.23 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT PORTION THEREOF DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE NORTHEASTERLY BOUNDARY OF SAID PARCEL 8, AND THE SOUTHWEST RIGHT OF WAY LINE OF STATE HIGHWAY NO. 16, AS SHOWN ON SAID PARCEL MAP, AT THE NORTHWESTERLY TERMINUS OF A COURSE DESIGNATED AS "N. 55°55'46" W. 446.52 FEET"; THENCE FROM SAID POINT OF BEGINNING ALONG THE NORTHEASTERLY BOUNDARY OF SAID PARCELS AND ALONG SAID LINE, THE FOLLOWING FIVE (5) COURSES:

- (1) SOUTH 55°55'46" EAST 446.52 FEET,
 - (2) SOUTH 52°28'47" EAST 200.90 FEET,
 - (3) SOUTH 42°46'32" EAST 143.96 FEET,
 - (4) SOUTH 42°15'25" EAST 208.32 FEET, AND
 - (5) SOUTH 41°16'20" EAST 201.41 FEET TO THE NORTH LINE OF THAT TRACT OF LAND DESCRIBED IN THE GRANT DEED RECORDED IN BOOK 86-10-29, OFFICIAL RECORDS OF SACRAMENTO COUNTY, AT PAGE 1995;
- THENCE LEAVING SAID NORTHEASTERLY BOUNDARY AND SAID RIGHT OF WAY LINE ALONG SAID NORTH LINE NORTH 75°57'50" WEST 36.64 FEET; THENCE LEAVING SAID NORTH LINE THE FOLLOWING FOUR (4) COURSES:

- (1) NORTH 41°35'35" WEST 376.23 FEET,
- (2) ALONG THE ARC OF A TANGENT 1150.00 FOOT RADIUS CURVE LEFT, THROUGH AN CENTRAL ANGLE OF 12°02'08" A DISTANCE OF 241.57 FEET,
- (3) TANGENT TO SAID CURVE NORTH 53°37'43" WEST 696.30 FEET, AND
- (4) NORTH 36°22'17" EAST 19.82 FEET TO SAID NORTHEASTERLY BOUNDARY; THENCE ALONG SAID BOUNDARY SOUTH 48°55'04" EAST 149.07 FEET TO THE POINT OF BEGINNING.

ALSO EXCEPTING THEREFROM THE FOLLOWING DESCRIBED PROPERTY:

A PORTION OF PARCEL 8 AND PARCEL 7A, AS SAID PARCELS ARE SHOWN ON THE "PARCEL MAP OF RANCHO MURIETA" FILED IN BOOK 12 OF PARCEL MAPS, AT PAGE 47, SACRAMENTO COUNTY RECORDS, BEING ALSO A PORTION OF PARCEL 13 AS SAID PARCEL IS DESCRIBED IN THAT GRANT DEED RECORDED IN BOOK 20010905 AT PAGE 245, SACRAMENTO COUNTY RECORDS, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SOUTHEASTERLY LINE OF SAID PARCEL 8 AND SAID PARCEL 13, SAID POINT BEING LOCATED NORTH 88°53'11" EAST 450.23 FEET, AND NORTH 66°06'00" EAST 65.45 FEET FROM THE SOUTHWEST CORNER OF SAID PARCEL 8;

THENCE FROM SAID POINT OF BEGINNING, ALONG THE SOUTHEASTERLY LINE OF SAID PARCEL 8 AND SAID PARCEL 13 THE FOLLOWING THREE COURSES:

- 1) NORTH 66°06'00" EAST 213.47 FEET,
- 2) NORTH 51°55'38" EAST 990.82 FEET, AND
- 3) NORTH 24°10'45" EAST 269.69 FEET;

THENCE LEAVING THE SOUTHEASTERLY LINE OF SAID PARCEL 8, BUT CONTINUING ALONG THE SOUTHERLY LINE OF SAID PARCEL 13 THE FOLLOWING TWO CONSECUTIVE COURSES:

- 1) SOUTH 48°09'57" EAST 595.29 FEET, AND
- 2) SOUTH 75°57'50" EAST 157.56 FEET TO A POINT ON THE SOUTHWESTERLY LINE OF THE PROPERTY

GRANTED TO THE STATE OF CALIFORNIA AND DESCRIBED IN THE GRANT DEED RECORDED IN BOOK 900608 AT PAGE 0908, OFFICIAL RECORDS OF SACRAMENTO COUNTY;

THENCE ALONG SAID SOUTHWESTERLY LINE THE FOLLOWING THREE CONSECUTIVE COURSES: 1) NORTH 41°35'35" WEST 376.23 FEET, 2) 241.57 FEET ALONG THE ARC OF A 1150.00-FOOT RADIUS TANGENT CURVE LEFT, AND 3) NORTH 53°37'43" WEST 445.20 FEET;

THENCE LEAVING SAID SOUTHWESTERLY LINE SOUTH 36°22'17" WEST 1510.45 FEET TO THE POINT OF BEGINNING, ALSO DESCRIBED IN THAT LOT LINE ADJUSTMENT RECORDED SEPTEMBER 24, 2004, BOOK 20040924, PAGE 1241, OFFICIAL RECORDS.

APN: 073-0180-029-0000

PARCEL THREE

LOT 7, AS SHOWN ON THE OFFICIAL PLAT OF "SUBDIVISION OF PARCEL NO. 14, RANCHO MURIETA", RECORDED IN THE OFFICE OF THE COUNTY RECORDER OF SACRAMENTO COUNTY, ON MAY 19, 1976, IN BOOK 103 OF MAPS, MAP NO. 16.

APN: 073-0460-007-0000

EXHIBIT A-3

FINANCING AND SERVICES AGREEMENT

Legal Description of the MLP Property

Exhibit A-3

Exhibit A to
Grant Deed

LEGAL DESCRIPTION

All that certain real property located in the Unincorporated area of the County of Sacramento, State of California, described as follows:

TRACT SIX:

PARCEL NO. 1

ALL THAT PORTION OF PARCEL 1 AS SHOWN AND SO DESIGNATED ON THAT CERTAIN PARCEL MAP FILED IN THE OFFICE OF THE RECORDER OF SACRAMENTO COUNTY, CALIFORNIA, IN BOOK 12 OF PARCEL MAPS AT PAGE 47, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SAID PARCEL 1; THENCE COINCIDENT WITH THE WEST, NORTH AND EAST LINES THEREOF, THE FOLLOWING SIX (6) COURSES AND DISTANCES: (1) THENCE, NORTH 01°00'13" WEST 506.32 FEET; (2) THENCE, NORTH 01°00'09" WEST 1349.66 FEET; (3) THENCE NORTH 89°33'32" EAST 1326.06 FEET; (4) THENCE NORTH 00°54'01" WEST 1356.92 FEET; (5) THENCE SOUTH 88°29'53" EAST 2641.91 FEET; AND (6) THENCE, SOUTH 00°56'07" EAST 3528.18 FEET TO THE SOUTHEAST CORNER OF SAID PARCEL 1; THENCE, COINCIDENT WITH THE SOUTHERLY LINE THEREOF NORTH 84°36'54" WEST 900.00 FEET; THENCE, LEAVING SAID SOUTHERLY LINE, NORTH 63°44'28" EAST 364.38 FEET; THENCE NORTH 47°55'12" EAST 271.54 FEET; THENCE NORTH 02°45'01" EAST 124.53 FEET; THENCE, NORTH 45°11'46" WEST 179.06 FEET; THENCE NORTH 11°50'22" WEST 174.50 FEET; THENCE NORTH 67°02'47" EAST 236.70 FEET; THENCE NORTH 19°13'09" WEST 430.06 FEET; THENCE NORTH 61°10'55" WEST 284.22 FEET; THENCE NORTH 26°46'45" WEST 174.06 FEET; THENCE NORTH 10°55'18" EAST 164.51 FEET; THENCE NORTH 59°36'48" EAST 121.15 FEET; THENCE NORTH 89°32'10" EAST 280.51 FEET; THENCE NORTH 30°43'31" EAST 243.82 FEET; THENCE NORTH 08°54'41" EAST 132.73 FEET; THENCE NORTH 05°46'55" WEST 405.15 FEET; THENCE NORTH 62°04'40" WEST 408.29 FEET; THENCE NORTH 02°45'38" EAST 265.10 FEET; THENCE NORTH 80°53'03" WEST 200.89 FEET; THENCE SOUTH 54°51'56" WEST 165.06 FEET; THENCE NORTH 64°55'36" WEST 280.06 FEET; THENCE SOUTH 55°03'28" WEST 240.80 FEET; THENCE NORTH 83°49'20" WEST 133.97 FEET; THENCE NORTH 32°36'56" WEST 312.77 FEET; THENCE NORTH 75°59'35" WEST 202.75 FEET; THENCE SOUTH 65°45'28" WEST 255.62 FEET; THENCE SOUTH 33°38'53" WEST 830.29 FEET; THENCE SOUTH 10°55'44" WEST 297.84 FEET; THENCE SOUTH 26°18'47" WEST 412.38 FEET; THENCE SOUTH 06°56'49" WEST 736.80 FEET; THENCE SOUTH 35°52'17" EAST 181.90 FEET; THENCE SOUTH 72°28'05" EAST 164.64 FEET; THENCE SOUTH 48°59'15" EAST 226.01 FEET; THENCE SOUTH 04°27'15" WEST 202.13 FEET; THENCE SOUTH 52°24'09" EAST 327.32 FEET; THENCE SOUTH 31°27'43" EAST 202.66 FEET TO A POINT IN THE SOUTHERLY LINE OF SAID PARCEL 1; THENCE, COINCIDENT THEREWITH NORTH 84°36'54" WEST 1855.00 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM ALL THAT PORTION DEEDED TO RANCHO COMMUNITY SERVICES DISTRICT BY GRANT DEED RECORDED September 24, 2004, IN BOOK 20040924, PAGE 1246, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT THAT LIES THE FOLLOWING 3 COURSES FROM THE SOUTHWESTERLY CORNER OF SAID PARCEL A AND OF SAID PARCEL 1 AS SHOWN ON SAID PARCEL MAP OF RANCHO MARIETTA:

1. SOUTH 84°36' 54" EAST ALONG THE SOUTH LINE OF SAID PARCEL 1, 1855.00 FEET PER

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SAID CERTIFICATE OF COMPLIANCE

2. NORTH 31°27' 43" WEST ALONG THE WESTERLY BOUNDARY OF PARCEL B OF SAID CERTIFICATE OF COMPLIANCE 202.86 FEET, AND

3. CONTINUING ALONG THE WESTERLY BOUNDARY OF PARCEL B OF SAID CERTIFICATE OF COMPLIANCE , NORTH 52°24' 09" WEST 237.29 FEET;

THENCE FROM SAID POINT OF BEGINNING SOUTH 40°06'08" WEST 144.92 FEET; THENCE NORTH 28°37' 45" WEST 254.36 FEET; THENCE NORTH 50°30' 22" WEST 98.73 FEET; THENCE NORTH 59°15' 54" WEST 186.16 FEET; THENCE NORTH 36°20'32" WEST 142.70 FEET; THENCE NORTH 4° 49' 51" EAST 219.08 FEET; THENCE NORTH 34° 07' 20" EAST 60.88 FEET TO A POINT ON THE WESTERLY BOUNDARY OF PARCEL B OF SAID CERTIFICATE OF COMPLIANCE; THENCE ALONG SAID WESTERLY BOUNDARY OF LANDS OWNED BY THE RANCHO MARIETTA ASSOCIATION THE FOLLOWING 6 COURSES:

1. SOUTH 05° 56' 49" WEST 52.63 FEET,
2. SOUTH 35° 52' 17" EAST 181.90 FEET,
3. SOUTH 72° 28' 05" EAST 164.64 FEET,
4. SOUTH 48° 59' 15" EAST 226.01 FEET,
5. SOUTH 04° 27' 15" WEST 202.13 FEET, AND
6. SOUTH 52° 24' 09" EAST 90.03 FEET TO THE POINT OF BEGINNING.

