

*LOS ANGELES DISTRICT
U.S. ARMY CORPS OF ENGINEERS*

DEPARTMENT OF THE ARMY PERMIT

Permittee: The Newhall Land and Farming Company

Permit Number: SPL-2003-01264-AOA

Issuing Office: Los Angeles District

Note: The term "you" and its derivatives, as used in this permit, means the permittee or any future transferee. The term "this office" refers to the appropriate district or division office of the Corps of Engineers having jurisdiction over the permitted activity or the appropriate official acting under the authority of the commanding officer.

You are authorized to perform work in accordance with the terms and conditions specified below.

Project Description: To permanently discharge fill onto 47.9 acres of waters of the U.S., including 5.1 acres of wetlands, and to temporarily discharge fill onto 35.3 acres of waters of the U.S., including 11.8 acres of wetlands, in association with grading, construction and maintenance of infrastructure including roads, utilities and flood control structures for the Newhall Ranch Resource Management and Development Plan (RMDP), as described in the Final Newhall Ranch Project Description dated August 11, 2011 and as shown on the attached drawings.

Specifically, you are authorized to:

1. Permanently impact 47.9 acres of waters of the United States, including 5.1 acres of wetlands, associated with discharges of fill material for bank protection to protect land development projects along water courses (including buried soil cement, buried gunite, grouted riprap, ungrouted riprap, and gunite lining); drainage facilities such as storm drains or outlets and partially lined open channels; grade control structures; bridges and drainage crossings; building pads; and water quality control facilities (sedimentation control, flood control, debris, and water quality basins).
2. Temporarily impact 35.3 acres of waters of the United States, including 11.8 acres of wetlands, associated with the construction of bank protection to protect land development projects along water courses (including buried soil cement, buried gunite, grouted riprap, ungrouted riprap, and gunite lining); utility crossings; activities associated with construction of a Water Reclamation Plant (WRP) adjacent to the Santa Clara River and required bank protection; water quality control facilities (sedimentation control, flood

control, debris, and water quality basins); regular and ongoing maintenance of all flood, drainage, and water quality protection structures and facilities on the RMDP site (such activities would include periodic inspection of structures and monitoring of vegetation growth and sediment buildup to ensure that the integrity of the structures is maintained and that planned conveyance capacity is present, routine repairs and maintenance of bridges and bank protection, and emergency maintenance activities); and temporary haul routes for grading equipment and geotechnical survey activities.

3. Construct 35 outlets in the Santa Clara River; construct two bridges in the Santa Clara River (Commerce Center bridge and the Long Canyon bridge); construct three bridges and 13 culvert road crossings in tributary drainages; and construct other infrastructure including roads, utilities and flood control structures, as described in the Final Newhall Ranch Project Description dated August 11, 2011.

Project Location: The 12,000-acre project site encompasses approximately 5.5 linear miles of the Santa Clara River and several tributaries including Potrero Canyon, Long Canyon, Middle Canyon, San Martinez Grande Canyon and Chiquito Canyon near Santa Clarita, northwestern Los Angeles County, California (at lat: 34-24-5.0040 lon: 118-37-46.9920).

Permit Conditions:

General Conditions:

1. The time limit for completing the authorized activity ends on . If you find that you need more time to complete the authorized activity, submit your request for a time extension to this office for consideration at least one month before the above date is reached.
2. You must maintain the activity authorized by this permit in good condition and in conformance with the terms and conditions of this permit. You are not relieved of this requirement if you abandon the permitted activity, although you may make a good faith transfer to a third party in compliance with General Condition 4 below. Should you wish to cease to maintain the authorized activity or should you desire to abandon it without a good faith transfer, you must obtain a modification from this permit from this office, which may require restoration of the area.
3. If you discover any previously unknown historic or archeological remains while accomplishing the activity authorized by this permit, you must immediately notify this office of what you have found. We will initiate the Federal and state coordination required to determine if the remains warrant a recovery effort or if the site is eligible for listing in the National Register of Historic Places.
4. If you sell the property associated with this permit, you must obtain the signature of the new owner in the space provided and forward a copy of the permit to this office to validate the transfer of this authorization.
5. If a conditioned water quality certification has been issued for your project, you must comply with the conditions specified in the certification as special conditions to this permit. For your convenience, a copy of the certification is attached if it contains such conditions.

6. You must allow representatives from this office to inspect the authorized activity at any time deemed necessary to ensure that it is being or has been accomplished with the terms and conditions of your permit.

Special Conditions:

1. The permittee shall preserve and protect in perpetuity 612.2 acres of waters of the United States, including 271.8 acres of wetlands consistent with the Mitigation and Monitoring Plan for the Newhall Ranch Resource Management and Development Project, Santa Clarita, California dated August 2011, and prepared by Dudek, Inc. (Mitigation Plan). The permittee shall protect the 612.2 acres with a conservation easement (CE) or restrictive covenant (RC) in accordance with Special Condition 7.

2. The permittee shall compensate for permanent impacts to 47.9 acres of waters of the United States, including 5.1 acres of wetlands, in the Santa Clara River and tributary drainages by rehabilitating, enhancing and establishing 114.04 acres of waters of the United States, including 35.2 acres of wetlands, that provide functions and services equal to those in the permanent impact areas, as stipulated in the Mitigation Plan. In addition, the permittee shall record a Declaration of Restrictive Covenant for Floodplain Protection in accordance with Special Condition 29 over 119 acres, including 89 acres of waters of the United States in the Santa Clara River immediately downstream of the project area. To demonstrate a minimum of 1:1 replacement of functions and services, permanent impact and compensatory mitigation areas shall be compared annually using HARC-AW (Hybrid Assessment of Riparian Condition - Area Weighted) units and/or a similar Corps-approved method to assess functions and services as described in the above Mitigation Plan. For the purposes of this special condition, "implementation" of a mitigation site is defined as: a) preparation and approval by the Corps of a site specific mitigation plan; b) completion of site preparation; c) installation of temporary irrigation; d) seeding and/or planting of the mitigation site as stipulated in the Mitigation Plan; and e) as-built drawings of the mitigation grading, planting, and irrigation submitted to the Corps. The required compensatory mitigation shall include the following:

a. The permittee shall implement 54.9 acres of compensatory mitigation in the form of establishment, rehabilitation and enhancement in lower Potrero Canyon (19.3 acres), the Mayo Crossing site (15.9 acres) and the upper Salt Creek watershed (19.7 acres) prior to any permanent impacts to waters of the United States;

b. The permittee shall record a Declaration of Restrictive Covenant for Floodplain Protection over 119 acres, including 89 acres of waters of the United States, in the Santa Clara River immediately downstream of the project area, as shown on Exhibit 1 attached hereto, and the permittee shall submit a copy of the recorded Declaration of Restrictive Covenant for Floodplain Protection to the Corps prior to any permanent impacts to waters of the United States;

c. The permittee shall implement a minimum of 59.14 acres of mitigation establishment, rehabilitation and enhancement consistent with the Mitigation Plan, Section 1.3.1 and Table 1, Development Project and Associated Mitigation. Compensatory mitigation for each phase of the project shall be implemented prior to or within two years of the impacts to waters of the United States for that phase of the project.

The permittee's responsibility to complete the required compensatory mitigation shall not be considered fulfilled until they have met or exceeded all performance criteria and have written verification of successful completion of the compensatory mitigation requirement from the Corps. If any compensatory mitigation site fails to meet the performance criteria, including acreage and functions and services, after ten years of monitoring, the permittee shall provide additional compensatory mitigation to offset the unmitigated permanent impacts, as required by the Corps to ensure a minimum 1:1 replacement of functions and services.

3. The permittee shall mitigate all temporary construction impacts affecting waters of the United States, by restoring pre-project contours and revegetating temporary impact areas with appropriate native vegetation after completion of construction in the area, in accordance with the Mitigation Plan. At a minimum, the acreage and functions and services of the revegetation area shall equal or exceed the acreage and functions and services of the temporary impact areas. Functions and services for temporary impact and revegetation areas shall be compared annually using HARC-AW units and/or a similar Corps-approved method to assess functions and services as described in the Mitigation Plan. The permittee's responsibility to complete the required revegetation as set forth in this Special Condition shall not be considered fulfilled until they have met or exceeded all performance criteria for a given site and have written verification of successful rehabilitation of the specific temporary impact area from the Corps. If a review area fails to meet the performance criteria, including no net loss of functions and services, after five years of monitoring, the permittee shall provide compensatory mitigation to offset the unmitigated temporary impacts as required by the Corps to ensure a minimum 1:1 replacement of functions and services.

4. Prior to initiation of the various phases of grading and project construction in waters of the United States, as described in Table 1 of the Mitigation Plan, the permittee shall provide written notification ("Construction Notification") to the Corps. The Construction Notification shall include the following:

- a. An updated preliminary or approved jurisdictional delineation of waters of the United States and a site-specific mitigation plan as defined in Special Condition 5 and the Mitigation Plan. Based on the updated jurisdictional delineation, the acreages and locations of all impacts to waters of the United States, as well as the acreage and location of the recalculated compensatory mitigation shall be included in the required notification;
- b. Written description for all the proposed structures (including RMDP Project Name), a description of the permanent and temporary impacts in waters of the United States, maps showing project location, impact acreages and drawings for all proposed structures, written documentation regarding compliance with all applicable special conditions of this permit and a description of all measures to avoid and minimize impacts to waters of the United States;
- c. Name and address of contractor performing the work, an onsite point of contact and the size and type of equipment that shall be performing the work;
- d. For projects located in the Potrero Canyon watershed, a written description documenting compliance with the required design criteria for grade control structures (Special Condition 25) and road crossings (Special Condition 26);
- e. Schedule for beginning and ending the project; and

- f. Summary of all temporary and permanent impacts to waters of the United States that have been completed as part of previous project phases as well as a summary of all the initiated and completed compensatory mitigation areas for previous project phases.

