

RESOLUTION NO. 11-03

RESOLUTION OF THE DEVIL'S DEN WATER DISTRICT AUTHORIZING THE EXECUTION AND DELIVERY OF A JOINT EXERCISE OF POWERS AGREEMENT BY AND BETWEEN THE CASTAIC LAKE WATER AGENCY AND DEVIL'S DEN WATER DISTRICT AND APPROVING CERTAIN MATTERS IN CONNECTION THEREWITH

WHEREAS, the Devil's Den Water District (District), acting pursuant to Article I (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California, may enter into a joint exercise of powers agreement with one or more other public agencies pursuant to which such contracting parties may jointly exercise any power common to them and, pursuant to Section 6588 of the Government Code of the State of California, to exercise certain additional powers; and

WHEREAS, the Board of Directors (Board) of the District has determined that it is in the best interest of the District to establish the Upper Santa Clara Valley Joint Powers Authority (the "Authority"); and

WHEREAS, there has been presented at this meeting a proposed form of Joint Exercise of Powers Agreement (Agreement), by and between the District and the Castaic Lake Water Agency; and

WHEREAS, under California law and the Agreement, the Authority will be a public entity separate and apart from the parties to the Agreement, and the debts, liabilities and obligations of the Authority will not be the debts, liabilities or obligations of the Agency or any representative of the Agency serving on the governing body of the Authority; and

NOW, THEREFORE, the Board of Directors of the Devil's Den Water District hereby finds, determines, declares and resolves as follows:

Section 1. The Agreement, in substantially the form on file with the Secretary of the Board, is hereby approved, subject to final approval as to form by the District's General Counsel and the law firm of Stradling Yocca Carlson & Rauth, a Professional Corporation ("Special Counsel"). The President and Secretary of the Board are hereby authorized and directed to execute and deliver such Agreement with such changes, insertions and omissions as may be approved by Special Counsel, said District officers' execution being conclusive evidence of such approval.

Section 2. The Board hereby appoints the President of the Board and Director R. J. Kelly to serve on the Board of Directors of the Authority in accordance with the terms of the Agreement.

Section 3. The President and the Secretary of the Board, the General Manager, the Treasurer and such other officers of the District are authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents, which they may deem necessary or advisable in order to consummate the establishment of the Authority and the entry into of the Agreement and otherwise effectuate the purposes of this Resolution, and such actions previously taken by such officers are hereby ratified and confirmed.

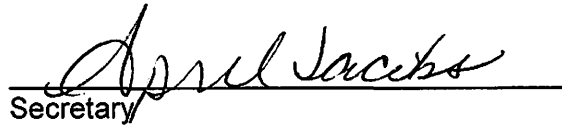
Section 4. Unless otherwise defined herein, all terms used herein and not otherwise defined shall have the meanings given such terms in the Agreement unless the context otherwise clearly requires.

Section 5. This Resolution shall take effect immediately.


President

I, the undersigned, hereby certify: That I am the duly appointed and acting Secretary of the Devil's Den Water District, and that at a special meeting of the Board of Directors of said District held on May 26, 2011, the foregoing Resolution No. 11-03 was duly and regularly adopted by said Board, and that said resolution has not been rescinded or amended since the date of its adoption, and that it is now in full force and effect.