ASSESSOR'S PARCEL NUMBER: 073-0090-062-0000

PARCEL NO. 2

PARCEL 7, AS SHOWN ON THAT CERTAIN PARCEL MAP FILED IN THE OFFICE OF THE COUNTY RECORDER OF SACRAMENTO COUNTY CALIFORNIA ON February 28, 1990, IN BOOK 117 OF PARCEL MAPS, AT PAGE 15, AND AS AMENDED BY THAT CERTAIN PARCEL MAP FILED IN THE OFFICE OF THE COUNTY RECORDER OF SACRAMENTO COUNTY, CALIFORNIA ON April 3, 1991 IN BOOK 123 OF PARCEL MAPS, AT PAGE 26.

EXCEPTING THEREFROM PARCEL 7 THAT PORTION THEREOF DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF THE PARCEL DESCRIBED HEREIN, FROM WHICH POINT THE EASTERLY TERMINUS OF THE COURSE SHOWN ON SAID PARCEL MAP FILED IN BOOK 117 OF PARCEL MAPS AT PAGE 15 AS S. 78°03'12" WEST. 247.29 FEET, BEARS S. 21°11'18" E. 169.43 FEET; THENCE FROM SAID POINT OF BEGINNING N. 01°00'00"W. 67.00 FEET; THENCE N. 89°00'00" E. 104.00 FEET; THENCE S. 01°00'00" E. 67.00 FEET; THENCE S. 89°00'00" W. 104.00 FEET TO THE POINT OF BEGINNING.

ALSO EXCEPTING FROM THAT PORTION OF SAID PARCEL 7 TRANSFERRED FROM SAID PARCEL 7 TO PARCEL 6 (AS PARCEL 6 IS SHOWN AND DESCRIBED ON THAT CERTAIN "PARCEL MAP OF RANCHO MARIETTA" FILED IN THE OFFICE OF THE COUNTY RECORDER OF SACRAMENTO COUNTY, STATE OF CALIFORNIA, ON June 11, 1973 IN BOOK 12 OF

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PARCEL MAPS, AT PAGE 47) BY COUNTY OF SACRAMENTO LOT LINE ADJUSTMENT RESOLUTION NO. 82-SRC-02, RECORDED ON AUGUST 21, 1995, IN SERIES NO. 199508216035 OF THE OFFICIAL RECORDS OF THE COUNTY OF SACRAMENTO, BEING THEREIN DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST WESTERLY CORNER OF SAID PARCEL 7, SAID POINT BEING ALSO A POINT ON THE NORTHEASTERLY LINE OF JACKSON ROAD (STATE HIGHWAY 16); THENCE FROM SAID POINT OF BEGINNING ALONG THE NORTHERLY LINE OF SAID PARCEL 7 NORTH 18° 47' 41" EAST, 64.19 FEET; THENCE CONTINUING ALONG THE NORTHERLY LINE OF SAID PARCEL 7 THE FOLLOWING SEVENTEEN (17) CONSECUTIVE COURSES: 1) SOUTH 68° 30' 06" EAST, 391.88 FEET, 2) SOUTH 82° 59' 45" EAST, 264.57 FEET, 3) NORTH 49° 40' 03" EAST, 258.95 FEET, 4) NORTH 21° 33' 00" EAST, 76.23 FEET, 5) SOUTH 80° 26' 03" EAST, 191.36 FEET, 6) NORTH 84° 25' 21" EAST, 295.30 FEET, 7) NORTH 64° 36' 32" EAST, 209.14 FEET, 8) NORTH 04° 28' 25" WEST, 455.77 FEET, 9) NORTH 81° 10' 17" EAST, 849.95 FEET, 10) NORTH 28° 06' 08" EAST, 160.23 FEET, 11) NORTH 73° 37' 07" EAST, 97.40 FEET, 12) SOUTH 57° 45' 49" EAST 133.78 FEET, 13) NORTH 59° 44' 17" EAST, 139.40 FEET, 14) NORTH 00° 08' 38" WEST, 275.94 FEET, 15) NORTH 31° 57' 46" EAST, 34.15 FEET, 16) NORTH 69° 23' 38" EAST, 44.67 FEET, AND 17) SOUTH 00° 08' 38" EAST, 672.03 FEET TO THE SOUTHWEST CORNER OF THE "GRANTEES' LIFE ESTATE WELLS FARGO BANK" PARCEL AS SHOWN ON SAID PARCEL MAP; THENCE LEAVING THE NORTHERLY LINE OF SAID PARCEL 7, SOUTH 00° 08' 38" EAST, 364.08 FEET TO A POINT ON THE SOUTH LINE OF SAID PARCEL 7; THENCE ALONG THE SOUTHERLY LINE OF SAID PARCEL 7 THE FOLLOWING FIFTEEN (15) CONSECUTIVE COURSES: SOUTH 86° 01' 33" WEST 374.05 FEET, 2) SOUTH 69° 51' 13" WEST, 360.03 FEET, 3) SOUTH 53° 45' 58" WEST, 390.00 FEET, 4) NORTH 57° 14' 02" WEST, 160.00 FEET, 5) SOUTH 38° 45' 58" WEST, 310.00 FEET, 6) SOUTH 67° 03' 12" WEST, 200.87 FEET, 7) SOUTH 30° 36' 08" WEST, 313.50 FEET, 8) SOUTH 71° 45' 15" WEST, 296.58 FEET, 9) SOUTH 49° 54' 23" WEST 106.41 FEET, 10) NORTH 34° 31' 37" WEST, 83.87 FEET, 11) NORTH 45° 50' 17" WEST, 33.07 FEET, 12) NORTH 24° 41' 34" WEST, 249.61 FEET, 13) NORTH 72° 53' 40" WEST, 105.21 FEET, 14) ALONG THE ARC OF A 115.00 FOOT RADIUS CURVE TO THE LEFT, THROUGH A CENTRAL ANGLE OF 42° 28' 08" FOR 85.24 FEET (CHORD: SOUTH 85° 52' 16" WEST, 83.30 FEET) TO A POINT ON THE NORTHEASTERLY LINE OF JACKSON ROAD (STATE HIGHWAY 16); THENCE ALONG SAID NORTHEASTERLY LINE NORTH 45° 50' 17" WEST, 338.12 FEET TO THE POINT OF BEGINNING.

ALSO EXCEPTING THEREFROM THAT PORTION OF SAID PARCEL 7 DESCRIBED IN A CORPORATION GRANT DEED RECORDED IN BOOK 930329, AT PAGE 1196, OF THE OFFICIAL RECORDS OF THE COUNTY OF SACRAMENTO, SAID PORTION DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT COMMON TO PARCELS 4 AND 5, AS SHOWN ON THE PARCEL MAP FILED IN THE OFFICE OF THE RECORDER OF SACRAMENTO COUNTY IN BOOK 12 OF PARCEL MAPS, AT PAGE 47, FROM WHICH POINT THE NORTHWEST CORNER OF SECTION 35, TOWNSHIP 8 NORTH, RANGE 8 EAST, M.D.B.&M, BEARS NORTH 76° 25' 09" WEST 1221.17 FEET; THENCE FROM SAID POINT ALONG THE NORTHEASTERLY LINE OF SAID PARCEL 4 NORTH 25° 47' 12" WEST 224.94 FEET; THENCE ALONG THE EAST LINE OF SAID PARCEL 4 NORTH 25° 47' 12" WEST 433.42 FEET; THENCE NORTH 38° 44' 45" WEST 120.00 FEET; THENCE LEAVING THE EAST LINE OF SAID PARCEL 4 NORTH 51° 15' 15" EAST 290.00 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH 14° 03' 16" EAST 165.16 FEET; THENCE ALONG THE ARC OF A NON-TANGENT 275.00 FOOT RADIUS CURVE TO THE LEFT, SAID ARC BEING SUBTENDED BY A CHORD WHICH BEARS SOUTH 65° 56' 55" EAST 321.44 FEET; THENCE NORTH 78° 17' 15" EAST 114.88 FEET; THENCE SOUTH 23° 53' 43" EAST 174.51 FEET; THENCE SOUTH 42° 39' 21" EAST 121.00 FEET; THENCE SOUTH 28° 42' 21" WEST 95.77 FEET; THENCE SOUTH 60° 30' 18" WEST 227.48 FEET; THENCE SOUTH 19° 21' 14" WEST 225.42 FEET TO A POINT ON THE EASTERLY LINE OF THAT REAL PROPERTY DESCRIBED AS THE CHESBRO DAM WATER TREATMENT PLANT AS SHOWN AND SO DESIGNATED IN BOOK 740328 OF THE OFFICIAL RECORDS, AT PAGE 361; THENCE ALONG THE BOUNDARY OF

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SAID PLANT NORTH 71°05'30" WEST 34.29 FEET; THENCE NORTH 18°43'03" WEST 143.00 FEET TO A POINT ON THE NORTHERLY LINE OF THAT REAL PROPERTY DESCRIBED IN A GRANT DEED AS RANCHO MARIETTA WATER TREATMENT PLANT LOT LINE ADJUSTMENT AS SHOWN AND SO DESIGNATED IN BOOK 870611 OF THE OFFICIAL RECORDS, AT PAGE 1778; THENCE LEAVING THE BOUNDARY LINE OF SAID PLANT AND FOLLOWING THE BOUNDARY OF SAID GRANT DEED SOUTH 84° 43' 03" WEST 22.00 FEET; THENCE LEAVING THE BOUNDARY OF SAID GRANT DEED NORTH 11° 56' 00" WEST 368.47 FEET TO THE TRUE POINT OF BEGINNING.

ASSESSOR'S PARCEL NOS. 073-0790-023-0000 AND 073-0800-003-0000

Exhibit A to Grant
Deed

892738.01/SF
370251-000217-29-13/aad/acl

-4-

EXHIBIT A-4

FINANCING AND SERVICES AGREEMENT

Legal Description of the MH Property

Exhibit A-4

Exhibit A to
Grant Deed

LEGAL DESCRIPTION

All that certain real property located in the Unincorporated area of the County of Sacramento, State of California, described as follows:

TRACT FOUR:

PARCEL 12, AS SHOWN ON THAT CERTAIN PARCEL MAP FILED IN THE OFFICE OF THE COUNTY RECORDER OF SACRAMENTO COUNTY, CALIFORNIA ON FEBRUARY 28, 1990, IN BOOK 117 OF PARCEL MAPS, AT PAGE 15 AS AMENDED BY THAT CERTAIN PARCEL MAP FILED IN THE OFFICE OF THE COUNTY RECORDER OF SACRAMENTO COUNTY, CALIFORNIA ON APRIL 3, 1991 IN BOOK 123 OF PARCEL MAPS, AT PAGE 26.

