

REIMBURSEMENT
AND
SHORTFALL AGREEMENT

This Agreement is made by and between Rancho Murieta Community Services District ("District"), Winncrest Homes, Inc. ("Winncrest"), and FN Projects, Inc. ("FN") with respect to the following:

Recitals

WHEREAS, Winncrest owns approximately 98 acres of undeveloped land which is within the District and lies south of the Cosumnes River (the "Winncrest Property").

WHEREAS, FN owns approximately 150 acres of developed and undeveloped land which is within the District and lies south of the Cosumnes River (the "FN Property").

WHEREAS, at the request of Winncrest and FN (collectively, the "Landowners"), the Rancho Murieta Community Services District has taken the necessary steps to form a Community Facilities District (the "CFD") covering lands within that portion of the Rancho Murieta Community Services District south of the Cosumnes River and north of California State Highway No. 16, including but not limited to the Winncrest and FN Properties (collectively, the "Properties").

WHEREAS, the CFD was formed for the purpose of financing improvements (the "Improvements") necessary to serve the lands within the boundaries of the CFD including, but not limited to,

water transmission and storage facilities, storm drainage facilities, sanitary sewer pumping station, sanitary sewer force main, wastewater treatment plant expansion, water treatment plant expansion and other community facilities.

WHEREAS, FN has, upon request from the District, advanced to the District the sum of \$3,501,831 for expenses incurred by the District in forming the Community Facilities District and/or constructing portions of the Improvements.

WHEREAS, in addition to the funds advanced to the District by FN, FN has itself incurred directly \$663,809 in CFD formation and Improvement costs.

WHEREAS, the funds advanced and the costs incurred by FN for formation of the CFD and for construction of portions of the Improvements, as described above, are costs which are included in the expenses to be paid out of the proceeds of bonds to be issued by the CFD (the "Bonds").

WHEREAS, Landowners and District desire to make provision for reimbursement of the costs incurred and the funds advanced by FN, as described above, out of the proceeds of the Bonds.

WHEREAS, for purposes of assuring the District that the Improvements will be completed, Landowners acknowledge that they will share responsibility for the costs of constructing the Improvements to the extent that the funds for the financing thereof are not available from the Bond proceeds.

WHEREAS, Landowners further acknowledge that the authorization of the issuance of bonds by the CFD is contingent upon the execution of this Reimbursement and Shortfall Agreement with the District providing for the financing of their respective shares of the costs of the Improvements in the event and to the extent that the Bonds provide insufficient funding for the completion of such Improvements.

WHEREAS, the Improvements, or portions thereof, will also benefit property not a part of the CFD.

WHEREAS, Landowners and District also desire to make provisions for the equitable sharing of the costs incurred in constructing the Improvements by the properties benefitting from the Improvements.

NOW, THEREFORE, District, Winncrest and FN agree as follows:

Agreement

1. Initial Reimbursement. In the event, and only in the event, that the Bonds are sold, FN shall be fully reimbursed out of proceeds from the initial CFD bond sale for the \$3,501,831 in CFD-related funds advanced by FN pursuant to District's request and the \$663,809 in CFD-related costs incurred by FN (collectively, the "Initial Reimbursement"). Such Initial Reimbursement shall occur not later than 15 days following closing of the initial CFD bond sale.

2. Anticipated Shortfall. The cost of the Improvements (the "Improvement Costs") is estimated to be \$15,795,000 (inclusive of

the Initial Reimbursement amount) as set forth in Exhibit A, attached hereto and incorporated herein by reference. The proceeds of the proposed CFD bond sale are estimated to be sufficient to fund \$9,205,158 of the Improvement Costs (inclusive of the Initial Reimbursement amount). As a result, an estimated shortfall of \$6,589,842 is anticipated (the "Anticipated Shortfall").

3. Shortfall Securities.

A. To assure completion of the Improvements, Winncrest and FN shall post irrevocable letters of credit, or such other form of security as may be approved by District, the terms of which shall be acceptable to the District and the sum of which shall be equal to the amount of the Anticipated Shortfall (the "Shortfall Securities"). For accounting purposes only, FN's obligations under this Agreement with respect to securing and funding any shortfall, and any reimbursement rights resulting therefrom, shall be allocated to two separate accounts designated "FN-1" and "FN-2" as set forth below and in the provisions that follow. Each Landowner shall post security in the following amounts and percentage shares of the Anticipated Shortfall:

Winncrest	\$1,971,106	29.91%
FN-1	\$2,930,978	44.48%
FN-2	\$1,687,759	25.61%

In the event all or any portion of the Anticipated Shortfall is collected by or reimbursed to District in accordance with

Sections 7.B, 7.C and 7.D below, the amounts of the Shortfall Securities posted by Landowners shall be reduced accordingly as provided in Section 7.D.