Upon receipt of a Construction Notification, the Corps will determine whether the activity is authorized by this permit. If the activity is not authorized, the Corps will notify the permittee that they may request that the Corps modify the permit to include the activity as described in the procedures at 33 C.F.R. Part 325.7. If the activity is authorized by the permit, the Corps will determine if the avoidance and minimization measures in the Construction Notification and the site-specific compensatory mitigation plan comply with the terms and conditions of this permit. If the Corps determines that the proposed activity complies with the terms and conditions of the permit, a Notice to Proceed will be issued to the permittee. If the Corps determines that that all or part of the proposed activity does not comply with the terms and conditions of the permit, the Corps will issue a letter stating that the proposed activity does not meet the terms and conditions of the permit and, as a result, the proposed discharges of fill material in waters of the United States are not authorized. No work in waters of the United States shall occur until the permittee has received a Notice to Proceed from the Corps that states that the proposed discharges of fill material in waters of the United States comply with the terms and conditions of this permit.

5. As stipulated in the Mitigation Plan, the permittee shall prepare a site-specific mitigation plan subject to Corps approval as part of the required Construction Notification in Special Condition 4. Once the Corps has approved the site-specific mitigation plan, the permittee shall implement all the terms and conditions stipulated in the site-specific mitigation plan in full. The site specific mitigation plan shall include all the information specified in 33 C.F.R. Part 332.4(c)(2)-(14) including:

- a. identify the goals (objectives) of the plan (see section 2.0 of the Mitigation Plan) and includes a description of the process of selecting the compensatory mitigation sites (see Section 3.0);
- b. identify site protection instruments that are proposed for the compensatory mitigation areas (see section 2.1 of the Mitigation Plan ["All compensatory mitigation areas . . . would be protected in perpetuity by a conservation easement or covenant."]);
- c. include existing baseline information (see sections 1.4 and 3.4 of the Mitigation Plan);
- d. state that the HARC methodology is used to evaluate and characterize the functional quality of waters of the United States, including wetlands, and that HARC-AW scores were used to select mitigation sites and determine the appropriate acreage of the required compensatory mitigation (see sections 1.5.1 and 2.1 of the Mitigation Plan);
- e. contain extensive mitigation plan information (see sections 2.0, 3.0, and 4.0 of the Mitigation Plan);
- f. include a description of the maintenance activities to be conducted during the required monitoring (see section 5.0 of the Mitigation Plan);
- g. set forth performance criteria (see sections 6.1 through 6.4 of the Mitigation Plan);
- h. describe the compensatory mitigation monitoring requirements (see sections 6.5 through 6.7 of the Mitigation Plan);

- i. contain a long-term management plan component (see section 9.0 of the Mitigation Plan - includes at a minimum trash removal; invasive, non-native plant species removal; repairs and maintenance to fencing and signage; and repair of damage to the mitigation area);
- j. include an adaptive management plan (see section 8.5 of the Mitigation Plan);
- k. describes the financial assurances required to ensure successful completion of the mitigation and maintenance and monitoring programs (see section 4.3 of the mitigation Plan);
- l. provide all final specifications and topography-based layout grading, planting, and irrigation (with 0.5-foot contours). All wetland mitigation areas shall be graded to the same elevation as the adjacent existing wetlands and/or within approximately one foot of the groundwater table, and shall be left in a rough grade state with microtopographic relief (including channels) that mimics natural wetland topography, as directed by the Corps. Planting and irrigation shall not be installed until the Corps has approved the mitigation site grading. The permittee shall contact the Corps for verification of proper grading of the mitigation site a minimum of 15 days prior to the planned date of initiating planting;
- m. require that all planting shall be installed in such a manner that mimics natural plant distribution (e.g., random distribution rather than uniform rows);
- n. within 45 calendar days of complete installation for each mitigation site, require as-built drawings of the mitigation grading, planting, and irrigation infrastructure to the Corps;
- o. require at the first anniversary of plant installation, all dead plants shall be replaced unless their function has been replaced by natural recruitment as verified by the Corps;
- p. include a final implementation schedule that indicates when all wetland/waters impacts, as well as mitigation site grading, planting, and irrigation shall begin and end;
- q. require a minimum of five years of maintenance, monitoring and attainment of performance criteria for all waters of the United States, including wetlands, mitigation areas;
- r. include planting pallets (plant species, size, and number per acre) and seed mix (plant species and pounds per acre); and
- s. require a wetland delineation to confirm that Corps jurisdictional wetlands have been successfully created prior to Corps final approval of the mitigation.

6. Prior to permanent impacts to waters of the United States for each phase of the authorized project, the permittee shall post financial assurance in an amount and form approved by the Corps Regulatory Division to ensure a high level of confidence that the compensatory mitigation projects will be successfully completed, in accordance with applicable performance criteria. Mitigation areas required in Special Condition 2a and 2c may be secured by separate financial assurances and approval of the financial assurances will be provided with the approval of the Construction Notification for each phase of the project (Phases 1 through 6). The financial assurance may be in the form of a performance bond, escrow account, letter of credit or other appropriate instruments, subject the approval of the Corps. Our preferred form of a financial assurance is a letter of credit. For letters of credit, the credit must be issued by a federally insured financial institution rated investment grade or higher. The required financial assurance for some project phases may take the form of a letter of credit, escrow account or surety bond that is held by the CDFG, subject to the approval of the Corps Regulatory Division. For performance bonds, the corporate surety must appear on the Department of Treasury

Circular 570, Companies Holding Certificates of Authority as Acceptable Sureties on Federal Bonds and Acceptable Reinsuring Companies. For a current list of Treasury-authorized companies, write or call the Surety Bond Branch, Financial Management Services, Department of the Treasury, Washington DC 20227; (202) 874-6850 or at the following website: <http://www.fms.treas.gov/c570/c570.html>. The financial assurance shall be released only upon a determination by the Corps Regulatory Division that successful mitigation has been completed for the given phase of the project.

7. The permittee shall record conservation easements (CE) or restrictive covenants (RC) to protect the 612.2 acres of preserved waters of the United States and 114.04 acres of compensatory mitigation. The approximate boundaries and phasing of the CEs and RCs are shown in the attached Figure 12 and Table 10: LEDPA Conservation Land Dedication/Recordation Schedule, but the final boundaries and acreages to be protected by the CEs/RCs shall be determined by the Corps, in coordination with the California Department of Fish and Game (CDFG). If the permittee does not record the required CE or RC according to the schedule in Table 10, subsequent discharges of fill material in waters of the United States are not authorized until the required CE or RC for the previous phase is recorded. The CE or RC shall be in a form approved by the Corps' Regulatory Division, which shall run with the land, obligating the permittee, its successors and assigns to protect and maintain the preserved waters of the United States and compensatory mitigation areas. The CE must include a qualified third-party easement holder pursuant to California Civil Code 815.3 and Government Code section 65965. The permittee must provide monies in the form of an endowment (endowment amount to be determined by Property Analysis Record or similar methodology) for the purposes of fulfilling the third-party easement holder's responsibilities under the CE, including long-term maintenance activities described in the long-term management section of the Mitigation Plan and site-specific mitigation plan, and compliance inspections one or more times per year. The CE or RC shall preclude establishment of fuel modification zones, paved public trails, maintained public trails, drainage facilities, walls, maintenance access roads and/or future easements, except as provided in the Newhall Ranch Resource Management and Development Plan (RMDP) authorized by this permit. Further, to the extent practicable, any such facilities or trails outside the CE or RC shall be sited to minimize potential indirect impacts on the avoided, established, rehabilitated and enhanced wetland and non-wetland waters of the United States. The permittee shall receive written approval of the CE or RC from the Corps' Regulatory Division prior to each being executed and recorded.

8. During all construction activities in waters of the United States, the permittee shall clearly mark the limits of the workspace with silt fencing to ensure mechanized equipment does not enter the 576.9 acres of avoided waters of the United States, including adjacent wetland areas. Adverse impacts to waters of the United States beyond the Corps-approved construction footprint are not authorized. Such impacts could result in permit suspension and revocation, administrative, civil or criminal penalties, and/or substantial, additional, compensatory mitigation requirements.

9. The permittee shall provide all on-site contractors, subcontractors, and forepersons a copy of this permit. The permittee shall ensure that all of the above personnel read, understand, agree to, and comply with all terms and conditions of the authorization. A copy of this authorization shall be included in all bid packages for the project and shall be available at the work site at all times during periods of work and must be presented upon request by any Corps personnel. The permittee shall provide the Corps written confirmation of compliance

with this special condition prior to initiating construction activities in waters of the United States, including names, phone numbers, and addresses of all of the above personnel, including signatures indicating their understanding and agreement with this permit. As new personnel are brought onto the project during the construction phase, the permittee shall provide monthly written confirmation of compliance with this special condition to the Corps.

