

SEPTIC SYSTEM MONITORING,
MAINTENANCE, AND
WASTEWATER DISCHARGE
COMPLIANCE AGREEMENT
(CLAY STATION 1200, THE RANCH)

CERTIFIED TO BE A TRUE COPY
RECORDED July 22, 2004
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RECORDING REQUESTED BY AND
WHEN RECORDED, MAIL TO:
Hemert, Stark & Marois, LLP
2150 River Plaza Dr., Suite 450
Sacramento, CA 95833
Attn: Martin B. Steiner, Esq.

**SEPTIC SYSTEM MONITORING,
MAINTENANCE AND COMPLIANCE AGREEMENT**
(Clay Station 1200, The Ranch)

THIS SEPTIC SYSTEM MONITORING, MAINTENANCE AND COMPLIANCE AGREEMENT ("Agreement") is made on this 20 day of July, 2004, by THE RANCH SEWER MAINTENANCE DISTRICT, a sewer maintenance district formed and operating under California Health and Safety Code sections 4860 et seq. (the "District"), ITS COMMUNITIES, INC., a California corporation ("Developer"), and THE RANCH HOMEOWNERS ASSOCIATION, a California nonprofit mutual benefit corporation (the "Association"), with respect to the following facts:

RECITALS

WHEREAS, Developer is the owner and developer of certain real property commonly referred to as the Clay Station 1200 (or The Ranch) residential subdivision, containing approximately 1,226 acres near the town of Wilton in unincorporated Sacramento County, the residential portion of which is more particularly shown and described in Exhibit "A" (the "Property");

WHEREAS, the County of Sacramento has approved the subdivision and development of the Property into 222 single-family residential lots (each, a "Lot"), and the subdivision of the balance of The Ranch for a park parcel, a future fire station parcel, a parcel reserved for a school site, and a remainder parcel (each a "Parcel"), and Developer has recorded a subdivision map to create all of such Lots and Parcels as separate legal parcels;

WHEREAS, water and sewer service for development of each of the Lots and for any development of any of the Parcels will be provided by individual water wells and septic systems;

WHEREAS, due to the number of Lots being served by individual septic systems, Developer's predecessor-in-interest was required to obtain a wastewater discharge permit from the California Water Quality Control Board, Central Valley Region (the "Regional Board") to permit such proposed development of the Property. In connection therewith, at its meeting of September 6, 2002, the Regional Board adopted Wastewater Discharge Requirements ("WDRs") pursuant to Order No. R5-2002-0170 for the Property, as may be amended by the Regional Board from time to time (the "Order"). The Order applies not only to development of the Lots, but also to any residential development of the Parcels and the wastewater system for the fire station and school site, which station and school, if developed, will benefit the single-family development within the Property.

WHEREAS, in accordance with the WDRs, Developer prepared an Operations and Maintenance Plan, which Plan has been submitted to the Regional Board for approval. If such Plan has not been approved by the Regional Board prior to the full execution of this Agreement, then the current draft of the Plan then being reviewed by the Regional Board shall be attached hereto as Exhibit "B," and upon approval thereof by the Regional Board, the approved Plan shall be attached in place of such draft Plan and shall be re-recorded against the Property with

reference to this Agreement. The Operations and Maintenance Plan, as approved by the Regional Board, and as may be amended from time to time with the approval of the District and the Regional Board, shall be referred to herein as the "O&M Plan." The O&M Plan provides for the manner in which Developer would initially install the monitoring wells and septic systems associated with development of the project and for the division of responsibilities between the District, the Association and individual Lot owners for the continued monitoring and maintenance of the monitoring wells and septic systems, including without limitation, providing for such additional actions, analysis and improvements arising out of any observed degradation in groundwater or other aspects of the environment and development and implementation of any necessary contingency responses to mitigate any such observed adverse impacts.

WHEREAS, the WDRs also required that Developer cooperate with the formation of the District to oversee and monitor the septic tanks and subsurface disposal systems. In connection therewith, the District has been created, with the consent and support of Developer and in compliance with all applicable constitutional and statutory requirements, to have the authority to perform system maintenance, repairs and, if necessary, replacements as may be required by the WDRs and the O&M Plan. The resolution of formation for the District also includes the proposed authorization, subject to affirmative landowner election, for the District to levy taxes against the Lot owners and any other development within the Property in accordance with that certain Rate, Method of Apportionment, and Manner of Collection of Special Taxes for The Ranch Sewer Maintenance District (the "SMD Special Tax") to finance any such required or necessary activities or services of the District.

WHEREAS, in connection with and in support of the formation of the District, a funding plan was adopted for compliance with the WDRs, which plan is on file with the District and provides cost estimates associated with such compliance that may be updated from time to time by the District (the "Funding Plan"), and The County of Sacramento Community Facilities District No. 2004-3 (The Ranch) ("The Ranch CFD") was formed to finance certain facilities and services related to potential implementation of any contingency action plans and/or compliance with the WDRs which may involve extraordinary capital costs, all as more particularly described in the resolution of formation for The Ranch CFD. The resolution of formation included the authorization, subject to affirmative landowner election, of the Rate, Method of Apportionment, and Manner of Collection of Special Taxes for the Ranch CFD ("The Ranch CFD Special Tax") and an authorization to issue and sell bonds related thereto, subject to such affirmative landowner election thereon.

WHEREAS, the O&M Plan and the Funding Plan both anticipate that, to minimize the operation and administration costs of the District (and thereby either eliminate or minimize the need for the District to exercise its authority to levy the SMD Special Taxes against the developed Lots and Parcels within the Property to fund such costs), the Association would assume the responsibility for retaining the appropriate consultants and contractors, subject to District approval, to perform the monitoring and maintenance, and prepare the reports to be submitted to the District for review prior to their submission to the Regional Board, as and when required by the WDRs and the O&M Plan. The Association also desires to fund the District's costs to review and submit the reports to the Regional Board and to fund the District's ancillary administration and inspections costs related to its compliance with the WDRs and the O&M Plan, which costs would otherwise be required to be funded by the SMD Special Taxes to be levied against the Lot and Parcel owners. The Association acknowledges that, except for

individual maintenance costs associated with the septic systems within each Parcel, the Association will be solely responsible, without participation by the owners of the Public Parcels, for funding the costs to monitor and maintain the monitoring wells, the costs to inspect and provide regularly scheduled pumping of septic tanks on each residential Lot, the costs to develop and implement any Contingency Action Plan, and the costs of the District's administration and inspection costs related to this program.

WHEREAS, pursuant to the WDRs and the Funding Plan, Developer has deposited with the District the sum of Two Hundred Fifty Thousand Dollars (\$250,000) (the "Contingency Reserve"), to serve as a contingency reserve that can be drawn on from time to time by the District to pay the costs for any necessary additional monitoring or maintenance and any additional detection, evaluation, field work, sampling, reporting and implementation of any contingency responses that may be required pursuant to the WDRs and the O&M Plan that the Association may fail or refuse to perform. If and to the extent the District is ever required to use the Contingency Reserve to fund such costs, the Association acknowledges that the District's taxing authority under the SMD and/or The Ranch CFD includes the authority to levy special taxes to replenish the Contingency Reserve;

WHEREAS, the Association desires to enter into an agreement with the District to allow the Association to directly fund all costs associated with monitoring and maintenance of the septic system and complying with all other aspects of the WDRs and the requirements under the O&M Plan and the District is willing to allow the Association to assume the initial responsibility for providing for such compliance with the WDRs and the O&M Plan, all in accordance with and subject to the terms of this Agreement.

NOW THEREFORE, in consideration of the mutual promises, conditions and covenants hereinafter set forth, the parties agree as follows:

ARTICLE I
DEFINITIONS

1.1 "Association" means The Ranch Homeowners Association, a California nonprofit mutual benefit corporation, or any other association or corporation created by the Owners for the purposes set forth herein.

1.2 "Contingency Reserve" means the \$250,000 reserve funded by Developer to the District in accordance with the WDRs and the O&M Plan.

1.3 "County" means the County of Sacramento, California.

1.4 "District" means The Ranch Sewer Maintenance District.

1.5 "District Manager" means the Director of the County's Environmental Management Department, or his designee.

1.6 "Developer" means JTS Communities, Inc., a California corporation, the initial developer of the Property responsible for the initial installation of the monitoring wells and for

the installation of the initial Septic Systems for each of the homes constructed within the Property.

1.7 "Funding Plan" means the plan adopted by the District to describe and estimate the costs for complying with the WDRs and the O&M Plan, as such Plan may be revised from time to time to comply with any changes to the WDRs and/or the O&M Plan and to adjust to any changes in the estimated costs related thereto.

1.8 "Lot" means (i) any of the separate plots of land planned for single family residential development and created by the recorded subdivision map of the Property and (ii) any plots of land that may be subsequently created by the subdivision of any Parcel and planned for single family residential development.

1.9 "O&M Plan" means the Operations and Maintenance Plan adopted by the District and approved by the Regional Board in accordance with the WDRs, as such Plan may be revised from time to time by the District, subject to approval by the Regional Board.

1.10 "Occupant" means any person from time to time entitled to the use and occupancy of any portion of a building in the Property, or any Lot thereof, under an ownership right or any lease, sublease, license, concession, or other similar agreement but excluding customers and invitees.

1.11 "Owner" means any person or entity holding a record ownership interest in any Lot, including Developer. Owner includes a contract purchaser, but excludes (i) any person or entity holding such interest as security for the payment of an obligation, unless such security holder is in actual possession of a Lot, and (ii) any public entity to which real property within the Property has been conveyed, sold or dedicated. An "Owner" is limited to an owner of a residential Lot, and shall not be deemed or implied to include an owner of a Public Parcel.

1.12 "Parcel" means any of the separate parcels of land planned for non-residential development and created by the recorded subdivision map of the Property, including the remainder parcel shown on the map.

1.13 "Property" means the real property which is subject to and burdened by this Agreement, consisting of the Lots described in Exhibit "A" attached hereto, and expressly excluding the Public Parcels described herein.

1.14 "Public Owner" means any public or quasi-public entity holding a record ownership interest in any Public Parcel.

1.15 "Public Parcel" means any of the Parcels planned for park, school or fire district use.

1.16 "The Ranch CFD" means The County of Sacramento Community Facilities District No. 2004-3 (The Ranch).

1.17 "The Ranch CFD Special Tax" means that certain Rate, Method of Apportionment, and Manner of Collection of Special Taxes for The Ranch CFD, to finance

certain facilities and services that may become necessary to comply with the WDRs in excess of those services to be funded by the SMD Special Tax.

1.18 "Regional Board" means the California Water Quality Control Board, Central Valley Region, and any successor governmental entity thereto responsible for the issuance and enforcement of permits for wastewater discharge, including without limitation, the enforcement of the Order described in the above recitals.

1.19 "Reserve Area" means the area within each Lot designated on the final subdivision map and on the map provided to each Owner upon its acquisition of the Lot for potential replacement of the Septic System in the event of any failure of the Septic System initially installed with the construction of the dwelling unit on the Lot.

1.20 "Septic System" means septic tanks, leachfields, seepage pits, carbonaceous reactive barriers, meters, pipelines, valves, controls, conduits, and all related and ancillary facilities for treating wastewater from each home or building constructed on a Lot or Parcel.

1.21 "SMD Special Tax" means that certain Rate, Method of Apportionment, and Manner of Collection of Special Taxes for The Ranch Sewer Maintenance District.

1.22 "WDRs" means the Wastewater Discharge Requirements adopted by the Regional Board in connection with the Order described in the above Recitals, as such WDRs may be revised from time to time by the Regional Board.

ARTICLE 2 MAINTENANCE OF OVERALL SEWER SYSTEM

2.1 Inspection of Septic Systems. The Association will retain a registered professional(s) to inspect each Septic System within the Property as and when required by the O&M Plan. Regularly scheduled inspections shall be at the expense of the Association; inspections due to improper use or maintenance of a Septic System by an Owner or Occupant shall be at the expense of the Owner. Such inspections shall be performed by professional(s) approved by the District Manager. At the request of a Public Owner, the Association will include the Public Owner's Septic System in these regularly scheduled inspections, subject to the Public Owner agreeing to reimburse the Association for the cost to perform the inspection for the Public Parcel.

2.2 Pumping and Cleaning of Septic Tanks. The Association shall provide regularly scheduled pumping and cleaning of septic tanks in accordance with the O&M Plan. At the request of a Public Owner, the Association will include the Public Owner's Septic System in these regularly scheduled pumping and cleanings, subject to the Public Owner agreeing to reimburse the Association for the cost to perform such work for the Public Parcel.

Except for such regularly scheduled pumping and clean outs, each Owner shall be responsible for any additional pumping or clean outs, which shall be performed in accordance with the O&M Plan. If an Owner refuses to perform any required pumping or cleaning out of its septic tank for which such Owner is responsible under the O&M Plan, and such refusal is not cured within ten (10) days after receipt of written notice from the Association to cure such

default, the Association shall be obligated to perform such work, and shall have the right to assess the cost thereof to the Owner. The contractor(s) to be hired by the Association or an Owner to perform such work shall be selected from an approved list maintained by the District and/or the County.

2.3 Leachfields and Sepage Pits. If, as a result of inspection of a Septic System, the Association or the District determines that any leachfield or seepage pit requires maintenance, repair or replacement, the Owner will maintain, repair or replace the leachfield or seepage pit and, if the Owner fails to perform such work within thirty (30) days of receipt of written notice from the Association or the District to perform such work, the Association or the District shall have the right to perform such work and to assess the costs thereof to the Owner.

2.4 Water Supply Wells. Each Lot will have a private water supply well, and each Owner will be required to comply with mandatory setbacks from property boundaries and subsurface disposal systems established by the County. The final subdivision map specifies, and any subsequent subdivision map for any Lot shall specify, the allowable locations of the water supply wells and subsurface disposal areas to ensure adequate separation between wells and disposal areas.

