Appendix K

Acquisition of Required Sewer Equivalent Dwelling Units ("EDU's") Memorandum

ASSIGNMENT AND TRANSFER OF SEWER CAPACITY EQUIVALENT DWELLING UNITS AND NOTICE TO CITY

(Liberty II, Brann Ranch)

This **Assignment and Transfer of Sewer Capacity Equivalent Dwelling Units ("EDUs") and Notice to City ("Assignment and Transfer Notice")** is made as of **July 1, 2025** by and between **Lewis Investment Company, LLC,** a California limited liability company **("Assignor")**, and **Encore Liberty II, LLC,** a Delaware limited liability company **("Assignee")**, together, the parties to the assignment **("Parties")**.

This Assignment and Transfer of Sewer Capacity and Notice to City is subject to the terms and provisions of that certain Agreement to Purchase Sewer Treatment Capacity EDUs dated April 22, 2025, as amended on June 17, 2025 between Assignor and Assignee (the "**Purchase Agreement**") and in the event of any inconsistency between the Purchase Agreement and this Assignment and Transfer Notice, the terms and provisions of the Purchase Agreement shall control.

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by both Parties, Assignor hereby sells, conveys, grants, delivers, transfers and assigns to Assignee and Assignee hereby assumes all of Assignor's right, title and interest in, to and under, any and all of Three Hundred and Forty (340) excess and unused sewer capacity units, also known and referred to as Equivalent Dwelling Units in the North West Wastewater Treatment Plant in Rio Vista, California.

The provisions of this Assignment shall be binding upon and shall inure to the benefit of the successors and assigns of Assignor and Assignee, respectively.

[All Signatures On Next Page]

SIGNED IN COUNTERPART

[Next Page – Assignment and Transfer Notice]

ASSIGNEE:

ENCORE LIBERTY II, LLC,
a Delaware limited liability company

By: _____
Name: Anthony Avila
Title: Managing Member

ASSIGNOR:

LEWIS INVESTMENT COMPANY, LLC,
a California limited liability company

By: LEWIS MANAGEMENT CORP.,
a Delaware corporation, Its Manager

SIGNED IN COUNTERPART

By: _____
Name: John M. Goodman
Title: Senior Exec VP/CEO

[Next Page – Assignment and Transfer Notice]

ASSIGNEE:

ENCORE LIBERTY II, LLC,
a Delaware limited liability company

SIGNED IN COUNTERPART

By: _____
Name: Anthony Avila
Title: Managing Member

ASSIGNOR:

LEWIS INVESTMENT COMPANY, LLC,
a California limited liability company

By: LEWIS MANAGEMENT CORP.,
a Delaware corporation, Its Manager

By: John M Goodman
Name: John M. Goodman
Title: Senior Exec VP/CEO

ENCORE CAPITAL MANAGEMENT

May 13, 2025

Kristina Miller
City Manager
City of Rio Vista
One Main Street
Rio Vista, California 94571

RE: Brann Ranch – Acquisition of Required Sewer Equivalent Dwelling Units ("EDU's") Memorandum

Kristina,

Encore Liberty II, LLC ("Encore") is the applicant for the proposed Brann Ranch project, composed of 1,073 single family units, 52 multi family units, a community park restroom, and 2.44 acres of commercial.

Required EDU's

Per Dillon & Murphy Engineering, the Brann Ranch project required EDU's are as follows:

LAND USE	ACRES	UNITS	EDU's
Single Family		1,073	1,073
Multi Family		52	44
Commercial	2.44		15
Community Park Bathroom			1
TOTAL			**1,133**

Transfer of EDU's to Satisfy Project Requirements

Encore currently controls 793 EDU's. Through a series of transactions with entities controlling outstanding EDU's in the City of Rio Vista, Encore has acquired the remaining required EDU's and is broken down as follows:

CONTROLLING ENTITY	TRANSFER DATE	EDU's	NOTES
Encore		793	Includes 609 EDU's from the Liberty project and transfer of 184 EDU's from McCormack/Mahlock, City letter dated 8/17/22 and City Reso 2022-059.
Lewis Management Corp.	ETA Q3 2025	340	In contract, deposit released to Lewis, in escrow with First American Title Co., File No. 627988ala.
TOTAL		**1,133**	

As shown above, Encore controls required EDU's for the Brann Ranch project as proposed and analyzed in the Draft Environmental Impact Report. This avoids a significant and unavoidable impact to City sewer facilities.

Sincerely,

David Hardy

ENCORE LIBERTY II, LLC
777 Tamalpais Drive, #401B, Corte Madera, CA 94925
Phone: (415) 561-0600 Fax: (415) 561-0601 www.EncoreCM.com

From:	Brian Gorbet
To:	David Hardy; gmalcolm; Krystine Ball
Cc:	glen.martin; Suzanne Enslow; Richard Hirsch; Cecil Dillon
Subject:	RE: [EXTERNAL]Brann Ranch EDU calculation
Date:	Tuesday, May 13, 2025 4:25:42 PM

All,
Cecil and I reviewed and discussed this memo and we concur with the EDU count that us represented. Formal acknowledgement from the City can proceed when the transaction to acquire the 340 EDUs is complete.
Brian

Brian Gorbet
Dillon & Murphy Engineering
209-334-6613 Office
209-334-0723 Fax
www.dillonandmurphy.com

From: David Hardy <david.hardy@encorefunds.com>
Sent: Tuesday, May 13, 2025 1:52 PM
To: Brian Gorbet <bgorbet@dillonandmurphy.com>; Greg Malcolm <gmalcolm@ci.rio-vista.ca.us>; Krystine Ball <kball@ci.rio-vista.ca.us>
Cc: Glen Martin <glen.martin@encorefunds.com>; Suzanne Enslow <suzanne.enslow@ascent.inc>; Richard Hirsch <rhirsch@interwestgrp.com>; Cecil Dillon <cdillon@dillonandmurphy.com>
Subject: RE: [EXTERNAL]Brann Ranch EDU calculation

All –

To add on what Brian sent and to close the loop on our EIR discussion regarding EDU's, I drafted the attached memo which can be inserted into the EIR as an addendum and spells out how Encore controls the required EDU's for the project.

Can D&M and/or City staff please respond to your concurrence of this memo so Ascent can proceed?

Thanks,

David Hardy
Encore Capital Management

951.704.4508

From: Brian Gorbet <bgorbet@dillonandmurphy.com>
Sent: Thursday, May 8, 2025 4:06 PM
To: Greg Malcolm <gmalcolm@ci.rio-vista.ca.us>; Krystine Ball <kball@ci.rio-vista.ca.us>
Cc: David Hardy <david.hardy@encorefunds.com>; Glen Martin <glen.martin@encorefunds.com>; Suzanne Enslow <suzanne.enslow@ascent.inc>; Richard Hirsch <rhirsch@interwestgrp.com>; Cecil Dillon <cdillon@dillonandmurphy.com>
Subject: [EXTERNAL]Brann Ranch EDU calculation

As discussed in the meeting today, the City is accepting of the revised commercial/mixed-use area proposed for Brann Ranch. The area of commercial property is represented as 2.44 acres. Given that commercial acreage and the agreed upon number of multi-family units (52) we have recalculated the EDUs needed for these properties. An additional EDU was also added for the community park sewer connection.
The number of EDUs calculated for these areas totals 60 EDUs. See attached.
Brian

DILLON & MURPHY
ENGINEERING

Brian Gorbet
Dillon & Murphy Engineering
209-334-6613 Office
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www.dillonandmurphy.com

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