

**JOINT WATER MANAGEMENT EXCHANGE AGREEMENT**

This Joint Water Management Exchange Agreement ("Agreement") is made and effective as of July 22nd, 2008, by and between Arvin-Edison Water Storage District (hereinafter "District") and the County of Fresno (hereinafter "County"), both bodies politic duly organized and existing under the Constitution and laws of the State of California.

**RECITALS:**

1. WHEREAS, County is a party to a Contract with the United States Department of the Interior, Bureau of Reclamation ("Reclamation") for the provision of up to three thousand (3,000) acre-feet per water year of Central Valley Project – Shasta System water (Contract No. 14-06-200-8292A-IR12), or renewal thereof, delivered historically through the Cross Valley Canal (hereinafter the "County CVC Supply"); and

2. WHEREAS, County holds an interest in the Cross Valley Canal and related facilities (the "County CVC Supply Facilities") and certain power contract rights through the Western Area Power Administration ("WAPA Power Contract") currently administered through the Power and Water Resources Pooling Authority ("PWRPA"); and

3. WHEREAS, the County CVC Supply is available from time to time in the California Delta from the Central Valley Project ("CVP"), for delivery in the California Aqueduct; and, in order to be used and conveyed to the County at Millerton Lake, it must be captured, stored, regulated, and exchanged; and

4. WHEREAS, the District is a party to a Contract with Reclamation for forty thousand (40,000) acre-feet of Class 1 water and up to three hundred eleven thousand six hundred seventy five (311,675) acre-feet of Class 2 water per water year from the Friant Division of the CVP (Contract No. 14-06-200-229A-LTR1) ("District CVP Supply"), both classes of supply with established Municipal and Industrial ("M&I") and Irrigation rates; and

1           5.       WHEREAS, District proposes to take delivery of the County's CVC Supply  
2 and/or other supplies and, by way of exchange, provide a long-term water supply to a  
3 portion of Fresno County, namely within Brighton Crest and Millerton New Town  
4 boundaries ("BC/MNT"), both located within Fresno County Service Area No. 34,  
5 subject to the terms and conditions of this Agreement and any extension thereof; and

6           6.       WHEREAS, BC/MNT, as described and depicted on Exhibit "A" attached  
7 hereto are County Service Areas established for purposes of providing, operating, and  
8 maintaining certain infrastructure and services for lands within its boundaries consisting  
9 of an approximate one thousand nine hundred twenty six (1,926) acre area in Fresno  
10 County, California near Millerton Lake planned for development; and

11          7.       WHEREAS, District and County previously entered into a Memorandum of  
12 Understanding (hereinafter "MOU") dated April 6, 1974, which provided for the  
13 exchange of the County CVC Supply and delivery to County under certain conditions of  
14 up to one thousand four hundred eighty three (1,483) acre-feet of Class 1 and one  
15 thousand seven hundred ninety five (1,795) acre-feet of Class 2 water supply from the  
16 District's CVP Supply, for a total of three thousand two hundred seventy eight (3,278)  
17 acre-feet per water year, subject to certain exchange provisions and said MOU is no  
18 longer in force or effect; and

19          8.       WHEREAS, the total annual acre-feet of the District CVP Supply that was  
20 allocated by the County to BC/MNT was one thousand five hundred twenty (1,520)  
21 acre-feet of the three thousand two hundred seventy eight (3,278) acre-feet, or  
22 approximately forty six percent (46%) (see Exhibit "B"); and

23          9.       WHEREAS, the balance of the District CVP Supply that was not allocated  
24 to BC/MNT was the basis for a form of reservation by the County totaling one thousand  
25 seven hundred fifty eight (1,758) acre-feet for potential future use by non County  
26 Service Area No. 34 lands within other service areas and districts hereinafter the "Non  
27  
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1 CSA-34" lands. The Non CSA-34 lands are identified in Exhibit "B" attached hereto;  
2 and

3 10. WHEREAS, in accordance with the terms of the July 17, 2007 Water  
4 Transfer Agreement, during 2007 the County transferred one thousand five hundred  
5 (1,500) acre-feet of County CVC Supply to District under a one year transfer; and

6 11. WHEREAS, District is willing to provide a long-term water supply for use  
7 solely within BC/MNT of up to one thousand five hundred twenty (1,520) acre-feet per  
8 water year of the District's CVP Supply, provided the County is willing to meet the  
9 obligations to District as provided in this Agreement; and

10 12. WHEREAS, District will provide "turn-key" water management for delivery  
11 of a water supply to County so that County will not have to manage its County CVC  
12 Supply, County CVC Supply Facilities, and WAPA Power Contract (collectively referred  
13 to as "County Assets") or incur any cost obligations related to management of County  
14 Assets for the portion of the County Assets delegated to District during the period of this  
15 Agreement and any extension thereof; and

16 13. WHEREAS, this Agreement is in furtherance of State Water Resources  
17 Control Board Order affecting Permit No. 11887, dated January 25, 2007, among other  
18 things, confirming BC/MNT within the authorized Place of Use for M&I purposes.

19 **AGREEMENT:**

20 NOW, THEREFORE, County and District agree as follows:

21 1. **Recitals:** The parties hereto mutually agree and covenant that the  
22 foregoing Recitals are true and correct and are incorporated herein by this reference.

23 2. **Water Supply:** Upon written request of County and subject to the  
24 provisions of this Agreement, District shall provide to County at Millerton Lake for use in  
25 BC/MNT up to one thousand five hundred twenty (1,520) acre-feet per water year of  
26 firm water supply from the District CVP Supply by delivering water to the County by  
27 exchanging County CVC Supply or other District supplies, as determined at the  
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District's sole discretion, for delivery to the County. During the term of this Agreement and any extensions hereof, subject to modification as stated in Paragraph 3 herein, the County Assets and all rights thereto and obligations thereof shall be delegated to District and District may take delivery of such County CVC Supply and deliver by exchange such water or other water available to it to County during the term of this Agreement. The District shall have sole access to the supply developed from the County Assets, including the full three thousand (3,000) acre-foot County CVC Supply, to do with as it wishes, for any legal purpose, and consistent with the County's Contracts, provided that the District is meeting its obligations to the County either from County CVC Supply or other supplies available to the District.

3. **Allocation of a Portion of County Assets to Others:** The County may, with one (1) year prior written notice, reduce the District's portion of the County Assets, provided however it shall not be reduced to be less than a 1520/3278<sup>th</sup> share of the County Assets, and whatever supplies are correspondingly and subsequently developed for the reduced share. In such event, the District's obligation to provide up to one thousand five hundred twenty (1,520) acre-feet per water year of firm water from the District CVP Supply shall be reduced by the same percentage, provided District may in its sole discretion thereafter, in any year, provide additional water beyond such reduced obligation. The County's sole reason for reducing the District's share of the County's Assets is when County wishes to use a portion of the County's Assets for service to Non CSA-34 lands, as identified in Exhibit "B", as may be modified by County, provided any such modification and use shall not include sale by the County of the County Assets for any new or expanded development and/or for any use in an area not within an authorized Place of Use.

