

EXHIBIT "B & C"

SEWER AND RECYCLED WATER FACILITIES REQUIRED TO BE DESIGNED & CONSTRUCTED

The following is a summary of the sewer and recycled water facilities, including appurtenances, required by District or other legal entities or codes, to be provided by Montecito under this Agreement.

SEWER FACILITIES (Exhibit B)

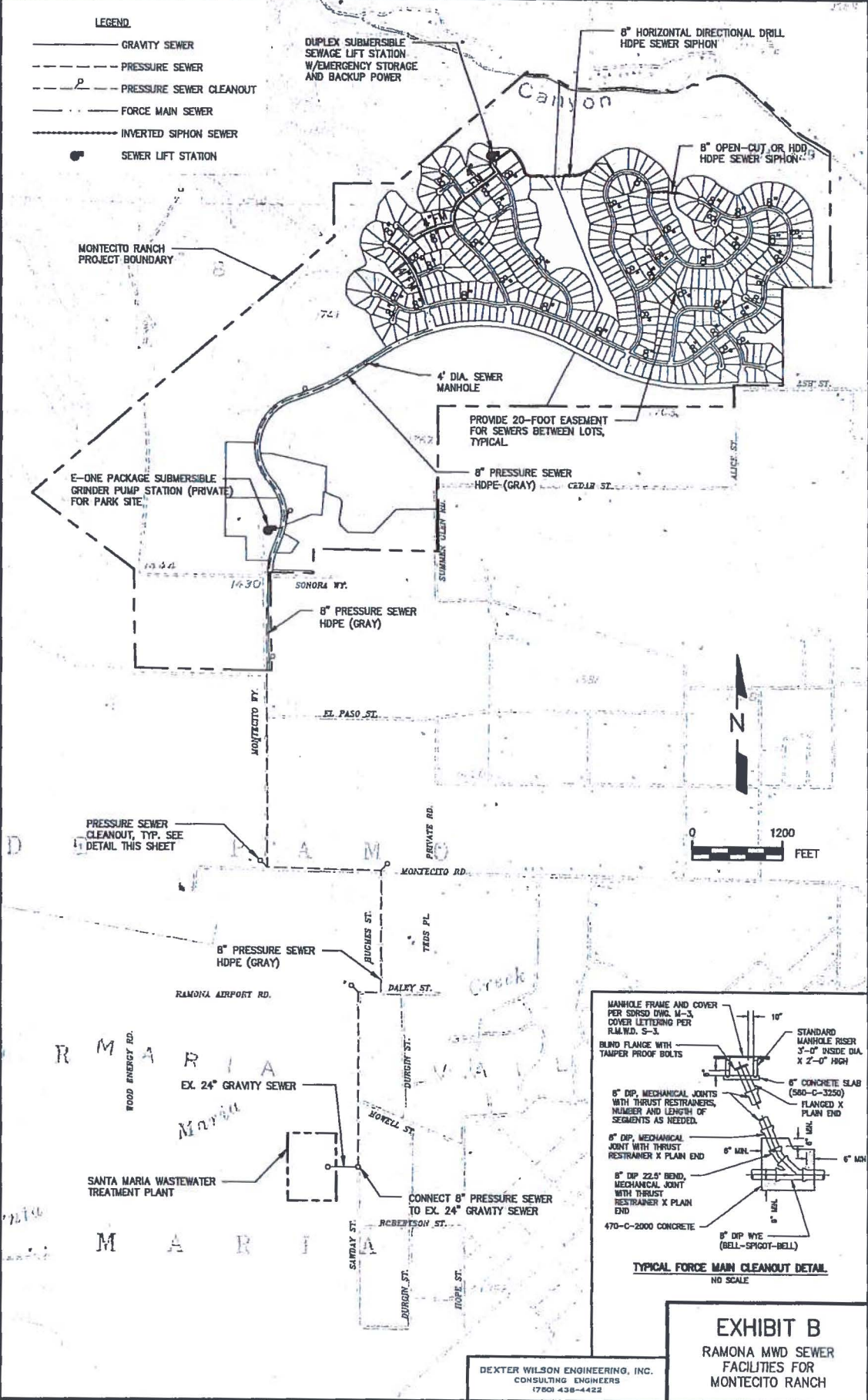
1. Wastewater Conveyance Facilities. Wastewater service to the Property requires that Montecito shall plan, design and construct, at its own cost, both on- and off-site wastewater conveyance pipelines and appurtenances. The wastewater conveyance pipelines shall be a minimum of 8 inches in diameter, with corresponding appurtenances in accordance with District design standards and review requirements. Wastewater conveyance pipelines will include those within the development boundaries serving the individual homes, as well as those along Montecito Way, Montecito Road, Hughes Street, Daily Street and Sawday Street, terminating at the Santa Maria Water Reclamation Plant influent facilities. Montecito shall also construct, at its own cost, any wastewater conveyance pipelines and appurtenances associated with the Property, to provide safe, reliable and proper water service to each EDU in the development, in accordance with District design standards and review requirements. Upon completion, all facilities shall be dedicated to the District. These facilities shall be constructed prior to wastewater service being provided to the Project.
2. Wastewater Pump Station. Service to the Property requires Montecito to plan, design and construct, at its own cost, a new wastewater pump station within the Project boundary. The new pump station shall be designed in accordance with District standards and review requirements, including associated electrical and standby generator improvements necessary to support a fully operable and functioning facility. Upon completion, all facilities shall be dedicated to the District. These facilities shall be constructed prior to wastewater service being provided to the Project.