B. The Shortfall Security shall have an initial effective period of at least one (1) year and shall be renewed on an annual basis thereafter until the Improvements have been completed and accepted by the District. Each such renewal shall be made by the party posting the security not later than thirty (30) days prior to its expiration.

C. Should Winncrest or FN fail to renew any Shortfall Security in accordance with 3.B above, District shall be entitled to draw down the full amount of the Shortfall Security prior to its expiration.

D. Provided Winncrest and FN are in compliance with the provisions of Section 3.B above, the costs of constructing the Improvements (including the Initial Reimbursement) shall be paid out of the CFD bond proceeds until such proceeds are exhausted. Upon exhaustion of the CFD bond proceeds, District shall be entitled under this Agreement to make monthly written demands (the "Shortfall Demands") upon Winncrest and FN for payment of their respective shares of the costs of the Anticipated Shortfall, as such costs are billed to the CFD. In making a Shortfall Demand, District shall list the Anticipated Shortfall costs by Improvement and shall include copies of invoices evidencing such costs together with a

recommendation from the District Engineer for payment. Within five (5) days following receipt of a Shortfall Demand, each Landowner shall make a cash payment to the District equal to its respective share of the costs of the Anticipated Shortfall, as such share is determined in accordance with the provisions of Section 3.E. If either Landowner fails to make payment within the five (5) day payment period, District shall be entitled, under this Agreement and the express terms of the Shortfall Security, to draw down the Landowner's Shortfall Security by the amount of the Shortfall payment due from such Landowner. In the event all or any portion of the Anticipated Shortfall is collected by or reimbursed to the District in accordance with Sections 7.B, 7.C and 7.E of this Agreement, Winncrest and FN shall be reimbursed all or a portion of the amounts paid out or drawn down hereunder as provided in Section 7.E.

E. Any Improvement costs that result in an Anticipated Shortfall shall be spread among Winncrest and FN in accordance with the following percentage shares:

Winncrest	--	29.91%
FN-1	--	44.48%
FN-2	--	25.61%

4. Unanticipated Shortfall. The actual costs of the Improvements may exceed the estimated costs set forth in Exhibit A. As a result, shortfalls may occur over and above the

Anticipated Shortfalls described in Section 3 (the "Unanticipated Shortfalls"). Unanticipated Shortfalls may be discovered either at the time of or prior to the receipt of bids by the District for construction of an Improvement or after the contract for construction of an Improvement is awarded by the District.

5. Unanticipated Shortfalls Discovered Prior to An Award of Contract.

A. In the event that the bids received by the District for construction of an Improvement result in projected costs that exceed the total estimated cost of the Improvement as set forth in Exhibit A, Landowners shall post security in addition to that required by Section 3.A (the "Additional Security"), the form and terms of which shall be acceptable to the District and the sum of which shall be equal to the difference between the total estimated cost of the Improvement and the projected costs based on the bids received (the "Pre-Contract Unanticipated Shortfall"). Each Landowner shall post such Additional Security in an amount equal to its respective share of the costs of the Pre-Contract Unanticipated Shortfall, as such share is determined in accordance with the following schedule:

Category I Improvements, as designated in Exhibit A:

Winncrest	0.00%
FN-1	100.00%
FN-2	0.00%

Category II Improvements, as designated in Exhibit A:

Winncrest	26.36%
FN-1	51.07%
FN-2	22.57%

Category III Improvements, as designated in Exhibit A:

Winncrest	52.12%
FN-1	3.26%
FN-2	44.63%

Should Landowners fail to post the Additional Security as provided herein, District reserves the right not to proceed with construction of the Improvement. In the event that a portion of the Pre-Contract Unanticipated Shortfall is collected by or reimbursed to District in accordance with Sections 7.B, 7.C and 7.D below, the amount of the Additional Security shall be reduced accordingly.

B. The Additional Security shall have an initial effective period of at least one (1) year and shall be renewed on an annual basis thereafter until the Improvement that is subject thereto has been completed and accepted by the District. Each such renewal shall be made by the party posting the security not later than thirty (30) days prior to its expiration.

