

(323) 881-2401

December 19, 2003

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

WATER SERVICE CONNECTION AGREEMENT BETWEEN THE CONSOLIDATED FIRE PROTECTION DISTRICT AND THE NEWHALL LAND AND FARMING COMPANY (5TH DISTRICT) (3 VOTES)

IT IS RECOMMENDED THAT YOUR BOARD ACTING AS THE GOVERNING BODY OF THE CONSOLIDATED FIRE PROTECTION DISTRICT:

1. Find that this water service connection agreement is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15301 (b) of the CEQA Guidelines.
2. Approve and instruct the Chair to sign in triplicate the two-year agreement between the Consolidated Fire Protection District (District) and The Newhall Land and Farming Company (Newhall Land), at no cost to the District, to enable Newhall Land to connect to the water delivery system at the District's Del Valle Regional Emergency Training Center (DVTC) in order to provide potable water to Newhall Land's adjacent property to be effective upon the date of Board approval.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

There are currently ten homes located on Newhall Land's Walnut Orchard Property located adjacent to the DVTC in the Castaic area of the Santa Clarita Valley which are supplied water through Newhall Land's agricultural irrigation piping. The State of California Department of Health Services recently requested that Newhall Land investigate other means of providing potable water to these homes.

As a temporary solution, Newhall Land requested that the District allow them to connect the water system currently serving these homes to the water delivery system at the DVTC which receives its water from Los Angeles County Waterworks District 36. This would allow Newhall Land to disconnect the homes from the Newhall Land irrigation system and to continue to provide water to these homes while a permanent solution is investigated.

The main access to the DVTC is through a road which runs across Newhall Land's adjoining property (access road). In consideration of the District allowing Newhall Land to connect to the DVTC water delivery system, Newhall Land has agreed to grant to the District a non-recordable license for ingress and egress to the DVTC through either the existing access road, or if such road becomes unusable due to development of the area, an alternative access road for so long as the DVTC property is used for fire protection purposes.

FISCAL IMPACT/FINANCING

Newhall Land shall bear the entire financial responsibility associated with the water service connection as detailed in this Agreement.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

All costs and liability related to Newhall Land's connection to the Del Valle water delivery system shall be borne by Newhall Land.

The connection shall be used solely for supplying water to Newhall Land's Walnut Orchard Property water users.

Upon termination of the Agreement, Newhall Land shall restore the DVTC property to its original condition.

The Agreement shall commence on the date of approval by your Board and shall terminate two years thereafter.

Newhall Land shall grant to the District a non-recordable license for ingress and egress to the DVTC through an existing access road which runs through Newhall Land's adjoining property. At such time as the access road is no longer usable due to development of the adjoining property, Newhall Land shall grant the District a license for ingress and egress to the DVTC property through an alternative road on Newhall Land's adjoining property which shall be

The Honorable Board of Supervisors
December 19, 2003
Page 3

mutually agreeable to Newhall Land and the District. Such license shall remain in full force and effect until the DVTC Property is no longer used for fire protection purposes.

County Counsel has approved this Agreement as to form.

CONTRACTING PROCESS

Not applicable.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

None.

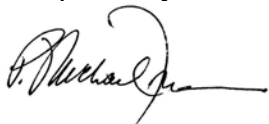
NEGATIVE DECLARATION/ENVIRONMENTAL IMPACT REPORT

None required. This project is statutorily exempt per Section 15301(b) of the CEQA Guidelines developed by the State Office of Planning Research.

CONCLUSION

Please instruct the Executive Officer of the Board to return two (2) copies of this letter and two (2) originally executed Agreements to the Consolidated Fire Protection District. We will then forward one originally executed Agreement to Newhall Land.

Respectfully submitted,



P. MICHAEL FREEMAN

PMF:lb

Attachments

- c: Chief Administrative Officer
- County Counsel
- Auditor-Controller
- Executive Officer, Board of Supervisors

WATER SERVICE CONNECTION AND LICENSE AGREEMENT

This Water Service Connection and License Agreement [“Agreement”] is made this ___ day of _____, 200_ by and between The Newhall Land and Farming Company [a California limited partnership] [“Newhall”] and the Consolidated Fire Protection District of Los Angeles County [“LACoFD”].