2.5 Groundwater Monitoring Wells. Developer has installed a total of 12 groundwater monitoring wells within the Property. The Association shall monitor, maintain, repair and/or replace the 12 groundwater monitoring wells, in accordance with the O&M Plan and as may be required from time to time by the District or the Regional Board. The Association shall also contract for the necessary testing and reporting to the District of samples from the groundwater monitoring wells, in accordance with the requirements of the WDRs and the O&M Plan. The consultants to be retained by the Association to perform such work shall be approved by the District Manager, provided any approval thereof by the District shall not limit the District's rights from independently retaining its own staff and/or consultants to perform such monitoring and reporting of the monitoring wells. If an increase in concentrations of any waste constituent being analyzed by such required monitoring and reporting is observed, the Association shall implement an Evaluation Monitoring Plan to the extent required by and in accordance with the requirements of the WDRs and the O&M Plan to assess the source(s) of the problem, assess potential water supply impacts, and implement source control as appropriate.

The Association acknowledges that no Public Owners shall be obligated to share in the costs to perform the work described in this Section 2.5. This exemption shall not apply to limit a Public Owner's contingent obligation to pay any SMD Special Taxes that may be levied by the District against the Public Parcel to fund any of these costs. Provided, however, since the parties' intend that the Association's timely performance of its obligations under this Agreement will obviate any requirement for the District to levy any such Special Tax, the Association acknowledges that the Public Parcels are not anticipated to share in any of these costs.

2.6 Contingency Action Plan. If groundwater degradation occurs, the Association shall, in consultation with the District, develop and implement a Contingency Action Plan in accordance with the requirements of the WDRs and O&M Plan to address such groundwater degradation. Such actions may include, without limitation, notification of the Owners of the problem and implementing source control procedures for identified problem areas, disposal system retrofits and/or treatment system improvements to be determined on a case-by-case basis.

and, if necessary, provisions for a new well or alternative water supply for any affected residences. As more particularly described in the O&M Plan, and subject to compliance with the WDRs, the Association and its approved consultants shall initially prepare any such Contingency Action Plan for submission to and review and approval by the District, and after incorporating any proposed changes or comments by the District, the District will submit such Plan to the Regional Board for its review and approval. The final Contingency Action Plan shall incorporate any and all changes or comments from the Regional Board as necessary to comply with the WDRs.

If and to the extent groundwater degradation occurs due to an Owner's improper use or maintenance of its Septic System, then such Owner shall be solely responsible for the costs thereof, and the Association shall have the right to perform any work required to repair and/or replace such damaged Septic System and to assess the costs thereof to the Owner.

Provided, however, if and to the extent groundwater degradation occurs due to factors other than the improper use or maintenance of Septic Systems by individual Owners, or if the Association is unable to discover such a cause for degradation, then the Association collectively, and not an individual Owner or Owners, shall be responsible for analyzing, preparing and implementing a Contingency Action Plan in accordance with the requirements of the WDRs and the O&M Plan. Developer and Owners acknowledge that, even if the Contingency Action Plan only involves the replacement of some of the Owners' Septic Systems, possibly within a limited area within the Property, each of the Owners' use and enjoyment of its Lot is dependent upon compliance with the WDRs in order to be permitted to use their Septic Systems for wastewater disposal and all of the Owners will also benefit from the restoration and preservation of the affected groundwater. Accordingly, all Owners must be responsible through their Association assessments and/or the payment of The Ranch CFD Special Taxes to fund the obligations of the Association to develop and implement any necessary Contingency Action Plan. If and to the extent the Contingency Action Plan requires the installation of facilities and provision of services that involve significant capital expenses, the Association and the Owners acknowledge that, in lieu of special Association assessments to fund such capital costs, such necessary facilities and services may be funded by The Ranch CFD, the costs of which would be financed through the issuance and sale of bonds and payment by the Owners of The Ranch CFD Special Taxes related thereto. The Association acknowledges that no Public Owners shall be obligated to share in the costs to develop and implement any necessary Contingency Action Plan described in this Section 2.6, provided this limitation shall not excuse such Public Owner from any liability or responsibility due to such Public Owner's improper use or maintenance of its Septic System.

2.7 Corrective Action Fund. The Developer has provided District with a cash deposit of \$250,000 to establish the Corrective Action Fund required by the WDRs and the O&M Plan. The District will have sole recourse to such Fund to pay for regularly occurring administration of the District (at its sole option, and only to the extent any such withdrawals do not cause the balance of the Fund to drop below the required minimum balance of \$250,000) and to provide the resources to the District that may become necessary for the District to initiate and implement any maintenance or contingency actions pursuant to the WDRs and the O&M Plan in the event the Association fails to timely perform its obligations under this Agreement and/or the O&M Plan. Such District actions may include, without limitation, the initiation and implementation of the administrative process to levy against and collect from the Property the SMD Special Taxes and/or The Ranch CFD Special Taxes authorized to fund the District

activities and actions. Except for withdrawals by the District to fund any of the foregoing, the Corrective Action Fund shall otherwise be maintained with a minimum balance of \$250,000. As and when any funds are withdrawn by the District from the Corrective Action Fund, the Association shall pay to the District the amount required to replenish the Corrective Action Fund to \$250,000 within sixty (60) days of written notice therefor from the District. The Association acknowledges that no Public Owners shall be obligated to share in the costs to replenish the Corrective Action Fund, provided this exemption shall not limit a Public Owner's contingent obligation to pay SMD Special Taxes that may be levied by the District against the Public Parcel to fund any of these costs.

2.8 Advance Funding of District Operating Costs. On an annual basis, within thirty (30) days of the full execution of this Agreement, and thereafter on or around April 15 of each calendar year, the Association may request that the District provide an estimate of the costs anticipated to be incurred by the District to perform the District obligations under the O&M Plan and to comply with the WDRs. Such costs may include the costs to administer the District, including costs associated with maintaining and/or exercising its taxing authority, costs of inspections and oversight, and the costs to review any monitoring reports prepared by the Association and to present such reports to the Regional Board, all in accordance with and as required to comply with the O&M Plan and the WDRs. District shall use good faith efforts to provide an estimate of such costs to the Association within thirty (30) days of such request, as well as an accounting for the costs incurred by the District during the preceding fiscal year and the application of any advance funding provided by the Association therefor. Upon receipt of such annual cost estimate, the Association shall advance the amount of such estimated costs (together with any payment to cover District costs for the current fiscal year in excess of the Association's previous advance therefor, or less any credit for funds advanced by the Association in excess of the District's need therefor) by no later than June 15 of such calendar year. If such advance payment is received by the District, then the District may, in its sole discretion, elect not to levy the SMD Special Taxes against the Property for the ensuing fiscal year, provided however, any such advance funding shall not limit the District's authority to levy such tax nor shall any such advance funding by the Association limit the amount of funds that the District may subsequently elect to expend to fulfill its obligations under the WDRs and the O&M Plan.

Similar to Section 2.5 above, no Public Owners shall be obligated to share in the costs to perform the work described in this Section 2.7, provided this exemption shall not apply to limit a Public Owner's contingent obligation to pay SMD Special Taxes that may be levied by the District against the Public Parcel to fund any of these costs.

2.9 Responsibility for Association Costs. With respect to any and all obligations to be performed by the Association hereunder, the costs therefor shall be paid by all of the Owners within the Association, on a pro-rata basis, based on the number of Septic Systems installed on an Owner's Lot. Since each of the Owners' use and enjoyment of its Lot is dependent upon compliance with the WDRs and the O&M Plan in order to be permitted to use its Septic System for wastewater disposal, the Owners acknowledge that the costs for the Association to perform its obligations under the O&M Plan and this Agreement should be shared between all of the Owners. Furthermore, in order for the Association to comply with the requirements of the WDRs, the O&M Plan and this Agreement, the Owners acknowledge that the Association may need to assess all of the Owners for costs to be incurred to respond to a septic system failure that may be the responsibility of an individual Owner and that, thereafter, the Association may elect,

in its discretion, to pursue or not to pursue recovery of such costs from the individual, offending Owner.

ARTICLE 3 MAINTENANCE AND USE OF INDIVIDUAL SEPTIC SYSTEMS

3.1 Repair of Septic System Generally. Except for any repair or reconstruction of a Septic System or Systems as a result of implementation of a Contingency Action Plan, each Owner will otherwise be responsible for the material costs of the Septic System for each Owner's Lot, including the costs of maintaining, repairing and replacing such Septic System. Each Owner will also be responsible to provide sufficient disposal area, including space for replacement systems, to comply with the WDRS and the O&M Plan. The contractor(s) to be hired by an Owner to perform such work shall either be selected from an approved list maintained by the District and/or the County or shall be approved in writing by the District Manager.

3.2 Modifications of Septic System. Except as specifically agreed to or as may be directed by the District in writing, no Owner shall modify the Septic System, percolate system, or water supply well, except for maintenance, repair or replacement permitted by and in accordance with the O&M Plan.

3.3 No Interference/Preservation of Reserve Areas. As provided in the O&M Plan, no buildings, structures, sheds, walls, fences, pavement, swimming pools, or barriers of any sort or kind shall be constructed or maintained on the portions of an Owner's Lot within which the leachfield/seepage pit area is located or within the Reserve Area. Furthermore, Owner shall minimize vegetation in these portions of the Lot as needed to prevent threat of root intrusion into the leach lines and drain rock, and shall remove vegetative debris from the active leachfield area.

3.4 Slope and Drainage Control. After completion of the grading of a Lot in accordance with the subdivision plans, the slope of any Lot shall not be unreasonably altered, nor shall any improvement, structure, retaining wall, landscaping or other activity be taken which retards, changes or otherwise interferes with the natural flow of surface or drainage waters to the actual or threatened injury of any Lot.

3.5 Right of Entry. The Association or District may enter an Owner's Lot to perform any of its obligations hereunder, provided that all such work shall, except in the case of an emergency, be done after at least three (3) days written notice to the Owner of such proposed inspection, be done during reasonable hours, and shall be performed with due diligence.

ARTICLE 4 DISTRICT POWERS AND LIMITED LIABILITY

4.1 Rights and Remedies Cumulative. The rights and remedies of the District under this Agreement are cumulative with all other rights, powers and authorities of the District. Nothing in this Agreement is intended to require the District to defer to the Association or to delay any action deemed necessary by the District to comply with the requirements of the WDRS or the O&M Plan. Furthermore, this Agreement shall in no way limit the ability or authority of the District to exercise any of its other statutory or legal rights, powers or authorities as required

to comply with the WDRs and the O&M Plan, including without limitation, its right to levy and collect SMD Special Taxes and/or The Ranch CFD Special Taxes to fund any of the costs or obligations of the District under the WDRs and the O&M Plan.

4.2 Assignment of Association Lien Rights. In addition to any and all rights and powers of the District, the Association hereby assigns to the District any and all rights of the Association to assess and enforce assessments against each of the Owners of Lots within the Association for any and all costs associated with compliance with the O&M Plan and the WDRs, including without limitation, the right to levy and enforce assessments against an Owner and its Lot for any costs arising out of or related to any breach of such Owner's obligations under this Agreement. This assignment includes the right to enforce such assessment by foreclosure against the Owner's Lot, in accordance with applicable statutory authority related to homeowner assessment liens. Upon request of the District, the Association shall cooperate with the District and sign any documents reasonably required by the District to levy and enforce these assessment rights.

4.3 Notice of Levy of Taxes. In order to give the Association the opportunity to review and comment upon any proposed levy of any special taxes by the District, the District will use reasonable efforts to provide the Association with a copy of the proposed tax levy by July 1 of each year so that the Association may review and comment on it prior to its submittal to the Assessor's Office of Sacramento County. The Association acknowledges and agrees that the District's failure to provide any such pre-levy notice will not be a breach of this Agreement and will not prevent or in any way limit the District's authority to levy either the SMD Special Tax and/or The Ranch CFD Special Tax or to file such levy with Sacramento County Assessor's Office at such times as it deems necessary or appropriate.

4.4 Limited District Liability. The District's sources of revenue are limited to (i) its ability to levy and collect the SMD Special Taxes from the Property in accordance with the authority provided thereto upon its formation, and as may be amended from time to time by a vote of the Owners in accordance with applicable statutory and constitutional requirements; (ii) its ability to levy or cause to be levied The Ranch CFD Special Taxes to fund the facilities and services described in the resolution of formation for The Ranch CFD, and (iii) its ability to issue and sell bonds to finance the implementation of any necessary Contingency Action Plan, provided the sole sources of payment for any such bonds shall be limited to the SMD Special Taxes and The Ranch CFD Special Taxes that may be levied by the District. Since this taxing authority is limited to the Property, the Association and Owners acknowledge that in the event of any action or judgment against the District, the sole source of payment therefor shall be through the District's levy and collection of special taxes against all of the Owners within the Property, in accordance with the District's taxing authority therefor.

4.5 No County Liability. The obligations arising from this Agreement are not a debt of the County, nor a legal or equitable pledge, charge, lien, or encumbrance upon any of its property or upon any of its income, receipts, or revenues. The only public revenues available to enforce compliance with the WDRs and the O&M Plan are those revenues of District arising from the receipt of special taxes and/or from the sale of any bonds that may be authorized to be sold by the District based on the District's taxing authority. Neither the General Fund nor any other fund of the County shall be liable for the payment of any obligations arising from this Agreement. The credit or taxing power of the County is not pledged for the payment of any

obligation arising from this Agreement. Neither the Association nor any Owner shall compel the forfeiture of any County property to satisfy any obligations arising from this Agreement.

ARTICLE 5

ENFORCEMENT AND PAYMENT

5.1 Enforcement Generally. The Association or District shall each, independently, have the right, but not the obligation, to commence and maintain actions against an Owner or Owners for damages or to restrain and enjoin any actual or threatened breach of any provisions of this Agreement by any Owner or Owners, to enforce by mandatory injunction all of the provisions of this Agreement applicable to such Owner, and/or to assess and enforce such assessments against the Owner and the Owner's Lot to reimburse the Association or District for the costs of causing such Owner's Lot to comply with the WDRs, the O&M Plan and/or this Agreement. Similarly, the District shall have the right, but not the obligation, to commence and maintain actions against the Association for damages or to restrain and enjoin any actual or threatened breach of any provisions of this Agreement by the Association, and to enforce by mandatory injunction all of the provisions of this Agreement applicable to the Association.