C. Should Winncrest or FN fail to renew any Additional Security in accordance with 5.B above, District shall be entitled to draw down the full amount of the Additional

Security prior to its expiration.

D. Provided Winncrest and FN are in compliance with the provisions of Section 5.B above, the costs of constructing an Improvement for which Additional Security has been posted shall be paid first, out of the CFD bond proceeds until such proceeds are exhausted and second, with Anticipated Shortfall payments made pursuant to a Section 3.D demand, until the Anticipated Shortfall is fully funded. Upon exhaustion of the CFD bond proceeds and full funding of the Anticipated Shortfall, District shall be entitled under this Agreement to make monthly written demands upon Winncrest and FN for payment of their respective shares of the costs of the Pre-Contract Unanticipated Shortfall, as such costs are billed to the CFD. In making a Shortfall Demand pursuant to this Section 5, District shall list the Unanticipated Shortfall costs by Improvement and shall include copies of invoices evidencing such costs together with a recommendation from the District Engineer for payment. Within five (5) days following receipt of a Shortfall Demand made pursuant to this Section, each Landowner shall make a cash payment to the District equal to its respective share of the costs of the Pre-Contract Unanticipated Shortfall, as such share is determined in accordance with the schedule set forth in Section 5.A. If either Landowner fails to make payment within the five (5) day payment period, District shall be entitled, under this

Agreement and the express terms of the Additional Security, to draw down the Landowner's Additional Security by the amount of the Shortfall payment due from such Landowner. In the event that any portion of the Pre-Contract Unanticipated Shortfall is collected by or reimbursed to the District in accordance with Sections 7.B, 7.C and 7.E of this Agreement, Winncrest and FN shall be reimbursed all or a portion of the amounts paid out or drawn down hereunder as provided in Section 7.E.

6. Unanticipated Shortfalls Discovered Following an Award of Contract. In the event that an Unanticipated Shortfall occurs following the award of a contract for construction of an Improvement (a "Post-Contract Unanticipated Shortfall"), District may make monthly written demand upon Landowners for payment of the costs of the Post-Contract Unanticipated Shortfall as such costs are billed to the CFD. In making such a demand, District shall list the Post-Contract Unanticipated Shortfall costs by Improvement and shall include copies of invoices evidencing such costs together with a recommendation from the District Engineer for payment. Within five (5) days following receipt of such demand, each Landowner shall make a cash payment to the District equal to its respective share of the costs of the Unanticipated Shortfall, as such shares are determined in accordance with the schedule set forth in Section 5.A.

7. External Benefits; Subsequent Reimbursement.

A. District and Landowners agree that the Improvements, or portions thereof, to be financed pursuant to the provisions of Section 3 above (the "Benefitting Improvements"), will benefit property that is not a part of the proposed Community Facilities District (the "Benefitted Property"). The Benefitted Properties are shown on Exhibit B, attached hereto and incorporated by reference. The value of the Benefitting Improvements attributable to the Benefitted Properties is estimated to be \$6,589,842 (the "External Benefit"), as set forth in Exhibit C, attached hereto and incorporated by reference. The actual External Benefit may either exceed or be below this estimate, depending upon the actual final costs of constructing the Benefitting Improvements. For purposes of determining the External Benefit, the actual final costs of constructing the Benefitting Improvements shall include any financing costs incurred by Winncrest and FN. Financing costs shall be calculated at the average coupon rate of the Bonds.

B. To assure a fair and equitable sharing of Improvement Costs by the owners benefitting from the Improvements, District shall not enter into any agreement to extend or provide facilities nor shall it issue "will serve" letters with respect to a Benefitted Property unless and until the owner of such Property has reimbursed District for its pro

rata share of the External Benefit. The External Benefit shall be spread among the Benefitted Properties in accordance with the following percentage allocations or such other allocations as District may adopt through the formation of a Benefit District or a district created in whole or in part for the purpose of financing reimbursement of the External Benefit:

<u>Description of Benefitting Property</u>	<u>Pro Rata Share of External Benefit</u>	<u>Estimate of External Benefit</u>
Stonehouse School	3.9%	\$255,927
Unit No. 5	10.1%	\$663,162
Calero	5.7%	\$377,523
Unit No. 6	4.1%	\$272,612
RM North	45.9%	\$3,017,759
Villas	6.7%	\$443,440
Hotel Site	8.6%	\$567,683
Lt. Industrial	1.0%	\$ 65,418
Commercial	8.0%	\$529,332
Lookout	0.2%	\$ 11,985
RM Country Club	<u>5.8%</u>	<u>\$385,000</u>
TOTAL	100%	\$6,589,842

The pro rata shares of the External Benefit set forth above have been calculated in accordance with allocation of benefit for specific Improvements and, further, in accordance with the

distribution of dwelling units pursuant to the allocations approved for Improvement District No. 1.

