SETTLEMENT AGREEMENT AND MUTUAL RELEASE
ADMINISTRATIVE CIVIL LIABILITY
COMPLAINT NO. R5-2006-0511

THIS SETTLEMENT AGREEMENT AND MUTUAL RELEASE – ADMINISTRATIVE CIVIL LIABILITY COMPLAINT NO. R5-2006-0511 (this "Agreement") is made and entered into by PL Roseville LLC and the Executive Officer of the California Regional Water Quality Control Board, Central Valley Region ("Regional Board") (collectively, the "Parties") with reference to the following facts:

RECITALS:

A. On or about July 21, 2006, the Executive Officer issued Administrative Civil Liability Complaint No. R5-2006-0511 ("Complaint"), which proposed to assess an administrative civil liability of $900,000 against PL Roseville LLC for certain alleged violations of NPDES General Permit No. CAS000002, Waste Discharge Requirements Order No. 99-08-DWQ (Construction Storm Water General Permit) at the West Park Subdivision construction project in Placer County.

B. The Complaint alleged that PL Roseville LLC had failed to implement and maintain an effective combination of sediment and erosion control Best Management Practices and that there were discharges of pollutants from an Advanced Treatment System. The Complaint further alleged that the alleged failure to have effective controls occurred on 19, 20, 21, 27, 28, and 29 December 2005, and that discharges from the Advanced Treatment System allegedly occurred on 23 and 24 March 2006, and 13 April 2006.

C. PL Roseville LLC objected to the existence of the violations, the magnitude of the proposed administrative civil liability, the calculation of the statutory maximum liability and the estimates of the alleged discharge volumes. The parties conferred for the purpose of settling this matter and the allegations described herein without a formal hearing. Therefore, PL Roseville LLC enters into this Agreement without the admission of any fact or the adjudication of any issue in this matter, and by entering into this agreement PL Roseville LLC is not admitting to liability for any of the alleged violations.

D. The Parties, through their respective representatives, have reached this settlement for the violations alleged in the Complaint and additional alleged violations of the Construction General Permit as described below. This settlement is subject to public comment as provided below.

E. The general terms of the settlement are that PL Roseville LLC will, in exchange for a full and final release of all claims arising out of the specified alleged violations, (1) pay an administrative civil liability of $200,000 to the State Water Resources Control Board's Cleanup and Abatement Account, and (2) complete the Western Placer County Restoration Preserve Supplemental Environmental Project at a cost of no less than $500,000 in accordance with the specific terms and conditions detailed in Attachment A ("the SEP"), which is attached hereto and incorporated into this Agreement.

F. In addition to the violations alleged in the Complaint, this settlement resolves other alleged violations of the Construction Storm Water General Permit related to suspected similar discharges of sediment-laden storm water and other pollutants into nearby surface waters from the site on December 22, 25, and 26 and 30, 2005. These alleged violations encompass all alleged violations of the Construction Storm Water General Permit by PL Roseville LLC at the West Park Subdivision of which PL Roseville LLC and the Executive Officer were actually aware as of October 17, 2006.

G. As a material condition of this Agreement, PL Roseville LLC represents and warrants that the SEP is not and was not previously contemplated, in whole or in part, by PL Roseville LLC or any related entity for any other purpose, except to partially satisfy PL Roseville LLC's obligations as may be ordered in response to Complaint No. R5-2006-0511, and that the SEP would not be undertaken by PL Roseville LLC or any related entity in the absence of this enforcement action. PL Roseville LLC also affirms that, to the best of its knowledge, PL Roseville LLC, its officers, directors, shareholders, and their family members, will not receive any direct or indirect financial benefit from the SEP and will not use the SEP to satisfy any legal obligation other than that in this Agreement.

NOW, THEREFORE, in exchange for their mutual promises and for other good and valuable consideration specified herein, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. PL Roseville LLC covenants and agrees that it will not contest or otherwise challenge this Agreement before the Regional Board, the State Water Resources Control Board or any court. The Executive Officer likewise covenants and agrees that she will not contest or otherwise challenge this Agreement before the Regional Board, the State Water Resources Control Board or any court, provided that she does not exercise her authority to declare the Agreement to be null and void as the result of public comment, as specifically detailed below.

