

AGREEMENT TO PROVIDE IRRIGATION WATER

This Agreement is made and entered into this 4 day of FEB., 1997 by and between the City of Redlands Municipal Corporation ("City") and Denis W. Kidd and Bessie F. Kidd, Trustees under the Will of Benjamin A. Kidd, deceased, and Bessie F. Kidd, an individual, (collectively "Kidd"), former shareholders of the Bryn Mawr Mutual Water Company ("Company") which is a mutual water company organized and existing under the laws of the State of California. Together, City and Kidd are sometimes referred to herein as the "Parties."

RECITALS

WHEREAS, the Company's shareholders made an offer to the City of Redlands to sell the City all of the shares of the Company owned by such shareholders; and

WHEREAS, City has since accepted the Company's shareholders' offer and now owns all of the outstanding shares of the Company; and

WHEREAS, as part of the consideration for the Company's shareholders' sale of the shares to the City, such shareholders requested an arrangement whereby City would continue to provide irrigation water to such shareholders under certain circumstances;

NOW, THEREFORE, in consideration of the mutual promises contained herein, and for such other good and valuable consideration, the receipt of which is hereby acknowledged, the City of Redlands and Denis W. Kidd and Bessie F. Kidd, as Trustees and as an individual, respectively, agree as follows:

AGREEMENT

1. On the terms and conditions stated herein, City commits to provide water service for irrigation purposes to all parcels of real property owned by Kidd which were receiving water service from the Company on or before January 1, 1997. Each parcel of such real property is referred to herein as a "Subject Property."

2. City is obligated under the terms of this Agreement to provide irrigation service to each Subject Property only for so long as the respective Subject Property is devoted; (1) to agricultural usage; (2) to greenbelt usage; (3) to a mixed agricultural and greenbelt usage; (4) to a mixed usage which involves personal residence of the Subject Property together with agricultural and/or greenbelt usage.

3. If and when a Subject Property is subdivided for residential purposes or is otherwise developed for a usage not related to agricultural or greenbelt purposes, City's obligation to provide water service to that Subject Property under this Agreement shall cease.

4. City's obligation to deliver water under this Agreement is limited to water produced from the wells of the Company existing as of January 1, 1997. City shall be under no obligation, but shall have the right if it so desires, to deliver water from any other water source. In addition, with the prior consent of City, Kidd shall have the right to convey water from Kidd's existing Bear Valley Extension connection through Company pipelines up to the capacity of the existing Company distribution system pipelines.

5. City's provision of water service to a Subject Property shall be billed to Kidd monthly, at a rate equivalent to City's actual costs for production and distribution of such water.

6. In the event any legal action is commenced to enforce or interpret the terms or conditions of this Agreement the prevailing party shall, in addition to any cost or other relief, be entitled to recover its reasonable attorney's fees.

7. This Agreement may be amended only by written instrument executed by the parties hereto.

8. This Agreement shall be binding upon and inure to the benefit of the successors in interest and assigns of the parties.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the dates set forth opposite their respective signatures hereto.

CITY OF REDLANDS


Swen Larson, Mayor

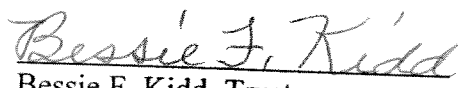
Executed this 4 day of Feb., 1997
at Redlands, California

ATTEST:

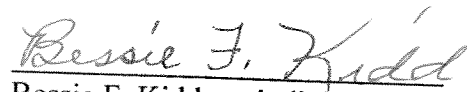

City Clerk


Denis W. Kidd, Trustee

Executed this 4 day of Feb., 1997
at Redlands, California


Bessie F. Kidd, Trustee

Executed this 4 day of Feb., 1997
at Redlands, California


Bessie F. Kidd, an individual