C. If any Improvement District, Assessment District, Community Facilities District or other public financing mechanism is created by District which includes any or all of the Benefitted Properties, the amount to be financed by such entity shall include, and the proceeds of any bonds issued by such entity shall first be used to reimburse District (and/or Winncrest and FN in accordance with Section 7.B, 7.D and 7.E) for that portion of the full cost of the Improvements attributable to the benefits received by the Benefitted Properties included therein.

D. In the event that certain costs of the Improvements are collected by District in accordance with Section 4.B or are financed in accordance with Section 4.C, and such collection or financing occurs prior to a cash payment or draw down made pursuant to Section 3.D, the funds so collected or financed shall be used by the District to reduce the amount of the Shortfall Securities posted by Landowners to cover the Anticipated Shortfall. If any funds so collected from or financed by the Benefitted Properties remain after such reductions are made, and the funds are collected or financed prior to a cash payment or draw down made pursuant to Section 5.D, the remaining funds shall be used to reduce the amount of the Additional Security posted by Landowners to cover

Unanticipated Shortfalls discovered prior to the award of a contract, where such Unanticipated Shortfalls involve a Benefitting Improvement.

E. In the event that such collection or financing occurs subsequent to a cash payment or draw down of the Shortfall Security made pursuant to Section 3.D or a contribution to funding an Unanticipated Shortfall involving a Benefitting Improvement made pursuant to Sections 5.D or 6, Winncrest and FN shall be reimbursed by District from the funds so collected or financed in an amount not to exceed the amount of the outstanding balance of cumulative Shortfall payments made by the Landowners. Such reimbursement shall be made to Landowners in proportion to their respective contributions to the Shortfall and shall include any financing costs incurred by Winncrest or FN during the period that such amounts were outstanding, to be calculated at the average coupon rate of the Bonds. In no event shall the reimbursement obligation assumed by District pursuant to this Agreement exceed the actual amounts collected by District pursuant to Sections 7.B and 7.C.

F. In the event that portions of the External Benefit are received by District subsequent to the reimbursement of Winncrest or FN of the full amounts due pursuant to this Section 7, such portions shall be deposited with the CFD and shall constitute either a prepayment of the Special Tax or

shall be used to retire outstanding bonds issued by the CFD, at the sole discretion of the District. The benefit of such prepayment of tax or bond redemption shall be spread in precise proportion to the levy of the special tax by the CFD.

G. District agrees to use its best efforts to carry out the provisions of this Section 7, but makes no warranty that it will be successful in securing reimbursement of the External Benefit as contemplated herein.

8. Reimbursement from Savings - Unanticipated Shortfalls.

In the event that the Drainage Pump Station, the Sewer Pump Station, and/or the Sewer Force Main are completed at costs below the estimated costs of such Improvements as set forth in Exhibit A, the savings resulting therefrom shall be used, upon completion of all Improvements, to reimburse Winncrest and FN, pro-rata on the basis of the relative amounts paid hereunder, for any contribution made by such Landowners to the funding of an Unanticipated Shortfall.

9. Reimbursement - Formation Costs. In addition to the \$3,501,831 in CFD-related funds advanced by FN that will be fully reimbursed out of Bond proceeds pursuant to Section 1 above, FN also advanced \$169,232 in funds to cover formation costs attributable to consideration of the inclusion of the Benefitted Properties in the CFD. In the event that a subsequent Community Facilities District is formed which includes the Benefitted Properties or some portion thereof and bonds are issued, the

Benefitted Properties included therein shall reimburse FN, in an amount not to exceed \$169,232, for the value of any formation costs that are avoided (the "Avoided Costs") as a result of the work already funded by FN in the course of forming Rancho Murieta Community Services District CFD No. 1. Such reimbursement shall be included in the amount to be financed by the new Community Facilities District and shall be made out of the proceeds of the bonds issued thereby. It is anticipated by the Parties to this Agreement that the Avoided Costs and the reimbursement resulting therefrom will decrease as the time between the formation of RMCSD CFD No. 1 and a subsequent Community Facilities District increases.

