

## INDEMNIFICATION AGREEMENT

This agreement is entered into this \_\_\_\_\_ day of January, 2010, between the Merced County Local Agency Formation Commission (hereinafter referred to as the "LAFCO") and Delhi County Water District, (hereinafter referred to as "Applicant") for Delhi County Water District Sphere of Influence (SOI) Amendment, LAFCO File Number 1057G.

Whereas, the Delhi County Water District (Applicant) is the jurisdiction that adopted the resolution of application for this Sphere of Influence amendment; and

Whereas, the Applicant has initiated the Sphere of Influence (SOI) Amendment to add 802 acres to the existing Sphere of Influence in order to provide future public water and sewer services to the territory, the boundaries of which are included in LAFCO File No. 1057G (hereinafter referred to as "Project"); and

Whereas, the Applicant's proposal will require LAFCO to approve an amendment to the existing Sphere of Influence and make certain environmental determinations that may expose LAFCO to claims, lawsuits and the expenditure of funds in defense of such actions; and

Whereas, the Applicant is willing to defend, indemnify and hold LAFCO harmless for said actions.

NOW, THEREFORE, it is agreed by the parties as follows:

If LAFCO approves the Project based on the application submitted by the Applicant, Applicant shall indemnify, defend and hold harmless, LAFCO, its officers, employees, agents and assigns from and against any and all claims, demands, liability, judgments, awards, interest, attorney fees, costs and expenses of whatsoever kind or nature, at any time arising, in connection with any legal challenges or appeals associated with such approval. Applicant's liability for indemnity under this Agreement shall apply regardless of fault, to any acts or omissions, or negligent conduct, whether active or passive, on the part of Applicant, LAFCO, its officers, employees, agents or assigns associated with the application review and approval of the Project and Applicant shall at its expense defend any action, suit or proceeding arising hereunder and shall reimburse and pay LAFCO for loss, cost, damage or expense (including the cost of its attorneys) suffered by LAFCO hereunder.

In any litigation, arbitration or any other proceeding where LAFCO seeks to enforce the indemnification provisions set forth above, or seeks a declaration of rights and obligations pursuant to this provision, LAFCO shall be awarded reasonable attorney fees, together with any costs and expenses incurred to resolve the dispute and to enforce the provision, if LAFCO prevails.

The obligations of Applicant under this Agreement are specifically associated with and shall run with the Property and shall be binding upon any transferees, assigns and successors in interest of Applicant in the ownership of the Property.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date and year above written.

\_\_\_\_\_ (“APPLICANT”)

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

APPROVED AS TO LEGAL FORM:

\_\_\_\_\_ Attorney

By: \_\_\_\_\_

MERCED COUNTY LOCAL AGENCY FORMATION COMMISSION (“LAFCO”)

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

APPROVED AS TO LEGAL FORM:

LAFCO Counsel

By: \_\_\_\_\_