WHEREAS, Newhall owns certain real property commonly known as the Walnut Orchard housing area, as described on Exhibit A, attached hereto and incorporated herein by this reference [the “Walnut Orchard Property”] and, pursuant to that certain Agreement and Plan of Merger dated July 21, 2003 made by and among, *inter alia*, Newhall, Lennar Corporation and LNR Properties, Newhall will, to the extent the merger described therein becomes effective, be the surviving limited partnership in regards to the adjacent Newhall Property as depicted on Exhibit D;

WHEREAS, LACoFD owns certain real property commonly known as the Del Valle Training Center as described on Exhibit B, attached hereto and incorporated herein by this reference [the “DVTC Property”];

WHEREAS, the main access to the DVTC Property is through a road which runs across the adjacent Newhall Property depicted as “Paved Access Road from Chiquita Cyn Rd to Fire Training Facility” on Exhibit D, hereinafter referred to as “Access Road”, attached hereto and incorporated herein by this reference;

WHEREAS, Newhall has allowed the LACoFD to use the above described Access Road for access to the DVTC Property;

WHEREAS, the use of the above Access Road by the LACoFD confers a significant benefit to the LACoFD;

WHEREAS, Newhall agrees to grant to the LACoFD a license for ingress and egress to its DVTC Property in, over, and through the Access Road;

WHEREAS, the DVTC Property and the Walnut Orchard Property adjoin one another;

WHEREAS, the DVTC Property, but not the Walnut Orchard Property, receives potable water from Los Angeles County Department of Public Works Water District 36 [“District 36”]; and

WHEREAS, Newhall desires the Walnut Orchard Property to receive potable District 36 water by connecting to LACoFD’s water delivery system and LACoFD is willing to permit such water delivery as an accommodation to Newhall provided that all costs and liability related to such water delivery shall be borne by Newhall and that District 36 approves and consents to such water delivery.

NOW, THEREFORE, in consideration of the foregoing, all of which is made a part hereof, and the terms and conditions contained hereinbelow, the parties agree as follows:

1. Term. This agreement shall commence on the day first written above and shall expire two years thereafter except as otherwise provided in Section 4 below.

2. Water Connection. LACoFD agrees to permit Newhall to connect Newhall's Walnut Orchard Property water supply system to LACoFD's DVTC Property water supply system [the "Connection"], as follows:

A. The Connection shall be made only pursuant to the design, plans and specifications and in accordance with the time schedule included in, Exhibit C, which exhibit is attached hereto and incorporated herein by this reference.

B. Newhall shall obtain all necessary governmental approvals and permits and shall pay for and bear the entire financial responsibility for [i] making the Connection, [ii] the water delivered from the DVTC Property water supply system through the Connection to the Walnut Orchard Property, [iii] operating and maintaining the Connection, and [iv] at the termination of this Agreement, disconnecting the Connection.

C. The Connection may be used solely for keeping Newhall's Walnut Orchard Property water supply tank filled and delivering an estimated 10,000 gallons per day [summer peak usage] to Walnut Orchard Property water users.

D. Newhall shall repair any portion of the DVTC Property damaged by Newhall or its employees, contractors, agents, licensees or invitees, in connection with its or their use of the Connection. In the event that Newhall fails to perform any of its obligations under this section, LACoFD shall have the right, but not the obligation, to make or cause to be made such repairs in LACoFD's sole discretion and Newhall shall reimburse LACoFD for the cost of such repairs within five (5) days after receipt of written demand therefor.

3. Suspension of Water Service. In no event shall LACoFD be liable for any temporary suspension of water deliveries to the Walnut Orchard Property. LACoFD shall make good faith efforts to notify Newhall at least twenty-four (24) hours in advance of any anticipated temporary suspension of water service hereunder.