4. **Term:** The initial term of this Agreement shall run concurrently with District's Water Service Contract with Reclamation which expires on February 28, 2026, and may be renewed by the parties for successive ten (10) year periods upon mutually-

1 agreed upon terms between District and County. In the last year of this Agreement (or  
2 extensions thereof), the parties shall meet for the purpose of negotiating the terms of an  
3 extension to this Agreement. If the parties do not agree to an extension of this  
4 Agreement by the end date of this Agreement, then the Agreement shall terminate.

5       5.     **Obligations of County to District:** The obligation of County to District as  
6 consideration for District to exchange the County's CVC Supply and/or other supplies  
7 and to provide a firm water supply under the terms and conditions of this Agreement as  
8 defined herein, and upon request from District to County shall be as follows:

9             (a)     County will make a payment within thirty (30) days after the end of  
10 each month to District in those months when water is received by County at an amount  
11 equal to an indexed rate of Five Hundred Dollars (\$500.00) per acre-foot for each acre-  
12 foot of water provided to County. The index shall be based on a ten percent (10%)  
13 increase every five (5) water years during the term of this Agreement. By way of  
14 example, the beginning rate will be Five Hundred Dollars (\$500.00) per acre-foot for the  
15 first five (5) water years of this Agreement, and Five Hundred Fifty Dollars (\$550.00) per  
16 acre-foot for the next five (5) water years, and with subsequent like increases thereafter  
17 (see Exhibit "C" attached hereto).

18             (b)     Effective during the term of this Agreement and subject to potential  
19 future modification as stated in Paragraph 3 herein, County shall proportionately  
20 delegate its rights to District in the County's Assets.

21       6.     **Obligations of District to County:** During the term of the Agreement  
22 and any extensions thereof, District will pay all proportionate costs associated with the  
23 County Assets, including the proportionate portion of the County's share of the annual  
24 cost related to County's capacity in the Cross Valley Canal and the recent construction  
25 of the Cross Valley Canal expansion and Cross Valley Canal/Friant-Kern Intertie as  
26 such costs are generally described in Exhibit "D" attached hereto. The District shall also  
27 receive any and all revenues generated from the County Assets including, but not  
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1 limited to, Cross Valley Canal revenues such as Excess Capacity and Excess Wheeling  
2 charges, and any water and/or power sales or transfers. District will manage their  
3 proportionate share of the County's Assets and shall utilize as it deems appropriate.  
4 The maximum annual amount of water deliverable by District to BC/MNT under this  
5 Agreement shall be one thousand five hundred twenty (1,520) acre-feet per water year.  
6 The District shall also pay the M&I rates for the Class 1 water, or when available, Class  
7 2 water, it may make available to County from the District's CVP supply.

8       7.     **Payment by County:** County shall be responsible for all amounts due  
9 District for exchanging the County CVC Supply and providing a firm supply to County  
10 pursuant to this Agreement, including Paragraph 5(a), and such amounts shall be paid  
11 to District within thirty (30) days of the end of each month of District's delivery of any  
12 water under this Agreement. If delinquent thereafter interest shall accrue at a rate of  
13 one percent (1%) per month. Delinquent payments which remain uncured for ninety  
14 (90) days after written notice may be considered as default or breach of this Agreement  
15 in accordance with Paragraph 23 of this Agreement.

16       8.     **Delivery of Water by District to County for BC/MNT:** The delivery of  
17 water by District hereunder shall be to County for use only within County's BC/MNT  
18 boundaries as depicted in Exhibit "A". County shall, by March 1<sup>st</sup> of each year provide  
19 written notice in the form set forth in Exhibit "E" hereto to District of the annual water  
20 supply being requested by County to be delivered under the terms and conditions of this  
21 Agreement and anticipated build-up schedule estimated in the attached Exhibit "F".  
22 Absent the mutual agreement of County and the District, County shall meet the water  
23 supply needs of BC/MNT areas designated to receive Districts water by first requesting  
24 the use of District's water before use of any other supplies. District acknowledges that  
25 County may use some recycled water for golf course irrigation and landscape purposes.

26       9.     **Reclamation Approval:** County and District shall cooperate to obtain any  
27 such necessary approvals from Reclamation.  
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1           10.    **Additional Actions:** District and County shall take such further actions  
2 and cooperate as may be necessary in order to permit or facilitate the arrangements  
3 contemplated by this Agreement. Such actions may include, but may not necessarily be  
4 limited to: 1) Notice to the Kern County Water Agency delegating County CVC Supply  
5 Facilities to District; 2) Notice to PWRPA delegating WAPA Power Contract to District;  
6 3) Execution of "Contract Among Kern County Water Agency and Various Parties for  
7 the Operation of the Cross Valley Canal, Extension, and Intertie" and "Contract Among  
8 Kern County Water Agency and Various Parties for the Construction of the Expansion of  
9 the Cross Valley Canal"; 4) Notice to Reclamation and DWR requesting an additional  
10 point of delivery corresponding to District's turnout from the California Aqueduct; and, 5)  
11 Pursuing renewal of County Assets such as their present Water Service Contracts with  
12 Reclamation and Transportation and Wheeling Agreements with the Department of  
13 Water Resources ("DWR"). In addition, County will cooperate so as to affect other  
14 purchases, exchanges, and/or Water Banking Agreements as necessary for District to  
15 deliver supplies to BC/MNT as cost effectively as possible. The costs of any additional  
16 purchases, exchanges, and/or Water Banking Agreements are to be borne by District.

17           11.    **Environmental Compliance:** The parties shall undertake the necessary  
18 steps to ensure that arrangements contemplated hereby are in compliance with, if  
19 applicable, the California Environmental Quality Act (CEQA) and the National  
20 Environmental Policy Act (NEPA) and all other applicable laws, regulations, and  
21 ordinances. District shall act as the lead agency for all actions required under CEQA in  
22 connection with this Agreement and/or the associated arrangements, with the  
23 cooperation of County acting as a "responsible agency" in connection therewith. County  
24 agrees to be responsible for payment of one-half of the reasonable and necessary costs  
25 of any environmental efforts as stated above and to pay within sixty (60) days of  
26 demand by District for such amount; however, District agrees to get County's approval  
27 of those estimated costs prior to County being obligated.

1           12.    **Delegation of County Assets to District:** During the effective term of  
2 this Agreement and any extensions hereof, County shall delegate to District all rights to  
3 County's Assets, subject to any proportional reduction of District's share of the County  
4 Assets under Paragraph 3 herein. By execution of this Agreement, County hereby  
5 delegates rights and duties in the County's Assets for the term of this Agreement.

6           13.    **Program Accounting:** District shall provide to Fresno County within sixty  
7 (60) days of the end of the water year (March 1 through February of the following year),  
8 an annual accounting of the program operations to date of the County's CVC supply or  
9 other supplies District has made available to the County.

10          14.    **Conservation:** For information purposes, without obligation to District,  
11 County advises that in accordance with approved conservation plans for County,  
12 County and all BC/MNT water users shall engage in conservation practices designed to  
13 conserve any water used in accordance with this Agreement to the maximum extent  
14 practical, including without limitation, adopting pricing policies, best-management  
15 practices, education programs, and incentives to encourage water conservation.