EXCEPTING THEREFROM ALL THAT PORTION DEEDED TO RANCHO MURIETA COMMUNITY SERVICES DISTRICT BY GRANT DEED RECORDED SEPTEMBER 24, 2004, IN BOOK 20040924 PAGE 1245, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ALONG THE NORTHWESTERLY BOUNDARY OF SAID PARCEL 12, AND POINT ALSO BEING A POINT OF CURVATURE OF THE SOUTHEASTERLY RIGHT OF WAY OF MARIETTA PARKWAY, LYING AT THE SOUTHWESTERLY TERMINUS OF THE LINE LABELED NORTH 41°57'04" EAST 617.94; THENCE FROM SAID POINT OF BEGINNING, NORTH 41°57'04" EAST ALONG THE SOUTHEASTERLY RIGHT OF WAY OF MARIETTA PARKWAY 392.94; THENCE LEAVING SAID RIGHT OF WAY OF MARIETTA PARKWAY, SOUTH 48°02'58" EAST ALONG A LINE THAT IS PARALLEL WITH AND 250.00 FEET PERPENDICULAR DISTANCE FROM THE SOUTHWESTERLY RIGHT OF WAY OF CAMINO DEL LAGO 525.00 FEET; THENCE NORTH 41°57'04" EAST, PARALLEL WITH MARIETTA PARKWAY, 250.00 FEET TO A POINT ON THE SOUTHWESTERLY RIGHT OF WAY LINE OF CAMINO DEL LAGO; THENCE ALONG THE SOUTHWESTERLY RIGHT OF WAY OF CAMINO DEL LAGO THE FOLLOWING 2 COURSES: 1) SOUTH 48°02'56" EAST 120.45 FEET, AND 2) ALONG THE ARC OF A 729.00 FOOT RADIUS CURVE TO THE RIGHT, THROUGH A CENTRAL ANGLE OF 08°50'37", AN ARC DISTANCE OF 112.52 FEET (CHORD: SOUTH 43°37'38" EAST 112.41 FEET) TO THE SOUTHEASTERLY TERMINUS OF SAID RIGHT OF WAY OF CAMINO DEL LAGO;

THENCE CONTINUING ALONG THE ARC OF THE 729.00 FOOT RADIUS CURVE TO THE RIGHT, THROUGH A CENTRAL ANGLE OF 06°24'34", AN ARC DISTANCE OF 81.55 FEET (CHORD: SOUTH 36°00'02" EAST 81.51 FEET); THENCE SOUTH 27°28'04" WEST 152.36 FEET; THENCE SOUTH 33°42'12" WEST 109.18 FEET; THENCE SOUTH 10°44'39" WEST 162.49 FEET; THENCE SOUTH 16°51'06" EAST 156.74 FEET; THENCE SOUTH 56°50'11" EAST 130.35 FEET TO THE MOST NORTHERLY CORNER OF PARCEL 6D, AS SHOWN ON SHEET 5 OF THE MAP FILED IN BOOK 12 OF PARCEL MAPS, PAGE 47; THENCE ALONG THE WESTERLY BOUNDARY OF SAID PARCEL 6D THE FOLLOWING 2 COURSES: 1) SOUTH 40°32'08" WEST 49.07 FEET; AND 2) SOUTH 20°13'04" WEST 250.55 FEET;

THENCE NORTH 60°18'16" WEST 251.96 FEET; THENCE NORTH 01°10'28" WEST 316.25 FEET; THENCE NORTH 43°18'16" WEST 167.03 FEET; THENCE NORTH 15°31'54" WEST 141.14 FEET; THENCE NORTH 48°02'56" WEST PARALLEL WITH CAMINO DEL LAGO 237.55 FEET; THENCE SOUTH 86°57'04" WEST 207.40 FEET; THENCE NORTH 48°02'56" WEST PARALLEL WITH CAMINO DEL LAGO 200.00 FEET TO THE POINT OF BEGINNING.

ALSO EXCEPTING THEREFROM ALL THAT PORTION DEEDED TO RANCHO MURIETA COMMUNITY SERVICES DISTRICT BY GRANT DEED RECORDED SEPTEMBER 24, 2004, IN BOOK 20040924 PAGE 1246, DESCRIBED AS FOLLOWS:

BEGINNING AT AN ANGLE POINT IN THE BOUNDARY COMMON TO SAID PARCEL 12 AND TO PARCEL 5 AS SAID PARCEL IS SHOWN ON THE PARCEL MAP FILED IN BOOK 12 OF PARCEL MAPS, PAGE 47, SAID POINT LYING AT THE SOUTHWESTERLY TERMINUS OF THE LINE LABELED N 55°14'05" E 252.75; AS SHOWN ON SHEET 8 OF SAID PARCEL MAP, AND BEING AT THE EASTERLY END OF THE AREA COMMONLY KNOWN AS BASS LAKE; THENCE NORTH 57°39'51" WEST ALONG THE BOUNDARY COMMON TO SAID PARCELS 12 AND 5, 236.76 FEET; THENCE NORTH 42°16'17" EAST 397.96 FEET; THENCE NORTH 490.00 FEET; THENCE NORTH 31°18'27" EAST 286.75 FEET TO AN ANGLE POINT IN THE WESTERLY BOUNDARY OF SAID PARCEL 5; THENCE ALONG THE WESTERLY BOUNDARY OF SAID PARCEL 5 THE FOLLOWING 11 COURSES: 1) SOUTH 89°14'28" EAST 151.01 FEET; 2) SOUTH 34°58'34" EAST 296.56 FEET; 3) SOUTH 09°17'36" WEST 111.46 FEET; 4) SOUTH 81°59'43" WEST 64.63 FEET; 5) SOUTH 01°58'30" WEST 116.07 FEET; 6) SOUTH 61°44'45" EAST 166.88 FEET; 7) SOUTH 02°46'13" WEST 248.29 FEET; 8) NORTH 74°13'48" WEST 224.45 FEET, 9) SOUTH 86°23'30" WEST 222.44 FEET; 10) SOUTH 13°10'38" EAST 258.81 FEET; AND 11) SOUTH 55°14'05" WEST 252.75 FEET TO THE POINT OF BEGINNING.

APN: 073-0800-007-0000, 073-0800-008-0000, 073-0800-009-0000

Exhibit A to Grant

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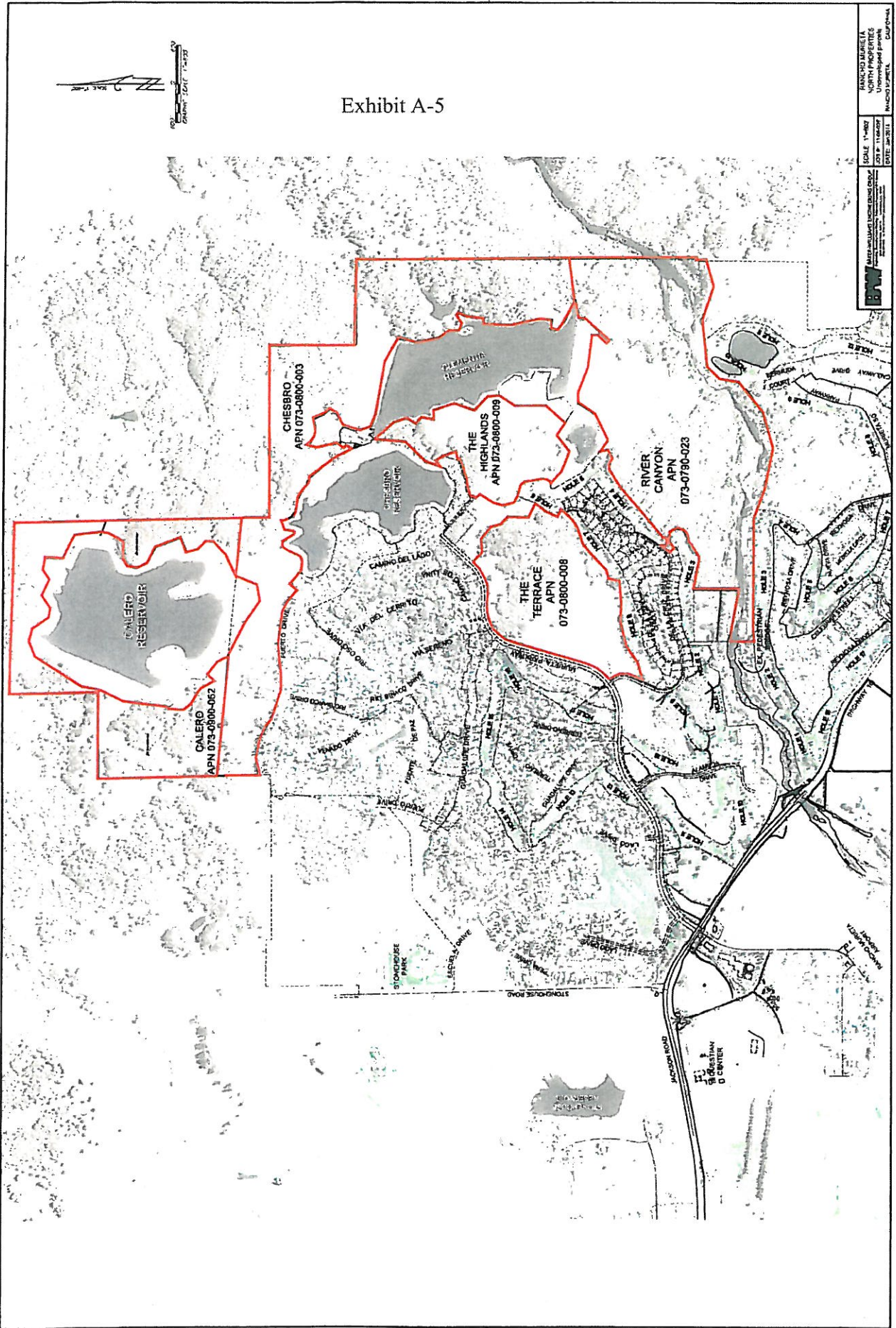
-2-