10. The permittee shall staff a qualified biologist on site during project grading and construction in the vicinity of waters of the United States to ensure compliance with all requirements of this permit. The qualified biologist shall document compliance with this permit. The permittee shall submit the biologist's name, address, telephone number, email address (if available), and work schedule on the project to the Corps a minimum of fifteen (15) days prior to the planned date of initiating impacts to waters of the United States authorized by this permit. The biologist/permittee shall report any non-compliance with the permit to the Corps Ventura field office (805-585-2148) within one day of its occurrence. The biologist/permittee shall submit a written report summarizing the non-compliance with the permit and any measures implemented to rectify the incident to the Corps Ventura field office within three days of the non-compliance.

11. The permittee shall ensure that all vehicle maintenance, staging, storage, and dispensing of fuel occurs in designated upland areas. The permittee shall ensure that these designated upland areas are located in such a manner as to prevent any runoff from entering waters of the United States.

12. No debris, soil, silt, sand, sawdust, rubbish, cement or concrete washings thereof, oil or petroleum products, from construction shall be allowed to enter into or placed where it may be washed by rainfall or runoff into waters of the United States. Therefore, the permittee shall employ all standard Best Management Practices to ensure that toxic materials, silt, debris, or excessive erosion do not enter waters of the United States during project construction. Upon completion of the activities authorized by this permit, any excess material or debris shall be removed from the work area and disposed of in an appropriate upland site.

13. The permittee shall install silt fence and fiber-fill barriers prior to grading to trap eroded sediments on-site and to divert runoff around disturbed soils. Silt fences and fiber-fills shall be placed along the tops and slopes of the access roads and at the limits of the construction corridor and project area, and any area that could pass sediment in the vicinity of any waters of the United States to prevent additional waters of the United States impacts and the spread of silt from the construction zone into adjacent waters of the United States.

14. The permittee shall discharge only clean fill materials suitable for the activities permitted herein.

15. Within 60 calendar days of completion of each phase of the authorized work in waters of the United States, the permittee shall submit to the Corps Regulatory Division a post-project implementation report providing the following information:

- a. As-built construction drawings with an overlay of waters of the United States that were impacted;

- b. Dated and labeled color photographs of waters of the United States that were permanently and temporarily impacted (including latitude and longitude coordinates); and
- c. A summary of all project activities which documents that authorized impacts to waters of the United States were not exceeded, and demonstrates compliance with all the terms and conditions of the permit.

16. All correspondence and submittals shall reference the Corps project name and File Number (SPL-2003-01264-AOA), conspicuously on any transmittal letter and/or the first page/paragraph of the text, and on any graphics or photographs. All plans and photographs shall be labeled and dated. Failure to provide this information may cause the Corps to determine that the submittals are incomplete, not submitted by the due date, or non-existent, and therefore, not compliant with permit conditions.

17. Annual mitigation maintenance and monitoring reports shall be submitted to the Corps in April of each year, after the annual maintenance and monitoring has been performed. All required mitigation maintenance and monitoring reports shall be required for a minimum of 5 years for each mitigation area or as required until all performance criteria have been met. All annual mitigation and monitoring reports shall include all the information stipulated in the Mitigation Plan as well as the site specific mitigation plan.

18. Within 45 calendar days of complete implementation for each mitigation site, the permittee shall submit to the Corps Regulatory Division two copies of a memo indicating the following:

- a. Date(s) all mitigation (grading, planting and irrigation infrastructure) was installed and monitoring was initiated;
- b. Schedule for future mitigation monitoring, implementation and reporting pursuant to the Corps-approved Mitigation Plan and site-specific mitigation;
- c. Color photographs taken at the mitigation site before and after grading, planting and placement of irrigation infrastructure; and
- d. One copy of "as built" drawings for the mitigation site (all sheets must be signed, dated, to-scale, and no larger than 11 x 17 inches).

19. This permit does not authorize you to take an endangered species, in particular least Bell's vireo (*Vireo bellii pusillus*), unarmored threespine stickleback (*Gasterosteus aculeatus* ssp. *williamsoni*), arroyo toad (*Bufo californicus*), southwestern willow flycatcher (*Empidonax traillii extimus*), California condor (*Gymnogyps californianus*), and coastal California gnatcatcher (*Polioptila californica californica*) or adversely modify designated critical habitat for any of the above endangered species. In order to legally take a listed species, you must have separate authorization under the Endangered Species Act (ESA). The enclosed U.S. Fish and Wildlife (USFWS) Biological Opinion (BO) No. 8-8-09-F-44 contains mandatory terms and conditions to implement the reasonable and prudent measures that are associated with incidental take that is also specified in the BO. Your authorization under this Corps permit is conditional upon the permittee's compliance with all of the mandatory terms and conditions associated with incidental take in the attached BO, which terms and conditions are incorporated by reference in this permit. Failure to comply with the terms and conditions associated with incidental take of the BO, where a take of the listed species occurs, would constitute non-compliance with this

permit. The USFWS is the appropriate authority to determine compliance with the terms and conditions of its BO, and with the ESA.

20. At the completion of construction for each phase of the project, education material, as approved by the Corps, regarding open space preservation, ESA and the Clean Water Act shall be developed to be distributed to all future homeowners. The permittee shall include in the Covenants, Codes, Restrictions and Easements for the development of the requirement that the homeowners association shall be responsible, in perpetuity, to ensure the information is available to all new homeowners. The above shall be completed prior to issuance of any occupancy.

21. The permittee shall comply with all the terms and conditions stipulated in the National Historic Preservation Act Section 106 Programmatic Agreement (PA) for the Newhall Ranch Resource Management and Development Plan dated 4 October 2010.

22. The permittee shall retain a qualified archaeologist to perform archaeological monitoring of the project site during earthmoving activities. The onsite archaeological monitoring activities shall be conducted by an archaeological monitor under the supervision of a person or persons meeting at a minimum the *Secretary of the Interior's Professional Qualifications Standards* (36 CFR Part 61). The archaeologist should be onsite during earthmoving activities on a full-time basis.

23. Pursuant to 36 C.F.R. § 800.13, in the event of any discoveries during construction of either human remains, archaeological deposits, or any other type of historic property, the permittee shall notify the Corps Archeology staff within 24 hours (Mr. Steve Dibble at 213-452-3849, Ms. Amy Holmes at 213-452-3855, or Mr. John Killeen at 213-452-3861). The permittee shall immediately suspend all work in any area(s) where potential cultural resources are discovered. The permittee shall not resume construction in the area surrounding, i.e., immediately adjacent to, the potential cultural resources, until the Corps re-authorizes project construction, per 36 C.F.R. § 800.13.

24. The permittee shall bear the expense of treatment of all historic properties set forth in the treatment plan and PA. Such costs shall include, but not be limited to, pre-field planning, field work, post-field analysis, research, and interim, summary, and final report preparation (including draft and final versions) and costs associated with the curation of project documentation and all collections made from the historic properties. The permittee shall provide (10) bound hard copies and one electronic (PDF) copy of all draft and final reports to the Corps.

25. The permittee shall limit the total number of grade control structures in Potrero Canyon to a maximum of 60. The average height of the grade control structures shall not exceed 4 feet, with a maximum allowable height of 5 feet. The grade control structures shall be located to minimize impacts to or avoid localized aquatic vegetation or habitats, stabilize existing headcuts, and be sited in conjunction with road crossings. The preferred grade control design shall be a 3-foot-high step pool structure and constructed using ungrouted boulders. Ungrouted boulder step pools are the preferred method of stabilization however, in some locations specific site conditions could require an alternative design to provide adequate grade control. To deviate from the above grade control design criteria, the permittee shall prepare a detailed hydrologic justification and alternative design proposal for review and approval by

the Corps as part of the required Construction Notification process in Special Condition 4. The permittee shall forward a copy of any Construction Notification that includes a deviation from the above grade control design criteria to the USEPA, Region 9 Wetlands Section (Attn: Chief, Wetlands Section).

26. All road crossings in Potrero Canyon shall be constructed using soft-bottom, clear span arch culverts. The culverts shall be designed to have natural channel substrate placed at the equilibrium slope. Grade control structures shall be located at the upstream and downstream boundaries of road crossings and the arches for all the road culverts shall be designed to allow wildlife passage along the creek corridor. To deviate from the above road crossing design criteria, the permittee shall prepare a detailed justification and alternative design proposal for review and approval by the Corps as part of the required Construction Notification process in Special Condition 4. The permittee shall forward a copy of any Construction Notification that includes a deviation from the above road crossing design criteria to the USEPA, Region 9 Wetlands Section (Attn: Chief, Wetlands Section).

27. To maintain existing functions and services in the preserved and compensatory mitigation areas shown in Figure 12 of the Final Newhall Ranch Project Description dated August 11, 2011 attached hereto, the permittee shall neither undertake any new drilling, mining, exploring and/or operating, storing in, and/or removing of oil, minerals, natural gas and other hydrocarbons through the surface or the upper 500 feet of the subsurface for such resources nor allow new or additional surface entry associated with the above activities. This special condition does not apply to maintenance and construction activities located in existing pipeline corridors, defined as a 25-foot-wide area on either side of an existing pipeline, entry and surface disturbance associated with remediation and well field closure or new pipelines that are directly drilled under the preserved and compensatory mitigation areas, where the entry and the exit points of the pipeline are located outside of the preserved and compensatory mitigation areas.