16          15.    **Waiver:** Any waiver of the provisions of this Agreement by the party  
17 entitled to the benefits thereof as to any instance must be in writing and shall in no  
18 event be deemed a waiver of the same provision with respect to any other instance or a  
19 waiver of any other provision of this Agreement.

20          16.    **Notices:** All notices or other communications given under this Agreement  
21 shall be effective upon personal delivery, or three (3) days after deposit in the United  
22 States mail, registered or certified, postage prepaid, and addressed to the parties, as  
23 follows:

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1 If to District: Arvin-Edison Water Storage District  
2 Post Office Box 175  
3 Arvin, CA 93203  
4 Telephone: (661) 854-5573  
5 Facsimile: (661) 854-5213  
6

7 Copy to: Ernest A. Conant, Esquire  
8 Young Wooldridge  
9 1800 30th Street, 4th Floor  
10 Bakersfield, CA 93301  
11 Telephone: (661) 327-9661  
12 Facsimile: (661) 327-1087  
13

14 If to County: County of Fresno  
15 Department of Public Works & Planning  
16 2220 Tulare Street, Sixth Floor  
17 Fresno, CA 93721  
18 Attention: Mr. Alan Weaver, Director  
19 Telephone: (559) 262-4078  
20 Facsimile: (559) 262-4879  
21

22 Copy to: County Counsel  
23 County of Fresno  
24 2220 Tulare Street, Suite 500  
25 Fresno, CA 93721  
26 Telephone: (559) 488-3479  
27 Facsimile: (559) 488-1900  
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1 or to such other address as either of the parties from time to time designate in writing.  
2 As a matter of convenience, however, communications between District and County  
3 shall, to the extent feasible, be conducted orally by telephone or in person, with such  
4 communications to be confirmed and made effective in writing as set forth above. No  
5 oral notice or communication shall be effective unless so confirmed in writing, which  
6 shall include electronic (e-mail) and facsimile communications.

7 17. **Government Restrictions:** Except as otherwise expressly provided in  
8 this Agreement, each party shall be responsible for paying for all necessary permits,  
9 governmental approvals, and all other necessary consents required of it in connection  
10 with the performance of its obligations or the exercise of its rights under this Agreement.

11 18. **Assignment:** Any assignment of this Agreement by either party requires  
12 the prior written consent of the other party to the assignment.

13 19. **Modification of Agreement:** Either party may from time to time request  
14 mutually agreeable changes in the provisions of this Agreement. Furthermore, if as a  
15 result of enactments, amendments, repeals or changes in implementation or  
16 interpretation of any federal or state law, rule or regulation, there results in a material  
17 change in the conditions under which the County CVP Supply, County CVP Supply  
18 Facilities or District CVP Supply are provided, including the costs thereof, the parties  
19 shall in good faith negotiate an amendment of this Agreement to fairly and equitably  
20 reflect such changed conditions. Such changes, as agreed upon by the parties, must  
21 be incorporated in written amendment form to this Agreement and be approved by both  
22 parties to this Agreement by written signature. No other purported changes to this  
23 Agreement shall be effective or binding.

24 20. **Authority:** Each of the individuals signing this Agreement on behalf of the  
25 parties hereby represents and warrants that he/she has the authority to execute this  
26 Agreement on behalf of such party and that the governing board of such party has duly  
27 approved the execution of this Agreement on behalf of that party.  
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1           21.   **Mutual Indemnification:**   County and District shall each defend,  
2 indemnify, and hold the other harmless from and against any and all damages, claims,  
3 or other liabilities (including without limitation attorneys' fees and costs) (all of the  
4 foregoing in this sentence collectively referred to as "Indemnify") incurred in connection  
5 with or as the result of the actions or inactions of the other party under this Agreement,  
6 or as follows:

7                   (a)   The County shall Indemnify the District as to any action or claim  
8 related to or arising from: (i) challenging the validity of the County CVC Supply, County  
9 CVC Supply Facilities or WAPA Power Contract; (ii) challenging the use of water as  
10 herein provided by the County in BC/MNT; or, (iii) challenging this Agreement or the  
11 water management program herein provided if brought by or on behalf of a resident or  
12 landowner within the County; and

13                   (b)   The District shall Indemnify the County as to any action or claim  
14 related to or arising from: (i) challenging the validity of District CVP Supply; (ii)  
15 challenging the use of water as herein provided by the District within its boundaries; or,  
16 (iii) challenging this Agreement or the water management program herein provided if  
17 brought by or on behalf of a resident or landowner within the District.

18                   (c)   If a claim related to or arising from challenging this Agreement or  
19 the water management program herein provided is brought by or on behalf of a resident  
20 or landowner not within the District, nor on behalf of a resident or landowner within the  
21 County, the District and County will jointly share in the defense of the claim.

22           22.   **No Permanent Right:** In no event shall any right under this Agreement  
23 become permanent or mature into an interest of any kind in District's CVP Supply or in  
24 County's Assets, except as set forth herein. In this regard, the County shall be totally  
25 responsible for overseeing and paying all costs related to renewal or extension of  
26 County Assets and said contracts and all matters related thereto. The District shall be  
27 totally responsible for overseeing and paying all costs related to renewal or extension of  
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1 the District CVP Supply contract and all matters related thereto.

2       23. **Termination of Agreement and Default:** At the end of the term of this  
3 Agreement any rights to the County's Assets shall remain the property of County. This  
4 Agreement shall remain in effect for a term as defined in Paragraph 4 of this  
5 Agreement. In addition, this Agreement shall terminate in the event of a default or  
6 breach of this Agreement by either party, which remains uncured for ninety (90) days  
7 after written notice.

8       24. **Integration:** This Agreement and the exhibits attached hereto and  
9 incorporated herein by reference contain the entire agreement between the parties and  
10 supersede all prior and contemporaneous oral and written agreements, understandings,  
11 and representations among the parties.

12       25. **Venue:** The venue for all actions brought by either party in connection  
13 with this transaction shall be Fresno County.

14       26. **Counterparts:** This Agreement may be executed in counterparts by  
15 District and County such that the signatures may appear on separate signature pages,  
16 with each having the same force and effect as an executed original. A copy of an  
17 original, with all the signatures appended together, shall be deemed a fully executed  
18 Agreement.

