RESOLUTION NO. 2161

RESOLUTION OF APPLICATION AND APPROVAL
OF THE REQUESTED ANNEXATION TO THE
OLIVEHURST PUBLIC UTILITIES DISTRICT
(Plumas Lake Phase 2 aka KB Home-Cobblestone Phase 2)

WHEREAS, The owners of the real property, known as the Plumas Lake Phase 2 project, have requested annexation to the Olivehurst Public Utilities District for the purpose of receiving domestic water, waste water, park maintenance and recreation services, and

WHEREAS, The District's engineer has confirmed that the real property to be annexed is adequately described in the legal description attached hereto and marked Exhibit "A" and is shown on the plat map attached hereto and marked Exhibit "B", and

WHEREAS, The District has duly considered the prospects of a concurrent annexation of the balance of the approved Plumas Lakes Phase 2 tentative subdivision map owned by the Leak Family with the property being considered for annexation at the request of KB Homes of Northern California, and has concluded that such concurrent annexation is not feasible given the current litigation between the property owner and Sares-Regis, the option holder through which KB Homes has obtained ownership of the property which is the subject of this annexation, and

WHEREAS, On the terms and conditions hereinafter set forth the District desires to annex the real property and upon compliance of Developer with the terms and conditions hereof, and the installation of any required waste water and domestic water facilities, District will have both the capacity and ability to adequately provide the requested services without adversely impacting the provision of these services to the District's existing customers, and

WHEREAS, The District acknowledges the requirement that the Yuba County Local Agency Formation Commission must concur in the approval of this annexation before it may be deemed complete.

NOW, THEREFORE, be it resolved, determined and ordered by the Board of Directors of the Olivehurst Public Utilities District that:

The above Recitals are true and correct.

1. The requested annexation of the real property described in Exhibit "A" is hereby approved by this Board of Directors subject to the performance of all of the terms and conditions set forth in the Pre-Annexation Agreement, a copy executed by the property owner(s) is attached hereto and marked Exhibit "C".

2. The approval of this annexation by does not guarantees to the property owner any rights to receive the requested services until any required capacity expansions are completed by OPUJD and all of the terms and conditions relating to the provision of such services have been fully performed and this annexation is approved by Yuba County Local Agency Formation Commission. Additional terms and conditions could be imposed by LAFCO subject to their acceptance by this Board.
3. Pursuant to the District's adopted annexation procedure an application for approval of this annexation will be filed by the property owner with the Local Agency Formation Commission, together with all required legal descriptions, boundary surveys, location maps, and filing fees. The General Manager is authorized and instructed to execute the attached Pre-annexation Agreement and deliver a certified copy of this Resolution to the Yuba County Local Agency Formation Commission, together with any other requested information required to support the Commission's action.

4. The District agrees, for purposes of this annexation, it shall not receive nor will there be any exchange of any share of property tax revenue (including base tax revenue and annual tax increment) belonging to the County or any taxing agency within the Ross Ranch Project.

5. The District designates the Yuba County Local Agency Formation Commission as the "lead Agency" with respect to any environmental assessment that is required in the consideration of this annexation request.

6. When a certified copy of the LAFCO Commission’s Resolution approving the annexation has been returned to the District, and any additional terms and / or conditions imposed thereon accepted by this Board of Directors, the District's engineer shall amend the legal description and jurisdictional boundary map of the District to reflect the approved annexation.

PASSED AND ADOPTED THIS 21st DAY OF JUNE 2007.

OLIVEHURST PUBLIC UTILITY DISTRICT

[Signature]
President, Board of Directors
Olivehurst Public Utility District

ATTEST:

[Signature]
District Clerk & ex-officio Secretary

APPROVE AS TO FORM AND LEGAL SUFFICIENCY

[Signature]
Legal Counsel
I hereby certify that the foregoing is a full, true, and correct copy of an Ordinance duly adopted and passed by the Board of Directors of the Olivehurst Public Utility District, Yuba County, California, at a meeting thereof held on the 21st day of June, 2007, by the following vote:

**AYES, AND IN FAVOR THEREOF:** Director Morrison, Miller, Hollis, Patty, and Carpenter.

NOES : None.

ABSTAIN : None.

ABSENT : None.

