Annexation Agreement and Groundwater Mitigation Framework for Marina Area Lands

March 1996

ANNEXATION AGREEMENT AND GROUNDWATER MITIGATION FRAMEWORK FOR MARINA AREA LANDS

EXECUTIVE SUMMARY

PURPOSE--Groundwater Planning. This Agreement and Framework provides for annexing lands in the Marina area to MCWRA Zones 2 and 2A, the benefit assessment zones for the Nacimiento and San Antonio reservoirs. The Agreement and Framework establishes a groundwater mitigation framework process for the lands to be annexed, and provides money from the Marina area for Basin management planning.

ANNEXATION TO ZONES 2 AND 2A--MCWD, Armstrong, Lonestar. Annexation proceeds under section 7 of the MCWRA Act for lands within the service area of MCWD, and lands owned by Armstrong and Lonestar. Annexation of the MCWD service area was effective immediately upon approval by the MCWRA Board of Supervisors. The Armstrong Ranch annexation will be effective when LAFCO approves concurrent annexation to MCWD and the City of Marina on conditions satisfactory to Armstrong (including recordation of a final subdivision map). The Lonestar annexation will take effect when the Lonestar Property is annexed to MCWD.

Annexation Fees--more than $3,500,000. Annexation fees are based on $277/acre of land annexed, and $783/af of water to be used. The fee for land on which water is not used is $27.70/acre. The fee for agricultural water is $261/af. Annexation fees total more than $3,500,000, plus interest, as follows:

Fees for MCWD are $2,449,410, based on 1,750 acres @ $277/ac. and 3,020 afy of water @ $783/af, and a credit of $400,000 already paid by MCWD for groundwater management planning.

Fees for Armstrong will be about $970,000 for Area A (urban), based on 900 acres @ $277/ac. and 900 afy @ $783/af, and an amount subject to final determination upon actual annexation for Area B (irrigated and unirrigated agriculture). If the annexation of the Armstrong Ranch occurs more than seven years after MCWRA approves the Annexation Agreement, Armstrong will pay the then-current annexation fees. If the agricultural water use on Area B of the Armstrong Ranch changes, Armstrong will pay an additional 2/3 of the then-current water charge portion of the annexation fee, and if water is used on any area annexed as unirrigated, Armstrong will pay an additional 9/10 of the then current land charge.

Fees for Lonestar will be $166,621, based on 104 acres using water @ $277/ac., and 264 acres of unirrigated, vacant land @ $27.70/ac., and 500 afy of water with quality below agricultural standards @ $261/af. If Lonestar's use changes to a potable use, or if Lonestar is supplied water from the MCWD or has water available from the BMP, or if Lonestar uses water on the open-space area, Lonestar will pay the other two-thirds of the water charge.

Payments for MCWD, Armstrong and Lonestar may be in a lump sum, or in installments over 10 years from the date of annexation, with 6% annual interest.

Annexation fees will be dedicated to paying costs of a BMP process that includes benefits for the Marina Area, and for management and protection of the deep aquifer.

Annual Assessments. After annexation, Marina area lands will pay annual assessments for MCWRA Zones 2, 2A and 2Z.

GROUNDWATER LIMITS--4,440 AFY

Pumping Limits. Under the Agreement and Framework, the present MCWD service area is limited to **3020** afy of potable groundwater. Non-agricultural use of Basin groundwater on the Armstrong Ranch is limited to **920** afy, 20 afy when the Agreement and Framework becomes effective, an additional 150 afy upon annexation, and additional increments of 150 afy every two years thereafter. Groundwater underlying approximately 730 acres of the Armstrong Ranch is limited to agricultural use, except that **20** afy can be used for potable uses, and water from that area can also be used at the regional treatment plant. Lonestar will limit its pumping to its current use of **500** afy.

Reclaimed Water Management. MCWD has the right to receive tertiary treated water from the SVRP plant. MCWD will defer taking summer flows of more than 300 afy (all summer flows if a reservoir is built). MCWD will take its entitlement over 300 afy from winter flows, and plan to store the water for use in the summer. MCWD will pay MCWRA for each acre-foot of reclaimed water received from the SVRP, with the price determined each year by a formula.

Water Storage Site. Armstrong will reserve not more than 250 acres of land for the MCWD for a possible water storage site, subject to planning and CEQA compliance. Armstrong will donate the land over about 12 years, as Armstrong's entitlement to potable groundwater use increases in 150 afy increments, or MCWD can acquire land as needed by paying $25,000 per acre (which can be recovered in Armstrong's fees to annex land to MCWD). MCWD, MCWRA, the City of Marina (and MRWPCA, if it signs the Addendum) agree not to take any more land on the Armstrong Ranch, except for specified, limited purposes. Armstrong has reserved well

sites to irrigate Area B and to provide water for MRWPCA's regional treatment plant.

Alternate Water Supplies--300 afy of new water.

BMP. MCWRA's BMP planning will include consideration of the Marina area for a Basin alternative to groundwater pumping in the Marina area.

MCWD. MCWD will continue to plan for new water supplies, such as wastewater reclamation and desalination, to replace and supplement groundwater pumping.

Deep Aquifer Management. MCWRA and MCWD will manage the 900' aquifer to protect and preserve it and to sustain a secure water supply source for MCWD.

Water Source for Fort Ord. MCWD's deep wells may be used to provide up to **1400** afy of water already allocated to Fort Ord as part of the Fort Ord annexation to Zones 2 and 2A.

CONSERVATION. MCWD's aggressive water conservation program will continue in the Marina area.

EQUAL TREATMENT. The MCWRA will not impose greater restrictions on the Marina area's water use from the Basin than are imposed on water use or supply for use within the City of Salinas.

MRWPCA ADDENDUM. The Addendum attached to the Agreement and Framework as Exhibit "G" would provide for MRWPCA to join the Agreement and Framework on terms which would include possible acquisition of a buffer zone for the Regional Treatment Plant, and agreement to the other terms of the Agreement and Framework.

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"B" MCWD service area to be annexed

"C" Armstrong Ranch land to be annexed

"D" Lonestar property to be annexed

"E" Calculation of Incremental Cost for Tertiary Treated Water

"F" Armstrong Areas Reserved For Transfer to MCWD

"G" MRWPCA Addendum

ANNEXATION AGREEMENT AND GROUNDWATER MITIGATION FRAMEWORK FOR MARINA AREA LANDS

SUBJECT: **Management and Protection of Salinas River Groundwater Basin; Annexation of Marina Area Lands To Zones 2 and 2A of the Monterey County Water Resources Agency**

1. PURPOSE AND AUTHORITY.

1.1. Purpose. The purpose of this Agreement and Framework is to help reduce seawater intrusion and protect the groundwater resource and preserve the environment of the Salinas River Groundwater Basin through voluntary commitments by the Parties to limit, conserve and manage the use of groundwater from the Salinas River groundwater basin, and to provide the terms and conditions for the annexation of certain territory in the Marina area to the Monterey County Water Resources Agency's benefit assessment Zones 2 and 2A as a financing mechanism providing additional revenues to the Monterey County Water Resources Agency to manage and protect the groundwater resource in the Salinas River Groundwater Basin and to reduce seawater intrusion.

1.2. Authority. This Agreement and Framework is entered into under the authority of the Agency Act, the California Water Code, and the California Government Code.

2. DEFINITIONS AND DESIGNATIONS. The following definitions and designations apply to this Agreement and Framework:

2.1. Parties.

2.1.1. Marina Coast Water District ("MCWD"). A political subdivision of the State of California, located in Monterey County, governed by MCWD's Board of Directors.

2.1.2. Monterey County Water Resources Agency ("MCWRA"). A water and flood control agency created by the State of California, with jurisdiction coextensive with Monterey County, governed by the Monterey County Water Resources Agency Board of Supervisors.

2.1.3. J. G. Armstrong Family Members ("Armstrong"). The owners of the Armstrong Ranch in the Marina area of Monterey County.

2.1.4. RMC Lonestar ("Lonestar"). A California general partnership and owner of the Lonestar property in the Marina area of Monterey County.

2.1.5. City of Marina ("City"). An incorporated municipality within Monterey County, organized and operating under the laws of the State of California, governed by its City Council.

2.2. AFY. Acre-feet per year.

2.3. Agency Act. MCWRA's enabling legislation adopted by Chapter 1159 of the Statutes of 1990, and Chapter 1130 of the Statutes of 1991, set forth in full in West's California Water Code Appendix, Chapter 52.

2.4. Armstrong Ranch. About 1850 acres of land in the Marina area, as shown on Exhibit "C," about 322 acres of which is within the City of Marina, plus an additional 150 acres not shown on Exhibit "C" which is already in the Zones.

2.5. Basin. The Salinas River Groundwater Basin.

2.6. BMP. The MCWRA's Basin Management Plan for the Salinas River Groundwater Basin.

2.7. CEQA. The California Environmental Quality Act, Public Resources Code sections 21000 and following.

2.8. CSIP. The Castroville Seawater Intrusion Project, a distribution system project already approved and being implemented by MCWRA to provide reclaimed water for irrigation in the Castroville Area of Monterey County.

2.9. Effective Date. Subject to paragraph 4, this Agreement and Framework shall be fully effective when executed by all the Parties.

2.10. Exhibits.

"A" The general geographic relationship of MCWD, Armstrong and Lonestar to the Basin and to the Zones is shown on the diagram attached to this Agreement and Framework as Exhibit "A."

"B" MCWD service area to be annexed

"C" Armstrong Ranch land to be annexed

"D" Lonestar property to be annexed

"E" Calculation of Incremental Cost for Tertiary Treated Water

"F" Armstrong Areas Reserved For Transfer to MCWD

"G" MRWPCA Addendum

2.11. FEIR. The Final Environmental Impact Report for the Salinas Valley Seawater Intrusion Program (February 1992).

2.12. Fort Ord. The land within the boundaries of the former Fort Ord Military Reservation.

2.13. Lonestar Property. A parcel containing about 400 acres of land in the Marina area, as shown on Exhibit "D."

2.14. Marina Area. Lands served by, adjacent to, or within the sphere of influence of MCWD.

2.15. MCWD Water Plans. The Urban Water Master Plan and the Urban Water Shortage Contingency Plan adopted by MCWD.

2.16. MCWRA/MRWPCA Agreement. Monterey County Agreement No. A-6078, "Agreement Between The Monterey County Water Resources Agency And The Monterey Regional Water Pollution Control Agency For Construction And Operation Of A Tertiary Treatment System," dated for reference purposes June 16, 1992, as amended on or before December 1, 1995.

2.17. Mitigation Plan. A plan for a potable water supply capable of mitigating the effects of seawater intrusion and providing a long-term potable water supply to MCWD's distribution system.

2.18. Mitigation Plan Implementation. The Mitigation Plan shall be considered "implemented" upon the delivery of potable water to MCWD's distribution system from a completed, long-term, potable water supply system, after system testing has been successfully completed.

2.19. Agreement and Framework. This Annexation Agreement and Groundwater Framework for Marina Area Lands.

2.20. Monterey Regional Water Pollution Control Agency ("MRWPCA"). A joint powers authority providing sewage treatment service to its member entities in Northern Monterey County, governed by its Board of Directors.

2.21. MRWPCA Annexation Agreement. "Annexation Agreement Between The Marina County Water District And The Monterey Regional Water Pollution Control Agency," dated April 25, 1989, as amended on or before December 1, 1995.

2.22. 1990 Agreement. Monterey County Agreement No. A-5471, "Preliminary Agreement Between United States of America, Marina Coast Water District, and Monterey County Flood Control and Water Conservation District," dated July 12, 1990.

2.23. SVRP. The Salinas Valley Reclamation Project, a project already approved and being implemented by MCWRA, in

cooperation with MRWPCA, to reclaim water at the MRWPCA's regional treatment plant, for irrigation through the CSIP.

2.24. Zones. Zones 2 and 2A of the MCWRA, which are the zones of benefit and assessment for the MCWRA's Nacimiento and San Antonio reservoirs.

3. FACTS AND CIRCUMSTANCES. This Agreement and Framework is entered into with regard to the following facts and circumstances:

3.1. The MCWRA has approved fourteen other annexations to Zones 2 and 2A since 1991. Like other areas which have been annexed, the Marina area is within the Salinas River Groundwater Basin, has been using groundwater for many years, and has strong claims to groundwater rights. Since the Fort Ord annexation in 1993, the Marina area is surrounded on three sides by Zones 2 and 2A, and by Monterey Bay to the west.

3.2. MCWRA agreed in the 1990 Agreement to "encourage and support" annexing MCWD to Zones 2 and 2A. MCWD has worked for about thirteen years with the MCWRA on plans for a reliable, long-term water supply for the northern Basin area, including the Marina area and Fort Ord. MCWD's participation has included payment of money to assist the planning effort. As part of the 1990 Agreement, MCWD paid for survey and planning work for the long-term water supply effort. Sums paid by MCWD to MCWRA total over $400,000. The work for which MCWD paid will be useful for the Mitigation Plan.

3.3. MCWD, City, Armstrong and Lonestar claim the right to use groundwater from the Basin, to the full extent provided by law. MCWD takes water from wells owned and operated by MCWD and drilled into the "180-foot", "400-foot" and "900-foot" aquifers in the Basin. About ninety-eight percent of potable water used currently by MCWD comes from the 900-foot aquifer. MCWD's current maximum pumping capacity is 5,800 gpm (9,350 afy) of potable water and 1,100 gpm (1,770 afy) of other usable water. Allowing for routine maintenance and providing a contingency factor for emergency shutdown, MCWD's current estimated operational pumping capacity for potable water is 3900 gpm (6,000 afy).

3.4. MCWD agreed in writing in 1988 to cooperate with the City in providing water service to the Lonestar property and the Armstrong Ranch. A coordinated and centralized water supply for the Marina Area in furtherance of that 1988 agreement will facilitate management and protection of the groundwater resource in the Marina Area. Armstrong claims the right and ability to use not less than 920 afy of potable water from the Basin to provide potable water service to the Armstrong Ranch, and the right to use water for agricultural purposes. MCWD currently supplies some water to the Armstrong Ranch. The Armstrong Ranch will need reclaimed water for golf course purposes, park purposes and such other general uses as may be required by any agency having

jurisdiction as a condition of development. The Lonestar property currently uses about 500 afy of groundwater from the Basin.

3.5. The MCWD Water Plans are based on a total need within MCWD's current boundaries of 3,020 afy of water for potable uses and about 280 afy additional water suitable for irrigation, and on additional projected need by the rest of the Marina area as specified in the MCWD Water Plans.

3.6. MCWRA has previously annexed Fort Ord into Zones 2 and 2A. The September 1993 Agreement for that annexation provides that until implementation of a project to provide a substitute supply, a maximum of 6,600 afy may be withdrawn from the Basin for use on Fort Ord lands, provided no more than 5,200 afy are withdrawn from the 180-foot aquifer and 400-foot aquifer. The USA received a credit against annexation fees for about $400,000 paid under the 1990 Agreement.

3.7. Pursuant to paragraph 12 of the MRWPCA Annexation Agreement, MCWD has the right to obtain from the MRWPCA, at the regional treatment plant, treated wastewater for reuse by the MCWD in quantities equal to the volume of MCWD wastewater treated by MRWPCA and such additional quantities as from time to time are not committed to any other users for beneficial use. MCWD's cost for such treated wastewater will be the MRWPCA's incremental cost over secondary treatment, to meet applicable local, state and federal requirements for water reuse.

3.8. The MCWRA/MRWPCA Agreement provides that the SVRP shall be designed and built for tertiary treatment of wastewater to be used for irrigation through the CSIP. That Agreement also mentions possible future interties with other agencies. The MCWRA/MRWPCA Agreement commits flows of wastewater to the CSIP as provided in Article IV and Exhibit C of that Agreement, excepting flows taken by MCWD pursuant to the MRWPCA Annexation Agreement.

4. <u>REQUEST FOR ANNEXATION</u>.

4.1. <u>Request by MCWD, Armstrong, and Lonestar</u>. Execution of this Agreement and Framework shall be deemed to be a formal and joint request by the signatories that the MCWRA's Board of Supervisors exercise their authority under section 7 of the Agency Act (West's California Water Code App. § 52-7) to annex to the Zones the lands described in Exhibits "B", "C" and "D" to this Agreement and Framework, on the terms and conditions of this Agreement and Framework as executed by the requesting signatories. No other terms or conditions shall apply to any annexation under this Agreement and Framework without the written agreement of all the Parties affected by the change.

4.2. <u>Request by MCWD</u>. MCWD is requesting immediate annexation of all the lands described in Exhibit "B." The lands to be annexed include the land which contains Olson School and the Methodist Church.

4.3. Request by Armstrong. Armstrong is requesting annexation of its land described in Exhibit "C", which annexation would take effect as provided in paragraph 6.2 of this Agreement and Framework.

4.4. Request by Lonestar. Lonestar is requesting immediate annexation of its land described in Exhibit "D", which annexation would take effect as provided in paragraph 7.3. of this Agreement and Framework.

4.5. Effect of Request. Other than to serve as a formal annexation request pursuant to section 7 of the Agency Act, this Agreement and Framework shall have no effect until its execution by the MCWRA.

5. TERMS AND CONDITIONS--MCWD.

5.1. Quantity limitations on MCWD's groundwater pumping.

5.1.1. Commencing on the effective date of this Agreement and Framework and continuing until Mitigation Plan Implementation, MCWD will limit its withdrawal of potable groundwater from the Basin for land in the Marina area and outside the former Fort Ord Military Reservation to 3,020 afy of potable groundwater, and only such additional quantities as are permitted by this paragraph 5.1. MCWRA's groundwater resource planning for the existing MCWD service area will be based on the latest information and projections contained in the MCWD Water Plans, using 3,020 afy as a planning guideline for potable water use.

5.1.1.1. After compliance with all applicable requirements of law, including but not limited to CEQA, MCWD may improve the interconnection between the MCWD water system and the water system serving Fort Ord, to provide for joint, conjunctive and concurrent use of all system facilities to serve Fort Ord and other areas served by MCWD, and the other Parties will cooperate on MCWD's increased withdrawal of potable groundwater by up to 1,400 afy from the 900-foot aquifer to enable the increased withdrawals from 5200 afy to 6600 afy for use on Fort Ord, as provided in paragraph 4.c. of the September 1993 Agreement between The United States of America and the MCWRA.

5.1.1.2. If the Armstrong property has been annexed to the Zones, the other Parties will cooperate on MCWD's increased withdrawal of up to 920 afy from the Basin, on the condition that such withdrawals shall be used only to provide water to the Armstrong Ranch and, to the extent that such water is requested and accepted by Armstrong, such use shall in its entirety be applied to the satisfaction of Armstrong's entitlement under paragraph 6.9. of this Agreement and Framework.

5.1.1.3. If the Lonestar property has been annexed to the Zones, the other Parties will cooperate on MCWD's

increased withdrawal of up to 500 afy from the Basin, on the condition that such withdrawals shall be used only to provide water to the Lonestar property, and, to the extent that such water is requested and accepted by Lonestar, such use shall in its entirety be applied to the satisfaction of Lonestar's entitlement under paragraph 7.2. of this Agreement and Framework.

5.1.2. Conditioned upon MCWRA's compliance with paragraphs 5.1, 5.2, 5.3., 5.5, 5.7, 8.1, 8.2 and 8.3, after Mitigation Plan Implementation, MCWD will be governed by such limitations on the withdrawal of water from the Basin as shall be included in the terms of the Mitigation Plan.

