

Olivehurst Public Utility District



Agenda Item Staff Report

Meeting Date: June 18, 2020

Item description/summary:

River Oaks South, East and North reimbursement agreement for water and wastewater facilities.

This item has been discussed in both committees and Board meetings and the agreement has been reviewed and approved by OPUD legal counsel. Lennar requested this agreement so that they could receive reimbursements for oversized infrastructure they installed. This is a typical developer reimbursement agreement that aligns with similar agreements we have with other developers in the Plumas Lake area.

Fiscal Analysis:

Total reimbursement amount is just under \$1.5M

Employee Feedback

None

Sample Motion:

Move to approve the River Oaks South, East and North reimbursement agreement for water and wastewater facilities.

Prepared by:

John Tillotson, P.E., General Manager

**OLIVEHURST PUBLIC UTILITY DISTRICT
REIMBURSEMENT AGREEMENT
FOR WATER AND SEWER FACILITIES
(River Oaks South, East and North, Plumas Lake Specific Plan Area)**

This OLIVEHURST PUBLIC UTILITY DISTRICT REIMBURSEMENT AGREEMENT FOR WATER AND SEWER FACILITIES (River Oaks South, East and North, Plumas Lake Specific Plan Area), dated as of _____, 2019 (the “**Agreement**”), by and between the OLIVEHURST PUBLIC UTILITY DISTRICT (“**OPUD**”), and LENNAR HOMES OF CALIFORNIA, INC., a California corporation (“**Lennar**” or “**Developer**”).

WITNESSETH:

WHEREAS, OPUD Resolution Nos. 2119 and 2139 require the payment of capacity fees that are intended to provide funds to finance certain water and sewer collection facilities in the Plumas Lake Specific Plan Area, South Zone, which includes the unincorporated community of Olivehurst which is served by the facilities, in Yuba County (the “**Plan Area**”). The OPUD water and sewer capacity fees are referred to as the Plumas Lake Specific Plan South Zone Water Capital Improvement Fee (the “**PLSP Water Fee**”) and the Plumas Lake Specific Plan South Zone Sewer Collection System Fee (the “**PLSP Sewer Collection Fee**”) (the PLSP Water Fee and PLSP Sewer Collection Fee being collectively referred to as the “**Utility Improvement Fees**” or “**Improvement Fees**”); and

WHEREAS, Developer, in conjunction with Jen California 9 LLC (the “**Other Developer**”), are owners and master developers of the properties in the Plan Area commonly referred to as River Oaks South, River Oaks East and River Oaks North in the Plan Area (collectively, the “**Developer Properties**”). As part of such development, Developer and Other Developer (collectively, “**Developers**”) have constructed and will be constructing certain water and sewer collector facilities (which water and sewer facilities are jointly referred to hereafter as “**Utility Improvements**”). The Utility Improvements shall be collectively referred to hereafter as the “**Improvements**”. The Improvements will serve development throughout the Plan Area, including land owned or controlled by Developers. The property within the Plan Area currently owned or controlled by Developer is shown on **Exhibit A** attached hereto (the “**Developer’s Property**”); and;

WHEREAS, OPUD has reviewed the designs and approved the construction plans and specifications for construction of the Improvements (the “**Work**”) and arranged for inspection during Developer’s construction of the completed Work and will arrange for inspection during Developers’ construction of the remainder of the Work to be completed by Developers in accordance with OPUD standards; and

WHEREAS, Developer warrants that, pursuant to the provisions of Articles 1 and 2 of Chapter 1, Part 7, Division 2, of the Labor Code of the State of California, not less than the general prevailing rate of per diem wages, and not less than the general prevailing rate of per diem wages for holidays and overtime work, for each craft, classification or type of worker

employed in the construction of the Improvements has been paid to all workers, laborers, and mechanics employed in the execution of the completed Work and will be paid to all workers, laborers and mechanics to be employed in the execution of the remainder of the Work to be completed by the Developer's contractor, or by any subcontractor doing or contracting to do any part of the Work; and

WHEREAS, the Improvements are located in the Plan Area and the Utility Improvements and the shares of the costs of the Utility Improvements advanced for the completed Work or estimated to be advanced for the remaining Work by Developers are summarized on **Exhibit B**. The location of the Improvements are shown, respectively, on (a) **Exhibit B-1** (Water Improvements), and (b) **Exhibit B-2** (Sewer Improvements), and the Improvements have been or will be constructed by Developers pursuant to plans and specifications titled (i) Water Improvement Plans for South Zone Phase 1 Water (Looped Water Facilities); (ii) Improvement Plans for River Oaks East Sewer Pump Station; and (iii) Improvement Plans for the Southern Shed Sewage Pipeline (River Oaks South Backbone Sewer); and

WHEREAS, the design and construction of the Improvements have been and are being financed by Developers through combinations of some or all of the following: (1) reimbursements to Developers from the use of Fee Credits as offsets to Improvement Fees pursuant to Section 2 below during development of Developer's Property; and (2) reimbursement to Developers of a portion of the Improvement Fees received from development of other lands in the Plan Area that will use the Improvements; and

WHEREAS, OPUD desires to enter into this Agreement with Developer (at the same time as it enters a similar agreement with the Other Developer), to describe the applicable shares of allowed costs allocable to Developer (and with the other agreement, the remaining shares of allowed costs allocable to the Other Developer thereunder) and the details of reimbursement to be made to Developer for its share of such funding from the Utility Improvement Fees collected by OPUD, and to provide an option for Developer to use available Fee Credits in lieu of paying Utility Improvement Fees for development of Developer's Property; and

WHEREAS, the area in which Developer's share of optional Fee Credits may be applied is limited to the Developer's Property; the shares of allowable costs advanced and to be advanced by Developers for the Utility Improvements are described in **Exhibit B**, and the reimbursements for each element of the Utility Improvements allocable to the Developers are described in **Exhibit C**, all of which exhibits are attached hereto.

