

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: August 19, 2013

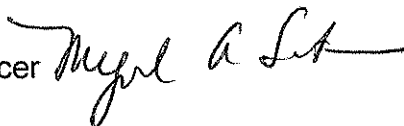
CAO File No. 0150-10058-0000

Council File No. None

Council District: 7

To: The City Council
Mayor

From: Miguel A. Santana, City Administrative Officer



Reference: Letter from the Department of Water and Power dated June 24, 2013

Subject: **ACQUISITION BY EMINENT DOMAIN OF SIX PARCELS OF REAL PROPERTY WITHIN AND ADJACENT TO CITY LIMITS IN THE NORTHEAST AREA OF THE SAN FERNANDO VALLEY**

SUMMARY

The Department of Water and Power (DWP; Department) requests approval of a proposed Board of Water and Power Commission (Board) Resolution No. 013319 of Public Necessity, which condemns six adjacent parcels of real property located within and adjacent to city limits in the northeast area of the San Fernando Valley, Los Angeles County, for the protection of the First and Second Los Angeles Aqueducts. The DWP does not own the property adjacent to the aqueducts due to difficulties at the time of the construction; however, it does own a strip of land intersecting the property. The previous owners had allowed DWP freedom to use the property. The current two owners of the six parcels, whose business activities are hazardous to the area surrounding the two Los Angeles Aqueducts, have not complied with citations to cease those activities. The Department seeks to acquire the property to protect the First and Second Los Angeles Aqueducts (Aqueducts), which provide the City drinking water from the Owens Valley in the Eastern Sierras. The acquisition for Public Necessity by eminent domain protects the area and, therefore, the safety of the City's water supply.

Background

The First Los Angeles Aqueduct has provided over 200 million gallons per day of drinking water to City residents and DWP ratepayers. Typically, it supplies up to 30 percent of overall City water demands. This Aqueduct was completed around 1913. Since the First Los Angeles Aqueduct was constructed, the population of the City has increased tenfold to become the second largest city in the United States.

The Second Los Angeles Aqueduct, completed in 1970, has also provided over 200 million gallons per day of partially treated drinking water to City residents and LADWP ratepayers. Typically, this Aqueduct supplies up to 20 percent of overall City water demands. The Second Los Angeles Aqueduct has become an important backup during repairs on the older, First Los

Angeles Aqueduct. During periods of low water demand in the City, the Second Los Angeles Aqueduct can supply the City with water while the First is removed from service for maintenance and repair.

It should be noted that the First Los Angeles Aqueduct, in particular, exists as an unreinforced tunnel as shallow as two or three feet below the surface on the southerly side of these parcels and is extremely vulnerable to damage. The tunnel is temporarily protected from the current property owner's construction traffic by k-rails. The status quo carries unacceptable risks and liability for DWP of failure of the Aqueducts. There is not only an interest, but a necessity to permanently protect the Aqueducts in this region.

The DWP states that the relocation of either Aqueduct to avoid these six parcels of Property would consume tens of millions of public ratepayer dollars, take years of effort, very likely interrupt thousands of commuters during construction, and far exceed the cost of acquisition of the Property. Based on the above, the relocation of the Aqueducts is infeasible; the Property must be acquired for the permanent protection and maintenance of the Aqueducts and to secure the City's water supply.

Property Acquisition

Indian Ridge LLC and LMW78 LLC (Owners) own six contiguous parcels through or alongside the two Aqueducts as they cross into Los Angeles City limits. The Owners have engaged in uses of the Property that are incompatible with and a danger to, the Aqueducts, including, among other things, extensive grading over and adjacent to the First and Second Los Angeles Aqueducts; driving large construction and grading equipment directly over the First and Second Los Angeles Aqueducts; engaging in these activities without obtaining any of the required permits; and ignoring LADWP requests to cease these activities that jeopardize the Aqueducts.

In addition, the County of Los Angeles has recently adopted a zone change for these parcels that are in the County designating the former commercial zone to a more intense industrial zone, which uses are not compatible with the safety and integrity of the First Los Angeles Aqueduct. Due to the recent incompatible uses of the Property and the potential for more intensive future incompatible uses now that the parcels have been rezoned, the Property must be acquired so that DWP can protect and maintain the Aqueducts. Protection of these Aqueducts is also necessary for flood control in the source watersheds of the Aqueducts.

The City Attorney advises that the approval by the Los Angeles City Council, the City of Los Angeles, acting by and through the Department of Water and Power, should authorize the acquisition by condemnation of the following six Assessor Parcels:

1. Parcel 42 (2581-001-042)
2. Parcel 43 (2581-001-043)
3. Parcel 9 (2581-001-009),
4. Parcel 9 (2581-001-010),
5. Parcel 6 (2603-002-006) and
6. Parcel 7 (2603-002-007) (collectively the "Property").

Negotiations with the Owners

In conformance with Section 7267.2 of the California Government Code, the DWP made offers based on independent appraisals to the Owners of the Property. The latest offer to LMW78 LLC of \$463,000.00 for Parcels 42, 43, 6, and 7 was made on March 26, 2013; the latest offer to Indian Ridge LLC of \$345,000.00 for Parcels 9 and 10 was made on November 7, 2012. The Property Owners have rejected all of the City's offers. The Owners have stated that they believe the Property is worth much more and plan to provide appraisals; however, as of August 15, 2013 they have not yet done so, hence the need to proceed with eminent domain. The Department will, however, continue to remain open to counteroffers from the Owners and negotiate in good faith throughout this process.

The City Attorney advises that since the City, acting through the DWP, has been unable to acquire the property by voluntary sale, and the use of the property is for the public good, the DWP should request the Council to authorize the City Attorney, by ordinance, to file a lawsuit to acquire the property by eminent domain. An Ordinance prepared by the City Attorney is included, stating that the property owner was given at least 15 days written notice that the property is to be acquired by eminent domain with the intent being to bring the matter before the Council. This ordinance also states that the City Council authorizes the City Attorney to commence a court action to acquire the property by eminent domain and to obtain the necessary court order granting the City possession prior to judgment

Environmental Due Diligence

A gas station was located on Parcels 9 or 10 and the Owners have provided a report showing (1) the removal of underground storage tanks, and (2) the absence of soil contamination. The DWP is conducting its own due diligence; however, the protection of the Aqueducts will still require the acquisition of the Property.

City Compliance Issues

In accordance with the California Environmental Quality Act (CEQA), it has been determined that the taking of property by eminent domain is exempt, pursuant to the General Exemption described in CEQA guidelines Section 15061 (b)(3). The condemnation of the Property for the protection of the Aqueducts will not lead to any development, and the Property will remain fallow after acquisition and, therefore, it can be certain that there will not be any significant effect on the environment.

RECOMMENDATION

That the City Council and the Mayor approve the attached Board of Water and Power Resolution No. 013319 of Public Necessity, which condemns six adjacent parcels of real property: 42, 43, 9, 10, 6, and 7 located within and adjacent to city limits in the northeast area of the San Fernando Valley, Los Angeles County, for the protection of the First and Second Los Angeles Aqueducts.

FISCAL IMPACT STATEMENT

Approval of this request will not impact the General Fund. The one-time cost to the Department of Water and Power is currently estimated at \$813,000. The Department of Water and Power Financial Policies are not applicable.

RPC:OAV:10090057

Department of Water and Power



the City of Los Angeles

ANTONIO R. VILLARAIGOSA
Mayor

Commission
THOMAS S. SAYLES, *President*
ERIC HOLOMAN, *Vice President*
RICHARD F. MOSS
CHRISTINA E. NOONAN
JONATHAN PARFREY
BARBARA E. MOSCHOS, *Secretary*

RONALD O. NICHOLS
General Manager

June 24, 2013

The Honorable City Council
City of Los Angeles
Room 395, City Hall
Los Angeles, California 90012

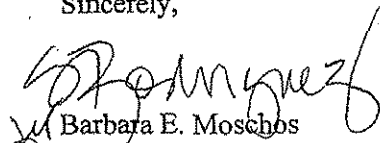
Honorable Members:

Subject: Approves the Public Necessity to Condemn Six Parcels Adjacent to City Limits in the Sylmar District

Pursuant to Charter Sections 601, 672(a), 675(c) and 675(d)(1) enclosed for approval by your Honorable Body is Resolution No. 013 319, adopted by the Board of Water and Power Commissioners (Board) on June 19, 2013, approved as to form and legality by the City Attorney, which approves the Public Necessity to Condemn Six Parcels Adjacent to City Limits in the Sylmar District having Assessor's Parcel Nos. 2581-001-009, 2581-001-010, 2581-002-042, 2581-001-043, 2603-002-006, and 2603-002-007. As directed by the Board, transmitted to you are supporting documents.

If there are any questions regarding this item, please contact Ms. Winifred Yancy, Manager of Intergovernmental Affairs and Community Relations, at (213) 367-0025.

Sincerely,


Barbara E. Moschos
Board Secretary

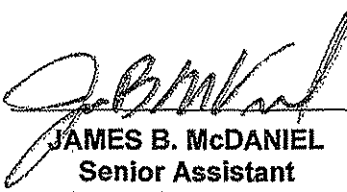
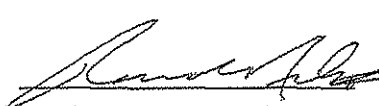
BEM:oja
Enclosures: LADWP Resolution
Board Letter
Ordinance
Exhibit 1, Page 1
Exhibit A

Water and Power Conservation ... a way of life

111 North Hope Street, Los Angeles, California 90012-2607 Mailing address: Box 51111, Los Angeles 90051-5700
Telephone: (213) 367-4211 Cable address: DEWAPOLA

c/enc: Mayor Antonio Villaraigosa
Councilmember Jose Huizar, Chair, Energy and the Environment Committee
Gerry F. Miller, Chief Legislative Analyst
Miguel A. Santana, City Administrative Officer
Rafael Prieto, Legislative Analyst, CLA
William R. Koenig, Chief Administrative Analyst
Winifred Yancy

LOS ANGELES DEPARTMENT OF WATER AND POWER (LADWP) BOARD APPROVAL LETTER

| | | |
|--|--|---|
| TO: BOARD OF WATER AND POWER COMMISSIONERS | | DATE: May 30, 2013 |
|  JAMES B. McDANIEL Senior Assistant General Manager – Water System | | SUBJECT: Resolution of Public Necessity to Condemn Six Parcels Adjacent to City Limits in the Sylmar District Having Assessor's Parcel Nos. (APN) 2581-001-009, 2581-001-010, 2581-001-042, 2581-001-043, 2603-002-006, and 2603-002-007 |
|  RONALD O. NICHOLS General Manager | | FOR COMMISSION OFFICE USE: RESOLUTION NO. _____ |
| CITY COUNCIL APPROVAL REQUIRED: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> | IF YES, BY WHICH CITY CHARTER SECTION: 601, 672(a), 675(c), and 675(d)(1) | |

PURPOSE

Your Honorable Board is requested to approve the attached Resolution of Public Necessity, which condemns six contiguous parcels identified as Los Angeles County APNs 2581-001-009 (Parcel 9), 2581-001-010 (Parcel 10), 2581-001-042 (Parcel 42), 2581-001-043 (Parcel 43), 2603-002-006 (Parcel 6), and 2603-002-007 (Parcel 7), respectively, and situated in the County of Los Angeles adjacent to Sierra Highway near the 5 and 14 Freeways (collectively the "Property") within and adjacent to Los Angeles City (City) limits at the north east area of the San Fernando Valley for protection of the First and Second Los Angeles Aqueducts.

