15160 Jackson Road, Rancho Murieta, CA 95683 Office - 916-354-3700 * Fax - 916-354-2082

IMPROVEMENTS COMMITTEE

(Directors Randy Jenco and Martin Pohll)

Regular Meeting September 1, 2020 at 8:00 a.m.

This meeting will be held via ZOOM video conference only pursuant to Gov. Newsom Executive Order N-29-20. You can join the conference by (1) logging on to https://us02web.zoom.us/j/84845821631, entering Meeting ID no. 848 4582 1631, and using the audio on your computer, or (2) dialing into 1-669-900-9128 and entering the meeting code 848 4582 1631. Those wishing to join with audio only can simply call the telephone number above and enter the code. Participants wishing to join the call anonymously have the option of dialing *67 from their phone. Please refer to your telephone service provider for specific instructions. *PLEASE NOTE – MOBILE DEVICE USERS MAY NEED TO INSTALL AN APP PRIOR TO USE AND MAC AND PC DESKTOP AND LAPTOP USES WILL REQUIRE YOU TO RUN A ZOOM INSTALLER APPLICATION – PLEASE FOLLOW DIRECTIONS AS PROVIDED BY ZOOM. IT IS RECOMMENDED YOU ATTEMPT TO LOGIN AT LEAST 5 MINUTES BEFORE THE START OF THE MEETING.*

AGENDA

- 1. Call to Order
- 2. Comments from the Public
- 3. Review Monthly Updates
 - Development
 - District Projects
- 4. Laguna Joaquin Update
- 5. Update on Encroachment Agreement
- 6. RMA Wooden Pedestrian Bridge Parcel Conveyance Update
- 7. Stimulus Project Update
- 8. Director and Staff Comments/Suggestions [no action]
- 9. Adjournment

[&]quot;In accordance with California Government Code Section 54957.5, any writing or document that is a public record, relates to an open session agenda item and is distributed less than 24 hours prior to a special meeting, will be made available for public inspection in the District offices during normal business hours. If, however, the document is not distributed until the regular meeting to which it relates, then the document or writing will be made available to the public at the location of the meeting."



In compliance with the Americans with Disabilities Act and Executive Order No. N-29-20, if you are an individual with a disability and you need a disability-related modification or accommodation to participate in this meeting or need assistance to participate in this teleconference meeting, please contact the District Office at 916-354-3700 or awilder@rmcsd.com. Requests must be made as soon as possible.

Note: This agenda is posted pursuant to the provisions of the Government Code commencing at Section 54950. The date of this posting is August 28, 2020. Posting locations are: 1) District Office; 2) Post Office; 3) Rancho Murieta Association; 4) Murieta Village Association.

MEMORANDUM

Date: August 27, 2020

To: Improvements Committee

From: Paul Siebensohn, Director of Field Operations

Subject: Monthly Development, Project & other Updates

Items of note:

Water Plant & Tanks Lightning Strike

Early Monday, August 24, 2020, morning, the Water Plant SCADA system failed, and water tank levels lost level communications back to the plant due to a lightning strike. Staff and I worked to reset the SCADA system and restart the plants, check on other facilities and needed to call in vendors to make necessary repairs and programming changes. Luckily our Chief Plant Operator caught this by checking on the water plant when he woke up early in the morning. We're working to make corrections to our system, so this won't happen again, and to have a backup system that will notify us if it does.

PROJECTS

District Projects

Water Rights Renewal

We are in the process of drafting checks to pay the fees associated with the permit renewal.

Recycled Water and Untreated Water Fee Study

No update. On hold until fall.

Chlorine Gas to Sodium Hypochlorite (Bleach) Conversion

Electrical conduits are being run for the various electrical and telemetry connections needed. Piping work is slowly being completed in between competing priorities for Utility staff who is doing the work.



Dam Inundation Mapping and Emergency Action Plans

Our consultant is working on the Emergency Action Plan for the Michigan Bar dam located at the wastewater facility. No response has been received back from Sacramento County OES on the submittal of the Calero, Clementia and Chesbro emergency action plans.

6B Sewer Lift Station PLC & Backpan Replacement

TESCO has scheduled a start-up visit for September 9, 2020 to prepare a plan for the panel swap over, which will require the site to be down for a period of time. We will have backup pumping available when the swap occurs.

PROJECTS

Development

The Retreats East and North

No update.

Rancho Murieta North – Development Project

The developer reports that they have a consultant working on incorporating traffic comments from the County and applicant.

The Murieta Gardens – Highway 16 Off-Site Improvements

The developer has returned the notarized copy of the Encroachment Agreement for one of the BelAir signs that was installed within the project easement of the CIA to the project. It will be added to the Board Agenda for approval at the September 16, 2020 Board Meeting.

MG - Lot 4&5

No update.

MG - Murieta Marketplace

No update.

MG -Lot 10 (PDF Office)

No update.

MG – Lot 11 (Circle K Gas Station/carwash)

The project provided a revised plan set back on August 21 in response to Coastland's review. Coastland will be reviewing

The Murieta Gardens I&II – Infrastructure

No update.

FAA Business Park

No update. It is assumed the project will be requesting water and sewer service soon.

The Residences of Murieta Hills East

No update. Project has yet to submit an application to the District regarding a formal project.

Riverview

Coastland has provided review comments back to the project on their first submittal of project documents or August 10. A sewer study was submitted later and is currently under review by Coastland.

MEMORANDUM

Date: August 27, 2020

From: Paul Siebensohn, Director of Field Operations

Subject: Laguna Joaquin basin update

Laguna Joaquin Operations:

Water continues to be routed from the Cosumnes River into the CIA ditch. When the water enters the diversion box behind the new Starbucks, it is split between Laguna Joaquin and the Anderson Ranch for irrigation. It is fortunate that the Cosumnes River is maintaining a decent flow for this time of year of around 12 cubic feet per second. The recent increase in the flow of the river has allowed there to be an increase in the water diverted into Laguna Joaquin.

Midge Fly Treatments:

Tom Hennig, General Manager, authorized additional midge fly treatments beyond our budgeted treatments to quell the midge fly hatches out of Laguna Joaquin. This season 5 treatments have taken place so far. The most recent treatment took place on August 20, 2020, with the next treatment scheduled to take place at the product's minimum reapplication time of two weeks. Treating the basin every two weeks, for six to eight weeks, was the recommendation made by the Sacramento/Yolo County Mosquito and Vector Control Agency. We have also ordered equipment that will assist with tracking the days when the midge flies hatch, which will also help us with the timing of our treatments.

There are a variety of other options/ideas for how to improve the situation at Laguna Joaquin. We are planning to address these in future meetings with the RMA. With shorter days and colder weather ahead, it will help the condition of the basin, and the midge fly hatches will naturally subside.

History and Treatment Options (by Lee Lawrence)

See the attached memo. Lee Lawrence was in charge of the District's utilities since the inception of the District until the time of his retirement in 2000.

To:

Ed Crouse

Improvements Committee

From:

R. Lee Lawrence

Date:

October 16, 1998

Subject:

Laguna Joaquin Water Quality

Laguna Joaquin was constructed in 1970 by the Operating Engineers to have a place to store water for irrigation of the north golf course areas that were not covered under riparian water rights.

To build the lake and use the Cosumnes Irrigation Association Ditch to move the water from the Granlee's Dams to the lake it was agreed that the ranches within the District could store irrigation water for 30 days at a time during the summer months. A water right was obtained to do that.