NOW, THEREFORE, in consideration of the mutual promises contained herein, OPUD and Developer hereby agree as follows:

Section 1. Reimbursement

Subject to the Developer's compliance with all the other terms of this Agreement, and in consideration of Developer's construction of the Improvements and their conveyance to OPUD, OPUD shall allow Developer to receive reimbursement from Utility Improvement Fees paid to OPUD up to the amount of Developer's share of the approved costs of the Utility Improvements

constructed by Developers, as set forth on **Exhibit C** attached hereto. Developer hereby certifies that, except for the Other Developer whose share of allowable costs is addressed in its companion reimbursement agreement, no other developer has funded, constructed or will fund or construct the Improvements described in **Exhibit B** and, therefore, that no other developer has any claim to receive any portion of Developer's share of reimbursements provided for and allocated to Developer in this Agreement. It is understood that the PLSP Water Fee and PLSP Sewer Collection Fee are separate categories, and no reimbursable funds within one category may be reimbursed or otherwise paid to Developer under another category.

The costs of Utility Improvements listed in **Exhibits B and C** are derived from plans and specifications for the Utility Improvements and are limited to those costs specified in the "Water and Sewer System Capacity Charge Report — Plumas Lake Specific Plan South Zone" (**Report**), prepared by Economic & Planning Systems ("EPS"), as updated by that certain Memorandum from EPS to OPUD regarding Lennar Reimbursement Request for OPUD Water and Sewer Capacity Charge, dated May 24, 2019 (**Memorandum**), and approved by OPUD. The Report and Memorandum establishes the estimated costs that justify OPUD's currently established Utility Improvement Fees for the Plan Area and approves the costs incurred and to be incurred by Developers for the Improvements. Allowance of reimbursement for work items listed in **Exhibit B** are based on Utility Improvements actually installed and to be installed by Developer at Developer's expense and the costs as verified and approved by OPUD for the completed Work and the costs to be verified and approved by OPUD for the remaining Work to be completed by Developers; provided that OPUD is not obligated to provide reimbursement under this Agreement for costs not incurred by Developer, nor for costs in excess of the scheduled costs in the Report used to establish the Utility Improvement Fees, unless OPUD commissions and approves an updated Report incorporating increases in the scheduled costs of Utility Improvements in the Plan Area (including increases in the costs set forth in **Exhibit B**); unless (i) the Board finds that the overall increases in actual and estimated costs of the water and sewer collector improvements for the Plan Area justify an increase in the Utility Improvement Fees for the Plan Area; and (ii) the Board implements said increased fees. The commissioning of any update to the Report, and the timing and amount of any approved increase in Utility Improvement Fees shall be within the reasonably exercised discretion of the Board of Directors of OPUD and subject to the laws governing such increases.

The reimbursement amount that remains owing to Developer shall also be adjusted by any annual inflationary adjustment of the Utility Improvement Fees. Such inflationary adjustment to the reimbursement amounts shall not be accompanied by changes in **Exhibits B and C**, because inflationary adjustments do not reflect a change in the costs of the Improvements, but OPUD shall adjust its accounts and records accordingly to insure the remaining reimbursement amount is similarly adjusted.

Reimbursement shall continue until the total reimbursement received by Developer equals the amount set out in **Exhibit C**, including inflationary adjustments and changes to **Exhibit C** that have been authorized in accordance with the provisions of this Section 1, above, or until December 31, 2034, whichever comes first, at which time this Agreement shall terminate and be of no further force and effect.

1.1 Reimbursement from Utility Improvement Fees Paid on All Other Property in the Plan Area. As shown in Exhibits B and C, Developer will also be entitled to reimbursement for the share of costs incurred by Developer to construct Utility Improvements with capacity in excess of that required on Developer's Property. The amount of reimbursement shall be limited to the costs of such capacity (described in Exhibit C) not reimbursed from Improvement Fees collected on the Developer's Property. Such "**Future Cash Reimbursement**", shown on Exhibit C, shall be paid to Developer from Utility Improvement Fees collected from lands developed within the Plan Area, including Developer's Property (less Fee Credits used as per Section 2 below). Reimbursement of such Utility Improvement Fees, less the administrative component, to be collected on future development within the Plan Area shall be reimbursed in accordance with Section 1.2 below. Reimbursement to Developer under this Agreement shall be paid directly to Developer. Reimbursement to Developer from Utility Improvement Fees collected from development of other property in the Plan Area, except Utility Improvement Fees collected on the Developer's Property, may be subordinated to OPUD's use of Utility Improvement Fees for the construction, including necessary preliminary engineering reports and planning, of the Utility Improvements specified in the Report that OPUD, in its reasonable discretion, determines must be constructed for the reasonable and reliable operation of its Water and Sewer Utilities in the Plan Area. Notwithstanding the foregoing, reimbursement of Utility Improvement Fees collected or to be collected on the Developer's Property shall not be subject to such subordination and Developer shall not be entitled to receive any reimbursement from Utility Improvement Fees collected on the Other Developer's Property unless and until the Other Developer has received its full share of Fee Reimbursements (less Fee Credits used against development of the Other Developer's Property) related to the Improvements.

