

**SETTLEMENT AGREEMENT  
AND  
FULL MUTUAL RELEASE**

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THIS SETTLEMENT AGREEMENT AND FULL MUTUAL RELEASE ("Agreement") is entered into this 12<sup>th</sup> day of July, 1999, by and between Cambria West, a California joint venture, Walter H. Leimert Company, a California corporation, Cambria Properties Limited, a limited partnership, and Leimert Investment Company, a California corporation, (collectively referred to herein as "Cambria West"), and the Cambria Community Services District, a Public Agency ("the District"). This Agreement shall become effective on August 11, 1999 (the "Effective Date").

**A. ACKNOWLEDGMENTS.**

In connection with this Agreement, the parties acknowledge the following:

1. The parties hereto are desirous of settling all matters related in any way to that certain case entitled "Cambria West v. Cambria Community Services District, et al.," San Luis Obispo County Superior Court No. CV 980722 (the "Civil Action").
2. Cambria West is the owner of certain property known as Tract 1804, which is a vesting tentative tract map consisting of eighteen (18) clustered residential lots. Tract 1804 received tentative map approval from the County of San Luis Obispo ("the County") on July 10, 1997.
3. Cambria West is in the process of satisfying the conditions of approval specified by the County in its approval of the Tract 1804 vesting tentative map. It is expected that the conditions of approval will be completed within thirty (30) to ninety (90) days following the Effective Date of this Agreement, and the final tract map for Tract 1804 will be approved by the County and recorded. It is expected that the tract improvements for Tract 1804 will be constructed by Cambria West prior to December 31, 1999.
4. The District owns and operates water supply, treatment and distribution facilities in the community of Cambria. All eighteen (18) of the lots described in Tract 1804 are located within the District boundaries. The water lines to be installed as a part of the tract improvements for Tract 1804 will be connected to water supply lines owned and operated by the District.

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5. The District and Cambria West are parties to an Agreement dated June 4, 1985 regarding water service to Cambria West's property, including the property that is now known as Tract 1804.

6. The Civil Action consists of a petition for writ of mandate and a complaint for monetary and injunctive relief. The primary issue in the Civil Action involves a determination of the nature and extent of the District's obligation to provide water service to Tract 1804.

**B. AGREEMENT.**

NOW, THEREFORE, for and in consideration of the mutual covenants, agreements and considerations set forth herein, it is mutually agreed as follows:

**1. Water and Sewer Service to Tract 1804.** The District agrees to provide water and sewer service to the lots within Tract 1804 on the following terms and conditions:

**a. Water Meter Installation.** Within thirty (30) days of payment of fees as specified in paragraphs 1(c) and (d)(i), posting security provided in paragraph 1(d)(ii), and deposit of deeds provided for in paragraph 1(g), the District shall install water meters on each of the eighteen (18) lots in Tract 1804 and Cambria West may connect these water meters to water supply lines designed to transmit water from the District. Each of the 18 lots in Tract 1804 is assigned one EDU for residential single family water service.

**b. Water and Other Services.** Upon final approval of Tract 1804 by the County and upon completion of construction of the tract improvements for Tract 1804, the lots within Tract 1804 will be entitled to receive water and other services from the District on the terms and conditions specified below.

**c. Water and Sewer Connection Fees.** On or before December 31, 1999, Cambria West shall pay to the District the sum of \$69,440.00 consisting of \$3,255.00 for each of the 18 lots as a water service connection fee and \$2,170.00 for each of lots 6 through 10 as a sewer service connection fee.

**d. Surcharge Fees.** In addition, Cambria West shall pay to the District the sum of \$198,000.00 consisting of \$11,000 per lot as a surcharge fee. The \$198,000.00 surcharge shall be paid in two installments.

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i. The first installment of \$82,730.00 shall be paid on or before December 31, 1999, but in no event after water meter installation.

ii. The second installment of \$115,270.00, together with interest at the specified rate of 5.1%, shall be paid at the time the District makes its first progress payment for actual costs of construction of a water storage tank located at Pine Knolls. In no event shall Cambria West be obligated to pay the second installment prior to July 1, 2000. Regardless of whether a bid is awarded for construction of a water storage tank, Cambria West shall pay the second installment to the District on or before June 30, 2001. As security for payment of the second installment, Cambria West shall provide to the District, on or before December 31, 1999 (and before installation of water meters), a bond in the amount of \$115,270.00 in a form approved by District Counsel, which bond shall assure payment to the District of the second installment.