2. PL Roseville LLC agrees to pay $200,000 of the proposed Administrative Civil Liability Order to the State Water Resources Control Board and to initiate the SEP, both within 10 days of receiving written notice from the Executive Officer that the Agreement is no longer subject to challenge pursuant to Water Code sections 13320 or 13330, or that all such challenges have been resolved. PL Roseville LLC further agrees to conduct and complete the SEP in accordance with the specific terms and conditions, including the time schedule, detailed in Attachment A.

3. In the event that the SEP is not performed in accordance with the specific terms and conditions, including the time schedule, detailed in Attachment A, or is determined by the Executive Officer to not qualify as a SEP in accordance with the State Water Resources Control Board's Enforcement Policy, for any reason within the reasonable control of PL Roseville LLC or its agents, PL Roseville LLC will provide written notice to the Executive Officer within five days, and PL Roseville LLC agrees to immediately pay an administrative civil liability amount of $500,000 to the State Water Resources Control Board's Cleanup and Abatement Account upon written demand by the Executive Officer. If the payment is not timely received, the Executive Officer may request that the Regional Board adopt the Administrative Civil Liability Order contained in Attachment B (the "Order"), which is attached hereto and incorporated into this Agreement. In this event, PL Roseville LLC covenants and agrees that it will not contest or

otherwise challenge the adoption of the Order before the Regional Board, the State Water Resources Control Board or any court.

4. In the event that the SEP is not performed in accordance with the specific terms and conditions, including the time schedule, detailed in Attachment A due to circumstances beyond the reasonable control of PL Roseville LLC and its agents, PL Roseville LLC will provide written notice to the Executive Officer within five days. The final determination as to whether the circumstances were beyond the reasonable control of PL Roseville LLC and its agents will be made exclusively by the Executive Officer. In this event, the Parties agree to meet and confer regarding an extension of time to complete the SEP, the selection of an alternate SEP, or the payment of $500,000, less the value to the public of the work already performed by PL Roseville LLC toward completing the SEP as determined by the Executive Officer, to the Cleanup and Abatement Account. If an extension or alternate SEP is agreed upon, PL Roseville LLC agrees to perform the SEP in accordance with the extension or the terms of the agreed-upon alternate SEP, as applicable. If no extension or alternate SEP is agreed upon, PL Roseville LLC agrees to immediately pay an administrative civil liability amount of $500,000, less the value to the public of the work already performed by PL Roseville LLC toward completing the SEP as determined by the Executive Officer, to the State Water Resources Control Board's Cleanup and Abatement Account upon written demand by the Executive Officer. If the payment is not timely received, the Executive Officer may request that the Regional Board adopt the Administrative Civil Liability Order contained in Attachment B (the "Order"), which is attached hereto and incorporated into this Agreement, with a credit for the value to the public of the work already performed by PL Roseville LLC toward completing the SEP as determined by the Executive Officer. In this event, PL Roseville LLC covenants and agrees that it will not contest or otherwise challenge the adoption of the Order before the Regional Board, the State Water Resources Control Board or any court.

5. PL Roseville LLC and its respective successors and assigns, agents, attorneys, employees, officers, shareholders and representatives hereby release and discharge the Regional Board and the State of California, including each and every constituent agency, board, department, office, commission, fund or entity thereof, and successors and assigns, agents, attorneys, employees, officers, shareholders and representatives of the Regional Board, the State of California, and each and every constituent of the State of California from any and all claims, demands, actions, causes of action, obligations, damages, penalties, liabilities, debts, losses, interest, costs, or expenses of whatever nature, character, or description, that they may have or claim to have against one another by reason of any matter or omission arising from any cause whatsoever relating to the Complaint and this Agreement.

6. PL Roseville LLC's complete performance of its obligations under this Agreement shall effect a release and discharge of PL Roseville LLC and its respective successors and assigns, agents, attorneys, employees, officers, shareholders and representatives by the Regional Board from any and all claims, demands, actions, causes of action, obligations, damages, penalties, liabilities, debts, losses, interest, costs, or expenses of whatever nature, character, or description, that it may have or claim to have against PL Roseville LLC by reason of any matter or omission arising from any cause whatsoever relating to the Complaint and this Agreement. Notwithstanding this section, however, the Regional Board expressly reserves its rights under Civil Code section 1542.

