November 3, 2003

Kristin Keeling, Assistant Project Manager
Bonterra Consulting
320 N. Halstead Street, Suite 130
Pasadena, CA 91107

Re: Water Service Availability – Vesting Tentative Tract Map (VTM) 53189 “Developer”

The above-referenced development (the “Development”) located in Santa Clarita, California, lies with the service area of Newhall County Water District (the “District”). The District is prepared to provide water service to the reference property subject to the following conditions and reservations:

1. Developer shall submit to the District all plans, designs, and fire department Requirements for the Development in order that the District may design the necessary distribution system and other facilities required for the Development in accordance with the District’s Rule and Regulations.

2. Developer shall grant the District any and all easements required for water service, together with a policy of title insurance, satisfactory to the District, guaranteeing the District’s title to such easements.

3. Developer shall, in accordance with the District’s Rules and Regulations, Pay all required fees and charges, including any required deposit amount in order to process plans, design and complete construction of the required on-site and off-site improvements.

4. Developer shall comply with the District’s Rules and Regulations in force and effect at the time water service is requested and as those Rules and Regulations may be amended from time to time, including, but not limited to, the payment of any and all District charges, fees and expenses necessary to provide service to the subject Development.

5. Developer acknowledges that water service to the Development shall be subject to availability of water. In relying upon this representation to provide water service, Developer is aware of the restrictions contained herein and the reliance of the District on groundwater and water supplied by the State Water Project. While there is currently no prohibition against establishing additional connections, the District has the authority to reduce and restrict service connections. Developer further acknowledges that this letter does not constitute any guaranty that at the time of connection, water service will be available for the Development.
6. Developer agrees that this water service letter is exclusive to the Development described above (and the number of units of which the District has been informed and may not transferred or assigned to any other person or for any other purpose without the District’s written consent.

7. Provision of water service is contingent upon the Development meeting the requirements of any other governmental entity having jurisdiction over the Development.

8. This letter and any representations made herein shall be null and void twelve (12) months from the date hereof if water service has not been installed. Developer shall not be entitled to any water connections not made at the time of the expiration of this letter.

9. At any time prior to connection and upon a finding by the District’s Board of Directors that the District is unable to serve the Development for reasons beyond its control, the District may revoke this letter.

10. Developer, for itself and on behalf of its successors, agrees to defend, at Developer’s expense, any action brought against the District, or its agents, officers, directors, or employees, because of the issuance of any approvals or authorizations obtained herein, or in the alternative, to relinquish such approvals. Developer agrees to reimburse the District for any costs, fees or expenses the District may incur as a result of any such legal action. Developer further agree that in conducting the defense of such action, District shall be entitled to engage its own attorneys, the expense of which shall be paid by Developer.

11. All service pursuant to this letter shall be in accordance with the District’s Rules and Regulations, as they may be amended from time to time. By issuing this letter, the District does not guarantee any specific quantities, pressures or flows with respect to water service to be provided by the District.

12. Water supply availability is conditioned expressly upon effective completion of the annexation to the Newhall County Water District.

Very truly yours,

NEWHALL COUNTY WATER DISTRICT

[Signature]

Kenneth J. Petersen
General Manager

KJP/ehk

cc: NCWD Board of Directors