[Signature]
District Clerk and ex-officio Secretary
ANNEXATION MAP
FOR ANNEXATION TO OLIVENHURST PUBLIC UTILITIES DISTRICT
SITIATED IN THE CITY OF OLIVENHURST, COUNTY OF MOCRO, STATE OF CALIFORNIA
MAY, 2000
MORTON & PITALO, INC.
SHEET 2 OF 2 SHEETS

LEGAL DESCRIPTION
PORTION OF SECTION 6 AND A TOWNSHIP 13 WEST, RANGE 3 EAST,
SITIATED IN THE CITY OF OLIVERNHURST, COUNTY OF MOCRO, STATE OF CALIFORNIA, HERE
PARTICULARLY TOGETHER AS FOLLOWS:

(1) NORTHLY ALONG THE LINE OF A DANGER CURVE TO THE POINT WHERE
THE SAME CURVES TO THE WEST, HAVING A DISTANCE OF 413.80 FEET, A CENTRAL
ANGLE OF 29° 12' 27", AN ANGULAR DEVIATION OF 1.05 DEGREES, AND BEING
SURVEYED BY A CHORD BEARING NORTH 29° 12' 27" EAST 413.80 FEET.

(2) WESTLY ALONG THE LINE OF A DANGER CURVE TO THE POINT WHERE
THE SAME CURVES TO THE SOUTH, HAVING A DISTANCE OF 410.50 FEET, A CENTRAL
ANGLE OF 29° 12' 27", AN ANGULAR DEVIATION OF 1.05 DEGREES, AND BEING
SURVEYED BY A CHORD BEARING SOUTH 29° 12' 27" WEST 410.50 FEET.

(3) SOUTHLY ALONG THE LINE OF A DANGER CURVE TO THE POINT WHERE
THE SAME CURVES TO THE EAST, HAVING A DISTANCE OF 413.80 FEET, A CENTRAL
ANGLE OF 29° 12' 27", AN ANGULAR DEVIATION OF 1.05 DEGREES, AND BEING
SURVEYED BY A CHORD BEARING EAST 29° 12' 27" 413.80 FEET.

(4) EASTLY ALONG THE LINE OF A DANGER CURVE TO THE POINT WHERE
THE SAME CURVES TO THE NORTH, HAVING A DISTANCE OF 410.50 FEET, A CENTRAL
ANGLE OF 29° 12' 27", AN ANGULAR DEVIATION OF 1.05 DEGREES, AND BEING
SURVEYED BY A CHORD BEARING NORTH 29° 12' 27" 410.50 FEET.

(5) NORTHLY ALONG THE LINE OF A DANGER CURVE TO THE POINT WHERE
THE SAME CURVES TO THE WEST, HAVING A DISTANCE OF 413.80 FEET, A CENTRAL
ANGLE OF 29° 12' 27", AN ANGULAR DEVIATION OF 1.05 DEGREES, AND BEING
SURVEYED BY A CHORD BEARING WEST 29° 12' 27" 413.80 FEET.

(6) WESTLY ALONG THE LINE OF A DANGER CURVE TO THE POINT WHERE
THE SAME CURVES TO THE SOUTH, HAVING A DISTANCE OF 410.50 FEET, A CENTRAL
ANGLE OF 29° 12' 27", AN ANGULAR DEVIATION OF 1.05 DEGREES, AND BEING
SURVEYED BY A CHORD BEARING SOUTH 29° 12' 27" WEST 410.50 FEET.

(7) SOUTHLY ALONG THE LINE OF A DANGER CURVE TO THE POINT WHERE
THE SAME CURVES TO THE EAST, HAVING A DISTANCE OF 413.80 FEET, A CENTRAL
ANGLE OF 29° 12' 27", AN ANGULAR DEVIATION OF 1.05 DEGREES, AND BEING
SURVEYED BY A CHORD BEARING EAST 29° 12' 27" 413.80 FEET.