7. The Parties agree that there will be no further contacts with the media by the Parties, their representatives, or their agents regarding the Complaint or this Agreement prior to noon on the date that the public notice is scheduled to be published. The Executive Officer will provide at least 48 hours notice to PL Roseville LLC prior to publishing the public notice.

8. PL Roseville LLC agrees that, if PL Roseville LLC, or any related entity, publicizes the SEP or the results of the SEP, it will state in a prominent manner that the SEP is being undertaken as part of the settlement of this enforcement action by the Central Valley Regional Water Quality Control Board.

9. Within seven days of execution of this Agreement by PL Roseville LLC and the Executive Officer, the Executive Officer shall publish the availability of the Agreement for the purpose of accepting public comments on the Agreement for a period of 30 days. If the Executive Officer receives significant new information that reasonably affects the propriety of entering into this Agreement, the Executive Officer may unilaterally declare this Agreement void. Otherwise, within seven days of the close of the public comment period the Executive Officer will certify that the public comment period has closed, that all comments have been considered, and that the Executive Officer has determined that the Agreement is in the best interests of the people of the State of California. PL Roseville LLC agrees that it may not rescind or otherwise withdraw its approval of the Agreement. The Agreement becomes effective immediately upon the Executive Officer's certification.

10. The Parties intend that the procedure that has been adopted for the approval of the settlement by the Parties and review by the public, as reflected in this Agreement, will be adequate. In the event procedural objections are raised prior to this settlement becoming effective, the Parties agree to meet and confer concerning any such objections, and may agree to revise or adjust the procedure as necessary or advisable under the circumstances.

11. In the event that this Agreement does not take effect, or is vacated in whole or in part by the State Water Resources Control Board or a court, the Parties acknowledge that they expect to proceed to a contested evidentiary hearing for the Regional Board to determine whether to assess administrative civil liabilities for the underlying alleged violations, unless the Parties agree otherwise. The Parties agree that all oral and written statements and agreements made during the course of settlement discussions, except this Agreement, will not be admissible as evidence in the hearing. The Parties also agree to waive any and all objections related to their efforts to settle this matter, including, but not limited to, objections related to prejudice or bias of any of the Regional Board members or their advisors and any other objections that are premised in whole or in part on the fact that the Board Members or their advisors were exposed to some of the material facts and the Parties' settlement positions, and therefore may have formed impressions or conclusions, prior to conducting the contested evidentiary hearing.

12. Neither this Agreement nor any payment pursuant to the Agreement shall constitute evidence of, or be construed as, a finding, adjudication, or acknowledgment of any fact, law or liability, nor shall it be construed as an admission of violation of any law, rule or regulation. However, this Agreement and/or any actions or payment pursuant to the Agreement may constitute evidence in actions seeking compliance with this Agreement. This Agreement may be used as evidence of a settlement in any future actions by the Regional Board.

13. Neither the Executive Officer nor the Regional Board has made any determinations regarding any rights of contribution that PL Roseville LLC may assert. However, PL Roseville LLC represents that PL Roseville LLC and Clear Creek Systems, Inc. ("CCS") have entered into a separate contribution agreement wherein CCS has agreed to reimburse PL Roseville LLC toward satisfaction of a portion of the ACL.

14. Each person executing this Agreement in a representative capacity represents and warrants that he or she is authorized to execute this Agreement on behalf of and to bind the entity on whose behalf he or she executes the Agreement.

15. This Agreement shall not be construed against the party preparing it, but shall be construed as if the Parties jointly prepared this Agreement and any uncertainty and ambiguity shall not be interpreted against any one party.

16. If any portion of this Agreement is ultimately determined not to be enforceable, the entire Agreement shall become null and void.

17. This Agreement shall not be modified by any of the Parties by oral representation made before or after the execution of this Agreement. All modifications must be in writing and signed by the Parties.

18. Each party to this Agreement shall bear all attorneys' fees and costs arising from that party's own counsel in connection with the matters referred to herein.