1.2 Timing and Manner of Reimbursement Payments. The reimbursement payments to be made by OPUD pursuant to Section 1.2 above, including reimbursement from Utility Improvement Fees paid on Developer's Property after the date hereof, shall periodically be paid to the Developer directly by checks, payable to the order of "**Lennar Homes of California, Inc.**" Reimbursement from Utility Improvement Fees shall be without interest and shall be shared between Developer and the Other Developer, in proportion to their relative Future Cash Reimbursements, provided however, reimbursement from Utility Improvement Fees paid on Developer's Property shall be paid solely to Developer and reimbursement from Utility Improvement Fees paid on the Other Developer's Property shall be paid solely to the Other Developer until the applicable party receives its full Fee Reimbursement related to the Improvements. Other than the reimbursement of those Utility Improvement Fees described in Section 1.1, above, each reimbursement payment shall be made within sixty (60) days following the close of the calendar quarter with respect to which such payment is being made, and shall be delivered to the Developer to the notice address provided in Section 12 below. Developer shall be responsible to notify OPUD of any change in the name of the payee or the address for reimbursement. Reimbursement hereunder shall continue until Developer has been fully repaid, including any adjustments made thereto in accordance with Section 1 above. OPUD's obligation to pay this Future Cash Reimbursement to Developer shall be limited to the extent that OPUD has funds available for reimbursement from the Utility Improvement Fees collected from development of property in the Plan Area, but in no event will reimbursement be required hereunder after December 31, 2034.

1.3 Accounting of Reimbursements and Credits. To assist OPUD with the accounting of (i) the fee credits under Section 2 below, and (ii) reimbursements hereunder, within thirty (30) days after the end of each calendar quarter, Developer shall provide OPUD with an accounting of Improvement Fees paid during the prior calendar quarter within Developer's Property, the amount of the reimbursement, if any, received from OPUD during the prior calendar quarter generated by development of other properties, and the resultant reduction in the then outstanding amount of credits due Developer hereunder. Such accountings shall be subject to the review and approval of OPUD.

Section 2. Optional Fee Credits

Notwithstanding Developer's request that the primary source for repayment of its share of costs in designing and constructing the Improvements be through the use of reimbursements under this Agreement, Developer may request that OPUD allow Developer to take a fee credit or fee credits ("**Fee Credits**") against Improvement Fees otherwise payable by Developer for development of Developer's Property. Such Fee Credits may only be used on Developer's Property and shall only be allowed provided that Developer has Future Cash Reimbursement owed that is greater than or equal to the amount of the requested Fee Credits. Prior to exercising a Fee Credit, Developer shall submit a Fee Credit Request to OPUD, no later than 30 days prior to the time that the Improvement Fees, to which a Fee Credit is to be applied, is due. Such Fee Credit Request shall be in the form attached hereto as Exhibit D, and shall be subject to the review and approval by OPUD. No Fee Credit shall be retroactively allowed on an Improvement Fee that has been paid.

Section 3. Construction of Improvements

Developers completed construction of a portion of the Improvements in accordance with the construction plans and specification approved by OPUD for the Work. With respect to the remainder of the Work to be completed by Developers, the Developers shall complete construction of the Improvements in accordance with the plans and specifications approved by OPUD and in accordance with OPUD standard construction specifications and this Agreement. OPUD shall have the right to review and approve shop drawings and all submittals called for in the project specifications prior to the commencement of any portion of the remaining Work. Neither review nor failure to review the shop drawings and submittals by OPUD shall be construed as relieving the Developers of the full responsibility for completing construction of the Improvements in accordance with the terms and conditions of this Agreement.

The Developers understand and acknowledge that the terms and conditions contained in any contract that the Developers have executed or may execute with any contractors or material suppliers regarding the construction of the Improvements have no force or effect upon this Agreement.

Section 4. Inspection

During Developers' construction of the completed portion of the Improvements, OPUD had the opportunity to inspect the course of the Work in accordance with applicable OPUD standards. With respect to the remainder of the Work to be completed by Developers, OPUD shall at all

times have access to the construction site during construction and the Developers shall furnish OPUD with all reasonable information necessary for ascertaining full knowledge of the Improvements with respect to the progress, workmanship and character of materials and equipment used and employed in the work.

Whenever the contractors retained by the Developers vary the normal period during which work or any portion of it is carried out on each day, the Developers shall give timely notice to OPUD so that OPUD's representative may be present to observe the work in progress. If the Developers fail to give such timely notice, any work done in the absence of OPUD's representative will be subject to rejection. Developers shall give timely notice to OPUD in advance of backfilling or otherwise covering any part of the work so that OPUD's representative may observe the work before it is concealed.

Neither observation of the work by OPUD nor failure of OPUD to inspect the Improvements or to discover defects in material or workmanship shall relieve the Developers from their obligations to complete construction in accordance with the plans and specifications approved by OPUD and to insure that the Improvements are free of defects in materials and workmanship.

Section 5. Change Orders

The Developers agree to make any changes in the construction of the remaining Improvements to be completed by Developer as requested by OPUD. OPUD agrees to provide credits for any and all changes made to the plans and specifications that are requested and approved in writing by OPUD. If actual expenditures exceed the amount listed in **Exhibit B**, the Developers may request in writing that OPUD provide credits for additional quantities of work. OPUD shall not provide credits for costs that result from changes to the plans and/or specifications that are not approved in writing by OPUD prior to construction. Notwithstanding any other terms of this Agreement, credits for change orders shall not exceed 10% of the allowable credit amount specified in Section 1 (Allowable Credits).

