

COPY

**AMENDMENT TO AGREEMENT OF PURCHASE AND SALE OF
JESS RANCH WASTEWATER SYSTEM
AND
ASSESSMENT DISTRICT NO. 86-1
WATER SYSTEM IMPROVEMENTS**

This Amendment to that certain Agreement of Purchase and Sale ("Agreement") between the Town of Apple Valley ("the Town"), a municipal corporation, and Apple Valley Ranchos Water Company ("Water Company"), dated July 28, 1998, is made with reference to the following facts:

RECITALS

A. At the time the parties executed the Agreement, they contemplated that the sale of the "Water System" (as defined in the Agreement) to the Water Company and the sale of the "Wastewater System", as defined in the Agreement, to the Town would close simultaneously.

B. The Water Company subsequently has determined that the California Public Utilities Commission ("CPUC") will not have approved the sale of the Wastewater System by the Water Company by the currently scheduled closing, which is set to occur on or before August 31, 1998.

C. The parties wish to proceed with the sale of the Water System to the Water Company on or before August 31, 1998 (the "First Closing") in accordance with the terms of the Agreement as amended herein. Water Company will sell and transfer the Wastewater System to the Town in accordance with the terms of the Agreement, as amended herein, promptly following approval of that transaction by the CPUC (the "Second Closing")

D. This amendment is intended to reflect those changes to the Agreement that are required by having two separate closings rather than the concurrent closings contemplated by the Agreement.

E. All references to Sections in this Amendment are to Sections of the Agreement.

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the parties agree as follows:

1. Section 4 is amended to read as follows:

"On the date of the First Closing ("First Closing Date"), the Water Company shall deposit with the Escrow Agent the Purchase price for the Water System. On the date of the Second Closing ("Second Closing Date") the Town shall deposit with the Escrow Agent the Purchase Price for the Wastewater System."

2. Section 7 is amended as follows:

(a) In Section 7a.(3), the term "Close of Escrow" is amended to read "Second Closing Date";

(b) Section 7a. (4) is amended to read as follows:

"The Town's obligation to convey the Water System to the Water Company is subject to the performance by Water Company of all obligations which it is

Insert to Section 8.a.(1)(a) of the Amendment on page 2
re Close of Escrow

- (a) A lien for real property taxes, bonds and assessments not then due other than the lien of Assessment District No. 86-1 which will be paid in full at Closing;

[Handwritten Signature]
for A.V.R.W.C.

[Handwritten Signature]
Town Manager

[Handwritten Signature]
VICE PRESIDENT A.V.R.W.C.

[Handwritten Signature]
MEMBER, BOARD OF APPLE VALLEY

required to perform pursuant to this Agreement and which are related to the conveyance of the Water System. The Town's obligation to acquire the Wastewater System from the Water Company is subject to the performance by Water Company of all obligations which it is required to perform pursuant to this Agreement and which are related to the conveyance of the Wastewater System."

- (c) In Section 7b. (1), the term "Close of Escrow" is amended to read "First Closing Date".
- 3. In Section 7b. (6), the term "Closing Date" is amended to read "First Closing Date".
- 4. Section 8 is amended in its entirety to read as follows:

SECTION 8. Close of Escrow

- a. **Title** At the First Closing, Escrow Agent shall issue to Water Company, with reference to the Water System, and at the Second Closing Escrow Agent shall issue to Town, with reference to the Wastewater System:
 - (1) An ALTA Owner's Policy of Title Insurance ("Title Policy") to Water Company in the amount of the Purchase Price for the Water System, and to Town, a Title Policy in the amount of the Purchase price for the Wastewater System, together with such endorsements thereto as Water Company or Town may reasonably require, subject only to the following matters:
 - (a) A lien for real property taxes, bonds, and assessments not then due;
 - (b) Two (2) leases with the Bureau of Land Management for water storage tank sites with respect to the Water System;
 - (c) Such other exceptions as Water Company and Town may approve in writing prior to the Closing Date, and
 - (d) Proof of easement for flow equalization facility.

The matters described in clauses (a), (b), (c) and (d) above are referred to hereafter as the "Approved Exceptions."

b. **Town's Deposits into Escrow**

- (1) Town shall deposit with Escrow Agent immediately prior to the First Closing the following documents:
 - (a) A grant deed executed and acknowledged by Town conveying to Water Company good and marketable fee simple title to the Water System, subject only to the Approved Exceptions ("Water System Deed")

- (b) An assignment and bill of sale (“Assignment”), executed by Town, assigning to Water Company all of Town’s right, title, and interest in all plans, specifications, construction drawings, project files, service agreements, maintenance agreements, permits, licenses, entitlements, utility deposit refunds, and all other intangible assets relating to the Water System; provided, however that only those agreements designated by Water Company shall be assigned to the Water Company;
- (c) Good funds in an amount equal to Water Company’s advances of Performance Costs of Town pursuant to Section 7(a)(1) of this Agreement.
- (2) Town shall deposit with the Escrow Agent immediately prior to Second Closing good funds in the principal amount of the Purchase Price for the Wastewater System.

c. Water Company’s Deposits into Escrow

(1) Water Company shall deposit with the Escrow Agent immediately prior to the First Closing good funds in the principal amount of the Purchase Price for the Water System.