19       IN WITNESS WHEREOF, the parties have executed this Agreement as of the  
20 date first above written.

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1 ARVIN-EDISON WATER STORAGE DISTRICT

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3  
4 BY:   
President, Board of Directors

5 ATTEST:

6  
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8 BY:   
9 SECRETARY FOR DISTRICT

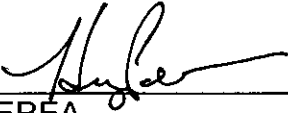
10 APPROVED AS TO LEGAL FORM BY DISTRICT'S LEGAL COUNSEL  
11 YOUNG WOOLRIDGE, LLP

12  
13 BY:   
14 ERNEST A. CONANT, ESQUIRE

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23  
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25  
26 ORG. NO.: 9174  
27 SUBCLASS NO.: 16000  
28 FUND NO.: 0830  
ACCOUNT NO.: 7010

1 COUNTY OF FRESNO

2 JUL 22 2008

3  
4 BY:   
HENRY PEREA  
5 CHAIRMAN, BOARD OF SUPERVISORS

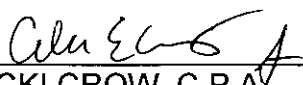
6 ATTEST: CLERK  
7 BOARD OF SUPERVISORS

8  
9 BY:   
10 BERNICE E. SEIDEL, CLERK  
BOARD OF SUPERVISORS

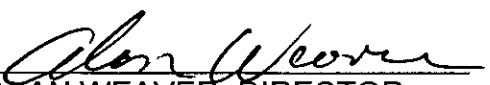
11 APPROVED AS TO LEGAL FORM

12  
13  
14 BY:   
JANELLE KELLEY  
15 INTERIM COUNTY COUNSEL

16 APPROVED AS TO ACCOUNTING FORM

17  
18  
19 BY:   
VICKI CROW, C.P.A.  
20 AUDITOR-CONTROLLER/  
21 TREASURER - TAX COLLECTOR

22 REVIEWED AND RECOMMENDED FOR APPROVAL

23  
24 BY:   
25 ALAN WEAVER, DIRECTOR  
26 DEPARTMENT OF PUBLIC WORKS AND PLANNING  
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**EXHIBIT "A"**

**MILLERTON NEW TOWN SPECIFIC PLAN BOUNDARY**

**LEGAL DESCRIPTION**

Portions of Sections 10, 11, 12, 15 and 16, all in Township 11 South, Range 21 East, Mount Diablo Base and Meridian, in the County of Fresno, being more particularly described as follows:

**BEGINNING** at the Southeast corner of said Section 15;

Thence along the South line of the Southeast one-quarter of said Section 15, North 88° 29' 14" West, a distance of 2,600.79 feet to the South quarter corner of said Section 15;

Thence along the South line of the Southwest one-quarter of said Section 15, North 88° 31' 45" West, a distance of 2,600.38 feet to the Southwest corner of said Section 15;

Thence along the South line of the Southeast one-quarter of said Section 16, North 89° 12' 36" West, a distance of 2,028.05 feet to the Southwest corner of the East three-quarters of the Southeast one-quarter of said Section 16;

Thence along the West line of said East three-quarters of the Southeast one-quarter of said Section 16, North 00° 45' 21" East, a distance of 2,626.24 feet to a point on the North line of said Southeast one-quarter of Section 16;

Thence along said North line of the Southeast Quarter of Section 16, North 88° 59' 00" West, a distance of 676.79 feet to the Center corner of said Section 16;

Thence along the West line of the Northeast one-quarter of said Section 16, North 00° 44' 04" East, a distance of 2,629.13 feet to the North one-quarter corner of said Section 16;

Thence along the North line of said Section 16, South 88° 44' 59" East, a distance of 2,710.74 feet to the Northeast corner of said Section 16;

Thence along the West line of the Southwest one-quarter of said Section 10, North 0° 32' 13" East, a distance of 1,321.14 feet, to the Southwest corner of the Northwest one-quarter of said Southwest one-quarter of Section 10, being also the Northwest corner of Government Lot 9 of said Section 10;

Thence along the South line of said Government Lot 9, North 88° 47' 07" West, a distance of 695.63 feet to the Southwest corner of Parcel 20, as shown on Parcel Map No. 3179, recorded in Book 34 at Page 94 of Parcel Maps, Fresno County Records;

Thence along the West line of said Parcel 20, North 01° 14' 29" East, a distance of 1,321.04 feet to a point;

Thence continuing along said West line of Parcel 20, North 01° 28' 14" East, a distance of 1,322.17 feet to the Northwest corner of said Parcel 20, said point also being on the North line of Government Lot 8 of said Section 10;

Thence along the North line of said Government Lot 8, South 88° 59' 09" East, a distance of 697.05 feet to the Northeast corner of said Government Lot 8, said point also being the Northwest Corner of Parcel 1 as shown on said Parcel Map No. 3179;

Thence along the North line of said Parcel 1 of, South 88° 41' 02" East, a distance of 1,307.32 feet to the Northeast corner thereof;

Thence along the East line of said Parcel 1, South 01° 47' 08" West, a distance of 1,329.63 feet to the Southeast corner thereof, said point also being the Southwest corner of Parcel 2 of said Parcel Map 3179;

Thence along the South line of said Parcel 2, South 88° 25' 26" East, a distance of 979.76 feet to a point of intersection with the 840-foot Above Mean Sea Level (AMSL) contour line;

Thence Southerly, Easterly, Northerly and Westerly generally along said contour line the following 20 courses:

1. South 28° 33' 41" West, a distance of 57.07 feet;
2. Thence South 15° 34' 03" West, a distance of 86.83 feet;
3. Thence South 16° 48' 44" East, a distance of 47.74 feet;
4. South 74° 51' 31" East, a distance of 42.91 feet;
5. Thence North 50° 39' 18" East, a distance of 43.52 feet;
6. Thence North 88° 36' 15" East, a distance of 35.39 feet;
7. Thence South 65° 05' 43" East, a distance of 70.21 feet;
8. Thence North 56° 19' 59" East, a distance of 130.65 feet;
9. Thence North 10° 51' 56" East, a distance of 64.09 feet;
10. Thence North 55° 35' 29" East, a distance of 166.32 feet;
11. Thence South 73° 33' 42" East, a distance of 134.07 feet;
12. Thence South 81° 45' 00" East, a distance of 92.95 feet;
13. Thence North 54° 25' 19" East, a distance of 179.33 feet;
14. Thence North 07° 27' 24" East, a distance of 113.05 feet;
15. Thence North 69° 45' 02" East, a distance of 59.79 feet;
16. Thence North 50° 38' 48" East, a distance of 145.18 feet;
17. Thence North 13° 48' 09" East, a distance of 195.34 feet;

18. Thence North  $03^{\circ} 26' 12''$  East, a distance of 43.19 feet;

19. Thence North  $28^{\circ} 37' 53''$  West, a distance of 64.84 feet;

20. Thence North  $24^{\circ} 13' 46''$  East, a distance of 14.65 feet to the South line of Parcel 3 of said Parcel Map No. 3179;

Thence along said South line of said Parcel 3, South  $88^{\circ} 34' 47''$  East, a distance of 1,097.93 feet to the Southeast corner thereof;

Thence northerly along the East line of said Parcel 3, the following five courses:

1. North  $04^{\circ} 04' 57''$  West, a distance of 16.34 feet to the beginning of a circular curve concave to the West and having a radius of 500.00 feet;
2. Thence along said circular curve, through a central angle of  $44^{\circ} 52' 35''$ , an arc distance of 391.62 feet;
3. Thence North  $48^{\circ} 57' 31''$  West, a distance of 226.92 feet to the beginning of a circular curve concave to the Northeast and having a radius of 250.00 feet;
4. Thence along said circular curve, through a central angle of  $26^{\circ} 39' 21''$ , an arc distance of 116.31 feet;
5. Thence North  $22^{\circ} 18' 10''$  West, a distance of 113.90 feet, to the Northeast corner of said Parcel 3, also being the Northwest corner of Parcel 5 of said Parcel Map No. 3179;