DATED: May 26, 2011


Secretary

JOINT EXERCISE OF POWERS AGREEMENT

by and between

CASTAIC LAKE WATER AGENCY

and

DEVILS DEN WATER DISTRICT

creating the

UPPER SANTA CLARA VALLEY JOINT POWERS AUTHORITY

dated as of

June 1, 2011

TABLE OF CONTENTS

	Page
Section 1. Definitions	1
Section 2. Purpose	2
Section 3. Term.....	2
Section 4. The Authority.	2
A. Creation of the Authority.....	2
B. Governing Board	3
C. Meetings of Board.	3
D. Officers; Duties; Bonds.	4
Section 5. Powers	5
Section 6. Termination of Powers	6
Section 7. Fiscal Year.....	6
Section 8. Disposition of Assets.....	6
Section 9. Contributions and Advances.....	6
Section 10. Bonds.....	6
A. Authority To Issue Bonds.....	6
B. Bonds Limited Obligations.....	6
Section 11. Agreement Not Exclusive.....	7
Section 12. Accounts and Reports.....	7
A. Audits	7
B. Audit Reports.....	7
Section 13. Funds	7
Section 14. Conflict of Interest Code	8
Section 15. Breach.....	8
Section 16. Notices.....	8
Section 17. Withdrawal	8
Section 18. Effectiveness.....	8
Section 19. Severability.....	8
Section 20. Successors; Assignment	8
Section 21. Amendment of Agreement	8
Section 22. Form of Approvals.....	8
Section 23. Waiver of Personal Liability.....	8
Section 24. Notices	9
Section 25. Section Headings.....	9
Section 26. Miscellaneous	9

JOINT EXERCISE OF POWERS AGREEMENT

THIS AGREEMENT, dated as of June 1, 2011, by and between the CASTAIC LAKE WATER AGENCY (the "Agency"), a public agency duly organized and existing under and by virtue of the laws of the State of California, and DEVILS DEN WATER DISTRICT (the "District"), a California water district, duly organized and existing under the laws of the State of California.

DECLARATION OF PURPOSE

A. Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California authorizes the Agency and the District to create a joint exercise of powers entity which has the power to exercise any powers common to the Agency and the District and to exercise additional powers granted to it under the Act. This Agreement creates such an entity, which shall be known as the Upper Santa Clara Valley Joint Powers Authority for the purposes and to exercise the powers described herein.

B. Article 4 of the Act (known as the "Marks-Roos Local Bond Pooling Act of 1985," Government Code Section 6584 *et seq.*) authorizes and empowers the Authority to issue bonds and to purchase bonds issued by, or to make loans to, the Agency or the District for financing public capital improvements, working capital, liability and other insurance needs, or projects whenever there are significant public benefits, as determined by the Agency or the District. The Marks-Roos Local Bond Pooling Act of 1985 further authorizes and empowers the Authority to sell bonds so issued or purchased to public or private purchasers at public or negotiated sale.

TERMS OF AGREEMENT

Section 1. Definitions. Unless the context otherwise requires, the terms defined in this Section 1 shall for all purposes of this Agreement have the meanings herein specified.

Act

The term "Act" shall mean Articles 1, 2 and 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (6500 *et seq.*), as amended.

Agency

The term "Agency" shall mean Castaic Lake Water Agency, a public agency duly organized and existing under and by virtue of the laws of the State of California.

Agreement

The term "Agreement" shall mean this Joint Exercise of Powers Agreement, as it may be amended from time to time, creating the Authority.

Authority

The term "Authority" shall mean the Upper Santa Clara Valley Joint Powers Authority created by this Agreement.

Board; Board of Directors

The term "Board" or "Board of Directors" shall mean the governing board of the Authority.

Bonds

The term "Bonds" shall mean bonds and any other evidence of indebtedness of the Authority authorized and issued pursuant to the Act.

Brown Act

The term "Brown Act" shall mean the Government Code provisions beginning at Section 54950 *et seq.* governing the notice and agenda requirements for meetings of government agencies in the State of California and any later amendments, revisions, or successor enactments.

District

The term "District" shall mean Devils Den Water District, a California water district, duly organized and existing under and by virtue of the laws of the State of California.

Indenture

The term "Indenture" shall mean each indenture, trust agreement or other such instrument pursuant to which Bonds are issued.

Member

The term "Member" or "Members" shall mean the Agency and/or the District, as appropriate.

Section 2. Purpose. This Agreement is made pursuant to the Act for the purpose of exercising any power common to the Agency and the District as permitted under the Act, including, the financing and refinancing of capital improvement projects of the Agency or the District and to finance working capital for the Agency or the District by exercising the powers referred to in this Agreement. In accordance with Section 6502 of the Act, it shall not be necessary that any power common to the Members be exercisable by each Member with respect to the geographic area in which such power is to be jointly exercised.