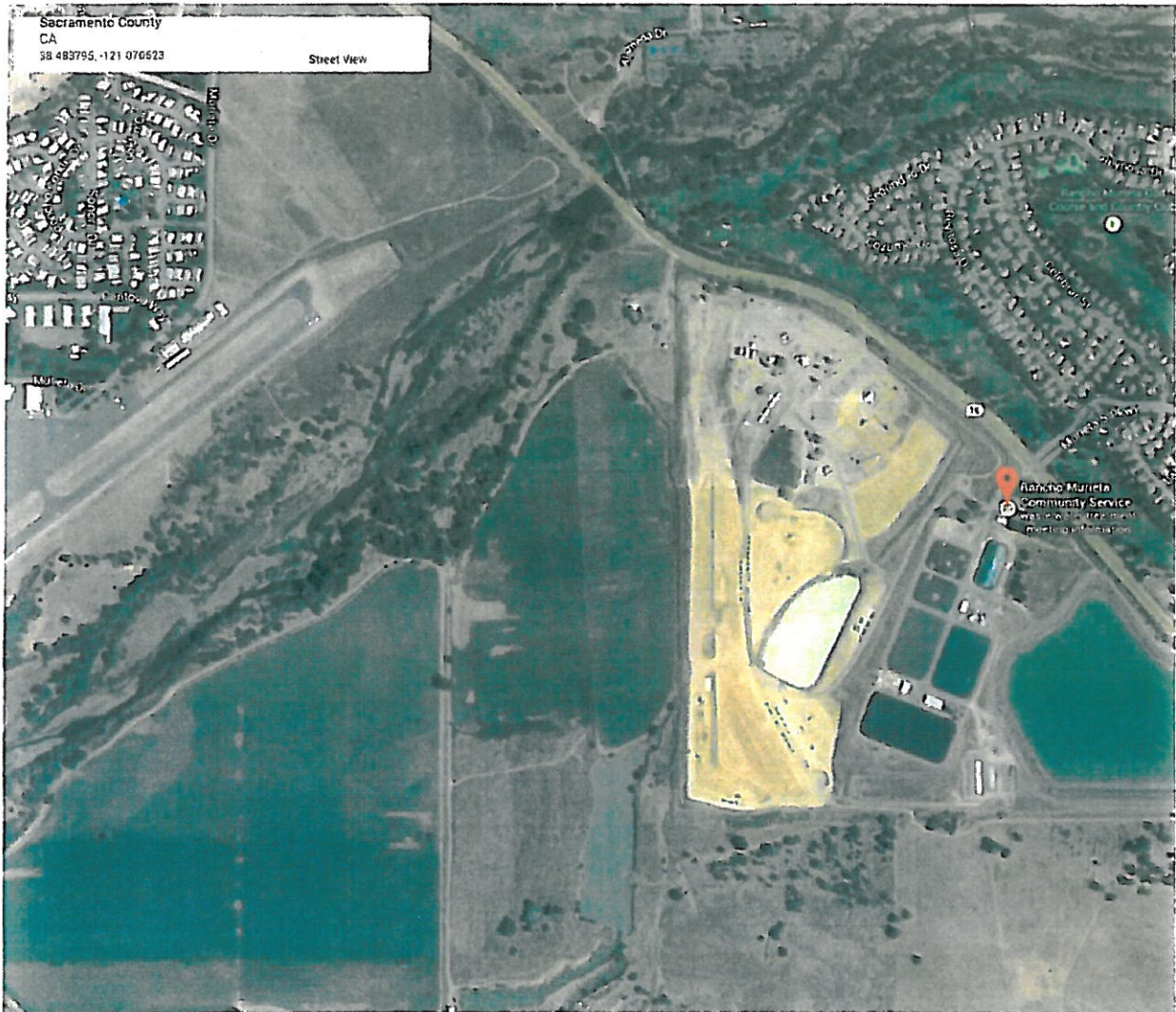
EXHIBIT A-5

FINANCING AND SERVICES AGREEMENT

General Diagram of Rancho North Properties

Exhibit A-5





Imagery © 2014 DigitalGlobe, U.S. Geological Survey, USDA Farm Service Agency, InSAR data © 2014 Google 500 ft

EXHIBIT B
FINANCING AND SERVICES AGREEMENT
District EDU Standard

Exhibit B
 Financing and Services Agreement
 District EDU Standard



The District's standard for water consumption per dwelling unit is as follows:

Type	Consumption Rate	EDU	Est Peak Demand
1 Lot 12,000 sq. ft. or greater	750 gpd	1.00	1,666
2 Lot less than 12,000 sq. ft.	650 gpd	0.87	1,449
3 Halfplex Lots	400 gpd	0.53	883
4 Townhouse Lots	350 gpd	0.47	783

5 Any fractional residential EDU not referenced shall be calculated by dividing the consumption rate by 750.

6 District's EDU Standard for non-residential development is 750 gpd average. District's General Manager shall determine anticipated water demand based on non-residential uses to calculate the number of EDU's per project.

EXHIBIT C

FINANCING AND SERVICES AGREEMENT

Copy of January 13, 2014 Provisional Will Serve Letter to CRL Property for 30 EDUs



Exhibit C

Rancho Murieta Community Services District

15160 Jackson Road • P.O. Box 1050 Rancho Murieta, CA 95683 • 916-354-3700 • Fax 916-354-2082

Visit our website-www.rmcsd.com

January 13, 2014

John Sullivan
Cosumnes River Land, LLC
7200 Lone Pine Drive, Suite 200
Rancho Murieta, CA 95683

Subject: Provisional Will Serves

Dear John:

Pursuant to the Term Sheet approved by the Rancho Murieta Community Services District Board of Directors on December 18, 2013 and fully executed by all parties on December 31, 2013, and receipt by the District of \$180,000, Cosumnes River Land, LLC, is hereby granted provisional will serve letters for 30 Equivalent Dwelling Units (EDUs; One EDU equals 750 gallons per day, average daily flow) for the Murieta Gardens I & II project.

The District Engineer has determined there is sufficient capacity in the existing water treatment plant for issuance of these provisional will serves. A Sacramento County sponsored peer review entitled Water Availability Review dated November 1, 2013 prepared by MWH affirms that the provisional will serve demands can be accommodated by the existing water treatment plants.

Issuance of the provisional will serves is subject to the condition that Cosumnes River Land, LLC, agrees to negotiate in good faith toward the finalization of a Fee and Service Agreement for the Murieta Gardens Project to provide funding of their fair share of a water treatment plant expansion project intended to provide permanent water treatment plant capacity to replace the 30 EDU provisional will serves. The water treatment plant expansion is expected to be in operation on or before June 30, 2015.

Sincerely,



Edward R. Crouse
General Manager

ERC

Serving the Community for over 30 years

Board of Directors: Gerald Pasek, *President* • Roberta Belton, *Vice-President* • Betty Ferraro • Paul Gumbinger • Michael Martel
General Manager • Edward R. Crouse

EXHIBIT D

FINANCING AND SERVICES AGREEMENT

Phase 1 and 2 Usable Treated Water Capacity Allocations to the Owners' Properties and
Allocations to Other Users

Exhibit D
 Financing and Services Agreement
 Usable Treated Water Capacity Allocation to the Owners and Other Users



	Gallons Per Day				
	CSD	CFD	Owners	Others	Total
Phase 1 Completion	1,500,000	1,500,000	500,000	500,000	4,000,000
Phase 2 Completion			1,000,000		1,000,000
Total Reserved Capacity	1,500,000	1,500,000	1,500,000	500,000	5,000,000
Peak Demand Capacity EDU (at 1666 gpd)	900	900	900	300	3,000

Allocation to Owners of its 1.5 mgd

			Phase 1	Phase 2	Total
Phase 1:					
The Murieta Inn & Extended Stay		Hotel	49,980		49,980
Murieta Gardens 1		Commercial	31,500		31,500
Murieta Gardens 2	78 Lots	Residential	90,975		90,975
Other RM North Properties	84 Lots	Residential	69,972		69,972
Industrial Park - 39 Acres		Mixed Use	75,000		75,000
Reserved & Unallocated			182,573		182,573
Phase 2:					
Rancho Murieta North Properties	945 Lots	Residential		1,362,788	1,362,788
Adjustment of mgd				(362,788)	(362,788)
Total Allocation					
			500,000	1,000,000	1,500,000

Note:

1. Phase 1 Construction of WTP is for 4 mgd net.
2. Phase 2 Construction is for an additional 1 mgd net.
3. Allocation to the various properties within the ownership is subject to change.

EXHIBIT E

FINANCING AND SERVICES AGREEMENT

May 6, 2014 Phase 1 and 2 Cost Estimate and Funding Allocation (Worksheet)

EXHIBIT E
 CSD WATER TREATMENT PLANT UPGRADE AND EXPANSION
 COST SUMMARY WORKSHEET



	Final Cost Estimate			
Phase I Core Costs:				
<u>Hard Costs:</u>				
Painting	\$ 291,000			
Sitework	555,659			
Fencing	53,640			
Mechanical	4,893,000			
Electrical	2,370,226			
Fire Protection	42,500			
Total Hard Costs	8,206,025			
Soft Cost Allocation (80%)	1,571,520			
Contingency Allocation (80%)	432,451			
Total Core Costs before Filters	10,209,996			
Filtration & Pumps	1,601,600			
Soft Cost Allocation (20%)	392,880			
Contingency Allocation (20%)	108,113			
Total GE Filtration Cost	2,102,593			
Total Construction Cost - Phase I	12,312,589			
Phase II - Filtration to 5 MGD	540,000			
Final Cost Estimate - Phase I & II	\$ 12,852,589			
Phase III - Filtration to 6 MGD	367,000	Estimated		
Total Water Treatment Plant Expansion	\$ 13,219,589			
<u>Allocable Soft Costs:</u>				
HDR Design	240,000			
CSD Administration	50,000			
General Conditions	305,607			
Shop drawings	320,049			
GE Services	572,200			
Contractor Insurance (.75%)	80,141			
Contractor Fee (3.5%)	396,403			
Total Soft Costs	1,964,400			
Phase I Allocation Hard Costs (80%)	1,571,520			
Phase I Allocation to Filters (20%)	392,880			
	1,964,400			
Allocation of Construction Costs Phase I & II:				
	Phase 1		Phase I & II	
RMCSO	\$ 4,358,245	35.4%	\$ 4,358,245	33.9%
Rancho North Properties (Owners)	3,818,245	31.0%	4,358,245	33.9%
CFD	4,136,099	33.6%	4,136,099	32.2%
Total Allocation for Phase I & II	\$ 12,312,589	100.0%	\$ 12,852,589	100.0%

EXHIBIT F

FINANCING AND SERVICES AGREEMENT

Municipal or Other Financing Program Option

1. The Owners have several options to provide the funds necessary to cover the Owners' Residual Financial Obligation. One option would be to propose the creation of a municipal financing program for the benefit of the Owners to be adopted by the DISTRICT.
2. If, when and to the extent that the Owners submit to the DISTRICT a written proposal that the DISTRICT form a Mello-Roos community facilities district or other land-based municipal financing program to finance for the Owners all or any portion of the Owners' Residual Financial Obligation ("Municipal Financing Program") which Municipal Financing Program is acceptable to the DISTRICT, DISTRICT, in coordination and cooperation with Owners, agrees to expeditiously form and implement such a Municipal Financing Program, levy special taxes against the Properties, and issue special tax bonds or other debt to provide municipal construction financing for such portion of the Owners' Residual Financial Obligation as the Owners request for application towards the Owners' Financial Obligation for the Phase 1 and 2 WTP Improvements, all upon such terms and conditions as the Owners and the DISTRICT shall determine; provided that the net proceeds available to the DISTRICT from such Municipal Financing Program plus the Initial Payment and the Second Initial Payment equals the total of the Owners' Financial Obligation. The amount to be financed under any Municipal Financing Program shall include the costs of issuance and other incidental costs and fees that will be incurred to create and manage the Municipal Financing Program ("Owners' Financed Amount"). Upon the DISTRICT'S approval of the Municipal Financing Program, DISTRICT agrees to expeditiously commence and diligently complete all necessary notices, hearings and procedures and take all appropriate actions required to finish the Municipal Financing Program. The special tax formula for Owners' Financed Amount on the Owners' Properties shall utilize a method of spread among the Properties approved by the Owners. The net proceeds of sale of the bonds or other debt issued under the Municipal Financing Program ("Financing Program Funds") shall be held in a separate bank account ("Owners' Construction Account") and be drawn upon only to satisfy the Owners' share of WTP Quarterly Invoices for construction of the Phase 1 and 2 WTP Improvements as provided in Section 1.3(G) of the Agreement, and to fund and pay any required interest reserve, debt service and other costs as required under the Municipal Financing Program. Upon closing of the Municipal Financing Program and obtaining access to the Financing Program Funds for WTP Improvements funding, DISTRICT will release the Owners' L/C to the Owners.
3. If and when the Owners submit to the DISTRICT a proposal/package for the creation of the Municipal Financing Program ("Financing Proposal"), the DISTRICT shall expeditiously review and validate the Financing Proposal to ensure that it meets all