**e. Retrofit Requirements.** Prior to commencement of construction of any single family residence on any of the eighteen (18) lots, the lot owner shall satisfy the District's water conservation and retrofit requirements currently as specified in Ordinance Nos. 1-98, 2-99 and 3-99, and as may be amended from time to time by the District. A memorandum of this Agreement specifying this requirement in favor of the District will be recorded with the San Luis Obispo County Recorder's Office in the chain of title of Tract 1804 and each of the eighteen (18) lots on or before the Effective Date of this Agreement. The statement shall be in the form of the statement attached hereto as Exhibit "A" and by this reference incorporated herein.

**f. Water Usage Fees.** Upon installation of water meters and connection to the water supply lines as provided for in paragraphs 1.a. and 1.b., above, the District may begin charging Cambria West, or a successor lot owner, if any, the standard water usage charges in effect at the time (and as may be amended from time to time) for the quantity of water actually used as measured by the water meter as well as ordinary standby and minimum monthly user charges.

**g. Conveyance of Lodge Hill Lots.** Within thirty (30) days after District's installation of water meters as provided in paragraph 1.a., Cambria West shall convey to the District four (4) twenty-five foot (25') lots currently owned by Cambria West described as: APN 023-214-044 (Block 17, lots 31 and 32) and APN 023-214-045 (Block 17, lots 33 and 34). The conveyance will be through an escrow with Chicago Title Company, San Luis Obispo,

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with escrow to close on or before January 31, 2000. Title is to be free and clear of all liens and encumbrances of record except those shown on a preliminary title report and approved by the District. Cambria West will deposit into escrow executed deeds to convey title to the lots prior to the Effective Date of this Agreement. The District and Cambria West will also execute escrow instructions prior to the Effective Date of this Agreement. Costs of escrow, title insurance (in the amount of \$50,000.00) to be apportioned between the District (buyer) and Cambria West (seller) in the customary manner in San Luis Obispo County. Cambria West is unaware of any contamination on the lots to be conveyed to the District. At the option and expense of District, District may conduct environmental assessments of the property during escrow to determine if there is any contamination. Should contamination be found, District may elect to not take title to the lots.

**2. Ordinance and Resolution Adoption.** Concurrently with the execution of this Agreement, the District shall adopt an ordinance and resolution which provides for the provision of water and sewer service consistent with the Agreement. The ordinance and resolution shall be in the form of the ordinance and resolution attached hereto as Exhibit "B" and by this reference incorporated herein ("the Ordinance" and "Resolution"). The Ordinance and Resolution shall be effective thirty (30) days after adoption.

**3. DRE Letter.** On the Effective Date of this Agreement, the District shall cause to be issued to the California Department of Real Estate a letter stating that Tract 1804 is eligible for water service from the District and that the District is ready, willing and able to provide water service to the lots within Tract 1804. The letter shall be in the form of the letter attached hereto as Exhibit "C."

**4. County Letter.** On the Effective Date of this Agreement, the District shall cause to be issued to the County a letter stating that Tract 1804 is eligible for water service from the District and that the District is ready, willing and able to provide water service to the lots within Tract 1804. The letter shall be in the form of the letter attached hereto as Exhibit "D."

**5. 1985 Contract.** This Agreement does not extinguish the June 4, 1985, contract between Cambria West and the District. The 1985 contract remains as a valid and enforceable contract between the parties. However, the imposition of the surcharge fees, as specified in paragraph 1.d., above, fully satisfies Cambria West's obligation for Tract 1804 to contribute to the cost of storage facilities as specified in paragraph 2.b. of the 1985 contract. The imposition of the water and sewer connection fees and the water conservation and retrofit requirements specified in paragraph 1.c. and 1.e, above, satisfies the District's obligation to treat Tract 1804

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lot owners in the same manner as other lot owners in the District as required under paragraph 2.a. of the 1985 contract. The letters attached as Exhibits "C" and "D" to this Agreement, comply with the requirements of paragraph 2.a. of the 1985 contract.

**6. District's Contractual Obligation.** The obligations of the District under this Agreement are contractual in nature. The District may not restrict, modify or otherwise amend its contractual obligations to Cambria West, as provided in this Agreement and/or the 1985 contract, by adopting, repealing or otherwise modifying its ordinances, resolutions or regulations. After connection, the 18 lots within Tract 1804 will be treated in the same manner as other existing residential customers of the District.