19. The Parties shall execute and deliver all documents and perform all further acts that may be reasonably necessary to effectuate the provisions of this Agreement.

20. This Agreement may be executed as duplicate originals, each of which shall be deemed an original Agreement, and all of which shall constitute one agreement.

21. This Agreement is entered into and shall be construed and interpreted in accordance with the laws of the State of California.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the dates set forth below.

For the Regional Board Executive Officer:

Date: 12-15-06

By: Pamela Creedon
Pamela Creedon
Executive Officer

Approved as to Form: Philip Wyels
Philip Wyels
Counsel to Executive Officer

For PL Roseville LLC:

Date: _____ By: _____

Christopher Cady
Managing Partner

Approved as to Form: _____

Roberta L. Larson
Counsel to PL Roseville LLC

CERTIFICATION

I, Pamela Creedon, hereby certify that notice of this Settlement Agreement has been provided to the public. The public has received no less than thirty days to comment on this Settlement Agreement. I have considered all comments that have been received, and I have determined that this Settlement Agreement is in the best interests of the people of the State of California. This Settlement Agreement is hereby effective immediately.

Date: _____ By: _____

Pamela Creedon
Executive Officer

Note: Any person wishing to appeal this Settlement Agreement has thirty days to file a petition for review with the State Water Resources Control Board. Information regarding filing petitions for review is available at www.waterboards.ca.gov.

ATTACHMENT A: WESTERN PLACER COUNTY RESTORATION RESERVE SUPPLEMENTAL ENVIRONMENTAL PROJECT FOR SETTLEMENT AGREEMENT FOR ADMINISTRATIVE CIVIL LIABILITY COMPLAINT NO. R5-2006-0511

I. Project Overview

PL Roseville LLC ("PLR") has agreed to conduct this SEP as part of a settlement with the Central Valley Regional Water Quality Control Board (CVRWQCB) of Administrative Civil Liability Complaint No. R5-2006-0511 (ACL). PLR staff has met with CVRWQCB staff in formulating the following SEP. Westervelt Ecological Services, LLC (WES) will implement the SEP as PLR's agent.

The proposed SEP is to provide $500,000 to WES for use in its efforts to restore a riparian corridor as part of WES's broad conservation effort within western Placer County. WES will actively manage the restored habitat planned for this SEP as a natural preserve.

The SEP has the required nexus to the alleged violations in that it will be geographically related and it will create and preserve riparian habitat similar to the areas at issue in the ACL. The SEP is expected to be located within the Pleasant Grove Creek watershed, which is the water body where the alleged violation occurred. Upon approval from CVRWQCB staff, WES will restore a portion of the land within the greater conservation area for the SEP. No other credits will be established and sold for the portion of the property where the SEP is being implemented (i.e., there will be no "double dipping" in the use of the SEP area).

II. Project Approach

The SEP represents an innovative approach to "post impact mitigation." As mentioned above, the SEP will be coordinated with WES's broad regional conservation efforts. Because the PLR SEP will be a part of this larger conservation landscape, it will be more effective and more sustainable over time. WES's broad conservation areas will include the best available practices drawn from the habitat mitigation realm to ensure success; these include legal protections (conservation easement), long-term funding (endowment), and stewardship (approved management plan). Therefore, the portion of land that is restored as part of the SEP will benefit from best available practices, too. In addition, the CVRWQCB staff will have approval authority over each milestone accomplished and will review the status of uncompleted milestones at the conclusion of each milestone.

III. Scope of Work and Estimated Budget Distribution

The scope of work for the SEP includes identification of suitable land; project entitlement, including preparation of the site-specific management plan and special studies; preparation of design documents; restoration construction; and a monitoring and auditing program.

The CVRWQCB staff will review each SEP milestone upon its completion and receive quarterly progress reports describing the progress toward uncompleted milestones. CVRWQCB staff approval of PLR's compliance with each milestone will not be unreasonably withheld.

