

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 OPUD 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.

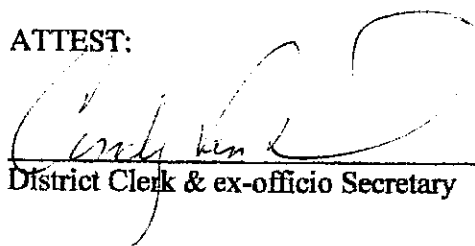
PASSED AND ADOPTED THIS 21st DAY OF JUNE 2007.

OLIVEHURST PUBLIC UTILITY DISTRICT



President, Board of Directors
Olivehurst Public Utility District

ATTEST:



District Clerk & ex-officio Secretary

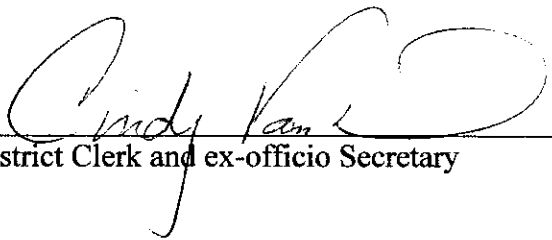
APPROVE AS TO FORM AND LEGAL
SUFFICIENCY



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.


District Clerk and ex-officio Secretary

**ANNEXATION MAP
FOR ANNEXATION TO OLIVEHURST PUBLIC UTILITIES DISTRICT**

SITUATE IN SECTIONS 5 & 6, T.13 N. R.4 E., M.D.M.
COUNTY OF YUBA, STATE OF CALIFORNIA
MAY, 2006
MORTON & PITALO, INC.
SHEET 2 OF 2 SHEETS

LEGAL DESCRIPTION

PORTION OF SECTIONS 5 AND 6, TOWNSHIP 13 NORTH, RANGE 4 EAST, M.D.M. SITUATE IN THE COUNTY OF YUBA, STATE OF CALIFORNIA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT AN ANGLE POINT ON THE BOUNDARY OF COUNTY SERVICE AREA 68, SAID POINT BEING THE NORTHEAST CORNER OF PARCEL A, AS SAID PARCEL IS SHOWN AND SO DESIGNATED ON PARCEL MAP NO. 2004-09 FILED IN BOOK 77 OF MAPS, PAGES 34-41, YUBA COUNTY RECORDS, SAID CORNER BEARS SOUTH 02°52'38" WEST 4382.84 FEET FROM THE NORTHEAST CORNER OF SECTION 4, T. 13 N., R. 4 E., M.D.M., AS SAID CORNER IS SHOWN ON RECORD OF SURVEY NO. 84-04 FILED IN BOOK 63 OF SURVEYS, PAGES 40-41, YUBA COUNTY RECORDS;

THENCE FROM SAID POINT OF BEGINNING (1) LEAVING SAID BOUNDARY OF COUNTY SERVICE AREA 68, ALONG THE WESTERLY RIGHT-OF-WAY LINE OF STATE HIGHWAY 70 SOUTH 00°02'04" EAST 1,107.64 FEET TO A POINT ON SAID BOUNDARY OF COUNTY SERVICE AREA 68, SAID POINT BEING THE SOUTHWEST CORNER OF SAID PARCEL 3;

THENCE ALONG SAID BOUNDARY OF COUNTY SERVICE AREA 68 AND ALONG THE PERIMETER BOUNDARY OF SAID PARCEL 3 THE FOLLOWING COURSES:

- (2) SOUTH 85°43'58" WEST 1,497.47 FEET;
- (3) SOUTH 01°31'24" EAST 101.41 FEET;
- (4) SOUTH 02°37'22" EAST 57.30 FEET;
- (5) SOUTHWESTERLY ALONG THE ARC OF A TANGENT CURVE TO THE RIGHT, CONCAVE TO THE NORTHWEST, HAVING A RADIUS OF 75.00 FEET, A CENTRAL ANGLE OF 70°43'29", AN ARC LENGTH OF 82.58 FEET AND BEING SUBTENDED BY A CHORD BEARING SOUTH 29°44'22" WEST 86.81 FEET;
- (6) SOUTH 85°00'06" WEST 113.00 FEET;
- (7) SOUTH 88°01'34" WEST 130.86 FEET;
- (8) SOUTH 87°52'10" WEST 42.88 FEET;
- (9) NORTH 82°55'15" WEST 101.12 FEET;
- (10) SOUTH 84°57'17" WEST 44.59 FEET;
- (11) SOUTH 51°56'51" WEST 37.68 FEET;
- (12) SOUTH 38°34'50" WEST 334.89 FEET;
- (13) SOUTH 32°35'23" WEST 233.31 FEET;
- (14) SOUTH 22°48'53" WEST 182.50 FEET;
- (15) SOUTH 18°03'34" WEST 134.59 FEET;
- (16) SOUTH 22°45'17" WEST 118.58 FEET;
- (17) SOUTH 04°25'11" WEST 63.88 FEET;
- (18) SOUTH 18°32'35" EAST 64.26 FEET;
- (19) SOUTH 33°23'26" EAST 98.58 FEET;
- (20) SOUTH 28°27'31" EAST 77.88 FEET;
- (21) SOUTHERLY ALONG THE ARC OF A TANGENT CURVE TO THE RIGHT, CONCAVE TO THE WEST, HAVING A RADIUS OF 30.00 FEET, A CENTRAL ANGLE OF 57°08'24", AN ARC LENGTH OF 49.86 FEET AND BEING SUBTENDED BY A CHORD BEARING SOUTH 02°06'49" WEST 47.82 FEET;
- (22) SOUTH 30°40'53" WEST 108.77 FEET;
- (23) SOUTH 37°57'25" WEST 52.31 FEET;
- (24) SOUTH 88°13'59" WEST 52.56 FEET;
- (25) SOUTH 78°31'17" WEST 111.72 FEET;
- (26) SOUTH 69°30'46" WEST 59.69 FEET;
- (27) SOUTH 45°10'37" WEST 1.00 FEET;
- (28) NORTH 39°19'38" WEST 12.15 FEET;
- (29) NORTHWESTERLY ALONG THE ARC OF A TANGENT CURVE TO THE RIGHT, CONCAVE TO THE NORTHEAST, HAVING A RADIUS OF 844.00 FEET, A CENTRAL ANGLE OF 23°35'50", AN ARC LENGTH OF 308.79 FEET AND BEING SUBTENDED BY A CHORD BEARING NORTH 27°31'43" WEST 308.03 FEET;
- (30) NORTH 15°43'48" WEST 588.27 FEET;
- (31) NORTHERLY ALONG THE ARC OF A TANGENT CURVE TO THE LEFT, CONCAVE TO THE WEST, HAVING A RADIUS OF 4,056.00 FEET, A CENTRAL ANGLE OF 02°38'24", AN ARC LENGTH OF 184.53 FEET AND BEING SUBTENDED BY A CHORD BEARING NORTH 17°02'00" WEST 184.51 FEET;
- (32) NORTH 18°20'12" WEST 333.87 FEET;

LEGAL DESCRIPTION (CONTINUED)

(33) NORTHERLY ALONG THE ARC OF A TANGENT CURVE TO THE RIGHT, CONCAVE TO THE EAST, HAVING A RADIUS OF 844.00 FEET, A CENTRAL ANGLE OF 20°12'11", AN ARC LENGTH OF 431.72 FEET AND BEING SUBTENDED BY A CHORD BEARING NORTH 05°14'05" WEST 427.87 FEET;

(34) NORTHERLY ALONG THE ARC OF A REVERSE CURVE TO THE LEFT, CONCAVE TO THE WEST, HAVING A RADIUS OF 4,056.00 FEET, A CENTRAL ANGLE OF 04°43'04", AN ARC LENGTH OF 475.58 FEET AND BEING SUBTENDED BY A CHORD BEARING NORTH 04°30'27" EAST 475.20 FEET;