28. The permittee shall:

- a. Ensure that the existing oil and gas well sites (RSF076, RSF090, RSF093, RSF119, RSF122 and RSF139), specified on Exhibit 2 attached hereto, located in or adjacent to future Corps mitigation areas, are plugged and abandoned and surrounding areas remediated no later than October 15, 2028;
- b. Within 180 days after the effective date of this Permit, install suitable erosion control best management practices (BMPs) between oil wells (RSF076, RSF090, RSF093, RSF119, RSF122 and RSF139) specified in Exhibit 2 and the waters of the United States and maintain such BMPs in good working condition until the wells are abandoned and remediated as described in section (a) above.

29. The permittee shall record a Declaration of Restrictive Covenant for Floodplain Protection that prohibits any development within the restricted area that would increase the base flood elevation (as defined by the Federal Emergency Management Agency) above that existing at the time of recordation, whether within the restricted area or upstream or downstream of the restricted area. The Declaration of Restrictive Covenant for Floodplain Protection shall prohibit any development within the restricted area that would otherwise contribute to increased risk of downstream flooding, whether or not resulting from increased base flood elevation. For purposes of the Declaration of Restrictive covenant, the term

"development" shall be defined to mean any man-made change to improved or unimproved real estate, including but not limited to buildings, other structures, mining, dredging, filling, grading, paving, excavation or drilling operations, and storage of equipment or materials, but excluding the following: agricultural activities, including farming, ranching, orchards and vineyards; installation of pipelines or utility lines of any kind; water diversions; outfall structures; or any activities associated with habitat restoration and enhancement.

30. In circumstances where construction and/or maintenance activities that include discharges of fill material in waters of the United States within the project site are transferred by the Permittee to other entities (sale of the Property as a whole is governed by the Corps' standard transfer procedures) and the Permittee intends to transfer permit authorization and its associated obligations to the transferee specifically related to subsequent construction and/or maintenance of that portion of the project that is transferred to other entities, the Permittee and the intended transferee shall submit a joint written notice to the Corps of the transfer. Permit responsibilities for the subsequent construction and/or maintenance activities in waters of the United States shall be transferred to the other entity in accordance with the procedures of this condition.

- a. The notice shall indicate the precise total acreage, type, and location of permitted discharges of fill material into jurisdictional waters and the transferee's mitigation obligations, if any.
- b. The notice shall contain an acknowledgment signed by the transferee that it accepts and will comply with the applicable terms and conditions of the permit as it pertains to the subsequent construction and/or maintenance of the constructed drainage improvements located within the transferred land.
- c. Permit responsibilities shall be divided as follows:
 - i. The transferee shall be authorized to impact jurisdictional waters on the transferred land in accordance with the applicable terms, conditions, and special conditions of this permit;
 - ii. The transferee shall be responsible for complying with all the applicable terms and conditions of this permit as it pertains to the subsequent construction and/or maintenance of the constructed drainage improvements located within the transferred land. The Permittee shall remain solely responsible for implementing all other terms and conditions of this permit. The Permittee shall also remain solely responsible for implementing all terms, conditions, conservation measures and mitigation requirements included in the referenced Biological Opinion (No. 8-8-09-F-44).
 - iii. The Permittee and each transferee shall be solely responsible for its own actions under this permit. The Permittee shall not be liable for a violation of a term or condition of the permit by the transferee and vice versa.

31. Within 60 days following written Corps approval of the project-specific mitigation plan for each phase of the authorized project, the permittee shall provide to this office GIS data (polygons only) depicting the boundaries of all compensatory mitigation sites, as authorized in the project-specific mitigation plan referenced above. All GIS data and associated metadata shall be provided on a digital medium (CD or DVD) or via file transfer protocol (FTP), preferably using the Environmental Systems Research Institute (ESRI) shapefile format. GIS data for mitigation sites shall conform to the data dictionary, as specified in the current Map

and Drawing Standards for the Los Angeles District Regulatory Division, and shall include a text file of metadata, including datum, projection, and mapper contact information. Within 60 days following completion of compensatory mitigation construction activities, if any deviations have occurred from the approved project-specific mitigation plan, the permittee shall submit as-built GIS data (polygons only) accompanied by a narrative description listing and explaining each deviation.

Further Information:

1. Congressional Authorities. You have been authorized to undertake the activity described above pursuant to:

() Section 10 of the River and Harbor Act of 1899 (33 U.S.C. 403).

(X) Section 404 of the Clean Water Act (33 U.S.C. 1344).

() Section 103 of the Marine Protection, Research and Sanctuaries Act of 1972 (33 U.S.C. 1413).

2. Limits of this authorization.

a. This permit does not obviate the need to obtain other Federal, state, or local authorizations required by law.

b. This permit does not grant any property rights or exclusive privileges.

c. This permit does not authorize any injury to the property or rights of others.

d. This permit does not authorize interference with any existing or proposed Federal project.

3. Limits of Federal Liability. In issuing this permit, the Federal Government does not assume any liability for the following:

a. Damages to the permitted project or uses thereof as a result of other permitted or unpermitted activities or from natural causes.

b. Damages to the permitted project or uses thereof as a result of current or future activities undertaken by or on behalf of the United States in the public interest.

c. Damages to persons, property, or to other permitted or unpermitted activities or structures caused by the activity authorized by this permit.

d. Design or construction deficiencies associated with the permitted work.

e. Damage claims associated with any future modification, suspension, or revocation of this permit.

4. Reliance on Applicant's Data. The determination of this office that issuance of this permit is not contrary to the public interest was made in reliance on the information you provided.

5. **Reevaluation of Permit Decision.** This office may reevaluate its decision on this permit at any time the circumstances warrant. Circumstances that could require a reevaluation include, but are not limited to, the following:

- a. You fail to comply with the terms and conditions of this permit.
- b. The information provided by you in support of your permit application proves to have been false, incomplete, or inaccurate (See 4 above).
- c. Significant new information surfaces which this office did not consider in reaching the original public interest decision.

Such a reevaluation may result in a determination that it is appropriate to use the suspension, modification, and revocation procedures contained in 33 CFR 325.7 or enforcement procedures such as those contained in 33 CFR 326.4 and 326.5. The referenced enforcement procedures provide for the issuance of an administrative order requiring you to comply with the terms and conditions of your permit and for the initiation of legal action where appropriate. You will be required to pay for any corrective measure ordered by this office, and if you fail to comply with such directive, this office may in certain situations (such as those specified in 33 CFR 209.170) accomplish the corrective measures by contract or otherwise and bill you for the cost.

6. **Extensions.** General condition 1 establishes a time limit for the completion of the activity authorized by this permit. Unless there are circumstances requiring either a prompt completion of the authorized activity or a reevaluation of the public interest decision, the Corps will normally give you favorable consideration to a request for an extension of this time limit.

Your signature below, as permittee, indicates that you accept and agree to comply with the terms and conditions of this permit.

PERMITTEE

DATE

This permit becomes effective when the Federal official, designated to act for the Secretary of the Army, has signed below.