4. License Over Access Road. Newhall grants to the LACoFD a non-recordable license for ingress and egress to its DVTC Property in, over, and through the Access Road. The license shall commence on the day first written above and shall remain in full force and effect during and after the expiration of the term of this Agreement until such time as the Access Road is no longer usable because of development of Newhall's adjoining property. At such time, Newhall agrees to grant to the LACoFD a license for ingress and egress to its DVTC Property in, over, and through an alternative road which runs through Newhall's adjoining property, hereinafter referred to as "alternative access road," which shall be mutually agreeable to Newhall and the LACoFD. The alternative access road shall be constructed by Newhall, on a mutually agreeable fair share cost basis between LACoFD and Newhall, prior to the

abandonment of the Access Road by Newhall. The LACoFD's license over the alternative access road shall remain in force and effect for so long as the DVTC Property is used for fire protection purposes.

5. Compliance with Laws. Newhall shall comply with applicable, existing and future laws, decrees, resolutions and other acts of any governmental authority including, but not limited to, Federal Occupational Safety and Health Act, California Occupational Safety and Health Act, environmental laws, and any other laws which are applicable hereto.

6. Indemnity. In additional consideration hereof, Newhall shall indemnify, defend and hold the County of Los Angeles and LACoFD, their officers, employees, agents and representatives (collectively, the "Indemnitees") harmless from any and all claims, losses, costs (including, without limitation, court costs and attorneys' fees), damages and liabilities related to or connected in any manner with this Agreement which LACoFD may incur or suffer (other than as a result of LACoFD's gross negligence or willful misconduct) as a direct or indirect consequence of: (a) Newhall's, or its employees', licensees', contractors', agents', or invitees', making the Connection, using the Connection or disconnecting same; or (b) Newhall's failure to perform any of Newhall's obligations as and when required by this Agreement; or (c) any and all liabilities or damages that may arise from the quality, quantity, volume or any other aspect of the water being delivered through the Connection. Newhall's obligations under this indemnification provision shall survive the expiration or termination of this Agreement.

7. Non-Recourse to Partners. If Newhall breaches this Agreement, no claim may be made by LACoFD against any partner, officer, director, shareholder, unitholder, affiliate or attorney of Newhall or any of their respective partners (individually and collectively, "Related Parties") and no Related Parties shall have any personal liability to LACoFD for any damages, including any indirect, consequential or punitive damages, in respect to any claim for breach of contract arising out of or related to the transaction contemplated by this Agreement or any act, omission or event occurring in connection therewith. The non-recourse provisions of this paragraph 7 shall not apply to the fraud or similar misconduct of Related Parties.

8. Insurance. At all times during the period this Agreement is in force, Newhall shall maintain at its own expense a policy of general liability insurance with limits not less than \$1 million per occurrence and \$3 million aggregate per policy year. Newhall shall direct the insurer to name the Consolidated Fire Protection District of Los Angeles County, the County of Los Angeles and its special districts, and their elected and appointed officers, employees and agents as additional named insureds to the policy. Newhall shall assure that the insurer provides a certificate of insurance to the LACoFD on a yearly basis, upon renewal of the policy, during the entire term of this Agreement. The certificate shall specifically identify that all operations covered by this Agreement are insured by this policy. This policy shall be obtained from an insurance carrier acceptable to LACoFD.

9. Miscellany. Neither this Agreement nor the obligations, duties, benefits or privileges hereunder may be assigned without the prior written consent of the party not seeking such action. This Agreement shall inure to the benefit of and be binding upon the transferees, successors and permitted assigns of the parties hereto. Prior to Newhall transferring any right, title, or ownership interest in the adjacent Newhall Property, Newhall shall notify any such transferee, successor, or permitted assigns about the