**7. Dismissal.** Within thirty (30) days following adoption of the ordinance and resolution attached as Exhibit "B," Cambria West shall execute and file a dismissal with prejudice of all claims stated in the Civil Action.

**8. Attorneys' Fees.** Each party shall pay their own costs of litigation in the Civil Action, including attorneys' fees.

**9. Waiver of Claims by Cambria West.** Except as provided for in this Agreement, Cambria West and its administrators, successors-in-interest and assigns, fully and forever releases and discharges the District and its attorneys and agents, and each of them, of and from any and all claims, demands, actions or causes of action against them by reason of any occurrences or any damages or injuries whatsoever sustained by them at any time prior to and including the date of these presents, including, but not limited to, any and all claims or causes of action arising from the Civil Action.

**10. Waiver of Claims by the District.** Except as provided for in this Agreement, the District and its administrators, successors-in-interest and assigns, fully and forever release and discharge the Cambria West and its attorneys and agents, and each of them, of and from any and all claims, demands, actions or causes of action against them by reason of any occurrences or any damages or injuries whatsoever sustained by them at any time prior to and including the date of these presents, including, but not limited to, any and all claims or causes of action arising from the Civil Action

**11. Covenant of Non-Assignment.** Each of the parties to this Agreement represents and warrants that he or she has not heretofore assigned, transferred, or purported to assign or transfer to any person or entity, any liability, claim, demand, action, cause of action or right which is

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herein released and discharged; and each party, respectively, shall indemnify each person and entity released and discharged by the foregoing provisions and their respective successors-in-interest, employees, assigns, affiliates, partners, co-venturers, attorneys, and each of them, and shall hold them harmless from and against: (a) any liability, claim, demand, action, cause of action or right which has been assigned or transferred by said party contrary to the foregoing representation or in violation of the foregoing warranty; and (b) any and all loss, expense, and/or liability arising directly or indirectly out of any breach of the foregoing warranty by said party.

**12. Successors.** The provisions of this Agreement shall be deemed to obligate, extend to and inure to the benefit of the successors, assigns, transferees, grantees and indemnitees of each of the parties to this Agreement.

**13. Representation.** Each of the parties to this Agreement acknowledges and agrees that he has been represented by independent counsel of his own choice throughout all negotiations which preceded the execution of this Agreement, and that he has executed this Agreement with the consent and upon the advice of said independent counsel.

**14. No Admission of Liability.** It is understood that this Agreement is executed by the parties hereto without any admission or confession of any liability or wrongdoing on the part of any party hereto. Each party hereto certifies that he has read all of this Agreement and fully understands the same.

**15. Attorneys' Fees.** In the event litigation is commenced to enforce any of the provisions of this Agreement, to recover damages for breach of any of the provisions of this Agreement, or to obtain declaratory relief in connection with any of the provisions of this Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees.

**16. Condition Subsequent.** In the event the District adopts the ordinance and resolution as required by this Agreement, but the ordinance or resolution is invalidated by a subsequent challenge, then this Agreement shall be of no force and effect.

**17. Cooperation.** The parties agree to reasonably cooperate to execute other documents, including tract improvement plans and specifications, necessary to carry out the terms and conditions of this Agreement.

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IN WITNESS WHEREOF, each of the parties hereto has executed this Settlement Agreement and Full Mutual Release on the date and at the place set forth opposite his respective signature.

"CAMBRIA WEST"

CAMBRIA WEST, a California joint venture

By: Walter H. Leimert

Title: partner

WALTER H. LEIMERT COMPANY, a California Corporation

By: Walter H. Leimert

Title: president

CAMBRIA PROPERTIES LIMITED, a California limited partnership

By: Gene Tanaka

Title: General Partner

LEIMERT INVESTMENT COMPANY, a California corporation

By: Walter H. Leimert

Title: president

DATED: 7-13-99, 1999.

Approved as to form and content:

ANDRE, MORRIS & BUTTERY, A PROFESSIONAL LAW CORPORATION

By: Dennis D. Law

DENNIS D. LAW  
Attorneys for Cambria West

DATED: \_\_\_\_\_, 1999.

BEST, BEST & KRIEGER, LLP

By: Gene Tanaka

GENE TANAKA  
Attorneys for Cambria West

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"THE DISTRICT"

CAMBRIA COMMUNITY SERVICES  
DISTRICT

By: 

Title: President, Board of Directors

DATED: July 23, 1999.

Approved as to form and content:

LYON & CARMEL

By: 

ROGER C. LYON

Attorneys for Cambria Community  
Services District

DATED: 7/27, 1999.