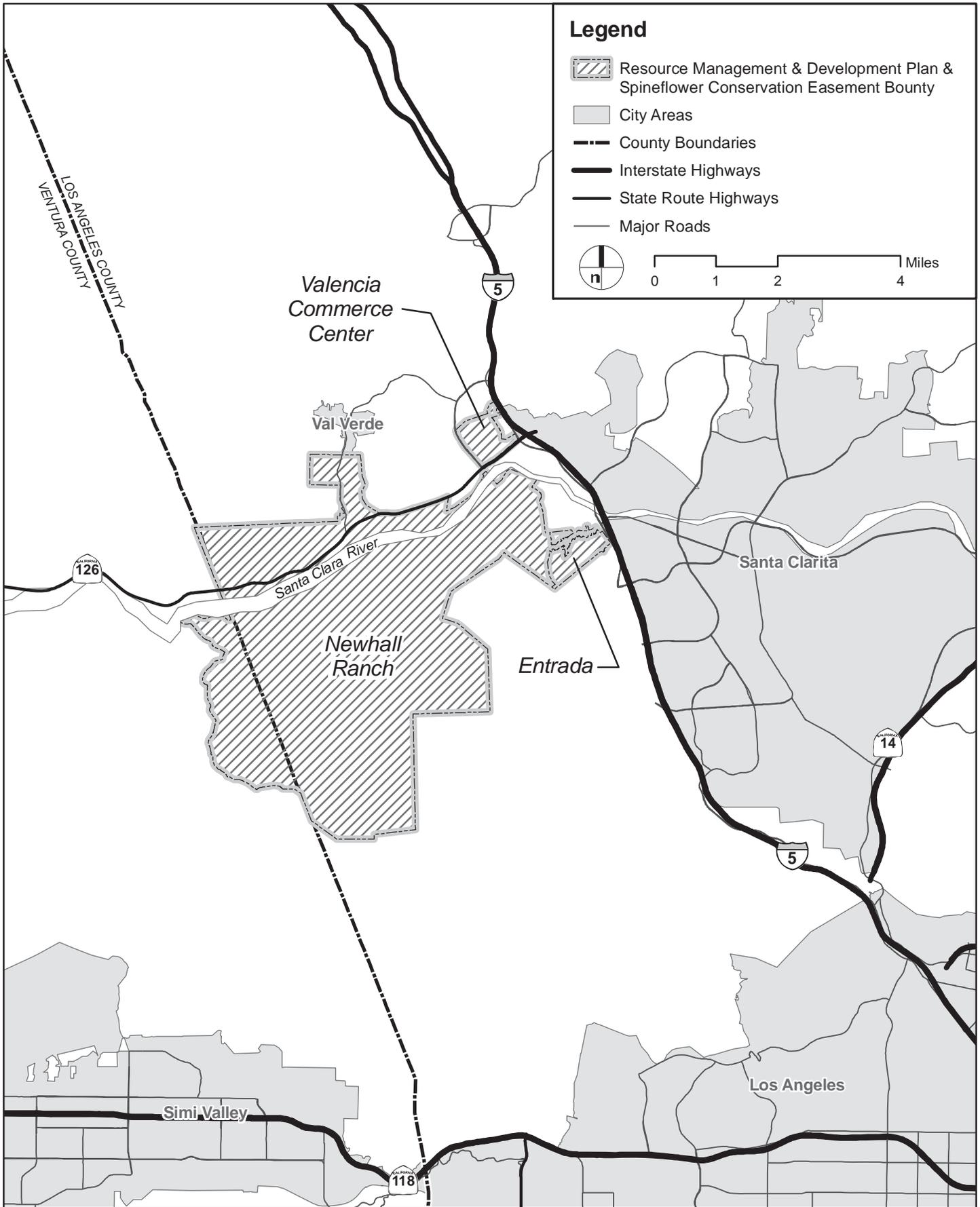
Colonel R. Mark Toy
District Engineer

DATE

When the structures or work authorized by this permit are still in existence at the time the property is transferred, the terms and conditions of this permit will continue to be binding on the new owner(s) of the property. To validate the transfer of this permit and the associated liabilities associated with compliance with its terms and conditions, have the transferee sign and date below.