Neither the Association nor the District shall have any right hereunder to enforce any of the terms or provisions of this Agreement against any Public Parcel or Public Owner, however, this lack of remedies or right of enforcement against a Public Parcel or Public Owner shall not limit such Public Owner's obligations to comply with the WDRs in connection with the installation and/or use of any Septic System for the development and use of its Public Parcel.

5.2 Agreement to Pay. Each Owner covenants and agrees for their respective Lot that such ownership, and the ownership thereof by each successor and assign of such Owner, is expressly made subject to the obligation to pay the costs of maintenance, monitoring, replacement, and/or repair costs allocable to such Owner's Lot. Each Owner of any Lot further covenants and agrees for each Lot owned by it to pay to the Association any assessments assessed by the Association in accordance with the provisions of the Association Bylaws and CC&Rs related thereto to fund any of the costs incurred by the Association pursuant to this Agreement. Each Owner acknowledges that, as more particularly described in Section 2.6 above, such assessments may include costs incurred by the Association to develop and implement a Contingency Action Plan that results in certain improvements to some, but not all, of the Owners' Septic Systems, but which costs are appropriately shared by all of the Owners within the Association in order to comply with the WDRs that permit each Owner to discharge wastewater through its Septic System. Each Owner further acknowledges that, as more particularly described in Section 4.2 above, the District shall have the same rights as the Association to assess and enforce the Owner's assessment obligations related to compliance with the WDRs, O&M Plan and this Agreement.

5.3 Attorneys' Fees. In the event of any controversy, claim, or dispute arising out of or relating to this Agreement or the interpretation or enforcement of any breach hereunder, the prevailing party shall be entitled to recover reasonable expenses, attorneys' fees, and costs, as determined by the court, including any attorneys fees incurred on appeal or in any bankruptcy proceeding or bankruptcy appeal to enforce such claims or disputes.

8.1 **Approvals.** Any formal or informal consent, approval or permission given by the Owners or Association shall not be construed as consent, approval or permission by the District or the Regional Board, or any other government agency, entity or authority.

**ARTICLE 8
GENERAL PROVISIONS**

7.3 **Leasing of Property.** Every lease or other agreement for the hire ("lease") of any portion of the Property subject to this Agreement shall be subject to the provisions of this Agreement, and every tenant or occupant of a Lot or a portion thereof shall in all applicable respects comply with the provisions of this Agreement.

7.2 **Project Documents.** By its acceptance of a deed to a Lot, each Owner is and shall be conclusively deemed to have examined and accepted this Agreement and any amendments thereto.

7.1 **Constructive Notice and Acceptance.** Every person who now or hereafter owns, occupies or acquires any right, title or interest in or to any portion of the Property subject to this Agreement is and shall be conclusively deemed to have consented and agreed to every covenant, condition, restriction, limitation and agreement contained herein, whether or not any reference to this Agreement is contained in the instrument by which such person acquired an interest in said property.

**ARTICLE 7
OWNERS' COVENANTS OF ACCEPTANCE**

6.2 **Modification and Termination.** This Agreement may be modified, amended, revoked or terminated only upon the written consent of the Owners of all Lots and the District. No such modification, amendment, revocation, termination, or extension shall be effective until a proper instrument in writing describing such modification, amendment, termination, or extension has been executed and recorded in the Official Records of the County, properly referring to this Agreement (and any prior amendments thereto).

6.1 **Duration of Restrictions.** This Agreement shall be recorded against the Property in the Official Records of the County, at Developer's cost, within ten (10) days of the full execution hereof and the adoption of the resolution of formation of the District. This Agreement shall thereafter run with the land, and continue and remain in full force and effect at all times with respect to any and all real property now or hereafter made subject to this Agreement (subject, however, to the right to amend and repeal as provided for herein) for a period of thirty (30) years from the date on which this Agreement is recorded against the Property. After that time, this Agreement and all covenants, conditions, restrictions, limitations, agreements and other provisions contained herein shall be automatically extended for successive ten (10) year periods unless this Agreement is revoked by an instrument executed by a majority of the Owners and the District.

**ARTICLE 6
DURATION, MODIFICATION AND TERMINATION**

8.2 Exhibits. All exhibits are attached to, and are made an integral part of, this Agreement.

8.3 Waiver of Liability. Neither the District nor the County, nor its employees, officers, or agents thereof, shall be liable to the Association or any Owner, lessee, licensee or occupant of real property subject to this Agreement by reason of any mistake in judgment, nonfeasance, action or inaction, or for the enforcement, or failure to enforce any provision of this Agreement. Every Owner, lessee, licensee or Occupant of such real property by acquiring his interest therein agrees not to bring any action or suit against the District or the County, or its employees, officers or agents thereof, to recover damages from or to seek equitable relief by reason of the foregoing, and each and every Owner, lessee, licensee or Occupant hereby waives any right to do so.

8.4 Invalidity of any Provision. Should any provisions or portion hereof be declared invalid or in conflict with any law of any jurisdiction where the Property is situated, the validity of all other provisions and portions hereof shall remain unaffected and in full force and effect.

8.5 Mortgage Protection Clause. No breach of any of the covenants, conditions and restrictions herein contained, nor the enforcement of any lien provisions herein, shall render invalid the lien of any first or second Mortgage (meaning a Mortgage with first priority over any other Mortgage) on any Lot made in good faith and for value, but all of said covenants, conditions, restrictions limitations and agreements shall be binding upon and effective against any Owner whose title is derived through foreclosure or trustee's sale, or otherwise.

All lenders that have filed with the Association a request for Notice of Default shall be entitled to receive written notice from the Association of any default by the trustor of any deed of trust on a Lot (the beneficial interest in which is held by said lender) in the performance of such trustor's obligations under this Agreement, which is not cured within thirty (30) days. The District shall have no obligation hereunder to provide any notice of default to any such lender or to the Association nor shall any failure to provide any such notice serve to limit the District's rights, authority or powers hereunder.

8.6 Owner's Compliance. Each Owner, tenant or Occupant of a Lot shall comply with the provisions of this Agreement and the requirements applicable to the Owner of the WDRS and O&M Plan, as amended from time to time, and failure to comply with any such provisions, decisions, or resolutions shall be grounds for an action to recover sums due, for damage for injunctive relief or for other relief. Each Owner, tenant or Occupant of a Lot shall also comply with all applicable laws, statutes, ordinances and regulations, and shall defend, indemnify and hold harmless the District and Association from any loss, claim, liability or expense, including attorneys' fees, arising out of or in connection with its failure to comply therewith or with the provisions of this Agreement.

8.7 Headings. Article and section headings, where used herein, are inserted for convenience only and are not intended to be a part of this Agreement or in any way to limit or expand the scope and intent of the particular article or section to which each refers.

8.8 Notices. Any notice permitted or required herein may be delivered either personally or by mail. If delivery is by mail, it shall be deemed to have been delivered seventy-

two (72) hours after a copy of the same has been deposited in the United States mail, postage prepaid, addressed to each person at the address provided to the County Assessor for tax notices (if then undeveloped) or addressed to the Lot of such person if then developed and available to the public. Addresses for the District and the Association shall be as follows:

Association: District:

The Ranch Homeowners Association
c/o JTS Communities, Inc.
401 Watt Avenue
Sacramento, CA 95864
Attn: Mike Carson, Project Manager

The Ranch Sewer Maintenance District
c/o Sacramento County EMD
8475 Jackson Road, Suite 220
Sacramento, CA 95826
Attention: Steve Kalvelage

8.9 Limited Liability of Developer. Developer's obligations hereunder are limited to its obligations as an Owner of Lots within the Property, including its obligation to pay assessments to the Association as and when such assessments are assessed thereby. If and when Developer completes the development of the Property and sells all of the Lots within the Property, then Developer shall have no further obligation or liability hereunder (except for any outstanding obligation to pay assessments levied against any Lot during which time Developer was an Owner of such Lot).

IN WITNESS WHEREOF, the undersigned has executed this Agreement as of the date first above written.

DISTRICT:

DEVELOPER:

THE RANCH SEWER MAINTENANCE DISTRICT, a sewer maintenance district formed and operating under California Health and Safety Code sections 4860 et seq.

JTS COMMUNITIES, INC., a California corporation
By: Vicki Holt
Name: Vicki Holt
Title: Treasurer

By: Richard S. Brewer
Name: Richard S. Brewer
Title: DISTRICT REPRESENTATIVE

ASSOCIATION: THE RANCH HOMEOWNERS ASSOCIATION, a California nonprofit mutual benefit corporation
By: Jack T. Sullivan
Name: Jack T. Sullivan
Title: Owner

State of California
County of Sacramento

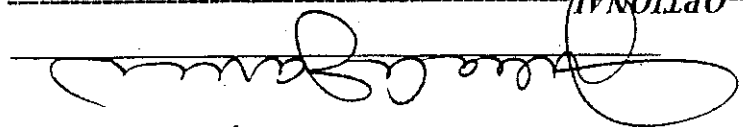
On July 20, 2004 before me, Julia A. Jarvis, personally appeared Richard Sanchez

Personally know to me

proved to me on the basis of satisfactory to be the person whose name is subscribed to the

executed the same in his authorized capacity and that he executed the instrument and acknowledged to me that he executed the instrument on the basis of satisfactory to the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.



OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: Septic System Monitoring, Maintenance, and Waste Water Discharge Compliance Agreement

Document Date: July 20, 2004

Signer(s) Other Than Names Above: Vikki Holt and Jack T. Sweigart

Capacity Claimed by Signer

Signer's Name: Richard Sanchez

Individual

Corporate Officer - Title

Partner - Limited

General

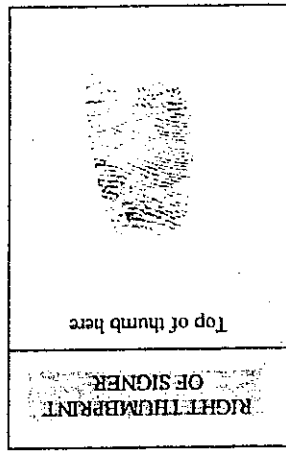
Attorney in Fact

Trustee

Guardian or Conservator

Other: District Representative - Director of Environmental Health

Signer Is Representing: Sacramento County



State of California

County of Sacramento

On July 15, 2004 before me, Timothy J. O'Connor

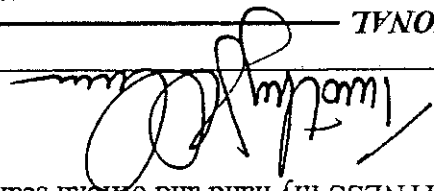
personally appeared Jack T. Sweigart

Personally known to me

proved to me on the basis of satisfactory

to be the person(s) whose name(s) is/are
subscribed to the within instrument and
acknowledged to me that he/she/they executed the
same in his/her/their authorized capacity(ies), and
that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf of which
the person(s) acted, executed the instrument.

WITNESS my hand and official seal.



Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document:

Document Date:

Signer(s) Other Than Named Above:

Capacity(ies) Claimed by Signer

Signer's Name:

Individual

Corporate Officer - Title

Partner - Limited General

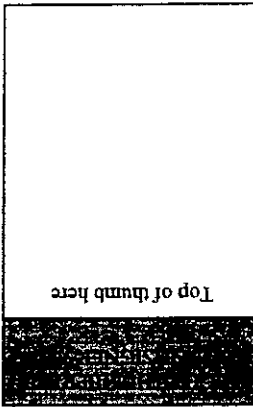
Attorney in Fact

Trustee

Guardian or Conservator

Other:

Signer Is Representing:



State of California

County of Sacramento

On July 15, 2004 before me, Timothy J. O'Connor

personally appeared Vikki Holt

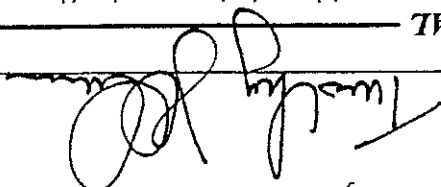
Personally known to me

proved to me on the basis of satisfactory

to be the person(s) whose name(s) is/are
subscribed to the within instrument and

acknowledged to me that he/she/they executed the
same in his/her/their authorized capacity(ies), and
that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf of which
the person(s) acted, executed the instrument.

WITNESS my hand and official seal.



Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer: _____

Signer's Name: _____

Individual

Corporate Officer - Title _____

Partner - Limited General

Attorney in Fact

Trustee

Guardian or Conservator

Other: _____

Signer Is Representing: _____

Top of thumb here

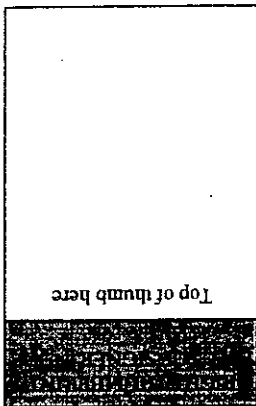


EXHIBIT 'A'

DESCRIPTION OF PROPERTY
HOMEOWNERS ASSOCIATION AGREEMENT

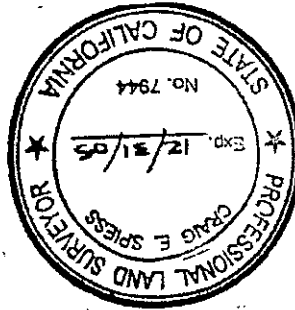
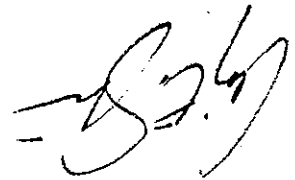
All that certain real property situate in the Hartnell Grant, and Section 2, Township 6 North, Range 7 East, and Section 35, Township 7 North, Range 7 East, County of Sacramento, State of California and being further described as follows:

Being Lots 1 through 222, inclusive, as shown and designated on that certain Final Map entitled "Clay Station 1200" filed for record in Book 311 of Maps, at Page 11, Sacramento County Records.