Thence along the North line of said Parcel 5, South  $88^{\circ} 34' 47''$  East, a distance of 1,352.68 feet to the Northeast corner thereof, said point also being the Northwest corner of Parcel 6 of said Parcel Map No. 3179;

Thence along the North line of said Parcel 6, South  $88^{\circ} 16' 00''$  East, a distance of 641.75 feet to a point of intersection with the 840-foot AMSL elevation contour line;

Thence Southerly, Easterly, Northerly and Westerly generally along said contour line the following 14 courses:

1. South  $12^{\circ} 46' 11''$  East, a distance of 59.32 feet;
2. Thence South  $78^{\circ} 26' 21''$  East, a distance of 89.39 feet;
3. Thence South  $14^{\circ} 01' 19''$  East, a distance of 95.29 feet;
4. Thence South  $42^{\circ} 52' 44''$  West, a distance of 108.14 feet;
5. Thence South  $02^{\circ} 06' 37''$  West, a distance of 335.10 feet;
6. Thence South  $21^{\circ} 57' 10''$  East, a distance of 240.26 feet;
7. Thence South  $41^{\circ} 01' 43''$  East, a distance of 261.58 feet;
8. Thence South  $51^{\circ} 36' 32''$  East, a distance of 133.81 feet;

9. Thence North 77° 36' 38" East, a distance of 45.06 feet;
10. Thence South 00° 11' 07" West, a distance of 72.15 feet;
11. Thence South 26° 54' 52" East, a distance of 122.72 feet;
12. Thence South 53° 02' 29" East, a distance of 52.12 feet;
13. Thence South 50° 58' 31" East, a distance of 57.82 feet;
14. Thence South 64° 08' 38" East, a distance of 54.08 feet to a point of intersection with the East line of Parcel 6 of said Parcel Map No. 3179;

Thence along said East line of Parcel 6, South 01° 54' 01" West, a distance of 82.21 feet to the Southeast corner thereof, said point also being the Northwest corner of Parcel 11 of said Parcel Map No. 3179;

Thence along said North line of Parcel 11 of said Parcel Map No. 3179, South 88° 26' 48" East, a distance of 249.74 feet to the Northeast corner of said Parcel 11;

Thence along the East line of said Parcel 11 of Parcel Map 3179 and its southerly prolongation, South 01° 27' 25" West, a distance of 1,417.99 feet to the centerline of Millerton Road as shown on said Parcel Map 3179;

Thence along said centerline of Millerton Road, as shown on the Map of Tract 4048, recorded in Volume 49 of Plats at Pages 561 through 79, Fresno County Records, along a circular curve, concave to the North, having a beginning radial bearing of North 08° 39' 35" East, a radius of 1,232.17 feet, a central angle of 05° 27' 47" and an arc length of 117.49 feet;

Thence North 75° 53' 10" West, a distance of 1,317.19 feet to the intersection with the Northerly prolongation of the East line of Parcel 12 of Parcel Map 5349, recorded in Book 34 of Parcel Maps at Page 20, Fresno County Records;

Thence along said northerly prolongation and the East side of said Parcel 12 of Parcel Map 5349, South 02° 21' 36" West, a distance of 1,304.09 feet to Southeast corner of said Parcel 12 of Parcel Map 5349, said point also being on the South line of said Section 11;

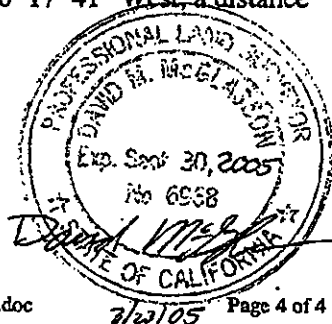
Thence along the South line of said Section 11 and the South line of said Parcel 12, North 88° 04' 32" West, a distance of 250.15 feet to the Southwest corner of said Section 11;

Thence along the East line of said Section 15, South 00° 17' 41" West, a distance of 2,630.36 feet, to the East one-quarter corner of said Section 15;

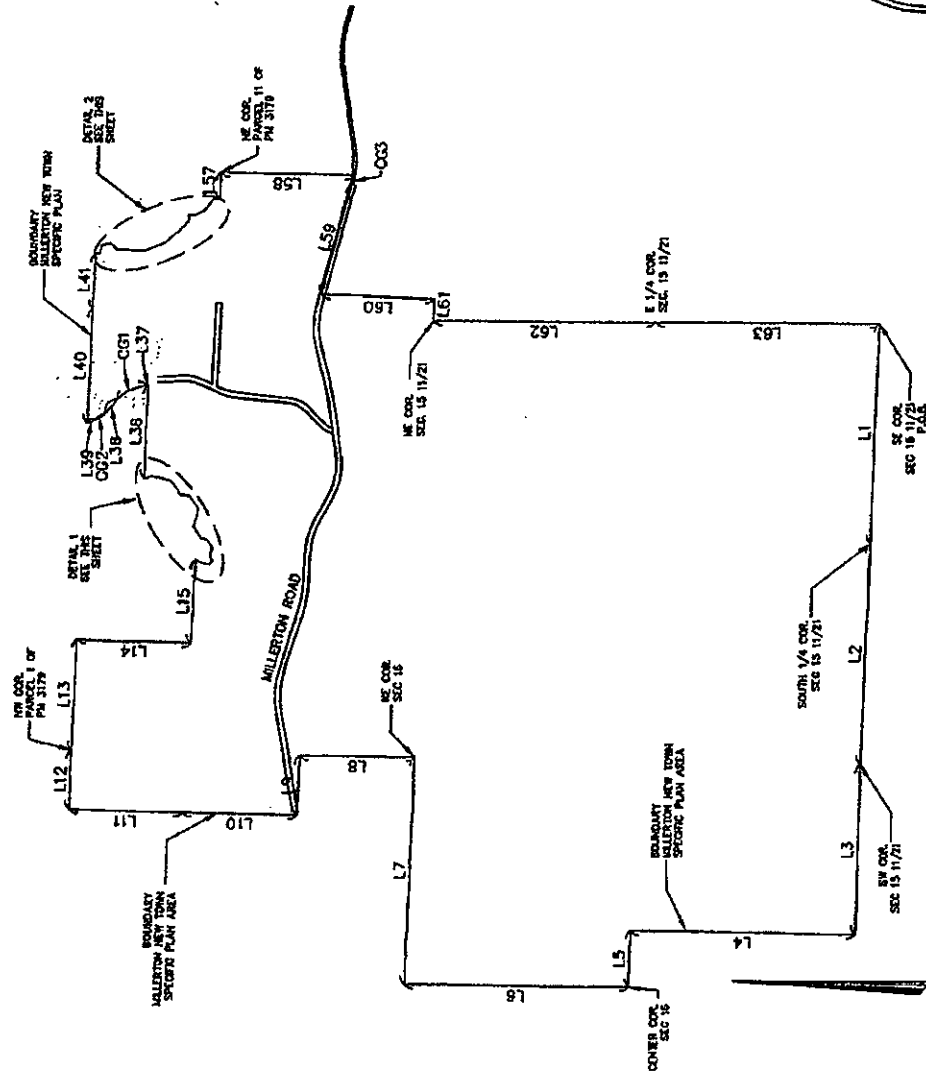
Thence continuing along said East line of Section 15, South 00° 17' 41" West, a distance of 2,630.41 feet to the POINT OF BEGINNING.