TRANSFEREE

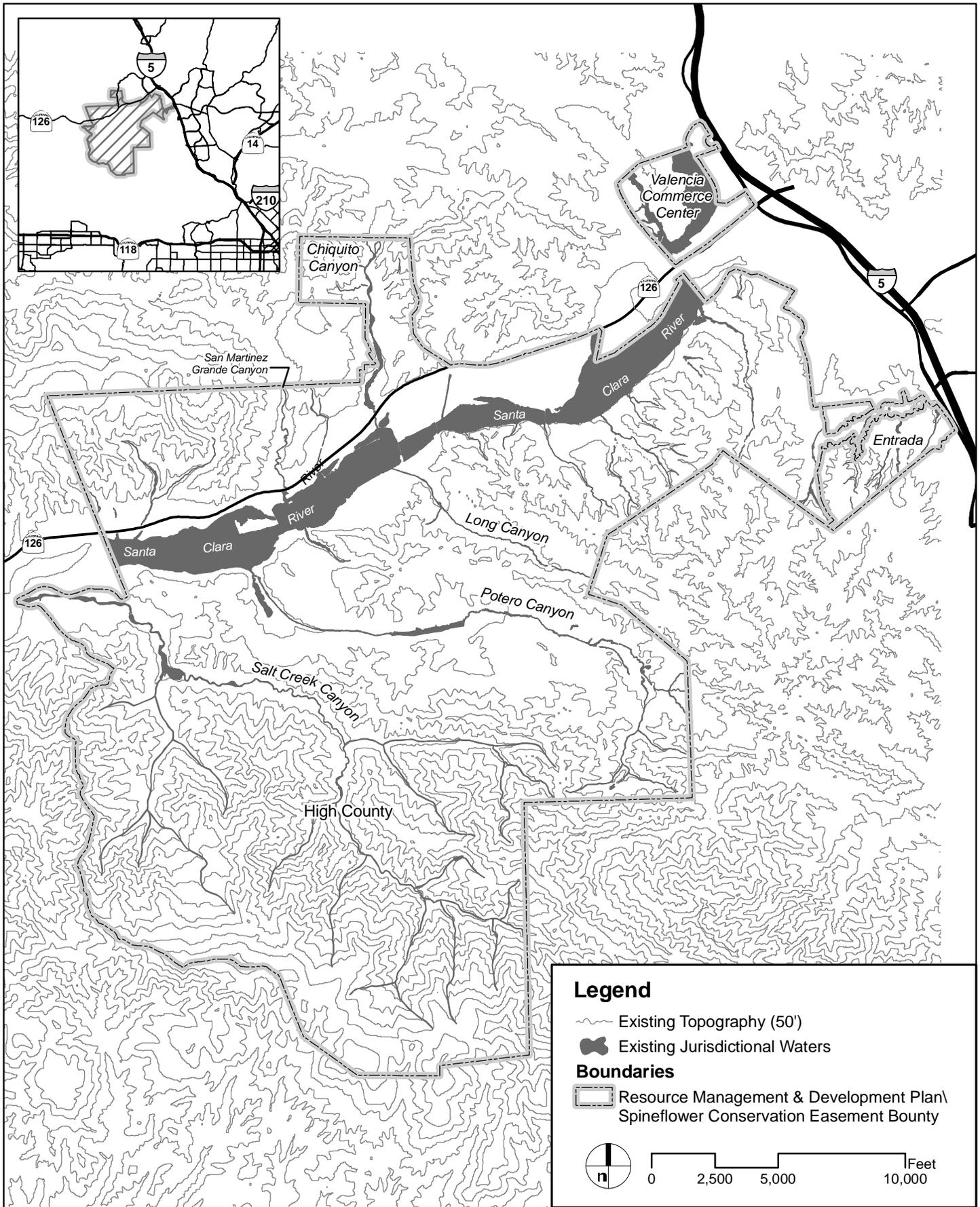
DATE



SOURCE: PACE 2009

FIGURE 1

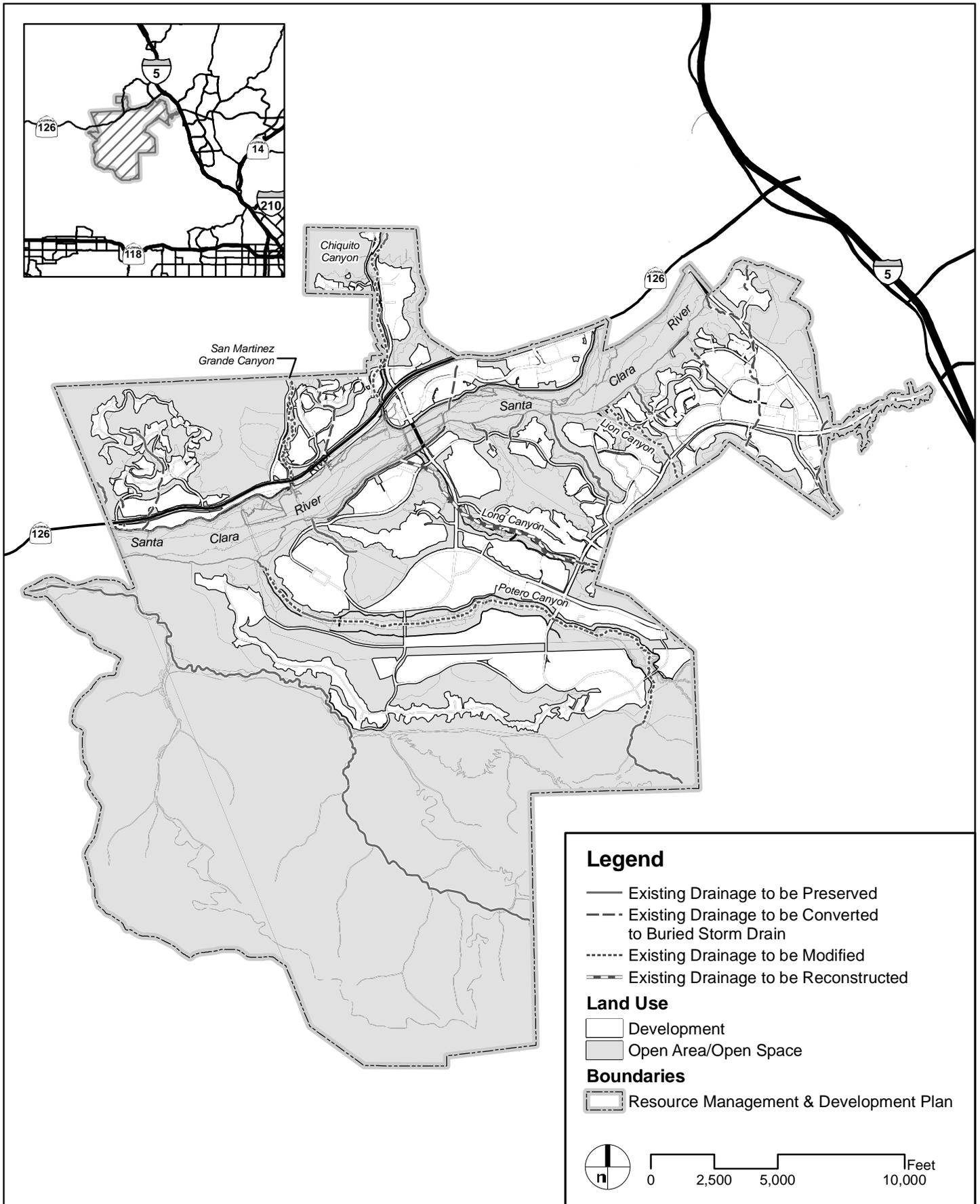
VICINITY MAP



SOURCE: PACE 2009

FIGURE 2

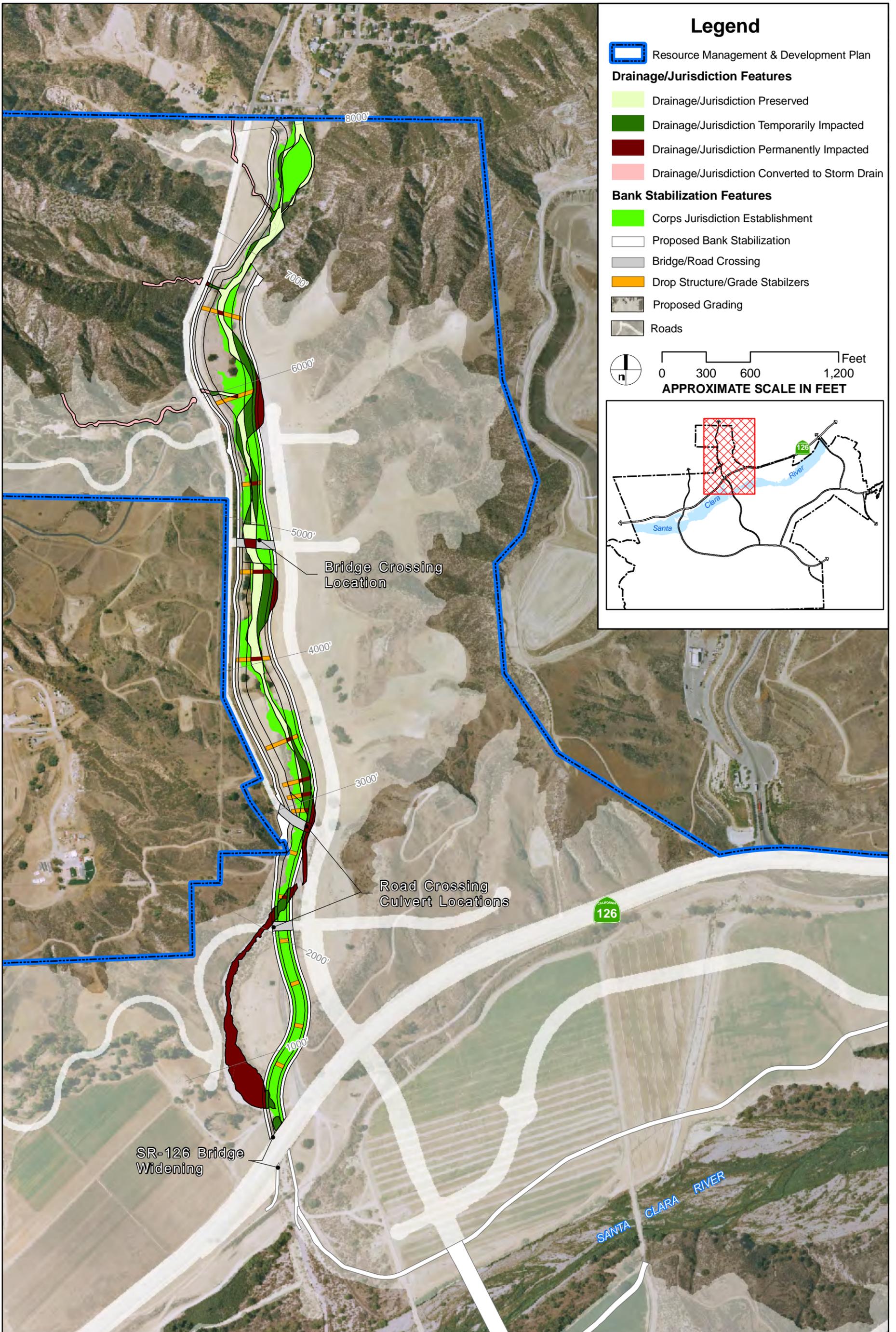
JURISDICTIONAL WATERS WITHIN THE RMDP SITE



SOURCE: PACE 2011

FIGURE 3

FINAL LEDPA LAND USE

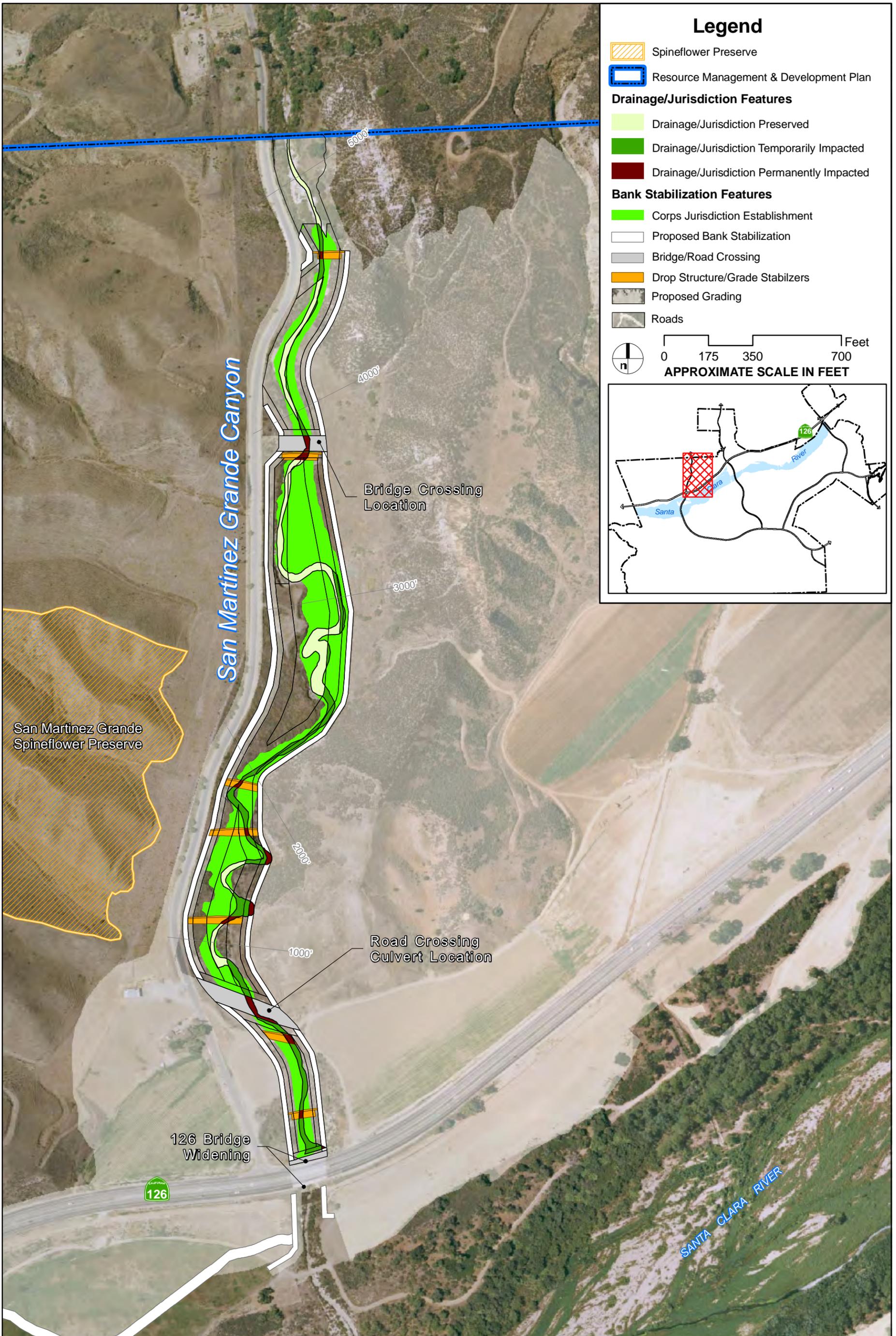


SOURCE: PACE 2010

Note: Location of drop structures/grade stabilizers are approximate.

FIGURE 4

CHIQUITO CANYON DETAIL - NEWHALL RANCH RMDP
 PROPOSED RMDP TRIBUTARY TREATMENTS



SOURCE: PACE 2010

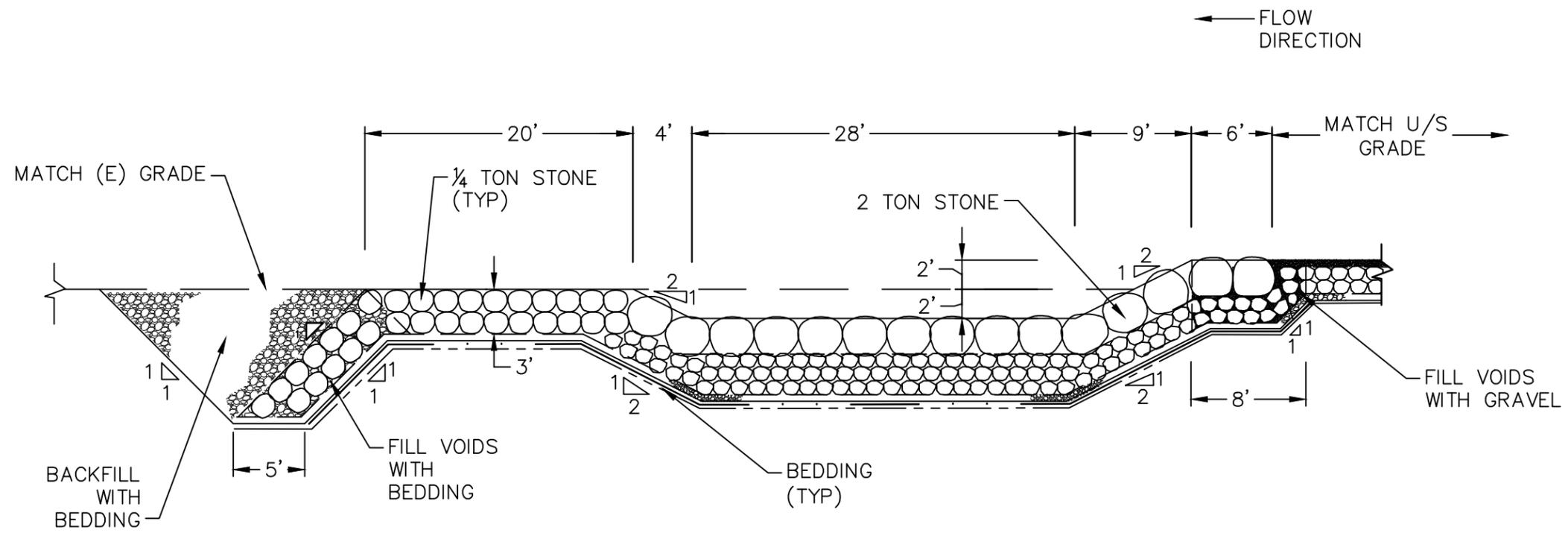
Note: Location of drop structures/grade stabilizers are approximate.

