

Willow County Water District

151 Laws Avenue
Ukiah, California 95482-6655
707-462-2666
FAX 707-462-2687

June 07, 2005

Mr. Chris Stone
Ukiah Land LLC
3080 So. State Street
Ukiah, CA 95482

RE: Willow County Water District's Conditional Will-Serve Letter

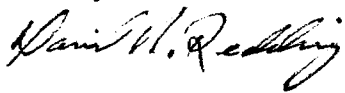
Dear Mr. Stone:

Pursuant to a request made to the Board of Directors of the Willow County Water District at its Feb. 14, 2005 Board Meeting, the Board wishes to provide you with information on the terms and conditions under which it would provide water service to the proposed 210 unit subdivision. This property is currently within District boundaries and receives irrigation and domestic water service.

The District has determined that while it has sufficient water supplies to provide service to this project, the physical infrastructure of the District at the present time cannot accommodate this project. The District is therefore issuing this conditional will-serve letter regarding water service to this project. While sufficient infrastructure capacity may not currently exist, with construction of certain improvements the District would be able to fully serve this property.

The District will make a determination of the required improvements, and you will be required to enter into an agreement with the District to fund and or undertake construction of the required improvements. In addition, you will be required to pay for the District's reasonable attorney fees, engineering fees, and costs related to the negotiations and completion of the agreement. The agreement will also include an indemnity provision whereby you will agree to indemnify the District for any and all damages, costs and liability accruing from the District's issuance of this conditional will-serve letter, or the failure of subsequent developers and or purchasers to take or receive notice of this letter or the subsequent agreement.

Sincerely,



David N. Redding
General Manager

UKIAH VALLEY SANITATION DISTRICT

Executive Director
300 Seminary Drive
Ukiah, California 95482-5400
TELEPHONE: (707) 463-6295
FAX: (707) 463-6740

May 31, 2005

Mr. Christopher Stone, Manager
Ukiah Land, LLC
3000 South State Street
Ukiah, CA 95482

Mr. Stone,

I am in receipt of your latest email dated April 28, 2005 in which you propose to change your proposed sewer connections from 275 to 210 at a rate of 70 per year for your mixed use project at 3000 South State Street.

As you are aware, the Ukiah Valley Sanitation District (the District) agreed to supply your initial request of 275 connections based on their meeting review of March 23, 2005. The connection request will now be changed accordingly to reflect the latest request of 210 ESSUs.

Please be aware, the District relies for sewage treatment on the wastewater treatment plant ("the Plant") owned and operated by the City of Ukiah ("the City"). The City is currently undertaking an environmental review for a major reconstruction and capacity addition of the Plant that will increase its sewage treatment capacity or ESSUs. The City has informed the District the planned plant construction is tentatively scheduled to commence in July 2005. Additional ESSUs will be available to the District after the treatment plant upgrade/capacity project is completed.

Based on these facts, the District has sufficient capacity to serve new development projects provided the development projects proceed through the planning process and use the ESSU capacity within a reasonable time as outlined in the District's adopted ESSU procedure.

Any ability to provide sewer service to the your development is subject to and may be affected by limitations arising under generally applicable local, state and federal laws and policies regulating to the use and operation of the sewer system, including the Plant, and the enforcement of those laws by regulatory agencies or administrative or judicial enforcement proceedings.

COUNTY OF MENDOCINO
Michael Delbar
First District Supervisor

BOARD OF DIRECTORS
COUNTY OF MENDOCINO
Jim R. Wattenburger
Second District Supervisor

CITY OF UKIAH
Douglas Crane
Ukiah City Council

May 31, 2005

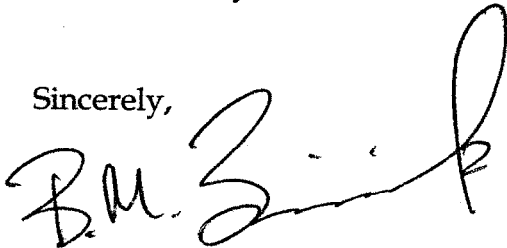
Please be advised a citizen suit under the Clean Water Act is currently pending in the United States District Court for the Northern District of California against the City which alleges the sewer collection system and the Plant are currently operated in violation of the Act. The North Coast Regional Water Quality Control Board will be reviewing and revising the waste discharge requirements for the sewer system and Plant, beginning in January 2005.

In addition, on April 13, 2005 the Ukiah Valley Sanitation District was served with a notice of similar violations with the intent to file suit under the Clean Water Act. This is very similar to the City of Ukiah's initial notice and will be discussed with the District's legal Council accordingly.

In regards to fees: The District adopted a connection fee schedule that increases as more of the available ESSUs are acquired. The schedule starts at approximately \$8,760 per ESSU increasing to \$16,760. Presently the fees are at \$11,760 per ESSU. Additional fees might be appropriate for infrastructure construction, etc.

If there are any further sanitation questions regarding this project please contact me.

Sincerely,



Bernard M "Bernie" Ziemianek
Executive Director - UVSD
300 Seminary Avenue
Ukiah, CA 95482-5400
O: 707-463-6295
F: 707-463-6740
email: berniez@cityofukiah.com

Copies To: R. Hall, County of Mendocino
T. McArthur, City of Ukiah
C. Stump, City of Ukiah



August 19, 2005

Chris Stone
3080 South State Street
Ukiah, CA 95482

Re: Will Serve Notice Gardens Gate Project

Dear Chris,

This letter is to confirm that the proposed project located on South State Street in Ukiah, California is within the SBC serving area in the Ukiah Main Exchange. Under its present plans SBC expects to be in a position to provide telephone service to applicants in the above development upon request in accordance with requirements of and at the rates and charges in its tariffs on file with the California Public Utilities Commission.

This offer to provide service will terminate 24 months after the date of this letter unless both of the following first occur: 1) a service agreement is executed by the developer and SBC; and, 2) all charges, if required, are paid by the developer.

If you have any questions I can be contacted on 707 468-2605.

Sincerely,

A handwritten signature in cursive script that reads 'Maureen Devany'. The signature is written in black ink and is positioned above the printed name and title.

Maureen Devany
SBC Ukiah Engineering



*Pacific Gas and
Electric Company*

August 3, 2005

2641 North State Street
Ukiah, CA 95482

707.468.3914
Fax: 707.468.3967

Ukiah Land, LLc
Mr. Chris Stone
3080 S State St
Ukiah, Ca 95482

Ref:Gardens Gate Project
3000 S State St,Ukiah

Dear Mr. Stone :

This will confirm and serve to notify all interested agencies that electric and gas facilities are now existing and adjacent to the above referenced project.

The developer is required to make arrangements to remove or relocate any facilities conflicting with the development of this property.

Extension of electric and gas distribution facilities into this area will be made, upon request by the developer, in accordance with our Electric Rules 15 and 16 on file with the California Public Utilities Commission (copies of these rules may be obtained at this office upon request); provided any and all rights of ways will be provided for the facilities owned and operated by PG&E.

A project deposit will be required prior to our starting engineering work on this development. Any such payment shall be refunded or otherwise credited against any amounts due and owing by the developer when we have completed installation of our mainline extension facilities for this project.

PG&E will require an application for service, along with the supporting documentation and project deposit, and is proceeding with the engineering design of facilities to be installed.

When engineering is complete, PG&E's costs for extending and/or relocating electric distribution facilities will be available.

If you require additional information, please contact me at (707)468-3736.

Sincerely,

Deni Lee,
Senior New Business Representative