(2) Water Company shall deposit with the Escrow Agent immediately prior to the Second Closing the following documents:

- (a) A grant deed executed and acknowledged by Water Company conveying to Town good and marketable fee simple title to the Wastewater System, subject only to the Approved Exceptions (“Wastewater Deed”); and
- (b) An assignment and bill of sale executed by Water Company (“Assignment”), assigning to Town all of Water Company’s title, and interest, in all plans, specifications, construction drawings, project files, service agreements, maintenance agreements, permits, licenses, entitlements, utility deposit refunds, and all other intangible assets relating to the Wastewater System; provided, however that only those agreements designated by Town shall be assigned to the Town.

5. Section 9 is deleted in its entirety and amended to read as follows:

“SECTION 9. Closing Dates.

The First Closing Date shall occur prior to September 2, 1998, at which time the Escrow Agent shall:

- a. File and record the Water System Deed in the Official Records of San Bernardino County (the “Official Records”);
- b. Deliver to Water Company the Assignment;
- c. Disburse to Town the Purchase Price for the Water System less (i) prorated amounts and charges to be paid by or on behalf of Town and (ii) any taxes,

assessments, rents and other charges to the Water System that are to be paid by the Town as provided in Section 10 b.

The Second Closing Date shall occur within five (5) business days following approval by the CPUC of the sale of the Wastewater System to the Town hereunder, at which time the Escrow Agent shall:

- a. File and record the Wastewater System Deed in the Official Records;
- b. Deliver to Town the Assignment;
- c. Disburse to Water Company the Purchase Price for the Wastewater System less (i) prorated amounts and charges to be paid by or on behalf of Water Company and (ii) any taxes, assessments, rents and other charges to the Wastewater System as provided in Section 10 b.

If Escrow Agent is unable to perform all of the instructions set forth above, Escrow Agent shall notify the parties to this Agreement and retain all funds and documents that it then holds pending receipt of further instructions jointly issued by the parties.

At the Second Closing, the Escrow Agent shall prepare and deliver one signed copy of Escrow Agent's closing statement showing all receipts and disbursements of the Escrow."

6. Section 10 b. is amended to read as follows:

“Real Estate Taxes, Bonds and Assessments. Real property taxes, if any, for the Water System and the Wastewater System shall be prorated at the First closing and Second Closing, respectively, based on the most current real property tax bill available, including any additional property taxes that may be assessed after the respective closings, but that relate to a period prior to the respective dates of such closings, regardless of when notice of those taxes is received or who receives the notice. All installments of any bond or assessment that constitutes a lien on the Water System at the First Closing shall be paid by the Town. All installments of any bond or assessment that constitutes a lien on the Wastewater System at the Second Closing, including the assessment lien on the properties within the assessment district formed pursuant to Section 7 a. (I), shall be paid by the Water Company.”

7. In Section 11 a., the term “Close of Escrow” is amended to read “Second Closing”.
8. In Section 11 b., the term “Close of Escrow”, is amended to read “First Closing”.
9. In Section 12 a., the term “Close of Escrow”, wherever used, is amended to read “Second Closing”.
10. In Section 12 b., the term “Close of Escrow”, wherever used, is amended to read “First Closing”.

11. In Section 13 a., the term “Close of Escrow” is amended to read “First Closing Date”.
12. In Section 13 a. (10), the term “Closing Date” is amended to read “First Closing Date”.
13. In the second paragraph of Section 13 a. (11), the term “Closing Date” is amended to read “First Closing”.
14. The penultimate paragraph of Section 13 a. is amended to read as follows:

“Town shall promptly notify the Water Company of any facts that would cause any of its representations contained in this Agreement to be untrue as of the First Closing and shall deliver to Water Company t the Second Closing a certificate (“Closing Certificate”) in a form reasonably satisfactory to Water Company confirming that the representations contained in this Agreement continue to be true as of the date thereof. The obligations of Water Company to consummate the transactions contemplated herein are conditioned upon the delivery by Town of the Closing Certificate. If the Water Company reasonably concludes that a fact materially and adversely affects the Water System, Water Company shall have the option to terminate this Agreement by delivering written notice to Town and Escrow Agent prior to the First Closing. If Water Company terminates this Agreement pursuant to this Section, Escrow Agent shall cancel the Escrow.”