The lake was used to store drainage runoff water and to store water from the river for golf course irrigation, as time went on more and more water was being passed through the lake from the drainage system. In 1988 the RMCC rebuilt the north course and turned the pump station on Laguna Joaquin over to RMA for common area irrigation.

In 1987 RMCSD and RMA developed an agreement on the lakes where the water users at Laguna Joaquin would pay all RMCSD cost to maintain the water quality or do any cleanup of the lakes, copy of that matrix is attached. RMA is the only user of water out of Laguna Joaquin so they would pay the cost for any water quality improvements,

Some questions have been raised as to why something cannot be done to improve the water quality in Laguna Joaquin. There have been several suggestions on how to clear up the lake and how to improve the water quality in the lake. Some of the suggestion put forth to do this are:

Alternative #1 ADD MORE FOUNTAINS

The fountains were add to Laguna Joaquin in 1987 by RMCSD to help improve the water quality and avoid a major fish kill as had happen in the past. The fountains were installed at a cost of \$36,000 and were to be operated to maintain the oxygen level in the water. As time went on the residences got use to the fountains and complained when they were not operating. RMA paid for the cost of the fountains and the electrical cost to operate them.

The fountains do a good job of adding oxygen to the lake water and in doing so give the algae in the bottom of the lake part of the food it needs to grow, so adding more fountains contributes to the algae and odor problem.

Alternative # 2 DIG IT DEEPER:

Laguna Joaquin is about 25 acres and 6 feet deep to dig it to 12 feet deep it would be necessary to move 200,000 cubic yards at a estimated cost of \$10 to \$12 per yard for a estimated total cost of \$2.0 to \$2.5 million dollars.

Some of the main problems are:

Complete a full EIR for the soil to be removed.

Where will the soil being dug out be disposed of.

How to handle the constant inflow of water into Laguna Joaquin.

Could the work be completed in one season by the Training Center.

How would RMA irrigate their area during the time the lake was empty.

The last 4 feet of water would have to be pumped out, there is no drain.

Alternative #3 FILTER ALL WATER INTO THE LAKE:

All water running into Laguna Joaquin is drainage water or raw river water that is full of nutrients that feed the alga already in the lake. Laguna Joaquin has the worst of all conditions when it comes to alga growth it is shallow, plenty of sunlight, plenty of air from the fountains and a large supply of nutrients in the water.

To clean up the water before it gets into the lake would require a filter plant of some kind that could work with a small amount of water passing over it because of the elevations of the ditches as they flow into the lake.

Laguna Joaquin is a drainage lake that can be cleaned up to pristine water quality, all it takes is money. We must remember that it is a drainage lake that is designed to accept and let settle out the materials in the drainage system before the water passes into the river.

Some of the questions that come to mind are:

Where do we build it, on what land.

Do we build more than one plant or pipe all inlet water to the one plant.

Who will operate and maintain this plant, RMCSD or RMA.

Where will the funding for construction come from. Estimate of \$6/gal/day.

Alternative #4 RAISE THE DAM TO DEEPEN THE LAKE:

The lake has a freeboard of 4 to 5 feet from the high water line and raising the dam by 3 to 5 feet could place some of the houses around the lake into the FEMA Flood area which would require them to have flood insurance. Raising the dam by 1 to 2 feet might not present a problem for the homes but could cause a major problem with flooding back up in the drainage ditches.

Raising the dam is a minor problem to do it is only adding rows of concrete blocks on top of the 30 foot dam but the problems created would transfer our problem to several of the residences.

Alternative #5 USE OF AQUA SHADE WATER DYE

Aqua shade is a water dye that prevents sunlight from getting into the water and allowing the algae to grow, the amount of dye added is directly related to the amount of algae control you obtain. It is recommended that this dye be used in closed systems and not to systems that have a constant flow of water coming into the system, such as we have.

We are still looking into the use of Aqua Shade and what effects it could have on Laguna Joaquin water.

Alternative #6 CHANGE IRRIGATION SYSTEM (RMA)

Part of the problem is the water being pumped out of the lake for irrigation is coming from the bottom of the lake and full of algae and when it hits the lawns it dies and creates a major odor problem.

If Aqua Shade is used would it turn the lawns blue because it is a dye, should RMA use some type of chemical to kill the algae or should they install some type of filter to remove the algae before it gets onto the lawns.

Alternative #7 PUBLIC EDUCATION OF THE USES OF THE LAKE

To educate the public about the water in Laguna Joaquin and where it comes from and what it is used for would require putting together a mailing on the lake explaining all of that and having meetings with the residences to answer their questions. Even with that there would be some residences would not believe what was said.

This is the one thing that would get more information out to the public and do the most good.

Alternative #8 CHANGE OPERATION OF DRAINAGE SYSTEM

At present we clean the drainage ditches and spray them to prevent any growth of weeds in the bottom. A possible suggestion would be to let the weeds grow to a height of 6 inches in the bottom of the ditches which would hold back some water and use the water and nutrients before they can reach Laguna Joaquin.

This could reduce the chemical cost in the drainage budget and reduce the cost of labor to spray the ditches. It would take some study and checking to make sure no flooding will occur with this change in normal operation of the drainage ditches.

The above 8 alternatives are the suggestions we have heard or items that we have considered on ways to clean up the water in Laguna Joaquin, all of them are good ideas each with its own merits and each with its own drawbacks.

There is no way this lake will have a pristine look to it unless something is done to correct the things that cause the problems with the water. The fountains were placed in the lake to maintain the oxygen levels in the water and not for their ability to clean up the lake, they add to the algae problem.

This lake is not used as a swimming lake because it is a drainage-settling basin.

This memo is for information and if you have any other suggestions we will be happy to look into them and see if they can be made to work,

Page 1 of 3 1/28/93

EXHIBIT C
RECLAIMED WASTEWATER & RAW WATER DELIVERY SYSTEMS
OPERATION AND MAINTENANCE
RESPONSIBILITY MATRIX

										-
G. REMARKS		Pond level controlled by District		Lake level controlled by RMCC via Adjustable Probes and transfer pumps	Lake level controlled by RMCC via Adjustable Probes and Transfer Pumps			Pumps controlled by Irrigation System		Water quality dictated by Cosumnes River quality
F. POINT OF SERVICE		n/a	Pipeline Discharge Structure at Lake 16	n/a	n/a	n/a	n/a	Pump Station Intake Structure at Equalization Pond	North Course Side of PRV near Yellow Bridge	Pipeline Discharge Structure at Bass Lake
	Non District			RMCC	RMCC	RMCC	RMCC			
E WATER QUALITY	District	0	0					0	0	0
	Non District		4	RMCC	RMCC	RMCC	RMCC	RMCC	4	·
D. COST OF 0 & M	District	0	4						4	9
C. OPERATION AND MAINTENANCE	Non District			RMCC	RMCC	RMCC	RMCC			
	District	0	0					0	0	0
RSHIP	Non District			RMPI	RMPI	RMPI	RMPI			RMEI
B. OWNERSHIP	District	0	0					0	0	
	Raw Water			0	0	0	0 .			0
A. TYPE	Reclaimed Wastewater	0	0	0	0	0	0	0	0	
	Facility	Reclaimed Wastewater Equalization Pond	Equalization Pond-Lakes 16/17 (South Course) Pipeline	Lake 10-16/17 (South Course) Transfer Pipeline	Lakes 10 & 16/17 (South Course)	North Course Irrigation System	South Course Irrigation System	North Course Pumps at Equalization Pond	North Course Treated Elfluent Force Main (Wastewater treatment plant to Yellow Bridge)	Bass Lake River Pump and Pipeline to Bass Lake
	No.	1	2	3	4	5	9	7	80	6