DISTRICT's legal requirements for the creation and implementation of municipal construction financing. If DISTRICT determines that the Financing Proposal satisfies the Owners' funding requirements of this Agreement, complies with applicable laws, and is acceptable to the DISTRICT's Board of Directors in its reasonable discretion (and which approval will not be withheld unreasonably), the DISTRICT will expeditiously approve and implement the Financing Proposal. Owners acknowledge and accept responsibility for the costs of evaluating, processing, preparing and implementing the Financing Proposal ("Municipal Financing Program Costs"), including, but not limited to, (a) preparation of a special tax study to determine the special tax and special tax formula, (b) DISTRICT's preparation of the appropriate notices, resolutions, ordinances and other documents and perform other tasks necessary and appropriate to form and implement the Municipal Financing Program, approve and levy the special tax and issue the special tax bonds or other debt, (c) performance of other and related non-governmental tasks as appropriate to implement the Municipal Financing Program, and (d) bond counsel, special tax consultant, financial advisor and DISTRICT staff fees, costs and time incurred on the above tasks. DISTRICT will maintain a record of its Municipal Financing Program Costs and will submit a statement to Owners each month requesting reimbursement of those costs. Owners will pay the statement within 30 days of its receipt. DISTRICT may delay closing on the Municipal Financing Program until any outstanding costs are reimbursed in full.

4. If requested by Owners, and if allowed by the terms of the Municipal Financing Program, DISTRICT agrees to include reimbursement of those Municipal Financing Program Costs incurred by the Owners within the special tax formula and special tax bonds or other debt in order to either repay to Owners their payment of Municipal Financing Program Costs to DISTRICT or to pay certain Municipal Financing Program Costs (e.g., bond counsel fees) directly from the debt issuance.

End of Exhibit F

EXHIBIT G

FINANCING AND SERVICES AGREEMENT

Example of Calculations for Reimbursement of District for Cost Overruns

Exhibit G-1
 Financing and Services Agreement
 Reimbursement Rate



	Allocated Construction Cost	Cost Allocation %	Core Capacity GPD		Reimbursement Rate	
			Paid For (In Thousands)	Reserved	Per Gallon	Per Peak EDU
CSD	\$ 4,358,245	33.9%	2,034	1,500	\$ 2.91	\$ 4,841
Rancho N. Owners	4,358,245	33.9%	2,034	1,500	\$ 2.91	\$ 4,841
CFD	4,136,099	32.2%	1,932	1,500		
Others				500		
Total	12,852,589	100.0%	6,000	5,000		

Example of Reimbursement:

	GPD	Reimburse Rate	Amount Reimbursed
Residence East & West (May 2016)	313,000	\$ 2.91	\$ 910,830
Apartment Site purchases	187,000	\$ 2.91	\$ 544,170

Note:

1. Cost of Construction after Phase 1 & 2 not including any additional cost overruns.
2. Each EDU is based on 750 Gallons Per Day
3. Reimbursement rate is based on NET capacity ($\$4,358,245 / 1.5 \text{ mgd} = \2.91)
4. Estate EDU = 1666 gpd peak day capacity demand
5. Residence East & West is 198 lots x 1666 x .95 (EDU) = 313,000 gpd +/-

Exhibit G-2
 Financing and Services Agreement
 Example of Cost Overrun and Reimbursements



		33.9% CSD	33.9% Owners	32.2% CFD
Initial Final Cost Estimate for Phase 1 & 2	\$ 12,852,589	4,358,245	4,358,245	4,136,099
Cost Overrun paid by CSD	250,000	250,000		
	<u>\$ 13,102,589</u>	<u>4,608,245</u>	<u>4,358,245</u>	<u>4,136,099</u>

Reimbursement rate per gallon (Exhibit G-1) \$ 2.91

Non-participating landowner in 670 FSA water request:

Residence East & West request gpd	313,000			
Reimbursement rate above	\$ 2.91			
Total reimbursement	<u>\$ 910,830</u>	\$ 308,771	\$ 308,771	\$ 293,287
Reimbursement related to cost overruns to CSD	-	125,000	(125,000)	
Adjusted balance of reimbursement	<u>\$ 910,830</u>	<u>\$ 433,771</u>	<u>\$ 183,771</u>	<u>\$ 293,287</u>

Note:

Under Section 1.3 E, cost overrun shall be paid by the District and be reimbursed by 50% from the Owner's share of reimbursement due from any non-participating landowners as defined in the 670 FSA until fully repaid.

EXHIBIT H

FINANCING AND SERVICES AGREEMENT

List of Phase 1 Approved Plans and Specifications



Exhibit H

Rancho Murieta Community Services District (CSD)

Water Treatment Plant Expansion

**Contract Documents
and Specifications**

Issued for Bids

January 2014

HDR Project No. 08669-211953-028

Water Treatment Plant Expansion

Rancho Murieta CSD

Issued for Bids

January 2014



2365 Iron Point Road, Suite 300
Folsom, CA 95630

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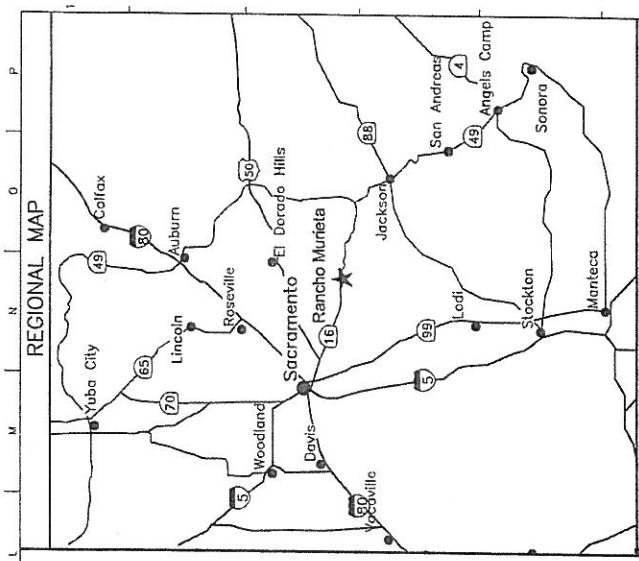
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A B C D E F G H I J K L M N O P

Contract Drawings For:

WATER TREATMENT PLANT EXPANSION

Rancho Murieta
Community Services District

ISSUED FOR BIDS

January, 2014



Rancho Murieta
CSD



HDR Engineering Inc.
2365 Iron Point Road
Suite 300
Folsom, CA 95630

Submitted By: _____

Approved By: _____

Rich Stratton, Project Manager
HDR Engineering

Date _____

Gerald Posek, President
Rancho Murieta C.S.D.