15. In the last paragraph of Section 13 a., the term “Close of Escrow” is amended to read “First Closing Date”.
16. In Section 13 b., (10) the term “Close of Escrow” is amended to read “Second Closing Date”.
17. In Section 13 b., (10) the term “Closing Date” is amended to read “Second Closing Date”.
18. In the second paragraph of Section 13 b. (11), the term “Closing Date” is amended to read “Second Closing Date”.
19. The penultimate paragraph of Section 13 b. is amended to read as follows:

“Water Company shall promptly notify the Town of any facts that would cause any of the representations contained in this Agreement to be untrue as of the Second Closing and shall deliver to Town at the Second Closing a certificate (“Closing Certificate”) in a form reasonably satisfactory to the Town confirming that the representations contained in this Agreement continue to be true as of the date thereof. The obligations of Town to consummate the transactions contemplated herein are conditioned upon the delivery by Water Company of the Closing Certificate. If the Town reasonably concludes that a fact materially and adversely affects the Wastewater System, Town shall have the option to terminate its obligations to purchase the Wastewater System by delivering written notice to Water Company and Escrow Agent prior to the Second Closing. If Town terminates this Agreement pursuant to this Section, Escrow Agent

shall cancel the Escrow.”

20. In the last paragraph of Section 13 b., the term “Close of Escrow” is deleted and replaced by the clause “Second Closing that relate to the Wastewater System”.
21. In Section 14 a. and its subparagraphs, all references tot he the terms “Close of Escrow” or “Closing” are amended to read “First Closing”.
22. In Section 14 b. (1) and its subparagraphs, all references to the terms “Close of Escrow” or “Closing” are amended to read “Second Closing”.
23. In Section 14 c. (2), the term “Closing” is amended to read “Second Closing”.
24. In Section 14 c. (3), the term “Closing” is amended to read “First Closing”.
25. In Section 14 c. (4), the term “Closing” is amended to read “Second Closing”.
26. In the second and third sentences of Section 15 a., the term “closing” is amended to read “First Closing” and the following is inserted at the end of the paragraph”

“... and (vi) by either party if the First and Second Closings have not occurred prior to November 30, 1998.”


IN WITNESS WHEREOF, the parties have executed this amendment the day and year first above written.

TOWN OF APPLE VALLEY

APPLE VALLEY RANCHOS WATER COMPANY



David Holman, Mayor



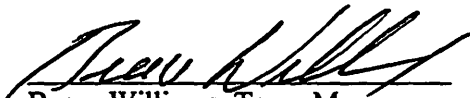
Henry H. Wheeler, President

8-26-98

Date

Aug. 26th 1998

Date



Bruce Williams, Town Manager



Jack L. Clarke, Vice President

8/26/98

Date

AUG. 26, 1998

Date

ATTEST:



Eunice S. Puckett, Town Clerk

JESS RANCH SEWER.
SUMMARY OF ADVANCE CONSTRUCTION CONTRACTS
12/31/98

A/C 25201-46

TYPE OF CONTRACT	CONTRACT HOLDER	CONTRACT #	LENGTH OF CONTRACT	CONTRACT DATE	ORIG. AMT. OF CONTRACT	BALANCE	NEW 1998 CONTRACTS	REFUNDS DUE A/C 25202	ADJUSTMENTS	BALANCE	DESCRIPTION
						12/31/97				12/31/98	
2 1/2% CONTRACT	JESS RANCH DEV CO	1S	40	01-01-95	14,144.00	(13,093.12)		353.84		(12,729.48)	SEWER CAPACITY RIGHTS-EDUPMTS THRU 12/31/94
2 1/2% CONTRACT	JESS RANCH DEV CO	2S	40	07-31-85	1,392.30	(1,287.89)		34.80		(1,253.09)	SEWER CAPACITY RIGHTS-EDUPMTS THRU 07/31/96
2 1/2% CONTRACT	PWC-TR 15394	3S	40	09-30-94	80,226.00	(72,203.34)		2,005.88		(70,197.88)	TRACT 15394
2 1/2% CONTRACT	PWC-TARGET	4S	40	09-30-94	47,150.00	(42,434.83)		1,178.76		(41,256.22)	JR MARKETPLACE-TR14188(TARGET)
2 1/2% CONTRACT	JESS RANCH DEV CO	5S	40	01/01/95	97,559.80	(85,970.81)		1,989.89		(84,191.73)	1994 SEWER CAPACITY FEE
2 1/2% CONTRACT	JESS RANCH DEV CO	6S	40	01/28/99	18,345.07	(17,889.46)		459.52		(17,427.93)	ADVANCED SEWER MAIN EXTENSION TRACT #15376-LOTS 482-507
2 1/2% CONTRACT	JESS RANCH DEV CO	7S	40	01/28/99	17,112.83	(16,686.01)		427.80		(16,257.21)	INSTALLATION OF SEWER MAIN-TRACT 15376 PHASE II
TOTAL					346,929.80	(229,451.46)	0.00	6,148.06		(223,303.32)	