Containing 1,438 acres, more or less.

END OF DESCRIPTION

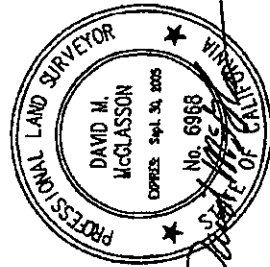
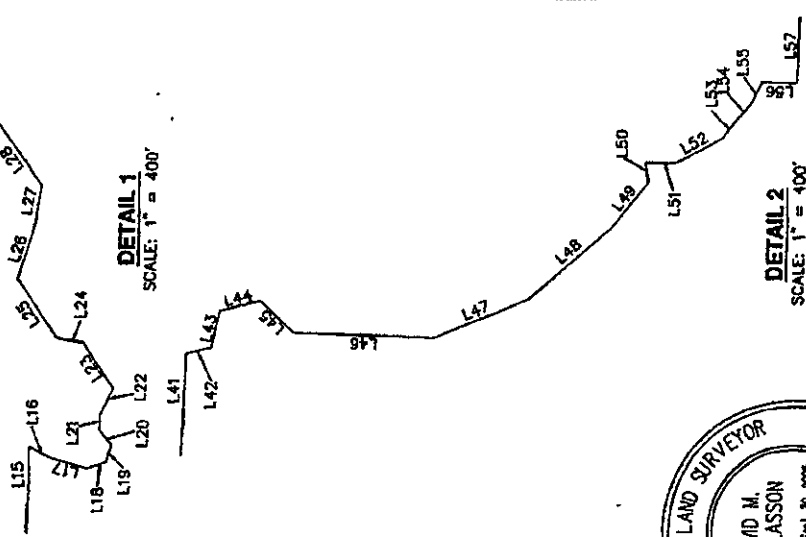


MAP 1



**LOCATION MAP  
MILLERTON NEW TOWN  
SPECIFIC PLAN BOUNDARY**

LOCATION : T 11S. R 21 E.

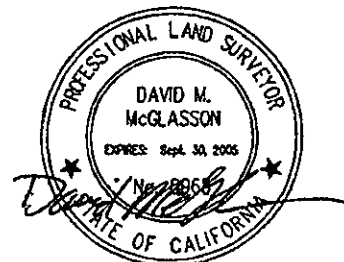


DATE SIGNED: 3/23/05

**PROVOST & PRITCHARD**  
F.S.T. 19049  
TRANSMISSIONS GROUP  
An Employee Owned Company  
100 WEST OAKDALE AVENUE  
PUEBLO, COLORADO 81011-5143  
303/748-2000 FAX 303/748-2779  
www.provostpritchard.com

| LINE TABLE |         |             |
|------------|---------|-------------|
| LINE       | LENGTH  | BEARING     |
| L1         | 2600.79 | N88°29'14"W |
| L2         | 2600.38 | N88°31'45"W |
| L3         | 2028.05 | N89°12'36"W |
| L4         | 2626.24 | N00°45'21"E |
| L5         | 676.79  | N88°59'00"W |
| L6         | 2629.13 | N00°44'04"E |
| L7         | 2710.74 | S88°44'59"E |
| L8         | 1321.14 | N00°32'13"E |
| L9         | 695.63  | N88°47'07"W |
| L10        | 1321.04 | N01°14'29"E |
| L11        | 1322.17 | N01°28'14"E |
| L12        | 697.05  | S88°59'09"E |
| L13        | 1307.32 | S88°41'02"E |
| L14        | 1328.63 | S01°47'08"W |
| L15        | 978.76  | S88°25'26"E |
| L16        | 97.07   | S28°33'41"W |
| L17        | 88.83   | S15°34'03"W |
| L18        | 47.74   | S16°48'44"E |
| L19        | 42.81   | S74°31'31"E |
| L20        | 43.52   | N30°39'18"E |
| L21        | 35.39   | N88°36'15"E |
| L22        | 70.21   | S65°06'43"E |
| L23        | 130.65  | N56°19'59"E |
| L24        | 64.09   | N10°31'56"E |
| L25        | 166.32  | N55°35'29"E |
| L26        | 134.07  | S73°33'42"E |
| L27        | 92.95   | S81°45'00"E |
| L28        | 179.33  | N34°25'19"E |
| L29        | 113.05  | N07°27'24"E |
| L30        | 59.79   | N69°45'02"E |
| L31        | 145.18  | N50°38'48"E |
| L32        | 195.34  | N13°48'09"E |
| L33        | 43.19   | N03°26'12"E |
| L34        | 64.84   | N28°37'53"W |
| L35        | 14.65   | N24°13'46"E |
| L36        | 1097.93 | S88°34'47"E |
| L37        | 18.34   | N04°04'57"W |
| L38        | 226.92  | N48°57'31"W |
| L39        | 113.90  | N22°18'10"W |
| L40        | 1352.68 | S88°34'47"E |
| L41        | 641.75  | S88°16'00"E |
| L42        | 59.32   | S12°46'11"E |
| L43        | 89.39   | S78°26'21"E |
| L44        | 95.29   | S14°01'19"E |
| L45        | 108.14  | S42°52'44"W |
| L46        | 335.10  | S02°06'37"W |
| L47        | 240.26  | S21°57'10"E |
| L48        | 261.58  | S41°01'43"E |
| L49        | 133.81  | S51°36'32"E |
| L50        | 45.06   | N77°36'38"E |
| L51        | 72.15   | S00°11'07"W |
| L52        | 122.72  | S26°54'52"E |
| L53        | 62.12   | S53°02'29"E |
| L54        | 57.82   | S50°58'31"E |
| L55        | 54.08   | S64°08'38"E |
| L56        | 82.21   | S01°54'01"W |
| L57        | 249.74  | S88°26'48"E |
| L58        | 1417.99 | S01°27'25"W |
| L59        | 1317.19 | S75°53'10"E |
| L60        | 1304.09 | N02°21'36"E |
| L61        | 250.15  | S88°04'32"E |
| L62        | 2630.38 | N00°17'41"E |
| L63        | 2630.41 | N00°17'41"E |

| CURVE TABLE |        |         |           |
|-------------|--------|---------|-----------|
| CURVE       | LENGTH | RADIUS  | DELTA     |
| CG1         | 391.62 | 500.00  | 44°52'35" |
| CG2         | 116.31 | 250.00  | 26°39'21" |
| CG3         | 117.49 | 1232.17 | 5°27'47"  |



DATE SIGNED: 3/23/05

LINE AND CURVE TABLES  
MILLERTON NEW TOWN  
SPECIFIC PLAN BOUNDARY

LOCATION : T 11S. R 21 E.