RECORDING REQUESTED BY AND  
WHEN RECORDED, MAIL TO:

Cambria Community Services District  
P.O. Box 65  
Cambria, CA 93428-0065

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MEMORANDUM OF AGREEMENT

1. On July 12, 1999, Cambria West, a California joint venture, Walter H. Leimert Company, a California corporation, Cambria Properties Limited, a limited partnership, and Leimert Investment Company, a California corporation, (collectively referred to herein as "Cambria West"), and the Cambria Community Services District, a Public Agency ("the District") entered into an unrecorded agreement entitled "Settlement Agreement and Full Mutual Release" (the "Agreement").

2. Cambria West owns property in the unincorporated area of San Luis Obispo, State of California, more particularly described as [TRACT 1804 LEGAL DESCRIPTION] (referred to herein as the "Tract 1804 Property").

3. Cambria West has received approval of a vesting tentative tract map from the County of San Luis Obispo authorizing an eighteen (18) lot subdivision of the Tract 1804 Property. Cambria West intends to record a final subdivision map prior to December 31, 1999, creating the eighteen (18) lots.

4. Cambria West and the District by recordation of this Memorandum of Agreement hereby provide constructive notice to any future owner of the Tract 1804 Property, or any future lot owner within Tract 1804, of the existence of the Agreement. The Agreement imposes upon future lot owners within the Tract 1804 Property requirements to comply with specific requirements of the District's Water Conservation and Retrofit Ordinance requirements before issuance of building permits for construction of any single family residence. The specific requirements for individual lot owners to satisfy District retrofit requirements are as contained in the unrecorded Agreement and in the District's Water Conservation and Retrofit Ordinance in effect at the time of application for a single family residential building permit.

"CAMBRIA WEST"

CAMBRIA WEST, a California joint venture

By: \_\_\_\_\_

Title: \_\_\_\_\_

LEIMERT A

WALTER H. LEIMERT COMPANY, a  
California Corporation

By: \_\_\_\_\_

Title: \_\_\_\_\_

CAMBRIA PROPERTIES LIMITED, a  
California limited partnership

By: \_\_\_\_\_

Title: \_\_\_\_\_

LEIMERT INVESTMENT COMPANY,  
a California corporation

By: \_\_\_\_\_

Title: \_\_\_\_\_

DATED: \_\_\_\_\_, 1999.

"THE DISTRICT"

CAMBRIA COMMUNITY SERVICES DISTRICT.

By: \_\_\_\_\_

Title: \_\_\_\_\_

DATED: \_\_\_\_\_, 1999.



RESOLUTION NO. 13-99

DATED: JULY 12, 1999

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
CAMBRIA COMMUNITY SERVICES DISTRICT AMENDING THE  
TABLE OF EXISTING COMMITMENTS TO DISTRICT'S WATER  
AND SEWER ALLOCATION ORDINANCE

WHEREAS, the District's Water and Sewer Allocation Ordinance (No. 2-97) provides for a procedure to modify under specific circumstances by adoption of a resolution and approval by a majority of the Board of Directors pursuant to Section 2.5-2 of that Ordinance; and

WHEREAS, Cambria West/Leimert ("Leimert") has filed a petition with the District requesting a declaration of entitlement to water service which the District has determined qualifies as a property owner petition pursuant to Section 2.5-2(b)(1); and

WHEREAS, Leimert and the District have concurrently with adoption of this Resolution entered into a Compromise Settlement Agreement resolving litigation relating to Leimert's claims to entitlement to water service; and

WHEREAS, the district Board has reviewed the staff report presented at its meeting of July 12, 1999, including recommended findings.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Cambria Community Services District as follows:

1. Pursuant to District Ordinance No. 2-97, Section 2.5-2(b)(2), Exhibit "B" to the Water and Sewer Allocation Ordinance is modified as contained in Exhibit "B" to this Resolution which is attached hereto and made a part hereof.
2. The Board approves the staff recommendation and finds that the District has authorized water service to Tract 1804 prior to the date of adoption of the Water and Sewer Allocation Ordinance based upon the findings contained in the staff report.
3. This Resolution will become effective thirty (30) days after its adoption.