JESS RANCH SEWER.
SUMMARY OF ADVANCE CONSTRUCTION CONTRACTS
12/31/97

A/C 25201-45

TYPE OF CONTRACT	CONTRACT HOLDER	CONTRACT #	LENGTH OF CONTRACT	CONTRACT DATE	ORIG. AMT. OF CONTRACT	BALANCE	NEW 1997	REFUNDS DUE	BALANCE	DESCRIPTION	
						12/31/96	CONTRACTS	A/C 25202	ADJUSTMENTS		12/31/97
						A/C 25201			A/C 25201		
2 1/2% CONTRACT	JESS RANCH DEV CO	19	40	01-01-95	14,144.00	(13,438.76)		353.64	(13,083.12)	SEWER CAPACITY RIGHTS-EDU PMTS THRU 12/31/94	
2 1/2% CONTRACT	JESS RANCH DEV CO	29	40	07-31-95	1,392.30	(1,322.69)		34.80	(1,287.89)	SEWER CAPACITY RIGHTS-EDU PMTS THRU 07/31/95	
2 1/2% CONTRACT	PWC-TR 15384	39	40	09-30-94	80,226.00	(74,209.02)		2,005.68	(72,203.34)	TRACT 15384	
2 1/2% CONTRACT	PWC-TARGET	49	40	08-30-94	47,150.00	(43,813.74)		1,178.78	(42,434.98)	JR MARKETPLACE-TR14168(TARGET)	
2 1/2% CONTRACT	JESS RANCH DEV CO	59	40	01/01/95	87,559.60		(87,559.60)	1,688.99	(85,870.61)	1994 SEWER CAPACITY FEE	
2 1/2% CONTRACT	JESS RANCH DEV CO	69	40	01/28/98	18,345.07		(18,345.07)	458.62	(17,886.45)	ADVANCED SEWER MAIN EXTENSION TRACT #15376-LOTS 482-507	
2 1/2% CONTRACT	JESS RANCH DEV CO	79	40	PENDING	17,112.83		(17,112.83)	427.82	(16,685.01)	INSTALLATION 8" SEWER MAIN-TRACT 15376 PHASEII	
TOTAL						245,929.60	(132,582.21)	(103,017.50)	6,148.31	(229,451.40)	

August 14, 1998

EXPLANATION OF SCHEDULES

**Agreement of Purchase and Sale of Jess Ranch Wastewater System
and Assessment District No. 86-1 Water System Improvements**

Ref. Page	Paragraph	Schedule #	Schedule	Explanation
14	7	1B	Necessary Governmental Approvals	P.U.C. approval
14	8	2B	Undisclosed Liabilities	None
15	12	3B	Contracts	Main Extension Contracts*
15	12	3B1	Contracts	None
15	13	4B	Licenses and Permits	None
15	13	4B1	Licenses and Permits	None

*Schedule 3B attached

RECEIVED
AUG 18 1998
TOWN OF APPLE VALLEY

EXPLANATION OF SCHEDULES

AGREEMENT OF PURCHASE AND SALE OF JESS RANCH WASTEWATER SYSTEM AND ASSESSMENT DISTRICT NO. 86-1 WATER SYSTEM IMPROVEMENTS

Ref. Page	Paragraph	Schedule No.	Schedule	Explanation
11	7	1A	Government Approvals	BLM Lease Agreement No. CA-19117
11	8	2A	Undisclosed Liabilities	BLM Lease Agreement
12	12	3A	Contracts	BLM Lease Agreement
12	13	4A	Permits	Environmental Health No. 8806300019 Services – Domestic Water System – Non-Community (Industrial)

- Copies of BLM Lease and Grant of Right of Way Attached
- Copy of EHS – Water System Permit Attached

August 21, 1998



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Barstow Resource Area
150 Coolwater Lane
Barstow, CA 92311
(619) 256-3591



IN REPLY REFER TO

CA-19117
2800 (CA-068.22)

Apple Valley County Water District
Attn: Frank Wood
19063 Highway 18, Suite 6
Apple Valley, CA 92307

SEP 24 1987

Dear Mr. Wood:

Enclosed is your copy of approved right-of-way grant CA-19117 for the Apple Valley Industrial Park Zone I and Zone II water tanks. Please make sure that your contractor is aware of the grant stipulations in Exhibit B.

I will take this opportunity to request that you consider installation of a water line connector to serve the BLM Fire Station in the NW¹/₄SW¹/₄, Section 23, T. 6N., R. 3W., SBM. Under current right-of-way regulations, we can consider reduction of the fair market value rental when the grant holder provides, without charge or at reduced rates, a valuable benefit to the public or to BLM programs. For additional information about the specific needs of the BLM Apple Valley Fire Station, please contact Rich Hulbert at 619-247-9002.