BACKGROUND

In January 2012, under authority from your Honorable Board, LADWP filed litigation against three Defendants in Los Angeles Superior Court for injunctive relief, trespass, and violation of City laws from their actions impacting LADWP's First and Second Los Angeles Aqueducts. Defendants have filed a cross complaint seeking to terminate LADWP's real property rights and to relocate the First Los Angeles Aqueduct, among other causes of action.

Mr. Nicholas L. Pavich, Jr., and his two limited liability companies, Indian Ridge LLC and LMW78 LLC (Defendants) own six contiguous parcels through or alongside which the two Los Angeles Aqueducts cross City limits. The First Los Angeles Aqueduct was completed about the year 1913 and operated by LADWP for the purpose of conveying waters from the Owens River, together with other waters, to the City of Los Angeles. *Inyo Chemical Co. v. Los Angeles*, 5 Cal. 2d 525, 528 (Cal. 1936); *County of Inyo v. Yorty*, 32 Cal. App. 3d 795, 799 (Cal. App. 3d Dist. 1973). It was so important to the growth of the City, that an Act by the U.S. Congress accomplished in 1906, and amended in 1920, granted the City rights-of-way over federal lands to build. The Second Los Angeles Aqueduct commenced operation in 1970. *County of Inyo v. Yorty*, 32 Cal. App. 3d 795, 800 (Cal. App. 3d Dist. 1973).

LADWP owns and operates the First and Second Los Angeles Aqueducts (Aqueducts) that extend from the Owens Valley in the Eastern Sierra through three counties in the State of California, and into the City.

LADWP needs to acquire the Property in fee to protect the delivery of the City's water supply (Protection of the Aqueducts). In average hydrologic years, the Aqueducts supply one-third to almost one-half of the City's total water supply, and during wet years supply about two-thirds of the City's water. Acquiring the Property will protect the Aqueducts and will allow for access to inspect and maintain the First Los Angeles Aqueduct. The First Los Angeles Aqueduct passes through Parcels 6, 7, 9, and 10. Parcels 42 and 43 are on the east side of the First Los Angeles Aqueduct. The Second Los Angeles Aqueduct is located in a strip of land 50 feet wide owned in fee by LADWP, APN 2603-002-901, which is adjacent and in between Parcels 6 and 7.

Defendants have engaged in uses of the Property incompatible with and are a danger to the Aqueducts, including, among other things extensive grading over and adjacent to the Aqueducts; driving large construction and grading equipment directly over the Aqueducts; engaging in these activities without obtaining any of the required permits; and ignoring LADWP's requests to cease these activities that jeopardize the Aqueducts.

Of most critical concern is the weakening and potential collapse of the 100 year old First Los Angeles Aqueduct that was not designed nor built to handle the excessive weight loading that the current property owner has imposed. Collapse of the aqueduct would cause immediate loss of a key and significant water supply to the City and have millions of gallons of water flooding Sierra highway and adjoining properties, threatening public safety and damage to property. After acquiring the Property, LADWP will safely abate owners' grading and leave the Property in its undeveloped state, and continue to use portions of the Property for inspection and maintenance of the Aqueducts.

The First Los Angeles Aqueduct is shut down annually during the winter months for thorough interior inspection and maintenance. LADWP uses real property located adjacent to Sierra Highway as a staging area for equipment, supplies, and vehicles. This area is located in the vicinity of 22124 Sierra Highway, Sylmar, California, 91342 near Sierra Highway, Foothill Boulevard, and the 5 and 14 Freeways (Vicinity). The real property for the First Los Angeles Aqueduct in this Vicinity is included in a handwritten 1908 Grant recorded with the Los Angeles County Recorder's Office. The City had to acquire these rights from the Standard Oil Company.

On or about December 30, 1970, LADWP acquired land in fee for the Second Los Angeles Aqueduct in this Vicinity. Additional land in this Vicinity was acquired by the City from the California Department of Transportation (Caltrans), which included the embankments of Sierra Highway.

The use of the real property located adjacent to Sierra Highway and the Aqueducts, at LADWP Engineering Station No. 745+00, located on the map, is commonly known as *the First Los Angeles Aqueduct staging area at City Limits* (Staging Area). LADWP has operated and maintained its Aqueducts, bridge, and gate, and has used its Staging Area for many years. The bridge was built in 1968, during the Second Los Angeles Aqueduct Project.

As early as April 2011, Defendant Mr. Pavich was informed in writing that the First Los Angeles Aqueduct was relatively close to the surface and that material should not be placed on top of it nor should vehicles drive over it without permission and assessment from LADWP. He ignored these requests by engaging in a large construction grading project that began in April 2011, over and adjacent to the Aqueducts. This occurred before he even acquired property rights via his company LMW78 LLC in this Vicinity. Defendant LMW78 LLC acquired real property on or about July 26, 2011, including Parcels 6 and 7. LADWP has real property rights for its First Los Angeles Aqueduct in Parcels 6 and 7. In addition, Parcels 6 and 7 are on either side of land for the Second Los Angeles Aqueduct.

Defendants moved a substantial amount of dirt over and adjacent to the Aqueducts. Defendants were observed driving a dump truck, front loader, excavator, and other construction equipment directly over the Aqueducts.

On July 1, 2011, an inspector for the City of Los Angeles Department of Building and Safety (LADBS) inspected the site and issued an Order to Comply. Defendants ignored this Order to Comply and continued with the grading project, which is believed to have been completed in mid-November, 2011. On or about October 22, 2011, another inspector from LADBS issued another Order to Comply.

On January 9, 2012, Defendants staked a metal post into the ground directly on top of the First Los Angeles Aqueduct. There was even a posted sign adjacent to the stake giving notice that high-pressure gas lines were in the area. Additional metal posts were staked near the First Los Angeles Aqueduct.

On March 28, 2012, an LADWP employee saw many commercial containers stored on Parcel 7, where Defendants must have driven repeatedly over the First Los Angeles Aqueduct to operate some commercial container business. Also, on June 12, 2012, Defendants were observed driving over the Second Los Angeles Aqueduct operating a construction vehicle known as a Bob Cat with a front loader.

Furthermore, in mid-November 2012, Defendants placed concrete cinder blocks, in two large rectangular shapes, in the same location of the Staging Area where LADWP forces would set up a crane to lower equipment and vehicles into the First Los Angeles Aqueduct via the equipment access portal. Along with the concrete cinder blocks, Defendants placed a large pile of manure in the Staging Area.

In this location, the First Los Angeles Aqueduct is made of unreinforced concrete. In Parcel 7 it is about 22 feet below the ground surface in the area of concern. As the First Los Angeles Aqueduct continues in a southerly direction through Parcel 6, it is closer to the surface, about one to two feet below the ground surface.

Inspection of the First Los Angeles Aqueduct in the area of concern during the early part of 2012 revealed cracks in the tunnel lining. The depth and extent of cracking is unknown. The cracked condition obviates the use of analysis in determining the tolerable dynamic loading over the First Los Angeles Aqueduct. In particular, where tensile stresses are concerned, cracked concrete and rock have no strength.

Details about the parcels are shown in Table 1 and in the map attached as Exhibit 1. The litigation was the ultimate step taken by LADWP in a series of measures to protect the Aqueducts from damage by the Defendants. Also, Defendants have filed a cross complaint seeking inverse condemnation for real property located on Parcels 9 and 10 and termination of LADWP's real property rights and to move the First Los Angeles Aqueduct. The First Los Angeles Aqueduct goes through Parcels 9 and 10. In addition, the Defendants own Parcels 42 and 43, which are located just east of Parcels 9 and 10. One needs to access Parcels 42 and 43 from Sierra Highway, and through Parcels 9 and 10.

The condemnation is motivated by a need to protect the Aqueducts. Appraisals for the parcels were completed. LADWP issued pre-condemnation letters offering to acquire the six parcels from Defendants based on those appraisals. A written statement showing the appraised value of the properties and summarizing the basis of that

valuation was delivered to Defendants with the offer letters. However, these offers were rejected. LADWP now requests that Your Honorable Board approve the attached Resolution of Public Necessity to acquire the six parcels for the public's benefit.

Table 1
Parcels Subject to Resolution of Necessity

| Item | Los Angeles County Assessor's Parcel Number | Area (Acres) | Location | City Council District | Offer in Pre-Condemnation Letters (\$) |
|------|---|--------------|--------------------|-----------------------|--|
| 1 | 2581-001-042 | 10.32 | Los Angeles County | Not Applicable | For Items 1-4, 463,000. |
| 2 | 2581-001-043 | 9.86 | Los Angeles County | Not Applicable | |
| 3 | 2603-002-006 | 3.73 | Sylmar District | 7 | |
| 4 | 2603-002-007 | 5.92 | Sylmar District | 7 | |
| 5 | 2581-001-009 | 2.62 | Los Angeles County | Not Applicable | For Items 5-6, 345,000. |
| 6 | 2581-001-010 | 3.13 | Los Angeles County | Not Applicable | |

JUSTIFICATION

Defendants have taken aggressive physical acts and legal positions towards LADWP's real property interests for its First and Second Los Angeles Aqueduct. Their aggressive physical acts are detailed above with the trespasses, unpermitted grading project, and additional weight placed on top of and adjacent to the Aqueducts. Defendants' aggressive legal positions include seeking a court order to cross the Second Los Angeles Aqueduct without permission, terminating LADWP's real property interests, and demanding that LADWP relocate its First Los Angeles Aqueduct. In addition, Defendants have sought and obtained a zone change from Los Angeles County from a commercial zone to an industrial zone, which uses are not compatible with the safety and integrity of the First Los Angeles Aqueduct.

Relocation of the First Los Angeles Aqueduct would consume millions of dollars of ratepayer money and perhaps even more importantly would divert LADWP labor from more urgent business, such as replacing and rehabilitating LADWP's aged infrastructure. It is far more responsible for LADWP to acquire these parcels through condemnation.

LADWP has spent \$319,000 on monitoring and interdiction to protect the Aqueducts from the Defendants' actions during Fiscal Year 2011-2012. Some of the Defendants' actions that required a response from LADWP include unauthorized driving and grading over the Aqueducts and proposed or actual stockpiling of materials, in areas where LADWP workers mobilize to work on the Aqueducts. Given recent actions by the Defendants, it is likely that this rate of expense will continue until the Defendants vacate the parcels. However, new property owners may be just as contrary to City interests. The Aqueducts are very shallow in portions of these parcels, and are susceptible to collapse or damage from indiscriminate use of the properties, such as the driving and grading that has occurred from the Defendants' recent actions. The Aqueducts combined provide the City with up to half of its water supply.

Staff also considered the cost of purchasing only portions of these parcels. Although the cost of a portion of the parcels is expected to be less than the cost of all of the parcels, allowing portions of the parcels to remain outside of LADWP's control carries potentially very expensive liabilities. For example, if only a portion of the parcels is purchased, access will have to be granted to property owners over the Aqueducts for portions of the property that are on the other side of existing streets and routes. Furthermore, if only a portion of the parcels is purchased, a successful claim against LADWP of damages to the remaining portion of the parcels (i.e., the land not purchased by LADWP) becomes probable. When added to the cost of the portion purchased, these liabilities would very likely push the total cost on LADWP above the cost of purchasing all of the parcels.

Of the options considered (relocating one or both Aqueducts, continuing with the status quo, or purchasing some or all of the properties through a condemnation process), condemnation of all of the parcels is the least expensive and most responsible solution to protect the Aqueducts from damage or collapse. Since the Aqueducts provide such a vital part of the City's water supply, Protection of the Aqueducts is necessary.