(35) EASTERLY ALONG THE ARC OF A NON-TANGENT CURVE TO THE RIGHT, CONCAVE TO THE SOUTH, HAVING A RADIUS OF 26.00 FEET, A RADIAL BEARING TO THE CENTER OF SAID CURVE OF SOUTH 18°49'51" EAST, A CENTRAL ANGLE OF 18°33'48", AN ARC LENGTH OF 6.40 FEET AND BEING SUBTENDED BY A CHORD BEARING NORTH 80°27'04" EAST 9.35 FEET;

(36) NORTH 09°43'58" EAST 1.83 FEET;

(37) NORTH 00°16'00" WEST 45.00 FEET;

(38) WESTERLY ALONG THE ARC OF A NON-TANGENT CURVE TO THE RIGHT, CONCAVE TO THE NORTH, HAVING A RADIUS OF 26.00 FEET, A RADIAL BEARING TO THE CENTER OF SAID CURVE OF NORTH 00°16'00" WEST, A CENTRAL ANGLE OF 20°43'08", AN ARC LENGTH OF 10.40 FEET AND BEING SUBTENDED BY A CHORD BEARING NORTH 79°54'28" WEST 10.43 FEET;

(39) NORTHERLY ALONG THE ARC OF A NON-TANGENT CURVE TO THE LEFT, CONCAVE TO THE WEST, HAVING A RADIUS OF 4,056.00 FEET, A RADIAL BEARING TO THE CENTER OF SAID CURVE OF NORTH 89°33'07" WEST, A CENTRAL ANGLE OF 00°21'03", AN ARC LENGTH OF 24.81 FEET AND BEING SUBTENDED BY A CHORD BEARING NORTH 00°17'22" EAST 24.84 FEET;

(40) NORTHERLY ALONG THE ARC OF A REVERSE CURVE TO THE RIGHT, CONCAVE TO THE EAST, HAVING A RADIUS OF 844.00 FEET, A CENTRAL ANGLE OF 30°06'04", AN ARC LENGTH OF 678.32 FEET AND BEING SUBTENDED BY A CHORD BEARING NORTH 17°30'52" EAST 569.32 FEET;

(41) NORTH 35°12'54" EAST 112.22 FEET;

(42) NORTHEASTERLY ALONG THE ARC OF A TANGENT CURVE TO THE LEFT, CONCAVE TO THE NORTHWEST, HAVING A RADIUS OF 1,058.00 FEET, A CENTRAL ANGLE OF 10°08'48", AN ARC LENGTH OF 187.00 FEET AND BEING SUBTENDED BY A CHORD BEARING NORTH 30°08'31" EAST 186.75 FEET;

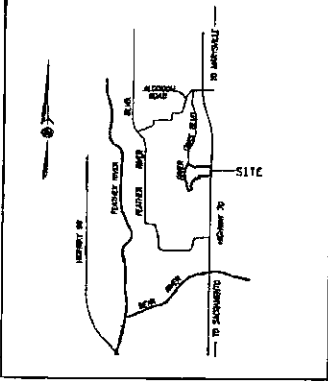
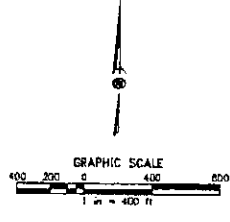
- (43) SOUTH 83°53'15" EAST 69.80 FEET;
- (44) SOUTH 84°52'32" EAST 100.18 FEET;
- (45) SOUTH 83°28'09" EAST 982.00 FEET;
- (46) NORTH 24°31'52" EAST 172.00 FEET;
- (47) SOUTH 65°08'06" EAST 28.00 FEET;
- (48) NORTH 24°31'52" EAST 188.00 FEET;
- (49) SOUTH 65°28'08" EAST 225.50 FEET;
- (50) SOUTH 58°09'04" EAST 108.81 FEET;
- (51) NORTH 89°45'01" EAST 190.34 FEET;
- (52) NORTH 79°09'37" EAST 38.00 FEET;
- (53) NORTH 74°43'31" EAST 117.42 FEET;
- (54) SOUTH 13°28'38" EAST 70.14 FEET;
- (55) SOUTH 82°35'07" EAST 129.13 FEET;
- (56) NORTH 85°13'32" EAST 148.48 FEET;
- (57) NORTH 00°02'14" WEST 70.00 FEET;
- (58) NORTH 89°57'46" EAST 117.00 FEET;
- (59) SOUTH 83°05'16" EAST 36.23 FEET;
- (60) NORTH 89°57'46" EAST 117.00 FEET;
- (61) NORTH 00°02'14" WEST 70.00 FEET;
- (62) NORTH 89°57'46" EAST 117.00 FEET;
- (63) SOUTH 82°21'30" EAST 36.33 FEET AND
- (64) NORTH 89°57'46" EAST 308.79 FEET TO THE POINT OF BEGINNING.