Section 3. Term. This Agreement shall become effective as of the date hereof and shall continue in full force and effect until terminated by the District and the Agency; provided, however, that in no event shall this Agreement terminate while any Bonds or other obligations of the Authority remain outstanding under the terms of any Indenture, contract, agreement, lease, sublease, operating agreement or other instrument pursuant to which such Bonds are issued or other obligations are incurred.

Section 4. The Authority.

A. Creation of the Authority. There is hereby created pursuant to the Act an authority and public entity to be known as the "Upper Santa Clara Valley Joint Powers Authority." As provided in the Act, the Authority shall be a public entity separate from the Agency and the

District. The debts, liabilities and obligations of the Authority shall not constitute debts, liabilities or obligations of the Agency or the District.

Within 30 days after the effective date of this Agreement or any amendment hereto, the Treasurer of the Authority will cause a notice of this Agreement or amendment to be prepared and filed with the office of the Secretary of State of the State of California in the manner set forth in Sections 6503.5 of the Act. Such notice shall also be filed with the office of the Controller of the State of California.

B. Governing Board. In accordance with Section 6506 of the Act, the Authority shall be administered by the Board which shall consist of two members appointed by the Agency and two members appointed by the District. Within 5 days after the execution of this Agreement, each Member shall designate and appoint, by resolution of such Member's board of directors, two persons to act as such Member's appointees to the Authority Board. Each director shall hold office from the first meeting of the Board after such director's appointment by the Member until his successor is selected by resolution of such Members board of directors. Directors shall serve at the pleasure of the board of directors of the appointing Member and may be removed at any time, with or without cause, in the sole discretion of the board of directors of the appointing Member. Such members need not be members of the Board of Directors of the respective Members.

The members of the Board shall not be entitled to reimbursement for any expenses actually incurred in connection with serving as a member of the Board. The members of the Board shall be entitled to reimbursement for any expenses actually incurred in connection with serving as a member of the Board, provided, however, that the same shall not exceed the reimbursable amounts set by the District for expenses as the same may be established and/or revised from time to time.

C. Meetings of Board.

(1) Time and Place. The Board shall hold its regular meetings as set forth in the By-Laws of the Authority adopted by the Board (the "By-Laws"). The Board may suspend the holding of regular meetings so long as there is no need for Authority business, and provided that any action taken regarding the sale of bonds shall occur by Resolution placed on a noticed and posted meeting agenda consistent with the requirements for regular meetings under the Brown Act. At all times, each regular meeting of the Authority shall take place pursuant to a 72 hour notice and agenda requirement or as otherwise provided by the Brown Act. The Authority Board may hold special meetings at any time and from time to time in accordance with the Brown Act.

(2) Legal Notice. All regular and special meetings of the Board shall be called, noticed, held and conducted subject to the provisions of the Brown Act.

(3) Minutes. The Secretary of the Authority shall cause minutes of all meetings of the Board to be kept and shall, as soon as practicable after each meeting, cause a copy of the minutes to be forwarded to each member of the Board and to the Agency and the District.

(4) Quorum. A majority of the members of the Board shall constitute a quorum for the transaction of business, except that less than a quorum may adjourn meetings from time to time.

D. Officers; Duties; Bonds.

(1) The Officers of the Authority shall be the President, Vice President, Secretary, Executive Director and Treasurer. The officers of the Authority shall be the persons specified in the By-Laws and shall have the powers vested in them pursuant to such By-Laws and such other powers as may be granted by the Board from time to time by resolution. Such officers may be directors or officers of the Agency or the District serving ex officio.

(2) In accordance with Section 6505.1 of the Act, the Treasurer of the Authority is designated as the public officer or person who has charge of, handles, or has access to any property of the Authority, and such officer shall file an official bond if so required by the Board of the Authority in accordance with the By-Laws.