Los Angeles City Council Approval

Per Charter Sections §§ 601, 672 (a), 675 (c), and 675 (d)(1), Los Angeles City Council approval is required by ordinance for the condemnation of property. Due to time-sensitive operational needs, an Executive Directive No. 4 waiver was granted by the Mayor's Office on May 28, 2013. A City Administrative Officer report will be provided for City Council review prior to final consideration of this item.

Board of Water and Power Commissioners

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May 30, 2013

RECOMMENDATION

It is recommended that Your Honorable Board approve the attached Resolution of Public Necessity authorizing the condemnation of six parcels in favor of LADWP for protection of the First and Second Los Angeles Aqueducts.

JDM:jmm

Attachment(s)

e-c/att: Ronald O. Nichols

Richard M. Brown

Aram Benyamin

James B. McDaniel

Philip Leiber

Gary Wong

Martin L. Adams

John D. Miller

WHEREAS, the real property that is the subject of this Resolution is currently owned by LMW78 LLC, a California limited liability company, and Indian Ridge LLC, a California limited liability company (Owners), and consists of the fee interest in real property, legally described and depicted by Exhibits A, B, C, D, E, and F attached hereto and incorporated herein by this reference, which real property is referred to by the City of Los Angeles (City), acting by and through the Los Angeles Department of Water and Power (LADWP), a municipal corporation of the State of California, and identified as Los Angeles County Assessor's Parcel Nos. (APN), 2581-001-009 (Parcel 9), 2581-001-010 (Parcel 10), 2581-001-042 (Parcel 42), and 2581-001-043 (Parcel 43), 2603-002-006 (Parcel 6), and 2603-002-007 (Parcel 7), respectively, and situated in the County of Los Angeles adjacent to Sierra Highway near the 5 and 14 Freeways (Property); and

WHEREAS, LADWP owns and operates the First and Second Los Angeles Aqueducts (Aqueducts). LADWP needs to acquire the Property in fee to protect the delivery of the City's water supply (Protection of the Aqueducts). In average hydrologic years the Aqueducts supply one-third to almost one-half of the City's total water supply, and during wet years they supply about two-thirds of the City's water. Acquiring the Property will protect the Aqueducts and allow access to inspect and maintain the First Los Angeles Aqueduct. The First Los Angeles Aqueduct passes through Parcels 6, 7, 9, and 10. Parcels 42 and 43 are on the east side of the First Los Angeles Aqueduct. The Second Los Angeles Aqueduct is located in a strip of land 50 feet wide owned in fee by LADWP, having APN 2603-002-901, which is adjacent to Parcels 6 and 7; and

WHEREAS, current owners of the parcels have engaged in uses of the Property incompatible with and are a danger to the Aqueducts, including, among other things extensive grading over and adjacent to the Aqueducts; driving large construction and grading equipment directly over the Aqueducts; engaging in these activities without obtaining any of the required permits; and ignoring LADWP's requests to cease these activities that jeopardize the Aqueducts. It is necessary to acquire each of the parcels in fee to provide sufficient protection for the Aqueducts. Of most critical concern is the weakening and potential collapse of the 100 year old First Los Angeles Aqueduct that was not designed nor built to handle the excessive weight loading that the current property owner has imposed. Collapse of the Aqueduct would cause immediate loss of a key and significant water supply to the City and have millions of gallons of water flooding Sierra Highway and adjoining properties, threatening public safety and damage to the surrounding area. After acquiring the Property, LADWP will safely abate Owners' grading and leave the Property in its undeveloped state, and continue to use portions of the Property for inspection and maintenance of the Aqueducts; and

WHEREAS, pursuant to the requirements of California Code of Civil Procedure Section 1245.235, the Secretary of the Board of Department of Water and Power Commissioners (Secretary), under delegated authority to the LADWP Real Property Manager, mailed, by first class mail, notice to the Owners of the Property, to their

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address as shown by the last equalized Los Angeles County assessment roll, of the intention of the Board of Department of Water and Power Commissioners (Board), acting in its capacity as the governing body of LADWP, to consider the necessity of acquiring the Property for purposes of the Protection of the Aqueducts, through eminent domain proceedings; and

WHEREAS, said notice by the Secretary notified the Owners of their right to appear and to be heard at a hearing before the Board on the following matters: (a) whether the public interest and necessity require the Protection of the Aqueducts; (b) whether the Protection of the Aqueducts is planned or located in the manner that will be most compatible with the greatest public good and the least private injury; (c) whether the Property sought to be acquired is necessary for the Protection of the Aqueducts; and (d) whether the offer required by Section 7267.2 of the Government Code has been made to the owner(s) of record; and

WHEREAS, the Board conducted a hearing and heard and considered public comments, if any, regarding the Protection of the Aqueducts and regarding the proposed acquisition of the Property by eminent domain; and

WHEREAS, at the close of the hearing and after the opportunity for open and public discussion among the Board, the Board voted, as statutorily required to adopt this Resolution of Necessity to acquire the Property necessary for the Protection of the Aqueducts through eminent domain proceedings.

NOW, THEREFORE, BE IT RESOLVED that this Board does hereby find and determine as follows:

1. The public interest and necessity require the Protection of the Aqueducts for the purposes specified in Sections 601, 672(a), and 675(c) of the Charter of the City of Los Angeles, including, but not limited to the control of the production and delivery of water; the control of water, water rights, lands and facilities, including all the lands, rights-of-way, and property for the transportation, distribution, and delivery of water for the benefit of the City, its inhabitants, and customers; and the control of the construction, extension, maintenance, and operation of all improvements, utilities, structures, facilities, and services necessary in order to protect the City's water supply and the Aqueducts.
2. Upon approval by the Los Angeles City Council, LADWP is authorized to acquire the Property in fee simple absolute and to exercise the power of eminent domain for the public uses set forth herein under the California Constitution, the California Eminent Domain Law (California Code of Civil Procedure Section 1230.010 *et seq.*, including Section 1240.110), California Government Code Section 37350.5, and Section 675(d)(1) of the Charter of the City of Los Angeles. Parcels 6 and 7 are located in the City. Parcels 9, 10, 42, and 43 are located outside the City in unincorporated areas of the

County of Los Angeles, and as to those parcels, LADWP is exercising its power of eminent domain extraterritorially pursuant to, *inter alia*, Section 675(d)(1) of the Charter of the City of Los Angeles and Section 1240.125 of the California Code of Civil Procedure.

3. The Protection of the Aqueducts is planned and located in the manner that will be the most compatible with the greatest public good and the least private injury.
4. The Property is necessary for the Protection of the Aqueducts. It is necessary that LADWP acquire the Property to carry out the essential purpose of protecting the City's water supply and the Aqueducts. If the Property is not acquired, there would remain threatened protection of the City's water supply and the Aqueducts.
5. The proposed use of the Property for the Protection of the Aqueducts constitutes a valid public use and the use of the Property will in fact be a public use.
6. In conformance with Sections 7267.1 and 7267.2 of the California Government Code, an appraisal was prepared covering the Property. An offer based on said appraisal was made to the Owners of the Property, and a written statement showing the appraised value of the Property and summarizing the basis of that valuation was also delivered to the Owners.
7. To the extent the Property, or any of the parcels, is already devoted to a public use, the use of the Property for the Protection of the Aqueducts is a compatible use that will not unreasonably interfere with or impair the continuance of the public use as it presently exists or may reasonably be expected to exist in the future (California Code of Civil Procedure Section 1240.510), or the use of the Property for the Protection of the Aqueducts is a more necessary public use than is the presently existing public use (California Code of Civil Procedure Section 1240.610).
8. Under the California Environmental Quality Act (CEQA) the condemnation of the Property is exempt pursuant to the General Exemption described in CEQA Guidelines Section 15061 (b)(3) because the Protection of the Aqueducts will not lead to any development and the Property will remain fallow after acquisition and, therefore, it can be seen with certainty that there is no possibility that the Protection of the Aqueducts may have a significant effect on the environment.

NOW, THEREFORE, BE IT FURTHER RESOLVED that for and on behalf of LADWP, the Office of the Los Angeles City Attorney including special litigation counsel as previously authorized by this Board for purposes of representing LADWP in condemnation matters (LADWP's Counsel) is hereby authorized and directed to engage

in condemnation proceedings to acquire the Property in fee simple absolute (unless a lesser estate is hereinafter described), upon approval by the City Council pursuant to Section 675(d)(1) of the Charter of the City of Los Angeles.

NOW, THEREFORE, BE IT FURTHER RESOLVED that LADWP's Counsel is hereby authorized and directed to seek and obtain an order for prejudgment possession of the Property at such time as LADWP's Counsel deems it to be necessary and appropriate for the essential purpose of protecting the City's water supply and the First and Second Los Angeles Aqueducts and for interior inspection and maintenance of the First Los Angeles Aqueduct.

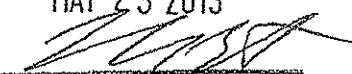
NOW, THEREFORE, BE IT FURTHER RESOLVED that the Chief Accounting Employee of LADWP, upon proper certification, is authorized and directed to draw demands on the Water Revenue Fund, in payment of the fair market value for the real properties herein described based on the appraisals of the parcels, and additional obligations arising under said real property acquisitions via the power of condemnation. Using funds drawn on the Water Revenue Fund, LADWP's Counsel is hereby authorized to make a deposit of estimated compensation with the State Treasury's Condemnation Deposits Fund.

BE IT FURTHER RESOLVED that the President or the Vice President of this Board, or General Manager, or such person as the General Manager shall designate in writing, and the Secretary, Assistant Secretary, or the Acting Secretary of the Board, are hereby authorized to accept the grant deeds for the Property, for and on behalf of LADWP pursuant to Section 672(a) of the Charter of the City of Los Angeles.

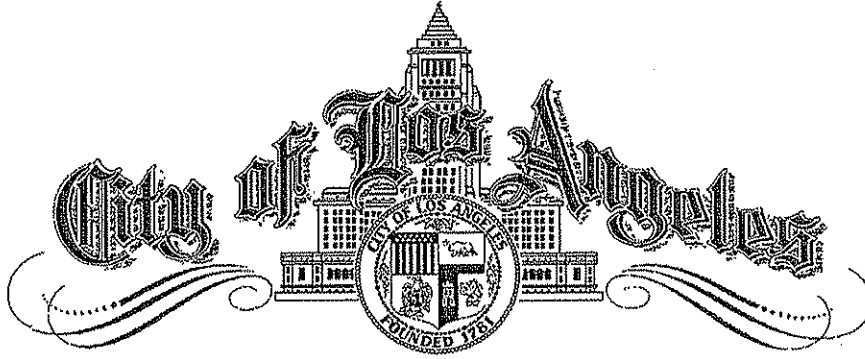
I HEREBY CERTIFY that the foregoing is a full, true, and correct copy of a Resolution adopted by the Board of Water and Power Commissioners of the City of Los Angeles by a vote of not less than two-thirds of all its members at its meeting held JUN 19 2013


Secretary

APPROVED AS TO FORM AND LEGALITY
CARMEN A. TRUTANICH, CITY ATTORNEY

MAY 23 2013

BY
JEAN-CLAUDE BERTET
DEPUTY CITY ATTORNEY





MIKE FEUER
CITY ATTORNEY

REPORT NO. R 13 - 0 2 1 7
JUL 26 2013

REPORT RE:

DRAFT ORDINANCE FOR RESOLUTION OF NECESSITY FINDING THAT THE PUBLIC INTEREST AND NECESSITY REQUIRES THE ACQUISITION BY EMINENT DOMAIN OF SIX PARCELS OF REAL PROPERTY ADJACENT TO CITY LIMITS, IN AND ADJACENT TO THE NORTHEAST AREA OF THE SAN FERNANDO VALLEY, HAVING APNS 2581-001-042, 2581-001-043, 2581-001-009, 2581-001-010, 2603-002-006, AND 2603-002-007 TO PROTECT THE FIRST AND SECOND LOS ANGELES AQUEDUCTS

**APN 2603-002-006 AND 2603-002-007 IN
COUNCIL DISTRICT NO. 7**

NOTICE AND OPPORTUNITY TO BE HEARD REQUIRED

The Honorable City Council
of the City of Los Angeles
Room 395, City Hall
200 North Spring Street
Los Angeles, California 90012

Honorable Members:

Pursuant to action of the Board of Water and Power Commissioners, this Office has prepared and now transmits for your consideration the enclosed draft ordinance, approved as to form and legality, a Resolution of Public Necessity (Ordinance). This Ordinance authorizes the acquisition by eminent domain of six contiguous parcels of real property identified as Los Angeles County Assessor's Parcel Nos. 2603-002-006, 2603-002-007, 2581-001-009, 2581-001-010, 2581-001-042, and 2581-001-043, respectively, and situated in the County of Los Angeles adjacent to Sierra Highway near the 5 and 14 Freeways (collectively the "Property"); within and adjacent to Los Angeles

City limits at the north east area of the San Fernando Valley to protect the First and Second Los Angeles Aqueducts.