RECYCLED WATER FACILITIES (Exhibit C)

1. Recycled Water Tertiary Treatment Facilities. Recycled water service to the Property requires Montecito shall plan, design and construct, at its own cost, a new tertiary treatment facility at the Santa Maria Water Reclamation Plant site. The new treatment facility is required to be a minimum of 0.185 mgd tertiary facility, meeting the requirements of District standards and review requirements, as well as Title 22 requirements. The new treatment facilities shall be constructed on the existing Santa Maria Water Reclamation Plant site, the exact location to be determined by the District. Upon completion, all facilities shall be dedicated to the District. These facilities shall be constructed prior to recycled water service being provided to the Project.
2. Recycled Water Pump Stations. Recycled water service to the Property requires that Montecito plan, design and construct, at its own cost, two recycled water pump stations, one at the Santa Maria Water Reclamation Plant and one at the Property boundary (associated with recycled

water storage and delivery discussed below). The recycled water pump stations shall be designed to District standards and review requirements, with sufficient size, capability and capacity to convey recycled water product water to the Project or to spray field disposal, including associated electrical and standby generator improvements necessary to support a fully operable and functioning facility. Upon completion, all facilities shall be dedicated to the District. These facilities shall be constructed prior to recycled water service being provided to the Project.

3. Recycled Water Conveyance Pipelines. Recycled water service to the Property requires that Montecito shall plan, design and construct, at its own cost, both on- and off-site recycled water conveyance pipelines and appurtenances. The recycled water conveyance pipelines shall be a minimum of 8 inches in diameter, with corresponding appurtenances in accordance with District design standards and review requirements. Recycled water conveyance pipelines will include those within the development boundaries serving the individual irrigation areas, as well as those along Montecito Way, Montecito Road, Hughes Street, Daily Street and Sawday Street, terminating at the Santa Maria Water Reclamation Plant recycled water pump station. Montecito shall retain ownership of recycled water conveyance pipelines and appurtenances associated with direct irrigation within the Property. The pipelines within Montecito Way, including those south to the treatment plant site, shall be dedicated to the District. All recycled water facilities, on-and off-site shall be constructed prior to wastewater service being provided to the Project. All recycled water facilities shall be designed and constructed in accordance with District design standards and review requirements, as well as state and local recycled water requirements (CDPH, and others).
4. Recycled Water Spray Fields. Recycled water service to the Property requires Montecito shall plan, design and construct, at its own cost, new spray field facilities within the Project boundaries. The new spray field facilities shall be designed to meet the requirements of District standards and review requirements, as well as Title 22 and CDPH requirements. The new spray fields, exact location to be determined, shall include the necessary piping and spray equipment as necessary to dispose of recycled water in a safe and legal manner. Upon completion, all facilities shall be dedicated to the District. These facilities shall be constructed prior to recycled water service being provided to the Project.
5. Recycled Water Storage Pond. Recycled water service to the Property requires that Montecito plan, design and construct, at its own cost, a recycled water storage pond of sufficient capacity (to be determined by the District) to accommodate and facilitate ongoing recycled water operations. The recycled water pond shall be located on the Property, adjacent to the new recycled water pump station and the new spray fields. The storage pond shall be designed to District standards and review requirements, as well as Title 22 and CDPH requirements, with sufficient size, capability and capacity, including associated appurtenances necessary to support a fully operable and functioning facility. Upon completion, all facilities shall be dedicated to the District. These facilities shall be constructed prior to recycled water service being provided to the Project.