CONTAINING 117.17 ACRES, MORE OR LESS.

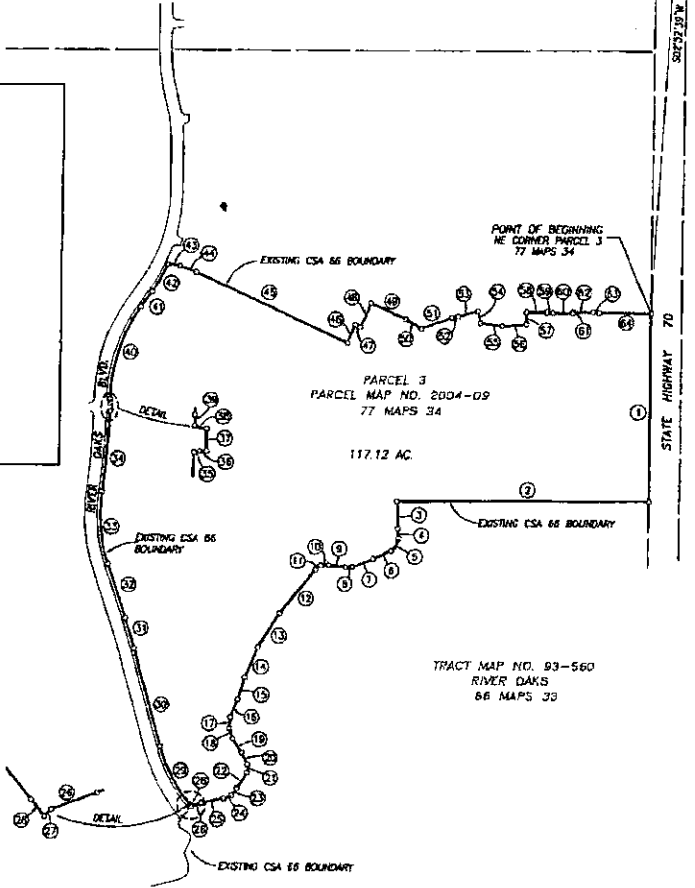
ANNEXATION MAP FOR ANNEXATION TO OLIVEHURST PUBLIC UTILITIES DISTRICT

SITUATE IN SECTIONS 5 & 8, T.13 N. R.4 E., M.D.M.
COUNTY OF YUBA, STATE OF CALIFORNIA
MAY, 2006
MORTON & PITALO, INC.
SHEET 1 OF 2 SHEETS