10. Reimbursement Personal. The rights to reimbursement under this Agreement are personal to Winncrest and FN and shall not run with the Winncrest and FN Properties unless expressly assigned by Winncrest or FN.

11. Assignment.

A. Landowners may assign their rights and obligations under this Agreement, with the prior written consent of District, which consent shall not be unreasonably withheld and shall be limited to the District's review and analysis of the proposed assignee's financial ability to perform Landowner's obligations hereunder. No such assignment shall be made unless and until the party to which the assignment is to be made has entered into an agreement with the District expressly assuming the obligations set forth herein and has posted such

security as is required hereby, in a form and with terms which are acceptable to the District. The Landowner making the assignment shall not be relieved of any of its obligations under this Agreement unless and until such an assumption agreement has been fully executed and has become effective and such security has been posted and accepted by District.

B. District acknowledges that FN may wish to assign the obligation it has assumed pursuant to its "FN-2" account, as such account is designated and set forth herein, together with any reimbursement rights resulting therefrom, to N.T. Hill, Inc. ("Hill"), the owner of approximately 68 acres of undeveloped land which is within the CFD. The District agrees that such an assignment may be made provided that Hill enters into an agreement with the District containing terms and conditions identical to those set forth herein and posts such security as is required hereby, in a form and with terms which are acceptable to the District.

12. Reimbursement - Twenty Year Term. Landowners' rights to reimbursement under this Agreement shall expire twenty (20) years following the effective date of this Agreement.

13. Failure to Fund. In the event that Landowners fail in any respect to meet their obligations under this Agreement to fund either Anticipated or Unanticipated Shortfalls, District shall have the right to deny or withhold issuance of "will serve" letters, line extension agreements and/or the installation of water meters.

Such remedies shall be in addition to and not in lieu of any other remedy in equity or law to which District may be entitled or any cause of action which District may bring in any state or federal court to enforce the provisions of this Agreement.

14. Ownership of Improvements. The Improvements financed pursuant to this Agreement shall be owned by the District.

15. Severability. In the event that any provision of this Agreement is held to be invalid, void or otherwise unenforceable by any court of competent jurisdiction, such provision(s) shall be deemed severable from the remainder of this Agreement and shall in no way affect, impair or invalidate any other provisions contained herein. Should any provision of this Agreement be held unenforceable, Landowners and District shall take such steps as equity and good faith require to provide for completion of the Improvements and reimbursement of the Improvement costs incurred by Landowners.

16. Indemnification. Landowners agree to defend, indemnify and save and hold harmless District, its officers, agents and employees from any and all claims, damages, liability or actions arising out of or connected with this Agreement, expressly including any action challenging the validity of this Agreement. Such agreement to defend, indemnify and save and hold harmless District shall expressly exclude any and all claims made or actions brought by Landowners or Landowners' heirs or assigns against District to enforce the provisions of this Agreement.

17. Obligations Arising From Agreement. Neither District funds nor District monies, except the CFD funds and accounts, shall be liable for payment of any obligations arising from this Agreement. Neither the full faith and credit nor the taxing power of the District is pledged for the payment of any obligations arising from this Agreement. Landowners may not compel the exercise of Districts' taxing power or the forfeiture of any of its property to satisfy any obligations arising from this Agreement. The obligations arising from this Agreement are not a debt of the District, nor a legal or equitable pledge, charge, lien or encumbrance upon any of its property, or upon any of its income, receipts or revenues, except the revenues to the CFD arising from the Bonds.

18. Legal Fees. In the event that legal action is necessary to enforce the provisions of this Agreement, the prevailing party(ies) shall be entitled to reasonable attorneys' fees and costs.

19. Amendment. Amendments or modifications to this Agreement shall be in writing and executed by all parties.

20. Entire Agreement. This Agreement and any attachments hereto constitute the entire agreement and understanding between District and Landowners concerning the subject matter contained herein.