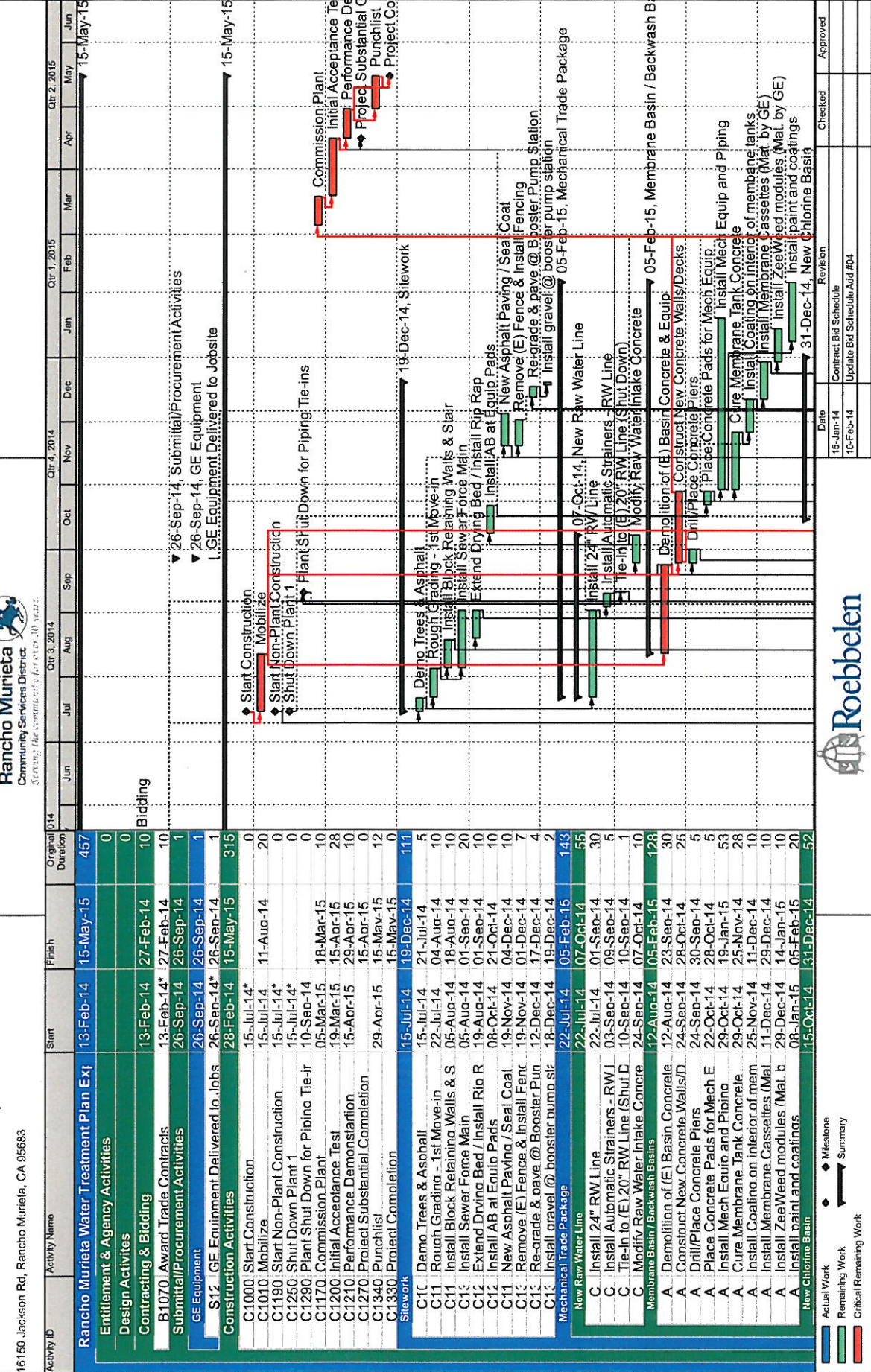
Date _____

A PROCESS/MECHANICAL EQUIPMENT		B		C PIPING DESIGNATIONS		D AREA LEGEND		E DRAWING NUMBER		F DESCRIPTION		G DRAWING NUMBER		H DESCRIPTION	
AR	AIR HOUSING UNIT			ALUMINUM CHLOROSULFONATE		100	SITE/YARD SHADERS/ROOF	6001	GENERAL	ADDT. PUMP AND LOCATION MAPS.					
AR	AIR RECEIVER			AIR SOURCE		200	CONTROL ROOM AND ANCUCLARY	6002	LIST OF DRAWINGS AND ABBREVIATIONS						
AR	AIR TIGHT			ALUMINUM CHLOROSULFONATE		300	PLATE SETTLERS/RESIDUALS HANDLING	6003	GENERAL ANCUCLARY AND LEGENDS						
AR	CHLORINATOR			ALUMINUM CHLOROSULFONATE		400	TREATED WATER BOOSTER PUMP STATION	6004	PROCESS SCHEMATIC I AND DESIGN CRITERIA						
AR	CHLORINATOR			ALUMINUM CHLOROSULFONATE		500	STANDY GENERATOR	6005	HYDRAULIC PROFILE						
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AR	CHLORINATOR			ALUMINUM CHLOROSULFONATE		700		6007	STANDARD DETAILS - II						
AR	CHLORINATOR			ALUMINUM CHLOROSULFONATE		800		6008	STANDARD DETAILS - III						
AR	CHLORINATOR			ALUMINUM CHLOROSULFONATE		900		6009	STANDARD DETAILS - IV						
AR	CHLORINATOR			ALUMINUM CHLOROSULFONATE		000		6010	STANDARD DETAILS - V						
AR	CHLORINATOR			ALUMINUM CHLOROSULFONATE		100		6011	STANDARD DETAILS - VI						
AR	CHLORINATOR			ALUMINUM CHLOROSULFONATE		200		6012	STANDARD DETAILS - VII						
AR	CHLORINATOR			ALUMINUM CHLOROSULFONATE		300		6013	STANDARD DETAILS - VIII						
AR	CHLORINATOR			ALUMINUM CHLOROSULFONATE		400		6014	STANDARD DETAILS - IX						
AR	CHLORINATOR			ALUMINUM CHLOROSULFONATE		500		6015	STANDARD DETAILS - X						
AR	CHLORINATOR			ALUMINUM CHLOROSULFONATE		600		6016	STANDARD DETAILS - XI						
AR	CHLORINATOR			ALUMINUM CHLOROSULFONATE		700		6017	STANDARD DETAILS - XII						
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AR	CHLORINATOR			ALUMINUM CHLOROSULFONATE		200		6032	STANDARD DETAILS - XXVII						
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AR	CHLORINATOR			ALUMINUM CHLOROSULFONATE		000		6040	STANDARD DETAILS - XXXV						
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AR	CHLORINATOR			ALUMINUM CHLOROSULFONATE		900		6109	STANDARD DETAILS - LXXXXXIV						

EXHIBIT I

FINANCING AND SERVICES AGREEMENT

Phase 1 Master Construction Schedule from Final CMAR Contract



Date	Revision	Checked	Approved
15-Jan-14	Contract Bid Schedule		
10-Feb-14	Update Bid Schedule Add #04		

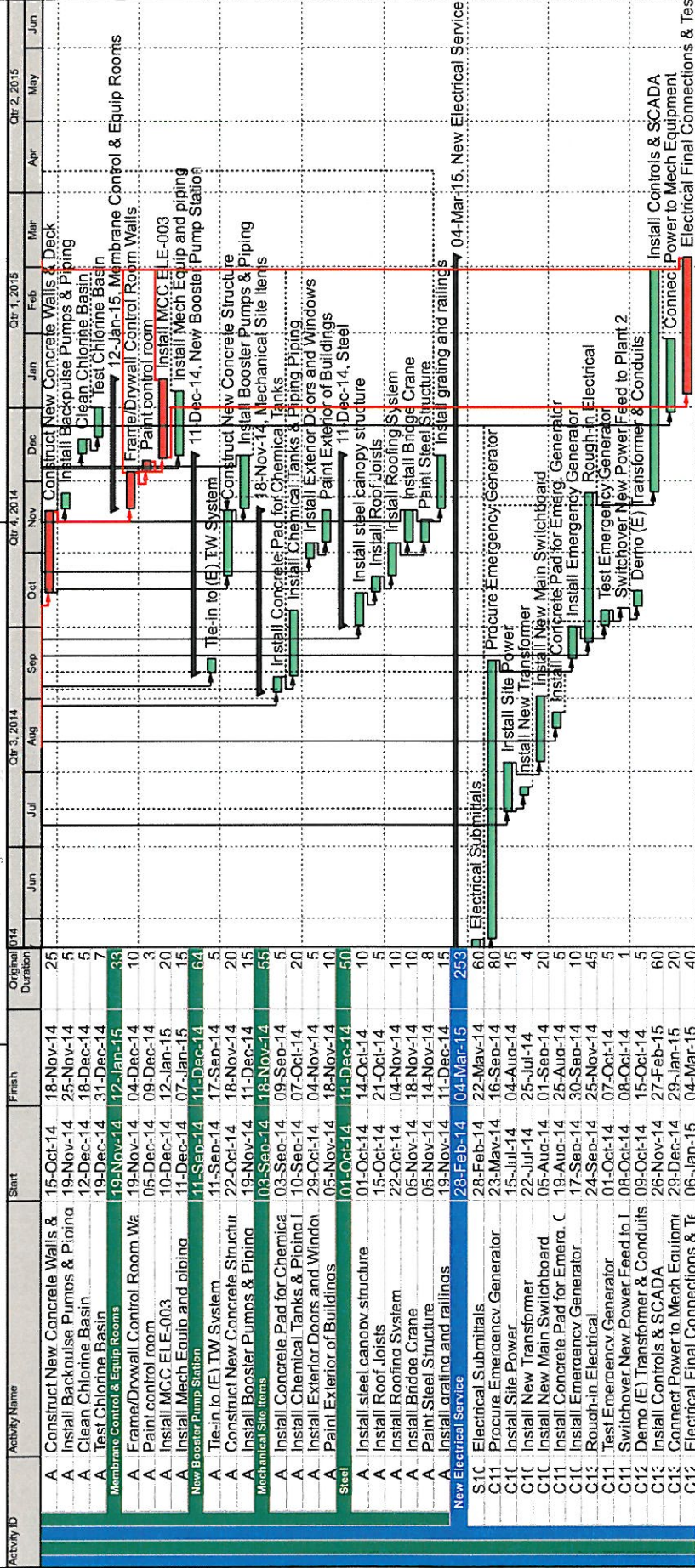


Rancho Murieta
Community Services District
Serving the community for over 30 years.

RMCS Water Treatment Plant Expansion Base Bid A

16150 Jackson Rd, Rancho Murieta, CA 95683

12-Feb-14 14:01



█ Actual Work
█ Remaining Work
█ Critical Remaining Work



Date	Revision	Checked	Approved
15-Jan-14	Contract Bid Schedule		
10-Feb-14	Update Bid Schedule Add #04		

EXHIBIT J

FINANCING AND SERVICES AGREEMENT

Non-participating Landowner Reimbursement Program Summary

Exhibit J
 Financing and Services Agreement
 Reimbursement Rate



	Allocated Construction Cost	Cost Allocation %	Core Capacity GPD		Reimbursement Rate	
			Paid For (In Thousands)	Reserved	Per Gallon	Per Peak EDU
CSD	\$ 4,358,245	33.9%	2,034	1,500	\$ 2.91	\$ 4,841
Rancho N. Owners	4,358,245	33.9%	2,034	1,500	\$ 2.91	\$ 4,841
CFD	4,136,099	32.2%	1,932	1,500		
Others				500		
Total	12,852,589	100.0%	6,000	5,000		

Example of Reimbursement:

	GPD	Reimburse Rate	Amount Reimbursed
Residence East & West (May 2016)	313,000	\$ 2.91	\$ 910,830
Apartment Site purchases	187,000	\$ 2.91	\$ 544,170

Note:

1. Cost of Construction after Phase 1 & 2 not including any additional cost overruns.
2. Each EDU is based on 750 Gallons Per Day
3. Reimbursement rate is based on NET capacity ($\$4,358,245 / 1.5 \text{ mgd} = \2.91)
4. Estate EDU = 1666 gpd peak day capacity demand
5. Residence East & West is 198 lots x 1666 x .95 (EDU) = 313,000 gpd +/-

EXHIBIT J - (page 2)
CSD WATER TREATMENT PLANT UPGRADE AND EXPANSION
COST ALLOCATION WORKSHEET

	Gardens I & II		Apartment Site and	
	CSD	CFD	Murieta Hills	Residences E&W**
Core Cost Allocation Phase 1 (refer to Exh J)	33.900%	32.200%	33.900%	
Projected Core Costs (3)	\$ 8,206,025	\$ 2,781,842	\$ 2,781,842	\$ 8,206,025
Soft costs	\$ 1,571,520	\$ 506,029	\$ 532,745	\$ 1,571,520
Contingency	\$ 432,451	\$ 146,601	\$ 139,249	\$ 432,451
Total Core - Phase 1	\$ 10,209,996	\$ 3,287,619	\$ 3,461,189	\$ 10,209,996
500,000 gpd net capacity				\$ 1,021,000
Filtration Capacity - Phase 1	1,500,000	1,500,000	500,000	4,000,000
Train 1 thru 3 Filtration Cost Allocation - Phase 1	\$ 1,601,600	\$ 600,600	\$ 200,200	\$ 1,401,400
Soft Costs (20%)	\$ 392,880	\$ 147,330	\$ 49,110	\$ 343,770
Contingency (20%)	\$ 108,112	\$ 40,542	\$ 13,514	\$ 94,598
Excess 500,000 gpd filtration - Phase 1	\$ 89,097	\$ 84,629	\$ 89,097	\$ 262,824
Total Phase 1 Cost	\$ 12,312,588	\$ 4,338,758	\$ 4,160,720	\$ 3,813,110
Future Filtration Needs			1,000,000	1,000,000
Train 4 Core and Filtration - Phase 2	\$ 540,000	\$ 540,000	\$ 540,000	\$ 540,000
Total Phase 1 and 2 Cost	\$ 12,852,588	\$ 4,338,758	\$ 4,353,110	\$ 12,852,588
1.0 mgd Filtration - Phase 3	\$ 367,000			
Total Cost - 6.0mgd net capacity	\$ 13,219,588			
Financing and Reimbursement Summary				
Phase 1 and 2 Financing	\$ 12,852,588	\$ 4,358,245	\$ 4,136,099	\$ 4,358,245
Residences Reimbursement **		\$ (308,771)	\$ (293,287)	\$ (308,771)
Apartment Site EDU Transfer (see Exhibit N)		\$ (184,474)	\$ (175,223)	\$ (184,474)
Phase 3 - 500,000 gpd (decommission WTP 2 - estimated cost of membranes only)		\$ 69,000		\$ 69,000
	\$ 3,934,000	\$ 3,667,589	\$ 3,865,000	

** to be reimbursed to CSD, CFD and RMP when properties seek water permits

EXHIBIT K

FINANCING AND SERVICES AGREEMENT

Van Vleck Ranching Resources Easement Reimbursement Chart (same as Exhibit H-2 from 670 FSA)

