

MENTONE ACRES
WELL PURCHASE AGREEMENT

1. PARTIES AND DATE. This agreement is made this 17th day of May, 1983, by and between the City of Redlands, a municipal corporation hereinafter called "City" and the Mentone Acres Mutual Well Company, a California corporation hereinafter called "Company."

2. RECITALS.

2.1 Company is willing to convey to City upon mutually advantageous terms and conditions, Company's existing and producing well, well site, and appurtenant water rights located within City on the south side of Pioneer Avenue between Wabash Avenue and Judson Street, denominated "Well No. 2" in Company records, and hereinafter called "the Mentone Acres Well."

2.2 City needs a reliable water source in this area to meet immediate summertime service requirements. The Mentone Acres Well is located in close proximity to existing City Transmission facilities, historically produces in excess of 1000 gallons per minute, and would be a sensible addition to City's water system for pressure regulation and other reasons. To drill and construct a similar well today in this general location would cost City at least three times as much as the purchase price agreed upon herein.

3. TERMS.

3.1 PURCHASE. City agrees to purchase the Mentone Acres Well as described in Exhibit "A" attached hereto and incorporated herein by this reference from Company for the sum of \$38,000.

3.2 SALE. Company agrees to convey to City, the Mentone Acres Well by grant deed and free from encumbrance upon payment of the purchase price in Section 3.1.

3.3 TITLE INSURANCE. The parties agree to cooperate to obtain a policy of title insurance at City cost showing Company's ability to so convey full and free title.

3.4 EMERGENCY IRRIGATION WATER. Should Company, because of drought or other unanticipated water shortage, find itself unable to receive deliveries of water for irrigation of shareholders' existing citrus groves from any other usable water source, including Company's Well No. 1 on Capri Avenue, City agrees to deliver into Company facilities at the Mentone Acres Well, any replacement irrigation water then available from the Mentone Acres Well. In order for Company to receive such emergency irrigation water, the Company shall construct the necessary pipeline and valves as described in Section 3.11.

3.5 PAYMENT FOR EMERGENCY IRRIGATION WATER. Company shall pay City monthly for any water so delivered at a rate as billed by City to compensate City fully for all costs incurred in such delivery.

3.6 RATE AND TEMPORARY DISCONTINUANCE OF DELIVERY OF EMERGENCY IRRIGATION WATER. The maximum delivery rate for such emergency irrigation water shall be 1,000 gpm. City shall have the right from time to time as necessary, to discontinue any such deliveries temporarily, for a period up to 72 hours, if City is experiencing its own water emergency and is then requiring its Parks Department and any other major irrigation water users also to discontinue use.

3.7 INTERCONNECTION FACILITIES. City agrees to install at City cost, the necessary pipeline connection at the Mentone Acres Well for use in delivery of any emergency irrigation water. The connection shall be constructed immediately after the completion of the construction by the Company, described in Section 3.11.

3.8 LIMITATION ON USERS OF EMERGENCY IRRIGATION WATER. Company hereby warrants to City that it will deliver any emergency irrigation water only to Company stockholders and only for use in irrigating such stockholders' citrus groves planted and producing on the date of this agreement. Company agrees to discontinue any emergency irrigation water deliveries to any stockholder if and when the stockholder changes the use of his property from citrus groves to any other use other than commercial agriculture.

A list of parcels with existing planted and producing citrus groves and owned by Company stockholders is

attached hereto as Exhibit "B" and incorporated herein by this reference. Company agrees that these parcels while in their current use shall be the only parcels to receive any emergency irrigation water delivered hereunder.

3.9 CONTINGENT ADDITIONAL USE. The parties understand that the sole source hereunder for emergency irrigation water to Company from City, is the Mentone Acres Well. If for health, regulatory, or other reasons, City decides not to make beneficial use of water produced from the Mentone Acres Well in City's municipal water system, and City so notifies Company, and if Company then elects to install its own pumping equipment and other facilities on the well in a manner satisfactory to City, Company may take an amount of water from the well in excess of and notwithstanding the limitations herein. The parties will agree at that time as to specific terms and conditions for and duration of such additional Company use.

3.10 TERM FOR EMERGENCY IRRIGATION WATER. As to the provisions of Sections 3.4 through 3.9, the term of this agreement shall be fifteen (15) years from the date in Section 1. This term may be extended by mutual consent of the parties.

3.11 ADDITIONAL COMPANY CONSTRUCTION. In order to assure City that Company retains a long-term and reliable alternative source of supply in addition to its Well No. 1, and in order to receive emergency irrigation water from the City, Company agrees to construct all pipelines and valving

at the existing Mentone Reservoir required by the Bear Valley Mutual Water Company and necessary for Company to receive irrigation water from such reservoir through facilities of the Bear Valley or Lugonia Mutual Water Companies.

3.12 ATTORNEY'S FEES. In the event either party commences litigation or arbitration to enforce this agreement or to obtain declaratory relief with respect to the terms of this agreement, the prevailing party shall be entitled to receive from the losing party, court costs and reasonable attorney's fees.

3.13 COVENANT OF FURTHER ASSURANCES. The parties agree to do all other things necessary to effect transfer of full title to and operating responsibilities for the Mentone Acres Well from Company to City on the terms and conditions set forth herein.

COMPANY

By: David V. Garcia
Vice President
all

ATTEST:

Hand [Signature]
Secretary-Treasurer

CITY

By: [Signature]
Mayor

ATTEST:

[Signature]
City Clerk

EXHIBIT "A"
TO
MENTONE ACRES WELL PURCHASE AGREEMENT

"The Mentone Acres Well" as described in this purchase agreement includes:

The existing well located on the south side of Pioneer Avenue between Wabash Avenue and Judson Street in the City of Redlands.

The existing well's casing.

The existing well site, more particularly described as the East 40 feet of the West 55 feet of the North 75 feet of the North 1/2 of the South 1/2 of the Southeast 1/4 of Section 13, T.1S., R.3W, SBB&M (Assessor's Parcel No. 168-091-01).

All water rights appurtenant thereto, including overlying, appropriative and prescriptive rights.

"The Mentone Acres Well" does not include the existing pumping equipment, motor, or electric panel.

EXHIBIT "B"
TO
MENTONE ACRES WELL PURCHASE AGREEMENT

Parcels entitled to emergency irrigation water
under limited conditions set forth herein:

	<u>County Assessor's Parcel Number</u>	<u>Approximate Acreage</u>
1.	168-161-04	9.0
2.	168-161-01	9.0
3.	168-171-07	8.0
4.	168-121-12	9.0
5.	168-131-01	9.0
6.	168-171-03	8.5
7.	168-171-02	10.0
8.	168-131-05	0.3
9.	168-091-05	10.0
10.	168-041-20	10.0
11.	168-041-05	3.6
12.	168-041-43	11.8
13.	168-041-36	1.7
14.	168-071-07	9.0
15.	168-091-02	40.0
16.	168-091-06	30.0
17.		
18.		
19.		
20.		