Section 6. Insurance

During Developers' construction of the completed Improvements, Developers maintained the insurance required by OPUD's standards and specifications. With respect to the remainder of the Improvements to be completed by Developers, the Developers shall furnish to OPUD a certificate or certificates substantiating the fact that they have taken out the insurance hereinafter set forth for the period covered by this Agreement and through the warranty period set forth in Section 12 (Warranty and Repair) hereof with an insurance carrier acceptable to OPUD in a form satisfactory to OPUD. Each certificate shall bear an endorsement precluding the cancellation or reduction in coverage of any policy covered by such certificate before the expiration of thirty (30) days after OPUD shall have received notification of such cancellation or reduction by registered mail. The minimum insurance coverages to be obtained by the Developers as hereinabove referred to are as follows:

Public liability and property damage insurance that includes, but is not limited to, protection against claims arising from personal injury; property damage; losses related to independent contractors, products and equipment; and explosion,

collapse and underground hazards. The amount of the insurance coverage shall be not less than \$5,000,000.00 (combined single limit) for one or more persons injured and property damaged in each occurrence. The public liability and property damage insurance shall also name as an insured, on a primary basis, OPUD and its officers and employees. This insurance shall directly protect OPUD as well as the Developers and their agents. The insurer shall assume the defense of OPUD and its officers, employees, and agents from all suits, actions damages, or claims of every type and description to which they may be subjected or put by reason of, or resulting from, the Developers' operations in regard to the construction, installation, operation or existence of the Improvements. The insurance policies shall expressly state that the above terms are in effect.

Each policy of insurance shall specify that (1) the inclusion of more than one insured shall not operate to impair the rights of one insured against another insured, and the overages afforded shall apply as though separate policies had been issued to each insured, and that (2) it acts as primary insurance and that no insurance held or owned by OPUD shall be called upon to cover either in full or part any loss covered under the policy acquired by the Developers.

If the Developers fail to maintain such insurance, OPUD may purchase insurance to cover damages of the above mentioned classes for which OPUD might be held liable on account of the Developers' failing to pay such damages and may recover the amount of the premiums for such insurance from the Developers or retain such amount from any monies due the Developers under this Agreement. Failure of OPUD to obtain such insurance shall in no way relieve the Developers from any of their responsibilities under this Agreement.

Section 7. Conveyance of the Improvements

Once the Developers have completed construction of the Improvements and the Improvements are accepted and deemed satisfactory by OPUD, the Improvements automatically become the property of OPUD. If and to the extent necessary for the Improvements to become the property of OPUD upon such acceptance, the Developers shall convey or cause to be conveyed to OPUD, in form reasonably acceptable to OPUD, utility easements for the water and wastewater transmission lines and fee title for the water well and sewer pump station facilities included within the Improvements; such easements or fee title shall be free and clear of (or superior to, in the case of easements) any deeds of trust, mortgages, liens or other such monetary encumbrances (other than the lien for current taxes and assessments). The Developers shall take any and all actions necessary to convey and vest full, complete and clear title in Improvements to OPUD.

Section 8. Delivery of As Built Plans and Specifications

Prior to final acceptance of the Improvements by OPUD, the Developers shall deliver to OPUD copies of all as-built plans, specifications, operating manuals, service manuals, warranties and other documents relating to the design, construction, and operation of the Improvements.

Section 9. Liens, Claims, and Encumbrances

The Developers shall provide a written guarantee and assurance to OPUD that there are no liens, claims, or encumbrances on the Improvements prior to final acceptance by OPUD, together with

unconditional final releases from all contractors and material suppliers, and with copies of invoices and corresponding checks issued by the Developers for all items for which credit is requested under this Agreement for the Improvements. Notwithstanding any other provision or term of this Agreement, OPUD shall have no obligation to apply additional credits after final acceptance for the Improvements until the Developers have cleared any and all liens, claims and encumbrances from the Improvements, and provided the required documentation, guarantee and assurance in writing, to the satisfaction of OPUD.

Section 10. Indemnity

Developer, by execution of this Agreement, specifically agree to assume the defense of, indemnify and hold harmless OPUD and its officers, employees, and agents (collectively, the “Indemnitees”) from and against all liabilities, actions, damages, claims, losses or expenses of every type and description, including attorneys’ and consultants’ fees and expenses (collectively “Liabilities”), to which they may be subjected or put, by reason of, or resulting from, the construction, installation, operation or existence of the Improvements, except Liabilities arising from the sole negligence or willful misconduct of OPUD. Notwithstanding the foregoing, following the acceptance of the Improvements by OPUD and the end of any applicable warranty period, Developer shall not be obligated to indemnify the Indemnitees for Liabilities to the extent that such Liabilities arise from Indemnitees’ active or passive negligence following acceptance of the Facilities. This indemnification shall extend to Liabilities occurring after this Agreement is terminated as well as while it is in force.

Section 11. No Third Party Beneficiary

By entering into this Agreement, OPUD and Developer are not entering into any contract or agreement with any general contractor, subcontractor, or other party nor is any general contractor, subcontractor, or other party a third party beneficiary of this Agreement, and OPUD shall have no obligation to pay any general contractor, subcontractor, or other party for any work that such general contractor, subcontractor, or other party may do pursuant to the plans and specifications for the Improvements.

Section 12. Warranty and Repair

The Developers hereby warrant the Improvements as to materials and workmanship and, should any failure of the Improvements occur within a period of one year after final acceptance of all the Improvements by OPUD, the Developers shall promptly cause the needed repairs to be made without cost to OPUD. The costs of any such required repairs shall be eligible for payment from the Utility Improvement Fees, subject to compliance with the terms of this Agreement.