existence hereof. This Agreement may be amended only upon the written agreement of the parties. This Agreement may be signed in counterparts, each when so executed being deemed an original, and all of which taken together constituting one and the same agreement. Headings in this Agreement are for reference only. This Agreement shall be governed by and construed in accordance with the laws of the state of California. If any one or more of the provisions hereof, or the application thereof in any circumstance, is held invalid or unenforceable in any respect for any reason, the validity, legality and enforceability of any such provision in every other respect shall not be in any way impaired, and otherwise, this Agreement, but for any such invalid or unenforceable provision, shall be given full force and effect. This Agreement, together with the exhibits hereto, is intended to be the parties' final expression of their agreements in respect thereof. There are no promises, warranties or undertakings not contained herein or therein. The parties agree that in the event of a dispute arising from this Agreement, the aggrieved party shall give written notice of the dispute to the other party. Upon receipt of such notice, the parties will negotiate in good faith to resolve the dispute for at least a fifteen-day period following such written notice. Each of the parties shall execute such documents and perform such further acts as may reasonably be required or desirable to carry out or perform the provisions of this Agreement.

IN WITNESS WHEREOF, The Newhall Land and Farming Company has caused this Agreement to be executed by its Vice President of Operations, and the Board of Supervisors of the County of Los Angeles, as the governing body of the Consolidated Fire Protection District of Los Angeles County, has caused this Agreement to be executed by its Chairman and attested by its Clerk, on the day, month and year first above written.

**THE NEWHALL LAND AND FARMING
COMPANY
(A California Limited Partnership)**

**CONSOLIDATED FIRE PROTECTION
DISTRICT OF LOS ANGELES COUNTY**

**By: NEWHALL MANAGEMENT
LIMITED PARTNERSHIP, a
California limited partnership
Its: Managing General Partner**

Chairman of the Board of Supervisors

**By: NEWHALL MANAGEMENT
CORPORATION, a California
corporation
Its: Managing General Partner**

ATTEST:

**VIOLET VARONA-LUKENS
Executive Officer
Clerk of the Board of Supervisors**

**By: _____
Ross J. Pistone
Its: Vice President of Operations**

By _____

APPROVED AS TO FORM:

**LLOYD W. PELLMAN
County Counsel**

**By _____
Deputy**

STATE OF CALIFORNIA)
)ss
COUNTY OF LOS ANGELES)

On this 11th day of December, in the year 2003, before me, Kelly L. Brown, a Notary Public in and for said State, personally appeared Ross Pistone personally known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in their authorized capacity, and that by his signature on the instrument the entity upon behalf of which the personacted, executed the instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal.



