

# **West Valley County Water District**

## **Exhibit 3**

AGREEMENT  
FOR  
CONVEYANCE, USE AND MAINTENANCE  
RECREATIONAL FACILITIES AND ROADWAYS

THIS AGREEMENT is entered into on the 29<sup>th</sup> day of July, 1982, by and between OCCIDENTAL LAND INC., a California corporation ("Occidental") and WEST VALLEY COUNTY WATER DISTRICT, a county water district ("District").

R E C I T A L S

A. Occidental is the owner of certain residential lots located within Tracts 27072, 27140, and 27456 in Los Angeles County, California (which lots are referred to as the "Property"), which is commonly known as Holiday Valley.

B. Occidental has participated in the formation of Assessment District No. 1 and District has commenced construction of improvements therein to provide water service to the Property.

C. District and Occidental desire to enter into an agreement whereby Occidental will convey to District certain recreational facilities and roadways:

C O V E N A N T S

NOW, THEREFORE, the parties hereto agree as follows:

1. Conveyance of Recreational Facilities and Roadways.

Occidental agrees to convey to District, without payment of consideration, the recreational facilities and roadways described as follows:

- (a) The existing clubhouse and lake located within the Holiday Valley Project ("Recreational Facilities").
- (b) The easements over private roadways within Assessment District No. 1 for installation of water lines and for

ingress, egress and maintenance of said water lines and roadways and appurtenant facilities ("Roadways").

2. Maintenance of Recreational Facilities and Roadways. As consideration for the participation of Occidental in the formation of Assessment District No. 1 and the conveyance of the Recreational Facilities and Roadways and other good and valuable consideration, the District agrees to provide for the continuing maintenance of the Recreational Facilities and Roadways, as well as all other facilities of the District within Assessment District No. 1.

3. Sale of Recreational Facilities. If District determines to dispose of the Recreational Facilities for economic or other reasons, the District agrees that any such conveyance shall contain specific conditions to insure the continued use and enjoyment of the Recreational Facilities by the owners of the Property. The District shall establish terms and conditions for disposing of the Recreational Facilities. Upon such terms and conditions, the District shall offer the Recreational Facilities in accordance with the priorities specified as follows:

(a) The District shall offer to sell the Recreational Facilities in the time, form and manner specified in Sections 54220 et seq. of the Government Code. If the District does not receive an offer from a public agency to purchase the Recreational Facilities within the sixty (60) days, the District shall offer the Recreational Facilities to the owners of the Property, pursuant to Subparagraph (b) hereof.

(b) The District shall offer to sell the Recreational

Facilities to the owners of the Property; provided that the owners are organized into an association or other legal entity capable of taking title to the Recreational Facilities in behalf and for the benefit of all owners. The District shall offer to sell by notice mailed to each owner of the Property as their names and addresses appear on the last equalized county assessment roll. If the District does not receive a written offer to purchase from the owners of the Property within one hundred and twenty (120) days, then the District shall offer to sell the Recreational Facilities to Occidental and to any other interested person.

4. Availability of Water. The District agrees to make water service available as follows:

- (a) Metered water service shall be made available to lots within Assessment District No. 1;
- (b) Metered water service shall be made available to lands outside of Assessment District No. 1; provided that such service does not impair service to any lot within Assessment District No. 1; and
- (c) Bulk water service shall be made available to the public from the water well or lake located within the Holiday Valley Project or from such other comparable source as may be designated by District;

provided that such water service shall be provided in accordance with reasonable rules and regulations and at reasonable rates and charges to be established by District and provided further that, in the event of a water shortage, District may restrict water

service in the time, form and manner required by law.

5. Public Use of Recreational Facilities. The District intends to use the Recreational Facilities for those purposes specified in the County Water District law, being Division 12 of the Water Code. It is agreed that the Recreational Facilities shall be public facilities and shall be available for use by the public; provided that such use shall be subject to reasonable rules and regulations and to reasonable rates and charges to be established by District.

6. Use by Occidental. The District agrees that Occidental shall have the right to the reasonable use of the existing clubhouse for sales and marketing purposes in connection with the sale of lots within the Property, as well as the resale of such lots or any other lots recovered by foreclosure or similar proceedings relating to the Property. Occidental shall also have the right to the reasonable use of the clubhouse facilities for purposes of maintenance of records and account payable operations. Occidental agrees to conduct such use in a manner that will not unreasonable interfere with the use of the Recreational Facilities by the District or by members of the public. The right of Occidental to such use shall continue until such time as Occidental notifies District in writing that it has no further need therefor.

7. Rental for Use by Occidental. For the use specified in Paragraph 6, Occidental shall pay to District a rental equal to the actual cost of utilities and janitorial services incurred as a result of such use. The rental shall be paid by Occidental to District at such times as may be mutually agreeable.

If the use by Occidental results in any damage to the clubhouse facilities, then Occidental shall forthwith cause such damage to be repaired in a satisfactory manner at its cost.

8. Conveyance of Title. The parties agree to utilize an escrow for conveyance of title of the Recreational Facilities and Roadway easements to the District. The escrow shall be entered into at an escrow company acceptable to the District. The District agrees to take title to the described property subject to the right of members of the public to use water within the Holiday Valley Project upon the terms and conditions provided in this Agreement. It is understood that Occidental makes no representation with respect to such rights, if any, and the District shall have full authority to deal with such rights in the time, form and manner provided by law.

9. Further Documents. The parties hereto agree to execute such further documents as may be required to effectuate the intents and purposes of this Agreement.

10. Entire Agreement. This document represents the entire agreement of the parties with respect to the subject matter set forth herein and may be amended only by an instrument in writing executed by both parties.

11. Governing Law. This document is entered into in the State of California and shall be governed by the laws of that state.

12. Successors and Assigns. This document shall be binding upon and shall inure to the benefit of the successors and assigns of the parties hereto.

13. Representation of Authority. The parties hereto repre-

sent that they have full authority to enter into this Agreement on behalf of the parties set forth below and further represent that all actions required to establish such authority have been taken by the respective entities.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day and year first above written.

OCCIDENTAL LAND, INC.,  
a California corporation

By: 15/ B. Mae Clackey

Its: President

By: 15/ Bart Hal Ponte

Its: Asst. Secretary

WEST VALLEY COUNTY WATER DISTRICT

By: 15/ William R. Beene  
President

ATTEST:

By: 15/ Gloria J. Meyer  
Secretary

APPROVED AS TO FORM:

15/ Eugene A. Nazarek  
Eugene A. Nazarek  
District Counsel