5.2. No objection by MCWRA to MCWD withdrawals except pursuant to section 22 of Agency Act. The MCWRA shall not object to any withdrawal by MCWD which is mentioned in section 5.1 above, except in compliance with section 22 of the Agency Act. All groundwater withdrawn from the Basin by MCWD may be used only within the Basin.

5.3. Management of 900-foot aquifer. The Parties agree that the "900-foot" aquifer should be managed to provide safe, sustained use of the water resource, and to preserve to MCWD the continued availability of water from the "900-foot" aquifer. The Parties will work to include in a Mitigation Plan the concept that water from the Mitigation Plan which costs less than the cost of desalinated water should be the primary source of potable water for the lands described in Exhibits "B", "C", and "D", and wells in the "900-foot" aquifer should be a secondary source, if seawater intrusion is shown to be affecting the "900-foot" aquifer by credible scientific evidence. The Parties will also work together on measures to protect the "900-foot" aquifer.

5.4. Compliance with CEQA and other applicable laws. MCWD's participation in the Mitigation Plan or any other alternative water supply plan is subject to compliance with all applicable laws, including but not limited to CEQA, and to review and approval by the MCWD.

5.5. MCWD development of alternative water supplies. MCWRA agrees that it is appropriate for MCWD to plan for and develop any new water supplies, including but not limited to wastewater reclamation and desalination, that help to meet MCWD's needs, except that the MCWRA believes that the unilateral development of water by MCWD would not be appropriate from any of the following sources: the 180-foot and 400-foot confined aquifers in the Pressure Area of the Salinas Valley Groundwater Basin, the unconfined aquifer in the three other areas in the Salinas Valley Groundwater Basin (East side, Forebay, and Upper Valley), and the Salinas River and its tributaries.

5.6. MCWD payment to MCWRA for tertiary treated water. In satisfaction of paragraph 12 of the MRWPCA Annexation Agreement, MCWD will pay to MCWRA the incremental cost over secondary

treatment to receive tertiary treated water from MRWPCA's planned tertiary treatment facilities at its regional treatment plant. The Parties agree that this cost shall be calculated as set forth on Exhibit "E" to this Agreement and Framework.

5.7. MCWD right to receive tertiary treated water from MRWPCA plant.

5.7.1. Pursuant to the MRWPCA Annexation Agreement, on or after the date of first delivery of water from the CSIP and upon compliance with all then-applicable requirements of law, including but not limited to CEQA, MCWD shall have the right to receive tertiary treated water from the tertiary treatment plant constructed and maintained pursuant to the SVRP, as provided herein.

5.7.2. The CSIP requires maximum available reclaimed water flows from the SVRP during the months of April through September to replace historically high uses of groundwater during those months, and to thereby maximize environmental benefits. Accordingly, during the months of April through September, MCWD agrees to defer taking any water over 300 afy it is entitled to take from the tertiary treatment plant under the MRWPCA Annexation Agreement. MCWD will also defer taking the first 300 afy of such flows to which it is entitled, if and after MCWD constructs a reservoir to store replacement winter flows.

5.7.3. During the months of October through March, MCWD may take the full amount of the reclaimed water to which it would, under the MRWPCA Annexation Agreement, have first priority during those months, together with an amount of water equal to the amount deferred during the immediately preceding months of April through September under paragraph 5.7.2. above. MCWD will take the deferred amount in equal or approximately equal monthly portions spread throughout the October-March period, or as otherwise agreed in writing by the MCWD and the MCWRA.

5.7.4. If MCWD's ability to supply reclaimed water is interrupted for any reason, MCWD and MCWRA will act jointly and diligently, together and with MRWPCA, to mitigate possible damage to users of such flows, including possible interim use of MCWD's wells to provide a substitute source of water.

5.8. Effective date of annexation. The annexation to Zones 2 and 2A of the MCWD lands described in Exhibit "B" shall take effect immediately upon approval of the annexation by the MCWRA Board of Supervisors on the terms of this Agreement and Framework, or, if the annexation is approved by ordinance, then thirty (30) days after adoption of an ordinance approving the terms of this Agreement and Framework.

5.9. Annexation fee.

5.9.1. Amount of MCWD annexation fee. To annex all the land described in Exhibit "B" to the Zones, MCWD shall pay to MCWRA an annexation fee in the amount of Two Million Eight Hundred Forty-Nine Thousand Four Hundred and Ten Dollars ($2,849,410.00) (based on 1750 acres in the MCWD service area and water extraction use of 3020 afy). MCWD shall pay this amount, subject to any adjustments hereinafter described, in semi-annual installments as provided in paragraph 5.9.3. below. By giving written notice to MCWRA on or before May 1, 1997, MCWD may elect to pay the annexation fee in full, without interest, in one lump sum on or before July 1, 1997.

5.9.2. Credit. MCWD shall have a credit of $400,000 against the annexation fee, based on the 1990 Agreement and the similar credit previously given to the U.S.A. on the annexation of Fort Ord to the Zones.

5.9.3. Payment of annexation fee. MCWD shall pay its annexation fee as follows:

5.9.3.1. From the total amount of the annexation fee, subtract the credit of $400,000, to determine the "net annexation fee." MCWD may elect to pay the net annexation fee in one lump sum, as provided in paragraph 5.9.1, or may pay in installments as provided below. If MCWD elects to pay in one lump sum, any late payment shall bear interest at the annual rate of 6% from the due date and shall be subject to the same penalties and collections procedures as are set forth in paragraph 6.7. of this Agreement and Framework.

5.9.3.2. MCWD may pay in twenty semi-annual installments, beginning in the fiscal year commencing on July 1, 1997, with interest at the annual rate of six percent (6%) on the unpaid principal balance accruing from July 1, 1997, and with semi-annual payments due on November 1 and February 1 and delinquent on December 10 and April 10 each fiscal year. The interest included in payments consisting of both principal and interest shall be calculated as though the installment were paid on the last day before delinquency, even if the installment is paid in advance of that date. The total amount of each installment paid on the net annexation fee shall be sufficient to amortize the full amount of principal and interest in twenty (20) equal semi-annual installments. There shall be no pre-payment penalty.

5.10. MCWD use of revenues prior to full payment of annexation fee. Until MCWD pays or receives credit for the entire annexation fee and all accrued interest on the fee, all revenue received by MCWD from the lands annexed to the Zones pursuant to this Agreement and Framework for or in connection with providing water and sewer service to the lands shall be used only for activities and functions duly performed by MCWD in connection with

providing water and sewer service, including, but not limited to, the payments required under this Agreement and Framework.

6. TERMS AND CONDITIONS--ARMSTRONG.

6.1. Ranch Areas. Annexation of the Armstrong Ranch to the Zones contemplates two general areas of the Ranch, which are designated for convenience "Area A" and "Area B." Area A consists of about 900 acres which is expected to be developed for urban uses. Area B consists of about 950 acres, a portion of which is expected to be used for irrigated agriculture, and about 220 acres of which is expected to be given to MCWD to store treated water. For purposes of determining assessments, standby charges and the like, the initial classification of the land within Area B will be determined at the time of annexation.

6.2. Effective Date of Annexation. Approval of this Agreement and Framework by the MCWRA Board of Supervisors shall constitute approval for annexation of the Armstrong Ranch to the Zones at the time and on conditions approved by LAFCO and satisfactory to Armstrong for concurrent annexation of the Armstrong Ranch to MCWD and the City of Marina, including recordation of a final subdivision map upon conditions satisfactory to Armstrong.

6.3. Participation by Armstrong in MCWD water sources. Subject to compliance with all then-applicable requirements of law, including but not limited to CEQA, Armstrong Ranch shall be entitled at all times to participate on an equitable basis with MCWD in potable water sources developed by MCWD pursuant to paragraph 5.5. of this Agreement and Framework, in which event the limitations concerning the use of water on the Armstrong Ranch, as set forth in paragraph 6.9. shall not be applicable to using potable water developed pursuant to paragraph 5.5.

6.4. Prerequisites to annexation to MCWD and the City of Marina. Any application to LAFCO for annexation of any Armstrong Ranch property to either MCWD or the City of Marina shall be concurrently submitted by the City and MCWD, and shall provide that such property to be annexed shall be within the boundaries of both MCWD and the City of Marina.

6.5. Annexation fee.

6.5.1. When the Armstrong Ranch has been annexed to the Zones, Armstrong will pay to MCWRA an annexation fee computed as the sum of

6.5.1.1. the product of multiplying the number of acres annexed by $277/acre for land intended for urban or irrigated use and $27.70/acre for land intended for grazing, dry land farming or other unirrigated use, and

6.5.1.2. the product of multiplying the number of afy of water from the Basin or the Mitigation Plan allocated to the annexed land by $783/af for potable water intended for urban use and $261/af for water intended for agricultural use. Such charge shall not be applicable to any water from a source other than the Salinas Valley Groundwater Basin or the Salinas River and its tributaries.

6.5.2. Fees for Armstrong are estimated to be about $969,660 for Area A, based on 900 acres @ $277/ac. and 920 afy @ $783/af, and an amount subject to final determination upon actual annexation for Area B. For example, based on 250 irrigated acres @ $277/ac., 700 unirrigated acres @ $27.70/ac., and 650 afy of water @ $261/af, the annexation fees for Area B would be about $258,000.

6.5.3. If annexation of the Armstrong Ranch occurs more than seven years after MCWRA approves this Agreement and Framework, Armstrong shall pay the then-current annexation fees, instead of the fees set forth in paragraph 6.5.1 above.

6.5.4. Armstrong may elect to pay the annexation fee in a lump sum as provided in paragraph 6.6 below, or may pay the annexation fee in installments as provided in paragraph 6.7 below. There shall be no prepayment penalty.

6.5.5. If the agricultural water use on Area B is changed to a potable or industrial use, then Armstrong shall pay to the MCWRA as an additional annexation fee, an additional water charge computed as two-thirds (2/3rds) of the product of the number of afy changed multiplied by the then-current annexation water charge. If Armstrong uses water on any part of the Armstrong Ranch which is initially annexed as land for unirrigated use, Armstrong shall pay an additional land fee of nine times the land fee specified for such land in 6.5.1.1 above. The additional water charge or land fee will be paid either in one lump sum, due and payable on the July 1 immediately following the change in water use, or in twenty (20) equal semi-annual installments over ten (10) years, with the payment period and interest accrual beginning on that July 1, in the same manner as prescribed for Armstrong's original annexation fee and subject to the same rules.

6.6. <u>Payment of annexation fee in lump sum</u>. If paid in a lump sum, the annexation fee shall be due and payable in full on July 1, next succeeding the first March 1 after the effective date of the annexation. Armstrong may elect to pay the annexation fee in full in one lump sum by giving written notice of such election to MCWRA not later than the May 1 immediately preceding the date payment is due. Any late payment shall bear interest at the annual rate of 6% from the due date, and shall be subject to the same penalties and collection procedures as are set forth in paragraph 6.7.

6.7. Payment of annexation fee in installments.

6.7.1. If paid in installments, the installments shall include interest on the unpaid principal balance at the annual rate determined in the manner hereinafter set forth, which interest shall begin to accrue on July 1, next succeeding the first March 1 after the effective date of the annexation. The interest rate on installments shall be six percent per annum. The interest included in each installment shall be calculated as though the installment were paid on the last day before delinquency, even if the installment is paid in advance of that date.

6.7.2. The amount of each semi-annual installment shall be sufficient to amortize the full amount of principal and interest in twenty (20) equal semi-annual installments.

6.7.3. The semi-annual installments shall be paid and collected at the same time and in the same manner and by the same persons as, and together with and not separately from, general agency and zone taxes and shall be delinquent at the same time and thereafter subject to the same delinquency penalties. The first installment shall be due on November 1 following July 1, next succeeding the first March 1 after the effective date of the annexation and shall be delinquent if not paid on or before the following December 10. The second installment shall be due on the following February 1 and shall be delinquent if not paid on or before the following April 10. Thereafter, installments shall fall due and become delinquent on the same dates each year.

6.7.4. The full amount of principal and interest shall be paid not later than April 10, in the tenth year following July 1, next succeeding the first March 1 after the effective date of the annexation.

6.7.5. The amount of each installment shall constitute a lien on each annexed parcel as of noon on the March 1 immediately preceding the fiscal year (July 1-June 30) in which payment of the installment will be due. If the property is subdivided, then a prorata share of the annexation fee shall become a lien on each individual parcel, based upon the ratio that the land area of the individual parcel bears to the total land area of all parcels against which the annexation fee is a lien. All laws applicable to the levy, collection and enforcement of general agency and zone taxes, including, but not limited to, those pertaining to delinquency, correction, cancellation, refund and redemption, shall be applicable to such installments.

6.7.6. MCWD shall pay to MCWRA any fees to annex the lands within the MCWD Reserved Area described in paragraph 6.10 and shown on Exhibit "F" to this Agreement and Framework.

6.8. Costs, assessments, fees and charges. Costs, assessments, fees and charges imposed by MCWD in connection with providing water and wastewater treatment capacity and service to

the Armstrong Ranch must be equitable and reasonable and must be reasonably related to services and benefits received, consistent with the County Water District Law (Water Code sections 30,000 and following), with Government Code sections 50076 and 66013, and with applicable case law.

6.9. Quantity limitations on Armstrong water use.

6.9.1. Armstrong shall have the right to utilize on the Armstrong Ranch groundwater for irrigation, and 920 afy of additional water for potable uses withdrawn from the Basin, subject to the limitations set forth herein. Armstrong shall limit potable water withdrawn from the Basin and used for potable purposes on the Armstrong Ranch to no more than 20 afy when this Agreement and Framework becomes effective, 150 afy upon annexation to the Zones, and an additional 150 afy every two years thereafter, up to the total of 920 afy for potable purposes from the Basin.

6.9.2. MCWD shall provide Armstrong with water service for all residential, municipal and industrial uses on the Armstrong Ranch. In providing such service, the water allocation for Armstrong, set forth above in paragraph 6.9.1., shall be added to the MCWD water allocation, as provided in paragraph 5.1.

6.9.3. Groundwater underlying Area B shall be used solely for agricultural activities conducted on Area B, except that not more than 20 afy of such groundwater may be used for potable uses on the Armstrong Ranch, and additional groundwater underlying Area B also may be used by the MCWD on the part of Area B conveyed to MCWD and may also be used on the adjacent lands of the MRWPCA.

6.9.4. The limits on water use provided by this paragraph 6.9. shall not apply to use of reclaimed water or of potable water developed from a source other than the Salinas Valley Groundwater Basin or the Salinas River and its tributaries.

6.10. Reservation of lands for MCWD.

6.10.1. MCWD Reserved Area . Armstrong shall reserve, for use by MCWD, the area shown diagrammatically on Exhibit "F" to this Agreement and Framework as "MCWD Reserved Area", and the non-exclusive easements shown on Exhibits "C" and "F" in favor of MCWD, appurtenant to said MCWD Reserved Area and to MCWD's reclaimed water system and transferrable with either, for construction, roads, utilities (including communications), pipelines, and any other purpose for which a road may be used, subject to the non-exclusive easements shown on Exhibits "C" and "F" to be reserved in favor of Armstrong, which said reserved easements in favor of Armstrong shall be for wells (located within the southerly 60′ of the 160′ x 1000′ strip as shown on Exhibit "F", which wells may be relocated within said strip from time to time, on well sites which may extend north of the southerly 60′ of the strip) for agricultural irrigation, roads, utilities (including

communications), pipelines, and any other purpose for which a road may be used, shall be freely assignable and usable by others, and not subject to being extinguished or limited because of overburden or surcharge, and which said reserved easements shall not interfere or be used so as to interfere with the use of the balance of said MCWD Reserved Area for the production, storage, or distribution of treated water (tertiary treatment or its equivalent), or potable water. Before either MCWD or Armstrong installs any facilities in the reserved easements, MCWD and Armstrong will meet and confer to assure that their respective uses of and facilities in the said reserved easements will not conflict. Both parties shall act reasonably in considering the needs of the other. MCWD shall not place any non-potable water impoundment within the 160′ x 1000′ strip, nor any non-potable water pipeline closer than 110′ north of the southerly boundary. MCWD shall not be required to move any facilities the installation of which has been approved by Armstrong. Water from wells located in said reserved strip shall be used only on lands of Armstrong and also may be used by the MCWD on the part of Area B conveyed to MCWD and may also be used on the adjacent lands of the MRWPCA.

6.10.1.1. The MCWD Reserved Area, which shall not exceed 250 acres within the boundaries shown on Exhibit "F", will be "office" surveyed at the expense of MCWD within sixty days, and "field" surveyed at the expense of MCWD within one year, following approval by the MCWRA Board of Supervisors of this Agreement and Framework.

6.10.1.2. MCWD will diligently undertake, and MCWRA, City and Armstrong will cooperate in the planning and conduct of, the appropriate environmental review and application for appropriate permits to use MCWD Reserved Area for facilities for the production, storage, or distribution of treated water (tertiary treatment or its equivalent), or potable water. Any use other than for the production, storage, or distribution of treated water (tertiary treatment or its equivalent), or potable water, shall require the prior written approval of Armstrong, and any conveyances from Armstrong to MCWD shall contain appropriate restrictions on such additional use in the form of a condition subsequent to the conveyances and a power of termination in favor of Armstrong. Any attempt to condemn the power of termination shall be subject to the provisions of paragraph 6.10.3. as if it were a condemnation of fee title.

6.10.1.3. MCWD may use and take conveyance of the MCWD Reserved Area in phases of not less than 40 acres. Armstrong's obligation to reserve the MCWD Reserved Area shall expire at midnight on June 30, 2003, or upon delivery to Armstrong of written notice from MCWD cancelling MCWD's right to receive conveyance of the MCWD Reserved Area. Armstrong's obligation to reserve the MCWD Reserved Area shall be extended to July 1, 2010, if MCWD has begun to use at least 40 acres of the MCWD Reserved Area by June 30, 2003.