Project Description - Protection of the Aqueducts

The Los Angeles Department of Water and Power (LADWP) seeks to acquire the Property to protect the First and Second Los Angeles Aqueducts (Aqueducts), which provide the City drinking water from the Owens Valley in the Eastern Sierras.

The First Los Angeles Aqueduct has provided over 200 million gallons per day of partially treated drinking water to City residents and LADWP ratepayers. Typically, it supplies up to 30 percent of overall City water demands. This Aqueduct was completed around 1913. Since the First Los Angeles Aqueduct was constructed, the population of the City has increased tenfold to become the second largest City in the United States.

The Second Los Angeles Aqueduct, completed in 1970, has also provided over 200 million gallons per day of partially treated drinking water to City residents and LADWP ratepayers. Typically, this Aqueduct supplies up to 20 percent of overall City water demands. The Second Los Angeles Aqueduct has become important in allowing repairs to be conducted on the older, First Los Angeles Aqueduct. During periods of low water demand in the City, the Second Los Angeles Aqueduct can supply the City with water while the First is removed from service for maintenance and repair. The real property that is the subject of this Ordinance and Resolution of Necessity is currently owned by LMW78 LLC, a California limited liability company, and Indian Ridge LLC, a California limited liability company, and consists of the fee interests in real property, legally described and depicted by Exhibits "A," "B," "C," "D," "E," and "F" attached to the Ordinance and incorporated herein by this reference. For illustrative purposes only, the Property is shown in a map, having number D05898-P-005 in the lower corner, attached to this report and the Ordinance.

Indian Ridge LLC and LMW78 LLC (Owners) own six contiguous parcels through or alongside which the two Aqueducts cross into Los Angeles City limits. The Owners have engaged in uses of the Property that are incompatible with, and are a danger to, the Aqueducts, including, among other things, extensive grading over and adjacent to the First and Second Los Angeles Aqueducts; driving large construction and grading equipment directly over the First and Second Los Angeles Aqueducts; engaging in these activities without obtaining any of the required permits; and ignoring LADWP requests to cease these activities that jeopardize the Aqueducts.

In addition, the County of Los Angeles has recently adopted a zone change of the parcels of Property in the County designating the former commercial zone to a more intense industrial zone, which uses are not compatible with the safety and integrity of the First Los Angeles Aqueduct. Due to the recent incompatible uses of the Property and the potential of threat of more intensive future incompatible uses now permitted

under current zoning, the Property must be acquired so that the LADWP can protect and maintain the Aqueducts that provide the City's vital water supply. Protection of these Aqueducts is also necessary for flood control in the source watersheds of the Aqueducts.

It should be noted that the First Los Angeles Aqueduct in particular exists as an unreinforced tunnel as shallow as two or three feet below the ground surface on the southerly side of these parcels, and is extremely vulnerable to damage from uncontrolled surcharges. It is temporarily protected from the current property owner's construction traffic by k-rails. The status quo carries unacceptable risks and liability for LADWP of failure of the Aqueducts. There is not only an interest, but a necessity to permanently protect the Aqueducts in this region.

In addition, relocation of either Aqueduct to avoid these six parcels of Property would consume tens of millions of dollars of public ratepayer funds, take years of effort, very likely interrupt the lives of thousands of commuters and others during construction, and easily far exceed the cost of acquisition of the Property. Because relocation of the Aqueducts is infeasible, the Property must be acquired for the permanent protection and maintenance of the Aqueducts and the City's water supply.

To protect the Aqueducts, the Board of Water and Power Commissioners, approved Resolution No. 013-319, that is on file with the Board Secretary and the City Clerk, and upon approval by the Los Angeles City Council, the City of Los Angeles, acting by and through the Department of Water and Power (LADWP), is authorized to acquire Assessor Parcel Numbers (APN): 2581-001-042 (Parcel 42), 2581-001-043 (Parcel 43), 2581-001-009 (Parcel 9), 2581-001-010 (Parcel 10), 2603-002-006 (Parcel 6), and 2603-002-007 (Parcel 7) (collectively the "Property"). Acquiring the Property will protect the Aqueducts and will allow for unfettered access to inspect and maintain the First Los Angeles Aqueduct.

Negotiations with the Owner

In conformance with Section 7267.2 of the California Government Code, the LADWP made offers based on independent appraisals to the Owners of the Property. The latest offer to LMW78 LLC of \$463,000.00 for Parcels 42, 43, 6, and 7 was made on March 26, 2013; and the latest offer to Indian Ridge LLC of \$345,000.00 for Parcels 9 and 10 was made on November 7, 2012. The Property Owners have rejected all of the City's offers. The Owners have stated that they believe the Property is worth much more and plan to provide appraisals, but have not yet done so, hence the need to proceed with eminent domain. The LADWP will, however, continue to remain open to counteroffers from the Owners and negotiate in good faith with the Owners throughout this process.

Environmental Due Diligence

A gas station was located on Parcels 9 or 10, and Owners have provided a report showing the removal of underground storage tanks and showing no soil contamination. LADWP is conducting its own due diligence; however, the protection of the Aqueducts will still require the acquisition of the Property.

CEQA Compliance

We recommend that, prior to the adoption of the Ordinance, you determine that this action is exempt from the California Environmental Quality Act (CEQA) and that the acquisition of the Property is exempt pursuant to the General Exemption described in the CEQA Guidelines Sections 15061 (b)(3) because the Protection of the Aqueducts will not lead to any new development. The Property will remain in its existing undeveloped condition after acquisition and, therefore, it can be seen with certainty that there is no possibility that the proposed acquisition for Protection of the Aqueducts may have a significant effect on the environment.

Consistency with General Plan

Parcels 6 and 7 are zoned for agricultural purposes. The Protection of the Aqueducts will not lead to any development and the Property will remain undeveloped after acquisition; therefore, the Protection of the Aqueducts is in conformance with the purposes, intent and provisions of the City's General Plan. The remaining parcels are outside the City of Los Angeles.

Summary of Ordinance Provisions

Charter Section 675 (d)(1) provides that the power of condemnation shall only be exercised with the approval of the City Council. In addition, Sections 601, 672(a), and 675(c) of the Charter of the City of Los Angeles identify the authority for the control, production, and delivery of water to the City; the control of water, water rights, lands and facilities, including all the lands, rights-of-way, and property for the transportation, distribution and delivery of water for the benefit of the City, its inhabitants, and customers; and the control of the construction, extension, maintenance and operation of all improvements, utilities, structures, facilities, and services necessary in order to protect the City's water supply and the First and Second Los Angeles Aqueducts.

DWP Board Approval

The Resolution of Public Necessity was approved by the Board of Water and Power Commissioners by the adoption of Resolution No. 013-319, which is on file with the City Clerk.

Council Rule 38 Referral

This draft ordinance has been presented to the Board of Water and Power Commissioners pursuant to Council Rule 38. As noted above, the Board of Water and Power Commissioners have adopted a resolution authorizing the acquisition by eminent domain proceedings.

Notice and Opportunity to be Heard

The draft ordinance provides that the record owners of the Property to be acquired be given notice of the Council's intention to adopt the Ordinance, and that they be provided with an opportunity for a hearing before Council, all as required by Code of Civil Procedure Section 1245.235.

Pursuant to that section, it is necessary that the Council set a date for the hearing and that the Clerk give notice of the hearing date, which is not less than 15 days after notice is sent to the record owner. If the Owners, or their representative, appear and desire to be heard, the Council shall permit the hearing.

Recommended Actions

In accordance with the above, this Office recommends that the Council take the following actions after it conducts the hearing:

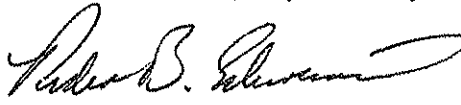
1. Find that approval of the draft ordinance is exempt from CEQA environmental review under State CEQA Guidelines 15061 (b)(3) because the acquisition of the Property for the Protection of the Aqueducts will not lead to any development and the Property will remain undeveloped after acquisition and, therefore, it can be seen with certainty that there is no possibility that the Protection of the Aqueducts may have a significant effect on the environment; and direct LADWP to file a Notice of Exemption; and
2. Direct LADWP to take all actions necessary to authorize payment for these acquisitions; and
3. Authorize this Office to make the necessary deposit of probable just compensation per appraisals of the Property, currently in the amount of \$808,000.00, for the benefit of the Owners of the Property, and to seek orders from the Court to obtain possession of the Property prior to trial; and
4. Authorize LADWP to continue to attempt to acquire the Property, and all interests in the properties, via negotiated purchases, and if successful, to execute all documents necessary to accomplish the transfer of those properties; and

5. Adopt the draft Resolution of Public Necessity (Condemnation Ordinance) authorizing the acquisition of the Property by eminent domain and request the City Attorney to proceed with the filing of a complaint in eminent domain and all related papers.

If you have any questions regarding this matter, please contact Deputy City Attorney Jean-Claude Bertet at (213) 367-4500. He or another member of this Office will be present when you consider this matter to answer any questions you may have.

Very truly yours,

MICHAEL N. FEUER, City Attorney

By 
PEDRO B. ECHEVERRIA
Chief Assistant City Attorney

PBE:JCB:sf
Transmittal

ORDINANCE NO. _____

An ordinance of the City of Los Angeles (City) finding that the public interest and necessity require the acquisition and authorization to condemn, in fee simple, six parcels of real property to protect the City's First and Second Los Angeles Aqueducts. The six parcels have Assessor's Parcel Nos. 2581-001-042, 2581-001-043, 2581-001-009, 2581-001-010, 2603-002-006 and 2603-002-007, and are all located in the County of Los Angeles.

**THE PEOPLE OF THE CITY OF LOS ANGELES
DO ORDAIN AS FOLLOWS:**

Section 1. The public interest and necessity require the acquisition and authorization to condemn, in fee simple, the real property described in this ordinance to protect the First and Second Los Angeles Aqueducts and for the purposes specified in Sections 601, 672(a) and 675(c) of the Charter of the City of Los Angeles, including, but not limited to the control of the production and delivery of water to the City; the control of water, water rights, lands, and facilities, including all the lands, rights-of-way, and property for the transportation, distribution and delivery of water for the benefit of the City, its inhabitants, and customers; and the control of the construction, extension, maintenance and operation of all improvements, utilities, structures, facilities, and services necessary in order to protect the City's water supply and the First and Second Los Angeles Aqueducts (collectively the "Protection of the Aqueducts"). The Protection of the Aqueducts is planned and located in the manner that will be the most compatible with the greatest public good and the least private injury.