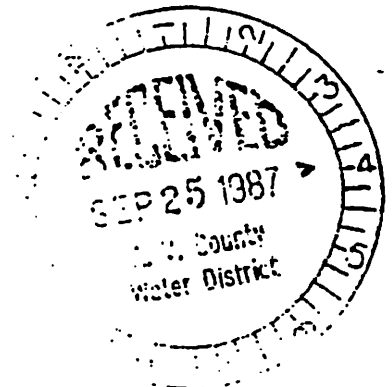
Any questions regarding the right-of-way grant should be directed to Mike DeKeyrel of my staff.

Sincerely,

ACT: Alden Sievers
Area Manager

Enclosure

cc: CA-062.11





United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Barstow Resource Area
150 Coolwater Lane
Barstow, CA 92311
(619) 256-3591



IN REPLY REFER TO

CA-19117
2800 (CA-068.22)

RIGHT-OF-WAY GRANT

Section A

1. There is hereby granted pursuant to Title V of the Federal Land Policy and Management Act of October 21, 1976 (43 U.S.C. 1761), a nonexclusive, nonpossessory right-of-way to: Apple Valley County Water District
19063 Highway 18, Suite 6
Apple Valley, CA 92307

In case of change of address, the Holder shall immediately notify the Authorized Officer.

2. To use, subject to terms and conditions set out below, the following described Public Land: T. 6N., R. 3W., SBBM
Section 3: $W\frac{1}{2}NW\frac{1}{4}SE\frac{1}{4}$ (portion)
Section 20: $NE\frac{1}{4}SW\frac{1}{4}SE\frac{1}{4}$ (portion)
3. Description of the right-of-way facility and purpose: Construction, operation and maintenance of two above-ground steel water storage tanks and appurtenances. Each water tank measures 86 feet in diameter by 27 feet total height, with a capacity of 1.0 million gallons. The Zone 1 Reservoir Site is 300 feet by 300 feet, plus a strip 260 feet by 30 feet wide (15 feet on both sides of centerline) for an access road and 16 inch diameter underground water pipeline. The Zone 2 Reservoir Site is 300 feet by 300 feet. The total right-of-way area contains 4.31 acres, more or less.

Maps showing the general location of the right-of-way on the above described public lands are attached hereto as Exhibits A1 and A2, and made a part hereof. The right-of-way engineering drawings filed March 24, 1987 are made a part of this grant by reference.

TERMS AND CONDITIONS

Section B

1. The right-of-way Holder agrees to comply with all the applicable regulations contained in Section 2800, Title 43, Code of Federal Regulations.
2. If the right-of-way Holder violates any of the terms and conditions to this grant, the Authorized Officer, after giving written notice, may declare the grant terminated.

3. This grant is subject to all valid rights existing on the effective date of this grant.
4. There is reserved to the Authorized Officer, the right to grant additional rights-of-way or permits for compatible use on, over, under, or adjacent to the land involved in this grant.
5. The right-of-way shall be relinquished to the United States if the authorized uses are no longer needed.
6. The Holder shall comply with the applicable Federal and State laws and regulations concerning the use of pesticides (i.e., insecticides, herbicides, fungicides, rodenticides, and other similar substances) in all activities/operations under this grant. The Holder shall obtain from the Authorized Officer approval of a written plan prior to the use of such substances. The plan must provide the type and quantity of material to be used; the pest, insect, fungus, etc., to be controlled; the method of application; the location for storage and disposal of containers; and other information that the Authorized Officer may require. The plan should be submitted no later than December 1, of any calendar year that covers the proposed activities for the next fiscal year. Emergency use of pesticides may occur. The use of substances on or near the right-of-way shall be in accordance with the approved plan. A pesticide shall not be used if the Secretary of the Interior has prohibited its use. A pesticide shall be used only in accordance with its registered uses and within other limitations if the Secretary has imposed limitations. Pesticides shall not be permanently stored on public lands authorized for use under this grant.
7. This grant may be assigned to another provided the Holder obtains written approval from the Authorized Officer.
8. Compliance will be in accordance with the terms and conditions as specified herein and in Exhibit B.
9. In consideration for these uses, the Holder shall pay to the Bureau of Land Management an estimated annual rental of nine-hundred forty-eight dollars (\$948.00). The initial payment of the estimated rental (\$1,264.00) is for the remainder of calendar year 1987 (Sept., Oct., Nov., Dec.) plus the following full calendar year 1988. Thereafter, annual rental is due on or before January 1 of each year.

Charges for this use may be made or readjusted whenever necessary to place the charges on the basis of fair market value. Upon receipt of a formal appraisal, the estimated rental will be adjusted. The Holder shall pay any additional rental due from the date of grant issuance. This right-of-way grant is not in force unless the Holder has paid the annual rental fee in advance.
10. This right-of-way is perpetual unless it is relinquished, abandoned, terminated, or otherwise modified pursuant to the terms and conditions of this grant or of any applicable federal law or regulations.