NE CORNER SECTION 4
T.13 N. R.4 E., M.D.M.
AS SHOWN ON RECORD
OF SURVEY 84-04
63 SURVEYS 40



VICINITY MAP
NO SCALE



BEARING	CHORD DISTANCE	RADIUS	DELTA	ARC LENGTH
1. S00° 02' 04"E	1107.64'			
2. S89° 43' 50"W	1467.47'			
3. S01° 31' 24"E	181.41'			
4. S05° 37' 22"E	57.30'			
5. S20° 44' 22"W	86.41'	R=75'	Δ=70° 13' 29" L=82.58'	
6. S55° 08' 06"W	113.00'			
7. S88° 08' 34"W	138.85'			
8. S87° 12' 18"W	42.88'			
9. N82° 56' 13"W	101.13'			
10. S81° 17' 17"W	44.59'			
11. S51° 56' 51"W	37.88'			
12. S38° 34' 50"W	334.89'			
13. S32° 03' 23"W	234.31'			
14. S22° 48' 53"W	192.50'			
15. S18° 03' 34"W	134.69'			
16. S22° 43' 17"W	116.58'			
17. S04° 29' 11"W	83.85'			
18. S18° 32' 35"E	84.28'			
19. S33° 23' 26"E	98.58'			
20. S85° 27' 30"E	77.68'			
21. S02° 06' 48"W	47.82'	R=50'	Δ=57° 08' 24" L=49.86'	
22. S30° 40' 53"W	109.77'			
23. S37° 57' 20"W	52.31'			
24. S48° 13' 58"W	52.56'			
25. S78° 31' 17"W	131.72'			
26. S88° 20' 46"W	56.69'			
27. S45° 10' 57"W	1.00'			
28. N07° 19' 38"E	12.15'			
29. N27° 31' 43"W	388.05'	R=444'	Δ=23° 35' 50" L=388.79'	
30. N15° 47' 48"W	598.27'			
31. N17° 02' 00"W	184.51'	R=4056'	Δ=02° 36' 24" L=184.53'	
32. N18° 20' 12"W	333.87'			

BEARING	CHORD DISTANCE	RADIUS	DELTA	ARC LENGTH
33. N05° 14' 00"W	427.97'	R=444'	Δ=2° 12' 11" L=431.72'	
34. N04° 30' 27"E	473.29'	R=4056'	Δ=05° 43' 04" L=473.58'	
35. N80° 27' 04"E	9.35'	R=28'	Δ=18° 33' 48" L=9.40'	
36. N89° 43' 58"E	1.00'			
37. N00° 18' 02"W	45.00'			
38. N79° 54' 28"W	18.40'	R=29'	Δ=20° 43' 08" L=10.49'	
39. N00° 17' 22"E	24.84'	R=4056'	Δ=00° 21' 04" L=24.88'	
40. N17° 30' 52"E	569.32'	R=944'	Δ=35° 06' 04" L=578.32'	
41. N35° 12' 54"E	112.22'			
42. N30° 08' 31"E	186.75'	R=1056'	Δ=10° 05' 45" L=187.00'	
43. S84° 55' 15"E	89.80'			
44. S89° 52' 32"E	100.18'			
45. S85° 28' 08"E	862.00'			
46. N94° 31' 52"E	137.00'			
47. S85° 28' 08"E	29.00'			
48. N84° 31' 52"E	153.00'			
49. S85° 28' 08"E	225.30'			
50. S36° 09' 04"E	106.81'			
51. N89° 45' 01"E	190.34'			
52. N79° 00' 37"E	36.00'			
53. N14° 43' 31"E	117.42'			
54. S13° 28' 39"E	70.14'			
55. S82° 35' 07"E	128.23'			
56. N85° 13' 12"E	140.48'			
57. N00° 02' 14"W	78.00'			
58. N89° 57' 46"E	117.00'			
59. S83° 55' 16"E	36.21'			
60. N89° 57' 46"E	117.00'			
61. N00° 02' 14"W	7.00'			
62. N89° 57' 46"E	137.00'			
63. S82° 21' 30"E	78.33'			
64. N89° 57' 46"E	302.79'			

**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 Developer's 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

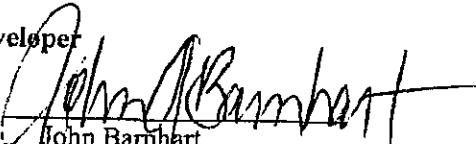
will be conditioned upon the construction of all required facilities by Developer and the compliance with the terms hereof, including without limitation payment of all required fees and charges of OPUD and negotiation and execution of all required agreements referred to above. "Will serve letters" do 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.

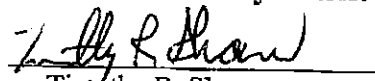
Developer

By:


John Barnhart
KB Home Sacramento, Inc.

Olivehurst Public Utility District

By:


Timothy R. Shaw
Its General Manager