

EXHIBIT 11-C



Monterey Peninsula Water Management District *Indicative Terms and Conditions as of November 28, 2012*

By accepting this term sheet the Monterey Peninsula Water Management District (the “District”) agrees that (i) it shall use the information contained herein solely for the purpose of evaluating a possible transaction between the District and Rabobank, N.A. (the “Bank”) and for no other purpose and (ii) the District and its representatives will keep confidential and not disclose any of such information to any third parties other than its financial advisor and legal counsel, including the fact that the District is considering a possible transaction with the Bank. *This proposal is not a commitment. The terms and conditions contained in this proposal are not intended to be exhaustive or all-inclusive, and the final legal documentation may include additional or different terms and conditions required by the Bank that are not included herein.*

District:	Monterey Peninsula Water Management District
Bank:	Rabobank, N.A.
Amount:	\$4,000,000.
Use and Investment of Proceeds:	Bond proceeds will be used to [finance infrastructure owned by the District, reimburse the District for costs incurred in connection with infrastructure, pay off an existing line of credit, fund the Debt Service Reserve Fund, and fund costs of issuance]. District will invest and apply the proceeds only as permitted by applicable law.
Interest Rate:	3.6% fixed (taxable).
Amortization/Maturity:	30 year amortization/10 year maturity.
Prepayment Penalty:	None.
Reserve Fund:	The District shall maintain a Debt Service Reserve Fund equal to one year’s debt service (principal and interest, estimated at \$220,000), that shall be held as additional security for the Bank in a Bank controlled account.
Nature of Obligation and Repayment:	Debt will be secured by a pledge of the District’s water supply charge. Principal to be paid semi-annually.
Bank Fees:	Estimated \$20,000.
Legal Fees/Expenses:	Estimated \$20,000.
Bank Counsel:	Fulbright & Jaworski L.L.P.
Opinion of District Counsel:	The Bank shall receive an opinion of counsel to the District acceptable to the Bank, including among other things an opinion that the debt and the



instrument under which the debt is issued have been duly and validly authorized by the District and constitute legal valid and binding obligations of the District, enforceable in accordance with their terms.

Documentation: Standard documentation for a revenue bond transaction of this kind.

Conditions Precedent: Any terms and conditions the Bank may reasonably require for transactions of this nature, including the following:

- District must comply with a rate covenant of 1.25x maximum annual debt service;
- District may issue additional debt subject to an additional debt test of 1.25x maximum annual debt service on all parity debt;
- Receipt of audited financial statements;
- Applicable permits, if any.

Credit Approval and Offer Expiration: **This term sheet is an indication of interest only and is not a commitment to lend. Any offer by the Bank in connection with the proposed transaction will be subject to the Bank's satisfactory completion of its due diligence review of the District and final credit approval by the Bank.**

The Bank anticipates, but cannot guaranty, being able to provide its credit decision within 4 weeks of being given the mandate to purchase the warrants. The terms described herein expire Dec. 15, 2012 unless extended by the Bank.

Absence of Fiduciary Relationship: The District acknowledges that the transactions described in this document are arms'-length commercial transactions and that the Bank is acting as principal and in its best interests. The District is relying on its own experts, lawyers and advisors to determine whether the transactions described in this document are in its best interests. The District agrees that the Bank will act under this document as an independent contractor and that nothing in this document, the nature of the Bank's services or in any prior relationship will be deemed to create an advisory, fiduciary or agency relationship between the Bank, on the one hand, and the District, on the other hand. In addition, the Bank may employ the services of its affiliates in providing certain services in connection with the transactions described in this document and may exchange with such affiliates information concerning the District that may be the subject of the transactions described in this term sheet.

Please note that the Bank and its affiliates do not provide tax, accounting or legal advice. The Bank and its advisors are not serving as a municipal advisor to the District.



Rabobank

Anti-tying Disclosure:

The extension of commercial loans or other products or services to the District by the Bank or any of its subsidiaries will not be conditioned on the District’s taking other products or services offered by the Bank or any of its subsidiaries or affiliates, unless such a condition is permitted under an exception to the anti-tying provisions of the U.S. Bank Holding Company Act of 1956, as amended, and the regulations issued by the Federal Reserve Board implementing the anti-tying rules (collectively, the “Anti-tying Rules”). The Bank will not vary the price or other terms of any product or service offered by the Bank or its subsidiaries on the condition that the District purchase another product or service from the Bank or any affiliate, unless the Bank is authorized to do so under an exception to the Anti-tying Rules. The Bank will not require the District to provide property or services to the Bank or any affiliate as a condition to the extension of a commercial loan to the District by the Bank or any of its subsidiaries, unless such a requirement is reasonably required to protect the safety and soundness of the loan. The Bank will not require the District to refrain from doing business with a competitor of the Bank or any of its affiliates as a condition to receiving a commercial loan from the Bank or any of its subsidiaries, unless the requirement is reasonably designed to ensure the soundness of the loan.

**Bank Public Finance
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**Acknowledged and
Consented:**

By: _____
Authorized Officer
MONTEREY PENINSULA WATER MANAGEMENT DISTRICT

This document has been prepared by the Bank for information purposes only. This document is an indicative summary of the terms and conditions of the transaction described herein and may be amended, superseded or replaced by subsequent summaries. The final terms and conditions of the transaction will be set out in full in the applicable binding transaction document(s).

This document shall not constitute a commitment to participate in the transaction described herein, which shall be subject to the Bank’s internal approvals. No transaction or services related thereto is contemplated without the Bank’s subsequent formal agreement. The Bank is acting solely as principal



and not as advisor or fiduciary. Accordingly you must independently determine, with your own advisors, the appropriateness for you of the transaction before investing or transacting. The Bank accepts no liability whatsoever for any direct, consequential or other losses arising from the use of this document or reliance on the information contained herein.

The Bank does not guarantee the accuracy or completeness of information which is contained in this document and which is stated to have been obtained from or is based upon trade and statistical services or other third party sources. Any data on past performance, modeling or back-testing contained herein is no indication as to future performance. No representation is made as to the reasonableness of the assumptions made within or the accuracy or completeness of any modeling or back-testing. All opinions and estimates are given as of the date hereof and are subject to change. The information in this document is not intended to predict actual results and no assurances are given with respect thereto.

The Bank, its affiliates and the individuals associated therewith may (in various capacities) participate in transactions identical or similar to those described herein.

IRS Circular 230 Disclosure: The Bank and its affiliates do not provide tax advice. Please note that (i) any discussion of US tax matters contained in this communication (including any attachments) cannot be used by you for the purpose of avoiding tax penalties; (ii) this communication was written to support the promotion or marketing of the matters addressed herein; and (iii) you should seek advice based on your particular circumstances from an independent tax advisor.

THIS DOCUMENT DOES NOT DISCLOSE ALL THE RISKS AND OTHER SIGNIFICANT ISSUES RELATED TO THE POTENTIAL TRANSACTION. PRIOR TO TRANSACTING, POTENTIAL PARTICIPANTS SHOULD ENSURE THAT THEY FULLY UNDERSTAND THE TERMS OF THE TRANSACTION AND ANY APPLICABLE RISKS.