

AGREEMENT FOR REALLOCATION OF WATER
UNDER CO-TENANCY AGREEMENT

THIS AGREEMENT is entered into as of this 8th day of March 1994, by and between the City of Folsom ("City") and Southern California Water Company ("Company"), a California Corporation, in the County of Sacramento, California.

RECITALS

This Agreement is entered into upon the basis of the following understandings and intentions of the parties:

1. The Natomas Water Company possessed a pre-1914 water right to divert up to 32,000 acre feet annually from the South Fork of the American River, based on a filing in the records of El Dorado County in 1851 and subsequent diversion and application to beneficial use (the "Natomas Water Company Water Right"). The Natomas Water Company Water Right was confirmed by the United States in a contract dated June 18, 1951 (Contract No. DA-04-167-eng-330; the "Natomas-U.S. Contract").

2. The Company acquired the Natomas Water Company Water right by deed dated June 30, 1964, and succeeded to the rights of Natomas Water Company under the Natomas-U.S. Contract.

3. Under an agreement between the City and the Company entitled "Agreement for the Purchase and Sale of Certain Assets of Folsom Division of Southern California Water Company", dated August 22, 1966 (the "Purchase Agreement"), the City and the Company became co-tenants to the 32,000 acre foot annual right under the Natomas Water Company Water Right, allocated as follows: (a) the Company would have the permanent right to exclusive use of 10,000 acre feet annually under the Natomas Water Company Water Right, and (b) the City would have the permanent right to exclusive use of 22,000 acre feet annually under the Natomas Water Company Water Right. In furtherance of the Purchase Agreement, the City and the Company also entered into an agreement entitled "Co-Tenants Water-Use Agreement", dated August 22, 1966 ("Co-Tenancy Agreement"), which provides for future reallocation between the parties of the Natomas Water Company Water Right with their mutual consent. (The

Co-Tenancy Agreement was reexecuted by the parties on December 1, 1967, and recorded in the Official Records of Sacramento County, Book 67-12-07 at pages 439-444.)

4. The Company entered into a contract with the United States Bureau of Reclamation dated May 20, 1970 (Contract No. 14-06-200-4816A; the "SCWC-Bureau Contract"), (a) recognizing the Company and the City as successors under the Natomas-U.S. Contract, (b) confirming the Company's right to 10,000 acre feet and the City's right to 22,000 acre feet of the Natomas Water Company Water Right, and (c) authorizing the Company to divert up to 10,000 acre feet of water each year from the Folsom-South Canal, which is part of the Central Valley Project.

5. The City entered into a contract with the United States Bureau of Reclamation dated June 22, 1971 (Contract No. 14-06-200-5515A; the "City-Bureau Contract"), (a) recognizing the City and the Company as successors under the Natomas-United States Contract, confirming the Company's right to 10,000 acre feet and the City's right to 22,000 acre feet of the Natomas Water Company Water Right, and (b) authorizing the City to divert up to 22,000 acre feet of water each year from Folsom Lake or up to 10,000 acre feet of that amount from the Folsom-South Canal. The City-Bureau Contract also recognized (in the third recital on page three) that the City and the Company are authorized to divert the entire 32,000 acre feet annually under the Natomas Water Company Water Right from the City's diversion facilities on Folsom Lake.

6. The Company represents and warrants that it has duly acquired all right, title and interest to 5,000 acre feet of the 10,000 acre foot water right under the Natomas Water Company Water Right and under the SCWC-Bureau Contract, and that it has marketable title to such water right, free of all liens and encumbrances.

7. The City desires to acquire and the Company is willing to transfer and reallocate to the City the exclusive right to divert and use up to 5,000 acre feet of water each year, either from Folsom Lake or the Folsom-South Canal (at the City's option), under the Company's share of the Natomas Water Company Water Right,

in furtherance of the Co-Tenancy Agreement and consistent with terms of this Agreement.

8. The parties recognize that the obligations stated in this Agreement shall be conditioned upon fulfillment of various conditions precedent set forth herein.