FIGURE 5

SAN MARTINEZ GRANDE CANYON DETAIL - NEWHALL RANCH RMDP
PROPOSED RMDP TRIBUTARY TREATMENTS



FIGURE 6
POTRERO CANYON DETAIL - NEWHALL RANCH RMDP
PROPOSED RMDP TRIBUTARY TREATMENTS



NOTES:

1. NOT TO SCALE
2. DIMENSIONS SHOW ARE FOR REFERENCE ONLY. STRUCTURE SIZE TO BE DETERMINED DURING DESIGN PHASE

FIGURE 7
POTRERO GRADE CONTROL STRUCTURE



Newhall Ranch - Potrero Canyon Conceptual Design
Typical Detail: Grade Stabilization Structure - Profile

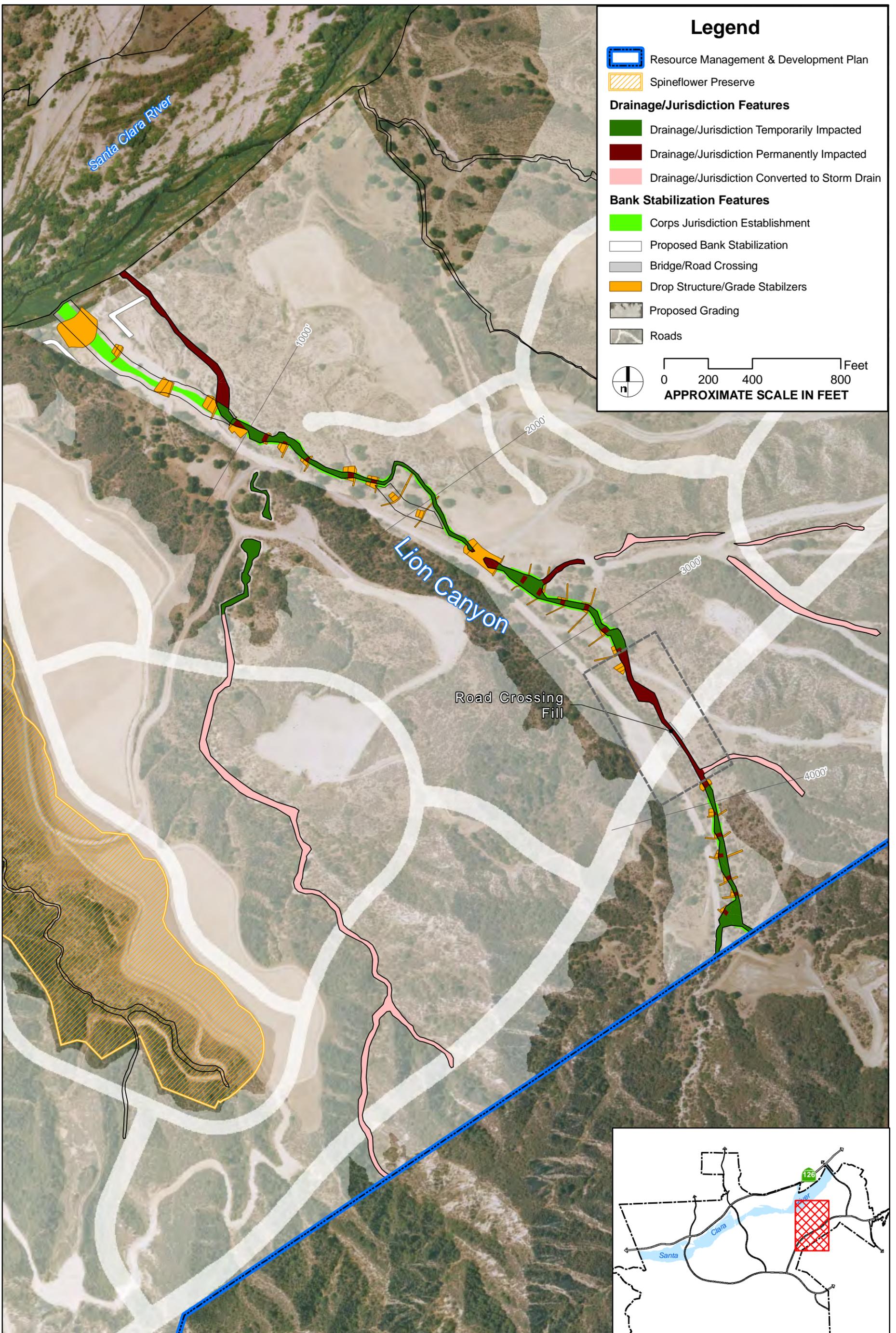


SOURCE: PACE 2010

Note: Location of drop structures/grade stabilizers are approximate.

FIGURE 8

LONG CANYON DETAIL - NEWHALL RANCH RMDP
PROPOSED RMDP TRIBUTARY TREATMENTS

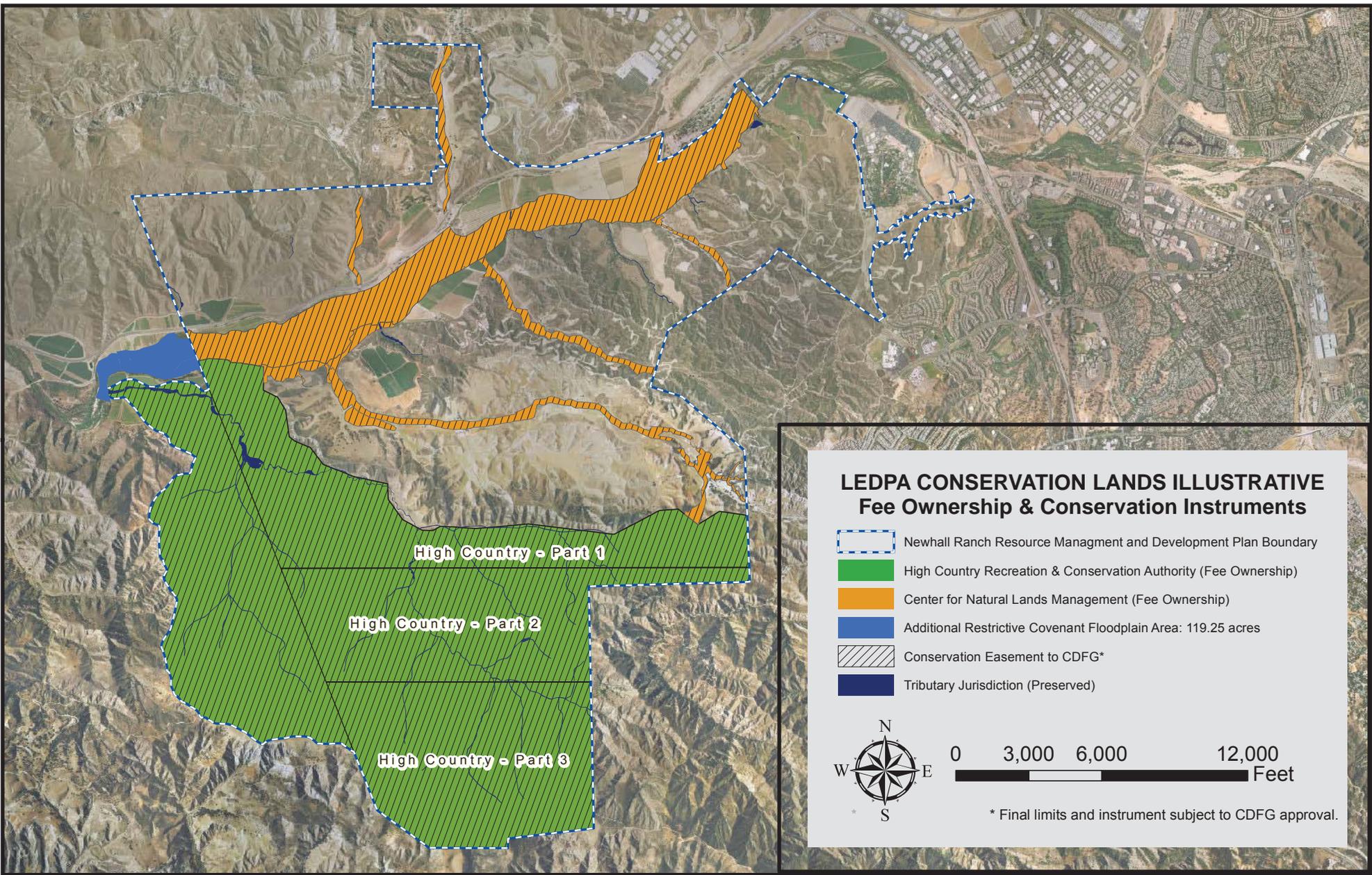


SOURCE: PACE 2010

Note: Location of drop structures/grade stabilizers are approximate.

