

EXHIBIT 2

ENCROACHMENT PERMIT

To _____

Permission is hereby granted to encroach upon the area of jurisdiction of Reclamation District No. 3 herein called District in the following manner:

This permit is granted upon the following conditions which, by acceptance of this permit, permittee agrees to observe and perform:

1. This permit shall be cancelled and void unless work contemplated hereunder is initiated within 90 days from the date hereof and diligently prosecuted to completion. The postal card attached hereto shall be mailed to the office of the District at least three (3) days prior to the commencement of the work above described.

2. The permittee shall indicate his acceptance of this permit, and the terms and conditions thereof, by executing the form of acceptance on one copy of this permit and returning it to the District office. The permit shall not become effective until accepted and signed by permittee.

3. Each and every recommendation and requirement set forth above as well as in the report from the District's Engineer regarding the encroachment above described, shall be fully complied with.

4. Permittee will hold and save District harmless of and from any liability which may be incurred through injury to person or damage to property arising out of or connected with the construction or installation of the encroachment above described, and from any such liability arising out of or connected with the maintenance and operation of such encroachment, except where maintenance thereof is herein accepted by District.

5. Permittee shall acquire no easement or property right in or to the property or right of way of the District by virtue of this permit and the District does not hereby relinquish any right or title therein.

6. Except as herein otherwise provided, all cost of maintenance, repair and replacement of the encroachment above described shall be borne by permittee. Permittee shall, whenever instructed by District to do so, repair, replace or relocate such encroachment in the manner prescribed by District whenever District shall determine that such repair, replacement or relocation is required in the interest of District. Any such repair, replacement or relocation ordered by District which shall not have been performed by permittee within thirty (30) days after written notice has been given by District of such required repair, replacement or relocation may be performed by District, at permittee's expense and permittee shall promptly reimburse District therefor.

7. District reserves the right to access to the portion of its easement and right of way for such maintenance, repairs or alterations of District facilities or of the facilities described above as may be required for reclamation purposes. District shall not be responsible for any damage done to surface improvements of permittee whether herein permitted or otherwise where necessary as part of the ordinary and necessary access to or exercise of its easement and right of way for reclamation purposes and need not replace any paving, black top or other improvement required to be removed in the process of such maintenance, repair or alteration. Permittee shall reimburse District for any increased cost of such access occasioned by the improvements of permittee described herein.

8. Permittee may make no alteration or improvement of any portion of District's easement and right of way not specifically herein permitted nor alter or remove any portion of the encroachment or improvement herein described without further permit from District.

9. This permit is revocable in whole or in part by District on thirty (30) days written notice to permittee when such revocation is determined by Board of Trustees to be necessary for District purposes.

10. Upon the failure of permittee to conform to any of the covenants and conditions herein specified this permit shall, at the option of District, cease and terminate and District may remove the encroachment or improvement above described together with any appurtenances thereto located within the easement and right of way of District and permittee shall promptly pay to District all costs and expenses incurred in such removal.

11. Permittee recognizes that District's activity is limited to maintaining the levee as it presently exists and drainage ditches and canals and permittee agrees to waive any claim for injury or damage or loss arising out of the failure of the District levee and expressly assumes the risk of such failure. Permittee further agrees to adopt means, as approved by the District Board, whereby any person occupying the facilities of permittee will agree to assume the risk of levee failure and to waive any and all claims against District as a result of such failure.

12. All work shall be in accordance with the submitted drawings and specifications except as modified by special permit conditions herein. No further work, other than that covered by this permit, shall be done in the area without the prior approval of Reclamation District No. 3.

13. The levee shall be maintained by the property owner as requested by the Trustees or Superintendent of Reclamation District No. 3.

14. Reclamation District No. 3 shall be notified prior to the start of construction so that inspection can be made by the District if deemed necessary.

15. No excavation shall be made or allowed to remain in the levee section during the flood season -- November 15 to April 15.

16. Any and all excavations made in the levee shall be properly backfilled and compacted.

17. The levee section shall be restored to at least the same condition that existed prior to commencement of work.

18. Density tests by a certified materials laboratory may be required to verify compaction of backfill.

19. All costs associated with inspection and certification as required shall be borne by the property owner.

20. (Miscellaneous requirements) _____

Dated _____, 19 _____

RECLAMATION DISTRICT No. 3

By _____

ACCEPTANCE

Permittee hereby accepts the above permit and agrees to comply with all of the requirements thereof.

Dated _____, 19 _____
