

Recording Requested by  
and When Recorded Mail to:

Pardee Homes  
c/o Sandler and Rosen, LLP  
1801 Avenue of the Stars, Suite 510  
Los Angeles, CA 90067  
Attention: Craig C. Birker

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LICENSE AGREEMENT

THIS LICENSE AGREEMENT ("Agreement"), dated \_\_\_\_\_, 2007, is entered into by and between MOUNTAINS RECREATION AND CONSERVATION AUTHORITY, a joint exercise of powers authority established pursuant to Section 6500, et. seq. of the California Government Code ("Licensor"), and PARDEE HOMES, a California corporation ("Licensee").

RECITALS

A. Licensor is the owner of certain real property ("Premises") located in the County of Los Angeles, State of California, described on Exhibit "A" attached hereto and made a part hereof.

B. Applicable governmental authorities have approved that certain Violin Canyon Restoration and Monitoring Plan dated May, 2006 prepared by Land Design Consultants ("LDC") (the "Mitigation and Monitoring Plan") which provides for certain environmental mitigation and monitoring work to be performed on the Premises. Licensee is required to complete certain work described in the Mitigation and Monitoring Plan (as the same may be hereafter amended or supplemented) as a condition to obtaining governmental approvals for a real estate development project in the County of Los Angeles ("Licensee's Work"). Licensee requires a license from Licensor to perform Licensee's Work on the Premises. Notwithstanding anything herein, Licensor shall not be responsible for any mitigation or remediation, or the costs thereof, that may be required of Licensee by any governmental agency or authority.

NOW, THEREFORE, for valuable consideration, the parties agree as follows:

1. License to Enter the Premises. Licensor hereby grants

to Licensee, and its duly-authorized representatives, agents, employees, consultants or contractors, including LDC and LDC's agents and employees (collectively "Representatives") a non-exclusive license ("License") to enter and perform Licensee's Work upon the Premises effective as of the date of recordation hereof.

2. Term. Subject to the provisions for earlier termination set forth in Section 8 below, the term of this License shall commence as of the date of recordation hereof and shall continue until all of Licensee's Work is completed and accepted by all applicable governmental authorities.

3. Licensee's Work; Damage to Premises. Licensee shall perform Licensee's Work in accordance with the Mitigation and Monitoring Plan. Licensee shall be responsible for repairing any damage done to the Premises during such term by Licensee or any of its Representatives. Licensee agrees to pay all utility charges, if any, allocable to its use of the Premises.

4. Government Regulations and Other Obligations of Licensee. As a condition precedent to the License granted herein, Licensee shall obtain at its sole cost and expense all governmental permits and authorizations of whatever nature required ("Permits") by any and all governmental authorities having jurisdiction over the Premises for Licensee's use of the Premises. While on the Premises, Licensee and its Representatives on the Premises shall comply with all applicable governmental laws and regulations.

5. Liens. Licensee shall not cause or permit to be filed, recorded or enforced against the Premises, or any part thereof, any mechanics', materialmen's, contractors' or subcontractors' liens or any claim for damage or any action affecting the title to the Premises arising from any work performed by Licensee or its Representatives and Licensee shall pay or cause to be paid the full amount of all of such liens, claims and demands arising from or connected with Licensee's Work before any action is brought to enforce the same against the Premises. Licensee expressly agrees to defend, indemnify and hold Licensor free and harmless from any and all liability, losses, costs, actions, causes of action and expenses in connection with or resulting from any and all such liens, claims and demands, together with attorneys' fees and all costs and expenses connected therewith. Licensee shall have the right to defend any such claims with counsel reasonably acceptable to Licensor.

6. Indemnity. As a material part of the consideration for this License, Licensee hereby agrees to indemnify, defend and hold harmless Licensor, its representatives, agents, employees and contractors from and against any and all actions, losses, damages, injury, accident, fire or other casualty, liability, claim, cost

or expense (including, but not limited to, attorneys' fees) of any kind or character arising from or caused by (a) the use of the Premises by Licensee or its Representatives; (b) any act or omission of Licensee or any of its Representatives; and (c) any violation by Licensee or its Representatives of any law, ordinance or regulation now or hereafter enacted. Licensee shall have the right to defend any such claims with counsel reasonably acceptable to Licensor.