Notary Public State of California



Chiquito Canyon Road

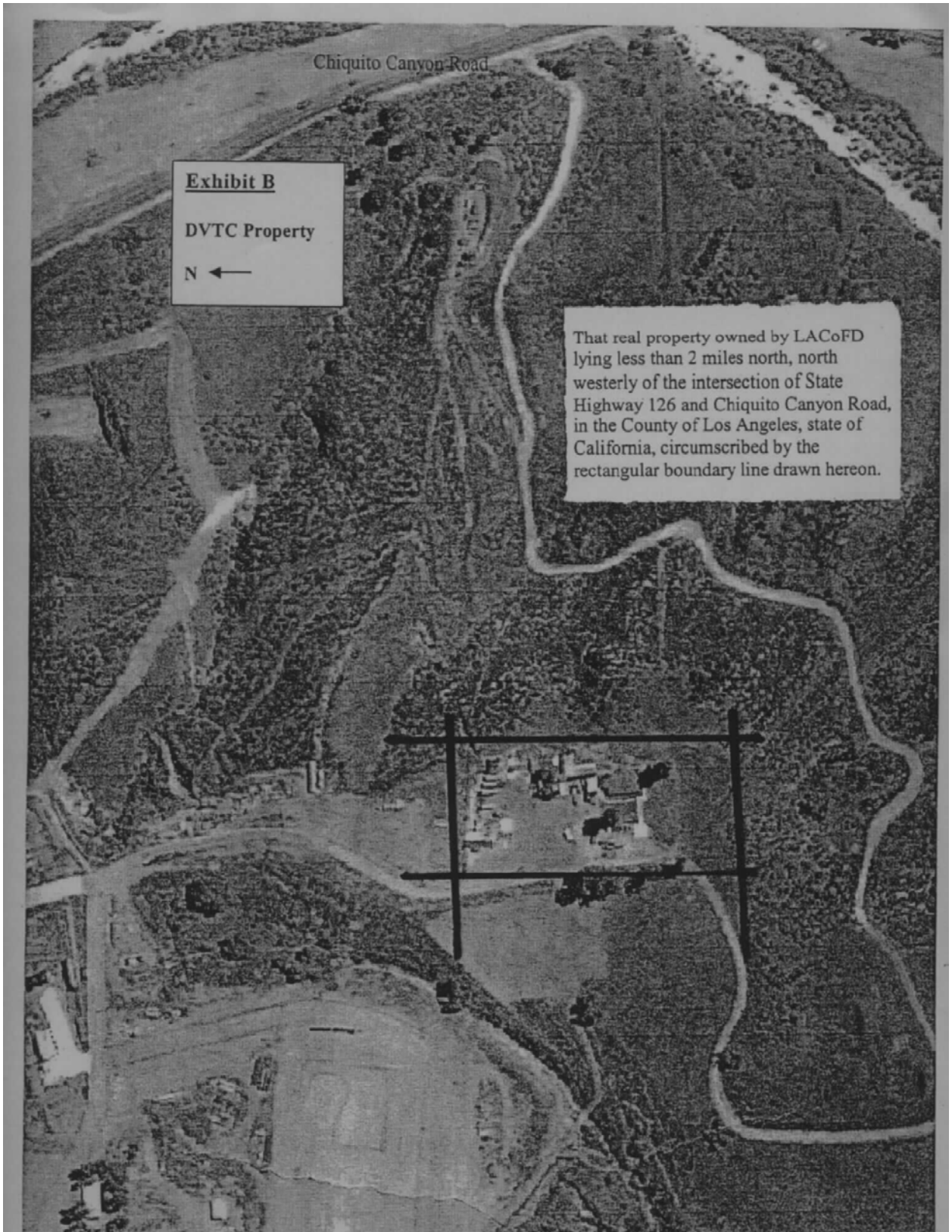
Route
126

Exhibit A

Walnut Orchard Property

N ←

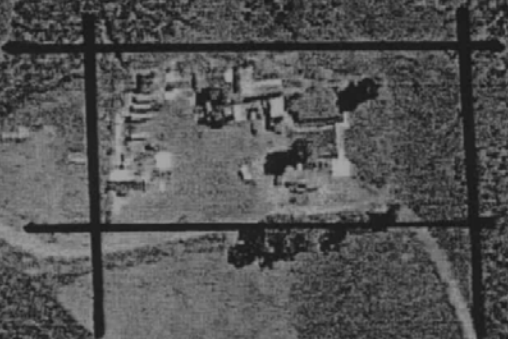
That real property owned by Newhall land and farming Company lying approximately 1 mile north westerly of the intersection of State Highway 126 and Chiquito Canyon Road, in the County of Los Angeles, state of California, circumscribed by the irregular boundary line drawn hereon.



Chiquito Canyon Road

Exhibit B
DVTC Property
N ←

That real property owned by LACoFD lying less than 2 miles north, north westerly of the intersection of State Highway 126 and Chiquito Canyon Road, in the County of Los Angeles, state of California, circumscribed by the rectangular boundary line drawn hereon.



