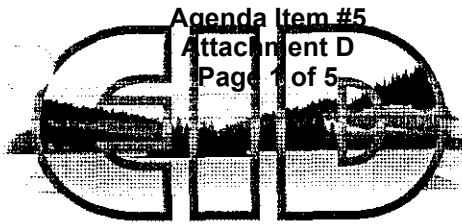


Harry J. Norris - President
Division 5
William (Bill) L. George
Vice President
Division 3

WO# 80838



Ane D. Deister
General Manager
Thomas D. Cumpston
General Counsel

El Dorado Irrigation District

In Reply Refer To: FIL0706-077

Reza Shera
Carmichael Investment Group
P.O. Box 9890
Rancho Santa Fe, CA 92067

REVISED

Subject: Facility Improvement Letter, Carmichael Investment Group Annexation
Assessor's Parcel No. 115-030-06 (Outside)

Dear Mr. Shera:

This letter **revises the letter sent to you on October 18, 2005** and is in response to your request dated June 5, 2006 and is written pursuant to Regulation No. 22, Service Procurement. This regulation states the procedure agreed upon between the District and the County to indicate water and sewer improvements necessary to support proposed developments. This letter is valid for a period of 2 years. If a Facility Plan Report for your project have not been submitted to the District within 2 years of the date of this letter, a new Facility Improvement Letter will be required.

Design drawings for your project must be in conformance with the District's *Water, Sewer and Recycled Water Design and Construction Standards* dated July 1999.

This project is a 36-lot subdivision on 7.45 acres. Water and sewer service and fire hydrants are requested. The property is not within the District boundary and will require annexation before service can be obtained.

Water Supply

The District manages its water supply under Regulation No. 2. In the event the District's water supply is depleted, water meters will not be sold. This letter is not a commitment to serve, but does address the location and approximate capacity of existing facilities that may be available to serve your project. In terms of water supply, as of January 1, 2005, there were 2434 equivalent dwelling units (EDUs) available in the Western/Eastern Water Supply Region. Your project as proposed on this date would require 36 EDUs of water supply.

Water Facilities

A 12-inch water line exists in Magnolia Hills Road and one in Woodleigh Lane. A new 12-inch water line is proposed to be built up to the southwest property corner as part of the Silver Springs

project. The 18-inch Gold Hill Intertie water transmission main abuts the western portion of the project site in Bass Lake road. Additional taps on this main are not allowed. The Cameron Park Fire Department has determined that the minimum fire flow for this project is 1000 GPM for a 2-hour duration while maintaining a 20-psi residual pressure. In order to provide this fire flow and receive service, you must construct a water line extension from one of these 12-inch water lines. The hydraulic grade line for the existing water distribution facilities is 1474 feet above mean sea level at static conditions and 1460 feet above mean sea level during fire flow and maximum day demands. A Facility Plan Report, as defined below, is required for this project to delineate these improvements.

Sewer Facilities

There is an 8-inch sewer line to the south in Magnolia Hills Road and a 6-inch sewer line to the north in Woodleigh Lane. These sewer lines have adequate capacity at this time. In order to receive service from these lines, an extension of facilities of adequate size must be constructed. These sewer facility improvements must be described in the Facility Plan Report.

Facility Plan Report

In accordance with District Regulation No. 22, Service Procurement, a Facility Plan Report (FPR) will be required for this project. The FPR shall address the expansion of the water and sewer facilities and the specific fire flow requirements for all phases of the project. A meeting to discuss the content of the report will be required. Please contact this office to arrange the meeting. A preliminary utility plan prepared by your engineer must be brought to the meeting.

Two copies of the FPR will be required along with a \$2,000.00 deposit. You will be billed for actual time spent in review and processing of your FPR. Please submit the FPR and fee to our Customer Service Department. Enclosed is the FPR description and transmittal form for your use. The items listed under content in the description and the completed transmittal form must be bound in each copy of the FPR.

Easement Requirements

Proposed water lines, sewer lines and related facilities must be located within an easement accessible by conventional maintenance vehicles. When the water lines or sewer lines are within streets, they shall be located within the paved section of the roadway. No structures will be permitted within the easements of any existing or proposed facilities. The District must have unobstructed access to these easements at all times, and does not generally allow water or sewer facilities along lot lines.

Easements for any new District facilities constructed by this project must be granted to the District prior to District approval of water and/or sewer improvement plans, whether onsite or offsite. In addition, due to either nonexistent or prescriptive easements for some older facilities, any existing onsite District facilities that will remain in place after the development of this property must also have an easement granted to the District.

Environmental

The County is the lead agency for environmental review of this project per Section 15051 of the California Environmental Quality Act Guidelines (CEQA). The County's environmental document should include a review of both offsite and onsite water and sewer facilities that may be constructed by this project. You may be requested to submit a copy of the County's environmental document to the District if your project involves significant off-site facilities. If the County's environmental document does not address all water and sewer facilities and they are not exempt from environmental review, a supplemental environmental document will be required. This document would be prepared by a consultant. It could require several months to prepare and you would be responsible for its cost.

Annexation

The applicant is charged for all costs associated with the annexation proposal. If you decide to proceed with the annexation, please complete the enclosed forms and return to the District along with the deposit. You will find a copy of the annexation process enclosed for your review. A preliminary cost benefit analysis has been completed. This project as currently defined will not have a negative financial impact on the District. Lori Grace can answer questions regarding the annexation process. Her number is (530) 642-4139.

Summary

Service to this proposed development is contingent upon the following:

- ◆ Annexation
- ◆ The future availability of water supply,
- ◆ Approval of the County's environmental document by the District (if requested),
- ◆ Approval of a Facility Plan Report by the District,
- ◆ Approval of an extension of facilities application by the District,
- ◆ Approval of facility improvement plans by the District (based on July 1999 Design & Construction Standards),
- ◆ Construction by the developer of all onsite and offsite proposed water and sewer facilities,
- ◆ Acceptance of these facilities by the District,
- ◆ Payment of all District connection costs.

Services shall be provided in accordance with El Dorado Irrigation District Rules and Regulations, as amended from time-to-time. As they relate to conditions of and fees for extension of service, District Rules and Regulations will apply as of the date of a fully executed Extension of Facilities Agreement. As they relate to conditions of and charges for initiation of service and for ongoing water service provided to the customer, District Rules and Regulations will apply as adopted and amended from time-to-time by the District's Board of Directors.



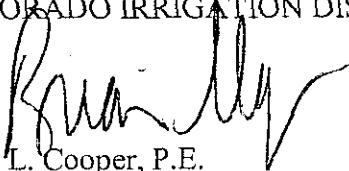
Letter No. FIL0607-077
To: Reza Shera

July 17, 2006
Page 4 of 4

If you have any questions, please contact me at (530) 642-4019.

Sincerely,

EL DORADO IRRIGATION DISTRICT



Brian L. Cooper, P.E.
Senior Engineer
Development Services

BC:map

Enclosures: System Map
Annexation Process Handout
Annexation Application
FPR Guidelines and transmittal

c: Robert Combs, Fire Prevention Bureau, Cameron Park Fire Department
3200 Country Club Drive, Cameron Park, CA 95682

Lori Grace, Development Services Supervisor, El Dorado Irrigation District

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El Dorado Irrigation District
System Map

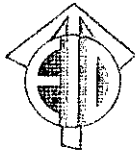
DATE: July 17, 2006

WARNING: For schematic purposes only.
Exact pipe location must be
field verified.

Carmichael Investment Group

APN: 115-030-06

SYS. No.: 82-2



Scale: 1" = 400'