See Exhibit "A-1" to accompany description, attached hereto and made a part hereof.

This description is for a homeowners association agreement only and not intended to circumvent the Subdivision Map Act and shall not be used for sale, lease or finance. Any conveyance must comply with the Subdivision Map Act and local ordinances.

This legal description was prepared by me or under my direct supervision pursuant to Section 8729 (2) of the Professional Land Surveyors Act.



Craig E. Spiess P.L.S. 7944
Expires: December 31, 2005
Date: 6/23/04

PREPARED BY WOOD RODGERS, INC.
SACRAMENTO, CALIFORNIA

SEE DESCRIPTION FOR COURSE INFORMATION

SCALE: 1"=1500'

WOOD RODGERS
ENGINEERING • MAPPING • PLANNING • SURVEYING
3301 C St., Bldg. 100-B Tel 916.341.7780
Sacramento, CA 95816 Fax 916.341.7787



NOTE: STREETS & LOTS D-1 ARE NOT INCLUDED WITHIN THE PROPERTY

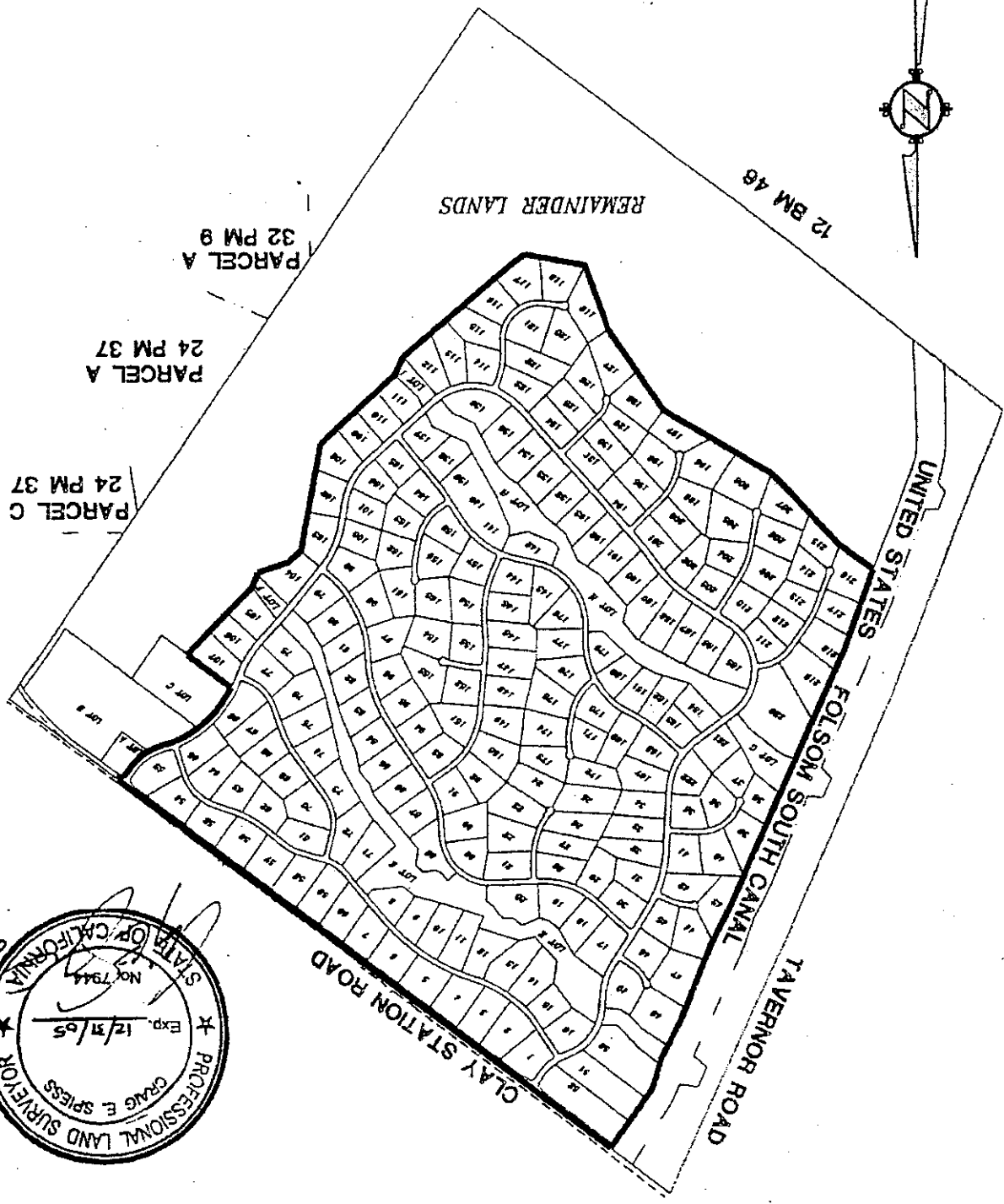


EXHIBIT A-1
PLAT TO ACCOMPANY DESCRIPTION
CLAY STATION 1200 HOME OWNERS ASSOCIATION AGREEMENT
LOTS 1-222-INCLUSIVE, 311 B.M. 11
COUNTY OF SACRAMENTO, STATE OF CALIFORNIA

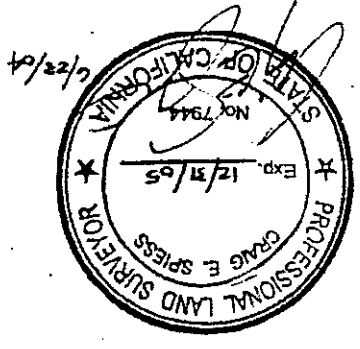


EXHIBIT "B"

**OPERATIONS AND MAINTENANCE PLAN
WITH SEPTIC SYSTEM OWNER'S MANUAL FOR
THE RANCH SEWER MAINTENANCE DISTRICT
AND COUNTY OF SACRAMENTO COMMUNITY
FACILITIES DISTRICT NO. 2004-3 (THE RANCH)**

Prepared for
**JTS Communities
401 Watt Avenue
Sacramento, CA 95864**

Prepared by
Condor Earth Technologies, Inc.
21663 Brian Lane
Sonora, CA 95370
(209) 532-0361

May 18, 2004
Condor Project No. 4005D

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APPENDICES

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**OPERATIONS AND MAINTENANCE PLAN
WITH SEPTIC SYSTEM OWNER'S MANUAL FOR
THE RANCH SEWER MAINTENANCE DISTRICT
AND COUNTY OF SACRAMENTO COMMUNITY
FACILITIES DISTRICT NO. 2004-3 (THE RANCH)**

1.0 INTRODUCTION

This Operations and Maintenance Plan (O&M Plan) includes descriptions of the septic systems (a unit of septic tank with leachfield or seepage pit) to be installed, inspected and maintained in connection with development of Clay Station 1200 Subdivision, (The Ranch), and procedures for maintaining and monitoring their performance. This O&M Plan has been prepared by Condor Earth Technologies, Inc. (Condor) for JTS Communities, Inc. (JTS) and is intended to be used by The Ranch Homeowners Association (HOA) to be formed by JTS, and the Ranch Sewer Maintenance District to be formed by Sacramento County in connection with the operation and maintenance of the septic systems. This O&M Plan initially is general because the septic systems have not yet been constructed. As the systems are completed, this O&M Plan will be revised and supplemented to make a more detailed manual to direct the activities of the HOA and the District.

This O&M Plan includes the following general sections: Background Information, Responsible Parties, Routine Inspection and Sampling and References. Appendices include maps, monitoring schedules and permit documents, examples of inspection forms, a troubleshooting flow chart with recommended response procedures, and a Septic System Owner's Manual.

2.0 BACKGROUND INFORMATION

The Ranch is a rural residential subdivision (Clay Station 1200 Subdivision) located near the intersection of Clay Station Road and Tavorner Road near the town of Wilton, California. The site consists of approximately 1,226 acres. Approximately 746 acres of the development will be subdivided into 222 residential lots averaging approximately 2.5 acres in size. Other parcels of varying size include open space, a future fire station, park, and school site. Each residential lot will have an on-site wastewater disposal system.

The California Regional Water Quality Control Board (CRWQCB) has issued Order No. R5-2002-0170 Waste Discharge Requirements (WDRs) for discharges from domestic wastewater septic systems on individual parcels at The Ranch. The CRWQCB required the formation of a public entity Sewer Maintenance District to undertake compliance with the WDRs. A series of technical reports that evaluated the site conditions and design options were submitted with the Report of Waste Discharge (RWD). Based on site data and on-site wastewater disposal system design criteria, Best Practical Treatment and Control (BPTC) of wastewater at The Ranch is on-site treatment and disposal through septic tanks with either leachfields, seepage pits containing carbonaceous treatment barriers, or special design system of equal or better environmental protection. All home sites where soil conditions will allow a leachfield shall have a leachfield installed, and all remaining home sites shall have a seepage pit system or special design system equally protective of groundwater quality. On-site disposal in seepage pits is commonly applied in Sacramento County where housing density is comparable to The Ranch. The septic systems will be sited and constructed according to existing Sacramento County requirements and CRWQCB guidelines, and each lot will have a reserve area set aside for replacement or expansion of the disposal system. If monitoring determines that the seepage pits provide insufficient treatment, then sand filters or equivalent

treatment technology will be installed between the septic tanks and disposal systems (see Section 4.12 Contingency Action Plan).

3.0 RESPONSIBLE PARTIES

The primary responsible parties are:

- The Ranch Sewer Maintenance District (District) to be formed by the County of Sacramento pursuant to Health and Safety Code sections 4860 et seq.;
- The Ranch Homeowners Association (HOA) to be a non-profit mutual benefit corporation formed by JTS under Corporations Code sections 7110 et seq.;
- Homeowners each of whom are the record title holders of the single-family lots within the Project.

The responsibilities of each party for operation and maintenance of the septic systems are described in the following sections.

3.1 SEWER MAINTENANCE DISTRICT

The District is the entity formed for the purpose of monitoring and enforcing compliance with WDRs and this O&M Plan. The District is the sole discharger with the ultimate legal responsibility for compliance with the WDRs. The District may choose to contract with the HOA to promote proper operation and maintenance of the wastewater disposal systems within The Ranch. The District oversees the design, construction inspections and maintenance of the septic systems for compliance with County Standards and with the WDRs. The District reviews the data management system, and reviews and forwards all required reports to the CRWQCB. The District will maintain records of the design of each septic system, including the locations of reserve areas. If the District has knowledge of a situation that is out of compliance with the WDRs or has the potential to be out of compliance with the WDRs, the District shall notify the CRWQCB within 24 hours by telephone at (916) 464-3291 and shall confirm this notification in writing within two weeks unless the CRWQCB waives confirmation, as specified in the Standard Provisions and Reporting Requirements (Appendix B).

The District retains taxing and assessment authority to cover the costs of its activities and responsibilities. In the event the HOA fails to complete any of its O&M tasks or obligations as designated in this O&M Plan, the District will have the authority to complete the tasks or obligations or retain consultants, contractors, or other qualified individuals to complete it. Completion of all HOA tasks and obligations will be at the sole cost and expense of the HOA. Similarly, in the event any Homeowner fails to complete any of its tasks or obligations as designated to be the responsibility of the Homeowner in this O&M Plan, and if such failure is not timely cured by enforcement of this O&M Plan by the HOA, then the District will have the authority to complete the tasks or obligations, at the expense of such Homeowner, and the District shall further have the right through an assignment of the HOA's powers to lien the Homeowner's property and foreclose such property as necessary to enforce the provisions of this O&M Plan with respect to such property.

3.2 HOMEOWNERS ASSOCIATION (HOA)

The HOA will be formed as a residential real estate management association to provide through a contract with the District, among other things, for the maintenance, construction, management and care of the groundwater monitoring wells and to oversee and manage the annual monitoring of the septic systems and enforce the obligations of the HOA under this O&M Plan. Costs incurred by the HOA in performing the obligations assigned to it will be assessed to the Homeowner through HOA members' fees.

With respect to the on-site wastewater disposal systems, and as more particularly set forth below, the HOA is primarily responsible for inspections of the septic systems, pump-outs of the septic tanks to be performed as determined by said inspections which is anticipated to be on a biennial basis (i.e., once every two years) or less frequent basis, maintenance and sampling of monitoring wells, preparation of quarterly, semi-annual, and annual reports, and maintenance of a database on the data collected. The HOA will retain contractors, consultants, and other qualified individuals to provide the required services as necessary. The HOA must retain a registered professional approved by the District to perform all monitoring and reporting. If the HOA (or its contractor) become aware of a condition that is out of compliance with the WDRs or has the potential to be out of compliance with the WDRs, the HOA shall notify the District immediately by telephone and shall confirm this notification in writing within 48 hours.

The HOA (or its contractor) will inspect the individual septic systems annually and have any septic tank pumped as required. If the annual inspection warrants the pumping of a septic tank earlier than the biennial pumping schedule, then the Homeowner shall be responsible for such additional pumping based on the inspection findings. In addition, the HOA will keep detailed records of septic systems components and locations, repairs, pumping, inspection, reserve area conditions, permits issued, and other maintenance activities. Prior to the inspection each Homeowner will be asked to confirm that toilet flushing action is normal. Alternatively, if access to interior fixtures is granted by the Homeowner during routine inspection, the inspectors will flush the toilets. During routine annual visits, inspectors will check for any signs of backup, measure scum and sludge layers and water level in the septic tank, clean the septic tank filter, identify any signs of leakage, and other necessary steps. If, as a result of such inspection, the HOA (or its contractors) determines that the septic tank filter or any other components of the septic system need to be replaced or repaired, then the Homeowner shall be responsible for any such replacements and repairs.

The HOA will contact to make 24-hour emergency septic system services available to the Homeowner from a short list contractor pre-approved by the District. The HOA will provide Homeowners with updates of District-approved contractor and emergency service contact information whenever it changes, and periodic educational materials and activities to enlist the Homeowner's support in maintaining the septic systems. The homeowner will be responsible for emergency pumping costs.