6.10.2. Gift by Armstrong or payment by MCWD. Armstrong has offered to make a gift to MCWD, at the agreed value of $25,000 per acre, of 50 acres of the MCWD Reserved Area for the first 150 afy of water which Armstrong is entitled to withdraw from the Basin as provided in paragraph 6.9. of this Agreement and Framework, and 40 acres for each additional 150 afy which Armstrong may withdraw pursuant to paragraph 6.9, or less than 40 acres for the last 150 afy, if the last remaining portion of the MCWD Reserved Area is less than 40 acres, but in no event to exceed the total acreage of the area shown as the MCWD Reserved Area on Exhibit "F" to this Agreement and Framework. This offer may be accepted by MCWD following such final annexation at any time during the time Armstrong is reserving the MCWD Reserved Area. In any event, however, and notwithstanding the foregoing, upon receipt by Armstrong of written request from MCWD, Armstrong will forthwith convey all or part of the MCWD Reserved Area to MCWD by grant deed. Any such part must begin in the southwest corner of MCWD Reserved Area, must be parallel to the southerly and westerly boundaries of the MCWD Reserved Area, must be rectangular or trapezoidal in shape, must be at least 40 acres in size, and must be free of any financial encumbrances except taxes and assessments not delinquent, but subject to all other encumbrances, and further subject to all laws, ordinances, regulations and rights of all governmental bodies having jurisdiction in, on or over the subject real property as they may from time to time exist. Title shall also be subject to the lien of a first deed of trust for each conveyance, executed by MCWD in favor of Armstrong securing the obligation of MCWD in favor of Armstrong next hereinafter referred to. Beginning six months after conveyance of any part of the MCWD Reserved Area which is not conveyed as a gift to MCWD, MCWD shall commence paying to Armstrong a sum calculated by multiplying the number of acres in such conveyance by Twenty-Five Thousand Dollars ($25,000.00). The price of $25,000 per acre shall be adjusted as of July 1, 2003, if Armstrong's obligation to reserve the property is extended to 2010 pursuant to paragraph 6.10.1.3. of this Agreement and Framework. In such event, the price per acre shall be computed by multiplying $25,000 by the percentage increase or decrease in the Cost of Living Index for all urban consumers in the San Francisco-Oakland-San Jose Area (1982-1984=100), occurring between July 1, 1997 and July 1, 2003, or the closest dates to such dates for which figures are available. Payment shall be made in 20 equal semi-annual payments, commencing six months after such conveyance, sufficient to amortize the obligation fully, with the unpaid principal balance bearing interest from the date of conveyance to MCWD, at the prime rate of the Bank of America in San Francisco, California, as of July 1 each year during the term of this obligation, but not to exceed the maximum rate permitted by law to be charged by Armstrong in such transaction. Any such payments made or to be made by MCWD, together with interest from the date of MCWD's payment, through December 31, 2010, at the prime rate of interest of the Bank of America in San Francisco, California, shall be included in computing annexation fees, capacity charges and service charges charged by MCWD for the part of the Armstrong Ranch to which the payments made by MCWD to Armstrong relate.

6.10.3. Waiver of further acquisitions by MCWD, MCWRA, and City of Marina; liquidated damages. Except for incidental water system and wastewater system and storm water system easements, incidental access easements, incidental road easements, and incidental utility easements, as may be necessary from time to time, and further excepting land dedicated to public uses through the development process as a condition of development, MCWD, City, and MCWRA shall not seek to acquire fee title to land or easements thereon on any part of the Armstrong Ranch by eminent domain for use in providing water or wastewater service, or for any other public purpose whatsoever, except that, as to City only, said prohibition shall apply only with respect to eminent domain for water or sanitary sewer facilities and shall not be applicable to eminent domain for other public purposes; provided, however, that in the event that any of said agencies shall, notwithstanding the foregoing covenant, warranty and representation, seek to exercise the power of eminent domain for any other purpose except as excepted above, then, and in that event, all Parties hereto hereby agree that the fair market value of and the price to be paid for all such land lying within MCWD Reserved Area as shown on Exhibit "F" hereto (and any additional area shown on an exhibit to a fully executed addendum to this Agreement and Framework) shall be the sum of Twenty-Five Thousand Dollars ($25,000.00) cash per acre and the fair market value and purchase price for all land lying outside of said MCWD Reserved Area as shown on Exhibit "F" hereto (and any additional area shown on an exhibit to a fully executed addendum to this Agreement and Framework) shall be the sum of ONE HUNDRED THOUSAND Dollars ($100,000.00) cash per acre. FURTHERMORE, IN THE EVENT THAT MCWD, CITY, AND MCWRA, OR ANY OF THEM, SHOULD BREACH THIS COVENANT, WARRANTY AND REPRESENTATION, THEN, AND IN THAT EVENT, THE PARTIES AGREE THAT ARMSTRONG SHALL BE ENTITLED TO RECOVER FROM SUCH BREACHING PARTY, AS LIQUIDATED DAMAGES, AN AMOUNT EQUAL TO THE DIFFERENCE BETWEEN THE PRICE PER ACRE ACTUALLY PAID AND TWENTY-FIVE THOUSAND DOLLARS ($25,000.00) PER ACRE MULTIPLIED BY THE NUMBER OF ACRES SO TAKEN IN THE CASE OF LAND WITHIN SAID MCWD RESERVED AREA (AND ANY ADDITIONAL AREA SHOWN ON AN EXHIBIT TO A FULLY EXECUTED ADDENDUM TO THIS AGREEMENT AND FRAMEWORK), AND THE DIFFERENCE BETWEEN THE PRICE PER ACRE ACTUALLY PAID AND ONE HUNDRED THOUSAND DOLLARS ($100,000.00) PER ACRE MULTIPLIED BY THE NUMBER OF ACRES TAKEN IN THE CASE OF LAND LYING OUTSIDE OF MCWD RESERVED AREA (AND ANY ADDITIONAL AREA SHOWN ON AN EXHIBIT TO A FULLY EXECUTED ADDENDUM TO THIS AGREEMENT AND FRAMEWORK), AS LIQUIDATED DAMAGES, WHICH THE PARTIES AGREE IS A REASONABLE SUM CONSIDERING ALL THE CIRCUMSTANCES EXISTING ON THE DATE OF THIS AGREEMENT AND FRAMEWORK, INCLUDING THE RELATIONSHIP OF THE SUM TO THE RANGE OF HARM TO ARMSTRONG THAT REASONABLY COULD BE ANTICIPATED AND THE ANTICIPATION THAT PROOF OF ACTUAL DAMAGES WOULD BE COSTLY OR INCONVENIENT. IN PLACING THEIR SIGNATURES BELOW, EACH PARTY SPECIFICALLY CONFIRMS THE ACCURACY OF THE STATEMENTS MADE ABOVE AND THE FACT THAT EACH PARTY WAS REPRESENTED BY COUNSEL WHO EXPLAINED THE CONSEQUENCES OF THIS LIQUIDATED DAMAGES PROVISION AT THE TIME THIS AGREEMENT AND FRAMEWORK WAS MADE.

ARMSTRONG

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6.11. Annexation of portions of Armstrong Ranch used by MCWD. Notwithstanding any other provision of this section 6, portions of the Armstrong Ranch owned and/or used by MCWD may be annexed to the Zones at any time, upon MCWD's written request for such annexation, and after compliance with all then-applicable laws. Any annexation fees or charges by MCWRA for such annexed lands shall be paid by MCWD.

7. TERMS AND CONDITIONS--LONESTAR.

7.1. Compliance with Agency Act Section 22. The MCWRA acknowledges that it may not object to any withdrawal by Lonestar permitted by this section 7, except in compliance with section 22 of the Agency Act. All groundwater withdrawn from the Basin by Lonestar may be used only within the Basin.

7.2. Quantity Limitations. Commencing on the effective date of this Agreement and Framework, Lonestar shall limit withdrawal and use of groundwater from the Basin to Lonestar's historical use of 500 afy of groundwater.

7.3. Annexation of Lonestar Property to the Zones. Approval of this Agreement and Framework by the MCWRA Board of Supervisors shall constitute approval for annexation of the Lonestar Property in accordance with the terms of this Agreement and Framework. The actual annexation will occur as follows: The Lonestar Property annexation to the Zones will not take effect until the Lonestar Property has been approved for prior or concurrent annexation into MCWD. When such approval has been

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Thomas P. Moore April 12, 1

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obtained, Lonestar shall notify MCWRA, and the MCWRA Board of Supervisors shall declare by resolution the effective date of the annexation.

7.4. Annexation fee.

7.4.1. Amount of original annexation fee. When the Lonestar Property has been annexed to the Zones, Lonestar will pay to MCWRA an annexation fee computed as follows:

104 acres x $277 (land fee)	=	$ 28,808
264 acres x $27.70 (open space)	=	7,313
500 afy x $783/3 (water charge)	=	130,500
Total principal (original fee)	=	166,621
Total interest @ 6%	=	57,370
Total payment	=	223,991
Semi-annual payments	=	11,200

7.4.2. Choice of lump sum or installment. Lonestar may elect to pay the annexation fee in one lump sum or may pay in semi-annual installments.

7.4.3. Lump sum payment. If paid in a lump sum, the original annexation fee shall be due and payable in full on July 1, next succeeding the first March 1 after the effective date of the annexation. Lonestar may elect to pay the annexation fee in full in one lump sum by giving written notice of such election to MCWRA not later than the May 1 immediately preceding the date payment in a lump sum would be due. Any late payment shall bear interest at the annual rate of 6% from the due date, and shall be subject to the same penalties and collection procedures as are set forth in paragraph 7.4.4.

7.4.4. Installment payments.

7.4.4.1. If the original annexation fee or any addition thereto is paid in installments, the installments shall include interest on the unpaid principal balance at the annual rate determined pursuant to this Agreement and Framework. The interest rate on installments on the original annexation fee shall be six (6) percent per annum and shall begin to accrue on July 1, next succeeding the first March 1 after the effective date of the annexation. The interest rate for the additional water charge shall be equivalent to that which the County would pay for funds borrowed at the time the additional water charge is determined and shall begin to accrue at the beginning of the applicable payment period. The interest included in each installment shall be calculated as though the installment were paid on the last day

before delinquency, even if the installment is paid in advance of that date.

7.4.4.2. The amount of each semi-annual installment shall be sufficient to amortize the full amount of principal and interest in twenty (20) equal semi-annual installments.

7.4.4.3. The semi-annual installments shall be paid and collected at the same time and in the same manner and by the same persons as, and together with and not separately from, general agency and zone taxes and shall be delinquent at the same time and thereafter subject to the same delinquency penalties. The first installment shall be due on November 1 following July 1, next succeeding the first March 1 after the effective date of the annexation and shall be delinquent if not paid on or before the following December 10. The second installment shall be due on the following February 1 and shall be delinquent if not paid on or before the following April 10. Thereafter, installments shall fall due and become delinquent on the same dates each year.

7.4.4.4. The full amount of principal and interest shall be paid not later than April 10, in the tenth year following July 1, next succeeding the first March 1 after the effective date of the annexation.

7.4.4.5. The amount of each installment shall constitute a lien on the annexed property as of noon on the March 1 immediately preceding the fiscal year (July 1-June 30) in which payment of the installment will be due. If the property is subdivided, then a prorata share of the annexation fee shall become a lien on each individual parcel, based upon the ratio that the land area of the individual parcel bears to the total land area of all parcels against which the annexation fee is a lien. All laws applicable to the levy, collection and enforcement of general agency and zone taxes, including, but not limited to, those pertaining to delinquency, correction, cancellation, refund and redemption, shall be applicable to such installments.

7.4.5. <u>Additional annexation fee for change in water use</u>. If the water use on the Lonestar Property is changed from an industrial or agricultural use to a potable or other use, or if MCWD delivers potable water to the Lonestar Property pursuant to paragraph 5.1.1.3., then Lonestar shall pay to the MCWRA as an additional annexation fee, an additional water charge computed as two-thirds (2/3rds) of the product of 500 afy multiplied by the then-current annexation water charge. If Lonestar uses water on the 264-acre open-space area, Lonestar shall pay an additional land fee of nine times the land fee specified for the area in 7.4.1. above. The additional water charge or land fee will be paid either in one lump sum, due and payable on July 1, immediately following the change in water use, or in twenty (20) equal semi-annual installments over ten (10) years, with the payment period and interest accrual beginning on that July 1, in the same manner as

prescribed for Lonestar's original annexation fee and subject to the same rules.

7.4.6. Additional annexation fee for Mitigation Plan water supply allocation. If a substitute supply of potable Mitigation Plan water is approved for the Lonestar Property pursuant to Section 22 of the MCWRA Act, then, when the contract for construction of the Mitigation Plan has been approved by the MCWRA Board of Supervisors, and when Lonestar begins using water for potable uses, Lonestar will pay as an addition to its annexation fee an additional water charge computed as two-thirds (2/3rds) of the product of the amount so allocated multiplied by the then-current annexation water charge. The additional water charge will be paid either in one lump sum, due and payable on July 1, immediately following approval of both the Mitigation Plan water supply for Lonestar and the construction contract for the Mitigation Plan, or in twenty (20) equal semi-annual installments over ten (10) years, with the payment period and the interest accrual beginning on that July 1, in the same manner as prescribed for Lonestar's original annexation fee and subject to the same rules.

7.4.7. Non-duplication of additional annexation fees. The additional annexation fees set forth in paragraphs 7.4.5 and 7.4.6 above are not intended to be cumulative. If Lonestar becomes liable to pay both of the additional annexation fees, then Lonestar shall be obligated to pay only the higher of the two fees, and any amounts previously paid towards the lower additional fees shall be credited towards payment of the higher.

8. TERMS AND CONDITIONS--GENERAL.

8.1. Equal treatment by MCWRA and MCWD. If future litigation, regulation or other unforeseen action diminishes the total water supply available to MCWRA, MCWRA agrees that it will exercise its powers so that MCWD, Armstrong and Lonestar shall be no more severely affected in a proportional sense than other lawful users of water from the Zones, based on the right before the imposition of any uniform and generally applicable restrictions as described in paragraph 8.2 to use at least the quantities of water from the Basin described in paragraphs 5.1., 6.9., and 7.2. MCWRA shall not at any time seek to impose greater restrictions on water use from the Basin by MCWD, Armstrong or Lonestar than are imposed on users either supplying water for use or using water within the city limits of the City of Salinas. MCWD, Armstrong and Lonestar will comply with any basin-wide or area-wide water allocation plans established by the MCWRA which include MCWD, Armstrong and Lonestar, and which do not impose on use of water on the lands described in Exhibits "B", "C", and "D" restrictions greater than are imposed on users either supplying water for use or using water within the City of Salinas, and which satisfy the requirements of paragraph 5.2 of this Agreement and Framework.

8.2. Water Conservation Measures. MCWD, Armstrong and Lonestar shall use, and MCWD may require the use of reasonable and appropriate water conservation measures on the lands described in Exhibits "B", "C" and "D" to this Agreement and Framework, which water conservation measures shall be uniformly applied and may be more restrictive but shall not be less restrictive than measures implemented by MCWRA as part of a Basin-wide or area-wide water conservation program. All planning and environmental review for the lands described in Exhibits "B", "C", and "D" to this Agreement and Framework shall be based on the requirement that development on such lands shall use reasonable and appropriate water conservation measures comparable to measures implemented by MCWRA as part of a Basin-wide or area-wide water conservation program, and by MCWD as part of a water conservation program applicable uniformly within MCWD's service area.

8.3. Defense of Rights. Upon Mitigation Plan Implementation, MCWRA will defend the rights of MCWD, Armstrong and Lonestar to a supply of water from the Mitigation Plan, as though those rights were the rights of MCWRA. Participation by MCWD, Armstrong and Lonestar in the Mitigation Plan or any other alternative water supply plan is subject to compliance with all applicable laws, including but not limited to CEQA.

8.4. Use of Annexation Fees. Annexation fees from the MCWD service area, the Armstrong Ranch and the Lonestar Property shall be used by MCWRA to pay the costs of a BMP process that includes mitigation plans for the Marina Area based on the planning guidelines contained in this Agreement and Framework. Such annexation fees shall also be used for management and protection of the "900-foot aquifer."

8.5. Assessments. After approval by the Board of Supervisors of annexation to the Zones of any property described in the exhibits to this Agreement and Framework, each parcel annexed shall be subject to all uniform assessments, charges, fees, and other exactions levied in Zones 2 and 2A for the fiscal year beginning on July 1, next succeeding the first March 1 after the effective date of the annexation, and shall remain subject thereto for as long as such exactions are levied and the parcel remains within the levying zone.

8.6. Recordation. Upon approval of this Agreement and Framework by the Board of Supervisors and execution by all Parties, this Agreement and Framework shall be recorded in the office of the Monterey County Recorder. All signatures shall be notarized as necessary to record the Agreement and Framework.

9. DISPUTE RESOLUTION PROCEDURE.

9.1. If any dispute arises between the Parties as to the proper interpretation or application of this Agreement and Framework, the Parties shall first seek to resolve the dispute in accordance with this Agreement and Framework, and the Parties must

meet and confer under this Agreement and Framework before filing any court action.

9.2. If any dispute under this Agreement and Framework arises, the Parties shall first meet and confer, in an attempt to resolve the matter between themselves. Each party shall make all reasonable efforts to provide to the other Parties all the information that the party has in its possession that is relevant to the dispute, so that all Parties will have ample information with which to reach a decision.

9.3. If, notwithstanding the good faith efforts of a party requesting in writing the resolution of a dispute under this Agreement and Framework, a dispute remains unresolved sixty-one (61) days after delivery of the request to the other party, the party requesting resolution may file suit for legal and equitable relief, including specific performance, as appropriate.

10. CHALLENGE OF LAWS. Nothing herein contained shall be construed as stopping or otherwise preventing any party to this Agreement and Framework from contesting by litigation or other lawful means the validity, constitutionality, construction, or application of any law of this State, any ordinance of the public entities that are Parties hereto, or any rule, regulation or practice of the public entities that are Parties hereto.

11. WAIVER OF RIGHTS. Any waiver at any time by any party hereto of its rights with respect to a default or any other matter arising in connection with this Agreement and Framework shall not be deemed to be a waiver with respect to any other default or matter. None of the covenants or agreements herein contained can be waived except by the written consent of the waiving party.

12. NOTICES. All notices and demands required under this Agreement and Framework shall be deemed given by one party when delivered personally to the principal office of the other party; when faxed to the other party, to the fax number provided by the receiving party; or five days after the document is placed in the United States mail, first class, registered mail, or certified mail, postage prepaid, addressed to the other party as follows:

To MCWD:	11 Reservation Road Marina, CA 93933-2099 Phone No.: (408) 384-6131 Fax No.: (408) 384-2479
To MCWRA:	General Manager P. O. Box 930 Salinas, CA 93902-0930 Phone No.: (408) Fax No.: (408) 424-7935

To City:	City Manager 211 Hillcrest Avenue Marina, CA 93933 Phone No.: (408) 384-3715 Fax No.: (408) 384-0425
To Armstrong:	John A. Armstrong 270 River Road Salinas, CA 93908 Phone No.: (408) 455-1907 Fax No.: (408) 455-2817
To Lonestar:	RMC LONESTAR Attention: Mr. John Rubiales P.O. Box 5252 Pleasanton, CA 94566 Phone No.: (510) 426-8787 Fax No.: (510) 426-2225

The address or fax number to which any notice or other writing may be given or made or sent to any party may be changed upon written notice given by such party as above provided.

13. SEVERABILITY. If any one or more of the covenants or agreements set forth in this Agreement and Framework on the part of MCWRA, MCWD, City, Armstrong or Lonestar, or any of them, to be performed should be contrary to any provision of law or contrary to the policy of law to such extent as to be unenforceable in any court of competent jurisdiction, then such covenant or covenants, agreement or agreements, shall be null and void and shall be deemed separable from the remaining covenants and agreements and shall in no way affect the validity of this Agreement and Framework; provided, that if voiding of such individual covenants or agreements without voiding the whole agreement would frustrate a material purpose of Lonestar in entering into this Agreement and Framework, then this whole Agreement and Framework shall be null and void ab initio as to Lonestar only.

14. PARAGRAPH HEADINGS. Paragraph headings in this Agreement and Framework are for convenience only and are not to be construed as a part of this Agreement and Framework or in any way limiting or amplifying the provisions hereof.

15. SUCCESSORS AND ASSIGNS. This Agreement and Framework and all the terms, covenants, agreements and conditions herein contained shall inure to the benefit of and be binding upon the successors and assigns of the Parties hereto.