EXHIBIT B



EXHIBIT "B"  
"EXISTING COMMITMENTS"

Unimproved Residential "Grandfathered" Meters (Site Inspections of "Grandfathered" Parcels)

<u>Current A.P.No.</u>	<u>Original A.P.No.</u>	<u>Address</u>	<u>Account #</u>	<u>Status</u>
013-101-054		Grove	4.1492.00	Vacant
013-122-002		900 Pineridge	7.5814.00	Vacant
024-172-007	013-131-036	Stuart/Holden	6.5000.02	Vacant
013-141-020	013-141-009	Burton Dr		Vacant
013-151-023		Schoolhouse Ln	12.5780.00	Vacant
013-151-034		Schoolhouse Ln	12.5820.00	Vacant
013-151-036		Schoolhouse Ln	12.5777.00	Vacant
013-151-041	013-151-032	Village Ln	6.5803.00	Vacant
013-331-012		Buckley Dr	3.1928.00	Vacant
013-331-014		Buckley Dr	3.1674.00	Vacant
013-331-023		Buckley Dr	3.1924.00	Vacant
013-331-041		Buckley Dr	3.1824.00	Vacant
022-033-019		455 Wellington	3.1397.00	Vacant
022-083-033		Canterbury		Vacant
022-151-061		Windsor Blvd		Vacant
022-151-085	022-151-064	5500-A Windsor Blvd	1.2022.00	Vacant
022-151-086	022-151-064	5500-B Windsor Blvd	1.2023.00	Vacant
022-283-017		5147 Windsor Blvd		Vacant
022-292.003		305 Leighton		Vacant
023-014-023		Sherwood & Castle		Vacant
3-019-023		Madison St		Vacant
023-021-005		Madison St		Vacant
023-041-039		2251 Sherwood	10.6057.00	Vacant (2nd mtr on 1 parcel)
023-041-033	023-114-017	Sherwood		Vacant
023-048-007		Fallbrook		Vacant
023-242-079		Fern Dr		Vacant
023-322-014		Cowper St		Vacant
023-371-020	023-371-017	Pineridge	6.5783.00	Vacant
023-426-021		Burton Dr	12.6038.00	Vacant
024-011-004		Dovedale		Vacant
024-311-011		London		Vacant
023-321-003 (Cathcart)		2303 Romney		Demolition
023-033-007 (Ramirez)		Kenneth		Tear Down (No Sewer)
023-026-005 (Harmsen)		Kenneth		Tear Down & Moved
013-141-021 (Anderson)		1597 Burton or Kay		Tear Down & Moved
023-090-014	024-353-051	Windsor Blvd.		1 Res. Water EDU
023-163-007	024-353-052	St.Thomas/St.James		1 Res. Water EDU
022-162-013 (D. Brown)		Nottingham Dr		W&S Transfer of Demo
013-263-007 Bianchini		Center St.		On same Meter as 13.263.011
024-363-007		1010 Pineridge	7.5811.00	Vacant
023-191-028 (Scott)		Berwick		Vacant

40 Commitments

18 Being Billed

Each Assessor's Parcel Number (A.P.No.) is assigned one (1) Residential Equivalent Dwelling Unit (EDU), unless otherwise noted.

EXHIBIT "B" (Continued)  
"EXISTING COMMITMENTS"

Unimproved Commercial

013-101-046 C	Main St		Vacant
013-101-064 C	1021 Main St		Vacant
013-101-072 (CCSD)	Main St.		3.0 Comm. W&S EDU's
013-232-004 C	Wall St	5.1544.01	Vacant (Also Sewer)
013-251-003 C	Main St		Vacant
013-261-009 (SLO County)	Center St	-	1.25 W&S (E.Vill. Restrm)
013-426-008 et al (CCSD)	2850 Burton Dr.		New Fire Station 3.0 EDUs
023-411-021 C	Rodeo Grds Rd	206.6004.00	Vacant
<hr/>			
8 Commitments		2 Being Billed	

Each A.P.No. is assigned one (1) Commercial EDU, unless otherwise noted.

Cambria West Tract 1804

Each of the eighteen (18) lots in Tract 1804 is assigned one EDU for residential single family water service. Lots 6, 7, 8, 9, and 10 are each assigned one EDU for sewer service. Service is subject to the terms and service conditions of the Settlement Agreement and Full Mutual Release dated July 12, 1999, between the District and Cambria West/Leimert ("Leimert"), including payment of connection fees and surcharge fees prior to installation of meters. Satisfaction of the District's Water Conservation and Retrofit Ordinance requirements for retrofit or in-lieu retrofit fees will be required prior to issuance of building permits for residential uses.