In addition to routine inspections, the HOA (or its contractor) may perform special inspections or sampling if either the Evaluation Monitoring Plan or the Contingency Action Plan stipulated by the WDRs is enforced. Additional activities could include special non-routine inspections, sampling of water from domestic wells, swimming pools, animal facilities, soil sampling, and the addition of chemicals to disposal systems. Contingency actions may also require review of land and water use by the homeowner. The HOA will fund its responsibilities through fees assessed to the Homeowners.

3.3 HOMEOWNER

Each Homeowner will be responsible for the operations, maintenance, repair and replacement of its individual septic system, except as otherwise expressly allocated as a responsibility of the HOA. In particular, except for regularly scheduled pump-outs of the septic tank by the HOA (or its contractors), any and all other pump-outs required as a result of the HOA's or District's inspection of a septic tank shall be at the sole expense of such Homeowner. Each Homeowner shall be responsible for reserving adequate space within its Lot as defined on the final parcel map for a replacement sewer system, in case the system initially installed for the Lot, or the septic area in support thereof, should fail. Retrofitting and replacement of septic systems due to the requirements of the Contingency Action Plan that are not due to any failure of a Homeowner to properly operate and maintain its septic system will be the responsibility of the HOA or District. All other repairs or replacements of a Homeowner's septic system, including any

requirements to install a system within a reserve area, shall be at the sole cost and expense of the Homeowner. The Homeowner shall use only contractors approved by the District for any maintenance repair or replacement. Replacement systems must be designed to comply with WDRs and must be approved, permitted, and inspected by the Sacramento County Environmental Management Department and the District. Non-compliant systems will be removed and replaced at the Homeowner's expense. If the Homeowner fails to perform any of its obligations, the HOA and the District shall have the right to perform such obligations at Homeowner's expense and shall have the further right to lien the Homeowner's property and foreclose on such liens to enforce the payment of such costs.

In connection with the construction of each home, JTS, as developer of the property, shall prepare an individual plot plan for each lot, designating the area within which the home will be constructed, the area within which the primary septic system will be constructed and the area reserved for a replacement septic system. A Memorandum of the Plot Plan shall be recorded against each lot prior to or upon the closing of the sale of the completed home, with a copy thereof delivered to and maintained by the District and the HOA, putting each Homeowner on notice of the locations for these areas and the development restrictions associated therewith. Homeowners of developed or undeveloped lots are primarily responsible for the design, construction and construction supervision of new or replacement systems in accordance with Sacramento County standards and subject to the construction inspection and approval of the County and of the District for compliance with WDRs.

The HOA will provide a Homeowners Septic System Manual to each Homeowner that will describe the septic system components and operation. It will provide information on how to keep the septic systems in good condition, how to identify a problem or a failure, and who to call for information or if a Homeowner has a problem. The successful operation of the septic system depends greatly on proper use by the Homeowners. Consequently, cooperation of and compliance by the Homeowners is important to a successful and cost-effective system.

4.0 ROUTINE INSPECTION AND SAMPLING

Inspections and sampling will be conducted by the District or its designees in accordance with the Monitoring and Reporting Program (MRP) in Appendix B. Personnel conducting the monitoring and reporting activities shall be under the supervision of a professional engineer, registered geologist, or registered environmental health specialist. The inspector/sampler should be an experienced environmental sampling technician. The specific capabilities of the inspector/sampler include the ability to:

- Measure sludge and scum thickness;
- Clean and inspect effluent filters;
- Inspect septic tanks for visible structural defects;
- Inspect for surface expressions of potential failure of below-ground septic systems;
- Conduct monitoring well sampling;
- Appropriately handle and preserve samples;
- Record, store and retrieve data on site visits and sampling results.

4.1 GROUNDWATER MONITORING

Groundwater monitoring must be performed under the supervision of a registered geologist or professional engineer. The HOA (or its contractors) will sample groundwater monitoring wells quarterly according to the schedule and the MRP in Appendix B. Prior to sampling, groundwater elevations will be measured to the nearest 0.01 foot. The wells will be purged at least three well volumes, if possible, until pH, temperature, and electrical conductivity have stabilized. The wells will be purged and sampled using

dedicated pumps. Purge water will be discharged to the surface unless procedures are modified by the CRWQCB. Samples will be collected and analyzed using EPA methods. All samples will be analyzed for constituents defined in the MRP in Appendix B, which include total dissolved solids, nitrate+nitrite as nitrogen, ammonia, and total coliform organisms (pH will be measured in the field).

Field measurement equipment will be calibrated using manufacturer's recommended procedures and on a schedule provided by the manufacturer, but no less than once a day. Purge water will be discharged to the ground or to the storm drain.

Data from the groundwater monitoring will be compared to concentration limits derived from background groundwater monitoring. Concentration limits will be established in a Background Groundwater Quality Study Report required by the WDRs. If monitoring reveals a condition of non-compliance or the potential for non-compliance with the WDRs, the HOA will immediately notify the District by telephone and will confirm the notification in writing within 48 hours.

4.2 SEEPAGE PIT MONITORING

The HOA (or its contractors) will sample seepage pit monitoring wells semi-annually according to the schedule in Appendix B. Seepage pit monitoring wells are only required at five pits and most lots will not have seepage pit monitoring wells. Prior to sampling, total well depth and depth to wastewater will be measured to the nearest 0.01 foot. Prior to collecting a water sample, the wells will be purged of approximately one well casing volume using a disposable bailer. Purge water will be retained in a clean container. If the well does not yield adequate water for a sample (1.5 L), purge water will be submitted as the representative sample. Otherwise, retained purge water will be discharged to the seepage pit after sampling is complete. Samples will be collected and analyzed using EPA methods. All samples will be analyzed for total dissolved solids, nitrate+nitrite as nitrogen, and total nitrogen, with pH measured in the field.

The HOA (or its contractors) will visually inspect all seepage pits for any evidence of surfacing wastewater or the presence of nuisance conditions annually. For seepage pit systems with carbonaceous treatment layers, a gravel inspection port and gravel chute will allow measurement of the depth to the gravel layer by "sticking" with a measuring rod. This will allow replacement of gravel if the carbonaceous material settles over time. Gravel will be maintained within 16 inches of the bottom of the seepage pit cover. For special design systems or systems with package pre-treatment units, the monitoring will be in accordance with manufacturer's recommendations. If surfacing water is found, a sample shall be collected and tested for total coliform organisms and total dissolved solids by a state-certified laboratory. If monitoring reveals a condition of non-compliance or the potential for non-compliance with the WDRs, the HOA will immediately notify the District by telephone and will confirm the notification in writing within 48 hours.

4.3 LEACHFIELD MONITORING

The HOA (or its contractors) will visually inspect all leachfields annually between January 1 and April 30. Inspections shall note evidence of surfacing wastewater, erosion, field saturation, runoff, and/or the presence of nuisance conditions (including odors). The leachfields, seepage pit field and reserve area will also be inspected for any inappropriate vegetation or construction activity. Any ponded wastewater in inspection risers shall be measured for total depth. If surfacing water is found, a sample shall be collected and tested for total coliform organisms and total dissolved solids by a state-certified laboratory.

The HOA (or its contractors) will also inspect distribution boxes or leachfield inspection ports for evidence of solids carryover from the tank, leakage, unequal flow, or system backup. If monitoring

reveals a condition of non-compliance or the potential for non-compliance with the WDRs, the HOA will immediately notify the District by telephone and will confirm the notification in writing within 48 hours.

4.4 SEPTIC TANK MONITORING

The HOA (or its contractor) will visually inspect annually all septic tanks, effluent filters will be cleaned, and scum and sludge thickness will be measured. The HOA (or its contractor) may also flush the toilets to check for signs of backup if access to the toilet fixtures is provided by the Homeowner. Otherwise, the Homeowner will be asked to certify that flushing action is vigorous. Visual inspections will note any evidence of surfacing wastewater, evidence of leakage, or damage to the septic tank or appurtenances. Any abnormal wastewater levels will be noted. Measurements will include sludge depth, the distance between the top of the sludge and the bottom of the outlet tee, the scum thickness, and the distance between the bottom of the scum layer and the top of the outlet tee. If monitoring reveals a condition of non-compliance or the potential for non-compliance with the WDRs, the HOA will immediately notify the District by telephone and will confirm the notification in writing within 48 hours.

4.5 NOTICE TO HOMEOWNERS

Prior to conducting the above inspections or routine maintenance described below on individual properties owned by the Homeowner (and not the HOA), the HOA (or its contractor) will contact the Homeowner and an appointment for access to the property and the house (if necessary) will be scheduled.

4.6 ROUTINE MAINTENANCE

Routine maintenance will be the responsibility of the HOA only in connection with annual inspections and scheduled pumpouts, which will include cleaning of septic tank effluent filters and biennial or less frequent solids removal (pumping) of the septic tanks on an as-needed basis. All other maintenance associated with the septic system will be the responsibility of each Homeowner. Effluent filters will be cleaned during the annual septic tank inspection by the HOA (or its contractor), at the cost of the HOA. Any filter repairs or replacement recommended as a result of such inspection shall be at the cost of each Homeowner. Pumping of the septic tanks will occur when any one of the following conditions exists, or can be reasonably projected to occur before the next scheduled inspection:

- The combined thickness of the sludge and scum exceeds one-third of the tank depth of the first compartment;
- The scum layer is within three inches of the outlet device; or
- The sludge layer is within eight inches of the outlet device.

Pumping will be conducted by a licensed liquid waste hauler with disposal, documented by manifests, at an appropriately licensed facility. The HOA will be responsible for the costs of pumping scheduled on the biennial (or less frequent) basis, as such schedule may be revised from time to time by the HOA. Any more frequent pumping required shall be the responsibility of the Homeowner. A Homeowner responsible for supplemental pumping may elect to either hire a licensed hauler itself, or request that the HOA hire such hauler at the Homeowner's expense. If a Homeowner hires its own hauler, that hauler must be on a list of contractors approved by the District in advance. The Homeowner will provide the HOA with a copy of the documented manifest related to such pump out. The HOA shall maintain copies of all manifests and other documentation related to routine maintenance, including all pump outs performed by the HOA and by any Homeowners.

4.7 DATA MANAGEMENT AND REPORTING

The HOA (or its contractors) will conduct an annual internal review of all aspects of the septic systems and monitoring data. The HOA (or its contractors) will maintain a tracking system database that provides a complete history of system installations, inspections (including results), testing, repairs, maintenance, replacements, and problems. The database will be incorporated in a Geographical Information System (GIS) so all data will be "geo-located." This will allow for rapid evaluation of the relationship of various pieces of data. Included in the GIS will be site maps of all lots showing the locations of the water supply well, the septic tank, and the leachfield or seepage pit. To the extent practical, all field data will be collected using electronic forms for direct download to the GIS. If data management and reporting reveals a condition of non-compliance or the potential for non-compliance with the WDRs, the HOA will immediately notify the District by telephone and will confirm the notification in writing within 48 hours. The District will comply with notification of the CRWQCB as described in the Standard Provisions and Reporting Requirements (Appendix B).

Components of the data management and reporting system include the following:

1. All routine inspections, sampling, and maintenance will be documented on the forms included in Appendix C (hard copy or electronic as appropriate).
2. All septic tank, leachfield, seepage pit, monitoring well, and supply well construction data will be recorded. Construction data will include, at a minimum, location, depth, septic tank dimensions and septic tank capacity.
3. Data from background groundwater monitoring (from the year preceding construction) will be used to prepare a Background Groundwater Quality Study Report which will propose concentration limits for constituents listed in the WDRs.
4. The HOA (or its contractors) will prepare quarterly groundwater monitoring reports. The quarterly reports will be submitted by the HOA (or its contractors) to the District for review by the District by the 15th day of the first month after the quarter, and subject to District's approval, the quarterly reports will be submitted by the District to the CRWQCB by the first day of the second month after the calendar quarter (i.e., January through March report is due by May 1). The quarterly report will present:
 - Results of groundwater sampling;
 - A narrative description of sampling activities;
 - Calculation of the groundwater elevation and gradient;
 - A narrative description of the analytical results;
 - A comparison of analytical results to groundwater limitations;
 - Summary of historical data tables;
 - Scaled site map; and
 - Copies of laboratory analytical results.

5. The HOA (or its contractors) will prepare and submit to the District, for its review and subsequent submission by the District to the CRWQCB, semi-annual reports. The semi-annual reports will include the results of leachfield and seepage pit monitoring. The second semi-annual report (for July through December) shall include:
 - A map of all newly constructed septic systems with the construction data;

- Results of annual monitoring;
- Summary of inspections;
- Summary of all maintenance, repairs, and replacements;
- Date of last review of this Operations and Maintenance Plan and Manual;
- Documentation of homeowner education activities;
- A discussion of any compliance or corrective actions taken or planned;
- A discussion of homeowner education/involvement; and
- An evaluation of groundwater quality.

6. All costs of District to review the quarterly and semi-annual reports, and any costs to review and supplement such reports in connection with such review by the District, shall be paid by the HOA.

4.8 SYSTEM FAILURE

Failure occurs when performance requirements are not met. Performance requirements for these systems generally include no surfacing of wastewater, no backup of wastewater into the homes, and no unacceptable levels of groundwater quality degradation beyond identified limits. Failure can include damage or deterioration of the infrastructure, including broken or damaged piping, septic tank, or other system components. The shallow groundwater monitoring system will provide early warning if threats to groundwater quality develop from on-site disposal of wastewater or other uses (e.g. irrigation, fertilizing, livestock wastes, etc.). System failures are potential health threats. Any Homeowner having knowledge of a system failure (or of potential failure) must report the condition to the HOA (or its contractor), or the District as soon as possible. The HOA must report known or potential failures to the District manager or his designee. In the event that the District has knowledge of noncompliance with the WDRs or the potential for noncompliance, the District shall immediately notify the CRWQCB by telephone at (916) 464-3291 (or current applicable phone number), and shall confirm its notification in writing within two weeks unless notification is waived by the CRWQCB, in accordance with the Standard Provisions and Reporting Requirements (Appendix B). The written notification shall state the nature, time and cause of noncompliance, and shall describe the measures being taken to prevent recurrences and shall include a timetable for corrective actions.