LSI: 1908  
**PROVOST & PRITCHARD**  
ENGINEERING & SURVEYING  
An Employee Owned Company  
255 WEST CHAMBERLAIN AVENUE  
PESNO, CALIFORNIA 93751-5182  
559/448-2700 FAX 559/448-2748  
www.ppseng.com

3/23/2005 12:25:39 PM C:\Clients\Constance Company - 1232\12320301\Long\UNIT Boundary Map-legal.dwg - Adam

EXHIBIT "A"

BRIGHTON CREST BOUNDARY

LEGAL DESCRIPTION

Portions of Sections 11, 12 and 14, all in Township 11 South, Range 21 East, Mount Diablo Base and Meridian, in the County of Fresno, being all those lands shown within the boundaries of Tract 4048, recorded in Volume 49 of Plats at Pages 561 through 79, Fresno County Records, and being more particularly described as follows:

BEGINNING at the Northeast Corner of said Section 14;

Thence along the North line of said Section 14, North 89° 23' 28" West, a distance of 1,312.91 feet to the Northeast corner of the Northwest one-quarter of the Northeast one-quarter of said Section 14;

Thence along the East line of said Northwest one-quarter of the Northeast one-quarter of said Section 14, South 01° 28' 38" West, a distance of 1,292.54 feet to the Southeast corner of said Northwest one-quarter of the Northeast one-quarter of said Section 14;

Thence along the South line of said Northwest one-quarter of the Northeast one-quarter of said Section 14, North 89° 20' 21" West, a distance of 1,309.72 feet to the Southwest corner of said Northwest one-quarter of the Northeast one-quarter of said Section 14;

Thence along the West line of the Southwest one-quarter of the Northeast one-quarter of said Section 14, South 01° 24' 23" West, a distance of 1,289.62 feet to the Center one-quarter corner of said Section 14;

Thence along the West line of the Southeast one-quarter of said Section 14, South 01° 25' 13" West, a distance of 2,610.52 feet to the South one-quarter corner of said Section 14;

Thence along the South line of said Section 14, North 89° 35' 44" West, a distance of 2,604.91 feet to the Southwest corner of said Section 14;

Thence along the West line of said Section 14, North 00° 17' 41" East, a distance of 2,630.41 feet to the West one-quarter corner said Section 14;

Thence continuing along the West line of said Section 14, North 00° 17' 41" East, a distance of 2,630.36 feet, to the Northwest corner of said Section 14, said point also being on the South line of Parcel 12 of Parcel Map 5349, recorded in Book 34 of Parcel Maps at Page 20, Fresno County Records;

Thence along the North line of said Section 14, South 88° 04' 32" East, a distance of 250.15 feet to the Southeast corner of said Parcel 12 of Parcel Map 5349;

Thence along the East side of said Parcel 12 of Parcel Map 5349, North 02° 21' 36" East, a distance of 1,304.09 feet to Northeast corner of said Parcel 12 of Parcel Map 5349, said point also being along the centerline of Millerton Road;

Thence along said centerline of Millerton Road, South 75° 53' 10" East, a distance of 1,317.19 feet;

Thence along a tangent circular curve, concave to the North, having a radius of 1,232.17 feet, a central angle of 22° 45' 56" and an arc length of 493.11 feet;

Thence North 81° 11' 04" East, a distance of 937.73 feet

Thence along a tangent circular curve, concave to the South, having a radius of 1,197.00 feet, a central angle of 23° 34' 49" and an arc length of 492.63 feet;

Thence South 75° 14' 07" East, a distance of 611.08 feet;

Thence along a tangent circular curve concave to the Southwest, having a radius of 1,300.00 feet, a central angle of 12° 54' 11", and an arc length of 292.76 feet;

Thence South 62° 19' 56" East, a distance of 292.03 feet;

Thence along a tangent circular curve concave to the Northeast, having a radius of 1,200.00 feet, a central angle of 28° 21' 30", and an arc length of 593.94 feet;

Thence North 89° 18' 34" East, a distance of 241.76 feet;

Thence along a tangent circular curve concave to the Southeast, having a radius of 999.07 feet, a central angle of 56° 58' 03", and an arc length of 993.35 feet;

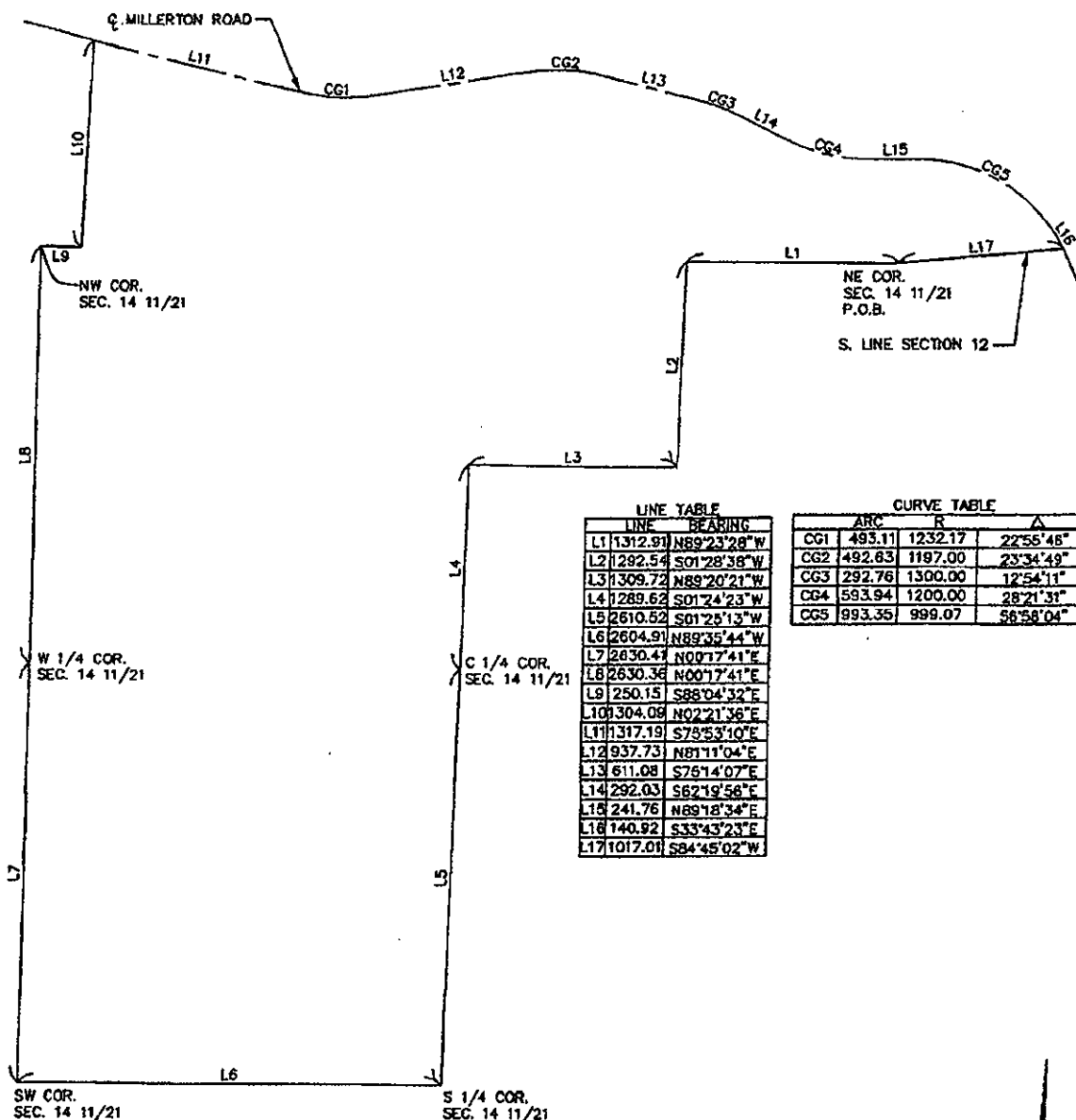
Thence South 33° 43' 23" East, a distance of 140.92 feet to a point on the South line of said Section 12;