		tated by	led by	χ.	ranlees	led by	٧٠	tated by	led by		
G. REMARKS		Water quality dictated by Cosumnes River quality	Lake level controlled by District upon request of RMCC	Pumps controlled by trigation System	System includes Granlees Dam, CIA Ditch; Pipelines & Appurtenances	Lake level controlled by District	Pumps controlled by Irrigation System	Water quality dictated by Cosumnes River quality	Lake level controlled by District		
	F. POINT OF SERVICE	Lake Clementia - Lake 10 Pipeline Intertie	n/a	Pump Station Intake Line	n/a	n/a	Pump Station Intake Line	n/a	n/a	Pipeline Discharge Structure at Lake 10	North Course side of PRV near Yellow Bridge
E WATER QUALITY	Non District			RMCC			v	RMCC			
E WATE	District	0	1		2	1			3	0	0
OF 0 & M	Non District			RMCC			5	RMCC		4	0
D. COSTOF0&M	District	9	1		2	1			3	4	
C OPERATION AND MAINTENANCE	Non District			RMCC			5	RMCC			RMCC
	District	0	1		2	1			3	0	
B. OWNERSHIP	Non District	RMPI		RMPI			RMPI	RMPI			RMPI
	District		1		2	1			е	0	
A. TYPE	Raw Water	0	0	0	0	0	0	0	0	0	
	Reclaimed Wastewater		0	0							, O
	Facility	Bass Lake Pipeline/Lake Clementia - Lake 10 Pipeline Intertie	Bass Lake	Bass Lake Irrigation Pump Station	Cosumnes Irrigation Association System	Lagma Joaquin	Laguna Joaquin Pump Station	River Pump at Old Bridge	Lake Gementia	Lake Clementia-Lake 10 (South Course) Pipeline	North Course Treated Effluent Force Main (Yellow Bridge to Bass Lake)
	N O	10	11	12	13	14	15	16	17	18	19

Footnotes:

- Bass Lake and Laguna Joaquin are owned by Rancho Muricta Association (RMA), but the District has an Easement for Operation and Maintenance of the lakes. District is responsible for water quality and control of aquatic growth and for maintaining the water level in the lakes. The District recovers its cost for operation and maintenance by direct billing to its customers.
- The system is owned by the Cosumnes Irrigation Association (CIA), but the District is authorized by the CIA to operate and maintain the facilities. The District charges CIA for its expense to its members on a benefit basis. Since the District is a member of CIA, the District in turn bills its customers for their respective share of these expenses. Water quality in CIA system is dictated by Cosumnes River quality. 5
- Lake Clementia is owned by RMA, but the District has an easement from RMA for operation and maintenance of the lake. The District is responsible for maintaining water level within limits of water rights, water quality and control of aquatic growth below the high water line of the lake and for maintenance and control of vegetation above the high water line of the lake. The District recovers its cost for diversion, storage and release of water by meter charges to its customers. က်
- District and RMCC agree to share the Operation and Maintenance costs of these facilities on a 50/50 basis. 4.
- RMCC and RMA will share the responsibilities and costs on a mutually agreeable pro rata basis.

5

The District recovers its cost for operation and maintenance of this facility by direct billing to its customers. 6.

MEMORANDUM

Date: August 28, 2020

From: Amelia Wilder, District Secretary

Subject: Murieta Marketplace Monument Sign Encroachment Agreement

Background:

On March 24, 2020, the District was informed verbally by the Murieta Gardens Developer, John Sullivan of Cosumnes River Land, that at least one of the monuments signs for Murieta Marketplace may have a CIA easement encroachment issue. Once the need for the encroachment was confirmed, we initiated the process for developing the agreement. Over the next few months, the Encroachment Agreement (Exhibit "A") was written. This document is the result of District Operations staff working with Coastland Engineering to identify the areas of encroachment and develop the agreement for Board review and approval.

Action:

With Committee approval, this item will be moved to the Regular Board Meeting on September 16, 2020, for approval.

Recording Requested by and

when recorded, mail to:

Rancho Murieta Community Services District 15160 Jackson Highway Rancho Murieta, CA 95683 Attention: General Manager

No Fee to Record G.C. 27383

ENCROACHMENT AGREEMENT

(Murieta Marketplace Monument Sign)

This Encroachment Agreement ("Agreement") is entered into by and among MURIETA MARKETPLACE ASSOCIATES, LLC, a California limited liability company ("MMA"), the Rancho Murieta Community Services District ("District"), a community services district organized under the laws of the State of California, and Cosumnes Irrigation Association ("CIA"), effective April 7th, 2020 ("Effective Date").

- 1. Recitals. This Agreement is made with reference to the following background recitals:
 - 1.1. MMA currently owns parcel 4 of the Murieta Marketplace shopping center (Sacramento County Assessor's parcel # 073-0890-004-000), as more fully described on Exhibit A ("Property"). A portion of the Property is burdened by a forty foot-wide Irrigation Easement held by CIA pursuant to that certain Irrigation Easement Deed dated September 9, 1987 and recorded on December 18, 1987 (pgs.402-419) in the Official Records of Sacramento County, California (the "Irrigation Easement Area").
 - 1.2. MMA has constructed on the Property a dual-facing monument sign ("Monument Sign") for the benefit of MMA's shopping center currently being

developed on and around the Property. The location of the Monument Sign on the Property as shown on the drawing dated February 20, 2020 attached as Exhibit B and is an encroachment on the Irrigation Easement Area.

- 1.3. District and CIA are willing to consent to the Monument Sign's encroachment on the Irrigation Easement Area on and subject to the terms of this Agreement.
 - 2. Grant of Entry and Consent to Encroachment

The CIA and District consent to MMA and its contractors and engineers having access onto such portions of the Irrigation Easement Area as are commercially reasonable and necessary to construct, install, operate, maintain, repair, replace and remove, if necessary, the Monument Sign from time to time (collectively, "Monument Sign Activities"), provided that such activities do not unreasonably interfere or damage the improvements owned by the CIA within the Irrigation Easement Area or interfere with their purposeful operation.

- 2.1. MMA agrees it shall be solely responsible any costs incurred by the CIA or the District for the operation, maintenance, repair, replacement or removal of CIA facilities within the Irrigation Easement to the extent those costs are increased by measures taken due to the encroachment of the Monument Sign within the Irrigation Easement. District and CIA agree to give at least seven days' notice to the MMA if work will need to be performed within the Irrigation Easement Area and the Monument Sign's immediate vicinity.
- 2.2. MMA will obtain, maintain and comply with all federal, state and local permits, licenses, approvals and authorizations that may be required for it to use the Irrigation Easement Area in accordance with this Agreement. MMA will comply with all federal, state and local laws and regulations applicable to its use of the Irrigation Easement Area.
- 2.3. This Agreement will automatically expire upon the removal of the Monument Sign from the Irrigation Easement Area for a continuous period of thirty or more days.

3. Risk of Loss. District and CIA have not prepared, and are under no obligation to prepare, the Irrigation Easement Area in any manner for its use by MMA, and MMA agrees to accept the Irrigation Easement Area in its as-is condition and state. MMA bears and assumes all risk of loss or damage to or destruction of its vehicles, equipment and other personal property that may be used on the Irrigation Easement Area from fire, theft, the condition of the Irrigation Easement Area, or any other casualty or loss, whether or not insured, and MMA agrees to hold District and CIA harmless with respect to any such loss, damage or destruction.