NOW THEREFORE, IN CONSIDERATION of the mutual covenants contained herein, the parties agree as follows:

1. Recitals Incorporated. The foregoing recitals are incorporated by reference.

2. Reallocation of Water.

(a) Subject to all of the terms, covenants and conditions herein contained, the Company agrees to sell and the City agrees to purchase and pay for up to five thousand acre-feet of water ("Reallocated Water") each fiscal year (July 1 - June 30) under the Natomas Water Company Water Rights of the Company during the term of this Agreement. The minimum amount of Reallocated Water the City shall be obligated to pay for and have a right to divert and use each fiscal year shall be in accordance with the following schedule:

| <u>Fiscal Year</u> <u>(Commencing July 1)</u> | <u>Minimum Number of Acre Feet</u> <u>of Reallocated Water</u> |
|--|---|
| 1994/95 | 500 |
| 1995/96 | 1,500 |
| 1996/97 | 2,500 |
| 1997/98 | 3,500 |
| 1998/99 | 4,500 |
| 1999/2000 and thereafter | 5,000 |

(b) During any year before fiscal year 1999/2000, on thirty days' prior written notice from the City to the Company, the City may notify the Company it is increasing the minimum amount of Reallocated Water it will be obligated to pay for and have a right to divert and use, as set forth in subparagraph (a). In that case, the City shall be obligated to pay for this increased minimum amount of Reallocated Water (1) that fiscal year, and (2) in

succeeding fiscal years if the increased minimum amount exceeds the minimum amount in a succeeding fiscal year under the schedule.

(c) In no event shall the City divert more than 5,000 acre feet of Reallocated Water in a fiscal year without amendment of this Agreement. Reallocated Water shall be measured at the City's point of diversion.

(d) The City's obligation to purchase Reallocated Water under this Agreement shall be a "take or pay" obligation irrespective of whether the City is able to or does divert and use the Reallocated Water in any fiscal year.

(e) The Reallocated Water shall be available for diversion by the City from any and all of the following points of diversion (to be determined at the City's sole option): (1) the City's existing diversion on Folsom Lake, (2) some other diversion on Folsom Lake established by the City in the future, or (3) the Folsom-South Canal under the terms of either the SCWC-Bureau Contract or the City-Bureau Contract. The Company authorizes the City to exercise all of the Company's diversion and facilities capacity rights for the Reallocated Water.

(f) Payment for the Reallocated Water shall be due to the Company by the City in two equal installments due on the last day of December and June during the fiscal year (commencing July 1) for the amount of Reallocated Water to be paid for that fiscal year.

(g) The City agrees that the reallocation of water under this Agreement shall not confer any appropriative, public trust or other right to the water supply of the Company to the City or any other person or entity except as to the specific rights granted under this Agreement during its term.

(h) The Company shall not be responsible for interruptions, curtailment or reductions in the availability of Reallocated Water to the City under this Agreement where the interruption, curtailment or reduction is directly caused by the Bureau of Reclamation's failure to provide water to the Company under the Natomas-U.S. Contract or the SCWC-Bureau contract. The

Company shall promptly notify the City of any challenge the Company becomes aware of to the right to divert the Reallocated Water as provided in this Agreement. The Company shall take all reasonable steps to defend such contracts against legal challenge, and to protect the Reallocated Water from interruption, curtailment or reduction. Should the Company fail to take such reasonable steps, the City shall have the right, but shall not be obligated, to take all reasonable steps to defend the contracts from legal challenge and to protect the Reallocated Water from interruption, curtailment or reduction, and the City may deduct such costs from any payments due the Company under this Agreement. The City shall not be required to pay for Reallocated Water under this Agreement that is not available for diversion through no fault of the City.