(3) So long as required by Section 6505 and Section 6505.5 of the Act, the Treasurer of the Authority shall prepare or cause to be prepared: (a) a special audit as required pursuant to Section 6505 of the Act no less frequently than once in every two-year period during the term of this Agreement; and (b) a report in writing on the first day of July, October, January and April of each year to the Board, the Agency and the District which report shall describe the amount of money held by the Treasurer of the Authority for the Board, the amount of receipts since the last such report, and the amount paid out since the last such report (which may exclude amounts held by a trustee of other fiduciary in connection with any Bonds to the extent that such trustee or other fiduciary provides regular reports covering such amounts).

(4) The services of the officers shall be without compensation by the Authority unless said officers are otherwise compensated in accordance with Section 4.B. or as employees of the District or the Agency. The Agency will provide administrative services as required by the Authority, and shall not receive economic remuneration from the Authority for the provision of such services, except as may be agreed to by the Authority.

(5) The Board shall have the power to appoint such other officers and employees as it may deem necessary and to retain independent legal counsel, consultants and accountants.

(6) All of the privileges and immunities from liability, exemptions from laws, ordinances and rules, all pension, relief, disability, worker's compensation and other benefits which apply to the activities of officers, agents or employees of the Members when performing their respective functions within the territorial limits of their respective Member, shall apply to them to the same degree and extent while engaged in the performance of any of their functions and duties extraterritorially under the provisions of this Agreement.

(7) None of the officers, agents or employees, if any, directly employed by the Authority shall be deemed, by reason of their employment by the Authority, to be employed by any Member or, by reason of their employment by the Authority, to be subject to any of the requirements of any Member.

(8) The Members hereby confirm their intent and agree that, as provided in Section 4.A and in the Act, the debts, liabilities and obligations of the Authority shall not constitute debts, liabilities or obligations of the Agency or the District, and they do not intend by the following portions of this subsection (8) to impair this provision.

To the extent that liability is imposed or a claim is made on the Agency, for any reason whatsoever notwithstanding Section 4.A and the Act, directly or indirectly arising out of a transaction or series of transactions undertaken by or for the benefit of the District in connection with the activities of the Authority, the District shall indemnify, defend and hold harmless the Agency and each of the Agency's officers, directors, employees and agents from and against any and all costs, expenses, losses, claims, damages and liabilities arising out of or in connection with the activities of the Authority. The Agency may elect to defend itself in any such action with counsel of its choice, the reasonable fees of such counsel to be paid by the District. The Authority and the District shall be jointly and severally liable for any indemnity obligation owed to the Agency. Notwithstanding the provisions of Section 895.6 of the Government Code of the State, the District shall not have any right to contribution from the Authority.

To the extent that liability is imposed or a claim is made on the District, for any reason whatsoever notwithstanding Section 4.A and the Act, directly or indirectly arising out of a transaction or series of transactions undertaken by or for the benefit of the Agency in connection with the activities of the Authority, the Agency shall indemnify, defend and hold harmless the District and each of the District's officers, directors, employees and agents from and against any and all costs, expenses, losses, claims, damages and liabilities arising out of or in connection with the activities of the Authority. The District may elect to defend itself in any such action with counsel of its choice, the reasonable fees of such counsel to be paid by the Agency. The Authority and the Agency shall be jointly and severally liable for any indemnity obligation owed to the District. Notwithstanding the provisions of Section 895.6 of the Government Code of the State, the Agency shall not have any right to contribution from the Authority.

(9) In any event, the Authority shall cause all records regarding the Authority's formation, existence, operations, any Bonds issued by the Authority, obligations incurred by it and proceedings pertaining to its termination to be retained for at least six (6) years following termination of the Authority or final payment of any Bonds issued by the Authority, whichever is later.

(10) In accordance with Section 6506 of the Act, either Member may provide all or a portion of the services under the Agreement to the Authority.