4. Hold Harmless, Indemnification, and Waiver

MMA agrees to indemnify, defend, protect and hold harmless the CIA and the District, and their officers, employees, directors, and agents, from and against any and all claims, demands, losses, damages, liabilities, causes of action, suits, judgments, penalties, taxes, costs and expenses, including, without limitation, court costs and attorneys' fees, consultants' and expert witness fees, of any nature, kind or description, pertaining to the Monument Sign, the Monument Sign Activities, and MMA's failure to comply with any provision of this Agreement. The foregoing indemnity and release shall not apply to the extent that any loss or damage is caused by the sole negligence or willful misconduct of the District or CIA.

- 4.1. MMA, for itself and its officers, employees, agents, and contractors, waives, releases, discharges, and promises not to sue the District or CIA and their officers, employees, and agents from and for any and all claims for damages for bodily injury, personal injury, death, or property damage that they may have, suffer or experience as a result of the use of or entry onto the Irrigation Easement Area. This release is intended to discharge, in advance, District and CIA, and their officers, employees, and agents from and against all such liability arising out of, or connected in any way with, the use of or entry onto the Irrigation Easement Area, even though that liability may arise out of District or CIA's negligent maintenance of, or a dangerous condition on, the Irrigation Easement Area.
- 4.2. MMA's obligations under this section shall survive the expiration or termination of this Agreement.
 - 5. General Provisions

- 5.1. This Agreement shall bind and inure to the benefit of the respective heirs, personal representatives, successors, and assigns to the parties hereto, and shall run with the Property.
- 5.2. This Agreement constitutes the sole, final, complete, exclusive and integrated expression and statement of the terms of this contract between the parties concerning the described subject matter, and it supersedes all prior negotiations, correspondence, memoranda, representations or agreements, either oral or written, that may be related to the subject matter.
- 5.3. The waiver at any time by any party of its rights with respect to a default or other matter arising in connection with this Agreement shall not be deemed a waiver with respect to any subsequent default or matter.
- 5.4. This Agreement may be modified or amended only by a writing approved and signed by both parties.

[All signatures must be notarized]

RANCHO MURIETA COMMUNITY SERVICES DISTRICT ("DISTRICT")

AT ITS	VED BY THE BOARD OF DIRECTORS MEETING ON THE DAY OF , 2020
Approv	ved as to form:
Ву:	
lts:	District Counsel
Ву:	
Name:	Timothy E. Maybee
lts:	President, Board of Directors

COSUMNES IRRIGATION ASSOCIATION ("CIA")

y: (awlUhlenny)

Name:

Carol Anderson Ward

its:

Majority-in-interest of CIA

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California County of Sacramento	
On August 25, 2020 before me, Ko	at Jones, Notary Public (insert name and title of the officer)
personally appeared <u>Carol Anderson</u> who proved to me on the basis of satisfactory evider subscribed to the within instrument and acknowledge his her/their authorized capacity(ies), and that by his person(s), or the entity upon behalf of which the person	nce to be the person(s) whose name(s) is/are ed to me that he/she/they executed the same in he/he/their signature(s) on the instrument the
I certify under PENALTY OF PERJURY under the la paragraph is true and correct.	ws of the State of California that the foregoing
WITNESS my hand and official seal.	KAT JONES Comm. #2328618 Notary Public- California
Signature Kat Jones	(Seal)

MURIETA MARKETPLACE ASSOCIATES, LLC,

("MMA")

a California limited liability company

By:

Name: John M. Sullivan

Its: Manager

Q₆ **{001**74212.3}

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California County of <u>Sacramento</u>)	
On August 25, 2020 before me, Kat J (insert	ones, Notary Public name and title of the officer)
who proved to me on the basis of satisfactory evidence to be subscribed to the within instrument and acknowledged to me his/her/their authorized capacity(ies), and that by his/her/their person(s), or the entity upon behalf of which the person(s) and the person(s) and the person(s) are the person(s).	ne that he/she/they executed the same in eir signature(s) on the instrument the
I certify under PENALTY OF PERJURY under the laws of the paragraph is true and correct.	he State of California that the foregoing
WITNESS my hand and official seal.	KAT JONES Comm. #2328618 Notary Public · California
Signatura Ka t (local)	Sacramento County Comm. Expires May 17, 2024

Exhibit A

Legal Description of the Property

(APN 073-0890-004-000)

Exhibit B

Monument Sign Drawing





2939 Academy Way Sacramento, California 95815 Tel 800, 927, 4762 Fax 916, 927, 2414

www.pacificneon.com

Project tio: 181045-12

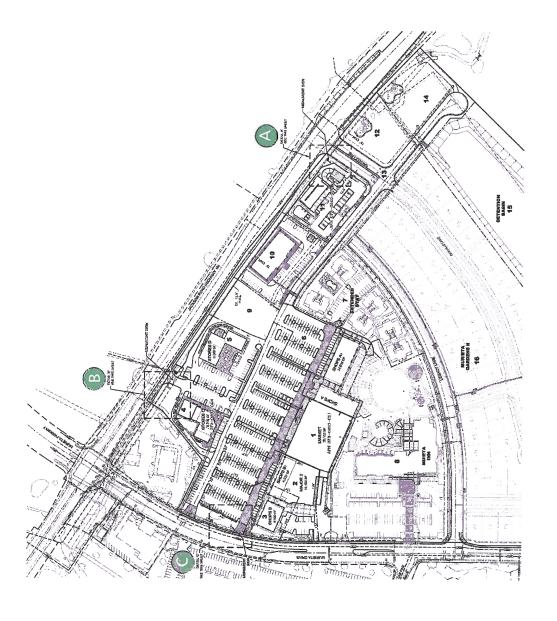
Account Executive: Mike Behnke

Elektrial Circulase. Lutamer to provide primary deficacied electrical circuldes with a separate ground to the electrical circuldes with a separate ground to have a separate electrical provides to have a separate electrical to 720 v. complete circuit for Shared meutral. Common ground to electrical panel acceptable.

California Title 24 Compliant

Copyright @2018
All print and electrone art remains the sole, exprighted property of Pacific Mean Company and are not to be distributed, copird, e-mailed or arrandomed in any very wildout print written referee acust Pacific Mean Company.







2939 Academy Way Sacramento, California 95815 Tel 800, 927, 4762 Fax 916, 927, 2414

www.pacificneon.com

Project #0: 181045-12

Address: 7225 Murieta Drive Murieta, CA 95682

Drawn By: Bruce Heller



PACIFIC NEON

2939 Academy Way Sacramento, California 95815

www.pacificneon.com

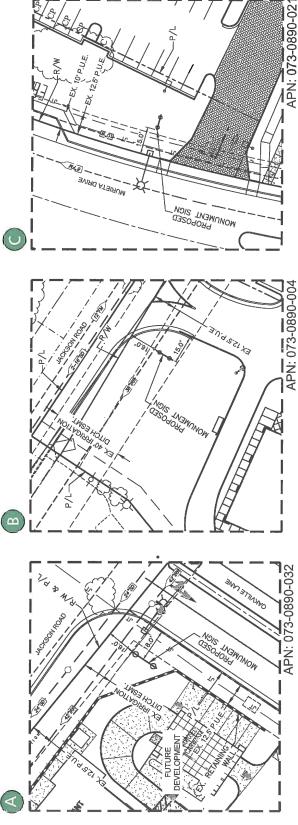
Tel 800, 927, 4762 Fax 916, 927, 2414

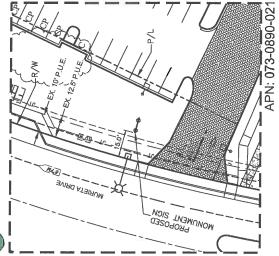
Project No. 181045-12

Account Executive: Mike Behnke

Project: **Murieta** Marketplace

Aithess: 7225 Murieta Drive Murieta, CA 95682





10.22.18 10.16.19 10.30.19 11.20.19 11.21.19 12.4.19

Electrical Crunits
Customer to provide primacy dedicated electrical
circulist with a sepacial gound to the decircla
publid. I.E.O. Electronist to have a separate
choll-cated I.ZDV complete circuit (No shared
meetal). Common ground to electrical panel
acceptable.