Sec. 2. As approved by the Board of Water and Power Commissioners, Resolution No. 013-319, which is on file with the Board Secretary. Upon approval by the Los Angeles City Council, the City of Los Angeles, acting by and through the Department of Water and Power (LADWP), is authorized to acquire Assessor's Parcel Nos. (APN) 2581-001-042 (Parcel 42), 2581-001-043 (Parcel 43), 2581-001-009 (Parcel 9), 2581-001-010 (Parcel 10), 2603-002-006 (Parcel 6) and 2603-002-007 (Parcel 7) (collectively the "Property"), as are more particularly described and depicted by Exhibits A, B, C, D, E and F attached hereto and incorporated herein by this reference, in fee simple absolute, and to exercise the power of eminent domain for the public uses set forth herein under the California Constitution, the California Eminent Domain Law (California Code of Civil Procedure Section 1230.010, *et seq.*, including Section 1240.110), California Government Code Section 37350.5 and Section 675(d)(1) of the Charter of the City of Los Angeles. Parcels 6 and 7 are located in the City. Parcels 9, 10, 42 and 43 are located outside the City in unincorporated areas of the County of Los Angeles, and as to those parcels, LADWP is exercising its power of eminent domain extraterritorially pursuant to, *inter alia*, Section 675(d)(1) of the Charter of the City of Los Angeles and Section 1240.125 of the California Code of Civil Procedure.

Sec. 3. The Property is necessary for the Protection of the Aqueducts. It is necessary that LADWP acquire the Property to carry out the essential purpose of protecting the City's water supply and the First and Second Los Angeles Aqueducts. If the Property were not acquired, there would remain threatened protection of the City's water supply and the First and Second Los Angeles Aqueducts.

Sec. 4. The proposed use of the Property for the Protection of the Aqueducts constitutes a valid public use, and the use of the Property will in fact be a public use.

Sec. 5. The real property that is the subject of this Ordinance is currently owned by LMW78 LLC, a California limited liability company, and Indian Ridge LLC, a California limited liability company (Owners), and consists of the fee interest in real property, legally described and depicted by Exhibits A, B, C, D, E and F attached hereto and incorporated herein by this reference. For illustrative purposes only, the Property is shown in a map, having drawing number D05898-P-005 in the lower corner, attached to this ordinance. In conformance with Sections 7267.1 and 7267.2 of the California Government Code, appraisals were prepared covering the Property. Offers based on said appraisals were made to the Owners of the Property, and written statements showing the appraised value of the Property and summarizing the basis of that valuation was also delivered to the Owners.

Sec. 6. Notice has been given by First Class mail to the Owners of the Property, to their address as shown by the last equalized Los Angeles County assessment roll. The notice advised the Owners of the intent of the Council to adopt this ordinance and of the right to appear and be heard by the Council. Each of the Owners who so requested was given an opportunity to appear and be heard by the Council.

Sec. 7. To the extent the Property, or any of the parcels, is already devoted to a public use, the use of the Property for the Protection of the Aqueducts is a compatible use that will not unreasonably interfere with or impair the continuance of the public use as it presently exists or may reasonably be expected to exist in the future (California Code of Civil Procedure Section 1240.510), or the use of the Property for the Protection of the Aqueducts is a more necessary public use than is the presently existing public use (California Code of Civil Procedure Section 1240.610).

Sec. 8. Under the California Environmental Quality Act (CEQA) the condemnation of the Property is exempt pursuant to the General Exemption described in CEQA Guidelines Section 15061 (b)(3) because the Protection of the Aqueducts will not lead to any development and the Property will remain fallow after acquisition and, therefore, it can be seen with certainty that there is no possibility that the Protection of the Aqueducts may have a significant effect on the environment.

Sec. 9. The Office of the Los Angeles City Attorney, including special litigation counsel, is hereby authorized and directed to engage in condemnation proceedings to acquire the Property in fee simple absolute (unless a lesser estate is hereinafter described), upon approval by the City Council pursuant to Section 675(d)(1) of the Charter of the City of Los Angeles.

Sec. 10. The City Attorney and special litigation counsel are hereby authorized and directed to seek and obtain an order for prejudgment possession of the Property at such time as they deem it to be necessary and appropriate for the essential purpose of protecting the City's water supply and the First and Second Los Angeles Aqueducts, and for interior inspection and maintenance of the First and Second Los Angeles Aqueducts.

Sec. 11. The City Clerk shall certify to the passage of this Ordinance and have it published in accordance with Council policy, either in a daily newspaper circulated in the City of Los Angeles or by posting for ten days in three public places in the City of Los Angeles: one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall; one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall East; and one copy on the bulletin board located at the Temple Street entrance to the Los Angeles County Hall of Records.

I hereby certify that this ordinance was passed by the Council of the City of Los Angeles, by a vote of not less than two-thirds of all its members, at its meeting of _____.

JUNE A. LAGMAY, City Clerk

By _____ Deputy

Approved _____

Mayor

Approved as to Form and Legality

MICHAEL N. FEUER, City Attorney

By Jean-Claude Bertet (PBE)
JEAN-CLAUDE BERTET
Deputy City Attorney

Date July 26, 2013

File No. _____

EXHIBIT A

LEGAL DESCRIPTION FOR APN 2603-002-006 ("PARCEL 6")
REFERENCE LOS ANGELES DEPARTMENT OF WATER AND POWER
RIGHT-OF-WAY NO. 13315-9 & REAL ESTATE FILE NO. W-85294

BASIS OF BEARINGS:

THE BASIS OF BEARINGS OF THIS LEGAL DESCRIPTION IS THE SOUTHERLY LINE OF THAT CERTAIN 50-FOOT-WIDE STRIP OF LAND IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, HAVING A BEARING OF SOUTH 60° 42' 32" EAST, AS DESCRIBED IN "PARCEL NO. 52" OF DEED TO SAID CITY RECORDED DECEMBER 30, 1970, AS INSTRUMENT NO. 46 IN BOOK D4929, PAGE 135, OF OFFICIAL RECORDS, IN THE OFFICE OF COUNTY RECORDER, OF SAID COUNTY.

THAT PORTION OF THE MACLAY RANCHO EX-MISSION DE SAN FERNANDO, IN SAID CITY, AS SHOWN ON MAP RECORDED IN BOOK 37, PAGES 5 THROUGH 16, INCLUSIVE, OF MISCELLANEOUS RECORDS, IN SAID COUNTY RECORDER'S OFFICE, AS DESCRIBED IN DEED RECORDED IN BOOK 1294, PAGE 198, OF DEEDS, IN SAID COUNTY RECORDER'S OFFICE, BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE EASTERLY LINE OF SIERRA HIGHWAY, 100 FEET WIDE, AS DESCRIBED IN "PARCEL 1" OF DEED TO THE STATE OF CALIFORNIA RECORDED NOVEMBER 5, 1956, AS INSTRUMENT NO. 1677 IN BOOK 52780, PAGE 1, OF SAID OFFICIAL RECORDS, WITH THE SOUTHWESTERLY LINE OF SAID "PARCEL 52" HAVING A BEARING OF SOUTH 60° 42' 32" EAST, SAID POINT OF BEGINNING ALSO SHOWN AS "P.O.B. PARCEL 2" ON "EXHIBIT 'B'" PAGE 3 OF 4 OF GRANT DEED TO THE CITY OF SANTA CLARITA RECORDED OCTOBER 29, 2010, AS INSTRUMENT NO. 2010-1552982, OF SAID OFFICIAL RECORDS; THENCE ALONG SAID SOUTHWESTERLY LINE THROUGH THE FOLLOWING 4 COURSES:

1. SOUTH 60° 42' 32" EAST, 86.76 FEET; THENCE
2. SOUTH 05° 31' 11" WEST, 281.90 FEET; THENCE
3. SOUTH 66° 32' 16" EAST, 211.44 FEET; THENCE
4. SOUTH 46° 16' 51" EAST, 346.76 FEET TO THE NORTHWESTERLY LINE OF THE LAND SHOWN ON SAID "EXHIBIT 'B'" PAGE 3 OF 4 IN SAID INSTRUMENT NO. 2010-1552982; THENCE ALONG SAID NORTHWESTERLY LINE THROUGH THE FOLLOWING 3 COURSES:
 5. NORTH 81° 11' 33" WEST, 385.08 FEET; THENCE
 6. SOUTH 19° 41' 32" WEST, 290.82 FEET; THENCE
 7. SOUTH 51° 27' 59" WEST, 109.79 FEET TO THE SOUTHEASTERLY TERMINUS OF THAT CERTAIN COURSE HAVING A BEARING AND DISTANCE OF SOUTH 46° 43' 13" EAST, 147.31 FEET, AS DESCRIBED IN SAID INSTRUMENT NO. 1677, FOR THE PURPOSES OF THIS LEGAL DESCRIPTION, SAID LINE HAVING A BEARING OF SOUTH 46° 43' 13" EAST SHALL BE ROTATED 0° 06' 03" CLOCKWISE TO BE SOUTH 46° 37' 10" EAST; THENCE ALONG SAID EASTERLY LINE OF "PARCEL 1"

| |
|--|
| PREPARED BY WATER SYSTEM RIGHT-OF-WAY ENGINEERING TEAM |
|--|

8. NORTH 46° 37' 10" WEST, 147.31 FEET TO THE POINT OF INTERSECTION WITH THE SOUTHWESTERLY PROLONGATION OF THE EASTERLY LINE OF THE "ORIGINAL COUNTY ROAD, 60 FEET WIDE" HAVING A BEARING OF SOUTH 21° 12' 51" WEST, AS DESCRIBED IN SAID "PARCEL 1". FOR THE PURPOSES OF THIS LEGAL DESCRIPTION, SAID LINE HAVING A BEARING OF SOUTH 21° 12' 51" WEST SHALL BE ROTATED 0° 06' 03" CLOCKWISE TO BE SOUTH 21° 18' 54" WEST; THENCE ALONG SAID SOUTHWESTERLY PROLONGATION

9. NORTH 21° 18' 54" EAST, 272.29 FEET TO A POINT ON THE EASTERLY LINE OF SAID COUNTY ROAD; THENCE CONTINUING ALONG SAID EASTERLY LINE

10. NORTH 21° 18' 54" EAST, 212.72 FEET TO THE BEGINNING OF A CURVE CONCAVE WESTERLY HAVING A RADIUS OF 507.68 FEET, SAID CURVE ALSO BEING THE EASTERLY LINE OF SAID COUNTY ROAD; THENCE

11. NORTHERLY ALONG LAST SAID CURVE THROUGH A CENTRAL ANGLE OF 40° 56' 58", AN ARC DISTANCE OF 362.84 FEET TO A POINT OF THE INTERSECTION WITH A NON-TANGENT CURVE CONCAVE WESTERLY HAVING A RADIUS OF 850.00 FEET, A RADIAL LINE TO SAID POINT BEARS NORTH 82° 35' 52" EAST, SAID CURVE ALSO BEING THE EASTERLY LINE OF SAID SIERRA HIGHWAY; THENCE

12. NORTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 01° 29' 49", AN ARC DISTANCE OF 22.21 FEET TO SAID POINT OF BEGINNING.

PURSUANT TO CERTIFICATE OF COMPLIANCE NO. AA-2010-2769-COC, SHOWN AS PARCEL 2, RECORDED DECEMBER 10, 2010, AS INSTRUMENT NO. 2010-1831077, OF SAID OFFICIAL RECORDS.

