TEMPORARY PERMIT AGREEMENT BETWEEN
ANTELOPE VALLEY-EAST KERN WATER AGENCY AND

PALMDALE HILLS PROPERTY, LLC

WHEREAS, Palmdale Hills Property, LLC has sought permission to construct a temporary turnout on the California Aqueduct for the purpose of obtaining temporary construction water; and

WHEREAS, the State of California, Department of Water Resources, has granted a permit to Antelope Valley-East Kern Water Agency to enter upon the property of the Department of Water Resources for the purpose of delivering water to Palmdale Hills Property, LLC, Permit No. ________ in the form attached hereto as Exhibit "A"; and

WHEREAS, Antelope Valley-East Kern Water Agency is willing to permit _______ Palmdale Hills Property, LLC and its contractor to utilize Permit No. ________ from the Department of Water Resources upon condition that Palmdale Hills Property, LLC __________________________ assume responsibility for all liability incurred in the utilization of the permit, provide adequate insurance coverage to satisfy any claims of personal injury or property damage resulting from or related to the work performed pursuant to the permit, and comply with other terms and conditions hereinafter set forth;

NOW, THEREFORE, the Antelope Valley-East Kern Water Agency hereby grants permission to Palmdale Hills Property, LLC _______ and its contractor to utilize Permit
No. _________ of the State of California, Department of Water Resources, in the form attached hereto as Exhibit "A", subject to the following terms and conditions:

1. The activities of Palmdale Hills Property, LLC and its contractor shall not exceed the scope of Permit No. _________ of the State of California, Department of Water Resources.

2. Palmdale Hills Property, LLC shall be responsible for the injury or death of any workman, member of the public, officer or employee of the State or of the Antelope Valley-East Kern Water Agency, or any other person, arising out of the exercise of the rights set forth in the attached Permit No. _________ irrespective of fault or negligence, excepting only such injuries or deaths as are caused by the sole negligence or willful misconduct of the State or the Antelope Valley-East Kern Water Agency, or their officers or employees. Palmdale Hills Property, LLC shall indemnify, hold harmless and defend the State, the Antelope Valley-East Kern Water Agency, their officers, engineers and employees from all claims, suits or actions of any nature brought for or on account of any such injury or death.

3. Palmdale Hills Property, LLC shall be responsible for any damage, destruction or loss occurring to the property or the facilities of the State or of the Antelope Valley-East Kern Water Agency, their licensees, permittees or members of the public. Palmdale Hills Property, LLC shall indemnify, hold
harmless and defend the State and the Antelope Valley-East Kern Water Agency for all such damage, destruction or loss, or at the option of the State or the Antelope Valley-East Kern Water Agency, ___________ shall repair or replace said property to the satisfaction of the State or Antelope Valley-East Kern Water Agency.

4. ___________ shall provide the Antelope Valley-East Kern Water Agency with certificates of insurance evidencing comprehensive general liability coverage, which names as additional insured the State, the Antelope Valley-East Kern Water Agency, its engineers, representatives, officers, agents and employees, and which provides that such insurance is primary insurance which shall not be reduced or prorated by the existence of any other insurance policy or policies. Such coverage shall have limits of no less than $2 million.

5. ___________ shall obtain prior written approval by Antelope Valley-East Kern Water Agency of its design and plans for installation of facilities and its schedule for any work to be performed pursuant to this Agreement. It is understood and agreed that Antelope Valley-East Kern Water Agency may modify the design of the facilities as well as the plans and schedule for the work to be performed, and may impose such other terms and conditions as the Agency may deem necessary or appropriate in the Agency's sole discretion.
6. This Agreement hereby incorporates by reference all other relevant terms and conditions set forth in Permit No. __________ attached hereto as Exhibit "A". Consistent with the provisions of said permit, this agreement may be cancelled by the Antelope Valley-East Kern Water Agency upon three (3) days' written notice to Palmdale Hills Property, LLC __________. Furthermore, this agreement shall automatically terminate upon execution of an agreement with the State of California, or upon expiration of Permit No. __________ which ever occurs first.

7. In the event of any legal action to enforce or interpret the provisions of this agreement, the prevailing parties shall be entitled to reimbursement of costs and reasonable attorneys fees.

By: Palmdale Hills Property, LLC

By: 
FRANK FAYE, DIVISION PRESIDENT

MIKE WALLINE, V.P. DEVELOPMENT

3/17/05 Date

3/17/05 Date

ANTELOPE VALLEY-EAST KERN WATER AGENCY

By: 
LINDY D. LITTLEJOY

President

MARGARET MILLER

Secretary

3/22/05 Date

3/22/05 Date
CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Los Angeles } ss.

On March 17, 2005, before me, Lisa M. Stewart, Notary Public.

personally appeared Michael Walline

Frank Faye

□ personally known to me

☐ proved to me on the basis of satisfactory evidence 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.

Lisa M. Stewart

Signature of Notary Public

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: Temporary Permit Agreement between AVEK Water Agency

Document Date: March 17, 2005 Number of Pages: Four

Signer(s) Other Than Named Above: No other signers

Capacity(ies) Claimed by Signer(s)
Signer’s Name: Michael Walline
☐ Individual
☑ Corporate Officer — Title(s): VP Development
☐ Partner — ☐ Limited ☐ General
☐ Attorney in Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other:

Signer Is Representing: SunCal Companies

Signer’s Name: Frank Faye
☐ Individual
☒ Corporate Officer — Title(s): Division President
☐ Partner — ☐ Limited ☐ General
☐ Attorney in Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other:

Signer Is Representing: SunCal Companies