Regarding the identification of land for the SEP, WES is currently in negotiations to acquire the property that will include the SEP project area. The restored land that corresponds to the SEP will be part of a larger conservation/mitigation banking area, which is not yet purchased by WES. The specific portion of land that will be dedicated to the SEP will be subject to CVRWQCB staff approval. The SEP will be located within the Pleasant Grove Creek watershed or, if approved by CVRWQCB staff, a watershed that has similar ecosystem features draining into the cross canal and within Placer County. WES has informally identified for the Regional Board the general location of its preferred site, but will avoid specifically designating the site prior to purchase because this could significantly increase the cost of acquiring the land. Once the land is acquired, WES will identify for the Regional Board the specific location of the larger restoration property and the proposed portion thereof that corresponds to the SEP restoration work. No portion of the $500,000 will be used for land acquisition; the entire portion will be used as described below on land acquired by WES. However, staff will ascertain that the larger restoration property was acquired and that the SEP portion of the property has been identified on the purchased land (1st project milestone). This milestone will be fulfilled when WES presents to the Regional Board a map depicting the entire restoration property and the portion of that property that will be restored as the SEP.

The entitlement process will include preparing a site-specific management plan, which will provide pertinent information and details of the proposed project activities. This site-specific management plan will be one part of a management plan for the entire property within which the SEP is implemented. The site-specific management plan will describe existing conditions on the restoration area, estimated functional improvements, proposed conceptual design (including the types and distribution of native plant species), the program for establishment monitoring and maintenance, and provisions for long-term stewardship. The monitoring and maintenance will include care of the newly planted material, and management of conditions that could prevent establishment (e.g., weeding or fencing to limit cattle access). The monitoring program will also describe the benefits that the project provides and how the site is meeting the goals and objective. Specifically, the monitoring component of the entitlement documents will describe how the monitoring of the entire WES restoration property will also monitor the success of the SEP property. CVRWQCB staff will approve such monitoring program when it approves the SEP entitlement documents. (2nd milestone). Because the SEP is part of this larger habitat preserve, the SEP will benefit from the on-going monitoring and maintenance on the whole property. Long-term monitoring, though it will be described in WES' entitlement documents as part of the monitoring of the larger restoration property and be approved by CVRWQCB staff, will not be an ongoing obligation of PLR after the

CVRWQCB staff has approved the entitlement documents of the SEP. This monitoring is independent of the financial SEP monitoring / audit described below, in section V.

The design documents for the project will include typical plan sheets normally associated with restoration work. This includes providing general notes on how the project should be constructed, detailed grading plans for re-contouring the landscape, a planting plan that shows the layout and species of plants to be used, and other details of site features that may be needed to fully restore the agreed upon SEP project area. CVRWQCB staff approval of the design documents is required. (3rd milestone).

Restoration construction will likely include improvements to a degraded riparian corridor and/or seasonal wetlands. Specifically, grading may be done to expand the floodplain and allow an establishment of a restored or expanded riparian corridor. CVRWQCB staff will review the construction and determine whether it was performed in accordance with the design documents described above. (4th milestone).

Stewardship and long-term maintenance (e.g., trash pick-up, trespass control, etc.) will be addressed under the broader conservation program that will be implemented across the entire project site. This program will be described in the SEP entitlement documents CVRWQCB staff approval of long-term maintenance will occur when it reviews the SEP entitlement documents.

The estimated costs associated with the above-outlined project elements are: Entitlement ($125,000), Design ($75,000), Construction ($295,000), and Monitoring and Auditing ($5,000). These estimated costs would likely have some adjustments made as the project moves forward. Budget variations could occur due to volatility in construction costs (e.g., fuel prices), or other factors.

IV. Performance Milestones and Implementation Schedule

The project implementation will be divided into distinct milestones that will be assessed during the SEP implementation process. The completion of each milestone will be subject to CVRWQCB staff's review and written approval. CVRWQCB staff will not unreasonably withhold its approval of PLR's compliance with the SEP milestones. These milestones and the implementation schedule for each milestone, as explained in more detail above in section III, are:

1. Identify and purchase suitable property, which will include the SEP project area.
2. Prepare entitlement documents, including a site-specific management plan, for the SEP project area.
3. Prepare design documents for the SEP project area.
4. Implement restoration construction for the SEP project area.
5. Perform independent, third-party, fund-disbursement and value audit.