7. Insurance.

(a) Liability Coverage. Prior to and at all times after initially entering upon the Premises for any purpose, Licensee shall at its expense maintain with a reputable company or companies qualified to do business in California and acceptable to Licensor, a policy or policies of comprehensive general liability insurance with respect to the Premises and the operations of or on behalf of Licensee on or about the Premises in an amount not less than One Million Dollars (\$1,000,000.00) combined single limit for bodily injury, death and property damage liability per occurrence.

(b) Other Insurance. Licensee and its Representatives shall carry Workers' Compensation Insurance covering all of their respective employees as required by California law.

(c) Named. Licensee shall provide that the policies of liability insurance required by subparagraph (a) above shall be primary, shall name Licensor as additional insured and shall apply severally as to Licensor and Licensee, with the provision or endorsement that any other insurance carried by Licensor shall be excess and noncontributing. Said insurance may be effected through a blanket policy of insurance maintained by Licensee.

(d) Form and Procedures. Any policies or certificates of insurance required under the provisions of this Section must provide that not less than thirty (30) days' prior written notice be given to Licensor prior to cancellation or reduction of coverage of such policies, except for nonpayment of premium. Licensee shall deliver to Licensor a certificate issued by the insurance carrier of each policy of insurance required to be maintained by Licensee, stating the limits and other provisions required hereunder, prior to the recordation of this Agreement.

8. Termination and Remedies. If Licensee shall be in breach of any of its obligations under this Agreement and fails to cure such breach immediately after receipt of written notice from Licensor specifying the nature of any such breach (or if such breach cannot be cured immediately, Licensee commences such cure immediately and thereafter proceeds diligently to cure same), Licensor shall have the right to terminate this License upon written notice to Licensee. Licensee acknowledges that this

License is solely a license and that Licensee has no rights as an owner, purchaser or tenant by virtue thereof. Upon termination of this License under this Section, Licensee shall promptly vacate the Premises and shall execute and deliver to Licensor a quitclaim deed or other instrument reasonably required by Licensor to remove this Agreement from record title to the Premises. No termination or expiration of this License shall relieve Licensee of its obligations to perform those acts required to be performed either prior to or after its termination.

9. Inspection. Licensor and any authorized representative, employee, agent or independent contractor shall be entitled to enter and inspect the Premises or any portion thereof at any time and from time to time.

10. Assignability. This License shall not be assigned, whether voluntarily or by operation of law without the prior written consent of Licensor which shall not be unreasonably withheld, and Licensee shall not permit any use of the Premises, or any part thereof, except in compliance with the provisions hereof, and any attempt to do so shall be null and void.

11. Cost of Enforcement. In the event it is necessary for either party to employ an attorney or other person or commence an action to enforce or interpret any of the provisions of this License or for Licensor to remove Licensee from the Premises, the unsuccessful party agrees to pay to the prevailing party, in addition to such other relief as may be awarded by the court, agency or other authority before which such suit or proceeding is commenced, all costs of enforcement in connection therewith including, but not limited to, attorneys' fees, expenses and costs of investigation.

12. Notices. All notices, consents, approvals, requests, demands and other communications provided for herein shall be in writing and shall be deemed to have been duly given if and when personally served or forty-eight (48) hours after being deposited in the United States mail, duly certified or registered, return receipt requested, postage prepaid, to the intended party addressed as follows:

Licensor: Mountains Recreation and Conservation Authority

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\_\_\_\_\_  
\_\_\_\_\_

Licensee: Pardee Homes  
26650 The Old Road, Suite 110  
Valencia, CA 91381  
Attention: James Bizzelle

13. Miscellaneous. No supplement, modification or amendment of this Agreement shall be binding unless in writing and executed by the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions, whether or not similar, nor shall any waiver be a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver. This Agreement shall be construed and enforced in accordance with, and governed by, the laws of the State of California. The headings of this Agreement are for purposes of reference only and shall not limit or define the meaning of the provisions hereof.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

"LICENSOR"

MOUNTAINS RECREATION AND  
CONSERVATION AUTHORITY

BY: \_\_\_\_\_

ITS: \_\_\_\_\_

"LICENSEE"

PARDEE HOMES, a California  
corporation

BY: \_\_\_\_\_

ITS: \_\_\_\_\_