this 24 day of 26 the company, a corporation party of the first part, and the City of Redlands, a Municipal corporation of the sixth class, party of the second part,

witnesseth: In consideration of the performance on the part of said second party of the provisions of this contract hereinafter provided to be performed by it, said first party hereby grants to said second party the sole right and privilege to extract from the subsurface of all of Lots 1, 2, 3 and 4 of Block 14 of Map No. 2 of Redlands Heights, and all of Lots 1 and 2 of Block 41 of Map No. 8 of Redlands Heights, according to such maps of record in the office of the County Recorder of San Bernardino County, California, any and all water therein contained or that may in the future exist as against the said party of the first part, its successors or assigns, and to take from said Lots and use the same in any manner and in any place that second party may desire so to do, and said party of the first part, its successors and assigns shall henceforth have no right to take or extract any water or waters whatsoever from beneath the surface of any of said lots.

said first party further grants to said second party the right at all times during the existence of this agreement to enter upon any or all of said lots for

the purpose of developing any of said sub-surface water that may exist beneath the surface thereof in any manner that said second party may, from time to time, during the existence of this contract, deem advisable, and to erect, construct and maintain thereon any and all wells, pumping plants, machinery, appliances and equipment that said second party may deem necessary or desirable for the purpose of extracting such water, and to maintain the same, including the right to use and maintain the wells, pumps, pumping plants and machinery, appliances and equipment now situated thereon. together with all tools and appliances and other personal property now used by first party in connection with its pumping system; further, including the right of way to enter upon any or all of said lots for the purpose of ingress and egress therefrom in connection with the extraction of water therefrom, and the right to erect poles thereon for the purpose of mintaining telephone and electric wires thereon, provided, however, that said second party in the exercise of the right herein granted shall not unnecessarily damage any property or exersise its said rights in such a manner as to unnecesarily interfere with the use of the surface thereof by first party, it being understood that first party reserves to itself the right to use the surface of said lots for any and all purposes that will not interfare with the rights herein granted to second party.

It is further reserved to said first party, its successors and assgns, subject to the provisions herein-

after contained, the right perpetually to have and receive use of the water which will be produced or raised to the surface of said land by second party from the wells now located thereon or other wells or means that may be hereafter constructed by said second party, its successors and assigns, a quantity of water necessary to make up and completely furnish to said first party which in the aggregate (together with the water received by it from the Bear Valley Mutual Water Company) will amount to a continuous flow of 180 inches under a four inch (4*) pressure, subject to the provisions hereinafter contained, (the inch herein an hereinafter mentioned being one fiftieth of a cubic foot per second flow.) The water which first party is to receive from the Bear Valley Mutual Water Company under its present ownership of such vater or of stock in said company shall, for the purpose of this contract, be taken at a minimum of fifty-five one hundredths of an inch (55/100) per share. = 1/8121 per share.

The amount to be furnished first party by said second party, its successors or assigns during the months of any year beginning with the month of April and continuing for all the succeeding months of each year respectively, to and including the month of October and for and during each of the other months of each year, shall make up to the amount of 180 inches any deficiency in the supply of the West Redland Water Company which may occur whenever its available supply from the Bear Valley mutual Water Company is a quantity less than 180 inches (same

measurement) continual flow, provided that such or any deficiency to be made up by the City in no event to exceed 145 inchest measured as aforesaid between the period from April 1st to October 1st, of each year, and not exceeding 60 inches (so measured) between the period from October 1st and April 1st, next following of each year, provided, further that when the general irrigating season is extended beyond October 1st of any year by reason of a dry season, then the period for the furnishing of such larger quantity of water shall be extended to the end of such irrigating season.

The water that is to be delivered to said first party hereunder by said second party shall be delivered into the pipe line of first party at any point where the same passes through the land of said second party now held by it in Reservoir Canyon, of at the point where said water is now delivered into the pipe line of first party, upon first party's paying to said second party the sum of twenty cents per inch for each and every inch of water delivered to first party, to be measured as hereinafter provided; provided that when the water in any of the walls upon any of said lots shall, when water is being pumped therefrom, measure more than one hundred and twenty-five feet below the surface of such well, then the price to be paid for any water furnished first party. shall be thirty cents per inch during such time. Payment for all water furnished first party to be made upon demand of second party on presentation of a statement therefor,

such statement to be presented not oftener than once in thirty days. If any uncertainty shall arise as to the surface of any such well, then in that event the surface shall be deemed the surface of the water as at present maintained on the measuring weir of first party now located on Lot 1 and 2 in said Block 41.