16. ADMINISTRATORS. MCWD and MCWRA hereby designate their respective General Managers as their Administrators for this Agreement and Framework. City designates its City Manager as City's Agreement and Framework Administrator. Armstrong designates Mr. John A. Armstrong as its Agreement and Framework Administrator. Lonestar designates Mr. John Rubiales as its Agreement and

Framework Administrator. All matters concerning this Agreement and Framework shall be submitted to the Agreement and Framework Administrators or such other representatives as the Agreement and Framework Administrators may designate for their respective agencies. Any party may, in its sole discretion, change its designation of the Agreement and Framework administrator and shall promptly give written notice to the other Parties of any such change.

17. NEGOTIATED AGREEMENT AND FRAMEWORK. This Agreement and Framework has been arrived at through negotiation between the Parties. Neither party is to be deemed the party which prepared this Agreement and Framework within the meaning of Civil Code section 1654.

18. AMENDMENT. This Agreement and Framework may be amended only by a writing signed by the Parties affected by the amendment.

19. COUNTERPARTS. This Agreement and Framework may be executed in counterparts. Each fully executed counterpart shall be deemed a duplicate original, and all counterparts which together contain the signatures of all the Parties shall be deemed, when attached together, one complete and integrated original document.

20. ADDENDUM. A form of Addendum for the MRWPCA is attached hereto as Exhibit "G." When the Addendum is fully executed in its present form or in an amended form, it shall be attached to this Agreement and Framework as an integral part of this Agreement and Framework, and the provisions of the Addendum shall be deemed specifically and fully incorporated into this Agreement and Framework by this reference.

IN WITNESS WHEREOF, the Parties execute this Agreement and Framework as follows:

Dated: March 26, 1996

MONTEREY COUNTY WATER RESOURCES AGENCY

By Edith Johnsen
Edith Johnsen
Chair, Board of Supervisors

Dated: _____, 1996

MARINA COAST WATER DISTRICT

By _____
Thomas P. Moore
President, Board of Directors

By _____
Malcolm D. Crawford
Secretary, Board of Directors

STATE OF CALIFORNIA)
COUNTY OF MONTEREY) ss.

On this 26th day of March, 1996, before me, Ernest K. Morishita, Clerk of the Board of Supervisors, in and for said County and State, personally appeared Edith Johnson, known to me to be the Chairperson of said Board of Supervisors of the County of Monterey, and known to me to be the person who executed the within instrument on behalf of said political subdivision, and acknowledged to me that such County of Monterey executed the same.

ERNEST K. MORISHITA, Clerk of the
Board of Supervisors of Monterey
County, State of California

By: Pamela Olivas
Deputy Clerk

Framework Administrator. All matters concerning this Agreement and Framework shall be submitted to the Agreement and Framework Administrators or such other representatives as the Agreement and Framework Administrators may designate for their respective agencies. Any party may, in its sole discretion, change its designation of the Agreement and Framework administrator and shall promptly give written notice to the other Parties of any such change.

17. NEGOTIATED AGREEMENT AND FRAMEWORK. This Agreement and Framework has been arrived at through negotiation between the Parties. Neither party is to be deemed the party which prepared this Agreement and Framework within the meaning of Civil Code section 1654.

18. AMENDMENT. This Agreement and Framework may be amended only by a writing signed by the Parties affected by the amendment.

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IN WITNESS WHEREOF, the Parties execute this Agreement and Framework as follows:

Dated: _____, 1996

MONTEREY COUNTY WATER RESOURCES AGENCY

By _____
Edith Johnsen
Chair, Board of Supervisors

Dated: April 12, 1996

MARINA COAST WATER DISTRICT

By Thomas P. Moore
Thomas P. Moore
President, Board of Directors

By Malcolm D. Crawford
Malcolm D. Crawford
Secretary, Board of Directors

Dated: April 8, 1996

JAY MAX ARMSTRONG

Dated: _____, 1996

THE SANDRA ARMSTRONG MURRAY REVOCABLE TRUST UTA dated March 7, 1989

By _____
DARRELL L. MURRAY, Trustee

Dated: _____, 1996

THE LOIS AND CLYDE JOHNSON, JR., 1989 IRREVOCABLE TRUST

By _____
CLYDE W. JOHNSON III, Trustee

Dated: _____, 1996

THE JOHNSON FAMILY REVOCABLE LIVING TRUST UTA dated November 29, 1989

By _____
CLYDE W. JOHNSON III, Trustee

Dated: _____, 1996

CLYDE W. JOHNSON III

Dated: _____, 1996

EDWIN A. JOHNSON

Dated: Mar 29, 1996

JOHN A. ARMSTRONG II

Dated: _____, 1996

SUSANNE IRVINE ARMSTRONG

Dated: Mar. 29, 1996

JAMES IRVINE ARMSTRONG, JR.

Dated: _____, 1996

_____
JAY MAX ARMSTRONG

Dated: _____, 1996

THE SANDRA ARMSTRONG MURRAY REVOCABLE TRUST UTA dated March 7, 1989

By _____ 4/4/96
DARRELL L. MURRAY, Trustee

Dated: _____, 1996

THE LOIS AND CLYDE JOHNSON, JR., 1989 IRREVOCABLE TRUST

By _____
CLYDE W. JOHNSON III, Trustee

Dated: _____, 1996

THE JOHNSON FAMILY REVOCABLE LIVING TRUST UTA dated November 29, 1989

By _____
CLYDE W. JOHNSON III, Trustee

Dated: _____, 1996

_____
CLYDE W. JOHNSON III

Dated: _____, 1996

_____
EDWIN A. JOHNSON

Dated: Mar 29, 1996

_____
JOHN A. ARMSTRONG II

Dated: _____, 1996

_____
SUSANNE IRVINE ARMSTRONG

Dated: Mar. 29, 1996

_____
JAMES IRVINE ARMSTRONG, JR.

Dated: _____, 1996

_____
JAY MAX ARMSTRONG

Dated: _____, 1996

THE SANDRA ARMSTRONG MURRAY REVOCABLE TRUST UTA dated March 7, 1989

By _____
DARRELL L. MURRAY, Trustee

Dated: 4-4-, 1996

THE LOIS AND CLYDE JOHNSON, JR., 1989 IRREVOCABLE TRUST

By Clyde W Johnson III Trustee
CLYDE W. JOHNSON III, Trustee

Dated: 4-4, 1996

THE JOHNSON FAMILY REVOCABLE LIVING TRUST UTA dated November 29, 1989

By Clyde W Johnson III Trustee
CLYDE W. JOHNSON III, Trustee

Dated: 4-4, 1996

Clyde W Johnson III
CLYDE W. JOHNSON III

Dated: 4-4, 1996

Edwin A Johnson
EDWIN A. JOHNSON

Dated: Mar 29, 1996

John A Armstrong
JOHN A. ARMSTRONG II

Dated: _____, 1996

_____
SUSANNE IRVINE ARMSTRONG

Dated: Mar. 29, 1996

James Irvine Armstrong Jr.
JAMES IRVINE ARMSTRONG, JR.

Dated: _____, 1996

_____
JAY MAX ARMSTRONG

Dated: _____, 1996

THE SANDRA ARMSTRONG MURRAY REVOCABLE TRUST UTA dated March 7, 1989

By _____
DARRELL L. MURRAY, Trustee

Dated: _____, 1996

THE LOIS AND CLYDE JOHNSON, JR., 1989 IRREVOCABLE TRUST

By _____
CLYDE W. JOHNSON III, Trustee

Dated: _____, 1996

THE JOHNSON FAMILY REVOCABLE LIVING TRUST UTA dated November 29, 1989

By _____
CLYDE W. JOHNSON III, Trustee

Dated: _____, 1996

_____
CLYDE W. JOHNSON III

Dated: _____, 1996

_____
EDWIN A. JOHNSON

Dated: Mar 29, 1996

_____
JOHN A. ARMSTRONG II

Dated: _____, 1996

_____
SUSANNE IRVINE ARMSTRONG

Dated: Mar. 29, 1996

_____
JAMES IRVINE ARMSTRONG, JR.

Dated: _____, 1996

_____
JAY MAX ARMSTRONG

Dated: _____, 1996

THE SANDRA ARMSTRONG MURRAY REVOCABLE TRUST UTA dated March 7, 1989

By _____
DARRELL L. MURRAY, Trustee

Dated: _____, 1996

THE LOIS AND CLYDE JOHNSON, JR., 1989 IRREVOCABLE TRUST

By _____
CLYDE W. JOHNSON III, Trustee

Dated: _____, 1996

THE JOHNSON FAMILY REVOCABLE LIVING TRUST UTA dated November 29, 1989

By _____
CLYDE W. JOHNSON III, Trustee

Dated: _____, 1996

_____
CLYDE W. JOHNSON III

Dated: _____, 1996

_____
EDWIN A. JOHNSON

Dated: Mar 29, 1996

_____
JOHN A. ARMSTRONG II

Dated: _____, 1996

_____
SUSANNE IRVINE ARMSTRONG

Dated: Mar. 29, 1996

_____
JAMES IRVINE ARMSTRONG, JR.

SUSANNE IRVINE ARMSTRONG, JAMES IRVINE ARMSTRONG, JR., and JOHN A. ARMSTRONG II, as Trustees of the Trust for the benefit of MARY JANET ARMSTRONG WEBER as set forth in the Order Settling Report of Trustees due to the death of Lois Armstrong, etc., in the Estate of Irvine Armstrong, also known as James Irvine Armstrong, Deceased, recorded January 4, 1988, in Reel 2191, Official Records of Monterey County at page 643 therein (hereinafter referred to as the "Mary Janet Armstrong Weber Trust")

Dated: Apr. 4, 1996 By _____
SUSANNE IRVINE ARMSTRONG, Trustee

Dated: Mar 29, 1996 By _____
JOHN A. ARMSTRONG II, Trustee

Dated: Mar. 29, 1996 By _____
JAMES IRVINE ARMSTRONG, JR., Trustee

Dated: _____, 1996 THE 1990 ARMSTRONG FAMILY TRUST established by Declaration dated July 2, 1990

By _____
Walter J. McCullough

By _____
Elizabeth S. Armstrong

Dated: _____, 1996 RMC LONESTAR, a California general partnership

By _____

Dated: _____, 1996 CITY OF MARINA

By _____
James L. Vocelka, Mayor

SUSANNE IRVINE ARMSTRONG, JAMES IRVINE ARMSTRONG, JR., and JOHN A. ARMSTRONG II, as Trustees of the Trust for the benefit of MARY JANET ARMSTRONG WEBER as set forth in the Order Settling Report of Trustees due to the death of Lois Armstrong, etc., in the Estate of Irvine Armstrong, also known as James Irvine Armstrong, Deceased, recorded January 4, 1988, in Reel 2191, Official Records of Monterey County at page 643 therein (hereinafter referred to as the "Mary Janet Armstrong Weber Trust")

Dated: _____, 1996

By _____
SUSANNE IRVINE ARMSTRONG, Trustee

Dated: Mar 29, 1996

By _____
JOHN A. ARMSTRONG II, Trustee

Dated: Mar. 29, 1996

By _____
JAMES IRVINE ARMSTRONG, JR., Trustee

Dated: _____, 1996

THE 1990 ARMSTRONG FAMILY TRUST established by Declaration dated July 2, 1990

By _____
Walter J. McCullough

By _____
Elizabeth S. Armstrong

Dated: _____, 1996

RMC LONESTAR, a California general partnership

By _____

Dated: _____, 1996

CITY OF MARINA

By _____
James L. Vocelka, Mayor

SUSANNE IRVINE ARMSTRONG, JAMES IRVINE ARMSTRONG, JR., and JOHN A. ARMSTRONG II, as Trustees of the Trust for the benefit of MARY JANET ARMSTRONG WEBER as set forth in the Order Settling Report of Trustees due to the death of Lois Armstrong, etc., in the Estate of Irvine Armstrong, also known as James Irvine Armstrong, Deceased, recorded January 4, 1988, in Reel 2191, Official Records of Monterey County at page 643 therein (hereinafter referred to as the "Mary Janet Armstrong Weber Trust")

Dated: _____, 1996

By _____
SUSANNE IRVINE ARMSTRONG, Trustee

Dated: Mar 29, 1996

By _____ Trustee
JOHN A. ARMSTRONG II, Trustee

Dated: Mar. 29, 1996

By _____ Trustee
JAMES IRVINE ARMSTRONG, JR., Trustee

Dated: _____, 1996

THE 1990 ARMSTRONG FAMILY TRUST established by Declaration dated July 2, 1990

By _____
Walter J. McCullough

By _____
Elizabeth S. Armstrong

Dated: _____, 1996

RMC LONESTAR, a California general partnership

By _____

Dated: _____, 1996

CITY OF MARINA

By _____
James L. Vocelka, Mayor

Dated: _____, 1996

SUSANNE IRVINE ARMSTRONG, JAMES IRVINE ARMSTRONG, JR., and JOHN A. ARMSTRONG II, as Trustees of the Trust for the benefit of MARY JANET ARMSTRONG WEBER as set forth in the Order Settling Report of Trustees due to the death of Lois Armstrong, etc., in the Estate of Irvine Armstrong, also known as James Irvine Armstrong, Deceased, recorded January 4, 1988, in Reel 2191, Official Records of Monterey County at page 643 therein (hereinafter referred to as the "Mary Janet Armstrong Weber Trust")

By _____
_____, Trustee

Dated: _____, 1996

_____
JAMES IRVINE ARMSTRONG, JR.

Dated: _____, 1996

THE 1990 ARMSTRONG FAMILY TRUST established by Declaration dated July 2, 1990

By _____
Walter J. McCullough

By _____
Elizabeth S. Armstrong

Dated: MAR 26, 1996

RMC LONESTAR, a California general partnership

By Ronald F. Blick

Dated: _____, 1996

CITY OF MARINA

By _____
James L. Vocelka, Mayor

Dated: _____, 1996

SUSANNE IRVINE ARMSTRONG, JAMES IRVINE ARMSTRONG, JR., and JOHN A. ARMSTRONG II, as Trustees of the Trust for the benefit of MARY JANET ARMSTRONG WEBER as set forth in the Order Settling Report of Trustees due to the death of Lois Armstrong, etc., in the Estate of Irvine Armstrong, also known as James Irvine Armstrong, Deceased, recorded January 4, 1988, in Reel 2191, Official Records of Monterey County at page 643 therein (hereinafter referred to as the "Mary Janet Armstrong Weber Trust")

By _____
_____, Trustee

Dated: _____, 1996

_____
JAMES IRVINE ARMSTRONG, JR.

Dated: _____, 1996

THE 1990 ARMSTRONG FAMILY TRUST established by Declaration dated July 2, 1990

By _____
Walter J. McCullough

By _____
Elizabeth S. Armstrong

Dated: _____, 1996

RMC LONESTAR, a California general partnership

By _____

Dated: 4/8/96, 1996

CITY OF MARINA

By _____
James L. Vocelka, Mayor

APPROVED AS TO FORM:

Dated: 8/5, 1996

William K. Rentz

WILLIAM K. RENTZ
Deputy County Counsel, Monterey County

Dated: _____, 1996

NOLAND, HAMERLY, ETIENNE & HOSS
A Professional Corporation

By _____
Lloyd W. Lowrey, Jr.
Legal Counsel for MARINA COAST WATER DISTRICT

Dated: _____, 1996

_____
ROBERT R. WELLINGTON
Legal Counsel for CITY OF MARINA

Dated: _____, 1996

THOMPSON, HUBBARD & OMETER
A Law Corporation

By _____
Donald G. Hubbard
Legal Counsel for J.G. ARMSTRONG FAMILY MEMBERS

Dated: _____, 1996

PILLSBURY, MADISON AND SUTRO

By _____
Thomas P. O'Donnell
Legal Counsel for RMC LONESTAR

APPROVED AS TO FORM:

Dated: _____, 1996

_____
WILLIAM K. RENTZ
Deputy County Counsel, Monterey County

Dated: March 26, 1996

NOLAND, HAMERLY, ETIENNE & HOSS
A Professional Corporation

By _____
Lloyd W. Lowrey, Jr.
Legal Counsel for MARINA COAST WATER DISTRICT

Dated: _____, 1996

_____
ROBERT R. WELLINGTON
Legal Counsel for CITY OF MARINA

Dated: _____, 1996

THOMPSON, HUBBARD & OMETER
A Law Corporation

By _____
Donald G. Hubbard
Legal Counsel for J.G. ARMSTRONG FAMILY MEMBERS

Dated: _____, 1996

PILLSBURY, MADISON AND SUTRO

By _____
Thomas P. O'Donnell
Legal Counsel for RMC LONESTAR

APPROVED AS TO FORM:

Dated: _____, 1996

_____
WILLIAM K. RENTZ
Deputy County Counsel, Monterey County

Dated: _____, 1996

NOLAND, HAMERLY, ETIENNE & HOSS
A Professional Corporation

By _____
Lloyd W. Lowrey, Jr.
Legal Counsel for MARINA COAST WATER DISTRICT

Dated: July 29, 1996

Robert R. Wellington
ROBERT R. WELLINGTON
Legal Counsel for CITY OF MARINA

Dated: _____, 1996

THOMPSON, HUBBARD & OMETER
A Law Corporation

By _____
Donald G. Hubbard
Legal Counsel for J.G. ARMSTRONG FAMILY MEMBERS

Dated: _____, 1996

PILLSBURY, MADISON AND SUTRO

By _____
Thomas P. O'Donnell
Legal Counsel for RMC LONESTAR

APPROVED AS TO FORM:

Dated: _____, 1996

_____
WILLIAM K. RENTZ
Deputy County Counsel, Monterey County

Dated: _____, 1996

NOLAND, HAMERLY, ETIENNE & HOSS
A Professional Corporation

By _____
Lloyd W. Lowrey, Jr.
Legal Counsel for MARINA COAST WATER DISTRICT

Dated: _____, 1996

_____
ROBERT R. WELLINGTON
Legal Counsel for CITY OF MARINA

Dated: MARCH 29, 1996

THOMPSON, HUBBARD & OMETER
A Law Corporation

By _____
Donald G. Hubbard
Legal Counsel for J.G. ARMSTRONG FAMILY MEMBERS

Dated: _____, 1996

PILLSBURY, MADISON AND SUTRO

By _____
Thomas P. O'Donnell
Legal Counsel for RMC LONESTAR

APPROVED AS TO FORM:

Dated: _____, 1996

_____
WILLIAM K. RENTZ
Deputy County Counsel, Monterey County

Dated: _____, 1996

NOLAND, HAMERLY, ETIENNE & HOSS
A Professional Corporation

By _____
Lloyd W. Lowrey, Jr.
Legal Counsel for MARINA COAST WATER DISTRICT

Dated: _____, 1996

_____
ROBERT R. WELLINGTON
Legal Counsel for CITY OF MARINA

Dated: _____, 1996

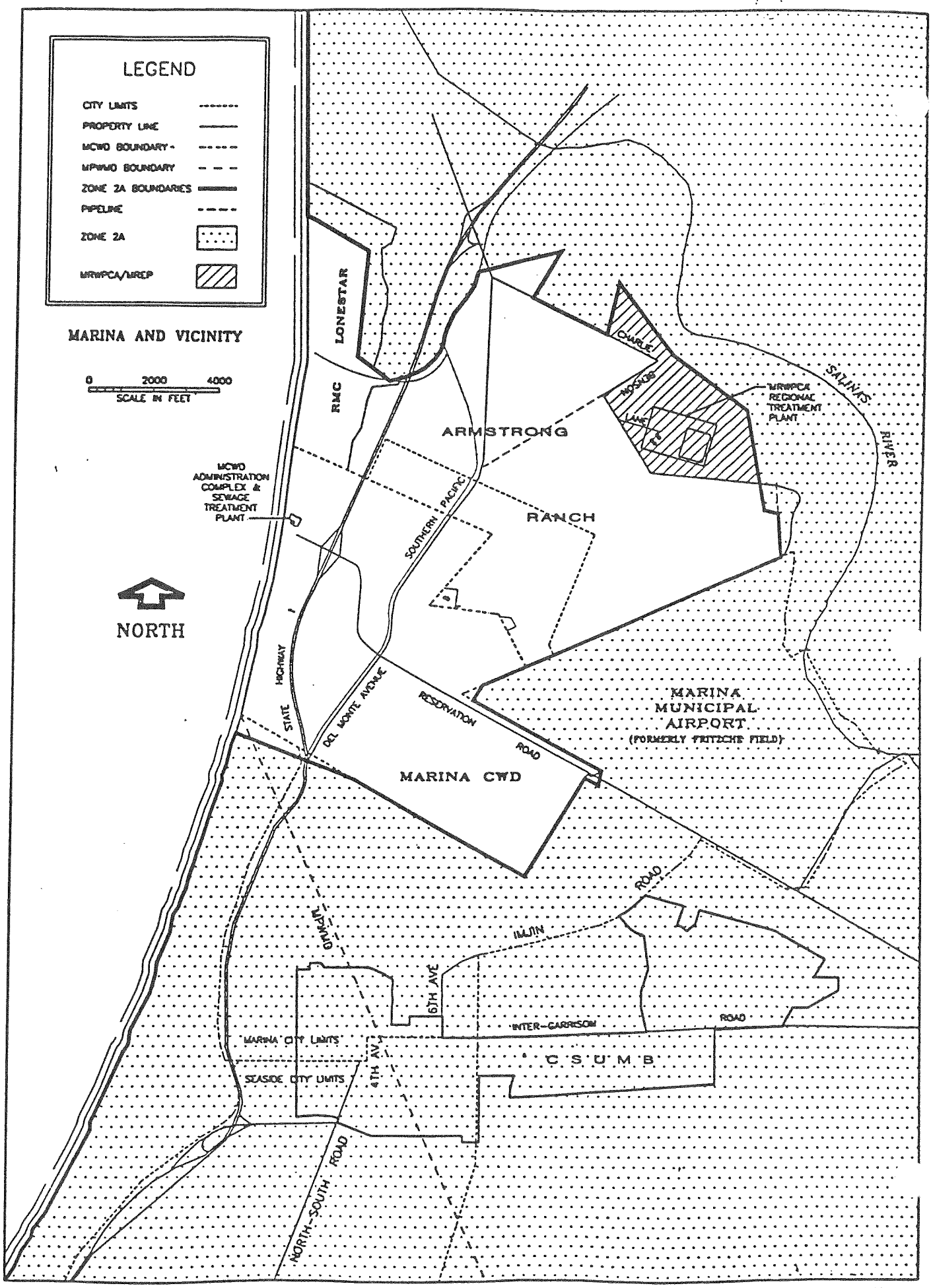
THOMPSON, HUBBARD & OMETER
A Law Corporation

By _____
Donald G. Hubbard
Legal Counsel for J.G. ARMSTRONG FAMILY MEMBERS

Dated: March 26, 1996

~~PILLSBURY, MADISON AND SUTRO~~ The Genesis Law Group LLP

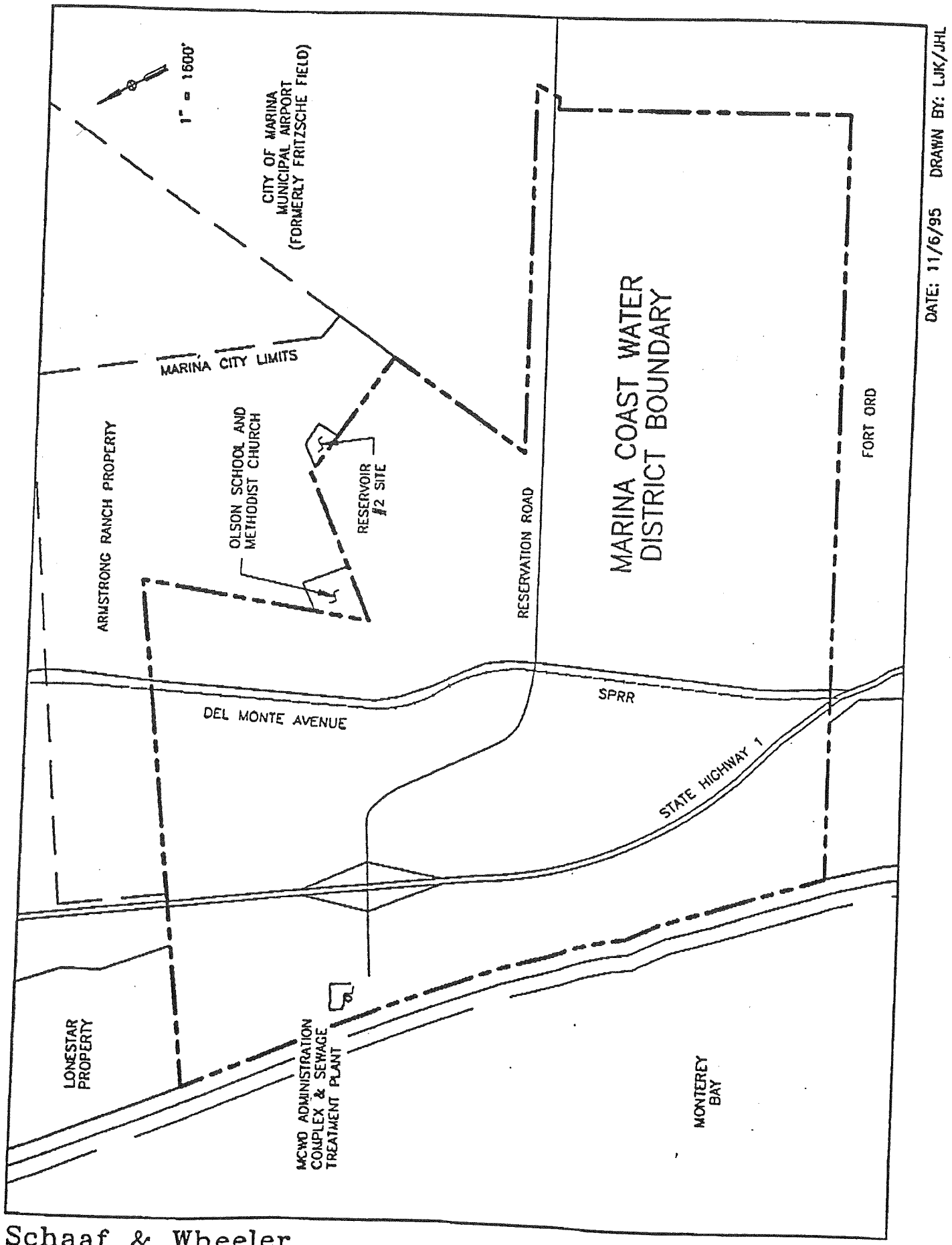
By _____
Thomas P. O'Donnell
Legal Counsel for RMC LONESTAR



DATE: 10/23/95 DRAWN BY: LJK/JHL

Schaaf & Wheeler

EXHIBIT "A"



Schaaf & Wheeler

EXHIBIT "B"

Schaaf & Wheeler

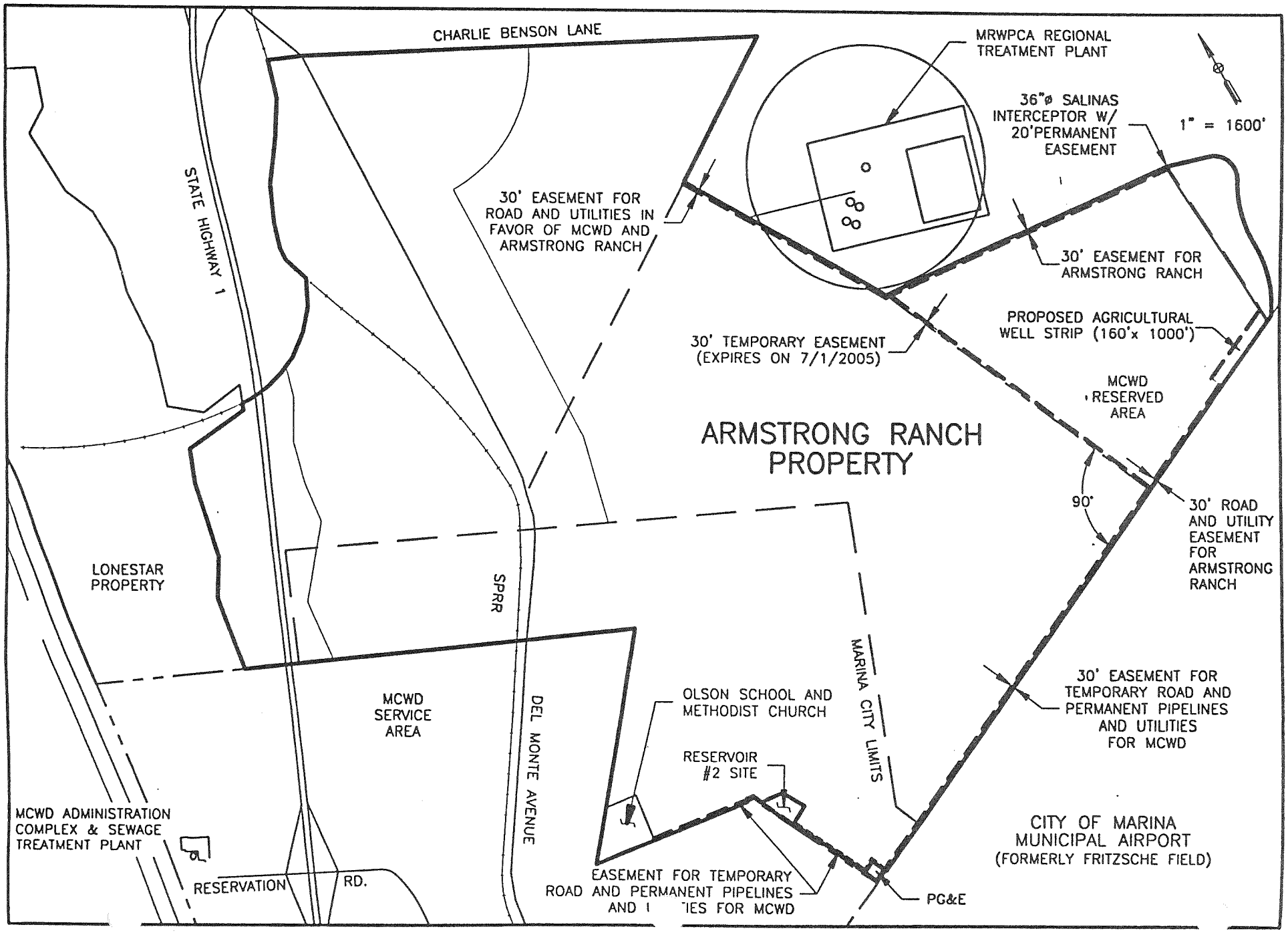


EXHIBIT "C"

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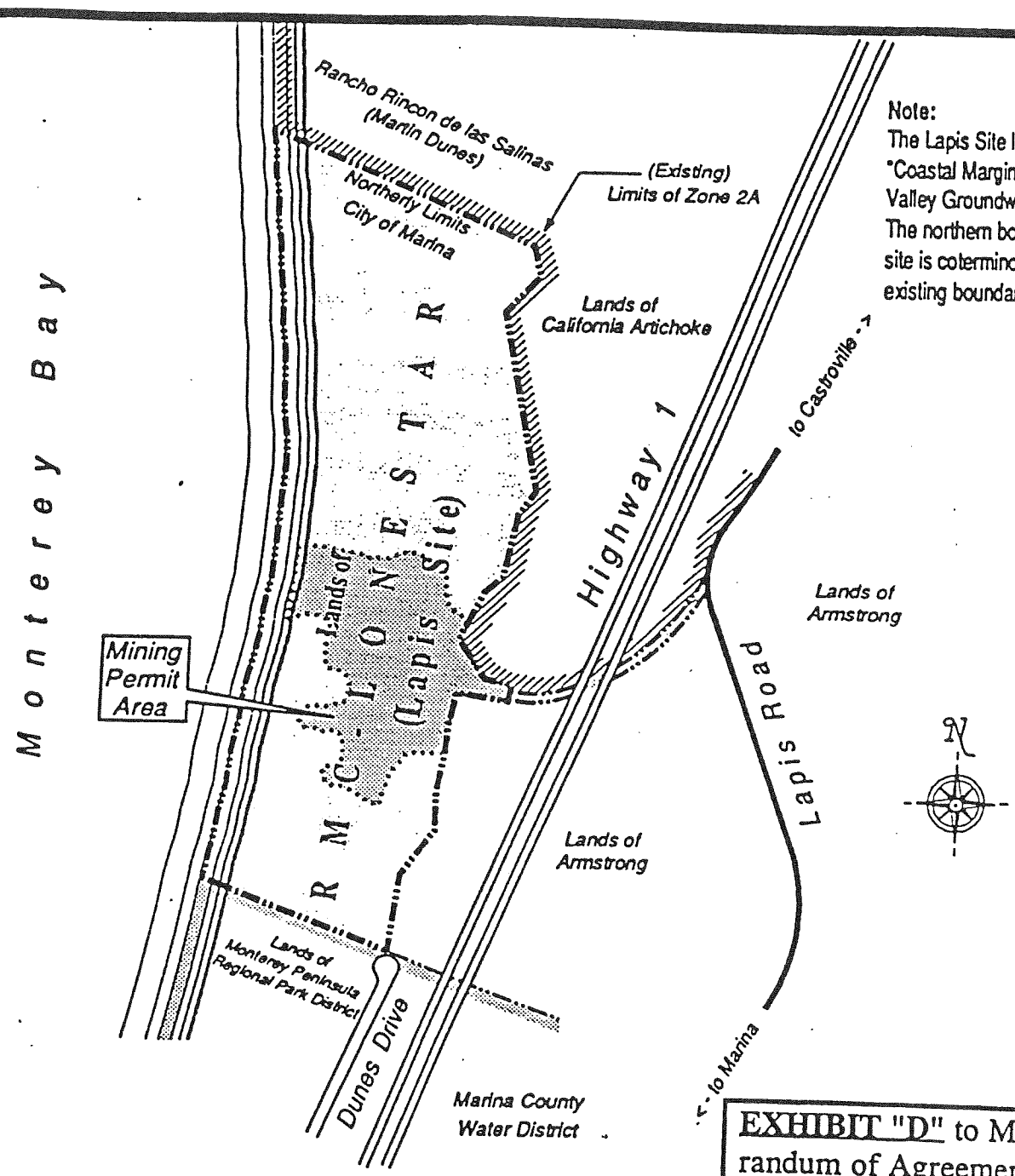

Note:
The Lapis Site lies within the "Coastal Margin of the Salinas Valley Groundwater Basin". The northern boundary of the site is coterminous with the existing boundary of Zone 2A.

EXHIBIT "D" to Memorandum of Agreement: "Lonestar Property to be Annexed."

VICINITY MAP

Grant Deed

Grant deed dated April 22, 1929
recorded August 29, 1929
Volume 204 Official Records, at page 127.
(See Exhibit D1 for Legal Description)

Assessor's Parcel Numbers

203-011-01
203-011-16
203-011-17
203-011-19
203-011-20

michael d. ashley
CIVIL ENGINEER
(415) 341-2669

EXHIBIT "D1"

LEGAL DESCRIPTION - LANDS OF RMC-LONESTAR

(based on preliminary report from Western Title Insurance Company dated December 12, 1986)

Said land is situate in the County of Monterey, State of California, and is described as follows:

PARCEL 1

A part of Monterey City Lands Tract No. 1 embracing the sand dunes along the shore of Monterey Bay, described as follows, to-wit:

BEGINNING at the common corner of the Rancho Rincon de las Salinas and the Monterey City Lands Tract No. 1 on the shore of Monterey Bay, from which an old Four inch by Four inch post marked "R S 3 Wit" standing on Rancho boundary bears South 63° 20′ East Twelve and 79/100 chains distant; thence Variation 16° 50′ East, following the shore line of bay South 1° 05′ West Sixty and 00/100 chains to station; thence South 5° 40′ West Thirty-three and 00/100 chains to station; thence South 11° 30′ West Thirty-one and 02/100 chains to the Northerly boundary of the land of David Jacks; thence leaving the shore of the Monterey Bay and following the fence along the Northerly line of the land of David Jacks Corporation South 65° 30′ East, Twenty-three and 61/100 chains to station; thence South 65° 12′ East Five and 31/100 chains a Four inch by Four inch post marked "E. B. & A. L. S. Cor. No. 1" standing at the foot of sand hills and at the Easterly side thereof, Seven and 23/100 chains to station from which the point of intersection of Jacks boundary fence with the center line of the S. P. R. R. at station 281 plus Fifty-one and 6/10 bears South 65° 12′ East Fifty-one and 73/100 chains distant; thence leaving the Jacks boundary and following the old fence skirting the Easterly side of sand dunes North 7° 30′ East Eleven and 00/100 chains; thence North 15° 15′ East Five and 87/100 chains to station; thence North 34° East Six and 92/100 chains to station; thence North 11° 30′ East One and 00/100 chains to station; thence North 5° 45′ West Five and 18/100 chains to station; thence North 12° 15′ East Five and 66/100 chains to station; thence North 4° West 3 and 60/100 chains to station; thence North 34° East One and 27/100 chains to station; thence North 14° 30 East Three and 29/100 chains to station; thence North 6° 45′ West Three and 83/100 chains to center line of Lapis Spur track; thence North 0° 15′ East Five and 51/100 chains to station; thence North 22° 30′ East Four and 10/100 chains to station; thence North 16° 45′ East Five and 05/100 chains to station; thence North 34° East Four and 17/100 chains to station; thence North 13° East Ten and 15/100 chains to station; thence North 30° 45′ East Two and 45/100 chains to

station; thence North 13° 40′ East Two and 72/100 chains to an old fence corner; thence North 9° 35′ West One and 83/100 chains to station 17; thence North 9° 35′ West Twenty-seven and 60/100 chains to station 18; thence North 32° 40′ East Five and 21/100 chains to station 19; thence North 70° East Two and 27/100 chains to station 20; thence North 46° 50′ East Two and 16/100 chains to station 21; thence North 12° 45′ West Three and 05/100 chains to station 22; thence North 26° 30′ East One and 92/100 chains to a Four inch by Four inch post marked E. B. & A. L. S. Cor. No. 23" standing in the fence on the line between the Monterey City Lands and the Rancho Rincon de las Salinas, thence leaving foot of sand hills and following said line fence across same North 63° 20′′ West Forty-two and 02/100 chains to the place of beginning.