Section 5. Powers. The Authority shall have any and all powers which are common powers of the Agency and the District, including but not limited to the powers set forth in, and the powers separately conferred by law upon the Authority. All such powers, whether common to the Parties or separately conferred by law upon the Authority, are specified as powers of the Authority except any such powers which are specifically prohibited to the Authority by applicable law. The Authority's exercise of its powers is subject to the restrictions upon the manner of exercising the powers of the District.

The Authority is hereby authorized, in its own name, to do all acts necessary or convenient for the exercise of its powers, including, but not limited to, any or all of the following: to sue and be sued; to make and enter into contracts; to employ agents, consultants, attorneys, accountants, and employees; to acquire, hold or dispose of property, whether real or personal, tangible or intangible, wherever located; to issue Bonds or otherwise incur debts, liabilities or obligations to the extent authorized by the Act or any other applicable provision of law and to pledge any property or revenues or the rights thereto as security for such Bonds and other indebtedness.

Notwithstanding the foregoing, the Authority shall have any additional powers conferred under the Act or under applicable law, insofar as such additional powers may be necessary to accomplish the purposes set forth in Section 2 hereof.

Section 6. Termination of Powers. The Authority shall continue to exercise the powers herein conferred upon it until the termination of this Agreement in accordance with Section 3 hereof.

Section 7. Fiscal Year. Unless and until changed by resolution of the Board, the fiscal year of the Authority shall be the period from July 1 of each year to and including the following June 30, except for the first fiscal year which shall be the period from the date of this Agreement to June 30, 2012.

Section 8. Disposition of Assets. Upon termination of this Agreement pursuant to Section 3 hereof, any surplus money in possession of the Authority or on deposit in any fund or account of the Authority shall be returned in proportion to any contributions made as required by Section 6512 of the Act. The Board is vested with all powers of the Authority for the purpose of concluding and dissolving the business affairs of the Authority. After rescission or termination of this Agreement pursuant to Section 3 hereof, all property of the Authority, both real and personal, shall be distributed to the Agency, subject to Section 9 hereof.

Section 9. Contributions and Advances. Contributions or advances of public funds and of personnel, equipment or property may be made to the Authority by the Agency and the District for any of the purposes of this Agreement. Payment of public funds may be made to defray the cost of any such contribution. Any such advance made in respect of a revenue-producing facility shall be made subject to repayment, and shall be repaid, in the manner agreed upon by the Agency or the District, as the case may be, and the Authority at the time of making such advance as provided by 6512.1 of the Act. It is mutually understood and agreed that neither the Agency nor the District has any obligation to make advances or contributions to the Authority to provide for the costs and expenses of administration of the Authority, even though either may do so. The Agency or the District may allow the use of personnel, equipment or property in lieu of other contributions or advances to the Authority.

Section 10. Bonds.

A. Authority To Issue Bonds. When authorized by the Act or other applicable provisions of law and by resolution of the Board, the Authority may issue Bonds for the purpose of raising funds for the exercise of any of its powers or to otherwise carry out its purposes under this Agreement. Said Bonds shall have such terms and conditions as are authorized by the Board.

B. Bonds Limited Obligations. The Bonds, including the principal and any purchase price thereof, and the interest and premium, if any, thereon, shall be special obligations of the Authority payable solely from, and secured solely by, the revenues, funds and other assets pledged therefor under the applicable Indenture(s) and shall not constitute a charge against the general credit of the Authority. The Bonds shall not be secured by a legal or equitable pledge of, or lien or charge upon or security interest in, any property of the Authority or any of its income or receipts except the property, income and receipts pledged therefor under the applicable Indenture(s). The Bonds shall not constitute a debt, liability or obligation of the State or any public Authority thereof, including the Agency and the District, other than the special obligation of the Authority as described above. Neither the faith and credit nor the taxing power of the State of California or any

public authority thereof, including the Agency and the District, shall be pledged to the payment of the principal or purchase price of, or the premium, if any, or interest on the Bonds nor shall the State of California or any public authority or instrumentality thereof, including the Agency and the District, in any manner be obligated to make any appropriation for such payment. The Authority shall have no taxing power.