Exhibit K

EXHIBIT H-2
CSD WATER TREATMENT PLANT UPGRADE AND EXPANSION
WTP # 1 UPGRADE
COST ALLOCATION WORKSHEET

	Total Cost		CSD		CFD		Gardens I & II		Apartment-Site and	
			33.9000%	33.2000%	33.9000%	33.9000%	33.9000%	33.9000%	33.9000%	33.9000%
Core Cost Allocation Phase 1 (refer to Ex G-1)										
Projected Core Costs (3)	\$ 8,206,025	\$ 2,781,842	\$ 2,642,340	\$ 2,781,842	\$ 2,781,842	\$ 8,206,025	\$ 820,603			500,000 gpd net capacity
Soft costs	\$ 1,571,520	\$ 532,745	\$ 506,029	\$ 532,745	\$ 532,745	\$ 1,571,520	\$ 157,152			
Contingency	\$ 452,451	\$ 146,601	\$ 139,249	\$ 146,601	\$ 146,601	\$ 432,451	\$ 43,245			
Total Core - Phase 1	\$ 10,209,996	\$ 3,461,189	\$ 3,287,619	\$ 3,461,189	\$ 3,461,189	\$ 10,209,996	\$ 1,021,000			
Filtration Capacity - Phase 1			1,500,000	1,500,000	500,000	4,000,000	500,000			
Train 1 thru 3 Filtration Cost Allocation - Phase 1	\$ 1,601,600	\$ 600,600	\$ 600,600	\$ 600,600	\$ 200,200	\$ 1,401,400	\$ 200,200			
Soft Costs (20%)	\$ 392,880	\$ 147,330	\$ 147,330	\$ 147,330	\$ 49,110	\$ 343,770	\$ 49,110			
Contingency (20%)	\$ 108,112	\$ 40,542	\$ 40,542	\$ 40,542	\$ 13,514	\$ 94,598	\$ 13,514			
	\$ 2,102,592	\$ 89,097	\$ 84,629	\$ 89,097	\$ 89,097	\$ 262,824	\$ 262,824			
Excess 500,000 gpd filtration - Phase 1		\$ 89,097	\$ 84,629	\$ 89,097	\$ 89,097	\$ 262,824	\$ 262,824			
Total Phase 1 Cost	\$ 12,312,588	\$ 4,338,758	\$ 4,160,720	\$ 4,338,758	\$ 3,813,110					
Future Filtration Needs					1,000,000	1,000,000				
Train 4 Core and Filtration - Phase 2	\$ 540,000		\$ 540,000	\$ 540,000	\$ 540,000	\$ 540,000				
Total Phase 1 and 2 Cost	\$ 12,852,588	\$ 4,338,758	\$ 4,160,720	\$ 4,338,758	\$ 4,353,110	\$ 12,852,588	\$ 1,283,824			
1.0 mgd Filtration - Phase 3	\$ 367,000									
Total Cost - 6.0mgd net capacity	\$ 13,219,588									
Financing and Reimbursement Summary										
Phase 1 and 2 Financing	\$ 12,852,588	\$ 4,358,245	\$ 4,136,099	\$ 4,358,245	\$ 4,358,245	\$ 12,852,588				
Residences Reimbursement **		\$ (308,771)	\$ (293,257)	\$ (308,771)	\$ (308,771)	\$ (910,830)				
Apartment Site EDU Transfer (see Exhibit N)		\$ (184,474)	\$ (175,223)	\$ (184,474)	\$ (184,474)	\$ (544,170)				
Phase 3 - 500,000 gpd (decommission WTP 2 - estimated cost of membranes only)		\$ 69,000	\$ 69,000	\$ 69,000	\$ 69,000	\$ 69,000				
		\$ 3,934,000	\$ 3,667,589	\$ 3,865,000	\$ 3,865,000					

** to be reimbursed to CSD, CFD and RMP when properties seek water permits

EXHIBIT L

FINANCING AND SERVICES AGREEMENT

Draft Sample Policy for Implementation and Use of Security Impact Fees

POLICY STATEMENT

REGARDING COOPERATIVE USES OF SECURITY IMPACT FEES –

IT SHALL BE THE POLICY OF THE DISTRICT TO CLOSELY COOPERATE WITH LANDOWNERS THAT HAVE VOLUNTARILY AGREED TO FUND IMPACT FEES FOR SECURITY.

USES OF SUCH SECURITY FEES SHALL BE IN COOPERATION WITH LANDOWNERS AND THE BROADER RANCHO MURIETA COMMUNITY, THE RESIDENTIAL AND COMMERCIAL OWNERS ASSOCIATIONS AND SHALL PREDOMINATELY BE FOR NON-OPERATING EXPENSES WITH THE GOAL OF;

- PROTECTING LIFE SAFETY
- DEPLOYING TECHNOLOGY IN SUCH A MANNER AS TO ACT AS FORCE MULTIPLIER, AND FOR IMPROVED SECURITY RESPONSE,
- PROTECTING PROPERTY,
- BENEFITTING LANDOWNERS, HOMEOWNERS AND PROPERTY OWNERS AND BUSINESSES FROM WHICH FUNDS ARE DERIVED.

•
DISTRICT, LANDOWNERS AND OTHER COMMUNITY STAKEHOLDERS WILL (IDEALLY) AGREE TO IMPLEMENTATION AND EXECUTION OF THE POLICY WITH CONSENT AND COOPERATION AS PROJECTS ARE PROPOSED AND APPROVED, AND BY DEPLOYING SUCH FUNDS FOR SECURITY TECHNOLOGY WITH THE GOAL OF PROTECTING THE PEOPLE AND PROPERTY WITHIN THE DISTRICT.

IT IS EXPRESSLY UNDERSTOOD THAT LANDOWNERS STRATEGIC SECURITY INTERESTS CAN BE FUNDED THROUGH IN-LIEU CONTRIBUTIONS FOR LANDOWNER PROJECTS THAT THE DISTRICT HAS APPROVED FOR IN LIEU CREDIT (TO OFFSET FEES) OR AS

PART OF A MASTER SECURITY ROADMAP (PLAN) AGREED TO AND ADOPTED BY THE DISTRICT WITH LANDOWNERS CONSENT.

EXHIBIT M

FINANCING AND SERVICES AGREEMENT

Memorandum of Financing and Service Agreement (Form)

WHEN RECORDED MAIL TO:

Rancho Murieta Community Services District
15160 Jackson Road
Rancho Murieta, CA 95683
Attention: General Manager

SPACE ABOVE THIS LINE FOR RECORDER'S USE

MEMORANDUM OF FINANCING AND SERVICES AGREEMENT

This Memorandum of Agreement (this "**Memorandum**") is made as of this 27th day of May 2014, by and between by and among the Rancho Murieta Community Services District ("**DISTRICT**"), a community services district organized under the laws of the State of California, and the following owners of land in the District - Cosumnes River Land, LLC ("**CRL**"); Murieta Industrial Park, LLC ("**MIP**"); Murieta Lakeside Properties, LLC ("**MLP**"); and Murieta Highlands, LLC ("**MH**") (CRL, MIP, MLP, and MH collectively are the "**Owners**" and individually an "**Owner**"). The DISTRICT, CRL, MIP, MLP, and MH are also sometimes individually referred to herein as a "**Party**" and collectively as "**Parties**."

RECITALS

A. DISTRICT is authorized to provide services within the DISTRICT, including, without limitation, obtaining a raw water supply, storage of raw water, treatment, storage and distribution of potable water, collection, treatment and disposal of wastewater, management and control of storm water runoff and drainage, provision of security services, provision of solid waste collection and disposal, and the administrative support required for such services.

B. Each Owner owns certain lands within the boundaries of DISTRICT, and Owners represent that such lands have been granted or are seeking land use entitlements by the County of Sacramento. CRL owns the 62 acre property and project known as the Murieta Gardens I & II ("**Gardens**"), which property is more particularly described in Exhibit A-1. MIP owns the real property which is described in Exhibit A-2. MLP owns the real property which is described in Exhibit A-3. MH owns the real property which is described in Exhibit A-4. The lands described in Exhibits A-1, A-2, A-3, and A-4, are individually referred to herein as a "**Property**" and one or more thereof collectively as the "**Properties**". The Properties described in Exhibits A-2, A-3 and A-4 are sometimes referred to herein as the "**Rancho North Properties**" and the project to be constructed thereon as the "**Rancho North Project**" which currently is comprised of

approximately 800 acres of unimproved lands intended to be developed primarily for residential uses. Rancho Murieta Properties, LLC, a California limited liability company (“RMP”) owns or controls the Owners.

C. DISTRICT presently owns and operates two water treatment plants and facilities known as Water Treatment Plant #1 (“WTP #1”) and Water Treatment Plant #2 (“WTP #2”). WTP #1 has reached its useful life and WTP #2 is also technologically outdated.

D. DISTRICT and Owners, as well as other owners of property within the DISTRICT’S boundaries, desire to provide for the design, permitting, expansion and upgrade of WTP #1 (the “WTP Improvements”), which currently serves existing residents of Rancho Murieta.

E. DISTRICT and the Owners have entered into that certain Rancho North Properties and Murieta Gardens Financing and Services Agreement dated as of May 27, 2014 (the “FSA”) to provide a mechanism for the Owners to contribute funds (along with funds from the DISTRICT and the Community Facilities District #1 (“CFD#1”) within Rancho Murieta) to construct the WTP Improvements, thereby reserving to the Owners for future allocation and the issuance of will serve letters therefor a minimum amount of 1.5 mgd net of usable treated water capacity from the WTP Improvements (the “Purchased Capacity”), and to address other matters related to the development of the Owners’ Properties, all as more specifically set forth in the FSA.

F. DISTRICT and the Owners desire to execute this Memorandum and cause the same to be recorded in the Official Records for the purpose of memorializing the FSA and to provide third parties with notice of the FSA. Capitalized terms not otherwise defined herein shall have the same meanings as set forth in the FSA.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby acknowledge and agree as follows:

AGREEMENT

1. Pursuant to the FSA, DISTRICT agrees to design, permit, construct and operate the WTP Improvements upon the terms and conditions set forth therein. The Owners agree to provide the Owners’ Financial Obligation for the construction of the WTP Improvements as more specifically provided in the FSA. The Parties also agree to perform and observe the other terms, conditions and covenants that are set forth in the FSA

2. The term of the FSA, began on May 27, 2014, shall expire on December 31, 2034 (“Term”), unless sooner terminated pursuant to the FSA. The Term may be extended for one ten (10) year period upon mutual written agreement by the Parties executed prior to the expiration date of the initial Term. Notwithstanding the foregoing, any provision in the FSA which by its terms is specified to survive the expiration or earlier termination of the FSA shall so survive.

3. The sole purpose of this Memorandum is to give notice of the FSA and all of the terms, covenants and conditions respectively contained therein to the same extent as if the same were fully set forth herein, and all of the terms, conditions and provisions of the FSA are incorporated herein by this reference.