MILESTONE	ESTIMATED IMPLEMENTATION SCHEDULE (2006 – 2007)											
	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Land Identification					*							
Entitlement								*				
Design								*				
Construction												*
Monitor/Audit												*

*** - Indicates the Review Milestones by CVRWQCB Staff**

Implementation of the SEP will begin on approval of the proposal by the CVRWQCB. The estimated project timeline is for the site-specific documents to be prepared in early 2007, and construction to begin in the summer of 2007. Recognizing that this SEP will be part of a larger restoration project, the SEP will end when WES has expended the entire $500,000 contributed by PLR and the final audit described in section V, below, has occurred. WES will use its best efforts to plan, design, and carry out the project so that the above five milestones will be achieved within a total budget of $500,000, and in accordance with the estimated schedule for the implementation of the SEP, as shown below. This estimated schedule is subject to adjustments based on the timing of project milestone approvals by the CVRWQCB staff and other permitting agencies.

V. Monitoring and Auditing Program

The CVRWQCB staff will monitor the progress of the SEP in two ways. First, CVRWQCB staff will review PLR's compliance with each milestone; compliance with each milestone requires CVRWQCB staff approval. Also, at the time PLR submits materials to demonstrate compliance with each milestone, it will submit a brief status report of its progress towards any uncompleted milestones. Second, PLR will submit progress reports of any uncompleted SEP milestones to the CVRWQCB staff quarterly (March 15, June 15, September 15, and December 15) or at the written request of the CVRWQCB.

Upon final completion of the SEP, an independent (third party) auditor will review the project, and submit a written report to the CVRWQCB staff. This auditor's report will confirm expenditure of the $500,000 in SEP funds contributed by PLR and the monetary value of the restoration work/environmental benefit of the SEP. The independent audit will contain an accounting on how the SEP funds were applied to the project implementation (e.g., entitlement, construction, etc.). The auditor will be selected by PLR, approved by the CVRWQCB staff, and paid for from the monies allocated for the SEP.

This auditing is solely for verifying that the SEP monies were spent in accordance with this agreement and that the SEP was implemented per the agreed upon timeline. This auditing is different than the monitoring associated with the establishment of the restoration. The establishment monitoring will be described in the site-specific management plan, which is being done by WES, and will be approved by CVRWQCB staff.

VI. Changes in Scope and Schedule/Force Majeure

In the event that unforeseen alterations in the scope of work and schedule for the project are necessary, WES will alert CVRWQCB staff of the need for scope or schedule revisions as soon as they become apparent and request a meeting to discuss the recommended adjustments. While the proposed SEP scope and schedule has been designed to be practicable, this project adjustment process is recommended as a way to provide an adaptive management element to the SEP.

WES also recommends a conference with the CVRWQCB staff when events occur that are outside of WES' control, including, but not limited to, catastrophic events, events of force majeure, or deleterious unlawful acts. In these circumstances, WES, and, if appropriate, PLR representatives will meet with CVRWQCB staff to discuss the future course of action and management of the SEP site based on the changed site conditions and remaining availability of funds.

The Regional Board maintains jurisdiction over this SEP to extend any deadline or milestone where such action is appropriate.

CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD
CENTRAL VALLEY REGION
ORDER NO. R5-2006-XXXX
ASSESSING
ADMINISTRATIVE CIVIL LIABILITY
FOR VIOLATIONS OF

NPDES General Permit No. CAS000002, Order No. 99-08-DWQ

TO
PL ROSEVILLE LLC

The California Regional Water Quality Control Board, Central Valley Region ("Regional Board") finds:

1. The Regional Board's Executive Officer issued Administrative Civil Liability Complaint No. R5-2006-0511 ("Complaint") to PL Roseville on July 21, 2006. The Complaint contained a proposed assessment of $900,000 in administrative civil liabilities for certain alleged violations of NPDES General Permit No. CAS000002, Waste Discharge Requirements Order No. 99-08-DWQ (Construction Storm Water General Permit) at the West Park Subdivision construction project in Placer County.