4.9 TROUBLESHOOTING PROCEDURES AND SYSTEM FAILURE RESPONSE PLAN

In general, troubleshooting will be initiated by a report of system failure (or potential failure). The report of failure could result from owner complaint, routine inspection or maintenance of the systems, or from groundwater monitoring. A Septic System Troubleshooting Flow Chart is provided in Appendix D and a Septic System Owner's Manual is provided in Appendix E of this O&M plan. These resources will provide information on the proper operation of septic systems to avoid failure, and response procedures in the event that a system failure is suspected.

Immediately following initial report of failure, the HOA (or its contractors) will notify the District. The District Manager or his designee shall be responsible for assessing the need for rapid response within 24-hours of notification by the HOA and shall take immediate action, as needed, to minimize any adverse impacts to the waters of the state resulting from noncompliance with WDRs.

Any failure that results in a significant risk to human health needs an appropriate interim response. The primary type of failure that would result in a rapid response is one in which there is exposure to raw sewage. Voluminous spills must be contained to avoid entering stormwater systems. The primary rapid response is to pump the raw sewage into a properly licensed septage transport for proper disposal. The

HOA (or its contractor) will provide Homeowners with emergency contact information, such as 24-hour licensed septic haulers under contract to the HOA, for such situations. The HOA must maintain a list of contractors approved by the District. Ground or pavement surfaces accessible to the public that were in contact with waste must be disinfected with a spray of chlorine-containing solution or other disinfection procedure acceptable to the District Manager. Each Homeowner will be responsible for the cost of any emergency response resulting from the failure of such Homeowner's septic system.

In response to reported system failure, the HOA (or its contractors) will conduct applicable data gathering. This phase will be of short duration because much, if not all, of the applicable data will already be in the GIS. That data will include all routinely-collected information, as well as all construction data on the system. The expected new data will include a description of the failure symptoms. Once all appropriate data is collected, a failure hypothesis will be developed by the HOA (or its contractors). The failure hypothesis may be as direct as a statement of structural failure, or may involve an evaluation of trends in groundwater constituent concentrations.

Additional data collection may be required, depending on the hypothesis. This data collection may take the form of soil sampling, groundwater sampling, discharge flow monitoring, or system component testing.

After acquisition of additional data required to test the failure hypothesis, a corrective action plan will be developed by the HOA (or its contractors) and presented to the District for review and concurrence. The Troubleshooting Flow Chart in Appendix D lists typical problems, risks, potential causes, and potential remedies. This is an example of some of the information that may be useful in developing corrective action measures.

4.10 GROUNDWATER DATA ANALYSIS

Twelve groundwater monitor wells at The Ranch will be tested quarterly for Constituents of Concern (COC) according to the MRP specified in the WDRs (Appendix B). If the groundwater limitation set forth in the WDRs of any COC is exceeded, verification sampling will be performed. Verification sampling will be performed at monitoring wells within 14 days of knowledge of the potential exceedance of a groundwater limitation. Two independent verification samples will be collected within a period of 14 days and each will be tested only for the COC that exceeded the control limit. If both verification samples are below the COC groundwater limitation, the initial exceedance will be classified as a false positive and detection monitoring program will proceed as before. If either verification sample indicates an exceedance of the groundwater limitation, this will trigger the Evaluation Monitoring Plan and the Contingency Action Plan, described in the following sections.

4.11 EVALUATION MONITORING PLAN

The details of an evaluation monitoring plan will be developed and implemented based on the specific groundwater monitoring results that triggered the change in monitoring.

The goal of an evaluation-monitoring plan is to identify potential sources of COC contamination and propose appropriate BPTC measures. Evaluation monitoring will involve doubling the sampling frequency at the subject well(s) for at least the first year after verification sampling indicates that the groundwater limitations set forth in the WDRs have been exceeded. These data will be used to track trends in groundwater quality, if present. If no increasing trends are noted and COC concentrations return below the groundwater limitations set forth in the WDRs within one year, the monitoring program will be returned to detection monitoring status. Evaluation monitoring activities will include:

- site inspections of on-site wastewater disposal systems and animal holding areas adjacent to the monitoring well or within the surrounding block of lots;
- sampling of septic system effluent, first in adjoining lots and later throughout the block of nearby lots, if necessary, in order to identify excessively poor quality effluent;
- a public awareness program to identify and halt potentially harmful activity, such as over-fertilization of lawns, over use by livestock, or others; and
- sampling of selected domestic wells located within half the distance to the next adjacent monitoring well that has not exceeded its groundwater limitation as set forth in the WDRs for the COC that triggered the evaluation monitoring program.

The evaluation program may also include, as appropriate, increased monitoring frequencies, soil sampling, supplemental testing of additional constituents in the groundwater samples, evaluation of land use, and regional data collection. An evaluation report will be prepared within one year of the beginning of the evaluation monitoring program under the supervision of a California Certified Hydrogeologist. The report will include an evaluation of the COC condition and will discuss recommended BPTC or corrective action measures to be taken, if advisable. The report will include an analysis of contingency action alternatives. BPTC measures that may be needed could include retrofitting septic systems with pretreatment units to reduce nitrate before discharge to land, land use changes, wellhead treatment, or others.

4.12 CONTINGENCY ACTION PLAN

4.12.1 Introduction

This Contingency Action Plan has been prepared by the HOA (or its contractor), or the District. This plan will be implemented in the event that the detection groundwater monitoring program triggers the Evaluation Monitoring Plan. The Contingency Action Plan lays a framework for modifying BPTC to respond to possible developing threats, and includes four types of response actions: public awareness, source isolation, treatment/disposal modification, and well protection.

4.12.2 Public Awareness Program

Within 45 days of initiation of the Evaluation Monitoring Plan, appropriate local public notification shall occur. This should include written notices prepared by the HOA (or its contractor) and distributed by the HOA at a minimum to all lot owners and residents in the affected block of lots where the potential threat was detected. Notices will be mailed to owners and delivered to residents. Notices will also be published in any available community or HOA newsletter or newspaper, and posted at the offices of the Environmental Management Department. The mailed and delivered notices will include a map outlining the affected area and will indicate that:

- A water quality threat has been identified in the specified area.
- The threat may impair the future use of domestic wells in the affected area, require retrofitting of additional equipment to the on-site wastewater disposal systems at each parcel, or require other responses appropriate to the problem, any or all of which could require additional assessments or liens on property.
- To protect public health, the HOA is embarking on an evaluation that may involve site inspections and the collection of samples of septic effluent, well water, paddock runoff, or soil. The HOA needs cooperation from Homeowners to identify and discourage potentially harmful practices including irresponsible use of fertilizer, overcrowding of large domestic animals, or excessive water use.

4.12.3 Source Isolation

The HOA (or its contractor) or their representatives will investigate potential sources of COC from septic effluent, fertilizer application, livestock, swimming pools, and other land uses in the affected area. If an apparent source other than septic effluent is identified, it must be assessed and eliminated or mitigated. If the source involves a Homeowner's or Homeowner's septic system(s) or land use practice, then the cost of such elimination or mitigation shall be paid by such Homeowner(s). The Homeowner(s) shall not be responsible for the costs incurred to isolate the source, unless the source was caused by a failure of the Homeowner to remedy or repair a violation after receipt of notice to cure such violation or was caused by the Homeowner's negligence in its use and maintenance of its septic system or in its land use practices. The HOA (or its contractor) may sample effluent from individual systems, may introduce chemical additives (tracers) into individual disposal systems, and/or may test groundwater for any constituents.

4.12.4 Treatment and Disposal Modification

If the source is identified as on-site wastewater disposal, alternative BPTC for disposal of domestic wastes will be evaluated. Offending system(s) may require modification or retrofit with sand filters or equivalent pre-treatment to reduce nitrate-N or other COC prior to discharge to the subsurface. Individual modifications or retrofits shall be paid by the Homeowner(s) whose systems are modified or retrofitted.

4.12.5 Source Water Protection

Domestic water wells with COC impact can be destroyed, replaced, or deepened. If monitoring identifies incipient pervasive degradation, then community water source wells with treatment and distribution systems will be evaluated. Community-owned land adjacent to road right-of-ways throughout the project provide potential sites for such installations.

5.0 REFERENCES

Mancl, K. and Slater, B. (1991). Septic System Maintenance, Ohio State University Extension, AEX-740-01. Columbus, Ohio.
Metcalf & Eddy (1991). Wastewater Engineering - Treatment, Disposal, and Reuse. Irwin/McGraw-Hill, 3rd Edition.

National Small Flows Clearinghouse (NSFC) (1995). Maintaining Your Septic System - A Guide for Homeowners. Pipeline, National Small Flows Clearinghouse, West Virginia University, Morgantown, West Virginia. Vol. 6, No. 4.

Olson, K., Gustafson, D., Liukkonen, B., and Cook, V. (1997). Septic System Owner's Guide. Communication and Educational Technology Services, University of Minnesota Extension Service.

Vogel, M.P. and Rupp, G.L. (2002). Septic Tank and Drainfield Operation and Maintenance. Montana State University Extension Service, Bozeman, Montana.