OPUD is hereby authorized to make such repairs if the Developers fail to make or undertake with due diligence the aforesaid repairs within twenty (20) days after it has given written notice of such failure. In case of emergency where, in the sole opinion of the General Manager of OPUD, delay would cause serious hazard to the public, the necessary repairs may be made or lights, signs and barricades erected, without prior notice to the Developers. In all cases of failure of the Improvements within the warranty period where OPUD has taken action in accordance

with this paragraph, the Developers shall reimburse OPUD as appropriate for all costs, direct and indirect, incurred by OPUD.

Section 13. Notice

Any notice required or permitted by this Agreement to be delivered to any party shall be deemed to have been received when sent to that party by facsimile or email at the number or address listed below, with confirmation of successful delivery from the sender's fax or email machine (if sent prior to 5:00 p.m. on a business day). Any notice, payment or instrument required or permitted by this Agreement to be delivered to any party shall be deemed to have been received when personally delivered or seventy-two (72) hours following deposit of the same in any United States Post Office, first class, postage prepaid, addressed as follows:

OPUD:

John Tillotson, General Manager
Olivehurst Public Utility District
P. O. Box 670
1970 9th Avenue
Olivehurst, CA 95691
Fax: (530) 743-3023
Phone: (530) 743-3017
Email:

Developer:

Lennar Homes of California, Inc.
1420 Rocky Ridge Drive, Suite 320
Roseville, CA 95661
Attn: Larry Gualco
Phone: (916) 716-1386
Email: larry.gualco@lennar.com
sean.macdiarmid@lennar.com

Any party hereto may, by notice given hereunder, designate a different address to which subsequent notices, payments, and instruments shall be delivered to it hereunder.

Section 14. Term

The term of this Agreement shall start as of the date first written above and shall remain in effect until all the terms and conditions contained in this Agreement have been satisfied.

Section 15. Captions

Captions to Sections of this Agreement are for convenience purposes only, and are not part of this Agreement.

Section 16. Severability

If any portion of this Agreement is declared by a court of competent jurisdiction to be invalid or unenforceable, such portion shall be deemed severed from this Agreement and the remaining parts shall remain in full effect as though such invalid or unenforceable provision had not been a part of this Agreement.

Section 17. Successors and Assigns/Fee Credits/Reimbursements Personal to Developer

This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto; provided, however, the parties agree that, although any optional fee credits

authorized under Section 2 may be applied against the Improvement Fees otherwise payable upon development of Developer's Property, both the Future Cash Reimbursements to be paid to Developer pursuant to Section 1 above and the optional Fee Credits that may be applied by Developer during development of Developer's Property pursuant to Section 2, are personal to Developer and shall not run with the land or in favor of successors in interest to Developer's Property notwithstanding how such successor interest may be obtained, without the express written authorization of Developer first had and received. Should Developer elect to assign its rights to any Future Cash Reimbursements or Fee Credits it shall do so by written assignment to a subsequent purchaser of Developer's Property, or any portion thereof, which assignment shall require delivery of written notice to and written acknowledgement of OPUD. In the absence of any such written assignment and acknowledgment, a subsequent purchaser of any portion of a Developer's Property shall have no rights to any Future Cash Reimbursement under Section 1 above and no rights to any Fee Credits under Section 2 above.

Similarly, the obligations of Developer hereunder shall not run with the land but shall remain the obligation of Developer hereunder, unless Developer assigns, and its assignee assumes Developer's obligations hereunder in writing, and OPUD accepts said assignment in writing, which acceptance shall not be unreasonably withheld. Upon any such assumption, the assignee shall give written notice to OPUD of such assumption.

In any event, this Agreement shall not apply to any home buyer who purchases a completed dwelling unit from Developer, and shall automatically terminate on a lot-by-lot basis upon the conveyance of that lot to a member of the home-buying public following completion of construction of a dwelling unit on such lot.

Section 18. Governing Law; Venue

This Agreement is made under, and shall in all respects be interpreted, enforced, and governed by, the laws of the State of California. In the event of a dispute concerning the terms of this Agreement, the venue for any legal action shall be with the appropriate court in the County of Yuba, State of California.

Section 19. Entire Agreement

This Agreement contains the entire agreement between the parties with respect to the matters contained herein and may be amended only by subsequent written agreement signed by all parties.

Section 20. Counterparts

This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one instrument.

[Signatures on Following Page]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day of the year first above written.

OPUD

DEVELOPER

OLIVEHURST PUBLIC UTILITY DISTRICT

LENNAR HOMES OF CALIFORNIA, INC., a California corporation

By: _____
President of the Board of Directors

By: _____
Name: _____
Title: _____

Attest:

Approved as to form:

By: _____
OPUD Counsel

List of Exhibits

- Exhibit A - Map of Developer's Property
- Exhibit B - Costs of Design, Permitting and Construction of Improvements
- Exhibit B-1 - Map of Water Improvements
- Exhibit B-2 - Map of Sewer Improvements
- Exhibit C - Allocation of Shared Costs of Improvements and Fee Reimbursements Between Developers

EXHIBIT A

Map of Developer's Property

[see attached]

NORTH POINTE

RIVER OAKS NORTH
VILLAGE 2

RIVER OAKS EAST
VILLAGE 3

RIVER OAKS EAST
VILLAGE 2

RIVER OAKS EAST
VILLAGE 1

HIGHWAY 70

DETECTION BASIN

FEATHER RIVER
BOULEVARD

SACRAMENTO
NORTHERN
RAILROAD

0 350 700 1400

SCALE: 1" = 700'

