

Browns Valley Irrigation District

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November 8, 2005

Mr. Axel Karshoej
1437 Fureaux Road
Marysville, CA 95901

Re: Water Will Serve Capacity for Proposed Spring Valley Subdivision

Dear Mr. Karshoej:

This letter responds to your request for a will serve letter for the Spring Valley Subdivision proposed to be developed by the Spring Valley Group consisting of you and your partner, Gerry N. Kamilos (the "Project"). I understand that the Spring Valley Group is requesting that BVID serve up to 4,000 acre feet per year to the Project, which is located within BVID's boundaries.

As of the date of this letter, BVID has available sufficient raw water supplies for the Project. The property is located in the southwest portion of BVID's territory and has used a quantity of raw water annually for agricultural purposes. Because of proximity and other considerations, the primary water supply for the Project likely would be from the Yuba River. In order to extend water service to the Project of the amount and for the purposes requested, the Spring Valley Group will need to install or arrange for the installation of substantial on- and off-site improvements in accordance with the District rules and regulations, County requirements and the Spring Valley Specific Plan passed by the voters of Yuba County and approved by the County Board of Supervisors in 1992.

Firm service commitments by BVID to subdivisions are provided only by a development or main line extension agreement negotiated between the District and the developer and subject to all applicable State and County laws, regulations, approvals and permits for the subject project. New service connections and service to the Project would be subject to then applicable BVID ordinances, resolutions, policies, fees and charges. Such requirements, applicable to all users in the District, include BVID and State dry year reductions in water diversions, water shortage emergency cut-backs, and compliance with required and discretionary water conservation management plans and regulations.

This letter is only a statement of BVID's capacity conditions and ability to serve the Project as of the date set forth above, is specific to the Project and is issued solely for the benefit of the Spring Valley Group. This letter may not be transferred or assigned to any

other party (e.g., landowner or developer), property or project without BVID's prior written consent. This letter is not a contract, offer to contract, or binding commitment to provide service or reserve capacity to or for the Project.

This letter will remain in effect for a period of five years from the date set forth above and will thereafter expire.

Sincerely,



WALTER COTTER
General Manager

WC:

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