11. The Holder agrees not to exclude any person from participating in employment or procurement activity connected with this grant on the grounds of race, creed, color, national origin, and sex, and to ensure against such exclusions, the Holder further agrees to develop and submit to the proper reviewing official specific goals and timetables with respect to minority and female participation in employment and procurement activity connected with this grant. The Holder will take affirmative action to utilize business enterprises owned and controlled by minorities or women in its procurement practices connected with this grant. Affirmative action will be taken by the Holder to assure all minorities or women applicants full consideration of all employment opportunities connected with this grant. The Holder also agrees to post in conspicuous places on its premises which are available to contractors, subcontractors, employees and other interested individuals, notices which set forth equal opportunity terms; and to notify interested individuals, such as bidders, contractors, purchasers, and labor unions or representatives of workers with whom it has collective bargaining agreements, of the Company's equal opportunity obligations.
12. This grant is subject to review at the end of 20 years from the date of this grant, and at regular intervals thereafter not to exceed 10 years.
13. The right-of-way herein granted is subject to the express covenant that it will be modified, adapted, or discontinued if found by the Secretary to be necessary, without liability or expense to the United States, so as not to conflict with the use and occupancy of the land for any authorized works which may be hereafter constructed thereon under the authority of the United States.
14. If facilities authorized for construction under this right-of-way grant use Polychlorinated Biphenyls (PCBs), such use shall be in a totally enclosed manner in accordance with provisions of the Toxic Substances Control Act of 1976 as amended (see 40 CFR Part 761). Additionally, any release of PCBs (leaks, spills, etc.) in excess of the reportable quantity established by 40 CFR Part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation, and Liability Act, Section 102b. A copy of any report required or requested by any federal agency or state government as a result of a reportable release or spill of any hazardous material shall be furnished to the Authorized Officer within 5 working days of the occurrence of the spill or release.

Section C

The effective date of this right-of-way grant is the date of execution by the Authorized Officer.

The undersigned agrees to the terms and conditions of this right-of-way grant:

APPLE VALLEY COUNTY WATER DISTRICT
P. O. Box 429
Apple Valley, Calif. 92307

Holder

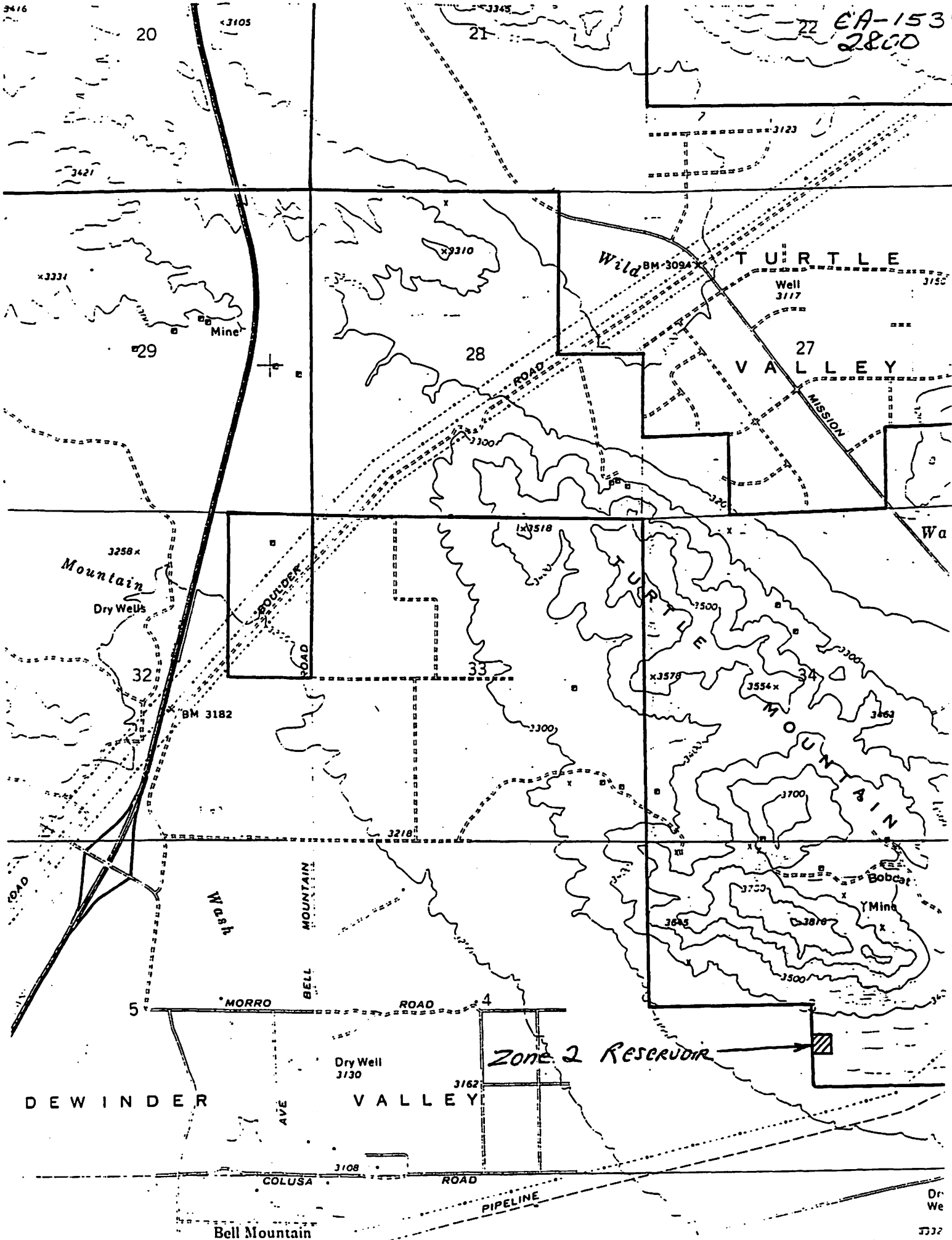
Frank Reed Jr
(Signature)