2. The Complaint alleged that PL Roseville LLC had failed to implement and maintain controls to reduce pollutants in storm water discharges from their construction sites to the BAT/BCT performance standard, resulting in the repeated discharges of sediment-laden storm water and other pollutants into nearby surface waters, and that PL Roseville LLC had failed to provide adequate oversight over their contractors, resulting in the illegal pumping of untreated storm water into the vernal pool preserve and unnamed tributary to Pleasant Grove Creek. The Complaint further alleged that these violations had occurred on 19, 20, 21, 27, 28, and 29 December 2005, 23 and 24 March 2006, and 13 April 2006. PL Roseville LLC objected to the existence of the violations, the magnitude of the proposed administrative civil liability, the calculation of the statutory maximum liability, and the estimates of the alleged discharge volumes.

3. Subsequent to the issuance of the Complaint and PL Roseville LLC's objections thereto, representatives of PL Roseville LLC and the Executive Officer (collectively, the "Parties") entered into settlement negotiations because of a desire to resolve this matter and settle the allegations described herein without a formal hearing. Without the admission of any fact or claim by PL Roseville LLC, or the adjudication of any claim in this matter, the Parties have requested that the Regional Board adopt this Order to facilitate the conversion of the Parties' settlement into a judgment pursuant to California Water Code section 13328.

4. In addition to the violations alleged in the Complaint, this Order resolves other violations of the Construction Storm Water General Permit related to suspected

similar discharges of sediment-laden storm water and other pollutants into nearby surface waters from the site on December 22, 25, and 26, 2005

5. Public Notice of the Parties' settlement agreement was published on [date], initiating a 30-day period for the public to comment on the settlement agreement. The Executive Officer considered all public comments before executing the settlement agreement. Because this is a proposed settlement between the Parties, the Regional Board did not conduct an adjudicative hearing on this matter.

6. In adopting this Administrative Civil Liability Order, the Regional Board has considered each of the factors prescribed in California Water Code § 13385(e). The Regional Board's consideration of these factors is based upon information and comments provided by the Parties and members of the public. In addition to these factors, the administrative civil liability recovers the costs incurred by the staff of the Regional Board in evaluating the violations and preparing the Complaint and related documents.

7. The proposed settlement supports the assessment of administrative civil liability in the amount of $700,000, including a $500,000 Supplemental Environmental Project, for the alleged violations and is in the public interest. This Order and assessment of administrative civil liability provides for the full and final resolution of each of the alleged violations addressed by this Order. Neither the Executive Officer nor the Regional Board has made any determinations regarding any rights of contribution that PL Roseville LLC may assert.

8. Issuance of this Order is exempt from the provisions of the California Environmental Quality Act (Public Resources Code Section 21000 *et seq.*) in accordance with section 15321, Chapter 3, Title 14, California Code of Regulations.

IT IS HEREBY ORDERED that:

1. Pursuant to the settlement agreement executed by the Executive Officer and PL Roseville LLC, administrative civil liability under California Water Code § 13385(c) is imposed upon PL Roseville LLC in the amount of [$700,000 less the total of any amount already paid to Cleanup and Abatement Account and the value to the public of the work already performed by PL Roseville LLC toward completing the SEP as determined by the Executive Officer if the Executive Officer determines the failure to perform the SEP was beyond the reasonable control of PL Roseville LLC and its agents].

2. Within 30 calendar days of adoption of this Order, PL Roseville LLC shall pay [$700,000 less the total of any amount already paid to Cleanup and Abatement Account and the value to the public of the work already performed by PL Roseville LLC toward completing the SEP as determined by the Executive Officer if the Executive Officer determines the failure to perform the SEP was beyond the

reasonable control of PL Roseville LLC and its agents] to the State Water Resources Control Board for deposit in the Cleanup and Abatement Account.

3. The Executive Officer is authorized to refer this matter to the Office of the Attorney General for enforcement if PL Roseville LLC fails to comply with any provision of this Order.

4. Fulfillment of PL Roseville LLC's obligations under this Order constitutes full and final satisfaction of any and all liability for each of the alleged violations specifically identified in this Order.

I, Pamela Creedon, Executive Officer, do hereby certify the foregoing is a full, true, and correct copy of an order imposing civil liability adopted by the California Regional Water Quality Control Board, Central Valley Region, on _____, 2007.

_____
Executive Officer