3. Use of Reallocated Water by Others. The parties recognize that the City may not have a use each fiscal year for the full amount of the Reallocated Water it is required to pay for under this Agreement. The City shall have the right during the term of this Agreement to transfer to other users outside its service area all or a portion of the Reallocated Water, subject to the provisions of this Agreement. The City shall notify the Company in writing of the terms and conditions of any such transfer before it commences, and any such transfer shall be carried out in compliance with this Agreement. The City shall continue to be responsible in all respects for the Reallocated Water, notwithstanding a transfer under this paragraph.

4. Term. The reallocation of water under this Agreement shall be permanent, subject to termination of this Agreement under the provisions of paragraph 5.

5. Termination; Reduction in Amount of Reallocated Water. In addition to any other basis for either party to terminate this Agreement, the City shall have the right to terminate this Agreement on six months' prior written notice to the Company at any time during the term of this Agreement. The City shall also have the right to reduce the minimum amount of Reallocated Water it shall be obligated to pay for and have the right to divert and use under this Agreement ("Revised Amount of Reallocated Water") upon providing six months' prior written notice to the Company of such reduction at any time during the term of

this Agreement, provided that, once such notice of reduction takes effect, the Revised Amount of Reallocated Water shall thereafter be the maximum amount of Reallocated Water the City shall be entitled to under this Agreement.

6. Conditions Precedent.

(a) The obligations of the parties shall be subject to fulfillment of the following conditions precedent. The parties shall work cooperatively to complete these conditions precedent as quickly as possible. This Agreement shall be subject to termination by the City upon failure to fulfill all conditions precedent within sixty days following execution of this Agreement (or any extensions of time approved by the City).

(1) The Company shall deliver to the City within sixty days following the effective date of this Agreement an opinion from the Company's legal counsel in a form reasonably acceptable to the City that concludes that (a) the Company has good, marketable title to the Reallocated Water, free and clear of all liens and encumbrances, and is duly authorized to carry out this transfer and perform the obligations required of it in this Agreement, subject to changing Bureau of Reclamation policy concerning the delivery of water for public trust, Endangered Species Act, reasonable use or other claims filed by third parties (but excluding claims based on nonuse of the Reallocated Water) against the Bureau of Reclamation as a result of which the Bureau fails to provide water to the company in accordance with the Bureau's contractual obligations; (b) all permits and approvals or other actions of the Company required to carry out this transfer have been obtained or performed by the Company; and (c) the Reallocated Water can be diverted by the City at any of the points of diversion identified in paragraph 2.

(2) The Company shall have obtained such permits and approvals from regulatory agencies, including without limitation the U.S. Bureau of Reclamation if necessary, and such other action as may be required to carry out this reallocation of water. The City shall be responsible for obtaining permits and

approvals as required to convey and distribute the Reallocated Water beyond the point(s) of diversion.

(3) The City-Bureau Contract and the SCWC-Bureau Contract shall be amended to the extent required to carry out this transfer.

(4) The City shall have complied with the California Environmental Quality Act ("CEQA") and National Environmental Policy Act ("NEPA") to the extent required. The Company and the City acknowledge that this Agreement does not and cannot commit them to a definite course of action before compliance with CEQA and NEPA to the extent required.

7. Schedule of Deliveries. The City will coordinate with the U.S. Bureau of Reclamation as necessary to schedule delivery of the Reallocated Water.

8. Purchase Price.

(a) For the first fiscal year (July 1, 1994 - June 30, 1995) water is reallocated under this Agreement, the price for the Reallocated Water shall be \$175.00 per acre foot.

(b) Starting in fiscal year 1995/1996 and in each fiscal year thereafter, the price for the Reallocated Water paid by the City shall be increased by the percentage increase in the Engineering News Record Construction Cost Index, 20-city average, for the last quarter of the previous fiscal year, compared to the same index for the last quarter of the previous fiscal year before that fiscal year. The increase in any year shall not exceed five percent, applied on a five-year rolling average basis. If the index is revised, superseded or discontinued at any time during the term of this Agreement, it shall be replaced for purposes hereof by another index selected by the parties that provides the same information and is generally referred to for that purpose by public water agencies in Northern California.