[Signatures on Following Page]

IN WITNESS WHEREOF, the parties have executed this Memorandum:

_____, 2014

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

APPROVED BY THE BOARD OF DIRECTORS AT ITS MEETING ON THE 21st DAY OF MAY 2014

By: _____
Gerald E. Pasek,
President, Board of Directors

"DISTRICT"

Approved as to form:

By: _____
Richard P. Shanahan,
District General Counsel

OWNERS:

_____, 2014

COSUMNES RIVER LAND, LLC, a Delaware limited liability company

By: _____
John M. Sullivan, Manager
Authorized Signatory

" Murieta Gardens I and II"

_____, 2014

MURIETA INDUSTRIAL PARK, LLC, a Delaware limited liability company

By: _____
Printed Name: _____
Authorized Signatory

_____, 2014

MURIETA LAKESIDE PROPERTIES, LLC, a Delaware limited liability company

By: _____
Printed Name: _____
Authorized Signatory

_____, 2014

MURIETA HIGHLANDS, LLC, a Delaware limited liability company

By: _____
Printed Name: _____
Authorized Signatory

“OWNERS”

State of California)
County of _____)

On _____ before me, _____, a notary public,
personally appeared _____, who proved to me on
the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within
instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized
capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon
behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing
paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

State of California)
County of _____)

On _____ before me, _____, a notary public,
personally appeared _____, who proved to me on
the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within
instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized
capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon
behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing
paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

State of California)
County of _____)

On _____ before me, _____, a notary public,
personally appeared _____, who proved to me on
the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within
instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized
capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon
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WITNESS my hand and official seal.

Signature _____ (Seal)

State of California)
County of _____)

On _____ before me, _____, a notary public,
personally appeared _____, who proved to me on
the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within
instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized
capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon
behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing
paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

EXHIBIT A
TO MEMORANDUM OF AGREEMENT
LEGAL DESCRIPTIONS OF PROPERTIES

EXHIBIT N

FINANCING AND SERVICES AGREEMENT

Form of Assignment and Assumption Agreement for Transfers of Owners' Property

EXHIBIT N

FINANCING AND SERVICES AGREEMENT

Form of Assignment and Assumption Agreement for Transfers of Owners' Purchased Capacity

**Assignment and Assumption Agreement
for "Reserved Water Capacity" in Connection with Property Transfer**

This Assignment and Assumption Agreement ("Assignment") is made and entered into this ____ day of _____ 20__ ("Effective Date"), by and between _____, a _____ ("Assignor" or "Owner"), and _____, a _____ ("Assignee"), doing business as _____, hereinafter ("_____").

RECITALS

This Assignment is made with reference to the following facts and intentions of the parties:

- A. Assignor is a party to a Financing and Services Agreement with the water provider Rancho Murieta Community Services District ("RMCS D" or "District"), wherein District has 'Reserved' water treatment capacity for Owner's property, and wherein transfers of Reserved and 'Allocated' treated water capacity may be transferred to others owning property within the District based on District's equivalent standards by housing type and zoning ("District EDU Standard"), a copy of which is attached as Exhibit 1.
- B. Assignor has agreed to assign all or a portion of its Reserved capacity to Assignee in connection with Assignee's purchase of all or a portion of the Assignor's property for which such treated water capacity has been Reserved.
- C. Assignee has received a copy of the Financing and Services Agreement by and among inter alia, the Owner (and other landowners) and the District dated as of May __, 2014 ("FSA"), a Memorandum of which was recorded on _____, 2014 in the Official Records of Sacramento County, California as Instrument No. _____. Assignee herein agrees to the terms for payment of fees due at time of District issuing water permit and water meter, as an assignee of Owner under the FSA.
- D. District has received notice of the transfer of the Assigned Reserved Capacity and has consented to same if and to the extent District consent is required under the FSA.

IN CONSIDERATION of and incorporating the foregoing Recitals, which Recitals are incorporated herein, the parties hereto agree as follows:

AGREEMENT

- 1. Assignment. Assignor hereby assigns, transfers, and conveys to Assignee all of Assignor's right, title, and interest in and to the amount of treated water Reserved Capacity allocated to the Owner set forth in Exhibit 2 attached hereto ("Assigned Reserved Capacity").
- 2. Acceptance. Assignee hereby accepts such assignment of the Assigned Reserved Capacity and confirms that (i) the transfer of the Assigned Reserved Capacity is being accomplished in connection with Assignee's purchase of all or a portion of the lands within the District owned by Owner as shown or described on Exhibit 2 ("Acquired Lands") to which the Assigned Reserved Capacity has been allocated, and (ii) such transfer of the Assigned Reserved Capacity and Acquired Lands are made subject to the terms and conditions of this

Assignment. Assignee further covenants for itself and its successors and assigns that it will keep, observe, perform, and be responsible for, and does hereby assume, all of the terms, covenants, conditions, and obligations contained in the FSA as they relate to the purchase of the Acquired Lands, to be performed, observed, or kept on the part of Assignor under the FSA as pertain to the Acquired Lands.

3. No Representations or Warranties. With respect to the Assigned Reserved Capacity and the FSA, Assignor makes this assignment without representation or warranty of any kind or nature, express or implied, as to the assignability, effectiveness, validity, enforceability or extent of the Assigned Reserved Capacity or the FSA. Assignee hereby accepts the Assigned Reserved Capacity in their "AS IS" condition, all without recourse to Assignor, except as otherwise expressly set forth herein.

4. Indemnification. Assignee hereby indemnifies, defends, protects and holds harmless Assignor and all of its members, managers, partners, shareholders, officers, directors, employees and agents from and against any and all expenses, costs, losses, claims, actions, injuries, damages, consequential damages, liens, liabilities, opportunity costs, lost profits, penalties and judgments (including, without limitation, reasonable attorneys' fees, expert witness fees and costs and court costs incurred in connection therewith) to the extent arising out of or resulting from or in any way connected with the Assigned Reserved Capacity and Assignee's performance or observance or failure to perform or observe the terms and conditions of the FSA applicable to the Assigned Reserved Capacity and the Acquired Lands.

5. Power and Authority. Assignor represents and warrants to Assignee that it is fully empowered and authorized to execute and deliver this Assignment, and the individual signing this Assignment on behalf of Assignor represents and warrants to Assignee that he or she is fully empowered and authorized to do so.

6. Attorneys' Fees. In the event of any dispute between the parties, whether based on contract, tort or other cause of action or involving bankruptcy or similar proceedings, in any way related to this Assignment, the non-prevailing party shall pay to the prevailing party all reasonable attorneys' fees and costs and expenses of any type, without restriction by statute, court rule or otherwise, incurred by the prevailing party in connection with any action or proceeding (including arbitration proceedings, any appeals and the enforcement of any judgment or award), whether or not the dispute is litigated or prosecuted to final judgment. The "prevailing party" shall be determined based upon an assessment of which party's major arguments or positions taken in the action or proceeding could fairly be said to have prevailed (whether by compromise, settlement, abandonment by the other party of its claim or defense, final decision, after any appeals, or otherwise) over the other party's major arguments or positions on major disputed issues. Any fees and costs incurred in enforcing a judgment shall be recoverable separately from any other amount included in the judgment and shall survive and not be merged in the judgment.

7. Successors and Assigns. Any subsequent assignment of the Assigned Reserved Capacity (or portion of it) will be governed by the assignment provision of the FSA.

8. Notices. All notices, requests, demands and other communication given or required to be given hereunder shall be in writing and (i) personally delivered, (ii) sent by United States registered or certified mail, postage prepaid, return receipt requested, (iii) sent by nationally recognized courier service such as Federal Express, or (vi) sent by facsimile or e-mail, provided that any notice sent by facsimile or e-mail shall also be sent by one of the other methods provided above. All notices, requests, demands or other communications shall be addressed to the Parties or to the District as follows:

To Assignor: _____

Attention: _____

With copy to: _____

Attn: _____

To Assignee: _____

Attn: _____

With copy to: _____

Attention: _____

Copy of all Notices to DISTRICT: Rancho Murieta Community Services District
15160 Jackson Road
Rancho Murieta, CA 95683-1050
Attention: General Manager

With copy to: Bartkiewicz, Kronick & Shanahan
1011 22nd Street
Sacramento, CA 95816-4907
(916) 446-4254
Attention: Richard P. Shanahan, General Counsel

Delivery of any notice or other communication hereunder shall be deemed made on the date of actual delivery thereof to the address of the addressee, if personally delivered, and on the date indicated in the return receipt or courier's records as the date of delivery or as the date of first attempted delivery, if sent by mail or courier service. Notice may also be given by facsimile or e-mail (provided another method in subsection (i)-(iii) above is also used) which shall be deemed delivered when received by the facsimile machine or e-mail of the receiving party if received before 5:00 p.m. (Pacific Time) on a business day, or if received after 5:00 p.m. (Pacific Time) or on a day other than a business day (*i.e.*, a Saturday, Sunday, or legal holiday), then such notice shall be deemed delivered on the following business day. The transmittal confirmation receipt produced by the facsimile machine or e-mail server of the sending party shall be prima facie evidence of such receipt (provided another method is used in addition to such fax or e-mail). Any party may change its address, facsimile number or e-mail for purposes of this Section by giving notice to the other Parties as herein provided.

9. Applicable Law. This Assignment shall be construed and enforced in accordance with the laws of the State of California. Venue for any such legal action shall be in Sacramento County, California.

10. Inurement. The terms and conditions of this Assignment shall be binding upon and inure to the benefit of the successors and assigns of the respective parties. By the District consenting hereto as provided below, Assignor is hereby released from any future liability or obligation under the FSA related to Acquired Lands being conveyed and the Assignee shall be deemed the "Owner" with all rights and obligations related thereto, with respect to such Acquired Lands under the FSA.

In WITNESS WHEREOF, the parties hereto have executed this Assignment as of the Effective Date.

ASSIGNOR:

_____, a _____

By: _____

Name: _____

Title: _____

ASSIGNEE:

_____, a _____

By: _____

Name: _____

Title: _____

CONSENT TO ASSIGNMENT

The undersigned hereby consents to the assignment of Assigned Reserved Capacity, confirms that the amount of treated water capacity identified as the Assigned Reserved Capacity has been allocated to Assignor with respect to the Acquired Lands, and agrees that the allocation included on the Exhibit 2 attached is the true and complete detail to be recorded on the books and records of the Rancho Murieta Community Services District.

Dated: _____ Rancho Murieta Community Services District

By: _____
Its General Manager

Exhibit 1
District EDU Standard
[Attach]

Exhibit 2

Assigned Reserved Capacity of Assignor and Acquired Lands

[Attach]

EXHIBIT O

FINANCING AND SERVICES AGREEMENT

Example of ENR Adjustment for Purchased Capacity Reimbursement

Exhibit O
 Financing and Service Agreement
 Example Calculation of Surplus Capacity Transferred



Apartment Site request (gpd)	187,000
EDU Conversion (gpd)	<u>1,666</u>
Equivalent EDU	<u><u>112.2</u></u>
ENR Base cost index at time of completion	9300 (Assumed)
ENR Cost index at time of purchase/transfer	9800 (Assumed)
ENR Cost index change	500
ENR Cost index change in percent (%)	5.4%
Base price per EDU (Per Section 1.2 E of the FSA)	\$ 5,000
Plus ENR change in cost index (5.4% of \$5,000)	<u>270</u>
Current price per EDU	<u><u>\$ 5,270</u></u>
Therefore the total price to transfer/sell 112.2 EDU is (112.2 x \$5,270)	<u><u>\$ 591,531</u></u>

Notes:

1. Agreed base price is \$5,000 per EDU upon Phase 2 completion.