No covenant or agreement contained in any Bond or Indenture shall be deemed to be a covenant or agreement of any director, officer, agent or employee of the Authority, in his or her individual capacity and no director or officer of the Authority executing a Bond shall be liable personally on such Bond or be subject to any personal liability or accountability by reason of the issuance of such Bond.

Section 11. Agreement Not Exclusive. This Agreement shall not be exclusive and shall not be deemed to amend or alter the terms of other agreements between the Agency and the District, except as the terms of this Agreement shall conflict therewith, in which case the terms of this Agreement shall prevail.

Section 12. Accounts and Reports. All funds of the Authority shall be strictly accounted for in books of account and financial records maintained by the Authority, including a report of all receipts and disbursements. The Authority shall establish and maintain such funds and accounts as may be required by generally accepted accounting principles and by each agreement, including each Indenture for outstanding Bonds (to the extent such duties are not assigned to a trustee for owners of Bonds). The books and records of the Authority shall be open to inspection at all reasonable times by the Agency and District and their representatives.

The Authority shall require that each Indenture provide that the trustee appointed thereunder shall establish suitable funds, furnish financial reports and provide suitable accounting procedures to carry out the provisions of such Indenture. Said trustee may be given such duties in said Indenture as may be desirable to carry out the requirements of this Section.

A. **Audits.** The Treasurer of the Authority shall cause an independent audit to be made of the books of accounts and financial records of the Authority in compliance with the requirements of the Act. Any costs of the audit, including contracts with, or employment of, certified public accountants or public accountants in making an audit pursuant to this Section, shall be borne by the Authority and shall be a charge against any unencumbered funds of the Authority available for that purpose.

B. **Audit Reports.** The Treasurer of the Authority, as soon as practicable after the close of each Fiscal Year but in any event within the time necessary to comply with the requirements of the Act shall file a report of the audit performed pursuant to Subsection B of this Section 12 as required by the Act and shall send a copy of such report to public entities and persons in accordance with the requirements of the Act.

Section 13. Funds. Subject to the provisions of each Indenture for outstanding Bonds providing for a trustee to receive, have custody of and disburse funds which constitute Authority funds, the Treasurer of the Authority shall receive, have the custody of and disburse Authority funds pursuant to accounting procedures approved by the Board and shall make the disbursements required by this Agreement or otherwise necessary to carry out the provisions and purposes of this Agreement.

Section 14. Conflict of Interest Code. The Authority shall, by resolution, adopt a Conflict of Interest Code to the extent required by law.

Section 15. Breach. If default shall be made by the Agency or the District in any covenant contained in this Agreement, such default shall not excuse either the Agency or the District from fulfilling its obligations under this Agreement and the Agency or the District shall continue to be liable for the payment of contributions and the performance of all conditions herein contained. The Agency or the District hereby declare that this Agreement is entered into for the benefit of the Authority created hereby and the Agency or the District hereby grant to the Authority the right to enforce by whatever lawful means the Authority deems appropriate all of the obligations of each of the parties hereunder. Each and all of the remedies given to the Authority hereunder or by any law now or hereafter enacted are cumulative and the exercise of one right or remedy shall not impair the right of the Authority to any or all other remedies.

Section 16. Notices. Notices and other communications hereunder to the parties shall be sufficient if delivered to the clerk or secretary of the governing body of each party.

Section 17. Withdrawal. Neither the Agency nor the District may withdraw from this Agreement prior to the end of the term of this Agreement determined in accordance with Section 3.

Section 18. Effectiveness. This Agreement shall become effective and be in full force and effect and a legal, valid and binding obligation of the Agency and the District when each party has executed a counterpart of this Agreement.

Section 19. Severability. Should any part, term, or provision of this Agreement be decided by the courts to be illegal or in conflict with any law of the State of California, or otherwise be rendered unenforceable or ineffectual, the validity of the remaining parts, terms or provisions hereof shall not be affected thereby.