(8) EASTLY ALONG THE LINE OF A DANGER CURVE TO THE POINT WHERE
THE SAME CURVES TO THE NORTH, HAVING A DISTANCE OF 410.50 FEET, A CENTRAL
ANGLE OF 29° 12' 27", AN ANGULAR DEVIATION OF 1.05 DEGREES, AND BEING
SURVEYED BY A CHORD BEARING NORTH 29° 12' 27" 410.50 FEET.
PRE-ANNEXATION AGREEMENT
OLIVEHURST PUBLIC UTILITIES DISTRICT AND THE
DEVELOPER OF THE PLUMAS LAKE PHASE 2 PROJECT

This Pre-Annexation Agreement is made and entered into this 21st day of June, 2007, by
and between the Olivehurst Public Utilities District (OPUD) and KB Home Sacramento,
Inc., ("Developer"). Upon the acceptable annexation of Developers land referenced
herein to OPUD, and performance of the terms and conditions set forth in this
Agreement, OPUD will provide Developer's Plumas Lake Phase 2 project (described in
Exhibit "A") with sewer, water and recreation services, and will assume the ownership
and maintenance of park improvements constructed and dedicated by Developer.

I. SEWER CAPACITY:

(A) Treatment Plant. OPUD has adopted a two phased plan to provide capacity in its
Wastewater Treatment Plant ("WWTP") to serve new development within the OPUD
boundary. Phase I has been completed, with construction of Phase II to be scheduled
when reasonably anticipated demand exceeds available Phase I capacity. To pay its share
of the cost to construct and increase as necessary wastewater treatment capacity needed
to serve it, Developer shall pay Wastewater Treatment Plant Capacity fees at the rate in
effect at the time of building permit. Capacity in the Phase I expansion of the WWTP is
available, as of the date of this agreement, to serve Developer's project, however it's
understood that OPUD does not guaranty capacity for any developer and such capacity
will be allocated to new development on a first come-first served basis at the time
building permits are pulled.

(i) Payment of Plant Capacity Fees. The Developer shall pay, with the issuance
of each residential building permit, the Waste Water Treatment Plant Capacity
Fee established under the provisions of the current financing plan. As of the date
hereof, the fee is $6,824.00, but is subject to change as directed by OPUD.
Developer shall pay the fee in effect at the time building permits are requested.
OPUD does not guarantee sewer treatment capacity will be available to serve the
project when the Developer pulls building permits. Delays in financing and/or
constructing Phase II may result in a moratorium on connections to the WWTP
until such expansion is completed.

(B) Sewer Collector System. Developer shall, to District’s specifications, design and
install the required in tract sewer facilities having a design capacity to serve all of the
four hundred and seventy-six (476) residential units shown on an approved tentative
subdivision map. The sewer system will connect to the existing gravity main in River
Oaks Blvd.

(i) The Developer shall pay the then current Sewer Collector System Capacity fee
with the issuance of each residential building permit. Said Collector System fee is
currently established in the amount of $1,954.00, but is subject to change from
time to time by action of the Board of Directors. Funds received by OPUD from
said fees will be utilized by OPUD to reimburse developers who installed any
oversized collector or transmission facilities which benefit the Developer's
Project. Developer shall be entitled to credit against the Sewer Connection fees for the costs of any eligible OPUD Backbone Sewer Collection System Improvements identified in the Economic and Planning Systems' Fee Study prepared for OPUD that are paid for and constructed by Developer.

If Developer's sewer improvements include oversizing in order to serve likely future development, Developer shall be entitled to reimbursement of said oversizing cost, as confirmed by a benefit assessment analysis, provided the funds for such reimbursements are recovered from developers using the oversized system. The terms and procedure for the application of credits and/or reimbursements shall be the subject of a subsequent agreement between Developer and OPUD.

II. WATER CAPACITY:

Developer shall, to District's specifications, design and install the required potable water system to serve the Plumas Lake Phase 2 Project. The engineering firm of Brown and Caldwell prepared the study of the Plumas Lakes Specific Plan area which determined the main waterline delineation throughout the future developments in this geographic area, including the Plumas Lake Phase 2 project. Developer shall participate fully in funding its share of the costs of such study and in constructing, in cash or in kind, its fair share of the new facilities recommended by the Brown and Caldwell study as adopted by OPUD.