California Trile 24 Complicent

Copyright @2018
All print and electronic art remains the sole,
copylighted proceed by Exolic News Company and
are not to be distributed, copied, e-mailed or
are not to be distributed, copied, e-mailed or
ircs-defend in any way without prior written release
iron Falic News Corpsony.





Date: August 28, 2020

To: Paul Siebensohn, Director of Field Operations RMCSD

From: Laurie Loaiza, PE Coastland

cc: Tom Hennig, General Manager RMCSD

Dane Schilling, PE Coastland (District Engineer)

Subject: Pedestrian Bridge Conveyance - Status

As requested by the District, below is a summary of the Pedestrian Bridge Conveyance.

- 1. A Title Report was received from Old Republic Title Company on July 28,.2020. A copy is attached for reference.
 - a. The District acquired the property on May 30, 2006. Two exceptions were recorded the day of the transfer listed as items 35 and 36 on the title report and these items should be reviewed by District Counsel to better understand if they affect the District.
 - b. The District Counsel should verify if the existing grant deed with plat and legal from the 2006 is acceptable or if a new plat and legal needs to be prepared. Changes that have occurred since closing (such as items 35 and 36 discussed above) may trigger the need to have a new plat and legal prepared.
- 2. Board authorization is required, and District Counsel should verify required legal process for transfer of property (e.g. open or closed session). Board should additionally appoint a real property negotiator to act on behalf of District in this matter, typically the General Manager or District Counsel.
- 3. Once District Board approval is obtained, RMA should be presented with a complete package ready for signature, likely including a grant deed, plat and legal and title report. The conveyance will also include a blanket easement over the property to accommodate existing District utilities. RMA will likely need to obtain a certificate of acceptance (or similar) through their Board, although RMA should confirm their internal process.
- 4. On June 18, 2020, John Sullivan contacted the District to state that he is concerned about a CIA easement and culvert encroachment issue on the bridge property. He requested that it be addressed as part of the property conveyance, and that CIA be provided a copy of the title report for protection of their easement. This was further discussed in the July Improvements Committee meeting, where it was noted that this is a parcel conveyance and does not include any physical improvements. The title report exceptions do not include the CIA as having an easement on the property. Action item should include forwarding a copy of the title report for CIA review, as requested.

Guarantee No. A04286-CTG-193485

CONDITION OF TITLE GUARANTEE

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, AND THE GUARANTEE CONDITIONS ATTACHED HERETO AND MADE A PART OF THIS GUARANTEE,



GUARANTEES

the Assured named in Schedule A of this Guarantee against loss or damage not exceeding the Amount of Liability stated in Schedule A sustained by the Assured by reason of any incorrectness in the Assurances set forth in Schedule A:

OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY Dated: June 25th, 2020 at 8:00:00 AM

A Corporation 400 Second Avenue South, Minneapolis, Minnesota 55401

(612) 371-1111

Countersigned:

Ву Validating Officer Monroe Manie Wold

Schedule A

Order No. 2202065221-PL
Ref. No. Pedestrian Bridge
Guarantee No. A04286-CTG-193485

Liability \$ 900.00

Date of Guarantee June 25th, 2020 at 8:00:00 AM

Fee \$ 800.00

1. Name of Assured:

Rancho Murieta Community Services District and Coastland Civil

2. The estate or interest in the Land which is covered by this Guarantee is:

Fee

3. The Land referred to in this Guarantee is situated in the unincorporated area of the County of Sacramento, State of California, and is described as follows:

A portion of Parcel 7 as shown on that "Amended Parcel Map-Amending Map filed in Book 117, Parcel Maps, Page 15" filed in Book 123 of Parcel Maps, at Page 26 in the Office of the Recorder of Sacramento County, California described as follows:

Beginning at a point from which a 3/4" iron pipe at the centerline intersection of De La Cruz Drive and Granlee Lane as said intersection is shown on the "Plat of Rancho Murieta Unit No. 6" filed in Book 213 of Maps at Page 6, Sacramento County Records bears North 12° 56' 25" East 417.25 feet to a point on the Northerly line of said Parcel 7 and the centerline of Granlee Lane as shown on said "Plat of Rancho Murieta Unit 6", and along said centerline, North 15° 05' 46" West 156.70 feet;

Thence from said point of beginning South 12° 12′ 16″ East 20.00 feet;

Thence South 77° 47' 44" West 130.91 feet;

Thence South 14° 17' 37" East 340.83 feet;

Thence North 75° 42' 23" East 50.00 feet;

Thence South 14° 17' 37" East 67.49 feet to a point on the Northerly line of an Easement Quitclaim Deed to Rancho Murieta Community Services District recorded in Book 20040924, Page 1234, Sacramento County Records;

Thence along said Northerly line and along the arc of a curve to the left having a radius of 300.00 feet, through a central angle of 19° 26' 56", said arc being subtended by a chord of South 85° 03' 21" West 101.35 feet;

Thence continuing along said Northerly line and along the arc of a curve to the left having a radius of 300.00 feet, through a central angle of 16° 39' 24", said arc being subtended by a chord of South 67° 00' 11" West 86.91 feet;

Thence continuing along said Northerly line South 58° 40' 29" West 67.03 feet;

Thence leaving said Northerly line North 14° 17' 37" West 95.09 feet;

Page 2 of 11 Pages

Thence North 75° 42′ 23″ East 75.00 feet;

Thence North 14° 17′ 37″ West 404.15 feet;

Thence North 77° 47′ 44″ East 151.91 feet;

Thence South 12° 12′ 16″ East 30.00 feet;

Thence North 77° 47′ 44″ East 106.63 feet;

Thence South 12° 12' 16" East 20.00 feet to the point of beginning.

APN: 073-0190-107

4. Assurances:

According to the Public Records as of the Date of Guarantee,

a. Title to the estate or interest in the Land is vested in:

Rancho Murieta Community Services District, a public entity chartered under California Government Code Sections 61000 et seq.

Schedule B

Order No. 2202065221-PL

Ref. No. Pedestrian Bridge

Guarantee No. A04286-CTG-193485

Liability \$ 900.00

Date of Guarantee June 25th, 2020 at 8:00:00 AM

Fee \$ 800.00

b. Title to the estate or interest is subject to defects, liens or encumbrances shown in Schedule B which are not necessarily shown in the order of their priority.

- 1. Taxes and assessments, general and special, for the fiscal year 2020 2021, a lien, but not yet due or payable.
- 2. Taxes and assessments, general and special, are currently not assessed because of a statutory exemption. Should the statutory exemption change, taxes may be levied against the land.
- 3. The lien of supplemental taxes, if any, assessed pursuant to the provisions of Section 75, et seg., of the Revenue and Taxation Code of the State of California.
- 4. Assessments or charges that may be levied, of record or not, by the City or County of Sacramento. Further information on said assessments may be obtained by contacting the City at (916) 808-5454 or the County at (916) 875-5555. Specifically request current and delinquent charges.
- 5. Assessments that may be levied by the Rancho Murieta Utility District. Further information on said assessments may be obtained by contacting said district at (916) 354-3707. Specifically request current and delinguent charges.
- 6. Any adverse claim based upon the assertion that:
 - (a) Said land or any part thereof is now or at any time has been below the highest of the high water marks of the Consumnes River in the event the boundary of said Consumnes River has been artificially raised or is now or at any time has been below the high water mark, if Consumnes River is in its natural state.
 - (b) Some portion of said land has been created by artificial means or has accreted to such portion so created.
 - (c) Some portion of said land has been brought within the boundaries thereof by an avulsive movement of the Consumnes River, or has been formed by accretion to any such portion.