Section 20. Successors; Assignment. This Agreement shall be binding upon and shall inure to the benefit of the successors of the parties. Except to the extent expressly provided herein, neither party may assign any right or obligation hereunder without the consent of the other.

Section 21. Amendment of Agreement. This Agreement may be amended by supplemental agreement executed by the Members at any time; provided, however, that this Agreement may be terminated only in accordance with Section 3 hereof and, provided further, that such supplemental agreement shall be subject to any restrictions contained in any Bonds or documents related to any Bonds to which the Authority is a party.

Section 22. Form of Approvals. Whenever an approval is required in this Agreement, unless the context specifies otherwise, it shall be given, in the case of the Agency, by resolution duly adopted by the board of directors of the Agency, and, in the case of the District, by resolution duly adopted by the board of directors of the District, and, in the case of the Authority, by resolution duly adopted by the Board. Whenever in this Agreement any consent or approval is required, the same shall not be unreasonably withheld.

Section 23. Waiver of Personal Liability. No member, officer or employee of the Authority, the District or the Agency shall be individually or personally liable for any claims, losses, damages, costs, injury and liability of any kind, nature or description arising from the actions of the

Authority or the actions undertaken pursuant to this Agreement, and the Agency and the District shall defend such members, officers or employees against any such claims, losses, damages, costs, injury and liability. Without limiting the generality of the foregoing, no member, officer or employee of the Authority or of any Member shall be personally liable on any Bonds or be subject to any personal liability or accountability by reason of the issuance of Bonds pursuant to the Act and this Agreement. To the fullest extent permitted by law, the Board shall provide for indemnification by the Authority of any person who is or was a member of the Board, or an officer, employee or other agent of the Authority, and who was or is a party or is threatened to be made a party to a proceeding by reason of the fact that such person is or was such a member of the Board, or an officer, employee or other agent of the Authority, against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with such proceeding, if such person acted in good faith and in the course and scope of his or her office, employment or Authority. In the case of a criminal proceeding, the Board may provide for indemnification and defense of a member of the Board, or an officer, employee or other agent of the Authority to the extent permitted by law.

Section 24. Notices. Notices to the District hereunder shall be sufficient if delivered to the Treasurer of the District, and notices to the Agency hereunder shall be sufficient if delivered to the General Manager of the Agency.

Section 25. Section Headings. All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this Agreement.

Section 26. Miscellaneous. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Where reference is made to duties to be performed for the Authority by a public official or employee, such duties may be performed by that person's duly authorized deputy or assistant. Where reference is made to actions to be taken by the Agency or the District, such action may be exercised through the officers, staff or employees of the Agency or the District, as the case may be, in the manner provided by law.

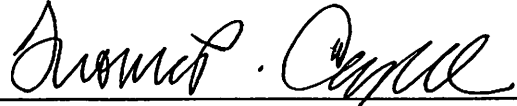
The section and subsection headings herein are for convenience only and are not to be construed as modifying or governing the language in the section or subsection referred to.

This Agreement is made in the State of California, under the Constitution and laws of the State of California and is to be construed as a contract made and to be performed in the State of California.

This Agreement is the complete and exclusive statement of the agreement among the parties with respect to the subject matter hereof, which supersedes and merges all prior proposals, understandings, and other agreements, whether oral, written, or implied in conduct, between the parties relating to the subject matter of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and attested by their proper officers thereunto duly authorized, as of the day and year first above written.

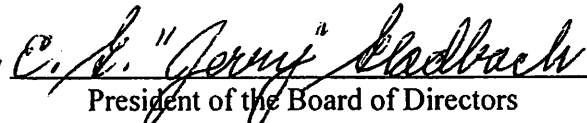
CASTAIC LAKE WATER AGENCY

By 
President of the Board of Directors

Attest:


Secretary of the Board of Directors

DEVILS DEN WATER DISTRICT

By 
President of the Board of Directors

Attest:


Secretary of the Board of Directors