APPENDIX A
Figures

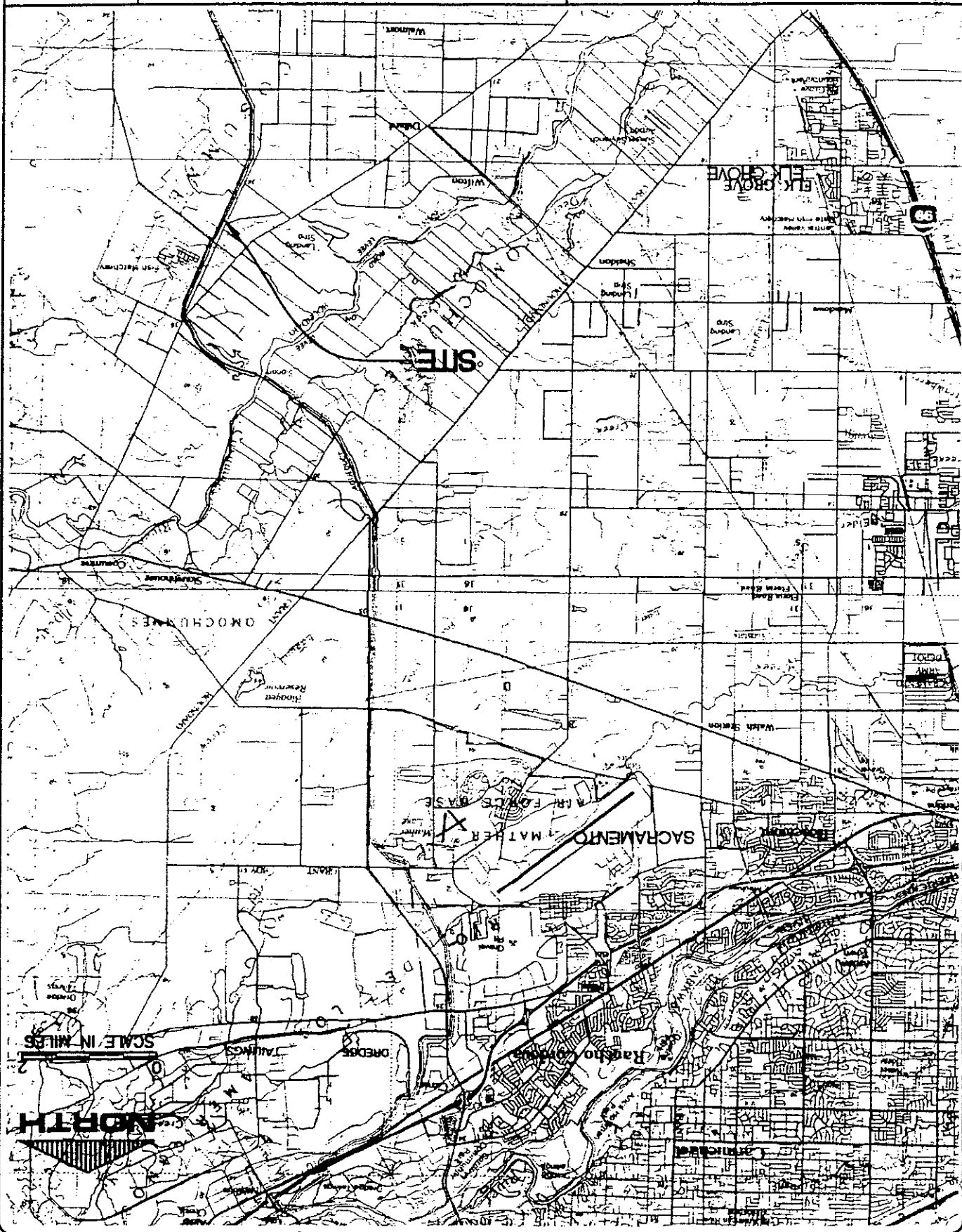
CONDOR

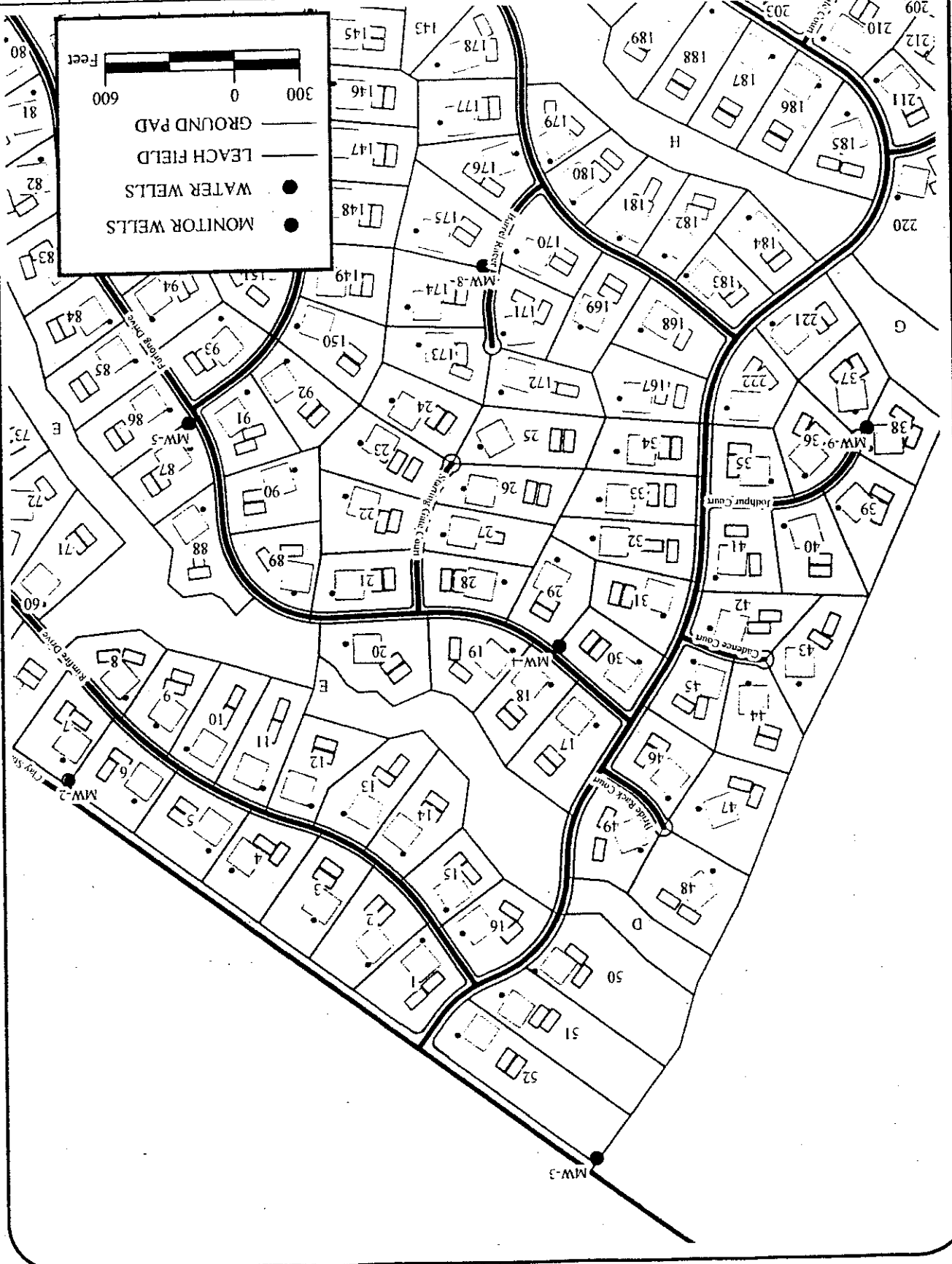


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 CHK'D: JWA

**VICINITY MAP
 SEWER MAINTENANCE DISTRICT
 THE RANCH BY JTS
 WILTON, CALIFORNIA**

FIGURE 1
 PLO No. 4005A/1A





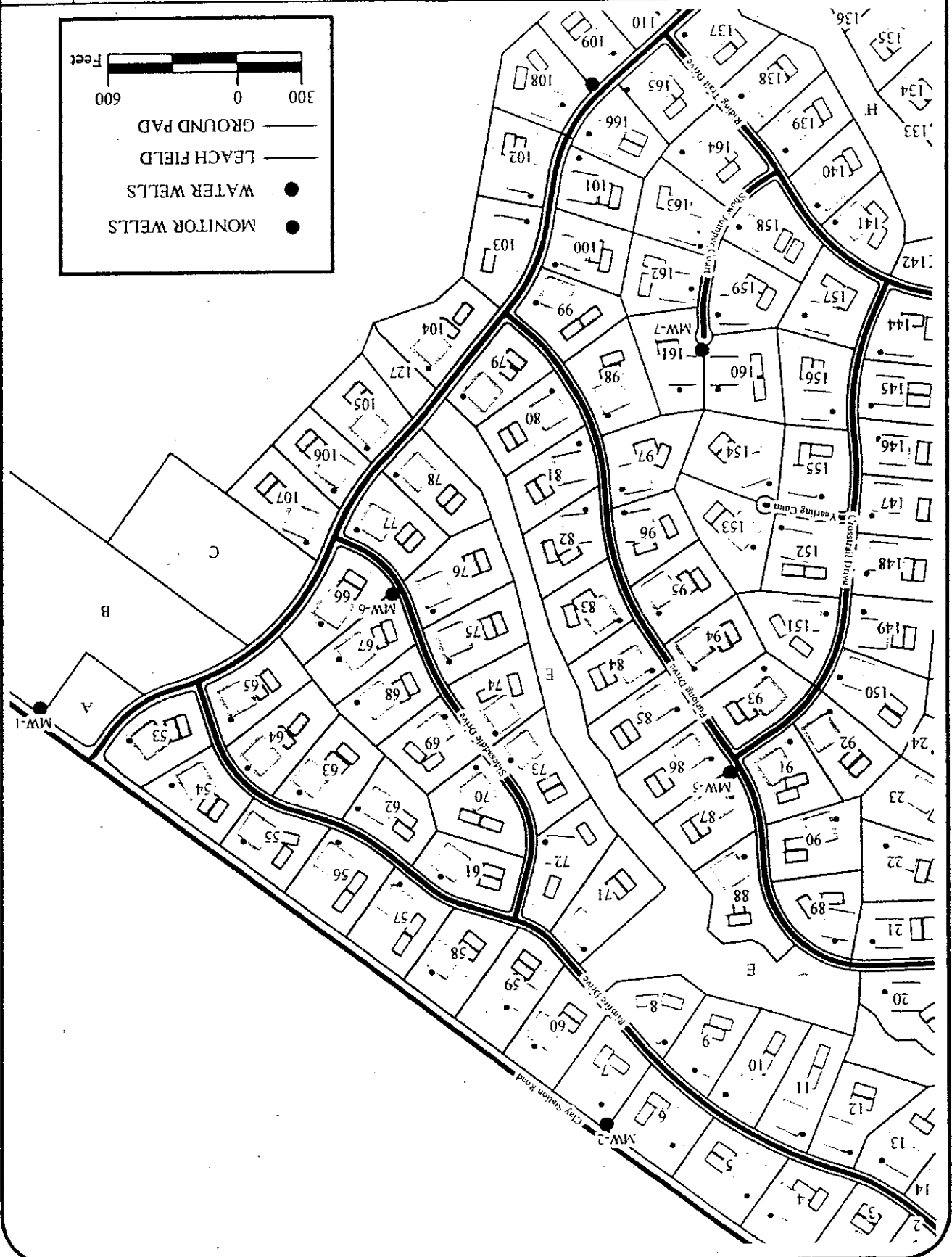
SITE MAP - PHASE 2 THE RANCH (CLAY STATION 1200)
SEWER MAINTENANCE DISTRICT SACRAMENTO COUNTY, CA

1:7,200
SEPT. 4, 2003
4005A

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Feet

- MONITOR WELLS
- WATER WELLS
- LEACH FIELD
- GROUND PAD



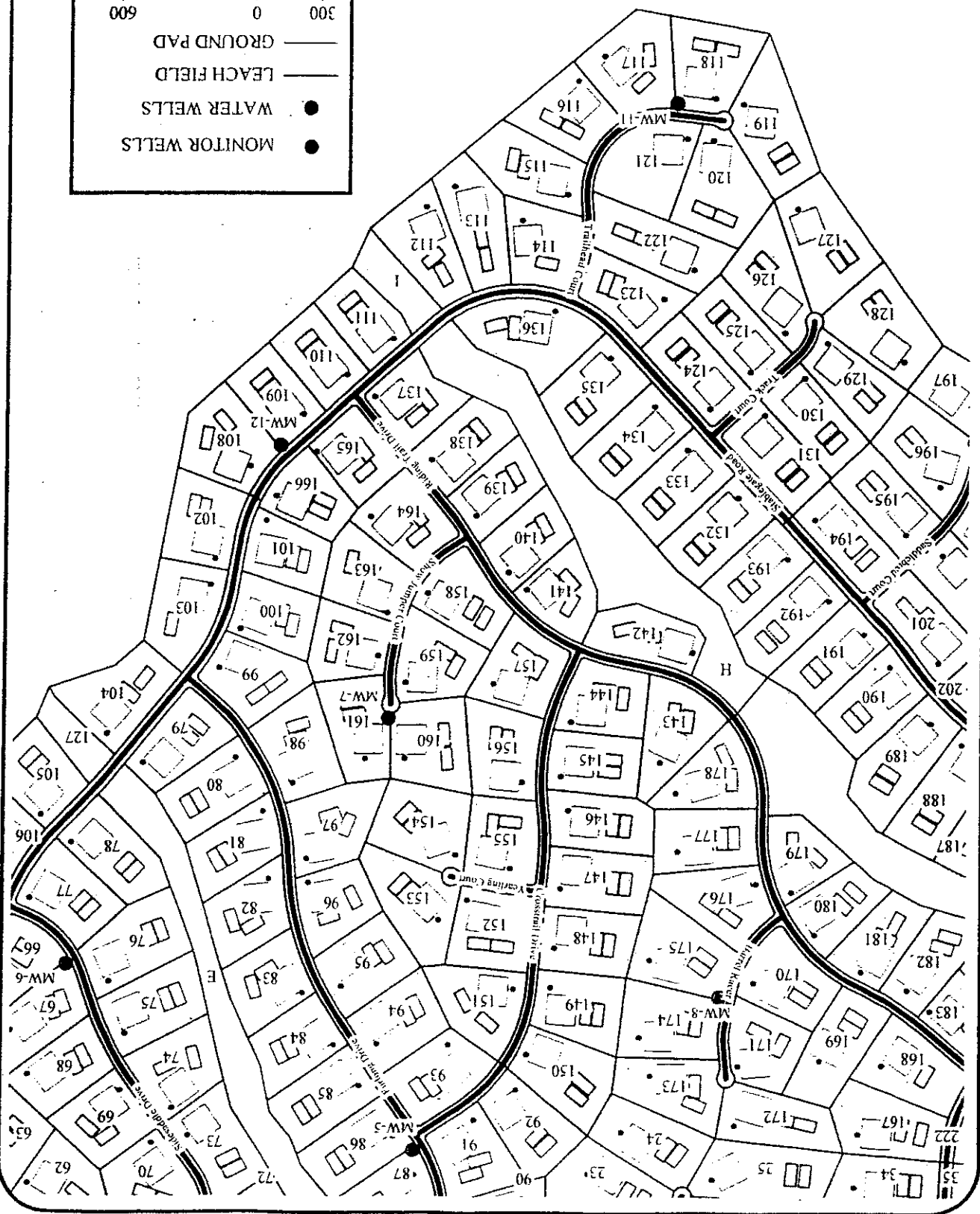
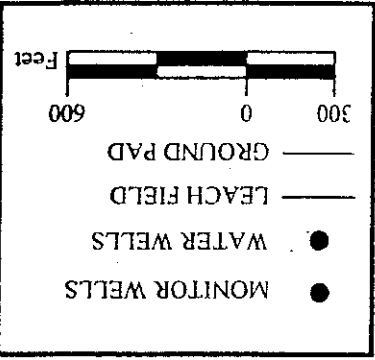


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DATE: 1-7-2000
 PROJECT: 4005A
 SHEET: 1 OF 1
 DRAWN BY: JMK

SITE MAP - PHASE 3 THE RANCH (CLAY STATION 1200)
 SEWER MAINTENANCE DISTRICT SACRAMENTO COUNTY, CA

FIGURE 4



APPENDIX B
Schedule of System Inspection
Waste Discharge Requirements and
Monitoring and Reporting Program No. RS-2002-0170
Standard Provisions and Reporting Requirements

			1-Feb	Second Semi-Annual Report
				Third Quarter Report (Groundwater Data Only)
	1-Nov			
				First Semi-Annual Report
		1-Aug		First Quarter Report (Groundwater Data Only)
			1-May	

Report Due Dates

				Septic Tank Inspection
				Leachfield Inspection (Between January 1 and April 30)
			X	
				Seepage Pit Monitoring
			X	Groundwater Monitoring (Monitoring every three months)
		X	X	
Fourth Quarter - October - December	Third Quarter July - September	Second Quarter April - June	First Quarter January - March	

APPENDIX C
Inspection and Monitoring Forms

**THE RANCH SEWER MAINTENANCE DISTRICT
SACRAMENTO COUNTY
SEPTIC TANK INSPECTION PROCEDURES AND FORMS**

Property Owner Name* :

Contact Number* :

Septic Tank ID* :

Assessor's Parcel Number* :

Date of Inspection:

Date of Previous Inspection* :

Tank Last Pumped* :

Volume Pumped (gal)* :

Reason for Pumping* :

Recent Number of Occupancy:

Date of Most Recent Rainfall:

Garbage Disposal Use:

*Signifies data from database

Observations of Septic Tank

Tank structure deteriorated?

Baffle wall deteriorated?

Inlet/Outlet tee deteriorated?

Strong odors present?

Surfacing wastewater?

Alarm working?

Filters clean

Scum thickness (in):

Scum-Outlet distance (in):

Sludge thickness (in):

Sludge-Outlet distance (in):

Other observation/

Comments/

Recommendation?

Notes from

Homeowners?