9. Quality Of Water. The City shall assume all responsibility for treatment of the Reallocated Water to the required standard consistent with the City's plans of beneficial

use. The Company shall have no responsibility for or obligation in connection with the quality of the Reallocated Water.

10. No Other Alienation by Company. The Company shall not sell, encumber, voluntarily limit or take any other action that would restrict its ownership of or its legal right to use the Reallocated Water during the term of this Agreement.

11. Indemnification.

(a) The City agrees to indemnify, hold harmless and defend the Company, its officers, directors, employees and agents, from and against any and all loss, damage, cost, expense, liability or other claim made or brought against the Company, arising out of the negligent acts or omissions, or intentional wrongful conduct of the City, its council members, officers, employees and agents in the performance of this Agreement by the City, provided however, this indemnification shall not apply when the loss, etc., was caused by the willful misconduct of the Company.

(b) The Company agrees to indemnify, hold harmless and defend the City and its council members, officers, employees and agents, from and against any and all loss, damage, cost, expense, liability or other claim made or brought against the City, contending that the City is not authorized to divert water as provided under this Agreement or otherwise arising out of the negligent acts or omissions or intentional wrongful conduct of the Company, its officers, directors, employees and agents in the performance of this Agreement by the Company, provided however, this indemnification shall not apply when the loss, etc., was caused by the willful misconduct of the City.

12. Attorneys' Fees. If any party initiates legal proceedings concerning this Agreement and the respective rights and duties thereunder of the parties, then the prevailing party in any such proceeding (including an arbitration proceeding if agreed to by the parties) shall be entitled to recover its reasonable attorneys' fees and other costs customarily recoverable in a court proceeding from the other party in addition to any other relief that may be awarded.

13. Notices. Any notice required to be given hereunder shall be given in writing and either personally served, mailed or telefaxed to the parties as follows:

To the City:

City Manager
City of Folsom
50 Natomas Street
Folsom, CA 95630

Telephone: (916) 355-7200

Facsimile: (916) 355-7227

To the Company:

President
Southern California
Water Company
630 East Foothill Blvd.
San Dimas, CA 91773

Telephone: (909) 934-3610

Facsimile: (909) 394-0827

Notice by mail shall be United States first-class mail and shall be deemed received within three days after mailing. Any of the foregoing addresses and telefax transmission numbers may be changed by written notice given as herein provided.

14. Relationship of Parties. Nothing herein contained shall be construed to create an association, joint venture, trust, or partnership, or to impose a trust or partnership covenant, obligation, or liability on or with regard to the City and the Company. Each party shall be individually responsible for its own covenants, obligations, and liabilities pursuant to this Agreement. No party shall be the agent of or have a right or power to bind the other party without its express written consent, except as expressly provided in this Agreement.

15. Severance. If any of the terms, covenants, or conditions of this Agreement or the application of any term, covenant or condition shall be held invalid as to any party or circumstance by any court or arbitrator having jurisdiction over the parties or subject matter of this Agreement, all other terms, covenants or conditions of this Agreement and their application shall not be affected thereby, but shall remain in force and effect unless a court or arbitrator holds that the provisions are not separable from all other provisions of this Agreement.

16. Waiver. The waiver at any time by any party of its rights with respect to a default or other matter arising in

connection with this Agreement shall not be deemed a waiver with respect to any subsequent default or matter.

17. Counterparts. This Agreement may be executed in counterparts. The Company shall deliver its executed counterpart to the City, which shall deliver a fully-conformed counterpart to the Company.

18. Supporting Resolutions. Each party represents that it has legal authority to enter into this Agreement and to perform its obligations hereunder, and shall submit to the other party concurrent with execution of this Agreement a duly-authorized resolution or other document evidencing the authority and authorizing the person executing this Agreement to do so.

19. Entire Agreement. This Agreement contains the full and entire agreement of the parties. There are no other covenants, warranties or promises of the parties other than as contained in this Agreement.