Upon construction of the required water system infrastructure, and upon the issuance of each residential building permit, Developer shall pay the Water System Capacity fee, as it has been established by the Board of OPUD. Said fee is, as of the execution hereof, $3,117.00/du., but Developer shall pay the then effective fee. Developer shall be entitled to a credit for the costs of eligible OPUD Backbone Water Collection System Improvements constructed by Developer. Developer's Backbone Water Collection System Improvements shall include an 18" water main in Notting Hill Way, Boswell Way and Kensington Drive which will connect to the water main installed in Notting Way in the Plumas Lake Phase 1A project and in Kensington Drive in the Riverside Meadows project.

If Developer's Backbone Water Collection System Improvements include oversizing in order to serve likely future development, Developer shall be entitled to reimbursement of said oversizing cost, as confirmed by a benefit assessment analysis, provided such reimbursements are recovered from developers using the oversized system. The terms and procedure for the application of credits and/or reimbursements shall be the subject of a subsequent agreement between Developer and OPUD.

III. PARK LAND DEDICATION, IMPROVEMENTS AND MAINTENANCE:

(A) Developer shall dedicate park land acceptable to OPUD or pay Park Dedication In-lieu fees in accordance with the terms and conditions of the Yuba County Park Land Dedication ordinance. The value of the real property upon which the Park Dedication In-
lieu fees will be calculated is the value of the real property as if it were approved with a tentative subdivision map. Any appraisal establishing value must have been conducted within the preceding four months.

(B) With the issuance of each building permit, Developer shall pay the then effective Park Development Fee as established for the Plumas Lake Specific Plan, which as of the date of this Agreement is $4,971.00 per single family dwelling but is subject to change as directed by OPUD. Developer shall also be responsible for construction of all park improvements to the park site located within the project. Those improvement shall include but are not limited to grading, drainage, soil prep, radio controlled automatic irrigation system, turf, trees, bushes, concrete walk ways, tot lot and equipment, shad structure, baseball back stops and rest room. Upon satisfactory completion thereof, Developer shall be entitled to refund/credit of a portion of said Park Development Fee representing the approved costs of park improvements in accordance with a park development agreement between Developer and OPUD, which agreement shall be negotiated and approved prior to the clearance by OPUD of building permits.

(C) Prior to the issuance of any building permits for any residential units within Developer’s project, all of the real property described in Exhibit “A” shall be annexed to the Mello Roos Maintenance District created by OPUD, at Developer’s cost, to fund the annual maintenance costs of parks, trails, landscape corridors and open space. This funding is in addition to any maintenance funding received from Yuba County from CSA-66.

IV. GENERAL PROVISIONS:

(A) Except as provided above, Developer shall also pay all other lawful fees in force and effect as required by OPUD resolutions and ordinances at the time of building permit. These may include capacity charges, park maintenance fees, and fire protection fees as well as in house consultant costs incurred by OPUD in the administration, review, and approval of required agreements and proceedings..

(B) Any water or sewer facilities, park and landscape improvements constructed or installed by Developer, that are to be owned and operated by OPUD, must be completed in accordance with plans and specifications approved by OPUD, inspected during construction and approved for acceptance by OPUD’s engineer prior to acceptance by OPUD.

(C) Developer shall pay all other application, administrative (including legal and consultative costs) plan check, and construction inspection fees and charges lawfully imposed by OPUD within thirty (30) days of billing. At OPUD’s request, Developer shall deposit estimated costs with OPUD to use as costs are incurred.

(D) Upon the approval by the Local Agency Formation Commission of the annexation of the real property described in Exhibit “A” to OPUD, OPUD will issue sewer and water “will serve letters” for the Plumas Lake Phase 2 project. Said letters will not be final but
will be conditioned upon the construction of all required facilities by Developer and the compliance with the terms hereof, including without limitation payment of all required fees and charges of OPUD and negotiation and execution of all required agreements referred to above. "Will serve letters" do not guaranty Developer that WWTP or domestic water capacities will be available at such time as building permits are pulled by Developer, but OPUD shall provide access to said capacity as available, or as and when constructed, if additional capacity is necessary.

(E) This Agreement, and all the provisions, covenants and conditions hereof, shall be binding upon and shall inure to the benefit of each of the parties hereto and their respective successors and permitted assigns.

Executed in Yuba County, California this 21st day of June 2007.

Developer

By: John Bamhart
KB Home Sacramento, Inc.

Olivehurst Public Utility District

By: Timothy R. Shaw
Its General Manager