(Date)

9-16-87

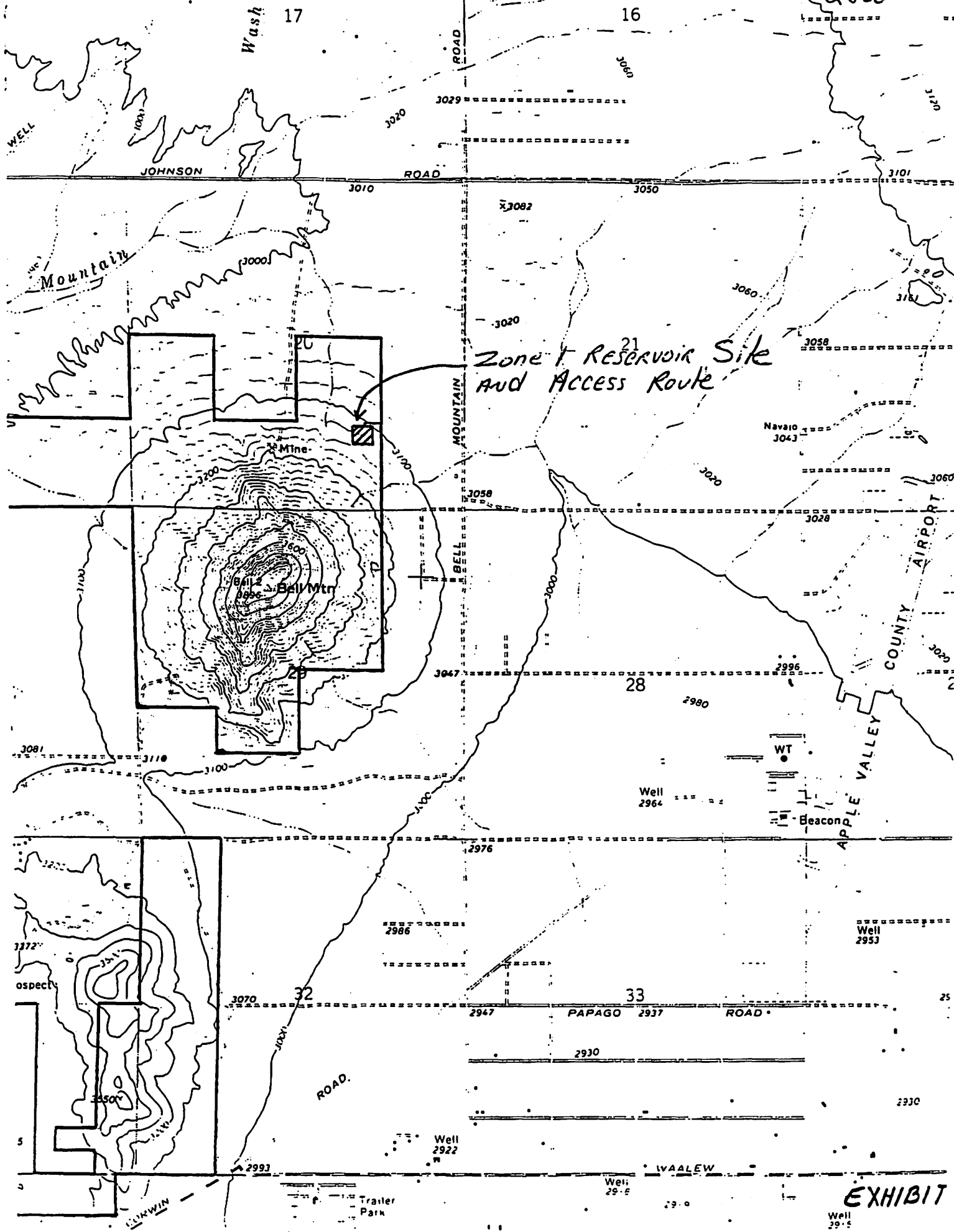
Jim Reed
Area Manager

9-24-87
Date



CA-15391
2800

S I D E W I N D E R



Zone 1 Reservoir Site
AND Access Route

EXHIBIT

Well 29.5

EXHIBIT B

1. The BLM Authorized Officer for the administration of this grant is the Area Manager, Barstow Resource Area, 150 Coolwater Lane, Barstow, CA 92311
2. All construction activities shall be confined to the minimum area necessary and shall not exceed the 300 foot by 300 foot site areas and the 260 foot by 30 foot wide access route granted herein. The exterior boundaries of the right-of-way shall be clearly flagged prior to any surface disturbing activities. The holder shall take caution to keep soil and vegetative disturbance to the minimum necessary.
3. All personnel (Holder, contractors, subcontractors) will be aware that the desert tortoise occurs in the general area, and is protected by California law.
4. The Holder shall protect all survey monuments, witness corners, and reference monuments in the area against disturbance during construction, operation, and maintenance. If any monuments, corners, or accessories are destroyed, obliterated, or damaged during construction, operation, or maintenance, Holder shall secure the services of a Registered Land Surveyor to restore the disturbed monuments, corners, or accessories, at the same location, using surveying procedures found in the Manual of Surveying Instructions for the Survey of the Public Lands of the United States, latest edition. The Holder shall supply a copy of the resurvey information to the BLM California State Office, 2800 Cottage Way, Room E-2841, Sacramento, CA 95825.
5. All cut and fill slopes shall be graded to a 2:1 (run:rise) slope or more gentle to minimize soil erosion.
6. If cultural resources are discovered during operations under this grant, the Holder shall immediately bring them to the attention of the Authorized Officer. The Holder shall not disturb such resources except as may be subsequently authorized. Within two working days of notification, the Authorized Officer will evaluate or have evaluated any cultural resources discovered and will determine if any action may be required to protect cultural resources discovered. The cost of data recovery for cultural resources discovered during operations shall be borne by the BLM unless otherwise specified by the Authorized Officer. All cultural resources shall remain under the jurisdiction of the United States until ownership is determined under applicable law.