EXCEPT THEREFROM ANY AND ALL TRANSFERABLE DEVELOPMENT RIGHTS (AS DEFINED, FROM TIME TO TIME, IN THE APPLICABLE ORDINANCES OF THE COUNTY OF LOS ANGELES), INCLUDING, WITHOUT LIMITATION, RIGHTS TO TRANSFER OR TO AVERAGE RESIDENTIAL DENSITY, WHICH PERTAIN TO OR DERIVE FROM THE PROPERTY (TDRS") AND WHICH ARE IN EXISTENCE AND ALSO EXCEPT (A) ALL OIL, GAS AND OTHER HYDROCARBONS; NON-HYDROCARBON GASES OR GASEOUS SUBSTANCES; ALL OTHER MINERALS OF WHATSOEVER NATURE, WITHOUT REGARD TO SIMILARITY TO THE ABOVE-MENTIONED SUBSTANCES; AND ALL SUBSTANCES THAT MAY BE PRODUCED THEREWITH FROM THE PROPERTY; (B) ALL GEOTHERMAL RESOURCES, EMBRACING INDIGENOUS STEAM, HOT WATER AND HOT BRINES; STEAM AND OTHER GASES, HOT WATER AND HOT BRINES RESULTING FROM WATER, GAS OR OTHER FLUIDS ARTIFICIALLY INTRODUCED INTO SUBSURFACE FORMATIONS; HEAT OR THE ASSOCIATED ENERGY FOUND BENEATH THE SURFACE OF THE EARTH; AND BY-PRODUCTS OF ANY OF THE FOREGOING SUCH AS MINERALS (EXCLUSIVE OF OIL OR HYDROCARBON GAS THAT CAN BE SEPARATELY PRODUCED) WHICH ARE FOUND IN SOLUTION OR ASSOCIATION WITH OR DERIVED FROM ANY OF THE FOREGOING, BUT NOT INCLUDING METHANE GAS RECOVERED FROM THE LANDFILL OPERATION ON THE PROPERTY OR ANY OTHER MINERAL RECOVERY WHICH RESULTS FROM THE LANDFILL OPERATION AS DISTINGUISHED FROM NATURAL RESOURCES LOCATED ON THE PROPERTY; AND (C) THE SOLE AND EXCLUSIVE RIGHT FROM TIME TO TIME TO BORE OR DRILL AND MAINTAIN WELLS AND OTHER WORKS INTO AND THROUGH THE PROPERTY AND ADJOINING STREETS, ROADS, AND HIGHWAYS BELOW A DEPTH OF FIVE HUNDRED (500) FEET BELOW THE SURFACE THEREOF ON THE DATE OF RECORDATION OF THIS GRANT DEED FOR THE PURPOSE OF EXPLORING FOR AND PRODUCING ENERGY

PREPARED BY
WATER SYSTEM
RIGHT-OF-WAY ENGINEERING TEAM

RESOURCE, THE RIGHT TO PRODUCE, INJECT, STORE AND REMOVE FROM AND THROUGH SAID BORES, WELLS OR WORKS, OIL, GAS, WATER, AND OTHER SUBSTANCES OF WHATEVER NATURE, AND THE RIGHT TO PERFORM BELOW SAID DEPTH ANY AND ALL OPERATIONS DEEMED BY CHEVRON NECESSARY OR CONVENIENT FOR THE EXERCISE OF SUCH RIGHTS. THE RIGHTS EXCEPTED AND RESERVED IN THIS PARAGRAPH DO NOT INCLUDE AND DO NOT EXCEPT OR RESERVE TO CHEVRON ANY RIGHT OF CHEVRON TO USE THE SURFACE OF THE PROPERTY OR THE FIRST FIVE HUNDRED (500) BELOW SAID SURFACE OR TO CONDUCT ANY OPERATIONS THEREON OR THEREIN, AS EXCEPTED AND RESERVED BY CHEVRON U.S.A., INC. IN THAT CERTAIN DEED RECORDED AUGUST 14, 1992, AS INSTRUMENT NO. 92-1522904, OF SAID OFFICIAL RECORDS.

THE ABOVE DESCRIBED PARCEL OF LAND CONTAINS AN AREA OF APPROXIMATELY 3.73 ACRES.



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EXHIBIT B

LEGAL DESCRIPTION FOR APN 2603-002-007 ("PARCEL 7")
REFERENCE LOS ANGELES DEPARTMENT OF WATER AND POWER
RIGHT-OF-WAY NO. 13315-9 & REAL ESTATE FILE NO. W-85294

BASIS OF BEARINGS:

THE BASIS OF BEARINGS OF THIS LEGAL DESCRIPTION IS THE NORTHEASTERLY LINE OF THE CERTAIN PARCEL OF LAND TITLED "EXCEPTION PARCEL 1" HAVING A BEARING OF SOUTH 53° 55' 11" EAST, AS DESCRIBED IN GRANT DEED TO THE CITY OF SANTA CLARITA, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, RECORDED OCTOBER 29, 2010, AS INSTRUMENT NO. 2010-1552982, OF OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER, OF SAID COUNTY.

THAT PORTION OF SAID MACLAY RANCHO EX-MISSION DE SAN FERNANDO, IN THE CITY OF LOS ANGELES, IN SAID COUNTY, AS SHOWN ON MAP RECORDED IN BOOK 37, PAGES 5 THROUGH 16, INCLUSIVE, OF MISCELLANEOUS RECORDS, OF SAID COUNTY RECORDER'S OFFICE, BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT BEING THE NORTHWESTERLY TERMINUS OF SAID NORTHEASTERLY LINE SHOWN AS "S.F. COR. #15" ON "EXHIBIT B", PAGE 3 OF 4 OF SAID INSTRUMENT NO. 2010-1552982; SAID POINT OF BEGINNING ALSO SHOWN AS "POST SF 15" OF RANCHO EX-MISSION DE SAN FERNANDO, AS SHOWN ON MAP RECORDED IN BOOK 1, PAGES 605 AND 606, OF PATENTS, IN SAID COUNTY RECORDER'S OFFICE; THENCE

1. ALONG SAID NORTHEASTERLY LINE SOUTH 53° 55' 11" EAST, 532.36 FEET TO THE POINT OF INTERSECTION WITH THE WESTERLY LINE OF LOT 1 OF SECTION 19, TOWNSHIP 3 NORTH, RANGE 15 WEST, SAN BERNARDINO MERIDIAN, IN SAID COUNTY, AS SHOWN ON THE OFFICIAL PLAT APPROVED JANUARY 14, 1875, AND FILED IN THE U.S. SURVEYOR GENERAL'S OFFICE OF SAID STATE; THENCE CONTINUING ALONG SAID NORTHEASTERLY LINE

2. SOUTH 53° 55' 11" EAST, 558.81 FEET; THENCE LEAVING SAID NORTHEASTERLY LINE

3. SOUTH 36° 04' 49" WEST, 119.64 FEET; THENCE

4. SOUTH 15° 51' 20" EAST, 116.75 FEET; THENCE

5. SOUTH 68° 34' 09" WEST, 171.13 FEET; THENCE

6. SOUTH 36° 04' 49" WEST, 50.00 FEET TO A POINT ON THE NORTHEASTERLY LINE OF THAT CERTAIN 50-FOOT-WIDE STRIP OF LAND IN SAID CITY HAVING A BEARING OF NORTH 46° 16' 51" WEST, AS DESCRIBED IN "PARCEL NO. 52" OF DEED TO SAID CITY OF LOS ANGELES RECORDED DECEMBER 30, 1970, AS INSTRUMENT NO. 46 IN BOOK D4929, PAGE 135, OF SAID OFFICIAL RECORDS; THENCE ALONG LAST SAID LAST-MENTIONED NORTHEASTERLY LINE THROUGH THE FOLLOWING 4 COURSES;

7. NORTH 46° 16' 51" WEST, 427.34 FEET; THENCE

8. NORTH 66° 32' 16" WEST, 184.00 FEET; THENCE

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9. NORTH 5° 31' 11" EAST, 278.14 FEET; THENCE

10. NORTH 60° 42' 32" WEST, 155.16 FEET TO A POINT ON A NON-TANGENT CURVE CONCAVE WESTERLY HAVING A RADIUS OF 855.00 FEET, A RADIAL LINE TO SAID POINT BEARS NORTH 76° 58' 53" EAST, SAID CURVE ALSO BEING THE EASTERLY LINE OF SIERRA HIGHWAY, AS DESCRIBED IN "PARCEL 2" OF DEED TO THE STATE OF CALIFORNIA RECORDED NOVEMBER 5, 1956, AS INSTRUMENT NO. 1677 IN BOOK 52780, PAGE 1, OF SAID OFFICIAL RECORDS; THENCE

11. NORTHERLY ALONG SAID CURVE AND ALONG SAID EASTERLY LINE OF SIERRA HIGHWAY THROUGH A CENTRAL ANGLE OF 13° 03' 53", AN ARC DISTANCE OF 194.96 FEET; THENCE CONTINUING ALONG SAID EASTERLY LINE OF SIERRA HIGHWAY AND RADIAL FROM SAID CURVE

12. SOUTH 63° 55' 00" WEST, 5.00 FEET TO A POINT OF THE BEGINNING OF A NON-TANGENT CURVE CONCAVE WESTERLY HAVING A RADIUS OF 850.00 FEET, A RADIAL LINE TO SAID POINT BEARS NORTH 63° 55' 00" EAST; THENCE

13. CONTINUING ALONG SAID EASTERLY LINE OF SIERRA HIGHWAY AND NORTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 02° 37' 58", AN ARC DISTANCE OF 39.06 FEET TO A POINT LYING ON THE NORTHWESTERLY LINE OF SAID MACLAY RANCHO HAVING A BEARING OF SOUTH 47° 50' 30" WEST, AS SHOWN ON SAID "EXHIBIT 'B'"; THENCE ALONG SAID NORTHWESTERLY LINE

14. NORTH 47° 50' 30" EAST, 25.91 FEET TO SAID POINT OF BEGINNING.

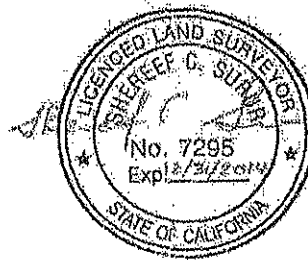
PURSUANT TO CERTIFICATE OF COMPLIANCE NO. AA-2010-2769-COC, SHOWN AS PARCEL-1, RECORDED DECEMBER 10, 2010, AS INSTRUMENT NO. 2010-1831077, OF SAID OFFICIAL RECORDS.