Thence leaving said centerline of Millerton Road and proceeding along said South line of Section 12, South 84° 45' 02" West, a distance of 1,017.01 feet to the POINT OF BEGINNING.

Containing 488.6 acres, more or less.

END OF DESCRIPTION





DATE SIGNED: 3/22/05

**BRIGHTON CREST SUBDIVISION  
TRACT 4048**

LOCATION: T 11S. R 21 E.  
FRESNO LOCAL AGENCY FORMATION COMMISSION

SCALE IN FEET  
0 250 500 1000

**PROVOST & PRITCHARD**  
ENGINEERING GROUP  
208 WEST GROUNDWELL AVENUE  
FRESNO, CALIFORNIA 93711-6182  
509/449-3700 FAX 509/449-2715  
www.pgeng.com

**EXHIBIT B**  
**RESERVATION RIGHTS HOLDERS**

|            | Area                                         | Supply       |            |
|------------|----------------------------------------------|--------------|------------|
|            |                                              | District CVP | County CVC |
| BC/MNT     | Millerton New Town Development - Clarksfield | 278.0        |            |
|            | Millerton New Town Development - remainder   | 401.0        |            |
|            | subtotal Millerton New Town                  | 679.0        |            |
|            | Brighton Crest - Zone A                      | 841.0        |            |
|            | subtotal CSA-34                              | 1,520.0      | 1,391.1    |
| NON CSA-34 | Waterworks District #38                      | 155.0        |            |
|            | Lakeview Estates                             | 100.0        |            |
|            | Millerton Estates                            | 25.0         |            |
|            | Strahm Family Limited Partnership            | 545.3        |            |
|            | Wildflower Village                           | 87.0         |            |
|            | Waterworks District #41                      | 845.7        |            |
|            |                                              | 1,758.0      | 1,608.9    |

total      3,278.0      3,000.0

**EXHIBIT C**  
**INDEXED RATE**

| Year | Water Year | Cost per Acre-Foot |
|------|------------|--------------------|
| 1    | 2008       | \$500              |
| 2    | 2009       | \$500              |
| 3    | 2010       | \$500              |
| 4    | 2011       | \$500              |
| 5    | 2012       | \$500              |
| 6    | 2013       | \$550              |
| 7    | 2014       | \$550              |
| 8    | 2015       | \$550              |
| 9    | 2016       | \$550              |
| 10   | 2017       | \$550              |
| 11   | 2018       | \$605              |
| 12   | 2019       | \$605              |
| 13   | 2020       | \$605              |
| 14   | 2021       | \$605              |
| 15   | 2022       | \$605              |
| 16   | 2023       | \$666              |
| 17   | 2024       | \$666              |
| 18   | 2025       | \$666              |

## EXHIBIT D POTENTIAL COUNTY COSTS

| <b>USBR WATER COSTS</b>         |                            |           |
|---------------------------------|----------------------------|-----------|
| 1                               | CVP M&I Rates              | \$ 32.76  |
| 2                               | Restoration Fund           | \$ 17.15  |
| 3                               | M&I Surcharge              | \$ -      |
| 4                               | SLDMWA O&M                 | \$ 16.87  |
| <b>AQUEDUCT COSTS</b>           |                            |           |
| 5                               | San Luis Storage - DWR     | \$ 17.34  |
| 6                               | Aqueduct Conveyance        | \$ 35.43  |
| <b>CROSS VALLEY CANAL COSTS</b> |                            |           |
| 7                               | Pumping (6 lifts)          | \$ 24.00  |
| 8                               | AEWSD capacity charge      | \$ 3.46   |
| 9                               | Excess Entitlement         | \$ 3.00   |
| 10                              | O&M                        | \$ 18.40  |
| 11                              | <b>MISC. CVC EXPANSION</b> | \$ 26,000 |

Notes: Winter CVC pumping rates began Nov 1 @ \$14.50/af

CVC winter =  $6 \times \$2.25 + 1 = 14.5$

Nov thru Apr

CVC summer =  $4 \times \$3.25 + 2 \times \$5 + 1 = 24$

May thru Oct

2007 CVC O&M = \$18,401 / 1,000 AF

capacity charge = \$10M, 40 yrs, 100 cfs

## **EXHIBIT E**

(Example Form)

### **2007 Water Year Fresno County Water Supply Request\***

(values in acre-feet)

| <b>Month</b> | <b>Use</b> | <b>Cumulative</b> |
|--------------|------------|-------------------|
| Mar          | 23         | 23                |
| Apr          | 37         | 60                |
| May          | 84         | 144               |
| Jun          | 87         | 231               |
| Jul          | 99         | 330               |
| Aug          | 99         | 429               |
| Sep          | 53         | 482               |
| Oct          | 35         | 517               |
| Nov          | 20         | 537               |
| Dec          | 4          | 541               |
| Jan          | 3          | 544               |
| Feb          | 5          | 549               |

\* Estimate only

## EXHIBIT F

### Estimated Build-Up Schedule\*

| Year | Water Year | Acre-Feet |            |
|------|------------|-----------|------------|
|      |            | Annual    | Cumulative |
| 1    | 2008       | 600       | 600        |
| 2    | 2009       | 600       | 1,200      |
| 3    | 2010       | 650       | 1,850      |
| 4    | 2011       | 700       | 2,550      |
| 5    | 2012       | 700       | 3,250      |
| 6    | 2013       | 750       | 4,000      |
| 7    | 2014       | 800       | 4,800      |
| 8    | 2015       | 900       | 5,700      |
| 9    | 2016       | 1,000     | 6,700      |
| 10   | 2017       | 1,200     | 7,900      |
| 11   | 2018       | 1,300     | 9,200      |
| 12   | 2019       | 1,520     | 10,720     |
| 13   | 2020       | 1,520     | 12,240     |
| 14   | 2021       | 1,520     | 13,760     |
| 15   | 2022       | 1,520     | 15,280     |
| 16   | 2023       | 1,520     | 16,800     |
| 17   | 2024       | 1,520     | 18,320     |
| 18   | 2025       | 1,520     | 19,840     |

District's CVP Contract expires 2-28-26

\* Schedule will vary depending upon rate of Project build-out