(Inspector Name)

(Inspector Signature)

Date

Date:

Initials/Comments:

Description:

YES / NO

Description:

YES / NO

Description:

YES / NO

Description:

YES / NO

Description:

YES / NO

YES / NO

Sludge Thickness / Scum Thickness / Problem-Failure

**THE RANCH (Clay Station 1200) SEWER MAINTENANCE DISTRICT
SACRAMENTO COUNTY
LEACHFIELD / SEEPAGE PIT INSPECTION PROCEDURES AND FORMS**

Leachfield/Seepage Pit ID*: _____

Date of Inspection: _____

Date of Previous Inspection*: _____

Previous Event Results Attached*: YES/NO _____

Observations of Leachfield/Seepage Pit

Water on Surface? YES / NO _____

Strong odors present? YES / NO _____

Surfacing wastewater? YES / NO _____

Noticeable cover grass abnormal growth? YES / NO _____

Noticeable soil settlement? YES / NO _____

Erosion of soil cover? YES / NO _____

Disposal Field and Reserve Area Clear? YES / NO _____

Water in inspection riser pipe(s) YES / NO _____

(If yes, note riser number and depth in inches)

No.	ft.	No.	ft.
No.	ft.	No.	ft.
No.	ft.	No.	ft.
No.	ft.	No.	ft.

Gravel Depth (seepage pit) Measurement:

No.	ft.	No.	ft.
No.	ft.	No.	ft.
No.	ft.	No.	ft.
No.	ft.	No.	ft.

YES / NO

(From Seepage Pit with Monitoring Well)

Seepage Pit Sampled? YES / NO _____

Total well depth*: _____

Wastewater Depth (ft)*: _____

Wastewater Purge Volume (g)*: _____

Wastewater Sample ID: _____

pH: _____

Other observation, _____

Comments, _____

Recommendation? _____

* Indicates data from database

Notes from _____

Homeowners? _____

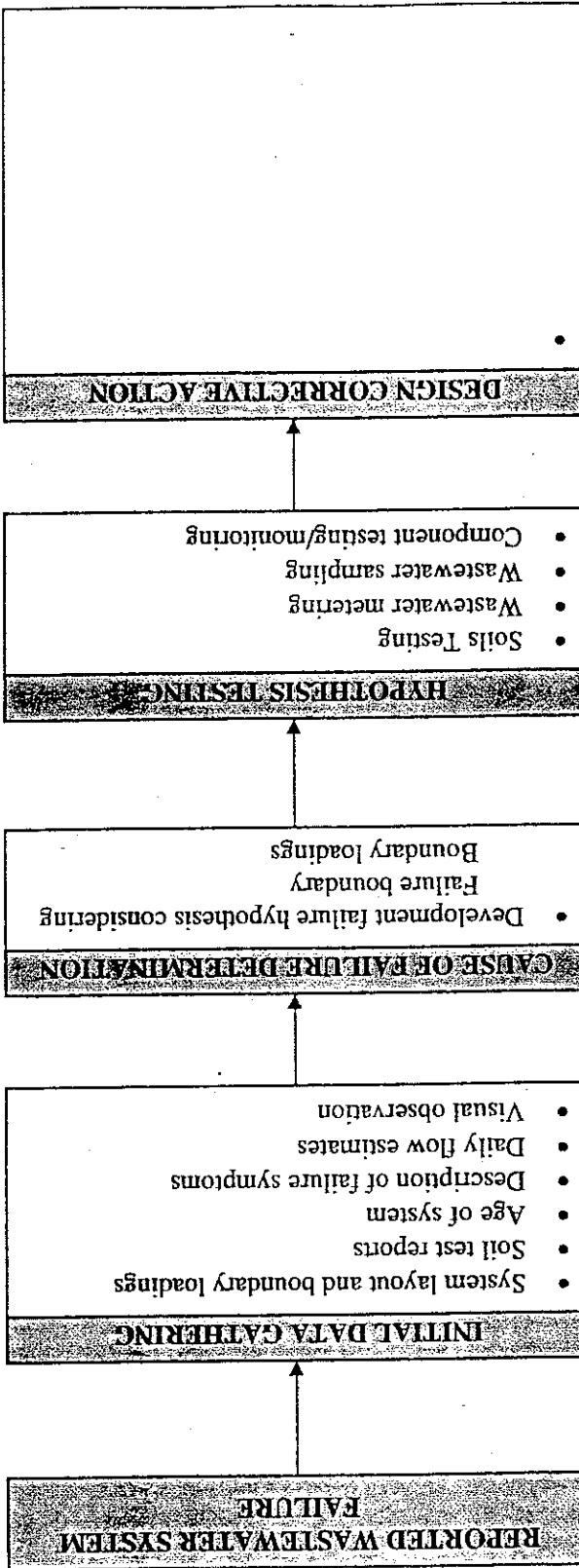
(Inspector Name) _____

(Inspector Signature) _____

Date _____

APPENDIX D
Septic System Troubleshooting Flow Chart and
Table with Problem Resolution Procedures

SEPTIC SYSTEM PROBLEM DIAGNOSIS
AND CORRECTION FLOWCHART



Septic System Troubleshooting Table

Problem	Risk	Potential Causes	Potential Remedies
<p>Sewage backs up into house and/or plumbing fixtures don't drain or are sluggish.</p>	<p>Human contact with sewage is a serious public health risk. Many waterborne diseases exist in household sewage. AVOID CONTACT</p>	<ul style="list-style-type: none"> Excess water entering system Improper Plumbing Blockage in plumbing Improper operation Improper system design Root clogging pipes 	<ul style="list-style-type: none"> Remove sewage Disinfect surfaces and tools with spray of dilute chlorine solution. Let sit for 20 minutes before wiping up. Fix leaks Install water-saving fixtures Stop using garbage disposal Clean septic tank and check pumps Replace broken or cracked pipes and remove roots Seal pipe connections Avoid trees near system
<p>Sewage surfacing in yard</p>	<p>Human contact with sewage is a serious public health risk. Many waterborne diseases exist in household sewage. AVOID CONTACT</p>	<ul style="list-style-type: none"> Excess water use System blockages Improper system elevations Undersized soil treatment system Pump failure or improper operation 	<ul style="list-style-type: none"> Contain discharge with berms to prevent flow to storm water system Pump sewage to licensed hauler for disposal Disinfect surfaces with spray of dilute chlorine solution Fence off area until problem is fixed Fix leaks Clean septic tanks and check pumps
<p>Sewage odors-indoors</p>	<p>Toxic gases can cause discomfort and illness</p>	<ul style="list-style-type: none"> Sewage surfacing in yard Unsealed injector sump Root vent pipe blocked 	<ul style="list-style-type: none"> Install water-saving fixtures Repair plumbing Clean septic tank and check pumps Replace water in drain traps
<p>Sewage odors-outdoors</p>	<p>Major nuisance, but no serious health risk</p>	<ul style="list-style-type: none"> Source other than owner's system Sewage surfacing in yard Inspection pipe caps damaged or removed 	<ul style="list-style-type: none"> Clean tank and check pumps Replace damaged caps Contact a local unit of government to investigate other potential sources.
<p>Contaminated drinking or surface water</p>	<p>The above public health risks are magnified by possible ingestion of contaminated water. Drinking contaminated water can cause health problems such as dysentery, hepatitis, and for infants, methemoglobinemia.</p>	<ul style="list-style-type: none"> System too close to well, water table, or fractured bedrock Sewage discharges to surface or groundwater Improper well construction Broken water supply pipe Source other than homeowner's system Broken sewage lines 	<ul style="list-style-type: none"> Replace your well and/or septic system Contact a local unit of government to investigate other potential sources
<p>Distribution pipes and/or soil treatment system freezes in winter</p>	<p>The system may be inoperable</p>	<ul style="list-style-type: none"> Improper construction Foot or vehicle traffic over piping Low flow rate Lack of use 	<ul style="list-style-type: none"> Check construction Examine check valve and/or replace it Keep people and vehicles off area Increase water use Have someone use water in your house if you are away Operate septic tank as a holding tank Pump system in fall and use carefully over winter months Don't use antifreeze

Adapted from Olsen et al. (1997)

APPENDIX E
Septic System Owner's Manual

The Ranch Septic System Owner's Manual

NOTE: THIS OWNER'S MANUAL WILL BE MODIFIED BY SITE-SPECIFIC DATA FOR EACH LOT. A LOT SITE PLAN WILL BE INCLUDED SHOWING THE SEPTIC SYSTEM DESIGN, TANK AND DISCHARGE AREA LOCATION.

Septic System Owner's Manual for _____

[ADDRESS]

INTRODUCTION

This Septic System Owner's Manual is provided for use by Homeowners at The Ranch to promote the proper operation of septic systems. Most septic systems have a design lifetime of 20 to 30 years, and with proper operations and maintenance many systems last indefinitely. Proper use and regular inspection of the septic system provides the best prevention of system failure.

This Owner's Manual includes descriptions of the specific system at the address indicated above, and procedures to utilize the system effectively. Your septic system consists of a septic tank followed by a seepage pit or leachfield (your site plan and system design drawings are attached). Information on how your system works is supplemented by publications distributed by Sacramento County and the U.S. EPA that provide general guidelines for septic system users. Information on household chemicals and homeowner actions that could potentially impair the natural process of the system is included in this manual and is followed by troubleshooting procedures to respond to a system failure situation.

HOW SEPTIC SYSTEMS WORK

The septic tank is rectangular in shape, holds 1200 or more gallons, and is made of concrete. An example design is shown in Figure 1. The size of the tank is specified by the County, based on expected use. The wastewater treatment is similar to a wastewater treatment plant except that all process occurs in the subsurface and is relatively simple. Wastewater generated from the household will first flow into the septic tank and be contained for at least a day. During this period, heavy or large solids will settle to the bottom of the tank and form a layer of sludge. Low density solids, grease, and fat will float to the top of the tank and gradually consolidate to form a layer of scum. Bacteria in the wastewater will start digesting the scum and sludge layers under an anaerobic condition (oxygen deprived). Not all compounds existing in both layers can be digested or break down. Therefore, over a period of time, non-digested solids accumulate and reduce the septic tank storage capacity. When the maximum solids capacity of the tank is reached, the scum or sludge layer will clog the inlet or outlet and backflow or system overflow of wastewater occurs, i.e. system failure. To avoid failure the septic tank is periodically inspected and, based on the thickness of the scum or sludge layers, solids are pumped out for disposal elsewhere. Typically, septic tanks require pumping every 3 to 7 years.

"Clarified" liquid exits the tank compartments through openings at middle depths in the tank (See Figure 1). The "clarified" wastewater or effluent in-between the scum and sludge layers flows through a subsurface disposal system into soil, which further treats and filters the water. Two types of subsurface disposal systems are used at The Ranch depending on soil percolation properties. You and your neighbors will have either a leachfield or a seepage pit system. A leachfield is a series of narrow, shallow trenches backfilled with gravel and containing perforated pipe to distribute water into the soil by gravity flow, or in some cases by pressurized flow from distribution pumps. Components of leachfield disposal systems in

Sacramento County are shown on Figure 2. A modified leachfield with distribution pipes in deep trenches may be used at some lots at the Ranch. Seepage pits are a different kind of subsurface distribution system consisting of gravel filled pits approximately 3-feet wide and 50-feet deep. These systems are shown conceptually in Figure 3. Seepage pits at The Ranch are backfilled with a special filter layer containing carbon (sawdust or woodchips) that further treats the water.

Final treatment of the wastewater occurs in the soil between the ground surface and groundwater table. Percolation through soil involves a combination of physical, biological, and chemical processes. Part of the wastewater is absorbed by the surrounding soil, consumed by the vegetation and evaporated. Surviving pathogens and nutrients in the wastewater are removed and purified during this process. The remaining wastewater will percolate into the groundwater, which at The Ranch is over 80 feet below the bottom of the disposal systems. California State regulations require only 10 feet of soil between the disposal systems and the water table to adequately filter and treat wastewater. Treatment in the septic tank, leachfield or seepage pit, and soil represent the complete treatment train for an on-site wastewater treatment system. Figure 1, Figure 2 and Figure 3 show the layout of a typical septic system (with leachfield), cross-sectional view of a septic tank, and seepage pit soil-absorption system, respectively. Special design systems with shallow pressurized distribution pipes, or pipes in deep trenches may also be used.

SEWER MAINTENANCE DISTRICT

The Ranch Sewer Maintenance District (District) monitors and enforces compliance with Waste Discharge Requirements (WDRs) issued by the California Regional Water Quality Control Board (CRWQCB). The District has the ultimate legal responsibility for compliance with the WDRs. The District retains taxing and assessment authority to cover the costs of its activities and responsibilities. The District maintains a written Operation and Maintenance Plan (O&M Plan) on file at The Ranch Homeowner's Association (HOA). The District maintains the O&M Plan by contracting with the HOA to ensure proper operation and maintenance of the wastewater disposal systems within The Ranch. The District oversees the inspections and maintenance of the septic systems, reviews the data management system, and reviews and forwards all required reports to the CRWQCB. In the event the HOA fails to complete any of its tasks or obligations as designated in the O&M Plan, the District will have the authority to complete the tasks or obligations or retain consultants, contractors, or other qualified individuals to complete it. Completion of all HOA tasks and obligations will be at the sole cost and expense of the HOA. Similarly, in the event any Homeowner fails to complete any of its tasks or obligations as described below or in the O&M Plan, and if such failure is not timely cured by enforcement of the Plan by the HOA, then the District will have the authority to complete the tasks or obligations, at the expense of such Homeowner. The District shall have all the rights of the HOA hereunder to enter the Homeowner's property, perform any required or necessary work, and enforce the Homeowner's obligations under the O&M Plan, and the District shall further have the right through an assignment of the HOA's powers to lien the Homeowner's property and foreclose such property as necessary to enforce the provisions of this O&M Plan with respect to such property.

HOMEOWNERS ASSOCIATION (HOA) RESPONSIBILITIES

With respect to the septic systems on individual lots, the HOA is responsible for maintaining the necessary personnel and equipment to meet the requirements of the WDR for The Ranch, which include inspections, groundwater monitoring, seepage pit monitoring and all reporting required by the District and the CRWQCB. The HOA will also keep and maintain a list of contractors approved by the District for providing emergency 24-hour plumbing and pumping service should the Homeowner experience difficulty or malfunction of its septic system.