- 7. Any rights in favor of the public which may exist on said land if said land or portions thereof are or were at any time used by the public.
- 8. Any right, title, claims, or other interest, and such rights as may be incidental thereto, whether or not shown by the public records to the waters of Consumnes River.
- 9. Any easement for water course over that portion of said land lying within the banks of Consumnes River and any changes in the boundary lines of said land that have occurred or may hereafter occur from natural causes.
- 10. An easement affecting that portion of said land and for the purposes stated herein and incidental purposes as provided in the following

Granted To : Pacific Gas and Electric Company, a corporation, duly organized and

existing under and by virtue of the laws of the State of California

For : Transmission and distribution of electricity
Recorded : May 7, 1914 in Book 399 of Deeds, Page 343
Affects : The exact location is not defined of record

Note: Reference is made to said instrument for full particulars.

11. An easement affecting that portion of said land and for the purposes stated herein and incidental purposes as provided in the following

Granted To : Pacific Gas and Electric Company, a California corporation

For : Transmission and distribution of electricity

Recorded : July 29, 1936 in Book 586 of Official Records, Page 137

Affects : A portion of said land

Note: Reference is made to said instrument for full particulars.

12. An easement affecting that portion of said land and for the purposes stated herein and incidental purposes as provided in the following

Granted To : Pacific Gas and Electric Company

For : Electrical facilities

Recorded : May 2, 1939 in Book 749 of Official Records, Page 319

Note: Reference is made to said instrument for full particulars.

Granted To : Josephine D. Granlees and Wells Fargo Bank, a Corporation, as

Trustee under The Will of Arthur J. Granlees, deceased

For : Ingress and egress

Recorded : February 24, 1965 in Book 5185 of Official Records, Page 45 under

Recorder's Serial Number 15610

Affects : A portion of said land

The present ownership of said easement and other matters affecting the interests thereto, if any, are not shown herein.

14. An easement affecting that portion of said land and for the purposes stated herein and incidental purposes as provided in the following

Instrument : Easement

Granted To : Josephine D. Granlees and Wells Fargo Bank, a Corporation, as

Trustee under The Will of Arthur J. Granlees, deceased

For : Right of Way Easement for Roadway

Recorded : February 24, 1965 in Book 5185 of Official Records, Page 50 under

Recorder's Serial Number 15611

Affects : A portion of said land

The present ownership of said easement and other matters affecting the interests thereto, if any, are not shown herein.

15. An easement affecting that portion of said land and for the purposes stated herein and incidental purposes as provided in the following

Instrument : Easement

Granted To : Bank of America, N.T.& S.A., as Corporate Co-Trustee of the Pension

Trust Fund for Operating Engineers

For : Diversion and conveyance water and to flow water

Recorded : November 8, 1973 in Book 731108 of Official Records, Page 101

under Recorder's Serial Number 106261

Instrument : Easement

Granted To : Rancho Murieta Association, a California corporation

For : Pedestrian Ingress and egress

Recorded : April 15, 1974 in Book 740415 of Official Records, Page 303 under

Recorder's Serial Number 30742

Affects : A portion of said land

17. An easement affecting that portion of said land and for the purposes stated herein and incidental purposes as provided in the following

Instrument : Easement

Granted To : Rancho Murieta Association, a California corporation

For : Vehicular and Pedestrian temporary road

Recorded : April 15, 1974 in Book 740415 of Official Records, Page 308 under

Recorder's Serial Number 30743

- 18. An unrecorded agreement for maintenance and regulation as contained in Paragraph VI of an agreement dated December 27, 1978 between Rancho Murieta Properties, Inc. and the County of Sacramento, as disclosed by an instrument recorded July 17, 1979, in Book 790717, Page 1232, Official Records.
- 19. An easement affecting that portion of said land and for the purposes stated herein and incidental purposes as provided in the following

Granted To : The County of Sacramento

For : Public access easement for park purposes with the reservation of

right to alter boundary line

Recorded : July 17, 1979 in Book 790717 of Official Records, Page 1232 under

Recorder's Serial Number 118596

Affects : A portion of said land

20. Matters as contained or referred to in an instrument,

Entitled : Resolution No. 78-1490

Executed By : Sacramento County and Rancho Murieta Properties, Inc.

Dated : December 27, 1978

Recorded : December 27, 1978 in Book 791025 of Official Records, Page 1092

under Recorder's Serial Number 182595

Which Among

Other Things : To convey and to dedicate to Sacramento County lands and river

Provides access easements in Rancho Murieta

Instrument : Resolution No. 79-1041 Reserved By : County of Sacramento

For : Walkway

Recorded : October 25, 1979 in Book 791025 of Official Records, Page 1144

under Recorder's Serial Number 182598

Affects : A 6 foot wide walkway on bridge

22. Matters as contained or referred to in an instrument,

Entitled : An Agreement for Available and Use of Reclaimed Wastewater Executed By : Rancho Murieta Community Services District, Rancho Murieta

Properties, Inc., Rancho Murieta Country Club, and CBC Builders Inc.

Recorded : May 17, 1988 in Book 880517 of Official Records, Page 1871 under

Recorder's Serial Number 103731

And as modified by an instrument, executed by Rancho Murieta Community Services District, Rancho Murieta Country Club, Rancho Murieta Properties, Inc. and CBC Builders Inc., recorded May 4, 1994 in Book 940504 of Official Records, Page 873

- 23. Recitals as shown or noted on the filed map.
- An easement affecting that portion of said land and for the purposes stated herein and incidental purposes as provided in the following

Granted To : Rancho Murieta Community Services District

For : Levee Maintenance Easement

Recorded : July 30, 1990 in Book 900730 of Official Records, Page 1503

Affects : A portion of said land

25. Matters as contained or referred to in an instrument,

Entitled : Park Development Agreement

Executed By : Rancho Murieta Association, Rancho Murieta Community Services

District, Rancho Murieta Properties, Inc., CBC Builders, Inc., and SHF,

Inc.