MSA
ENGINEERING

MSA ENGINEERING, INC.
1340 BLUE OAKS BOULEVARD
SUITE 150
ROSEVILLE, CA 95678
PHONE: (916) 786-4456
FAX: (916) 788-4457

JUNE 2019 02-095

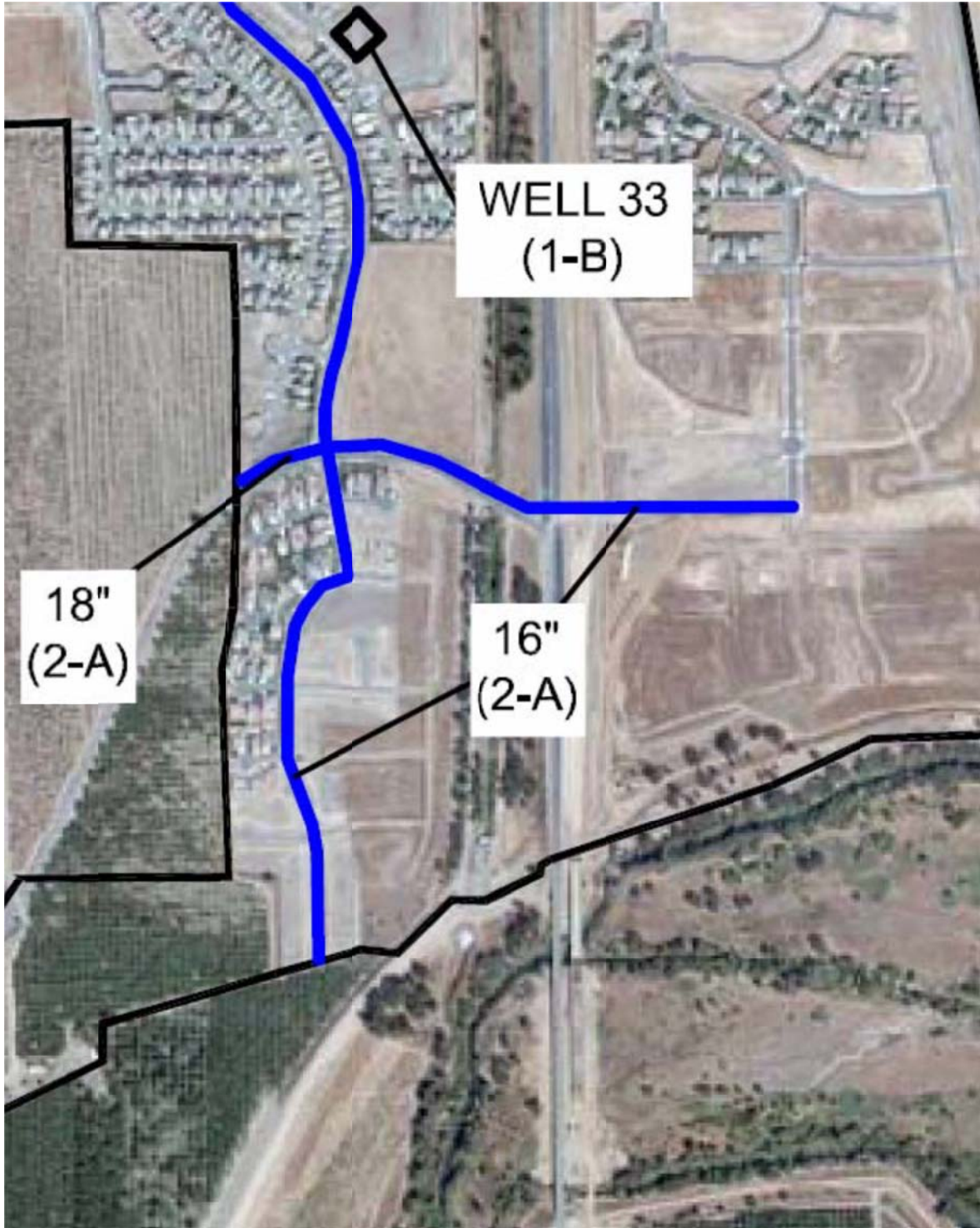
Exhibit B
Summary of Estimated Water and Sewer Facility Reimbursement Amounts

Binder	Description	Reimbursement Amount	Escalation Factor (2016)	2016 Reimbursement Amount	Escalation Factor (2016 - 2019)	2019 Reimbursement Amount
	Looped Water Facilities					
4	16" Pipe & Appurt	\$ 64,954	14.17%	\$ 74,158	9.21%	\$ 80,991
4	Bore and Jack 24" Casing	\$ 227,500	14.17%	\$ 259,737	9.21%	\$ 283,669
	Subtotal Looped Water Facilities	\$ 292,454	14.17%	\$ 333,895	9.21%	\$ 364,660
	Sewer Pump Station					
5	River Oaks East Pump Station	\$ 471,968	46.40%	\$ 690,961	9.21%	\$ 754,625
	River Oaks South Backbone Sewer					
6	Southern Shed Sewer Pipeline	\$ 227,038	46.40%	\$ 332,384	9.21%	\$ 363,009
	TOTAL ALL WATER AND SEWER FACILITY IMPROVEMENTS	\$ 991,460		\$ 1,357,240		\$ 1,482,294

