

EXHIBIT “B”

TO BERLIN BUY-BACK AGREEMENT

Schedule of payments to be paid by future users to Developers

DEVELOPERS:

Claus J. and Kimberly A. Berlin, property owners of 589 California Way and former property owners of 593 California Way, Redwood City, CA are original Developers extending the existing sanitary sewer main in the Emerald Lake Heights Sewer Maintenance District (District).

A. DESCRIPTION

The Developers constructed the sanitary sewer main extension (Berlin sewer main extension) within the public right-of-way between the intersection of California Way and West California Way and 593 California Way in accordance with “Water Main and Sanitary Sewer Main Extension Plan – 593 California Way, Redwood City, CA” prepared by MacLeod and Associates, Inc., 930 Tanklage Road, San Carlos, CA dated on January 12, 1998, on file in the office of the Director of Public Works.

B. AGREEMENT TERMS

Developers have ten (10) years to receive a prorated reimbursement from property owners connecting to the sanitary sewer main extension. **Term is from February 8, 2000 through February 8, 2010.**

C. TOTAL COST OF CONSTRUCTION

The Developers’ total cost of construction for this project was: **\$20,208.43**

D. REIMBURSEMENT TO DEVELOPERS

Reimbursements to Developers shall be in accordance with the formula described below. Buy-in costs will be updated by Department of Public Works whenever a new property owner requests connection to the sewer line extension. Base Construction Cost Index or CCI is established as **6816.70**, published in Engineering News-Record for January 2000.

Buy-in Formula

In consideration of District’s permission to connect to the system, which includes improvements installed and financed by Developers, anyone connecting to the Berlin sewer main extension from February 8, 2000 to February 8, 2010, will be required by District to Buy-in to the sewer

main extension throughout the ten-year Agreement Term Period. The construction cost for the original developers is **\$20,208.43**.

First Buy-in

Family A - Formula: To recalculate the buy-in for Family A.

1. Begin with the original total construction and engineering costs (\$20,208.43)
2. Adjust #1 above for the Construction Cost Index to compute adjusted costs;
3. Divide #2 above by 2 to yield the buy-in cost for Family A.;
4. Divide the adjusted buy-in cost (item 3) by 1 to yield the distribution to the Developers.

Second Buy-in

Family B - Formula: To recalculate the buy-in for Family B.

1. Begin with the original total construction and engineering costs (\$20,208.43)
2. Adjust #1 above for the Construction Cost Index to compute adjusted costs;
3. Divide #2 above by 3 to yield the buy-in cost for Family B.
4. Divide the adjusted buy-in cost (item 3) by 2 to yield the distribution to Family A and the Developers.

Third Buy-in

Family C - Formula: To recalculate the buy-in for Family C.

1. Begin with the original total construction and engineering costs (\$20,208.43)
2. Adjust #1 above for the Construction Cost Index to compute adjusted costs;
3. Divide #2 above by 4 to yield the buy-in cost for Family C.
4. Divide the adjusted buy-in cost (item 3) by 3 to yield the distribution to Families A, B and the Developers.

Fourth and successive Buy-in's

Repeat the model for successive buy-in's.

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