**Water Plan for Walnut Orchard Water Connection
Scope of Work**

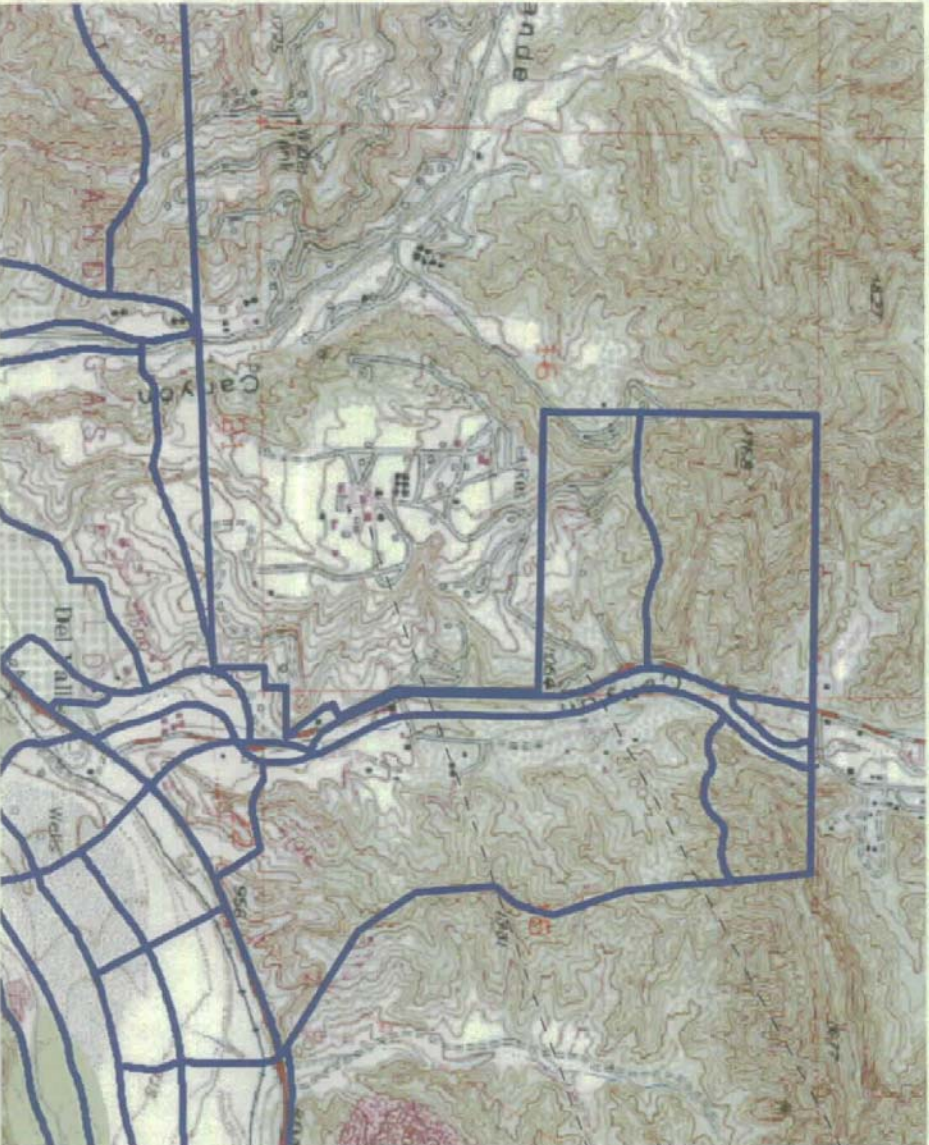
July 22, 2003

1. Connection to Fire Hydrant
 - a. The existing fire hydrant will be removed from the bury.
 - b. A 6" spool with 2" tap will be installed on the bury and the hydrant reinstalled.
 - c. A 2" corp stop will be installed in the 2" tap and 2" PVC piping will be installed per plan to enable the placement of a 2" meter in a meter box below grade.
 - d. The 2" piping will come above ground past the meter to allow for the placement of a backflow device.
 - e. The 2" piping will then be placed below ground (2-3' of cover), and proceed per plan past the Property Line of the County FD Property, and ending at the Walnut Orchard Houses tank.

2. Connection to Walnut Orchard Houses Tank
 - a. A Tee will be installed at the tank to allow connection to the new 2" 'feed' line.
 - b. A 2" hydraulic control valve will be installed which will control flow to the tank based on the tank's water level.
 - c. A 2" Pressure Reducing Valve will be installed downstream of the tank to control pressure at the homes.

ESTHER L

LA County Fire Department Fire Training Mesa



Paved Access Road
from Chiquita Cyn Rd
to Fire Training Facility

Fire Training Facility
and Property