EXCEPT THEREFROM ANY AND ALL TRANSFERABLE DEVELOPMENT RIGHTS (AS DEFINED, FROM TIME TO TIME, IN THE APPLICABLE ORDINANCES OF THE COUNTY OF LOS ANGELES), INCLUDING, WITHOUT LIMITATION, RIGHTS TO TRANSFER OR TO AVERAGE RESIDENTIAL DENSITY, WHICH PERTAIN TO OR DERIVE FROM THE PROPERTY (TDRS") AND WHICH ARE IN EXISTENCE AND ALSO EXCEPT (A) ALL OIL, GAS AND OTHER HYDROCARBONS; NON-HYDROCARBON GASES OR GASEOUS SUBSTANCES; ALL OTHER MINERALS OF WHATSOEVER NATURE, WITHOUT REGARD TO SIMILARITY TO THE ABOVE-MENTIONED SUBSTANCES; AND ALL SUBSTANCES THAT MAY BE PRODUCED THEREWITH FROM THE PROPERTY; (B) ALL GEOTHERMAL RESOURCES, EMBRACING INDIGENOUS STEAM, HOT WATER AND HOT BRINES; STEAM AND OTHER GASES, HOT WATER AND HOT BRINES RESULTING FROM WATER, GAS OR OTHER FLUIDS ARTIFICIALLY INTRODUCED INTO SUBSURFACE FORMATIONS; HEAT OR THE ASSOCIATED ENERGY FOUND BENEATH THE SURFACE OF THE EARTH; AND BY-PRODUCTS OF ANY OF THE FOREGOING SUCH AS MINERALS (EXCLUSIVE OF OIL OR HYDROCARBON GAS THAT CAN BE SEPARATELY PRODUCED) WHICH ARE FOUND IN SOLUTION OR ASSOCIATION WITH OR DERIVED FROM ANY OF THE FOREGOING, BUT NOT INCLUDING METHANE GAS RECOVERED FROM THE LANDFILL OPERATION ON THE PROPERTY OR ANY OTHER MINERAL RECOVERY WHICH RESULTS FROM THE LANDFILL

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OPERATION AS DISTINGUISHED FROM NATURAL RESOURCES LOCATED ON THE PROPERTY; AND (C) THE SOLE AND EXCLUSIVE RIGHT FROM TIME TO TIME TO BORE OR DRILL AND MAINTAIN WELLS AND OTHER WORKS INTO AND THROUGH THE PROPERTY AND ADJOINING STREETS, ROADS, AND HIGHWAYS BELOW A DEPTH OF FIVE HUNDRED (500) FEET BELOW THE SURFACE THEREOF ON THE DATE OF RECORDATION OF THIS GRANT DEED FOR THE PURPOSE OF EXPLORING FOR AND PRODUCING ENERGY RESOURCE; THE RIGHT TO PRODUCE, INJECT, STORE AND REMOVE FROM AND THROUGH SAID BORES, WELLS OR WORKS, OIL, GAS, WATER, AND OTHER SUBSTANCES OF WHATEVER NATURE, AND THE RIGHT TO PERFORM BELOW SAID DEPTH ANY AND ALL OPERATIONS DEEMED BY CHEVRON NECESSARY OR CONVENIENT FOR THE EXERCISE OF SUCH RIGHTS. THE RIGHTS EXCEPTED AND RESERVED IN THIS PARAGRAPH DO NOT INCLUDE AND DO NOT EXCEPT OR RESERVE TO CHEVRON ANY RIGHT OF CHEVRON TO USE THE SURFACE OF THE PROPERTY OR THE FIRST FIVE HUNDRED (500) BELOW SAID SURFACE OR TO CONDUCT ANY OPERATIONS THEREON OR THEREIN, AS EXCEPTED AND RESERVED BY CHEVRON U.S.A., INC., IN THAT CERTAIN DEED RECORDED AUGUST 14, 1992, AS INSTRUMENT NO. 92-1522904, OF SAID OFFICIAL RECORDS.

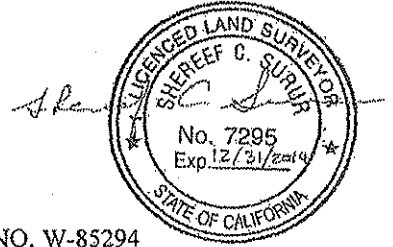
THE ABOVE-DESCRIBED PARCEL OF LAND CONTAINS AN AREA OF APPROXIMATELY 6.80 ACRES.



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EXHIBIT C & D

LEGAL DESCRIPTION INCLUDES APNS
2581-001-009 ("PARCEL 9") & 2581-001-010 ("PARCEL 10")
REFERENCE LADWP RIGHT-OF-WAY NO. 13315-9 & REAL ESTATE FILE NO. W-85294



BASIS OF BEARINGS:

THE BASIS OF BEARINGS OF THIS LEGAL DESCRIPTION IS THE NORTH LINE OF LOT 1 OF SECTION 24, TOWNSHIP 3 NORTH, RANGE 16 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, HAVING A BEARING OF NORTH 89° 45' 56" WEST, AS DESCRIBED IN QUITCLAIM DEED TO "INDIAN RIDGE LLC" RECORDED APRIL 3, 2006, AS INSTRUMENT NO. 06 0709507, OF OFFICIAL RECORDS, IN THE OFFICE OF COUNTY RECORDER, OF SAID COUNTY, SAID LINE HAVING A BEARING OF NORTH 89° 45' 56" WEST ALSO SHOWN AS "WEST" ON THE OFFICIAL PLAT OF SAID LAND SURVEYED DECEMBER 20, 1875 AND FILED IN THE U.S. SURVEYOR GENERAL'S OFFICE OF SAID STATE.

THAT CERTAIN PORTION OF SAID LOT 1, AS DESCRIBED IN SAID INSTRUMENT NO. 06 0709507, BOUNDED AND DESCRIBED MORE PARTICULARLY AS FOLLOWS:

BEGINNING AT THE NORTHEASTERLY CORNER OF SAID SECTION 24; THENCE ALONG SAID NORTH LINE OF SAID SECTION 24 NORTH 89° 45' 56" WEST, 1,190.76 FEET TO THE MOST NORTHERLY NORTHEASTERLY CORNER OF LAND DESCRIBED AS "PARCEL 1A (AMENDED)" IN THE FINAL ORDER OF CONDEMNATION ENTERED IN LOS ANGELES COUNTY SUPERIOR COURT CASE NO. 921651, A CERTIFIED COPY OF WHICH BEING RECORDED AS INSTRUMENT NO. 3546 ON OCTOBER 12, 1972 IN BOOK D5633, PAGE 156 OF OFFICIAL RECORDS OF SAID COUNTY; THENCE ALONG THE EASTERLY AND NORTHEASTERLY LINES OF SAID "PARCEL 1A (AMENDED)" SOUTH 34° 33' 42" WEST, 34.77 FEET; THENCE SOUTH 20° 04' 28" EAST, 74.88 FEET; THENCE SOUTH 41° 41' 19" EAST, 184.77 FEET; THENCE SOUTH 22° 35' 01" EAST, 75.51 FEET; THENCE SOUTH 43° 02' 14" EAST, 175.44 FEET; THENCE SOUTH 23° 34' 19" EAST, 194.57 FEET; THENCE SOUTH 59° 01' 15" WEST, 129.00 FEET; THENCE SOUTH 10° 23' 51" EAST, 64.67 FEET TO A POINT IN COURSE NO. 15 OF THE EXTERIOR BOUNDARIES OF THE EX-MISSION DE SAN FERNANDO, AS SHOWN ON MAP RECORDED IN BOOK 1, PAGE 605, OF PATENTS, IN SAID COUNTY RECORDER'S OFFICE, DISTANT THEREON ALONG SAID COURSE NO. 15, SOUTH 47° 49' 48" WEST, 664.25 FEET FROM CORNER NO. 15 OF SAID EX-MISSION DE SAN FERNANDO; THENCE ALONG SAID COURSE NO. 15, NORTH 47° 49' 48" EAST, 664.25 FEET TO SAID CORNER NO. 15; THENCE CONTINUING ALONG THE EXTERIOR BOUNDARY OF SAID EX-MISSION DE SAN FERNANDO SOUTHEASTERLY TO THE EAST LINE OF SAID SECTION 24; THENCE NORTHERLY ALONG SAID EAST LINE TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM ANY PORTION THEREOF LYING WESTERLY OF THE EASTERLY LINE OF A 60-FOOT-WIDE ROAD, AS CONVEYED TO THE COUNTY OF LOS ANGELES BY DEED RECORDED IN BOOK 3939, PAGE 83, OF DEEDS, OF SAID COUNTY RECORDER'S OFFICE, SAID ROAD ALSO SHOWN AS "SIERRA HWY" ON THE STATE OF CALIFORNIA DEPARTMENT OF TRANSPORTATION (CALTRANS) APPRAISAL MAP "STATE OF CALIFORNIA TRANSPORTATION AGENCY, DEPARTMENT OF PUBLIC WORKS, DIVISION OF HIGHWAYS, APPRAISAL MAP NO. F-1055-1, SHT. 2 OF 9", DATED JANUARY 10, 1966, FILED IN CALTRANS' RIGHT-OF-WAY OFFICE IN THE CITY OF LOS ANGELES, OF SAID COUNTY.

THE ABOVE-DESCRIBED PARCEL OF LAND CONTAINS AN AREA OF APPROXIMATELY 5.74 ACRES.

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EXHIBIT E & F

LEGAL DESCRIPTION INCLUDES APNS
2581-001-042 ("PARCEL 42") & 2381-001-043 ("PARCEL 43")
REFERENCE LOS ANGELES DEPARTMENT OF WATER AND POWER
RIGHT-OF-WAY NO. 13513-9 & REAL ESTATE FILE NO. W-85294

BASIS OF BEARINGS:

THE BASIS OF BEARINGS OF THIS LEGAL DESCRIPTION IS THE WESTERLY LINE OF LOT 1 OF SECTION 19, TOWNSHIP 3 NORTH, RANGE 15 WEST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, HAVING A BEARING OF NORTH 01° 05' 44" EAST, AS DESCRIBED IN THAT CERTAIN PARCEL OF LAND TITLED "EXCEPTION PARCEL 6" OF GRANT DEED TO THE CITY OF SANTA CLARITA, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA RECORDED OCTOBER 29, 2010, AS INSTRUMENT NO. 2010-1552982, OF OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER, OF SAID COUNTY.

THOSE PORTIONS OF LOT 4 OF SECTION 18 AND SAID LOT 1 OF SECTION 19, BOTH IN SAID TOWNSHIP 3 NORTH, RANGE 15 WEST, SAN BERNARDINO MERIDIAN, AS SHOWN ON THE OFFICIAL PLAT APPROVED JANUARY 14, 1875, AND FILED IN THE U.S. SURVEYOR GENERAL'S OFFICE OF SAID STATE, BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE WESTERLY LINE OF SAID LOT 1 WITH THE NORTHEASTERLY LINE OF THE MACLAY RANCHO EX-MISSION DE SAN FERNANDO, AS SHOWN ON MAP RECORDED IN BOOK 37, PAGES 5 THROUGH 16, INCLUSIVE, OF MISCELLANEOUS RECORDS, OF SAID COUNTY RECORDER'S OFFICE, SAID POINT OF BEGINNING ALSO SHOWN AS "P.O.B. PARCEL 6" ON "EXHIBIT 'B'", PAGE 2 OF 4, OF SAID INSTRUMENT NO. 2010-1552982, THENCE ALONG SAID WESTERLY LINE

1. NORTH 01° 05' 44" EAST, 606.10 FEET TO THE NORTHWESTERLY CORNER OF SAID SECTION 19; THENCE ALONG THE WESTERLY LINE OF SAID LOT 4

2. NORTH 07° 00' 49" EAST, 833.02 FEET TO A COURSE OF THE LAND DESCRIBED IN SAID INSTRUMENT NO. 2010-1552982 HAVING A BEARING OF SOUTH 85° 14' 37" EAST; THENCE ALONG SAID COURSE

3. SOUTH 85° 14' 37" EAST, 444.00 FEET TO THE WESTERLY LINE OF SAID LAND HAVING A BEARING OF SOUTH 08° 14' 24" EAST; THENCE ALONG SAID WESTERLY LINE THROUGH THE FOLLOWING 10 COURSES:

4. SOUTH 08° 14' 24" EAST, 507.00 FEET; THENCE

5. SOUTH 08° 13' 09" WEST, 135.08 FEET; THENCE

6. SOUTH 40° 56' 02" EAST, 81.82 FEET; THENCE

7. SOUTH 28° 29' 45" WEST, 178.59 FEET; THENCE

8. SOUTH 25° 48' 36" EAST, 238.85 FEET; THENCE

9. SOUTH 53° 49' 07" WEST, 187.08 FEET; THENCE

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10. SOUTH 08° 13' 09" WEST, 290.33 FEET; THENCE