20. Amendment. This Agreement may be amended only by written instrument duly executed by the parties hereto.

21. Obligations Prior to Termination. The obligations of the parties incurred pursuant to this Agreement prior to termination of this Agreement shall survive the termination.

22. Additional Documents. Each party agrees to make, execute, and deliver any and all documents reasonably required to implement this Agreement.

23. Governing Law. This Agreement shall be interpreted, governed by and construed under the laws of the State of California.

24. Time. Time is of the essence of each and every provision hereof.

25. Successors. This Agreement shall be binding on and inure to the benefit of the respective successors and assigns of the parties.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first-above written.

Dated: May 5, 1994

SOUTHERN CALIFORNIA
WATER COMPANY

Attest:

James B. Delagler
Secretary

By: Royd E. Whitson
President

Dated: December 6, 1994

CITY OF FOLSOM

Approved as to form:

Martha Clark Long
City Attorney

Attest:

Alvin Budder
Clerk

By: Paul Y. Hildebrand
Mayor

**AGREEMENT FOR REIMBURSEMENT
FOR WATER SUPPLY COSTS**

This Agreement is entered into as of the 8th day of March 1994, by and between the City of Folsom, a municipality ("City") and Elliott Homes, Inc., Fredric L. Damé, Inc. and The Parkway Venture (collectively referred to as "Developers"), in the County of Sacramento, California.

Recitals

1. The Developers each plan to undertake developments within the City's East Area. Pursuant to the City's General Plan, no final map creating individual buildable lots may be recorded in the East Area until a new source of water to serve the area has been acquired by the City.

2. The City has negotiated an agreement with Southern California Water Company (dated as of March 8, 1994) to acquire the right to divert up to 5,000 acre feet of water per year (the "SCWC Agreement"), subject to the terms and conditions of that agreement. Developers acknowledge receiving a copy of the SCWC Agreement. Under the SCWC Agreement, the City will be required to purchase minimum amounts of water irrespective of whether the City is able to divert and use the water.

3. The Developers are willing to enter into this Agreement to reimburse the City for all of its costs of acquiring the right to divert raw water under the SCWC Agreement. The City is willing to enter into the SCWC Agreement after the Developers and the City have entered into this Agreement. This Agreement does not cover additional costs to be borne by the Developers to treat and deliver water supplies to their developments.

In consideration of the mutual covenants contained herein, the parties agree as follows:

1. **Recitals Incorporated.** The foregoing recitals are incorporated by reference.

2. Reimbursement of Costs for Water.

(a) The Developers agree to reimburse the City for all of its costs for water under the SCWC Agreement. The reimbursement obligation of each Developer shall be based upon the percentage that the number of equivalent dwelling units ("EDUs") in its development bears to the total number of EDUs in the East Area, as follows:

| | |
|---|---------------|
| 1. Broadstone 2 (Elliott Homes, Inc.): | 23.34% |
| 2. Broadstone 3 (Elliott Homes, Inc.): | 15.00% |
| 3. Russell Ranch (Fredric L. Damé, Inc.): | 49.23% |
| 4. The Parkway (The Parkway Venture): | <u>12.43%</u> |
| | 100% |

The private golf course to be located within Russell Ranch may use water acquired under the SCWC Agreement. The public golf course to be located within Russell Ranch and other City-owned facilities may use water acquired under the SCWC Agreement. If the City uses water acquired under the SCWC Agreement, the City shall pay its fair share for such water. The percentage allocations set forth above do not include the public golf course or other City-owned facilities.

(b) In the event that one Developer fails to timely pay its share of the cost of water, the other developers shall have ten working days to pay the defaulting Developer's share. If the default is not timely cured, the City may (1) reduce the amount of water it is obligated to purchase under the SCWC Agreement by a percentage equivalent to the percentage default in the reimbursement obligation, or (b) elect to cure the default itself and use the water for other City purposes outside the East Area, in which event the City will thereafter assume the defaulting Developer's obligation to timely pay its share of the cost of water. A Developer who defaults in its obligation to reimburse the City as provided in this Agreement shall have no right to receive water under this Agreement unless the default has been cured on reasonable terms satisfactory to the City and any nondefaulting Developer that cured the default.