7. The Holder shall paint both water tanks, and all other permanent structures a flat, non-contrasting color harmonious with the adjacent landscape. Exceptions to this requirement are small structures which are not readily visible from a distance of approximately one quarter of a mile such as wire and small pipe or structures which, because of OSHA requirements, need safety coloration. The color appropriate for the water tanks and other permanent structures is identified below:

Brush Brown (10 year 5/3 on the attached chart)

CA-19117
2800(CA-068.22)

- 8. Following construction, the Holder will scarify (to a minimum depth of three inches and a maximum depth of six inches) all disturbed areas not encumbered by structures or road/parking areas.
- 9. The Holder shall promptly remove and dispose of all waste caused by its activities. The term "waste" as used herein means all discarded matter including, but not limited to, trash, garbage, refuse, petroleum products, ashes, and equipment.
- 10. This grant does not guarantee access across privately-owned lands. The Holder is responsible for obtaining legal access across private lands.
- 11. Prior to any relinquishment or termination of this grant, the Holder shall contact the BLM Authorized Officer to arrange a joint inspection of the right-of-way. The inspection will be held to agree on an acceptable abandonment and rehabilitation plan. The BLM Authorized Officer must approve the plan in writing prior to termination of the right-of-way grant.

Frank Wood Jr
Holder

¹⁹⁸⁷
9-10-~~1987~~
Date



DEPARTMENT OF PUBLIC HEALTH
COUNTY OF SAN BERNARDINO, CALIFORNIA

THIS PERMIT EXPIRES:
06/30/1999

APPLE VALLEY WATER DIST
P O BOX 429
APPLE VALLEY, CA 92307
EST - 88C16152 PERMIT - 8806300019

PERMIT
NON-TRANSFERABLE

This permit may be suspended or revoked by the Department of Public Health for cause. This permit is granted on the condition that the person in the permit will comply with the laws, ordinances, and regulations that are now or may hereafter be in force by the United States Government, the State of California, and the County of San Bernardino pertaining to the above mentioned business. Penalty fees are assessed on permits renewed 30 days after expiration date indicated above, or for failure to obtain new permit in case of transfer of ownership.

TYPE OF PERMIT - DOMESTIC WATER SYSTEM-NON-COMMUNITY (INDUSTRIAL)

FEE PAID \$410.00

APPLE VALLEY WATER DIST
DEA: APPLE VALLEY WATER DIST
P O BOX 429
APPLE VALLEY, CA 92307

NBR CONNS -

7

04-1804-631 REV. 2/88

PERMIT DOES NOT IMPLY APPROVAL

POST IN A
CONSPICUOUS PLACE

Director
DEPARTMENT OF PUBLIC HEALTH
5100.004.H25