Source: EPS, Wood Rodgers, Inc., and OPUD

EXHIBIT B-1

Map of Water Improvements



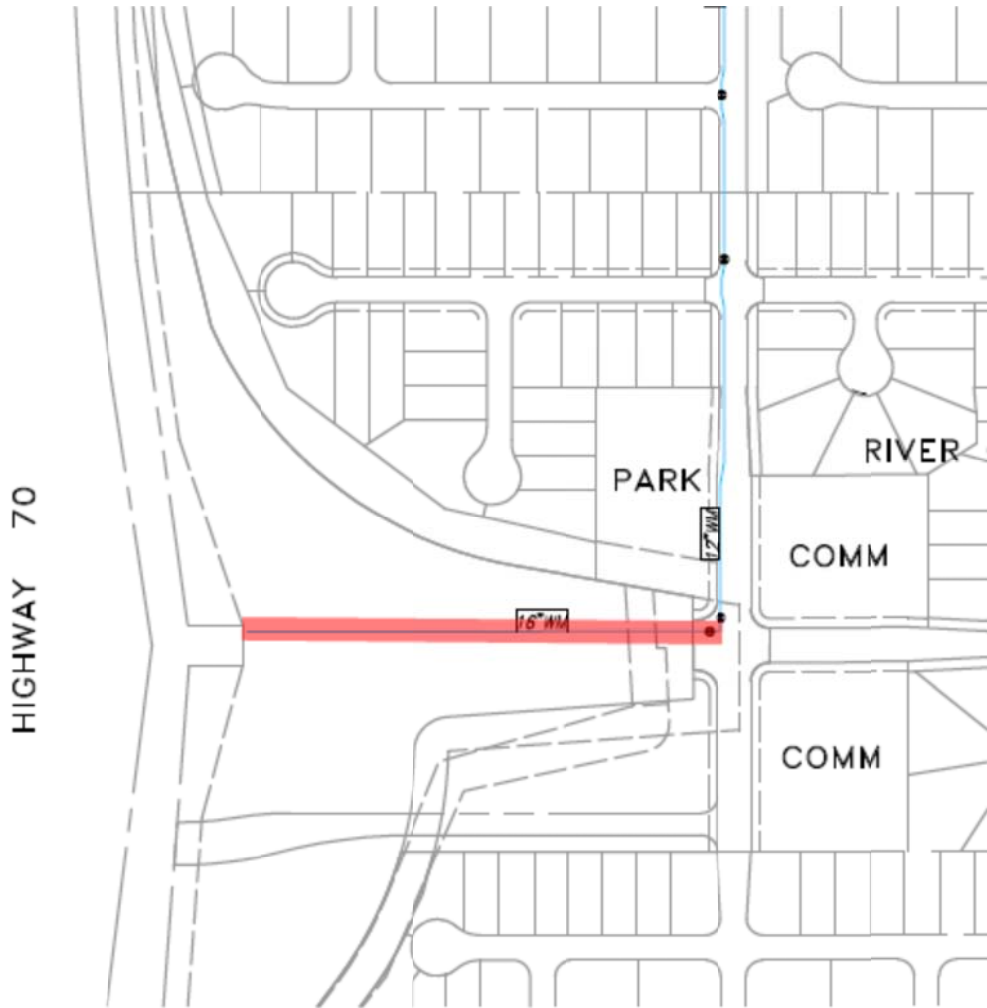


EXHIBIT FOR:
EAST LOOPED WATERLINE
 COUNTY OF YUBA

ENGINEERING, INC.
 YUBA, CALIFORNIA

Exhibit B-2

Map of Sewer Improvements

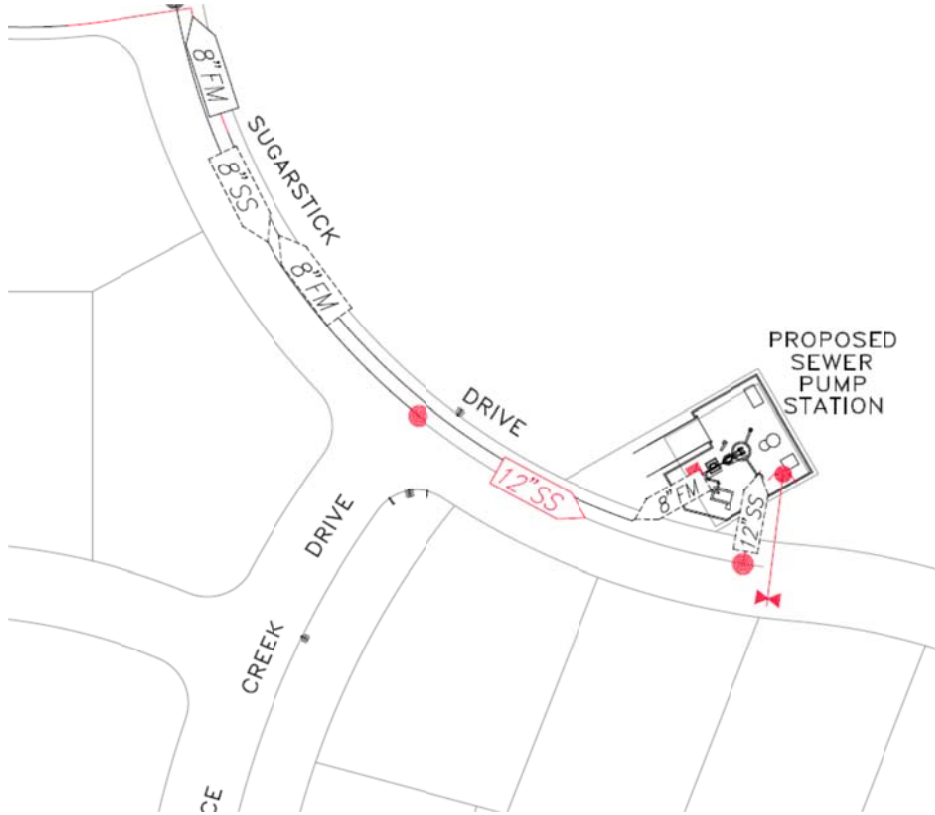
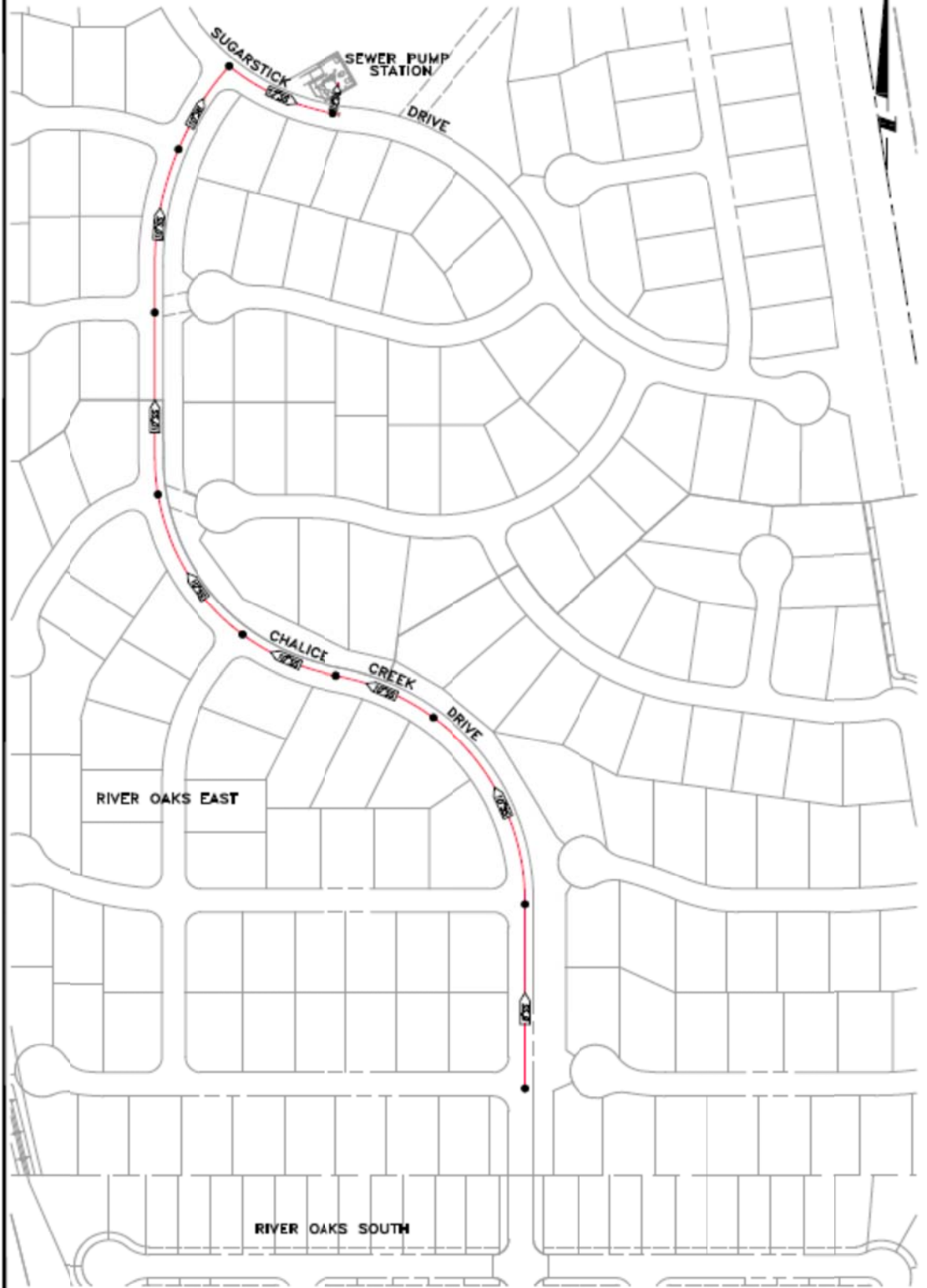


EXHIBIT FOR:
SEWER PUMP STATION
COUNTY OF YUBA
MSA ENGINEERING, INC.
ROSEVILLE, CALIFORNIA

EXHIBIT 'B'



CALC: VH
DRN: SR
CKD: VH
APRVD: FH

EXHIBIT FOR:
SOUTHERLY SHED SEWAGE PIPELINE
COUNTY OF YUBA
MSA ENGINEERING, INC.
ROSEMILLE, CALIFORNIA

DATE: FEB 2016
SCALE: 1"=200'
FB: N/A
WO: 02-095

K
C
S

Exhibit C
Lennar / River Oaks Plumas Development, LLC
OPUD Reimbursement Agreement Allocation Table

Eligible Facility	Total Reimbursement (in 2019 Dollars) [1]	River Oaks Plumas Development, LLC's Percentage	River Oaks Plumas Development, LLC's Share	Lennar's Percentage	Lennar's Share
Looped Water Facilities	\$ 364,660.00	40.16%	\$ 146,447.46	59.84%	\$ 218,212.54
Sewer Pump Station Construction	\$ 754,625.00	40.16%	\$ 303,057.40	59.84%	\$ 451,567.60
Southern Shed Sewage Pipeline	\$ 363,009.00	56.46%	\$ 204,954.88	43.54%	\$ 158,054.12
Total Amount	\$ 1,482,294.00		\$ 654,459.74		\$ 827,834.26

Notes:

[1] Total reimbursement amounts identified in the OPUD Lennar Reimbursement Request Memo prepared by Wood Rodgers and dated 1/6/2017 and escalated to 2019 dollars by EPS on May 24, 2019.

[2] Eligible facilities are allocated by the percentages identified in Exhibit A corresponding to the reimbursable facilities as identified by Wood Rodgers.