ORDINANCE NO. 3-99  
 DATED: JULY 12, 1999  
 AN ORDINANCE OF THE BOARD OF DIRECTORS  
 OF THE CAMBRIA COMMUNITY SERVICES DISTRICT  
 AMENDING THE DISTRICT'S WATER AND SEWER CONSERVATION  
 AND RETROFIT PROGRAM

WHEREAS, the District has in place a water conservation and retrofit program embodied in Ordinance No. 1-98, as amended by Ordinance No. 2-99; and

WHEREAS, the District has reached a Compromise Settlement Agreement with Cambria West/Leimert pertaining to service to eighteen (18) lots within Tract 1804; and

WHEREAS, to carry out the provisions of that Compromise Settlement Agreement, it is necessary to amend provisions of the existing District Water Conservation and Retrofit Program.

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF DIRECTORS OF THE CAMBRIA COMMUNITY SERVICES DISTRICT AS FOLLOWS:

1. Attachment "A" to Ordinance No. 1-98, as amended by Ordinance No. 2-99, is further amended to read as follows:

2.) No new residential or commercial water and sewer connections from the waiting list will be allowed except under this Program. Except as provided in Paragraph 2(a) below, the following is the maximum number of new permits in Equivalent Dwelling Units (EDU's) allowed annually, exclusive of carry-overs from the previous year, to be issued under the Program.

Residential			Commercial	
Single Family	Multiple Family	Lower Income Housing	Small Project	Large Project
64	16	6	11	11

The "Intent to Serve" letters will advise the applicant that the Board of Directors will conduct a mid-year review of the retrofit program in August at which time it may consider amending this Program to place restrictions on the issuance of permits.

2.)(a) The eighteen (18) parcels within Cambria West's Tract 1804 ("Tract 1804 Parcels") are eligible for service permits (water and, where applicable, sewer) upon the parcel owner satisfying the retrofit or retrofit in-lieu fee requirements of this Program in effect at the time a building permit is issued by the County of San Luis Obispo and otherwise satisfying requirements of the July 12, 1999, agreement between the District and Cambria West. The Tract 1804 Parcels are not counted in the determination of the maximum number of EDU's authorized annually under the retrofit Program.

2. This Ordinance shall become effective thirty (30) days after its adoption.

On motion of \_\_\_\_\_, seconded by Director \_\_\_\_\_, and on the following roll call vote, to-wit:

AYES:  
NOES:  
ABSENT:

Ordinance No. 3-99 is hereby adopted on the 12<sup>th</sup> day of July, 1999.

Don Villeneuve  
President, Board of Directors

ATTEST:

Paulette Nighswonger  
Secretary, Board of Directors

ENCLOSURE



Sonia Rogers



Re: Tract 1804 Water System

Dear Ms. Rogers:

This letter responds in part to your letter to the Cambria Community Services District ("the District") dated December 29, 1997 and amends the District's initial response contained in a letter to you from Patrick F. Bradley. The District's prior response to items 2 and 3 of your December 29 letter is superseded by the following response.

As to item 3, the District is ready, willing and able to supply water to lots within Tract 1804 on the terms and conditions of a certain Settlement Agreement between the District and Cambria West et al dated July 12, 1999. A copy of the Settlement Agreement is enclosed for your reference.

As to item 2, the District has ample water for normal household use and fire protection of the lots contained in Tract 1804 and is prepared to provide water subject to the terms of conditions of the Settlement Agreement described above.

If you have any questions or require any further information please contact the undersigned.

Dated: \_\_\_\_\_

Cambria Community Services District

By: \_\_\_\_\_

Enclosure

Walter H. Leimert III



Re: Tract 1804 Water Service

Dear Mr. Leimert:

You have requested that the Cambria Community Services District ("the District") issue a letter to you for the benefit of the County of San Luis Obispo ("the County") in connection with the County's processing of Tract 1804, a vesting tentative tract map. You may deliver a copy of this letter to the appropriate department at the County to be used by the County in the processing of the final map for Tract 1804.

The District is ready, willing and able to provide water service to all 18 lots in Tract 1804 on the terms and conditions of that certain Settlement Agreement between the District and Cambria West et al dated July 12, 1999. The District is ready, willing, and able to provide sewer service to lots 6 through 10 of Tract 1804, also on the terms and conditions of the same Settlement Agreement. You should provide the County with a copy of the Settlement Agreement at the time you provide them with this letter.

If the County has any additional questions or needs any further information please have them contact the undersigned

Dated: \_\_\_\_\_

Cambria Community Services District

By: \_\_\_\_\_