21. Notices. All notices requested by this Agreement shall be in writing and delivered in person or sent by certified mail,

postage prepaid. Written notices or communications required by or concerning this Agreement shall be addressed as follows:

District:

Rancho Murieta Community Services District
P. O. Box 1050
14670 Cantova Way, Suite 104
Rancho Murieta, California 95683

Winncrest:

Winncrest Homes
9985 Folsom Boulevard
Sacramento, California 95827
Attention: Gary Parker

FN:

FN Projects, Inc.
c/o First Nationwide Savings
706 Mission Street, 9th Floor
San Francisco, California 94103
Attention: Mark Connolly

Any party may change the address stated herein by giving notice in writing to the other parties, and thereafter notices and correspondence shall be addressed and transmitted to the new address.

22. Counterpart Execution. This Agreement may be executed in counterpart.

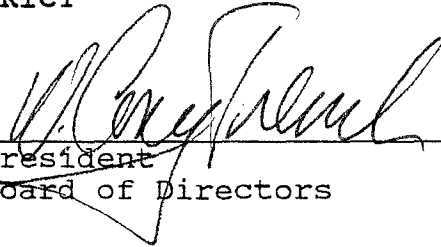
23. Exhibits. Attached hereto and incorporated herein by this reference are the following Exhibits:

- A - Shortfall Allocations by Improvement
- B - Benefitted Properties
- C - External Benefit by Improvement

IN WITNESS WHEREOF, the parties execute this Agreement on the date(s) set forth below.

RANCHO MURIETA COMMUNITY SERVICES DISTRICT

Dated: February 20, 1991

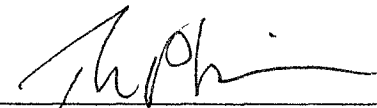
By: 
President
Board of Directors

Attest:


Secretary

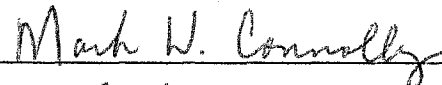
WINNCREST HOMES, INC., a California Corporation

Dated: February 20, 1991

By: 
THOMAS P. WINN
President

FN PROJECTS, INC., a California Corporation

Dated: February 15, 1991

By: 
Its: First Vice-President

By: _____

Its: _____

STATE OF CALIFORNIA

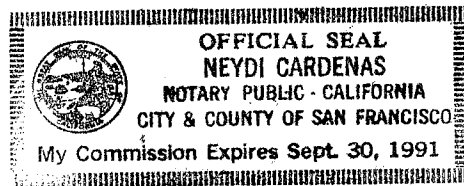
COUNTY OF San Francisco

On February 15, 1991, before me, the undersigned notary public, personally appeared Mark W. Connolly,

personally known to me
 proved to me on the basis of satisfactory evidence

to be the person who executed the within instrument as 1st Vice President on behalf of the corporation therein named, and acknowledged to me that the corporation executed it.

Neydi Cardenas
NOTARY PUBLIC



STATE OF CALIFORNIA

COUNTY OF Sacramento

On Feb. 20, 1991, 1991, before me, the undersigned notary public, personally appeared Thomas P. Wilson

personally known to me
 proved to me on the basis of satisfactory evidence

to be the person who executed the within instrument as President on behalf of the corporation therein named, and acknowledged to me that the corporation executed it.

Connie S. Peach
NOTARY PUBLIC



STATE OF CALIFORNIA

COUNTY OF Sacramento

On February 20, 1991, before me, the undersigned notary public, personally appeared W. Corey Trench,

- personally known to me
- proved to me on the basis of satisfactory evidence

to be the person who executed the within instrument as President on behalf of the corporation therein named, and acknowledged to me that the corporation executed it.

Carole S. Pugh
NOTARY PUBLIC

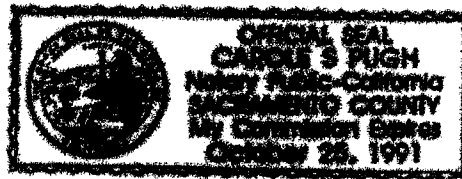


Exhibit A
Rancho Murieta Community Facilities District No. 1
Shortfall Allocations by Improvement