First party shall give second party at least three days notice whenever it desires water furnished to it by second party hereunder and must specify the amount of water it is receiving from said Bear Valley Mutual Water Company. The quantity of water so delivered to first party by second party shall be measured by a self registering whir or meter which shall be installed and maintained at the expense of second party and be under its control but subject to reasonable inspection or test for accuracy by first party.

If said first party shall sell or in any manner dispose of any of its said water or water rights coming to it from said Bear Valley Eutual Water Company, or diminish the quantity of water to be furnished to it from said source, then such sale, disposal or diminuition shall not operate to increase the quantity of water said second party is required to furnish first party hereunder, and for the purpose of this instrument said first party shall be deemed to be at all times the owner of such water and entitled is the water represented thereby for the purpose of arriving at the quantity of water to be supplied by said second party hereunder.

and means to have furnished to it the full amount of water it is entitled to receive from said Bear Valley Mutual Water Company and to take whatever action or proceedings, legally or otherwise, that may be necessary to take to enforce its right to receive and have furnished to it said quantity of water, and shall keep its pipes lines or other conduits through which it receives such water in good condition and free from unnecessary leakage to the end that the quantity of water to be received by it from said other source may not be diminished by its failure to keep the means of conveying such water to it in good order and condition.

It is expressly understood and agreed, notwithstanding any other provision of this agreement, that second
party shall not be required to furnish or deliver said
quantity of water or any of it until the reasonable needs
and requirements of the stockholders of the first party
for irrigation purposes exhaust the supply received by
it from said Bear Valley Mutual Water Company.

It is expressly understood and agreed that all said water delivered to first party by said second party shall be used only upon the lands upon which the water now pumped from the wells of first party situated upon the property herein described has heretofore been or is now being used.

The quantity of water to be used by each stockholder of first party shall be confined (in so far as it affects the obligation of second party to furnish any water here-

under) to his proportionate share, based upon his respective (present or future) holdings of stock in said Company, and confined to lands upon which the water from said wells is now or has heretofore been used or upon other lands of such stockholders now owned by them.

whenever any stockholder of said first party sells or rents his stock so as to require delivery of water enuring to his stock for use on other lands than that included in the area above referred to, then for the period of such lease, or forever, if the stock is sold, the right to demand such pumped water shall not exist as to such stock and the quantity furnished to first party shall be proportionately diminished.

a period of ten days, after written notice served upon it by first party, to furnish or supply such water to first party (there being no default on the part of first party in payment for water heretofore furnished), then first party shall have the light at any time during such default on the part of second party after such ten days to cancel and rescind this agreement by serving a written notice on second party of such cancellation and resision, and upon such service being made all rights of second party hereunder shall de deemed cancelled and rescinded, and it shall, thereafter, have no right to enter upon said premises or to extract any water therefrom or to operate any of the wells or appliances in-

permanently affixed to the soil shall thereupon revert to and belong to first party, or said first party may, at its option, elect to take over temporarily the operation of the pumping plants established or constructed upon said property and operate the same and in that case no payment shall be made to second party so long as 1t continues in such default.

It is understood and agreed between the parties that said second party may furnish and supply to first party said quantity of water from any source of supply in the possession of said second party and that it shall not be required to furnish such water or any of it, or to operate or maintain the pumping plant or plants of second party, provided, however, that at the termination of this agreement either by resision, cancellation or otherwise, said second party shall surrender said lots to first party and turn back to it a pumping plant with appliances upon said property in as good condition as the plant and appliances that now exist thereon, having a capacity of producing one mundred (100) miners inches of water, constant flow.

Both parties hereto reserve the xight to cancel and resoind this contract during the month of November of any year upon giving thirty days previous notice in writing to the other.

West Redlands Water Company,

S. S. R.

City or Redlands, California,

President of the Board of Trustees of the City of Redlands, California

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City Clerk