(c) Payments to the City under this Agreement shall

be due six months before the date payment is required by the City under the SCWC Agreement. Delinquent payments shall incur a penalty of ten percent and bear interest at the rate of twelve percent per year until paid.

(d) Any net revenues (i.e., gross revenues, including (1) revenues received as a result of the sale of water to customers in the East Area, (2) revenues received for sale of water for the private golf course in the East Area, and (3) the reasonable value of water used by the City within the East Area for the public golf course and other City-owned facilities, less cost of treatment and distribution) received by the City as a result of use or sale of water under this Agreement within the East Area shall be credited against the overall cost of water under the SCWC Agreement. The reduced cost will then be allocated among the Developers in accordance with the respective percentage obligations set forth in subparagraph (a) of this section. The parties intend that the Developers' reimbursement obligation under this Agreement be reduced on a pro rata basis as each EDU in the East Area receives water service from the City.

3. Allocation of Water. Water under the SCWC Agreement shall be allocated to the Developers on a "first-come, first-serve basis", and there is no guarantee that water will be allocated to the Developers in the same percentages that the reimbursement obligation is allocated under paragraph 2. Nothing in this Agreement, however, precludes the Developers from making additional agreements among themselves respecting reimbursement of costs and allocation of water. The Developers acknowledge that the ultimate water supply requirements of the East Area exceed 5,000 acre feet per year.

4. Mutual Indemnification.

(a) The City agrees to indemnify, hold harmless and defend the Developers, their officers, employees and agents, from and against any and all loss, damage, cost, expense, liability or claim made or brought against them, arising out of the negligent acts or omissions, whether active or passive, or intentional

wrongful conduct of the City, its council members, officers, employees and agents in the performance of this Agreement by the City, provided however, this indemnification shall not apply when the loss, etc., was caused by the willful misconduct of the Developers.

(b) The Developers agree to indemnify, hold harmless and defend the City and its council members, officers, employees and agents from and against any and all loss, damage, cost, expense, liability or other claim made or brought against the City, arising out of the negligent acts or omissions, whether active or passive, or intentional wrongful conduct of the Developers, their officers, employees and agents in the performance of this Agreement by the Developers, provided however, this indemnification shall not apply when the loss, etc. was caused by the willful misconduct of the City.

5. **Term.** The term of this Agreement shall be the same as the term of the SCWC Agreement.

6. **Obligations Prior to Termination.** The obligations of the parties incurred pursuant to this Agreement prior to termination of this Agreement shall survive the termination.

7. **Successors and Assigns.** This Agreement shall bind and inure to the benefit of the respective heirs, devisees, personal representatives, successors and assigns of the parties. In particular, this Agreement shall be binding on the successors and assigns of the Developers concerning their respective parcels referred to herein. The Developers shall have the right to sell, assign or transfer their respective rights and duties under this Agreement to any person, firm or corporation at any time during the term of this Agreement. The assigning Developer shall provide the City an executed assumption agreement in a form approved by the City Attorney, binding the purchaser, assignee or transferee to the terms and conditions of this Agreement.

8. **Attorney's Fees.** If any party initiates legal proceedings concerning this Agreement and the respective rights and

duties of the parties, then the prevailing party in any such proceeding shall be entitled to recover its reasonable attorney's fees and other costs customarily recoverable in a court proceeding from the other party in addition to any other relief that may be awarded.

In witness whereof, the parties have executed this Agreement as of the day and year first above written.

Dated: 9-6-94

Elliott Homes, Inc.

By: [Signature]

Dated: _____

Frederic L. Damé, Inc.

By: _____

Dated: _____

The Parkway Venture

By: _____

Dated: December 6, 1994

City of Folsom

Approved as to form:

By: [Signature]
Mayor

[Signature]
City Attorney

Attest:

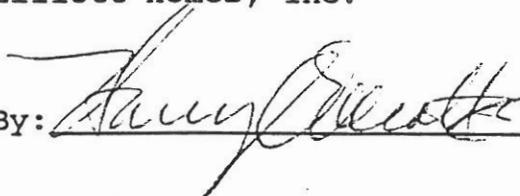
[Signature]
City Clerk

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Elliott Homes, Inc.

By: 

Dated: _____

Frederic L. Damé, Inc.

By: _____

Dated: _____

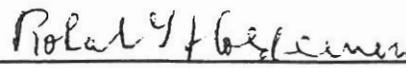
The Parkway Venture

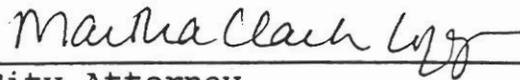
By: _____

Dated: December 6, 1994

City of Folsom

Approved as to form:

By: 
Mayor


City Attorney

Attest:


City Clerk

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In witness whereof, the parties have executed this Agreement as of the day and year first above written.

Dated: _____

Elliott Homes, Inc.

By: _____

Dated: September 22, 1994

Frederic L. Damé, Inc.

By: 

Dated: _____

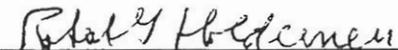
The Parkway Venture

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City of Folsom

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City Attorney

Attest:


City Clerk

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Elliott Homes, Inc.

By: _____

Dated: September 22, 1994

Frederic L. Damé, Inc.

By: 

Dated: _____

The Parkway Venture

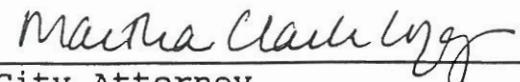
By: _____

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City of Folsom

Approved as to form:

By: 
Mayor


City Attorney

Attest:


City Clerk

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By: _____

Dated: September 22, 1994

Frederic L. Damé, Inc.

By: 

Dated: _____

The Parkway Venture

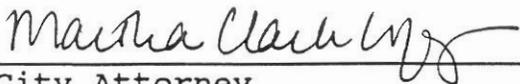
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City of Folsom

Approved as to form:

By: 
Mayor


City Attorney

Attest:


City Clerk

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By: _____

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Frederic L. Damé, Inc.

By: 

Dated: _____

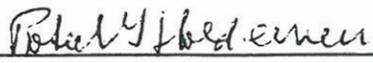
The Parkway Venture

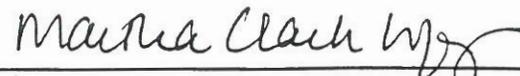
By: _____

Dated: December 6, 1994

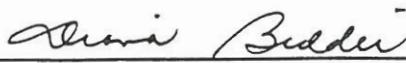
City of Folsom

Approved as to form:

By: 
Mayor


City Attorney

Attest:


City Clerk

duties of the parties, then the prevailing party in any such proceeding shall be entitled to recover its reasonable attorney's fees and other costs customarily recoverable in a court proceeding from the other party in addition to any other relief that may be awarded.

In witness whereof, the parties have executed this Agreement as of the day and year first above written.

Dated: _____

Elliott Homes, Inc.

By: _____

Dated: _____

Frederic L. Damé, Inc.

By: _____

Dated: August 30, 1994

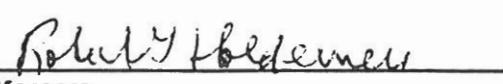
The Parkway Venture

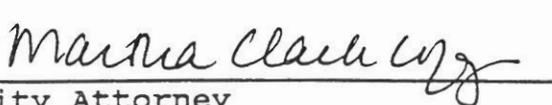
By: 

Dated: December 6, 1994

City of Folsom

Approved as to form:

By: 
Mayor


City Attorney

Attest:


City Clerk

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California
 County of Sacramento

On August 30, 1994 before me, Florence Tanner, Notary Public,
DATE NAME, TITLE OF OFFICER

personally appeared William R. Parker,
NAME(S) OF SIGNER(S)

personally known to me - **OR** - proved to me on the basis of satisfactory evidence

FLORENCE TANNER
 Comm. # 1026719
 NOTARY PUBLIC - CALIFORNIA
 Sacramento County
 My Comm. Expires June 18, 1998

FLORENCE TANNER
 Comm. # 1026719
 NOTARY PUBLIC - CALIFORNIA
 Sacramento County
 My Comm. Expires June 18, 1998

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 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.