FIGURE 9

LION CANYON DETAIL - NEWHALL RANCH RMDP
RMDP TRIBUTARY TREATMENTS



**EXHIBIT 1
CONSERVATION LANDS**

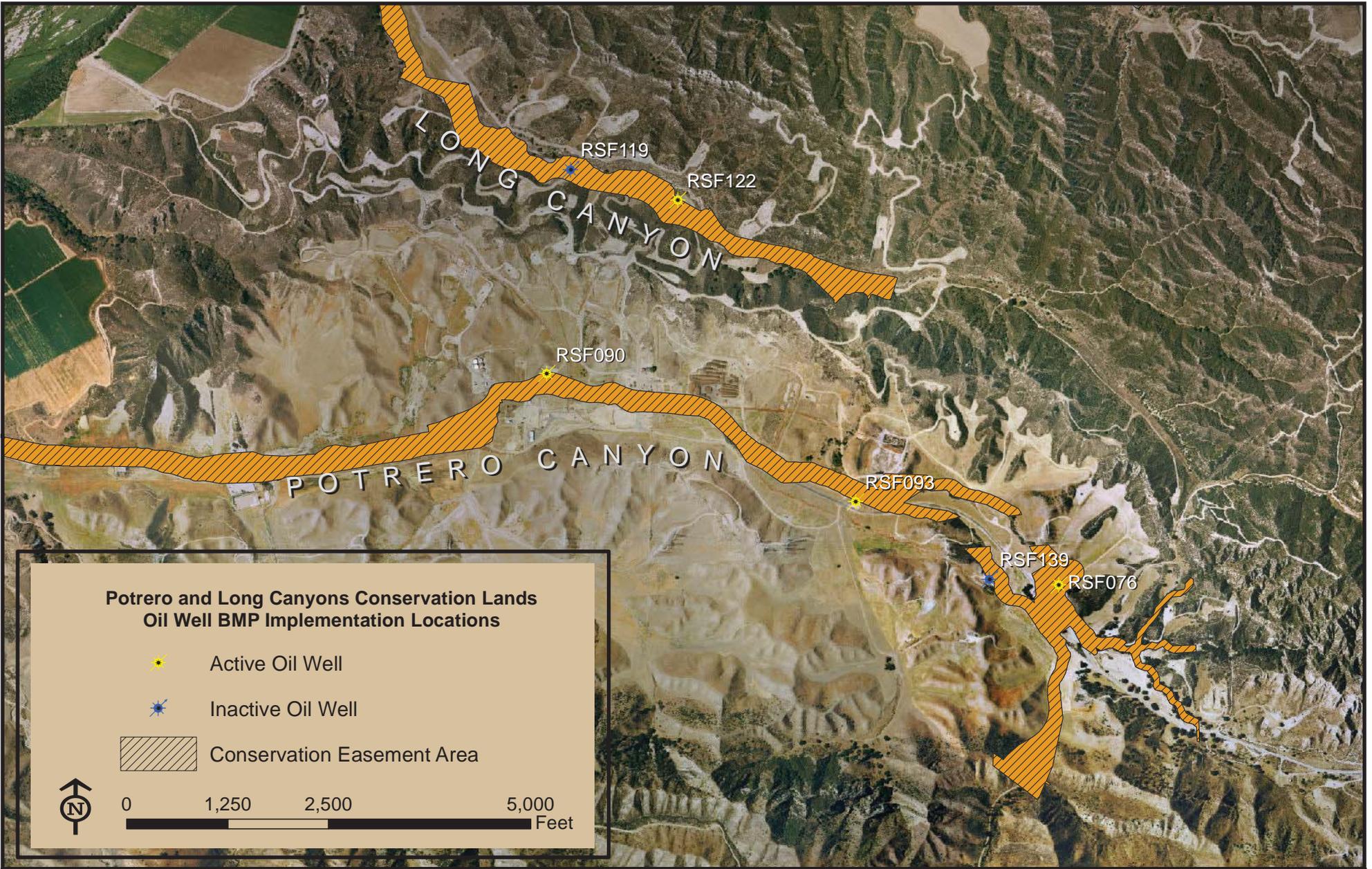


EXHIBIT 2
OIL WELL BMP LOCATIONS

Table 10: LEDPA Conservation Land Dedication/Recordation Schedule			
Open Space Area	Conservation Instrument	Fee Ownership	Schedule/Phase of Development
High Country SMA			
High Country (Part 1)	Conservation Easement to CDFG	High Country Recreation & Conservation Authority (JPA)	At Issuance of 2,000th Residential Building Permit
High Country (Part 2)	Conservation Easement to CDFG	High Country Recreation & Conservation Authority (JPA)	At Issuance of 6,000th Residential Building Permit
High Country (Part 3)	Conservation Easement to CDFG	High Country Recreation & Conservation Authority (JPA)	At Issuance of 11,000th Residential Building Permit
Salt Creek – Ventura County			
Salt Creek Watershed w/in Ventura County	Conservation Easement to CDFG	High Country Recreation & Conservation Authority (JPA)	Upon Approval of Potrero Canyon TTM
Santa Clara River			
Santa Clara River (LMV Phase 1)	Conservation Easement to CDFG	Center for Natural Lands Management (CNLM)	At completion of Landmark Village TTM Development - Castaic Creek Confluence Area
Santa Clara River (LMV Phase 2)	Conservation Easement to CDFG	Center for Natural Lands Management (CNLM)	At completion of Landmark Village TTM Development - Long Canyon Bridge Area
Santa Clara River (LMV Phase 3)	Conservation Easement to CDFG	Center for Natural Lands Management (CNLM)	At completion of Landmark Village TTM Development - Castaic Creek at SR126 Area
Santa Clara River (MV Phase 1)	Conservation Easement to CDFG	Center for Natural Lands Management (CNLM)	At completion of Mission Village TTM Development - SJ Flats to Lion Canyon
Santa Clara River (MV Phase 2)	Conservation Easement to CDFG	Center for Natural Lands Management (CNLM)	At completion of Mission Village TTM Development - Middle Canyon Spring Area
Santa Clara River (MV Phase 3)	Conservation Easement to CDFG	Center for Natural Lands Management (CNLM)	At completion of Mission Village TTM Development - Commerce Center Bridge Area

Table 10: LEDPA Conservation Land Dedication/Recordation Schedule			
Open Space Area	Conservation Instrument	Fee Ownership	Schedule/Phase of Development
(CONTINUED)			
Santa Clara River (UC Phase 1)	Conservation Easement to CDFG	Center for Natural Lands Management (CNLM)	At completion of Utility Corridor Construction between Chiquito and San Martinez Grande drainages
Santa Clara River (UC Phase 2)	Conservation Easement to CDFG	Center for Natural Lands Management (CNLM)	At completion of Utility Corridor Construction west of San Martinez Grande
Santa Clara River (WRP)	Conservation Easement to CDFG	Center for Natural Lands Management (CNLM)	At completion of Newhall Ranch Wastewater Reclamation Plant (WRP) construction
Santa Clara River (HS)	Conservation Easement to CDFG	Center for Natural Lands Management (CNLM)	At completion of Homestead Village South TTM Development
Santa Clara River (Pot)	Conservation Easement to CDFG	Center for Natural Lands Management (CNLM)	At completion of Potrero Village TTM Development
Tributary Drainages			
Mission Village Preserved & Lion Canyon Drainages	Conservation Easement to CDFG or Deed Restriction	Center for Natural Lands Management (CNLM)	At completion of Mission Village TTM Development
Homestead Village South Preserved and Long Canyon Drainages	Conservation Easement to CDFG or Deed Restriction	Center for Natural Lands Management (CNLM)	At completion of Homestead South Village TTM Development
Homestead Village North Preserved, Chiquito, San Martinez Grande Drainages	Conservation Easement to CDFG or Deed Restriction	Center for Natural Lands Management (CNLM)	At completion of Homestead North Village TTM Development
Potrero Canyon Drainage and CAM Mitigation Site	Conservation Easement to CDFG or Deed Restriction	Center for Natural Lands Management (CNLM)	At completion of Potrero Village TTM Development

Note: In addition, Newhall may not begin work in waters of the United States for any Pre-Construction Notification area, including the advance mitigation areas (the 19.3-acre wetland mitigation area in lower Potrero Canyon, the 15.9 acres of wetlands mitigation in the Santa Clara River at Mayo Crossing, and the 19.7 acres of habitat enhancement in portions of the upper Salt Creek watershed), until it has made an irrevocable offer of dedication to the Corps of a Deed Restriction or Conservation Easement within the Pre-Construction Notification area in a manner consistent with Master Streambed Alteration Agreement No. 1600-2004-0016-R5 and that permittee may not sell, transfer assign or otherwise divest itself of fee title for any real property within a future Conservation Area with first recording a deed restriction or conservation easement over the area.