- LEGEND**
- GRAVITY SEWER
 - PRESSURE SEWER
 - P- PRESSURE SEWER CLEANOUT
 - FORCE MAIN SEWER
 - INVERTED SIPHON SEWER
 - SEWER LIFT STATION

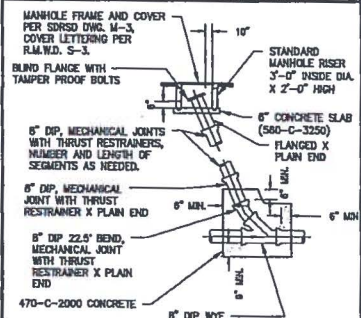


EXHIBIT B
RAMONA MWD SEWER FACILITIES FOR MONTECITO RANCH

DEXTER WILSON ENGINEERING, INC.
CONSULTING ENGINEERS
1780 438-4422

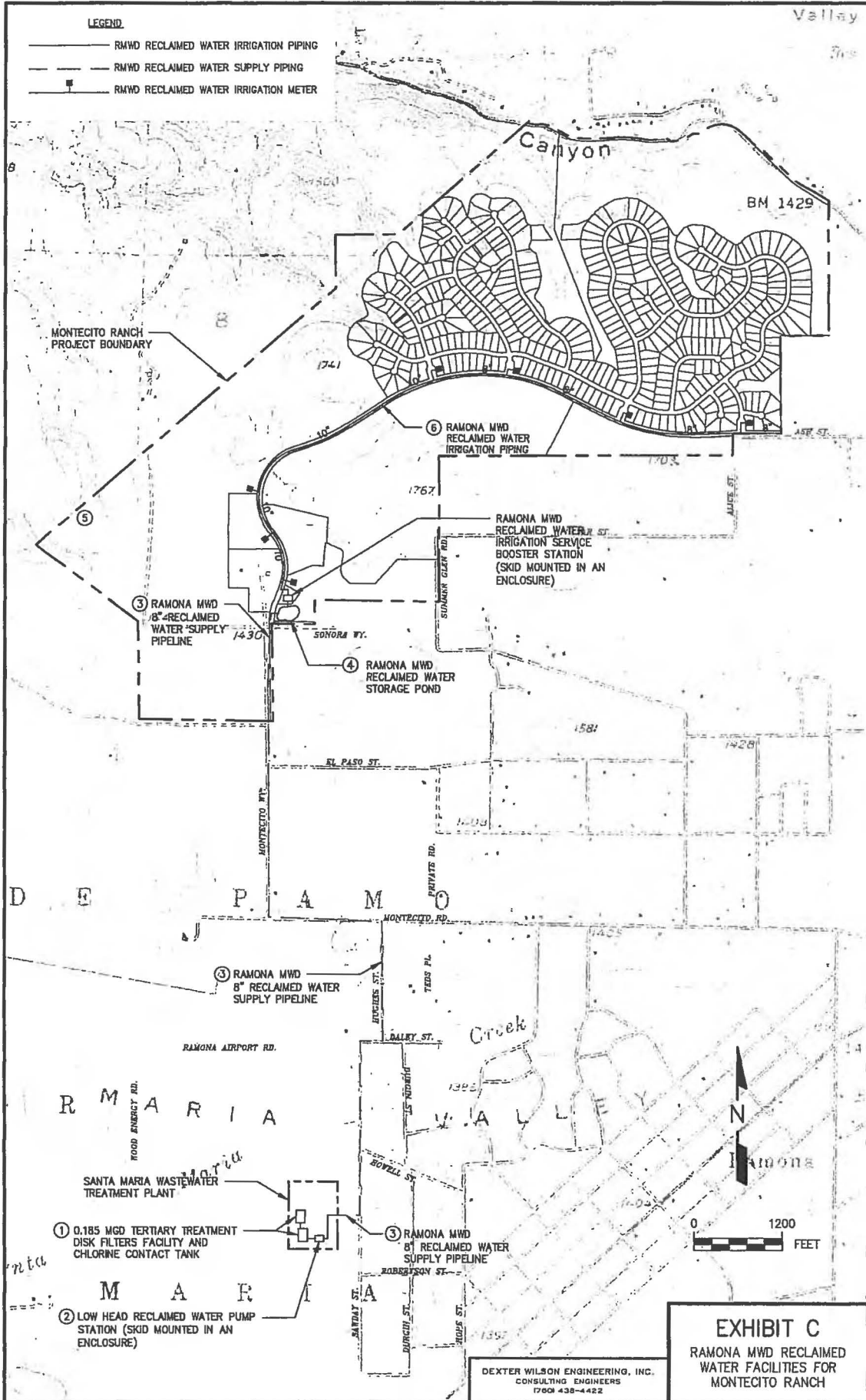


EXHIBIT "C"
**BOUNDARY MAP OF THE SANTA MARIA SEWER SERVICE AREA TO BE EXPANDED
TO INCLUDE THE SUBJECT PROPERTY**

DISTRICT SMSSA AND ASPA BOUNDARY MAP