WITNESS my hand and official seal.

Florence Tanner
 SIGNATURE OF NOTARY

**— OPTIONAL SECTION —
 CAPACITY CLAIMED BY SIGNER**

Though statute does not require the Notary to fill in the data below, doing so may prove invaluable to persons relying on the document.

- INDIVIDUAL
- CORPORATE OFFICER(S)

President
TITLE(S)

- PARTNER(S) LIMITED GENERAL
- CORPORATION AS A PARTNER OF A PARTNERSHIP
- OTHER: _____

SIGNER IS REPRESENTING:
 NAME OF PERSON(S) OR ENTITY(IES)
Parker Development Company

THIS CERTIFICATE MUST BE ATTACHED TO THE DOCUMENT DESCRIBED AT RIGHT:

Though the data requested here is not required by law, it could prevent fraudulent reattachment of this form.

TITLE OR TYPE OF DOCUMENT Agreement for Reimbursement For Water Supply Costs

NUMBER OF PAGES Five DATE OF DOCUMENT March 8, 1994

SIGNER(S) OTHER THAN NAMED ABOVE Elliott Homes, Dame Inc. and City of Folsom

BARTKIEWICZ, KRONICK & SHANAHAN

A PROFESSIONAL CORPORATION

1011 22ND STREET, SUITE 100
SACRAMENTO, CALIFORNIA 95816-4907
(916) 446-4254
FACSIMILE (916) 446-4018

PAUL M. BARTKIEWICZ
STEPHEN A. KRONICK
RICHARD P. SHANAHAN
ALAN B. LILLY
DAVID T. SAMMOND

FACSIMILE TRANSMITTAL SHEET

DATE: September 13, 1995

TO: Ms. Debby Nassar

FAX number: 925-1127

FROM: Paul M. Bartkiewicz Alan B. Lilly David T. Sammond
 Stephen A. Kronick Richard P. Shanahan

23 page(s) should follow this cover sheet.

The original document will be mailed.

The original document will not be mailed.

SUBJECT: SCWC - Folsom Water Agreement and Reimbursement Agreement

MESSAGE: Please review and comment.

Pursuant to your request.

For your information.

See attached letter or memorandum.

Other:

Please notify Betty at (916) 446-4254 if there is any problem with this transmission. Our FAX number is (916) 446-4018.

THE INFORMATION IN THIS FACSIMILE IS CONFIDENTIAL, AND MAY CONTAIN PRIVILEGED ATTORNEY/CLIENT INFORMATION OR ATTORNEY WORK PRODUCT. THE INFORMATION IS INTENDED ONLY FOR THE USE OF THE INDIVIDUAL OR ENTITY TO WHOM IT IS ADDRESSED. IF YOU ARE NOT THE INTENDED RECIPIENT, OR THE EMPLOYEE OR AGENT RESPONSIBLE TO DELIVER IT TO THE INTENDED RECIPIENT, YOU ARE HEREBY NOTIFIED THAT ANY USE, DISSEMINATION, DISTRIBUTION OR COPYING OF THIS COMMUNICATION IS STRICTLY PROHIBITED. IF YOU HAVE RECEIVED THIS FACSIMILE IN ERROR, PLEASE IMMEDIATELY NOTIFY US BY TELEPHONE, AND RETURN THE ORIGINAL MESSAGE TO US AT THE ADDRESS ABOVE VIA THE REGULAR U.S. MAIL. THANK YOU.

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*   DATE  START    RECEIVER    TX TIME PAGES    TYPE    NOTE *
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*   SEP-13 12:40 9251127      15' 00"  24  SEND      OK *
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