Dated : February 20, 1991

Recorded : February 21, 1991 in Book 910221 of Official Records, Page 1274

Granted To : Sacramento Municipal Utility District and Pacific Bell

For : Public utilities

Recorded : August 15, 1991 in Book 910815 of Official Records, Page 818

Affects : A portion of said land

27. An easement affecting that portion of said land and for the purposes stated herein and incidental purposes as provided in the following

Granted To : Rancho Murieta Community Services District For : Public utilities and Water and Pump Station site

Recorded : January 25, 1994 in Book 940125 of Official Records, Page 1830

Affects : The Northerly portion of said land

28. An easement affecting that portion of said land and for the purposes stated herein and incidental purposes as provided in the following

Instrument : Easement

Granted To : Rancho Murieta Community Services District

For : Road and public utilities

Recorded : September 24, 2004 in Book 20040924 of Official Records, Page 1219

29. Matters as contained or referred to in an instrument,

Entitled : Easement Quitclaim Deed

Executed By : PTF for Operating Engineers LLC, a Delaware limited liability company

and Rancho Murieta Community Services District

Recorded : September 24, 2004 in Book 20040924 of Official Records, Page 1229

30. Matters as contained or referred to in an instrument,

Entitled : Easement Quitclaim Deed

Executed By : Rancho North Properties, LLC, a California limited liability company

and PTF for Operating Engineers LLC, a Delaware limited liability

company and Rancho Murieta Community Services District

Recorded : September 24, 2004 in Book 20040924 of Official Records, Page 1234

31. Matters as contained or referred to in an instrument,

Entitled : Easement Quitclaim Deed

Executed By : Rancho North Properties, LLC, a California limited liability company

and PTF for Operating Engineers LLC, a Delaware limited liability

company and Rancho Murieta Community Services District

Recorded : September 24, 2004 in Book 20040924 of Official Records, Page 1235

32. Matters as contained or referred to in an instrument,

Entitled : Easement Quitclaim Deed

Executed By : Rancho North Properties, LLC, a California limited liability company

and PTF for Operating Engineers LLC, a Delaware limited liability

company

Recorded : September 24, 2004 in Book 20040924 of Official Records, Page 1238

33. Matters as contained or referred to in an instrument,

Entitled : Easement Quitclaim Deed

Executed By : Rancho North Properties, LLC, a California limited liability company

and PTF for Operating Engineers LLC, a Delaware limited liability

company

Recorded : September 24, 2004 in Book 20040924 of Official Records, Page 1239

An easement affecting that portion of said land and for the purposes stated herein and incidental purposes as provided in the following

Instrument : Grant Deed

Reserved By : PTF for Operating Engineers, LLC, a Delaware limited liability

company

For : Use of, access andingress to, and egress from, the Remainder Lands

across the Bridge Site shall be limited to pedestrian, bicycle and/or

golf cart uses

Recorded : May 30, 2006 in Book 20060530 of Official Records, Page 1844

Affects : A portion of said land

Upon the terms and conditions contained therein.

Granted To : Rancho Murieta Association, a California nonprofit mutual benefit

corporation

For : Access for pedestrian, bicycle and occasional golf cart traffic in and

over the Birdge Improvements

Recorded : May 30, 2006 in Book 20060530 of Official Records, Page 1845

Affects : The exact location of easement is not defined of record

Upon the terms and conditions contained therein.

36. Matters as contained or referred to in an instrument,

Entitled : Easement Agreement

Executed By : PRF for Operating Engineers, LLC, a Delaware limited liability

company and Rancho Murieta Association, a California nonprofit

mutual benefit corporation

Recorded : May 30, 2006 in Book 20060530 of Official Records, Page 1846

37. Water rights, claims or title to water, whether or not shown by the public records.

EXCLUSIONS FROM COVERAGE (Revised 06-05-14)

Except as expressly provided by the assurances in Schedule A, the Company assumes no liability for loss or damage by reason of the following:

- (a) Defects, liens, encumbrances, adverse claims or other matters affecting the title to any property beyond the lines of the Land.
- (b) Defects, liens, encumbrances, adverse claims or other matters, whether or not shown by the Public Records
 - (1) that are created, suffered, assumed or agreed to by one or more of the Assureds; or
 - (2) that result in no loss to the Assured.
- (c) Defects, liens, encumbrances, adverse claims or other matters not shown by the Public Records.
- (d) The identity of any party shown or referred to in any of the schedules of this Guarantee.
- (e) The validity, legal effect or priority of any matter shown or referred to in any of the schedules of this Guarantee.
- (f) (1) Taxes or assessments of any taxing authority that levies taxes or assessments on real property; or,
 - (2) proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not the matters excluded under (1) or (2) are shown by the records of the taxing authority or by the Public Records.
- (g) (1) Unpatented mining claims;
 - (2) reservations or exceptions in patents or in Acts authorizing the issuance thereof;
 - (3) water rights, claims or title to water, whether or not the matters excluded under (1), (2) or (3) are shown by the Public Records.

GUARANTEE CONDITIONS

1. DEFINITION OF TERMS

The following terms when used in the Guarantee mean:

- (a) "the Assured": the party or parties named as the Assured in this Schedule A, or on a supplemental writing executed by the Company.
- (b) "Land": the Land described or referred to in Schedule A, and improvements affixed thereto which by law constitute real property. The term "land" does not include any property beyond the lines of the area described or referred to in Schedule A, nor any right, title, interest estate or easement in abutting streets, roads, avenues, alleys, lanes, ways or waterways.
- (c) "Mortgage": mortgage, deed of trust, trust deed, or other security instrument.
- (d) "Public Records": those records established under state statutes at Date of Guarantee for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without knowledge.
- (e) "Date of Guarantee": the Date of Guarantee set forth in Schedule A.
- (f) "Amount of Liability": the Amount as stated in Schedule A.

2. NOTICE OF CLAIM TO BE GIVEN BY ASSURED

An Assured shall notify the Company promptly in writing in case knowledge shall come to the Assured of any assertion of facts, or claim of title or interest that is contrary to the assurances set forth in Schedule A and that might cause loss or damage for which the Company may be liable under this Guarantee. If prompt notice shall not be given to the Company, then all liability of the Company shall terminate with regard to the matter or matters for which prompt notice is required; provided, however, that failure to notify the Company shall in no case prejudice the rights of the Assured under this Guarantee unless the Company shall be prejudiced by the failure and then only to the extent of the prejudice.

3. NO DUTY TO DEFEND OR PROSECUTE

The Company shall have no duty to defend or prosecute any action or proceeding to which the Assured is a party, notwithstanding the nature of any allegation in such action or proceeding.

4. COMPANY'S OPTION TO DEFEND OR PROSECUTE ACTIONS; DUTY OF ASSURED TO COOPERATE

Even though the Company has no duty to defend or prosecute as set forth in Paragraph 3 above:

- (a) The Company shall have the right, at its sole option and cost, to institute and prosecute any action or proceeding, interpose a defense, as limited in Paragraph 4(b), or to do any other act which in its opinion may be necessary or desirable to establish the correctness of the assurances set forth in Schedule A or to prevent or reduce loss or damage to the Assured. The Company may take any appropriate action under the terms of this Guarantee, whether or not it shall be liable hereunder, and shall not thereby concede liability or waive any provision of this Guarantee. If the Company shall exercise its rights under this paragraph, it shall do so diligently.
- (b) If the Company elects to exercise its options as stated in Paragraph 4(a) the Company shall have the right to select counsel of its choice (subject to the right of the Assured to object for reasonable cause) to represent the Assured and shall not be liable for and will not pay the fees of any other counsel, nor will the Company pay any fees, costs or expenses incurred by an Assured in the defense of those causes of action which allege matters not covered by this Guarantee.
- (c) Whenever the Company shall have brought an action or interposed a defense as permitted by the provisions of this Guarantee, the Company may pursue any litigation to final determination by a court of competent jurisdiction and expressly reserves the right, in its sole discretion, to appeal from an adverse judgment or order.

GUARANTEE CONDITIONS (Continuation)

(d) In all cases where this Guarantee permits the Company to prosecute or provide for the defense of any action or proceeding, the Assured shall secure to the Company the right to so prosecute or provide for the defense of any action or proceeding, and all appeals therein, and permit the Company to use, at its option, the name of such Assured for this purpose. Whenever requested by the Company, the Assured, at the Company's expense, shall give the Company all reasonable aid in any action or proceeding, securing evidence, obtaining witnesses, prosecuting or defending the action or lawful act which in the opinion of the Company may be necessary or desirable to establish the correctness of the assurances set forth in Schedule A or to prevent or reduce loss or damage to the Assured. If the Company is prejudiced by the failure of the Assured to furnish the required cooperation, the Company's obligations to the Assured under the Guarantee shall terminate.