PARCEL 2

All those certain lots, pieces or parcels of land situate, lying and being in the County of Monterey, State of California, described as follows:

A PART of Monterey City Lands Tract No. 1, described as follows:

A strip of land one hundred feet wide measured at right angles to and lying fifty feet on each side of a line located and described as follows:

BEGINNING at a point on the Eastern boundary of the piece of land here-in-before described as Parcel 1, said point bearing North 6° 45′ West from station numbered 9 on said boundary line and distant Two hundred fifty-two and 5/10 feet therefrom thence by a straight line bearing South 77° 29′ East Five hundred seventy-nine and 38/100 feet; thence by a 6° 00′ curve to the left (radius 955.04 feet), Five hundred seventy-six and 81/100 feet; thence by a straight line bearing North 67° 54-1/2′ East Six hundred forty-eight and 08/100 feet; thence by a 5° 00′ curve to the left (radius 1146.01 feet) Eleven hundred thirty-nine and 2/10 feet, more or less, to the Western line of the Southern Pacific Company's Railroad right of way.

EXCEPTING THEREFROM that portion conveyed to the State of California by deed dated May 31, 1974 and recorded August 19, 1974, on Reel 930, Official Records, at page 909, Monterey County Records.

PARCEL 3

All those certain lots, pieces or parcels of land situate, lying and being in the County of Monterey, State of California, described as follows:

All that portion of Monterey City Lands Tract No. 1 lying between the Western boundary line of Parcel 1 of the property described in the deed from John A. Armstrong et al, to E. B. & A. L. Stone Company, a corporation, dated January 24, 1907, and recorded January 24, 1907 in Liber 95 of Deeds, page 388, and the Western boundary line of the property patented to the City of Monterey, by patent, dated November 19, 1891, and recorded November 16, 1896 in Liber "F" of patents at page 178.

PARCEL 4

All those certain lots, pieces or parcels of land situate, lying and being in the County of Monterey, State of California, described as follows:

All that part of Monterey City Lands Tract No. 1 described as follows:

BEGINNING at a Four inch by Four inch post marked "B 6" standing in the Eastern Boundary of the certain 399.70 acre tract conveyed by J. G. Armstrong Co., a corporation, to the E. B. & A. L. Stone Co., a corporation by deed dated January 31, 1911, and recorded in volume 117, of Deeds at page 283, Monterey County Records, from which station 9 of said boundary bears South 6° 45′ East one hundred ninety-five and 08/100 feet distant; thence along said Eastern boundary North 6° 45′ West Fifty-seven and 7/10 feet to a station in center line of one hundred foot right of way as shown in above mentioned deed; thence North 0° 15′ East, still along said Eastern boundary three hundred sixty-three and 6/10 feet to a station; thence North 22° 30′ East one hundred seven and 0/10 feet to a four inch by four inch post marked "B 1" in said Eastern boundary; thence leave said boundary South 29° 50′ East three hundred ninety-two and 2/10 feet to a four inch by four inch post marked "b 2"; thence South 45° 29′ East one hundred thirty-one and 0/10 feet to a four inch by four inch post marked "B 3"; thence South 77° 40′ East two hundred seventy-six and 0/10 feet to a four inch by four inch post marked "B 4"; thence South 12° 20′ West, at fourth-nine and 9/10 feet to the Northern line of above mentioned one hundred foot right of way at one hundred forty-nine and 9/10 feet the Southern line of same, one hundred fifty-five and 0/10 feet to a four inch by four inch post marked "b 5", thence North 77° 40′ West, five feet southerly of and parallel with the Southern line of said right of way five hundred seventy-four and 3/10 feet to the place of beginning.

Courses all true variation of magnetic needle being 17° 15′ East. Surveyed by Cozzens & Davies, Salinas, California, March 1922

EXHIBIT E

ELEMENTS OF YEARLY INCREMENTAL COSTS
FOR ADD-ON OF RECLAIMED WATER FOR M & I PUROSES OVER AND ABOVE
THAT COMMITTED TO THE CASTROVILLLE SEAWATER IRRIGATION PROJECT

1) Operation and Maintenace (O&M) Element of costs to provide tertiary treatment (in $/acre-foot for the year of ?). Costs for the previous year will be used to estimate the next year costs. An adjustment will be included in the following year to reflect actual costs. The next year flow volume demand for MCWD will be based on a projection submitted by the MCWD to the MCWRA by June 30, three months before delivery of next year reclaimed water to the MCWD reservoir.

- Chemical costs
- Power costs
- Sludge management costs
- Labor costs
- Repair and replacement costs

$$\text{O\&M ELEMENT (in \$/acre-foot)} = \frac{\sum \text{chemicals + power + sludge mgmt. + labor + repair \& replacement costs}}{\text{Projected Next Year Flow Volume Demand [CSIP(afy) + MCWD(afy)]}} \pm \text{adjustment for previous year}$$

2) Bureau of Reclamation Loan Element (BRLE). Includes Reimbursible Interest During Construction (RIDC) and Emergency Reserve Fund Contribution (ERFC) in $ / acre-foot for the year of ?.

$$\text{APPLICABLE ANNUAL PERCENTAGE for M\&I (AAPM\&I)} = \frac{\text{Projected next year flow volume demand for MCWD (afy)}}{\text{Projected Next Year Flow Volume Demand [CSIP(afy) + MCWD(afy)]}}$$

$$\text{BRLE(\$) FOR YEAR (?)} = \frac{\text{AAPM\&I x [PRINCIPAL + INTEREST(7.625\%) ON OUTSTANDING PRINCIPAL + RIDC + ERFC FOR YEAR(?)]}}{\text{Projected next year flow volume demand for MCWD (afy)}}$$

3) Increased capital cost element to cover M&I for the MCWD.

No additional capital costs.

4) Capital Risk Share Element (CRSE) in $ / acre-foot for the year of ?.

$$\text{CRSE (\$)} = \frac{\text{AAPM\&I x [SVRP Debt Service for State Revolving Fund(Schedule A Line 18)+ 1/3 of Bonds (Schedule A, Line 25) FOR YEAR(?)]}}{\text{Projected next year flow volume demand for MCWD (afy)}}$$

SVRP ANNUAL DEBT SERVICE - SCHEDULE A

A	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S
3	Fiscal Year Ending	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Total 2011-2037	($ Thousands) TOTAL
5	US Bureau of Reclamation Loan - SVRP																		
6	Principal Payment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	588.6	588.6	588.6	588.6	588.6	588.6	588.6	588.6	15891.4	20600.0
7	Interest Payment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1570.8	1535.0	1496.5	1455.0	1410.4	1362.4	1310.8	1255.2	8802.9	
8	Interest Payment - 22%	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	345.6	337.7	329.2	320.1	310.3	299.7	288.4	276.1	1936.6	6220.2
9	RIDC Payment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	46.5	46.5	46.5	46.5	46.5	46.5	46.5	46.5	1255.5	1627.5
10	Emergency Reserve Fund Contributions	0.0	0.0	0.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	0.0	0.0	0.0	0.0	130.0
11	*Total US Bureau of Reclamation Debt Service SVRP*	*0.0*	*0.0*	*0.0*	*13.0*	*13.0*	*13.0*	*13.0*	*13.0*	*993.7*	*985.8*	*977.3*	*968.2*	*958.4*	*934.8*	*923.5*	*911.2*	*19083.5*	*28577.7*
12	Line 6 + Line 7 + Line 9 + Line 10									2218.9	2183.1	2144.6	2103.1	2058.5	1997.5	1945.9	1890.3		
14	State Revolving Fund Loan - SVRP																		
15	Principal Payment	0.0	0.0	0.0	0.0	347.2	358.0	369.2	380.7	392.6	404.9	417.6	430.6	444.1	457.9	472.3	487.0	4077.1	9448.1
16	Interest Payment	0.0	0.0	0.0	0.0	295.3	284.5	273.3	261.7	249.8	237.6	224.9	211.8	198.4	184.5	170.2	155.4	247.1	3400.4
17	Emergency Reserve Fund Contributions	0.0	0.0	0.0	0.0	45.0	45.0	45.0	45.0	45.0	45.0	45.0	45.0	45.0	45.0	0.0	0.0	0.0	130.0
18	*Total State Revolving Fund Debt Service SVRP*	*0.0*	*0.0*	*0.0*	*0.0*	*687.5*	*687.5*	*687.5*	*687.5*	*687.5*	*687.5*	*687.5*	*687.5*	*687.5*	*687.5*	*642.5*	*642.5*	*4324.2*	*12978.5*
21	Bonds - Variable/Fixed																		
22	Principal Payment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	65.6	70.3	75.4	80.8	86.6	92.8	99.5	106.7	8792.8	9470.5
23	Interest Payment	0.0	0.0	0.0	1387.5	2322.4	1896.7	1437.6	995.9	681.9	677.2	672.1	666.7	660.9	654.6	647.9	640.8	11388.5	130.0
24	Total Bond Debt Service	0.0	0.0	0.0	1387.5	2322.4	1896.7	1437.6	995.9	747.5	747.5	747.5	747.5	747.5	747.4	747.4	747.5	20181.3	9600.5
25	*Total Bond Debt Service for SVRP (1/3 of Total)*	*0.0*	*0.0*	*0.0*	*462.0*	*773.4*	*631.6*	*478.7*	*331.6*	*248.9*	*248.9*	*248.9*	*248.9*	*248.9*	*248.9*	*248.9*	*248.9*	*6720.4*	*3197.0*
26																			130.0
28	***TOTAL ANNUAL DEBT SERVICE FOR SVRP - INCLUDES $4,000,000 FOR PIPELINE***	*0.0*	*0.0*	*0.0*	*475.0*	*1473.8*	*1332.1*	*1179.2*	*1032.1*	*1930.0*	*1922.2*	*1913.7*	*1904.6*	*1894.8*	*1871.2*	*1814.8*	*1802.6*	30126.1	*44753.2*
29	Line 18 + Line 25				462.0	1460.8	1319.1	1166.2	1019.1	936.4	936.4	936.4	936.4	936.4	936.3	891.3	891.4		
34	Annual Demand Projections																		
35	Projected CSIP Demand (afy)	0	0	15000.0	16,000	17,000	18,000	19,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000		
36	Projected MCWD M&I Demand (afy)	0	0	70	100	150	500	1,550	1,800	2,000	2,200	2,200	2,200	2,200	2,200	2,200	2,200		
37	Total CSIP + MCWD Pojected Demand	0	0	15,070	16,100	17,150	18,500	20,550	21,800	22,000	22,200	22,200	22,200	22,200	22,200	22,200	22,200		
38	AAPM & I	0.0000	0.0000	0.0046	0.0062	0.0087	0.0270	0.0754	0.0826	0.0909	0.0991	0.0991	0.0991	0.0991	0.0991	0.0991	0.0991		
40	Elements of Incremental M&I Costs - See Exhibit E																		
41	O&M Element for M&I - See Exhibit E Item 1																		
42	Projected O&M Cost –																		
43	PCA LETTER OF 10/24/95	0	0	1,667	1,717	1,769	1,822	1,876	1,933	1,990	2,050	2,112	2,175	2,240	2,308	2,377	2,448		
44	$1,526,000, 1994 @ 3%/YR																		
45	O&M Element in $/acre ft																		
46	Projected O&M Cost in $/acre ft / Total CSIP + MC	0	0	111	107	103	98	91	89	90	92	95	98	101	104	107	110		
48	Bureau Loan Element - See Exhibit E Item 2																		
49	(BRLE) in $/acre ft																		
51	(Line 12 x Line 38) / Line 36	0	0	0	0	0	0	0	0	101	98	97	95	93	90	88	85		
53	Increase in Capital Costs for M& I Element																		
54	No increase in Capital $	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
56	Capital Risk Share Element (CRSE) - See Exhibit E Item 4																		
57	Line 29 x Line 38 / Line 36 in $/acre ft	0.0	0.0	0.0	28.7	85.2	71.3	56.7	46.7	42.6	42.2	42.2	42.2	42.2	42.2	40.2	40.2		
59	Total Incremental Cost																		
60	Line 46 + Line 51 + Line 54 + Line 57	0.0	0.0	110.6	135.3	188.3	169.8	148.0	135.4	233.9	232.9	233.9	234.9	235.8	236.1	234.9	235.6		
63	Amortization of $4,000,000 @ flow share									26446.1	31008.8	31008.8	31008.8	31008.8	31008.8	31008.8	31008.8		
										14.2	14.1	14.1	14.1	14.1	14.1	14.1	14.1		

Schaaf & Wheeler

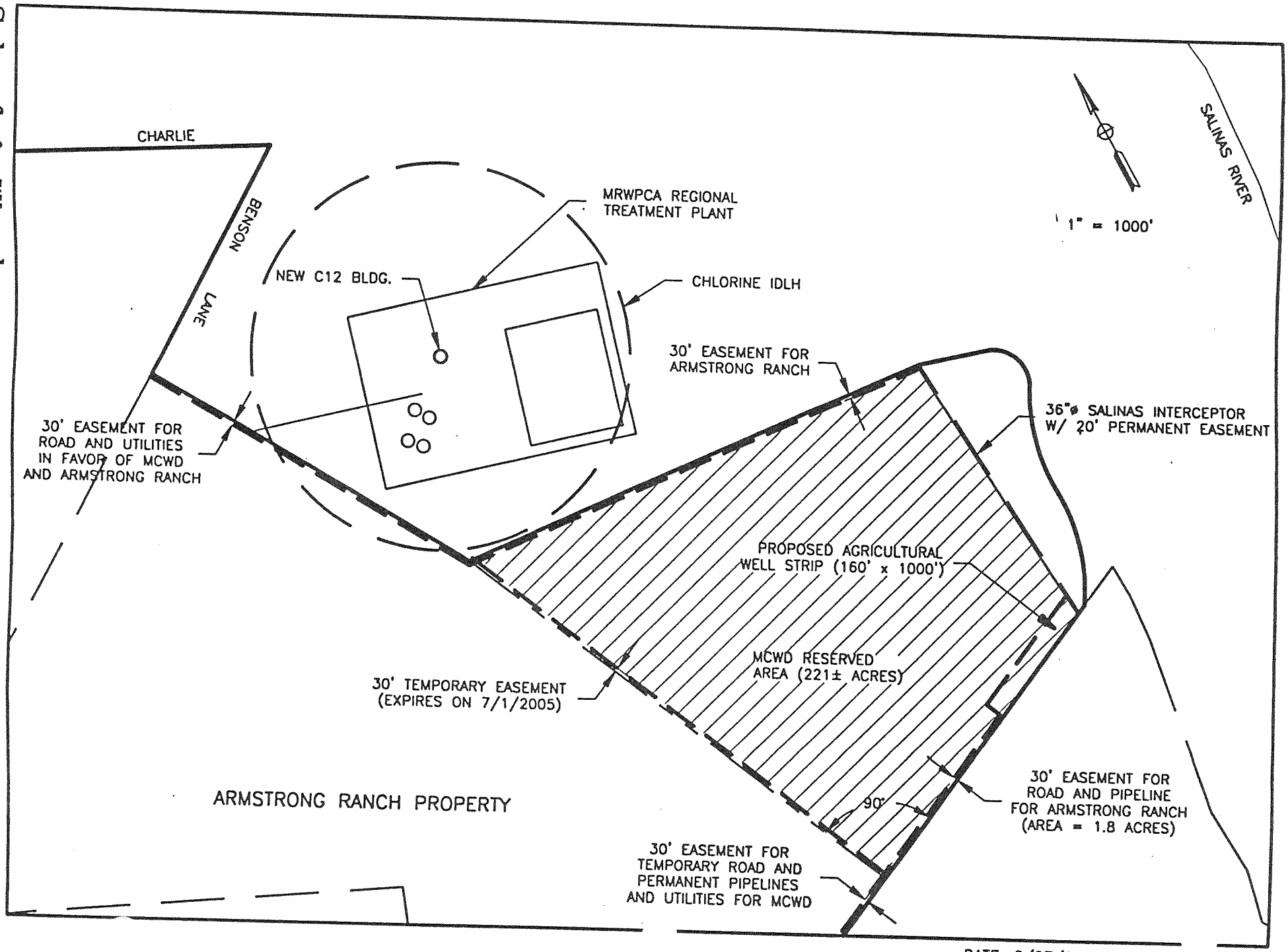

EXHIBIT "F"

DATE: 2/27/96 DRAWN BY: LJK/JHL

EXHIBIT G

MONTEREY REGIONAL WATER POLLUTION CONTROL AGENCY
ADDENDUM TO

ANNEXATION AGREEMENT AND GROUNDWATER MITIGATION FRAMEWORK
FOR
MARINA AREA LANDS

1. PURPOSE. The Parties to the Agreement and Framework agree with the Monterey Regional Water Pollution Control Agency ("MRWPCA") that it is in the best interests of all of them and the persons they represent if the MRWPCA is also a party to the Agreement and Framework, with certain additional terms specific to the MRWPCA. If this Addendum is approved by the MRWPCA within one year of approval of the Agreement and Framework and this Addendum by the other Parties, this Addendum will become part of the Agreement and Framework, and the MRWPCA will be considered a party to the Agreement and Framework, effective from the date the Agreement and Framework and this Addendum are approved by the Board of Supervisors of the MCWRA.

2. MRWPCA. MRWPCA is a joint powers authority providing sewage treatment service to its member entities in Northern Monterey County, governed by its Board of Directors.

3. MRWPCA SUPPORT FOR ANNEXATION. MRWPCA is supporting the request for annexation contained in paragraph 4.1 of the Agreement and Framework to encourage reasonable and beneficial water reuse, and to help implement the MCWRA/MRWPCA Agreement, the MRWPCA Annexation Agreement, and the SVRP.

4. RESERVATION FOR MRWPCA. Armstrong shall reserve, for use by MRWPCA, the area shown diagrammatically on Exhibit "I" to this Addendum (hereinafter the "MRWPCA Reserved Area"), subject to the non-exclusive easements shown on Exhibit "I" to be reserved in favor of Armstrong and MCWD, which said reserved easements in favor of Armstrong and MCWD shall be for roads, utilities (including communications), pipelines, and any other purpose for which a road may be used, shall be freely assignable and usable by others, and not subject to surcharge.

4.1. Survey. The MRWPCA Reserved Area, which shall not exceed 10 acres, will be "field" surveyed at the expense of MRWPCA within one year following approval by the MCWRA Board of Supervisors of the annexation to the Zones of any of the lands described in Exhibit "C" to the Agreement and Framework.

4.2. Use. MRWPCA will diligently undertake, and MCWD, City, MCWRA and Armstrong will cooperate in the planning and conduct of, the appropriate environmental review and application for appropriate permits to use the MRWPCA Reserved Area solely and

exclusively as a buffer zone between the existing Regional Treatment Plant and the Armstrong Ranch. Any additional use is subject to the written approval of Armstrong first had and obtained, and any conveyance from Armstrong to MRWPCA shall contain appropriate restrictions on such additional use in the form of a condition subsequent and a power of termination in favor of Armstrong. Any attempt to condemn the power of termination shall be subject to the provisions of paragraph 6.10.3 as if it were a condemnation of fee title.

4.3. Expiration of Reservation. Armstrong's obligation to reserve the MRWPCA Reserved Area shall expire at midnight on June 30, 2003, or upon delivery to Armstrong of written notice from MRWPCA cancelling MRWPCA's right to receive conveyance of the MRWPCA Reserved Area.

4.4. Payment. Upon conveyance of the MRWPCA Reserved Area to MRWPCA, MRWPCA shall pay to Armstrong a sum calculated by multiplying the number of acres in such conveyance by Twenty-Five Thousand Dollars ($25,000.00).

4.5. Title. Upon receipt by Armstrong of written request from MCWD, Armstrong will forthwith convey all or part of the MRWPCA Reserved Area to MRWPCA by grant deed, free of any financial encumbrances except taxes and assessments not delinquent, but subject to all other encumbrances, and further subject to all laws, ordinances, regulations and rights of all governmental bodies having jurisdiction in, on or over the subject real property as they may from time to time exist.

5. ATTACHMENT TO AGREEMENT AND FRAMEWORK; INCORPORATION BY REFERENCE. When this Addendum is fully executed, it shall be attached to the Agreement and Framework as an integral part of the Agreement and Framework, and the provisions of Sections 1, 2, 3, 8, and 9 through 20, inclusive, and paragraphs 4.5, 5.6, 5.7 and 6.10.3 of the Agreement and Framework are specifically incorporated into this Addendum by this reference and shall apply to the terms of this Addendum and as fully to MRWPCA as though MRWPCA had signed the Agreement and Framework. A person duly authorized by MRWPCA places his or her initials here to indicate MRWPCA's specific agreement to the provisions of paragraph 6.10.3:

Signature: _____

Printed Name and Title: _____

STATE OF CALIFORNIA)
COUNTY OF MONTEREY) ss.

On this 26th day of March, 1996, before me, Ernest K. Morishita, Clerk of the Board of Supervisors, in and for said County and State, personally appeared Edith Johnsen, known to me to be the Chairperson of said Board of Supervisors of the County of Monterey, and known to me to be the person who executed the within instrument on behalf of said political subdivision, and acknowledged to me that such County of Monterey executed the same.

ERNEST K. MORISHITA, Clerk of the
Board of Supervisors of Monterey
County, State of California

By: Pamela Olivas
Deputy Clerk

6. NOTICES. Notices to MRWPCA under this Addendum and the Agreement and Framework shall be addressed as follows:

General Manager
5 Harris Court, Building D
Monterey, CA 93940
Phone No.: (408) 372-3367
Fax No.: (408) 372-6178

The address or fax number to which any notice or other writing may be given or made or sent may be changed upon written notice given as provided in paragraph 12 of the Agreement and Framework.

7. ADMINISTRATOR. MRWPCA hereby designates MRWPCA's General Manager as its Administrator for this Agreement and Framework.

IN WITNESS WHEREOF, the Parties execute this Addendum as follows:

Dated: _____, 1996 MRWPCA

By _____
Keith Israel, Agency Director

Dated: March 26, 1996 MONTEREY COUNTY WATER RESOURCES AGENCY

By Edith Johnsen
Edith Johnsen
Chair, Board of Supervisors

Dated: _____, 1996 MARINA COAST WATER DISTRICT

By _____
Thomas P. Moore
President, Board of Directors

By _____
Malcolm D. Crawford
Secretary, Board of Directors

Dated: _____, 1996

_____
JAY MAX ARMSTRONG

6. NOTICES. Notices to MRWPCA under this Addendum and the Agreement and Framework shall be addressed as follows:

General Manager
5 Harris Court, Building D
Monterey, CA 93940
Phone No.: (408) 372-3367
Fax No.: (408) 372-6178

The address or fax number to which any notice or other writing may be given or made or sent may be changed upon written notice given as provided in paragraph 12 of the Agreement and Framework.

7. ADMINISTRATOR. MRWPCA hereby designates MRWPCA's General Manager as its Administrator for this Agreement and Framework.

IN WITNESS WHEREOF, the Parties execute this Addendum as follows:

Dated: _____, 1996 MRWPCA

By _____
Keith Israel, Agency Director

Dated: _____, 1996 MONTEREY COUNTY WATER RESOURCES AGENCY

By _____
Edith Johnsen
Chair, Board of Supervisors

Dated: _____, 1996 MARINA COAST WATER DISTRICT

By Thomas P. Moore
Thomas P. Moore
President, Board of Directors

By Malcolm D. Crawford
Malcolm D. Crawford
Secretary, Board of Directors

Dated: _____, 1996

_____
JAY MAX ARMSTRONG

6. NOTICES. Notices to MRWPCA under this Addendum and the Agreement and Framework shall be addressed as follows:

General Manager
5 Harris Court, Building D
Monterey, CA 93940
Phone No.: (408) 372-3367
Fax No.: (408) 372-6178

The address or fax number to which any notice or other writing may be given or made or sent may be changed upon written notice given as provided in paragraph 12 of the Agreement and Framework.

7. ADMINISTRATOR. MRWPCA hereby designates MRWPCA's General Manager as its Administrator for this Agreement and Framework.

IN WITNESS WHEREOF, the Parties execute this Addendum as follows:

Dated: _____, 1996 MRWPCA

By _____
Keith Israel, Agency Director

Dated: _____, 1996 MONTEREY COUNTY WATER RESOURCES AGENCY

By _____
Edith Johnsen
Chair, Board of Supervisors

Dated: _____, 1996 MARINA COAST WATER DISTRICT

By _____
Thomas P. Moore
President, Board of Directors

By _____
Malcolm D. Crawford
Secretary, Board of Directors

Dated: April 8, 1996

Jay M. Armstrong
JAY MAX ARMSTRONG

Dated: _____, 1996

THE SANDRA ARMSTRONG MURRAY REVOCABLE TRUST UTA dated March 7, 1989

By _____ 4/4/96
DARRELL L. MURRAY, Trustee

Dated: _____, 1996

THE LOIS AND CLYDE JOHNSON, JR., 1989 IRREVOCABLE TRUST

By _____
CLYDE W. JOHNSON III, Trustee

Dated: _____, 1996

THE JOHNSON FAMILY REVOCABLE LIVING TRUST UTA dated November 29, 1989

By _____
CLYDE W. JOHNSON III, Trustee

Dated: _____, 1996

_____
CLYDE W. JOHNSON III

Dated: _____, 1996

_____
EDWIN A. JOHNSON

Dated: Mar 29, 1996

_____
JOHN A. ARMSTRONG II

Dated: _____, 1996

_____
SUSANNE IRVINE ARMSTRONG

Dated: Mar. 29, 1996

_____
JAMES IRVINE ARMSTRONG, JR.

Dated: _____, 1996

THE SANDRA ARMSTRONG MURRAY REVOCABLE TRUST UTA dated March 7, 1989

By _____
DARRELL L. MURRAY, Trustee

Dated: 4-4, 1996

THE LOIS AND CLYDE JOHNSON, JR., 1989 IRREVOCABLE TRUST

By _____
CLYDE W. JOHNSON III, Trustee

Dated: 4-4, 1996

THE JOHNSON FAMILY REVOCABLE LIVING TRUST UTA dated November 29, 1989

By _____
CLYDE W. JOHNSON III, Trustee

Dated: 4-4, 1996

_____
CLYDE W. JOHNSON III

Dated: 4-4, 1996

_____
EDWIN A. JOHNSON

Dated: Mar 29, 1996

_____
JOHN A. ARMSTRONG II

Dated: _____, 1996

_____
SUSANNE IRVINE ARMSTRONG

Dated: Mar. 29, 1996

_____
JAMES IRVINE ARMSTRONG, JR.

Dated: _____, 1996

THE SANDRA ARMSTRONG MURRAY REVOCABLE TRUST UTA dated March 7, 1989

By _____
DARRELL L. MURRAY, Trustee

Dated: _____, 1996

THE LOIS AND CLYDE JOHNSON, JR., 1989 IRREVOCABLE TRUST

By _____
CLYDE W. JOHNSON III, Trustee

Dated: _____, 1996

THE JOHNSON FAMILY REVOCABLE LIVING TRUST UTA dated November 29, 1989

By _____
CLYDE W. JOHNSON III, Trustee

Dated: _____, 1996

_____
CLYDE W. JOHNSON III

Dated: _____, 1996

_____
EDWIN A. JOHNSON

Dated: Mar 29, 1996

_____
JOHN A. ARMSTRONG II

Dated: Apr. 4, 1996

_____
SUSANNE IRVINE ARMSTRONG

Dated: Mar. 29, 1996

_____
JAMES IRVINE ARMSTRONG, JR.

SUSANNE IRVINE ARMSTRONG, JAMES IRVINE ARMSTRONG, JR., and JOHN A. ARMSTRONG II, as Trustees of the Trust for the benefit of MARY JANET ARMSTRONG WEBER as set forth in the Order Settling Report of Trustees due to the death of Lois Armstrong, etc., in the Estate of Irvine Armstrong, also known as James Irvine Armstrong, Deceased, recorded January 4, 1988, in Reel 2191, Official Records of Monterey County at page 643 therein (hereinafter referred to as the "Mary Janet Armstrong Weber Trust")

Dated: Apr 4, 1996

By Susanne Irvine Armstrong, trustee
SUSANNE IRVINE ARMSTRONG, Trustee

Dated: Mar 29, 1996

By John A. Armstrong Trustee
JOHN A. ARMSTRONG II, Trustee

Dated: Mar. 29, 1996

By James Irvine Armstrong Jr. Trustee
JAMES IRVINE ARMSTRONG, JR., Trustee

Dated: _____, 1996

THE 1990 ARMSTRONG FAMILY TRUST established by Declaration dated July 2, 1990

By _____
Walter J. McCullough

By _____
Elizabeth S. Armstrong

Dated: _____, 1996

RMC LONESTAR, a California general partnership

By _____

Dated: _____, 1996

CITY OF MARINA

By _____
James L. Vocelka, Mayor

SUSANNE IRVINE ARMSTRONG, JAMES IRVINE ARMSTRONG, JR., and JOHN A. ARMSTRONG II, as Trustees of the Trust for the benefit of MARY JANET ARMSTRONG WEBER as set forth in the Order Settling Report of Trustees due to the death of Lois Armstrong, etc., in the Estate of Irvine Armstrong, also known as James Irvine Armstrong, Deceased, recorded January 4, 1988, in Reel 2191, Official Records of Monterey County at page 643 therein (hereinafter referred to as the "Mary Janet Armstrong Weber Trust")

Dated: _____, 1996

By _____
SUSANNE IRVINE ARMSTRONG, Trustee

Dated: Mar 29, 1996

By _____ Trustee
JOHN A. ARMSTRONG II, Trustee

Dated: Mar. 29, 1996

By _____ Trustee
JAMES IRVINE ARMSTRONG, JR., Trustee

Dated: _____, 1996

THE 1990 ARMSTRONG FAMILY TRUST established by Declaration dated July 2, 1990

By _____
Walter J. McCullough

By _____
Elizabeth S. Armstrong

Dated: _____, 1996

RMC LONESTAR, a California general partnership

By _____

Dated: _____, 1996

CITY OF MARINA

By _____
James L. Vocelka, Mayor

SUSANNE IRVINE ARMSTRONG, JAMES IRVINE ARMSTRONG, JR., and JOHN A. ARMSTRONG II, as Trustees of the Trust for the benefit of MARY JANET ARMSTRONG WEBER as set forth in the Order Settling Report of Trustees due to the death of Lois Armstrong, etc., in the Estate of Irvine Armstrong, also known as James Irvine Armstrong, Deceased, recorded January 4, 1988, in Reel 2191, Official Records of Monterey County at page 643 therein (hereinafter referred to as the "Mary Janet Armstrong Weber Trust")

Dated: _____, 1996

By _____
SUSANNE IRVINE ARMSTRONG, Trustee

Dated: Mar 29, 1996

By _____ Trustee
JOHN A. ARMSTRONG II, Trustee

Dated: Mar. 29, 1996

By _____ Trustee,
JAMES IRVINE ARMSTRONG, JR., Trustee

Dated: _____, 1996

THE 1990 ARMSTRONG FAMILY TRUST established by Declaration dated July 2, 1990

By _____
Walter J. McCullough

By _____
Elizabeth S. Armstrong

Dated: _____, 1996

RMC LONESTAR, a California general partnership

By _____

Dated: _____, 1996

CITY OF MARINA

By _____
James L. Vocelka, Mayor

Dated: _____, 1996

SUSANNE IRVINE ARMSTRONG, JAMES IRVINE ARMSTRONG, JR., and JOHN A. ARMSTRONG II, as Trustees of the Trust for the benefit of MARY JANET ARMSTRONG WEBER as set forth in the Order Settling Report of Trustees due to the death of Lois Armstrong, etc., in the Estate of Irvine Armstrong, also known as James Irvine Armstrong, Deceased, recorded January 4, 1988, in Reel 2191, Official Records of Monterey County at page 643 therein (hereinafter referred to as the "Mary Janet Armstrong Weber Trust")

By _____
_____, Trustee

Dated: _____, 1996

_____
JAMES IRVINE ARMSTRONG, JR.

Dated: _____, 1996

THE 1990 ARMSTRONG FAMILY TRUST established by Declaration dated July 2, 1990

By _____
Walter J. McCullough

By _____
Elizabeth S. Armstrong

Dated: MAR 26, 1996

RMC LONESTAR, a California general partnership

By Ronald B. Block

Dated: _____, 1996

CITY OF MARINA

By _____
James L. Vocelka, Mayor

Dated: _____, 1996

SUSANNE IRVINE ARMSTRONG, JAMES IRVINE ARMSTRONG, JR., and JOHN A. ARMSTRONG II, as Trustees of the Trust for the benefit of MARY JANET ARMSTRONG WEBER as set forth in the Order Settling Report of Trustees due to the death of Lois Armstrong, etc., in the Estate of Irvine Armstrong, also known as James Irvine Armstrong, Deceased, recorded January 4, 1988, in Reel 2191, Official Records of Monterey County at page 643 therein (hereinafter referred to as the "Mary Janet Armstrong Weber Trust")

By _____

_____, Trustee

Dated: _____, 1996

_____

JAMES IRVINE ARMSTRONG, JR.

Dated: _____, 1996

THE 1990 ARMSTRONG FAMILY TRUST established by Declaration dated July 2, 1990

By _____

Walter J. McCullough

By _____

Elizabeth S. Armstrong

Dated: _____, 1996

RMC LONESTAR, a California general partnership

By _____

Dated: 4/8/96, 1996

CITY OF MARINA

By _____

James L. Vocelka, Mayor

APPROVED AS TO FORM:

Dated: 8/5, 1996

William K. Rentz

WILLIAM K. RENTZ
Deputy County Counsel, Monterey County

Dated: _____, 1996

NOLAND, HAMERLY, ETIENNE & HOSS
A Professional Corporation

By _____
Lloyd W. Lowrey, Jr.
Legal Counsel for MARINA COAST WATER DISTRICT

Dated: _____, 1996

_____
ROBERT R. WELLINGTON
Legal Counsel for CITY OF MARINA

Dated: _____, 1996

_____
ROBERT R. WELLINGTON
Legal Counsel for MRWPCA

Dated: _____, 1996

THOMPSON, HUBBARD AND OMETER
A Law Corporation

By _____
Donald G. Hubbard
Legal Counsel for J.G. ARMSTRONG FAMILY MEMBERS

Dated: _____, 1996

PILLSBURY, MADISON AND SUTRO

By _____
Thomas P. O'Donnell
Legal Counsel for RMC LONESTAR

APPROVED AS TO FORM:

Dated: _____, 1996

_____
WILLIAM K. RENTZ
Deputy County Counsel, Monterey County

Dated: March 26, 1996

NOLAND, HAMERLY, ETIENNE & HOSS
A Professional Corporation

By _____
Lloyd W. Lowrey, Jr.
Legal Counsel for MARINA COAST WATER DISTRICT

Dated: _____, 1996

_____
ROBERT R. WELLINGTON
Legal Counsel for CITY OF MARINA

Dated: _____, 1996

_____
ROBERT R. WELLINGTON
Legal Counsel for MRWPCA

Dated: _____, 1996

THOMPSON, HUBBARD AND OMETER
A Law Corporation

By _____
Donald G. Hubbard
Legal Counsel for J.G. ARMSTRONG FAMILY MEMBERS

Dated: _____, 1996

PILLSBURY, MADISON AND SUTRO

By _____
Thomas P. O'Donnell
Legal Counsel for RMC LONESTAR

APPROVED AS TO FORM:

Dated: _____, 1996

_____
WILLIAM K. RENTZ
Deputy County Counsel, Monterey County

Dated: _____, 1996

NOLAND, HAMERLY, ETIENNE & HOSS
A Professional Corporation

By _____
Lloyd W. Lowrey, Jr.
Legal Counsel for MARINA COAST WATER DISTRICT

Dated: July 29, 1996

Robert R. Wellington
ROBERT R. WELLINGTON
Legal Counsel for CITY OF MARINA

Dated: July 29, 1996

Robert R. Wellington
ROBERT R. WELLINGTON
Legal Counsel for MRWPCA

Dated: _____, 1996

THOMPSON, HUBBARD AND OMETER
A Law Corporation

By _____
Donald G. Hubbard
Legal Counsel for J.G. ARMSTRONG FAMILY MEMBERS

Dated: _____, 1996

PILLSBURY, MADISON AND SUTRO

By _____
Thomas P. O'Donnell
Legal Counsel for RMC LONESTAR

APPROVED AS TO FORM:

Dated: _____, 1996

_____
WILLIAM K. RENTZ
Deputy County Counsel, Monterey County

Dated: _____, 1996

NOLAND, HAMERLY, ETIENNE & HOSS
A Professional Corporation

By _____
Lloyd W. Lowrey, Jr.
Legal Counsel for MARINA COAST WATER DISTRICT

Dated: _____, 1996

_____
ROBERT R. WELLINGTON
Legal Counsel for CITY OF MARINA

Dated: _____, 1996

_____
ROBERT R. WELLINGTON
Legal Counsel for MRWPCA

Dated: MARCH 29, 1996

THOMPSON, HUBBARD AND OMETER
A Law Corporation

By _____
Donald G. Hubbard
Legal Counsel for J.G. ARMSTRONG FAMILY MEMBERS

Dated: _____, 1996

PILLSBURY, MADISON AND SUTRO

By _____
Thomas P. O'Donnell
Legal Counsel for RMC LONESTAR

APPROVED AS TO FORM:

Dated: _____, 1996

_____
WILLIAM K. RENTZ
Deputy County Counsel, Monterey County

Dated: _____, 1996

NOLAND, HAMERLY, ETIENNE & HOSS
A Professional Corporation

By _____
Lloyd W. Lowrey, Jr.
Legal Counsel for MARINA COAST WATER DISTRICT

Dated: _____, 1996

_____
ROBERT R. WELLINGTON
Legal Counsel for CITY OF MARINA

Dated: _____, 1996

_____
ROBERT R. WELLINGTON
Legal Counsel for MRWPCA

Dated: _____, 1996

THOMPSON, HUBBARD AND OMETER
A Law Corporation

By _____
Donald G. Hubbard
Legal Counsel for J.G. ARMSTRONG FAMILY MEMBERS

Dated: March 26, 1996

The Genesis Law Group
~~PILLSBURY, MADISON AND SUTRO~~

By _____
Thomas P. O'Donnell
Legal Counsel for RMC LONESTAR

Schaaf & Wheeler

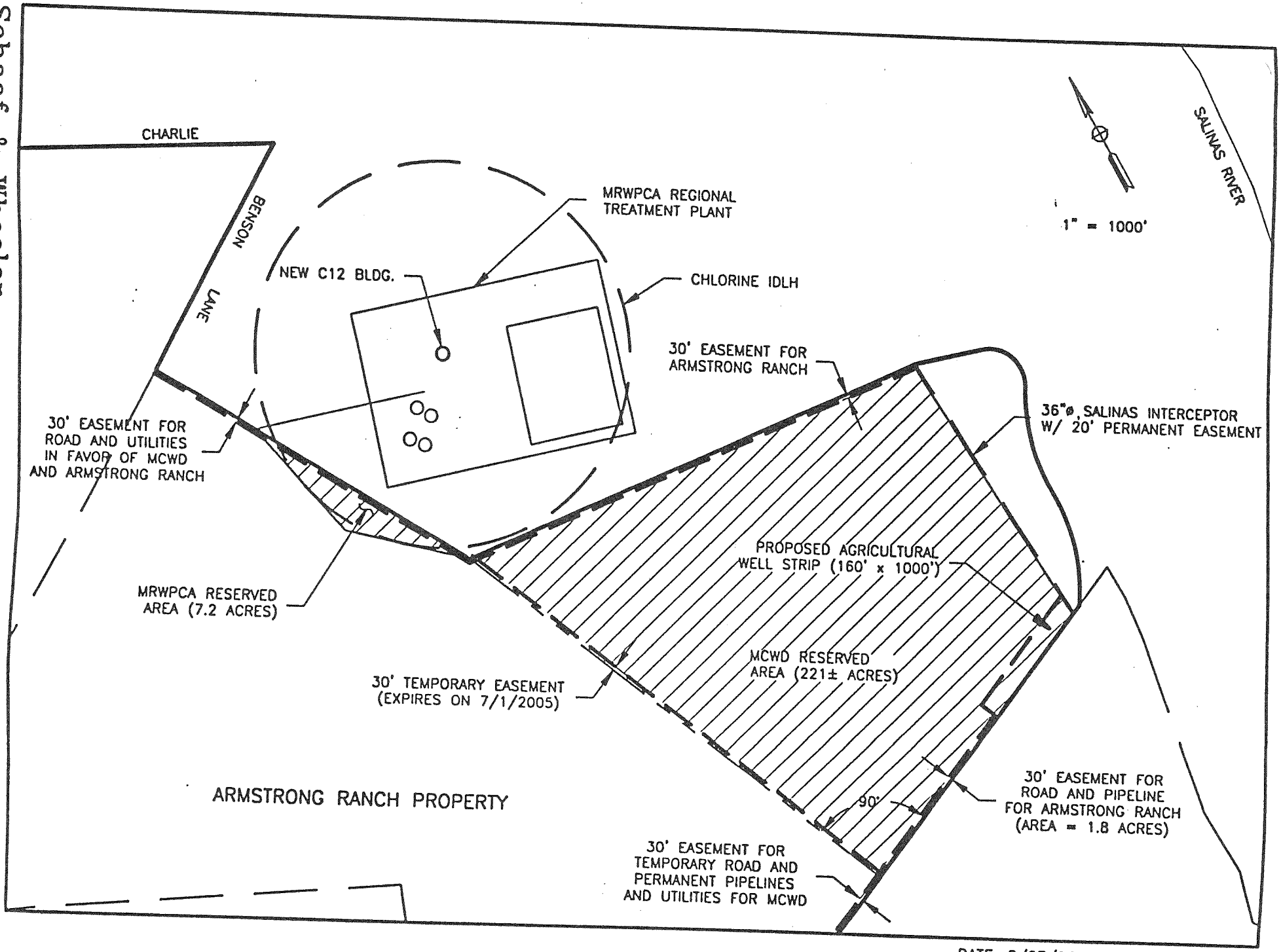

EXHIBIT "I"

DATE: 2/27/96 DRAWN BY: LJK/JHJ

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of CALIFORNIA

County of MONTEREY

On 04-12-96 (Date) before me, *SONIA L. ANGELO, NOTARY PUBLIC* * (Name and Title of Officer (e.g., "Jane Doe, Notary Public"))

personally appeared * * * * * *THOMAS P. MOORE* * * * * * (Name(s) of Signer(s))

☐ personally known to me – **OR** – ☒ proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

SONIA L. ANGELO
Comm. # 1087856
NOTARY PUBLIC - CALIFORNIA
Monterey County
My Comm. Expires Feb. 16, 2000

WITNESS my hand and official seal.

Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: ANNEXATION AGREEMENT AND GROUNDSWATER MITIGATION FRAMEWORK FOR MARINA AREA LANDS

Document Date: APRIL 12, 1996 Number of Pages: 27 w/ EXH A-F

Signer(s) Other Than Named Above: NONE

Capacity(ies) Claimed by Signer(s)

Signer's Name: THOMAS P MOORE

☐ Individual
☒ Corporate Officer
Title(s): PRESIDENT, BOARD OF DIRECTORS
☐ Partner — ☐ Limited ☐ General
☐ Attorney-in-Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other:

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

Signer Is Representing:

MARINA WATER COAST DISTRICT

Signer's Name:

☐ Individual
☐ Corporate Officer
Title(s):
☐ Partner — ☐ Limited ☐ General
☐ Attorney-in-Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other:

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

Signer Is Representing:

© 1994 National Notary Association • 8236 Remmet Ave., P.O. Box 7184 • Canoga Park, CA 91309-7184 Prod. No. 5907 Reorder: Call Toll-Free 1-800-876-6827

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of CALIFORNIA

County of MONTEREY

On APRIL 17, 1996 (Date) before me, * *SONIA L. ANGELO, NOTARY PUBLIC* * (Name and Title of Officer (e.g., "Jane Doe, Notary Public"))

personally appeared * *MALCOLM D. CRAWFORD* * * * * * * (Name(s) of Signer(s))

☐ personally known to me – OR – ☒ proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

SONIA L. ANGELO
Comm. # 1087856
NOTARY PUBLIC - CALIFORNIA
Monterey County
My Comm. Expires Feb. 16, 2000

WITNESS my hand and official seal.

Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: ANNEXATION AGREEMENT AND GROUNDSWATER MITIGATION FRAMEWORK FOR MARINA AREA LANDS

Document Date: APRIL 17, 1996 Number of Pages: 27 w/EXH A-F

Signer(s) Other Than Named Above: NONE

Capacity(ies) Claimed by Signer(s)

Signer's Name: MALCOLM D. CRAWFORD

☐ Individual
☒ Corporate Officer
Title(s): SECRETARY, BOARD OF DIRECTORS
☐ Partner — ☐ Limited ☐ General
☐ Attorney-in-Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other:

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

Signer Is Representing:

MARINA WATER COAST DISTRICT

Signer's Name:

☐ Individual
☐ Corporate Officer
Title(s):
☐ Partner — ☐ Limited ☐ General
☐ Attorney-in-Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other:

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

Signer Is Representing:

© 1994 National Notary Association • 8236 Remmet Ave., P.O. Box 7184 • Canoga Park, CA 91309-7184 Prod. No. 5907 Reorder: Call Toll-Free 1-800-876-6827

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of CALIFORNIA

County of MONTEREY

On APRIL 12, 1996 (Date) before me, * *SONIA L. ANGELO, NOTARY PUBLIC* * * * (Name and Title of Officer (e.g., "Jane Doe, Notary Public")),

personally appeared * *THOMAS P. MOORE* * * * * * * (Name(s) of Signer(s)),

☐ personally known to me – OR – ☒ proved to me on the basis of satisfactory evidence to be the person(~~s~~) whose name(~~s~~) is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she~~/~~they~~ executed the same in his/~~her~~/~~their~~ authorized capacity(~~ies~~), and that by his/~~her~~/~~their~~ signature(~~s~~) on the instrument the person(~~s~~), or the entity upon behalf of which the person(~~s~~) acted, executed the instrument.

SONIA L. ANGELO
Comm. # 1087856
NOTARY PUBLIC - CALIFORNIA
Monterey County
My Comm. Expires Feb. 16, 2000

WITNESS my hand and official seal.

Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: EXHIBIT G MONTEREY REGIONAL WATER POLLUTION CONTROL AGENCY ADDENDUM TO ANNEXATIO AGREEMENT AND GROUNDWATER MITIGATION FRAMEWORK FOR MARINA AREAL LANDS

Document Date: APRIL 12, 1996 Number of Pages: SIX

Signer(s) Other Than Named Above: NONE

Capacity(ies) Claimed by Signer(s)

Signer's Name: THOMAS P. MOORE

☐ Individual
☒ Corporate Officer
Title(s): PRESIDENT, BOARD OF DIRECTORS
☐ Partner — ☐ Limited ☐ General
☐ Attorney-in-Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other:

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

Signer Is Representing:

MARINA COAST WATER DISTRICT

Signer's Name:

☐ Individual
☐ Corporate Officer
Title(s):
☐ Partner — ☐ Limited ☐ General
☐ Attorney-in-Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other:

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

Signer Is Representing:

© 1994 National Notary Association • 8236 Remmet Ave., P.O. Box 7184 • Canoga Park, CA 91309-7184 Prod. No. 5907 Reorder: Call Toll-Free 1-800-876-6827

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of CALIFORNIA

County of MONTEREY

On 04-17-96 (Date) before me, *SONIA L. ANGELO, NOTARY PUBLIC* * * (Name and Title of Officer (e.g., "Jane Doe, Notary Public")),

personally appeared * * *MALCOLM D. CRAWFORD* * * * * * * (Name(s) of Signer(s)),

☐ personally known to me – OR – ☒ proved to me on the basis of satisfactory evidence to be the person(~~s~~) whose name(~~s~~) is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacity(~~ies~~), and that by his/~~her/their~~ signature(~~s~~) on the instrument the person(~~s~~), or the entity upon behalf of which the person(~~s~~) acted, executed the instrument.

SONIA L. ANGELO
Comm. # 1087856
NOTARY PUBLIC - CALIFORNIA
Monterey County
My Comm. Expires Feb. 16, 2000

WITNESS my hand and official seal.

Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

EXHIBIT G

Title or Type of Document: MONTEREY REGIONAL WATER POLLUTION CONTROL AGENCY ADDENDUM TO ANNEXATION AGREEMENT AND GROUNDWATER MITIGATION FRAMEWORK FOR MARINA AREA LANDS

Document Date: APRIL 17, 1996 Number of Pages: 6

Signer(s) Other Than Named Above: NONE

Capacity(ies) Claimed by Signer(s)

Signer's Name: MALCOLM D. CRAWFORD

☐ Individual
☒ Corporate Officer
Title(s): SECRETARY, BOARD OF DIRECTORS
☐ Partner — ☐ Limited ☐ General
☐ Attorney-in-Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other:

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

Signer Is Representing:

MARINA COAST WATER DISTRICT

Signer's Name:

☐ Individual
☐ Corporate Officer
Title(s):
☐ Partner — ☐ Limited ☐ General
☐ Attorney-in-Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other:

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

Signer Is Representing:

© 1994 National Notary Association • 8236 Remmet Ave., P.O. Box 7184 • Canoga Park, CA 91309-7184 Prod. No. 5907 Reorder: Call Toll-Free 1-800-876-6827

ACKNOWLEDGMENT

STATE OF New Mexico)
: ss.
COUNTY OF Bernalillo)

On April 8, 1996, before me, Lupe Estrada, a Notary Public, duly commissioned and sworn, personally appeared JAY MAX ARMSTRONG

☐ personally known to me, or

☒ proved to me on the basis of satisfactory evidence

to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument, the person, or the entity upon behalf of which the person acted, executed the same.

WITNESS my hand and official seal.

Lupe Estrada
Signature

OFFICIAL SEAL
LUPE ESTRADA
NOTARY PUBLIC-STATE OF NEW MEXICO
My commission expires: 3-29-98

{Seal}

ACKNOWLEDGMENT

STATE OF WASH)
: ss.
COUNTY OF KING)

On 4/4, 1996, before me, SANDRA G. HARVEY, a Notary Public, duly commissioned and sworn, personally appeared DARRELL L. MURRAY

☑ personally known to me, or

☐ proved to me on the basis of satisfactory evidence

to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument, the person, or the entity upon behalf of which the person acted, executed the same.

WITNESS my hand and official seal.

Sandra G. Harvey
Signature

SANDRA G. HARVEY
COMMISSION EXPIRES
NOTARY
PUBLIC
3-11-97
STATE OF WASHINGTON

{Seal}

ACKNOWLEDGMENT

STATE OF CALIFORNIA)
: ss.
COUNTY OF Fresno)

On April 4, 1996, 1996, before me, Lupe M. Perez, a Notary Public, duly commissioned and sworn, personally appeared CLYDE W. JOHNSON III

☐ personally known to me, or

☑ proved to me on the basis of satisfactory evidence

to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument, the person, or the entity upon behalf of which the person acted, executed the same.

WITNESS my hand and official seal.

Signature

LUPE M. PEREZ
COMM. #972946
NOTARY PUBLIC-CALIFORNIA
FRESNO COUNTY
MY COMMISSION EXPIRES
SEPTEMBER 7, 1996

{Seal}

ACKNOWLEDGMENT

STATE OF CALIFORNIA)
: ss.
COUNTY OF Fresno)

On April 4, 1996, before me, Lupe M. Perez, a Notary Public, duly commissioned and sworn, personally appeared EDWIN A. JOHNSON

☐ personally known to me, or

☒ proved to me on the basis of satisfactory evidence

to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument, the person, or the entity upon behalf of which the person acted, executed the same.

WITNESS my hand and official seal.

Signature

LUPE M. PEREZ
COMM. #372946
NOTARY PUBLIC-CALIFORNIA
FRESNO COUNTY
MY COMMISSION EXPIRES
SEPTEMBER 7, 1996

{Seal}

ACKNOWLEDGMENT

STATE OF CALIFORNIA)
: ss.
COUNTY OF MONTEREY)

On March 29, 1996, before me, Jeannine L. Kreider, a Notary Public, duly commissioned and sworn, personally appeared JOHN A. ARMSTRONG II

☒ personally known to me, or

☐ proved to me on the basis of satisfactory evidence

to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument, the person, or the entity upon behalf of which the person acted, executed the same.

WITNESS my hand and official seal.

Signature {Seal}

MGC1 Jeannine L. Kreider MGC1
Comm. #1090740
NOTARY PUBLIC · CALIFORNIA
MONTEREY COUNTY
Comm. Exp. March 17 2000

ACKNOWLEDGMENT

STATE OF CALIFORNIA)
: ss.
COUNTY OF MONTEREY)

On March 29, 1996, before me, Jeannine L. Kreider, a Notary Public, duly commissioned and sworn, personally appeared JAMES IRVINE ARMSTRONG, JR.

☒ personally known to me, or

☐ proved to me on the basis of satisfactory evidence

to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument, the person, or the entity upon behalf of which the person acted, executed the same.

WITNESS my hand and official seal.

Signature

{Seal}

MGC1 Jeannine L. Kreider MGC1
Comm. #1090740
NOTARY PUBLIC - CALIFORNIA
MONTEREY COUNTY
Comm. Exp. March 17 2000

ACKNOWLEDGMENT

STATE OF CALIFORNIA)
: ss.
COUNTY OF Yolo)

On April 4, 1996, before me, Kara K Walker, a Notary Public, duly commissioned and sworn, personally appeared SUSANNE IRVINE ARMSTRONG

☒ personally known to me, or

☐ proved to me on the basis of satisfactory evidence

to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity, and that by her signature on the instrument, the person, or the entity upon behalf of which the person acted, executed the same.

WITNESS my hand and official seal.

Kara K. Walker
Signature

{Seal}

KARA K. WALKER
Comm. #992609
NOTARY PUBLIC - CALIFORNIA
YOLO COUNTY
Comm. Expires April 25, 1997

ACKNOWLEDGMENT

STATE OF CALIFORNIA)
: ss.
COUNTY OF MONTEREY)

On MAY 6, 1996, before me, PAUL M. HAMERLY, a Notary Public, duly commissioned and sworn, personally appeared WALTER J. McCULLOUGH

☑ personally known to me, or

☐ proved to me on the basis of satisfactory evidence

to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument, the person, or the entity upon behalf of which the person acted, executed the same.

WITNESS my hand and official seal.

Signature

{Seal}

VRS2 PAUL M. HAMERLY
COMM. #1033393
Notary Public-California
Monterey County
My Comm. Exp. Sept. 20, 1998 VRS2

ACKNOWLEDGMENT

STATE OF CALIFORNIA)
: ss.
COUNTY OF MONTEREY)

On MAY 6, 1996, before me, PAUL M. HAMERLY, a Notary Public, duly commissioned and sworn, personally appeared ELIZABETH S. ARMSTRONG

☑ personally known to me, or

☐ proved to me on the basis of satisfactory evidence

to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity, and that by her signature on the instrument, the person, or the entity upon behalf of which the person acted, executed the same.

WITNESS my hand and official seal.

Paul M. Hamerly
Signature {Seal}

VRS2 PAUL M. HAMERLY
COMM. #1033393
Notary Public-California
Monterey County
My Comm. Exp. Sept. 20, 1998 VRS2

State of California

County of Alameda

On April 1, 1996, before me, Judith Ann Duit/Notary Public, personally appeared Ronald L. Blick, personally known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Judith Ann Duit, Notary Public

PWR1 JUDITH ANN DUIT Comm. # 1036845 NOTARY PUBLIC - CALIFORNIA Alameda County My Comm. Expires Aug. 21, 1998 PWR1

OPTIONAL INFORMATION

The information below is not required by law. However, it could prevent fraudulent attachment of this acknowledgment to an unauthorized document.

CAPACITY CLAIMED BY SIGNER (PRINCIPAL)

- ☐ INDIVIDUAL
- ☑ CORPORATE OFFICER

President RMC LONESTAR
TITLE(S)

- ☐ PARTNER(S)
- ☐ ATTORNEY-IN-FACT
- ☐ TRUSTEE(S)
- ☐ GUARDIAN/CONSERVATOR
- ☐ OTHER:

SIGNER IS REPRESENTING:
Name of person(s) or entity(ies)
RMC LONESTAR

DESCRIPTION OF ATTACHED DOCUMENT

Annexation Agreement and Groundwater Mitigation Framework for Marina Area Lands
TITLE OR TYPE OF DOCUMENT

27 plus exhibit A - I
NUMBER OF PAGES

3/26/96
DATE OF DOCUMENT

OTHER

City of Marina

211 HILLCREST AVENUE
MARINA, CA 93933
TELEPHONE (408) 384-3715
FAX (408) 384-0425

CERTIFICATE OF ACKNOWLEDGEMENT

STATE OF CALIFORNIA)
) *ss.*
County of Monterey)

On April 5, 1996, before me, Joy P. Junsay, City Clerk of the City of Marina, California, personally appeared James L. Vocelka, Mayor of the City of Marina, California, personally known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal of the City of Marina, California.

Dated this 8th day of April, 1996.

Joy P. Junsay, City Clerk

ACKNOWLEDGMENT

STATE OF CALIFORNIA)
: ss.
COUNTY OF MONTEREY)

On March 29, 1996, before me, Jeannine L. Kreider, a Notary Public, duly commissioned and sworn, personally appeared DONALD G. HUBBARD

☒ personally known to me, or

☐ proved to me on the basis of satisfactory evidence

to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument, the person, or the entity upon behalf of which the person acted, executed the same.

WITNESS my hand and official seal.

Signature

{Seal}

Jeannine L. Kreider
Comm. #1090740
NOTARY PUBLIC - CALIFORNIA
MONTEREY COUNTY
Comm. Exp. March 17 2000