Improvements By Category	Total Estimated Cost of Improvement	Portion of Costs Funded By CFD	Anticipated Shortfall	Allocation of Anticipated Shortfall			Allocation of Unanticipated Shortfall		
				FN-1	FN-2	Winncrest	FN-1	FN-2	Winncrest
Category I Improvements									
C. Drainage Pump Station	\$1,805,000	\$1,805,000	NA	NA	NA	NA	100.00%	0.00%	0.00%
N. Alameda Drive Water Transmission Pipeline	\$100,000	\$71,000	\$29,000	100.00%	0.00%	0.00%	100.00%	0.00%	0.00%
Category II Improvements									
A. Water Transmission Pipeline	\$2,350,000	\$1,096,426	\$1,253,574	51.07%	22.57%	26.36%	51.07%	22.57%	26.36%
B. Water Storage Reservoir	\$2,600,000	\$940,525	\$1,659,475	51.07%	22.57%	26.36%	51.07%	22.57%	26.36%
F. Wastewater Treatment Plant - Phase II	\$3,025,000	\$1,131,346	\$1,893,654	51.07%	22.57%	26.36%	51.07%	22.57%	26.36%
D. Sewer Pump Station	\$560,000	\$560,000	NA	NA	NA	NA	51.07%	22.57%	26.36%
E. Sewer Force Main	\$150,000	\$150,000	NA	NA	NA	NA	51.07%	22.57%	26.36%
H. Cosumnes River Bridge	\$770,000	\$139,269	\$630,731	51.07%	22.57%	26.36%	51.07%	22.57%	26.36%
I. Fire Equipment	\$135,000	\$122,397	\$12,603	51.07%	22.57%	26.36%	51.07%	22.57%	26.36%
Category III Improvements									
G. Water Plant Expansion - Phase III									
Site Improvements	\$1,355,000	\$314,426	\$1,040,574	3.26%	44.63%	52.12%	3.26%	44.63%	52.12%
Treatment Plant	\$2,945,000	\$2,874,769	\$70,231	3.26%	44.63%	52.12%	3.26%	44.63%	52.12%
Total	\$15,795,000	\$9,205,158	\$6,589,842	\$2,930,978 (a) 44.48%	\$1,687,759 (a) 25.61%	\$1,971,106 (a) 29.91%			

(a) Owners' total allocation of anticipated shortfall as a percentage of total anticipated shortfall.

reallocation

Note: Letter identifications for facilities correspond to Giberson & Associates Cost Spread Version 17.

EXHIBIT "B"

RANCHO MURIETA COMMUNITY FACILITIES DISTRICT No.1
 BENEFITTED PROPERTIES

84002.23
 CFDEXHB
 NOVEMBER 26, 1990

DESCRIPTION OF BENEFITTING PROPERTY	IMPROVEMENT DISTRICT No.1 ASSESSMENT No.1 (1)
STONEHOUSE SCHOOL	1
UNIT No.5	2,3
CALERO	5
UNIT No.6	389
RM NORTH	391,503,504
VILLAS	6
HOTEL SITE	369
LT. INDUSTRIAL	50
COMMERCIAL	382
LOOKOUT	52
RM COUNTRY CLUB	073-0190-080 (2)

- (1) AS RECORDED IN BOOK 66 OF MAPS OF ASSESSMENT DISTRICTS, AT PAGE 8 IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF SACRAMENTO, STATE OF CALIFORNIA.
- (2) THE RM COUNTRY CLUB IS NOT A PART OF IMPROVEMENT DISTRICT No.1, THEREFORE THE NUMBER SHOWN REFERS TO SACRAMENTO COUNTY ASSESSORS PARCEL NUMBER.

Exhibit C
Rancho Murieta Community Facilities District No. 1
External Benefit By Improvement

Benefitting Improvements By Category	Estimated Cost Of Benefitting Improvement	Estimated External Benefit	External Benefit as Percent of Total Cost
Category I Benefitting Improvements			
N. Alameda Drive Water Transmission Pipeline	\$100,000	\$29,000	29.00%
Category II Benefitting Improvements			
A. Water Transmission Pipeline	\$2,350,000	\$1,253,574	53.34%
B. Water Storage Reservoir	\$2,600,000	\$1,659,475	63.83%
F. Wastewater Treatment Plant - Phase II	\$3,025,000	\$1,893,654	62.60%
H. Cosumnes River Bridge	\$770,000	\$630,731	81.91%
I. Fire Equipment	\$135,000	\$12,603	9.34%
Category III Benefitting Improvements			
G. Water Plant Expansion - Phase III			
Site Improvements	\$1,355,000	\$1,040,574	76.80%
Treatment Plant	\$2,945,000	\$70,231	2.38%
Total	\$13,280,000	\$6,589,842	49.62%

Note: Letter identifications for facilities correspond to Giberson & Associates Cost Spread Version 17.