5. PROOF OF LOSS OR DAMAGE

(a) In the event the Company is unable to determine the amount of loss or damage, the Company may, at its option, require as a condition of payment that the Assured furnish a signed proof of loss. The proof of loss must describe the defect, lien, encumbrance, or other matter that constitutes the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage. (b) In addition, the Assured may reasonably be required to submit to examination under oath by any authorized representative of the Company and shall produce for examination, inspection and copying, at such reasonable times and places as may be designated by any authorized representative of the Company, all records, books, ledgers, checks, correspondence and memoranda, whether bearing a date before or after Date of Guarantee, which reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the Assured shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect and copy all records, books, ledgers, checks, correspondence and memoranda in the custody or control of a third party, which reasonably pertain to the loss or damage. All information designated as confidential by the Assured provided to the Company pursuant to this paragraph shall not be disclosed to others unless, in the reasonable judgment of the Company, it is necessary in the administration of the claim. Failure of the Assured to submit for examination under oath, produce other reasonably requested information or grant permission to secure reasonably necessary information from third parties as required in the above paragraph, unless prohibited by law or governmental regulation, shall terminate any liability of the Company under this Guarantee to the Assured for that claim.

6. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS: TERMINATION OF LIABILITY

In case of a claim under this Guarantee, the Company shall have the following additional options:

(a) To pay or tender payment of the Amount of Liability together with any costs, attorneys' fees, and expenses incurred by the Assured that were authorized by the Company

- up to the time of payment or tender of payment and that the Company is obligated to pay.
- (b) To pay or otherwise settle with the Assured any claim assured against under this Guarantee. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Assured that were authorized by the Company up to the time of payment or tender of payment and that the Company is obligated to pay; or
- (c) To pay or otherwise settle with other parties for the loss or damage provided for under this Guarantee, together with any costs, attorneys' fees, and expenses incurred by the Assured that were authorized by the Company up to the time of payment and that the Company is obligated to pay.

Upon the exercise by the Company of either of the options provided for in 6 (a), (b) or (c) of this paragraph the Company's obligation to the Assured under this Guarantee for the claimed loss or damage, other than the payments required to be made, shall terminate, including any duty to continue any and all litigation initiated by the Company pursuant to Paragraph 4.

7. LIMITATION OF LIABILITY

- (a) This Guarantee is a contract of Indemnity against actual monetary loss or damage sustained or incurred by the Assured claimant who has suffered loss or damage by reason of reliance upon the assurances set forth in Schedule A and only to the extent herein described, and subject to the Exclusions From Coverage of this Guarantee.
- (b) If the Company, or the Assured under the direction of the Company at the Company's expense, removes the alleged defect, lien or, encumbrance or cures any other matter assured afainst by this Guarantee in a reasonably diligent manner by any method, including litigation and the completion of any appeals therefrom, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused thereby.
- (c) In the event of any litigation by the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals therefrom.
- (d) The Company shall not be liable for loss or damage to the Assured for liability voluntarily assumed by the Assured in settling any claim or suit without the prior written consent of the Company.

8. REDUCTION OF LIABILITY OR TERMINATION OF LIABILITY

All payments under this Guarantee, except payments made for costs, attorneys' fees and expenses pursuant to Paragraph 4 shall reduce the Amount of Liability under this Guarantee pro tanto.

9. PAYMENT OF LOSS

(a) No payment shall be made without producing this Guarantee for endorsement of the payment unless the Guarantee has been lost or destroyed, in which case proof of loss or destruction shall be furnished to the satisfaction of the Company.

GUARANTEE CONDITIONS (Continuation)

(b) When liability and the extent of loss or damage has been definitely fixed in accordance with these Conditions, the loss or damage shall be payable within thirty (30) days thereafter.

10. SUBROGATION UPON PAYMENT OR SETTLEMENT

Whenever the Company shall have settled and paid a claim under this Guarantee, all right of subrogation shall vest in the Company unaffected by any act of the Assured claimant. The Company shall be subrogated to and be entitled to all rights and remedies which the Assured would have had against any person or property in respect to the claim had this Guarantee not been issued. If requested by the Company, the Assured shall transfer to the Company all rights and remedies against any person or property necessary in order to perfect this right of subrogation. The Assured shall permit the Company to sue, compromise or settle in the name of the Assured and to use the name of the Assured in any transaction or litigation involving these rights or remedies. If a payment on account of a claim does not fully cover the loss of the Assured the Company shall be subrogated to all rights and remedies of the Assured after the Assured shall have recovered its principal, interest, and costs of collection.

11. ARBITRATION

Either the Company or the Assured may demand that the claim or controversy shall be submitted to arbitration pursuant to the Title Insurance Arbitration Rules of the American Land Title Association ("Rules"). Except as provided in the Rules, there shall be no joinder or consolidation with claims or controversies of other persons. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the Assured arising out of or relating to this Guarantee, any service of the Company in connection with its issuance or the breach of a Guarantee provision, or to any other controversy or claim arising out of the transaction giving rise to this Guarantee. All arbitrable matters when the amount of liability is \$2,000,000 or less shall be arbitrated at the option of either the Company or the Assured. All arbitrable matters when the amount of liability is in excess of \$2,000,000 shall be arbitrated only when agreed to by both the Company and the Assured. Arbitration pursuant to this Guarantee and under the Rules shall be binding upon the parties. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court of competent jurisdiction.

12. LIABILITY LIMITED TO THIS GUARANTEE; GUARANTEE ENTIRE CONTRACT

- (a) This Guarantee together with all endorsements, if any, attached hereto by the Company is the entire Guarantee and contract between the Assured and the Company. In interpreting any provision of this Guarantee, this Guarantee shall be construed as a whole.
- (b) Any claim of loss or damage, whether or not based on negligence, or any action asserting such claim, shall be restricted to this Guarantee.

(c) No amendment of or endorsement to this Guarantee can be made except by a writing endorsed hereon or attached hereto signed by either the President, a Vice President, the Secretary, an Assistant Secretary, or validating officer or authorized signatory of the Company.

13. SEVERABILITY

In the event any provision of this Guarantee, in whole or in part, is held invalid or unenforceable under applicable law, the Guarantee shall be deemed not to include that provision or such part held to be invalid, but all other provisions shall remain in full force and effect.

14. CHOICE OF LAW; FORUM

- (a) Choice of Law: The Assured acknowledges the Company has underwritten the risks covered by this Guarantee and determined the premium charged therefore in reliance upon the law affecting interests in real property and applicable to the interpretation, rights, remedies, or enforcement of Guaranties of the jurisdiction where the Land is located. Therefore, the court or an arbitrator shall apply the law of the jurisdiction where the Land is located to determine the validity of claims that are adverse to the Assured and to interpret and enforce the terms of this Guarantee. In neither case shall the court or arbitrator apply its conflicts of law principles to determine the applicable law.
- (b) Choice of Forum: Any litigation or other proceeding brought by the Assured against the Company must be filed only in a state or federal court within the United States of America or its territories having appropriate jurisdiction.

15. NOTICES, WHERE SENT

All notices required to be given the Company and any statement in writing required to be furnished the Company shall include the number of this Guarantee and shall be addressed to the Company at the office which issued this Guarantee or to its Home Office at 400 Second Avenue South, Minneapolis, Minnesota 55401-2499, (612) 371-1111.