11. SOUTH 34° 02' 14" EAST, 135.58 FEET; THENCE

12. SOUTH 47° 57' 06" WEST, 142.63 FEET; THENCE

13. SOUTH 08° 13' 09" WEST, 50.68 FEET TO A POINT LYING ON SAID NORTHEASTERLY LINE OF MACLAY RANCHO HAVING A BEARING OF NORTH 53° 55' 11" WEST, DISTANT THEREON 558.81 FEET FROM THE POINT OF BEGINNING; THENCE ALONG SAID NORTHEASTERLY LINE

14. NORTH 53° 55' 11" WEST, 558.81 FEET TO SAID POINT OF BEGINNING.

PURSUANT TO THE CORRECTION TO CERTIFICATE OF COMPLIANCE RCOO 2010 00165, SHOWN AS PARCEL 1, RECORDED DECEMBER 20, 2010, AS INSTRUMENT NO. 2010-1881609 OF SAID OFFICIAL RECORDS,

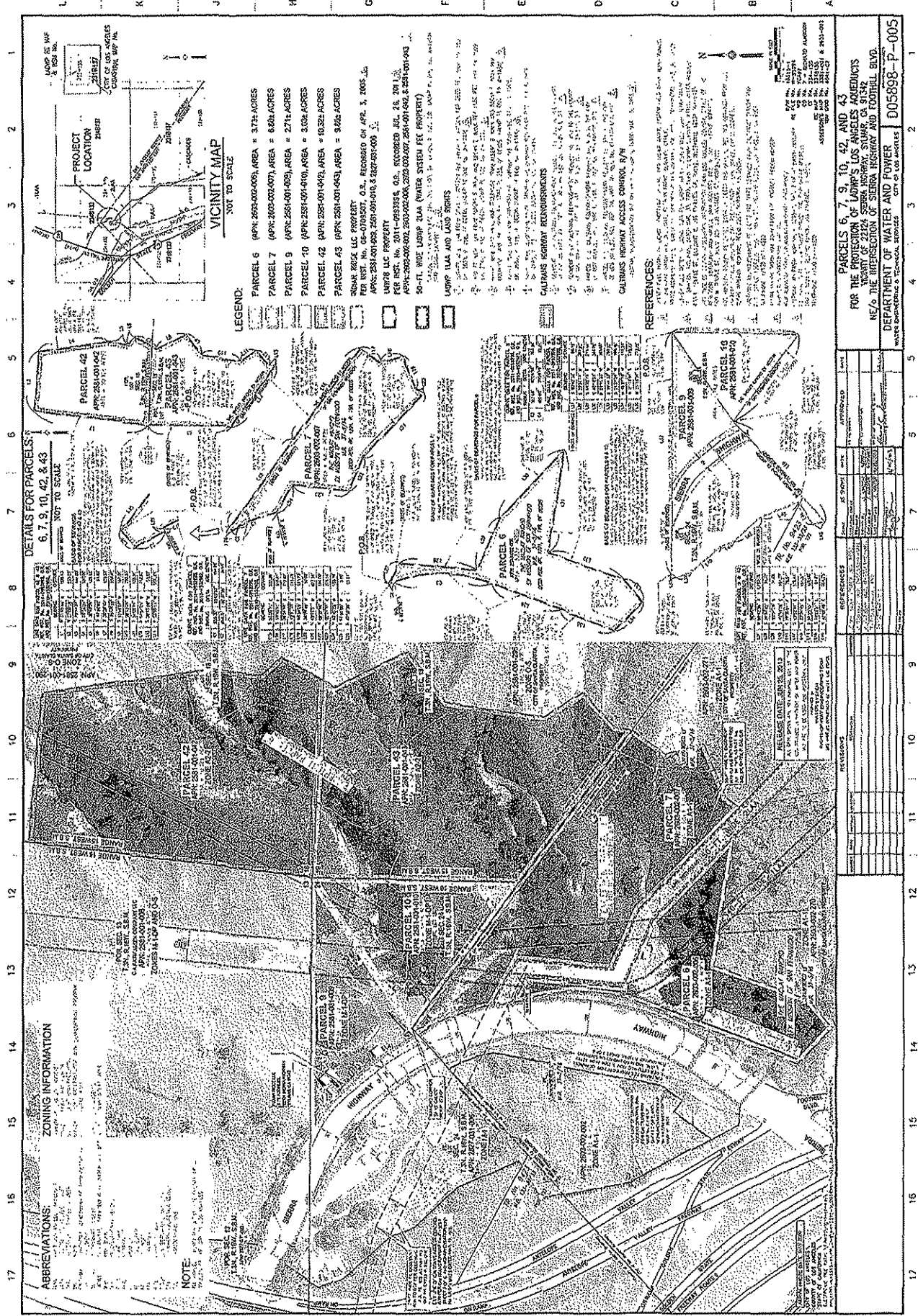
EXCEPT THEREFROM ANY AND ALL TRANSFERABLE DEVELOPMENT RIGHTS (AS DEFINED, FROM TIME TO TIME, IN THE APPLICABLE ORDINANCES OF THE COUNTY OF LOS ANGELES), INCLUDING, WITHOUT LIMITATION, RIGHTS TO TRANSFER OR TO AVERAGE RESIDENTIAL DENSITY, WHICH PERTAIN TO OR DERIVE FROM THE PROPERTY (TDRS[®]) AND WHICH ARE IN EXISTENCE AND ALSO EXCEPT (A) ALL OIL, GAS AND OTHER HYDROCARBONS; NON-HYDROCARBON GASES OR GASEOUS SUBSTANCES; ALL OTHER MINERALS OF WHATSOEVER NATURE, WITHOUT REGARD TO SIMILARITY TO THE ABOVE-MENTIONED SUBSTANCES; AND ALL SUBSTANCES THAT MAY BE PRODUCED THEREWITH FROM THE PROPERTY; (B) ALL GEOTHERMAL RESOURCES, EMBRACING INDIGENOUS STEAM, HOT WATER AND HOT BRINES; STEAM AND OTHER GASES, HOT WATER AND HOT BRINES RESULTING FROM WATER, GAS OR OTHER FLUIDS ARTIFICIALLY INTRODUCED INTO SUBSURFACE FORMATIONS; HEAT OR THE ASSOCIATED ENERGY FOUND BENEATH THE SURFACE OF THE EARTH; AND BY-PRODUCTS OF ANY OF THE FOREGOING SUCH AS MINERALS (EXCLUSIVE OF OIL OR HYDROCARBON GAS THAT CAN BE SEPARATELY PRODUCED) WHICH ARE FOUND IN SOLUTION OR ASSOCIATION WITH OR DERIVED FROM ANY OF THE FOREGOING, BUT NOT INCLUDING METHANE GAS RECOVERED FROM THE LANDFILL OPERATION ON THE PROPERTY OR ANY OTHER MINERAL RECOVERY WHICH RESULTS FROM THE LANDFILL OPERATION AS DISTINGUISHED FROM NATURAL RESOURCES LOCATED ON THE PROPERTY; AND (C) THE SOLE AND EXCLUSIVE RIGHT FROM TIME TO TIME TO BORE OR DRILL AND MAINTAIN WELLS AND OTHER WORKS INTO AND THROUGH THE PROPERTY AND ADJOINING STREETS, ROADS, AND HIGHWAYS BELOW A DEPTH OF FIVE HUNDRED (500) FEET BELOW THE SURFACE THEREOF ON THE DATE OF RECORDATION OF THIS GRANT DEED FOR THE PURPOSE OF EXPLORING FOR AND PRODUCING ENERGY RESOURCE; THE RIGHT TO PRODUCE, INJECT, STORE AND REMOVE FROM AND THROUGH SAID BORES, WELLS OR WORKS, OIL, GAS, WATER, AND OTHER SUBSTANCES OF WHATEVER NATURE; AND THE RIGHT TO PERFORM BELOW SAID DEPTH ANY AND ALL OPERATIONS DEEMED BY CHEVRON NECESSARY OR CONVENIENT FOR THE EXERCISE OF SUCH RIGHTS. THE RIGHTS EXCEPTED AND RESERVED IN THIS PARAGRAPH DO NOT

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INCLUDE AND DO NOT EXCEPT OR RESERVE TO CHEVRON ANY RIGHT OF CHEVRON TO USE THE SURFACE OF THE PROPERTY OR THE FIRST FIVE HUNDRED (500) BELOW SAID SURFACE OR TO CONDUCT ANY OPERATIONS THEREON OR THEREIN, AS EXCEPTED AND RESERVED BY CHEVRON U.S.A., INC., IN THAT CERTAIN DEED RECORDED AUGUST 14, 1992, AS INSTRUMENT NO. 92-1522904, OF SAID OFFICIAL RECORDS.

THE ABOVE-DESCRIBED PARCEL OF LAND CONTAINS AN AREA OF APPROXIMATELY 20.18 ACRES.





PARCELS 6, 7, 9, 10, 42, AND 43
 FOR THE PROTECTION OF LADINO'S LOS ANGELES AQUEDUCTS
 NEAR THE INTERSECTION OF SIERRA HIGHWAY AND FOOTBALL BLVD.
 DEPARTMENT OF WATER AND POWER
 CITY OF LOS ANGELES

| NO. | DATE | DESCRIPTION | BY | APPROVED |
|-----|----------|-----------------------|-----|----------|
| 1 | 08/11/05 | ISSUED FOR PERMITTING | ... | ... |
| 2 | 08/11/05 | ... | ... | ... |
| 3 | 08/11/05 | ... | ... | ... |
| 4 | 08/11/05 | ... | ... | ... |
| 5 | 08/11/05 | ... | ... | ... |
| 6 | 08/11/05 | ... | ... | ... |
| 7 | 08/11/05 | ... | ... | ... |
| 8 | 08/11/05 | ... | ... | ... |
| 9 | 08/11/05 | ... | ... | ... |
| 10 | 08/11/05 | ... | ... | ... |
| 11 | 08/11/05 | ... | ... | ... |
| 12 | 08/11/05 | ... | ... | ... |
| 13 | 08/11/05 | ... | ... | ... |
| 14 | 08/11/05 | ... | ... | ... |
| 15 | 08/11/05 | ... | ... | ... |
| 16 | 08/11/05 | ... | ... | ... |
| 17 | 08/11/05 | ... | ... | ... |

DETAILS FOR PARCELS:
 6, 7, 9, 10, 42, & 43

| NO. | DATE | DESCRIPTION | BY | APPROVED |
|-----|----------|-----------------------|-----|----------|
| 1 | 08/11/05 | ISSUED FOR PERMITTING | ... | ... |
| 2 | 08/11/05 | ... | ... | ... |
| 3 | 08/11/05 | ... | ... | ... |
| 4 | 08/11/05 | ... | ... | ... |
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| 6 | 08/11/05 | ... | ... | ... |
| 7 | 08/11/05 | ... | ... | ... |
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| 9 | 08/11/05 | ... | ... | ... |
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| 14 | 08/11/05 | ... | ... | ... |
| 15 | 08/11/05 | ... | ... | ... |
| 16 | 08/11/05 | ... | ... | ... |
| 17 | 08/11/05 | ... | ... | ... |

ZONING INFORMATION

ABBREVIATIONS:

NOTE:

LEGEND:

REFERENCES:

PROJECT LOCATION:

VICINITY MAP:

LEGEND:

REFERENCES:

PROJECT LOCATION:

VICINITY MAP:

LEGEND:

REFERENCES:

PROJECT LOCATION:

VICINITY MAP:

LEGEND:

REFERENCES: